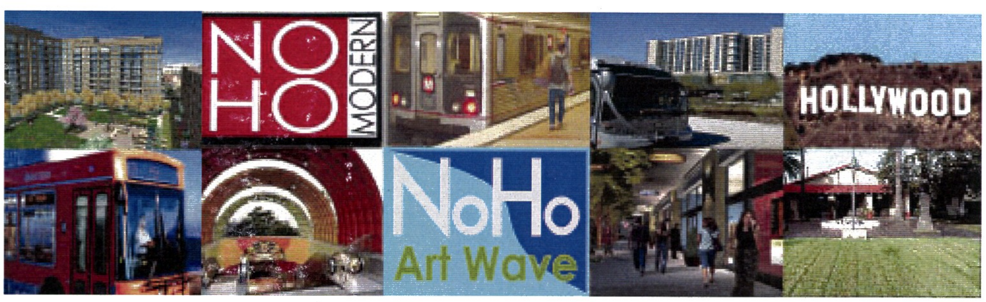
RESPONSE TO
REQUEST FOR PROPOSAL

Development of Metro-Owned Parcels in North Hollywood
North Hollywood, California

May 18, 2007

Prepared for:
Los Angeles County Metropolitan Transportation Authority
&
Community Redevelopment Agency of the City of Los Angeles



Prepared by:

LOWE ENTERPRISES
REAL ESTATE GROUP

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EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

"This project presents an opportunity for us to utilize our diverse development experience to create a dynamic urban environment that will compliment the rich diversity, history, and culture of NoHo and leave a lasting impact in our own backyard."

Thomas W. Wulf, Lowe Enterprises
Babak Ziai, Lowe Enterprises

1. EXECUTIVE SUMMARY

Lowe Enterprises Real Estate Group ("Lowe") is pleased to present this proposal to the Los Angeles County Metropolitan Transportation Authority ("Metro") and the Community Redevelopment Agency of the City of Los Angeles ("CRA/LA") for the joint development of the Metro-owned parcels ("Project Site") in the NoHo Arts District of North Hollywood.

It is our understanding that Metro and the CRA/LA are seeking a strategic development plan for the area defined as the Project Site, which consists of four separate parcels adjacent to the Metro Red Line and Orange Line North Hollywood Stations. Lowe presents the attached conceptual master plan, which will lead to the signature development of the Project Site with over 1.7 million square feet of development. Through this single master plan defined over multiple phases, Lowe proposes to deliver a new integrated development for the 15.6-acre site entitled the "NoHo Art Wave". The overall plan, as proposed, will deliver approximately 190,000 square feet of retail, entertainment and community uses, 1,000,000 square feet of office and 560 residential units (approximately 515,000 square feet) to the NoHo Arts District. Implementing the development in multiple phases will allow for the highest probability for success of the NoHo Art Wave.

Economically the $687 million development will provide Metro with ground lease payments on a 20-year net present value basis exceeding $57.8 million. Minimum Base Rent per year has been established at 9.25% of net land value or $10,822,500. The NoHo Art Wave will additionally create in excess of a projected $1 million annually in additional tax and license fee revenue as well as 2,873 new permanent jobs.

Lowe Enterprises, based here in Los Angeles has assembled a team uniquely suited to develop this project in partnership with Metro and CRA/LA. Principals of Lowe Enterprises, AC Martin Partners ("AC Martin") and Latham and Watkins have extensive experience in similar Los Angeles development projects and in working with cities and private ventures to achieve development plans that meet their community goals. Furthermore, the Lowe team has worked together on other successful development projects.

Lowe Enterprises is an award winning, nationally recognized real estate firm with experience developing commercial, residential and hospitality properties (www.LoweEnterprises.com). Our name is associated with several well-known California landmarks including the famous Hotel del Coronado in Coronado, the Marineland property in Rancho Palos Verdes, and the Transamerica Building in San Francisco. Lowe is widely acclaimed for product diversity unparalleled in the industry. Over the last two years alone the company has financed and completed over $2 billion in real estate development projects. Lowe will be the Master Developer for the Project Site.

"It is important to us that we operate our business under high ethical standards treating people in a fair and consistent manner, really thinking about the long term investments that make a positive contribution to the communities in which we operate."

Robert J. Lowe
Chairman & Chief Executive Officer
Lowe Enterprises

Hotel Del Coronado
Coronado, CA

Northrop Grumman
Colorado Springs Campus
Colorado Springs, CO

A. The Lowe Team

City Vista
Washington, DC

The Lowe Team is distinguished by: (1) our proven development record on government projects, (2) our successful team member/consultant history on past projects of similar size and technical complexity, (3) our expertise in the financing of sophisticated facilities that involve public-private agreements, and (4) our locally based team of dedicated and dependable associates. Collectively, The Lowe Team possesses exceptional qualifications to design, entitle, construct, and operate, a comprehensive, master planned development in North Hollywood. Furthermore, our development will be a model of sustainable LEED certified design that will exceed Metro and CRA/LA objectives and become a high standard of quality development for the North Hollywood Project Area.

As Master Developer, Lowe Enterprises has assembled a dynamic team uniquely qualified to partner with Metro and CRA/LA on the joint development of the Project Site. The Lowe Team is a collaboration of like minded professionals who have chosen to work with each other in this endeavor because of a shared vision that this team will produce a new and dynamic environment in North Hollywood.

Principal team members include the following:

Verizon Wireless
Irvine, CA

AC Martin Partners will be a sub-consultant firm to Lowe Enterprises. Celebrating 100 years in the business, also based here in Los Angeles, AC Martin has successfully bridged the gap between the private and public sector needs in a manner that achieves the objectives of both. The architects and designers at AC Martin have built a portfolio of quality urban planning and design projects that have won the affinity of their neighbors while contributing to the commercial success of their developers and their communities. AC Martin will lead the architectural design and engineering aspects of the project.

Latham and Watkins will be a sub-consultant firm to Lowe Enterprises. At the forefront of land use, project development and finance, Latham & Watkins has been counsel to some of the world's largest and most complex projects.

A complete summary and resumes of team members is included in Section 2, Organizational Profile.

B. Key Team Attributes

Howard Hughes Center
Los Angeles, CA

Key attributes of The Lowe Team are highlighted below:

<u>Proven Development and Financing Record</u>

- Lowe Enterprises has a proven record as a financially strong and responsible developer in public/private joint ventures. Over its 35-year history as a privately-owned, vertically-integrated real estate development, management, and investment company, Lowe Enterprises has developed, acquired, or managed more than $8.5 billion of real estate assets.

- Lowe's development portfolio includes over 12 million square feet of completed commercial projects with another 5.3 million square feet totaling almost $2 billion in the pipeline.

Chandler Commons
Chandler, AZ

Significant Team Local Experience

- Lowe has been operating in the Southern California market for over 35 years. Lowe is currently developing Terranea, a master planned mixed-use hotel and luxury resort in Rancho Palos Verdes and has a portfolio of Los Angeles assets that includes the BOMA (Building Owners and Managers Association) award-winning Grand Avenue Courtyard in El Segundo, Encino Financial Center, and the 6th and Alameda Wholesale Distribution Center in Downtown.
- Members of the Lowe Team are active in many significant Los Angeles developments. We understand the entitlement process and can pursue optimum value for the development activities.
- The primary Lowe Team members are local, Los Angeles firms with significant local, regional and national experience in architecture, engineering, land use, sustainability, commercial brokerage and construction.

Extensive Team Government Experience

- Lowe has completed public/private ventures, build-to-suits and leases with a variety of Government entities including the University of California, San Diego, District of Columbia, Brea Olinda School District, City of Azusa, and GSA.
- AC Martin has completed master plans and designed major government facilities for the City and County of Los Angeles, the Los Angeles Police Department and Cal State University in Los Angeles.

Fluor Daniel
Aliso Viejo, CA

Commitment to Design Excellence

- The Lowe Team is committed to achieving design excellence in the execution of the mixed use development while meeting the following goals:
  - Creation of a master plan which will continue the NoHo Arts District revitalization
  - Enhancement of transit-oriented location with increased density of uses, while,
  - Maintaining sensitivity to surrounding existing uses and working to integrate those into the master plan.

Sustainable and Energy Efficient Design Credentials

- The Lowe Team includes Brightworks, an energy and sustainability consultant, which specializes in energy modeling, including financial incentives, Title 24 and LEED achievement and documentation.
- The Lowe Team has committed a significant effort to sustainable and energy efficient design and has included a goal of not only meeting the LEED certification requirement mandated by Metro, but possibly exceeding those levels for new construction.
- The Lowe Team includes LEED Accredited Professionals in development, construction, design, engineering, consulting and contracting.

GSA Bureau of Public Debt
Parkersburg, WV

Award Winning Team Record

- The combined experience of The Lowe Team spans thousands of acres of land development, millions of square feet of office, retail and commercial construction and over 3,500 new housing units.
- Lowe Enterprises was selected as the 2002 NAIOP (National Association of Industrial and Office Properties) National Developer of the Year and is the recipient of many local, regional and national awards including several BOMA Buildings of the Year.
- The Lowe Team has strong pre-existing relationships and a history of success with many past projects completed as was indicated in the prior Request for Qualifications submittal.

Sony Music
Santa Monica, CA

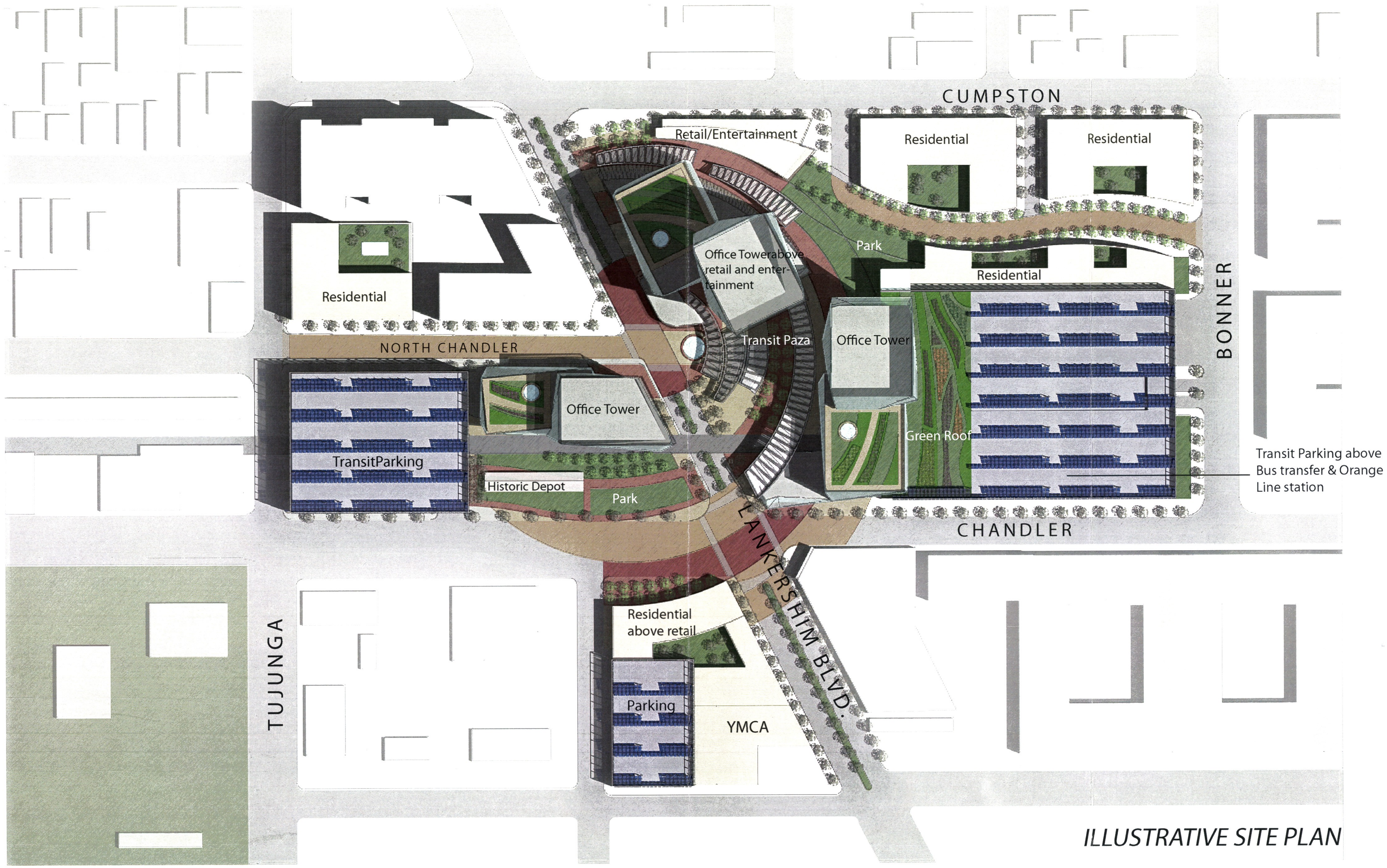
C. Development Plan

Lowe's vision for the NoHo Art Wave is to create a master plan for the development of the entire project area and then develop this plan in distinct phases. Lowe recommends this market-based phased approach to create a vibrant, integrated, mixed-use office, retail and residential environment while balancing the significant time and capital it will take to achieve the goal. Lowe also desires for the CRA/LA to retain its current momentum in the NoHo Arts District in North Hollywood. The CRA/LA, in projects such as NoHo Commons, has made significant progress in its redevelopment. By creating a strategic plan with phased components, we intend to seize upon this momentum and continue the development of an integrated transit-oriented development in North Hollywood.

Metro's primary objectives for the joint development of the Project Site are to 1) create a transit-oriented development that a) enhances and increases transit ridership; b) provides transportation-related services and conveniences; c) enhances the transfer connection between rail passengers to bus and other transportation services; and d) is pedestrian-oriented; 2) sponsor a project that generates economic development benefits such as quality jobs and fiscal revenues to the local area and the City of Los Angeles; 3) create a project that responds to the social and design context of the local community; and 4) achieve transit, land use, economic development and urban planning goals while providing at a minimum a financial return equal to the current and future fair market value of the offering.

The CRA/LA's objective is to foster a development that 1) includes a mix of uses that will continue the revitalization of the North Hollywood Redevelopment Project Area, in general, and the NoHo Arts District in particular; 2) strengthens the identity of the NoHo Arts District as a destination area and cultural attraction; 3) achieves the highest level of quality in terms of urban and architectural design; 4) generates economic development benefits such as job opportunities and fiscal revenues to the local area and the City of Los Angeles; and 5) promotes development that conforms to the North Hollywood Urban Design Guidelines.

Univision
Los Angeles, CA



ILLUSTRATIVE SITE PLAN

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

ac martin partners, inc
PLANNING
ARCHITECTURE
ENGINEERING

The proposed mix of densities and uses totaling 1.72 million square feet were determined by The Lowe Team based upon extensive market and development experience, and represents, in our estimation, the best opportunity to complete the strategic development plan as outlined by Metro. The plan has been studied with respect to the financial, office, retail and housing markets. The compilation of this vision leads to the development of the strategic plan and proposed phases, the culmination of which will result in a comprehensive, master planned transit-oriented development with medium-density housing, re-energized retail, an office campus and an enhanced entertainment district for the NoHo Arts District.

It is important to emphasize that the development plan presented by The Lowe Team establishes our recommendation of the balanced and optimal mix of uses while maintaining Metro's vision for the property. However, in terms of maximum value, current market conditions dictate the highest and best use for the property to favor residential development over commercial uses. Should Metro and CRA/LA favor an increase in residential uses above the presented Lowe program, The Lowe Team is prepared to further investigate alternative options.

D. Ground Lease Economics

In summary, The Lowe Team is presenting a comprehensive ground lease transaction structure highly responsive to metro's request which provides Metro with the following components of revenue:

- A $541,125 Option Rent payment per year from the date of approval of the Exclusive Negotiation Agreement until the execution of the Joint Development Agreement and Ground Lease.
- A $1,082,250 Entitlement Rent payment per year from the date of the execution of the Joint Development Agreement and Ground Lease until entitlement approvals.
- A $2,164,500 Holding Rent payment per year from the date of entitlement approvals and the earlier of the minimum dates or the completion of construction for each phase.
- A $10,822,500 Minimum Base Rent payment per year from the earlier of the minimum dates or the completion of construction for each phase.
- Additionally, The Lowe Team will share the "upside" with Metro and have proposed both Percentage Rent and Profit Participation upon achieving specified performance hurdles for the proposed development.
- Overall the present value of total ground rent over a 20 year period at a 9.25% discount rate exceeds $57.8 million.

E. Financing Commitments & Strategy

The development of the NoHo Art Wave master plan will be funded with an equity commitment from the **Lowe Urban Infill Fund**, an expected $1 billion investment fund which focuses exclusively on large-scale, urban infill development and investment. Additional funding for the development will be secured through traditional debt/construction financing mechanisms. Additionally, Lowe will work closely with Metro to further investigate other, or alternative public financing options in order to maximize the economic return and ground rent payable to Metro.

F. Economic Benefits

Additionally, in making the NoHo Art Wave a reality, The Lowe Team will create substantial economic benefits to the City of Los Angeles from the execution of a $687 million development program. Included within the response is a report from Economics Research Associates, which projects the total economic impact of the development. The NoHo Art Wave will create an annualized average of 519 construction jobs over its 78-month construction period and 2,873 permanent new positions.

Additionally once the project has reached stabilized operations; it will generate $1.7 million in annual tax increment (TIF) revenues dedicated for the Agency's Housing Set-Aside Fund, and $6.9 million annually in unrestricted TIF revenues. The unrestricted TIF revenues would support debt service on a bond of $62-to-$69 million (rough estimate).

The project is also projected to generate $254,800 in annual sales tax revenues from the on-site retail and restaurant businesses and $535,800 in annual business license fees. Finally, the project's construction activity, the ongoing operations of businesses located in the project and the consumer spending activities of project residents will produce positive indirect impacts within the greater economy of the City of Los Angeles. ERA projects that these indirect impacts will generate sales tax revenues averaging $59,300 per year over the 78 months of construction, and by stabilized operations, indirect sales tax revenues will total $196,900 per year.

G. Community & Public Spaces

Finally, The Lowe Team has initiated a series of significant discussions with stakeholders in the local community. Lowe takes a "hands-on" approach to development and has begun the process in NoHo. The development of the NoHo Art Wave includes a proposed new East Valley YMCA to serve the community as well as public spaces to support the NoHo Arts and Theater Business Collaborative. We believe these efforts wil continue to support the positive growth of the NoHo Arts District. In addition, the public outdoor spaces include gathering places, pocket parks, and outdoor entertainment. These are all vital to a successful and well received development program.

The Lowe Team is focused on partnering with Metro and the CRA/LA to develop the Metro-owned parcels while achieving and exceeding the objectives of both parties, meeting market demand needs and generating the highest residual value for the property.

Lowe was founded in Los Angeles, maintains our national office here, and our team members make this their home. The team is committed to making our collective home a better place in which to live, to work, to shop and to play. The Lowe Team looks forward to working together to realize and implement our vision for the NoHo Art Wave.

ORGANIZATIONAL
PROFILE

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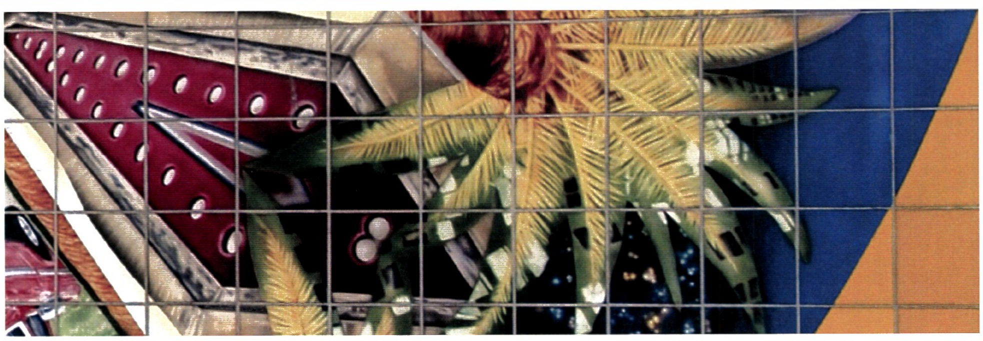
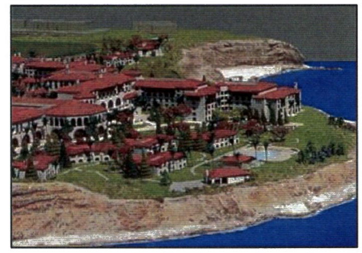
ORGANIZATIONAL PROFILE



2. ORGANIZATIONAL PROFILE



Terranea
Palos Verdes, CA

A. The Lowe Team

As Master Developer, Lowe has assembled a dynamic team uniquely qualified to partner with the Metro on the development of the Metro-owned parcels. The Lowe Team has extensive experience with similar development projects and in working with government agencies to achieve their goals and objectives. Included in this section are company profiles and key personnel bios of development team members for Lowe Enterprises, AC Martin Partners and Latham and Watkins and economics research associates and Brightworks. Principal team members for this submission include the following:

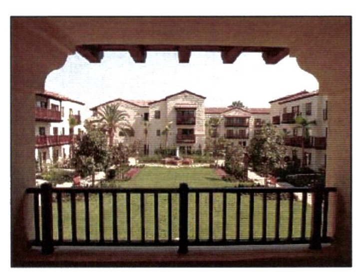
Team Member	Primary role
Lowe Enterprises	Master Developer/Commercial
AC Martin Partners, Inc.	Master Architect/Commercial
Togawa Smith Martin Residential, Inc.	Residential Architect
Mia Lehrer and Associates	Landscape Architect
Latham and Watkins, LLP	Land Use Attorney
Economics Research Associates	Financial Advisory
Brightworks	Sustainability Advisor
Swinerton Builders	General Contractor

Ocean Ridge
San Diego, CA

B. Company Profile

Lowe Enterprises, Inc. is a diversified, vertically integrated, national real estate organization active in commercial, hospitality and residential property investment, management and development. Founded in 1972 by Chairman and CEO Robert J. Lowe, the firm has an executive staff of 250 and a total employment of over 8,000. Lowe is headquartered here in Los Angeles and maintains regional offices in Irvine, Sacramento, San Francisco, Portland, Phoenix, Denver, and Washington, D.C. Lowe is privately owned by a group of forty three (43) employee shareholders.

The Mission of Lowe Enterprises is to serve our clients and investors by generating maximum value from real property assets, to provide our customers with the highest level of services, to provide our associates with rewarding career opportunities and to contribute to the communities in which we operate. We believe the best way to fulfill this Mission is to have congruent interests with our clients and investors, and to maintain direct responsibility for each property and for the services provided to our customers. Accordingly, Lowe applies its proven capabilities to the acquisition, financing, development, management, marketing and disposition of real property.



Estancia Hotel and Spa
La Jolla, CA

The firm operates through three wholly owned divisions:

- Lowe Enterprises Real Estate Group directs the investment, development and property management of the firm's commercial, mixed use and residential projects throughout the U.S.; including the development of more than $1 billion of commercial project underway.

- Lowe Enterprises Investors directs the Company's capital and investment activities, including more than $3 billion in real estate assets for a list of investment clients that include public pension funds, insurance companies, international institutions and high net worth investors and;
- Lowe Hospitality Group is responsible for its hotel and resort investment, development and management activities. Its hospitality management subsidiary, Destination Hotels and Resorts, was recently ranked the fifth largest independent hotel management company in the U.S. by a leading hospitality industry publication. Its development subsidiary, Lowe Destination Development, currently has $2 billion of resort and planned community projects underway.

Owings Mill
Baltimore, MD

Since its inception, Lowe has been responsible for developing and managing over $8 billion in assets nationwide. The firm's executives are experienced in a wide array of property types. Their backgrounds include investment, management, development, finance, law, property management, marketing, planning, and construction. Virtually all of its senior executives have extensive hands-on experience working at the property level. Lowe's organizational philosophy is to combine highly experienced executives with diverse disciplines into management teams tailored to the special needs of its clients and projects. This matrix of property type expertise and professional training has enabled the firm to outperform the market in several real estate cycles.

The Exchange
Hawthorne, CA

The depth and breadth our team's collective experience with public/private ventures, corporate campus build-to-suits, government build-to-suits and the local City of Los Angeles entitlement processes, makes us uniquely qualified to serve as Master Developer. Three of our most recent public / private partnerships include The Estancia La Jolla Conference Center and Hotel with the University of San Diego, and the award winning Brea Place, Brea, CA, a mixed-use partnership with the Brea-Olinda School District, and the City Vista mixed-use development with the District of Columbia.

Our project teams are experienced in coordinating with numerous community and stakeholder groups. These include financing, environmental remediation, historical building sensitivity, hazardous material demolition and coordination with various stakeholders (Army Corp of Engineers, California Coastal Commission, and Department of Toxic Substance Control, and EPA). Special interest groups are just some of the complex issues managed by our team on these and other projects.

601 New Jersey
Washington, D.C.

Collaborative Approach

Our approach is quite simple, select the most qualified associates to manage the project, support them with senior, highly experienced executives, provide them with the most cost effective capital tailored for this project, and empower them to make decisions. Our project team is compensated on performance, which includes annual goals tied to the business plan and profit participation.

Types of Products Developed

Lowe's product type diversity is unequaled in the real estate industry. This diversity has allowed the company to prosper during all phases of the real estate cycle. Lowe has developed master planned communities, office, R&D, industrial, retail, hotel, golf, resort, residential and mixed-use properties throughout the United States.

Specialty Labs
Valencia, CA

Land Development

Lowe has been involved in thousands of acres of master planned communities over its thirty five (35) year history with approximately eleven thousand (11,000) acres with a combined value in excess of $750 million in seven projects currently under development.

Vertical Development

Lowe has over $2.2 billion of completed development projects with approximately $2.5 billion of commercial and hotel/resort and planned community properties currently under development.

Number of Years in Business

Thirty-five (35) years.

Geographical Range of Activities

Major markets in the United States of America.

Arboretum Courtyard
Santa Monica, CA

Ownership Structure

Private company owned by forty three (43) employee shareholders.

Size of Firm

Executive staff of two hundred fifty (250) and a total employment of over seven thousand five hundred (7,500).

Volume of Business

Lowe has 9.5 million square feet of commercial properties and over 8,000 hotel rooms currently under management totaling in excess of $3 billion. Lowe also has 7 million square feet of commercial properties, 1,700 hotel rooms and 11,000 acres of master planned communities currently under development valued in excess of $1 billion. Additionally, Lowe has five discretionary investment funds that will acquire close to $1 Billion in income producing properties in 2007.

Distinguishing Achievements

Lowe has been selected for a number of awards and achievements over its thirty five (35) years and was the National Association of Industrial and Office Properties (NAIOP) Developer of the Year in 2002.

The Reserve
Indian Wells, CA

Corporate Headquarters

Los Angeles, California.

Regional and project offices

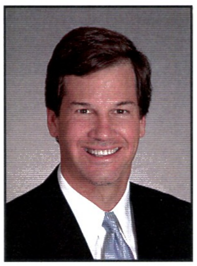
San Diego, Irvine, Denver, San Francisco, Portland, Sacramento, Washington D.C., Phoenix.

"The difference between a great project and a mediocre one is in the meshing of the thousands of details in a unified fashion. It takes the spirit of the passionate intellect to tie them together; to interweave the kit of parts and personalities towards a successful completion"

The Lowe Team

C. Lowe Enterprises Executive Bios

DEVELOPMENT



RICHARD G. NEWMAN

President, Western United States

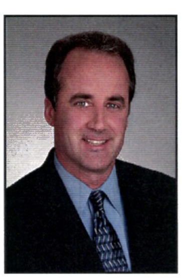
Richard G. Newman, Jr., President of the Western U.S. is responsible for all commercial property acquisitions, development and asset management and operations. He is a member of the National Association of Industrial and Office Properties and Chair of its Los Angeles Community Enhancement Committee, an executive member of the Los Angeles Commercial Real Estate Association and a member of the Urban Land Institute. Education: Stanford University, BS; Massachusetts Institute of Technology, MS

THOMAS W. WULF

Senior Vice President

Shareholder and Senior Vice President responsible for commercial property acquisitions and development management in Southern California. Recently Mr. Wulf completed the Exchange, a 1.8 million square foot mixed-use development in Hawthorne, California. Mr. Wulf also directed the development of the 210,000sf, three building office campus at Calabasas Commerce Center and the 140,000sf, Santa Monica located, Arboretum Courtyard. He is a member of Urban Land Institute, the International Council of Shopping Centers, and currently serves on the Executive Board of Directors of the USC Architectural Guild. Education: University of Southern California, B Arch; University of Southern California, MRED.

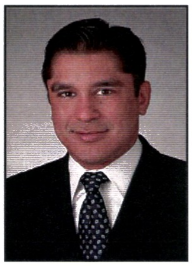
Mr. Wulf will be the primary development manager responsible for the North Hollywood Development.



MILES HUBER

Senior Vice President

Senior Vice President of Lowe Enterprises Real Estate Group, responsible for Multi-Family development and operations for the Western Region. From 2003 to 2006, Mr. Huber was Vice President of Infill Development for Pulte Homes responsible for all for sale multifamily infill developments in Southern California. From 1997 to 2003, Mr. Huber was Vice President for Archstone Smith acquiring and developing large luxury apartment communities in the Bay Area. From 1990 to 1997 he worked as Project Director for Catellus Development in Los Angeles working on Union Station entitlements and the MTA and MWD office towers and transportation oriented development projects. Education: University of Wisconsin, BS in Urban Geography; MS in Real Estate.



J. ALBERTO LEMUS

SENIOR VICE PRESIDENT

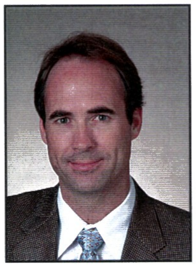
Senior Vice President for Lowe Enterprises Real Estate Group responsible for expanding Lowe's mixed use development and redevelopment in urban markets. Previously, he was co-founder and Senior Vice President of Telscape Communications, a Hispanic communications firm. Mr. Lemus continues to serve as a board member and advisor to the firm. Education: University of California, Los Angeles BA; Stanford Graduate School of Business, MBA.

BABAK ZIAI

ASSISTANT VICE PRESIDENT

Mr. Ziai is responsible for supporting the acquisition and development of commercial and residential mixed-use properties in Southern California. Mr. Ziai was previously an Associate in LEREG and facilitated over $200 million in commercial property acquisitions in the Western United States. Mr. Ziai is a member of the International Council of Shopping Centers and the National Association of Industrial and Office Properties where he is active in its Young Professionals Group. Education: University of California, Los Angeles, BA; University of Southern California, MRED

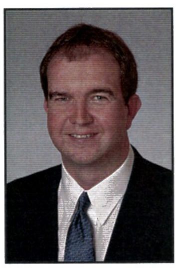
FINANCE



MICHAEL H. LOWE

EXECUTIVE VICE PRESIDENT AND CHIEF INVESTMENT OFFICER

Responsible for coordinating the firms' national investment activities including investments made by the firm on its own account, as well as for its investment clients and partners. His responsibilities include developing investment strategies, structuring both individual investments and investment programs and identifying new capital partners. He is an active member of the Urban Land Institute and the Los Angeles Commercial Realty Association. Education: Stanford University, BA; Stanford University Graduate School of Business, MBA

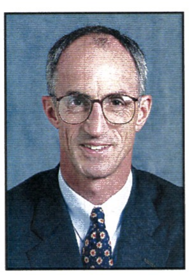


CHRISTOPHER M. HARAHAN

SENIOR VICE PRESIDENT

Christopher M. Harahan, Senior Vice President of Lowe Enterprises responsible for the placement and completion of the company's project-level debt financing activities, and management of lender relationships. Previously, Mr. Harahan was a Vice President with Sonnenblick-Eichner Company. He is a licensed California salesperson and a member of the Urban Land Institute, the International Council of Shopping Centers and the Mortgage Bankers Association.

Education: University of Southern California, BS, MRED; Pepperdine University, MBA



PETER O'KEEFFE

SENIOR VICE PRESIDENT

Senior Vice President of Corporate Finance of Lowe Enterprises responsible for arranging debt capital for investment and development projects as well as overseeing Lowe's treasury function, corporate financing and banking relationships. Previously, Mr. O'Keeffe was Vice President of Citicorp in New York. Mr. O'Keeffe is a member of the board of the American Red Cross of Greater Los Angeles.

Education: Bucknell University, BA; Boston University, MBA

CONSTRUCTION

GORDON HOWE

SENIOR VICE PRESIDENT

Senior Vice President of Lowe Enterprises responsible for physical and environmental due diligence activities for all commercial and hospitality property acquisitions. Mr. Howe has extensive experience in new and renovated construction projects, having worked for a construction management company as well as several prominent general contractors. He has been involved with the management and construction of projects totaling over $250 million. He is a licensed California general contractor. Education: California Polytechnic State University, BS.

DAVID SONDEREGGER

SENIOR VICE PRESIDENT

David Sonderegger has been involved in over 3.5 million square feet of construction projects, including the 1.4 million square foot Howard Hughes Center in Los Angeles, The Exchange, a 1.8 million square foot mixed-use development in Hawthorne and the 200,000 square foot Specialty Labs Headquarters in Valencia CA . His more recent activities include the recently completed 75,000 square foot Ocean Ridge office building in San Diego, The Vista at Rancho Bernardo, a planned three-building 270,000 square foot office project in San Diego and renovation of a 315,000 square foot office building in Portland. David has been a key member of the development and construction team for over 8 years and has helped champion the successful construction of many high profile development projects. Education: California State University, Long Beach, BS

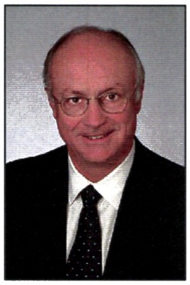
OPERATIONS

LYNDA S. COOK

SENIOR VICE PRESIDENT

Shareholder of Lowe Enterprises and Senior Vice President of Lowe Enterprises Real Estate Group oversees the operations of all commercial properties in the Western U.S. Previously, Ms. Cook was an asset manager for a residential investment company. She is Past- President of the Orange County Chapter of the Institute of Real Estate Management and a member of Building Owners and Managers Association, National Association of Industrial and Office Properties, and the International Council of Shopping Centers. Ms. Cook is a Certified Property Manager. Education: University of California at Irvine, BA; MBA

SENIOR LEADERSHIP



ROBERT LOWE

FOUNDER, DIRECTOR, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Mr. Lowe is Chairman of the Board of Trustees of the Los Angeles Metropolitan YMCA; Chairman of the Board of Directors the Real Estate Roundtable; Trustee of Claremont McKenna College and past Chairman of the Board; Chairman and Co-Founder of the Lowe Institute of Political Economy of Claremont McKenna College; and Director of the Los Angeles Area Chamber of Commerce. Mr. Lowe is past Chairman of the New Los Angles Marketing Partnership; past member of the California Economy Strategy Panel; and pat Director and member of the Executive Committee of the Economic Development Corporation of Los Angeles County. Mr. Lowe's honors include City of Hope "Spirit of Life" Award, 2000; National Entrepreneur of the Year for Real Estate and Construction, 1997; and Los Angeles Mayor's "City of Angeles" Award, 1996. Education: Claremont McKenna College, BA cum laude; Stanford University MBA.

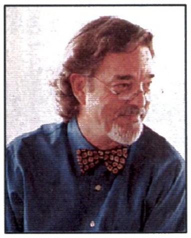
ROBERT WEEKLEY

PRESIDENT

Director of Lowe Enterprises and President of Lowe Enterprises Residential Division. While with Lowe, Mr. Weekley has been responsible for residential and master planned community development and asset management projects. He has developed and/or managed over $500 million of various types of residential development including planned communities, resorts, land, single-family homes, townhomes, condominiums, apartments, high-rise condominiums and mobile home parks, in California and throughout the United States. Previously, he was President and Co-Founder of American Western Communities, a Southern California development company. Education: Southern Methodist University, BA; Harvard Business School, MBA

D. AC Martin Bios

ac martin partners, inc



RICHARD W. THOMPSON, AIA, AICP

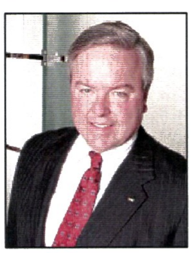
Principal-in-Charge, Planning & Urban Design

As Director of Urban Design and Planning, Mr. Thompson has an extensive background in planning, urban design, and architecture with over twenty-five years in the design and management of a wide range of award-winning projects throughout the United States and abroad. He is widely recognized as a leader in creative problem solving with multi-disciplinary teams and in reaching consensus with user and/or community-based participatory planning processes. Prior to joining AC Martin Partners, Mr. Thompson was cofounder and design principal for twenty years at Archiplan urban design collaborative, which, over the years, developed a well-earned reputation for its innovative planning and urban design strategies under his leadership. Education: Harvard Graduate School of Design, Master of Architecture in Urban Design; Virginia Polytechnic Institute, Bachelor of Architecture; Massachusetts Institute of Technology, Graduate Studies in Urban Planning and Transportation.

DAVID C. MARTIN, FAIA

Principal-in-Charge, Design, Retail & Office

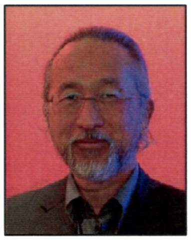
Mr. Martin is an award-winning designer who has been involved in major design projects on an international basis. Regardless of the location, his designs are sensitive and responsive to the local community and the context of the surrounding neighborhood. Education: Columbia University, Master of Architecture; University of Southern California, Bachelor of Architecture.



CHRISTOPHER C. MARTIN, FAIA

Planning Advisor

Christopher C. Martin is the third generation leader of one of Southern California's oldest planning, architecture and engineering firms. His architectural work has contributed to the economic vitality of downtown Los Angeles, and as a civic leader, he has devoted a significant portion of his time to critical issues facing the city. He has spear headed a number of innovative planning efforts, including the concept for a Los Angeles Government Center, which will be the second largest government center in the U.S. after Washington D.C. Mr. Martin was a founding member of the Los Angeles Business Improvement District (BID), an idea that he helped initiate at the Central City Association. This BID is now the largest in the country, and has improved street cleanliness, maintenance, friendliness, and safety for property owners, residents, and visitors. He championed the need to restore and update, rather than merely seismically retrofit, Los Angeles City Hall, which recently reopened as a vibrant seat of local government. Education: University of Southern California, Bachelor of Science, Architecture.

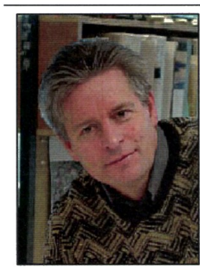


GLENN TOGAWA, AIA

PRINCIPAL-IN-CHARGE, RESIDENTIAL DESIGN

TOGAWA SMITH MARTIN RESIDENTIAL

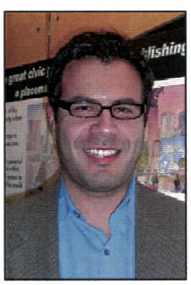
Mr. Togawa contributes a high standard of design as principal for all of Togawa Smith Residential's projects. Throughout his career, Mr. Togawa's projects have received a number of awards for design excellence, including numerous Gold Nugget Awards from the Pacific Coast Builders Conference for high-density multi-family projects. Mr. Togawa's creative approach to design combined with his ability to communicate effectively with clients and agencies have proven an invaluable tool for the integration of critical design data. Education: University of Southern California, Bachelor of Architecture.



CRAIG O'CONNOR, LEED® AP

SENIOR PROJECT PLANNER

Mr. O'Connor is an urban planner and geographer with more than 20 years of planning experience in Southern California centered on campus master plans, facility plans/programming, specific plans, design guidelines, transit projects and environmental analysis. Education: California State Polytechnic University, Pomona, Master of Urban Planning; California State University, Northridge, Bachelor of Arts, Geography.



OSCAR MORAN

PLANNER/DESIGNER

Mr. Moran is a Planner and Urban Designer with AC Martin Partners. He has participated in various projects that include Campus Planning, Transit Oriented Development, Student Housing, and Community Planning. Having worked as a professional in the U.S. and abroad, Mr. Moran brings a perspective to his planning practice that is aware of inclusiveness, multi-culturalism, and the dynamics between global and local issues. Prior to joining AC Martin Partners, he worked as Planner at the University of Southern California Center for Economic Development, and as Researcher at the National Housing Institute of Mexico. Education: University of Southern California, Master of Urban Planning; Universidad Iberoamericana/ITESO, Bachelor of Architecture; Technical University of Berlin, Graduate Studies in Urban Design and Planning.

Miriam "Mia" Guttfreund Lehrer, ASLA

MIA LEHRER + ASSOCIATES

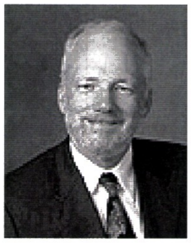
Internationally acclaimed landscape designer, Mia Lehrer is the founding principal of the Los Angeles firm, Mia Lehrer + Associates. Born in San Salvador, El Salvador, Ms. Lehrer received her Master of Landscape Architecture from the Graduate School of Design at Harvard University. Following her education Ms. Lehrer established a base of valuable experience by working on large-scale public projects such as the World Bank Coastal Zone Project in El Salvador, as well as small, intimate gardens for residential clients. Today she is internationally recognized for her progressive landscape designs – unique amalgamations of graphic configurations, found objects, architectural pottery, and rich textures – and her advocacy for environmentally sensitive and people-friendly public space.

Ms. Lehrer leads the ML+A office through the design and development of a diverse range of ambitious public and private projects that include large urban parks, such as the expansive Baldwin Hills Park Master Plan; historic renovation projects such as the courtyards at Union Station in Los Angeles; challenging commercial projects like the outdoor plaza at the Capital Records building in Hollywood, and residential projects that vary in scale and context.

Committed to her community and profession, Ms. Lehrer is actively involved in several organizations. She is on the Board of Directors at TreePeople and the Collage Dance Theater. She is a member of the International Federation of Landscape Architects, American Society of Landscape Architects, Hollywood Design Review Committee, and has served on the Harvard Graduate School of Design Alumni Council. Ms. Lehrer often lectures, traveling as far as Brazil and China to share her insights and philosophy on public landscape design.

F. Latham and Watkins Executive Bios

LATHAM&WATKINS LLP



GEORGE J. MIHLSTEN

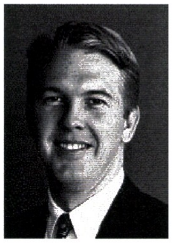
Partner

George Mihlsten has substantial experience in real estate transactions and in securing regulatory approvals for large scale development projects. Projects on which he has advised include studios, resorts, office complexes, mixed use projects, hospitals, high-rise condominium projects, shopping centers, residential projects and sports facilities. Mr. Mihlsten has served on a number of task forces dealing with issues such as housing policies, transportation policies, permit streamlining and environmental review processes.

Specific projects for which Mr. Mihlsten has had primary responsibility, including coordination of transactional issues for each project, include the following:

- The $350 million, 20,000 seat Staples Center arena, home of the NBA's Los Angeles Lakers, the NBA's Los Angeles Clippers and the NHL's Los Angeles Kings
- Negotiations with the Coliseum Commission/City of Los Angeles and the City of Anaheim for a new NFL stadium on behalf of the NFL
- The Disney Resort Specific Plan on behalf of The Walt Disney Company, a master plan for a Disneyland and Disney's California Adventure in Anaheim, California
- Master Plan for Cedars Sinai Medical Center in Los Angeles, California
- Master Plan for Universal City on behalf of Universal
- Approvals for the redevelopment of the former ABC Entertainment Center in Century City, including the new 800,000 square foot 2000 Avenue of the Stars project
- Approvals for the 40 story Sun America tower in Century City on behalf of JMB Realty
- Sale of the Ahmanson Ranch property to the State of California on behalf of Washington Mutual
- Complex regulatory approvals for Playa Vista, one of the largest infill urban projects in Los Angeles, near Marina del Rey

Education: University of Southern California, JD, MBA, BS



E. MICHAEL NYTZEN

SENIOR LAND USE PROJECT MANAGER

Michael Nytzen is a Senior Land Use Project Manager in the Los Angeles office of Latham & Watkins. He joined the firm in June, 1988. Mr. Nytzen handles a range of environmental and land use matters including: preparing and processing environmental documents and land use entitlements, managing and coordinating technical consultants, coordinating with elected officials and staff, government departmental staff and community interest groups. In addition, he works with local, county and state representatives on proposed legislation affecting development. Representative projects for which Mr. Nytzen has had a significant role in obtaining approvals include the following:

- The 10,260 seat, 300,000 square foot Galen Center and Athletic Pavilion at the University of Southern California, home of the USC Trojans basketball and volleyball teams;
- The 2000 Avenue of the Stars office building, a 770,000 square foot Class "A" office building, on the site of the former ABC Entertainment Center in Century City, California;
- The $350 million, 20,000 seat Staples Center arena, home of the Los Angeles Lakers, Los Angeles Clippers and Los Angeles Kings, located in Los Angeles, California;
- The HEALTHSOUTH Training Center, a public ice skating complex and the practice site for the Los Angeles Kings, Lakers, and Sparks, located in El Segundo, California;
- The $60 million restoration of the historic 129-room Hotel Casa Del Mar in Santa Monica, California;
- A 385,300 square foot graduate school campus and 185,000 square feet of infill development at Pepperdine University's Malibu campus;
- A 500,000 square foot animation studio for DreamWorks SKG in Glendale, California;
- A 700,000 square foot master plan for Cedars-Sinai Medical Center in Los Angeles, California;
- A 400,000 square foot new hospital building and a 75,000 square foot state of the art medical research building for Childrens Hospital Los Angeles;
- Major renovations of the Westfield Topanga regional shopping center in Warner Center, California, and the Sherman Oaks Galleria regional shopping center in Sherman Oaks, California.

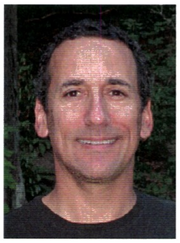
Prior to joining Latham & Watkins in 1988, Mr. Nytzen was an Assistant Planner and Zoning Engineer for the City of El Segundo and an Assistant Planner for the City of Long Beach. Mr. Nytzen is a graduate of Occidental College, receiving an A.B. in Urban Studies in 1985.

Education : A.B., Occidental College, 1985

MICHAEL WRIGHT

PRINCIPAL

Michael Wright has considerable experience as it relates to financial and economic modeling of large-scale, mixed-use and multi-phased development. Michael was previously a Managing Director of Grubb & Ellis's Public/Private Consulting Practice Group based in Los Angeles. He brings over 15 years of experience in public/private development and real estate consulting. His expertise includes market demand and financial feasibility analysis, fiscal and economic impact assessments, as well as asset management and property disposition analysis. He has provided analysis and transaction strategy for ground lease negotiations; joint development strategies for transit properties, strategic planning for entertainment/retail developers, master planned communities, urban revitalization and large-scale commercial products. Michael has responsibility for ERA's real estate practice based in California and will provide advisory services for The Lowe Team.



SCOTT LEWIS, LEED ACCREDITED PROFESSIONAL

FOUNDER AND PRINCIPAL OF BRIGHTWORKS

One of the leading providers of green building and sustainability consulting services in the western US Brightworks currently supports over 50 projects and more than 10 million square feet of space in development in Oregon, California, and Washington. Brightworks projects include the first LEED Gold-certified condominium project (The Henry), the first LEED Gold US Courthouse (Wayne L. Morse US Courthouse, Eugene, OR) and a 400,000 sf medical office and lab building anticipating LEED Platinum certification in late 2006.

Brightworks portfolio includes LEED green building programs for over 15 highrise projects, and dozens of higher education, institutional, commercial and industrial projects.

Brightworks also provides comprehensive sustainability strategy consulting for large organizations including Oregon Health Science University and University of California, Santa Barbara.

Scott has conducted LEED workshops and trainings for large architecture and engineering firms, and is the author of the Succeed at LEED series in Environmental Design and Construction magazine. Scott also provides sustainability coaching services through the Oregon Natural Step Network, helping organizations strengthen their understanding of sustainability, and training them in methods of integrating principles of sustainability more deeply into their organizational mission and operations.

Scott has led advanced LEED process trainings and workshops on integrating LEED and The Natural Step sustainability framework to hundreds of participants in Los Angeles, San Francisco, Portland, Spokane, Seattle, Denver and Vancouver BC including two workshops at the US Green Building Council annual conference (Greenbuild).

Education:

Stanford Law School - JD -1984
Colorado College - BA - 1981 (honors)
Graduate, Harvard Business School Executive Education - Corporate Governance
National Outdoor Leadership School – Semester in the Rockies

CHRIS GAGE

SUSTAINABILITY ADVISOR

Sustainability Advisor

- Projects include Smith's Block, 4011 Building, Pacific University (HPC & NSH), Block 30 - Meriwether
- Database work: Researching and developing web-based LEED project management tool.

Office of Sustainable Development
Portland, OR (July 2003 – February 2004)

Green Building Research Assistant

- Responsible for all phases of design and development of an on-line database to promote and facilitate green building products and services.
- Contributed to site planning charrettes for Zenger Farms and Opal Creek Visitor Center to produce ecological master plans for sustainable land use and development
- Organized and reported data for Portland's food waste quantities for municipal food composting program

Education:

Portland State University – Masters of Urban and Regional Planning – 2006, Environmental specialization

University of Idaho – Bachelor of Science – 1993, Information Systems

NICOLE WOLTERS

SUSTAINABILITY ADVISOR

Sustainability Advisor

- LEED program manager and green building advisor, facilitating integrated design strategies for building design and construction teams
- Projects include Bellevue Towers, The Civic, 1900 Morrison, The Westerly, The Nines, Washington State University Compton Union Building, Pacific University New Student Housing Phase II (Oregon and Washington)
- Water Audit, Oregon Health and Science University - Pilot project for a major healthcare facility in Portland, Oregon. Duties included assisting with the development, field assessment, statistical analysis, and report preparation

Education:

Portland State University, Urban and Regional Planning. MS. Candidate, 2007

Oregon State University, Fisheries Science and Watershed Ecology. B.S., 1999

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B. DEVELOPMENT SUMMARY

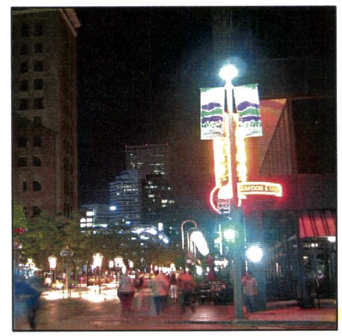
The proposed development program is summarized as follows:

Development Component	Size / Square Footage	Number of Units
Commercial Office		
Tower 1	459,800 SF	
Tower 2	352,000 SF	
Tower 3	199,800 SF	
Total Office	**1,011,600 SF**	
Retail/Entertainment		
Destination/Entertainment	40,000 SF	
Restaurant/Food Service	24,000 SF	
Entertainment	27,000 SF	
Fitness	24,900 SF	
Family Restaurants	12,000 SF	
Specialty Service	8,000 SF	
Local/Neighborhood	14,300 SF	
Neighborhood Service	7,300 SF	
Total Retail	**157,500 SF**	
Residential Apartments		
Rental Apartments	438,760 SF	478 Units
Rental Apartment (Affordable)	77,100 SF	84 Units
Total Residential	**515,860 SF**	**562 Units**
Community Component		
NoHo Arts	4,500 SF	
YMCA	30,560 SF	
Total Community	**35,060 SF**	
Parking		
Transit Parking		1,500 Stalls
Parking		4,700 Stalls
Total Parking		**6,200 Stalls**
Grand Total	**1,720,000 SF**	**562 Units** **6,200 Stalls**

C. Narrative and Illustrative Descriptions

In conjunction with the Metro and the CRA/LA, the Lowe team proposes that a new approximately 1.72 million square foot mixed-use activity center – called *NOHO ART WAVE* be created around the North Hollywood Metro Red and Orange Line stations. This new activity center is envisioned as a balanced mix of civic, entertainment, commercial and residential uses integrated with the nexus of Metro transit facilities associated with the North Hollywood Metro Red Line and Orange Line stations.

At the heart of this urban vision lies a spiraling pedestrian promenade and open space network radiating from the transit portal and linking entertainment, restaurants, shops, a series of community live theaters, a public park and paseos that lead to and from adjoining residential neighborhoods, a reconfigured bus layover area and a parking structure for use by transit patrons and visitors to the NoHo Art Wave development. This circular promenade defined in part by a series of overhead trellises and periodic canopy trees will become a major daytime and evening landmark feature creating a central focal point around the transit plaza for the new development and the NoHo Arts District. The public space defined by this promenade will serve not only as the central focal point of public transit transfer but also as a gathering place for the Arts district, providing outdoor space for festivals and other public events. On the east side of Lankershim, the NoHo Art Wave promenade will be further enlivened with overhead image boards and live digital projection screens visible to passengers entering and exiting the transit portal. In its entirety the Art Wave promenade will be reflected along both sides of Lankershim Blvd. through paving and landscape patterns knitting together the plazas, retail facilities, the art house theaters, and public park planned for Parcel 1. On the west side of Lankershim, the Art Wave promenade will essentially replace the public sidewalk along Lankershim connecting the planned office towers, historic train station and proposed residential, office and retail buildings.



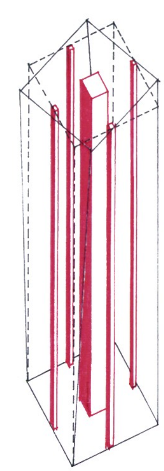
Building from the Metro transit portal the NoHo Art Wave envelops the visitor, site tenant, and resident alike in the lively and dynamic atmosphere. This active integration along the wave is the heart to the entertainment and retail component on Parcel 1. Drawing upon the interaction with the visitors, daytime users and residents, the wave includes three full-service, sit-down restaurants. These are expected to include both an upscale eatery such as PF Chang's or Cheesecake Factory, as well as family style eateries such as California Pizza Kitchen, BJ's or Island's. This balanced mix of options is further enhanced by a series of quick-service type restaurants and eateries focused along the wave. Creating an additional anchor at the wave The Lowe Team envisions multiple entertainment event retailers such as Dave & Busters or Lucky Strike (bowling). Further enhancing the NoHo arts district the wave will seek to include a comedy club user and books retailer. The wave also anticipates a main-stream fitness club that can attract the transit patrons either before, during, or following their Metro commute. Finally, the wave will include a NoHo Arts District community component, multi-purpose space which, further detailed in the following text, includes the ability to hold arts classes, theater and dance rehearsals and even small theater productions and gallery space. The Lowe Team believes that these retail amenities with both satisfy an unmet demand for their use, and also foster the continued NoHo Arts District as a center of activity focused around the transit station.

Three signature office towers will rise above the edges of the promenade (on Parcels 1 and 3) giving the center landmark status by creating a unique silhouette on the valley skyline and at the same time, contribute to the commercial lease income needed to both finance the development, provide revenues to Metro and to build tax increment within the CRA/LA Project Area. The offices will be configured to attract both smaller entertainment companies seeking to be located in an entertainment area in proximity to the Burbank/Universal entertainment district and larger, corporate users seeking a central location with transit adjacency.

Ever since the first high-rise office buildings in Chicago in the 1870's, landmark office buildings have been defined by their shape. For the signature office towers at the NoHo complex we have arrived at a solution that speaks to innovation and creativity within a functional, cost effective building form that will bring a unique identity to the NoHO Art Wave project.

Traditionally economical buildings have been rectilinear in nature as the design and fabrication process has favored repetition and standardized lengths, joints and loads paths traveling thru the frames of buildings. However we now have reliable, accessible, industry wide computer programs such as BIM, that enable design and fabrication in a 3 dimensional manner. These innovations, combined with computer aided machine fabrication processes allow for highly sculpted forms and frames with a large number of member sizes, with only a slight increase in fabrication costs.

Our scheme proposes three high rise towers that rotate upward in a dramatic and iconic manner. The structural approach sets the central core as a rectilinear braced frame, with 4 to 8 continuously rectilinear (orthographic) columns carrying the major vertical loads. A series of secondary members then slope and rotate to give the building its dynamic form.



This strategy allows the major portion of the building (perhaps 80%) to be framed in a traditional manner with only a minor portion of the frame used to give the building its energized form.

The vision for the other Metro North Hollywood parcels includes a balanced mix of ground level retail development along Lankershim with upper levels developed as either office or housing and according to the context of the surrounding area. Parcel 2 will include housing, retail, a relocated East Valley YMCA facility providing community services to the North Hollywood residents and families, and a freestanding parking structure. The Lankershim street level façade will feature retail spaces architecturally sympathetic to the adjacent historic bank building on the corner of Weddington Street. Unlike the entertainment retail at the wave, the proposed retail development for Parcel 2 is modeled to include neighborhood serving tenants such as a convenient grocery, and quick service items below the integrated residential development. These retail spaces add additional lease space to the NoHo area which could also include additional neighborhood shops and artist related uses. The remainder of the parcel will include housing with usable roof top open space.

Parcels 3 and 4 are envisioned to include a balanced mix of residential, office, retail and community uses organized around a reconfiguration of North Chandler Blvd. into a narrower limited use or even vacated street. Parcel 3 is seen as a good location for a second public parking structure to both achieve the long term Metro transit parking target of 1,500 spaces and to serve the balance of commercial needs for those retail and office components envisioned for the Parcels 3 and 4. In order to fully develop the eastern portion of Parcel 3, The Lowe Team proposes to relocate the Orange Line Terminus east of Lankershim Blvd. under the parcel 1 parking structure. This will facilitate connection for transit patrons to the Red Line Station, allow for the future extension of the Orange Line, and permit a more efficient use of Parcel 3 for revenue generation. A small component of live-work housing is envisioned for Parcel 3 with entries focused on North Chandler Blvd. The historic train depot, to be restored by the MTA, will remain in place with a small open space "pocket-park" placed to the east connecting it back to the Lankershim/Chandler intersection and providing it with full visibility from Lankershim. On both parcels 2 and 3, The Lowe Team envisions direct underground connection to the existing Red Line station through utilization of the existing knock-out panels. This will further enhance the functionality and efficiency of the Orange and Red Line connections. Parcels 3 and 4 also include a small component of retail amenities to serve the transit patrons and residents alike. Finally, Parcel 3 also incorporates a small community component adjacent to the park which will be utilized for community events, NoHo education and tours, and temporary gallery space.

Metro is clear in its goal to create a high intensity mixed use development with residential development as a complementary use. The proposed NoHo Art Wave accomplishes this by providing housing in appropriate areas of the four Metro parcels. In particular, the northeast portion of Parcel 1 is proposed as a residential neighborhood with 4 to 5 floor residential buildings oriented to a series of residential streets that connect to the adjacent neighborhood streets. The plan envisions creating a residential community linked to transit and the existing community. These newly-created mini blocks within Parcel 1 will feature entry 'stoop'-type live work units facing each street further reinforcing the sense of neighborhood. These live-work units will also provide opportunities to support the NoHo Arts District by offering work spaces with residential floors above for district artists and entrepreneurs. In other areas of the NoHo Art Wave, including Parcel 2 and the combined Parcels 3 and 4, residential units are built above ground level retail. Residential uses for the NoHo Art Wave project are seen as an essential development component that reinforce the entire NoHo district as a recognizable and human place where people live, work and interact.

Parking is a foundational part of the NoHo Art Wave development concept both as required to serve the current and long term needs of transit passengers using the Metro bus and rail systems and to serve the users coming to the center as a destination by automobile. As an overall concept, Parcel 1 will have both an above ground parking structure built in part over a relocated and reconfigured bus layover area and at least 2 levels of below ground parking augmenting public parking for the Metro transit users and commercial users. Below-grade parking will also be used to serve Parcel 1 for on-site housing uses. A second major structure located on Parcel 3 will provide the additional long-term transit related parking required by Metro for the parking needs of the North Hollywood stations. Access from this parking facility west of Lankershim will be tied directly to the Red Line Station via utilization of the existing Knock-Out Panel located adjacent to the Orange Line Station, thereby providing an underground pedestrian route interconnecting all Metro transit related facilities as well as the bulk of all new proposed commercial and residential development. This integrated transit station, parking and pedestrian pathway configuration will allow for a variety of arrival, departure and transfer opportunities for residents, employees and visitors.

In order to efficiently utilize the parking spaces provided within the development, there are significant opportunities to engage the use of "shared parking". This involves the sharing of parking spaces with compatible uses dependent upon the peak hours of operation for the given use. The Lowe Team, in an effort to efficiently and cost effectively plan the site, has embraced the use of shared parking stalls between compatible uses. The development program contemplates that the destination retail and entertainment uses will have the opportunity to share stalls with both the office and transit parking stalls and vice versa. Of the overall 6,200 stalls, The Lowe Team has modeled approximately 600 stalls (10%) as shared use stalls.

The conceptual master plan is illustrated by the drawings shown on the following pages.

The Lowe Team has spent considerable time, energy and personal meetings exploring a number of options relating to both adjacent property development as well as community development components which will be incorporated into the master plan.

D. Adjacent Property

Adjacent Property

Although Lowe does not believe that the incorporation of the vacant property east of Parcel 4 (and west of Lankershim) is necessary for the successful implementation and development of the NoHo Art Wave master plan, Lowe believes that in the future there could be a benefit in vacating some or all of North Chandler Street should the opportunity present itself in further study. Lowe has personally met with the principals of the JSM Companies, owners of this property, to discuss its possible incorporation into the master plan. At this time the JSM principals are interested in developing the property for retail uses which ultimately could benefit the master plan. However, JSM is willing and interested to work with the developer of the Metro parcels once a selection is made. Likewise, Lowe will pursue further discussion with JSM in the future in order to better incorporate this site into the master development planning process.

E. Community Components

Community Components – East Valley YMCA

East Valley Family YMCA

We build strong kids, strong families, strong communities!

As noted in the Development Plan narrative above, Lowe proposes the inclusion of a new East Valley YMCA as a component of the development on Parcel 2 along Lankershim Boulevard. For a number of years the YMCA of Metropolitan Los Angeles has been seeking a new location for the currently undersized and overcrowded East Valley YMCA located on Tujunga Avenue. Lowe has met with the senior site selection and real estate executives for the YMCA and has obtained strong, positive support for the inclusion of a new East Valley YMCA ("YMCA") within the NoHo Art Wave master plan. The new YMCA will encompass approximately 30,000 square feet on two floors and include a lap pool, community rooms, activity rooms, multi-purpose rooms and a fitness center. Drawing upon the transit oriented location at the hub of the NoHo activity, both Lowe and YMCA are confident that the location will be successful in retaining existing members and families as well as incorporating new users to the facility and programs.

Community Components – NoHo Theater and Arts Business Collaborative

NoHo arts district.com

"As President of NoHo Communications Group and publisher of NoHoArts.com, I am excited about the future development in NoHo as I believe it is key to the success of all businesses in the arts district – whether theater, gallery or the local print shop." - Nancy Bianconi, President of NoHo Communications Group / Publisher of NoHoArtsDistrict.com

DEVELOPMENT PLAN

3

DEVELOPMENT PLAN

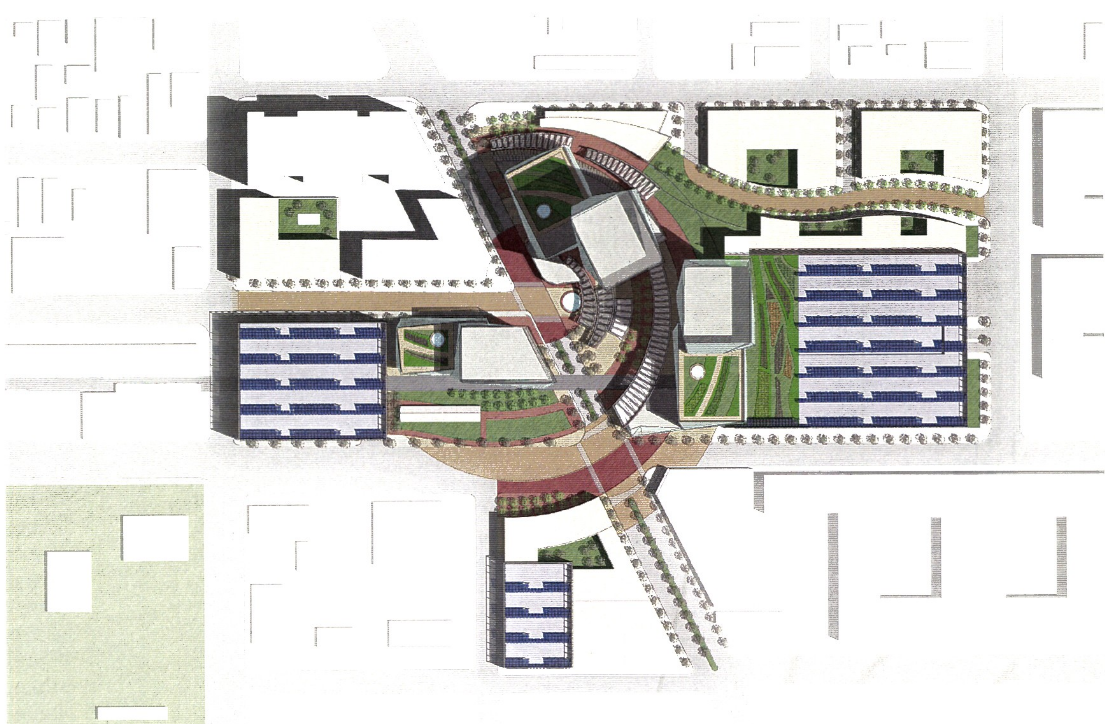
3. DEVELOPMENT PLAN

A. Project Site and Location

The NoHo Art Wave master plan is designed to encompass all four metro owned parcels on either side of Lankershim Blvd. near the intersection of Lankershim Blvd. and North Chandler Blvd.

- Parcel 1, bounded by Lankershim Boulevard, Cumpston Street, South Chandler Boulevard and Fair Avenue, consists of approximately 10.45 acres and is currently used for the Metro Red Line North Hollywood Station entrance, a 14-bay bus layover and a 906-space transit park-and-ride.
- Parcel 2, bounded by Lankershim Boulevard, South Chandler Boulevard, Bakman Avenue and Weddington Street, is approximately 1.8 acres and is currently vacant.
- Parcel 3, located directly across the Metro Red Line Station along Lankershim Boulevard, is approximately 2.7 acres and provides the location for the historic train depot, a one-story office building at the northwest corner, and the Metro Orange Line eastern terminal.
- Parcel 4, located at the northeast corner of Tujunga Avenue and North Chandler Boulevard, is approximately two-thirds of an acre and currently leased on a month-to-month basis to two small business operators.

The Lowe Team believes that in order to create an effective, dynamic, lively, and ultimately successful master plan, it is important to address the interrelation of property uses and locations and match those with appropriate densities on the properties.



"We are very enthusiastic about the opportunity being proposed at the Lowe Enterprises' NoHo development. This would provide an enriched venue for the East Valley YMCA, and would allow us to provide expanded, multi-faceted and multi-generational healthy lifestyle (body, mind and spirit) programs and services to the greater North Hollywood community."

Thomas G. Miller
Board of Directors for the Metropolitan YMCA of Los Angeles

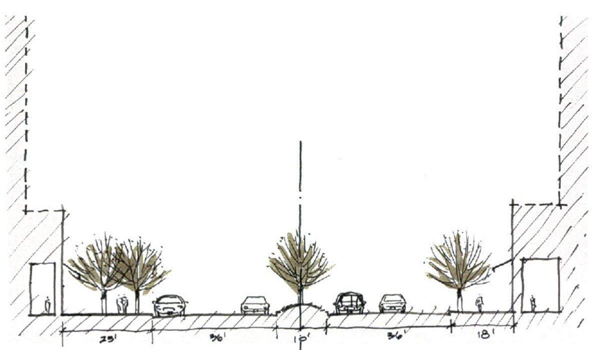
East Valley Family YMCA

We build strong kids, strong, families, strong communities!

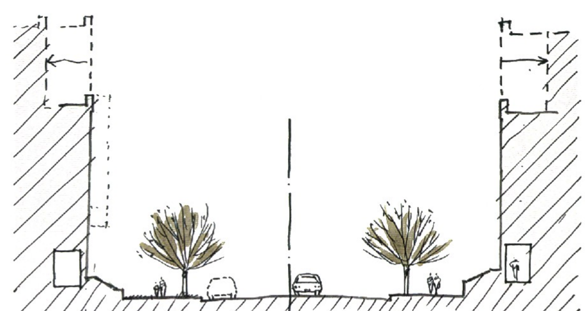
As a component of The Lowe Team's master planning of the NoHo Art Wave development, Lowe personally met with the director of the NoHo Theater and Arts Business Collaborative to gain a thorough understanding of the NoHo arts community, its offerings and its needs. This vibrant arts community is thriving with live theater, dance, music and visual arts. Lowe recognizes the essential need for not only the NoHo Art Wave master planned development, but also the continued strength of the arts community to maintain NoHo as a premier theater and dance destination for Los Angeles. In order to enhance and build upon this integration, Lowe has proposed a community component within Parcel 1 to include up to 5,000 square feet of dedicated, multi-purpose space to be utilized by the NoHo Theater and Arts Business Collaborative. This space is visioned to be configured for uses such as visual arts education, gallery space, rehearsal space for dance and theater, and even divisible for small theater productions. Lowe views this incorporation as a very important linkage with the utmost respect for the growth and continued operations of NoHo Arts District. In addition, the NoHo Art Wave incorporates multiple outdoor spaces within Parcel 1 where Lowe envisions evening and weekend music concerts and performances by local artists. Finally, Lowe also believes that the NoHo Art Wave can function to provide space for a component of the annual NoHo Theater & Arts Festival. Through our meetings, the NoHo Theater and Arts Business Collaborative is supportive of working with Lowe to strengthen and meet the needs of the arts district.

F. Architectural Guidelines and Design Character

Streetscape, architectural and landscape guidelines are seen as essential implementation tools needed to achieve the vision of the NoHo Art Wave. These guidelines will insure pleasant pedestrian experiences, the incorporation of public and private art work, the creation of memorable buildings and the proper interfacing of differing building types and activities.



Lankershim Boulevard



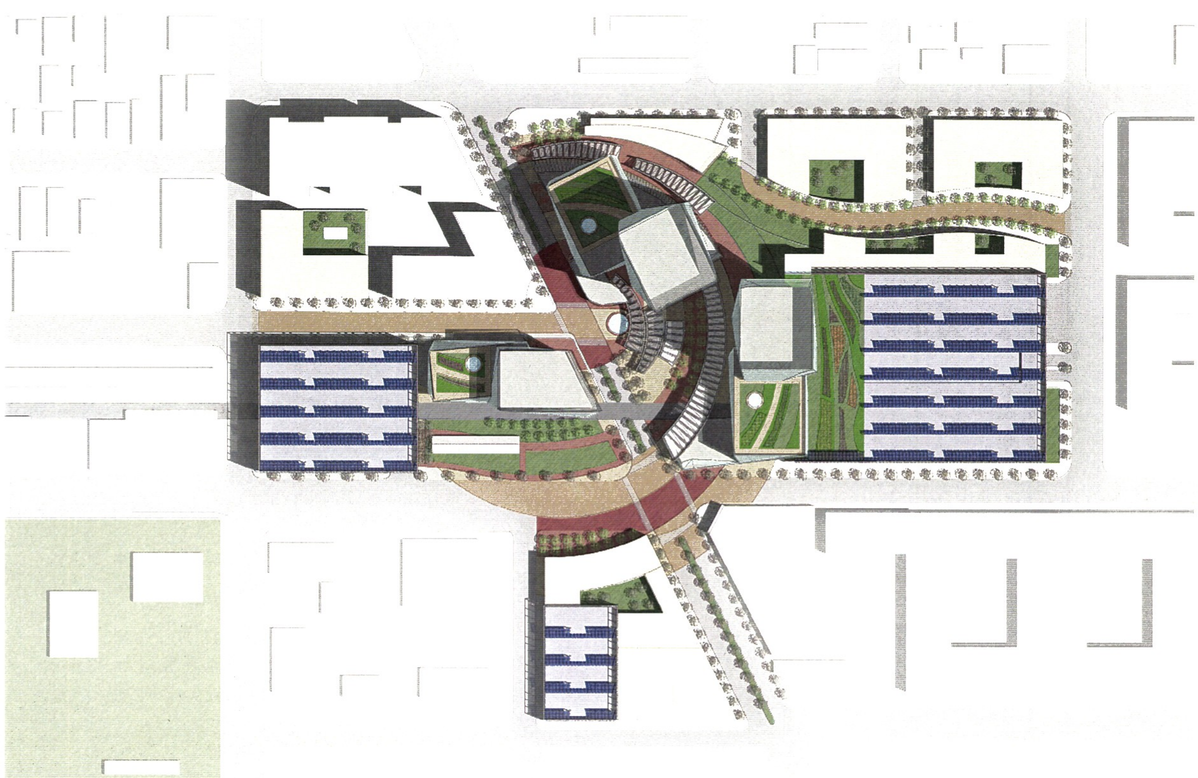
Residential Street

Since both the proposed NoHo Art Wave development and the entire NoHo Arts District, are pedestrian oriented, careful attention to creating appropriate streetscapes is paramount to implementing the vision for the area. Lankershim is envisioned as having a different character from south to north as it responds to the different scale and architectural character of each block. Along the historic storefront area from Magnolia to Weddington, artistically restored facades and minor but consistent street elements such as banners will be emphasized. This idea will be carried north to Chandler along Parcel 2, where façades will be of a scale similar to the existing historic bank. At Chandler where the highest development densities begin and where transit driven pedestrian traffic is also concentrated, the Art Wave promenade begins with its wider enriched pavement sidewalks and planted spreading canopy trees used to soften the larger buildings and provide a pleasant environment for pedestrians. A landscape median within Lankershim is proposed between Chandler and Cumpston to create a more intimate scale in this focal area of high density and intense pedestrian activity. Side streets radiating from Lankershim will have individual street trees selected to provide a visual and protected experience for the pedestrian. Along portions of the north side of Chandler (South), taller trees and ground level landscape screening assemblages will be used to help disguise and soften the presence of the envisioned above grade parking structure and related street level bus layover area. The appearance of the proposed parking structures will be enhanced through careful design attention to architectural forms and detailing, through the use of facade 'green screen' vine lattices and through the exterior use of solar photovoltaic panels. Various architectural guidelines will also be delineated to insure proper building orientations and massing for larger commercial buildings and pedestrian orientations for the residential buildings.

G. Program Summary

The development plan addresses both the programmatic parcels identified in the RFP and allows for flexibility between uses which will be necessary to execute a phased by parcel development plan in changing market conditions.

The master plan can be discussed in four general pieces as identified on the conceptual plan and the following:



"With the combination of public transit components already in place and the right mix of development components, this project has the potential to be a major catalyst for wholesale change in the NOHO Arts District. This project could set the model for sustainable, transit friendly urban development in Los Angeles at a time when the city is searching for a more balanced approach to the way we build."

Richard Thompson, FAIA, AICP
Principal for Urban Design and Planning
AC Martin Partners

"This project is about true urban "place-making". I'm particularly excited about the opportunity to create a signature architecture for this new center, one that will create a memorable impression. In this valley setting, we have designed a series of office towers that create a silhouette on the skyline establishing the NoHo project as a place of special importance."

David Martin, FAIA
Design Principal
AC Martin Partners

"The NoHo project requires addressing a unique set of urban challenges with an unusual combination of skill sets: urban design/planning, architecture, transit planning, urban housing design, retail/entertainment, parking structure design. AC Martin is particularly well qualified as a multi-disciplinary architecture and planning firm to address these challenges."

Christopher Martin, FIA
Managing Principal
AC Martin Partners

J. Affordable Housing Component

Incorporated into the residential components of the development program, The Lowe Team has included an affordable housing mix of 15% of the units. Although the affordable component is not required by current codes, the development team believes that this amount of units is 1) appropriate for a master planned public/private joint development, and 2) likely to be necessary as the plan progresses through the entitlement process. However, should this mix of 15% not be required, there could be some incremental increase in overall property value and hence ground rent.

Lowe has modeled the 15% affordable units into three categories of median rent levels.

- 5% allocated to CRA Very Low (50% of median income)
- 5% allocated to CRA Low (80% of median income)
- 5% allocated to CRA Moderate (120% of median income)

K. Sustainability

APPROACH

The Lowe Team will integrate sustainability into the planning, design, construction and operation of the NoHo Art Wave by taking a holistic, strategic approach, and deriving specific tactical strategies from this broader perspective. The Lowe Team's sustainability advisors, Brightworks, have used this approach with terrific success on two major urban infrastructure-scale projects: The Brewery Blocks (www.breweryblocks.com) and The South Waterfront redevelopment (www.southwaterfront.com), both in Portland, Oregon.

On both projects, Brightworks worked closely with the development teams, community stakeholders and public agencies to help define broad, infrastructure-scale sustainability objectives, and then to identify specific infrastructure-level and building-scale strategies to achieve those objectives.

In both the Brewery Blocks and South Waterfront, this approach led to highly successful LEED green building certification levels for the buildings. For example, in the Brewery Blocks, The Henry condominiums became the first LEED Gold certified condominium project in the US, while the Louisa Apartments achieved LEED Gold as well. Blocks 2 and 4, both commercial office towers, are anticipating LEED Core and Shell Gold certification later this year.

In South Waterfront, the infrastructure-first, buildings-second approach led to a district stormwater plan that treats all public stormwater from the district in a massive vegetated biological treatment system (bioswale) before returning the treated water to the adjacent Willamette River, where it supports native salmon habitat. The first building to be completed in the 40-acre, 12-block district is the 400,000 sf Oregon Health Sciences University Center for Health and Healing, which received LEED Platinum certification in February 2007, making it the largest LEED Platinum building in the world.

GREEN BUILDING STRATEGIES

Through its work on over sixty LEED-registered projects, including nearly a dozen in southern California, Brightworks has established its clear expertise at achieving LEED certification on urban infill projects and working successfully in the regional market. The team's local and regional projects include the first LEED certified building in the Coachella Valley, the South Group condominium projects in the Staples Center district south of downtown Los Angeles, the Wilshire Center highrise mixed-use building near Wilshire and Vermont (nearly 1 million square feet of space in development), and three other highrise mixed-use projects in Los Angeles.

The Lowe team identifies sustainability strategies and opportunities first through a collaborative goal-setting session called an "eco-charrette." A range of stakeholders including the development team, community members and participants from planning agencies all have a chance to have their priorities and concerns voiced, and then sustainability goals are established through a dynamic team process. This dialogue initiates the Integrated Design Process, which breaks down compartmentalization and allows for more innovative, "outside the box" thinking.

Although it would be premature to define specific strategies with any level of certainty at this early stage, a range of examples of the strategies we would take is presented below. This survey is intended to represent the approach to sustainability and illustrate examples of strategies which have been used with success on past projects.

1. Energy Performance

   In this era of climate change and rising energy costs, enhancing energy performance is essential to both the planet and the financial security of the project. Energy-saving strategies begin with load reduction through building massing and orientation, exterior shading, high-performance glazing, and finally, high-efficiency HVAC systems. The viability of district energy (combined heat and power) and chilled water (for cooling) systems will be investigated.

   Additionally, the development holds the view that the most significant single sustainability measure that can be implemented is the use of on-site energy production from renewable sources. The team will thoroughly investigate the aggressive use of photovoltaics (PVs), which can serve dual purpose as shading devices over parking or on south-facing glazing (see illustration from OHSU CHH building), and will explore the possibility of finding third-party providers who may install the PV systems for free in exchange for energy purchase agreements (an innovative and aggressive strategy to help finance large PV arrays). The team will also work with the State and local utilities to seek out any and all applicable financial incentives for on-site renewable power.

2. Water Use

   Recognizing the scarcity of potable water in the southern California bioregion and the severity of non-point source pollution from urban stormwater runoff, the project team's approach to water strategies for the development will be predicated on two broad overall goals:

   A. Reduce the use of potable water for non-potable uses (irrigation, sewage conveyance, cooling tower makeup,etc.) to the extent possible, and eliminate such uses entirely where possible. This is done by specifying drought tolerant vegetation and using high-efficiency irrigation, by specifying high-efficiency water-using fixtures including sinks and toilets, appliances in residential portions of the project, and by seeking innovative strategies such as greywater treatment and re-use for non-potable uses. Brightworks has used these strategies with success on several projects: The OHSU Center for Health and Healing treats all of its sewage on-site using a membrane bioreactor filtration system that produces close to 30,000 gallons per day of Level IV treated water, which is then re-circulated to flush toilets in the building and for irrigation. The Pacific University College of Health Professions building uses an 80,000 gallon storage tank to store stormwater for irrigation and toilet flushing, eliminating potable water use for irrigation and reducing its use for sewage conveyance by over 50 percent.

   B. Eliminate negative ecologic impacts of stormwater runoff through on-site infiltration or storage for reuse.

3. Landscape

   Vegetation strategies will reduce water, pesticide and herbicide use while provide a lovely visual amenity and some basic level of habitat restoration, even on a dense urban site. Birds, butterflies, and a host of small creatures can find refuge in native and adaptive vegetation in an urban environment, and appropriate vegetation provides a link for humans to their natural surroundings as well as a pleasant visual experience. We will also explore the use of eco-roof strategies for the tower portion of the tower-and-pedestal buildings, to provide insulation and UV protection to the roof membrane and a visual amenity to the tower occupants. By selecting sedems and xeriscape-style vegetation design, the eco-roofs can be designed to require minimal irrigation after establishment. This strategy will be combined with the effort to use greywater for irrigation, as a way to dispose greywater and provide a more green, lush looking visual space on the rooftop, which also helps mitigate the urban heat island effect.

4. Materials

   All materials selections for all infrastructure and building projects will seek to use high recycled content materials from within a 500 mile radius, reducing the embodied energy impacts of those materials. Additionally, "rapidly renewable" materials (materials having a growth cycle of 10 years or less) such as bamboo flooring, wheatboard cores for casework and doors, wool carpeting, cork paneling and flooring, and more, will be sought out. Wood certified by the Forest Stewardship Council will also be specified. These strategies also will help the project earn LEED points.

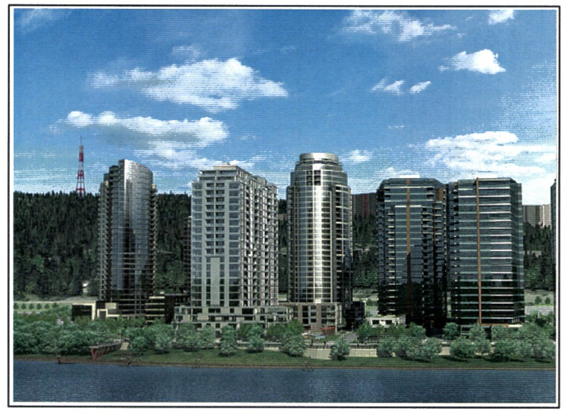
5. Occupant Comfort and Health

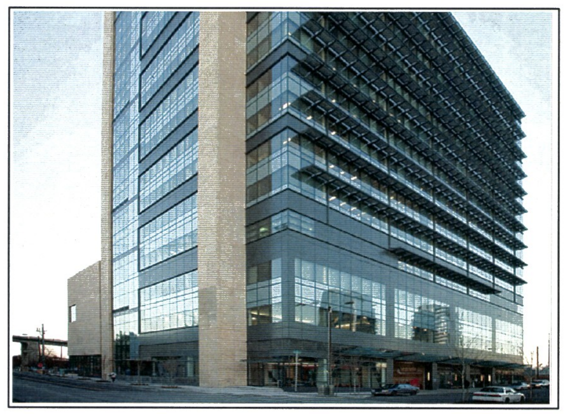
   A broad range of strategies to improve occupant health and comfort will be utilized. Many of these strategies also have energy-saving or other environmental benefits as well (such as reducing the use of toxic chemicals). Typical strategies include specifying low or no-VOC paints, adhesives and sealants for all interior finishes, designing to maximize daylight and opportunity for natural ventilation, and designing HVAC systems to provide ample fresh air with excellent filtration of particulates.

6. Financing Issues

   One of the greatest challenges facing all sustainability projects is finding ways to lower first cost premiums and to internalize operating cost savings to offset first cost premiums. This is particularly challenging in spec office buildings and residential projects, where the future occupants pay the energy bills (and thereby get the savings associated with energy efficient systems) but the developers pay most of the first cost premiums. Some strategies we have used successfully in the past include finding third-party vendors to develop district-scale systems (district chilled water, district combined heat and power with co-generation, PV systems, etc.). Additionally, incentives from local and state government and from utility companies can play an important role. In Oregon, the state has enacted a tax credit for LEED Silver buildings that provides over $1/sf incentive for larger projects. Our team will work with the utilities, city and state to seek incentive opportunities for this development and also to help those bodies develop broader incentive programs to promote green building and sustainability.

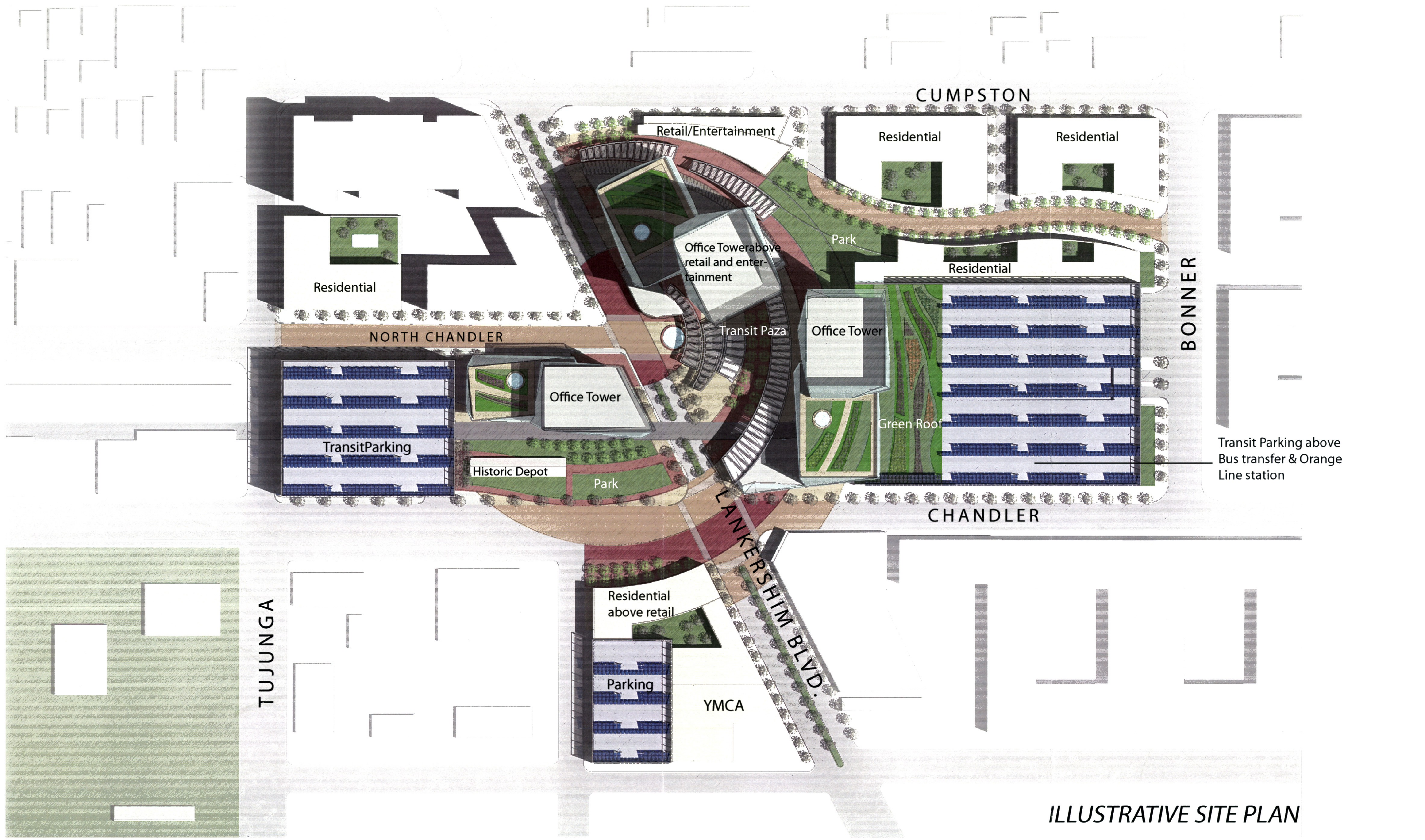
SUSTAINABILITY REFERENCE IMAGES





L. ARCHITECTURAL EXHIBITS

1. Illustrative Site Plan and Surrounding Uses
2. Aerial Rendering
3. Aerial Rendering
4. Eye Level Rendering (looking North)
5. Eye Level Rendering (looking East)
6. Eye Level Rendering (looking South)
7. Street Level Plan
8. Second & Third Level Plan
9. Mid-Level Plan
10. Below Grade Plan
11. East-West Site Section
12. North-South Site Section
13. Functional Diagrams
14. Potentials and Constraints Diagram
15. Phasing Diagrams



ILLUSTRATIVE SITE PLAN

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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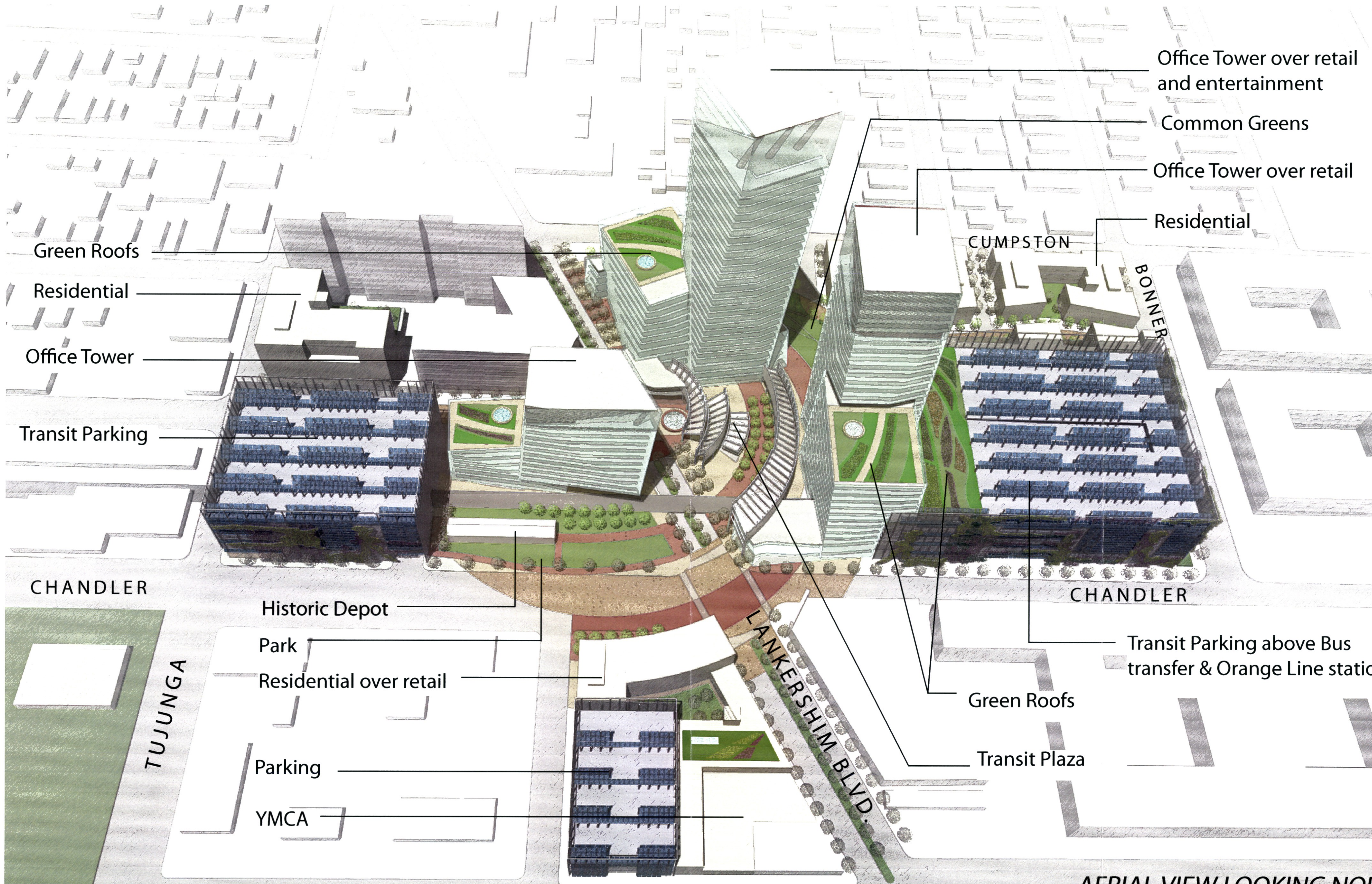
ENGINEERING



AERIAL VIEW LOOKING NORTH

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

ac martin partners, inc
PLANNING
ARCHITECTURE
ENGINEERING

AERIAL VIEW LOOKING WEST

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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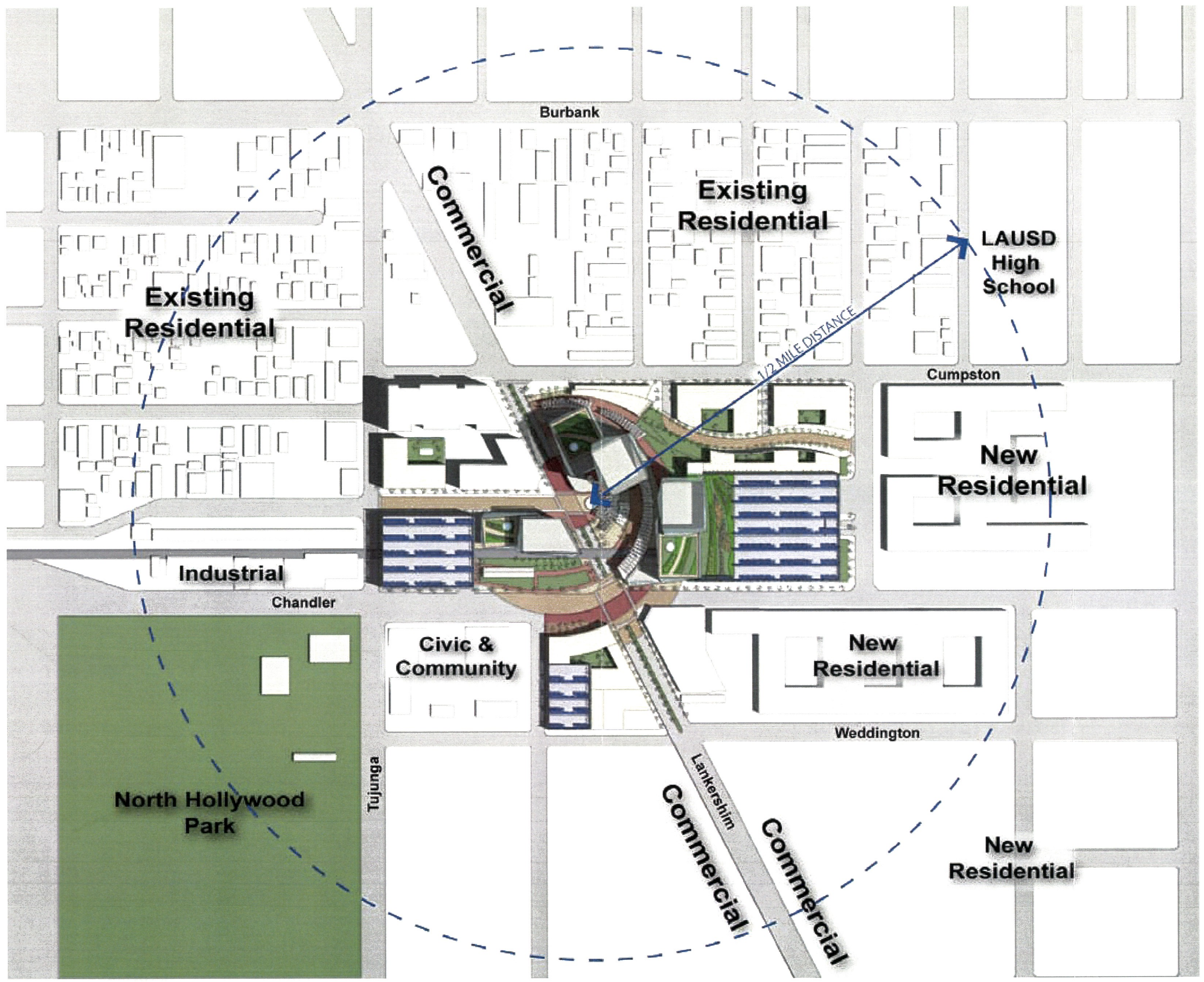
PLANNING
ARCHITECTURE
ENGINEERING



SURROUNDING USES

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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PLANNING
ARCHITECTURE
ENGINEERING

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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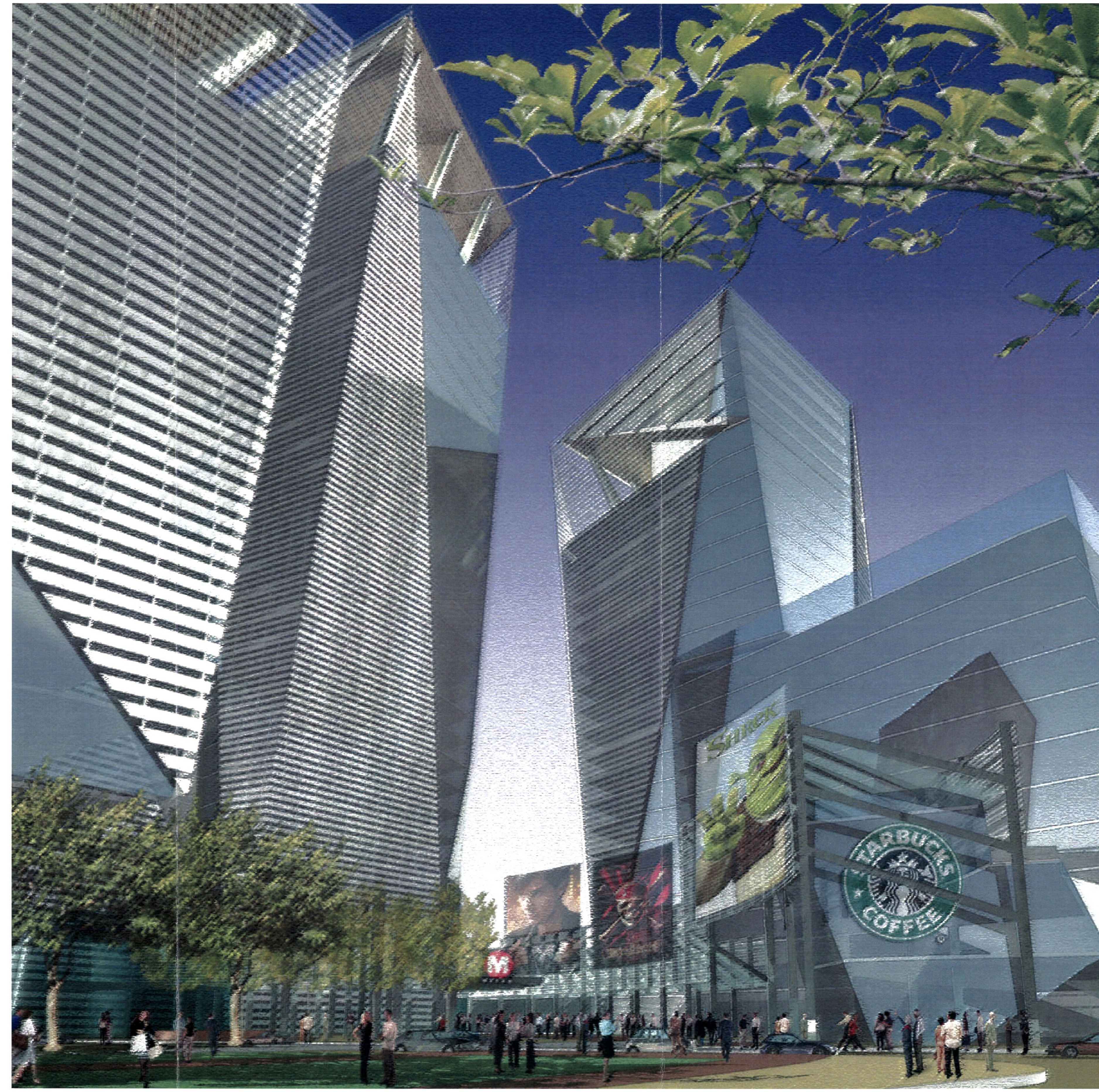
ENGINEERING



NoHo Art Wave

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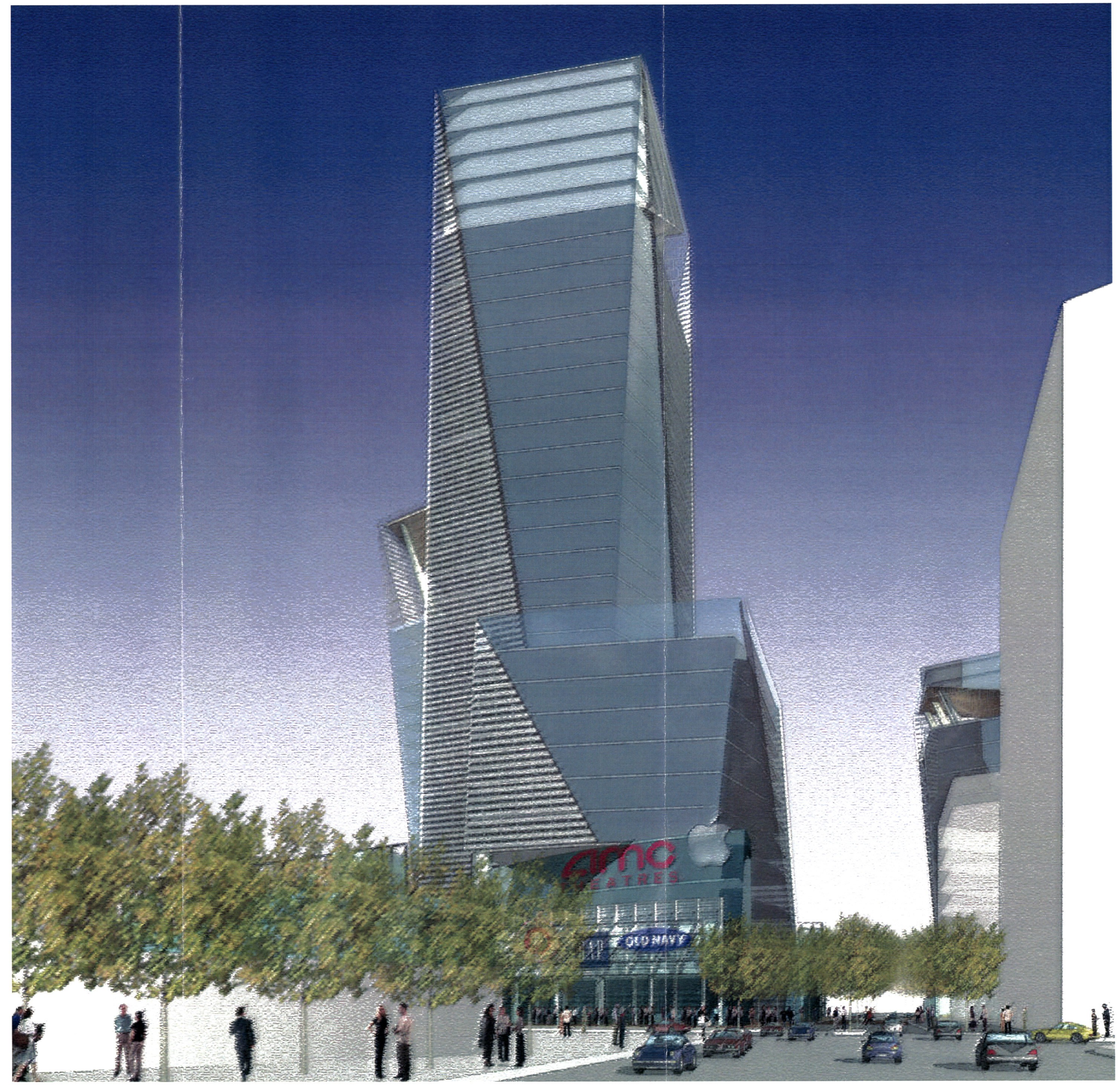

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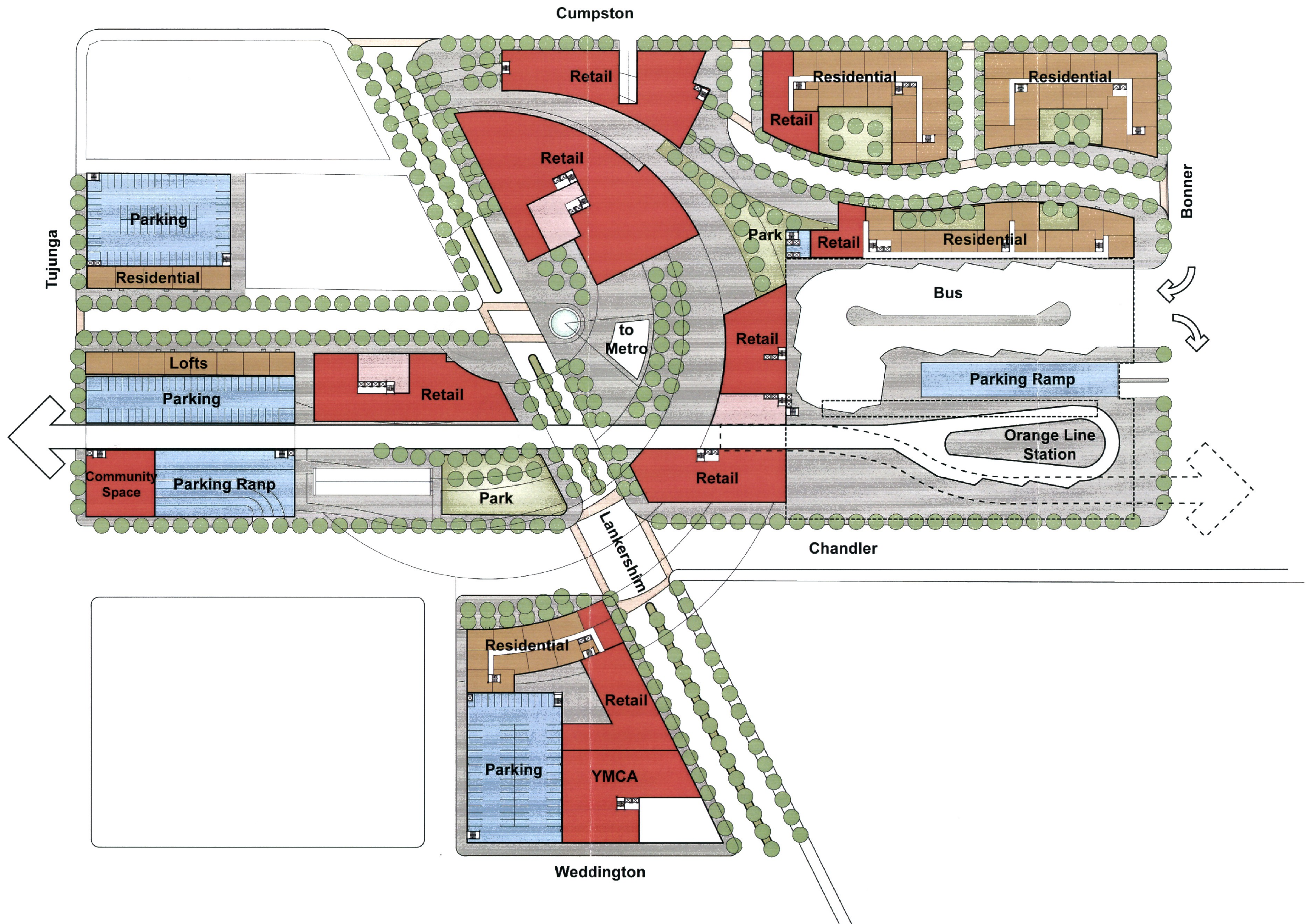

STREET LEVEL PLAN

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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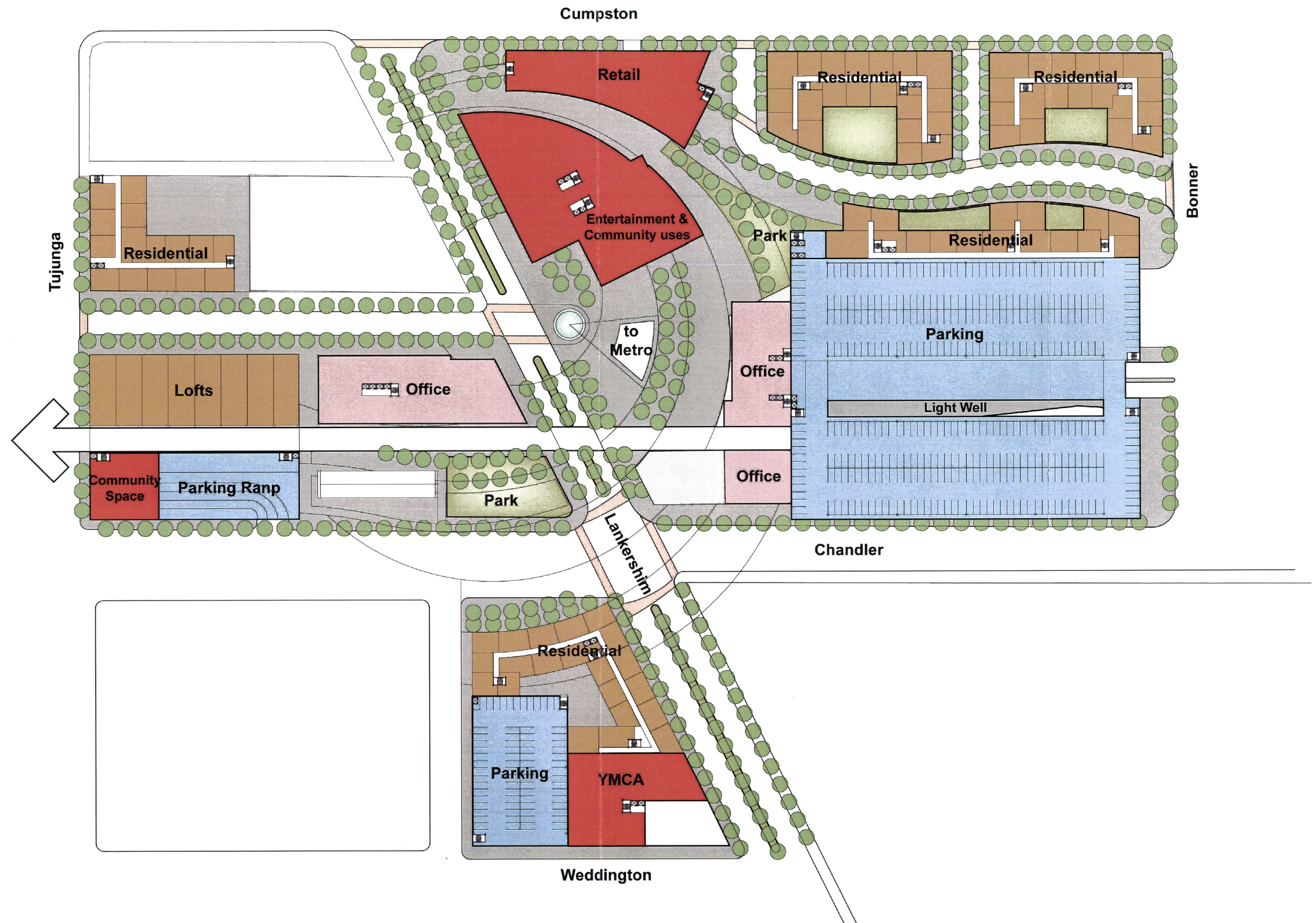

2nd & 3rd LEVEL PLAN

NoHo Art Wave

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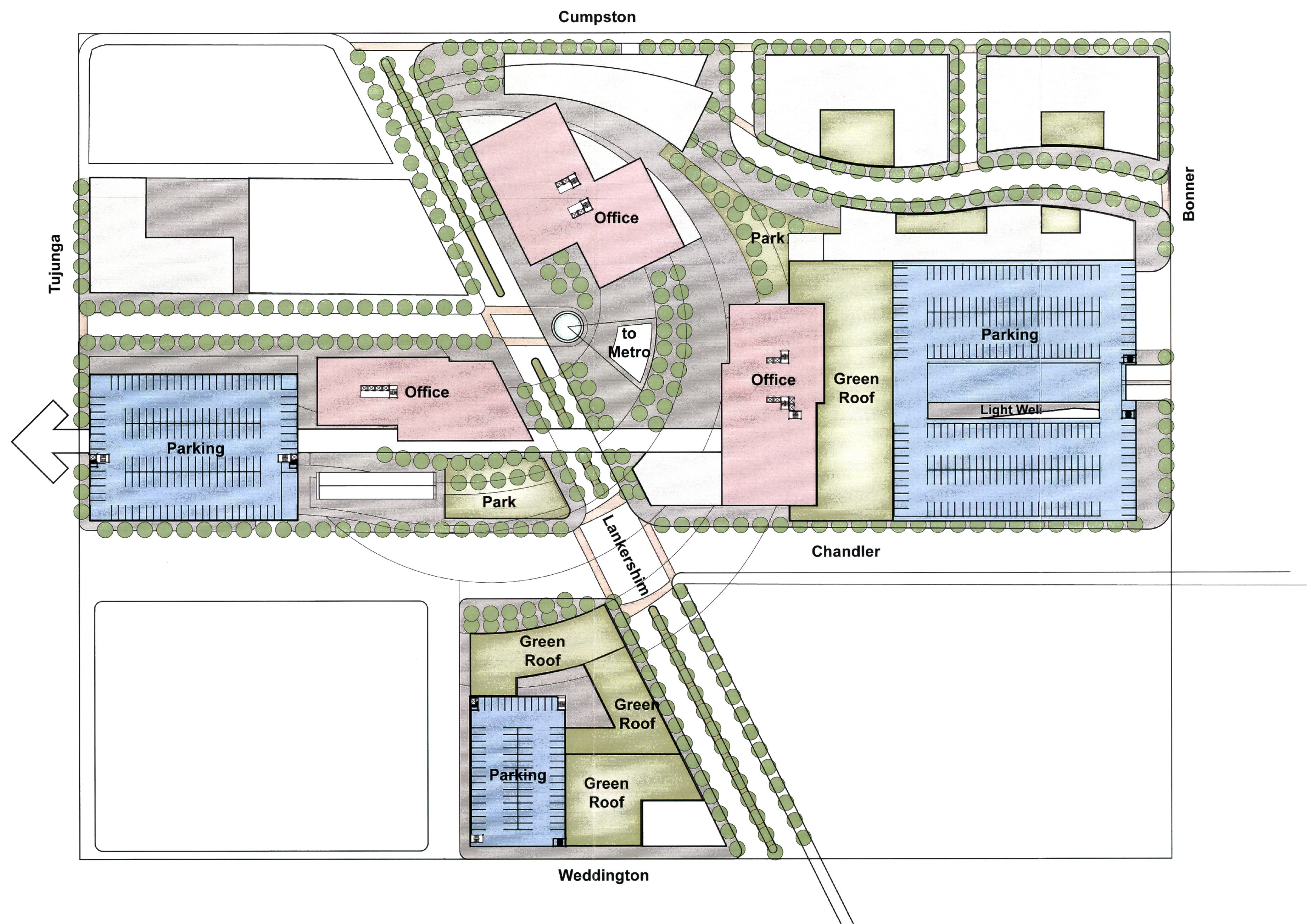

MID-LEVEL PLAN

NoHo Art Wave

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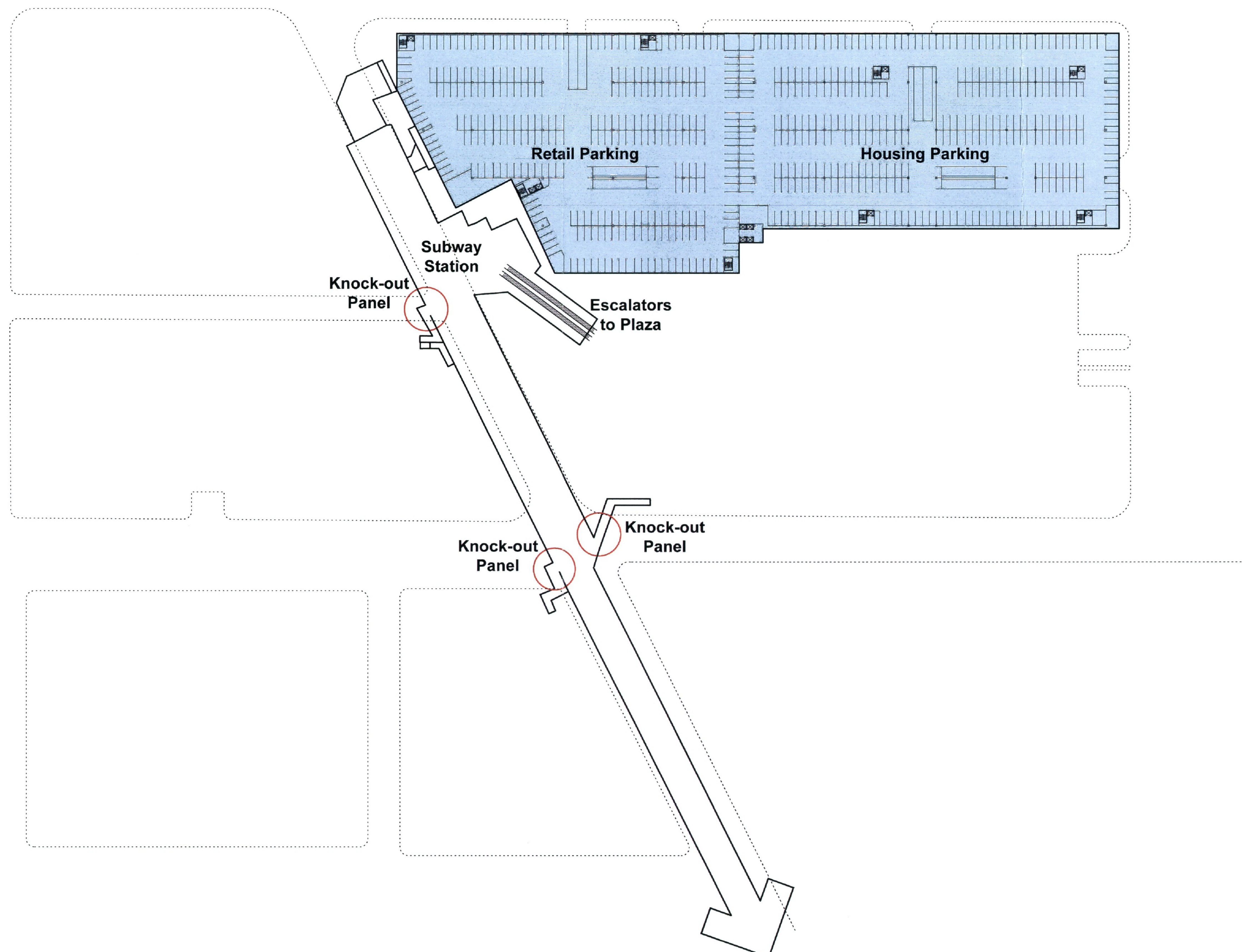
ENGINEERING



BELOW GRADE PLAN

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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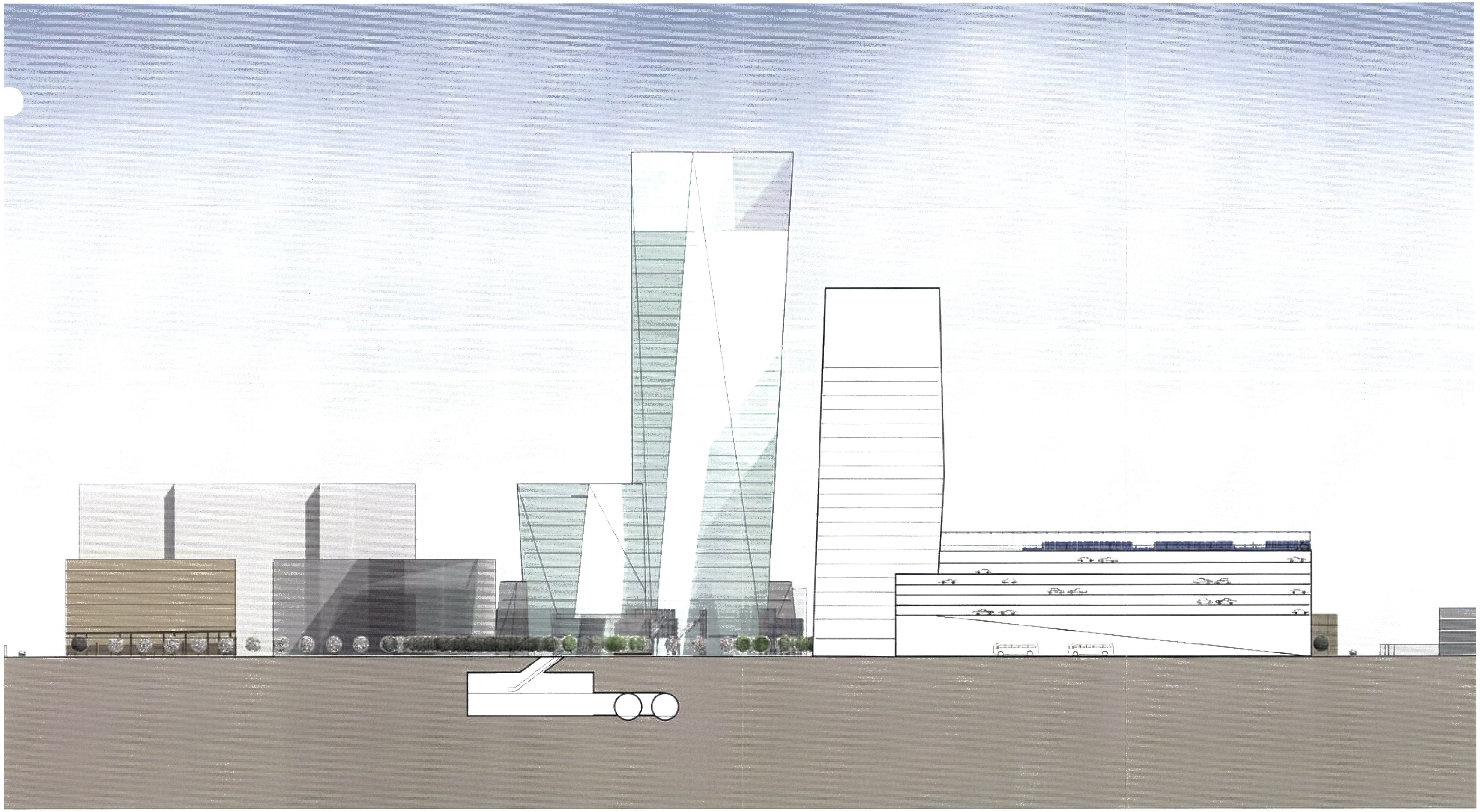

EAST WEST SECTION

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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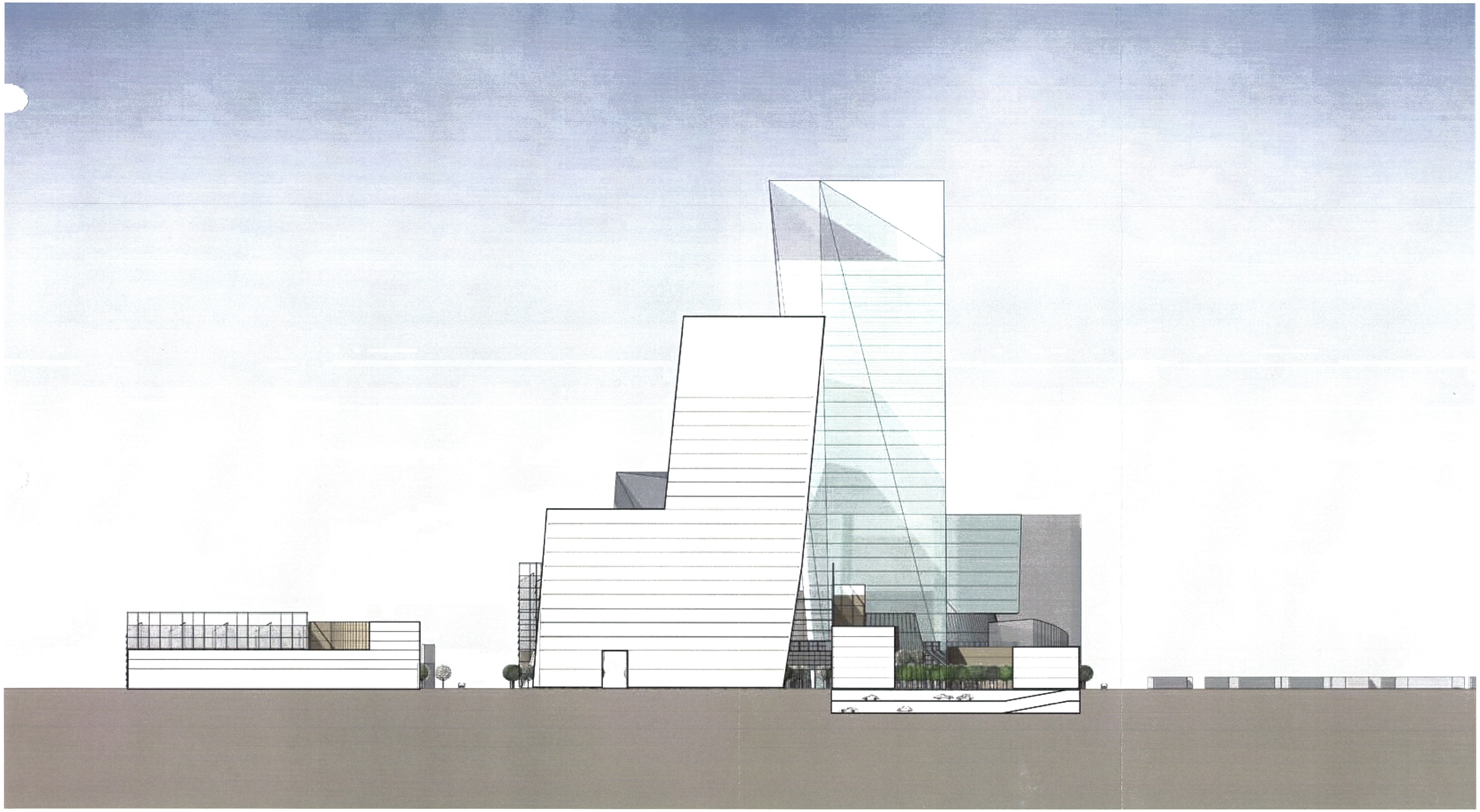
ARCHITECTURE
ENGINEERING



NORTH SOUTH SECTION

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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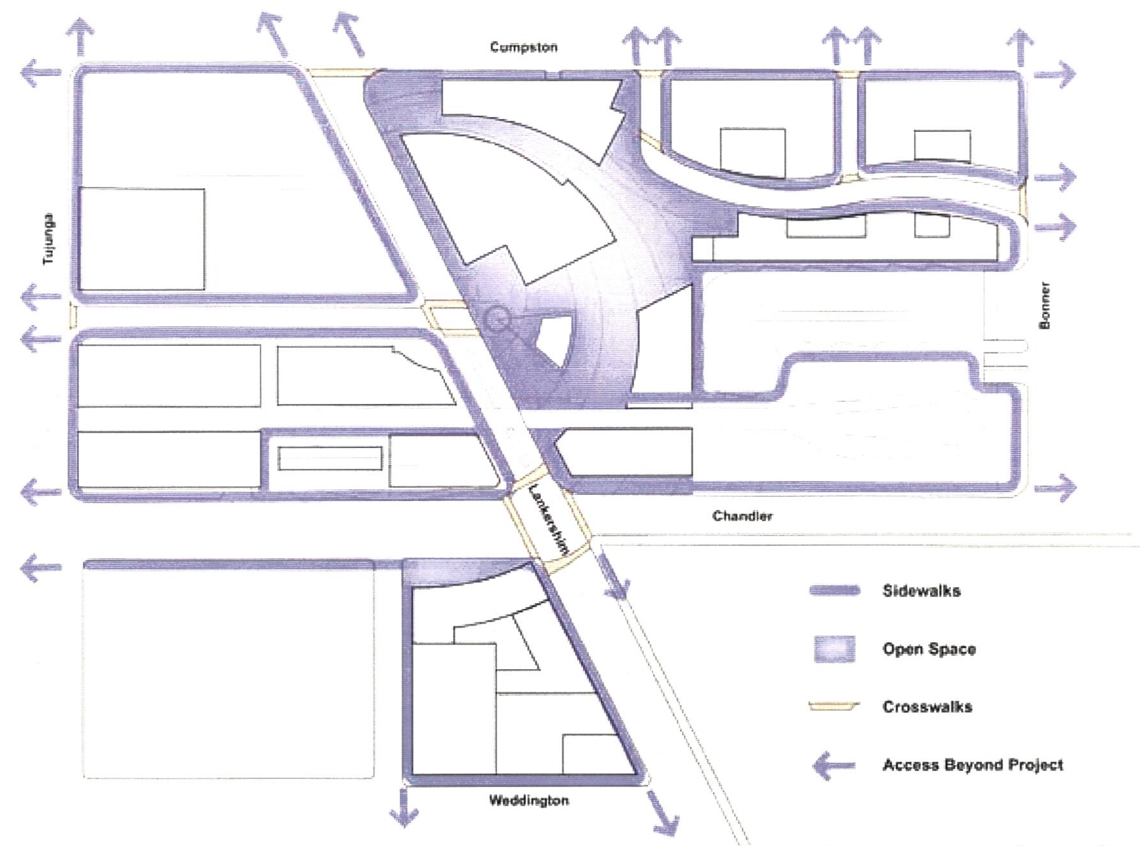
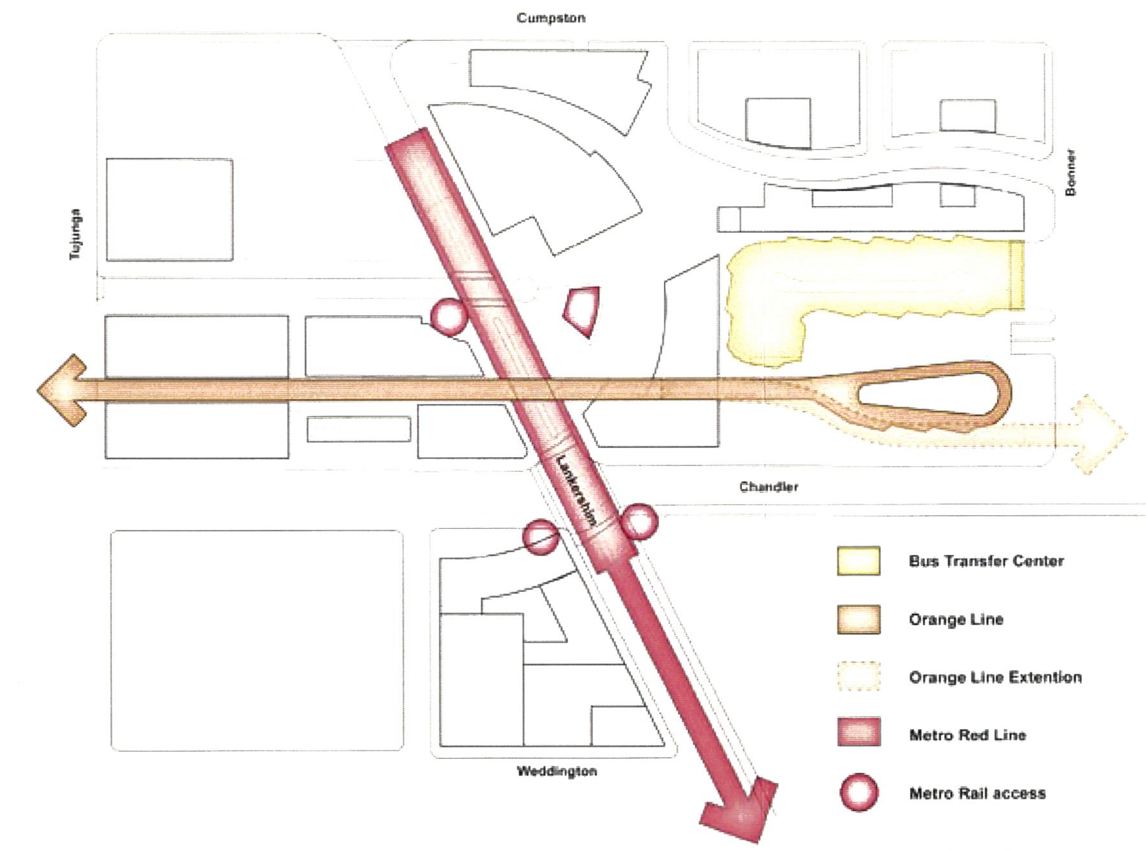
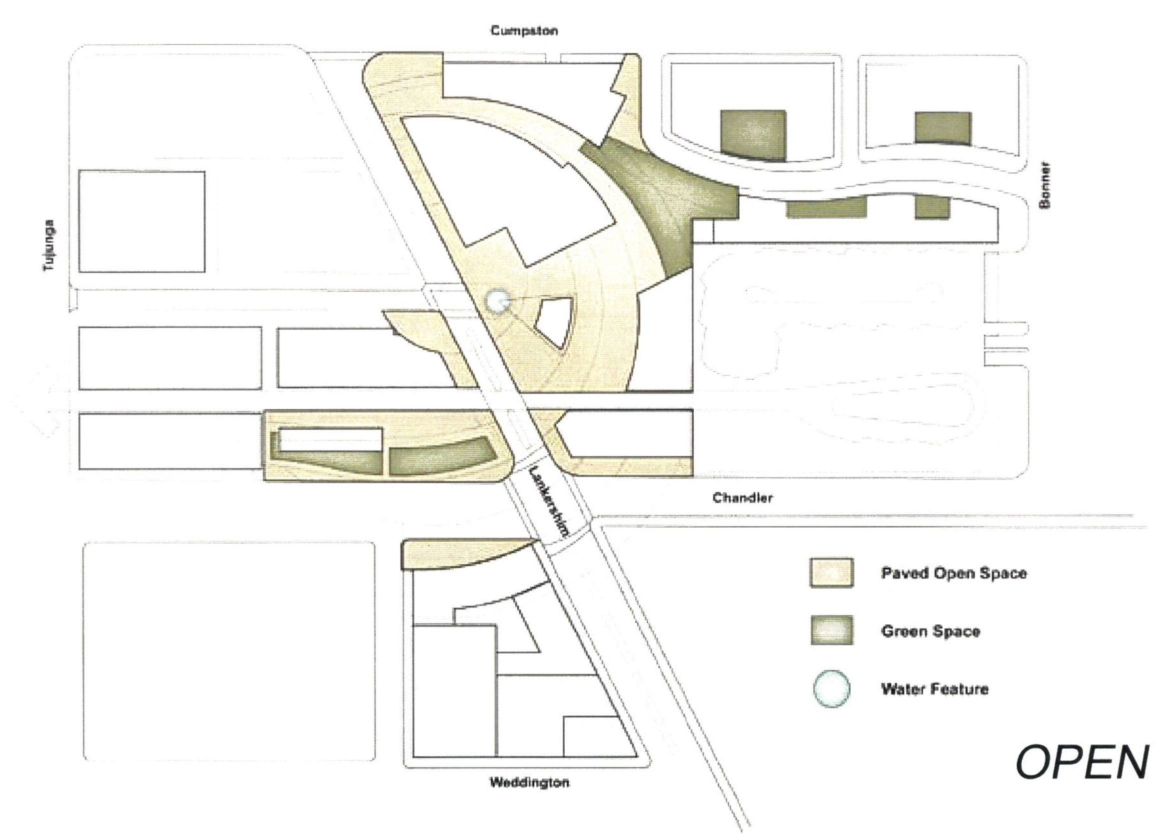


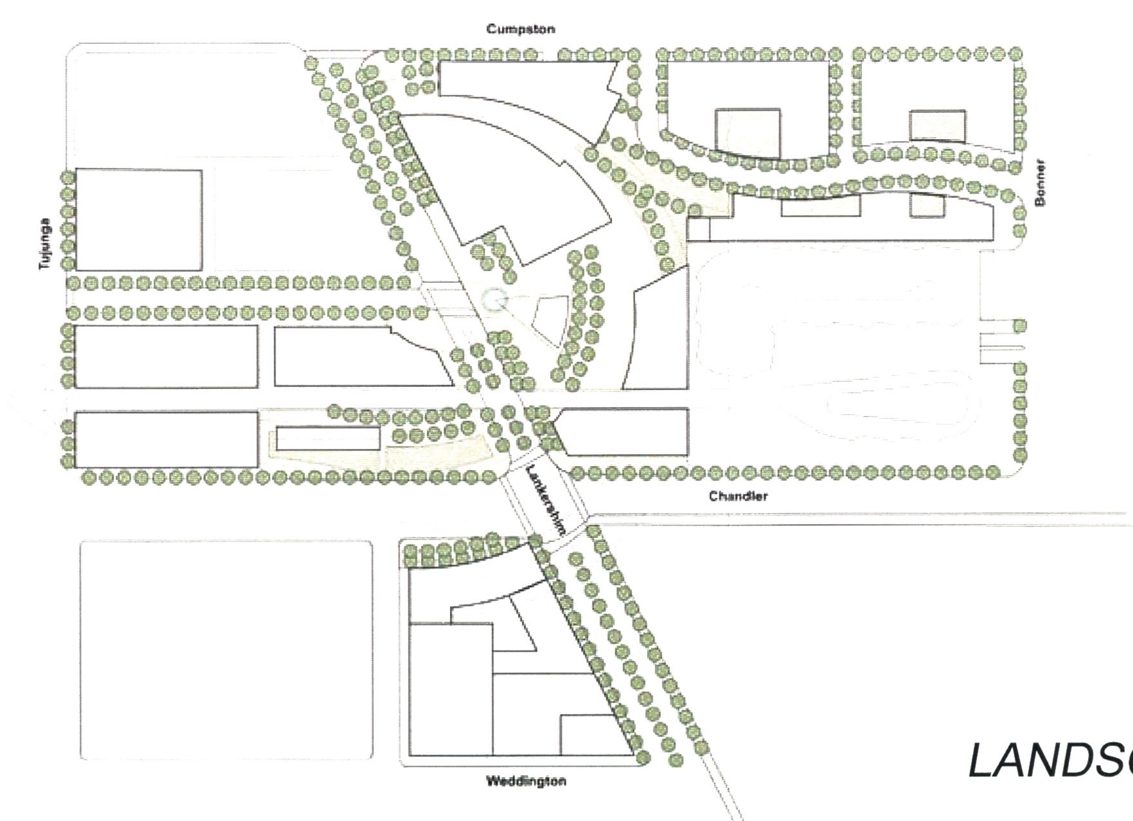
PEDESTRIAN CIRCULATION



TRANSIT DIAGRAM



OPEN SPACE



LANDSCAPE

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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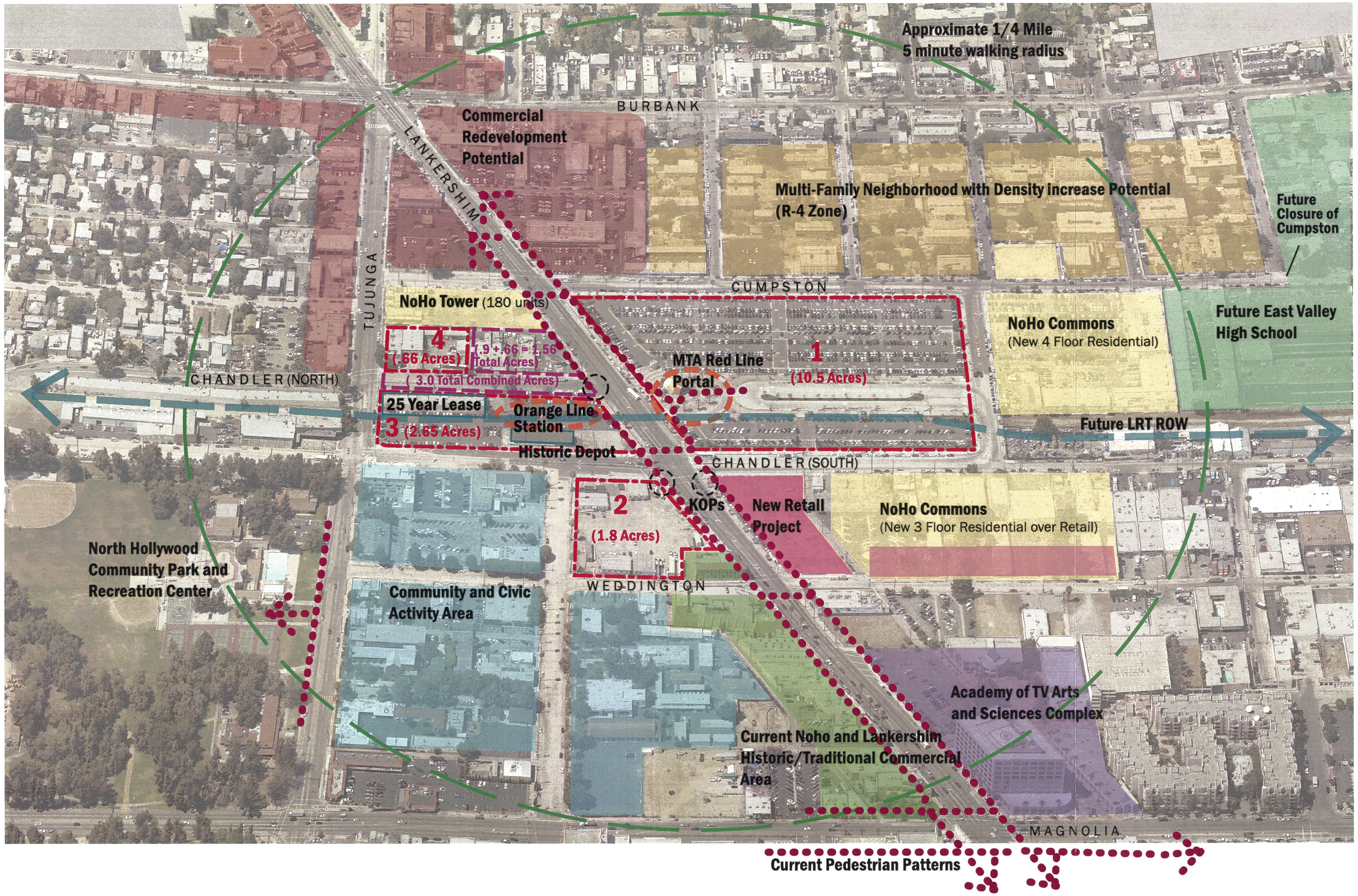
ENGINEERING



EXISTING CONDITIONS, OPPORTUNITIES and CONSTRAINTS

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

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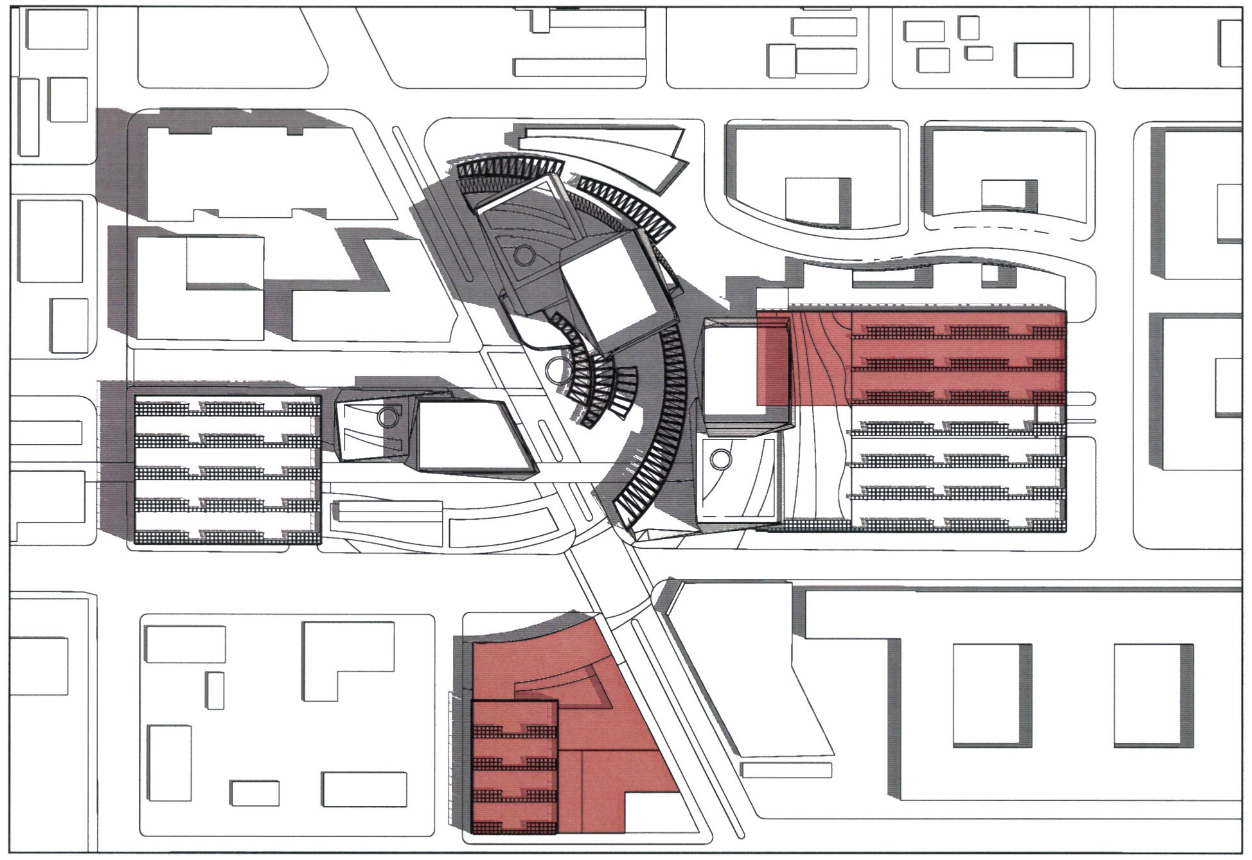
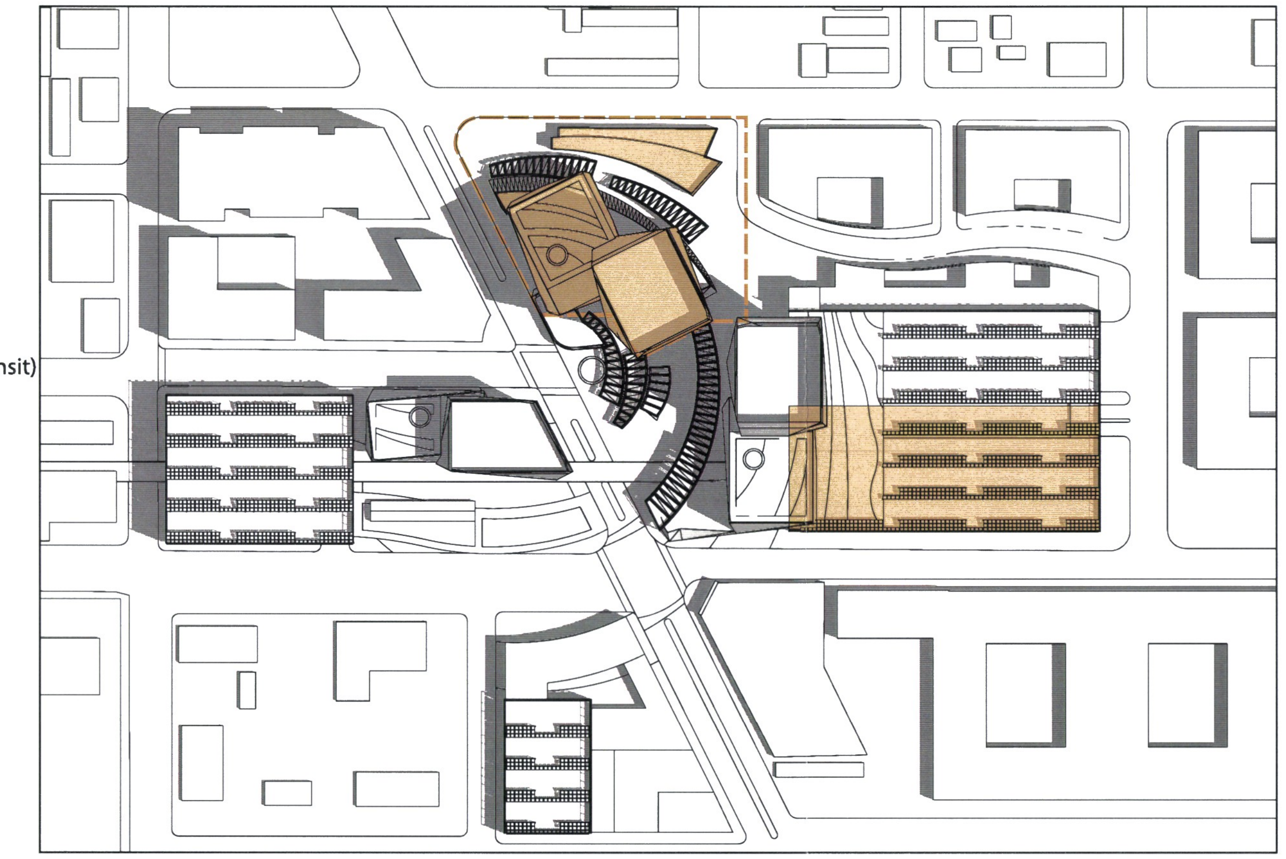
ENGINEERING



PHASE 1

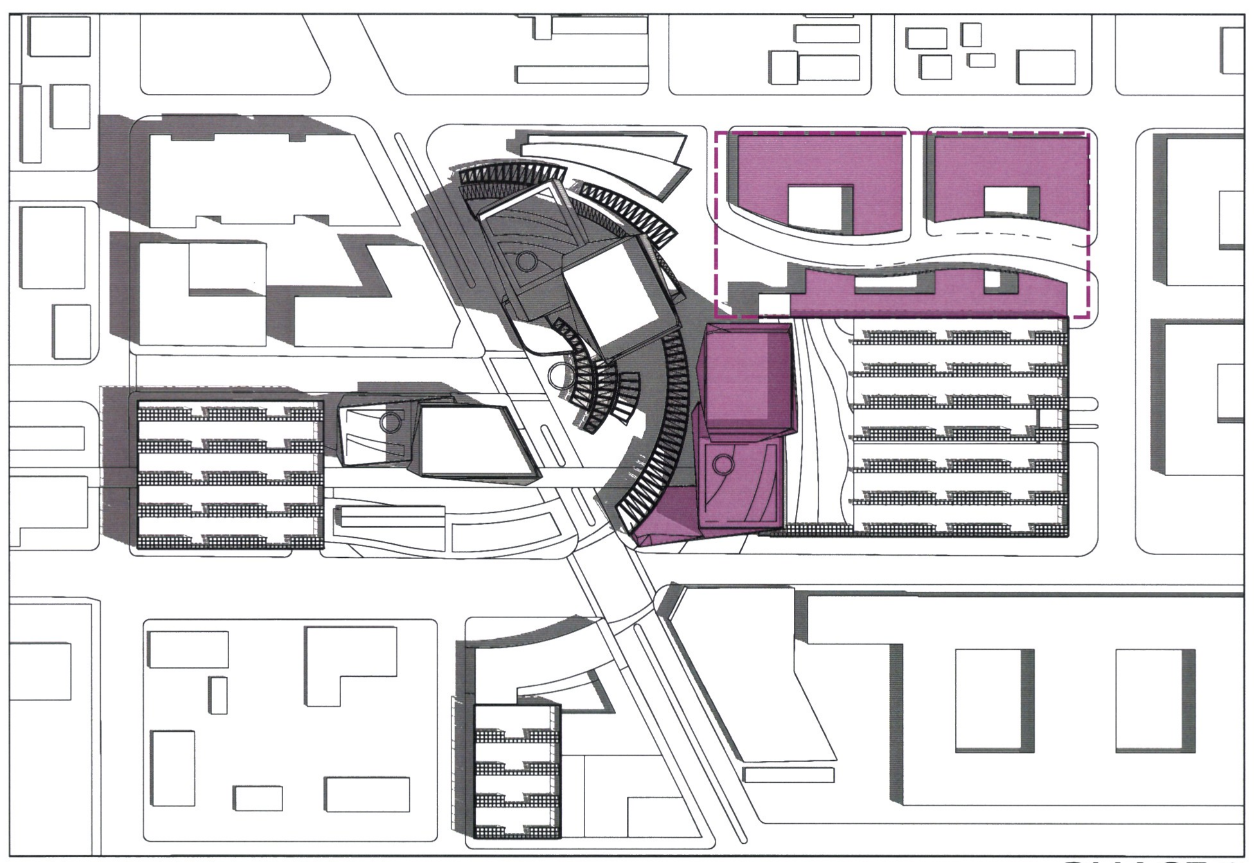
Parcel 1
- Bus Layover Area (note1) Relocate Bus Layover area
- Transit Parking Structure (note 2) Phase 1 - 1320 spaces (1000 spaces allocated to Transit)

Parcel 2
- Commercial--Retail 14,300 SF
- Traditional Rental Housing 100 units
- YMCA 30,560 SF
- Parking Structure 443 spaces



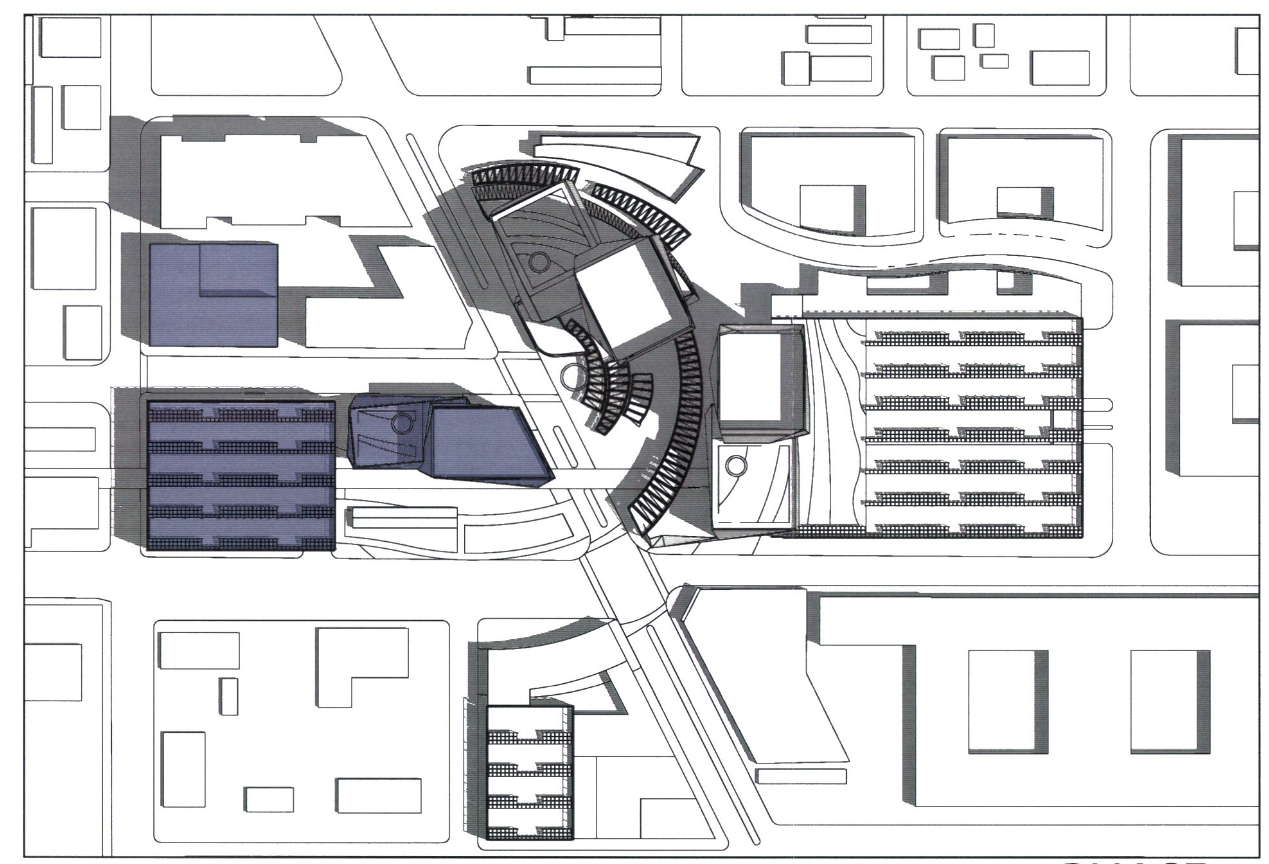
PHASE 2

Parcel 1
- Phase 2 Parking structure 1320 spaces
- Commercial--Office Tower 1 - 459,800 SF
- Commercial--Retail 135,896 SF
- Community -- Arts Theaters 4,500 SF
- Public Parking (Commercial Uses) 550 spaces (below grade)



PHASE 3

Parcel 1
- Commercial--Office Tower 2 - 352,000 SF
- Live-Work Housing 30 units
- Traditional Rental Housing 77 units
- Residential Parking 460 spaces (below grade)



PHASE 4

Parcel 3
- Orange Line Facilities (relocate to Parcel 1)
- Transit Parking 876 spaces (500 spaces for transit)
- Commercial--Office Tower 3 - 199,800 SF
- Commercial--Retail 7,320 SF
- Live-Work Housing 18 units

Parcel 4
- Traditional Rental Housing 138 units
- Parking 220 spaces

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

LOWE ENTERPRISES

ac martin partners, inc
PLANNING
ARCHITECTURE
ENGINEERING

FINANCIAL CAPACITY

MARKET ASSESSMENT

5

MARKET ASSESSMENT

5. MARKET ASSESSMENT

A. AREA OVERVIEW

SAN FERNANDO VALLEY

The San Fernando Valley, while a part of Los Angeles County, is a distinct geographic and economic area. The 345 square mile Valley is defined by the boundaries of the city of Glendale to the east, Santa Clarita to the north, Calabasas to the west, and the Santa Monica Mountains and Hollywood Hills to the south. The Valley can be divided into three specific areas:

- The Central Valley with Sherman Oaks, Encino and Van Nuys
- The West Valley with the communities of Woodland Hills, Warner Center, West Hills, Northridge, Chatsworth and Canoga Park
- The East Valley with Burbank, Glendale, Studio City, Toluca Lake, Universal City and North Hollywood

The Valley boasts well-defined retail, office and industrial employment markets. One of the strongest characteristics of the San Fernando Valley market is the significant number of major employers in the area. The Valley is home to approximately 40,000 businesses that employ over 600,000 people. Many Fortune 500 companies have regional headquarters in the valley. The San Fernando Valley is home to the:

- Largest number of aerospace firms
- Largest number of media and entertainment employers
- Fifth largest number of manufacturing operations
- Sixth largest number of finance, insurance, and real estate companies

NORTH HOLLYWOOD

North Hollywood is originally famous as the birthplace of California statehood. In 1847, Lt. Colonel John C. Fremont of the United States and General Andres Pico of Mexico met at the Campo de Cahuenga ("Cahuenga Field") and signed the treaty to end the Mexican-American War. Twenty-two years later, in 1869, newcomer Isaac Lankershim recognized that the fertile lands lying just over the Cahuenga Pass from the city of Los Angeles will support many crops. He and his friend, I.N. Van Nuys, purchased the entire southern half of the San Fernando Valley, about 59,500 acres, for $115,000, and planted wheat. Thus was sown the Valley's bountiful agricultural industry.

North Hollywood, more commonly referred to as "NoHo" or the "NoHo Arts District" of the San Fernando Valley, is known as one of the most exciting redevelopment areas in all of metro Los Angeles. NoHo is strategically located in close proximity to large media and entertainment employers throughout Universal City, Burbank, Glendale, Studio City, and Sherman Oaks and just over the hill in Hollywood.

The North Hollywood Redevelopment Project covers 750-acres and is administered by the Community Redevelopment Agency of the City of Los Angeles. The project area encompasses:

- The NoHo Arts and Entertainment District with more than 30 theaters, numerous restaurants, cafes and shops;
- A commercial district anchored by the Academy Entertainment and Business Center, the Academy of Television Arts and Sciences and the Academy Hall of Fame Plaza;

- A neighborhood shopping center with Ralph's grocery as its anchor tenant and a recently completed 35,000 square foot HOWS Market;
- The recently completed East Valley High School, a $77 million state-of-the-art facility recently completed in 2006;

Population

The 2007 population within the approximate five-mile radius of the NoHo Art Wave is estimated to be approximately 575,000 with an average household income of $73,000. In addition, 69% of the population is over the age of 25 and approximately 37% have college degrees. The population within the approximate 1-mile radius of the NoHo Art Wave increased 24% between 1990 and 2007.

Population Growth & Average Household Income			
	1-Mile Radius	3-Mile Radius	5-Mile Radius
1990 Census	35,885	216,181	492,868
Population 2007	42,196	251,157	574,735
Projected Population 2012	44,448	265,984	609,966
Growth Rate 1990-2007	23.9%	16.2%	16.6%
Projected Growth Rate 2006-2012	5.3%	5.9%	6.1%
Average Household Income	$56,234	$69,192	$73,008
Source: Claritas, April 2007			

Transportation in North Hollywood

Freeways The San Fernando Valley is well served by one of the largest freeway systems in the world, connecting all areas of Greater Los Angeles. Major freeways through the Valley include the Foothill (210), Golden State (5), Hollywood (170), San Diego (405), San Fernando Valley (118) and Ventura (101) Freeways. The NoHo Art Wave enjoys an advantageous location close to the Ventura (101) Freeway and Hollywood (170) Freeway providing easy access to Downtown Los Angeles, the San Diego (405) Freeway, West Los Angeles and the beach communities and the West Valley communities.

Airports The Bob Hope Airport (formerly known as Burbank Airport) is the primary commercial airport in the San Fernando Valley, providing service for the following airlines: Alaska, America West, American, Delta, JetBlue, Southwest and United Airlines. Other smaller airports servicing the Valley include Van Nuys Airport, Whitman Airpark and San Fernando Airport.

Metro Rail/Metrolink Located on the corner of Chandler and Lankershim and at the center of the NoHo Art Wave, the North Hollywood Metro Subway station opened in June 2000 and is the starting point for the Metro Red Line Subway system. This station links North Hollywood with Universal City, Hollywood and Downtown Los Angeles. The North Hollywood Metro station also provides access to the Orange Line Busway. This successful transit project opened in October 2005 linking North Hollywood with Warner Center over a 14-mile landscaped transit corridor with 13 stops along the way.

<u>**Colleges and Universities**</u>

Residents of North Hollywood are just a quick drive from excellent institutions of higher learning.

- California State University Northridge, a member of the 20-campus California State University system, is the third largest college or university in Los Angles County and serves almost 30,000 students seeking bachelor's and master's degrees.
- Los Angeles Valley College, in Van Nuys has an enrollment of 17,000 students. Founded in 1949, the college employs 250 full-time and 300 part-time instructors.
- Other nearby colleges and universities within commuting distance include: Kings College and Seminary, National University, University of California Los Angeles (UCLA), University of Southern California (USC), Pepperdine University's Valley Campus, California Institute of the Arts, California Institute of Technology and Woodbury University.

<u>**Entertainment**</u>

The immediate neighborhood, offers theatres, dance instruction, galleries, playhouses, acting schools, recording studios and a number of art-related festivals and events. In addition, there are numerous restaurants, bars, lounges, coffee houses and bistros all within a short walk. The large North Hollywood park and outdoor recreation center just one block from the NoHo Art Wave. The NoHo Arts District offers more than 30 professional theaters producing both classics and adventurous new work, diverse art galleries, public art showings, professional dance studios, the largest concentration of music recording venues on the west coast and annual festivals.

The El Portal Theatre is a historic landmark located in the heart of North Hollywood at 5269 Lankershim Boulevard. The theatre, originally built as a vaudeville house in 1926, sits directly across from the Academy of Television Arts and Sciences. The El Portal Theatre has quickly become an icon within the Valley community and continues to establish the identity of the NoHo Arts District within the theatre and entertainment community. Rebuilt in the late 1990's and opened in January 2000, this historic 1,400 seat movie house now offers three live theatres: The 42-seat Studio, The 95-seat Forum and The 350-seat Main Stage.

Burbank, Glendale, Universal City, North Hollywood, Studio City and Hollywood are well known for the largest concentration of media and entertainment employers in the world, covering the full spectrum including animation, movies, television, radio, broadcasting, music labels and more studio production square footage and sound stages than any place in the world. Top employers include, but are not limited to Warner Bros. NBC/Universal, ABC/Walt Disney, DreamWorks, CBS, MCA Records and Clear Channel. The Academy of Television Arts & Sciences, honors primetime programming by awarding "Emmy Awards".

Nearby entertainment venues include:

- Universal City – City Walk & Universal Studios.
- Studio City – Ventura Boulevard, "The Rodeo Drive of The Valley".
- Sherman Oaks – Sherman Oaks Galleria & Westfield Fashion Square.
- Hollywood – Hollywood & Highland, Grumman's Chinese Theatre, Archlight Cinemas
- Glendale – The Glendale Galleria
- Burbank – Media District, Griffith Park, LA Zoo

B. Office Market

NORTH LOS ANGELES, TRI-CITIES AND WEST LOS ANGELES OFFICE SUBMARKETS

The North Hollywood micro market has performed historically as a mix of trends in the three surrounding office submarkets: Tri Cities (Burbank, Glendale, Pasadena), North Los Angeles and West Los Angeles. Within the geographical nexus of three thriving office submarkets, the limited supply and strong demand fundamentals of the smaller Burbank, North Hollywood, Universal City and Studio City office micro markets will provide the NoHo Art Wave with substantial opportunities to capture significant spillover in office demand. Lowe has engaged Property and Portfolio Research ("PPR") to combine the trends in demand and supply fundamentals for the three submarkets involved and then apply these trends to the North Hollywood micro market.

Burbank is a leading part of the Tri-Cities office submarket, North Hollywood and Universal City are in the North LA office submarket, and Studio City is tracked as part of the West LA office submarket. West LA remains the heart of high-level business dealing in the entertainment industry, with strength in that sector leading to more production activity in the subject micro market. In contrast, the Tri-Cities and North LA office submarkets are where the entertainment industry has most of its production and back office operations. Vacancy rates in the three submarkets combined have rebounded sharply in recent years, from nearly 17% in 2002 to 10% today.

North LA / Tri-Cities / West LA Combined								
	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4
Net Absorption (000 SF)	**3,852**	**5,910**	**3,062**	**1,466**	**1,397**	**1,218**	**1,478**	**1,498**
Supply (past 4 quarters, 000 SF)	**1,382**	**1,227**	**947**	**1,655**	**1,564**	**1,431**	**1,616**	**1,817**
Inventory (000 SF)	**154,194**	**155,421**	**156,368**	**158,023**	**159,587**	**161,018**	**162,633**	**164,450**
Vacancy Rate	**14.8%**	**11.7%**	**10.3%**	**10.3%**	**10.3%**	**10.3%**	**10.3%**	**10.4%**
Metrowide Vacancy	*16.7%*	*15.4%*	*14.6%*	*14.2%*	*13.8%*	*13.6%*	*13.2%*	*12.9%*
Rent ($)	**$29.57**	**$30.70**	**$33.74**	**$36.43**	**$38.28**	**$38.62**	**$38.71**	**$39.72**
Metrowide Rent	*$25.86*	*$25.90*	*$27.85*	*$30.04*	*$31.87*	*$32.46*	*$32.68*	*$33.52*
YOY Rent Growth (Q4/Q4)	**(0.7%)**	**3.8%**	**9.9%**	**8.0%**	**5.1%**	**0.9%**	**0.2%**	**2.6%**
Metrowide Rent Growth (Q4/Q4)	*(1.1%)*	*0.1%*	*7.5%*	*7.9%*	*6.1%*	*1.8%*	*0.7%*	*2.6%*

NORTH HOLLYWOOD OFFICE MICRO MARKET

The North Hollywood Micro market has performed historically as a mix of trends in the three surrounding office submarkets, with the underlying drivers in the micro market being that of the entertainment industry combined with an array of supporting professional and business services firms. The NoHo office micro market has performed similar to the North Los Angeles office submarket in recent years, but is evolving closer to the Tri-Cities office submarket in terms of performance, implying modestly higher rent levels and rent growth rates in the future.

Demand

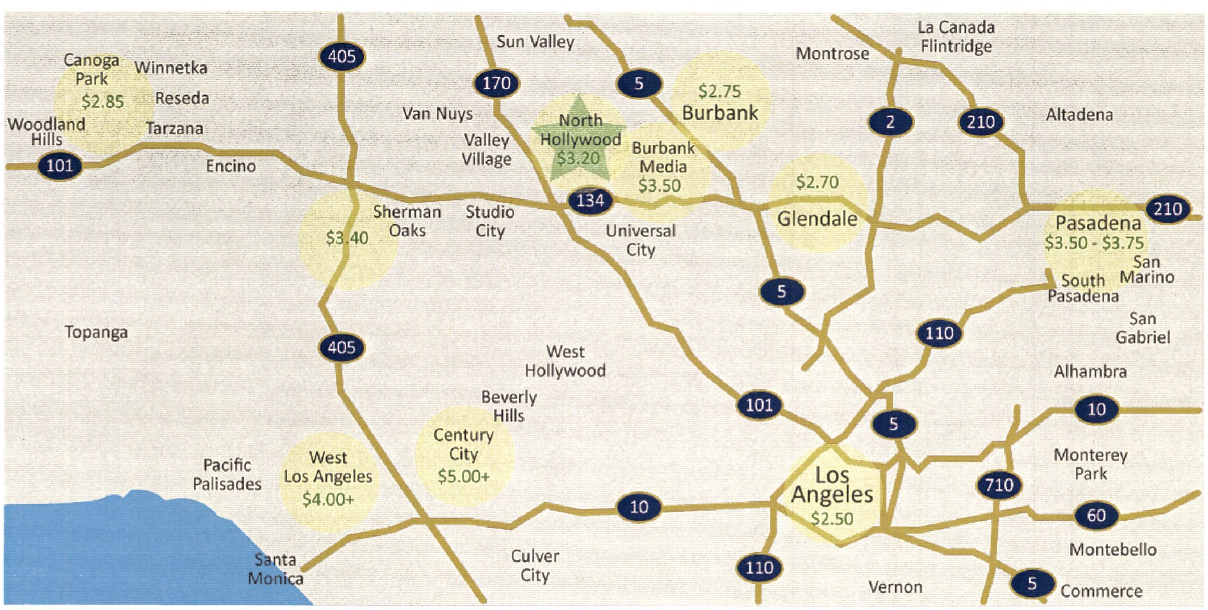
Tightening in the Burbank, North Hollywood, Universal City and Studio City office micro markets has been pronounced, with the vacancy rate plummeting from 10% in 2002 to around a miniscule 2% currently. Net absorption is forecast to increase from 210,000 sq ft in 2008 to 375,000 sq ft in 2011. These levels of net absorption assume that the micro market captures between 15% and 25% of forecast net absorption in the three office submarkets. Achieving the upper end 25% share of market demand appears to be likely given the synergistic growth that will occur as these mixed-use projects generally will be complemented by substantial residential and retail components, boosting neighborhood amenities and the vibrancy of the micro market. As net absorption will fall short of new construction, the ultra-low vacancy rate in the micro market will gradually rise from under 2% in 2007-08 to about 6% in 2011 (still a low level). PPR estimates that office rents will climb 10% in 2007, around 8% in 2008, and a robust 5% in 2009, before moderating to annual growth around 3%

Burbank / North Hollywood / Universal City / Studio City Office Micromarket	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4
Net Absorption (000 SF)	**534**	**894**	**423**	**73**	**210**	**304**	**370**	**375**
Supply (past 4 quarters, 000 SF)	**0**	**660**	**0**	**0**	**200**	**600**	**600**	**600**
Inventory (000 SF)	**14,865**	**15,525**	**15,525**	**15,525**	**15,725**	**16,325**	**16,925**	**17,525**
Vacancy Rate	**6.7%**	**4.9%**	**2.2%**	**1.8%**	**1.7%**	**3.4%**	**4.7%**	**5.8%**
Metrowide Vacancy	*16.7%*	*15.4%*	*14.6%*	*14.2%*	*13.8%*	*13.6%*	*13.2%*	*12.9%*
Rent ($)	**$29.57**	**$30.70**	**$33.74**	**$37.11**	**$39.74**	**$41.33**	**$42.16**	**$43.21**
Metrowide Rent	*$25.86*	*$25.90*	*$27.85*	*$30.04*	*$31.87*	*$32.46*	*$32.68*	*$33.52*
YOY Rent Growth (Q4/Q4)	**(0.7%)**	**3.8%**	**9.9%**	**10.0%**	**8.1%**	**5.0%**	**3.0%**	**2.5%**
Metrowide Rent Growth (Q4/Q4)	*(1.1%)*	*0.1%*	*7.5%*	*7.9%*	*6.1%*	*1.8%*	*0.7%*	*2.6%*

Supply

New construction in this micro market is forecast to increase to 600,000 square feet per year over 2009-2011. This forecast is premised upon the developers currently planning large mixed-use projects with substantial office components. These include M. David Paul in Burbank, Thomas Properties Group in Universal City, J.H. Snyder at NoHo Commons.

Commercial Office – Class A Market Rental Rates ($/SF/Month)



Market rents in locations surrounding North Hollywood have continued to show increased strength amid declining vacancy rates. This strength of the market will continue to propel North Hollywood into a new, class-A quality market. As such modeled economic rental rates average $3.20 per square foot per month.

In summary, the NoHo Art Wave is well-positioned to take advantage of the following:

- Proximity to the major media and entertainment employment centers of Universal City, Studio City, Burbank and Glendale, as well as the ease of access via the Metro Rail to Hollywood's vast and growing employer base.
- Moderate new development in surrounding submarkets due to high physical and regulatory barriers to entry for office development in the Burbank, Universal City and Studio City office micro markets
- Capture the spillover of office demand from Burbank, Glendale and Universal City, which are home to the highest concentration of studios including Disney Studios, Warner Brothers Studios, Universal Studios, NBC Studios, ABC Studios and Dream Works. CBS Studios is located in Studio City; Paramount Studios is in Hollywood;
- Capture a portion of the projected net absorption of approximately 600,000 square feet per year. The NoHo Art Wave will deliver 1 million square feet over a six year period, or an average of 170,000 square feet per year, well within the expected net absorption projections.
- Service the expansion of large corporate tenants in North Hollywood including Greystone, Time Warner, Starcom, Mediawest, Weller Grossman, Los Angeles Unified Communications Entertainment Worldwide Production School District, ASI Entertainment, Leo Burnett USA, The Academy of White Light Television Arts & Sciences, Entertainment Howard Anderson Company, Disney Online, Universal Mastering Studios, Howard Anderson Company and Ian H. Graham Insurance.
- Low vacancy rates over the forecast period, with only temporary upticks as new buildings come on line a few years from now.

C. Retail Market

SAN FERNANDO VALLEY

The San Fernando Valley makes up a significant portion of the total Los Angeles retail market and is considered a high-growth retail submarket that continually proves to be an ideal home for national retailers and boutique retailers. Ventura Boulevard, stretching from Woodland Hills in the west to Studio City in the east has evolved into a significant retail corridor with the stretch of Ventura Boulevard located in Studio City now referred to as the "Rodeo Drive" of the Valley. Burbank, Glendale, Universal City, Studio City, North Hollywood and Sherman Oaks represent the highest concentration of retail and entertainment destinations within the Valley.

Retail rent growth in the NoHo micromarket will outpace the metro average as new retail at NoHo Commons, Valley Plaza, the subject property, and along major arterials will synergisticly upgrade the perceived ambiance of shopping in North Hollywood, and will benefit from the arrival of more residents with higher household incomes. This new retail space will be complementary, assuming landlords differentiate their tenant mixes.

TRI CITIES AND SAN FERNANDO VALLEY RETAIL MARKETS

The Tri-Cities (Burbank, Glendale, Pasadena) submarket has a 1.1% vacancy rate for its 1.6 million square feet of anchor space, and a 7.3% vacancy rate for 1.2 million square feet of non-anchor space. The average asking rent is $20.44 psf for anchor space and $29.33 psf for non-anchor space. Overall vacancies increased 100 basis points here in the fourth quarter of 2006, to 3.7%, thanks to 27,000 square feet of negative net absorption. Net absorption was negative by 60,000 square feet for the year. Still, Reis forecasts that demand will keep up with the nearly 600,000 square feet of space predicted to complete from 2007 to 2011, including 147,000 square feet this year. The American at Brand project continues to move forward, *GlobeSt.com* reports. Caruso Affiliated received a $300 million construction loan from PNC Bank in December. The project is on schedule for a spring 2008 opening, according to the principal.

Burbank/Glendale/Pasadena Submarket							
Year	Inventory (SF/Units)	Completions	Vac %	Vacant Stock	Occupied Stock	Net Absorption	Asking Rent % Chg
2004	2,730,000	0	1.8	50,000	2,680,000	-3,000	4.4
2005	2,730,000	0	1.5	41,000	2,689,000	9,000	7.5
2006	2,730,000	0	3.7	101,000	2,629,000	-60,000	7.1
2007	2,877,000	147,000	3.0	88,000	2,789,000	160,000	7.3
2008	2,921,000	44,000	2.7	79,000	2,842,000	53,000	5.1
2009	3,050,000	129,000	2.3	71,000	2,979,000	137,000	3.0
2010	3,183,000	133,000	2.2	69,000	3,114,000	135,000	3.3
2011	3,285,000	102,000	2.4	78,000	3,207,000	93,000	2.9

The San Fernando Valley East submarket has a 0.0% vacancy rate for 1.6 million square feet of anchor space and a 2.5% vacancy rate for 1.6 million square feet of non-anchor space. The average asking rents are $19.70 psf and $33.21 psf, respectively. Rents spiked by more than 11.0% here in 2006.

East San Fernando Valley							
Year	Inventory (SF/Units)	Completions	Vac %	Vacant Stock	Occupied Stock	Net Absorption	Asking Rent % Chg
2004	3,092,000	0	2.0	62,000	3,030,000	114,000	7.5
2005	3,172,000	80,000	2.0	63,000	3,109,000	79,000	5.4
2006	3,172,000	0	1.3	40,000	3,132,000	23,000	11.0
2007	3,232,000	60,000	2.5	80,000	3,152,000	20,000	7.9
2008	3,232,000	0	2.9	94,000	3,138,000	-14,000	5.9
2009	3,232,000	0	3.3	107,000	3,125,000	-13,000	2.9
2010	3,359,000	127,000	3.1	103,000	3,256,000	131,000	2.7
2011	3,359,000	0	3.6	120,000	3,239,000	-17,000	2.8

"We believe that residents make the neighborhood and create the vitality of an area. We are seeking to tap into this energy that exists in NoHo and develop interesting new spaces of retail, residential and office for living and interacting that will enhance the area, image, and lifestyle of NoHo and the Arts District community."

Miles Huber
Lowe Enterprises

Bob Weekley
Lowe Enterprises

D. Residential Market

SHERMAN OAKS/STUDIO CITY/NORTH HOLLYWOOD SUBMARKET

The 43,590-unit Sherman Oaks/Studio City/North Hollywood submarket had a fourth-quarter 2006 vacancy rate of 5.5%, second highest metro-wide, and an average asking rent of $1,478 per month. Rent gains were robust in 2006, with Reis reporting a 7.3% gain in the average asking rent and a 7.8% gain in the average effective rent for the year. Vacancy in this submarket was pushed up by the completion of the 438-unit The Gallery at NoHo Commons and the 292-unit second phase of NoHo Commons Lofts, both in North Hollywood. For 2006 as a whole, 958 units delivered in this submarket, pushing the vacancy rate up 220 basis points. With another 299 units already under construction for 2007 delivery and Reis forecasting more in coming years, vacancy is expected to remain in the vicinity of 5.0% through 2011.

Sherman Oaks/Studio City/North Hollywood Submarket								
Year	Inventory (SF/Units)	Completions	Conversions	Vac %	Vacant Stock	Occupied Stock	Net Absorption	Asking Rent % Chg
2004	42,783	138	0	3.4	1,455	41,328	-166	4.6
2005	42,762	0	0	3.3	1,411	41,351	23	5.8
2006	43,590	958	-130	5.5	2,397	41,193	-158	7.3
2007	44,027	437	0	5.5	2,421	41,606	413	6.9
2008	44,219	192	n/a	5.2	2,308	41,911	305	5.2
2009	44,719	500	n/a	5.1	2,281	42,438	527	3.5
2010	45,138	419	n/a	5.3	2,388	42,750	312	2.8
2011	45,526	388	n/a	5.5	2,495	43,031	281	2.9

In the 17,053-unit Burbank/North Glendale submarket, the 2006 fourth quarter vacancy rate was 2.4%, and the average asking rent was $1,399 per month. This is another submarket whose peak year for rent gains was 2005, with both the average asking rent and the average effective rent rising 5.2% in 2006, the latter to $1,349 per month. New supply is forecast to arrive in the 2008 to 2010 period; vacancy is forecast to rise slowly toward 5.0%.

According to Property and Portfolio Research, apartment rent growth in the NoHo micromarket will outperform that of PPR's "North LA" apartment market as new higher-quality product comes on line at higher rents *and* as the ambiance / quality of life in NoHo continues to improve (gentrify). Average rents in NoHo will approach, but stay below, the average level of rents in the Tri-Cities submarket.

APARTMENT DEVELOPMENT PIPELINE				
APARTMENT COMMUNITY	**LOCATION**	**DEVELOPER**	**COMPLETION**	**UNITS**
NoHo Tower (The Florentine)	5445 Lankershim Blvd North Hollywood	JSM	May 2007	180
NoHo Collection (Imperia Apartments)	11049 McCormick St North Hollywood	JSM	June 2007	103
NoHo Collection (Milano Apartments)	11049 Magnolia Blvd North Hollywood	JSM	June 2007	196
Alexan Universal City	4029 Lankershim Blvd Studio City	Trammell Crow Residential	January 2007	145
NoHo Collection (Gangi Apartments)	Vineland & McCormick North Hollywood	JSM	March 2008	152
NoHo Warehouse (Imperia Apartments)	Magnolia Avenue North Hollywood	HDS Group	2008	50
NoHo Live/Work	4900 Vineland Ave North Hollywood	CO Wood	2008	58
TOTAL				**884**

Notes on Affordability Components:

- NoHo Tower is a 180 unit property with 10 affordable units
- Imperia Apartments in a 103 unit property with 8 affordable units
- Milano Apartments is a 196 unit property with 15 affordable units

Competitive Set

The rent comparables maintain an average occupancy of 91.5%; however, Academy Village is undergoing renovations and therefore is artificially low. Properties currently in lease-up are not included in the average occupancy. The median age/year built of the comparable set is 2003 with a range of 1990 to 2006. Five properties were delivered in 2006. The rent comparables total 1,148 units with an average property size of 164 units, ranging from 50 units to 438 units.

PROPERTY	YEAR COMPLETED	OCCUPANCY	TOTAL UNITS	UNITS SURVEYED	AVG UNIT RENT	AVG UNIT SF	AVG UNIT RENT PSF	WEIGHTED AVG RENT PSF 1 BR	WEIGHTED AVG RENT PSF 2 BR	WEIGHTED AVG RENT PSF 3 BR
The NoHo Lofts	2006	92.0%	68	68	$2,047	947	$2.16	$2.12	$2.26	$2.22
Gallery - NoHo Commons	2006	16.0%	438	323	$2,089	838	$2.49	N/A	$2.51	$2.45
Lofts - NoHo Commons	2006	32.0%	292	186	$2,226	853	$2.61	$2.60	$2.62	N/A
NoHo Collection - Tocino	2004	94.0%	103	103	$1,985	898	$2.21	$2.77	$2.45	$1.95
Academy Village	1990	87.5%	248	248	$1,788	766	$2.33	N/A	$2.45	$2.21
NoHo Gardens	2006	94.0%	100	92	$1,899	827	$2.30	N/A	$2.52	$2.12
Cosmo Lofts	2006	90.0%	50	50	$3,465	1,143	$3.03	$3.03	N/A	N/A
TOTAL		**91.5%**	**1,299**	**1,070**	**$2,214**	**896**	**$2.45**	**$2.63**	**$2.47**	**$2.19**
NoHo Art Wave										

The average unit size for the comparable set is 896 square feet with a range of 766 square feet to 1,143 square feet. The NoHo Art Wave has an average unit size of 918 square feet. The average unit market rent for the comparable set is $2,214 per unit with a range of $1,788 per unit to $3,465 per unit. The average unit market rent per square foot for the comparable set is $2.45 per square foot while the range is $2.16 to $3.03 per square foot.

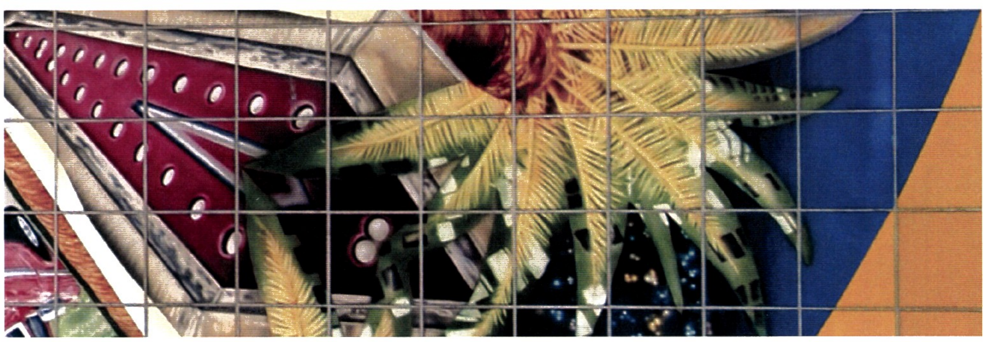
Sources:

- Property and Portfolio Research
- Reis
- Transwestern Multi housing Capital Advisors
- Pierce Eislen

FINANCIAL PROPOSAL

6

FINANCIAL PROPOSAL



“We believe our thirty five years of development experience coupled with our dynamic development team can help make Metro and the Community Redevelopment Agency’s dream a reality.”

J. Alberto Lemus, Lowe Enterprises

Richard G. Newman, Lowe Enterprises

David Sonderegger, Lowe Enterprises

6. FINANCIAL PROPOSAL

A. Financial Compensation to Metro

After careful consideration of the complex issues associated with the financing, leasing and selling of a mixed-use development of this magnitude, Lowe has crafted a transaction structure which provides Metro with both fixed and upside financial compensation while aligning Lowe and Metro toward making the NoHo Art Wave a near-term reality. Starting at the approval of the Exclusive Negotiation Agreement, Metro will be paid minimum "base" rent that will increase upon meeting significant project milestones including execution of the joint development and obtaining entitlements. As the individual leasehold improvements achieve stabilized income-producing levels, Metro will be paid a percentage of the adjusted gross revenues in addition to the minimum base rent. Lowe will also provide Metro with the opportunity to participate in the profits from capital events such as sales and refinancing as Lowe optimizes the value of the individual properties on the site and long-term appreciation is achieved.

The key elements of the Lowe's financial compensation to the Metro include the following:

- **Option Rent** payments from the date of approval of the Exclusive Negotiation Agreement until the execution of the Joint Development Agreement and Ground Lease.
- **Entitlement Rent** payments from the date of execution of the Joint Development Agreement and Ground Lease until entitlement approvals.
- **Holding Rent** payments from the date of approval of entitlements to the earlier of completion of construction for each phase or the Minimum Dates.
- **Minimum Base Rent** payments from earlier of completion of construction for each phase or the Minimum Dates through the remaining term of the ground lease. The minimum base rent was determined as a percentage of the total value of the site based on its development program.
- **Percentage Rent** as a percentage of the adjusted gross revenue from all income-producing leasehold improvements upon achieving the hurdles specified for each land use.
- **Profit Participation** in the proceeds from the refinancing and sale of individual components of the development upon achieving specific return hurdles for each land use.

Metro will receive an annual payment of $10,822,500 ground rent payment for the Minimum Base Ground Rent. The 20-year net present value ("NPV") of total ground rent payments to Metro is $57.8 million (9.25% discount rate).

B. Ground Lease Terms

Ground Lessor:	Metro
Ground Lessee:	Lowe Enterprises
Site:	The entire project site as defined by Metro in the Request for Proposal
Term:	60 year initial term plus four successive 11-year options
Option Rent:	\$541,125 per year (\$45,094 per month) from the date of approval of the Exclusive Negotiation Agreement through the execution of the Joint Development Agreement and Ground Lease. This amount equals 5% of the Minimum Base rent.
Entitlement Rent:	\$1,082,250 per year (\$90,188 per month) from the date of execution of the Joint Development Agreement and Ground Lease through the entitlement period to entitlements approval. This amount equals 10% of the Minimum Base rent.
Holding Rent:	\$2,164,500 per year (\$180,375 per month) from the date of approval of entitlements and the earlier of the construction completion date of each phase or the minimum date. This amount equals 20% of the Minimum Base rent and shall be paid on a pro-rata basis by phase. The minimum date shall be established as a date twelve months beyond the expected completion date of each specific phase.
Minimum Base Rent:	\$10,822,500 per year (\$901,875 per month) from the earlier of the construction completion or the Minimum Date for each phase of the development through the remaining term of the lease. This annual amount equals 9.25% of the total land value. Minimum Base Rent shall be paid on a pro-rata basis by phase as completion or minimum dates are reached.
Adjustments to Base Rent:	The Minimum Base Rent will be adjusted every five years by inflation according the Consumer Price Index and will be subject to a floor of 5% and a cap of 10%.

Percentage Rent: Percentage Rent shall be paid on the Adjusted Gross Income for each component of the development upon Lowe achieving the following annual Return-On-Cost levels:

	Return Hurdle	% Share of Adjusted Gross Income
Office	10.0%	8.0%
Retail	9.75%	8.0%
Residential	9.50%	11.5%

Adjusted Gross Income is defined to be the gross revenues generated by each element, less those operating expenses considered to be beyond the control of the Developer, defined to be property taxes, insurance and utilities and maintenance expenses.

Return-On-Cost is defined as the Adjusted Gross Income divided by the total development direct and indirect costs associated with each leasehold improvement.

Participation in Net Proceeds from Refinancing: Upon refinancing of the construction financing for any portion of the leasehold improvements, Lowe shall pay Metro 3% of the net financing proceeds.

Net Financing Proceeds are defined as the amount by which the gross amount of the post-construction refinancing proceeds less financing costs, less amounts reinvested in the property, exceeds the most recent net financing basis.

Participation in Net Sales Proceeds: Upon the sale of any portion of the leasehold improvements in the development, Lowe shall pay Metro 15% of the net sales proceeds above a 20% net profit margin.

Net Profit Margin is calculated by dividing the Net Profit by the gross sales revenue.

Net Profit is equal to the gross sales revenue less all costs of sales and total development direct and indirect costs associated with the disposed leasehold improvement.

Open Book Policy: The Lowe team will provide access to project accounting information during all phases of the project to comply with an "open-book" approach to the project's finances and costs. We also want to emphasize that upon any sale of the Developer's interest during the term of the ground lease, the ground lease will remain in place.

We have presented this financial structure in a form that we believe will be beneficial to Metro, but we recognize that Metro may prefer other approaches. The Lowe Team reconfirms its commitment to a strong partnership with Metro and will consider other ways to structure payments to Metro that will have substantially the same value to the Developer, if deemed appropriate by Metro.

C. SUMMARY

Type of Payment	Ground Lease Payments (Annual Basis)	Ground Lease Payments (20-Year Period)	Timing of Payment
Option Rent	$541,125	$811,688	Paid upon execution of the ENA until execution of Ground Lease document.
Entitlement Rent	$1,082,250	$1,629,542	Paid upon execution of Ground Lease document until approval of Entitlements.
Holding Rent	$2,164,500	$7,476,467	Paid upon the approval of Entitlements until the earlier of Completion of Construction or minimum date for phase.
Minimum Base Rent	$10,882,500		Paid upon the earlier of Completion of Construction or minimum date for phase and then on annual basis by pro-rata share by phase. Rate is adjusted every five years.
Subtotal Non-Contingent Payments	**$3,787,875** **(Initial period payments; not including Minimum Base Rent)**	**$173,200,000**	**$57,872,642** **(Net Present Value of 20-year period payments based on 9.25% discount rate)**
Percentage Rent		$101,868	Paid according to return on cost triggers at levels specified by product type.
Profit Participation		$5,400,200 Estimated in the Base Case Pro Forma from refinancing $3,135,200 Estimated in the Base Case Pro Forma from sale proceeds	Paid upon refinancing and sale(s) of phases/product types.
Subtotal Contingent Payments		**$8,535,400 Estimate**	
TOTAL PAYMENTS		**$181,735,400**	

D. TRANSIT PARKING

As identified in the Development program description, The Lowe Team has provided for the inclusion of the requested 1,500 transit parking spaces. As the proposal requests, these facilities have been assumed to be financed directly by Metro through its own financial resources. The delivery of these transit parking stalls are somewhat dependent upon the implementation of the phasing program for the NoHo Art Wave.

Within Phase I the first phase of the Parcel 1 parking structure is constructed. This structure will accommodate approximately 1,300 spaces. In a later development phase, Phase 4, the balance of 200 spaces will be constructed to deliver the total 1,500 spaces for transit parking. In order to secure a maximum amount of transit parking in the initial phase of development, The Lowe Team has assumed that Metro will fund the cost of the 1,300 space structure and will permit the later replacement and relocation of 300 spaces from this location to the second structure to be completed later in Phase 4. In addition, The Lowe Team has assumed that Metro will also then fund the cost of the 200 spaces in the same later phase of development.

In the end Metro will have the requested 1,500 spaces, at their cost, in two structures. The Parcel 1 structure will house 1,000 spaces and the Parcel 3 structure will house 500 spaces. The rationale for this concept is simple – provide the necessary parking for both the transit patrons and the overall development in the most efficient and cost effective manner in which to benefit both Metro and the developer.

FINANCING STRATEGY

7

FINANCING STRATEGY

7. FINANCING STRATEGY

The financing strategy for a large-scale, multi-phase development such as the NoHo Art Wave is essential to a successful implementation program. The Lowe Team has identified the Lowe Urban Infill Fund as the equity funding for the development program. An expected $1 billion fund that is focused solely on urban infill developments such as the NoHo Art Wave. In addition to the equity commitment The Lowe Team will secure competitive debt from our substantial lender relationships on a phased and product basis.

A. Development Finance Structure

The relationship of project financing by phase and product can be summarized as follows:

Development Phase/Product	Total Development Cost	Equity Funding (Lowe Urban Infill Fund)	Debt Funding (Lenders)	Metro Funded
Phase I				
Transit Structure – Parcel 1	$35.4 million			$35.4 million
Residential – Parcel 2	$29.5 million	$7.4 million	$22.1 million	
Retail – Parcel 2	$16.1 million	$4.0 million	$12.1 million	
Phase II				
Office Tower 1 – Parcel 1	$172.4 million	$43.1 million	$129.3 million	
Retail – Parcel 1	$44.8 million	$11.2 million	$33.6 million	
Phase III				
Office Tower 2 – Parcel 1	$136.7 million	$34.2 million	$102.5 million	
Residential – Parcel 1	$105.2 million	$26.3 million	$78.9 million	
Phase IV				
Office Tower 3 – Parcel 3	$86.8 million	$21.7 million	$65.1 million	
Transit Structure – Parcel 3	$6.7 million			$6.7 million
Residential – Parcel 3-4	$54.2 million	$13.5 million	$40.6 million	
TOTAL:	**$687.7 million**	**$161.4 million**	**$484.2 million**	**$42.1 million**

B. Debt & Lender Relationships

Through Lowe's continuous and significant developments across the country in various product types, the company maintains a series of substantial lender relationships. At this stage of the development planning process a specific lender for any future phase or product type cannot be yet identified. However, Lowe has reviewed the development and financial modeling assumptions both internally and with a few select lending institutions and is confident that there will be significant interest from the debt markets for development financing.

Following, please find attached a letter from our project finance team members reviewing and identifying Lowe's financing capabilities, relationships and commitments with lending institutions.

LOWE ENTERPRISES

May 17, 2007

Ms. Nelia Custodio
Transportation Planning Manager
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Mail Stop: 99-13-51
Los Angeles, CA 90012-2952

RE: RFQ for Metro-Owned Parcels in North Hollywood

Dear Ms. Custodio:

During our 35 year history, Lowe Enterprises, Inc. has established relationships with the most active commercial real estate lenders in the country and has completed a wide array of project financings in various geographic areas on behalf of the Company's subsidiaries, partnerships and clients. Currently, Lowe has both project and corporate level financing under management with 44 different lenders. Lowe has significant multiple financing commitments currently under management with the following institutions (including total commitment amounts) that provide construction loans and credit facilities:

- Wachovia Bank - $244.0 million
- LaSalle Bank - $215.0 million
- Corus Bank - $180.0 million
- iStar Financial - $160.0 million
- US Bank - $156.0 million
- Guaranty Bank - $89.3 million
- JPMorganChase Bank - $32.5 million
- Pacific Western Bank - $21.9 million
- National City Bank - $17.6 million

Further, Lowe has significant multiple financing commitments currently under management with the following institutions (including total commitment amounts) that provide permanent loans and credit facilities:

- Prudential - $268.0 million (although will increase to $593.6 million upon the closing of a $325.6 million loan at the end of this month)
- Merrill Lynch - $205.5 million
- Morgan Stanley - $120.0 million
- Nomura Credit & Capital, Inc. - $84.0 million

From 2004 through April 2007, Lowe has completed over 83 project financing transactions (new loan originations, existing loan extensions, or existing loan assumptions with acquisitions) totaling over $2.89 billion in loan commitment volume. The attached table summarizes the total annual volume of project financings including key transaction highlights for each year during this period.

The opportunity to provide construction and permanent financing for the Lowe Team's exciting concept adjacent to the terminus of both the Red Line and Orange Line in North Hollywood will attract tremendous interest by lenders based on the Lowe Team's creative development concept and financials, solid reputation and track record as a sponsor/borrower/developer, and the attractiveness of the location within the burgeoning North Hollywood market. We feel confident that upon selection, the Lowe Team will successfully finance the development concept and create a vibrant mixed-use destination that is a major contributor to the continued growth of North Hollywood, and to the Metro rail and bus line system in Los Angeles County.

Sincerely,

Christopher M. Harahan
Senior Vice President

LOWE ENTERPRISES, INC AND SUBSIDIARIES DEBT FINANCING VOLUME SUMMARY 2004 – 2007 (YTD APRIL)			
Year	# of Transactions	Transaction Volume	Select Transaction Highlights
2004	20	$691.0 million	• $180.0 mm hotel construction loan for new resort at former Marineland site in Rancho Palos Verdes, CA • $120.0 mm credit facility for commercial property acquisition fund • $48.0 mm loan assumption for existing office building in Crystal City, VA. • $33.5 mm office acquisition loan for existing office building in Crystal City, VA. • $29.7 mm office acquisition and re-position loan for 100% vacant building in Skokie, IL. • $13.1 mm office acquisition loan for 100% vacant building in Hawthorne, CA. • $12.8 mm office construction loan for new development in Carlsbad, CA.
2005	31	$1.1 billion	• $160.0 mm mixed use construction loan for new development in Washington, D.C. • $160.0 mm credit facility for residential land loan program. • $155.0 mm permanent and construction loan for existing and future resort condominium project in Charleston, SC • $82.8 mm student housing acquisition loan for 3 property portfolio in MN, TX, FL • $67.0 mm office acquisition loan for property in Sacramento, CA • $66.0 mm office acquisition loan for two properties in Tysons Corner, VA • $44.0 mm office loan for re-finance of office building in Encino, CA • $11.3 mm land and pre-development loan for former battery production site in Fullerton, CA • $4.4 mm industrial acquisition and reposition loan for current pool supply property in El Monte, CA

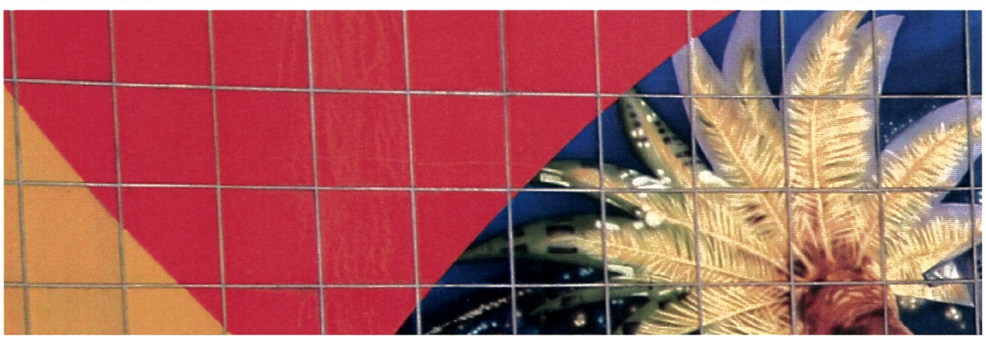
<table>
<tr><th colspan="4">LOWE ENTERPRISES, INC AND SUBSIDIARIES
DEBT FINANCING VOLUME SUMMARY
2004 – 2007 (YTD APRIL)</th></tr>
<tr><th>Year</th><th># of Transactions</th><th>Transaction Volume</th><th>Select Transaction Highlights</th></tr>
<tr><td>2006</td><td>22</td><td>$756.7 million</td><td>• $74.8 mm office acquisition and reposition loan for three property portfolio in Phoenix, AZ
• $39.0 mm industrial re-finance loan for property in downtown Los Angeles, CA
• $31.6 mm office acquisition and reposition loan for property in Denver, CO
• $28.9 mm apartment acquisition and reposition loan for property in Richmond, VA
• $25.9 mm office loan assumption for property in San Francisco, CA
• $25.2 mm residential land and pre-development loan for master planned community in Denver, CO
• $22.8 mm mixed use construction loan for project in Washington, D.C.
• $22.2 mm office acquisition loan for two property portfolio in Denver, CO
• $10.3 mm apartment acquisition and reposition loan for property in West Los Angeles, CA</td></tr>
<tr><td>2007 (through April)</td><td>10 (year end projection is 24)</td><td>$340.5 million (year end projection is $1.0 billion)</td><td>Completed through April
• $95.6 mm hotel acquisition and re-position loan for the Sheraton Universal Hotel in Universal City, CA
• $76.6 mm office construction loan in San Francisco, CA
• $40.8 mm office and retail acquisition and reposition loan in Evanston, IL
• $40.0 mm hotel refinance loan for property in Englewood, CO
• $26.6 mm hotel loan assumption for property in Daytona Beach, FL
• $21.9 mm construction loan for build to suit project for Northrop Grumman.
• $9.8 mm student housing acquisition and re-position loan in Pomona, CA</td></tr>
</table>

LOWE ENTERPRISES, INC AND SUBSIDIARIES DEBT FINANCING VOLUME SUMMARY 2004 – 2007 (YTD APRIL)			
Year	# of Transactions	Transaction Volume	Select Transaction Highlights
			Upcoming Closings • $325.6 mm hotel acquisition and reposition loan for landmark property in Washington, DC • $170.0 mm hotel and resort community facility for property east of Seattle, WA • $94.2 mm resort construction loan for property in Stowe, VT • $33.6 mm construction loan for former battery production site in Fullerton, CA

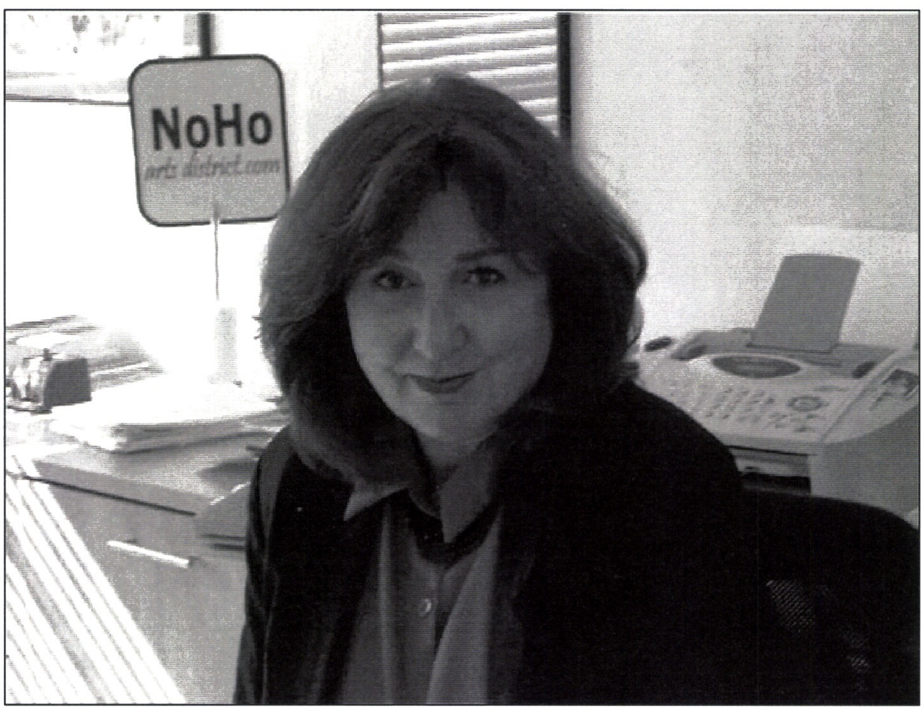
FINANCIAL ANALYSIS

8

FINANCIAL ANALYSIS



"I moved to this neighborhood 8 years ago because I could feel the vibrant diversity and urban-art lifestyle taking shape in NoHo. As President of NoHo Communications Group Inc. and publisher of NoHoArtsDistrict.com, I am excited about the future development in NoHo. I believe it is key to the success of all businesses in the arts district - whether theater, gallery, music, dance or the local print shop."



Nancy Bianconi
President of NoHo Communications Group
Publisher of NoHoArtsDistrict.com

8. FINANCIAL ANALYSIS

A. Financial Results

As Metro and The Lowe Team share the mutual goal of commencing the development as soon as possible, we have endeavored to include financial assumptions within this response that are 1) realistic; 2) conservative; and 3) readily achievable in the near-term based on current real estate and capital market conditions. Throughout the process of generating the project budgets and pro formas, the viability of the fundamental underwriting of the costs and revenue streams has been independently verified by third-party experts. The assessments from the third party consultants are that the analyses utilized are appropriately underwritten. We are highly confident that we have structured a transaction that is truly viable and produces substantial ground lease payments to Metro.

The assumptions for the development have been appropriately underwritten to give Metro a realistic picture of the financial returns that they can reasonably expect to receive at a minimum. The economic incentives have also been structured so that, if market conditions are better than what has been conservatively underwritten, Metro will benefit significantly from the success of the NoHo Art Wave.

The following pro forma results are based on detailed pro forma models that were individually created for each component of the project.

NOHO ART WAVE
Financial Feasibility Summary

	PHASE I			PHASE II		PHASE III		PHASE IV			TOTAL
Uses	**MTA Parking**	**Residential**	**Retail**	**Office**	**Retail**	**Office**	**Residential**	**Office**	**MTA Parking**	**Residential**	
Building	**Structure I-A**	**H5, H6**	**H-6 & YMCA**	**A**	**A1,A2, B, C**	**B**	**H1,H2,H3**	**E**	**Structure III**	**H7,H8,H9**	
Parcel	1	2		1	1	1	1	3	3	4	
Land SF	60,000	40,343		20,900	79,700	35,000	70,600	180,000	60,000	50,000	**679,536**
Acreage	1.38	1		0.48		0.80	1.62	4.13	1.38	1.15	**15.60**
Building SF	488,288	91,750	44,860	459,800	140,396	352,000	281,826	207,120	466,288	142,290	**1,720,042**
FAR	8.14	2.27	1.11	22.00	6.72	10.06	3.99	1.15	7.77	2.85	**2.53**
Residential Units	N/A	100	N/A	N/A	N/A	N/A	307	N/A	N/A	155	
Average Square Foot/Unit	N/A	918	N/A	N/A	N/A	N/A	918	N/A	N/A	918	
TIMELINE											
ENA Period	Jul-2007 - Jun-2008	Jul-2007 - Jun-2008		Jul-2007 - Jun-2008		Jul-2007 - Jun-2008	Jul-2007 - Jun-2008	Jul-2007 - Jun-2008	Jul-2007 - Jun-2008	Jul-2007 - Jun-2008	
Entitlement Period	Jul-2008 - Dec-2009	Jul-2008 - Dec-2009		Jul-2008 - Dec-2009		Jul-2008 - Dec-2009	Jul-2008 - Dec-2009	Jul-2008 - Dec-2009	Jul-2008 - Dec-2009	Jul-2008 - Dec-2009	
Construction Start	Jan-10	Jan-10	Jan-10	Jan-11	Jan-11	Jan-13	Jan-12	Jan-15	Jan-15	Jan-14	
Construction Period (Months)	12	18	18	20	20	18	18	18	18	18	
First Occupancy/Delivery	Jan-11	Jul-11	Jul-11	Sep-12	Sep-12	Jul-14	Jul-13	Jul-16	Jul-16	Jul-15	
Lease-Up Period (Months)	N/A	4	3	21	6	18	10	18	N/A	5	
LAND VALUATION											
Land Value	$0	$13,000,000	$5,000,000	$29,000,000	$8,000,000	$11,000,000	$34,000,000	$4,000,000	$0	$13,000,000	**$117,000,000**
Land Per FAR Sq Ft	$0	$141.69	$111.46	$63.07	$56.98	$31.25	$120.64	$19.31	$0	$91.36	**$68.02**
Land Per Residential Unit	$0	$130,000	N/A	N/A	N/A	N/A	$110,749	N/A	$0	$83,871	
GROUND LEASE											
Minimum Base Rent as a % of Net Land Value	N/A	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	N/A	9.25%	
Option Rent as a % of Minimum Ground Rent	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	N/A	5.00%	
Entitlement Rent as a % of Minimum Base Rent	N/A	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	N/A	10.00%	
Holding Rent as a % of Minimum Base Rent	N/A	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	N/A	20.00%	
Annual Minimum Base Rent	N/A	$1,202,500	$462,500	$2,682,500	$740,000	$1,017,500	$3,145,000	$370,000	N/A	$1,202,500	**$10,822,500**
Total Option Rent	N/A	$90,188	$34,688	$201,188	$55,500	$76,313	$235,875	$27,750	N/A	$90,188	**$811,688**
Total Entitlement Rent	N/A	$180,375	$69,375	$402,375	$117,167	$152,625	$471,750	$55,500	N/A	$180,375	**$1,629,542**
Total Holding Rent	N/A	$360,750	$138,750	$1,450,785	$400,217	$942,035	$2,301,092	$497,958	N/A	$1,384,879	**$7,476,467**
Total Percentage Rent	N/A	$101,864	$0	$0	$0	$0	$0	$0		$0	**$101,864**
Present Value of Total Ground Rent, 20 years, 9.25%	**N/A**	**$7,512,452**	**$2,877,999**	**$15,093,441**	**$4,168,349**	**$4,879,596**	**$16,529,482**	**$1,493,229**	**N/A**	**$5,318,093**	**$57,872,642**
Return on Cost Trigger - Percentage Rent	N/A	9.50%	9.75%	10.00%	9.75%	10.00%	9.50%	10.00%	N/A	9.50%	
Percentage Rent Participation Upon ROC	N/A	11.50%	8.00%	8.00%	8.00%	8.00%	11.50%	8.00%	N/A	11.50%	
MTA Participation in Proceeds from Refinancing	N/A	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	N/A	3.0%	
Net Margin Hurdle	N/A	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	N/A	20.0%	
MTA Share of Net Sales Proceeds > Gross Margin	N/A	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	N/A	15.0%	
MTA Participation in Proceeds from Refinancing	N/A	$277,946	$0	$1,911,852	$287,422	$1,754,268	$631,504	$0	N/A	$346,197	**$5,209,189**
MTA Share of Net Sales Proceeds > Gross Margin	N/A	$459,064	$0	$278,049	$0	$556,223	$676,965	$100,716	N/A	$305,499	**$2,376,517**

B. Detailed Project Budget

The enclosed development budgets provide a comprehensive view of the costs based on detailed hard cost estimates provided by Swinerton Builders and input from third-party consultants.

Please note the following considerations made in the development cost budgets:

Structured Parking: The structured parking costs have been allocated to each use based on its pro rata share of the parking costs according to the following parking ratios:

a. Office: 3 stalls per 1,000 sq ft

b. Retail: 4 stalls per 1,000 sq ft

c. Residential: 1.5 stalls per unit

Metro Transit Parking: The budgets for the development of Structure I-A on Parcel 1 and Structure III on Parcel 3 reflect the total costs allocated to Metro for its 1,500 parking stalls. Metro is assumed to fund the construction of 1,320 parking stalls in Structure I-A in Phase I and 180 stalls in Structure III in Phase IV.

Cost Contingencies: Direct costs include a 3% contractor contingency and a 5% developer contingency. Indirect costs include a 5% contingency.

Cost Inflation Allowances: 5% for Phase I, 7.5% for Phase II, 10% for Phase III and 12.5% for Phase IV.

LEED Allowance: 1.5% allowance of direct costs for the achievement of LEED standards.

Property Taxes During Construction: Property taxes have been budgeted on an annual basis and calculated by multiplying a 1.1% annual millage rate by the 1) land value upon execution of the ground lease and 2) the land value plus 50% of the direct costs during construction.

Loss (Income) From Operations: This amount is an adjustment to the total project costs by the amount of income or loss upon the delivery of each phase through the lease-up period.

Interest Costs During Construction: This amount reflects the amount of interest accrued on the construction loan during the construction and lease-up periods.

NOHO ART WAVE
Development Cost Budget

	PHASE I		PHASE II		PHASE III		PHASE IV		GRAND TOTAL	
PROJECT SPECIFICATIONS										
Uses	**arking, Residential, Retail & Communit**		**Parking, Office, Retail**		**Office, Residential**		**Office, MTA Parking, Residential**			
Buildings	Structure I-A , H5, H6,H-6 & YMCA		Structure I-B, A, A1,A2, B, C		B, H1,H2,H3		E, H8, H9			
Square Footage*	136,610		600,196		633,826		349,410		**1,720,042**	
DEVELOPMENT COSTS	**Total**	**Total/SF**	**Total**	**Total/SF**	**Total**	**Total/SF**	**Total**	**Total/SF**	**Total**	**Total/SF**
DIRECT COSTS										
Demolition	$0	$0.00	$0	$0.00	$0	$0.00	$600,000	$1.72	**$600,000**	**$0.35**
Core and Shell	$18,272,045	$133.75	$80,307,975	$133.80	$88,666,596	$139.89	$49,641,480	$142.07	**$236,888,096**	**$137.72**
Structured Parking - Above Grade	$27,893,235	$204.18	$16,954,648	$28.25	$9,810,000	$15.48	$10,848,461	$31.05	**$65,506,345**	**$38.08**
Structured Parking - Subterranean	$0	$0.00	$8,784,356	$14.64	$27,454,643	$43.32	$6,620,914	$18.95	**$42,859,913**	**$24.92**
On-Site Work / Landscaping	$2,809,604	$20.57	$1,408,400	$2.35	$2,466,800	$3.89	$5,840,000	$16.71	**$12,524,804**	**$7.28**
Offsite	$650,000	$4.76	$750,000	$1.25	$800,000	$1.26	$700,000	$2.00	**$2,900,000**	**$1.69**
Tenant Improvements	$1,009,807	$7.39	$30,807,787	$51.33	$21,458,849	$33.86	$13,500,802	$38.64	**$66,777,245**	**$38.82**
General Contractor Fees, Conditions, Requirements & Insurance	$5,360,182	$39.24	$11,687,696	$19.47	$13,955,197	$22.02	$8,020,132	$22.95	**$39,023,207**	**$22.69**
Contractor Contingency (Excl. TI's)	$1,488,747	$10.90	$3,246,161	$5.41	$3,875,941	$6.12	$2,227,526	$6.38	**$10,838,375**	**$6.30**
LEED Allowance	$739,123	$5.41	$1,623,081	$2.70	$1,937,971	$3.06	$1,113,763	$3.19	**$5,413,937**	**$3.15**
Escalation Allowance	$2,693,887	$19.72	$8,810,893	$14.68	$12,052,320	$19.02	$10,076,769	$28.84	**$33,633,870**	**$19.55**
Developer Contingency	$2,693,887	$19.72	$5,873,929	$9.79	$7,013,516	$11.07	$4,030,708	$11.54	**$19,612,039**	**$11.40**
Total Direct Costs	$63,610,517	$465.64	$170,254,926	$283.67	$189,491,833	$298.97	$113,220,554	$324.03	**$536,577,830**	**$311.96**
INDIRECT COSTS										
Architecture & Engineering (Incl. Predevelopment)	$2,063,906	$15.11	$1,807,314	$3.01	$2,256,568	$3.56	$2,291,341	$6.56	**$8,419,130**	**$4.89**
Civil, Soils & Landscape	$1,143,671	$8.37	$1,860,767	$3.10	$2,751,173	$4.34	$1,602,858	$4.59	**$7,358,469**	**$4.28**
Plan Check & Permits	$1,999,722	$14.64	$900,294	$1.50	$4,212,000	$6.65	$2,870,112	$8.21	**$9,982,128**	**$5.80**
Legal	$275,000	$2.01	$200,000	$0.33	$200,000	$0.32	$250,000	$0.72	**$925,000**	**$0.54**
Insurance - General Liability/OCIP	$1,376,526	$10.08	$2,970,377	$4.95	$5,384,880	$8.50	$2,982,012	$8.53	**$12,713,794**	**$7.39**
Working Capital & Predevelopment Costs	$825,000	$6.04	$500,000	$0.83	$700,000	$1.10	$825,000	$2.36	**$2,850,000**	**$1.66**
Marketing/On-site Office	$1,000,000	$7.32	$300,000	$0.50	$1,000,000	$1.58	$1,000,000	$2.86	**$3,300,000**	**$1.92**
Leasing Commissions (Initial Lease-up)	$462,795	$3.39	$9,717,641	$16.19	$6,332,511	$9.99	$4,079,214	$11.67	**$20,592,161**	**$11.97**
Property Taxes During Construction	$1,231,463	$9.01	$2,954,313	$4.92	$4,104,252	$6.48	$2,234,907	$6.40	**$10,524,934**	**$6.12**
Development Fee, Construction Management& Overhead	$2,959,544	$21.66	$7,658,625	$12.76	$8,657,329	$13.66	$5,254,240	$15.04	**$24,529,738**	**$14.26**
Contingency	$468,056	$3.43	$912,820	$1.52	$1,272,502	$2.01	$864,341	$2.47	**$3,517,718**	**$2.05**
Total Indirect Costs	$13,805,683	$101.06	$29,782,150	$49.62	$36,871,216	$58.17	$24,254,024	$69.41	**$104,713,073**	**$60.88**
INCOME FROM OPERATIONS	($151,058)	($1.11)	($11,940,813)	($19.89)	($30,147,771)	($47.56)	($6,793,348)	($19.44)	**($49,032,990)**	**($28.51)**
FINANCING COSTS										
Legal - Construction Loan	$100,000	$0.73	$100,000	$0.17	$150,000	$0.24	$150,000	$0.43	**$500,000**	**$0.29**
Lender Underwriting - Construction Loan	$248,500	$1.82	$50,000	$0.08	$75,000	$0.12	$75,000	$0.21	**$448,500**	**$0.26**
Const. Loan Fee	$2,019,049	$14.78	$1,638,338	$2.73	$1,776,668	$2.80	$1,060,470	$3.04	**$6,494,524**	**$3.78**
Interest Costs During Construction	$786,052	$5.75	$24,762,945	$41.26	$29,145,976	$45.98	$14,626,524	$41.86	**$69,321,496**	**$40.30**
Permanent Loan Fee	$482,166	$3.53	$2,346,051	$3.91	$2,571,350	$4.06	$1,516,035	$4.34	**$6,915,602**	**$4.02**
Total Financing Costs	$3,635,766.42	$26.61	$28,897,333	$48.15	$33,718,994	$53.20	$17,428,029	$49.88	**$83,680,122**	**$48.65**
TOTAL DEVELOPMENT COSTS	**$80,900,909**	**$592.20**	**$217,144,654**	**$361.79**	**$241,875,084**	**$381.61**	**$148,109,258**	**$423.88**	**$688,029,905**	**$400.01**

**Excludes parking square footage*

NOHO ART WAVE
Development Cost Budget

	PHASE I								
Uses	MTA Parking		Residential			Retail & Community		TOTAL	
Building			H5, H6			H-6 & YMCA			
Parking Structure	Structure I-A		Structure II			Structure II			
Parcel	1		2			2			
Construction Type/Height	6 Levels Above-Grade		2-Story Step-up to 5-Story Wrap			-2 Story Retail in Wrap Buildin			
Gross Building SF	488,288		91,750			44,860		136,610	
Residential Units	N/A		100			N/A			
Average Square Foot/Residential Unit	N/A		918			N/A			
DEVELOPMENT COSTS	**Total**	**Total/SF**	**Total**	**Total/SF**	**Total/Unit**	**Total**	**Total/SF**	**Total**	**Total/SF**
DIRECT COSTS									
Demolition	$0	$0.00	$0	$0.00	$0.00	$0	$0.00	**$0**	**$0.00**
Core and Shell	$0	$0.00	$12,799,125	$139.50	$127,991.25	$5,472,920	$122.00	**$18,272,045**	**$133.75**
Structured Parking - Above Grade	$22,404,129	$45.88	$2,715,000	$29.59	$27,150.00	$2,774,107	$61.84	**$27,893,235**	**$204.18**
Structured Parking - Subterranean	$0	$0.00	$0	$0.00	$0.00	$0	$0.00	**$0**	**$0.00**
On-Site Work / Landscaping	$1,680,000	$3.44	$564,802	$6.16	$5,648.02	$564,802	$12.59	**$2,809,604**	**$20.57**
Offsite	$150,000	$0.31	$350,000	$3.81	$3,500.00	$150,000	$3.34	**$650,000**	**$4.76**
Tenant Improvements	$0	$0.00	$0	$0.00	$0.00	$1,009,807	$22.51	**$1,009,807**	**$7.39**
General Contractor Fees, Conditions, Requirements & Insurance	$2,617,625	$5.36	$1,774,554	$19.34	$17,745.54	$968,003	$21.58	**$5,360,182**	**$39.24**
Contractor Contingency (Excl. TI's)	$727,024	$1.49	$492,868	$5.37	$4,928.68	$268,855	$5.99	**$1,488,747**	**$10.90**
LEED Allowance	$363,512	$0.74	$241,184	$2.63	$2,411.84	$134,427	$3.00	**$739,123**	**$5.41**
Escalation Allowance	$1,315,550	$2.69	$891,844	$9.72	$8,918.44	$486,493	$10.84	**$2,693,887**	**$19.72**
Developer Contingency	$1,315,550	$2.69	$891,844	$9.72	$8,918.44	$486,493	$10.84	**$2,693,887**	**$19.72**
Total Direct Costs	$30,573,389	$62.61	$20,721,221	$225.84	$207,212.21	$12,315,906	$274.54	**$63,610,517**	**$465.64**
INDIRECT COSTS									
Architecture & Engineering (Incl. Predevelopment)	$907,729	$1.86	$820,497	$8.94	$8,205	$335,680	$7.48	**$2,063,906**	**$15.11**
Civil, Soils & Landscape	$512,265	$1.05	$445,922	$4.86	$4,459	$185,484	$4.13	**$1,143,671**	**$8.37**
Plan Check & Permits	$732,432	$1.50	$1,200,000	$13.08	$12,000	$67,290	$1.50	**$1,999,722**	**$14.64**
Legal	$75,000	$0.15	$100,000	$1.09	$1,000	$100,000	$2.23	**$275,000**	**$2.01**
Insurance - General Liability/OCIP	$642,864	$1.32	$492,868	$5.37	$4,929	$240,793	$5.37	**$1,376,526**	**$10.08**
Working Capital & Predevelopment Costs	$125,000	$0.26	$450,000	$4.90	$4,500	$250,000	$5.57	**$825,000**	**$6.04**
Marketing/On-site Office	$0	$0.00	$850,000	$9.26	$8,500	$150,000	$3.34	**$1,000,000**	**$7.32**
Leasing Commissions (Initial Lease-up)	$0	$0.00	$0	$0.00	$0	$462,795	$10.32	**$462,795**	**$3.39**
Property Taxes During Construction	$336,307	$0.69	$642,778	$7.01	$6,428	$252,378	$5.63	**$1,231,463**	**$9.01**
Development Fee, Construction Management& Overhead	$1,356,199	$2.78	$1,028,931	$11.21	$10,289	$574,413	$12.80	**$2,959,544**	**$21.66**
Contingency	$149,765	$0.31	$228,689	$2.49	$2,287	$89,602	$2.00	**$468,056**	**$3.43**
Total Indirect Costs	$4,837,562	$9.91	$6,259,685	$68.23	$62,597	$2,708,436	$60.38	**$13,805,683**	**$101.06**
INCOME FROM OPERATIONS	$0	$0.00	($79,613)	($0.87)	($796)	($71,445)	($1.59)	**($151,058)**	**($1.11)**
FINANCING COSTS									
Legal - Construction Loan	$0	$0.00	$50,000	$0.54	$500	$50,000	$1.11	**$100,000**	**$0.73**
Lender Underwriting - Construction Loan	$0	$0.00	$223,500	$2.44	$2,235	$25,000	$0.56	**$248,500**	**$1.82**
Const. Loan Fee	$0	$0.00	$1,897,931	$20.69	$18,979	$121,118	$2.70	**$2,019,049**	**$14.78**
Interest Costs During Construction	$0	$0.00	$0	$0.00	$0	$786,052	$17.52	**$786,052**	**$5.75**
Permanent Loan Fee	$0	$0.00	$377,793	$4.12	$3,778	$104,373	$2.33	**$482,166**	**$3.53**
Total Financing Costs	$0	$0.00	$2,549,224	$27.78	$25,492	$1,086,542	$24.22	**$3,635,766.42**	**$26.61**
TOTAL DEVELOPMENT COSTS	**$35,410,951**	**$72.52**	**$29,450,518**	**$294.07**	**$269,809**	**$16,039,440**	**$334.92**	**$80,900,909**	**$592.20**

*Excludes parking square footage

NOHO ART WAVE
Development Cost Budget

	PHASE II					
Uses	**Office**		**Retail**			
Building	A		A1,A2, B, C		**TOTAL**	
Parking Structure	Structure IV-B		Structure I & IV-B			
Parcel	1		1			
Construction Type/Height	22-Story Office Above Retail		Story Retail Below Office High			
Gross Building SF	459,800		140,396		**600,196**	
Residential Units	N/A		N/A			
Average Square Foot/Residential Unit	22		7			
DEVELOPMENT COSTS	**Total**	**Total/SF**	**Total**	**Total/SF**	**Total**	**Total/SF**
DIRECT COSTS						
Demolition	$0	$0.00	$0	$0.00	**$0**	**$0.00**
Core and Shell	$62,196,891	$135.27	$18,111,084	$129.00	**$80,307,975**	**$133.80**
Structured Parking - Above Grade	$12,801,184	$27.84	$4,153,464	$29.58	**$16,954,648**	**$28.25**
Structured Parking - Subterranean	$8,049,973	$17.51	$734,383	$5.23	**$8,784,356**	**$14.64**
On-Site Work / Landscaping	$292,600	$0.64	$1,115,800	$7.95	**$1,408,400**	**$2.35**
Offsite	$500,000	$1.09	$250,000	$1.78	**$750,000**	**$1.25**
Tenant Improvements	$27,296,148	$59.37	$3,511,639	$25.01	**$30,807,787**	**$51.33**
General Contractor Fees, Conditions, Requirements & Insurance	$9,055,964	$19.70	$2,631,732	$18.75	**$11,687,696**	**$19.47**
Contractor Contingency (Excl. TI's)	$2,515,219	$5.47	$730,942	$5.21	**$3,246,161**	**$5.41**
LEED Allowance	$1,257,610	$2.74	$365,471	$2.60	**$1,623,081**	**$2.70**
Escalation Allowance	$6,826,934	$14.85	$1,983,959	$14.13	**$8,810,893**	**$14.68**
Developer Contingency	$4,551,290	$9.90	$1,322,639	$9.42	**$5,873,929**	**$9.79**
Total Direct Costs	$135,343,812	$294.35	$34,911,114	$248.66	**$170,254,926**	**$283.67**
INDIRECT COSTS						
Architecture & Engineering (Incl. Predevelopment)	$1,046,797	$2.28	$760,518	$5.42	**$1,807,314**	**$3.01**
Civil, Soils & Landscape	$1,385,869	$3.01	$474,898	$3.38	**$1,860,767**	**$3.10**
Plan Check & Permits	$689,700	$1.50	$210,594	$1.50	**$900,294**	**$1.50**
Legal	$100,000	$0.22	$100,000	$0.71	**$200,000**	**$0.33**
Insurance - General Liability/OCIP	$2,311,869	$5.03	$658,507	$4.69	**$2,970,377**	**$4.95**
Working Capital & Predevelopment Costs	$250,000	$0.54	$250,000	$1.78	**$500,000**	**$0.83**
Marketing/On-site Office	$150,000	$0.33	$150,000	$1.07	**$300,000**	**$0.50**
Leasing Commissions (Initial Lease-up)	$8,053,807	$17.52	$1,663,834	$11.85	**$9,717,641**	**$16.19**
Property Taxes During Construction	$2,312,338	$5.03	$641,975	$4.57	**$2,954,313**	**$4.92**
Development Fee, Construction Management& Overhead	$6,065,768	$13.19	$1,592,858	$11.35	**$7,658,625**	**$12.76**
Contingency	$699,402	$1.52	$213,418	$1.52	**$912,820**	**$1.52**
Total Indirect Costs	$23,065,550	$50.16	$6,716,601	$47.84	**$29,782,150**	**$49.62**
INCOME FROM OPERATIONS	($11,133,275)	($24.21)	($656,481)	($4.68)	**($11,940,813)**	**($19.89)**
FINANCING COSTS						
Legal - Construction Loan	$50,000	$0.11	$50,000	$0.36	**$100,000**	**$0.17**
Lender Underwriting - Construction Loan	$25,000	$0.05	$25,000	$0.18	**$50,000**	**$0.08**
Const. Loan Fee	$1,303,395	$2.83	$334,943	$2.39	**$1,638,338**	**$2.73**
Interest Costs During Construction	$21,787,673	$47.39	$2,975,272	$21.19	**$24,762,945**	**$41.26**
Permanent Loan Fee	$1,921,381	$4.18	$424,670	$3.02	**$2,346,051**	**$3.91**
Total Financing Costs	$25,087,448	$54.56	$3,809,884	$27.14	**$28,897,333**	**$48.15**
TOTAL DEVELOPMENT COSTS	**$172,363,536**	**$374.87**	**$44,781,119**	**$318.96**	**$217,144,654**	**$361.79**
*Excludes parking square footage						

NOHO ART WAVE
Development Cost Budget

	PHASE III						
Uses	**Office**		**Residential**				
Building	B		H1,H2,H3			**TOTAL**	
Parking Structure	Structure I & IV-A		Structure IV-A				
Parcel	1		1				
Construction Type/Height	0		4-6 story Podium				
Gross Building SF	352,000		281,826			**633,826**	
Residential Units	N/A		307				
Average Square Foot/Residential Unit	10		4				
DEVELOPMENT COSTS	**Total**	**Total/SF**	**Total**	**Total/SF**	**Total/Unit**	**Total**	**Total/SF**
DIRECT COSTS							
Demolition	$0	$0.00	$0	$0.00	$0.0	**$0**	**$0.00**
Core and Shell	$47,520,000	$135.00	$41,146,596	$146.00	$134,028.0	**$88,666,596**	**$139.89**
Structured Parking - Above Grade	$9,810,000	$27.87	$0	$0.00	$0.0	**$9,810,000**	**$15.48**
Structured Parking - Subterranean	$14,433,460	$41.00	$13,021,184	$46.20	$42,414.3	**$27,454,643**	**$43.32**
On-Site Work / Landscaping	$490,000	$1.39	$1,976,800	$7.01	$6,439.1	**$2,466,800**	**$3.89**
Offsite	$500,000	$1.42	$300,000	$1.06	$977.2	**$800,000**	**$1.26**
Tenant Improvements	$21,458,849	$60.96	$0	$0.00	$0.0	**$21,458,849**	**$33.86**
General Contractor Fees, Conditions, Requirements & Insurance	$7,858,392	$22.32	$6,096,805	$21.63	$19,859.3	**$13,955,197**	**$22.02**
Contractor Contingency (Excl. TI's)	$2,182,604	$6.20	$1,693,337	$6.01	$5,515.8	**$3,875,941**	**$6.12**
LEED Allowance	$1,091,302	$3.10	$846,669	$3.00	$2,757.9	**$1,937,971**	**$3.06**
Escalation Allowance	$5,924,132	$16.83	$6,128,188	$21.74	$19,961.5	**$12,052,320**	**$19.02**
Developer Contingency	$3,949,422	$11.22	$3,064,094	$10.87	$9,980.8	**$7,013,516**	**$11.07**
Total Direct Costs	$115,218,160	$327.32	$74,273,673	$263.54	$241,933.8	**$189,491,833**	**$298.97**
INDIRECT COSTS							
Architecture & Engineering (Incl. Predevelopment)	$908,367	$2.58	$1,348,201	$4.78	$4,392	**$2,256,568**	**$3.56**
Civil, Soils & Landscape	$1,219,126	$3.46	$1,532,047	$5.44	$4,990	**$2,751,173**	**$4.34**
Plan Check & Permits	$528,000	$1.50	$3,684,000	$13.07	$12,000	**$4,212,000**	**$6.65**
Legal	$100,000	$0.28	$100,000	$0.35	$326	**$200,000**	**$0.32**
Insurance - General Liability/OCIP	$1,998,206	$5.68	$3,386,675	$12.02	$11,032	**$5,384,880**	**$8.50**
Working Capital & Predevelopment Costs	$250,000	$0.71	$450,000	$1.60	$1,466	**$700,000**	**$1.10**
Marketing/On-site Office	$150,000	$0.43	$850,000	$3.02	$2,769	**$1,000,000**	**$1.58**
Leasing Commissions (Initial Lease-up)	$6,332,511	$17.99	$0	$0.00	$0	**$6,332,511**	**$9.99**
Property Taxes During Construction	$1,491,347	$4.24	$2,612,905	$9.27	$8,511	**$4,104,252**	**$6.48**
Development Fee, Construction Management& Overhead	$5,127,829	$14.57	$3,529,500	$12.52	$11,497	**$8,657,329**	**$13.66**
Contingency	$574,311	$1.63	$698,191	$2.48	$2,274	**$1,272,502**	**$2.01**
Total Indirect Costs	$18,679,696	$53.07	$18,191,520	$64.55	$59,256	**$36,871,216**	**$58.17**
INCOME FROM OPERATIONS	($17,442,184)	($49.55)	($764,775)	($2.71)	($2,491)	**($30,147,771)**	**($47.56)**
FINANCING COSTS							
Legal - Construction Loan	$50,000	$0.14	$100,000	$0.35	$326	**$150,000**	**$0.24**
Lender Underwriting - Construction Loan	$25,000	$0.07	$50,000	$0.18	$163	**$75,000**	**$0.12**
Const. Loan Fee	$1,013,168	$2.88	$763,500	$2.71	$2,487	**$1,776,668**	**$2.80**
Interest Costs During Construction	$17,556,053	$49.88	$11,589,923	$41.12	$37,752	**$29,145,976**	**$45.98**
Permanent Loan Fee	$1,556,732	$4.42	$1,014,618	$3.60	$3,305	**$2,571,350**	**$4.06**
Total Financing Costs	$20,200,953	$57.39	$13,518,041	$47.97	$44,033	**$33,718,994**	**$53.20**
TOTAL DEVELOPMENT COSTS	**$136,656,625**	**$380.39**	**$105,218,459**	**$328.09**	**$301,190**	**$241,875,084**	**$381.61**

*Excludes parking square footage

NOHO ART WAVE
Development Cost Budget

	PHASE IV								
Uses	Office		Parking		Residential				
Building	E				H8,H9			TOTAL	
Parking Structure	Structure III & Structure II		Structure III		Underground H-9				
Parcel	3		3		4				
Construction Type/Height	0		7 Levels Above-Grade		Mid-Rise 10 -Story				
Gross Building SF	207,120		466,288		142,290			349,410	
Residential Units	N/A		N/A		155			562	
Average Square Foot/Residential Unit	1		8		3				
DEVELOPMENT COSTS	**Total**	**Total/SF**	**Total**	**Total/SF**	**Total**	**Total/SF**	**Total/Unit**	**Total**	**Total/SF**
DIRECT COSTS									
Demolition	$450,000	$2.17	$0	$0.00	$150,000	$1.05	$967.74	**$600,000**	**$1.72**
Core and Shell	$28,582,560	$138.00	$0	$0.00	$21,058,920	$148.00	$135,864.00	**$49,641,480**	**$142.07**
Structured Parking - Above Grade	$8,058,857	$38.91	$2,789,604	$5.98	$0	$0.00	$0.00	**$10,848,461**	**$31.05**
Structured Parking - Subterranean	$802,337	$3.87	$0	$0.00	$5,818,577	$40.89	$37,539.20	**$6,620,914**	**$18.95**
On-Site Work / Landscaping	$3,600,000	$17.38	$840,000	$1.80	$1,400,000	$9.84	$9,032.26	**$5,840,000**	**$16.71**
Offsite	$400,000	$1.93	$150,000	$0.32	$150,000	$1.05	$967.74	**$700,000**	**$2.00**
Tenant Improvements	$13,500,802	$65.18	$0	$0.00	$0	$0.00	$0.00	**$13,500,802**	**$38.64**
General Contractor Fees, Conditions, Requirements & Insurance	$4,525,112	$21.85	$408,250	$0.88	$3,086,770	$21.69	$19,914.64	**$8,020,132**	**$22.95**
Contractor Contingency (Excl. TI's)	$1,256,813	$6.07	$113,388	$0.24	$857,325	$6.03	$5,531.13	**$2,227,526**	**$6.38**
LEED Allowance	$628,406	$3.03	$56,694	$0.12	$428,662	$3.01	$2,765.56	**$1,113,763**	**$3.19**
Escalation Allowance	$5,685,506	$27.45	$512,940	$1.10	$3,878,324	$27.26	$25,021.44	**$10,076,769**	**$28.84**
Developer Contingency	$2,274,202	$10.98	$205,176	$0.44	$1,551,329	$10.90	$10,008.58	**$4,030,708**	**$11.54**
Total Direct Costs	$69,764,595	$336.83	$5,076,052	$10.89	$38,379,907	$269.73	$247,612.30	**$113,220,554**	**$324.03**
INDIRECT COSTS									
Architecture & Engineering (Incl. Predevelopment)	$784,600	$3.79	$141,571	$0.30	$1,365,170	$9.59	$8,808	**$2,291,341**	**$6.56**
Civil, Soils & Landscape	$706,840	$3.41	$120,353	$0.26	$775,665	$5.45	$5,004	**$1,602,858**	**$4.59**
Plan Check & Permits	$310,680	$1.50	$699,432	$1.50	$1,860,000	$13.07	$12,000	**$2,870,112**	**$8.21**
Legal	$100,000	$0.48	$50,000	$0.11	$100,000	$0.70	$645	**$250,000**	**$0.72**
Insurance - General Liability/OCIP	$1,163,698	$5.62	$103,664	$0.22	$1,714,650	$12.05	$11,062	**$2,982,012**	**$8.53**
Working Capital & Predevelopment Costs	$250,000	$1.21	$125,000	$0.27	$450,000	$3.16	$2,903	**$825,000**	**$2.36**
Marketing/On-site Office	$150,000	$0.72	$0	$0.00	$850,000	$5.97	$5,484	**$1,000,000**	**$2.86**
Leasing Commissions (Initial Lease-up)	$4,079,214	$19.69	$0	$0.00	$0	$0.00	$0	**$4,079,214**	**$11.67**
Property Taxes During Construction	$792,793	$3.83	$55,837	$0.12	$1,386,277	$9.74	$8,944	**$2,234,907**	**$6.40**
Development Fee, Construction Management& Overhead	$3,124,097	$15.08	$254,876	$0.55	$1,875,267	$13.18	$12,098	**$5,254,240**	**$15.04**
Contingency	$377,252	$1.82	$62,001	$0.13	$425,088	$2.99	$2,743	**$864,341**	**$2.47**
Total Indirect Costs	$11,839,174	$57.16	$1,612,733	$3.46	$10,802,116	$75.92	$69,691	**$24,254,024**	**$69.41**
INCOME FROM OPERATIONS	($6,159,882)	($29.74)	$0	$0.00	($633,467)	($4.45)	($4,087)	**($6,793,348)**	**($19.44)**
FINANCING COSTS									
Legal - Construction Loan	$50,000	$0.24	$0	$0.00	$100,000	$0.70	$645	**$150,000**	**$0.43**
Lender Underwriting - Construction Loan	$25,000	$0.12	$0	$0.00	$50,000	$0.35	$323	**$75,000**	**$0.21**
Const. Loan Fee	$650,220	$3.14	$0	$0.00	$410,250	$2.88	$2,647	**$1,060,470**	**$3.04**
Interest Costs During Construction	$9,976,515	$48.17	$0	$0.00	$4,650,008	$32.68	$30,000	**$14,626,524**	**$41.86**
Permanent Loan Fee	$975,438	$4.71	$0	$0.00	$540,597	$3.80	$3,488	**$1,516,035**	**$4.34**
Total Financing Costs	$11,677,174	$56.38	$0	$0.00	$5,750,855	$40.42	$37,102	**$17,428,029**	**$49.88**
TOTAL DEVELOPMENT COSTS	**$87,121,061**	**$393.99**	**$6,688,786**	**$14.34**	**$54,299,411**	**$345.65**	**$317,303**	**$148,109,258**	**$423.88**

*Excludes parking square footage

C. Anticipated Revenue & Assumptions

After carefully studying the market demand, a competitive survey of existing units and underwriting the pipeline of new projects scheduled for delivery, an individual cash flow model for each land use component of the NoHo Art Wave has been prepared. The anticipated revenue assumptions are summarized by phase and use at the end of this section. Key development assumptions used in the creation of this model are as follows:

1. **Commercial Assumptions:**

   Market Rental Rates: Rental rate projections are based on market rental rate forecasts provided by Property and Portfolio Research. The assumed rental rates for the office buildings track the Burbank Media Center and Sherman Oaks Office markets a by 5-10% discount after factoring a premium for new construction. The assumed rental rates for the retail buildings are based on comparable lease transactions entered by the type of retail user in similar projects.

   Operating Expenses: Operating expenses include property taxes, insurance, repairs and maintenance, payroll, utilities, landscaping, security, property management and administrative expenses.

   Operating Expense Reimbursements: The office leases were modeled on a full service gross basis ("FSG") with base year expense stops for the tenants to reimburse the landlord for their pro rata share of the operating expenses above total expenses incurred in the first stabilized year. The retail leases were modeled on a triple-net ("NNN") basis for the tenants to reimburse the landlord for their total pro rata share of the expenses.

   Tenant Improvements: Tenant improvements are assumed to inflate 3% per annum throughout the project period.

   Capital Reserves: In addition to operating expenses, each property is carrying a capital reserve budget of $.25 per sq ft. per year.

2. **Residential Assumptions:**

   Unit Mix: All residential buildings are assumed to have 50% 2-bedroom units, 40% 1-bedroom units, 5% studio units, and 5% 3-bedroom units.

   Market Rents: The forecast assumes market rents of $2.60 per square foot per month ($2,400 per unit) for newly constructed apartment units, reflecting a $.15 per square foot premium for new construction based on the competitive set average of $2.45 per square foot ($2,200 per unit).

   Affordable Units: 15% of the total units are assumed to meet the affordability criteria of "very low", "low" and "moderate" average median income levels based on blended average rental rate of $1.00 per sq. ft. per month ($918 per unit). The rental rates for these units are assumed to inflate 3% per annum.

   Economic Loss: The property is forecast to experience a loss-to-lease of 1.0% of gross potential income, general vacancy of 4.0% of gross potential income, bad debt expense of 0.50% of gross potential Income, and concessions of .50% of gross potential income for a total economic loss of 6.0%.

   Operating Expenses: Operating expenses include property taxes, insurance, repairs and maintenance, personnel, "make-ready expenses", utilities, landscaping, security, property management, marketing and administrative expenses.

   Capital Reserves: In addition to operating expenses, each property is carrying a capital reserve budget of $.25 per sq ft. per year.

NOHO ART WAVE
Anticipated Revenue & Operating Assumptions

	PHASE I		PHASE II		PHASE III		PHASE IV	
Uses	**MTA Parking**	**Retail**	**Office**	**Retail**	**Office**	**Residential**	**Office**	**Residential**
Building	**H5, H6**	**H-6 & YMCA**	**A**	**A1,A2, B, C**	**B**	**H1,H2,H3**	**E**	**H7,H8,H9**
Parcel	2		1	1	1	1	3	4
Building SF	91,750	44,860	459,800	140,396	352,000	281,826	207,120	142,290
Residential Units	100	N/A	N/A	N/A	N/A	307	N/A	155
Average Square Foot/Unit	918	N/A	N/A	N/A	N/A	918	N/A	918
TIMELINE								
ENA Period	Jul-2007 - Jun-2008		Jul-2007 - Jun-2008		Jul-2007 - Jun-2008		Jul-2007 - Jun-2008	
Entitlement Period	Jul-2008 - Dec-2009		Jul-2008 - Dec-2009		Jul-2008 - Dec-2009		Jul-2008 - Dec-2009	
Construction Start	Jan-10	Jan-10	Jan-11	Jan-11	Jan-13	Jan-12	Jan-15	Jan-14
Construction Period (Months)	18	18	20	20	18	18	18	18
First Occupancy/Delivery	Jul-11	Jul-11	Sep-12	Sep-12	Jul-14	Jul-13	Jul-16	Jul-15
REVENUE ASSUMPTIONS								
Lease Type	FSG	NNN	FSG	NNN	FSG	FSG	FSG	FSG
2007 Pre-Lease Rate/sq ft/month - Commercial	N/A	$2.00	$3.15	$2.00	$3.15	N/A	$3.15	N/A
2007 Spec Rate/sq ft/month - Commercial	N/A	$2.25	$3.25	$2.25	$3.25	N/A	$3.25	N/A
2007 Market Rate/Sq Ft/Month - Residential	$2.60	N/A	N/A	N/A	N/A	$2.60	N/A	$2.60
2007 Affordable Rate/Sq Ft/Month - Residential	$1.00	N/A	N/A	N/A	N/A	$1.00	N/A	$1.00
Annual Inflation - Affordable Units	3.0%	N/A	N/A	N/A	N/A	3.0%	N/A	3.0%
Market Rent Growth - Yr. 1	6.0%	3.9%	7.9%	3.9%	7.9%	6.0%	7.9%	6.0%
Market Rent Growth - Yr. 2	5.0%	3.3%	6.1%	3.3%	6.1%	5.0%	6.1%	5.0%
Market Rent Growth - Yr. 3	5.0%	3.0%	3.0%	3.0%	3.0%	5.0%	3.0%	5.0%
Market Rent Growth - Yr. 4	4.0%	3.0%	3.0%	3.0%	3.0%	4.0%	3.0%	4.0%
Market Rent Growth - Yr. 5	4.0%	3.0%	3.0%	3.0%	3.0%	4.0%	3.0%	4.0%
Therafter	3.5%	3.0%	3.0%	3.0%	3.0%	3.5%	3.0%	3.5%
Other Revenue Line Items								
Office Parking Revenue/Stall/Month	N/A	N/A	$85.00	N/A	$85.00	N/A	$85.00	N/A
Apartment Other Income - Laundry/Parking	$50/Unit/mmonth	N/A	N/A	N/A	N/A	$50/Unit/mmonth	N/A	$50/Unit/mmonth
VACANCY & OPERATING EXPENES								
Stabilized Vacancy %	6.0%	4.00%	6.0%	4.0%	6.0%	4.0%	6.0%	6.0%
Percentage - Affordable Housing	15.0%	N/A	N/A	N/A	N/A	15.0%	N/A	15.0%
2007 Stabilized Operating Expenses Per Sq Ft/Per Unit	$9300/unit	$12.75	$13.50	$12.75	$13.50	$9,300/unit	$16.00	$9,300/unit
Projected Stabilized Operating Expenses Per Sq Ft/Per Ur	$9700/unit	$13.00	$14.40	$13.60	$16.00	$10,000/unit	$16.00	$10,300/unit
Annual Operating Expense Inflation	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Annual Property Tax Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
MARKET LEASING ASSUMPTIONS								
Pre-Lease Percentage	N/A	68.0%	30.0%	60.0%	30.0%	N/A	32.5%	N/A
Absorption Period (Months)	N/A	3	21	6	18	12	18	6
2007 Tenant Improvement Allowance Per Sq Ft	N/A	$20.00	$50.00	$25	$59	N/A	$61	N/A
Leasing Commissions % of Lease Revenue	N/A	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	N/A

**Excludes parking square footage*

D. Capital Sources & Uses

The following schedule of Sources and Uses of Capital illustrates the amounts of equity and construction financing to fund the development.

NOHO ART WAVE
Sources & Uses of Capital

	PHASE I							
Uses	Parking		Residential		Retail & Community		TOTAL	
Building	Structure I-A		H5, H6		H-6 & YMCA			
Parcel	1		2		2			
Gross Building SF	488,288		91,750		44,860		**136,610**	
Residential Units	N/A		100		N/A			
Average Square Foot/Residential Unit	N/A		918		N/A			
	Total	***% of Total***	**Total**	***% of Total***	**Total**	***% of Total***	**Total**	***% of Total***
SOURCES OF CAPITAL								
Equity	$0	*0.0%*	$7,362,630	*25.0%*	$4,009,860	*25.0%*	**$11,372,490**	***14.1%***
Construction Loan	$0	*0.0%*	$22,008,276	*74.7%*	$11,958,135	*74.6%*	**$33,966,411**	***42.0%***
Income From Operations During Lease-Up	$0	*0.0%*	$79,613	*0.3%*	$71,445	*0.4%*	**$151,058**	***0.2%***
MTA Funding	$35,410,951	*100.0%*	$0	*0.0%*	$0	*0.0%*	**$35,410,951**	***43.8%***
Total	$35,410,951	*100.0%*	$29,450,518	*100.0%*	$16,039,440	*100.0%*	**$80,900,909**	***100.0%***
USES OF CAPITAL								
Direct Costs	$30,573,389	*86.3%*	$20,721,221	*70.4%*	$12,315,906	*76.8%*	**$63,610,517**	***78.6%***
Indirect Costs	$4,837,562	*13.7%*	$6,259,685	*21.3%*	$2,708,436	*16.9%*	**$13,805,683**	***17.1%***
Net Financing Costs During Construction	$0	*0.0%*	$2,469,611	*8.4%*	$1,015,097	*6.3%*	**$3,484,709**	***4.3%***
Total	$35,410,951	*100.0%*	$29,450,518	*100.0%*	$16,039,440	*100.0%*	**$80,900,909**	***100.0%***
CONSTRUCTION FINANCING ASSUMPTIONS								
Construction Loan - to - Project Cost %	100% by MTA		75%		75%			
3-Month Forward LIBOR Rate	TBD		5.40%		5.40%			
Construction Interest Rate Spread Above LIBOR	TBD		2.75%		3.00%			
Construction Loan Fee	TBD		1.00%		1.00%			

NOHO ART WAVE
Sources & Uses of Capital

	PHASE II					
Uses	**Office**		**Retail**		**Total**	
Building	A		A1,A2, B, C			
Parcel	4		1			
Gross Building SF	459,800		140,396		**600,196**	
Residential Units	N/A		N/A			
Average Square Foot/Residential Unit	22		7			
	Total	***% of Total***	**Total**	***% of Total***	**Total**	***% of Total***
SOURCES OF CAPITAL						
Equity	$43,090,884	*25.0%*	$11,195,280	*25.0%*	**$54,286,164**	***25.0%***
Construction Loan	$118,139,377	*68.5%*	$32,929,358	*73.5%*	**$151,068,735**	***69.6%***
Income From Operations During Lease-Up	$11,133,275	*6.5%*	$656,481	*1.5%*	**$11,789,755**	***5.4%***
MTA Funding	$0	*0.0%*	$0	*0.0%*	**$0**	***0.0%***
Total	$172,363,536	*100.0%*	$44,781,119	*100.0%*	**$217,144,654**	***100.0%***
USES OF CAPITAL						
Direct Costs	$135,343,812	*78.5%*	$34,911,114	*78.0%*	**$170,254,926**	***78.4%***
Indirect Costs	$23,065,550	*13.4%*	$6,716,601	*15.0%*	**$29,782,150**	***13.7%***
Net Financing Costs During Construction	$13,954,174	*8.1%*	$3,153,404	*7.0%*	**$17,107,578**	***7.9%***
Total	$172,363,536	*100.0%*	$44,781,119	*100.0%*	**$217,144,654**	***100.0%***
CONSTRUCTION FINANCING ASSUMPTIONS						
Construction Loan - to - Project Cost %	75%		75%			
3-Month Forward LIBOR Rate	5.40%		5.40%			
Construction Interest Rate Spread Above LIBOR	3.25%		3.25%			
Construction Loan Fee	1.00%		1.00%			

NOHO ART WAVE
Sources & Uses of Capital

	PHASE III					
Uses	**Office**		**Residential**		**TOTAL**	
Building	B		H1,H2,H3			
Parcel	1		1			
Gross Building SF	352,000		281,826		**633,826**	
Residential Units	N/A		307			
Average Square Foot/Residential Unit	10		4			
	Total	***% of Total***	**Total**	***% of Total***	**Total**	***% of Total***
SOURCES OF CAPITAL						
Equity	$34,164,156	*25.0%*	$26,304,615	*25.0%*	**$60,468,771**	***25.0%***
Construction Loan	$85,050,286	*62.2%*	$78,149,069	*74.3%*	**$163,199,355**	***67.5%***
Income From Operations During Lease-Up	$17,442,184	*12.8%*	$764,775	*0.7%*	**$18,206,959**	***7.5%***
MTA Funding	$0	*0.0%*	$0	*0.0%*	**$0**	***0.0%***
Total	$136,656,625	*100.0%*	$105,218,459	*100.0%*	**$241,875,084**	***100.0%***
USES OF CAPITAL						
Direct Costs	$115,218,160	*84.3%*	$74,273,673	*70.6%*	**$189,491,833**	***78.3%***
Indirect Costs	$18,679,696	*13.7%*	$18,191,520	*17.3%*	**$36,871,216**	***15.2%***
Net Financing Costs During Construction	$2,758,769	*2.0%*	$12,753,266	*12.1%*	**$15,512,035**	***6.4%***
Total	$136,656,625	*100.0%*	$105,218,459	*100.0%*	**$241,875,084**	***100.0%***
CONSTRUCTION FINANCING ASSUMPTIONS						
Construction Loan - to - Project Cost %	75%		75%			
3-Month Forward LIBOR Rate	5.40%		5.40%			
Construction Interest Rate Spread Above LIBOR	3.50%		3.25%			
Construction Loan Fee	1.00%		1.00%			

NOHO ART WAVE
Sources & Uses of Capital

	PHASE IV							
Uses	**Office**		**MTA Parking**		**Residential**		**TOTAL***	
Building	E		Structure III		H8,H9			
Parcel	3		3		4			
Gross Building SF	207,120		466,288		142,290		**349,410**	
Residential Units	N/A		N/A		155		**562**	
Average Square Foot/Residential Unit	1		8		3			
	Total	***% of Total***	**Total**	***% of Total***	**Total**	***% of Total***	**Total**	***% of Total***
SOURCES OF CAPITAL								
Equity	$21,780,265	*25.0%*	$0	*0.0%*	$13,574,853	*25.0%*	**$35,355,118**	***23.9%***
Construction Loan	$59,180,914	*67.9%*	$0	*0.0%*	$40,091,092	*73.8%*	**$99,272,006**	***67.0%***
Income From Operations During Lease-Up	$6,159,882	*7.1%*	$0	*0.0%*	$633,467	*1.2%*	**$6,793,348**	***4.6%***
MTA Funding	$0	*0.0%*	$6,688,786	*100.0%*	$0	*0.0%*	**$6,688,786**	***4.5%***
Total	$87,121,061	*100.0%*	$6,688,786	*18.9%*	$54,299,411	*100.0%*	**$148,109,258**	***100.0%***
USES OF CAPITAL								
Direct Costs	$69,764,595	*80.1%*	$5,076,052	*14.3%*	$38,379,907	*70.7%*	**$113,220,554**	***76.4%***
Indirect Costs	$11,839,174	*13.6%*	$1,612,733	*4.6%*	$10,802,116	*19.9%*	**$24,254,024**	***16.4%***
Net Financing Costs During Construction	$5,517,292	*6.3%*	$0	*0.0%*	$5,117,389	*9.4%*	**$10,634,681**	***7.2%***
Total	$87,121,061	*100.0%*	$6,688,786	*18.9%*	$54,299,411	*100.0%*	**$148,109,258**	***100.0%***
CONSTRUCTION FINANCING ASSUMPTIONS								
Construction Loan - to - Project Cost %	75%		100% by MTA		75%			
3-Month Forward LIBOR Rate	5.40%		TBD		5.40%			
Construction Interest Rate Spread Above LIBOR	3.75%		TBD		3.50%			
Construction Loan Fee	1.00%		TBD		1.00%			

E. Pretax Project Proforma (Metro)

The Metro pro forma is included at the end of this section. Due to the differences in mechanics and assumption-inputs between the Metro and The Lowe Team pro forma models, the following is a list of differences in assumptions made in the Metro pro forma model to be consistent with The Lowe Team's financial results:

Adjustments:

- The timing of each individual component of The Lowe Team's four-phased development was input into the Metro pro forma template;
- Apartment rent rates are based on the weighted average of market and affordable rental rates assumed in The Lowe Team's pro forma template;
- Miscellaneous hard costs in all product types include subguard, general conditions, general requirements, gross receipts tax, general contractor insurance, contractor contingency, general contractor fee, LEED allowance, and cost inflation;
- Other professional services include the following consulting costs: civil, soils, landscape and testing and inspection;
- All contingency and development management fee percentages were solved to equal the total amounts for these line items in The Lowe Team's pro formas;
- Office parking revenue inflates by 4% in The Lowe Team model and 3% in the Metro model;
- Parking is divided into above-ground and subterranean structured parking in The Lowe Team's model versus surface and structured parking in the Metro model;
- The Lowe Team model includes option rent (5% of minimum base rent), entitlement rent (10% of minimum base rent), and holding rent (20% of minimum base rent);
- Occupancy of all buildings starts mid year for every product type in The Lowe Team model versus beginning of years in the Metro model.

INPUT EXHIBIT 1.0
OPERATING ASSUMPTIONS - APARTMENT USE

OPERATING ASSUMPTIONS INPUT - 2007 $'S		Illustrative PHASE I		PHASE - II		PHASE - III	
DEVELOPMENT PROGRAM		Units		Units		Units	
Land Square Footage		40,343		70,600		50,094	
FAR Built		2.27		3.99		2.84	
Building Square Footage		91,750		281,673		142,213	
Year of First Occupancy		2011		2013		2015	
Years to Stabilization		0.33		1.025		0.5167	
Parking Spaces per Unit		1.5		1.5		1.5	
Structured Parking %		100%		100%		100%	
INCOME		Units	Rent/Mth.	Units	Rent/Mth.	Units	Rent/Mth.
Studios - Market/Affordable		5	$ 1,739	15	$ 1,927	8	$ 2,041
1BD/1BA - Market/Affordable		40	2,411	123	2,673	62	2,833
2BD/1BA - Market/Affordable		-	-	-	-	-	-
2BD/2BA - Market/Affordable		50	2,826	154	3,133	78	3,321
3BD/3BA - Market/Affordable		5	3,188	15	3,534	8	3,746
Others		-	-	-	-	-	-
Total/Average		100	$ 2,624	307	$ 2,909	155	$ 3,083
Monthly Revenues							
Parking Revenue			$ 3,695		$ 12,305		$ 6,494
Other Revenue			2,463		8,203		3,615
Other Revenue			-		-		-
Other Revenues			-		-		-
Annual Total			$ 73,904		$ 246,097		$ 121,307
Rental Growth Rate		3.50%		3.50%		3.50%	
OPERATING EXPENSES		Rate	$/Yr.	Rate	$/Yr.	Rate	$/Yr.
Stabilized Vacancy Rate		6.0%		6.0%		6.0%	
Estimated Property Tax @ Completion			$469,634		$1,595,608		$ 824,733
Operating Insurance			66,823		188,675		99,578
Property Management			86,913		287,402		151,427
Property Operations and Maintenance			44,161		124,689		65,808
Utility Costs			55,782		157,502		83,126
Marketing			29,053		82,032		43,295
Reserve for Replacement			21,499		60,704		32,038
Landscaping			11,621		32,813		17,318
Other Expenses			212,089		598,837		316,051
Expense Inflation Factor		3.0%		3.0%		3.0%	
CONSTRUCTION & LEASE TERMS		% Rate/Amount		% Rate/Amount		% Rate/Amount	
Construction Period (Months)		19		19		19	
% of Development Costs in First Year		63%		63%		63%	
% of Development Costs in Second Year		63%		63%		63%	
Percentage Rent Rate		11.50%		11.50%		11.50%	
Minimum Rent							
Minimum Rent		1,202,500		3,145,000		1,202,500	
Frequency of Adjustments, yrs		5		5		5	
FINANCING PARAMETERS		% Rate/Amount		% Rate/Amount		% Rate/Amount	
Construction Loan							
Construction Loan		$22,350,000		$ 76,350,000		$41,025,000	
Construction Interest Rate		8.05%		8.55%		8.8%	
Finance Fees/Loan Points		1.0%		1.0%		1.0%	
Permanent Loan							
Permanent Loan Amount		$31,483,812		$101,461,781		$54,059,693	
Interest Rate		7.0%		7.0%		7.0%	
Amortization Term		30		30		30	
Annual Debt Service		$ 2,537,000		$ 8,176,000		$ 4,356,000	
Discount Rate		9.25%		9.25%		9.25%	
DEVELOPMENT COSTS INPUT - 2007 $'s		Illustrative PHASE I		PHASE - II		PHASE - III	
HARD COSTS		Per Unit	Units	Per Unit	Units	Per Unit	Units
Demolition	Per Apartment	$ -	100	$ -	307	$ 968	155
Unit Construction Costs	Per Apartment	104,136	100	110,100	307	111,935	155
Finishes (Fixtures, Plumbing, Drapes, Carpet)	Per Apartment	14,221	100	14,221	307	14,221	155
Common Area Costs	Per Bldg. SF	5	91,750	5	281,673	5	142,213
Elevators	Per Apartment	5,046	100	5,046	307	5,046	155
Parking Construction - Surface Lot	Per Space	18,100	150	-	-	-	-
Parking Construction - Structure	Per Space	-	150	28,246	461	28,246	233
Landscaping	Per Apartment	5,648	100	6,439	307	5,648	155
Off-Site Costs (Identify) ,	Per Apartment	3,500	100	977	307	3,500	155
Public Spaces	Per Land SF	-	40,343	-	70,600	-	50,094
Miscellaneous		33,920	100	48,075	307	54,690	155
Hard Cost Contingency	% of Hard Costs	4.5%	891,844	4.3%	3,062,887	4.2%	1,593,782
Total Hard Costs (In Million $'s)			$ 20.71		$ 74.23		$ 39.25
Hard Costs as % of Total Costs			69.9%		70.1%		70.1%
SOFT COSTS		% Rate/Amount		% Rate/Amount		% Rate/Amount	
Architect Reimbursables	Allowance	107,021		122,515		127,503	
Other Consultants	Allowance	445,922		1,531,439		796,891	
Architecture / Engineering	% of Hard Costs	3.6%		1.7%		3.4%	
Permits and Fees	Allowance	1,200,000		3,684,000		1,860,000	
Entitlements	% of Hard Costs	0.0%		0.0%		0.0%	
Other Professional Services	% of Hard Costs	0.0%		0.0%		0.0%	
Developer / OH / Project Management	% of Hard Costs	5.2%		5.0%		5.1%	
Advertising and Promotion	Allowance	850,000		850,000		850,000	
Working Capital	Allowance	450,000		450,000		450,000	
Mitigation Costs (Identify)	Allowance	-		-		-	
Construction Interest	Allowance	1,897,005		11,589,923		4,650,008	
Loan Fees	Calculated	223,500		763,500		410,250	
Appraisal and Closing Costs	Allowance	150,000		150,000		150,000	
Property Taxes During Construction	Allowance	642,700		2,612,905		1,386,277	
Other Soft Costs (Permanent Loan Costs)	% of Perm Loan	1.2%		1.0%		1.0%	
Other Soft Costs (Insurance/Legal)		592,868		3,485,330		1,861,572	
Soft Cost Contingency	% of Soft Costs	2.9%		2.3%		2.6%	
Total Soft Costs (In Million $'s)			$ 8.93		$ 31.71		$ 16.71
Soft Costs as % of Total Costs			30.1%		29.9%		29.9%
TOTAL DEVELOPMENT COSTS (In Million $'s)			$ 29.64		$ 105.94		$ 55.96

OUTPUT EXHIBIT 1.0
CASH FLOW - ALL USES CONSOLIDATED
ALL PHASES COMBINED

CONSOLIDATED CASH FLOW (IN THOUSAND $'s)	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
ALL PHASES COMBINED												
Gross Revenues												
Apartments	$ 403,706.8	$ 134,858.9	$ -	$ -	$ -	$ -	$ 3,481.3	$ 3,603.1	$ 16,903.2	$ 16,989.4	$ 24,841.2	$ 25,710.6
Retail	84,221.9	31,303.1	-	-	-	-	1,106.7	5,267.5	5,301.7	5,336.9	5,373.2	5,410.6
Office	779,077.2	255,469.6	-	-	-	-	-	13,033.9	21,035.3	34,508.9	40,284.5	49,636.7
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 1,267,005.9**	**$ 421,631.7**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,588.0**	**$ 21,904.5**	**$ 43,240.3**	**$ 56,835.2**	**$ 70,498.8**	**$ 80,757.9**
Gross Expenditures												
Apartments	$ 97,533.7	$ 33,448.3	$ -	$ -	$ -	$ -	$ 1,063.8	$ 1,081.7	$ 4,525.7	$ 4,599.5	$ 6,524.6	$ 6,633.7
Retail	32,393.6	11,846.8	-	-	-	-	434.4	1,880.2	1,911.5	1,943.8	1,977.0	2,011.2
Office	172,927.6	58,418.6	-	-	-	-	-	4,878.2	4,959.3	9,085.8	9,240.7	12,010.0
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 302,854.9**	**$ 103,713.7**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,498.2**	**$ 7,840.0**	**$ 11,396.5**	**$ 15,629.1**	**$ 17,742.3**	**$ 20,654.9**
Net Operating Income												
Apartments	$ 259,810.8	$ 85,922.9	$ -	$ -	$ -	$ -	$ 2,017.7	$ 2,107.7	$ 10,435.1	$ 10,438.9	$ 15,463.8	$ 16,124.4
Retail	45,090.5	16,952.1	-	-	-	-	583.8	2,965.9	2,966.1	2,966.2	2,966.4	2,966.5
Office	543,823.4	176,613.4	-	-	-	-	-	7,113.0	14,393.2	22,662.4	27,821.0	33,655.7
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 848,724.7**	**$ 279,488.4**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,601.5**	**$ 12,186.6**	**$ 27,794.4**	**$ 36,067.5**	**$ 46,251.2**	**$ 52,746.7**
Net Cash Flow												
Apartments	$ 70,563.3	$ 21,290.6	0	$ -	$ 23.3	$ (572.5)	$ (2,962.8)	$ (13,911.4)	$ 24,948.6	$ (9,601.3)	$ 19,050.7	$ 1,055.4
Retail	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Office	146,099.8	45,434.8	-	-	-	(5,045.4)	(8,655.3)	10,870.1	(28,237.7)	52,446.2	(12,513.9)	40,097.7
Other	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
MTA Ground Rent												
Apartments	$ 46,362.3	$ 15,487.7	$ -	$ -	$ -	$ -	$ 399.8	$ 413.8	$ 1,942.4	$ 1,951.0	$ 2,852.7	$ 2,952.6
Retail	6,737.8	2,504.3	-	-	-	-	88.5	421.4	424.1	427.0	429.9	432.8
Office	62,326.2	20,437.6	-	-	-	-	-	1,042.7	1,682.8	2,760.7	3,222.8	3,970.9
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 115,426.2**	**$ 38,429.5**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 488.3**	**$ 1,877.9**	**$ 4,049.4**	**$ 5,138.6**	**$ 6,505.3**	**$ 7,356.4**

CONSOLIDATED CASH FLOW (IN THOUSAND $'s)	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
ALL PHASES COMBINED										
Gross Revenues										
Apartments	$ 26,610.5	$ 27,541.9	$ 28,505.8	$ 29,503.5	$ 30,536.1	$ 31,604.9	$ 32,711.1	$ 33,856.0	$ 35,040.9	$ 36,267.4
Retail	5,449.1	5,488.7	5,529.5	5,571.6	5,614.9	5,659.5	5,705.5	5,752.8	5,801.6	5,851.8
Office	54,133.3	55,757.3	57,430.0	59,152.9	60,927.5	62,755.4	64,638.0	66,577.2	68,574.5	70,631.7
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 86,192.9**	**$ 88,787.9**	**$ 91,465.4**	**$ 94,228.1**	**$ 97,078.6**	**$ 100,019.8**	**$ 103,054.6**	**$ 106,186.0**	**$ 109,417.0**	**$ 112,750.9**
Gross Expenditures										
Apartments	$ 6,746.0	$ 6,861.7	$ 6,980.8	$ 7,103.5	$ 7,230.0	$ 7,360.2	$ 7,494.3	$ 7,632.4	$ 7,774.7	$ 7,921.2
Retail	2,046.4	2,082.7	2,120.1	2,158.6	2,198.3	2,239.2	2,281.2	2,324.6	2,369.2	2,415.2
Office	12,220.0	12,436.3	12,659.0	12,888.5	13,124.8	13,368.3	13,619.0	13,877.3	14,143.3	14,417.2
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 21,012.4**	**$ 21,380.7**	**$ 21,760.0**	**$ 22,150.7**	**$ 22,553.1**	**$ 22,967.6**	**$ 23,394.5**	**$ 23,834.2**	**$ 24,287.2**	**$ 24,753.7**
Net Operating Income										
Apartments	$ 16,808.6	$ 17,517.3	$ 18,251.4	$ 19,011.8	$ 19,799.5	$ 20,615.3	$ 21,460.3	$ 22,335.6	$ 23,242.2	$ 24,181.3
Retail	2,966.7	2,966.9	2,967.1	2,967.2	2,967.4	2,967.6	2,967.8	2,968.0	2,968.2	2,968.5
Office	37,582.7	38,860.5	40,176.6	41,532.2	42,928.5	44,366.7	45,848.0	47,373.7	48,945.3	50,563.9
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 57,358.0**	**$ 59,344.7**	**$ 61,395.1**	**$ 63,511.3**	**$ 65,695.4**	**$ 67,949.6**	**$ 70,276.1**	**$ 72,677.4**	**$ 75,155.7**	**$ 77,713.7**
Net Cash Flow										
Apartments	$ 1,739.6	$ 2,448.3	$ 3,182.4	$ 3,942.8	$ 4,730.5	$ 5,546.3	$ 6,391.3	$ 7,266.6	$ 8,173.2	$ 9,112.3
Retail	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Office	3,478.7	4,756.5	6,072.6	7,428.2	8,824.5	10,262.7	11,744.0	13,269.7	14,841.3	16,459.9
Other	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
MTA Ground Rent										
Apartments	$ 3,055.9	$ 3,162.9	$ 3,273.6	$ 3,388.1	$ 3,506.7	$ 3,629.5	$ 3,756.5	$ 3,888.0	$ 4,024.1	$ 4,164.9
Retail	435.9	439.1	442.4	445.7	449.2	452.8	456.4	460.2	464.1	468.1
Office	4,330.7	4,460.6	4,594.4	4,732.2	4,874.2	5,020.4	5,171.0	5,326.2	5,486.0	5,650.5
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 7,822.5**	**$ 8,062.6**	**$ 8,310.3**	**$ 8,566.1**	**$ 8,830.1**	**$ 9,102.7**	**$ 9,384.0**	**$ 9,674.4**	**$ 9,974.1**	**$ 10,283.6**

OUTPUT EXHIBIT 1.1
CASH FLOW - ALL USES CONSOLIDATED
PHASE I

CONSOLIDATED CASH FLOW (IN THOUSAND $'s)	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
PHASE - I												
Gross Revenues												
Apartments	$ 73,005.6	$ 26,882.4	$ -	$ -	$ -	$ -	$ 3,481.3	$ 3,603.1	$ 3,729.2	$ 3,859.7	$ 3,994.8	$ 4,134.6
Retail	22,308.1	8,288.7	-	-	-	-	1,106.7	1,139.9	1,174.1	1,209.3	1,245.6	1,283.0
Office	372,450.5	129,833.2	-	-	-	-	-	13,033.9	21,035.3	21,666.4	22,316.4	22,985.9
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 467,764.2**	**$ 165,004.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,588.0**	**$ 17,777.0**	**$ 25,938.7**	**$ 26,735.5**	**$ 27,556.8**	**$ 28,403.5**
Gross Expenditures												
Apartments	$ 19,491.4	$ 7,398.5	$ -	$ -	$ -	$ -	$ 1,063.8	$ 1,081.7	$ 1,100.0	$ 1,118.9	$ 1,138.4	$ 1,158.5
Retail	7,939.8	3,015.4	-	-	-	-	434.4	441.5	448.9	456.4	464.3	472.3
Office	82,898.9	29,940.0	-	-	-	-	-	4,878.2	4,959.3	5,042.8	5,128.8	5,217.4
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 110,330.2**	**$ 40,353.9**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,498.2**	**$ 6,401.4**	**$ 6,508.2**	**$ 6,618.2**	**$ 6,731.5**	**$ 6,848.2**
Net Operating Income												
Apartments	$ 45,130.8	$ 16,397.0	$ -	$ -	$ -	$ -	$ 2,017.7	$ 2,107.7	$ 2,201.0	$ 2,297.6	$ 2,397.7	$ 2,501.4
Retail	12,583.6	4,610.2	-	-	-	-	583.8	607.2	631.3	656.2	681.7	708.1
Office	259,755.6	89,506.6	-	-	-	-	-	7,113.0	14,393.2	14,890.3	15,402.3	15,929.6
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 317,469.9**	**$ 110,513.8**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,601.5**	**$ 9,827.9**	**$ 17,225.5**	**$ 17,844.0**	**$ 18,481.7**	**$ 19,139.1**
Net Cash Flow												
Apartments	$ 12,769.0	$ 6,213.7	$ -	$ -	$ 23.3	$ (572.5)	$ 8,260.1	$ (429.3)	$ (336.0)	$ (239.4)	$ (139.3)	$ (35.6)
Retail	(3,371.3)	(3,544.6)	-	-	(4,436.8)	(4,778.6)	5,829.3	(191.8)	(167.7)	(142.8)	(117.3)	(90.9)
Office	67,911.9	24,866.4	-	-	-	(5,045.4)	(8,655.3)	34,952.1	(319.8)	177.3	689.3	1,216.6
Other	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
MTA Ground Rent												
Apartments	$ 8,383.4	$ 3,087.0	$ -	$ -	$ -	$ -	$ 399.8	$ 413.8	$ 428.2	$ 443.2	$ 458.7	$ 474.8
Retail	1,784.6	663.1	-	-	-	-	88.5	91.2	93.9	96.7	99.7	102.6
Office	29,796.0	10,386.7	-	-	-	-	-	1,042.7	1,682.8	1,733.3	1,785.3	1,838.9
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 39,964.1**	**$ 14,136.7**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 488.3**	**$ 1,547.7**	**$ 2,205.0**	**$ 2,273.3**	**$ 2,343.7**	**$ 2,416.3**

CONSOLIDATED CASH FLOW (IN THOUSAND $'s)	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
PHASE - I										
Gross Revenues										
Apartments	$ 4,279.4	$ 4,429.1	$ 4,584.2	$ 4,744.6	$ 4,910.7	$ 5,082.5	$ 5,260.4	$ 5,444.5	$ 5,635.1	$ 5,832.3
Retail	1,321.5	1,361.1	1,402.0	1,444.0	1,487.3	1,532.0	1,577.9	1,625.3	1,674.0	1,724.2
Office	23,675.5	24,385.7	25,117.3	25,870.8	26,646.9	27,446.3	28,269.7	29,117.8	29,991.4	30,891.1
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 29,276.3**	**$ 30,176.0**	**$ 31,103.4**	**$ 32,059.4**	**$ 33,044.9**	**$ 34,060.8**	**$ 35,108.1**	**$ 36,187.6**	**$ 37,300.5**	**$ 38,447.7**
Gross Expenditures										
Apartments	$ 1,179.1	$ 1,200.4	$ 1,222.4	$ 1,244.9	$ 1,268.2	$ 1,292.2	$ 1,316.8	$ 1,342.2	$ 1,368.4	$ 1,395.4
Retail	480.6	489.1	497.9	506.9	516.3	525.9	535.8	546.0	556.4	567.3
Office	5,308.6	5,402.6	5,499.4	5,599.1	5,701.8	5,807.6	5,916.6	6,028.8	6,144.4	6,263.5
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 6,968.4**	**$ 7,092.2**	**$ 7,219.7**	**$ 7,351.0**	**$ 7,486.3**	**$ 7,625.6**	**$ 7,769.2**	**$ 7,917.0**	**$ 8,069.3**	**$ 8,226.1**
Net Operating Income										
Apartments	$ 2,608.8	$ 2,720.1	$ 2,835.4	$ 2,954.8	$ 3,078.6	$ 3,206.7	$ 3,339.5	$ 3,477.1	$ 3,619.6	$ 3,767.2
Retail	735.2	763.1	791.9	821.6	852.1	883.5	915.9	949.3	983.6	1,019.0
Office	16,472.8	17,032.2	17,608.5	18,202.0	18,813.3	19,443.0	20,091.6	20,759.6	21,447.7	22,156.4
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 19,816.8**	**$ 20,515.5**	**$ 21,235.8**	**$ 21,978.4**	**$ 22,744.0**	**$ 23,533.3**	**$ 24,347.0**	**$ 25,186.0**	**$ 26,050.9**	**$ 26,942.6**
Net Cash Flow										
Apartments	$ 71.8	$ 183.1	$ 298.4	$ 417.8	$ 541.6	$ 669.7	$ 802.5	$ 940.1	$ 1,082.6	$ 1,230.2
Retail	(63.8)	(35.9)	(7.1)	22.6	53.1	84.5	116.9	150.3	184.6	220.0
Office	1,759.8	2,319.2	2,895.5	3,489.0	4,100.3	4,730.0	5,378.6	6,046.6	6,734.7	7,443.4
Other	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
MTA Ground Rent										
Apartments	$ 491.4	$ 508.6	$ 526.4	$ 544.8	$ 563.9	$ 583.6	$ 604.1	$ 625.2	$ 647.1	$ 669.7
Retail	105.7	108.9	112.2	115.5	119.0	122.6	126.2	130.0	133.9	137.9
Office	1,894.0	1,950.9	2,009.4	2,069.7	2,131.8	2,195.7	2,261.6	2,329.4	2,399.3	2,471.3
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 2,491.2**	**$ 2,568.4**	**$ 2,647.9**	**$ 2,730.0**	**$ 2,814.6**	**$ 2,901.9**	**$ 2,991.9**	**$ 3,084.7**	**$ 3,180.3**	**$ 3,279.0**

OUTPUT EXHIBIT 1.2
CASH FLOW - ALL USES CONSOLIDATED
PHASE II

CONSOLIDATED CASH FLOW (IN THOUSAND $'s)	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
PHASE - II												
Gross Revenues												
Apartments	$ 224,732.1	$ 75,544.8	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,174.0	$ 13,129.6	$ 13,589.2	$ 14,064.8
Retail	61,913.8	23,014.4	-	-	-	-	-	4,127.6	4,127.6	4,127.6	4,127.6	4,127.6
Office	267,845.9	85,354.1	-	-	-	-	-	-	-	12,842.6	17,968.1	18,507.1
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 554,491.7**	**$ 183,913.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,127.6**	**$ 17,301.6**	**$ 30,099.8**	**$ 35,684.8**	**$ 36,699.5**
Gross Expenditures												
Apartments	$ 53,607.7	$ 18,438.4	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,425.7	$ 3,480.6	$ 3,537.1	$ 3,595.4
Retail	24,453.8	8,831.4	-	-	-	-	-	1,438.7	1,462.6	1,487.3	1,512.7	1,538.9
Office	58,574.1	19,152.1	-	-	-	-	-	-	-	4,043.0	4,111.9	4,182.9
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 136,635.6**	**$ 46,421.9**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,438.7**	**$ 4,888.3**	**$ 9,010.9**	**$ 9,161.8**	**$ 9,317.2**
Net Operating Income												
Apartments	$ 145,315.8	$ 48,430.4	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,234.1	$ 8,141.3	$ 8,491.5	$ 8,854.3
Retail	32,506.9	12,341.9	-	-	-	-	-	2,358.7	2,334.7	2,310.1	2,284.7	2,258.5
Office	187,844.1	59,373.6	-	-	-	-	-	-	-	7,772.1	12,418.7	12,843.6
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 365,666.8**	**$ 120,145.9**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,358.7**	**$ 10,568.9**	**$ 18,223.5**	**$ 23,194.9**	**$ 23,956.4**
Net Cash Flow												
Apartments	$ 39,434.3	$ 11,132.9	$ -	$ -	$ -	$ -	$ (11,223.0)	$ (13,482.1)	$ 33,345.7	$ (34.7)	$ 315.5	$ 678.3
Retail	(15,241.9)	(5,972.1)	-	-	-	(4,304.0)	(5,197.5)	9,639.4	(917.3)	(941.9)	(967.3)	(993.5)
Office	48,696.7	12,195.6	-	-	-	-	-	(24,082.0)	(27,917.9)	63,676.7	497.7	922.6
Other	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
MTA Ground Rent												
Apartments	$ 25,808.6	$ 8,676.0	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,514.2	$ 1,507.7	$ 1,560.5	$ 1,615.1
Retail	4,953.1	1,841.2	-	-	-	-	-	330.2	330.2	330.2	330.2	330.2
Office	21,427.7	6,828.3	-	-	-	-	-	-	-	1,027.4	1,437.4	1,480.6
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 52,189.4**	**$ 17,345.5**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 330.2**	**$ 1,844.4**	**$ 2,865.4**	**$ 3,328.2**	**$ 3,425.9**

CONSOLIDATED CASH FLOW (IN THOUSAND $'s)	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
PHASE - II										
Gross Revenues										
Apartments	$ 14,557.0	$ 15,066.5	$ 15,593.9	$ 16,139.7	$ 16,704.5	$ 17,289.2	$ 17,894.3	$ 18,520.6	$ 19,168.9	$ 19,839.8
Retail	4,127.6	4,127.6	4,127.6	4,127.6	4,127.6	4,127.6	4,127.6	4,127.6	4,127.6	4,127.6
Office	19,062.3	19,634.2	20,223.2	20,829.9	21,454.8	22,098.5	22,761.4	23,444.2	24,147.6	24,872.0
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 37,747.0**	**$ 38,828.3**	**$ 39,944.7**	**$ 41,097.2**	**$ 42,286.9**	**$ 43,515.3**	**$ 44,783.3**	**$ 46,092.5**	**$ 47,444.0**	**$ 48,839.4**
Gross Expenditures										
Apartments	$ 3,655.4	$ 3,717.2	$ 3,780.8	$ 3,846.4	$ 3,913.9	$ 3,983.4	$ 4,055.1	$ 4,128.9	$ 4,204.9	$ 4,283.1
Retail	1,565.9	1,593.6	1,622.2	1,651.7	1,682.0	1,713.3	1,745.5	1,778.6	1,812.8	1,848.0
Office	4,256.1	4,331.4	4,409.0	4,488.9	4,571.2	4,656.0	4,743.3	4,833.2	4,925.9	5,021.3
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 9,477.3**	**$ 9,642.2**	**$ 9,812.0**	**$ 9,986.9**	**$ 10,167.1**	**$ 10,352.7**	**$ 10,543.8**	**$ 10,740.7**	**$ 10,943.5**	**$ 11,152.4**
Net Operating Income										
Apartments	$ 9,230.0	$ 9,619.2	$ 10,022.3	$ 10,439.9	$ 10,872.4	$ 11,320.4	$ 11,784.4	$ 12,265.0	$ 12,762.7	$ 13,278.3
Retail	2,231.5	2,203.8	2,175.2	2,145.7	2,115.3	2,084.1	2,051.9	2,018.7	1,984.6	1,949.4
Office	13,281.3	13,732.1	14,196.4	14,674.6	15,167.2	15,674.6	16,197.2	16,735.5	17,289.9	17,860.9
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 24,742.8**	**$ 25,555.0**	**$ 26,393.9**	**$ 27,260.2**	**$ 28,155.0**	**$ 29,079.1**	**$ 30,033.5**	**$ 31,019.2**	**$ 32,037.2**	**$ 33,088.7**
Net Cash Flow										
Apartments	$ 1,054.0	$ 1,443.2	$ 1,846.3	$ 2,263.9	$ 2,696.4	$ 3,144.4	$ 3,608.4	$ 4,089.0	$ 4,586.7	$ 5,102.3
Retail	(1,020.5)	(1,048.2)	(1,076.8)	(1,106.3)	(1,136.7)	(1,167.9)	(1,200.1)	(1,233.3)	(1,267.4)	(1,302.6)
Office	1,360.3	1,811.1	2,275.4	2,753.6	3,246.2	3,753.6	4,276.2	4,814.5	5,368.9	5,939.9
Other	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
MTA Ground Rent										
Apartments	$ 1,671.7	$ 1,730.2	$ 1,790.7	$ 1,853.4	$ 1,918.3	$ 1,985.4	$ 2,054.9	$ 2,126.8	$ 2,201.3	$ 2,278.3
Retail	330.2	330.2	330.2	330.2	330.2	330.2	330.2	330.2	330.2	330.2
Office	1,525.0	1,570.7	1,617.9	1,666.4	1,716.4	1,767.9	1,820.9	1,875.5	1,931.8	1,989.8
Other	-	-	-	-	-	-	-	-	-	-
Total	**$ 3,526.9**	**$ 3,631.1**	**$ 3,738.8**	**$ 3,850.0**	**$ 3,964.9**	**$ 4,083.5**	**$ 4,206.0**	**$ 4,332.6**	**$ 4,463.3**	**$ 4,598.3**

OUTPUT EXHIBIT 1.3
CASH FLOW - ALL USES CONSOLIDATED
PHASE III

CONSOLIDATED CASH FLOW (IN THOUSAND $'s)	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
PHASE - III																						
Gross Revenues																						
Apartments	$ 105,969.2	$ 32,431.7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,257.2	$ 7,511.2	$ 7,774.1	$ 8,046.2	$ 8,327.8	$ 8,619.3	$ 8,920.9	$ 9,233.2	$ 9,556.3	$ 9,890.8	$ 10,237.0	$ 10,595.3
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office	138,780.8	40,282.3	-	-	-	-	-	-	-	-	-	8,143.7	11,395.5	11,737.4	12,089.5	12,452.2	12,825.8	13,210.6	13,606.9	14,015.1	14,435.5	14,868.6
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 244,750.0**	**$ 72,714.0**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,257.2**	**$ 15,654.9**	**$ 19,169.6**	**$ 19,783.6**	**$ 20,417.3**	**$ 21,071.5**	**$ 21,746.7**	**$ 22,443.7**	**$ 23,163.2**	**$ 23,905.9**	**$ 24,672.5**	**$ 25,463.9**
Gross Expenditures																						
Apartments	$ 24,434.6	$ 7,611.5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,849.1	$ 1,879.8	$ 1,911.5	$ 1,944.1	$ 1,977.7	$ 2,012.2	$ 2,047.9	$ 2,084.6	$ 2,122.4	$ 2,161.3	$ 2,201.4	$ 2,242.7
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office	31,454.6	9,326.5	-	-	-	-	-	-	-	-	-	2,609.7	2,655.3	2,702.3	2,750.6	2,800.5	2,851.8	2,904.7	2,959.1	3,015.2	3,073.0	3,132.5
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 55,889.2**	**$ 16,938.0**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,849.1**	**$ 4,489.5**	**$ 4,566.8**	**$ 4,646.3**	**$ 4,728.3**	**$ 4,812.7**	**$ 4,899.7**	**$ 4,989.2**	**$ 5,081.5**	**$ 5,176.5**	**$ 5,274.4**	**$ 5,375.2**
Net Operating Income																						
Apartments	$ 69,364.2	$ 21,095.5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,574.6	$ 4,768.7	$ 4,969.8	$ 5,178.0	$ 5,393.7	$ 5,617.1	$ 5,848.5	$ 6,088.2	$ 6,336.4	$ 6,593.6	$ 6,859.9	$ 7,135.7
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office	96,223.8	27,733.2	-	-	-	-	-	-	-	-	-	4,882.5	7,828.6	8,096.2	8,371.7	8,655.6	8,947.9	9,249.0	9,559.2	9,878.7	10,207.7	10,546.6
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 165,588.0**	**$ 48,828.7**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,574.6**	**$ 9,651.2**	**$ 12,798.4**	**$ 13,274.2**	**$ 13,765.4**	**$ 14,272.7**	**$ 14,796.4**	**$ 15,337.2**	**$ 15,895.6**	**$ 16,472.2**	**$ 17,067.6**	**$ 17,682.4**
Net Cash Flow																						
Apartments	$ 18,360.0	$ 3,944.0	$ -	$ -	$ -	$ -	$ -	$ -	$ (8,061.0)	$ (9,327.1)	$ 18,874.5	$ 412.7	$ 613.8	$ 822.0	$ 1,037.7	$ 1,261.1	$ 1,492.5	$ 1,732.2	$ 1,980.4	$ 2,237.6	$ 2,503.9	$ 2,779.7
Retail	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Office	29,491.2	8,372.8	-	-	-	-	-	-	-	(11,407.7)	(13,700.8)	37,958.5	358.6	626.2	901.7	1,185.6	1,477.9	1,779.0	2,089.2	2,408.7	2,737.7	3,076.6
Other	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
MTA Ground Rent																						
Apartments	$ 12,170.4	$ 3,724.7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 833.5	$ 862.6	$ 892.8	$ 924.1	$ 956.4	$ 989.9	$ 1,024.6	$ 1,060.4	$ 1,097.5	$ 1,135.9	$ 1,175.7	$ 1,216.8
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office	11,102.5	3,222.6	-	-	-	-	-	-	-	-	-	651.5	911.6	939.0	967.2	996.2	1,026.1	1,056.8	1,088.6	1,121.2	1,154.8	1,189.5
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 23,272.8**	**$ 6,947.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 833.5**	**$ 1,514.1**	**$ 1,804.5**	**$ 1,863.1**	**$ 1,923.6**	**$ 1,986.1**	**$ 2,050.6**	**$ 2,117.3**	**$ 2,186.1**	**$ 2,257.1**	**$ 2,330.5**	**$ 2,406.3**

OUTPUT EXHIBIT 2.1
CASH FLOW - APARTMENT USE
PHASE I

CASH FLOW PROJECTION - PHASE I	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
INCOME												
Apartment Income												
Studios	$ 2,510,306	$ 924,354	$ -	$ -	$ -	$ -	$ 119,704	$ 123,893	$ 128,229	$ 132,717	$ 137,363	$ 142,170
1BD/1BA	27,848,538	10,254,494	-	-	-	-	1,327,953	1,374,431	1,422,536	1,472,325	1,523,856	1,577,191
2BD/1BA	0	0	-	-	-	-	-	-	-	-	-	-
2BD/2BA	40,811,368	15,027,716	-	-	-	-	1,946,083	2,014,196	2,084,693	2,157,657	2,233,175	2,311,336
3BD/2BA	4,603,299	1,695,044	-	-	-	-	219,508	227,190	235,142	243,372	251,890	260,706
Others	0	0	-	-	-	-	-	-	-	-	-	-
Total	**$ 75,773,511**	**$ 27,901,607**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,613,247**	**$ 3,739,711**	**$ 3,870,601**	**$ 4,006,072**	**$ 4,146,284**	**$ 4,291,404**
Effective Income												
Vacancy & Collection Allowance			100.0%	94.0%	94.0%	94.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Less: Annual Vacancy	$ (4,546,411)	$ (1,674,096)	$ -	$ -	$ -	$ -	$ (216,795)	$ (224,383)	$ (232,236)	$ (240,364)	$ (248,777)	$ (257,484)
Other Revenues	1,778,474	654,876	-	-	-	-	84,806	87,774	90,847	94,026	97,317	100,723
Gross Scheduled Income	$ 73,005,574	$ 26,882,387	-	-	-	-	3,481,258	3,603,102	3,729,211	3,859,733	3,994,824	4,134,643
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 73,005,574**	**$ 26,882,387**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,481,258**	**$ 3,603,102**	**$ 3,729,211**	**$ 3,859,733**	**$ 3,994,824**	**$ 4,134,643**
EXPENDITURES												
Estimated Property Tax @ Completion	$ 7,514,149	$ 2,948,233	$ -	$ -	$ -	$ -	$ 469,634	$ 469,634	$ 469,634	$ 469,634	$ 469,634	$ 469,634
Operating Insurance	1,515,989	563,276	-	-	-	-	75,209	77,466	79,790	82,183	84,649	87,188
Property Management	1,971,769	732,624	-	-	-	-	97,821	100,756	103,778	106,892	110,099	113,401
Property Operations and Maintenance	1,001,871	372,252	-	-	-	-	49,704	51,195	52,731	54,313	55,942	57,620
Utility Costs	1,265,521	470,213	-	-	-	-	62,784	64,667	66,607	68,605	70,663	72,783
Marketing	659,126	244,903	-	-	-	-	32,700	33,681	34,691	35,732	36,804	37,908
Reserve for Replacement	487,753	181,228	-	-	-	-	24,198	24,924	25,671	26,442	27,235	28,052
Landscaping	263,650	97,961	-	-	-	-	13,080	13,472	13,876	14,293	14,722	15,163
Other Expenses	4,811,610	1,787,787	-	-	-	-	238,708	245,869	253,245	260,843	268,668	276,728
Total Operating Expenses	**$ 19,491,437**	**$ 7,398,478**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,063,838**	**$ 1,081,664**	**$ 1,100,025**	**$ 1,118,936**	**$ 1,138,416**	**$ 1,158,479**
NET OPERATING INCOME												
NOI Before Ground Rent	$ 53,514,137	$ 19,483,910	$ -	$ -	$ -	$ -	$ 2,417,421	$ 2,521,439	$ 2,629,186	$ 2,740,797	$ 2,856,409	$ 2,976,164
Minimum Rent	20,238,629	5,932,949	-	-	-	-	-	-	-	-	-	1,638,884
Excess Percentage Rent	(11,855,259)	(2,845,993)	-	-	-	-	399,760	413,751	428,232	443,221	458,733	(1,164,095)
Total Ground Rent	8,383,370	3,086,956	-	-	-	-	399,760	413,751	428,232	443,221	458,733	474,789
NOI After Ground Rent	**$ 45,130,767**	**$ 16,396,954**	$ -	$ -	$ -	$ -	$ 2,017,661	$ 2,107,687	$ 2,200,954	$ 2,297,576	$ 2,397,675	$ 2,501,375
NOI as % of Total Development Costs			0.0%	0.0%	0.0%	0.0%	6.8%	7.1%	7.4%	7.8%	8.1%	8.4%
NET CASH FLOW												
(-) Development Costs	$ (31,538,774)	$ (26,165,890)	$ -	$ -	$ (19,861,210)	$ (20,457,046)	$ 8,779,482	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	39,769,026	31,909,213	-	-	19,884,513	19,884,513	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(40,592,000)	(15,926,575)	-	-	-	-	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)
Net Cash Flow to Master Lessee	**$ 12,769,019**	**$ 6,213,702**	**$ -**	**$ -**	**$ 23,303**	**$ (572,533)**	**$ 8,260,144**	**$ (429,313)**	**$ (336,046)**	**$ (239,424)**	**$ (139,325)**	**$ (35,625)**

CASH FLOW PROJECTION - PHASE I	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME										
Apartment Income										
Studios	$ 147,146	$ 152,296	$ 157,627	$ 163,144	$ 168,854	$ 174,763	$ 180,880	$ 187,211	$ 193,763	$ 200,545
1BD/1BA	1,632,393	1,689,527	1,748,660	1,809,863	1,873,209	1,938,771	2,006,628	2,076,860	2,149,550	2,224,784
2BD/1BA	-	-	-	-	-	-	-	-	-	-
2BD/2BA	2,392,233	2,475,961	2,562,620	2,652,312	2,745,143	2,841,222	2,940,665	3,043,589	3,150,114	3,260,368
3BD/2BA	269,831	279,275	289,049	299,166	309,637	320,474	331,691	343,300	355,316	367,752
Others	-	-	-	-	-	-	-	-	-	-
Total	**$ 4,441,603**	**$ 4,597,059**	**$ 4,757,956**	**$ 4,924,485**	**$ 5,096,842**	**$ 5,275,231**	**$ 5,459,864**	**$ 5,650,960**	**$ 5,848,743**	**$ 6,053,449**
Effective Income										
Vacancy & Collection Allowance	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Less: Annual Vacancy	$ (266,496)	$ (275,824)	$ (285,477)	$ (295,469)	$ (305,811)	$ (316,514)	$ (327,592)	$ (339,058)	$ (350,925)	$ (363,207)
Other Revenues	104,248	107,897	111,674	115,582	119,628	123,815	128,148	132,633	137,275	142,080
Gross Scheduled Income	4,279,355	4,429,133	4,584,153	4,744,598	4,910,659	5,082,532	5,260,420	5,444,535	5,635,094	5,832,322
Plus: % Rent from Non-Income Revenue	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 4,279,355**	**$ 4,429,133**	**$ 4,584,153**	**$ 4,744,598**	**$ 4,910,659**	**$ 5,082,532**	**$ 5,260,420**	**$ 5,444,535**	**$ 5,635,094**	**$ 5,832,322**
EXPENDITURES										
Estimated Property Tax @ Completion	$ 469,634	$ 469,634	$ 469,634	$ 469,634	$ 469,634	$ 469,634	$ 469,634	$ 469,634	$ 469,634	$ 469,634
Operating Insurance	89,804	92,498	95,273	98,131	101,075	104,108	107,231	110,448	113,761	117,174
Property Management	116,804	120,308	123,917	127,634	131,463	135,407	139,470	143,654	147,963	152,402
Property Operations and Maintenance	59,349	61,129	62,963	64,852	66,798	68,801	70,866	72,992	75,181	77,437
Utility Costs	74,967	77,216	79,532	81,918	84,376	86,907	89,514	92,200	94,966	97,815
Marketing	39,045	40,217	41,423	42,666	43,946	45,264	46,622	48,021	49,461	50,945
Reserve for Replacement	28,893	29,760	30,653	31,573	32,520	33,495	34,500	35,535	36,601	37,699
Landscaping	15,618	16,087	16,569	17,066	17,578	18,106	18,649	19,208	19,785	20,378
Other Expenses	285,030	293,581	302,388	311,460	320,804	330,428	340,341	350,551	361,067	371,899
Total Operating Expenses	**$ 1,179,144**	**$ 1,200,430**	**$ 1,222,353**	**$ 1,244,935**	**$ 1,268,194**	**$ 1,292,151**	**$ 1,316,826**	**$ 1,342,242**	**$ 1,368,420**	**$ 1,395,384**
NET OPERATING INCOME										
NOI Before Ground Rent	$ 3,100,211	$ 3,228,703	$ 3,361,799	$ 3,499,663	$ 3,642,465	$ 3,790,381	$ 3,943,594	$ 4,102,293	$ 4,266,674	$ 4,436,938
Minimum Rent	1,638,884	1,638,884	1,638,884	1,638,884	1,946,480	1,946,480	1,946,480	1,946,480	1,946,480	2,311,808
Excess Percentage Rent	(1,147,478)	(1,130,278)	(1,112,477)	(1,094,053)	(1,382,580)	(1,362,843)	(1,342,416)	(1,321,274)	(1,299,392)	(1,642,071)
Total Ground Rent	491,407	508,606	526,407	544,831	563,900	583,637	604,064	625,206	647,089	669,737
NOI After Ground Rent	$ 2,608,805	$ 2,720,098	$ 2,835,392	$ 2,954,832	$ 3,078,564	$ 3,206,744	$ 3,339,530	$ 3,477,087	$ 3,619,585	$ 3,767,202
NOI as % of Total Development Costs	8.8%	9.2%	9.6%	10.0%	10.4%	10.8%	11.3%	11.7%	12.2%	12.7%
NET CASH FLOW										
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)	(2,537,000)
Net Cash Flow to Master Lessee	**$ 71,805**	**$ 183,098**	**$ 298,392**	**$ 417,832**	**$ 541,564**	**$ 669,744**	**$ 802,530**	**$ 940,087**	**$ 1,082,585**	**$ 1,230,202**

OUTPUT EXHIBIT 2.2
CASH FLOW - APARTMENT USE
PHASE II

CASH FLOW PROJECTION - PHASE II	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6
INCOME								
Apartment Income								
Studios	$ 7,711,092	$ 2,587,891	$ -	$ -	$ -	$ -	$ -	$ -
1BD/1BA	85,592,255	28,725,300	-	-	-	-	-	-
2BD/1BA	0	0	-	-	-	-	-	-
2BD/2BA	125,417,938	42,091,051	-	-	-	-	-	-
3BD/2BA	14,146,897	4,747,788	-	-	-	-	-	-
Others	0	0	-	-	-	-	-	-
Total	**$ 232,868,182**	**$ 78,152,030**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Effective Income								
Vacancy & Collection Allowance			100.0%	94.0%	94.0%	94.0%	94.0%	94.0%
Less: Annual Vacancy	$ (13,483,707)	$ (4,401,890)	$ -	$ -	$ -	$ -	$ -	$ -
Other Revenues	5,347,581	1,794,682	-	-	-	-	-	-
Gross Scheduled Income	$ 224,732,057	$ 75,544,822	-	-	-	-	-	-
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-	-
Gross Operating Income	**$ 224,732,057**	**$ 75,544,822**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES								
Estimated Property Tax @ Completion	$ 22,338,512	$ 7,871,497	$ -	$ -	$ -	$ -	$ -	$ -
Operating Insurance	3,849,334	1,300,815	-	-	-	-	-	-
Property Management	5,863,574	1,981,492	-	-	-	-	-	-
Property Operations and Maintenance	2,543,908	859,669	-	-	-	-	-	-
Utility Costs	3,213,357	1,085,898	-	-	-	-	-	-
Marketing	1,673,624	565,572	-	-	-	-	-	-
Reserve for Replacement	1,238,481	418,523	-	-	-	-	-	-
Landscaping	669,449	226,229	-	-	-	-	-	-
Other Expenses	12,217,451	4,128,674	-	-	-	-	-	-
Total Operating Expenses	**$ 53,607,691**	**$ 18,438,369**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
NET OPERATING INCOME								
NOI Before Ground Rent	$ 171,124,365	$ 57,106,453	$ -	$ -	$ -	$ -	$ -	$ -
Minimum Rent	64,101,608	21,586,264	-	-	-	-	-	-
Excess Percentage Rent	(38,293,030)	(12,910,235)	-	-	-	-	-	-
Total Ground Rent	25,808,578	8,676,030	-	-	-	-	-	-
NOI After Ground Rent	**$ 145,315,787**	**$ 48,430,423**	$ -	$ -	$ -	$ -	$ -	$ -
NOI as % of Total Development Costs			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NET CASH FLOW								
(-) Development Costs	$ (119,579,763)	$ (83,119,993)	$ -	$ -	$ -	$ -	$ (75,304,094)	$ (77,563,216)
(+) Permanent Loan Proceeds	128,162,250	86,156,563	-	-	-	-	64,081,125	64,081,125
(-) Debt Service Permanent Loan	(114,464,000)	(40,334,068)	-	-	-	-	-	-
Net Cash Flow to Master Lessee	**$ 39,434,274**	**$ 11,132,926**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (11,222,969)**	**$ (13,482,091)**

CASH FLOW PROJECTION - PHASE II	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13
INCOME							
Apartment Income							
Studios	$ 436,222	$ 451,490	$ 467,292	$ 483,647	$ 500,575	$ 518,095	$ 536,228
1BD/1BA	4,842,016	5,011,487	5,186,889	5,368,430	5,556,325	5,750,796	5,952,074
2BD/1BA	-	-	-	-	-	-	-
2BD/2BA	7,094,984	7,343,309	7,600,324	7,866,336	8,141,658	8,426,616	8,721,547
3BD/2BA	800,300	828,311	857,302	887,307	918,363	950,506	983,773
Others	-	-	-	-	-	-	-
Total	**$ 13,173,523**	**$ 13,634,596**	**$ 14,111,807**	**$ 14,605,720**	**$ 15,116,920**	**$ 15,646,013**	**$ 16,193,623**
Effective Income							
Vacancy & Collection Allowance	2.3%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Less: Annual Vacancy	$ (302,027)	$ (818,076)	$ (846,708)	$ (876,343)	$ (907,015)	$ (938,761)	$ (971,617)
Other Revenues	302,517	313,105	324,063	335,406	347,145	359,295	371,870
Gross Scheduled Income	13,174,012	13,129,625	13,589,162	14,064,782	14,557,050	15,066,547	15,593,876
Plus: % Rent from Non-Income Revenue	-	-	-	-	-	-	-
Gross Operating Income	**$ 13,174,012**	**$ 13,129,625**	**$ 13,589,162**	**$ 14,064,782**	**$ 14,557,050**	**$ 15,066,547**	**$ 15,593,876**
EXPENDITURES							
Estimated Property Tax @ Completion	$ 1,595,608	$ 1,595,608	$ 1,595,608	$ 1,595,608	$ 1,595,608	$ 1,595,608	$ 1,595,608
Operating Insurance	225,287	232,046	239,007	246,178	253,563	261,170	269,005
Property Management	343,174	353,469	364,073	374,995	386,245	397,832	409,767
Property Operations and Maintenance	148,886	153,352	157,953	162,691	167,572	172,599	177,777
Utility Costs	188,066	193,708	199,519	205,505	211,670	218,020	224,561
Marketing	97,951	100,890	103,916	107,034	110,245	113,552	116,959
Reserve for Replacement	72,484	74,658	76,898	79,205	81,581	84,029	86,549
Landscaping	39,180	40,356	41,567	42,814	44,098	45,421	46,783
Other Expenses	715,043	736,494	758,589	781,346	804,787	828,930	853,798
Total Operating Expenses	**$ 3,425,679**	**$ 3,480,581**	**$ 3,537,130**	**$ 3,595,376**	**$ 3,655,369**	**$ 3,717,161**	**$ 3,780,808**
NET OPERATING INCOME							
NOI Before Ground Rent	$ 9,748,334	$ 9,649,044	$ 10,052,032	$ 10,469,407	$ 10,901,681	$ 11,349,385	$ 11,813,068
Minimum Rent	3,866,008	3,866,008	3,866,008	3,866,008	3,866,008	4,591,605	4,591,605
Excess Percentage Rent	(2,351,794)	(2,358,262)	(2,305,490)	(2,250,872)	(2,194,343)	(2,861,431)	(2,800,875)
Total Ground Rent	1,514,214	1,507,746	1,560,518	1,615,136	1,671,665	1,730,174	1,790,730
NOI After Ground Rent	$ 8,234,120	$ 8,141,298	$ 8,491,514	$ 8,854,271	$ 9,230,016	$ 9,619,211	$ 10,022,338
NOI as % of Total Development Costs	7.8%	7.7%	8.0%	8.4%	8.7%	9.1%	9.5%
NET CASH FLOW							
(-) Development Costs	$ 33,287,547	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(8,176,000)	(8,176,000)	(8,176,000)	(8,176,000)	(8,176,000)	(8,176,000)	(8,176,000)
Net Cash Flow to Master Lessee	**$ 33,345,667**	**$ (34,702)**	**$ 315,514**	**$ 678,271**	**$ 1,054,016**	**$ 1,443,211**	**$ 1,846,338**

CASH FLOW PROJECTION - PHASE II	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME							
Apartment Income							
Studios	$ 554,996	$ 574,421	$ 594,526	$ 615,334	$ 636,871	$ 659,162	$ 682,232
1BD/1BA	6,160,397	6,376,011	6,599,171	6,830,142	7,069,197	7,316,619	7,572,701
2BD/1BA	-	-	-	-	-	-	-
2BD/2BA	9,026,801	9,342,739	9,669,735	10,008,176	10,358,462	10,721,008	11,096,243
3BD/2BA	1,018,205	1,053,843	1,090,727	1,128,903	1,168,414	1,209,309	1,251,634
Others	-	-	-	-	-	-	-
Total	**$ 16,760,400**	**$ 17,347,014**	**$ 17,954,159**	**$ 18,582,555**	**$ 19,232,944**	**$ 19,906,097**	**$ 20,602,811**
Effective Income							
Vacancy & Collection Allowance	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Less: Annual Vacancy	$ (1,005,624)	$ (1,040,821)	$ (1,077,250)	$ (1,114,953)	$ (1,153,977)	$ (1,194,366)	$ (1,236,169)
Other Revenues	384,886	398,357	412,299	426,729	441,665	457,123	473,123
Gross Scheduled Income	16,139,661	16,704,550	17,289,209	17,894,331	18,520,633	19,168,855	19,839,765
Plus: % Rent from Non-Income Revenue	-	-	-	-	-	-	-
Gross Operating Income	**$ 16,139,661**	**$ 16,704,550**	**$ 17,289,209**	**$ 17,894,331**	**$ 18,520,633**	**$ 19,168,855**	**$ 19,839,765**
EXPENDITURES							
Estimated Property Tax @ Completion	$ 1,595,608	$ 1,595,608	$ 1,595,608	$ 1,595,608	$ 1,595,608	$ 1,595,608	$ 1,595,608
Operating Insurance	277,075	285,387	293,949	302,767	311,851	321,206	330,842
Property Management	422,060	434,722	447,764	461,196	475,032	489,283	503,962
Property Operations and Maintenance	183,111	188,604	194,262	200,090	206,093	212,275	218,644
Utility Costs	231,298	238,236	245,384	252,745	260,327	268,137	276,181
Marketing	120,467	124,081	127,804	131,638	135,587	139,655	143,844
Reserve for Replacement	89,146	91,820	94,575	97,412	100,335	103,345	106,445
Landscaping	48,187	49,633	51,122	52,655	54,235	55,862	57,538
Other Expenses	879,412	905,795	932,969	960,958	989,786	1,019,480	1,050,064
Total Operating Expenses	**$ 3,846,364**	**$ 3,913,887**	**$ 3,983,435**	**$ 4,055,070**	**$ 4,128,854**	**$ 4,204,851**	**$ 4,283,128**
NET OPERATING INCOME							
NOI Before Ground Rent	$ 12,293,297	$ 12,790,663	$ 13,305,774	$ 13,839,261	$ 14,391,779	$ 14,964,004	$ 15,556,636
Minimum Rent	4,591,605	4,591,605	4,591,605	5,453,386	5,453,386	5,453,386	5,453,386
Excess Percentage Rent	(2,738,199)	(2,673,330)	(2,606,191)	(3,398,482)	(3,326,561)	(3,252,122)	(3,175,078)
Total Ground Rent	1,853,405	1,918,275	1,985,414	2,054,904	2,126,825	2,201,264	2,278,308
NOI After Ground Rent	$ 10,439,892	$ 10,872,388	$ 11,320,360	$ 11,784,358	$ 12,264,954	$ 12,762,740	$ 13,278,328
NOI as % of Total Development Costs	9.9%	10.3%	10.7%	11.1%	11.6%	12.0%	12.5%
NET CASH FLOW							
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(8,176,000)	(8,176,000)	(8,176,000)	(8,176,000)	(8,176,000)	(8,176,000)	(8,176,000)
Net Cash Flow to Master Lessee	**$ 2,263,892**	**$ 2,696,388**	**$ 3,144,360**	**$ 3,608,358**	**$ 4,088,954**	**$ 4,586,740**	**$ 5,102,328**

OUTPUT EXHIBIT 2.3
CASH FLOW - APARTMENT USE
PHASE III

CASH FLOW PROJECTION - PHASE III	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
INCOME												
Apartment Income												
Studios	$ 3,649,882	$ 1,117,041	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 249,958	$ 258,707
1BD/1BA	40,525,801	12,402,864	-	-	-	-	-	-	-	-	2,775,367	2,872,505
2BD/1BA	0	0	-	-	-	-	-	-	-	-	-	-
2BD/2BA	59,378,225	18,172,621	-	-	-	-	-	-	-	-	4,066,455	4,208,781
3BD/2BA	6,697,862	2,049,871	-	-	-	-	-	-	-	-	458,696	474,750
Others	0	0	-	-	-	-	-	-	-	-	-	-
Total	**$ 110,251,771**	**$ 33,742,397**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,550,477**	**$ 7,814,743**
Effective Income												
Vacancy & Collection Allowance			100.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	6.0%	6.0%
Less: Annual Vacancy	$ (6,615,106)	$ (2,024,544)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (453,029)	$ (468,885)
Other Revenues	2,332,498	713,858	-	-	-	-	-	-	-	-	159,739	165,330
Gross Scheduled Income	$ 105,969,162	$ 32,431,711	-	-	-	-	-	-	-	-	7,257,187	7,511,188
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 105,969,162**	**$ 32,431,711**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,257,187**	**$ 7,511,188**
EXPENDITURES												
Estimated Property Tax @ Completion	$ 9,896,800	$ 3,139,569	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 824,733	$ 824,733
Operating Insurance	1,790,215	550,681	-	-	-	-	-	-	-	-	126,142	129,927
Property Management	2,722,354	837,412	-	-	-	-	-	-	-	-	191,823	197,577
Property Operations and Maintenance	1,183,098	363,928	-	-	-	-	-	-	-	-	83,364	85,864
Utility Costs	1,494,440	459,699	-	-	-	-	-	-	-	-	105,301	108,460
Marketing	778,354	239,426	-	-	-	-	-	-	-	-	54,844	56,490
Reserve for Replacement	575,982	177,176	-	-	-	-	-	-	-	-	40,585	41,802
Landscaping	311,342	95,771	-	-	-	-	-	-	-	-	21,938	22,596
Other Expenses	5,681,977	1,747,810	-	-	-	-	-	-	-	-	400,364	412,375
Total Operating Expenses	**$ 24,434,562**	**$ 7,611,471**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,849,094**	**$ 1,879,825**
NET OPERATING INCOME												
NOI Before Ground Rent	$ 81,534,600	$ 24,820,239	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,408,092	$ 5,631,363
Minimum Rent	13,870,547	3,384,220	-	-	-	-	-	-	-	-	-	-
Excess Percentage Rent	(1,700,188)	340,501	-	-	-	-	-	-	-	-	833,474	862,646
Total Ground Rent	12,170,359	3,724,721	-	-	-	-	-	-	-	-	833,474	862,646
NOI After Ground Rent	**$ 69,364,241**	**$ 21,095,518**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,574,618	$ 4,768,717
NOI as % of Total Development Costs			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.2%	8.5%
NET CASH FLOW												
(-) Development Costs	$ (67,018,173)	$ (39,029,905)	$ -	$ -	$ -	$ -	$ -	$ -	$ (42,203,987)	$ (43,470,107)	$ 18,655,921	$ -
(+) Permanent Loan Proceeds	68,285,928	38,460,646	-	-	-	-	-	-	34,142,964	34,142,964	-	-
(-) Debt Service Permanent Loan	(52,272,000)	(16,582,284)	-	-	-	-	-	-	-	-	(4,356,000)	(4,356,000)
Net Cash Flow to Master Lessee	**$ 18,359,996**	**$ 3,943,974**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (8,061,023)**	**$ (9,327,142)**	**$ 18,874,539**	**$ 412,717**

CASH FLOW PROJECTION - PHASE III	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME										
Apartment Income										
Studios	$ 267,762	$ 277,133	$ 286,833	$ 296,872	$ 307,263	$ 318,017	$ 329,147	$ 340,668	$ 352,591	$ 364,932
1BD/1BA	2,973,042	3,077,099	3,184,797	3,296,265	3,411,635	3,531,042	3,654,628	3,782,540	3,914,929	4,051,952
2BD/1BA	-	-	-	-	-	-	-	-	-	-
2BD/2BA	4,356,089	4,508,552	4,666,351	4,829,673	4,998,712	5,173,667	5,354,745	5,542,161	5,736,137	5,936,902
3BD/2BA	491,367	508,565	526,364	544,787	563,855	583,590	604,015	625,156	647,036	669,682
Others	-	-	-	-	-	-	-	-	-	-
Total	**$ 8,088,259**	**$ 8,371,348**	**$ 8,664,346**	**$ 8,967,598**	**$ 9,281,464**	**$ 9,606,315**	**$ 9,942,536**	**$ 10,290,525**	**$ 10,650,693**	**$ 11,023,467**
Effective Income										
Vacancy & Collection Allowance	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Less: Annual Vacancy	$ (485,296)	$ (502,281)	$ (519,861)	$ (538,056)	$ (556,888)	$ (576,379)	$ (596,552)	$ (617,431)	$ (639,042)	$ (661,408)
Other Revenues	171,116	177,105	183,304	189,719	196,360	203,232	210,345	217,707	225,327	233,214
Gross Scheduled Income	7,774,080	8,046,173	8,327,789	8,619,261	8,920,935	9,233,168	9,556,329	9,890,801	10,236,979	10,595,273
Plus: % Rent from Non-Income Revenue	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 7,774,080**	**$ 8,046,173**	**$ 8,327,789**	**$ 8,619,261**	**$ 8,920,935**	**$ 9,233,168**	**$ 9,556,329**	**$ 9,890,801**	**$ 10,236,979**	**$ 10,595,273**
EXPENDITURES										
Estimated Property Tax @ Completion	$ 824,733	$ 824,733	$ 824,733	$ 824,733	$ 824,733	$ 824,733	$ 824,733	$ 824,733	$ 824,733	$ 824,733
Operating Insurance	133,824	137,839	141,974	146,233	150,620	155,139	159,793	164,587	169,525	174,610
Property Management	203,505	209,610	215,898	222,375	229,046	235,918	242,995	250,285	257,794	265,527
Property Operations and Maintenance	88,440	91,094	93,826	96,641	99,540	102,527	105,602	108,771	112,034	115,395
Utility Costs	111,714	115,066	118,518	122,073	125,735	129,507	133,393	137,394	141,516	145,762
Marketing	58,184	59,930	61,728	63,580	65,487	67,452	69,475	71,560	73,706	75,918
Reserve for Replacement	43,057	44,348	45,679	47,049	48,460	49,914	51,412	52,954	54,543	56,179
Landscaping	23,274	23,972	24,691	25,432	26,195	26,981	27,790	28,624	29,483	30,367
Other Expenses	424,746	437,488	450,613	464,132	478,055	492,397	507,169	522,384	538,056	554,197
Total Operating Expenses	**$ 1,911,478**	**$ 1,944,080**	**$ 1,977,661**	**$ 2,012,249**	**$ 2,047,874**	**$ 2,084,568**	**$ 2,122,363**	**$ 2,161,292**	**$ 2,201,389**	**$ 2,242,689**
NET OPERATING INCOME										
NOI Before Ground Rent	$ 5,862,602	$ 6,102,092	$ 6,350,128	$ 6,607,013	$ 6,873,061	$ 7,148,600	$ 7,433,966	$ 7,729,508	$ 8,035,590	$ 8,352,584
Minimum Rent	-	-	-	1,880,657	1,880,657	1,880,657	1,880,657	1,880,657	2,233,631	2,233,631
Excess Percentage Rent	892,838	924,088	956,431	(890,751)	(856,104)	(820,245)	(783,131)	(744,717)	(1,057,933)	(1,016,784)
Total Ground Rent	892,838	924,088	956,431	989,906	1,024,553	1,060,412	1,097,526	1,135,940	1,175,698	1,216,847
NOI After Ground Rent	$ 4,969,763	$ 5,178,005	$ 5,393,697	$ 5,617,107	$ 5,848,509	$ 6,088,188	$ 6,336,439	$ 6,593,569	$ 6,859,892	$ 7,135,737
NOI as % of Total Development Costs	8.9%	9.3%	9.6%	10.0%	10.5%	10.9%	11.3%	11.8%	12.3%	12.8%
NET CASH FLOW										
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(4,356,000)	(4,356,000)	(4,356,000)	(4,356,000)	(4,356,000)	(4,356,000)	(4,356,000)	(4,356,000)	(4,356,000)	(4,356,000)
Net Cash Flow to Master Lessee	**$ 613,763**	**$ 822,005**	**$ 1,037,697**	**$ 1,261,107**	**$ 1,492,509**	**$ 1,732,188**	**$ 1,980,439**	**$ 2,237,569**	**$ 2,503,892**	**$ 2,779,737**

OUTPUT EXHIBIT 2.0
CASH FLOW - APARTMENT USE
ALL PHASES COMBINED

CASH FLOW PROJECTION - ALL PHASES	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
INCOME												
Apartment Income												
Phase I	$ 75,773,511	$ 27,901,607	$ -	$ -	$ -	$ -	$ 3,613,247	$ 3,739,711	$ 3,870,601	$ 4,006,072	$ 4,146,284	$ 4,291,404
Phase II	232,868,182	78,152,030	-	-	-	-	-	-	13,173,523	13,634,596	14,111,807	14,605,720
Phase III	110,251,771	33,742,397	-	-	-	-	-	-	-	-	7,550,477	7,814,743
Total	**$ 418,893,463**	**$ 139,796,034**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,613,247**	**$ 3,739,711**	**$ 17,044,123**	**$ 17,640,668**	**$ 25,808,568**	**$ 26,711,868**
Effective Income												
Phase I	$ 73,005,574	$ 26,882,387	$ -	$ -	$ -	$ -	$ 3,481,258	$ 3,603,102	$ 3,729,211	$ 3,859,733	$ 3,994,824	$ 4,134,643
Phase II	224,732,057	75,544,822	-	-	-	-	-	-	13,174,012	13,129,625	13,589,162	14,064,782
Phase III	105,969,162	32,431,711	-	-	-	-	-	-	-	-	7,257,187	7,511,188
Total	**$ 403,706,792**	**$ 134,858,920**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,481,258**	**$ 3,603,102**	**$ 16,903,223**	**$ 16,989,358**	**$ 24,841,173**	**$ 25,710,614**
Gross Operating Income												
Phase I	$ 73,005,574	$ 26,882,387	$ -	$ -	$ -	$ -	$ 3,481,258	$ 3,603,102	$ 3,729,211	$ 3,859,733	$ 3,994,824	$ 4,134,643
Phase II	224,732,057	75,544,822	-	-	-	-	-	-	13,174,012	13,129,625	13,589,162	14,064,782
Phase III	105,969,162	32,431,711	-	-	-	-	-	-	-	-	7,257,187	7,511,188
Total	**$ 403,706,792**	**$ 134,858,920**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,481,258**	**$ 3,603,102**	**$ 16,903,223**	**$ 16,989,358**	**$ 24,841,173**	**$ 25,710,614**
EXPENDITURES												
Operating Expenses												
Phase I	$ 19,491,437	$ 7,398,478	$ -	$ -	$ -	$ -	$ 1,063,838	$ 1,081,664	$ 1,100,025	$ 1,118,936	$ 1,138,416	$ 1,158,479
Phase II	53,607,691	18,438,369	-	-	-	-	-	-	3,425,679	3,480,581	3,537,130	3,595,376
Phase III	24,434,562	7,611,471	-	-	-	-	-	-	-	-	1,849,094	1,879,825
Total Operating Expenses	**$ 97,533,690**	**$ 33,448,318**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,063,838**	**$ 1,081,664**	**$ 4,525,703**	**$ 4,599,517**	**$ 6,524,640**	**$ 6,633,680**
NET OPERATING INCOME												
NOI Before Ground Rent												
Phase I	$ 53,514,137	$ 19,483,910	$ -	$ -	$ -	$ -	$ 2,417,421	$ 2,521,439	$ 2,629,186	$ 2,740,797	$ 2,856,409	$ 2,976,164
Phase II	171,124,365	57,106,453	-	-	-	-	-	-	9,748,334	9,649,044	10,052,032	10,469,407
Phase III	81,534,600	24,820,239	-	-	-	-	-	-	-	-	5,408,092	5,631,363
Total	**$ 306,173,102**	**$ 101,410,602**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,417,421**	**$ 2,521,439**	**$ 12,377,520**	**$ 12,389,841**	**$ 18,316,533**	**$ 19,076,934**
NOI After Ground Rent												
Phase I	$ 45,130,767	$ 16,396,954	$ -	$ -	$ -	$ -	$ 2,017,661	$ 2,107,687	$ 2,200,954	$ 2,297,576	$ 2,397,675	$ 2,501,375
Phase II	145,315,787	48,430,423	-	-	-	-	-	-	8,234,120	8,141,298	8,491,514	8,854,271
Phase III	69,364,241	21,095,518	-	-	-	-	-	-	-	-	4,574,618	4,768,717
Total	**$ 259,810,795**	**$ 85,922,895**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,017,661**	**$ 2,107,687**	**$ 10,435,074**	**$ 10,438,874**	**$ 15,463,808**	**$ 16,124,363**
NET CASH FLOW												
Net Cash Flow to Master Lessee												
Phase I	$ 12,769,019	$ 6,213,702	$ -	$ -	$ 23,303	$ (572,533)	$ 8,260,144	$ (429,313)	$ (336,046)	$ (239,424)	$ (139,325)	$ (35,625)
Phase II	39,434,274	11,132,926	-	-	-	-	(11,222,969)	(13,482,091)	33,345,667	(34,702)	315,514	678,271
Phase III	18,359,996	3,943,974	-	-	-	-	-	-	(8,061,023)	(9,327,142)	18,874,539	412,717
Total	**$ 70,563,290**	**$ 21,290,602**	**$ -**	**$ -**	**$ 23,303**	**$ (572,533)**	**$ (2,962,825)**	**$ (13,911,404)**	**$ 24,948,598**	**$ (9,601,268)**	**$ 19,050,728**	**$ 1,055,363**

CASH FLOW PROJECTION - ALL PHASES	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME										
Apartment Income										
Phase I	$ 4,441,603	$ 4,597,059	$ 4,757,956	$ 4,924,485	$ 5,096,842	$ 5,275,231	$ 5,459,864	$ 5,650,960	$ 5,848,743	$ 6,053,449
Phase II	15,116,920	15,646,013	16,193,623	16,760,400	17,347,014	17,954,159	18,582,555	19,232,944	19,906,097	20,602,811
Phase III	8,088,259	8,371,348	8,664,346	8,967,598	9,281,464	9,606,315	9,942,536	10,290,525	10,650,693	11,023,467
Total	**$ 27,646,783**	**$ 28,614,420**	**$ 29,615,925**	**$ 30,652,482**	**$ 31,725,319**	**$ 32,835,705**	**$ 33,984,955**	**$ 35,174,429**	**$ 36,405,534**	**$ 37,679,727**
Effective Income										
Phase I	$ 4,279,355	$ 4,429,133	$ 4,584,153	$ 4,744,598	$ 4,910,659	$ 5,082,532	$ 5,260,420	$ 5,444,535	$ 5,635,094	$ 5,832,322
Phase II	14,557,050	15,066,547	15,593,876	16,139,661	16,704,550	17,289,209	17,894,331	18,520,633	19,168,855	19,839,765
Phase III	7,774,080	8,046,173	8,327,789	8,619,261	8,920,935	9,233,168	9,556,329	9,890,801	10,236,979	10,595,273
Total	**$ 26,610,485**	**$ 27,541,852**	**$ 28,505,817**	**$ 29,503,521**	**$ 30,536,144**	**$ 31,604,909**	**$ 32,711,081**	**$ 33,855,968**	**$ 35,040,927**	**$ 36,267,360**
Gross Operating Income										
Phase I	$ 4,279,355	$ 4,429,133	$ 4,584,153	$ 4,744,598	$ 4,910,659	$ 5,082,532	$ 5,260,420	$ 5,444,535	$ 5,635,094	$ 5,832,322
Phase II	14,557,050	15,066,547	15,593,876	16,139,661	16,704,550	17,289,209	17,894,331	18,520,633	19,168,855	19,839,765
Phase III	7,774,080	8,046,173	8,327,789	8,619,261	8,920,935	9,233,168	9,556,329	9,890,801	10,236,979	10,595,273
Total	**$ 26,610,485**	**$ 27,541,852**	**$ 28,505,817**	**$ 29,503,521**	**$ 30,536,144**	**$ 31,604,909**	**$ 32,711,081**	**$ 33,855,968**	**$ 35,040,927**	**$ 36,267,360**
EXPENDITURES										
Operating Expenses										
Phase I	$ 1,179,144	$ 1,200,430	$ 1,222,353	$ 1,244,935	$ 1,268,194	$ 1,292,151	$ 1,316,826	$ 1,342,242	$ 1,368,420	$ 1,395,384
Phase II	3,655,369	3,717,161	3,780,808	3,846,364	3,913,887	3,983,435	4,055,070	4,128,854	4,204,851	4,283,128
Phase III	1,911,478	1,944,080	1,977,661	2,012,249	2,047,874	2,084,568	2,122,363	2,161,292	2,201,389	2,242,689
Total Operating Expenses	**$ 6,745,991**	**$ 6,861,671**	**$ 6,980,822**	**$ 7,103,548**	**$ 7,229,955**	**$ 7,360,154**	**$ 7,494,259**	**$ 7,632,388**	**$ 7,774,660**	**$ 7,921,201**
NET OPERATING INCOME										
NOI Before Ground Rent										
Phase I	$ 3,100,211	$ 3,228,703	$ 3,361,799	$ 3,499,663	$ 3,642,465	$ 3,790,381	$ 3,943,594	$ 4,102,293	$ 4,266,674	$ 4,436,938
Phase II	10,901,681	11,349,385	11,813,068	12,293,297	12,790,663	13,305,774	13,839,261	14,391,779	14,964,004	15,556,636
Phase III	5,862,602	6,102,092	6,350,128	6,607,013	6,873,061	7,148,600	7,433,966	7,729,508	8,035,590	8,352,584
Total	**$ 19,864,494**	**$ 20,680,181**	**$ 21,524,995**	**$ 22,399,973**	**$ 23,306,189**	**$ 24,244,755**	**$ 25,216,821**	**$ 26,223,581**	**$ 27,266,267**	**$ 28,346,159**
NOI After Ground Rent										
Phase I	$ 2,608,805	$ 2,720,098	$ 2,835,392	$ 2,954,832	$ 3,078,564	$ 3,206,744	$ 3,339,530	$ 3,477,087	$ 3,619,585	$ 3,767,202
Phase II	9,230,016	9,619,211	10,022,338	10,439,892	10,872,388	11,320,360	11,784,358	12,264,954	12,762,740	13,278,328
Phase III	4,969,763	5,178,005	5,393,697	5,617,107	5,848,509	6,088,188	6,336,439	6,593,569	6,859,892	7,135,737
Total	**$ 16,808,584**	**$ 17,517,314**	**$ 18,251,427**	**$ 19,011,830**	**$ 19,799,462**	**$ 20,615,292**	**$ 21,460,327**	**$ 22,335,609**	**$ 23,242,217**	**$ 24,181,267**
NET CASH FLOW										
Net Cash Flow to Master Lessee										
Phase I	$ 71,805	$ 183,098	$ 298,392	$ 417,832	$ 541,564	$ 669,744	$ 802,530	$ 940,087	$ 1,082,585	$ 1,230,202
Phase II	1,054,016	1,443,211	1,846,338	2,263,892	2,696,388	3,144,360	3,608,358	4,088,954	4,586,740	5,102,328
Phase III	613,763	822,005	1,037,697	1,261,107	1,492,509	1,732,188	1,980,439	2,237,569	2,503,892	2,779,737
Total	**$ 1,739,584**	**$ 2,448,314**	**$ 3,182,427**	**$ 3,942,830**	**$ 4,730,462**	**$ 5,546,292**	**$ 6,391,327**	**$ 7,266,609**	**$ 8,173,217**	**$ 9,112,267**

OUTPUT EXHIBIT 3.1
CASH FLOW - RETAIL USE
PHASE I

CASH FLOW PROJECTION - PHASE I	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME																						
Retail Income																						
Retail Store Anchor - Type I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retail Store Anchor - Type II	8,876,145	3,297,994	-	-	-	-	440,353	453,564	467,171	481,186	495,621	510,490	525,805	541,579	557,826	574,561	591,798	609,552	627,838	646,673	666,074	686,056
Restaurants	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail Shops - Type I	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail Shops - Type II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Space	14,226,660	5,286,015	-	-	-	-	705,797	726,971	748,780	771,243	794,380	818,212	842,758	868,041	894,082	920,905	948,532	976,988	1,006,297	1,036,486	1,067,581	1,099,608
Total	**$ 23,102,804**	**$ 8,584,008**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,146,150**	**$ 1,180,534**	**$ 1,215,950**	**$ 1,252,429**	**$ 1,290,002**	**$ 1,328,702**	**$ 1,368,563**	**$ 1,409,620**	**$ 1,451,908**	**$ 1,495,465**	**$ 1,540,329**	**$ 1,586,539**	**$ 1,634,135**	**$ 1,683,160**	**$ 1,733,654**	**$ 1,785,664**
Effective Income																						
Vacancy & Collection Allowance			100.0%	96.6%	96.6%	96.6%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Less: Annual Vacancy	$ (794,736)	$ (295,290)	$ -	$ -	$ -	$ -	$ (39,428)	$ (40,610)	$ (41,829)	$ (43,084)	$ (44,376)	$ (45,707)	$ (47,079)	$ (48,491)	$ (49,946)	$ (51,444)	$ (52,987)	$ (54,577)	$ (56,214)	$ (57,901)	$ (59,638)	$ (61,427)
Gross Scheduled Income	$ 22,308,068	$ 8,288,719	$ -	$ -	$ -	$ -	$ 1,106,722	$ 1,139,924	$ 1,174,122	$ 1,209,345	$ 1,245,626	$ 1,282,994	$ 1,321,484	$ 1,361,129	$ 1,401,963	$ 1,444,021	$ 1,487,342	$ 1,531,962	$ 1,577,921	$ 1,625,259	$ 1,674,017	$ 1,724,237
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 22,308,068**	**$ 8,288,719**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,106,722**	**$ 1,139,924**	**$ 1,174,122**	**$ 1,209,345**	**$ 1,245,626**	**$ 1,282,994**	**$ 1,321,484**	**$ 1,361,129**	**$ 1,401,963**	**$ 1,444,021**	**$ 1,487,342**	**$ 1,531,962**	**$ 1,577,921**	**$ 1,625,259**	**$ 1,674,017**	**$ 1,724,237**
EXPENDITURES																						
Estimated Property Tax @ Completion	$ 3,138,864	$ 1,231,557	$ -	$ -	$ -	$ -	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179	$ 196,179
Utilities	2,342,475	870,363	-	-	-	-	116,212	119,699	123,289	126,988	130,798	134,722	138,763	142,926	147,214	151,631	156,179	160,865	165,691	170,661	175,781	181,055
Maintenance & Reserves	85,462	31,754	-	-	-	-	4,240	4,367	4,498	4,633	4,772	4,915	5,063	5,214	5,371	5,532	5,698	5,869	6,045	6,226	6,413	6,606
Management Fee	30,532	11,344	-	-	-	-	1,515	1,560	1,607	1,655	1,705	1,756	1,809	1,863	1,919	1,976	2,036	2,097	2,160	2,224	2,291	2,360
Other Expenses	2,342,475	870,363	-	-	-	-	116,212	119,699	123,289	126,988	130,798	134,722	138,763	142,926	147,214	151,631	156,179	160,865	165,691	170,661	175,781	181,055
Total Operating Expenses	**$ 7,939,807**	**$ 3,015,381**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 434,358**	**$ 441,503**	**$ 448,863**	**$ 456,443**	**$ 464,251**	**$ 472,294**	**$ 480,577**	**$ 489,109**	**$ 497,897**	**$ 506,948**	**$ 516,271**	**$ 525,874**	**$ 535,765**	**$ 545,953**	**$ 556,446**	**$ 567,254**
NET OPERATING INCOME																						
NOI Before Ground Rent	**$ 14,368,260**	**$ 5,273,338**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 672,364**	**$ 698,421**	**$ 725,259**	**$ 752,902**	**$ 781,374**	**$ 810,701**	**$ 840,907**	**$ 872,020**	**$ 904,066**	**$ 937,073**	**$ 971,071**	**$ 1,006,088**	**$ 1,042,156**	**$ 1,079,306**	**$ 1,117,571**	**$ 1,156,983**
Minimum Rent	7,326,148	2,156,115	-	-	-	-	-	-	-	-	-	603,458	603,458	603,458	603,458	603,458	699,573	699,573	699,573	699,573	699,573	810,997
Excess Percentage Rent	(5,541,503)	(1,493,017)	-	-	-	-	88,538	91,194	93,930	96,748	99,650	(500,818)	(497,739)	(494,567)	(491,301)	(487,936)	(580,585)	(577,016)	(573,339)	(569,552)	(565,651)	(673,058)
Total Ground Rent	1,784,645	663,097	-	-	-	-	88,538	91,194	93,930	96,748	99,650	102,640	105,719	108,890	112,157	115,522	118,987	122,557	126,234	130,021	133,921	137,939
NOI After Ground Rent	**$ 12,583,615**	**$ 4,610,240**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 583,827**	**$ 607,227**	**$ 631,329**	**$ 656,154**	**$ 681,724**	**$ 708,061**	**$ 735,188**	**$ 763,129**	**$ 791,909**	**$ 821,551**	**$ 852,083**	**$ 883,531**	**$ 915,922**	**$ 949,285**	**$ 983,649**	**$ 1,019,044**
NOI as % of Total Development Costs			0.0%	0.0%	0.0%	0.0%	3.6%	3.8%	3.9%	4.1%	4.2%	4.4%	4.6%	4.7%	4.9%	5.1%	5.3%	5.5%	5.7%	5.9%	6.1%	6.3%
NET CASH FLOW																						
(-) Development Costs	$ (17,087,306)	$ (14,304,970)	$ -	$ -	$ (11,394,956)	$ (11,736,804)	$ 6,044,454	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	13,916,384	11,165,998	-	-	6,958,192	6,958,192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(12,784,000)	(5,015,898)	-	-	-	-	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)	(799,000)
Net Cash Flow to Master Lessee	**$ (3,371,306)**	**$ (3,544,630)**	**$ -**	**$ -**	**$ (4,436,763)**	**$ (4,778,612)**	**$ 5,829,281**	**$ (191,773)**	**$ (167,671)**	**$ (142,846)**	**$ (117,276)**	**$ (90,939)**	**$ (63,812)**	**$ (35,871)**	**$ (7,091)**	**$ 22,551**	**$ 53,083**	**$ 84,531**	**$ 116,922**	**$ 150,285**	**$ 184,649**	**$ 220,044**

OUTPUT EXHIBIT 3.1
CASH FLOW - RETAIL USE
PHASE II

CASH FLOW PROJECTION - PHASE II	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5
INCOME							
Retail Income							
Retail Store Anchor - Type I	$ 14,112,000	$ 5,245,672	$ -	$ -	$ -	$ -	$ -
Retail Store Anchor - Type II	22,030,380	8,189,069	-	-	-	-	-
Restaurants	5,355,000	1,990,545	-	-	-	-	-
Retail Shops - Type I	22,962,600	8,535,591	-	-	-	-	-
Retail Shops - Type II	0	0	-	-	-	-	-
Public Space	0	0	-	-	-	-	-
Total	**$ 64,459,980**	**$ 23,960,877**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Effective Income							
Vacancy & Collection Allowance			100.0%	96.1%	96.1%	96.1%	96.1%
Less: Annual Vacancy	$ (2,546,169)	$ (946,455)	$ -	$ -	$ -	$ -	$ -
Gross Scheduled Income	$ 61,913,811	$ 23,014,422	$ -	$ -	$ -	$ -	$ -
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-
Gross Operating Income	**$ 61,913,811**	**$ 23,014,422**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES							
Estimated Property Tax @ Completion	$ 9,603,285	$ 3,569,705	$ -	$ -	$ -	$ -	$ -
Utilities	7,265,189	2,574,126	-	-	-	-	-
Maintenance & Reserves	226,403	80,217	-	-	-	-	-
Management Fee	93,724	33,207	-	-	-	-	-
Other Expenses	7,265,210	2,574,134	-	-	-	-	-
Total Operating Expenses	**$ 24,453,811**	**$ 8,831,389**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
NET OPERATING INCOME							
NOI Before Ground Rent	**$ 37,460,000**	**$ 14,183,033**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Minimum Rent	7,400,000	2,118,609	-	-	-	-	-
Excess Percentage Rent	(2,446,895)	(277,455)	-	-	-	-	-
Total Ground Rent	4,953,105	1,841,154	-	-	-	-	-
NOI After Ground Rent	**$ 32,506,895**	**$ 12,341,879**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
NOI as % of Total Development Costs			0.0%	0.0%	0.0%	0.0%	0.0%
NET CASH FLOW							
(-) Development Costs	$ (49,929,254)	$ (37,608,424)	$ -	$ -	$ -	$ (29,784,209)	$ (30,677,735)
(+) Permanent Loan Proceeds	50,960,425	37,426,803	-	-	-	25,480,212	25,480,212
(-) Debt Service Permanent Loan	(48,780,000)	(18,132,360)	-	-	-	-	-
Net Cash Flow to Master Lessee	**$ (15,241,934)**	**$ (5,972,102)**	**$ -**	**$ -**	**$ -**	**$ (4,303,996)**	**$ (5,197,522)**

CASH FLOW PROJECTION - PHASE II	2012 6	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13
INCOME								
Retail Income								
Retail Store Anchor - Type I	$ 940,800	$ 940,800	$ 940,800	$ 940,800	$ 940,800	$ 940,800	$ 940,800	$ 940,800
Retail Store Anchor - Type II	1,468,692	1,468,692	1,468,692	1,468,692	1,468,692	1,468,692	1,468,692	1,468,692
Restaurants	357,000	357,000	357,000	357,000	357,000	357,000	357,000	357,000
Retail Shops - Type I	1,530,840	1,530,840	1,530,840	1,530,840	1,530,840	1,530,840	1,530,840	1,530,840
Retail Shops - Type II	-	-	-	-	-	-	-	-
Public Space	-	-	-	-	-	-	-	-
Total	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**
Effective Income								
Vacancy & Collection Allowance	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Less: Annual Vacancy	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)
Gross Scheduled Income	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587
Plus: % Rent from Non-Income Revenue	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**
EXPENDITURES								
Estimated Property Tax @ Completion	$ 640,219	$ 640,219	$ 640,219	$ 640,219	$ 640,219	$ 640,219	$ 640,219	$ 640,219
Utilities	390,624	402,343	414,413	426,846	439,651	452,841	466,426	480,419
Maintenance & Reserves	12,173	12,538	12,914	13,302	13,701	14,112	14,535	14,971
Management Fee	5,039	5,190	5,346	5,506	5,672	5,842	6,017	6,198
Other Expenses	390,626	402,344	414,415	426,847	439,652	452,842	466,427	480,420
Total Operating Expenses	**$ 1,438,681**	**$ 1,462,635**	**$ 1,487,307**	**$ 1,512,720**	**$ 1,538,895**	**$ 1,565,855**	**$ 1,593,624**	**$ 1,622,227**
NET OPERATING INCOME								
NOI Before Ground Rent	**$ 2,688,906**	**$ 2,664,953**	**$ 2,640,280**	**$ 2,614,867**	**$ 2,588,692**	**$ 2,561,732**	**$ 2,533,963**	**$ 2,505,361**
Minimum Rent	-	-	-	-	-	740,000	740,000	740,000
Excess Percentage Rent	330,207	330,207	330,207	330,207	330,207	(409,793)	(409,793)	(409,793)
Total Ground Rent	330,207	330,207	330,207	330,207	330,207	330,207	330,207	330,207
NOI After Ground Rent	**$ 2,358,699**	**$ 2,334,746**	**$ 2,310,073**	**$ 2,284,660**	**$ 2,258,485**	**$ 2,231,525**	**$ 2,203,756**	**$ 2,175,154**
NOI as % of Total Development Costs	5.2%	5.1%	5.1%	5.0%	5.0%	4.9%	4.9%	4.8%
NET CASH FLOW								
(-) Development Costs	$ 10,532,689	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)
Net Cash Flow to Master Lessee	**$ 9,639,388**	**$ (917,254)**	**$ (941,927)**	**$ (967,340)**	**$ (993,515)**	**$ (1,020,475)**	**$ (1,048,244)**	**$ (1,076,846)**

CASH FLOW PROJECTION - PHASE II	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME							
Retail Income							
Retail Store Anchor - Type I	$ 940,800	$ 940,800	$ 940,800	$ 940,800	$ 940,800	$ 940,800	$ 940,800
Retail Store Anchor - Type II	1,468,692	1,468,692	1,468,692	1,468,692	1,468,692	1,468,692	1,468,692
Restaurants	357,000	357,000	357,000	357,000	357,000	357,000	357,000
Retail Shops - Type I	1,530,840	1,530,840	1,530,840	1,530,840	1,530,840	1,530,840	1,530,840
Retail Shops - Type II	-	-	-	-	-	-	-
Public Space	-	-	-	-	-	-	-
Total	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**	**$ 4,297,332**
Effective Income							
Vacancy & Collection Allowance	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Less: Annual Vacancy	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)	$ (169,745)
Gross Scheduled Income	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587	$ 4,127,587
Plus: % Rent from Non-Income Revenue	-	-	-	-	-	-	-
Gross Operating Income	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**	**$ 4,127,587**
EXPENDITURES							
Estimated Property Tax @ Completion	$ 640,219	$ 640,219	$ 640,219	$ 640,219	$ 640,219	$ 640,219	$ 640,219
Utilities	494,831	509,676	524,966	540,715	556,937	573,645	590,854
Maintenance & Reserves	15,420	15,883	16,359	16,850	17,356	17,876	18,413
Management Fee	6,384	6,575	6,772	6,975	7,185	7,400	7,622
Other Expenses	494,833	509,678	524,968	540,717	556,939	573,647	590,856
Total Operating Expenses	**$ 1,651,687**	**$ 1,682,031**	**$ 1,713,285**	**$ 1,745,477**	**$ 1,778,635**	**$ 1,812,787**	**$ 1,847,964**
NET OPERATING INCOME							
NOI Before Ground Rent	**$ 2,475,901**	**$ 2,445,557**	**$ 2,414,302**	**$ 2,382,110**	**$ 2,348,953**	**$ 2,314,800**	**$ 2,279,623**
Minimum Rent	740,000	740,000	740,000	740,000	740,000	740,000	740,000
Excess Percentage Rent	(409,793)	(409,793)	(409,793)	(409,793)	(409,793)	(409,793)	(409,793)
Total Ground Rent	330,207	330,207	330,207	330,207	330,207	330,207	330,207
NOI After Ground Rent	**$ 2,145,694**	**$ 2,115,350**	**$ 2,084,095**	**$ 2,051,903**	**$ 2,018,746**	**$ 1,984,593**	**$ 1,949,416**
NOI as % of Total Development Costs	4.7%	4.7%	4.6%	4.5%	4.4%	4.4%	4.3%
NET CASH FLOW							
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)	(3,252,000)
Net Cash Flow to Master Lessee	**$ (1,106,306)**	**$ (1,136,650)**	**$ (1,167,905)**	**$ (1,200,097)**	**$ (1,233,254)**	**$ (1,267,407)**	**$ (1,302,584)**

OUTPUT EXHIBIT 3.1
CASH FLOW - RETAIL USE
PHASE III

CASH FLOW PROJECTION - PHASE III	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME																						
Retail Income																						
Retail Store Anchor - Type I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retail Store Anchor - Type II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restaurants	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail Shops - Type I	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail Shops - Type II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Space	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Effective Income																						
Vacancy & Collection Allowance			100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Less: Annual Vacancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross Scheduled Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EXPENDITURES																						
Estimated Property Tax @ Completion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance & Reserves	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fee	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET OPERATING INCOME																						
NOI Before Ground Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Minimum Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Percentage Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Ground Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOI After Ground Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NOI as % of Total Development Costs			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
NET CASH FLOW																						
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Cash Flow to Master Lessee	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

OUTPUT EXHIBIT 3.0
CASH FLOW - RETAIL USE
ALL PHASES COMBINED

CASH FLOW PROJECTION - ALL PHASES	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
INCOME												
Retail Income												
Phase I	$ 23,102,804	$ 8,584,008	$ -	$ -	$ -	$ -	$ 1,146,150	$ 1,180,534	$ 1,215,950	$ 1,252,429	$ 1,290,002	$ 1,328,702
Phase II	64,459,980	23,960,877	-	-	-	-	-	4,297,332	4,297,332	4,297,332	4,297,332	4,297,332
Phase III	0	0	-	-	-	-	-	-	-	-	-	-
Total	**$ 87,562,784**	**$ 32,544,886**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,146,150**	**$ 5,477,866**	**$ 5,513,282**	**$ 5,549,761**	**$ 5,587,334**	**$ 5,626,034**
Effective Income												
Phase I	$ 22,308,068	$ 8,288,719	$ -	$ -	$ -	$ -	$ 1,106,722	$ 1,139,924	$ 1,174,122	$ 1,209,345	$ 1,245,626	$ 1,282,994
Phase II	61,913,811	23,014,422	-	-	-	-	-	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587
Phase III	0	0	-	-	-	-	-	-	-	-	-	-
Total	**$ 84,221,879**	**$ 31,303,141**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,106,722**	**$ 5,267,511**	**$ 5,301,709**	**$ 5,336,933**	**$ 5,373,213**	**$ 5,410,582**
Gross Operating Income												
Phase I	$ 22,308,068	$ 8,288,719	$ -	$ -	$ -	$ -	$ 1,106,722	$ 1,139,924	$ 1,174,122	$ 1,209,345	$ 1,245,626	$ 1,282,994
Phase II	61,913,811	23,014,422	-	-	-	-	-	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587
Phase III	0	0	-	-	-	-	-	-	-	-	-	-
Total	**$ 84,221,879**	**$ 31,303,141**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,106,722**	**$ 5,267,511**	**$ 5,301,709**	**$ 5,336,933**	**$ 5,373,213**	**$ 5,410,582**
EXPENDITURES												
Operating Expenses												
Phase I	$ 7,939,807	$ 3,015,381	$ -	$ -	$ -	$ -	$ 434,358	$ 441,503	$ 448,863	$ 456,443	$ 464,251	$ 472,294
Phase II	24,453,811	8,831,389	-	-	-	-	-	1,438,681	1,462,635	1,487,307	1,512,720	1,538,895
Phase III	0	0	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	**$ 32,393,618**	**$ 11,846,770**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 434,358**	**$ 1,880,184**	**$ 1,911,498**	**$ 1,943,751**	**$ 1,976,971**	**$ 2,011,189**
NET OPERATING INCOME												
NOI Before Ground Rent												
Phase I	$ 14,368,260	$ 5,273,338	$ -	$ -	$ -	$ -	$ 672,364	$ 698,421	$ 725,259	$ 752,902	$ 781,374	$ 810,701
Phase II	37,460,000	14,183,033	-	-	-	-	-	2,688,906	2,664,953	2,640,280	2,614,867	2,588,692
Phase III	0	0	-	-	-	-	-	-	-	-	-	-
Total	**$ 51,828,260**	**$ 19,456,371**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 672,364**	**$ 3,387,327**	**$ 3,390,211**	**$ 3,393,182**	**$ 3,396,242**	**$ 3,399,393**
NOI After Ground Rent												
Phase I	$ 12,583,615	$ 4,610,240	$ -	$ -	$ -	$ -	$ 583,827	$ 607,227	$ 631,329	$ 656,154	$ 681,724	$ 708,061
Phase II	32,506,895	12,341,879	-	-	-	-	-	2,358,699	2,334,746	2,310,073	2,284,660	2,258,485
Phase III	0	0	-	-	-	-	-	-	-	-	-	-
Total	**$ 45,090,510**	**$ 16,952,120**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 583,827**	**$ 2,965,926**	**$ 2,966,074**	**$ 2,966,227**	**$ 2,966,385**	**$ 2,966,547**
NET CASH FLOW												
Net Cash Flow to Master Lessee												
Phase I	$ (3,371,306)	$ (3,544,630)	$ -	$ -	$ (4,436,763)	$ (4,778,612)	$ 5,829,281	$ (191,773)	$ (167,671)	$ (142,846)	$ (117,276)	$ (90,939)
Phase II	(15,241,934)	(5,972,102)	-	-	-	(4,303,996)	(5,197,522)	9,639,388	(917,254)	(941,927)	(967,340)	(993,515)
Phase III	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

CASH FLOW PROJECTION - ALL PHASES	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME										
Retail Income										
Phase I	$ 1,368,563	$ 1,409,620	$ 1,451,908	$ 1,495,465	$ 1,540,329	$ 1,586,539	$ 1,634,135	$ 1,683,160	$ 1,733,654	$ 1,785,664
Phase II	4,297,332	4,297,332	4,297,332	4,297,332	4,297,332	4,297,332	4,297,332	4,297,332	4,297,332	4,297,332
Phase III	-	-	-	-	-	-	-	-	-	-
Total	**$ 5,665,895**	**$ 5,706,952**	**$ 5,749,240**	**$ 5,792,797**	**$ 5,837,661**	**$ 5,883,871**	**$ 5,931,467**	**$ 5,980,492**	**$ 6,030,986**	**$ 6,082,996**
Effective Income										
Phase I	$ 1,321,484	$ 1,361,129	$ 1,401,963	$ 1,444,021	$ 1,487,342	$ 1,531,962	$ 1,577,921	$ 1,625,259	$ 1,674,017	$ 1,724,237
Phase II	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587
Phase III	-	-	-	-	-	-	-	-	-	-
Total	**$ 5,449,072**	**$ 5,488,716**	**$ 5,529,550**	**$ 5,571,609**	**$ 5,614,929**	**$ 5,659,550**	**$ 5,705,509**	**$ 5,752,846**	**$ 5,801,604**	**$ 5,851,824**
Gross Operating Income										
Phase I	$ 1,321,484	$ 1,361,129	$ 1,401,963	$ 1,444,021	$ 1,487,342	$ 1,531,962	$ 1,577,921	$ 1,625,259	$ 1,674,017	$ 1,724,237
Phase II	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587	4,127,587
Phase III	-	-	-	-	-	-	-	-	-	-
Total	**$ 5,449,072**	**$ 5,488,716**	**$ 5,529,550**	**$ 5,571,609**	**$ 5,614,929**	**$ 5,659,550**	**$ 5,705,509**	**$ 5,752,846**	**$ 5,801,604**	**$ 5,851,824**
EXPENDITURES										
Operating Expenses										
Phase I	$ 480,577	$ 489,109	$ 497,897	$ 506,948	$ 516,271	$ 525,874	$ 535,765	$ 545,953	$ 556,446	$ 567,254
Phase II	1,565,855	1,593,624	1,622,227	1,651,687	1,682,031	1,713,285	1,745,477	1,778,635	1,812,787	1,847,964
Phase III	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	**$ 2,046,432**	**$ 2,082,733**	**$ 2,120,123**	**$ 2,158,635**	**$ 2,198,302**	**$ 2,239,159**	**$ 2,281,242**	**$ 2,324,588**	**$ 2,369,233**	**$ 2,415,218**
NET OPERATING INCOME										
NOI Before Ground Rent										
Phase I	$ 840,907	$ 872,020	$ 904,066	$ 937,073	$ 971,071	$ 1,006,088	$ 1,042,156	$ 1,079,306	$ 1,117,571	$ 1,156,983
Phase II	2,561,732	2,533,963	2,505,361	2,475,901	2,445,557	2,414,302	2,382,110	2,348,953	2,314,800	2,279,623
Phase III	-	-	-	-	-	-	-	-	-	-
Total	**$ 3,402,639**	**$ 3,405,983**	**$ 3,409,427**	**$ 3,412,974**	**$ 3,416,627**	**$ 3,420,390**	**$ 3,424,266**	**$ 3,428,259**	**$ 3,432,371**	**$ 3,436,606**
NOI After Ground Rent										
Phase I	$ 735,188	$ 763,129	$ 791,909	$ 821,551	$ 852,083	$ 883,531	$ 915,922	$ 949,285	$ 983,649	$ 1,019,044
Phase II	2,231,525	2,203,756	2,175,154	2,145,694	2,115,350	2,084,095	2,051,903	2,018,746	1,984,593	1,949,416
Phase III	-	-	-	-	-	-	-	-	-	-
Total	**$ 2,966,714**	**$ 2,966,885**	**$ 2,967,063**	**$ 2,967,245**	**$ 2,967,433**	**$ 2,967,626**	**$ 2,967,826**	**$ 2,968,031**	**$ 2,968,242**	**$ 2,968,460**
NET CASH FLOW										
Net Cash Flow to Master Lessee										
Phase I	$ (63,812)	$ (35,871)	$ (7,091)	$ 22,551	$ 53,083	$ 84,531	$ 116,922	$ 150,285	$ 184,649	$ 220,044
Phase II	(1,020,475)	(1,048,244)	(1,076,846)	(1,106,306)	(1,136,650)	(1,167,905)	(1,200,097)	(1,233,254)	(1,267,407)	(1,302,584)
Phase III	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

OUTPUT EXHIBIT 4.1
CASH FLOW - OFFICE USE
PHASE I

CASH FLOW PROJECTION - PHASE I	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
INCOME												
Office Income												
Type I	$ 105,285,167	$ 37,303,547	$ -	$ -	$ -	$ -	$ -	$ 5,660,823	$ 5,830,648	$ 6,005,568	$ 6,185,735	$ 6,371,307
Type II	36,641,617	12,982,477	-	-	-	-	-	1,970,094	2,029,197	2,090,073	2,152,775	2,217,359
Type III	147,994,065	52,435,720	-	-	-	-	-	7,957,135	8,195,849	8,441,724	8,694,976	8,955,825
Type IV	74,710,018	26,470,478	-	-	-	-	-	4,016,902	4,137,409	4,261,532	4,389,377	4,521,059
Type V	40,574,219	14,375,836	-	-	-	-	-	2,181,537	2,246,983	2,314,393	2,383,824	2,455,339
Type VI	0	0	-	-	-	-	-	-	-	-	-	-
Total	**$ 405,205,087**	**$ 143,568,057**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 21,786,492**	**$ 22,440,087**	**$ 23,113,289**	**$ 23,806,688**	**$ 24,520,889**
Effective Income												
Vacancy & Collection Allowance			100.0%	93.7%	93.7%	93.7%	93.7%	40.2%	6.3%	6.3%	6.3%	6.3%
Less: Annual Vacancy	(32,754,572)	(13,734,836)	$ -	$ -	$ -	$ -	$ -	$ (8,752,568)	$ (1,404,749)	$ (1,446,892)	$ (1,490,299)	$ (1,535,008)
Gross Scheduled Income	$ 372,450,516	$ 129,833,221	$ -	$ -	$ -	$ -	$ -	$ 13,033,924	$ 21,035,337	$ 21,666,397	$ 22,316,389	$ 22,985,881
Plus: % Rent from Non-Income Revenu	0	0	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 372,450,516**	**$ 129,833,221**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 13,033,924**	**$ 21,035,337**	**$ 21,666,397**	**$ 22,316,389**	**$ 22,985,881**
EXPENDITURES												
Estimated Property Tax @ Completion	$ 32,636,190	$ 12,131,430	$ -	$ -	$ -	$ -	$ -	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746
Utilities	24,690,443	8,748,061	-	-	-	-	-	1,327,521	1,367,346	1,408,367	1,450,618	1,494,136
Maintenance & Reserves	584,417	207,065	-	-	-	-	-	31,422	32,365	33,336	34,336	35,366
Management Fee	297,416	105,377	-	-	-	-	-	15,991	16,471	16,965	17,474	17,998
Other Expenses	24,690,443	8,748,061	-	-	-	-	-	1,327,521	1,367,346	1,408,367	1,450,618	1,494,136
Total Operating Expenses	**$ 82,898,909**	**$ 29,939,994**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,878,201**	**$ 4,959,274**	**$ 5,042,780**	**$ 5,128,791**	**$ 5,217,382**
NET OPERATING INCOME												
NOI Before Ground Rent	**$ 289,551,607**	**$ 99,893,227**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,155,724**	**$ 16,076,063**	**$ 16,623,617**	**$ 17,187,598**	**$ 17,768,499**
Minimum Rent	54,470,280	19,400,335	-	-	-	-	-	3,109,753	3,109,753	3,109,753	3,109,753	3,109,753
Excess Percentage Rent	(24,674,239)	(9,013,678)	-	-	-	-	-	(2,067,039)	(1,426,926)	(1,376,441)	(1,324,442)	(1,270,882)
Total Ground Rent	29,796,041	10,386,658	-	-	-	-	-	1,042,714	1,682,827	1,733,312	1,785,311	1,838,870
NOI After Ground Rent	**$ 259,755,566**	**$ 89,506,569**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,113,010**	**$ 14,393,236**	**$ 14,890,306**	**$ 15,402,287**	**$ 15,929,628**
NOI as % of Total Development Costs			0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	7.8%	8.1%	8.4%	8.7%
NET CASH FLOW												
(-) Development Costs	$ (201,714,296)	$ (151,938,113)	$ -	$ -	$ -	$ (120,328,267)	$ (123,938,115)	$ 42,552,086	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	230,565,666	169,334,062	-	-	-	115,282,833	115,282,833	-	-	-	-	-
(-) Debt Service Permanent Loan	(220,695,000)	(82,036,106)	-	-	-	-	-	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)
Net Cash Flow to Master Lessee	**$ 67,911,936**	**$ 24,866,411**	**$ -**	**$ -**	**$ -**	**$ (5,045,434)**	**$ (8,655,282)**	**$ 34,952,096**	**$ (319,764)**	**$ 177,306**	**$ 689,287**	**$ 1,216,628**

CASH FLOW PROJECTION - PHASE I	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME										
Office Income										
Type I	$ 6,562,446	$ 6,759,319	$ 6,962,099	$ 7,170,962	$ 7,386,091	$ 7,607,673	$ 7,835,903	$ 8,070,981	$ 8,313,110	$ 8,562,503
Type II	2,283,879	2,352,396	2,422,968	2,495,657	2,570,526	2,647,642	2,727,072	2,808,884	2,893,150	2,979,945
Type III	9,224,500	9,501,235	9,786,272	10,079,860	10,382,256	10,693,724	11,014,536	11,344,972	11,685,321	12,035,880
Type IV	4,656,691	4,796,391	4,940,283	5,088,492	5,241,146	5,398,381	5,560,332	5,727,142	5,898,956	6,075,925
Type V	2,528,999	2,604,869	2,683,015	2,763,506	2,846,411	2,931,803	3,019,757	3,110,350	3,203,661	3,299,770
Type VI	-	-	-	-	-	-	-	-	-	-
Total	**$ 25,256,515**	**$ 26,014,211**	**$ 26,794,637**	**$ 27,598,476**	**$ 28,426,430**	**$ 29,279,223**	**$ 30,157,600**	**$ 31,062,328**	**$ 31,994,198**	**$ 32,954,024**
Effective Income										
Vacancy & Collection Allowance	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
Less: Annual Vacancy	$ (1,581,058)	$ (1,628,490)	$ (1,677,344)	$ (1,727,665)	$ (1,779,495)	$ (1,832,879)	$ (1,887,866)	$ (1,944,502)	$ (2,002,837)	$ (2,062,922)
Gross Scheduled Income	$ 23,675,457	$ 24,385,721	$ 25,117,293	$ 25,870,812	$ 26,646,936	$ 27,446,344	$ 28,269,734	$ 29,117,826	$ 29,991,361	$ 30,891,102
Plus: % Rent from Non-Income Revenu	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 23,675,457**	**$ 24,385,721**	**$ 25,117,293**	**$ 25,870,812**	**$ 26,646,936**	**$ 27,446,344**	**$ 28,269,734**	**$ 29,117,826**	**$ 29,991,361**	**$ 30,891,102**
EXPENDITURES										
Estimated Property Tax @ Completion	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746	$ 2,175,746
Utilities	1,538,960	1,585,129	1,632,683	1,681,663	1,732,113	1,784,077	1,837,599	1,892,727	1,949,509	2,007,994
Maintenance & Reserves	36,427	37,520	38,645	39,805	40,999	42,229	43,496	44,800	46,144	47,529
Management Fee	18,538	19,094	19,667	20,257	20,865	21,491	22,135	22,799	23,483	24,188
Other Expenses	1,538,960	1,585,129	1,632,683	1,681,663	1,732,113	1,784,077	1,837,599	1,892,727	1,949,509	2,007,994
Total Operating Expenses	**$ 5,308,631**	**$ 5,402,618**	**$ 5,499,424**	**$ 5,599,135**	**$ 5,701,836**	**$ 5,807,619**	**$ 5,916,575**	**$ 6,028,800**	**$ 6,144,392**	**$ 6,263,451**
NET OPERATING INCOME										
NOI Before Ground Rent	**$ 18,366,826**	**$ 18,983,103**	**$ 19,617,869**	**$ 20,271,677**	**$ 20,945,100**	**$ 21,638,725**	**$ 22,353,159**	**$ 23,089,026**	**$ 23,846,970**	**$ 24,627,651**
Minimum Rent	3,605,056	3,605,056	3,605,056	3,605,056	3,605,056	4,179,248	4,179,248	4,179,248	4,179,248	4,179,248
Excess Percentage Rent	(1,711,019)	(1,654,198)	(1,595,672)	(1,535,391)	(1,473,301)	(1,983,540)	(1,917,669)	(1,849,821)	(1,779,939)	(1,707,959)
Total Ground Rent	1,894,037	1,950,858	2,009,383	2,069,665	2,131,755	2,195,708	2,261,579	2,329,426	2,399,309	2,471,288
NOI After Ground Rent	**$ 16,472,789**	**$ 17,032,245**	**$ 17,608,485**	**$ 18,202,012**	**$ 18,813,345**	**$ 19,443,018**	**$ 20,091,580**	**$ 20,759,600**	**$ 21,447,661**	**$ 22,156,363**
NOI as % of Total Development Costs	9.0%	9.3%	9.6%	9.9%	10.3%	10.6%	10.9%	11.3%	11.7%	12.1%
NET CASH FLOW										
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)	(14,713,000)
Net Cash Flow to Master Lessee	**$ 1,759,789**	**$ 2,319,245**	**$ 2,895,485**	**$ 3,489,012**	**$ 4,100,345**	**$ 4,730,018**	**$ 5,378,580**	**$ 6,046,600**	**$ 6,734,661**	**$ 7,443,363**

OUTPUT EXHIBIT 4.2
CASH FLOW - OFFICE USE
PHASE II

CASH FLOW PROJECTION - PHASE II	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7
INCOME									
Office Income									
Type I	$ 75,941,631	$ 24,482,005	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type II	30,763,642	9,917,559	-	-	-	-	-	-	-
Type III	123,811,827	39,914,362	-	-	-	-	-	-	-
Type IV	31,423,948	10,130,428	-	-	-	-	-	-	-
Type V	29,447,228	9,493,175	-	-	-	-	-	-	-
Type VI	0	0	-	-	-	-	-	-	-
Total	**$ 291,388,276**	**$ 93,937,530**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Effective Income									
Vacancy & Collection Allowance			100.0%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%
Less: Annual Vacancy	(23,542,411)	(8,583,435)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross Scheduled Income	$ 267,845,865	$ 85,354,095	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plus: % Rent from Non-Income Revenu	0	0	-	-	-	-	-	-	-
Gross Operating Income	**$ 267,845,865**	**$ 85,354,095**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES									
Estimated Property Tax @ Completion	$ 22,688,445	$ 7,583,351	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	17,643,620	5,687,937	-	-	-	-	-	-	-
Maintenance & Reserves	395,585	127,528	-	-	-	-	-	-	-
Management Fee	202,836	65,390	-	-	-	-	-	-	-
Other Expenses	17,643,620	5,687,937	-	-	-	-	-	-	-
Total Operating Expenses	**$ 58,574,105**	**$ 19,152,143**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
NET OPERATING INCOME									
NOI Before Ground Rent	**$ 209,271,760**	**$ 66,201,952**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Minimum Rent	18,555,859	5,991,857	-	-	-	-	-	-	-
Excess Percentage Rent	2,871,810	836,471	-	-	-	-	-	-	-
Total Ground Rent	21,427,669	6,828,328	-	-	-	-	-	-	-
NOI After Ground Rent	**$ 187,844,091**	**$ 59,373,625**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
NOI as % of Total Development Costs			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NET CASH FLOW									
(-) Development Costs	$ (191,738,694)	$ (123,100,212)	$ -	$ -	$ -	$ -	$ -	$ (127,864,155)	$ (131,700,080)
(+) Permanent Loan Proceeds	207,564,302	127,720,162	-	-	-	-	-	103,782,151	103,782,151
(-) Debt Service Permanent Loan	(154,973,000)	(51,797,940)	-	-	-	-	-	-	-
Net Cash Flow to Master Lessee	**$ 48,696,699**	**$ 12,195,634**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (24,082,004)**	**$ (27,917,929)**

CASH FLOW PROJECTION - PHASE II	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13	2020 14
INCOME							
Office Income							
Type I	$ 4,862,508	$ 5,008,383	$ 5,158,635	$ 5,313,394	$ 5,472,796	$ 5,636,979	$ 5,806,089
Type II	1,969,782	2,028,875	2,089,742	2,152,434	2,217,007	2,283,517	2,352,023
Type III	7,927,615	8,165,443	8,410,407	8,662,719	8,922,600	9,190,278	9,465,987
Type IV	2,012,061	2,072,423	2,134,596	2,198,633	2,264,592	2,332,530	2,402,506
Type V	1,885,493	1,942,057	2,000,319	2,060,329	2,122,138	2,185,803	2,251,377
Type VI	-	-	-	-	-	-	-
Total	**$ 18,657,458**	**$ 19,217,182**	**$ 19,793,698**	**$ 20,387,509**	**$ 20,999,134**	**$ 21,629,108**	**$ 22,277,981**
Effective Income							
Vacancy & Collection Allowance	31.2%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Less: Annual Vacancy	$ (5,814,908)	$ (1,249,117)	$ (1,286,590)	$ (1,325,188)	$ (1,364,944)	$ (1,405,892)	$ (1,448,069)
Gross Scheduled Income	$ 12,842,551	$ 17,968,065	$ 18,507,107	$ 19,062,321	$ 19,634,190	$ 20,223,216	$ 20,829,912
Plus: % Rent from Non-Income Revenu	-	-	-	-	-	-	-
Gross Operating Income	**$ 12,842,551**	**$ 17,968,065**	**$ 18,507,107**	**$ 19,062,321**	**$ 19,634,190**	**$ 20,223,216**	**$ 20,829,912**
EXPENDITURES							
Estimated Property Tax @ Completion	$ 1,745,265	$ 1,745,265	$ 1,745,265	$ 1,745,265	$ 1,745,265	$ 1,745,265	$ 1,745,265
Utilities	1,129,713	1,163,604	1,198,512	1,234,468	1,271,502	1,309,647	1,348,936
Maintenance & Reserves	25,329	26,089	26,872	27,678	28,508	29,363	30,244
Management Fee	12,987	13,377	13,778	14,192	14,618	15,056	15,508
Other Expenses	1,129,713	1,163,604	1,198,512	1,234,468	1,271,502	1,309,647	1,348,936
Total Operating Expenses	**$ 4,043,007**	**$ 4,111,940**	**$ 4,182,940**	**$ 4,256,070**	**$ 4,331,394**	**$ 4,408,978**	**$ 4,488,890**
NET OPERATING INCOME							
NOI Before Ground Rent	**$ 8,799,543**	**$ 13,856,126**	**$ 14,324,167**	**$ 14,806,250**	**$ 15,302,796**	**$ 15,814,238**	**$ 16,341,023**
Minimum Rent	1,251,397	1,251,397	1,251,397	1,251,397	1,251,397	1,450,712	1,450,712
Excess Percentage Rent	(223,993)	186,049	229,172	273,589	319,339	167,146	215,681
Total Ground Rent	1,027,404	1,437,445	1,480,569	1,524,986	1,570,735	1,617,857	1,666,393
NOI After Ground Rent	**$ 7,772,139**	**$ 12,418,680**	**$ 12,843,599**	**$ 13,281,265**	**$ 13,732,061**	**$ 14,196,380**	**$ 14,674,630**
NOI as % of Total Development Costs	4.7%	7.5%	7.8%	8.0%	8.3%	8.6%	8.9%
NET CASH FLOW							
(-) Development Costs	$ 67,825,541	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(11,921,000)	(11,921,000)	(11,921,000)	(11,921,000)	(11,921,000)	(11,921,000)	(11,921,000)
Net Cash Flow to Master Lessee	**$ 63,676,680**	**$ 497,680**	**$ 922,599**	**$ 1,360,265**	**$ 1,811,061**	**$ 2,275,380**	**$ 2,753,630**

CASH FLOW PROJECTION - PHASE II	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME						
Office Income						
Type I	$ 5,980,272	$ 6,159,680	$ 6,344,470	$ 6,534,804	$ 6,730,848	$ 6,932,774
Type II	2,422,583	2,495,261	2,570,119	2,647,222	2,726,639	2,808,438
Type III	9,749,966	10,042,465	10,343,739	10,654,051	10,973,673	11,302,883
Type IV	2,474,581	2,548,819	2,625,283	2,704,042	2,785,163	2,868,718
Type V	2,318,918	2,388,486	2,460,140	2,533,944	2,609,963	2,688,262
Type VI	-	-	-	-	-	-
Total	**$ 22,946,321**	**$ 23,634,710**	**$ 24,343,751**	**$ 25,074,064**	**$ 25,826,286**	**$ 26,601,074**
Effective Income						
Vacancy & Collection Allowance	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Less: Annual Vacancy	$ (1,491,511)	$ (1,536,256)	$ (1,582,344)	$ (1,629,814)	$ (1,678,709)	$ (1,729,070)
Gross Scheduled Income	$ 21,454,810	$ 22,098,454	$ 22,761,408	$ 23,444,250	$ 24,147,577	$ 24,872,005
Plus: % Rent from Non-Income Revenu	-	-	-	-	-	-
Gross Operating Income	**$ 21,454,810**	**$ 22,098,454**	**$ 22,761,408**	**$ 23,444,250**	**$ 24,147,577**	**$ 24,872,005**
EXPENDITURES						
Estimated Property Tax @ Completion	$ 1,745,265	$ 1,745,265	$ 1,745,265	$ 1,745,265	$ 1,745,265	$ 1,745,265
Utilities	1,389,404	1,431,087	1,474,019	1,518,240	1,563,787	1,610,701
Maintenance & Reserves	31,152	32,086	33,049	34,040	35,061	36,113
Management Fee	15,973	16,452	16,946	17,454	17,978	18,517
Other Expenses	1,389,404	1,431,087	1,474,019	1,518,240	1,563,787	1,610,701
Total Operating Expenses	**$ 4,571,198**	**$ 4,655,976**	**$ 4,743,298**	**$ 4,833,239**	**$ 4,925,878**	**$ 5,021,296**
NET OPERATING INCOME						
NOI Before Ground Rent	**$ 16,883,611**	**$ 17,442,478**	**$ 18,018,110**	**$ 18,611,011**	**$ 19,221,699**	**$ 19,850,708**
Minimum Rent	1,450,712	1,450,712	1,450,712	1,681,772	1,681,772	1,681,772
Excess Percentage Rent	265,673	317,165	370,201	193,768	250,034	307,988
Total Ground Rent	1,716,385	1,767,876	1,820,913	1,875,540	1,931,806	1,989,760
NOI After Ground Rent	**$ 15,167,227**	**$ 15,674,601**	**$ 16,197,197**	**$ 16,735,471**	**$ 17,289,893**	**$ 17,860,948**
NOI as % of Total Development Costs	9.2%	9.5%	9.8%	10.1%	10.5%	10.8%
NET CASH FLOW						
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(11,921,000)	(11,921,000)	(11,921,000)	(11,921,000)	(11,921,000)	(11,921,000)
Net Cash Flow to Master Lessee	**$ 3,246,227**	**$ 3,753,601**	**$ 4,276,197**	**$ 4,814,471**	**$ 5,368,893**	**$ 5,939,948**

OUTPUT EXHIBIT 4.3
CASH FLOW - OFFICE USE
PHASE III

CASH FLOW PROJECTION - PHASE III	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9
INCOME											
Office Income											
Type I	$ 37,382,452	$ 10,974,415	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Type II	15,145,302	4,446,226	-	-	-	-	-	-	-	-	-
Type III	61,142,146	17,949,579	-	-	-	-	-	-	-	-	-
Type IV	15,518,594	4,555,814	-	-	-	-	-	-	-	-	-
Type V	16,505,436	4,845,522	-	-	-	-	-	-	-	-	-
Type VI	5,842,313	1,715,135	-	-	-	-	-	-	-	-	-
Total	**$ 151,536,243**	**$ 44,486,690**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**-**
Effective Income											
Vacancy & Collection Allowance			100.0%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%
Less: Annual Vacancy	(12,755,411)	(4,204,399)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Gross Scheduled Income	$ 138,780,833	$ 40,282,291	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Plus: % Rent from Non-Income Revenu	0	0	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 138,780,833**	**$ 40,282,291**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**-**
EXPENDITURES											
Estimated Property Tax @ Completion	$ 11,984,170	$ 3,610,522	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Utilities	9,582,325	2,813,095	-	-	-	-	-	-	-	-	-
Maintenance & Reserves	201,939	59,284	-	-	-	-	-	-	-	-	-
Management Fee	103,837	30,484	-	-	-	-	-	-	-	-	-
Other Expenses	9,582,325	2,813,095	-	-	-	-	-	-	-	-	-
Total Operating Expenses	**$ 31,454,596**	**$ 9,326,480**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**-**
NET OPERATING INCOME											
NOI Before Ground Rent	**$ 107,326,236**	**$ 30,955,812**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**-**
Minimum Rent	5,860,919	1,724,892	-	-	-	-	-	-	-	-	-
Excess Percentage Rent	5,241,548	1,497,692	-	-	-	-	-	-	-	-	-
Total Ground Rent	11,102,467	3,222,583	-	-	-	-	-	-	-	-	-
NOI After Ground Rent	**$ 96,223,770**	**$ 27,733,228**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**-**
NOI as % of Total Development Costs			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NET CASH FLOW											
(-) Development Costs	$ (114,621,056)	$ (61,655,319)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,436,968)	$ (78,730,077)
(+) Permanent Loan Proceeds	130,058,463	67,050,578	-	-	-	-	-	-	-	65,029,232	65,029,232
(-) Debt Service Permanent Loan	(82,170,000)	(24,755,704)	-	-	-	-	-	-	-	-	-
Net Cash Flow to Master Lessee	**$ 29,491,177**	**$ 8,372,783**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (11,407,737)**	**$ (13,700,846)**

CASH FLOW PROJECTION - PHASE III	2016 10	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME											
Office Income											
Type I	$ 2,918,726	$ 3,006,288	$ 3,096,477	$ 3,189,371	$ 3,285,052	$ 3,383,604	$ 3,485,112	$ 3,589,665	$ 3,697,355	$ 3,808,276	$ 3,922,524
Type II	1,182,507	1,217,982	1,254,521	1,292,157	1,330,922	1,370,849	1,411,975	1,454,334	1,497,964	1,542,903	1,589,190
Type III	4,773,823	4,917,037	5,064,549	5,216,485	5,372,980	5,534,169	5,700,194	5,871,200	6,047,336	6,228,756	6,415,619
Type IV	1,211,652	1,248,002	1,285,442	1,324,005	1,363,725	1,404,637	1,446,776	1,490,179	1,534,885	1,580,931	1,628,359
Type V	1,288,702	1,327,363	1,367,184	1,408,200	1,450,446	1,493,959	1,538,778	1,584,941	1,632,490	1,681,464	1,731,908
Type VI	456,153	469,837	483,933	498,451	513,404	528,806	544,670	561,011	577,841	595,176	613,031
Total	**$ 11,831,563**	**$ 12,186,510**	**$ 12,552,105**	**$ 12,928,668**	**$ 13,316,529**	**$ 13,716,024**	**$ 14,127,505**	**$ 14,551,330**	**$ 14,987,870**	**$ 15,437,506**	**$ 15,900,631**
Effective Income											
Vacancy & Collection Allowance	31.2%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Less: Annual Vacancy	$ (3,687,879)	$ (790,965)	$ (814,694)	$ (839,135)	$ (864,309)	$ (890,239)	$ (916,946)	$ (944,454)	$ (972,788)	$ (1,001,971)	$ (1,032,030)
Gross Scheduled Income	$ 8,143,685	$ 11,395,545	$ 11,737,411	$ 12,089,533	$ 12,452,219	$ 12,825,786	$ 13,210,559	$ 13,606,876	$ 14,015,083	$ 14,435,535	$ 14,868,601
Plus: % Rent from Non-Income Revenu	-	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	**$ 8,143,685**	**$ 11,395,545**	**$ 11,737,411**	**$ 12,089,533**	**$ 12,452,219**	**$ 12,825,786**	**$ 13,210,559**	**$ 13,606,876**	**$ 14,015,083**	**$ 14,435,535**	**$ 14,868,601**
EXPENDITURES											
Estimated Property Tax @ Completion	$ 1,089,470	$ 1,089,470	$ 1,089,470	$ 1,089,470	$ 1,089,470	$ 1,089,470	$ 1,089,470	$ 1,089,470	$ 1,089,470	$ 1,089,470	$ 1,089,470
Utilities	748,163	770,608	793,727	817,538	842,065	867,327	893,346	920,147	947,751	976,184	1,005,469
Maintenance & Reserves	15,767	16,240	16,727	17,229	17,746	18,278	18,827	19,391	19,973	20,572	21,189
Management Fee	8,107	8,351	8,601	8,859	9,125	9,399	9,681	9,971	10,270	10,578	10,896
Other Expenses	748,163	770,608	793,727	817,538	842,065	867,327	893,346	920,147	947,751	976,184	1,005,469
Total Operating Expenses	**$ 2,609,671**	**$ 2,655,277**	**$ 2,702,251**	**$ 2,750,635**	**$ 2,800,470**	**$ 2,851,800**	**$ 2,904,670**	**$ 2,959,126**	**$ 3,015,215**	**$ 3,072,988**	**$ 3,132,493**
NET OPERATING INCOME											
NOI Before Ground Rent	**$ 5,534,013**	**$ 8,740,267**	**$ 9,035,160**	**$ 9,338,898**	**$ 9,651,749**	**$ 9,973,986**	**$ 10,305,890**	**$ 10,647,750**	**$ 10,999,867**	**$ 11,362,547**	**$ 11,736,108**
Minimum Rent	482,766	482,766	482,766	482,766	482,766	559,658	559,658	559,658	559,658	559,658	648,797
Excess Percentage Rent	168,729	428,877	456,227	484,397	513,411	466,405	497,187	528,892	561,548	595,185	540,691
Total Ground Rent	651,495	911,644	938,993	967,163	996,178	1,026,063	1,056,845	1,088,550	1,121,207	1,154,843	1,189,488
NOI After Ground Rent	**$ 4,882,519**	**$ 7,828,624**	**$ 8,096,167**	**$ 8,371,736**	**$ 8,655,572**	**$ 8,947,923**	**$ 9,249,045**	**$ 9,559,200**	**$ 9,878,661**	**$ 10,207,704**	**$ 10,546,620**
NOI as % of Total Development Costs	5.2%	8.4%	8.7%	9.0%	9.3%	9.6%	9.9%	10.3%	10.6%	10.9%	11.3%
NET CASH FLOW											
(-) Development Costs	$ 40,545,990	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
(+) Permanent Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	(7,470,000)	(7,470,000)	(7,470,000)	(7,470,000)	(7,470,000)	(7,470,000)	(7,470,000)	(7,470,000)	(7,470,000)	(7,470,000)	(7,470,000)
Net Cash Flow to Master Lessee	**$ 37,958,508**	**$ 358,624**	**$ 626,167**	**$ 901,736**	**$ 1,185,572**	**$ 1,477,923**	**$ 1,779,045**	**$ 2,089,200**	**$ 2,408,661**	**$ 2,737,704**	**$ 3,076,620**

OUTPUT EXHIBIT 4.0
CASH FLOW - OFFICE USE
ALL PHASES COMBINED

CASH FLOW PROJECTION - ALL PHASES	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10
INCOME												
Office Income												
Phase I	$ 405,205,087	$ 143,568,057	$ -	$ -	$ -	$ -	$ -	$ 21,786,492	$ 22,440,087	$ 23,113,289	$ 23,806,688	$ 24,520,889
Phase II	291,388,276	93,937,530	-	-	-	-	-	-	-	18,657,458	19,217,182	19,793,698
Phase III	151,536,243	44,486,690	-	-	-	-	-	-	-	-	-	11,831,563
Total	**$ 848,129,607**	**$ 281,992,278**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 21,786,492**	**$ 22,440,087**	**$ 41,770,748**	**$ 43,023,870**	**$ 56,146,149**
Effective Income												
Phase I	$ 372,450,516	$ 129,833,221	$ -	$ -	$ -	$ -	$ -	$ 13,033,924	$ 21,035,337	$ 21,666,397	$ 22,316,389	$ 22,985,881
Phase II	267,845,865	85,354,095	-	-	-	-	-	-	-	12,842,551	17,968,065	18,507,107
Phase III	138,780,833	40,282,291	-	-	-	-	-	-	-	-	-	8,143,685
Total	**$ 779,077,214**	**$ 255,469,608**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 13,033,924**	**$ 21,035,337**	**$ 34,508,948**	**$ 40,284,455**	**$ 49,636,673**
Gross Operating Income												
Phase I	$ 372,450,516	$ 129,833,221	$ -	$ -	$ -	$ -	$ -	$ 13,033,924	$ 21,035,337	$ 21,666,397	$ 22,316,389	$ 22,985,881
Phase II	267,845,865	85,354,095	-	-	-	-	-	-	-	12,842,551	17,968,065	18,507,107
Phase III	138,780,833	40,282,291	-	-	-	-	-	-	-	-	-	8,143,685
Total	**$ 779,077,214**	**$ 255,469,608**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 13,033,924**	**$ 21,035,337**	**$ 34,508,948**	**$ 40,284,455**	**$ 49,636,673**
EXPENDITURES												
Operating Expenses												
Phase I	$ 82,898,909	$ 29,939,994	$ -	$ -	$ -	$ -	$ -	$ 4,878,201	$ 4,959,274	$ 5,042,780	$ 5,128,791	$ 5,217,382
Phase II	58,574,105	19,152,143	-	-	-	-	-	-	-	4,043,007	4,111,940	4,182,940
Phase III	31,454,596	9,326,480	-	-	-	-	-	-	-	-	-	2,609,671
Total Operating Expenses	**$ 172,927,610**	**$ 58,418,617**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,878,201**	**$ 4,959,274**	**$ 9,085,787**	**$ 9,240,731**	**$ 12,009,994**
NET OPERATING INCOME												
NOI Before Ground Rent												
Phase I	$ 289,551,607	$ 99,893,227	$ -	$ -	$ -	$ -	$ -	$ 8,155,724	$ 16,076,063	$ 16,623,617	$ 17,187,598	$ 17,768,499
Phase II	209,271,760	66,201,952	-	-	-	-	-	-	-	8,799,543	13,856,126	14,324,167
Phase III	107,326,236	30,955,812	-	-	-	-	-	-	-	-	-	5,534,013
Total	**$ 606,149,603**	**$ 197,050,991**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,155,724**	**$ 16,076,063**	**$ 25,423,160**	**$ 31,043,724**	**$ 37,626,679**
NOI After Ground Rent												
Phase I	$ 259,755,566	$ 89,506,569	$ -	$ -	$ -	$ -	$ -	$ 7,113,010	$ 14,393,236	$ 14,890,306	$ 15,402,287	$ 15,929,628
Phase II	187,844,091	59,373,625	-	-	-	-	-	-	-	7,772,139	12,418,680	12,843,599
Phase III	96,223,770	27,733,228	-	-	-	-	-	-	-	-	-	4,882,519
Total	**$ 543,823,426**	**$ 176,613,422**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,113,010**	**$ 14,393,236**	**$ 22,662,445**	**$ 27,820,968**	**$ 33,655,746**
NET CASH FLOW												
Net Cash Flow to Master Lessee												
Phase I	$ 67,911,936	$ 24,866,411	$ -	$ -	$ -	$ (5,045,434)	$ (8,655,282)	$ 34,952,096	$ (319,764)	$ 177,306	$ 689,287	$ 1,216,628
Phase II	48,696,699	12,195,634	-	-	-	-	-	(24,082,004)	(27,917,929)	63,676,680	497,680	922,599
Phase III	29,491,177	8,372,783	-	-	-	-	-	-	-	(11,407,737)	(13,700,846)	37,958,508
Total	**$ 146,099,812**	**$ 45,434,829**	**$ -**	**$ -**	**$ -**	**$ (5,045,434)**	**$ (8,655,282)**	**$ 10,870,092**	**$ (28,237,693)**	**$ 52,446,249**	**$ (12,513,878)**	**$ 40,097,735**

CASH FLOW PROJECTION - ALL PHASES	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME										
Office Income										
Phase I	$ 25,256,515	$ 26,014,211	$ 26,794,637	$ 27,598,476	$ 28,426,430	$ 29,279,223	$ 30,157,600	$ 31,062,328	$ 31,994,198	$ 32,954,024
Phase II	20,387,509	20,999,134	21,629,108	22,277,981	22,946,321	23,634,710	24,343,751	25,074,064	25,826,286	26,601,074
Phase III	12,186,510	12,552,105	12,928,668	13,316,529	13,716,024	14,127,505	14,551,330	14,987,870	15,437,506	15,900,631
Total	**$ 57,830,534**	**$ 59,565,450**	**$ 61,352,413**	**$ 63,192,986**	**$ 65,088,775**	**$ 67,041,439**	**$ 69,052,682**	**$ 71,124,262**	**$ 73,257,990**	**$ 75,455,730**
Effective Income										
Phase I	$ 23,675,457	$ 24,385,721	$ 25,117,293	$ 25,870,812	$ 26,646,936	$ 27,446,344	$ 28,269,734	$ 29,117,826	$ 29,991,361	$ 30,891,102
Phase II	19,062,321	19,634,190	20,223,216	20,829,912	21,454,810	22,098,454	22,761,408	23,444,250	24,147,577	24,872,005
Phase III	11,395,545	11,737,411	12,089,533	12,452,219	12,825,786	13,210,559	13,606,876	14,015,083	14,435,535	14,868,601
Total	**$ 54,133,323**	**$ 55,757,322**	**$ 57,430,042**	**$ 59,152,943**	**$ 60,927,531**	**$ 62,755,357**	**$ 64,638,018**	**$ 66,577,159**	**$ 68,574,473**	**$ 70,631,708**
Gross Operating Income										
Phase I	$ 23,675,457	$ 24,385,721	$ 25,117,293	$ 25,870,812	$ 26,646,936	$ 27,446,344	$ 28,269,734	$ 29,117,826	$ 29,991,361	$ 30,891,102
Phase II	19,062,321	19,634,190	20,223,216	20,829,912	21,454,810	22,098,454	22,761,408	23,444,250	24,147,577	24,872,005
Phase III	11,395,545	11,737,411	12,089,533	12,452,219	12,825,786	13,210,559	13,606,876	14,015,083	14,435,535	14,868,601
Total	**$ 54,133,323**	**$ 55,757,322**	**$ 57,430,042**	**$ 59,152,943**	**$ 60,927,531**	**$ 62,755,357**	**$ 64,638,018**	**$ 66,577,159**	**$ 68,574,473**	**$ 70,631,708**
EXPENDITURES										
Operating Expenses										
Phase I	$ 5,308,631	$ 5,402,618	$ 5,499,424	$ 5,599,135	$ 5,701,836	$ 5,807,619	$ 5,916,575	$ 6,028,800	$ 6,144,392	$ 6,263,451
Phase II	4,256,070	4,331,394	4,408,978	4,488,890	4,571,198	4,655,976	4,743,298	4,833,239	4,925,878	5,021,296
Phase III	2,655,277	2,702,251	2,750,635	2,800,470	2,851,800	2,904,670	2,959,126	3,015,215	3,072,988	3,132,493
Total Operating Expenses	**$ 12,219,979**	**$ 12,436,264**	**$ 12,659,037**	**$ 12,888,494**	**$ 13,124,834**	**$ 13,368,265**	**$ 13,618,999**	**$ 13,877,254**	**$ 14,143,257**	**$ 14,417,241**
NET OPERATING INCOME										
NOI Before Ground Rent										
Phase I	$ 18,366,826	$ 18,983,103	$ 19,617,869	$ 20,271,677	$ 20,945,100	$ 21,638,725	$ 22,353,159	$ 23,089,026	$ 23,846,970	$ 24,627,651
Phase II	14,806,250	15,302,796	15,814,238	16,341,023	16,883,611	17,442,478	18,018,110	18,611,011	19,221,699	19,850,708
Phase III	8,740,267	9,035,160	9,338,898	9,651,749	9,973,986	10,305,890	10,647,750	10,999,867	11,362,547	11,736,108
Total	**$ 41,913,344**	**$ 43,321,058**	**$ 44,771,005**	**$ 46,264,449**	**$ 47,802,697**	**$ 49,387,092**	**$ 51,019,020**	**$ 52,699,905**	**$ 54,431,216**	**$ 56,214,467**
NOI After Ground Rent										
Phase I	$ 16,472,789	$ 17,032,245	$ 17,608,485	$ 18,202,012	$ 18,813,345	$ 19,443,018	$ 20,091,580	$ 20,759,600	$ 21,447,661	$ 22,156,363
Phase II	13,281,265	13,732,061	14,196,380	14,674,630	15,167,227	15,674,601	16,197,197	16,735,471	17,289,893	17,860,948
Phase III	7,828,624	8,096,167	8,371,736	8,655,572	8,947,923	9,249,045	9,559,200	9,878,661	10,207,704	10,546,620
Total	**$ 37,582,678**	**$ 38,860,473**	**$ 40,176,601**	**$ 41,532,214**	**$ 42,928,495**	**$ 44,366,664**	**$ 45,847,978**	**$ 47,373,732**	**$ 48,945,258**	**$ 50,563,930**
NET CASH FLOW										
Net Cash Flow to Master Lessee										
Phase I	$ 1,759,789	$ 2,319,245	$ 2,895,485	$ 3,489,012	$ 4,100,345	$ 4,730,018	$ 5,378,580	$ 6,046,600	$ 6,734,661	$ 7,443,363
Phase II	1,360,265	1,811,061	2,275,380	2,753,630	3,246,227	3,753,601	4,276,197	4,814,471	5,368,893	5,939,948
Phase III	358,624	626,167	901,736	1,185,572	1,477,923	1,779,045	2,089,200	2,408,661	2,737,704	3,076,620
Total	**$ 3,478,678**	**$ 4,756,473**	**$ 6,072,601**	**$ 7,428,214**	**$ 8,824,495**	**$ 10,262,664**	**$ 11,743,978**	**$ 13,269,732**	**$ 14,841,258**	**$ 16,459,930**

OUTPUT EXHIBIT 6.1
CASH FLOW - OTHER USE
PHASE I

CASH FLOW PROJECTION - PHASE I	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME																						
Other Income																						
Type I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type IV	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type V	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type VI	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Effective Income																						
Vacancy & Collection Allowance			100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Less: Annual Vacancy	0	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross Scheduled Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EXPENDITURES																						
Estimated Property Tax @ Completion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance & Reserves	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fee	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET OPERATING INCOME																						
NOI Before Ground Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Minimum Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Percentage Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Ground Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOI After Ground Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NOI as % of Total Development Costs			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
NET CASH FLOW																						
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Cash Flow to Master Lessee	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

OUTPUT EXHIBIT 6.2
CASH FLOW - OTHER USE
PHASE II

CASH FLOW PROJECTION - PHASE II	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME																						
Other Income																						
Type I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type IV	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type V	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type VI	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Effective Income																						
Vacancy & Collection Allowance			100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Less: Annual Vacancy	0	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross Scheduled Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EXPENDITURES																						
Estimated Property Tax @ Completion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance & Reserves	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fee	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET OPERATING INCOME																						
NOI Before Ground Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Minimum Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Percentage Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Ground Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOI After Ground Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NOI as % of Total Development Costs			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
NET CASH FLOW																						
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Cash Flow to Master Lessee	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

OUTPUT EXHIBIT 6.3
CASH FLOW - OTHER USE
PHASE III

CASH FLOW PROJECTION - PHASE III	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME																						
Other Income																						
Type I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type IV	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type V	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type VI	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Effective Income																						
Vacancy & Collection Allowance			100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%
Less: Annual Vacancy	0	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross Scheduled Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plus: % Rent from Non-Income Revenue	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EXPENDITURES																						
Estimated Property Tax @ Completion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance & Reserves	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fee	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET OPERATING INCOME																						
NOI Before Ground Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Minimum Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Percentage Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Ground Rent	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOI After Ground Rent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NOI as % of Total Development Costs			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
NET CASH FLOW																						
(-) Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(+) Permanent Loan Proceeds	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Debt Service Permanent Loan	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Cash Flow to Master Lessee	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

OUTPUT EXHIBIT 6.0
CASH FLOW - OTHER USE
ALL PHASES COMBINED

CASH FLOW PROJECTION - ALL PHASES	Total Income 20 Years	Discounted Value @ 8% 20 Years	2007 1	2008 2	2009 3	2010 4	2011 5	2012 6	2013 7	2014 8	2015 9	2016 10	2017 11	2018 12	2019 13	2020 14	2021 15	2022 16	2023 17	2024 18	2025 19	2026 20
INCOME																						
Other Income																						
Phase I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Phase II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Effective Income																						
Phase I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Phase II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross Operating Income																						
Phase I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Phase II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EXPENDITURES																						
Operating Expenses																						
Phase I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Phase II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET OPERATING INCOME																						
NOI Before Ground Rent																						
Phase I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Phase II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NOI After Ground Rent																						
Phase I	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Phase II	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase III	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NET CASH FLOW																						
Net Cash Flow to Master Lessee																						
Phase I	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Phase II	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Phase III	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

F. Economic Benefits

In making the NoHo Art Wave a reality, The Lowe Team will create substantial economic benefits to the City of Los Angeles from the execution of a $687 million development program. Economics Research Associates ("ERA") projects the total economic impact of the development and their report is included on the following pages. In summary, the NoHo Art Wave will create an annualized average of 519 construction jobs over its 78-month construction period and 2,873 permanent new positions.

Additionally, once the project has reached stabilized operations; it will generate $1.7 million in annual tax increment (TIF) revenues dedicated for the Agency's Housing Set-Aside Fund, and $6.9 million annually in unrestricted TIF revenues. The unrestricted TIF revenues would support debt service on a bond of $62-to-$69 million (rough estimate).

The project is also projected to generate $254,800 in annual sales tax revenues from the on-site retail and restaurant businesses and $535,800 in annual business license fees. Finally, the project's construction activity, the ongoing operations of businesses located in the project and the consumer spending activities of project residents will produce positive indirect impacts within the greater economy of the City of Los Angeles. ERA projects that these indirect impacts will generate sales tax revenues averaging $59,300 per year over the 78 months of construction, and by stabilized operations, indirect sales tax revenues will total $196,900 per year.

ERA

Economics Research Associates

MEMORANDUM

TO: Lowe Enterprises Real Estate Group

FROM Economics Research Associates

DATE: May 18, 2007

RE: Estimated Economic Impacts of Proposed North Hollywood Project
ERA Project No. 17198

BACKGROUND

Lowe Enterprises Real Estate Group (Lowe) has proposed to develop a mixed-use project consisting of 562 units of apartments, 185,256 square feet of retail and entertainment uses, 1,018,920 square feet of office uses and a multi-level parking structure for the MTA. The site is located in the City of Los Angeles North Hollywood Redevelopment Project Area.

At the request of Lowe, Economics Research Associates (ERA) has estimated the economic benefits of this project projected to occur within the jurisdiction of the City of Los Angeles.

This memorandum details the findings of ERA's projection of the localized economic impact and fiscal benefits. The exhibits in Appendices A and B provide an outline of the detailed calculations that were used to derive the impact estimates.

METHODOLOGY

Based on the development plan presented by Lowe, ERA has estimated gross economic impacts resulting from the new residential and commercial uses during construction as well as at the point of project stabilization. We have not attempted to net out the impacts of existing businesses or residents currently occupying the site.

Impacts projected include the number of jobs and associated wages, consumer and business-to-business spending, property tax increment to the City's Redevelopment Agency as well as and General Fund property tax revenues collected on the site's base year assessed value. Other tax revenues projected include sales tax and business license.

Projections of impact include direct impact (e.g. those impacts generated on-site at the project), as well as indirect and induced impacts from off-site consumer and business-to-business activities. Economic and job impacts from a project of this type can have ramifications over a very large area. ERA has been careful in this analysis to adjust gross impact values to assume a local City of Los Angeles capture of jobs and spending activity. Local capture estimates have been based on ERA's assessment of the City's current economic base of firms and retail outlets.

SUMMARY OF IMPACTS TO THE CITY OF LOS ANGELES

Construction Period (78 months) ($ Rounded)

Consumer Spending	$3,400,000
Business-to-Business Spending	$74,800,000
Sales Tax Revenues to City Over 78-months	$385,500
Construction Jobs Over 78-months	3,371 FTE
Annualized FTE Construction Jobs	519

Ongoing On-Site and Off-Site Impacts ($ Rounded)

Job Impacts	
• On-Site (Direct)	2,873 jobs
• Off-Site (Indirect/Induced)	265 jobs
• Total Job Impact	3,138 jobs
Business Impacts	
• On-Site Retail Sales	$38,797,000
• On-Site Office Business Sales	$312,250,000
• Off-Site Sales in Los Angeles	$38,400,000
Tax Impacts (annual at stabilization)	
• Tax Increment (Housing Set-Aside)	$1,731,000
• Unrestricted Tax Increment	$6,925,121
• Business License Fee Revenue	$535,800
• Sales Tax Revenues (direct on-site)	$254,800
• Sales Tax Revenues (indirect)	$197,000
• Total Tax Impact	$9,644,000

LOCAL ECONOMIC IMPACT DEFINED

When a new office building, manufacturing facility or retail center is built in a city, it can create additional jobs throughout the city's economy. As the firm buys supplies and materials from local businesses, it generates or supports jobs with those suppliers. Additionally, new payrolls flow through the area's economy, creating or supporting jobs in retail stores and other businesses serving consumers. In addition to job impacts, there will also be associated local tax impacts to the host jurisdiction.

Projections of impact rely on the use of job multipliers. A job multiplier for a particular industry shows the total number of jobs supported by each job in the industry. Each sector in the economy is dependent on every other sector. Consequently, goods or services produced by one sector may be used as inputs by another sector, the output of which in turn may be an input to production for yet another sector, and so on. Economic impact analysis measures this chain of economic events by considering three types of effects – direct, indirect, and induced – described below:

- **Direct Benefits** (effects of on-site jobs in the city) - direct effects refer to the production of finished products occurring as a result of construction and ongoing business operations. This represents the initial or "first-round" impact on the economy.

- **Business-to-Business Benefits** - indirect effects include the purchase of supplies and services by local businesses, as well as the successive rounds of spending on goods and services required for the production of these purchases (induced effects).

- **Consumer Demand Benefits** – Additional indirect effects reflect production required to meet consumer demand from payroll purchases of employees as well as purchases made by new residents relocating to the city.

An example of how the employment impact works for a company is as follows. A new business operation employs a number of line and managerial workers and these workers constitute the facility's direct employment. The facility; however, not only pays wages and salaries to its employees, but also purchases goods and services provided by other firms – food stores, office supply stores, advertising agencies and other professional service firms, etc. These suppliers themselves require inputs from other companies, which, in turn, require inputs from a myriad of other firms. Indirect and induced employment, as defined, includes all those jobs relating to the production of this chain of events. Please note ERA has been very careful to count only those direct purchases that are expected occur at vendors in the City of Los Angeles.

As a result of the direct and business-to-business employment described above, our hypothetical company also generates consumer demand-related employment. This employment reflects all jobs supported by the spending of direct payroll dollars at the household level. For non-resident workers consumer spending will likely be restricted to a minor amount of food and gasoline purchases, as well as some personal service spending. For this analysis, it has been assumed that all new workers to the City will not necessarily become residents. In other words, we have assumed that employee-spending levels will consist primarily of lunchtime and after work spending patterns rather than those of full-time residents. For the apartment development, it is assumed that a portion of the incoming tenants will consist of net new residents (and significantly consumers) in the City.

PROJECTED IMPACTS DURING CONSTRUCTION PERIOD

Project construction is expected to last for approximately 78 months. Impacts to the City of Los Angeles will result from on-site construction labor as well as some business-to-business spending by contractors and other firms involved at the work site.

Over the 78-month construction period, the project is projected to support a total of 3,371 full-time-equivalent (FTE) construction jobs on site (an average of 519 FTE workers per year) (Exhibit A2). ERA estimates that up to 80 percent of these jobs could be filled by local Los Angeles businesses or residents.

During the project's 6.5 year construction, on-site workers are projected to spend $3.4 million at Los Angeles establishments. This activity will support 17.5 jobs within the City during the construction period. (Exhibit A3). As seen in Exhibit A4, business-to-business spending in projected to total $74.8 million over the 78-month construction period and this activity will support 321.5 jobs in the City.

Sales tax revenues to the City resulting from consumer and business-to-business spending will total $385,500 over 78-months or approximately $59,300 annually (Exhibit A5).

PROJECTED ONGOING DIRECT IMAPCTS

Population and Employment Impacts

Once completed and stabilized, the project is expected to house approximately 1,293 new residents (Exhibit B1). A total of 85 percent of these units will be rented at market rates. ERA estimates that average annual household income in these units will be $99,100. The remaining 15 percent of new households will be living in the project's affordable units and are projected to have annual household incomes of approximately $36,700.

The retail and entrainment uses in the project are projected to employee 375 FTE employees with an average annual wage of $21,700. Office-based employment is projected at nearly 2,500 FTE employees with an average annual wage of $58,200.

Increases in Property Value

As shown in Exhibit B3, project value at completion of the residential and commercial components is estimated at $865.6 million.

Based on this net tax amount, ERA has estimated the annual tax increment to the City's Redevelopment Agency according to the following:

- 20 percent of the total is set aside for affordable housing
- The remaining amount equals the funds available to the Agency (this total is inclusive of any pass-through negotiated with other tax entities which may be in place).

ERA estimates that annual housing set-asides will total to $1.7 million and the unrestricted Agency portion of tax increment revenue will total $6.9 million annually. Based on a very rough estimate of bonding capacity, the TIF revenues could support bonding capacity of $62 to $69 million.

Other Direct Tax Revenues

As shown in Exhibit B4, ERA projects that the retail portion of the Lowe project will generate sales of $38.8 million annually (an average of $251 per-square-foot). Of this amount, only 66 percent is subject to state sales tax. ERA's projection of sales tax revenue from on-site sales is $254,800 annually.

Annual business license fee revenues are based on a gross receipts tax and include office-based businesses as well as retail and service businesses that will locate in the project. Business license tax revenue is projected to be $535,800 per year.

ONGOING INDIRECT AND INDUCED IMPACTS

Exhibits B5 and B6 present ERA's projections of consumer spending impacts in the City of Los Angeles resulting from new residents renting apartments in the Lowe project.

Resident purchasing power has been estimated using the current edition of the U.S. Department of Labor – Bureau of Labor Statistics, *Consumer Expenditure Survey.* A local capture rate has been used for each type of consumer good to estimate the final impact on Los Angeles stores and businesses.

Project resident consumer spending in the City of Los Angeles is estimated to be \$18.3 million annually and will support 140 local jobs[1]. This includes consumer purchases by residents of the market rate units as well as residents living in the affordable units. Local purchases subject to state sales taxes are estimated to constitute 54 percent of this total resulting in annual sales tax revenue to the City of nearly \$99,000 annually.

Additional sales impacts will result from employees working in the businesses located in the project's commercial center. As seen in Exhibit B7, the 2,873 on-site employees are projected to spend nearly \$11.5 million annually within the City. This level of spending will support 52 FTE jobs and will result in annual sales tax revenues of \$87,500.

Finally, as shown in Exhibit B8, there will be some impacts resulting from business-to-business spending in the City. ERA estimates that businesses located in the commercial center will spend \$8.7 million annually for goods and services at other businesses in the City of Los Angeles. This level of spending will support 73 FTE jobs and will result in annual sales tax revenues of nearly \$10,500.

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[1] ERA estimates of job impacts in the City assume that a portion of on-site resident purchases will occur at the retail stores located in the project. This has been done to avoid double-counting the job multiplier impacts.

APPENDIX - A

Project Profile and Construction Impacts

Exhibit A1
Project Profile

ITEM	Mix	Assumptions
PHASE 1		
MTA Parking Structure 1-A		488,288 sf
Residential		
Market Rate Units	85%	85 units
Average SF/Unit		918 sf
Total SF		77,988 sf
Affordable Units	15%	15 units
Average SF/Unit		918 sf
Total SF		13,763 sf
Retail and Entertainment		
Grocery		14,300 sf
YMCA		30,560 sf
Total		44,860 sf
PHASE 2		
Office		
Bldg A		459,800 sf
Bldg B		
Total		459,800 sf
Retail and Entertainment		
Destination Retail		27,198 sf
Cineplex		40,000 sf
In-line Shops/Food		36,000 sf
Restaurants		10,000 sf
Fitness Club		27,198 sf
Total		140,396 sf
PHASE 3		
Residential		
Market Rate Units	85%	261 units
Average SF/Unit		918 sf
Total SF		239,422 sf
Affordable Units	15%	46 units
Average SF/Unit		918 sf
Total SF		42,251 sf
Office		
Total SF		352,000 sf
PHASE 4		
MTA Parking Structure - 3		466,288 sf
Residential		
Market Rate Units	85%	132 units
Average SF/Unit		918 sf
Total SF		120,947 sf
Affordable Units	15%	23 units
Average SF/Unit		918 sf
Total SF		21,344 sf
Office		
Total SF		207,120 sf

Notes

Source: Lowe Enterprises Real Estate Group

Exhibit A2
Estimate of Construction Workforce

TYPES OF IMPACT	VALUES	
Value of Construction Activity (Direct Costs Only)		
MTA Parking Structure	$ 35,547,005	
Residential and Commerical Structures	$ 497,199,146	
Total Direct Costs	$ 532,746,151	1/

Segmented Construction Value by Projected Year	Cost of Materials and Supplies	Rental of Equipment & Machinery	Labor	TOTAL	
Year 2010	$ 28,927,892	$ 5,259,617	$ 18,408,659	$ 52,596,168	
Year 2011	$ 62,275,427	$ 11,322,805	$ 39,629,817	$ 113,228,048	
Year 2012	$ 64,697,572	$ 11,763,195	$ 41,171,182	$ 117,631,948	
Year 2013	$ 55,573,955	$ 10,104,355	$ 35,365,244	$ 101,043,554	
Year 2014	$ 34,770,648	$ 6,321,936	$ 22,126,776	$ 63,219,361	
Year 2015	$ 33,474,639	$ 6,086,298	$ 21,302,043	$ 60,862,981	
Year 2016	$ 13,290,250	$ 2,416,409	$ 8,457,432	$ 24,164,090	
Total	$ 293,010,383	$ 53,274,615	$ 186,461,153	$ 532,746,151	2/

Estimated No. of FTE Construction Workers	Labor Costs	Weighted Avg Annual Wage	Total Mo.of Activity in Yr	Annual FTE Employment	
Year 2010	$ 18,408,659	$ 55,410	12 mo	333	
Year 2011	$ 39,629,817	$ 55,410	12 mo	704	
Year 2012	$ 41,171,182	$ 55,410	12 mo	756	
Year 2013	$ 35,365,244	$ 55,410	12 mo	639	
Year 2014	$ 22,126,776	$ 55,410	12 mo	406	
Year 2015	$ 21,302,043	$ 55,410	12 mo	384	
Year 2016	$ 8,457,432	$ 55,410	6 mo	149	
Total	$ 186,461,153		78 mo	3,371	3/
Average Annual On-Site Jobs				519	

Estimate of City Employment Demand	Annual FTE Employment	Capture Rate	Total Emp Impact	Associated Wage Impact	
Year 2010	333	80%	266	$ 14,761,224	
Year 2011	704	80%	563	$ 31,206,912	
Year 2012	756	80%	605	$ 33,511,968	
Year 2013	639	80%	511	$ 28,325,592	
Year 2014	406	80%	325	$ 17,997,168	
Year 2015	384	80%	307	$ 17,021,952	
Year 2016	149	80%	119	$ 6,604,872	
Total	3,371	80%	2,697	$ 149,429,688	4/
Average Annual On-Site Jobs			415		

Notes

1/ Information from Lowe Enterprises Real Estate Group
2/ Estimates for value breakdowns based on factors derived from RS Means Building Construction Cost Data guides.
3/ Wage and value factors derived from 2003 County Business Patterns, U.S. Census Bureau. Wage information adjusted for inflation.
4/ City capture rate estimated by ERA.

Exhibit A3
Indirect and Induced Impact of Construction Employees
Total for All Months of Construction

TYPES OF IMPACTS		ASSUMPTIONS	
Employee Spending Power			
Total Employee Income	$	186,461,153	1/
Income / Expenditure Differential		98.7%	2/
Estimated Spending Power	$	188,872,685	
Per Employee Spending Power	$	56,029	
Total Months of Construction Activity		78	

Direct Annual Consumer Spending Impacts	Total Spending	Local Capture		Spending Impacts in City
Retail Goods	3,987,900	85%	$	3,389,715
Health Care	-		$	-
Entertainment	-		$	-
Personal Services	-		$	-
Other	-		$	-
Total 3/	3,987,900	85%		3,389,715
Portion of Local Retail Spending that is Taxable				3,389,715

Indirect Employment Impacts	Employees Per $1M Revenue 4/		Indirect Employment
Retail Goods	4.1		13.8
Health Care	10.8		-
Entertainment	17.6		-
Personal Services	11.3		-
Other	14.1		-
Total			13.8
Payroll Impact		$	336,949

Induced Employment Impacts	Consumer Multiplier	Local Capture	Industry Increment	Local Capture	Adjusted Multiplier		Induced Employment 5/
Retail Goods	0.14	85%	0.23	68%	1.28		3.8
Health Care	0.14		0.24		1.00		-
Entertainment	0.16		0.42		1.00		-
Personal Services	0.13		0.09		1.00		-
Other	0.13		0.11		1.00		-
Total							3.8
Payroll Impact						$	92,796

SUMMARY - INDIRECT AND INDUCED IMPACT OF CONSTRUCTION EMPLOYEES		
Consumer Spending Activity in City	$	3,389,715
Portion of Spending that is Subject to Sales Tax	$	3,389,715
Sales Tax Revenue to City of Los Angeles	$	33,897
Local Jobs Supported by Consumer Spending Activity		17.5
Associated Payroll / Wage Income	$	429,744

Notes

1/ Information from Exhibit A2

2/ Factor derived from 2003 Consumer Expenditure Survey, U.S. Census. Value less than 1.0 implies that average consumer spends slightly more than he takes in from annual wages and salary.

3/ Estimates of spending based on Consumer Expenditure Survey 2003, U.S. Census. Construction worker spending includes food and beverages purchased in restaurants, bars and fast food outlets and gasoline purchases.

4/ Gross revenue multipliers based on 2002 Economic Census information, U.S. Census

5/ Consumer and Industry Multipliers from California Department of Commerce, derived from IMPLAN model, Los Angeles County

Exhibit A4
Indirect and Induced Impact of Construction Activity
Total for All Months of Construction

TYPES OF IMPACTS		ASSUMPTIONS	
Business-to-Business Spending			
Cost of Materials and Supplies	$	293,010,383	
Rental of Equipment/Machinery		53,274,615	
Total	$	346,284,998	1/

Direct Annual Consumer Spending Impacts	Portion of Total 2/	Total Spending	Local Capture		Spending Impacts in City
Materials/Supplies - Retail	34%	117,204,153	30%	$	35,161,246
Rental of Equipment	15%	53,274,615	15%		7,991,192
Materials and Supplies - Wholesale	51%	175,806,230	18%		31,645,121
Total	100%	346,284,998	22%		74,797,560
Portion of Local Retail Spending that is Taxable					35,161,246

Indirect Employment Impacts	Employees Per $1M Revenue 3/		Indirect Employment
Materials/Supplies - Retail	4.1		142.7
Rental of Equipment	8.2		65.4
Materials and Supplies - Wholesale	2.5		77.9
Total			285.9
Payroll Impact		$	8,784,022

Induced Employment Impacts	Consumer Multiplier	Local Capture	Industry Increment	Local Capture	Adjusted Multiplier		Induced Employment 4/
Retail Purchases	0.14	30%	0.23	68%	1.20		28.31
Rental of Equipment	0.12	15%	0.08	12%	1.03		1.81
Wholesale Purchases	0.15	18%	0.30	14%	1.07		5.47
Total							35.58
Payroll Impact						$	983,971

SUMMARY - INDIRECT AND INDUCED IMPACT OF CONSTRUCTION ACTIVITY

Business-to-Business Spending Activity in City	$	74,797,560
Portion of Spending that is Subject to Sales Tax	$	35,161,246
Sales Tax Revenue to City of Los Angeles		351,612
Local Jobs Supported by Business-to-Business Spending Activity		321.5
Associated Payroll / Wage Income	$	9,767,992

Notes

1/ Information from Exhibit A2

2/ Estimates by Economics Research Associates based on Census data.

3/ Gross revenue multipliers based on 2002 Economic Census information, U.S. Census

4/ Consumer and Industry Multipliers from California Department of Commerce, derived from IMPLAN model, Los Angeles County

Exhibit A5
Summary of Construction Impacts
Total Impacts in City of Los Angeles

Job Impacts			
Construction Jobs 1/			
All On-Site FTE Construction Jobs		3,371	*jobs over 78 months*
Average Annual FTE Jobs		519	*jobs*
Est. Construction Jobs Captured by City Businesses		2,697	*jobs*
Average Annual FTE Jobs		415	*jobs*
Associated Wage and Salary Impact (City only)	$	149,429,688	*over 78 months*
Additional City Jobs Supported During Construction Period 2/			
Jobs Supported by Consumer Spending		18	*jobs*
Jobs Supported by Bus-to-Bus Spending		322	*jobs*
Total Indirect and Induced Job Impact		339	*jobs*
Associated Wage and Salary Impact	$	10,197,737	
TOTAL CITY JOB IMPACTS (FTE)		3,036	*jobs over 78 months*
Average Annual FTE Jobs		467	*jobs*
TOTAL CITY WAGE IMPACTS	$	159,627,425	*over 78 months*
Business Activity in City			
From Consumer Spending (Construction Employees) 2/	$	3,389,715	*over 78 months*
From Business-to-Business Spending 3/	$	74,797,560	*over 78 months*
Total	$	78,187,275	
Tax Revenues to City of Los Angeles 2/ and 3/			
Sales Tax	$	385,510	*over 78 months*
Average Annual Tax Revenue	$	59,309	*annualized revenues*

Notes

1/ Source: Exhibit A2
2/ Source: Exhibit A3
3/ Source: Exhibit A4

APPENDIX - B

Estimate of Ongoing Impacts

EXHIBIT No.	Exhibit Name
B 1	Estimate of Onsite Population and Employment
B 2	Adjustments to Population Direct Impacts
B 3	Estimates of Property Value and Tax Increment Revenues
B 4	Estimates of Business License Fee and Sales Tax Revenues
B 5	Indirect and Induced Impact of Market Rate Apartment Residents
B 6	Indirect and Induced Impact of Affordable Rate Apartment Residents
B 7	Indirect and Induced Impact of Commercial Employee Spending
B 8	Indirect and Induced Impact of Commercial Operations
B 9	Summary of Ongoing Impacts

Exhibit B1
Estimate of Onsite Population and Employment

ITEM				ASSUMPTIONS	
Apartments - Market Rate Units				478 units	1/
Average Population Per Household				2.3 persons	2/
Estimated Total Population				1,081	
Average Monthly Rent Per Unit					
Rent $PSF				$2.25	1/
Average Unit Size				918 sf	
Weighted Average Rent			$	2,065	
Estimated Household Income					
Average Annual Rent Payment			$	24,776	
Percent of HH Income Devoted to Rent				25%	
Estimated Average HH Income			$	99,105	
Total Houshold Income			$	47,342,453	
Apartments - Affordable Units				84 units	1/
Average Population Per Household				2.5 persons	2/
Estimated Total Population				212	
Average Monthly Rent Per Unit					
Rent $PSF				$1.00	1/
Average Unit Size				918 sf	
Weighted Average Rent			$	918	
Estimated Household Income					
Average Annual Rent Payment			$	11,012	
Percent of HH Income Devoted to Rent				30%	
Estimated Average HH Income			$	36,706	
Total Houshold Income			$	7,781,577	
Commercial Property					
Grocery				14,300 sf	3/
YMCA				30,560 sf	
Office				811,800 sf	
Destination Retail				27,198 sf	
Cineplex				40,000 sf	
In-line Shops/Food				36,000 sf	
Restaurants				10,000 sf	
Fitness Club				27,198 sf	
Estimated Employment and Wages	SF Per Emp	Annual Wage		On-Site Jobs FTE	
Grocery	450	$ 25,500		32	
YMCA	800	$ 16,400		38	
Office (FIRE = 40% / Prof/Tech Services = 60%)	325	$ 58,200		2,498	
Destination Retail (Dave & Busters as Model)	298	$ 29,600		91	
Cineplex	1,000	$ 16,400		40	
In-line Shops/Food	400	$ 20,100		90	
Restaurants	200	$ 17,400		50	
Fitness Club	800	$ 19,600		34	
Total Estimated On-Site Jobs (FTE)				2,873	
Estimated Annual Wage Per Employee (rounded)			$	53,400	4/

Notes:

1/ Source: Lowe Enterprises Real Estate Group

2/ American Housing Survey, 2002. Market rate unit population adjusted to estimate for "lifestyle renter" profile.

3/ Source: Exhibit A1

4/ Wage factors derived from 2003 County Business Patterns, U.S. Census Bureau. Wage information adjusted for inflation. Square Feet per employee estimates by ERA.

Exhibit B2
Adjustments to Population Direct Impacts

ITEM		ASSUMPTIONS	
New Resident Population - Market Rate Units			
Total Units		478	1/
Estimated Percent of "Move Up" Tenents from elsewhere in City		25%	
New Resident Households to City		358	
Estimated Average Household Income	$	99,105	
Total New Household Income	$	35,506,840	
Move Up Resident Households Already in City		119	
Household Income Adjustment		80%	
Adjusted Average Household Income	$	79,284	2/
Total New Household Income Resulting from Chaining of Move Ups	$	9,468,491	
Total Adjusted New Household Income to City of Los Angeles	$	44,975,331	
Adjusted Market Rate Household Income	$	94,150	
New Resident Population - Affordable Apartment Units			
Total Units		84	1/
Estimated Percent of "Move Up" Tenents from elsewhere in City		25%	
New Resident Households to City		63	
Estimated Average Household Income	$	36,706	
Total New Household Income	$	2,320,709	
Move Up Resident Households Already in City		21	
Household Income Adjustment		100%	
Adjusted Average Household Income	$	36,706	2/
Total New Household Income Resulting from Chaining of Move Ups	$	773,570	
Total Adjusted New Household Income to City of Los Angeles	$	3,094,278	
Adjusted Market Rate Household Income	$	36,706	

Notes

1/ Source: Exhibit A1

2/ Adjustment to average household income has been done to discount the household incomes of "move up" households relocated from elsewhere within the City of Los Angeles. It is assumed that vacated rental units will be relet by other households with slightly lower incomes. Estimates of household incomes in relet space have been discounted in order to make a conservative estimate of net new spending power.

Exhibit B3
Direct Impacts
Estimates of Property Value and Tax Increment Revenues

ITEM	ASSUMPTIONS	
ESTIMATE OF NEW PROJECT VALUE (Lowe Proposal)		
Apartment Project Value		
Estimated Average Market Value At Stabilized Operations	$550.91 PSF	1/
Total SF of Apartment Buildings	515,713	
Totak Estimated Market Value / Assessed Value (rounded)	$ 284,112,321	
Per Stabilized Unit	$505,538 / unit	
Commercial Project Value		
Estimated Average Market Value At Stabilized Operations	$482.93 PSF	
Total SF of Commercial Buildings	1,204,176	2/
Estimated Market Value / Assessed Value (rounded)	$ 581,527,760	
Net New Assessed Value of Project		
Assessed Value of New Project (based on value at stabilization)		
Apartments	$ 284,112,321	
Commercial	$ 581,527,760	
Total New Assessed Value	$ 865,640,081	
Less Agency Housing Set-Asides at 20% of increment	$ (173,128,016)	
Post Set-Aside Fund Value	$ 692,512,065	
NET TAXABLE INCREMENT	$ 692,512,065	3/
TAX INCREMENT AND PROPERTY TAX REVENUE CALCULATIONS		
Annual Tax Increment to City Agency (Stabilized)		
Housing Set-Asides	$ 1,731,280	
Net Agency Allocations	$ 6,925,121	
Annual TI Revenues	$ 8,656,401	
Rough Estime of Bonding Capacity Based on TIF Revenue (Range Estimate)		
9x Multiple	$ 62,330,000	
10x Multiple	$ 69,250,000	

Notes

1/ Estimates by Lowe Enterprises Group.
2/ Retail cap rate estimate by ERA based on recent market comps for shopping center sales.
3/ TIF projections are inclusive of any negoiated pass through agreements btw the Agency and other taxing entities.

Exhibit B4
Direct Impacts
Estimates of Business License Fee and Sales Tax Revenues

ITEM			ASSUMPTIONS	
Business License Fees				
Apartment Operations				
Type of Tax Base			Gross Receipts	1/
Estimated Gross Annual Income (Stabilized)			$ 11,998,063	
Minimum Tax			$ 102.75	
Minimum Gross Receipts			$ 75,000	
Tax Rate Per Additional $1,000 in Gross Receipts			$ 1.37	
Exemptions			$ 20,000	
Estimated Annual Tax Revenues (rounded)			**$ 16,400**	
Commercial Building Operations				
Type of Tax Base			Gross Receipts	
Estimated Gross Annual Income (Stabilized)			$ 33,994,265	
Minimum Tax			$ 102.75	
Minimum Gross Receipts			$ 75,000	
Tax Rate Per Additional $1,000 in Gross Receipts			$ 1.37	
Exemptions			$ -	
Estimated Annual Tax Revenues (rounded)			**$ 46,600**	
Retail Business Operations				
Type of Tax Base			Gross Receipts	
Estimated Gross Annual Income (Stabilized)			$ 38,797,070	
Minimum Tax			$ 102.75	
Minimum Gross Receipts			$ 75,000	
Tax Rate Per Additional $1,000 in Gross Receipts			$ 1.37	
Exemptions			$ -	
Estimated Annual Tax Revenues (rounded)			**$ 53,200**	
Office-Based Business Operations				
Type of Tax Base			Gross Receipts	
Estimated Gross Annual Income (Stabilized)			$ 312,250,000	
Estimated No. of Separate Business Operations			80	
Minimum Tax			$ 102.75	
Minimum Gross Receipts			$ 75,000	
Tax Rate Per Additional $1,000 in Gross Receipts			$ 1.37	
Exemptions			$ -	
Estimated Annual Tax Revenues (rounded)			**$ 419,600**	
TOTAL BUSINESS LICENSE TAX REVENUES			**$ 535,800**	
Sales Tax Revenues				
Estimated Sales in Retail Buildings	**Gross Sales**	**Taxable Sales**		
Grocery	$500 PSF	$100 PSF		
Destination Retail	$365 PSF	$200 PSF		
Cineplex	$25 PSF	$5 PSF		
In-line Shops/Food	$375 PSF	$375 PSF		
Restaurants	$450 PSF	$450 PSF		
Fitness Club	$100 PSF	$15 PSF		
Total	$251 PSF	$165 PSF		
Gross Retail Sales Revenues			$ 38,797,070	
Portion of Revenues Subject to Sales Tax			$ 25,477,570	
Los Angeles Share of State Sales Tax			1.000%	
ANNUAL SALES TAX AT STABILIZATION (Rounded)			**$ 254,800**	

Notes

1/ Source: City of Los Angeles Business Tax Rate Table for 2007

5/ Point of purchase sales tax rate is 8.25%. City of Los Angeles share is 1%.

Exhibit B5
Indirect and Induced Impact of Market Rate Apartment Residents

TYPES OF IMPACTS		ASSUMPTIONS	
Resident Spending Power			
Total Residents		1,081	
Median Household Income	$	94,150	
Estimated Per Capita Income	$	41,607	
Total Resident Income	$	44,977,267	1/
Income / Expenditure Differential		128%	2/
Estimated Spending Power	$	35,227,108	

Direct Annual Consumer Spending Impacts	Total Spending	Local Capture	Spending Impacts in City
Retail Goods	$ 13,023,462	80%	$ 10,418,769
Health Care	1,796,583	40%	718,633
Entertainment	1,937,491	40%	774,996
Personal Services	7,027,808	50%	3,513,904
Other	11,441,765	10%	1,144,176
Total 3/	35,227,108	47%	16,570,479
Portion of Local Retail Spending that is Taxable			$ 8,998,412

Indirect Employment Impacts	Employees Per $1M Revenue 4/	Indirect Employment
Retail Goods	3.5	36.6
Health Care	10.8	7.8
Entertainment	17.6	13.7
Personal Services	11.3	39.6
Other	14.1	16.1
Total		113.8
Payroll Impact		$ 2,541,632

Induced Employment Impacts	Consumer Multiplier	Local Capture	Industry Increment	Local Capture	Adjusted Multiplier	Induced Employment 5/
Retail Goods	0.14	80%	0.23	68%	1.27	9.84
Health Care	0.14	20%	0.24	0%	1.03	0.22
Entertainment	0.16	20%	0.42	0%	1.03	0.44
Personal Services	0.13	50%	0.09	0%	1.07	2.57
Other	0.13	3%	0.11	0%	1.00	0.05
Total						13.1
Payroll Impact						$ 318,907

SUMMARY - INDIRECT AND INDUCED IMPACT OF MARKET RATE APARTMENT RESIDENTS

Consumer Spending Activity in City	$	16,570,479
Portion of Spending that is Subject to Sales Tax	$	8,998,412
Sales Tax Revenue to City of Los Angeles		89,984
Local Jobs Supported by Consumer Spending Activity		127
Associated Payroll / Wage Income	$	2,860,540

Notes

1/ Information from Exhibit B1.

2/ Factor derived from 2003 Consumer Expenditure Survey, U.S. Census. Value less than 1.0 implies that average consumer spends slightly more than he takes in from annual wages and salary.

3/ Estimates of spending based on Consumer Expenditure Survey, 2003, U.S. Census. "Other" category includes payments made for consumer loans, utilities, insurance, public transportation, charitable contributions, pensions, social security and investments.

4/ Gross revenue multipliers based on 2002 Economic Census information for the Los Angeles, U.S. Census. Multiplier adjusted downward to account for on-site retail activity by on-site residents of the project.

5/ Consumer and Industry Multipliers from California Department of Commerce, derived from IMPLAN model, Los Angeles County

Exhibit B6
Indirect and Induced Impact of Affordable Rate Apartment Residents

TYPES OF IMPACTS		ASSUMPTIONS	
Resident Spending Power			
Total Residents		212	
Median Household Income	$	36,706	
Estimated Per Capita Income	$	14,599	
Total Resident Income	$	3,094,984	1/
Income / Expenditure Differential		95.6%	2/
Estimated Spending Power	$	3,238,650	

Direct Annual Consumer Spending Impacts	Total Spending	Local Capture	Spending Impacts in City
Retail Goods	$ 1,236,841	88%	$ 1,088,420
Health Care	226,706	44%	99,750
Entertainment	161,933	44%	71,250
Personal Services	659,389	55%	362,664
Other	953,782	11%	104,916
Total 3/	3,238,650	53%	1,727,001
Portion of Local Retail Spending that is Taxable			$ 890,059

Indirect Employment Impacts	Employees Per $1M Revenue 4/	Indirect Employment
Retail Goods	3.5	3.8
Health Care	10.8	1.1
Entertainment	17.6	1.3
Personal Services	11.3	4.1
Other	14.1	1.5
Total		11.7
Payroll Impact		$ 267,444

Induced Employment Impacts	Consumer Multiplier	Local Capture	Industry Increment	Local Capture	Adjusted Multiplier	Induced Employment 5/
Retail Goods	0.14	88%	0.23	68%	1.28	1.07
Health Care	0.14	22%	0.24	0%	1.03	0.03
Entertainment	0.16	22%	0.42	0%	1.04	0.04
Personal Services	0.13	55%	0.09	0%	1.07	0.29
Other	0.13	3%	0.11	0%	1.00	0.01
Total						1.4
Payroll Impact						$ 35,235

SUMMARY - INDIRECT AND INDUCED IMPACT OF AFFORDABLE RATE APARTMENT RESIDENTS		
Consumer Spending Activity in City	$	1,727,001
Portion of Spending that is Subject to Sales Tax	$	890,059
Sales Tax Revenue to City of Los Angeles		8,901
Local Jobs Supported by Consumer Spending Activity		13
Associated Payroll / Wage Income	$	302,680

Notes

1/ Information from Exhibit B1.

2/ Factor derived from 2003 Consumer Expenditure Survey, U.S. Census. Value less than 1.0 implies that average consumer spends slightly more than he takes in from annual wages and salary.

3/ Estimates of spending based on Consumer Expenditure Survey, 2003, U.S. Census. "Other" category includes payments made for consumer loans, utilities, insurance, public transportation, charitable contributions, pensions, social security and investments.

4/ Gross revenue multipliers based on 2002 Economic Census information for the Los Angeles, U.S. Census

5/ Consumer and Industry Multipliers from California Department of Commerce, derived from IMPLAN model, Los Angeles County

Exhibit B7
Indirect and Induced Impact of Commercial Employee Spending

TYPES OF IMPACTS		ASSUMPTIONS	
Employee Spending Power			
Total Employees at Stabilized Operations		2,873	
Average Employee Wage	$	53,400	
Total Employee Income	$	153,418,200	1/
Income / Expenditure Differential		113%	2/
Estimated Spending Power	$	135,372,982	

Direct Annual Consumer Spending Impacts	Total Spending	Local Capture	Spending Impacts in City
Retail Goods	$ 51,780,165	20%	$ 10,356,033
Health Care	7,580,887	2%	151,618
Entertainment	6,362,530	2%	127,251
Personal Services	27,304,730	3%	819,142
Other	42,344,669	0%	-
Total 3/	135,372,982	8%	11,454,043
Portion of Local Retail Spending that is Taxable			$ 8,753,217

Indirect Employment Impacts	Employees Per $1M Revenue 4/	Indirect Employment
Retail Goods	3.5	36.4
Health Care	10.8	1.6
Entertainment	17.6	2.2
Personal Services	11.3	9.2
Other	14.1	-
Total		49.5
Payroll Impact		$ 1,211,351

Induced Employment Impacts	Consumer Multiplier	Local Capture	Industry Increment	Local Capture	Adjusted Multiplier	Induced Employment 5/
Retail Goods	0.14	20%	0.23	16%	1.06	2.36
Health Care	0.14	1%	0.24	1%	1.00	0.01
Entertainment	0.16	1%	0.42	1%	1.00	0.01
Personal Services	0.13	3%	0.09	2%	1.01	0.06
Other	0.13	0%	0.11	0%	1.00	-
Total						2.4
Payroll Impact						$ 59,558

SUMMARY - INDIRECT AND INDUCED IMPACT OF COMMERCIAL EMPLOYEE SPENDING

Consumer Spending Activity in City	$	11,454,043
Portion of Spending that is Subject to Sales Tax	$	8,753,217
Sales Tax Revenue to City of Los Angeles		87,532
Local Jobs Supported by Consumer Spending Activity		52
Associated Payroll / Wage Income	$	1,270,909

Notes

1/ Information from Exhibit B1.

2/ Factor derived from 2003 Consumer Expenditure Survey, U.S. Census. Value less than 1.0 implies that average consumer spends slightly more than he takes in from annual wages and salary.

3/ Estimates of spending based on Consumer Expenditure Survey, 2003, U.S. Census. "Other" category includes payments made for consumer loans, utilities, insurance, public transportation, charitable contributions, pensions, social security and investments.

4/ Gross revenue multipliers based on 2002 Economic Census information for the Los Angeles, U.S. Census

5/ Consumer and Industry Multipliers from California Department of Commerce, derived from IMPLAN model, Los Angeles County

Exhibit B8
Indirect and Induced Impact of Commercial Operations

TYPES OF IMPACTS	ASSUMPTIONS	
Business-to-Business Spending		
Estimated Annual Revenues (stabilization)	$ 351,047,070	1/
Operating Expenses as Percent of Total Revenues	60.0%	
Business-to-Business Spending as Percent of Operating Expenses	15%	
Estimated Business-to-Business Spending	$ 31,594,236	2/

Direct Annual Business Spending Impacts	Portion of Total 2/	Total Spending	Local Capture	Spending Impacts in City
Retail Goods	6%	1,746,198	60%	$ 1,047,719
Professional Services	73%	23,103,537	30%	6,931,061
Wholesale Goods	21%	6,744,502	10%	674,450
Total	100%	31,594,236	27%	8,653,230
Portion of Local Retail Spending that is Taxable				1,047,719

Indirect Employment Impacts	Employees Per $1M Revenue 3/	Indirect Employment
Retail Goods	4.1	4.3
Professional Services	8.7	60.0
Wholesale Goods	2.5	1.7
Total		65.9
Payroll Impact		$ 2,790,896

Induced Employment Impacts	Consumer Multiplier	Local Capture	Industry Increment	Local Capture	Adjusted Multiplier	Induced Employment 4/
Retail Goods	0.14	60%	0.23	48%	1.19	0.83
Professional Services	0.14	30%	0.23	24%	1.10	5.84
Wholesale Goods	0.14	10%	0.27	8%	1.04	0.06
Total						6.72
Payroll Impact						$ 276,943

SUMMARY - INDIRECT AND INDUCED IMPACT OF COMMERCIAL OPERATIONS

Business-to-Business Spending Activity in City	$ 8,653,230
Portion of Spending that is Subject to Sales Tax	$ 1,047,719
Sales Tax Revenue to City of Los Angeles	10,477
Local Jobs Supported by Business-to-Business Spending Activity	73
Associated Payroll / Wage Income	$ 3,067,839

Notes

1/ Source: Lowe Enterprises Real Estate Group

2/ Estimates based on factors derived from 2002 Economic Census for Business Expenses, California Series, U.S. Census

3/ Gross revenue multipliers based on 2002 Economic Census information for the Los Angeles, U.S. Census

4/ Consumer and Industry Multipliers from California Department of Commerce, derived from IMPLAN model, Los Angeles County

Exhibit B9
Summary of Ongoing Impacts
Impacts in Los Angeles

BUSINESS IMPACTS			
Direct Impacts (On-Site Businesses)			
Retail and Entertainment	$	38,797,070	*Annual On-Site Sales*
Office-Based Businesses	$	312,250,000	*Annual On-Site Sales*
Total Direct Impacts	$	351,047,070	
Indirect Impacts (Off-Site Spending)			
Consumer Spending	$	29,751,523	*Annual Impact of Residents and Employees*
Business-to-Business Spending	$	8,653,230	*Annual Impact of Business Spending*
Total Indirect Impacts	$	38,404,753	*Annual*
TOTAL BUSINESS IMPACTS	$	389,451,823	*Annual*
JOB AND WAGE IMPACTS			
Direct Impacts (On-Site Businesses)			
Retail / Entertainment + Offices			
Total On-Site Employment (FTE Annualized)		2,873	*total on-site jobs*
Wage Impacts	$	153,418,200	*Annual wage impact*
Indirect Impacts (Off-Site Spending)			
City Jobs Supported by Consumer Spending		192	*jobs within City of Los Angeles*
Wage Impacts	$	4,434,128	*Annual wage impact of off-site sales*
City Jobs Supported by B2B Spending		73	*jobs within City of Los Angeles*
Wage Impacts	$	3,067,839	*Annual wage impact of off-site sales*
TOTAL CITY JOB IMPACTS		3,138	*jobs within City of Los Angeles*
TOTAL CITY WAGE IMPACTS	$	160,920,167	*Annual wage impact of on-site and off-site sales*
TAX IMPACTS			
Tax Increment Impacts			
Housing Set Aside Revenues	$	1,731,280	*stabilized year annual revenue*
Net Agency TI Allocation	$	6,925,121	*stabilized year annual revenue (inclusive of pass-throughs)*
Total Tax Increment	$	8,656,401	
Other Tax Revenues			
Business License Fees	$	535,800	*stabilized year annual revenue*
Sales Tax Impacts			
Direct - On-Site Sales	$	254,800	*stabilized year annual revenue*
Indirect - B2B Spending	$	10,477	*stabilized year annual revenue*
Indirect - Employee Spending	$	87,532	*stabilized year annual revenue*
Indirect - Apartment Residents Spending	$	98,885	*stabilized year annual revenue (net of on-site purchases)*
Total Sales Tax Revenues	$	451,694	

ORGANIZATION &
MANAGEMENT PLAN

9

ORGANIZATION & MANAGEMENT PLAN

George Mihlsten

Lead Council

Latham & Watkins

9. ORGANIZATION & MANAGEMENT PLAN

The Lowe Team, an established and experienced collection of professionals, is dedicated to the successful implementation of the NoHo Art Wave development plan. The Los Angeles based development team is committed to the improvement of the City and particularly the NoHo Arts District. The management of the development will be lead by Lowe as the master developer and supported by the balance of The Lowe Team, including planning, design, landscape, and legal, land-use, residential, financial and sustainability consultants.

As master developer Lowe shall be fully responsible for the following:

- Preparing the development program and financial plan.
- Undertaking the design and construction of all infrastructure and developing an infrastructure finance plan.
- Securing all planning, zoning and entitlement approvals for the proposed development.
- Programming, designing, constructing and arranging financing for the mixed use development.

Negotiations with Metro

Upon selection by Metro and CRA/LA Lowe will work very closely with Metro toward execution of a Ground Lease document for the project site. These negotiations will include the key Lowe principals and legal representatives from Latham & Watkins working closely with Metro's team of staff members and outside counsel.

The Lowe Team will place an emphasis on timely, accurate and responsive decision making in the collective interest of Metro and The Lowe Team. Through this process The Lowe Team will also continue to further confirm the necessary entitlement process steps which will be required based upon the master plan as this timing will be a critical component to the Ground Lease schedule of performance.

Master Plan Design

Also upon selection and concurrent with the Ground Lease document negotiations with Metro, The Lowe Team will further refine and detail the master plan elements with a focus first on the entitlement process based upon the plan. Second, the master plan design, landscape and streetscape will continue to be refined to a level to permit construction schematics for further cost estimation. Third, the building design concepts for each phase and product type will be further detailed and estimated.

At this stage the team will be led by the key Lowe principals, including development and construction executives versed in each product type contemplated by the master plan. In addition, and more importantly, the team will draw extensively upon the architectural design team members, including AC Martin Partners, Togawa Smith Martin, and Mia Lehrer. In addition, at this master planning stage the support from the Brightworks team will also be instrumental in modeling and achieving the LEED standards established for the development.

Further, this stage will involve the continued coordination and review with both Metro and CRA/LA as the plan evolves. This will include our collective work to maintain the existing Metro facilities without interruption to transit users, model the temporary relocation of the Bus Layover Area, confirm the design concepts of the transit parking structure, as well as the transit connections both above and below ground to the Red and Orange lines. From the CRA/LA perspective, The Lowe Team will continue coordination with the agency staff to ensure that the master plan meets and exceeds the neighborhood and project area design guidelines and intent for development. This coordination will also continue to assist in our collective preparation for the entitlement processing of the master plan.

Also during the master plan design period The Lowe Team will continue our work with the neighborhood and community involvement components of the master plan. Lowe takes a very "hands-on" approach to each development and by doing so immerses the key executive development team members into the neighborhood discussions and meeting. This process will include continued meetings and coordination with the following:

Adjacent property owners to the master plan area – Follow-up meetings with each of the property owners and stakeholders adjoining the master planned development. The Lowe Team will seek input from and share the master plan design concepts in order to both educate and collect input which can be incorporated into the master plan. The Lowe Team will also further discussions with those property owners where neighboring sites can be incorporated into the master plan development.

East Valley YMCA – Extended discussion and negotiation of terms for inclusion of a new YMCA facility within the master plan. As noted, The Lowe Team has already had significant coordination with representatives from the YMCA and this process will continue during the master planning process.

NoHo Theater and Arts Business Collaborative – Having established a relationship with the NoHo Arts District, The Lowe Team will continue to build upon this connection and further refine our master plan to accommodate the planned multi-purpose theater, dance, and arts space identified for the development. Through this association, the team will continue to build and foster a connection and long-term relationship with the NoHo Arts community.

Entitlements

Once the ground lease document has been executed and the master plan has been further designed and refined the entitlement processing can begin for the NoHo Art Wave. This process, again managed by Lowe will draw upon the support and coordination of many team members. Essential to the entitlement processing will be our land use consultation from Latham & Watkins in direct coordination with the AC Martin architectural team. The EIR process is expected to be lead by either the Agency (CRA/LA) or the City Planning Department. This will necessitate the inclusion of a consultant team to prepare the EIR document. The selection of the preparation consultant is likely to be decided by the lead agency and The Lowe Team. During this process Lowe will continue to manage the master design and engineering process and specifically coordinate the preparation of the tract and parcel maps for recordation upon approval of entitlements.

Design & Financing

As the entitlement process is continuing and reaching conclusion, the development team will concurrently be completing detailed site and building design for phase I of the development program. This will be coordinated and lead by the AC Martin architectural team and include a design team consisting of a team of engineers and consultants with specific specialties in many fields. Further this stage will continue to require close coordination with Metro site and operations engineers to confirm design details which conform to the transit needs and requirements.

Additionally following entitlement approvals and through the design process, Lowe will manage the capital requirements for the development and secure the necessary equity and debt financing. Equity for the development will be provided through the Lowe Urban Infill Fund and competitive debt financing will be secured through Lowe's plentiful lender relationships on a phased basis.

Construction

The construction phase, again lead by management of the Lowe professional team, will include our senior construction and development executives. These team members will work extensively during the design phase with the architectural team and in close concert with a selected general contractor who will complete the construction. The selection of the general contractor and specifically individual team members of the contractor will be essential to the successful and timely completion of the development program. The Lowe professional team, consisting of project and construction managers will oversee the general contracting work and coordinate with the development team and Metro as construction progresses at the site. As the development is phased by parcel and by product type the consistency of the management team will be maintained throughout the construction and development process.

Operations

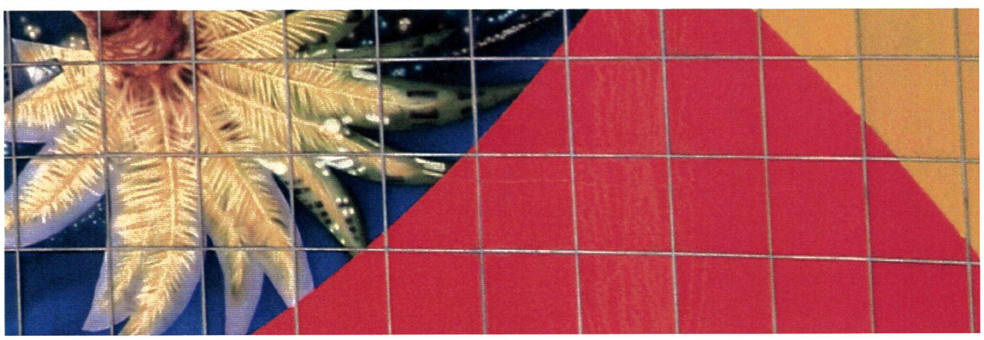
Upon completion, Lowe will manage the operations and leasing of the property. Actually the inclusion of our operations team members begins well in advance of the completion of the built structures. Even as early as the master planning and building design phases commence, our operations executives will be coordinating side by side with the development and construction personnel. This early collaboration is paramount to the successful long-term operations and marketability of the development. It will be the responsibility of the operations team to bring the development vision to life and maintain the high quality built environment and experience that the design and development team established with Metro and CRA/LA so early in the process.

It takes a dedicated team of dependable participants with a common vision and purpose to successfully implement a master development program such as the NoHo Art Wave. The Lowe Team is excited to share our vision, and more importantly implement that vision in the final development program.

IMPLEMENTATION
SCHEDULE

10

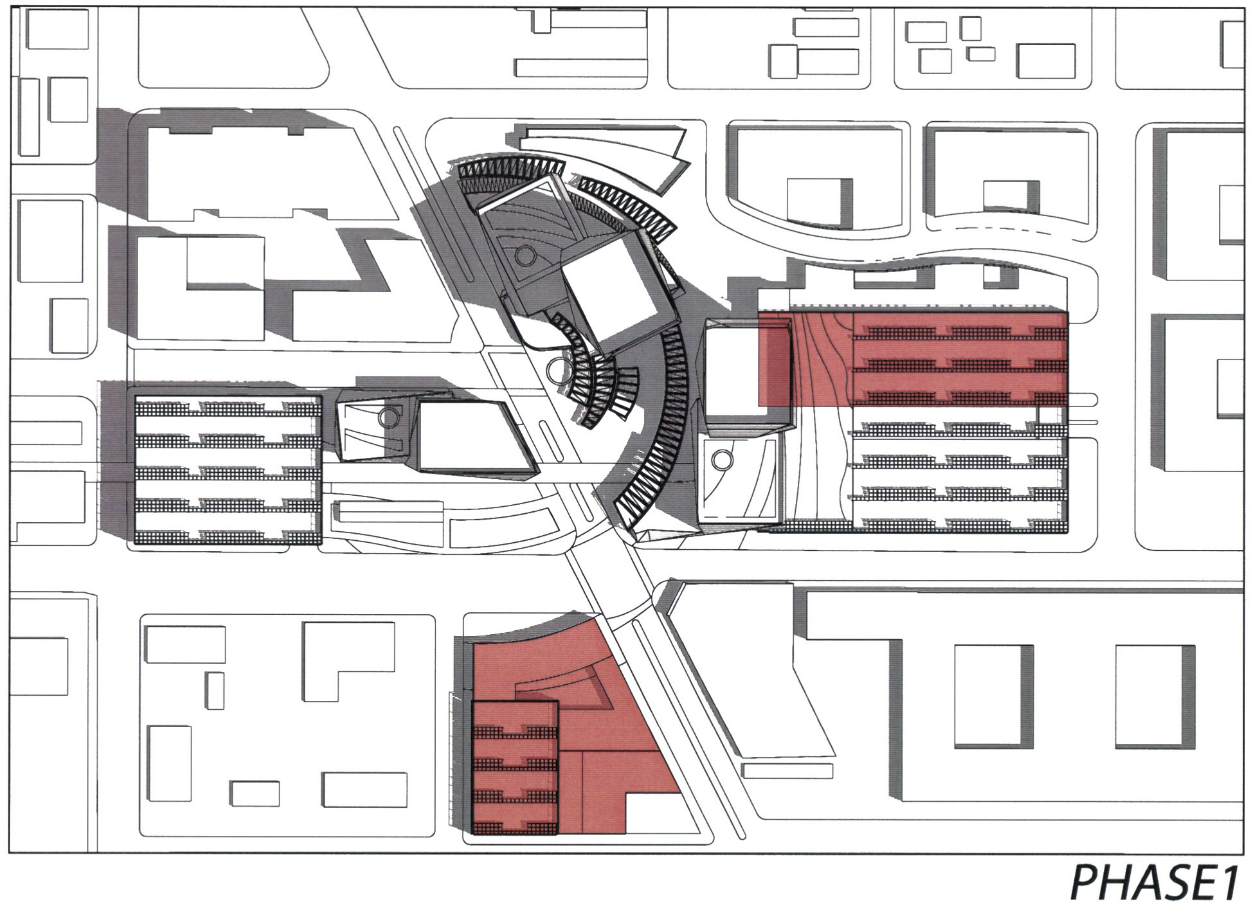
IMPLEMENTATION SCHEDULE



10. IMPLEMENTATION SCHEDULE

The implementation of the phased development of the NoHo Art Wave is further described on the attached preliminary timeline. As identified, the development program is expected to be completed in four construction phases. In advance of the physical construction of each phase of development, there are significant progress activities which must be completed. These include the initial selection by Metro and CRA/LA, negotiation of the ground lease documents, and the City of Los Angeles entitlement process. Through our multiple meetings, discussions and input from the local CRA/LA staff and team members The Lowe Team has identified the expected entitlement steps to achieve construction approvals. Clearly some of these items may need to be refined depending further City review and input.

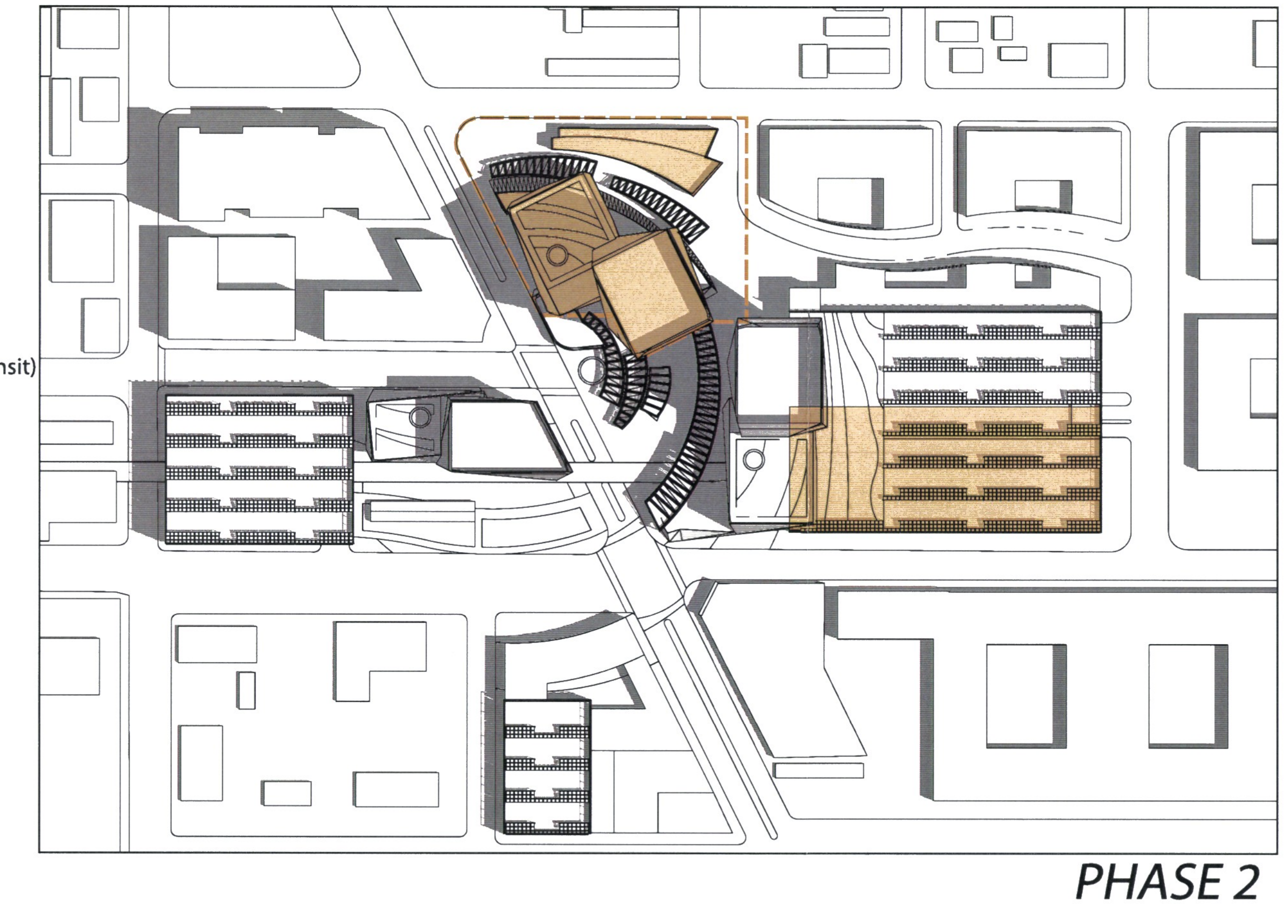
The phasing diagram is attached for reference purposes:



PHASE 1

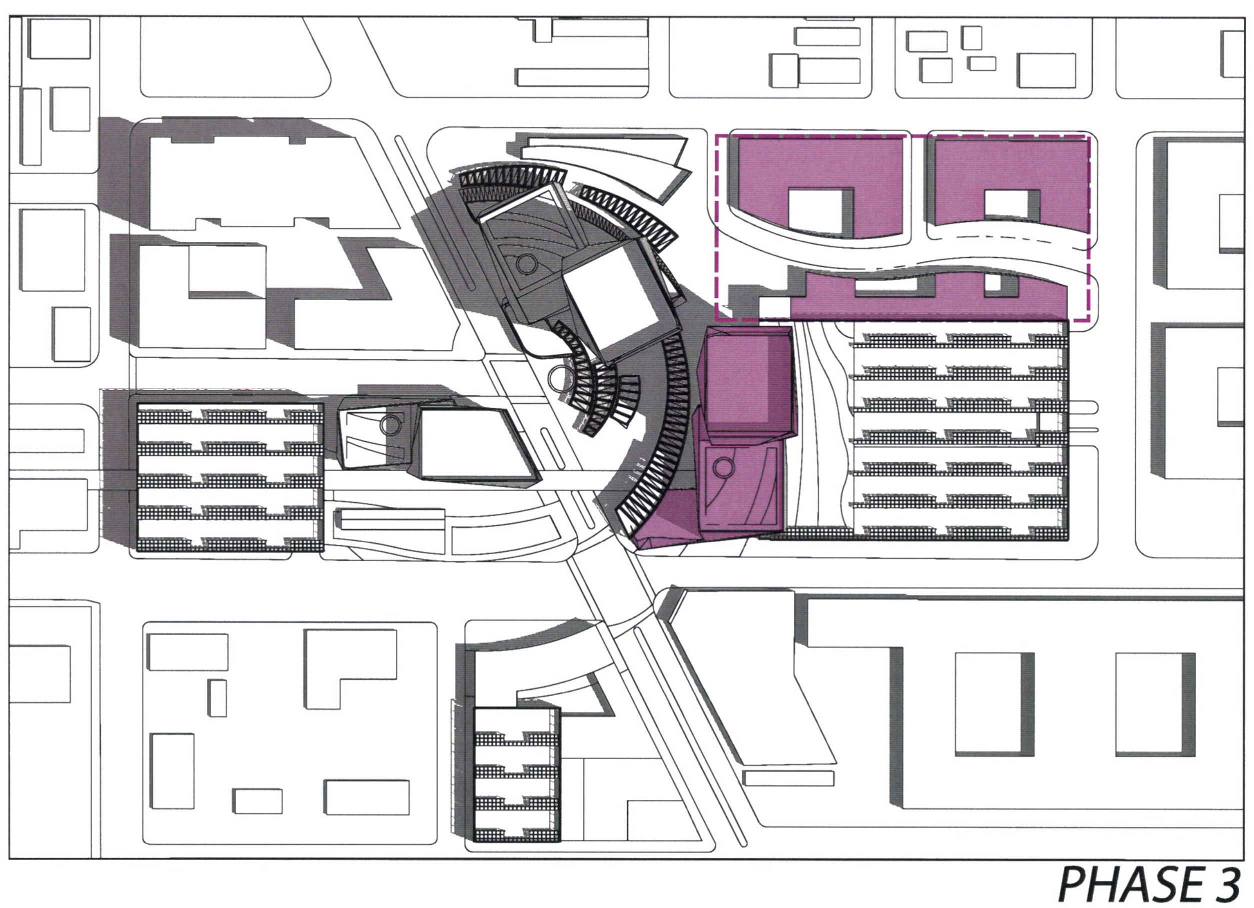
Parcel 1
- Bus Layover Area (note1)
  Relocate Bus Layover area
- Transit Parking Structure (note 2)
  Phase 1 - 1320 spaces
  (1000 spaces allocated to Transit)

Parcel 2
- Commercial--Retail
  14,300 SF
- Traditional Rental Housing
  100 units
- YMCA
  30,560 SF
- Parking Structure
  443 spaces



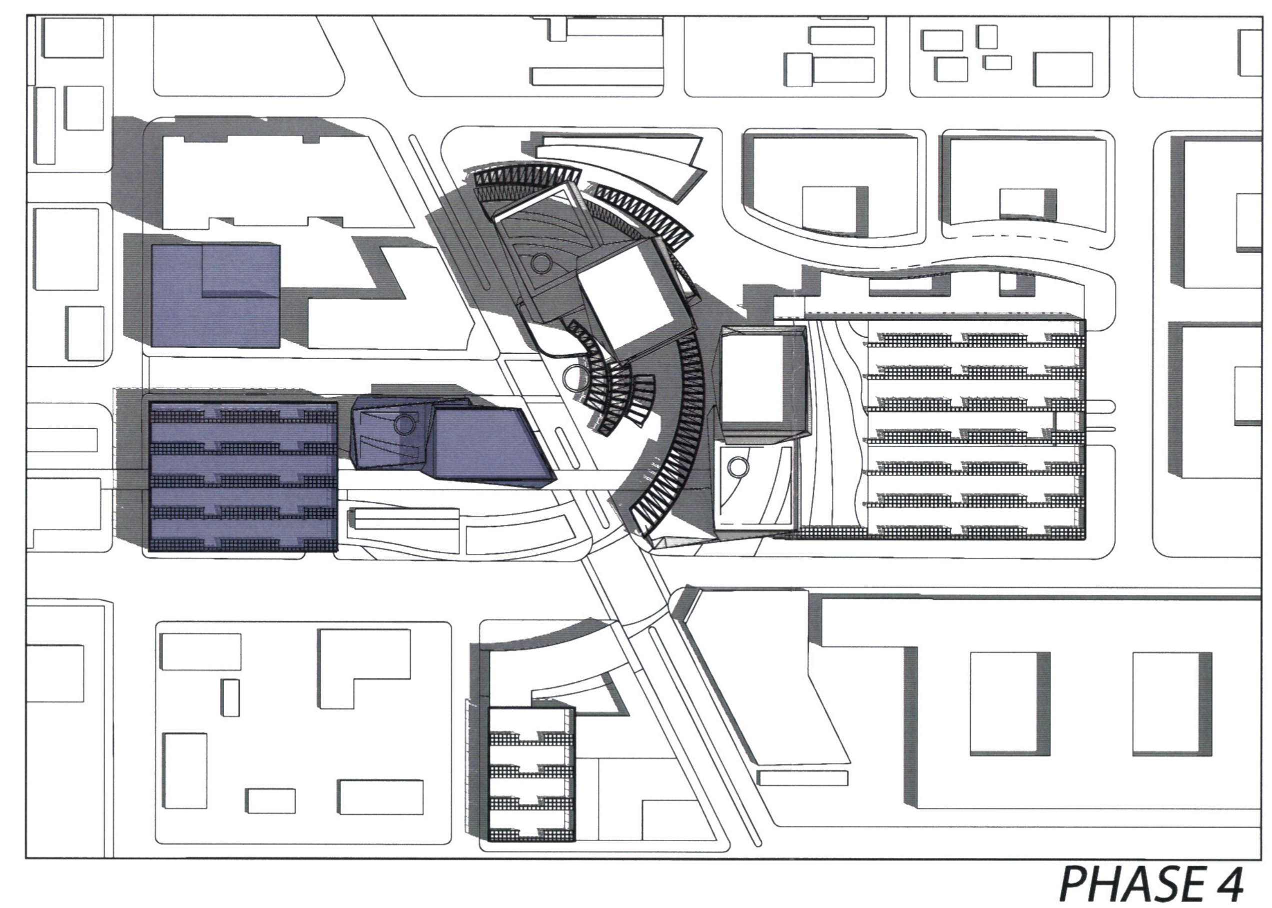
PHASE 2

Parcel 1
- Phase 2 Parking structure
  1320 spaces
- Commercial--Office
  Tower 1 - 459,800 SF
- Commercial--Retail
  135,896 SF
- Community -- Arts Theaters
  4,500 SF
- Public Parking
  (Commercial Uses)
  550 spaces
  (below grade)



PHASE 3

Parcel 1
- Commercial--Office
  Tower 2 - 352,000 SF
- Live-Work Housing
  30 units
- Traditional Rental Housing
  77 units
- Residential Parking
  460 spaces (below grade)



PHASE 4

Parcel 3
- Orange Line Facilities
  (relocate to Parcel 1)
- Transit Parking
  876 spaces
  (500 spaces for transit)
- Commercial--Office
  Tower 3 - 199,800 SF
- Commercial--Retail
  7,320 SF
- Live-Work Housing
  18 units

Parcel 4
- Traditional Rental Housing
  138 units
- Parking
  220 spaces

NoHo Art Wave

NORTH HOLLYWOOD TRANSIT ORIENTED DEVELOPMENT CONCEPT

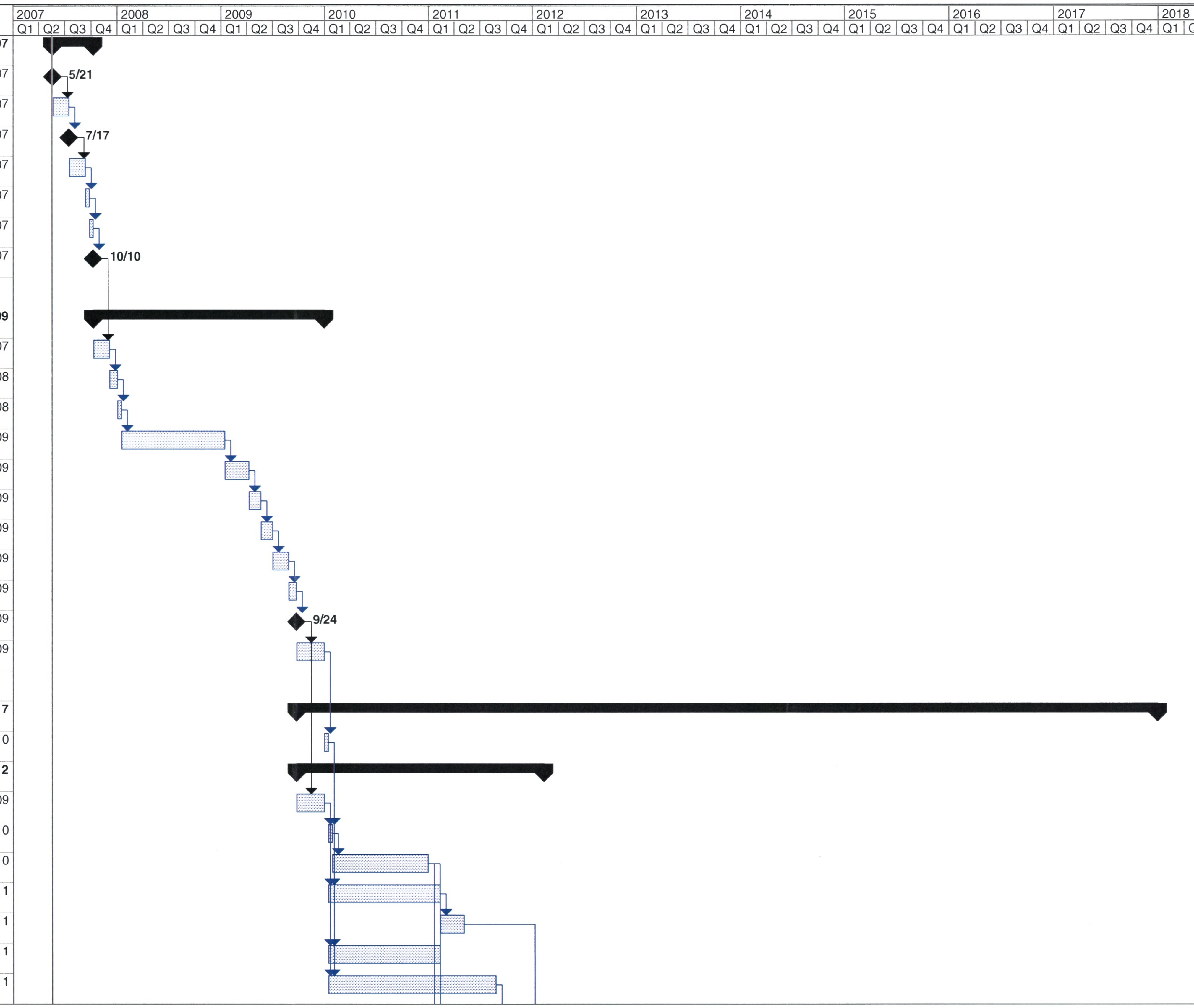
LOWE ENTERPRISES

ac martin partners, inc
PLANNING
ARCHITECTURE
ENGINEERING

NoHo Art Wave - The Lowe Team

Preliminary Development Schedule

ID	Task Name	Start	Finish
1	**Ground Lease Negotiation**	**Mon 5/21/07**	**Wed 10/10/07**
2	RFP Response Submittal	Mon 5/21/07	Mon 5/21/07
3	Metro Review of RFP	Tue 5/22/07	Mon 7/16/07
4	Selection of Developer	Tue 7/17/07	Tue 7/17/07
5	Lease Negotiations	Wed 7/18/07	Tue 9/11/07
6	Metro Board Approval	Wed 9/12/07	Tue 9/25/07
7	CRA/LA Board Approval	Wed 9/26/07	Tue 10/9/07
8	Execute Ground Lease	Wed 10/10/07	Wed 10/10/07
9			
10	**Project Entitlements**	**Thu 10/11/07**	**Thu 12/31/09**
11	Initial Planning	Thu 10/11/07	Wed 12/5/07
12	Environmental Assessment	Thu 12/6/07	Wed 1/2/08
13	Master Plan Submission	Thu 1/3/08	Wed 1/16/08
14	EIR Process (Draft & Final)	Thu 1/17/08	Wed 1/14/09
15	OPA with CRA/LA	Thu 1/15/09	Wed 4/8/09
16	Certify EIR	Thu 4/9/09	Wed 5/20/09
17	Planning Approvals	Thu 5/21/09	Wed 7/1/09
18	Tract Map/Parcelization	Thu 7/2/09	Wed 8/26/09
19	City Council Hearing	Thu 8/27/09	Wed 9/23/09
20	Project Approvals Effective	Thu 9/24/09	Thu 9/24/09
21	Master Plan Design	Fri 9/25/09	Thu 12/31/09
22			
23	**Construction of Improvements**	**Fri 9/25/09**	**Thu 12/28/17**
24	Site Mobilization	Fri 1/1/10	Thu 1/14/10
25	**Phase I**	**Fri 9/25/09**	**Fri 2/10/12**
26	Design & Planning	Fri 9/25/09	Thu 12/31/09
27	Relocate Bus Layover Area (Parcel 1)	Fri 1/15/10	Thu 1/28/10
28	Metro Parking Structure (Parcel 1)	Fri 1/29/10	Thu 12/30/10
29	Retail (Parcel 2)	Fri 1/15/10	Thu 2/10/11
30	Retail Lease-Up	Fri 2/11/11	Thu 5/5/11
31	YMCA/Retail (Parcel 2)	Fri 1/15/10	Thu 2/10/11
32	Residential (Parcel 2)	Fri 1/15/10	Thu 8/25/11

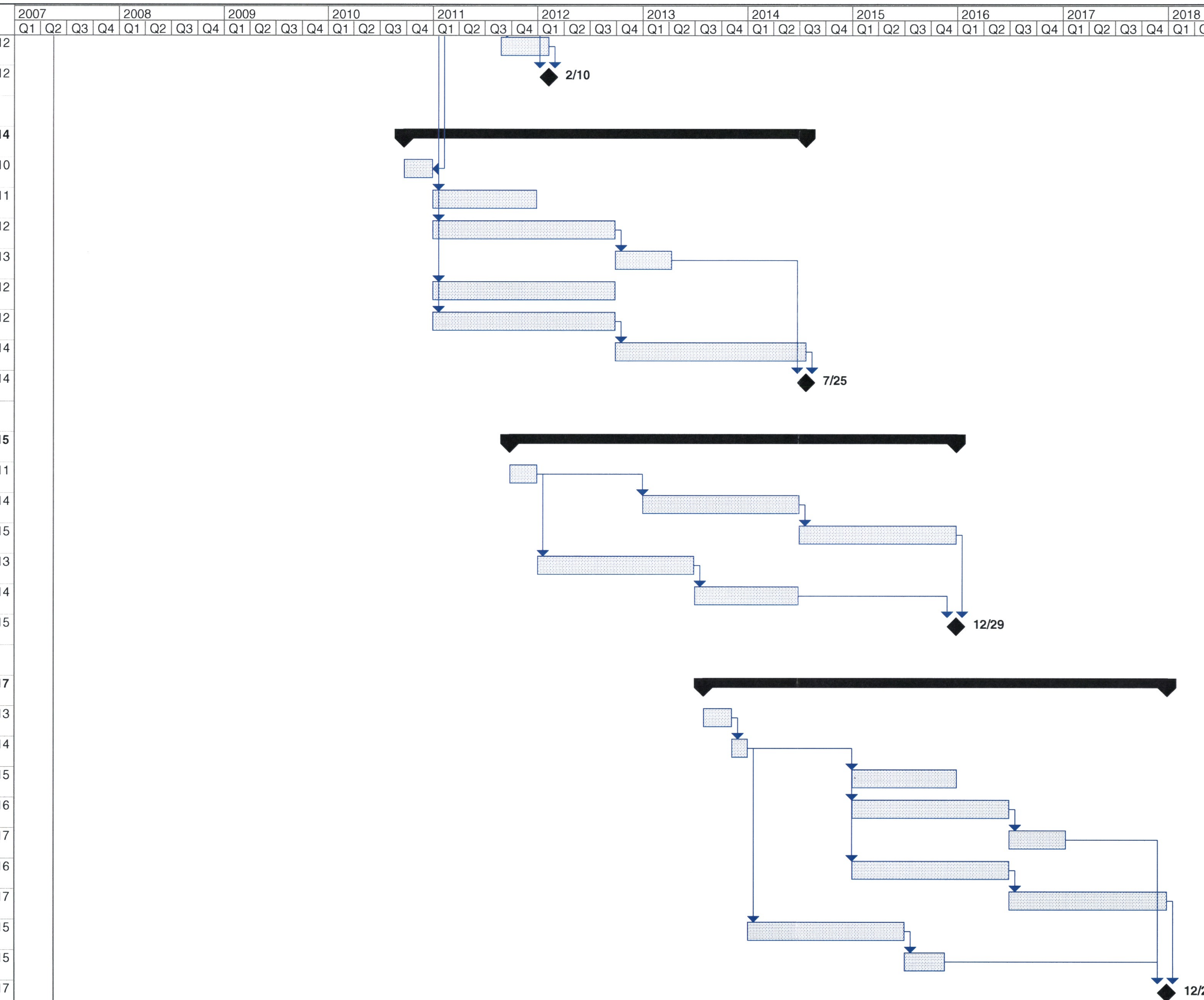


Project: 10. Schedule Exhibit
Date: Thu 5/17/07

NoHo Art Wave - The Lowe Team

Preliminary Development Schedule

ID	Task Name	Start	Finish
33	Residential Lease-Up	Fri 8/26/11	Thu 2/9/12
34	Stabilization Phase I	Fri 2/10/12	Fri 2/10/12
35			
36	**Phase II**	**Fri 9/24/10**	**Fri 7/25/14**
37	Design & Planning	Fri 9/24/10	Thu 12/30/10
38	Parking Structure Phase II (Parcel 1)	Fri 12/31/10	Thu 12/29/11
39	Retail (Parcel 1)	Fri 12/31/10	Thu 9/27/12
40	Retail Lease-Up	Fri 9/28/12	Thu 4/11/13
41	Community Arts (Parcel 1)	Fri 12/31/10	Thu 9/27/12
42	Office Tower 1 (Parcel 1)	Fri 12/31/10	Thu 9/27/12
43	Office Lease-Up	Fri 9/28/12	Thu 7/24/14
44	Stabilization Phase II	Fri 7/25/14	Fri 7/25/14
45			
46	**Phase III**	**Mon 9/26/11**	**Tue 12/29/15**
47	Design & Planning	Mon 9/26/11	Fri 12/30/11
48	Office Tower 2 (Parcel 1)	Tue 1/1/13	Mon 6/30/14
49	Office Lease-Up	Tue 7/1/14	Mon 12/28/15
50	Residential (Parcel 1)	Mon 1/2/12	Fri 6/28/13
51	Residential Lease-Up	Mon 7/1/13	Fri 6/27/14
52	Stabilization Phase III	Tue 12/29/15	Tue 12/29/15
53			
54	**Phase IV**	**Thu 8/1/13**	**Thu 12/28/17**
55	Design & Planning	Thu 8/1/13	Wed 11/6/13
56	Relocate Orange Line Terminus (Parcel 1)	Thu 11/7/13	Wed 1/1/14
57	Metro/Shared Parking Structure (Parcel 3)	Thu 1/1/15	Wed 12/30/15
58	Retail (Parcel 3)	Thu 1/1/15	Wed 6/29/16
59	Retail Lease-Up	Thu 6/30/16	Wed 1/11/17
60	Office Tower 3 (Parcel 3)	Thu 1/1/15	Wed 6/29/16
61	Office Lease-Up	Thu 6/30/16	Wed 12/27/17
62	Residential (Parcel 3 & 4)	Thu 1/2/14	Wed 7/1/15
63	Residential Lease-Up	Thu 7/2/15	Wed 11/18/15
64	Stabilization Phase IV	Thu 12/28/17	Thu 12/28/17



Project: 10. Schedule Exhibit
Date: Thu 5/17/07

Task · Split · Progress · Milestone · Summary · Project Summary · External Tasks · External Milestone · Deadline