



# **An appraisal of the property known as the Park-Regent Medical Building, One South Park Street, Madison, Wisconsin. January 1, 1991**

Landmark Research, Inc.

[s.l.]: [s.n.], January 1, 1991

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AN APPRAISAL OF THE PROPERTY  
KNOWN AS  
THE PARK-REGENT MEDICAL BUILDING  
ONE SOUTH PARK STREET  
MADISON, WISCONSIN

Landmark  
Research  
Inc.

AN APPRAISAL OF THE PROPERTY

KNOWN AS

THE PARK-REGENT MEDICAL BUILDING

ONE SOUTH PARK STREET

MADISON, WISCONSIN

AS OF

JANUARY 1, 1991

PREPARED FOR

URBAN LAND INTERESTS

AND

RICHTER-SCHROEDER COMPANY, INC.

PREPARED BY

LANDMARK RESEARCH, INC.

PARK-REGENT MEDICAL BUILDING



Regent Street side of the subject property  
located at One South Park Street  
Madison, Wisconsin



Jean B. Davis, President  
James A. Graaskamp, 1933-1988

November 21, 1990

Meredith Lincoln  
Richter-Schroeder Company, Inc.  
1110 North Old World Third Street  
Suite #320  
Milwaukee, Wisconsin 53203

RE: Valuation of Park Regent Medical Building, Madison, Wisconsin

Dear Meredith:

With this letter we are submitting our appraisal, as of January 1, 1991, of the Park Regent Medical Building located at One South Park Street in Madison, Wisconsin.

The appraiser has been a consultant to both the owner and some of the tenants at the subject property from 1985 to 1988 and has had the opportunity to review the rent roll, revenues, capital expenditures, and operating expenses during that time. The appraiser has also had the opportunity to review studies made of the building structure and to discuss the restrictive covenants with City of Madison staff during those years.

In our judgement and, as more fully explained within the report, the Market Comparison Approach and the Cost Approach are judged to be not reliable or relevant to the valuation of this special use investment property.

Within the report we have detailed our assumptions about the future in regard to all of the critical variables that will affect value. Reference is made within the text to exhibits which provide the reader with the descriptive and quantitative data and calculations that lead to the value conclusion. These exhibits include the 1990 rent roll, leasing assumptions for each tenant space, assumed growth rate of market rent, the estimate and projection of expenses over the holding period, and the resulting revenue and expense projections used in the discounted cash flow methodology.

Meredith Lincoln  
Page Two  
November 21, 1990

The appraisal is organized into seven Sections; the Exhibits referred to in each Section are found immediately following the text for each Section.

**Appendix A** contains the letter and certificate from the Community Development Authority, as of September 10, 1990, defining the uses that will and will not be permitted under the Triangle Covenant on Use. The applicable City of Madison zoning codes are also in **Appendix A**. In **Appendix B** there are sketches of each floor with each tenant space identified by the present occupant, suite number, and estimated square footage. **Appendices C and D** contain the detailed FINSIM computer output on a tenant by tenant basis so that the reader can follow the calculation of base rent, base rent adjustments (escalators), pass-through expenses by category, specific rent losses to vacancy, and tenant improvement allowances. The leasing commissions were calculated separately. Also included in **Appendix D** are the calculations for Dr. Lantis's share of the expense increases according to the special terms of his lease of Suite 540.

Reliance for the valuation of this special use property is placed upon the Income Approach, using the discounted cash flow methodology, and assuming stabilized occupancy by 1994.

THEREFORE, THE APPRAISER CONCLUDES THAT, BASED UPON THE ASSUMPTIONS MADE THROUGHOUT THIS REPORT AND SUBJECT TO THE LIMITING CONDITIONS CONTAINED WITHIN, THE MARKET VALUE OF THE PARK REGENT MEDICAL BUILDING, ENCUMBERED BY CERTAIN LEASES, AS OF JANUARY 1, 1991, IS:

FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS  
(\$4,800,000)

assuming stabilized occupancy in 1994 and cash to the seller.

If you have any questions about the facts and opinions contained in this report, please give me a call.

FOR LANDMARK RESEARCH, INC.

*Jean B. Davis*

Jean B. Davis  
President

JBD:sw

Enclosures

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## I. THE PROBLEM ASSIGNMENT

### A. Purpose and Date of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee as encumbered by leases and other controls on use of the defined property interests described herein, as of January 1, 1991, assuming stabilized occupancy is achieved as of January 1, 1994. The fee and the leases thereon are to be applied as collateral to the first mortgage loan.

### B. Definition of Market Value

The definition of Market Value applicable to this appraisal is as follows: [1]

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Fundamental assumptions and conditions presumed in this definition are:

1. Buyer and seller are motivated by self-interest.
2. Buyer and seller are well informed and are acting prudently.
3. The property is exposed for a reasonable time on the open market.
4. Payment is made in cash, its equivalent, or in specified financing terms.
5. Specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the effective appraisal date.
6. The effect, if any, of atypical financing, services, or fees on the amount of market value shall be clearly and precisely revealed in the appraisal report.
7. Specified property rights are defined.

SOURCE: American Institute of Real Estate Appraisers, The Appraisal of Real Estate, Ninth Edition, (Chicago, IL, 1987), p. 19.

## II. DEFINITION OF INTERESTS TO BE APPRAISED

### A. Property Rights to be Appraised

According to the American Institute of Real Estate Appraisers, The Appraisal of Real Estate, 9th Edition, 1987, p. 5, leased fee estate is defined as :

An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to other; the rights of lessor (leased fee owner) and leased fee are specified by contract terms contained within the lease.

### B. Location of the Subject Property

The subject property, known as the Park Regent Medical Building, is a medical office building located at One South Park Street in the City of Madison, County of Dane, Wisconsin. The property is located on the southeast corner of the controlled intersection of South Park Street and Regent Street as shown on the map in **Exhibit II-1**.

### C. Legal Description

The legal description of the subject property as recorded in the City of Madison Assessor's office is as follows:

Lot 1, Block 3, Triangle Plat  
A replat of parts of Greenbush Addition, Pegler's Addition,  
Faber's Subdivision and Murphy's Replat

The legal description as stated in the Quit Claim Deed between The Redevelopment Authority of the City of Madison, Grantor, and Dane Development Corporation, Grantee and dated December 14, 1972 and in the mortgage between United Bank and Trust, mortgagee, and Dane Development Corporation, mortgagor, of the same date is as follows:

Lot One (1), Block Three (3), Triangle Plat  
in the City of Madison

D. Property Tax Assessment as of January 1, 1990

Tax Parcel number: 0709-233-0103-3

Assessed Valuation - Land	\$ 770,000
Improvements	<u>4,215,000</u>
Total	\$4,985,000

Property taxes payable in 1990, based upon the 1989 assessment, were \$157,831.08. The mill rate was 0.0316612 in 1989 and the assessment was \$4,985,000

E. Owner of Record

The subject property was developed by the Dane Development Corporation, under the direction of Leo B. McCann, President, and Ken D. Opitz, Secretary, in 1972-1973. As reviewed in the Dane County Register of Deeds office, the following major transactions are recorded:

<u>PARTIES TO THE TRANSACTION</u>	<u>TYPE OF TRANSACTION</u>	<u>RECORDED</u>
Redevelopment Authority to Dane Development Corp.	Quick Claim Deed to real estate (land)	12/14/72 V.401, p.591
Dane Development Corp. to United Bank & Trust of Madison	Mortgage for improved property	12/14/72 V.401, p.593
United Bank & Trust of Madison to Prudential Insurance Co. of America	Assignment of mortgage and rents	9/12/74 V.533, p.415
Dane Development Corp to Prudential Insurance Co. of America	Quit Claim Deed to subject property	12/24/76 V.767, p.531

The last transaction listed was in fulfillment of the judgment of foreclosure by Prudential Insurance Company of America, Case No. 57-057, County Court for Dane County, Wisconsin. As of November 15, 1990, Prudential Insurance Company of America was still the titled owner of the subject property.

F. Lease Encumbrances

The vested interests of the owner are further defined by the contract rents under leases enforced as of January, 1990. The tenant rent roll which details the occupied and vacant spaces is found within this report.

### G. Mortgage Liens

Under the ownership of Prudential Insurance Company, it is understood by the appraiser that the property has no mortgage liens. The most probable buyer is assumed to have obtained a third party institutional first mortgage financing at a fixed interest rate with a ten year balloon appropriate to the market as of January 1, 1991.

### H. Other Licenses, Easements, and Encumbrances

The sanitary and storm sewer, and private utilities easements are located on the eastern and southern property lines as shown in the site survey map found in **Exhibit IV-4**. The Urban Renewal Plan, to which this property is subject, requires that all utility lines located within the boundaries of the Triangle Area providing electrical power or telephone service to the development, as permitted by this Urban Renewal Plan, shall be carried in underground conduits.

No other public or private restrictions are known to the appraiser that will affect property value, other than the covenant on use which will be discussed below. The status of environmental hazards on the subject property will be discussed in **Section IV** regarding the site description.

### I. Special Conditions-Covenant on Use

The subject property is located within the Triangle Urban Renewal Area and is subject to the Urban Renewal Plan, Project No. Wis. R-2, which was approved by the Redevelopment Authority of the City of Madison and the Common Council of the City of Madison on August 17, 1961, and August 24, 1961, respectively. Four amendments were approved by the Redevelopment Authority and the Common Council during the time period from June 11, 1963, through January 4, 1972. The Urban Renewal Plan was then recorded on January 19, 1972, in Records, V. 313, p. 279.

The general uses originally proposed for the Triangle Urban Redevelopment Area are shown on the map found in **Exhibit II-2**, and the proposed and realized uses are summarized as follows:

AREA DESIGNATION	PROPOSED USE	REALIZED USE
1-1	Medical & institutional	Neighborhood center
1-2	Public hospital	Meriter-Park med lab
1-3	Medical & institutional	Davis-Duehr med offc
2-1	Medical & institutional	Madison Medical offc
2-2	Public hospital	Meriter-Park hosp
3-1	Medical & institutional	Park-Regent med offc
3-2	Residential redevelpmnt	Braxton Place apts.
3-3	Residential redevelpmnt	Bayview townhouses
3-4	Residential redevelpmnt	Brittingham apts.
3-5	Medical & institutional	Leader Nursing/Rehab
3-6	Commercial - retail	Parkside apts/Midway Foods

The redevelopment sites designated as areas 1-1, 1-3, 2-1, 3-1, and 3-5 constitute the area defined as the Medical and Institutional Business District. The purpose of this district is:

. . . is intended to provide suitable sites for new development that will strengthen the function of Blocks 1, 2, and 3 in the Triangle Area as a major medical complex and also complement the existing and proposed residential development and the redevelopment sites in the Triangle Area Residential District. To accomplish this objective, permitted development within this district is restricted to the following types of uses:

Medical and dental offices;

Prescription pharmacies;

Medical and dental research laboratories;

Offices and related facilities for use by professional or non-profit organization whose purpose is to promote public health and/or welfare by means of education, social service, treatment and/or research;

Medical appliance, pharmaceutical, optical, surgical, and dental supply shops;

Other medical-related uses, as approved by the Redevelopment Authority;

In addition to the permitted medical and medical-related uses listed herein, a full-line retail grocery store and other neighborhood convenience retail facilities, as approved by the Redevelopment Authority, shall be a required use of redevelopment site 3-1, and shall be developed concurrently with any medical and medical-related development of the said redevelopment site.

Accessory uses, including first floor restaurant facilities for employees and visitors, off-street parking and loading facilities, service drives, pedestrian walks, landscaping, signs, and other related accessory development incidental to the aforementioned principal uses.

The requirement for the full-line retail grocery store had been promoted by an Alderperson involved in the Triangle Redevelopment Project who strongly believed that a grocery store located on the

first floor of the Park-Regent Medical Building would be necessary to support the elderly housing projects in the Triangle. No grocery store operator was willing to take this risk and finally the City of Madison subsidized the development of the Midway Foods at the south end of the Triangle. The subject property was then no longer required to provide a full-line grocery store.

There have been limited attempts to modify the covenant on use for the subject property, but no one has attempted to complete the process of amending the Urban Renewal Plan which would require the approval of all of the property owners in the Triangle and the approval of the Common Council of the City of Madison. According to the Renewal Plan, the period of duration of the covenant on use is as follows:

The covenant pertaining to the uses of the Property, set forth in Section 401, hereof, shall remain in effect from the date of the Deed until January 6, 1997, and shall be automatically extended thereafter for successive periods of five (5) years unless specifically changed by the Common Council of the City of Madison, and, in all events, shall terminate on January 6, 2007.

Interviews with previous and present City of Madison representatives recognize that the duration of the covenants is too long and they have become counter-productive. More recently, a covenant on use of redevelopment projects in Madison has been only 20 years in duration compared with the 35 years imposed on the Triangle Urban Area.

The covenant which states the following has been most frequently challenged:

Offices and related facilities for use by professional or non-profit organization whose purpose is to promote public health and/or welfare by means of education, social service, treatment and/or research

This use was written into the Triangle Urban Renewal Plan to allow the South Mills Neighborhood House to remain in the Plan Area designated as 1-1 (see **Exhibit II-2**); officially the intended use is a Medical and Institutional Business redevelopment site. A legal interpretation of the above use also justified the leasing of space in the subject property to the University of Wisconsin Extension, a non-profit out-reach educational service to the community several years ago.

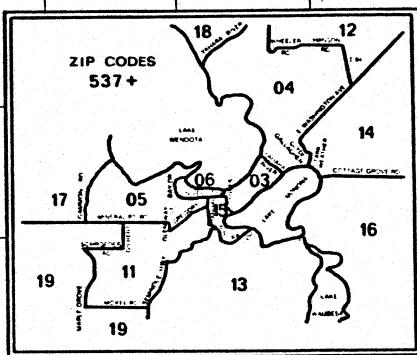
As of September 10, 1990, George E. Austin, Executive Director of the Community Development Authority (CDA) of the City of Madison

issued a certificate to clarify permitted uses of the subject property. While the certificate clearly states "distinct, non-education general administrative service and support function, such as accounting, personnel, risk management, purchasing, storage, physical plant, motor pool, food service, printing, and the like would not be permitted", the certificate goes on to state, "In particular, use by the University of Wisconsin would fall within the permitted use set forth in Section C.2(a)(2) of the Plan for offices and related facilities for use by professionals or non-profit organizations whose purpose is to promote public health and/or welfare by means of education, social service, treatment and/or research". The University of Wisconsin offices described above may not occupy more than 50 percent of the leasable area of the building." The full text of the Certificate is found in **Appendix A**. The Executive Director of the CDA also indicated that as of the date of the Certificate the improvements at One South Park Street comply with Urban Renewal Plan.

Although the covenant on use does constrict the universe of tenants that are permitted to lease space in the subject property and, thereby, diminishes its potential productivity, the recent certificate issued by the CDA helps to broaden the target market of permitted space users. The proximity of the subject property to the University of Wisconsin-Madison, to related medical facilities, and to State, County and City offices greatly enhances the probability of locating and leasing space to permitted tenants.

## LAKE MENDOTA

EXHIBIT II-1  
LOCATION OF THE SUBJECT PROPERTY



# MADISON

# LAKE MONONA

Zip Code 53702  
(State Capitol Bldg)

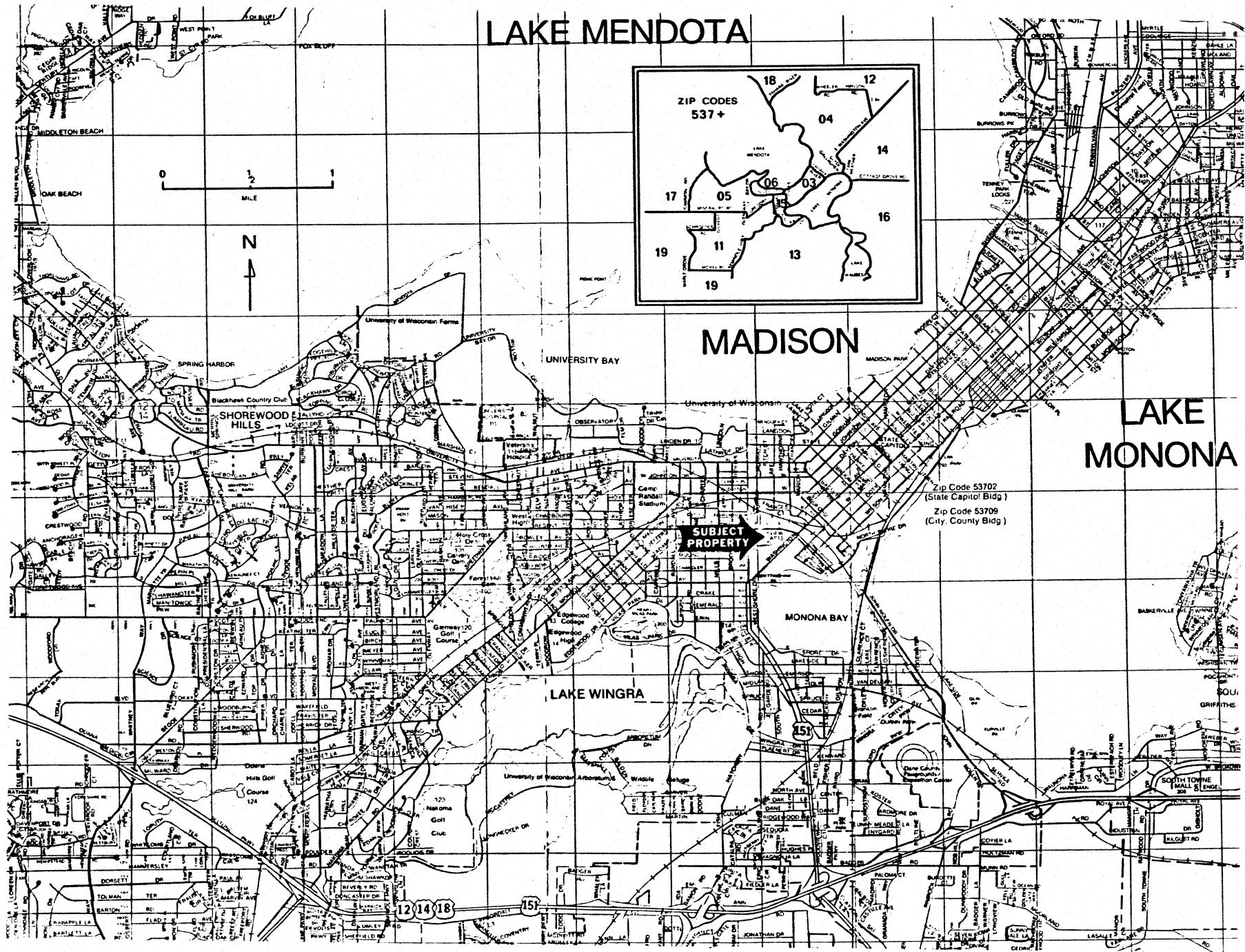
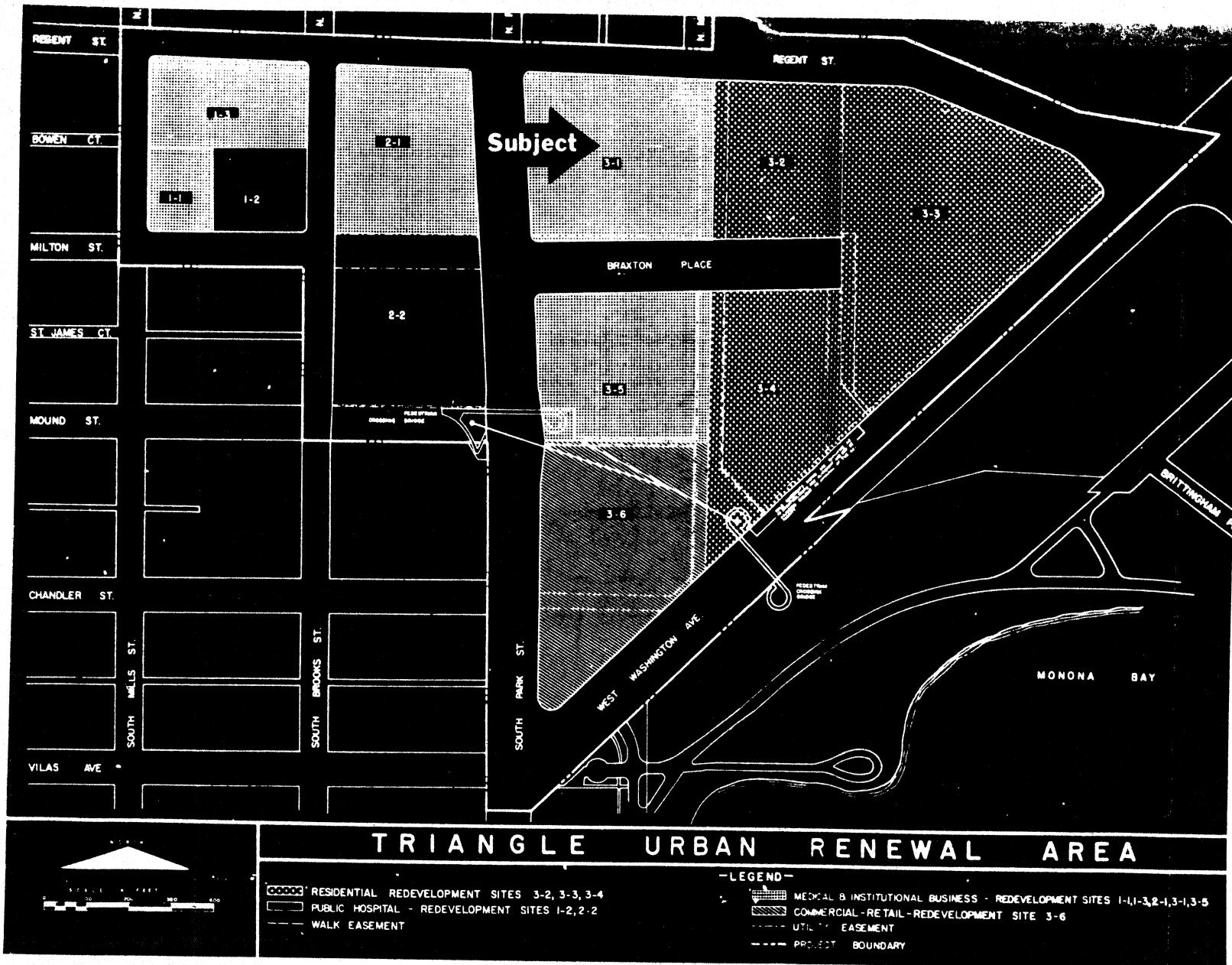


EXHIBIT IT-2      TRIANGLE URBAN RENEWAL AREA LAND USES

**EXHIBIT II-2**



### III. MADISON OFFICE MARKET - SUPPLY AND DEMAND

#### A. Madison and Dane County Population and Labor Force Data

The success of a medical office building is dependent upon medical-dental professionals who need well-located, well-designed, and reasonably priced office space who, in turn, are dependent upon the medical, dental and related health needs of a stable or growing population.

Although the rapid growth from 1960 to 1970 has slowed, the population of the Madison area continues to increase. During the 1970s, net regional population growth in Dane County was greater outside Madison and the central metropolitan area due to the rapid development of the suburbs. However, new residential construction in Madison continued at a healthy pace in the 1980s and averaged between 40 and 50 percent of the Dane County total. As a result, Madison's population has remained essentially stable despite substantial declines in the average household size. The Wisconsin Department of Administration projects an 18 percent population growth for Dane County between 1980 and the year 2000.

Historical and projected population trends are summarized in the following tables:

#### DANE COUNTY AND CITY OF MADISON POPULATION TRENDS

	1960	1970	1980	1989
Dane	222,095	290,272	323,345	352,999
Madison	126,706	171,809	170,616	180,636

Source: U.S. Census of Population (1960, 1970, 1980)  
Wisconsin Dept. of Administration (1/89 estimate)

#### AVERAGE ANNUAL PERCENTAGE INCREASES

The average annual percentage increases in population for Dane County and for the City of Madison are as follows:

	1960-1970	1970-1980	1980-1989
--	-----------	-----------	-----------

Dane	3.1%/yr.	1.1%/yr.	1.0%/yr.
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Madison	3.5%/yr.	-0.1%/yr.	0.7%/yr.
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**DANE COUNTY PROJECTED POPULATION**

	1990	2000	2010	2020
Dane Co.	351,362	369,209	384,642	389,852

Source: Wisconsin Department of Administration

**AVERAGE ANNUAL PERCENTAGE INCREASES**

The average annual percentage increase in projection population for Dane County is as follows:

	1990-2000	2000-2010	2010-2020
Dane	0.9%/yr.	0.5%/yr.	0.1%/yr.

Population growth in the Madison area is forecast to continue to steadily grow which suggests that there will be continuing growth in the health professions which will provide services to an increasing number of people.

The economic health of the population is also important to the success of medical and dental professionals in a community. The following data reports the average annual labor force in both Dane County and in the City of Madison from 1982 to 1988:

DANE COUNTY	<b><u>AVERAGE ANNUAL LABOR FORCE</u></b>				
	1982	1983	1984	1985	1988
Labor Force	189,000	192,800	191,600	203,500	221,000
Employed	176,400	179,600	181,800	194,600	214,600
Unemployed	12,600	13,200	9,800	8,900	6,400
% Unemployed	6.7%	6.8%	5.1%	4.4%	2.9%
<hr/>					
CITY OF MADISON	1982	1983	1984	1985	1988
Labor Force	101,800	102,600	101,000	104,300	115,000
Employed	96,200	95,900	95,900	99,800	111,600
Unemployed	6,500	5,200	5,200	4,500	3,400
% Unemployed	6.3%	5.1%	5.1%	4.3%	3.0%

Source: Wisconsin Dept. of Industry, Labor, and Human Relations

## B. The Madison Office Market

The Triangle Urban Renewal Plan covenant on use limits the types of tenants that can be housed in the subject property for the next 16 years to those that are medical, dental, and health/education related. Because many potential tenants, especially in the health/education related fields make their office space choice based upon the alternative choices available to them, it is critical to understand the current status and trends in the general office market.

### 1. Major Locations of Office Development in the Madison Area

According to the 1990 edition of Community Profile published annually by the Community and Economic Development Unit of the City of Madison, major locations for office development include:

- a. Central Business District (CBD)
- b. Truax Air Park West
- c. West Park Towne Commercial Area
- d. Madison Business Incubator
- e. University Research Park
- f. Old Sauk Trails Park

Given its proximity to the subject property, the CBD office market is most relevant as an indicator of consumer demand for office space in this area of Madison and the corresponding rent levels and lease terms that are currently operative. Because the needs of the medical-dental office space consumer are unique, such as adequacy of plumbing outlets, proximity to other medical-dental specialists and hospitals, and ease of access for customers, a review of the general office market offers only suggested guidelines for the subject property. The majority of the downtown medical-dental office space is owner occupied.

### 2. The Downtown Madison Office Market

The subject property is located on the edge of downtown Madison, also known as the central business district (CBD), just eight blocks from the Capitol Square. The downtown office market is composed chiefly of units of government, financial institutions, public utilities, attorneys, trade associations and other lobbyists, advertising and graphics firms, and health care providers.

The CBD of Madison experienced a downturn in retail development, primarily, and no-growth in office development in the 1970s and early 1980s whereas the suburban markets, especially the west side, grew rapidly. Whereas overbuilding is now a hazard in other market

areas, the downtown Madison office market has stabilized and has, in the last few years, experienced steady, orderly development. Manchester Place, One East Main, and the six story addition to 44 On The Square have brought approximately 205,000 square feet of new Class A space to the downtown market since September, 1987, and all but 2,400 square feet, or 1.2 percent of it is leased and occupied. As shown in **Exhibit III-1**, the overall vacancy rate among 10 Class A buildings was under one percent as of November 1, 1990. The vacancy rate among nine Class B buildings, as shown in **Exhibit III-2**, was 5.8 percent. Of the 17 Class C buildings surveyed, the vacancy rate was 13.2 percent, as shown in **Exhibit III-3**. Of the 1,748,399 square feet of net leasable downtown office surveyed, there were 76,441 square feet of space on the market; this represents a composite vacancy rate of 4.4 percent for the downtown Madison market area.

According to an annual office vacancy study conducted by Michelson Associates, June 1990, based upon a review of 1,695,600 square feet of NLA, the overall average vacancy for the downtown office market was 7.3 percent. For Michelson's study, downtown is defined as buildings within six blocks of the Capitol Square. In Class A buildings (828,700 SF NLA) defined as renting for over \$14 per SF, the vacancy was only 2.2 percent. In Class B buildings (508,800 SF NLA) defined as those with rents between \$11 to \$14 per square feet, the vacancy rate was 6.5 percent. In Class C buildings (358,100 SF NLA) with rents under \$11.00 per SF, the vacancy was 20.0 percent. Medical office buildings were excluded from this survey.

Although the office space survey conducted in November, 1990, for this appraisal and the Michelson survey conducted in June, 1990, may not have a one-to-one correspondence of the buildings included in each class, the variations between classes were consistent and the trend would suggest a continuing increase in occupancy for office space located in downtown Madison.

For purposes of this analysis, office space defined as Class A includes the following criteria:

Well-built and maintained space which is relatively new or recently renovated

Adequate on-site parking for tenants and customers; preferably enclosed, secured parking space

Elevators and designated lobby area

Well-located on the Capitol Square

Class B space may have some of the Class A characteristics, but may be older space which has poorly designed and finished exteriors and public spaces and substandard windows. They may not be as centrally located to the Capitol Square. Class B buildings are more likely to have outmoded heating, ventilating, and air conditioning (HVAC) systems and inadequate elevators. The parking opportunities vary

among buildings, but most likely parking will be surface only or not at all. Given its physical attributes and its location, the subject property would be designated a Class B office building.

Class C space lacks the quality of finish and is more likely to have no parking or elevators. Often the individual tenants have no control over the HVAC system. The main entry treatment is minimal and lacks prestige. The buildings tend to be smaller and, therefore, are unable to support the provision of quality building services.

Rents for the newest Class A downtown office space have been in range of \$16.00 to \$18.00 per square foot, with the tenant paying another \$0.75 per square foot or so for electricity for normal office use and for the heat pumps. All other expenses, including janitorial services for five nights each week, are included in the base rent. The landlord typically gives a \$25 per square foot allowance to finish the shell space on a ten-year lease. The rent escalates at around three percent per year, and expense increases over the base years are proportionately passed through to the tenants as additional rent. Parking is typically made available at a ratio of two and a half spaces per 1,000 square feet of net leasable area, at an additional charge of approximately \$80 per space per month.

Absorption of new office space in the downtown area has been driven chiefly by the expansion of law firms and the need for office space of legislators and legislative agencies during a long remodeling process of the State Capitol building.

According to an article in the Wisconsin State Journal on November 17, 1990, a solution to the increased office needs of the State of Wisconsin is at hand. In February of 1990, the State of Wisconsin Department of Administration began to receive formal proposals for new office space for State uses in the CBD, and in April the search was broadened to include sites in the outlying areas. The State Department of Administration has recommended a proposal by the Munz Corporation to build a 160,418 square foot, 10 story office building on the surface parking lot of the Lake Terrace office building located at 101 East Wilson Street. The State of Wisconsin would lease the space at \$11.25 per square foot with the option to buy the building for \$18.3 million. The plan includes 200 parking stalls at a cost to the State of \$80 per month.

In addition, Madison Gas and Electric Co. has offered to build 148 surface parking spaces about three blocks from the site on East Main Street and would rent the parking spaces to the State at a rate well below the \$50 per month market rate.

The single largest tenant of the building would be the Department of Administration which would occupy 60,000 square feet. The new building would also allow the State to consolidate some of its other offices, now scattered throughout the area in one million square feet of rented space.

### 3. Office Development Near the Subject Property

The newest office building currently under construction in the vicinity of the subject property is a part of the West Rail Corridor development by the Alexander Company. The 66,000 square foot office-retail structure, City Station, is located in the north quadrant of the Regent Street and West Washington Avenue intersection. The first floor consists of 22,000 square feet of retail space, and the remaining two stories of office space will total 44,000 square feet. According to newspaper articles about the project, 65 percent or approximately 49,000 square feet of the building was pre-leased before construction began. This area would include both the retail and office portions of the building. An article in the Wisconsin State Journal, dated August 1, 1990, indicated that an advertising firm had signed a lease for 7,200 square feet of office space. The Alexander Companies, American Automobile Association (branch office), and Metropolitan Life Insurance Company are also scheduled to be office tenants in City Station.

The office space in City Station is being offered at a base rent of \$11.25 per square foot, triple net (with the tenant bearing all of the operating expenses). These expenses are estimated at \$1.50 per square foot per year bringing the effective rent to almost \$16.00 per square foot. City Station is offering a tenant improvement allowance of \$20 per square foot. Concessions are usually in the form of increased tenant improvement allowances and signing bonuses to cover such expenses as moving costs.

Surface as well as underground parking is offered at no additional charge. The ratio of underground parking to leasable area is 1.67 stalls per 1,000 square feet of NLA. An overall parking ratio of approximately four spaces per 1,000 square feet of leasable area will be provided when the surface parking spaces are also included. Future office development plans include two smaller (20,000 to 30,000 square feet) buildings at this location.

According to the previously referenced Michelson Associates vacancy survey, overall vacancy for office space in the surrounding areas are as follows:

East (east of Park St. excluding downtown)	11.2%
Near West (between Park St. and Midvale Blvd.)	13.4%
Far West (west of Midvale Blvd.)	13.6%

Among classes of office space, as defined by Michelson, vacancy varied only by 3 to 9 percent for the surrounding office market areas. Whereas the rate of absorption of space has decreased between 1989 and 1990 for the East and Far West markets, the absorption of downtown and Near West office space has increased.

#### 4. Suburban Office Market Rents

In general, suburban office rents range from \$9.00 to \$10.00 per square foot for Class C buildings, \$11.00 to \$13.00 for Class B buildings and \$13.00 to \$16.00 for Class A buildings. Except for some of the newer Class A buildings which pass through all operating expenses, suburban rents are more likely to be quoted on a gross or full service basis, or net only of utilities. On-site parking is included in the base rent and is generally available in a ratio of three to four stalls per 1,000 square feet of NLA. A summary of representative suburban office rents are presented in **Exhibit III-4**.

West side rents are generally about \$1.00 per square foot higher than east and south side rents for comparable space. The majority of the suburban office space is located on the west side and all the Class A space not located downtown can be found on the west side, as well. Class A buildings are constructed of masonry and steel, whereas almost all Class B and C buildings in the suburbs are of wood frame construction. Most of the suburban office buildings are served by variable air volume HVAC systems, rather than the more efficient and effective water source heat pump system.

#### C. Survey of Medical Office Space in the Madison Area

In the Madison area, the trend over the last 10 to 15 years has been to establish satellite medical clinics throughout the service area of the Health Maintenance Organization (HMO) or other health care-provider group to provide primary care to its members. The more specialized medical services are either brought to the clinics on a specified schedule or provided in a larger, more centrally located facility, usually located near a hospital.

##### 1. Physician Affiliations and Hospital Facilities in the City of Madison

There are approximately 1,215 physicians in the City of Madison who are considered care providers as opposed to researchers, teachers, or others who are not involved in patient care. Of this number, only 130 physicians could be considered unaffiliated with any HMO or not a member of the University of Wisconsin faculty. The summary which follows explains the affiliations:

<u>Physician Affiliation</u>	<u>Number of Physicians</u>
U-Care/University of Wisconsin Hospital	400
Physicians Plus HMO	365
DeanCare HMO	300
Group Health Cooperative	20
Non-affiliated Physicians	130
TOTALS	1,215

Group Health Cooperative has a relatively small medical staff

*Landmark Research, Inc.*

because it is a primary care HMO which makes referrals to outside specialists.

According to the City of Madison Community and Economic Development Unit, in its 1990 Community Profile publication:

Madison can boast about its comprehensive health care delivery. University Hospital and Clinics and Veterans Administration Hospital provide service to the nation as well as the local area.

University of Wisconsin Hospital and Clinics is among the 64 "best" health care institutions profiled in The Best Hospitals in America, (1987). The range of medical specialties and services is among the most complete found in the U.S.

In addition to these two hospitals, Madison has two general hospitals and one mental health care hospital.

<u>Hospitals</u>	<u>No. of Beds</u>
Meriter Park & Methodist	701
St. Mary's	440
University Hospitals	503
Veterans Administration	337
Parkway Hospital of Madison	62
TOTALS	2,043

Although there is cross-over based upon patient need, currently Meriter Hospitals are most often associated with Physicians Plus, St. Mary's with DeanCare, and University Hospitals with U-Care and GHC.

## 2. Non-HMO Medical Office Buildings

In the Madison area there are four major Health Maintenance Organizations: Physicians Plus, DeanCare, U-Care, and Group Health Cooperative (GHC). As will be discussed later in this report, many of the medical office buildings are owned and occupied by the HMO.

A survey revealed that of all of the medical office space in the City of Madison, there are 13 buildings not owned or wholly occupied by an HMO. But it must be recognized that some of these buildings are occupied by a majority of physicians from a specific HMO. In total, these 13 buildings comprise approximately 412,100 square feet of net leasable space; this total includes 84,931 square feet of NLA in the subject property, of which GHC currently leases 37,289 square feet or almost 44 percent of the NLA. This group of buildings also includes Madison Medical Center; the large majority of the physicians occupying this building are affiliated with Physicians Plus.

Of this 412,100 square feet of space, there are currently 21,065 square feet (5.1 percent) of vacant space, of which approximately 16,000 square feet is located in the Park-Regent Medical Building. When the Park-Regent Medical Building is excluded

from the statistics, the vacancy rate for all of the remaining 327,100 square feet of non-HMO medical office space is 1.6 percent. The results of this survey are found in **Exhibit III-5**.

Four of the medical office buildings located in the neighborhood of the Park Regent Medical Building and built in the early 1970s are predominately owner occupied. The Madison Medical Center, with an estimated 80,000 SF of net leasable area (NLA) and located at 20 South Park Street, houses multiple clinics that are, in most cases, a part of the Physicians Plus HMO; within each of these clinics usually at least one physician has an partnership interest in the building. Therefore the full service rental rates of \$20.75 to \$21.00/SF cannot be considered market rents; they are not negotiated at an arm's length. The building is reported to be fully occupied with a waiting list of physicians who wish to locate in the building.

The Davis-Deuhr Building, with an estimated 40,000 SF of NLA and located at 1025 Regent Street, is also basically owner occupied with the clinic paying rent to the corporation that owns the building. The owners of the corporation include most of the physicians who work at the clinic. The rental rate is \$15.50 per SF which includes only real estate taxes. Other expenses paid by the clinic are estimated at \$3.50 per SF. The building is fully occupied with no room for horizontal expansion. The Davis-Deuhr has, at times, expressed an interest in purchasing the adjacent Mills Street Neighborhood House, if that property should ever go on the market.

The Regent-Mills Street Professional Building, with an estimated 10,700 SF of NLA and located at 1050 Regent Street, is predominately occupied by the dentists who own the building, but there is approximately 2,100 SF of vacant space in the lower level that is on the market at a full service rent of \$9.00 per SF. Full service rents for space on the first and second levels range from \$13.00 to \$14.00 per SF. There are no leasehold improvement allowances offered to new tenants, and the upper and lower levels are not handicapped accessible. There have been some tenant complaints about the HVAC system and the inconvenient parking.

Although not included in the survey, there is another medical office building located at 1020 Regent Street that had housed the Midwest Medical Clinic operated by Dr. Alfred Kennan several years ago. The building was reported sold to out-of-town investors who over-leveraged the property and then defaulted on the loan. It is also reported that one of the investors was killed in a plane crash soon after the purchase. The approximately 10,000 SF building with very limited parking space has been vacant for many years. It is reported to have a poor layout for an medical office building, but it does represent well located medical office space that could come back onto the market in the future, if a solution can be found for the very limited on-site parking problem.

Of the nine medical buildings or clusters of buildings surveyed in the surrounding area that are not wholly owned or occupied by an HMO, only one had some vacant space. Included in the survey were buildings located at:

777 Mills Street (Wingra Family Medical Center)  
5510-5600 Medical Circle (Several buildings)  
2700-2727 Marshall Court (Doctors Park) in Shorewood  
5722 Raymond Road (Meadowood Family Physicians)  
4410 Regent Street (Associated Physicians)  
5001 Monona Drive (Monona Grove Family Health Center)  
3209 Dryden Drive (Northeast Family Medical Center)  
4901 Cottage Grove Road (Wildwood Family Clinic)  
2830 Dryden Drive (Lakeview Medical Clinic)

These nine buildings or clusters of buildings contain a total of approximately 196,500 SF. Only on Medical Circle is there a vacancy of 3,000 SF. Rents on Medical Circle are reported to be \$9.00 per SF with the tenant paying the heat, air conditioning, electricity, and janitorial expenses. The owner pays the real estate taxes.

At the new University Station, built exclusively for the University Hospital and Clinics and located in Shorewood, the 54,200 SF of medical office space is leased at \$13.00 per SF, with the tenant paying all of the operating expenses, including utilities, janitorial services and real estate taxes. These expenses are estimated at \$5.00 to \$5.50 per SF. The tenant is reported to have paid for all of the casework and plumbing, except for the plumbing rough-ins.

The several medical office buildings located in Doctors Park in Shorewood were developed by Marshall Erdman in the late 1950s and are at rents of \$5.00 to \$7.00 per SF. The tenants pay all of the expenses except the real estate taxes. Most of the tenants have occupied their space for a long time, take good care of the buildings, and have lessened the need for active management by the owner who is hesitant to raise rents and disturb this balance.

### 3. HMO Occupied Medical Office Buildings

In addition to the medical office buildings discussed above, there are 15 medical buildings in Madison that are either wholly owned or wholly leased by HMOs, including DeanCare, Physicians Plus, Group Health Cooperative and U-Care. A summary of the location, age, size, and number of physicians of these buildings is found in **Exhibit III-6**. These buildings total approximately 390,500 SF of medical office space and are not part of the competitive supply for the subject property, but given the future expanding space needs of the HMO's, these groups may be a source of tenants for the subject property.

These HMO facilities are fully occupied and have little capacity, if any to add doctors, except for the Quisling Clinic downtown, which may be able to free up approximately 1,500 square feet of space by moving its data processing operation. DeanCare's Middleton building which was constructed two years ago contains some surge space. If Middleton Clinic is assumed to have 5,000 square feet available, the total medical office space vacancy would be 3.2 percent. The calculations are as follows:

	<u>Total NLA</u>	<u>Vacant NLA</u>
Non-HMO owned/occupied bldgs.	412,131 SF	21,065 SF
HMO owned/fully leased bldgs	390,500 SF	5,000 SF
TOTALS	802,631 SF	26,065 SF

If the 15,096 square feet currently vacant at the Park-Regent Medical Building, the subject property, is deleted from the pool of medical office space, the vacancy rate drops to 1.4 percent.

#### 4. Analysis of Supply and Demand of Medical Office Space

In the last few years there have been new additions made to existing medical office buildings or new medical office space has been constructed.

Examples of expansions are found at the Madison Medical Center at 20 South Park, located directly across South Park Street from the subject property, and at the Quisling Clinic Middleton located at 2630 Amherst Road. The Madison Medical Center expansion included the construction of a 30,000 square foot addition to the original building which has a connecting skywalk to the Meriter-Park Hospital. The Madison Medical Center still has a waiting list of doctors who would like office space in this building.

Currently, the Monona Grove Clinic located at 5001 Monona Drive is starting a 6,000 square foot expansion of its medical clinic. The following clinics have either expanded or have been built new in the last six years:

Dean Clinic (Main Offices)	1313 Fish Hatchery Road
DeanCare Middleton Clinic	2177 Allen Blvd.
Quisling Clinic East	3713 Milwaukee Street
Quisling Clinic Middleton	2630 Amherst Road
GHC Pines Clinic Middleton	7601 Murphy Road
GHC East Grove Clinic	814 Atlas Avenue

The 12 physicians who comprise Associated Physicians, located near Hilldale at 4410 Regent Street, would either like to expand their 12,000 square foot facility or move to another location to accommodate a space need of approximately 30,000 square feet. Associated Physicians has a longstanding relationship with Meriter Hospitals.

According to an article in the Wisconsin State Journal dated October 4, 1990, Associated Physicians' ties with Physicians Plus and DeanCare will be phased out over the next 12 months beginning November 1, 1990. An estimated 4,500 to 5,000 members of the two HMOs will be affected by the change. Their option will include finding different health-care plans that will pay their current Associated Physicians doctor or going to doctors under contract with HMOs. Associated Physicians will continue to refer patients to specialists with DeanCare and Physicians Plus when appropriate or requested by patients. At issue is control over who will supply care. Associated Physicians want the freedom to refer patient as they believe appropriate.

Physicians Plus is in the process of analyzing its space needs and currently leases space in the subject property for the Allergy & Immunology Medical Group and for Dr. Lantis, a dermatologist. Physicians Plus has indicated an interest in expanding its Allergy and Immunology Clinic within the Park-Regent Medical Building.

Two years ago, University Hospitals and Clinics expanded into 54,000 gross square feet of leased space in University Station, a Flad Development & Investment Corporation development on the site of the Wisconsin Brick and Block firm in the Village of Shorewood Hills. University Station is a mixed-use retail and office project located within a mile of the UW Hospital. In striving to meet its objective to serve an ever-increasing outpatient market, the UW Hospital and Clinics has located 11 specialty clinics in the University Station building which it leases, as discussed earlier in this report. Since GHC has close ties with the University Hospital and Clinics, it is possible the subject property could be utilized by UW as another outreach clinic.

The site of the now demolished Minnick's Top Hat restaurant was purchased by a group of physicians who are associated with the University of Wisconsin, but who are reported to be leaving the Affiliated University Physicians. A medical office building will be constructed on the site under the direction of the Fiore Companies. Current plans call for 10,000 square feet of medical office space at grade with expansion capability in a lower level. The site is large enough to allow for more construction in the future.

It was recently reported that the Dean Clinic and its related HMO, DeanCare, is interested in capturing more of the west side market share and is trying to secure permission to build a 30,000 square foot medical clinic and offices at the intersection of Old Sauk and High Point Roads. This far west side site selected by the Dean Clinic had been the battleground last year and earlier this year for a neighborhood shopping center. The plan was approved by the Madison Plan Commission on November 19, 1990 and by the Common Council on November 20, 1990. The Dean Clinic would vacate its 6,000 square foot urgent care center on Gammon Road if they build this clinic. Although the supply side of medical office space would

be increased, it is the appraiser's opinion that the far west side medical office space market is not in direct competition with the subject property. The greater problem would be the competition for group health or HMO members; this would indirectly affect the space needs of GHC, the subject property's major tenant, if more west side residents switch to DeanCare because of the convenient location of the new facility. But that is less likely since GHC has had a presence in the far west side market for several years with their Pines Clinic in Middleton.

In summary, health care in Madison is ever-changing. In recent years the demand for medical office space has continued to increase. Expansion of new medical office space has been done cautiously and supply has just kept pace with demand. The subject property is the only medical facility with substantial vacancy, but the space has not been actively marketed for a number of years. Many potential medical space users had not even been aware of the available space at the Park Regent Medical Building before this survey was conducted. The medical office space market appears to be strong with an increasing need by health care providers for expansion space. The subject property with its central location and its proximity to Meriter-Park Hospital and other medical specialists is in an excellent position to capture some this demand if it is actively marketed.

**EXHIBIT III-1**  
**SURVEY OF CLASS A OFFICE BUILDINGS IN MADISON CBD**

CITY OF MADISON CENTRAL BUSINESS DISTRICT  
 PRIVATELY OWNED CLASS A OFFICE SPACE  
 AS OF NOVEMBER 1, 1990

BUILDING NAME AND ADDRESS	NET LEASABLE AREA NLA/SF [1]	VACANT AREA	RENT/SF [2] [3]
First Wisconsin Plaza 1 South Pinckney Street	282,712	0	\$19.00-\$21.00
Anchor Savings & Loan 25 North Main Street	89,500	3,600	\$16.50
One East Main 1 East Main Street	85,800	0	\$13.95-\$17.00
Manchester Place 2 East Mifflin Street	76,440	0	\$15.50-\$17.00
Verex 150 East Gilman Street	105,000	0	\$14.00-\$16.00
Divall Building 100 North Hamilton	37,516	0	\$14.95
Tenney Plaza 3 South Pinckney Street	82,159	3,000	\$12.00-\$17.00
National Guardian Life 2 East Gilman Street	77,300	0	\$15.00
Lake Terrace 121 East Wilson Street	55,000	0	\$13.00-\$17.00
44 On The Square 44 East Mifflin Street	68,000	2,510	\$16.00-\$18.25
<b>TOTALS</b>	<b>959,427</b>	<b>9,110</b>	
<b>VACANCY</b>	<b>0.95%</b>		

[1] Net leasable area (NLA) includes only the area within the tenant spaces; the space is measured using the midpoint of the demising walls, the midpoint of any corridor walls, and the inside face of the glass line on any outside windowed walls. The NLA does not include the elevators, stairwells, or any allocation of the common areas.

[2] The rent per square foot for Class A buildings is quoted on a nearly gross basis, with only tenant electricity of approximately \$.30-\$.40/SF per year as an extra cost to the tenant. In buildings served by water source heat pump HVAC systems, another \$.35-\$.40/SF per year is also charged to the tenant; included would be One East Main, 44 on the Square, Manchester Place and Tenney Plaza. Janitorial service five nights per week and all base year operating expenses including real estate taxes are included in the quoted rent. Parking is not included in the quoted rents.

[3] All but 44 on the Square and One East Main offer enclosed on-site parking. Limited covered parking is available at One East Main.

**EXHIBIT III-2**  
**SURVEY OF CLASS B OFFICE BUILDINGS IN MADISON CBD**

CITY OF MADISON CENTRAL BUSINESS DISTRICT  
 PRIVATELY OWNED CLASS B OFFICE SPACE  
 AS OF NOVEMBER 1, 1990

BUILDING NAME AND ADDRESS	NET LEASABLE AREA NLA in SF [1]	VACANT AREA	RENT/SF [2] [3]
Valley Bank Tower 222-24 West Washington	156,500	0	\$16.00-\$17.50
James Wilson Plaza 131 West Wilson	102,885	10,000	\$12.00-\$14.50
30 On The Square 30 West Mifflin Street	55,000	0	\$11.00-\$13.25
National Mutual Benefit Insurance 119 Martin Luther King, Jr. Blvd.	41,000	17,131	\$9.00-\$18.00
Hamilton Place 217 South Hamilton	31,120 [4]	0	\$12.00-\$14.50
Christian Science Church 315 Wisconsin Ave.	20,000	1,800	\$11.00-\$12.00
Fire Station No. 2 301 North Broom	8,300	0	\$13.50
Oakbrook Corporation 100 State St.	17,200	0	\$13.00
Hovde Building 122 West Washington	67,000	0	\$12.00-\$13.00
<b>TOTALS [5]</b>	<b>499,005 SF</b>	<b>28,931 SF</b>	
<b>VACANCY</b>	<b>5.80%</b>		

[1] Net leasable area (NLA) includes only the area within the tenant spaces; the space is measured using the midpoint of the demising walls, the midpoint of any corridor walls, and the inside face of the glass line on any outside windowed walls. The NLA does not include the elevators, stairwells, or any allocation of the common areas.

[2] Class B rent quotes are on a fully gross basis, with all operating expenses, real estate taxes, janitorial service and utilities included.

[3] The Valley Bank Tower, James Wilson Plaza, and Hamilton Place offer some enclosed on-site parking. Limited surface parking is available at the Insurance Building and Fire Station 2.

[4] Hamilton Place also has 6,000 SF of restaurant space which is leased to the Wilson Street Grill.

[5] City Station, an office-retail building, is currently under construction in the West Washington Rail Corridor within a block of the subject property. This new office space is discussed within the text of the report in Section III.

Survey of Class C Office Buildings in Madison CBD

EXHIBIT III-3

CITY OF MADISON CENTRAL BUSINESS DISTRICT  
PRIVATELY OWNED CLASS C OFFICE SPACE  
AS OF NOVEMBER 1, 1990

BUILDING NAME AND ADDRESS	NET LEASABLE AREA NLA in SF [1]	VACANT AREA	RENT/SF [2] [3]
212 East Washington (Federal Center)	35,000	0	\$8.00-\$11.00
100 North Fairchild	28,500	0	\$10.00
14 West Mifflin	21,800	0	\$7.00-\$8.00 (windowless)
16 North Carroll (Churchill Bldg.)	41,000	0	\$9.00-\$12.00 (lights & AC included)
7 North Pinckney	20,000	4,000	\$9.00-\$10.00
315 West Gorham	17,000	15,000	\$10.00-\$12.00
128-132 East Wilson	15,740	0	\$10.50
23 North Pinckney	15,000	0	\$9.00
15 North Pinckney	12,000	4,000	\$9.00-\$10.00
340 West Washington	14,000	0	\$10.00-\$11.00 [4]
222 South Bedford	11,000	0	\$9.00-\$10.00
119-123 King	9,821	1,000	\$10.00
126 East Wilson	6,000	0	\$7.00 [5]
100-106 King	10,000	6,000	\$7.00-\$8.00
111 South Hamilton	9,006	2,800	\$12.00-\$13.00
222 South Hamilton	7,800	1,000	\$11.00
222 State	9,300	1,600	\$11.00
448 West Washington	7,000	3,000	\$12.00
<b>TOTALS</b>	<b>289,967 SF</b>	<b>38,400 SF</b>	
<b>VACANCY</b>	<b>13.24%</b>		

[1] Net leasable area (NLA) includes only the area within the tenant spaces; the space is measured using the midpoint of the demising walls, the midpoint of any corridor walls, and the inside face of the glass line on any outside windowed walls. The NLA does not include the elevators, stairwells, or any allocation of the common areas.

[2] Class C rent quotes are on a fully gross basis, with all operating expenses, real estate taxes, janitorial service and utilities included, unless otherwise noted.

[3] Only a few of these buildings have limited surface parking; the majority offer none.

[4] Rocky Rocco has leased this whole building.

[5] This space is mostly owner occupied; the available space is in the basement.

REPRESENTATIVE SUBURBAN OFFICE RENTS  
MADISON, WISCONSIN  
AS OF NOVEMBER 1, 1990

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BUILDING NAME AND ADDRESS	AGE OF BUILDING	NET LEASABLE AREA NLA in SF	RENT/SF	SERVICES PROVIDED IN BASE RENT (T=Tenant, O=Owner)					EQUALIZED BASE RENT	[1]
				Heat	A/C	Electric	Janitor	R.E.Tax		
<b>EAST SIDE</b>										
Midwest Office Park 4781 Hayes Rd.	2 Years	12,000 (in each of 3 bldgs.)	\$11.00	T	T	T	T	0	\$13.00	
Air Park II 2801 International Lane	10 Years	21,000	\$13.50	0	0	0	0	0	\$13.50	
Artex Building 3102 International Lane	14 Years	20,000	\$10.50	T	T	T	T	0	\$12.25	
<b>SOUTH SIDE</b>										
South Town Office Park 6000 Gisholt Drive	8 Years	10,000	\$12.50	0	0	0	0	0	\$12.50	
Causeway Center 900 John Nolen Drive	8 Years	20,000	\$13.75	T	T	T	0	0	\$14.75	
Broadway Center South Beltline	1 Year	40,000	\$13.00	T	T	T	0	0	\$14.00	
<b>WEST SIDE</b>										
One Landmark Place 2901 West Beltline	6 Years	49,123	\$15.00	0	0	0	T	0	\$15.75	
First Wisc. Financial Center 8000 Excelsior Dr.	2 Years	60,000	\$12.00	T	T	T	T	T	\$16.50	
702 Blackhawk Ave.	15 Years	24,000	\$9.00	0	0	0	0	0	\$9.00	
Teton Professional Center 6510 Grand Teton Plaza	2 Years	23,000	\$15.75	0	0	0	0	0	\$15.75	
Kensington West 6314 Odana Rd.	12 Years	16,000	\$9.00 to \$11.00	0	0	0	0	0	\$9.00 \$11.00	
Evergreen West Town 550-636 Grand Canyon Drive	8 Years	36,500	\$8.75	0	0	T	0	0	\$9.15	
Xerox Building 2802 Coho Street	14 Years	18,315	\$12.50 to \$13.00	0	0	0	T	0	\$13.25 \$13.75	

[1] Base rent has been adjusted to a market standard in which all expenses, including tenant electricity are borne by the owner. In other words, all rents are equalized to a full service rent.

Adjustments factors: Heat and A/C=\$.60/SF, Electricity=\$.40/SF, Janitor=\$.75/SF, R.E. Tax=\$2.75/SF for a total expense of \$4.50/SF.

EXHIBIT III-4  
SURVEY OF REPRESENTATIVE SUBURBAN OFFICE BUILDINGS

S. Johnson  
R. Johnson  
Info

SURVEY OF MEDICAL OFFICE BUILDINGS NOT OWNED/FULLY LEASED BY AN HMO  
 MADISON, WISCONSIN  
 NOVEMBER 1990

LOCATION	AGE OF BUILDING (YEARS)	ESTIMATED NLA (SF) IN BLDG	% OF TOTAL SPACE	NUMBER OF PHYSICIANS	EXISTING VACANT SPACE (SF)	PERCENT OCCUPIED
<b>DOWNTOWN</b>						
1 South Park Street Park Regent Medical Building	18	84,931	21%	40	15,965	81%
20 South Park Street Madison Medical Center	15-20	80,000	19%	60	0	100%
1025 Regent Street Davis-Duehr Eye Associates	15	40,000	10%	18	0	100%
1050 Regent Street Regent-Mills Professional Building	15	10,700	3%	N/A	2,100	80%
777 Mills Street Wingra Family Medical Center	40-50	30,000	7%	22	0	100%
<b>WEST SIDE</b>						
2700-2727 Marshall Court Doctors Park	30+	63,500	15%	44	0	100%
5510-5600 Medical Circle Medical Circle Buildings	15	40,000	10%	25	3,000	93%
5722 Raymond Road Meadowood Family Physicians	15	4,000	1%	3	0	100%
4410 Regent Street Associated Physicians	20	12,000	3%	~12	0	100%
<b>EAST SIDE</b>						
5001 Monona Drive Monona Grove Family Health Center	15	15,000	4%	7	0	100%
3209 Dryden Drive Northeast Family Medical Center	15-20	17,000	4%	12	0	100%
4901 Cottage Grove Road Wildwood Family Clinic	12	10,000	2%	7	0	100%
2830 Dryden Drive Lakeview Medical Clinic	15	5,000	1%	3	0	100%
<b>TOTALS</b>		<b>412,131 SF</b>	<b>100%</b>		<b>21,065 SF</b>	

OVERALL VACANCY RATE 5%

EXHIBIT III-5  
 SURVEY OF MEDICAL OFFICE BUILDINGS NOT WHOLLY OWNED OR LEASED BY HMO

**EXHIBIT III-6**  
**SURVEY OF MEDICAL OFFICE BUILDINGS WHOLLY OWNED OR LEASED BY HMO**

**SURVEY OF MEDICAL OFFICE BUILDINGS OWNED/FULLY LEASED BY AN HMO - MADISON, WI - NOVEMBER, 1990**

LOCATION	AGE OF BUILDING (YEARS)	ESTIMATED NLA (SF) IN BLDG	% OF TOTAL SPACE	NUMBER OF PHYSICIANS
DEANCARE HMO 3434 East Washington Ave. Arcand Park Clinic	7	10,000	3%	8-10
1912 Atwood Ave. East Madison Clinic	20	30,000	8%	30-40
202 South Gammon Road Urgent Care Center	8-10	6,000	2%	8-10
1313 Fish Hatchery Rd. [1] Dean Clinic	2	97,000	25%	100
2177 Allen Blvd. Middleton Clinic	2	20,000	5%	6-8
PHYSICIANS PLUS 4117 East Washington Ave. Jackson Clinic East	9	12,000	3%	5
3713 Milwaukee Street Quisling Clinic East	5	3,500	1%	2
2 West Gorham Quisling Clinic	35+	27,000	7%	15
345 West Washington Ave. Jackson Clinic Downtown	10	72,000	18%	45
2630 Amherst Rd. Quisling Clinic West	16	18,000	5%	15
5714 Odana Road Odana Medical Center	20	16,000	4%	7
7102 Mineral Point Road Jackson Clinic West	9	16,000	4%	9
GROUP HEALTH COOPERATIVE 814 Atlas Avenue East Grove Clinic	6	3,500	1%	2
7601 Murphy Road Pines Clinic-Middleton	5	3,500	1%	2
U-CARE 2880 University Ave. University Station UW Clinics	2	56,000	14%	30-35
<b>TOTALS</b>		<b>390,500 SF</b>	<b>100%</b>	

[1] At least 40,000 SF of new space was added to the existing older building; age of original is unknown.

#### IV. PROPERTY DESCRIPTION

##### A. Site Description

###### 1. Location

The subject site is located on the southeast corner of the intersection of South Park Street and Regent Street. South Park Street, a main arterial which connects the University of Wisconsin campus and the South Beltline Highway (State Highways 12 and 18), has a north-south orientation and Regent Street, which originates at West Washington Avenue, has an east-west orientation. As shown on the air photo found in **Exhibit IV-1**, the site is in close proximity to the Meriter-Park Hospital complex, Madison Medical Center (a private medical office building at 20 South Park Street), Leader Nursing & Rehabilitation Center, the Davis-Duehr Eye Associates, S.C. (a private medical building at 1025 Regent Street), and the Regent-Mills Professional Building (a private dental office building at 1050 Regent Street). The relationship of the subject site to the other major hospitals in Madison which includes University Hospitals, the Veterans Administration Hospital, Meriter-Methodist Hospital, and St. Mary's Hospital is shown on a map found in **Exhibit IV-2**.

The University of Wisconsin-Madison campus is a few blocks of the northern boundary of the subject site. The State Capitol, which is surrounded by the downtown commercial district and the headquarters for the City of Madison and County of Dane offices, is located several blocks northeast of the subject site.

As shown in **Exhibit II-2**, the subject site is a part of the Triangle Urban Renewal Area which will be discussed in more detail within this section of the report.

###### 2. Frontage and Size

According to a survey made by Zutter & Associates, Inc. for the exclusive use of the present owners, Prudential Insurance Company of America, the site dimensions as of July 18, 1989 are listed as follows:

Regent St. Frontage	423.58 ft.	+	16.35 ft.	=	439.93 ft.
South Park St. Frontage	359.18 ft.	+	30.82 ft.	=	390.00 ft.
Braxton Place Frontage	402.00 ft.	+	14.47 ft.	=	416.47 ft.
Eastern property line	367.91 ft.				= 367.91 ft.

Note the corner arcs at Regent, South Park and Braxton Place as shown in **Exhibit IV-3**. The total area of the quadrangle site is not given on the survey map. If the averages of the sides are used, the total area would be 162,268.53 square feet, or 3.73 acres. By measuring the site as though it is a rectangle and using either the shorter or longer sides, the site area would vary from 3.52 acres to 3.94 acres in size.

Similar measurements are found on the original site plan completed by Potter Lawson Findlay + Pawlowsky on October 30, 1972, for the Dane County Development Corporation, the developer and original owner of the Park Regent Medical Building. The total site area is not given on this survey, either.

According to the City of Madison assessment records, the frontage is 389 feet and the total area is 166,030 square feet, or 3.81 acres.

According to the July, 1989, survey map in **Exhibit IV-3**, there are 321 regular and nine handicapped parking stalls on the subject site; the parking ratio is 3.87 stalls per 1,000 square feet of net leasable area.

### 3. Topography and Soils

The topography of the site is nearly level. Due to the presence of a high water table, given the proximity of Lake Mendota and Lake Monona, a basement was not included in the Park-Regent Medical Building which was constructed on the subject site.

According to the Dane County Soil Survey done by the United States Department of Agriculture Soil Conservation Service in cooperation with the The Research Division of the College of Agricultural and Life Sciences at the University of Wisconsin and issued in January of 1978, the majority of the subject site consists of Virgil silt loam and the remainder is identified as Colwood silt loam. A summary of selected estimated soil properties significant to engineering and urban construction for the two soil types follows:

	<u>Virgil Silt Loam</u>	<u>Colwood Silt Loam</u>
Depth to Bedrock	>10 feet	>10 feet
Depth to Seasonal High Water Table	1-3 feet	0-1 feet
Shrink-Swell Potential	Low	Low
Corrosivity- Uncoated Steel Concrete	Moderate Moderate	Moderate Low
Degree of Limitation for Basements	Severe: Seasonal high water table; high bearing capacity in substratum	Very severe: moderate bearing capacity

A copy of the soils map taken from the Soil Survey of Dane County, Wisconsin is provided in **Exhibit IV-4** to show the proportion of each soil type within the site.

A soils study commissioned specifically for the subject property is beyond the scope of this appraisal. An inspection of the property and observations made of other surrounding properties revealed no adverse soil condition or apparent ground settling.

#### 4. Environmental Observations

No evidence of hazardous waste or toxic materials was visible; the reader is reminded that the appraiser is not qualified to detect hazardous waste or toxic materials. The appraiser was advised that an independent inspection for toxic waste is being conducted during the potential buyer's due diligence process.

#### 5. Flood Zone Information

According to the City of Madison Planning Department, the subject property is not located within a flood zone area.

#### 6. Zoning

The subject site, located in the City of Madison, is zoned C2 general commercial district. A copy of the zoning map is found in **Exhibit IV-5**. The Statement of Purpose is as follows:

The C2 general commercial district is established to accommodate the shopping needs of a much larger consumer population and area of residency than that served by the C1 limited commercial district. Within this district, which is located in relative proximity to residential areas and to major thoroughfares, is permitted a wider range of uses than in the C1 limited commercial district. Uses permitted in this district include not only the retailing of convenience goods and the furnishing of certain personal services, but also the retailing of durable and fashion goods and the furnishing of other types of services. Also permitted are all types of office uses. Within this district, there is no limitation on the size of establishments as provided in the C1 limited commercial district, except any retail use or any hotel or motel exceeding 50,000 square feet in size must be approved as conditional uses.

The full text of the C1 and C2 zoning classifications are found in the **Appendix A** of this report. As discussed previously in **Section II**, the Covenant on Use incorporated in the Urban Renewal Plan for the Triangle Urban Renewal Area, impose greater restrictions on use than does the C2 zoning. When the Covenant on Use terminates on January 6, 2007, the use restrictions will be only those imposed by the City of Madison zoning code in place at that time.

## 7. Neighborhood

To visualize the land uses in the neighborhood of the subject site, reference is made to the air photo found in **Exhibit IV-1**.

On the north side of Regent Street there are numerous small retail shops and a few residential units. To the northeast of the subject site, the area known as the west rail corridor is currently under redevelopment by the Alexander Companies; office buildings are under construction and the old rail depot building has been rehabilitated and converted into restaurant, lounge, office, and retail uses. Almost directly across Regent Street from the eastern edge of the subject site, the Alexander Companies are scheduled to construct surface parking spaces to serve their office buildings and to lease to neighborhood space users. (See **Exhibit IV-6** for photographs).

The residential development that comprises the Triangle Renewal area is located east and south of the subject site. As shown in **Exhibit IV-6**, the Gay Braxton apartments border the eastern property line. An inventory of the public housing located in the Triangle is found in **Exhibit IV-8**. These various housing units are identified in the above referenced aerial photo of the Triangle area found in **Exhibit IV-1**.

To the west of the subject site, beyond Meriter-Park Hospital, Longfellow School (used for community and hospital activities), the Mills Street Neighborhood Center, and the Davis-Duehr Eye Clinic, lies the Vilas residential neighborhood of single family and multifamily units.

Along South Park Street to the south of the Meriter-Park Hospital is a wide array of small retail and commercial developments. St. Mary's Hospital Medical Center is located approximately one-half mile south of Meriter-Park Hospital, as shown on the map in **Exhibit IV-2**.

## B. Description of the Improvements

The Park-Regent Medical Building is a seven story reinforced concrete frame structure with eight inch concrete block exterior walls finished in a earth-tone brick veneer with steel stud back-up. Interior walls are drywall over a two inch styrofoam insulation. The foundation is a reinforced concrete slab. The roof is made up of a typical tar and gravel covering a two inch insulation over a reinforced concrete slab roof. The ceiling is finished in two by two feet or two by four feet acoustical tile. Portions of the ceiling on the third floor, occupied by Group Health Cooperative's (GHC) clinic, and on portions of the seventh floor ceiling at the entry of the GHC administrative offices the finish is suspended hardwood. Exterior photographs of the building are found in **Exhibit IV-8**. Interior photographs of typical occupied and vacant spaces are shown in **Exhibit IV-9**.

This multi-tenant medical office building, constructed in 1972-73 contains approximately 95,000 square feet of gross leasable area and almost 85,000 square feet of net leasable area. The standard finish provided each suite includes acoustical tile ceiling with recessed lighting fixtures; a heating, ventilating, and air conditioning (HVAC) distribution system; interior partitioning; and carpeted waiting rooms with vinyl floor covering. Standard tenant finish provided by Prudential also included one sink for each leased space plus additional outlets for each 1,000 square feet of leased space. According to the building maintenance supervisor, the majority of the tenant spaces have plumbing installed; only some vacant spaces on fourth floor and spaces on other floors used for administrative or mental health clinics do not have plumbing. But the plumbing can easily be brought to any part of the building according to the maintenance supervisor. Public bathrooms (one for women and one for men) are provided on each floor in the central building core; there are several other bathrooms on each floor within the larger leased spaces with shower stalls included in a few bathrooms.

The Westinghouse HVAC system is comprised of five roof top package cooling units which were modified and revamped last spring with an economizer system which include fresh air dampers to make the system more flexible and economical. The HVAC, an electric duct heating and cooling system, is a one fan system for supply and return inside each roof top unit. Electric baseboard units are used in the common areas and along exterior walls to augment the heat supply. In designated areas on each floor (usually comprised of two to five rooms) there are individual thermostats to control the temperature for that section of the building. The major tenant complaint has been the uneven temperatures that can result with the south side of the building experiencing heat in the summer and the north side experiencing cold in the winter. Although the distribution system has some uneven times, historical peak energy demand has been only about one-fifth of the total service capacity.

Typical services provided each building tenant under the current Prudential leases include heating, ventilating, air conditioning, water and sewer, janitorial service, toilet facilities, carpeted and lighted common corridors, surface parking, maintenance of the parking lot and landscaping of the grounds

The building is serviced by two passenger elevator cabs located in a center core shaft along the north wall of the structure. (See **Exhibit IV-10** for a typical floor layout and the **Appendix A** for the layout of each floor.) There are stairwells at both the east and the west ends of the building and in the central core. There are two main entries into the building: one entry faces Regent Street and the other faces the south parking area which fronts on Braxton Place. A summary of the building system detail is found in **Exhibit IV-11**.

Signage for the first floor tenants, Prescription Pharmacy, Greenbush Cafe, Outpatient Rehabilitation Services, and GHC Pharmacy, is displayed on the brick facade of the Regent Street side of the building. The Prescription Pharmacy sign is also affixed to the south side of the building. At the corner of Regent and South Park Streets there are two separate signs which identify the building and its major tenant: along the property line on the South Park side of the site is a Group Health Cooperative sign held in place between two brick columns and on the Regent Street side is the Park-Regent Medical Building sign displayed in a similar manner. On the brick facade at the west end of the building the same two names are also displayed. Reference is made to the exterior photographs of the building shown in **Exhibit IV-8**.

EXHIBIT IV-1  
AERIAL PHOTOGRAPH OF SUBJECT PROPERTY AND SURROUNDING LAND USESLEGEND FOR AERIAL PHOTOGRAPH OF SUBJECT PROPERTY  
AND  
ITS SURROUNDING NEIGHBORHOOD

Photograph taken April, 1986  
by  
Brent Nicastro  
for  
Landmark Research, Inc.

- 1 PARK-REGENT MEDICAL BUILDING
- 2 GAY BRAXTON APARTMENTS
- 3 BAYVIEW TOWNHOUSES
- 4 BRITTINGHAM APARTMENTS
- 5 PARKSIDE APARTMENTS
- 6 KARABIS APARTMENTS
- 7 LEADER NURSING AND REHABILITATION CENTER
- 8 MERITER-PARK HOSPITAL
- 9 MADISON MEDICAL CENTER
- 10 DAVIS-DUEHR EYE ASSOCIATES
- 11 REGENT-MILLS PROFESSIONAL BUILDING
- 12 MERITER-METHODIST HOSPITAL
- 13 UNIVERSITY OF WISCONSIN CAMPUS
- 14 CAPITOL SQUARE
- 15 WEST RAIL CORRIDOR DEVELOPMENT
- 16 WEST WASHINGTON AVENUE



EXHIBIT IV-2  
LOCATION OF MAJOR HOSPITALS IN MADISON

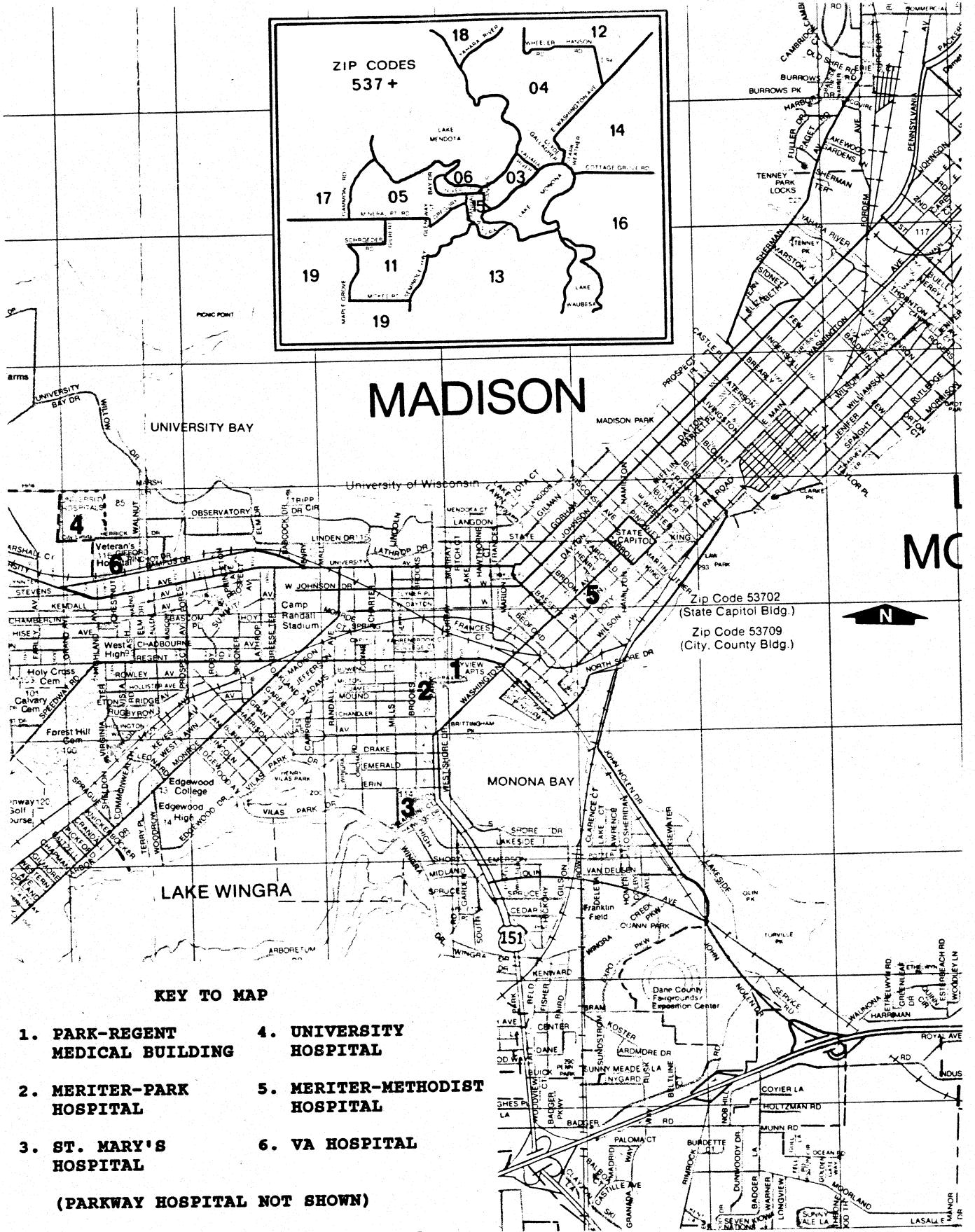


EXHIBIT IV-3  
SURVEY MAP OF SUBJECT SITE

Lot 1, Block 3, Triangle tract, in the City of Madison, Dane County, Wisconsin

This survey is made for the exclusive use of the present owners of the property, and also those who purchase, mortgage, or guarantee the title thereto within on (1) year from date hereon; and as to them I warrant the accuracy of said survey and map.

### Greenbush Memorial Easement

Vol. 3628 of Records

p. 6

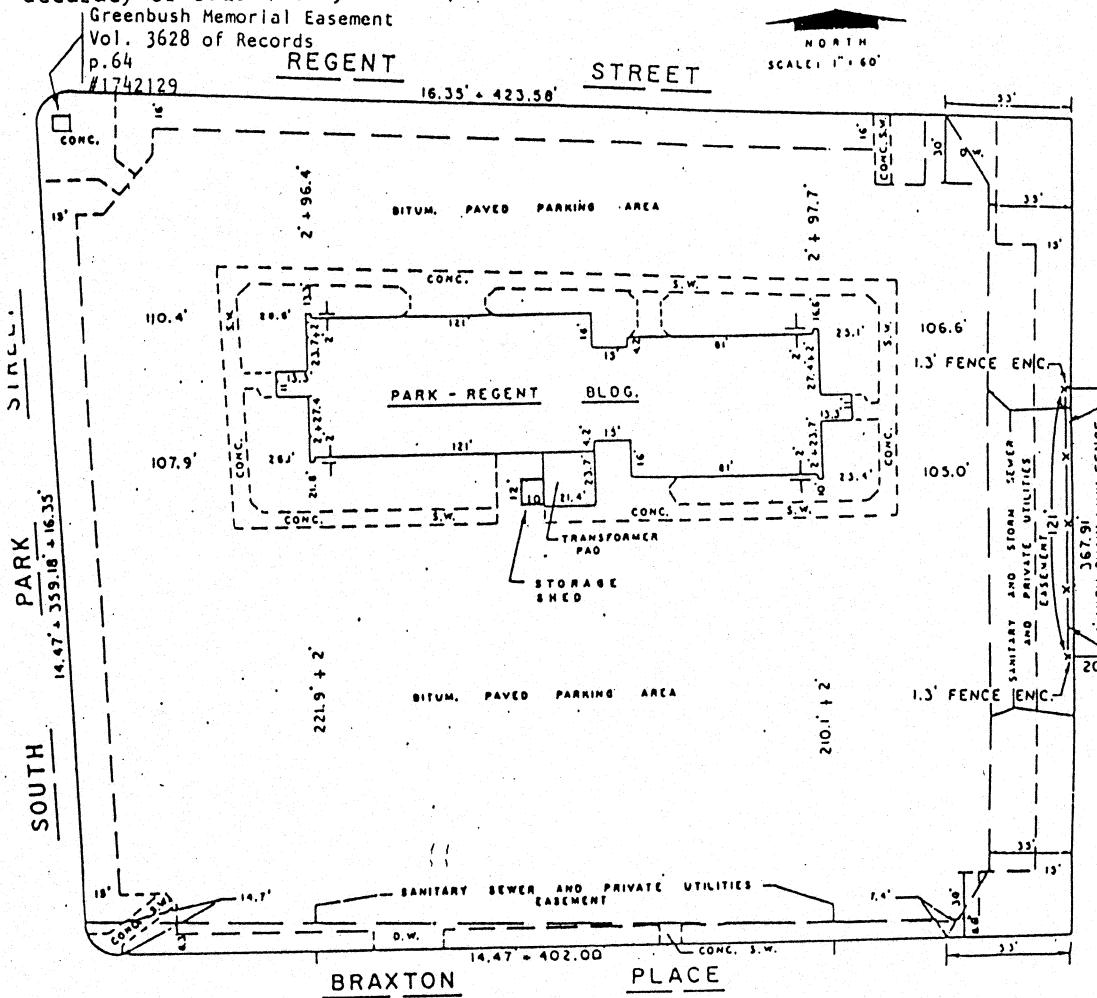
#1742129

REGENT

16.35' + 423.58'

STREET

NORTH  
SCALE: 1" : 60'



Property located at: 1 S. Park Street  
Madison, Wisconsin

Survey completed: June 30, 1989

#### Vehicle Parking Spaces:

321 - Regular

## 8 - Handicapped

To The Prudential Insurance Company of America, Chicago, Illinois, and Preferred Title Service, Inc., Madison, Wisconsin. This is to certify that this map and the survey on which it is based were made in accordance with the "Minimum Standard Detail Requirements for Land Title Surveys" jointly established and adopted by ATA and ACSM in 1962.

W. F. Zutter  
W. F. Zutter RIS 379

Date: 6/30/89



ZUTTER & ASSOCIATES, INC.  
ENGINEERING - PLANNING - SURVEYING  
702 N. MIDVALE BLVD.  
MADISON, WISCONSIN 53705

JN 3782-74-86-89  
6/89  
Rev. 7/10/89

EXHIBIT IV-4  
SOILS MAP OF SUBJECT SITE

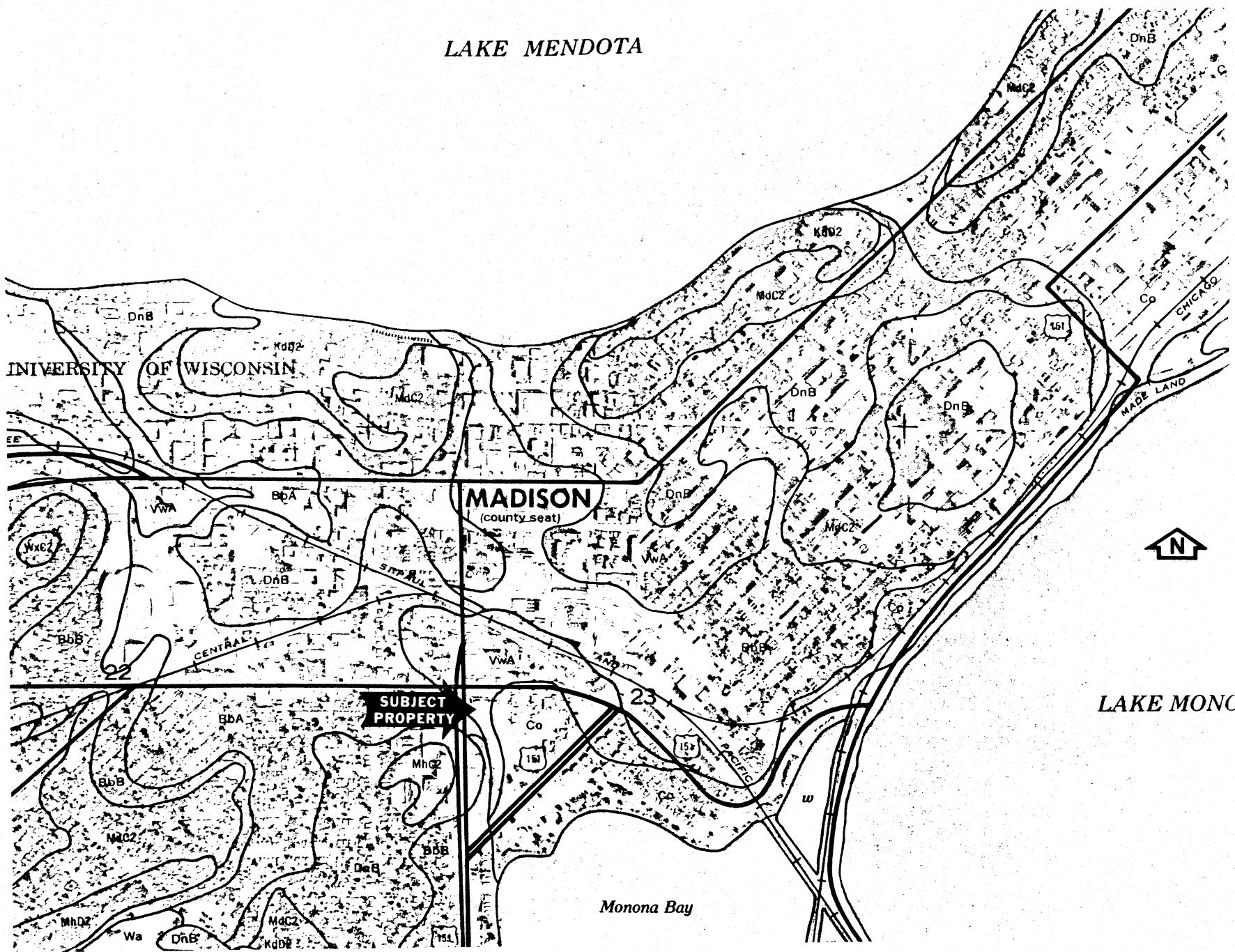
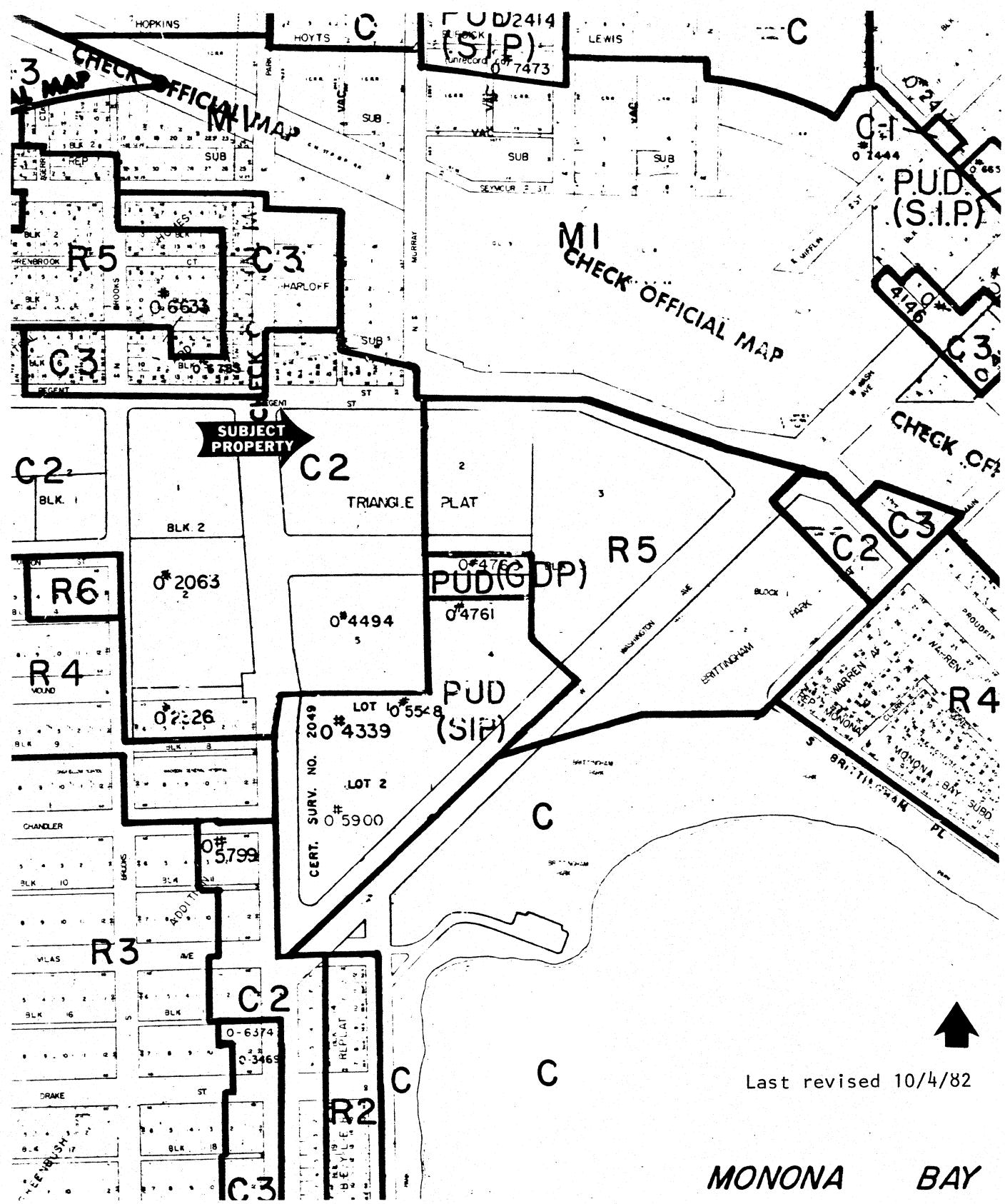


EXHIBIT IV-5  
ZONING MAP OF SUBJECT SITE



Last revised 10/4/82

# MONONA BAY

EXHIBIT IV-6  
LAND USES NEAR SUBJECT PROPERTY



Office, apart.,  
specialty foods,  
& restaurant  
uses on north  
side of Regent  
St. across from  
subject property

Site of West  
Washington Rail  
Corridor develop-  
ment on north  
side of Regent St.  
just east of  
subject property



EXHIBIT IV-6 (Continued)



Gay Braxton apartments to east of Park Regent Medical Bldg. parking lot; Note Brittingham apts in background

Meriter-Park Hospital complex to west of subject property; foreground is south parking lot of subject



EXHIBIT IV-7  
 INVENTORY OF PUBLIC HOUSING IN TRIANGLE NEIGHBORHOOD  
 ADJACENT TO PARK REGENT MEDICAL BUILDING

<u>PROJECT NAME</u>	<u>YEAR BUILT</u>	<u>PROJECT TYPE</u>	<u>UNIT MIX</u>
Gay Braxton	1965	Elderly & Disabled HUD - Sec. 8	60 units - 12 bldgs. (32-eff. & 28-1 BR)
Bayview	1970	Families=3 or more CDA & WHFA - Sec. 8 [1]	102 units - twnhses. 51-2 BR & 51-3BR
Brittingham	1976	Elderly Sec. 8 Ltd. Prntshp	164 apts-1 BR units, 10 story building & 4 story wing
Karabis	1978	Severely physically handicapped WHEDA [1]	20 apts - all 1st floor units (2-1 BR, 16-2 BR & 2-3 BR)
Parkside	1978	Elderly & disabled & family WHEDA - Sec. 8 [1]	95 units-4 bldgs (83-1 BR - 8 story) (10 - 2 & 3 BR - TH) (2 - 2 BR apts.)

The Triangle, a block bordered by South Park Street, Regent Street and West Washington Avenue, also includes Midway Foods (Asian) which is owned by Madison's Community Development Authority (CDA), Leader Nursing & Rehabilitation Center, a private 200 bed skilled care nursing home, and the subject property, the Park-Regent Medical Building.

[1] WHFA = Wisconsin Housing Finance Authority was renamed  
 WHEDA = Wisconsin Housing and Economic Development Authority

EXHIBIT IV-8  
EXTERIOR PHOTOGRAPHS OF PARK-REGENT MEDICAL BUILDING



Looking at west end of subject from S. Park St. & Regent St. intersection; note Leader Nursing Home & Brittingham apts in background

Looking at southern face of subject from S. Park St.; access to south parking lot is from Braxton Place. Note Gay Braxton apartments in right background



EXHIBIT IV-8 (Continued)



North side of Park-Regent Medical Bldg. which fronts on Regent St.; note signage on front with bldg. name over main entry

South side of Park-Regent Medical Bldg. with entry near central core of bldg; with south parking lot in foreground



EXHIBIT IV-9  
INTERIOR PHOTOGRAPHS OF SUBJECT PROPERTY



First floor  
lobby on a windy  
fall day; note  
Prescription  
Pharmacy at left  
& entry door  
from so. parking  
lot at center

Portion of bldg.  
directory in first  
floor lobby; note  
elevators at right  
next to Greenbush  
cafe and corridor  
corridor to GHC  
Pharmacy



EXHIBIT IV-9 (Continued)



Portion of maintenance area on first floor; electrical panels are located in central core on each floor

GHC Clinic desk in east wing of third floor; GHC occupies all of third floor; note hardwood suspended ceilings



EXHIBIT IV-9 (Continued)



Typical examining room for Group Health Cooperative third floor clinic; note sink and acoustical ceiling tiles vinyl floor finish

Vacant space on fourth floor in west wing of building; disregard coil of hose in foreground



EXHIBIT IV-9 (Continued)



Vacant space on fifth floor in west wing of building; note electric baseboard heaters along exterior wall; note sink and counter space in background

Vacant space on fifth floor in east wing of building; space had been used as pediatrics waiting room



EXHIBIT IV-9 (Continued)



Typical dental clinic examining and treatment room on fifth floor in Hill Richardson Dental offices; note electric baseboard heaters required for exterior walls

Waiting room for Hill Richardson dental offices on fifth floor in west wing of subject property



EXHIBIT IV-9 (Continued)

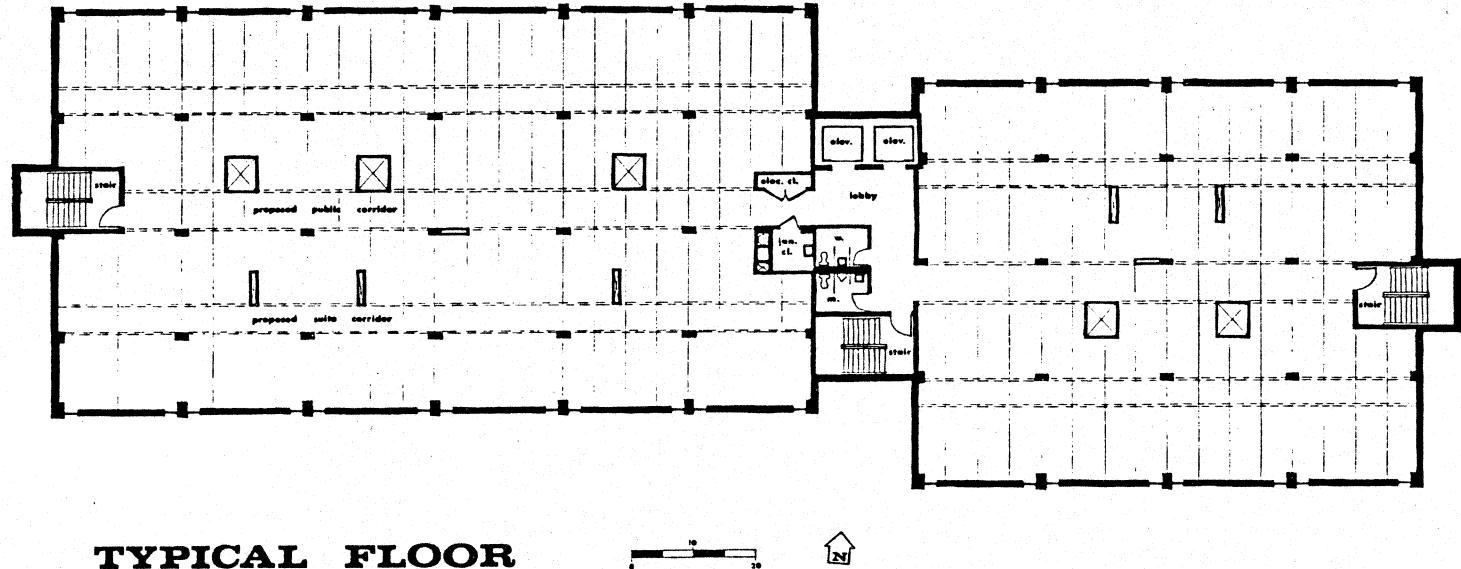


West wing of sixth floor which is fully occupied by GHC clinics as viewed from central core of building



GHC administrative offices on seventh floor as seen from elevators in central core of building; note suspended hardwood ceilings in entry

EXHIBIT IV-10  
TYPICAL FLOOR PLAN OF PARK-REGENT MEDICAL BUILDING



**TYPICAL FLOOR**



**PARK-REGENT MEDICAL BUILDING**

EXHIBIT IV-11  
SUMMARY OF BUILDING SYSTEM DETAIL  
FOR PARK-REGENT MEDICAL BUILDING

Number of Stories: Seven stories

Age of Building: Approximately 18 years; 1972-73 construction

Uses:

First Floor: Lobby, Prescription Pharmacy, Group Health Cooperative (GHC) Pharmacy, Outpatient Rehabilitation (short-term), Greenbush Cafe, Building maintenance areas

Second to Sixth

Floor: Medical, dental and medically related offices, examining, and treatment Rooms

Seventh Floor: GHC administrative offices

Foundation: Reinforce concrete

Basement: None

Exterior Walls: 8" concrete block with brick veneer and steel stud back-up

Interior Walls: 1/2" drywall over 2" styrofoam insulation

Ceiling: 2' x 2' and 2' x 4' acoustical tile; some suspended hardwood on 3th and 7th floors

Roof: Tar and gravel over 2" insulation and reinforced concrete roof slab

Bay Size: 13'9" by 17'6"

Elevator: Two elevator cabs in shaft; Dover automatic with 2,500 # limit, 16 person capacity; patient gurney must be propped up to fit cab

Stairwells: Three; located in central core, east end and west end of building

Fire Protection: Fire standpipe system in center and east stairwells; sprinklers on 1st floor only

HVAC: Five Westinghouse roof top package cooling units; electric duct heating and cooling in tenant spaces with electric baseboard units on exterior walls in offices and common areas; individual thermostats in designated sections of 2 to 5 rooms

V. MOST PROBABLE USE  
ANALYSIS OF THE SUBJECT PROPERTY  
AND MOST PROBABLE BUYER

In some cases the present use of a property is not the best use of the property in terms of its contribution to the community environment or to the community developmental goals in addition to the wealth maximization of individual property owners. Therefore, an appraiser is required to analyze the property's present use in terms of its highest and best use.

A. Definition of Most Probable Use or Highest and Best Use

In the 1981 revised edition of Real Estate Terminology, compiled and edited by Byrl N. Boyce for the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers, most probable use is defined as follows:

Highest and best use in the context of market value.

According to the 1989 edition of The Appraisal of Real Estate, Ninth Edition, published by the American Institute of Real Estate Appraisers, the definition of highest and best use is as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest land value.

The use of the subject site and its improvements was determined in the 1960s when the site was included in the Triangle Urban Renewal Area, as discussed in **Section II** of this report. The site was designated for medical and institutional business uses and the covenant on use restricted the building to be used for medical, dental, and related health, education and welfare purposes. Although the return on the investment in the subject property would probably be higher if the uses of the property were not limited by the covenant on use, the Community Development Authority (CDA) would not approve the removal of the covenant. The CDA would probably approve a modification of the covenant in junction with 100 percent approval from all of the other Triangle property owners and the approval of the Common Council of Madison. In reality, it is currently not legally permissible to alter the covenant on use, so until 2007, the most probable use of the subject site, as improved, is its current use as a medical-dental office building.

B. Most Probable Buyer of the Subject Property

Since the property is too small for institutional investors who are looking for real estate investments of no less than \$25,000,000 to \$50,000,000, the most probable buyer of the subject property is a local or regional investor or investor group which has the expertise and staff to actively market the property.

## VI. VALUATION OF THE SUBJECT PROPERTY

### A. Market Comparison Approach

When there are a sufficient number of recent, reliable sales transactions of properties comparable to the subject property to create value patterns in the market, it is possible to infer from these transactions the most probable selling price of the subject property. It is assumed that a buyer will pay no more for a property than would be paid for a comparable property offering similar utility. The application of this approach may be limited or inappropriate when there are an insufficient number of transactions to create value patterns. As in this case, large special purpose properties are often insufficiently similar to other properties, (multi-tenant, multi-story office buildings) that have sold recently to allow an appraiser to impute value from them. As can be seen from the details of the four office building sales discussed below, the age, location, size, uses, and condition of each of these properties lack comparability with the subject property.

Therefore, the Market Comparison Approach is inappropriate as a valuation method for the Park Regent Medical Building. Recent sales of larger office buildings in the Madison area can only offer a range of sale prices as a check of the reasonableness of the value estimate suggested by a more appropriate valuation methodology.

#### 1. Sale of the Wisconsin Education Association Building

The sale of the Wisconsin Education Association Insurance Trust building located at 6522 Grand Teton Plaza on the west side of Madison was sold in July, 1989, for \$1,750,000 or \$69.22 per square foot of gross building area (GBA). This three-story steel and concrete frame building constructed in 1978 and located on a 143,207 SF (3.29 acres) site with adequate surface parking (136 stalls) has a gross building area of approximately 25,281 square feet of office space. The parking ratio is 5.4 stalls per 1,000 square feet of gross building area. The zoning is C3L. There is so little similarity in the size, location, and use between the subject property and this west side office building that the sale price of one should not be used to impute the value of the other.

#### 2. Sale of Foremost Building

The Foremost Corporation of America building located at 8007 Excelsior Drive on December 21, 1988, was sold to CUNA Mutual Insurance for \$2,450,000 via a warranty deed. This relatively new masonry and frame two-story building was constructed in 1987, but it had no floor to ceiling finished interior partitions in the normal office areas. The central core of the building was completed with rest rooms, elevators, and open stairs. The five acre site (217,800 square feet) in the Old Sauk Trails Park has adequate

surface parking for the 38,672 square feet of gross building area. The sale price translates to a unit price of \$63.35 per square foot of gross building area.

3. Sale of the National Mutual Benefit Building,  
16 East Doty Parking Lot  
and the Legal Clinic Building

Earlier sales include two older buildings, National Mutual Benefit Life and 44 on the Square, located in the central business district (CBD) of the City of Madison. The sale of the National Mutual Benefit (NMB) Building, also known as the Insurance Building, included an adjacent lot and an obsolete, smaller building. The seller of the three properties was National Mutual Benefit, and the buyer of the NMB property was Insurance Building Associates, Ltd. Partnership. The buyers of the parking lot and Legal Clinic property were Bradley A. Binkowski and Thomas M. Neujahr. The price was determined in a purchase agreement dated December 9, 1987. The seller was moving to the property at 6522 Grand Teton Plaza, described earlier, and the buyer was protecting its investment in One East Main, the newly renovated and reconstructed J.C. Penney's building next to the Insurance Building. The buyer needed to enhance the parking space available to tenants at One East Main Street.

The property which was purchased for a total of \$2,200,000 consisted of the seven-story Insurance Building, a parking lot at 16 East Doty Street, and the Legal Clinic Building at 122 South Pinckney Street. The Insurance Building site is 8,712 square feet; the parking lot and Legal Clinic site added 13,691.7 square feet to this assembled site for a total of 22,403.7 square feet or 0.514 acres.

The Insurance Building contains 52,000 square feet of gross building area on floors one through seven and another 8,712 square feet in the full basement. The net leasable area (NLA) is 44,937 square feet. The building, constructed around 1922, is served by two Otis elevators, an obsolete central boiler, and window air conditioners. At the time of the purchase agreement, 3,332 square feet of NLA was vacant and another 1,806 square feet of NLA were on month to month leases and the tenants had departed within six months. The building was essentially 11 percent vacant at the time of purchase.

The Legal Clinic building is a stone and wood frame two-story building which is very old and obsolete. The value is only in the site; the 2,926 square foot building adds a negative value to the site because its highest and best use is as if vacant.

The total purchase price of \$2,200,000 was allocated as follows:

National Mutual Benefit Building property	\$1,826,000
Parking lot and Legal Clinic property	<u>374,000</u>
TOTAL PURCHASE PRICE	\$2,200,000

Therefore, the allocated unit price of the National Mutual Benefit property is \$34.98 per square foot of gross building area, or rounded, \$35.00 per square foot. The allocated unit price of the 13,961.7 square feet of land is \$26.79 per square foot. There will be added cost to the buyer to demolish the Legal Clinic, so the effective cost of the site is something more than the approximately \$27.00 per square foot allocated in the purchase price. This land price is within the range of the 1990 unit land prices estimated by the City of Madison Assessor which are \$29.84/SF for the NMB property, \$25.89/SF for the surfaced parking lot, and \$20.29/SF for the Legal Clinic land.

#### 4. Sale of 44 On The Square

The Carley Capital Group sold the office building known as 44 On The Square to the 44 Associates Limited Partnership for \$1,330,000 based upon an accepted offer dated February 19, 1987; the sale was closed on August 31, 1987. Because of the impending financial problems of the sellers, this could qualify as a sale price which was negotiated under duress.

The property is located at 44 East Mifflin Street across from the Capitol Square. The four-story building has a basement and a sub-basement which was used for retail and storage space when it functioned as the Emporium, a department store built in 1966; it was extensively renovated by the Carley Capital Group in 1979 after they purchased it for \$850,000 in 1978. At the time of the more recent 1987 sale, the building was served by three elevators and an extremely inefficient HVAC system. The reinforced concrete building finished in brick veneer contains 49,755 square feet of gross building area with 38,130 square feet of NLA which includes 8,858 square feet of NLA in the basement and 5,613 square feet of NLA in the sub-basement. The total site area of 19,288 square feet includes the surface parking lot behind the building which has approximately 30 parking stalls.

At the time of the sale, the entire first floor of the building (5,957 square feet) and another 6,880 square feet of NLA on the second and fourth floors were vacant for a vacancy rate of almost 34 percent of NLA. A second floor office with space facing the Capitol was below market rent at \$9.43 per square foot and 11,591 square feet of the lower levels were leased at \$1.90 per square foot to the Madison Athletic Club.

When only the 35,284 square feet of gross building area above grade are used, the sales price translates to a unit price of \$37.69 per square feet. When the total gross building area is used, the unit price is \$26.73 per square foot.

## 5. Conclusion

The office building sales which have taken place over the past three years suggest a general range of \$35.00 to \$69.22 per square foot of gross building area for office space in Madison, depending upon a wide variety of factors including time of sale; the age, size, condition, and quality of the space; uses allowed; adequacy of parking; presence/absence of elevators; adequacy of HVAC systems; quality of the leases in place at time of sale; and the need for the owner to sell.

Because of the lack of comparability of the more recent office building sales in Madison and because of the lack of any late 1989 and 1990 comparable sales due to an inactive market, the Market Comparison Approach is inappropriate as a valuation method for the Park Regent Medical Building.

### B. Cost Approach

The Cost Approach is based upon the premise that the value of a property can be indicated by the current cost to construct a reproduction or replacement of the improvements minus the amount of depreciation evident in the structure from all causes plus the value of the land and entrepreneurial profit. Physical and functional obsolescence can be either curable or incurable. External obsolescence is incurable because it is caused by factors outside the property itself.

While many appraisal textbooks still recommend the Cost Approach to Value, it is only useful when the improvements are relatively new and represent the optimum use of the property in question. The subject property was built in the early 1970s and its uses are limited by certain covenants described earlier. Therefore, for this property, the Income Approach must be relied upon as the most appropriate valuation method.

### C. Income Approach

The Income Approach is based upon the principle of anticipation, which states that "the value of the property is based upon the present worth of the future benefits which can be derived from the property." The Income Approach combines the present value of cash flows to the equity investor during the project holding period with the justified mortgage amount based upon the income producing capability of the property. The premise is that investment value is the sum of the present value of benefits to the owner plus the original balance of the loan, since a loan is the present value of all the interest and principal payments due the lender under the financing contract. The justified mortgage amount is determined by the application of an appropriate debt cover ratio to the stabilized net operating income generated by the property.

An office building is a vehicle for purchase of investment income and appreciation, not unlike any other cash cycle investment with a series of returns. The relationship of outlays and receipts in time and quantity determines the investment rate of return. Conversely, if the investment return desired is assumed and net receipts can be estimated, the relationship can be reversed to determine the maximum outlay, i.e., probable purchase price, which could be justified by the investor. Therefore, the most appropriate method for estimating the value of the subject property is the Income Approach, using the discounted cash flow method, since the building would be purchased for its income producing capabilities and future appreciation.

An appropriate discount rate (13 percent) representing the equity yield to the buyer is applied to the cash available to the investor. This discount factor is taken from the market place to simulate the behavior of investors who are representative of the most probable buyer of the subject property. To estimate the selling price of the property at the end of the 10 year holding period, a capitalization rate (10 percent) found to be typical in the market for this type of property is applied to the net operating income in the 11th year of the revenue and expense forecast. The present value of the net proceeds of the sale is added to the present value of the cash flows and the original loan balance to estimate the value of the property.

Discounted cash flow methodology begins with a forecast of revenues and expenses which determine net operating income during the holding period. In this case revenues consist of base rents, periodic adjustments of base rents, the reimbursement of increases of certain operating expenses and real estate taxes over a base year, and incidental revenue from storage space. Expenses subject to recovery include janitorial services, security, grounds care (which includes trash and snow removal), administration, management, insurance, repairs and maintenance, utilities, and real estate taxes. Expenses not a part of recovery or pass-through revenue include an annual reserve for structural repairs/replacements, and leasing commissions and tenant improvements which are amortized over the length of each individual lease.

#### 1. Review of Market Rents for Medical and General Office Buildings Near the Central City of Madison and Surrounding Areas

The valuation process begins with a forecast of the revenues and expenses expected during the project holding period. Although the current revenue stream is determined by rental rates dictated by current leases, the appraiser must apply market rents at renewal for present tenants and for new tenants with new leases. With a substantial initial vacancy of 18.5 percent and the constraints imposed by the restrictive covenant on use, it is also critical to understand the dynamics of the market to make reasonable assumptions about the pace of leasing that can be expected.

a. Rent Ranges of Buildings by Class

Reference is made to **Section III** of this appraisal for a detailed discussion of the general and medical office market in the Madison area with specific attention to **Exhibits III-1, III-2, and III-3**. Rents for the newest Class A general use office buildings located in downtown Madison range from \$16 to \$18 per square foot of NLA with the tenant paying another \$0.75 per square foot for electricity for normal office use and to power the heat pumps. Market rents for Class B office buildings in downtown Madison are usually full service with a pass-through of increases in some or all operating expenses over a specified base year. The range in market rents is from \$9 to \$16 per square foot of NLA with the majority in the range of \$11 to \$14.50 per square foot of NLA. Market rents for Class C office space are usually full service and typically range from \$9 to \$11 with some poorer quality basement space at \$7 to \$8 per square foot of NLA. Suburban office rents, summarized in **Exhibit III-4**, range from \$9 to \$16.50 when adjusted to a full service basis. Base rents vary from gross (full service) to triple net in which the tenant pays a proportionate share of all operating expenses. The newest office space coming onto the market and located within a block of the subject property at City Station is renting at \$11.25 per square feet plus operating expenses estimated at \$4.50 per square foot of NLA.

Rents paid for medical office space located near the subject property may not represent negotiated market rents because of the occupant's vested interest in the property. At the Madison Medical Center located at 20 South Park Street and the Davis-Duehr Eye Associates at 1025 Regent Street, many of the physicians who occupy the space also have an ownership interest in the property. Full service rents range from \$21 to \$19 per square foot of NLA for these two buildings. The Regent-Mills Professional Building located at 1050 Regent Street is occupied by the dentists who own the building, but there are also other tenants in the building. Full service rents range from \$9 per square foot for lower level to \$13 to \$14 for upper level space, but no tenant improvements are included.

Rent paid by the University of Wisconsin Hospital and Clinics at University Station is \$13 per square foot with the tenant paying all of the operating expenses estimated to range from \$5 to \$.50 per square foot. The developer finished the walls, ceiling, and floors plus provided plumbing rough-ins, but the tenant paid for all of the casework and plumbing fixtures.

The older medical office buildings located in nearby Doctors Park continue to rent at contract rents under market with the range from \$5 to \$7 per square foot with the tenant paying all operating expenses except real estate taxes. The tenants are stable and the landlord appreciates the low maintenance/management required.

b. Market Rent Conclusions

In 1985 to 1986, leases for the Park Regent Medical Building were being renewed for approximately \$12.50 per SF, for full service, with a pass-through of the increase in CAM, utilities, and real estate taxes over a base year. In 1990 to 1991, leases are being renewed for \$13.50 SF, which is a \$1.00 increase over a four to five year period. When compared to a variety of market rents for a range of types of office space, it is the appraiser's opinion that the current rent structure at the Park Regent Medical Building is at market and competitive. The current high vacancy is due more to a lack of aggressive marketing effort than to a lack of demand for centrally located office space for medical and health related uses.

From this survey it appears there is near equilibrium in the supply and demand for medical office space in Madison. When groups of physicians need more space, they move slowly in making the decision to build new, expand, or lease. The recent public outcry about the rapidly escalating cost of health care, coupled with rapidly increasing fuel and construction costs, will probably sway many physicians in the near future to look seriously at well-located, reasonably priced leased space in existing medical office buildings as an alternative to owning more real estate. Physicians Plus current interest in expanding within the subject property is an example.

But, while demand is exceeding supply at the Madison Medical Center located at 20 South Park, the relationship between a physician's medical affiliations and the location of his/her medical office may be highly correlated so it does not follow that the subject property will be able to capture physicians on the waiting list at 20 South Park Street. It is more likely that new tenants for the subject property will come from diverse sources such as the expansion needs of existing tenants, medical groups unrelated to HMOs which have outgrown their current space, and from educational, health, welfare, and service groups that can qualify under the existing covenants. These space users will be attracted to the large blocks of space available at competitive prices in the Park Regent Medical Building.

2. General Assumptions Underlying the Application  
of the Income Approach to the Subject Property

The Park Regent Medical Building has been handicapped by two limitations: (1) the Triangle Redevelopment covenant on use which restricts the type of tenants permitted to rent space in the building, and (2) a limited number of on-site parking stalls. This appraisal of the Park Regent Medical Building must address these limitations in its leasing assumptions about the future.

One of the major office space users in Madison, the University of Wisconsin central administration, has been actively advertising for lease proposals for office space. In order to clarify the City of Madison's interpretation of the covenant on use, George E. Austin, Executive Director of the Community Development Authority was requested to issue a certificate which would define more clearly uses that would be permitted at One South Park Street, as discussed previously in **Section II** of this report. On September 10, 1990, Mr. Austin issued a certificate to the effect that "the use of One South Park ... as office and related facilities by the University of Wisconsin would be permitted use of such property ... except that distinct, non-educational general administrative service and support functions, such as accounting, personnel, risk management, purchasing, storage, physical plant, motor pool, food service, printing, and the like would not be permitted".

While the certificate does not permit the leasing of space to the University of Wisconsin's central administration, it does approve of leases to University of Wisconsin entities more directly connected with the educational process.

Therefore, this estimate of value for the subject property is conditional upon the following general assumptions as well as the specific leasing assumptions discussed more thoroughly later in this report:

- a. The September 10, 1990, certificate does open the door to leasing to University of Wisconsin offices which promote public health or welfare, but Park Regent Medical Building will not be able to respond to the University of Wisconsin central administration's request for lease proposals
- b. The buyer will obtain a blanket endorsement from a title insurance company that leasing space to the University of Wisconsin as covered by the Certificate is permitted
- c. Group Health Cooperative will continue to occupy all of the space now under lease and will expand its use of space in the building within the next year
- d. The buyer will actively seek and will negotiate successfully with the University of Wisconsin, the State of Wisconsin, the City of Madison and/or Dane County over the next three years, along with other health and medical organizations, to move and expand some of their health and welfare services to utilize the available space on the 2nd and 5th floors of the subject property; given the State's plans to lease/buy 160,418 square feet of new office space in downtown Madison in the near future, it is more likely that the University and Dane County, which is currently analyzing its space needs, will seriously consider leasing space located in the subject property

- e. The buyer will be able to solve the current on-site parking shortage either by hiring a full-time parking attendant to police the area, or by obtaining 40 to 50 off-site, but nearby parking spaces for staff parking to free up spaces for customers
- f. The real estate assessment will be reduced to \$3,500,000 as January 1, 1991

Marketing to the university, city, and county agencies, which are an untapped potential market segment of space users, requires a longer lead time because of the need for many decision makers to be involved in approving new leases. But the appraiser believes that this means a slower pace of absorption to reach a stabilized occupancy than if there were no limitations imposed by the covenant on use. There will no longer be a perpetual period of double-digit vacancy. Staff under the current owner admittedly have not aggressively marketed the property to any group of potential users.

### 3. Status of Group Health Cooperative Major Tenant of the Park-Regent Medical Building

One of the most critical assumptions of this appraisal is that Group Health Cooperative (GHC) will continue to lease the space it now has under contract and will, in time, expand its space needs within the subject property.

A review of GHC's balance sheet and resulting net worth over the last five years is indicative of the financial health of this major tenant. The following data is taken from the audited annual statement for the year ending December 31, 1989, for Group Health Cooperative of South Central Wisconsin:

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
	(000's)				
Total Assets	\$10,938.5	\$9,236.2	\$8,151.9	\$6,283.5	\$7,396.8
Total Liabil.	\$ 8,624.7	\$8,103.9	\$7,259.8	\$7,077.3	\$7,190.7
	\$ 2,313.8	\$1,132.3	\$ 892.1	\$ (793.8)	\$ 206.1

In 1985-1986 GHC incurred higher claims than forecast, but their financial health has been improving each year since 1986. According to an article in the local Madison weekly newspaper Isthmus dated February 5, 1988, to meet an increased minimum reserve requirement set by the Commissioner of Insurance, early in 1988 GHC became a subsidiary of Family Health Plan Cooperative, the most financially successful HMO in the Milwaukee area. Although GHC lost control of operations, the agreement with Family Health keeps GHC financially solvent, while GHC retains the GHC name, its facilities, and its market identity. The immediate effect upon the subject property is that space decisions will be made more slowly, because the Family Health will be involved with each decision.

Enrollment figures would be another indicator of the success of GHC, but until the end of 1988, U-Care operated under the GHC license, and since everyone did not enroll in the same month, it has taken awhile for the enrollment to reflect the true GHC enrollment. At the end of 1989, enrollment stood at 26,750 members. Comparative enrollments in the HMO's at the end of 1989 were as follows:

DeanCare	99,412	49.9%
Physicians Plus	60,149	30.2%
U-Care	12,951	6.5%
GHC	26,750	13.4%
TOTALS	199,262	100.0%

Sources: Larry Zanoni, Executive Director of GHC and Health Maintenance Organization-Association Edition made to the Office of Commissioner of Insurance for the year ending December 31, 1989

#### 4. Forecast and Analysis of Revenues and Expenses Over a Ten Year Holding Period

##### a. Revenues

The leases of the current tenants were reviewed and certain critical assumptions were made regarding future market rents, future renewal intentions of the current tenants, and the absorption rate for existing vacant space. The location of the occupied and vacant spaces is found in a series of floor plans shown in the **Appendix B** and the current rent roll is summarized in **Exhibit VI-1**. The critical assumptions about future renewals, vacancy, and new leases are detailed on a space by space basis in **Exhibit VI-2** form the basis for this value estimate.

The annual growth rate for market rents over the 10 year holding period is assumed to be \$0.25 per SF; this translates to an average growth rate, compounded annually, of 1.73 percent. It is assumed that each lease will renew at the specific market rate for that year, whether the lease is renewed in January or December. The market rents used in this analysis are found in **Exhibit VI-3**.

In a number of leases, the required rent adjustment is expressed in terms of the lower of the change in the Consumer Price Index (CPI) or the market rent which prevails for the building at the time of the adjustment. An analysis was made of the historical change in the CPI over the past seven years. The annual change has been increasing recently and has ranged from 4.15 percent in 1988 to 0.82 percent in 1986. In the other five years the change in the CPI ranged from 3.37 percent to 4.13 percent. It is assumed, for the purposes of this analysis, that market rent will continue to prevail as the lower of the two indicators and will increase at \$.25 per SF per year.

A computer program, FINSIM, created by Grant Systems, Inc., Houston, Texas is used to calculate each tenant's anticipated revenue from base rent, rent adjustments (escalators), and recoveries (pass-throughs) due to increases in expenses over the individual tenant's base year. FINSIM also calculates the rent loss from specific space vacancy and the cost of tenant improvements assumed to occur over the 10 year holding period for each tenant space. The leasing commissions, at \$3.00 per SF of space leased, are calculated in Lotus 1-2-3 and are added to the final revenue and expense statement.

The FINSIM inputs for each tenant space that reflect the assumptions used to forecast the occupancy/vacancy pattern and lease terms for each tenant space, as detailed in **Exhibit VI-2**, are found in **Appendix C**. The rent roll, as created by FINSIM, is included in **Appendix C**; the lease start dates are shown on the FINSIM version of the rent roll reflect the existing rent roll in 1990 in order to establish a basis for the pass-throughs in 1991, the first year of the 10 year forecast.

The resulting revenue, vacancy losses, and cost of tenant improvements for each tenant space and the total amounts for the entire building are found in **Appendix D**. The tenant in Suite 540, Dr. Lantis, has a unique lease clause for calculating pass-throughs. A separate calculation was done to forecast this recovery of expense increases and is included in **Appendix D**. The amount of Dr. Lantis's annual pass-through was then input into the FINSIM lease analysis program.

#### b. Assumptions Regarding Vacancy

As of August, 1990, the Park Regent Medical Building has 15,538 SF vacant, or 18.3 percent of the total net leasable area (NLA). If the manager's office with 427 SF is included, the vacant space totals 15,965 SF or 18.8 percent of the total 84,931 SF of NLA. It is assumed that none of this vacant space will be leased in 1990.

Over the forecast period, the monthly loss from vacancy for specific spaces is calculated within the FINSIM program; the prevailing market rent is applied to each space that is vacant and is then reported as an annual revenue loss due to specific vacancy. The assumptions regarding the absorption of vacant space are included in **Exhibit VI-2** and are then summarized on a square footage basis in **Exhibit VI-4**. After the building has been fully rented in 1994, an average general loss to vacancy of five percent is assumed during the remainder of the holding period.

## c. Expenses

To estimate 1990 expenses and to forecast those expenses over the ten year holding period, an analysis was made of the building's operating expenses since 1977. Reference was also made to national operating data gathered by Building Owners and Managers Association International (BOMA) for downtown medical buildings as a check on the reasonableness of the actual operating data. The schedule of budgeted 1990 expenses and forecasted expenses for 1991 through 2001 are found in **Exhibit VI-5**. Also included in this exhibit is BOMA's 1988 general medical office building operating data. The average expense ratio (expenses/effective gross revenue) of 54.3 percent reported by BOMA compares favorably with the equivalent operating ratio of 56.6 percent forecast for the subject property in 1994-1995 when the occupancy has been stabilized. Based upon the analysis of historical data and assumptions about changes in management and in the real estate assessment upon a sale, it is assumed that categories of expenses will increase over time at the different rates as follows:

<u>Base Year 1990</u>	1993 through 2001		
	<u>1991</u>	<u>1992</u>	<u>2001</u>
Cleaning	5.0%	5.0%	4.5%
Administrative	N/A	3.0%	3.0%
Management	Not increased at a fixed percentage, but at 4.0% of each year's EGI		
Grounds and Security	3.0%	3.0%	3.0%
Insurance	3.5%	3.5%	3.5%
Repairs and Maintenance	5.0%	5.0%	5.0%
Real Estate Taxes	5.5%	N/A	5.5%
Utilities	4.5%	4.5%	4.5%

The acquisition and management policies of The Prudential Insurance Company of America, the current owner of the subject property, limits their new acquisitions to large properties which have a value of \$25,000,000 or more. The Park Regent Medical Building, taken back in foreclosure many years ago, has been a satisfactory income producer, but it is undersized for efficient management since Prudential sold its other real estate holdings in Madison in the mid-1980s. It is assumed that the most probable buyer

of this property, a local investor, will manage the property more efficiently and will market its space more aggressively. Therefore, the administrative budget for 1991 will no longer include the salary of an on-site manager. It is also assumed that the 1990 property assessment of \$4,985,000 will be reduced to \$3,500,00 as of January 1, 1991, with the reduced tax bill paid in 1992. In practice, the funds to pay the 1990 real estate taxes which are expected to be substantially higher than the 1991 taxes, will be escrowed in 1990, and the buyer will pay into a tax escrow during 1991 at the reduced tax level.

As previously mentioned, the expense forecast over the holding period of the property is detailed in **Exhibit VI-5**. The 11th year is also included because the projected 11th year net operating income is capitalized to determine the 10th year sale price. Those expenses that are subject to recovery or pass-through are totaled on the second page of **Exhibit VI-5** as well as those expenses which are not subject to recovery.

Leasing commissions are amortized over the term of each new tenant's lease and are based upon \$3.00 per SF of space. The timing and amount of commission charged against each space is summarized in **Exhibit VI-6** over the holding period of the property. The \$3.00 leasing commission is inflated at 1.5 percent per year. After the initial leasing up is completed, the leasing commission is reduced to \$2.20 per SF and is inflated annually at 1.5 percent.

Tenant improvements are assumed to occur when vacant space is leased and, for some tenants, refurbishing is done when the lease is renewed. Generally, major improvement allowances are \$10.00 per SF for space that is currently vacant and with new leases signed for a five year term. For renewals or for three year leases, tenant allowances are \$5.00 per SF. After the building occupancy is stabilized, a \$3.50 per SF refurbishing allowance is charged to the vacant space that is turned over each year.

The forecast of tenant improvement allowances amortized over the term of the lease are found in **Exhibit VI-7**. The tenant improvement budgets are calculated within the FINSIM program and the cost per SF of the improvements is inflated over time at market rent growth rates.

Increases in operating expenses over a specified base year are passed through to the tenant. Within the FINSIM program, these expenses are broken into three categories: common area maintenance (CAM) expenses, real estate taxes, and utilities. Within the CAM expenses are included charges for cleaning, grounds and security, administrative, management, insurance, and repairs and maintenance. The total annual building expenses that are subject to recovery are summarized by category in **Exhibit VI-8**; the expenses from 1977 through 1989 are actual and the expenses from 1990 through 2000 are taken from the expense forecast shown in **Exhibit VI-5**. These same

expenses, as input into the FINSIM program, are also shown in **Appendix C**. In FINSIM the 1980 through 1989 expenses are reported as historical data and as expenses from 1990 through 2001. The FINSIM calculations take note of the specific base year as defined in each tenant's lease.

d. Net Operating Income

The FINSIM program is used to calculate the net operating income for the subject property. The results are summarized in **Exhibit VI-9** and then the resulting net operating income (NOI) is entered into a discounted cash flow valuation program, ATV (After Tax Valuation) developed by Valusoft, Inc. and Micro-Matix, Inc. from Winston-Salem, North Carolina.

e. Equity Yield Rate and Reversion Capitalization Rate

To solve for value, the cash to the equity investor is discounted at the equity yield rate. An equity yield rate of 13 percent is selected for this special use property located in a stable office market with relatively low vacancy rates. See **Exhibit VI-10** for market equity yields currently used to value income streams to the investor. Although national market indicators suggest an equity yield range of 9 to 13.5 percent, a yield near the higher requirement is selected for the subject property due to the leasing restrictions imposed by the covenant on use, the occupancy of 44 percent of the space by one tenant, and the risk inherent in the shifting dynamics of medical practice in the Madison area.

To estimate the resale value of the property at the end of the holding period, a 10 percent capitalization rate is used. Again, the higher rate is selected because of the special use nature of the property. A going-in capitalization rate of 9.0 to 9.5 percent is suggested from the data found in the American Council of Life Insurance Investment Bulletin for the first quarter of 1990 and is also shown in **Exhibit VI-10**. Since rates have been increasing over the past few quarters, a 10 percent rate for January 1, 1991, appears to follow the market pattern.

It is assumed there will be a four percent cost of selling deducted from the gross sales price at the end of the holding period.

f. Debt Cover Ratio and Interest Rates  
and Investor Tax Rates

Local bankers and investors suggest interest rates from 10 to 11 percent for fixed rate mortgages over a 25 to 30 year term. A minimum debt cover ratio of 1.20 is required for office buildings in Madison. These rates are comparable to those found in **Exhibit VI-10**, both in the Investment Bulletin and information presented by the American Institute of Real Estate Appraisers. For the subject

property a debt cover ratio of 1.25 is used to size the mortgage, based upon an average of the net operating income of \$535,800 for 1992 and 1993 as the building occupancy begins to stabilize. An interest rate of 10.5 percent over a 25 year term is assumed. The resulting maximum allowable mortgage is \$3,800,000.

The building is assumed to be purchased by an investor in a tax bracket of approximately 33 percent for both ordinary and capital gain income. A depreciable life of 31.5 years is allowed for a non-residential income property using straight line depreciation to avoid recapture penalties.

#### g. Discounted Cash Flow Results

The assumptions used in the valuation of the Park Regent Medical Building are found in **Exhibit VI-11**. Some of these assumptions have been presented previously, but in **Exhibit VI-11** they are repeated in summary form for the valuation estimate. The inputs used in the ATV program are found in **Exhibit VI-12** and the discounted cash flow calculations are found in **Exhibit VI-13**. The estimated value of the subject property is \$4,785,379 or, rounded, \$4,800,000, based upon the assumptions and conditions expressed throughout this report. Based upon an estimated gross building area (GBA) of 95,000 SF, this value translates to unit value of \$50.53 per SF of GBA. Based upon a net leasable area (NLA) of approximately 85,000 SF, the estimated value is \$56.50 per SF of NLA.

A comparison of the resulting investment ratios with those found in the market and shown in **Exhibit VI-10** is another check of the reasonableness of the value estimate. In 1991 the before tax equity dividend is 2.4 percent as the property is just beginning to be leased up; the equity dividend rate increases to 13.4 percent in 1992 when recoveries are high from the previous year's tax increase, but expenses are lower because of the current year's lower taxes. The pattern continues to fluctuate as follows:

<u>Year</u>	<u>Equity Dividend</u>
1993	8.0%
1994	8.6%
1995	10.0%
1996	13.2%
1997	14.8%
1998	18.2%
1999	17.3%
2000	13.0%

Based on a stabilized net operating income (NOI) of approximately \$535,800, which is an average of the second and third years, the going-in cap rate is 11.2 percent. Based on the first year NOI only, the going-in cap rate is 10.6 percent.

**D. Alternative Leasing Scenario**

The foregoing value estimate assumes that GHC will expand its space needs within the building over the holding period as well as continuing to renew the space currently leased. The remainder of the space is assumed to be leased by qualified tenants from the community. An alternative scenario is the occupancy of the majority of the vacant space by existing tenants who want to expand their leased space within the building.

In the last few months there have been some very encouraging inquiries from existing tenants who want to lease larger offices. Allergy & Immunology, part of Physician's Plus HMO, which currently rents Suite 600 with 5,038 SF, is seriously considering moving to the 7,483 SF of vacant space on the 4th floor. Allergy & Immunology is currently on a month to month lease.

For the purpose of the appraisal, this medical clinic is assumed to vacate its space in the Park Regent Medical Building at the end of December 1992 when another Physician's Plus clinician, Dr. Lantis is also assumed to vacate Suite 540 on the 5th floor at the end of his current lease term.

If Allergy & Immunology does sign a lease for the 7,483 SF on the 4th floor in the next six to nine months and GHC leases the 5,038 SF on the 6th floor which is more conveniently located for the expansion of their administrative space, the vacancy loss anticipated for 1993 would be greatly diminished. The cash flow would be even more enhanced if Dr. Lantis also renewed his lease as of January 1, 1993. Only the current and anticipated vacancies on the 2nd and 5th floors plus 699 SF on the 4th floor would require tenants from outside the building.

On the first floor, Prescription Pharmacy has expressed an interest in leasing the old manager's office for storage, and GHC has also expressed an interest in that space for expansion.

Because of the present uncertainty of these new opportunities, the more conservative scenario which assumes a slower paced leasing program is relied upon to estimate the stabilized value of the subject property as of January 1, 1991.

Also at the time the leasing assumptions were made for this appraisal, there was no confirmation that Dr. Matkom, who occupies 372 SF of space (Suite 420), had renewed his lease which is due to expire at the end of December, 1990. It was assumed, for the purposes of valuation, that he would renew for one year and then retire at the end of 1991. Since then, it has been confirmed that Dr. Matkom renewed his lease for three years, so there will be less vacancy and greater cash flow than forecast for 1992.

**EXHIBIT VI-1**  
**PARK REGENT MEDICAL BUILDING RENT ROLL AS OF 1990**

PARK REGENT MEDICAL BUILDING  
 TENANT LEASE SUMMARY AS OF JANUARY 1, 1991

SUITE NUMBER	TENANT	SQUARE FEET	% OF NRA	LEASE				1991 BASE RATE	BASE RENT ESCALATOR & ADJUSTMENT	BASE YEAR FOR PASSTHRU	ANNUALIZED 1991 BASE RENT
				LEASE START	LEASE EXPIRES	TERM MOS.	NO. OPTIONS				
<b>1ST FLOOR:</b>											
100	Prescription Pharmacy	3,800	4.49%	1/1/91	12/31/95	60	1	5 years at market	\$13.50	Base rent adjusted 4th & 5th years Annual pass through	1985 \$51,300
110	Zanoni-Greenbush Cafe	1,280	1.51%	4/1/89	11/30/91	32	0	N/A	\$6.60	Annual pass through	1985 \$8,448
140	GHC	5,150	6.09%	6/1/85	5/31/93	96	1	5 years at market	\$13.50	Base rent adjusted 6th & 8th years Annual pass through	1984 \$69,525
150	Manager's Office	427	0.50%	Vacant							
	<b>SUBTOTAL</b>	<b>10,657</b>	<b>12.60%</b>								<b>\$129,273</b>
<b>2ND FLOOR:</b>											
220	Stiennon X-Ray	2,310	2.73%	11/15/90	11/14/95	60	0	N/A	\$7.75	Annual pass through	1978 \$17,903
220-A	Stiennon Storage	160	0.19%	10/1/89	12/31/90	15	0	Renew annually	\$13.50	Annual pass through	1978 \$2,160
225	Langheim	1,015	1.20%	1/1/91	12/31/91	12	1	1 year at market rent	\$13.50	Annual pass through	1988 \$13,703
225-A	Vacant-New Tenant-A	606	0.72%	Vacant							
235	Yeazel	640	0.76%	8/1/86	7/31/91	60	1	5 years at market rent as of 8/91 was \$13.25	\$13.50	Base rent adjusted 4th & 5th 4th & 5th years Annual pass through	1985 \$8,640
242	Bryan	650	0.77%	1/1/89	12/31/91	36	1	3 years at market rent	\$12.75	Annual pass through	1988 \$8,288
244	Herslof's	450	0.53%	7/1/88	6/30/91	36	1	3 years at market rent as of 7/91 was \$12.75	\$13.50	Annual pass through	1987 \$6,075
248	McKenna	780	0.92%	3/1/89	2/29/92	36	1	3 years at market rent	\$12.75	Annual pass through	1988 \$9,945
253	Vacant-New Tenant-B	1,200	1.42%	Vacant							
255	Parks	1,050	1.24%	8/1/89	7/31/92	36	0	N/A	\$12.75	Annual pass through	1988 \$13,388
280	Christensen	3,332	3.94%	1/1/90	12/31/94	60	1	5 years at market rent	\$12.75	Base rent adjusted 4th yr. Annual pass through	1989 \$42,483
	<b>SUBTOTAL</b>	<b>12,193</b>	<b>14.43%</b>								<b>\$122,583</b>

Landmark Ranch, Inc.

EXHIBIT VI-1 (Continued)

PARK REGENT MEDICAL BUILDING  
TENANT LEASE SUMMARY AS OF JANUARY 1, 1991

SUITE NUMBER	TENANT	SQUARE FEET	% OF NRA	LEASE START	LEASE EXPIRES	TERM MOS.	NO. OPTIONS	RENEWAL TERMS	1991 BASE RATE	BASE RENT ESCALATOR & ADJUSTMENT	BASE YEAR FOR PASSTHRU	ANNUALIZED 1991 BASE RENT
<b>3RD FLOOR:</b>												
300	GHC	12,446	14.72%	12/1/87	11/30/95	96	1	5 years at market rent	\$13.50	Base rent adjusted 4th, 5th, 6th & 8th years Annual pass through	1987	\$168,021
	<b>SUBTOTAL</b>	<b>12,446</b>	<b>14.72%</b>									<b>\$168,021</b>
<b>4TH FLOOR:</b>												
400	Blum	3,893	4.60%	11/1/89	10/31/91	36	1	3 years at market rent	\$12.75 thru 10/91 then \$13.50	Annual pass through	1988 1988 + \$5,000 for CAM only	\$49,636
420	Matkom	372	0.44%	1/1/89	12/31/90	24	1	1 year at market rate	\$13.50	Annual pass through	1988	\$5,022
421	Vacant-New Tenant-C	699	0.83%	Vacant								
440	Vacant-New Tenant-D	7,483	8.85%	Vacant								
	<b>SUBTOTAL</b>	<b>12,447</b>	<b>14.72%</b>									<b>\$54,658</b>
<b>5TH FLOOR:</b>												
500 & 521	Vacant-New Tenant-E	2,642	3.12%	Vacant								
525	Byce	920	1.09%	6/1/90	5/31/92	24	3	1 year at market rent	\$13.25	Annual pass through	1986	\$12,190
540	Lantis/Passow	1,500	1.77%	1/1/91	12/31/91	12	2	1 year at market rent	\$13.50	Based on pass through of \$17,250 X increase CPI	N/A	\$20,250
542	Weight Loss Clinic	1,231	1.46%	1/1/91	12/31/93	60	1	Assume 3 years at market rent	\$12.75	Base rent adjusted 2nd & 3rd years Annual pass through	1985	\$15,695
555	Hill/Richardson	3,256	3.85%	3/1/88	2/28/93	60	1	5 years at market rent as of 3/91 was \$12.75	\$13.50	Base rent adjusted 4th & 5th years Annual pass through	1987	\$43,956
580 & 541	Vacant-New Tenant-F	2,908	3.44%	Vacant								
	<b>SUBTOTAL</b>	<b>12,457</b>	<b>14.73%</b>									<b>\$92,091</b>
<b>6TH FLOOR:</b>												
600	Allergy/Immunology	5,038	5.96%	Month to Month		1	0	N/A	\$13.50	Annual pass through	1982	\$68,013
620	GHC	7,400	8.75%	12/1/85	11/30/93	96	1	5 years at market rent	\$13.50	Base rent adjusted 6th & 8th years Annual pass through	1984	\$99,900
	<b>SUBTOTAL</b>	<b>12,438</b>	<b>14.71%</b>									<b>\$167,913</b>

EXHIBIT VI-1 (Continued)

PARK RECENT MEDICAL BUILDING  
TENANT LEASE SUMMARY AS OF JANUARY 1, 1991

SUITE NUMBER	TENANT	SQUARE FEET	%	OF NRA	LEASE			1991 BASE RATE	BASE RENT ESCALATOR & ADJUSTMENT	BASE YEAR 1991	ANNUALIZED FOR PASSTHRU BASE RENT
					LEASE START	TERM	NO.				
<b>7TH FLOOR:</b>											
700	GHC	12,293	14.54%		6/1/85	5/31/93	96	1	5 years at market rent	\$13.50	Base rent adjusted 6th & 8th years Annual pass through
	<b>SUBTOTAL</b>	<b>12,293</b>	<b>14.54%</b>								<b>\$165,956</b>
	<b>TOTAL</b>	<b>84,931</b>	<b>100.4%</b>								<b>\$900,495</b>
APPROXIMATE TOTAL 1991 BASE RENT COLLECTED BEFORE RENT ADJUSTMENTS/PASS-THRU'S INCLUDED											

(Since not all leases begin on the first of the year,  
some effective base rents will be more or less than  
the amount stated for 1991)

EXHIBIT VI-2

ANALYSIS OF TENANT LEASES OVER 11 YEAR PROJECTION PERIOD  
ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
FOR PARK REGENT MEDICAL BUILDING  
VALUATION AS OF JANUARY 1, 1991

FIRST FLOOR

Suite 100 PRESCRIPTION PHARMACY 3,800 SF

1990      Rent at \$47,550/year through 12/31/90  
            Base year 1985

1991      Renewal at \$51,300/year or \$13.50/SF for 5 years from  
            1/1/91 through 12/31/95  
            Rent increases to \$14.25/SF in Year 4 (1994) and to  
            \$14.50/SF in Year 5 (1995)  
            Base year 1985

1996      Assume renewal by Prescription Pharmacy at 1996 market  
            rent of \$14.75/SF for 5 years or \$56,050/year  
            Rent increases to \$15.50/SF in Year 4 (1999) and to  
            \$15.75/SF in Year 5 (2000)  
            Base year 1985

Suite 110 GREENBUSH CAFE 1,280 SF

Although the cafe owner has not been able to pay market rent, it is assumed that the cafe is a building amenity so the below market rent lease will continue. It is further assumed that although the lease has an overage clause, gross sales will not equal the gross sales minimum.

1990      Rent at \$6.60/SF through 11/30/91  
            Base year 1985

1991      It is assumed that rent will increase to \$7.70/SF as of  
            12/1/91 through 11/30/95 for 4 years  
            Base year 1985

1995      It is assumed that rent will increase to \$9.00/SF as of  
            12/1/95 through 11/30/99 for 4 years  
            Base year 1985

1999      It is assumed that rent will increase to \$10.50/SF as of  
            12/1/99 through 11/30/2003 for 4 years  
            Base year 1985

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

FIRST FLOOR (Continued)

Suite 140 GROUP HEALTH 5,150 SF

1990 Current 8 year lease runs from 6/1/85 through 5/31/93  
At the beginning of the 6th year (6/1/90) rent at  
\$13.50/SF  
At the beginning of the 8th year (6/1/92) rent increases  
to \$13.75/SF  
Base year 1984

1993 Assume option to renew for 5 years exercised at market  
rent or \$14.00/SF as of 6/1/93 through 5/1/98  
Base year 1984

1998 Assume new 5 year lease at market rent or \$15.25/SF  
Base year 1997

Suite 150 MANAGER'S OFFICE 427 SF

This space has no HVAC or windows; had been used as on-site  
manager's office

1990 Assume vacant through 5/31/91

1991 Assume space rented for storage at one-half market rent  
or \$6.75/SF as of 6/1/91 for 2 years  
Base year 1990

1993 Assume lease renewed 6/1/93 at \$6.90 for 5 years  
Base year 1990

1998 Assume lease renewed 6/1/98 at \$7.55/SF for 5 years  
Base year 1997

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

SECOND FLOOR

Suite 220 STIENNON 2,310 SF

1990 Rent at \$7.75/SF as per lease of 11/15/75; last renewal option 11/15/90 for 5 years - In FINSIM, it is assumed lease ends 11/30/95  
Base year 1978

1995 Assume 12/1/95 new 5 year lease at market rent \$14.50/SF with 1 - 5 year option; tenant allowance at \$5.00/SF for refurbishing and new base year as incentives to move to market rent  
Base year 1994

2000 Assume option exercised at market rent of \$15.75/SF  
Base year 1994

Suite 220-A STIENNON 160 SF

1990 Rent at \$12.75/SF through 12/31/90 for office space used as storage  
Base year 1978 as per 1975 lease

1991 Assume renewed for 2 years at market or \$13.50/SF  
Base year 1978 as per 1975 lease

1993 Assume new lease for 2 - 5 year terms at market rent of \$14.00/SF in 1993 and \$15.25/SF in 1998  
Base year 1992

Suite 225 LANGHEIM 1,015 SF

1990 Rent at \$12.75/SF with 2 more 1 year renewal options exercised at market rents of \$13.50 on 1/1/91 and \$13.75/SF on 1/1/92  
Base year 1988

1993 Stiennon interested in expanding into this space so assume no vacancy, but include \$10.00/SF tenant improvement allowance (1991 dollars)

1998 New lease at \$14.00/SF for 5 years with 1 - 5 year renewal at \$15.25 as of 1/1/98  
Base year 1992

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

SECOND FLOOR (Continued)

Suite 225-A NEW TENANT-A 606 SF

1990 Vacant until 1/1/93 with rent loss for all of 1990, 1991, and 1992

1993 New tenant (possibly Stiennon) for 5 years at \$14.00/SF from 1/1/93 through 12/31/97 and renewed from 1/1/98 through 12/31/2002 at \$15.25/SF. Tenant improvements allowance of \$10/SF (1991 dollars). Base year 1992

Suite 235 YEAZEL 640 SF

1990 Current lease runs thru 7/31/91 at \$12.50/SF with increases in Year 4 (1989-90) to \$12.75/SF and to \$13.25/SF or market in Year 5 (1990-1991) Base year 1985

1991 A 5 year renewal option assumed exercised as of 8/1/91 with rent at market or \$13.50/SF and with rent adjustments in Year 4 (1994) and 5 (1995) at \$14.25/SF and \$14.50/SF Base year 1985

1996 New 5 year lease as of 8/1/96 at \$14.75/SF with adjustments in Year 4 (1999) and Year 5 (2000) at \$15.50/SF and \$15.75/SF Base year 1995

Suite 242 BRYAN 650 SF

1990 Rent at \$12.75/SF through 12/31/91 with 1 - 3 year option Base year 1988

1992 Lease renewed at \$13.75/SF for 3 years as of 1/92 Base year 1988

1995 New lease at \$14.50/SF as of 1/95 for 3 years with 1 - 3 year option Base year 1994

1998 Option exercised at \$15.25/SF for last 3 years of lease Base year 1994

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

SECOND FLOOR (Continued)

Suite 244 HERSLOF'S 450 SF

1990 Current lease which commenced 7/1/88 at \$12.75/SF expires 6/30/91 with 1 - 3 year renewal option  
Base year 1987

1991 Renewed at \$13.50/SF through 6/30/94  
Base year 1987

1994 Assume new lease at \$14.25/SF with 1 - 3 year renewal option  
Base year 1993

1997 Assume renewal at \$15.00/SF as of 7/1/97  
Base year 1993

Suite 248 MCKENNA 780 SF

1990 Rent currently at \$12.75/SF with lease expiration 2/29/92 with 1 - 3 year renewal option  
Base year 1988

1992 Option exercised at market rent of \$13.75/SF for 3 years from 3/1/92 through 2/28/95  
Base year 1988

1995 New lease assumed as of 3/1/95 for 3 years at market rent of \$14.50/SF with 1 - 3 year renewal option  
Base 1994

1998 Renewed at \$15.25/SF for 3 years  
Base year 1994

Suite 253 NEW TENANT-B 1,200 SF

1990 Space remains vacant until 1/1/92 and is leased at below market rent of \$13.00/SF for 3 years. Tenant improvement allowance of \$10/SF (1991 dollars)  
Base year 1991

1995 Renewal at \$14.50/SF as of 1/1/95 for 3 years  
Base year 1991

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINISM SPKUL05 CASH FLOW  
(Continued)

SECOND FLOOR (Continued)

Suite 253 NEW TENANT-B (Continued)

1998 New lease at market rent of \$15.25/SF as of 1/1/98 for 3 years  
Base year 1997

2001 Renewal at \$16.00/SF for 3 years  
Base year 1997

Suite 255 PARKS 1,050 SF

1990 Current lease from 8/1/89 through 7/31/92 at \$12.75/SF  
It is assumed that Dr. Parks will retire at end of lease term and space will remain vacant for 9 months until 5/1/93  
Base year 1988

1993 New lease at \$14.00/SF as of 5/1/93 on a 3 year lease with 1 - 3 year option for renewal. Tenant improvement allowance of \$5/SF (1991 dollars).  
Base year 1992

1996 Renewal at \$14.75/SF for 3 years as of 5/1/96  
Base year 1992

1999 New lease at market rent of \$15.50/SF for 3 years as of 5/1/99  
Base year 1998

Suite 280 CHRISTENSEN 3,332 SF

1990 New lease as of 1/1/90 through 12/31/94 at \$12.75/SF with rent adjustment at market rent of \$14.00/SF in Year 4 of 5 year lease with 1 - 5 year option. Tenant improvement allowance of \$5/SF with new lease.  
Base year 1989

1995 Option exercised as of 1/1/95 at \$14.75/SF for 5 years with rent adjustment in Year 4 to \$15.25/SF  
Base year 1989

2000 New lease at market rent of \$15.75 for 5 years with rent adjustment in Year 4  
Base year 1999

## EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINISM SPKUL05 CASH FLOW  
(Continued)THIRD FLOOR

Suite 301 **GROUP HEALTH** 12,446 SF

1990 Current 8 year lease runs from 12/1/87 through 11/30/95 at \$12.75/SF with 1 - 5 year renewal option. Rent adjustments to market rent in Year 4, Year 5, Year 6, and Year 8. In December of Year 4 (1990) rent increased to \$13.50/SF. As an incentive to GHC to expand into vacant space, no increase in Year 5 (1991). In Year 6 (1992) market rent increases to \$13.75/SF and to \$14.25/SF in Year 8 (1994)  
Base year 1987

1995 Renewal at \$14.50/SF as of 12/1/95 for 5 years with no rent adjustments during term of lease  
Base year 1987

2000 New 5 year lease at \$15.75/SF with no rental adjustments during term of lease  
Base year 1999

FOURTH FLOOR

Suite 400 **BLUM** 3,893 SF

1990 Current rent at \$12.75/SF through 10/31/91 with 1 - 3 year option  
Base year 1988 plus \$5000 for CAM expenses  
Base year 1988 for taxes and utilities

1991 Option exercised assumed as of 11/1/91 at \$13.50/SF for 3 years  
Base year 1988 with exceptions listed above

1994 New lease as of 11/1/94 at \$14.25/SF with 1 - 3 year option to renew at market  
Base year 1993

1997 Renewal at \$15.00/SF until end of projection period  
Base year 1993

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

FOURTH FLOOR (Continued)

Suite 420 MATKOM 372 SF

1990 Current lease from 1/1/89 through 12/31/90 with rent at \$12.75/SF with 1 year option  
Base year 1988

1991 Renewal at market at \$13.50/SF as of 1/1/91 for 1 year and then assume that Dr. Matkom will retire and the space will remain vacant for 9 months  
Base year 1988

1992 New lease as of 10/1/92 for 4 years to match lease of new tenant in Suite 440 with 7,483 SF of space. Rent at \$13.75/SF with 1 - 5 year option to renew. Tenant improvement allowance of \$10/SF (1991 dollars).  
Base year 1991

1996 Renewal for 5 years at \$14.75/SF  
Base year 1991

Suite 421 NEW TENANT-C 699 SF

1990 It is assumed that this space will remain vacant until 10/1/92 when Suite 420 is re-leased.

1992 Rent will be at \$13.75/SF as of 1/1/92 for 4 years to match lease of new tenant in Suite 440 with 1 - 5 year option. Tenant improvement allowance of \$10/SF (1991 dollars)  
Base year 1991

1996 Renewal at \$14.75/SF through 9/30/2001  
Base year 1991

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

**FOURTH FLOOR (Continued)**

Suite 440      NEW TENANT-D      7,483 SF

1990      It is assumed that a new lease will be signed by 10/1/91 and the most probable tenant is Group Health Cooperative. They have expressed a need for more space, but the decision must be approved by Family Health in Milwaukee. The alternative potential lessee of this space is Allergy and Immunology (Physician's Plus) which now occupies 5,038 SF on the 6th floor on a month to month lease, but have indicated an interest in more space within the building. If this latter possibility materializes, then GHC could expand into the 6th floor space vacated by Allergy and Immunology. The more conservative first scenario in which Allergy and Immunology is assumed to leave the building at the end of 1992 is used for purposes of valuation.

1991      Rent will be below market at \$13.00/SF for a 5 year lease with no rent adjustments and with 1 - 5 year renewal option at market rent. Tenant improvement allowance of \$10/SF (1991 dollars).  
Base year 1990

1996      Renewal assumed at market rent of \$14.75/SF as of 10/1/96 for 5 years with no rent adjustments  
Base year 1990

2001      New lease at market rent of \$16.00/SF for 5 years with no rent adjustments  
Base year 2000

**FIFTH FLOOR**

Suite 500 & 521      NEW TENANT-E      2,642 SF (1610 SF + 1032 SF)

1990      Space is assumed to remain vacant until 1/1/93 with no rent or recoveries collected for 1991 and 1992.

**EXHIBIT VI-2 (Continued)**

**ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)**

**FIFTH FLOOR (Continued)**

**Suite 500 & 521 NEW TENANT-E (Continued)**

1993      Rent will be at market at \$14.00/SF as of 1/1/93 on a 5 year lease with no rent adjustments and 1 - 5 year option to renew. If tenant in Suite 580/541 (2,908 SF) needs to expand, this is logical space. Otherwise assume management will need to attract new tenant. Tenant improvement allowance of \$10/SF (1991 dollars).  
Base year 1992

1998      Renewal as of 1/1/98 at \$15.25/SF for 5 years with no rent adjustments  
Base year 1992

Suite 525 BYCE 920 SF

1990 Was on 3 year lease at \$12.75/SF which expired 5/31/90.  
Assume 2 year renewal as of 6/1/90 at \$13.25/SF  
Base year 1986

1993 Assume Dr. Byce retires 5/31/92 and space is vacant for  
7 months with new lease signed 1/1/93 at \$14.00/SF for  
5 years. Minor tenant improvements at \$5.00/SF (1991  
dollars)  
Base year 1992

1998 Lease renewed at market rent of \$15.25/SF  
Base year 1992

Suite 540 LANTIS 1,500 SF

1990 Current set of 1 year renewals expire 12/31/92. Rent is at \$12.75/SF in 1990 and the base is adjusted to market at \$13.50/SF in 1991 and remains at \$13.50/SF in 1992 as an incentive to renew. Rent adjustments calculated on an operating expense plus taxes base of \$17,250 times increases in the CPI. (Calculations are included in Appendix C of this report)  
Base year (See note above)

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

FIFTH FLOOR (Continued)

Suite 540 LANTIS (Continued)

1993 Assume the Physician's Plus relocates both Lantis and Allergy/Immunology at the end of the Lantis' lease. Assume 6 months vacancy and new lease as of 7/1/93 at market rent of \$14.00/SF for 5 years with no rent adjustments. Tenant improvement allowance of \$5/SF (1991 dollars). It is assumed that if a major space user rents Suites 500, 521, 580, and 541, this same tenant will want to continue to expand in the 5th floor space as it becomes available. If not, it is assumed this space will be leased by one of possibly three new 5th floor tenants. Although not used in the value estimate, a more optimistic scenario is that Lantis renews his lease because Physician's Plus decides to take advantage of the expansion space available for Allergy and Immunology and decides to maintain a presence in the Park Regent Medical Center for a longer term.  
Base year 1992

1998 Assume 5 year renewal at \$15.25/SF  
Base year 1992

Suite 542 WEIGHT LOSS CLINIC 1,231 SF

1990 Current lease is from 1/1/89 through 12/31/93 at \$12.75/SF, with rent adjustments in 1992 to market rent at \$13.75/SF and to \$14.00/SF in 1993  
Base year 1987

1994 Assume 5 year renewal as of 1/1/94 at \$14.25/SF with rent adjustments to \$15.00/SF in 1997 and to \$15.25/SF in 1998  
Base year 1987

1999 New lease as of 1/1/99 at \$15.50/SF  
Base year 1998

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

FIFTH FLOOR (Continued)

Suite 555 HILL/RICHARDSON 3,256 SF

1990 Current rent at \$12.75/SF with lease expiring 2/28/93.  
Rent adjustments in 1991 to \$13.50/SF and in 1992 to  
\$13.75/SF  
Base year 1987

1993 5 year renewal as of 3/1/93 at \$14.00/SF with rent  
adjustments in 1996 and 1997 to \$14.75/SF and \$15.00/SF  
Base year 1987

1998 New 5 year lease at \$15.25/SF on 3/1/98 with rent  
increases in Years 4 and 5  
Base year 1997

Suite 580 & 541 NEW TENANT-F 2,908 SF (1906 SF + 352 SF + 650 SF)

1990 Assume space vacant until 1/1/92

1992 Assume new lease to large space user would want to  
consolidate its operations on 5th floor as much as  
possible or would rent to one of possibly three smaller  
tenants on fifth floor. Rent as of 1/1/92 at market at  
\$13.75/SF with 5 year lease and major tenant improvements  
at \$10.00/SF (1991 dollars). 1 - 5 year renewal option  
Base year 1991

1997 Renewal as of 1/1/97 for 5 years at \$15.00/SF  
Base year 1991

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

**SIXTH FLOOR**

Suite 600      ALLERGY & IMMUNOLOGY      5,038 SF

1990      Currently on a month to month lease at \$12.75/SF. It is assumed this Physician's Plus group will leave as of 12/31/92 with Lantis (also Physician's Plus). As previously discussed, this is a conservative scenario; Allergy & Immunology has recently expressed an interest in expanding within the building.  
Base year 1982

1991      Rent will increase to \$13.50/SF as of 1/1/91 through 12/31/92  
Base rent 1982

1993      Space will be vacant 12 months and will be leased as of 1/1/94 at \$13.75/SF for this larger space. This rent is below market rent of \$14.00/SF. The lease will be for 5 years with a 1-5 year renewal option. Tenant improvement allowance of \$10/SF (1991 dollars). There will rent adjustments in Years 4 and 5 to \$15.00/SF and \$15.25/SF  
Base year 1993

1998      Assume renewal as of 1/1/98 for 5 year term at \$15.50/SF with adjustments in Years 4 and 5  
Base year 1993

Suite 620      GROUP HEALTH      7,400 SF

1990      Current lease from 12/1/85 through 11/30/93 at \$12.50/SF with rent increase to \$13.50/SF in 1990 and to market rent at \$13.75/SF in 1992. 1 - 5 year option for renewal  
Base year 1984

1993      Renewal at \$14.00/SF as of 11/30/93 for 5 years with no rent adjustments  
Base year 1984

1998      New lease as of 11/30/98 for 5 years at \$15.25/SF with no rent adjustments  
Base year 1997

EXHIBIT VI-2 (Continued)

ASSUMPTIONS USED IN FINSIM SPKUL05 CASH FLOW  
(Continued)

SEVENTH FLOOR

Suite 700      GROUP HEALTH      12,293 SF

1990	Current lease from 6/1/85 through 5/31/93 at \$12.50/SF with rent adjustment to \$13.50/SF as of 6/90 and another adjustment to \$13.75/SF as of 6/92. Option for 1 - 5 year term Base year 1984
1993	Renew as of 6/1/93 at \$14.00/SF for 5 years with no rent adjustments Base year 1984
1998	New 5 year lease as of 6/1/98 at \$15.25/SF with no rent adjustments Base year 1997

**EXHIBIT VI-3**  
**MARKET RENTS AND GROWTH RATES**

**CHANGE IN MARKET RENT OVER PROJECTION PERIOD**

**PARK REGENT MEDICAL BUILDING**  
**GROWTH RATE FOR MARKET RENT ESCALATORS**  
**1990-2001**

YEAR	MARKET RENT	ASSUMPTIONS	
		RE	% CHANGE
1990	\$13.25	\$0.25	1.8868%
1991	\$13.50	\$0.25	1.8519%
1992	\$13.75	\$0.25	1.8182%
1993	\$14.00	\$0.25	1.7857%
1994	\$14.25	\$0.25	1.7544%
1995	\$14.50	\$0.25	1.7241%
1996	\$14.75	\$0.25	1.6949%
1997	\$15.00	\$0.25	1.6667%
1998	\$15.25	\$0.25	1.6393%
1999	\$15.50	\$0.25	1.6129%
2000	\$15.75	\$0.25	1.5873%
2001	\$16.00	\$0.25	1.5625%
2002	\$16.25	\$0.25	0
TOTAL % CHANGE OVER 12 YEARS - 1990-2001		20.7547%	
AVERAGE ANNUAL % CHANGE			1.7296%

EXHIBIT VI-4  
SQUARE FOOTAGE OF VACANT SPACE LEASED PER YEAR

PARK REGENT MEDICAL BUILDING

NUMBER OF VACANT SQUARE FEET LEASED PER YEAR - NORMATIVE SCENARIO  
FOR VALUATION AS OF JANUARY 1, 1991

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TENANT	AREA-SF	TERM OF LEASE		MONTH/DAY	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
		YEARS	YEARS		10/1	7,483									
NEW TENANT D	7,483	5	YEARS	10/1	7,483										
NEW TENANT F	2,908	5	YEARS	1/1		2,908									
NEW TENANT B	1,200	3	YEARS	1/1			1,200								
MATKOM-VACANT	372	5	YEARS	10/1				372							
NEW TENANT C	699	5	YEARS	10/1				699							
NEW TENANT E	2,642	5	YEARS	1/1				2,642							
LANGHEIM-VACANT	1,015	5	YEARS	1/1				1,015							
PARKS-VACANT	1,050	3	YEARS	5/1				1,050							
LANTIS-VACANT	1,500	5	YEARS	7/1				1,500							
NEW TENANT A	606	5	YEARS	1/1				606							
BYCE-VACANT	920	5	YEARS	1/1				920							
ALLER/IMM. VACANT	5,038	5	YEARS	1/1				5,038							
NORMALIZED VACANCY	2,247	5	YEARS	N/A					4,247	4,247	4,247	4,247	4,247	4,247	4,247
TOTALS/YEAR					7,483	5,179	7,733	5,038	4,247	4,247	4,247	4,247	4,247	4,247	4,247

Based upon assumptions used in valuation of Park Regent Medical Building - NORMATIVE SCENARIO  
Source: LANDMARK RESEARCH, INC.

## EXHIBIT VI-5

### ESTIMATED AND PROJECTED OPERATING EXPENSES FOR PARK-REGENT MEDICAL BUILDING

EXPENSE CATEGORY	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>CLEANING</b>												
Janitorial Contract	\$81,900	\$85,995	\$90,295	\$94,358	\$98,604	\$103,041	\$107,678	\$112,524	\$117,587	\$122,879	\$128,408	\$134,187
Supplies	\$8,400	\$8,820	\$9,261	\$9,678	\$10,113	\$10,568	\$11,044	\$11,541	\$12,060	\$12,603	\$13,170	\$13,763
Waste Removal	\$3,300	\$3,465	\$3,638	\$3,802	\$3,973	\$4,152	\$4,339	\$4,534	\$4,738	\$4,951	\$5,174	\$5,407
<b>Subtotal</b>	<b>\$93,600</b>	<b>\$98,280</b>	<b>\$103,194</b>	<b>\$107,838</b>	<b>\$112,690</b>	<b>\$117,761</b>	<b>\$123,061</b>	<b>\$128,598</b>	<b>\$134,385</b>	<b>\$140,433</b>	<b>\$146,752</b>	<b>\$153,356</b>
<i>1/10 - 985</i>												
<b>ADMINISTRATIVE</b>												
Administrative Payroll	\$22,000	\$3,200	\$3,296	\$3,395	\$3,497	\$3,602	\$3,710	\$3,821	\$3,936	\$4,054	\$4,175	\$4,301
General Office Expenses	\$9,500	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344
Legal and Accounting Fees	\$6,500	\$3,515	\$3,620	\$3,729	\$3,841	\$3,956	\$4,075	\$4,197	\$4,323	\$4,453	\$4,586	\$4,724
Other & Personal Property Tax	\$1,150	\$1,185	\$1,220	\$1,257	\$1,294	\$1,333	\$1,373	\$1,414	\$1,457	\$1,500	\$1,546	\$1,592
<b>Subtotal</b>	<b>\$39,150</b>	<b>\$8,900</b>	<b>\$9,166</b>	<b>\$9,441</b>	<b>\$9,725</b>	<b>\$10,016</b>	<b>\$10,317</b>	<b>\$10,626</b>	<b>\$10,945</b>	<b>\$11,274</b>	<b>\$11,612</b>	<b>\$11,960</b>
<i>41 + 46 + 10</i>												
<b>MANAGEMENT</b>												
	<b>\$35,000</b>	<b>\$42,100</b>	<b>\$46,175</b>	<b>\$45,720</b>	<b>\$47,560</b>	<b>\$49,060</b>	<b>\$50,747</b>	<b>\$52,330</b>	<b>\$54,550</b>	<b>\$55,060</b>	<b>\$54,620</b>	<b>\$56,260</b>
<i>475</i>												
<b>LANDSCAPING AND SECURITY</b>												
Landscaping, Grounds Care	\$15,550	\$16,017	\$16,497	\$16,992	\$17,502	\$18,027	\$18,568	\$19,125	\$19,698	\$20,289	\$20,898	\$21,525
Security	\$15,600	\$16,068	\$16,550	\$17,047	\$17,558	\$18,085	\$18,627	\$19,186	\$19,762	\$20,354	\$20,965	\$21,594
Parking Solution	\$0	\$15,600	\$16,068	\$16,550	\$17,047	\$17,558	\$18,085	\$18,627	\$19,186	\$19,762	\$20,354	\$20,965
<b>Subtotal</b>	<b>\$31,150</b>	<b>\$47,685</b>	<b>\$49,115</b>	<b>\$50,588</b>	<b>\$52,106</b>	<b>\$53,669</b>	<b>\$55,279</b>	<b>\$56,938</b>	<b>\$58,646</b>	<b>\$60,405</b>	<b>\$62,217</b>	<b>\$64,084</b>
<i>56</i>												
<b>INSURANCE</b>												
	<b>\$7,500</b>	<b>\$7,762</b>	<b>\$8,034</b>	<b>\$8,315</b>	<b>\$8,606</b>	<b>\$8,908</b>	<b>\$9,219</b>	<b>\$9,542</b>	<b>\$9,876</b>	<b>\$10,222</b>	<b>\$10,579</b>	<b>\$10,950</b>
<b>REPAIRS AND MAINTENANCE</b>												
Payroll - Labor	\$37,940	\$39,837	\$41,829	\$43,920	\$46,116	\$48,422	\$50,843	\$53,385	\$56,055	\$58,857	\$61,800	\$64,890
Electrical	\$610	\$641	\$673	\$706	\$741	\$779	\$817	\$858	\$901	\$946	\$994	\$1,043
Plumbing	\$1,200	\$1,260	\$1,323	\$1,389	\$1,459	\$1,532	\$1,608	\$1,689	\$1,773	\$1,862	\$1,955	\$2,052
HVAC	\$21,400	\$22,470	\$23,594	\$24,773	\$26,012	\$27,312	\$28,678	\$30,112	\$31,618	\$33,198	\$34,858	\$36,601
Elevators	\$7,700	\$8,085	\$8,489	\$8,914	\$9,359	\$9,827	\$10,319	\$10,835	\$11,376	\$11,945	\$12,542	\$13,170
Structural & Roof	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039	\$3,191	\$3,350	\$3,518	\$3,694	\$3,878	\$4,072	\$4,276
Supplies	\$1,200	\$1,260	\$1,323	\$1,389	\$1,459	\$1,532	\$1,608	\$1,689	\$1,773	\$1,862	\$1,955	\$2,052
Parking	\$1,500	\$1,575	\$1,654	\$1,736	\$1,823	\$1,914	\$2,010	\$2,111	\$2,216	\$2,327	\$2,443	\$2,566
General Building	\$14,000	\$14,700	\$15,435	\$16,207	\$17,017	\$17,868	\$18,761	\$19,699	\$20,684	\$21,719	\$22,805	\$23,945
<b>Subtotal</b>	<b>\$88,050</b>	<b>\$92,453</b>	<b>\$97,075</b>	<b>\$101,929</b>	<b>\$107,025</b>	<b>\$112,377</b>	<b>\$117,995</b>	<b>\$123,895</b>	<b>\$130,090</b>	<b>\$136,594</b>	<b>\$143,424</b>	<b>\$150,595</b>
<i>104 - 93</i>												
<b>TOTAL CAM-OPERATING EXPENSES</b>	<b>\$294,450</b>	<b>\$297,179</b>	<b>\$312,760</b>	<b>\$323,832</b>	<b>\$337,713</b>	<b>\$351,792</b>	<b>\$366,619</b>	<b>\$381,930</b>	<b>\$398,493</b>	<b>\$413,988</b>	<b>\$429,205</b>	<b>\$447,205</b>
<i>5,94 - 6,63</i>												
<b>REAL ESTATE TAXES</b>												
	<b>\$157,831</b>	<b>\$166,512</b>	<b>\$123,340</b>	<b>\$130,124</b>	<b>\$137,280</b>	<b>\$144,831</b>	<b>\$152,797</b>	<b>\$161,200</b>	<b>\$170,066</b>	<b>\$179,420</b>	<b>\$189,288</b>	<b>\$199,699</b>
<i>5,77 - 6,45</i>												
<b>UTILITIES</b>												
	<b>\$96,300</b>	<b>\$100,633</b>	<b>\$105,162</b>	<b>\$109,894</b>	<b>\$114,840</b>	<b>\$120,007</b>	<b>\$125,408</b>	<b>\$131,051</b>	<b>\$136,948</b>	<b>\$143,111</b>	<b>\$149,551</b>	<b>\$156,281</b>
<i>5,77 - 6,45</i>												
<b>RESERVE FOR REPLACEMENTS</b>												
	<b>\$10,000</b>											
<b>LEASING COMMISSIONS-AMORTIZED</b>												
	<b>\$14,950</b>	<b>\$4,490</b>	<b>\$8,134</b>	<b>\$13,346</b>	<b>\$16,507</b>	<b>\$15,289</b>	<b>\$11,578</b>	<b>\$11,037</b>	<b>\$8,818</b>	<b>\$7,602</b>	<b>\$9,573</b>	<b>\$9,717</b>
<b>TENANT IMPROVEMENTS-AMORTIZED</b>												
	<b>\$3,332</b>	<b>\$18,792</b>	<b>\$31,231</b>	<b>\$44,670</b>	<b>\$55,507</b>	<b>\$54,040</b>	<b>\$40,271</b>	<b>\$35,635</b>	<b>\$27,945</b>	<b>\$20,864</b>	<b>\$18,840</b>	<b>\$15,289</b>
<b>GRAND TOTAL EXPENSES</b>	<b>\$576,863</b>	<b>\$597,606</b>	<b>\$590,627</b>	<b>\$631,866</b>	<b>\$671,847</b>	<b>\$695,959</b>	<b>\$706,673</b>	<b>\$730,853</b>	<b>\$752,270</b>	<b>\$774,985</b>	<b>\$806,457</b>	<b>\$838,191</b>

Source: Landmark Research Inc. and Prudential

Based upon historical data from 1985 in Landmark's files and Landmark's assumptions about the future.

**EXHIBIT VI-5 (Continued)**

**SPECIAL STUDIES 1988**

**U.S. PRIVATE SECTOR**

**Medical Buildings**  
ALL DOWNTOWN

INCOME	TOTAL BUILDING RENTABLE AREA				TOTAL OFFICE RENTABLE AREA					
	29 BLDGS		2,459,900 SQ. FT.		2,343,004 SQ. FT.					
	# BLDGS	DOLLARS/SQ. FT.	MID RANGE	DOLLARS/SQ. FT.	MID RANGE	Avg	Median	Low	High	
OFFICE AREA	28	10	21.40	21.32	9.26	30.21	15.42	14.15	12.06	16.32
RETAIL AREA	2	2	7.72	7.02						
OTHER AREA										
TOTAL RENT	29	15.48	14.12	12.57	16.06					
MISCELLANEOUS	23	.43	.44	.07	.50					
TOTAL INCOME	29	15.81	14.65	12.57	16.20					
<b>EXPENSE</b>										
CLEANING	29	1.28	.93	.69	1.54	1.42	.96	.66	1.66	
REPAIR-MAINT	29	.49	.85	.70	1.44	1.46	.85	.70	1.44	
UTILITIES	29	1.79	1.52	1.35	1.83	1.81	1.52	1.35	1.83	
RDS/GNDS/SEC	26	.36	.20	.14	.26	.38	.23	.14	.26	
ADMINISTRATIVE	28	1.19	.97	.78	1.31	1.25	1.00	.78	1.31	
TOTAL OPER EXP	29	6.28	4.92	4.13	6.34	6.59	4.98	4.13	6.64	
FIXED EXPENSES	29	1.72	1.15	.89	2.28	1.80	1.15	.91	2.35	
TOTAL OPER+FIX	29	7.98	5.98	5.35	8.10	8.38	6.38	5.35	8.27	
LEASING EXP	22	1.41	.29	.10	1.17					
TOTAL PAYROLL	23	1.46	.92	.39	1.49					
TOTAL CONTRACT	29	2.25	1.95	1.57	2.41					

OCCUPANCY INFO.	BLDS
Avg Soft/Office Tenant	1437 29
Avg Soft/Retail Tenant	1760 12
Avg Soft/Office Worker	262 22
Avg % Office Occupancy	67.9 29
Avg % Retail Occupancy	90.7 12
Avg \$ Rate Yr-End Rent	18.79 29
Rentable/Gross Soft	.86 19

DETAIL*	AVERAGE	BLDS	DETAIL*	AVERAGE	BLDS	DETAIL*	AVERAGE	BLDS	DETAIL*	AVERAGE	BLDS
CLEANING TOTAL	1.28	29	UTILITIES TOTAL	1.78	29	SECURITY TOTAL	.30	19	FIXED EXP TOTAL	1.91	27
PAYROLL	.49	5	ELECTRICAL	1.28	29	SEC PAYROLL	.22	3	REAL ESTATE TAX	1.56	27
CONTRACT	.96	26	GAS	.12	14	SEC CONTRACTS	.24	19	BUILDING INS	.22	27
SUP/MAT/MISC	.09	22	FUEL OIL			SEC OTHER	.14	5	PERS PROP TAX	.02	4
TRASH REMOVAL	.09	21	PURCH STEAM	.58	8	ADMIN TOTAL	1.10	26	OTHER TAX	.10	11
REPR/MAINT TOTAL	1.41	29	PURCH CH WTR	.23	3	PAYROLL	.61	13	FIXED EXP TOTAL	1.91	27
PAYROLL	.74	18	COAL			MGMT FEES	.68	22	REAL ESTATE TAX	1.56	27
ELEVATOR	.26	28	WATER/SEWER	.20	27	PROF FEES	.12	17	BUILDING INS	.22	27
HVAC	.18	27	TOTAL	.36	26	GEN OFC EXP	.19	20	PERS PROP TAX	.02	4
ELECTRICAL	.05	22	RDS/GNDS TOTAL	.17	18	OTHER ADM EXP	.07	16	OTHER TAX	.10	11
STRUCT/ROOF	.04	12	RDS/GNDS PAYRL			LEASING EXPENSES	.41	22	SECURITY	.22	3
PLUMBING	.04	21	RDS/GNDS CONTR			COMMISSIONS	.09	11	ADMINISTRATIVE	.61	13
FIRE/LIFE SFTY	.04	19	RDS/GNDS OTHER			PROF FEES	.07	7	TOTAL CONTRACTS	2.25	29
OTHER MAINT/SUP	.33	28				TENANT ALTS	1.73	12	CLEANING	.96	28
						BUY-OUTS			REPAIR/MAINT	.56	28
						SECURITY			RDS/GNDS	.16	18
						ADMINISTRATIVE			ADMINISTRATIVE	.24	19

\*TOTAL BUILDING RENTABLE AREA-AVERAGE DOLLARS/SQ. FT.

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**DOWNTOWN LESS THAN 50,000 SQ. FT.**

INCOME	TOTAL BUILDING RENTABLE AREA				TOTAL OFFICE RENTABLE AREA					
	8 BLDGS		238,900 SQ. FT.		238,900 SQ. FT.					
	# BLDGS	DOLLARS/SQ. FT.	MID RANGE	DOLLARS/SQ. FT.	MID RANGE	Avg	Median	Low	High	
OFFICE AREA	8	13.88	14.65	13.33	15.56					
RETAIL AREA	6	.13	.12	.11	.16					
OTHER AREA										
TOTAL RENT	8	13.96	14.77	13.33	15.70					
MISCELLANEOUS	6									
TOTAL INCOME	8	13.96	14.77	13.33	15.70					
<b>EXPENSE</b>										
CLEANING	8	1.08	.70	.60	1.07	1.08	.70	.60	1.07	
REPAIR-MAINT	8	.78	.88	.58	.83	.78	.58	.55	.85	
UTILITIES	8	1.49	1.52	1.35	1.65	1.49	1.52	1.35	1.65	
RDS/GNDS/SEC	7	.19	.15	.13	.24	.19	.15	.13	.24	
ADMINISTRATIVE	8	.82	.87	.52	1.13	.82	.87	.52	1.13	
TOTAL OPER EXP	8	4.35	4.12	3.82	4.92	4.35	4.12	3.82	4.92	
FIXED EXPENSES	8	1.31	1.10	.80	1.22	1.31	1.10	.80	1.22	
TOTAL OPER+FIX	8	5.47	5.31	4.56	5.74	5.47	5.31	4.56	5.74	
LEASING EXP	3	.03	.02							
TOTAL PAYROLL	5	1.23	.50	.16	2.19					
TOTAL CONTRACT	8	1.72	1.93	1.45	2.31					

OCCUPANCY INFO.	BLDS
Avg Soft/Office Tenant	1847 8
Avg Soft/Retail Tenant	
Avg Soft/Office Worker	348 7
Avg % Office Occupancy	96.6 8
Avg % Retail Occupancy	
Avg \$ Rate Yr-End Rent	13.85 8
Rentable/Gross Soft	.83 7

DETAIL*	AVERAGE	BLDS	DETAIL*	AVERAGE	BLDS	DETAIL*	AVERAGE	BLDS	DETAIL*	AVERAGE	BLDS
CLEANING TOTAL	1.08	8	UTILITIES TOTAL	1.48	8	SECURITY TOTAL	.30	8	FIXED EXP TOTAL	1.31	8
PAYROLL	1.64	5	ELECTRICAL	1.37	8	SEC PAYROLL	.78	5	REAL ESTATE TAX	1.09	8
CONTRACT	.65	5	GAS	.28	2	SEC CONTRACTS			BUILDING INS	.19	8
SUP/MAT/MISC	.11		FUEL OIL			SEC OTHER			PERS PROP TAX		
TRASH REMOVAL	.03		PURCH STEAM			ADMIN TOTAL	.62	8	OTHER TAX		
REPR/MAINT TOTAL	.78	8	PURCH CH WTR			PAYROLL	.30	7	LEASING EXPENSES	.03	3
PAYROLL	.41	7	COAL			MGMT FEES	.78	6	ADV/PROMOTION	.01	2
ELEVATOR	.16	7	WATER/SEWER	.06	8	PROF FEES	.11	2	COMMISSIONS		
HVAC	.18	8	TOTAL	.19	7	GEN OFC EXP	.02	2	PROF FEES		
ELECTRICAL	.05	7	RDS/GNDS TOTAL	.17	7	OTHER ADM EXP	.06	3	TENANT ALTS		
STRUCT/ROOF	.01	4	RDS/GNDS PAYRL						BUY-OUTS		
PLUMBING	.02	6	RDS/GNDS CONTR						SECURITY		
FIRE/LIFE SFTY	.03	5	RDS/GNDS OTHER						ADMINISTRATIVE	.70	8
OTHER MAINT/SUP	.12	7									

\*TOTAL BUILDING RENTABLE AREA-AVERAGE DOLLARS/SQ. FT.

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Source: Building Owners and Managers Association International,  
1989 BOMA Experience Exchange Report, Income/Expense Analysis  
for Office Buildings, p. 48.

**EXHIBIT VI-5 (Continued)**

<b>TOTAL EXPENSES SUBJECT TO RECOVERY</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
TOTAL CAM-OPERATING EXPENSES	\$294,450	\$297,179	\$312,760	\$323,832	\$337,713	\$351,792	\$366,619	\$381,930	\$398,493	\$413,988	\$429,205	\$447,205
REAL ESTATE TAXES	\$157,831	\$166,512	\$123,340	\$130,124	\$137,280	\$144,831	\$152,797	\$161,200	\$170,066	\$179,420	\$189,288	\$199,699
UTILITIES	\$96,300	\$100,633	\$105,162	\$109,894	\$114,840	\$120,007	\$125,408	\$131,051	\$136,948	\$143,111	\$149,551	\$156,281
<b>TOTALS</b>	<b>\$548,581</b>	<b>\$564,324</b>	<b>\$541,262</b>	<b>\$563,850</b>	<b>\$589,833</b>	<b>\$616,630</b>	<b>\$644,824</b>	<b>\$674,181</b>	<b>\$705,507</b>	<b>\$736,519</b>	<b>\$768,044</b>	<b>\$803,185</b>

<b>TOTAL EXPENSES NOT SUBJECT TO RECOVERY</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
LEASING COMMISSIONS-AMORTIZED	\$14,950	\$4,490	\$8,134	\$13,346	\$16,507	\$15,289	\$11,578	\$11,037	\$8,818	\$7,602	\$9,573	\$9,717
TENANT IMPROVEMENTS-AMORTIZED	\$3,332	\$18,792	\$31,231	\$44,670	\$55,507	\$54,040	\$40,271	\$35,635	\$27,945	\$20,864	\$18,840	\$15,289
<b>SUBTOTAL NON-RECOVERABLE EXPENSES</b>	<b>\$18,282</b>	<b>\$23,282</b>	<b>\$39,365</b>	<b>\$58,016</b>	<b>\$72,014</b>	<b>\$69,329</b>	<b>\$51,849</b>	<b>\$46,672</b>	<b>\$36,763</b>	<b>\$28,466</b>	<b>\$28,413</b>	<b>\$25,006</b>
RESERVE FOR REPLACEMENT- CAPITAL ITEMS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>TOTALS EXPENSES</b>	<b>\$28,282</b>	<b>\$33,282</b>	<b>\$49,365</b>	<b>\$68,016</b>	<b>\$82,014</b>	<b>\$79,329</b>	<b>\$61,849</b>	<b>\$56,672</b>	<b>\$46,763</b>	<b>\$38,466</b>	<b>\$38,413</b>	<b>\$35,006</b>

Source: Landmark Research Inc. and Prudential  
Based upon historical data from 1985 in Landmark's files and Landmark's assumptions about the future.

**EXHIBIT VI-6**  
**AMORTIZATION OF LEASING COMMISSIONS**

PARK REGENT MEDICAL BUILDING

AMORTIZATION OF LEASING FEES OVER LENGTH OF LEASE [1]

FOR VALUATION AS OF JANUARY 1, 1991

TENANT	SUITE NO.	AREA-SF	TERM OF LEASE	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001		
[2]																	
NEW TENANT D	440	7,483	5 YEARS		\$4,490	\$4,490	\$4,490	\$4,490	\$4,490								
NEW TENANT F	580 & 541	2,908	5 YEARS			\$1,774	\$1,774	\$1,774	\$1,774	\$1,774							
NEW TENANT C	421	699	5 YEARS				\$426	\$426	\$426	\$426	\$426						
NEW TENANT B	253	1,200	3 YEARS				\$1,218	\$1,218	\$1,218								
MATKOM-VACANT	420	372	5 YEARS					\$227	\$227	\$227	\$227	\$227					
NEW TENANT E	500 & 521	2,642	5 YEARS					\$1,633	\$1,633	\$1,633	\$1,633	\$1,633					
LANGHEIM-VACANT	225	1,015	5 YEARS						\$627	\$627	\$627	\$627	\$627				
PARKS-VACANT	255	1,050	3 YEARS						\$1,082	\$1,082	\$1,082						
LANTIS-VACANT	540	1,500	5 YEARS							\$927	\$927	\$927	\$927	\$927			
NEW TENANT A	225-A	606	5 YEARS							\$375	\$375	\$375	\$375	\$375			
BYCE-VACANT	525	920	5 YEARS							\$569	\$569	\$569	\$569	\$569			
ALLER/IMM. VACANT	600	5,038	5 YEARS							\$3,161	\$3,161	\$3,161	\$3,161	\$3,161			
NORMALIZED VACANCY	N/A	4,247	5 YEARS								\$1,860	\$1,860	\$1,860	\$1,860	\$1,860		
NORMALIZED VACANCY	N/A	4,247	5 YEARS									\$1,886	\$1,886	\$1,886	\$1,886	\$1,886	
NORMALIZED VACANCY	N/A	4,247	5 YEARS										\$1,911	\$1,911	\$1,911	\$1,911	
NORMALIZED VACANCY	N/A	4,247	5 YEARS											\$1,945	\$1,945	\$1,945	
NORMALIZED VACANCY	N/A	4,247	5 YEARS												\$1,971	\$1,971	
NORMALIZED VACANCY	N/A	4,247	5 YEARS													\$2,005	
TOTALS/YEAR				\$14,950	\$4,490	\$8,134	\$13,346	\$16,507	\$15,289	\$11,578	\$11,037	\$8,818	\$7,602	\$9,573	\$9,717		

[1] It is assumed that leasing commissions are \$3.00/SF of leased space as of 1991 and are expensed over the term of the lease.

Leasing commissions are inflated at the rate of 1.5% per year compounded.

After the initial leasing up is completed in 1995, a charge of \$2.20 per SF (inflated annually at 1.015) for leasing the 4,247 SF assumed vacant each year is expensed over 5 year lease terms.

[2] In 1990 there was no active leasing of the building except through advertising and promotions which did not bring any new tenants into the building. The \$14,950 accounts for those expenses.

**EXHIBIT VI-7**  
**AMORTIZATION OF TENANT IMPROVEMENT ALLOWANCES**

PARK REGENT MEDICAL BUILDING  
 AMORTIZATION OF TENANT IMPROVEMENTS [1]  
 FOR VALUATION AS OF JANUARY 1, 1991

TENANT	SUITE NO.	AREA (SF)	COST	COST/SF [2]	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
CHRISTENSEN	280	3,332	\$16,660	\$5.00	\$3,332	\$3,332	\$3,332	\$3,332	\$3,332							
NEW TENANT D	440	7,483	\$77,298	\$10.33		\$15,460	\$15,460	\$15,460	\$15,460	\$15,460						
NEW TENANT F	580 & 541	2,908	\$30,177	\$10.38			\$6,035	\$6,035	\$6,035	\$6,035	\$6,035					
NEW TENANT B	253	1,200	\$12,452	\$10.38			\$4,151	\$4,151	\$4,151							
MATKOM-VACANT	420	372	\$3,913	\$10.52			\$783	\$783	\$783	\$783	\$783					
NEW TENANT C	421	699	\$7,352	\$10.52			\$1,470	\$1,470	\$1,470	\$1,470	\$1,470					
NEW TENANT E	500 & 521	2,642	\$27,915	\$10.57				\$5,583	\$5,583	\$5,583	\$5,583	\$5,583				
LANGHEIM-VACANT	225	1,015	\$10,725	\$10.57				\$2,145	\$2,145	\$2,145	\$2,145	\$2,145				
PARKS-VACANT	255	1,050	\$5,580	\$5.31				\$1,860	\$1,860	\$1,860						
LANTIS-VACANT	540	1,500	\$7,995	\$5.33				\$1,599	\$1,599	\$1,599	\$1,599	\$1,599				
NEW TENANT A	225-A	606	\$6,403	\$10.57				\$1,281	\$1,281	\$1,281	\$1,281	\$1,281				
BYCE-VACANT	525	920	\$4,860	\$5.28				\$972	\$972	\$972	\$972	\$972				
ALLER/IMM VACANT	600	5,038	\$54,182	\$10.75					\$10,836	\$10,836	\$10,836	\$10,836	\$10,963			
STIENNON RENEWAL	220	2,310	\$12,839	\$5.56					\$2,568	\$2,568	\$2,568	\$2,568	\$2,568			
NORMALIZED VACANCY	N/A	4,247	\$17,243	\$4.06					\$3,449	\$3,449	\$3,449	\$3,449	\$3,449			
NORMALIZED VACANCY	N/A	4,247	\$17,752	\$4.18					\$3,550	\$3,550	\$3,550	\$3,550	\$3,550			
NORMALIZED VACANCY	N/A	4,247	\$18,262	\$4.30						\$3,652	\$3,652	\$3,652	\$3,652	\$3,652		
NORMALIZED VACANCY	N/A	4,247	\$18,814	\$4.43						\$3,763	\$3,763	\$3,763	\$3,763	\$3,763		
NORMALIZED VACANCY	N/A	4,247	\$19,409	\$4.57							\$3,882	\$3,882	\$3,882			
NORMALIZED VACANCY	N/A	4,247	\$19,961	\$4.70								\$3,992	\$3,992			
<b>TOTALS/YEAR</b>					<b>\$3,332</b>	<b>\$18,792</b>	<b>\$31,231</b>	<b>\$44,670</b>	<b>\$55,507</b>	<b>\$54,040</b>	<b>\$40,271</b>	<b>\$35,635</b>	<b>\$27,945</b>	<b>\$20,864</b>	<b>\$18,840</b>	<b>\$15,289</b>

[1] As of 1995 it is assumed that 5 percent of the space is vacant annually and is subject to refurbishing. Therefore, of the 84,931 SF of net rentable area, 4,247 SF will need to be refurbished annually.

A refurbishing budget of \$3.50/SF (1991 dollars), or approximately \$15,000, inflated at 3%/yr is amortized over 5 year leases.

[2] Tenant improvement budgets (except for normalized vacancy) were calculated within the FINSIM leasing program. Minor refurbishing allowances at \$5/SF and major refurbishing allowances at \$10/SF were inflated monthly at market growth rates to the date of the new lease term.

**EXHIBIT VI-8**  
**ANNUAL STOPS FOR PASS-THROUGH OF EXPENSES**

## PARK REGENT MEDICAL BUILDING

## ANNUAL STOPS FOR PASS-THROUGH OF EXPENSES --AS DEFINED IN EACH TENANT'S LEASE

BASE YEAR (STOP) [1]	CAM [2]		REAL ESTATE		UTILITIES		TOTAL EXPENSES SUBJECT TO PASS THROUGHS \$/SF [3] (rounded)	
	\$/SF [3] (rounded)	\$	\$/SF [3] (rounded)	\$	\$/SF [3] (rounded)	\$	\$	\$
1977 [4]	\$1.00	\$84,178	\$0.66	\$55,640	\$0.60	\$50,699	\$2.25	\$190,517
1978	\$1.57	\$132,905	\$0.61	\$51,930	\$0.57	\$47,938	\$2.75	\$232,773
1979	\$1.73	\$146,376	\$0.69	\$58,395	\$0.75	\$63,481	\$3.17	\$268,252
1980	\$2.25	\$189,863	\$0.70	\$59,298	\$0.84	\$70,982	\$3.79	\$320,143
1981	\$2.63	\$222,804	\$0.93	\$78,373	\$0.90	\$75,694	\$4.46	\$376,871
1982	\$2.93	\$247,604	\$0.93	\$78,529	\$1.08	\$91,583	\$4.94	\$417,716
1983	\$2.47	\$208,965	\$0.98	\$82,979	\$1.12	\$94,533	\$4.57	\$386,477
1984	\$2.66	\$224,620	\$1.09	\$92,532	\$1.21	\$102,623	\$4.96	\$419,775
1985	\$2.75	\$232,268	\$1.11	\$94,093	\$1.16	\$97,974	\$5.02	\$424,335
1986	\$3.07	\$259,344	\$1.15	\$97,529	\$1.17	\$98,556	\$5.39	\$455,429
1987	\$3.11	\$263,157	\$1.31	\$110,904	\$0.99	\$83,879	\$5.42	\$457,940
1988	\$3.12	\$263,676	\$1.37	\$116,195	\$0.98	\$83,202	\$5.48	\$463,073
1989	\$3.42	\$288,886	\$1.66	\$140,195	\$1.03	\$86,967	\$6.10	\$516,048
1990 [4]	\$3.48	\$294,450	\$1.87	\$157,831	\$1.14	\$96,300	\$6.49	\$548,581
1991	\$3.51	\$297,181	\$1.97	\$166,512	\$1.19	\$100,633	\$6.67	\$564,326
1992	\$3.70	\$312,760	\$1.46	\$123,340	\$1.24	\$105,162	\$6.40	\$541,262
1993	\$3.83	\$323,832	\$1.54	\$130,124	\$1.30	\$109,894	\$6.67	\$563,850
1994	\$3.99	\$337,714	\$1.62	\$137,280	\$1.36	\$114,840	\$6.98	\$589,834
1995	\$4.16	\$351,792	\$1.71	\$144,831	\$1.42	\$120,007	\$7.29	\$616,630
1996	\$4.34	\$366,620	\$1.81	\$152,797	\$1.48	\$125,408	\$7.63	\$644,825
1997	\$4.52	\$381,931	\$1.91	\$161,200	\$1.55	\$131,051	\$7.97	\$674,182
1998	\$4.71	\$398,494	\$2.01	\$170,066	\$1.62	\$136,948	\$8.34	\$705,508
1999	\$4.90	\$413,989	\$2.12	\$179,420	\$1.69	\$143,111	\$8.71	\$736,520
2000	\$5.08	\$429,206	\$2.24	\$189,288	\$1.77	\$149,551	\$9.08	\$768,045

[1] Usually the base year for pass throughs is the year preceding the beginning of the lease period.

[2] The first expense category in the computer program, FINSIM, is labeled CAM for common area maintenance. Within this category are included the following expenses paid by the landlord with increases over the base year paid by the tenant on a prorata basis: Cleaning, Grounds & Security, Administrative, Management, Insurance, and Repairs and Maintenance.

[3] For purposes of calculating pass throughs, the net rentable area (NRA) of the Park Regent Medical Building is 84,563 square feet which is used as the net rentable area in the current leases.

[4] The amounts used are actual between 1977 and 1989; thereafter the amounts shown are estimates based upon historical trends and assumptions about management changes if the building is sold to a local investor.

**EXHIBIT VI-9**  
**FORECAST OF REVENUES AND EXPENSES**

PARK-REGENT MEDICAL CENTER Project Analysis Yearly Summaries SPKUL05 09-18-1990

REVENUE AND EXPENSES	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Base Rental Income	\$1,080,793	\$1,084,942	\$1,108,802	\$1,129,055	\$1,143,516	\$1,188,548	\$1,204,192	\$1,233,328	\$1,263,761	\$1,271,486	\$1,297,836
+Base Rent Adjustment Revenue	\$37,836	\$43,697	\$41,011	\$20,180	\$21,460	\$2,408	\$10,341	\$11,830	\$5,549	\$4,347	\$2,408
+CAM Pass Through (1)	\$56,610	\$58,889	\$73,116	\$63,347	\$76,850	\$87,114	\$96,391	\$111,251	\$102,530	\$88,325	\$96,497
+R.E. Tax Pass Through (2)	\$50,809	\$57,953	\$23,772	\$21,041	\$26,772	\$31,971	\$36,412	\$43,675	\$41,994	\$38,408	\$45,749
+Utilities Pass Through (3)	\$11,273	\$13,437	\$17,260	\$14,861	\$19,619	\$23,081	\$26,715	\$32,290	\$32,541	\$32,600	\$36,002
+Misc. Storage Rent-Christensen	\$1,596	\$1,596	\$1,596	\$1,596	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,969	\$1,969
=GROSS POTENTIAL INCOME	\$1,238,917	\$1,260,514	\$1,265,557	\$1,250,080	\$1,290,030	\$1,334,935	\$1,375,864	\$1,434,187	\$1,448,188	\$1,437,135	\$1,480,461
-Specific Lag Vacancy [4]	\$187,121	\$69,708	\$86,557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-General Vacancy & Cr. Loss[5]	\$0	\$37,767	\$37,919	\$62,504	\$64,502	\$66,747	\$68,793	\$71,709	\$72,409	\$71,857	\$74,023
=EFFECTIVE GROSS INCOME	\$1,051,796	\$1,153,039	\$1,141,081	\$1,187,576	\$1,225,529	\$1,268,188	\$1,307,071	\$1,362,478	\$1,375,779	\$1,365,278	\$1,406,438
***Total Expenses***											
+CAM Operating Expense (1)	\$297,181	\$312,760	\$323,832	\$337,714	\$351,792	\$366,620	\$381,931	\$398,494	\$413,989	\$429,206	\$447,206
+R.E. Taxes (2)	\$166,512	\$123,340	\$130,124	\$137,280	\$144,831	\$152,797	\$161,200	\$170,066	\$179,420	\$189,288	\$199,699
+Utilities (3)	\$100,633	\$105,162	\$109,894	\$114,840	\$120,007	\$125,408	\$131,051	\$136,948	\$143,111	\$149,551	\$156,281
+Reserve for Replacements (6)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
+Leasing Comm/Tenant Improvemnt	\$23,282	\$39,365	\$58,016	\$72,014	\$69,329	\$51,849	\$46,672	\$36,763	\$28,466	\$28,413	\$25,006
=TOTAL EXPENSES	\$597,608	\$590,627	\$631,866	\$671,848	\$695,959	\$706,674	\$730,854	\$752,271	\$774,986	\$806,458	\$838,192
***Net Operating Income***											
Effective Gross Income	\$1,051,796	\$1,153,039	\$1,141,081	\$1,187,576	\$1,225,529	\$1,268,188	\$1,307,071	\$1,362,478	\$1,375,779	\$1,365,278	\$1,406,438
-Total Expenses	\$597,608	\$590,627	\$631,866	\$671,848	\$695,959	\$706,674	\$730,854	\$752,271	\$774,986	\$806,458	\$838,192
=NET OPERATING INCOME	\$454,188	\$562,412	\$509,215	\$515,728	\$529,570	\$561,514	\$576,217	\$610,207	\$600,793	\$558,820	\$568,246

[1] CAM expenses include cleaning, general building expenses and administration, insurance, and repairs and maintenance  
 [2] Real estate taxes are assumed to decrease after a sale of the building at a price below assessed value  
 [3] Utilities include electricity, gas, water, and sewer charges  
 [4] Specific vacancy refers to known vacancy for a specific space  
 [5] General vacancy and credit is assumed to be 3% of effective gross income plus specific vacancy known to exist in 1992 and 1993  
     In 1994 and thereafter vacancy is assumed to be 5% of effective gross income  
 [6] Reserve for replacements is for such periodic maintenance and repairs as paving the parking lot

## EXHIBIT VI-10

CURRENT INVESTOR YIELD REQUIREMENTS  
NATIONAL MORTGAGE COMMITMENT SURVEY

	Lender Sample	Number of Commitments	Interest Rates				Amortization Period	Percent Constant	Loan-to-Value Ratio	Debt Coverage Ratio						
			3-5 Years	7-10 Years	More Than 10 Years											
<b>Conventional Loans</b>																
<b>Less than \$5m:</b>																
Multifamily	6	9	10.53	10.17	10.50	20-30	11.00%	70.3%	1.25							
Retail	8	11	10.06	10.08	10.07	10-30	11.32%	72.8%	1.27							
Office	7	11	9.93	10.12	10.14	15-30	11.15%	74.6%	1.21							
Industrial	9	21	10.15	10.18	10.00	10-30	11.28%	72.4%	1.21							
<b>\$5m-\$9.99m:</b>																
Industrial	5	3	9.50	9.99	—	25-30	10.29%	71.8%	1.29							
<b>\$10m-\$14.99m:</b>																
Retail	6	1	9.58	10.08	10.19	30	10.14%	74.8%	1.19							
Office	6	1	9.58	10.00	10.19	30	9.93%	72.0%	1.29							
Industrial	5	—	9.58	10.13	10.19	30	—	75.0%	1.19							
<b>More than \$15m:</b>																
Multifamily	5	—	9.71	10.26	10.31	25-30	—	75.0%	1.18							
Retail	6	—	9.58	10.15	10.19	30	—	75.0%	1.16							
Office	6	2	9.58	10.17	10.19	25-30	—	75.0%	1.18							
Industrial	6	—	9.58	10.23	10.19	25-30	—	75.0%	1.19							
Hotel/Motel	5	—	9.79	10.44	10.44	25-30	—	73.0%	1.26							

Source: AIREA Research Department. Figures are derived from a survey of lenders in various geographic regions conducted during the first business week of September 1990. Data quoted are averages and do not reflect conditions in all markets. Readers are encouraged to contact local lenders for rates and terms applicable in local markets. For further information, contact the Research Department, (312) 329-3296.

## National Market Indicators: Third Quarter 1990

	RETAIL		OFFICE		OVERSUPPLIED OFFICE		INDUSTRIAL	
	Range	Average	Range	Average	Range	Average	Range	Average
Free & Clear Equity Yield (IRR)	8.00-13.00%	10.87%	9.00-13.50%	11.32%	11.00-15.00%	13.17%	9.00-12.50%	11.26%
Free & Clear Equity Cap. Rate	5.00-10.00%	6.71%	6.00-10.00%	7.68%	6.25-10.00%	8.38%	7.00-10.00%	8.42%
Market Rent Change Rates	0.00-6.00%	4.44%	0.00-7.00%	3.05%	0.00-0.00%	0.00%	3.00-6.00%	4.50%
Expense Change Rates	3.00-6.00%	4.70%	3.00-6.00%	4.73%	3.00-6.00%	4.81%	3.00-6.00%	4.56%
Residual Cap. Rate	6.00-10.25%	7.76%	6.75-10.50%	8.34%	8.00-11.00%	9.44%	8.00-10.25%	8.78%

## Quarterly Trends

	RETAIL		OFFICE		OVERSUPPLIED OFFICE		INDUSTRIAL	
	2nd Qtr. 1990 Avg.	Change: 2nd to 3rd Qtr.	2nd Qtr. 1990 Avg.	Change: 2nd to 3rd Qtr.	2nd Qtr. 1990 Avg.	Change: 2nd to 3rd Qtr.	2nd Qtr. 1990 Avg.	Change: 2nd to 3rd Qtr.
Free & Clear Equity Yield (IRR)	10.74%	1.23%	11.02%	2.70%	13.11%	0.46%	11.11%	1.36%
Free & Clear Equity Cap. Rate	6.79%	-1.14%	7.45%	3.02%	8.29%	1.07%	8.44%	-0.21%
Market Rent Change Rates	4.39%	1.16%	3.20%	-4.69%	0.00%	0.00%	4.50%	0.00%
Expense Change Rates	4.65%	1.08%	4.68%	1.03%	4.75%	1.26%	4.50%	1.33%
Residual Cap. Rate	7.79%	-0.35%	8.39%	-0.55%	9.50%	-0.63%	8.84%	-0.72%

Source: *Real Estate Investor Survey*, Peter F. Korpacz & Associates Inc., Smithtown, N.Y. For more information, contact the Appraisal Institute's Research Department at (312) 329-3296.

Source: *The Appraiser*, Vol. 46, No. 10, October, p. 14

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EXHIBIT VI-10 (Continued)

Table 8

SURVEY OF MORTGAGE COMMITMENTS ON COMMERCIAL PROPERTIES

Property Type by Loan Size, All Loans  
Second Quarter, 1990

Property Type Loan Size	No. of Loans	Amount Committed (\$000)	Averages										Percentage Distribution by #	Percentage by \$	
			Loan Amount (\$000)	Contract Int. Rate	Yield with Fees	Debt Coverage	Loan/ Value	Capitaliza- tion Rate	Percent Constant	Maturity (Yrs/Mos)					
APARTMENT	75	583,562	7,781	9.90%	9.99%	1.24	71.6%	8.7%	10.5%	6/ 9	20.2%	13.6%			
Less than \$2 million	1	250	250	*	*	*	*	*	*	*	0.3	**			
\$2 million - \$4,999(000)	28	104,109	3,718	10.01	10.02	1.19	70.3	9.0	10.8	6/ 9	7.5	2.4			
\$5 million - \$14,999(000)	38	339,103	8,924	9.86	9.98	1.28	71.3	8.6	10.2	6/ 7	10.2	7.9			
\$15 million - \$24,999(000)	8	140,100	17,513	9.90	9.99	*	73.3	8.8	10.9	8/ 2	2.2	3.3			
OFFICE BUILDING	118	2,040,389	17,291	9.88	9.99	1.19	71.0	8.5	10.0	7/10	31.7	47.5			
Less than \$2 million	10	12,580	1,258	10.23	10.26	2.00	63.4	11.1	11.9	6/ 7	2.7	0.3			
\$2 million - \$4,999(000)	31	105,883	3,416	10.01	10.06	1.33	70.5	9.5	10.5	8/ 3	8.3	2.5			
\$5 million - \$14,999(000)	47	424,960	9,042	10.01	10.08	1.31	71.1	9.3	10.5	7/10	12.6	9.9			
\$15 million - \$24,999(000)	9	182,750	20,306	9.78	9.88	1.50	67.9	9.0	10.1	7/ 1	2.4	4.3			
\$25 million and over	21	1,314,216	62,582	9.84	9.97	1.12	71.5	8.0	9.9	8/ 4	5.6	30.6			
RETAIL	72	934,378	12,977	9.98	10.09	1.25	71.1	8.4	10.2	7/ 5	19.4	21.8			
Less than \$2 million	7	7,136	1,019	10.38	10.38	2.31	61.3	9.4	10.7	6/ 5	1.9	0.2			
\$2 million - \$4,999(000)	16	60,886	3,805	9.76	10.10	1.32	72.3	9.3	10.1	7/ 6	4.3	1.4			
\$5 million - \$14,999(000)	30	250,122	8,337	10.14	10.28	1.21	72.2	9.0	10.8	8/ 0	8.1	5.8			
\$15 million - \$24,999(000)	11	203,484	18,499	9.93	9.96	1.22	69.4	8.5	9.9	6/ 2	3.0	4.7			
\$25 million and over	8	412,750	51,594	9.92	10.03	1.24	71.3	7.8	9.9	7/ 9	2.2	9.6			
INDUSTRIAL	79	425,546	5,387	9.93	10.00	1.33	69.2	9.3	10.8	8/ 6	21.2	9.9			
Less than \$2 million	24	29,903	1,246	9.99	10.05	1.55	68.2	10.1	11.6	7/10	6.5	0.7			
\$2 million - \$4,999(000)	27	85,710	3,174	9.96	9.99	1.29	72.1	9.3	10.7	8/ 5	7.3	2.0			
\$5 million - \$14,999(000)	23	166,508	8,109	10.04	10.07	1.41	66.5	9.5	10.8	9/ 9	6.2	4.3			
\$15 million - \$24,999(000)	2	40,650	20,325	*	*	*	*	*	*	*	*	0.5	0.9		
\$25 million and over	3	82,775	27,592	9.76	9.89	*	68.5	8.7	*	6/ 0	0.8	1.9			
REL/MOTEL	7	81,015	11,574	10.50	10.50	1.31	73.6	10.1	10.8	7/ 0	1.9	1.9			
\$2 million - \$4,999(000)	1	4,500	4,500	*	*	-	*	*	-	*	0.3	0.1			
\$5 million - \$14,999(000)	5	44,515	8,903	10.72	10.72	1.46	65.4	10.5	11.1	6/10	1.3	1.0			
\$25 million and over	1	32,000	32,000	*	*	*	*	*	*	*	*	0.3	0.7		
MIXED-USE	4	40,875	10,219	10.37	10.41	*	72.5	8.6	*	7/ 6	1.1	1.0			
\$2 million - \$4,999(000)	1	2,200	2,200	*	*	*	*	*	*	*	0.3	0.1			
\$5 million - \$14,999(000)	2	20,175	10,088	*	*	*	*	*	*	*	0.5	0.5			
\$15 million - \$24,999(000)	1	18,500	18,500	*	*	*	*	*	*	*	0.3	0.4			
OTHER COMMERCIAL	17	188,050	11,062	10.02	10.18	1.20	65.3	8.8	10.2	5/ 2	4.6	4.4			
Less than \$2 million	1	1,700	1,700	*	*	*	*	*	*	*	0.3	**			
\$2 million - \$4,999(000)	1	4,350	4,350	*	*	*	*	*	*	*	0.3	0.1			
\$5 million - \$14,999(000)	12	114,500	9,542	9.93	10.17	1.18	62.4	8.7	9.9	5/ 4	3.2	2.7			
\$15 million - \$24,999(000)	2	39,000	19,300	*	*	*	*	*	*	*	0.5	0.9			
\$25 million and over	1	28,500	28,500	*	*	*	*	*	*	*	0.3	0.7			
TOTAL	372	4,293,815	11,543	9.93	10.04	1.23	70.8	8.6	10.2	7/ 7	100.0	100.0			
Less than \$2 million	43	51,569	1,199	10.10	10.16	1.76	66.0	10.2	11.5	7/ 2	11.6	1.2			
\$2 million - \$4,999(000)	105	367,638	3,501	9.95	10.03	1.29	71.1	9.3	10.6	7/ 9	28.2	8.6			
\$5 million - \$14,999(000)	157	1,379,883	8,789	10.02	10.13	1.31	69.9	9.1	10.5	7/ 7	42.2	32.1			
\$15 million - \$24,999(000)	33	624,484	18,924	9.90	9.98	1.27	70.4	8.8	10.3	6/11	8.9	14.5			
\$25 million and over	34	1,870,241	55,007	9.87	9.99	1.14	71.6	8.1	9.9	7/10	9.1	43.6			

\* Data not shown for limited number of loans.

\*\* Less than 0.05%.

Note: Averages are based on dollar amounts, except for average maturity which is calculated as a simple mean. Averages for debt coverage ratio, capitalization rate, and percent constant may represent a fewer number of loans than the total for the specified category.

See appendix for Scope and Methodology of the Survey.

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Source: Investment Bulletin, No. 1119, October 22, 1990,  
"Survey of Mortgage Commitments on Commercial  
Properties, Second Quarter, 1990."

## ECONOMIC INDICATORS

	Aug. 1990	Feb. 1990	Aug. 1989	Feb. 1989	Aug. 1988	Aug. 1987
<b>Market Rates and Bond Yields—%</b>						
Reserve Bank Discount Rate .....	7.00	7.00	7.00	6.59	6.37	5.50
Prime Rate (monthly average) .....	10.00	10.00	10.50	10.93	9.84	8.25
Federal Funds Rate .....	8.13	8.24	8.99	9.36	8.01	6.73
3-Month Treasury Bills .....	7.44	7.76	7.91	8.48	7.02	6.00
6-Month Treasury Bills .....	7.36	7.72	7.72	8.49	7.36	6.14
3-Month Certificates of Deposit .....	7.97	8.22	8.64	9.51	8.35	6.75
LIBOR 3-mo. Rate (as of 9/14/90)* .....	8.12	8.56	8.87	10.25	8.31	7.56
U.S. 5-Yr. Bonds .....	8.44	8.42	8.09	9.27	8.94	8.32
U.S. 10-Yr. Bonds .....	8.75	8.47	8.11	9.17	9.26	8.76
U.S. 30-Yr. Bonds .....	8.86	8.50	8.12	9.01	9.32	8.97
Municipal Tax Exempts (Aaa)† .....	6.99	7.05	6.68	7.23	7.51	7.24
Municipal Tax Exempts (A)† .....	7.15	7.20	6.94	7.39	7.71	7.77
Corporate Bonds (Aaa)† .....	9.41	9.22	8.96	9.64	10.11	9.67
Corporate Bonds (A)† .....	9.89	9.75	9.45	10.13	10.63	10.20
Corporate Bonds (Baa)† .....	10.41	10.14	9.88	10.61	11.21	10.80
<b>Stock Dividend Yields—%</b>						
(Source: Standard & Poor's)						
Common Stocks—500 .....	3.65	3.54	N.A.	3.59	3.75	2.69
<b>Other Benchmarks</b>						
Industrial Production Index¶ (Federal Reserve 1977=100)¶ .....	109.8	141.8	142.4	141.1	138.2	130.7
Unemployment¶ .....	5.6%	5.3%	5.2%	5.1%	5.6%	6.0%
Monetary Aggregates, daily avg.¶						
M1, \$-Billions .....	816.3	801.3	777.7	787.4	782.5	750.9
M2, \$-Billions .....	3,302.1	3,257.2	3,136.0	3,070.7	3,032.6	2,860.2
Member Bank Borrowed Reserves						
\$-Billions .....	0.927	1.448	0.675	1.487	3.241	0.647
Consumer Price Index .....	131.6	128.0	124.6	121.6	119.0	342.7
(1982-84=100)¶ .....						
Per Capita Personal Disposable Income—						
Annual Rate in						
Current \$s¶ .....	\$15,655	\$14,973	\$14,123	\$13,094	\$12,469	
Savings as % of D.P.I. .....	5.1	4.6	4.2	2.9	4.1	

¶ Seasonally adjusted N.A.—Not Available \* Source: The Wall Street Journal † Source: Moody's Bond Survey

### Conventional Home Mortgage Terms (Source: Office of Thrift Supervision)

	Aug. 1990	Feb. 1990	Aug. 1989
<b>New House Loans—U.S. Averages</b>			
Interest rate (%) .....	10.11	9.88	10.23
Term (years) .....	27.2	27.4	28.3
Loan ratio (%) .....	74.5	74.6	75.6
Price (thou. \$) .....	161.5	148.9	161.0
<b>Used House Loans—U.S. Averages</b>			
Interest rate (%) .....	9.98	10.06	10.11
Term (years) .....	26.6	27.1	28.4
Loan ratio (%) .....	74.7	74.6	75.4
Price (thou. \$) .....	134.9	142.9	143.9
<b>Conventional Home Mortgage Rates by Metropolitan Area (%)</b>			
Atlanta .....	9.89	9.63	9.98
Baltimore .....	9.90	9.91	10.05
Boston .....	10.18	10.12	10.30
Chicago .....	9.98	10.13	10.22
Cleveland .....	10.08	9.80	10.07
Dallas-Fort Worth .....	10.17	9.83	9.93
Denver .....	9.95	9.87	9.75
Detroit .....	10.25	9.97	10.16
Greensboro-Winston-Salem .....	9.89	10.04	N.A.
Honolulu .....	9.86	9.64	9.31
Houston .....	10.37	10.14	10.24
Indianapolis .....	10.08	10.37	10.12
Kansas City .....	10.21	10.16	10.04
Los Angeles-Long Beach .....	9.69	10.08	10.07
Louisville .....	9.93	9.72	9.96
Miami-Fort Lauderdale .....	10.04	10.14	10.09
Milwaukee .....	9.97	9.73	10.01
Minneapolis-St. Paul .....	10.08	N.A.	9.89
New York .....	9.87	9.89	10.05
Philadelphia .....	9.80	9.82	9.77
Phoenix .....	10.14	10.03	10.18
Pittsburgh .....	10.28	9.79	10.10
Portland .....	10.29	10.03	9.86
St. Louis .....	10.13	9.57	10.13
San Diego .....	9.40	9.68	9.94
San Francisco .....	9.66	9.97	10.02
Seattle-Tacoma .....	10.25	10.19	10.07
Tampa-St. Petersburg .....	9.89	9.86	9.95
Washington, DC .....	9.83	9.79	9.81

EXHIBIT VI-10 (Continued)

Financial Research Institute

## EXHIBIT VI-11

ASSUMPTIONS USED IN  
VALUATION OF PARK REGENT MEDICAL BUILDING  
USING THE ATV VALUATION PROGRAM

REVENUE AND EXPENSES

1. Contract rents, as defined by individual leases, are used during the term of the lease. Renewals are at market unless otherwise defined by the lease. The assumptions applied to each leasable area are summarized in **Exhibit VII-2**.
2. Market rent as of January 1, 1991 is \$13.50/SF.
3. The market rent growth rate and the Consumer Price Index are assumed to increase as follows for this valuation.

% Change e.g. 1990-91	<u>Market Changes [1]</u>		<u>CPI Changes</u>
		<u>Rent/SF/Yr.</u>	
1990		\$13.25	4.00%
1991	1.89%	\$13.50	4.00%
1992	1.85%	\$13.75	4.00%
1993	1.82%	\$14.00	4.00%
1994	1.79%	\$14.25	4.00%
1995	1.75%	\$14.50	4.25%
1996	1.72%	\$14.75	4.25%
1997	1.69%	\$15.00	4.25%
1998	1.67%	\$15.25	4.25%
1999	1.64%	\$15.50	4.25%
2000	1.61%	\$15.75	4.25%
2001	1.59%	\$16.00	4.25%

Market rents are assumed to increase \$0.25/SF annually. In the computerized program, FINSIM, used to calculate cash flows for this valuation, increases are compounded monthly. Therefore, the annual rates decline to counter the effect of compounding.

[1] The Madison medical office rental market is expected to lag inflation due to changing medical economics and the increasing roles of HMO's in negotiating rents. Some leases contain a base rent escalator linked to changes in the CPI unless the market rent at the time is lower. For this valuation, market rent is used when the lease defines a choice. Rents have increased at an average rate of 1.5% /year between 1986 and 1990.

## EXHIBIT VI-11 (Continued)

4. Expenses are increased at the following annual rates:

<u>Base Year 1990</u>	<u>1991</u>	<u>1992</u>	<u>1993 through 2001</u>
Cleaning	5.0%	5.0%	4.5%
Administrative	N/A [1]	3.0%	3.0%
Management		Not increased at a fixed percentage per year, but calculated at 4% of EGI/yr.	
Grounds & Security [2]	3.0%	3.0%	3.0%
Insurance	3.5%	3.5%	3.5%
Repairs & Maintenance	5.0%	5.0%	5.0%
Real Estate Taxes	5.5%	N/A [3]	5.5%
Utilities [4]	4.5%	4.5%	4.5%

[1] The present owner, Prudential, until recently has retained an on-site manager as well as the services of a management company. It is assumed that the most probable buyer, a local investor who owns multiple income properties in the Madison area, would not use the manager's office for an on-site manager. Instead an expense account is created for leasing commissions.

[2] As shown in **Exhibit VII-5**, there is an expense category within the Grounds and Security budget entitled Parking Solution. This expense of \$15,600, which begins in 1991, is designated either to pay for a full-time parking attendant who checks each car to insure that only Park Regent Medical Building customers use the parking lot or to pay rent for 40 to 50 off-site, but nearby surface parking spaces (at \$25-\$30 /stall/month) for employees in order to expand the potential for on-site customer parking.

[3] It is assumed that with the sale of the property for \$3,500,000, the real estate assessment of \$4,985,000 will be reduced to the purchase price, and although the mill rate is assumed to increase at 5.5%, the taxes levied in 1991 and payable in 1992 will be reduced.

EXHIBIT VI-11 (Continued)

- [4] Although, based upon historical trends, utilities have been increasing at a modest average annual rate of 3%, the current crisis in the Middle East suggests that fuel prices will experience greater increases in the future. Even though electricity is the fuel for heating and cooling, the cost of shipping the coal and other related costs will affect electricity prices.
- 5. The base year for the pass-through of increases in expenses is defined in each lease. At renewal the base year is assumed to remain the same as it was at the beginning of the original lease term, but upon the signing of a new lease the base year is assumed to be the year preceding the new lease year.
- 6. Tenant refurbishing occurs at the beginning of a new tenant's lease and, in limited cases, may be allowed for a long-time tenant at the beginning of a new lease term. The tenant allowance for major refurbishing is \$10 per SF and \$5 per SF for minor refurbishing in 1991 dollars; the allowance inflates at the same rate as market rent. The allowance is reduced to \$3.50 per SF to refurbish vacant space which turns-over annually.
- 7. A leasing commission of \$3.00/SF of space leased is amortized and expensed over the life of the lease. Leasing commissions are assumed to increase at the rate of 1.5% annually. The \$3.00/SF leasing commission rate translates to approximately 4.4% of the base rent on a 5 year lease. After occupancy has stabilized, the leasing fee is reduced to \$2.20/SF and inflates at 1.5% annually.
- 8. An annual reserve of \$10,000 for capital improvements such as the resurfacing of the parking lot and major structural repairs/replacements is included in the expenses.
- 9. All increases in operating expenses, real estate taxes, and utilities over the tenant's designated base year are passed through to the tenant the following year. Increases in the costs of capital improvements, tenant improvements, and leasing commissions are not included in the recoveries.
- 10. A computerized program, FINSIM, is used to analyze each tenant's lease and to produce a revenue and expense summary for the project. FINSIM was developed by Grant Systems, Inc.

**EXHIBIT VI-11 (Continued)**

**VACANCY**

With 15,538 SF (18.3%) of the 84,931 SF of net leasable area vacant, the revenue loss to vacancy in 1990 is estimated to be approximately 18.5% of gross potential revenue. It is assumed that 7,483 SF of the vacant space will be leased as of October 1, 1991, thereby reducing the estimated vacancy loss to 15.1% in 1991. With another 5,179 SF leased in 1992, the loss of revenue to vacancy is projected to be 8.5% of gross potential revenue. Certain tenant spaces are assumed to be vacated by the present tenant during the 10 year projection period. In 1993 when it is assumed that several suites will become vacant, the approximate loss to vacancy is projected to increase to 9.8%. Following this adjustment period, the revenue loss to vacancy is projected to stabilize at an average 5.0% per year. The suites assumed to be vacated and the tenant improvement allowance at that time are shown in **Exhibit VII-7**.

**FINANCING**

The maximum allowable mortgage of \$3,783,300, or say \$3,800,000, is based upon a 1.25 debt cover ratio which is applied to the average of the second and the third year estimated NOI of \$535,813, using an interest rate of 10.5% payable monthly over a 25 year term.

**EQUITY YIELD REQUIREMENT**

An equity yield of 13% is used to discount the cash flows to the equity investor over the holding period of 10 years. This higher yield requirement recognizes the risk in having one tenant occupy 44 percent of the NRA, the marketing constraints imposed by the covenant on use, and the limitation of on-site parking spaces

**LAND VALUE**

The site appear to contain approximately 150,000 SF or 3.44 acres according to the site map, but is listed on the City of Madison assessment roll as 166,030 SF or 3.8 acres. The market value is estimated to be \$830,000 or approximately \$5.00 to \$5.53/SF for this large site.

EXHIBIT VI-11 (Continued)

The site contains 329 on-site parking stalls according to the survey shown in **Exhibit IV-3**. According to an analysis done by the broker, the site has a total of 331 stalls. The parking ratio is approximately 3.9 stalls per 1,000 square feet of net leasable area.

TAX RATES AND DEPRECIATION

Maximum individual rates of 33 percent for ordinary income and 33 percent for capital gains are used in the after-tax valuation program called **ATV** developed by **Valusoft, Inc. & Micro-Matix, Inc.**

The depreciable life of the improvements is set at 31.5 years straight line as determined by the 1986 Tax Reform Act of 1986.

RESALE

The resale value of \$5,700,000, rounded, is based upon an NOI of \$568,246 in Year 11 (2001) capitalized at 10 percent.

Resale costs are set at 4 percent of the resale price.

**EXHIBIT VI-12**  
**INPUTS ENTERED INTO ATV DISCOUNTED CASH FLOW PROGRAM**

**INCOME AND EXPENSE SUMMARY**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NET OPERATING INCO	\$454,188	\$562,412	\$509,215	\$515,728	\$529,570
GROSS INCOME	\$454,188	\$562,412	\$509,215	\$515,728	\$529,570
VACANCY	\$0	\$0	\$0	\$0	\$0
EFF. GROSS INCOME	\$454,188	\$562,412	\$509,215	\$515,728	\$529,570
NET OPERATING INC.	\$454,188	\$562,412	\$509,215	\$515,728	\$529,570
	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
NET OPERATING INCO	\$561,514	\$576,217	\$610,207	\$600,793	\$558,820
GROSS INCOME	\$561,514	\$576,217	\$610,207	\$600,793	\$558,820
VACANCY	\$0	\$0	\$0	\$0	\$0
EFF. GROSS INCOME	\$561,514	\$576,217	\$610,207	\$600,793	\$558,820
NET OPERATING INC.	\$561,514	\$576,217	\$610,207	\$600,793	\$558,820

**ASSUMPTIONS**

EQUITY YIELD RATE	13.00000
HOLDING PERIOD	10
LOAN NUMBER	1
INTEREST RATE	0.10500
LOAN TERM	25.00000
PAYMENTS PER YEAR	12
LOAN AMOUNT	3,800,000
TAX RATE	0.33000
CAPITAL GAINS TAX RATE	0.33000
RESALE PRICE	\$5,700,000.
LAND VALUE	\$830,000.
DEPRECIATION METHOD	SL
COST RECOVERY PERIOD	32
NET OPERATING INCOME	\$454,188.
CHANGE IN NOI	0.23037
INCOME ADJUSTMENT FACTOR	YR
SELLING COST	0.04000

## EXHIBIT VI-13

PARK REGENT MEDICAL BUILDING - NORMATIVE SCENARIO - MORTGAGE \$3,800,000

VALUE	\$4,785,379.	←
AFTER TAX YIELD	13.00000	
OVERALL RATE	0.09491	
MORTGAGE CONSTANT	0.11330	
MORTGAGE VALUE	\$3,800,000.	
BUILDING VALUE	\$3,955,379.	
EQUITY VALUE	\$985,379.	
EQUITY DIVIDEND	0.02399	

## C A S H F L O W S U M M A R Y

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NOI	\$454,188.	\$562,412.	\$509,215.	\$515,728.	\$529,570.
DEBT SER#1	-\$430,547.	-\$430,547.	-\$430,547.	-\$430,547.	-\$430,547.
BTCF	\$23,641.	\$131,865.	\$78,668.	\$85,181.	\$99,023.
NOI	\$454,188.	\$562,412.	\$509,215.	\$515,728.	\$529,570.
INTEREST 1	-\$397,437.	-\$393,788.	-\$389,737.	-\$385,240.	-\$380,247.
DEPREC	-\$125,568.	-\$125,568.	-\$125,568.	-\$125,568.	-\$125,568.
TAXABLE	-\$68,816.	\$43,057.	-\$6,090.	\$4,921.	\$23,756.
TAXES	-\$22,709.	\$14,209.	-\$2,010.	\$1,624.	\$7,839.
ATCF	\$46,350.	\$117,656.	\$80,677.	\$83,557.	\$91,183.

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
NOI	\$561,514.	\$576,217.	\$610,207.	\$600,793.	\$558,820.
DEBT SER#1	-\$430,547.	-\$430,547.	-\$430,547.	-\$430,547.	-\$430,547.
BTCF	\$130,967.	\$145,670.	\$179,660.	\$170,246.	\$128,273.
NOI	\$561,514.	\$576,217.	\$610,207.	\$600,793.	\$558,820.
INTEREST 1	-\$374,703.	-\$368,549.	-\$361,717.	-\$354,131.	-\$345,710.
DEPREC	-\$125,568.	-\$125,568.	-\$125,568.	-\$125,568.	-\$125,568.
TAXABLE	\$61,243.	\$82,100.	\$122,923.	\$121,094.	\$87,542.
TAXES	\$20,210.	\$27,093.	\$40,565.	\$39,961.	\$28,889.
ATCF	\$110,756.	\$118,577.	\$139,095.	\$130,285.	\$99,384.

RESALE PRICE	\$5,700,000.	RESALE PRICE	\$5,700,000.
SELLING COST	-\$228,000.	SELLING COST	-\$228,000.
LOAN BALANCE # 1	-\$3,245,785.	ADJUSTED BASIS	-\$3,529,703.
		TAXABLE GAIN	\$1,942,297.
BEFORE TAX PROCEEDS	\$2,226,215.	LONG TERM GAIN	\$1,942,297.
TAXES	-\$640,958.	ORDINARY TAXES	\$0.
AFTER TAX PROCEEDS	\$1,585,257.	CAPITAL GAINS TAX	\$640,958.

## EQUITY CASH FLOW SUMMARY

YEAR	CASH FLOW	YEAR	CASH FLOW
0	-\$985,379.	6	\$110,756.
1	\$46,350.	7	\$118,577.
2	\$117,656.	8	\$139,095.
3	\$80,677.	9	\$130,285.
4	\$83,557.	10	\$1,684,641.
5	\$91,183.		

## VII. VALUE CONCLUSION

Reliance for the valuation of this special use property is placed upon the Income Approach, using the discounted cash flow methodology, and assuming stabilized occupancy.

THEREFORE, THE APPRAISER CONCLUDES THAT, BASED UPON THE ASSUMPTIONS MADE THROUGHOUT THIS REPORT AND SUBJECT TO THE LIMITING CONDITIONS CONTAINED WITHIN, THE MARKET VALUE OF THE PARK REGENT MEDICAL BUILDING, ENCUMBERED BY CERTAIN LEASES, AS OF JANUARY 1, 1991, IS:

FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS  
(\$4,800,000)

assuming stabilized occupancy in 1994 and cash to the seller.

This estimate of value translates to a unit value of \$50.53 per square foot of gross building area. Although the Market Comparison Approach was not relied upon to estimate value, the office building sales that were reviewed suggested a range of sale prices from \$35.00 per square foot of gross building area for a 68 year old building with an obsolete HVAC system to \$69.00 per square foot of gross building area for a smaller 11 year old suburban office building with modern design and adequate surface parking. The \$50.53 per square foot of gross building area estimate of value for the subject property, as determined by the Income Approach, appears to be reasonable, based upon a limited number of diverse office building sales in Madison.

APPENDIX A

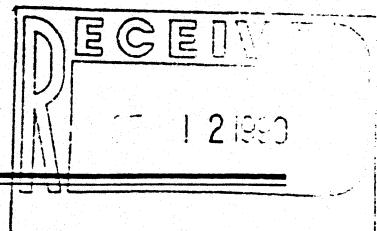
CERTIFICATE FROM COMMUNITY DEVELOPMENT AUTHORITY  
SEPTEMBER 10, 1990

ZONING CODE FOR C1 AND C2 COMMERCIAL USES



# Community Development Authority of the City of Madison

Madison Municipal Building, Suite 130  
215 Martin Luther King, Jr. Boulevard (formerly Monona Ave.)  
Madison, Wisconsin 53710  
608/266-4675



MAILING ADDRESS: P.O. Box 1785, Madison, WI 53701

September 10, 1990

Mr. Tom Neujahr  
Urban Land Interests  
301 North Broom Street  
Madison, WI 53703

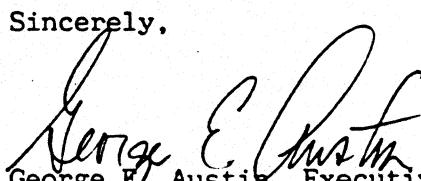
Dear Tom:

I am writing in response to your August 30, 1990, follow-up letter regarding the One South Park Office building. We corresponded in August regarding the uses which would meet the provisions contained in the Triangle Urban Renewal Plan under Section C.2(a)(2) in the Medical and Institutional Business District section.

The points you made regarding the interpretation of "public welfare" and the difficulty in determining the exact uses which promote the public welfare are well taken. Having given further thought to the issue, I have modified the certificate which you enclosed in your letter, excepting administrative functions in addition to the non-educational service and support functions of the University. I have also placed a cap on the percentage of the building that can be used for these University uses. The signed copy is attached to this letter.

If you have any further questions regarding this matter, please feel free to call me at 266-4635.

Sincerely,

  
George E. Austin, Executive Director  
Community Development Authority

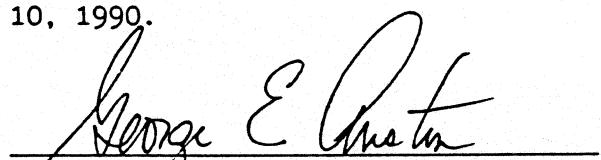
GEA:msm/15

CERTIFICATE

I, the undersigned, George Austin, being the Executive Director of the Community Development Authority of the City of Madison, Wisconsin, do hereby certify as follows:

1. The use of One South Park Street, which is identified as "Parcel 3-1" in that certain Urban Renewal Plan for the Triangle Urban Renewal Area (Project No. Wis. R-2) and recorded in Volume 549 of Records, Page 230 as Document No. 1417405 (the "Plan"), as office and related facilities by the University of Wisconsin would be permitted use of such property under the Plan, except that distinct, non-educational general administrative service and support functions, such as accounting, personnel, risk management, purchasing, storage, physical plant, motor pool, food service, printing, and the like would not be permitted. In particular, use by the University of Wisconsin would fall within the permitted use set forth in Section C.2(a)(2) of the Plan for "offices and related facilities for use by professional or non-profit organizations whose purpose is to promote public health and/or welfare by means of education, social service, treatment and/or research." The University of Wisconsin offices described above may not occupy more than 50 percent of the leasable area of the building.
2. No notice or order has been issued or remains outstanding from the Community Development Authority of the City of Madison advising of any noncompliance of One South Park Street with the Plan, and, to the best of my knowledge, the improvements now located upon One South Park Street comply with the Plan.

Dated as of September 10, 1990.



George E. Austin  
Community Development Authority  
of the City of Madison

## 28.09 COMMERCIAL DISTRICTS.

## (1) General Requirements.

(a) Permitted Uses. Permitted uses of land or buildings, as herein listed, shall be restricted to the districts indicated and under the conditions specified. No building or tract of land shall be devoted to any use other than a use permitted herein in the zoning district in which such building or tract of land shall be located, with the following exceptions:

1. Uses lawfully established on the effective date of this ordinance; and
2. Conditional uses allowed in accordance with the provisions of 28.09(1)(b) hereunder.

Uses lawfully established on the effective date of this ordinance and rendered nonconforming by the provisions thereof, shall be subject to those regulations of Section 28.05 governing nonconforming uses.

(Am. by Ord. 7085, 9-6-80)

(b) Conditional Uses. Conditional uses, as herein listed, may be allowed in the districts indicated, subject to the issuance of conditional use permits in accordance with the provisions of Section 28.12(10).

(c) Lot Area Requirements. Lot areas shall be provided in accordance with the regulations herein indicated. In addition, the following regulations shall be complied with:

1. No residential use shall be established or hereafter maintained on a lot recorded after the effective date of this ordinance, which is of less area than prescribed herein for such use in the zoning district in which it is to be located.
2. For any lot of record which is less than fifty (50) feet in width or less than six thousand (6,000) square feet in area on the effective date of this ordinance and located in any commercial district, the lot area requirements as established in the R4 district shall apply.
3. No existing residential building shall be converted so as to conflict with or further conflict with the lot area per dwelling unit requirements of the district in which such building is located.

(d) Height Regulations. Maximum height regulations as set forth in the C1 district shall apply to all buildings or structures in such district.

(e) Floor Area Ratio. Maximum floor area ratio as set forth in the C2, C3 and C4 districts shall apply to all buildings or structures in such districts. However, in the C2 and C3 districts located within the central area, the maximum floor area ratio shall be not more than 4.0, or not more than 5.0 when such districts adjoin the C4 district and are within two hundred (200) feet of such C4 district and are continuous as a commercial district.

(f) Yard Requirements. Yards shall be provided in accordance with the regulations herein indicated and shall be unobstructed from the ground level to the sky, except as allowed in Section 28.04(6)(e). All additions to a principal building, such as attached garages, shall comply with the yard requirements of the principal building.

(g) Usable Open Space Requirements. Usable open space shall be provided on each lot, devoted in whole or in part to any residential use, as set forth in each zoning district. Such usable open space provided on the ground level shall be in a compact area of no less than two hundred (200) square feet and having no dimension less than ten (10) feet and having no slope grade greater than ten percent (10%). In calculating the usable open space requirements in the C1, C2 and C3 districts, there may be credited, up to a maximum of fifty percent (50%) of the required open space area, the area of any balconies having a minimum dimension of four feet six inches (4'6"), and on the roof, any open space area having a minimum dimension of fifteen (15) feet and being free of any obstructions and improved and available for safe and convenient use to all occupants of the building, and in the C4 district, there may be credited to the required open space area, the area of up to one hundred percent (100%) of the required open space area in any of the abovementioned balconies and open space on the roof. Also in the C4 district, interior activity spaces such as swimming pools, fitness rooms, etc., which may be used by all residents of the building, may be credited to the required open space. (Am. by Ord. 6052, 11-29-77)

(h) (R. by Ord. 5831, 5-6-77)

(i) Off-Street Parking And Loading. In the C1, C2 and C3 districts, off-street parking and loading facilities shall be provided in accordance with applicable regulations herein set forth in Section 28.11, provided however, in the central area, there shall be no specific requirements for off-street parking. In the C4 district, there shall be no specific requirements for off-street parking and loading facilities.

(2) **C1 Limited Commercial District.**

(a) Statement Of Purpose. The C1 limited commercial district is established to accommodate the shopping needs of residents residing in adjacent residential areas. Within this district, which is located in close proximity to residential areas, are permitted those uses which are necessary to satisfy the daily or frequent shopping needs of the neighborhood consumer. Such uses include the retailing of convenience goods and the furnishing of certain personal services. Also permitted within this district are certain types of offices. Within this district, a limitation is imposed on the size of establishments to prevent the generation of large volumes of vehicular and pedestrian traffic.

(b) General Regulations. Uses permitted in the C1 district are subject to the following conditions:

1. Business uses are not permitted on any floor above the ground floor except in those buildings where dwelling units and lodging rooms are not established.
2. All business establishments shall be retail or service establishments which deal directly with the customers. All goods produced on the premises shall be sold at retail on the premises where produced unless approved as a conditional use. (Am. by Ord. 6113, 1-26-78)
3. All business, servicing or processing, except for off-street parking, off-street loading, display of merchandise such as garden, lawn or recreational supplies and equipment for sale to the public, vending machines, automobile service station operation and outdoor eating areas of restaurants approved as a conditional use by the Plan Commission, shall be conducted within completely enclosed buildings. (Am. by Ord. 9535, 7-28-88)
4. Establishments of the "drive-in" type are not permitted, except in the case of automobile service stations.
5. Business establishments are restricted to a maximum gross floor area of ten thousand (10,000) square feet each, exclusive of any floor area devoted to off-street parking or loading facilities, except that food stores, containing two (2) or more uses, and offices as herein permitted below, may have a maximum floor area of not more than twenty-three thousand (23,000) square feet. (Am. by Ord. 5125, 9-3-75)
6. Parking of trucks as an accessory use, when used in the conduct of a permitted business listed hereinafter, shall be limited to vehicles of not over one and one-half (1 1/2) tons capacity when located within one hundred fifty (150) feet of a residence district boundary line.

(c) Permitted Uses. The following uses are permitted in the C1 district:

1. Accessory uses, including but not limited to the following:
  - a. Signs as regulated in this section.
  - b. Temporary buildings for construction purposes, for a period not to exceed the duration of such construction.
2. Art and school supply stores.
3. Barbershops.
4. Beauty parlors.
5. Bedding sales but not including furniture stores, provided that the zoning lot shall either be located on a heavy traffic route system or on a collector street with a right-of-way width not less than eighty (80) feet, and further provided that in no case shall the total floor area exceed three thousand (3,000) square feet.

6. Bicycle sales, rental and repair establishments.
7. Book, magazine and stationery stores.
8. Candy and ice cream stores.
9. Churches.
10. Clubs and lodges, private.
11. Drugstores.
12. Dry cleaning and laundry establishments employing not more than eight (8) persons, including drive-up service windows if the zoning lot has direct vehicular access to either the heavy traffic system or a collector street via a driveway approach where the Traffic Engineer has determined that this site will properly accommodate such an operation and that traffic problems will not be created in the street. (Am. by Ord. 7407, 5-7-81)
13. Dwelling units and lodging units located above the ground floor not not to exceed four (4) dwelling units and not exceeding fifty percent (50%) of the total building floor area. (Am. by Ord. 7142, 11-7-80)
14. Fire stations.
15. Florist shops and conservatories employing not more than five (5) persons.
16. Food stores--grocery stores, meat stores, fish markets, bakeries employing not more than eight (8) persons, and delicatessens.
17. Gift shops.
18. Hardware stores.
19. Hobby shops.
20. Libraries, municipally owned and operated.
21. Liquor stores, packaged goods only.
22. Medical, dental and optical clinics, including accessory laboratories.
23. Nursery schools.
24. Offices for professional persons, for insurance or real estate organizations, and for nonprofit civic, fraternal, governmental research, labor, political, religious and service organizations or associations.
25. Outpatient housing facilities.
26. Paint and wallpaper store, provided it is located in a shopping center containing eight (8) or more retail businesses.
27. Parks and playgrounds.
28. Pet shops, including boarding of dogs, cats and other household pets when conducted as an incidental use and in an enclosed building.
29. Photography studios, including the development of films and pictures when conducted as part of the retail business on the premises.
30. Post offices.
31. Recreational buildings and community centers, not operated for profit.
32. Restaurants, except adult entertainment taverns. (Am. by Ord. 6101, 1-6-78)
33. Schools--elementary, junior high or high.
34. Shoe and hat repair stores.

35. Toy shops.
36. Variety stores.
37. Wearing apparel shops.
38. Banks and financial institutions including drive-up service windows provided that the zoning lot shall be part of a contiguous Commercial Zoned District with an area larger than five (5) acres; provided that the zoning lot shall have direct vehicular access to either the heavy traffic route system or a collector street via a driveway approach where the Traffic Engineer has determined traffic problems will not be created in the street and further provided that in no case shall the total floor area exceed five thousand (5,000) square feet. (Cr. by Ord. 4456, 2-1-74)
39. Community living arrangements provided:
  - a. That the loss of any state license or permit by a community living arrangement be an automatic revocation of that facility's use permit.
  - b. That the applicant disclose in writing the capacity of the community living arrangement.
  - c. That the community living arrangement be located above ground floor.

(Sec. 28.09(2)(c)39. Cr. by Ord. 5636, 11-3-76)

40. Camera and photographic supply stores. (Cr. by Ord. 5638, 11-3-76)
41. Reserved For Future Use.
42. Travel bureaus and transportation ticket offices, provided that the zoning lot is located on a heavy traffic route system or on a collector street with a right-of-way width not less than eighty (80) feet, and further provided that in no case shall the total floor area exceed one thousand five hundred (1,500) square feet. (Cr. by Ord. 6076, 1-6-78)
43. Art galleries. (Cr. by Ord. 6111, 1-26-78)
44. Reserved For Future Use.
45. Sporting goods stores, including the sale of live bait, provided that in no case shall the total floor area exceed three thousand (3,000) square feet, and further provided that hours of operation be limited to the hours between 7:00 a.m. and 9:00 p.m. unless approved as a conditional use. (Cr. by Ord. 6261, 5-24-78)
46. Small home appliances, sales and service, not including stoves, refrigerators, freezers, washers or dryers, provided that the zoning lot shall either be located on a heavy traffic route system or on a collector street with a right-of-way width not less than eighty (80) feet, and further provided that in no case shall the total floor area exceed three thousand (3,000) square feet. (Cr. by Ord. 6866, 12-28-79)
47. Mission house. (Cr. by Ord. 7372, 3-27-81)

(d) Conditional Uses. The following conditional uses may be allowed in the C1 district subject to the provisions of Section 28.12(10):

1. Automobile laundries, provided:
  - a. That the zoning lot shall be located within a C1 district which, as one district or in combination with other commercial or manufacturing districts, extends continuously for at least five hundred (500) feet on one side of a street.
  - b. That the hours of operation shall be limited to the hours between 7:00 a.m. and 9:00 p.m.
2. Automobile service stations for the retail sale and dispensing of fuel, lubricants, tires, batteries, accessories and supplies, including installation and minor services customarily incidental thereto, and facilities for chassis and gear lubrication and for washing of motor vehicles only if enclosed in a building, provided that the provisions set forth in 1.a. above shall apply.
3. Buildings in which there are five (5) or more dwelling units and where dwelling units occupy more than fifty percent (50%) of the total building floor area. (Am. by Ord. 7142, 11-7-80)
4. Greenhouses and nurseries, provided that such establishments shall be located on a major highway and further provided that adequate screening shall be provided on the premises.
5. Hotels and motels, provided that the zoning lot shall be not less than one (1) acre.
6. Outdoor eating areas of restaurants. (Am. by Ord. 5198, 10-31-75)
7. Parking facilities, open and accessory, for the storage of private passenger automobiles only, when located elsewhere than on the same zoning lot as the principal use served, subject to the applicable provisions of Section 28.11.
8. Parking facilities, accessory and located outside of the central area, subject to the applicable provisions of Section 28.11.
  - a. Accessory off-street parking facilities for a residential

building where the proposed total number of spaces will exceed that required by this ordinance for such use or for an equivalent new use by more than fifty percent (50%) or four (4) spaces, whichever number is greater.

b. Accessory off-street parking facilities for any building, other than a residential building, where the proposed total number of spaces will exceed that required by this ordinance for such use or for an equivalent new use by more than one hundred percent (100%) or fifteen (15) spaces, whichever number is greater.

9. Parking facilities, accessory and located within the central area, where the number of parking spaces in such facilities exceeds the requirement set forth in Section 28.11(3)(b) for similar uses.

10. Parking lots, garages and structures, nonaccessory and publicly owned and operated, for the storage of private passenger automobiles only, subject to the applicable provisions of Section 28.11.

11. Printing and publishing establishments, including newspaper, letter press, business cards, mimeographing and other similar job printing service, provided that there shall be not more than five (5) employees, and further provided that the hours of operation shall be limited to the hours between 7:00 a.m. and 9:00 p.m.

12. Public service signs.

13. Public utility and public service uses as follows:

- a. Electric substations.
- b. Gas regulator stations, mixing stations and gate stations.
- c. Radio and television towers.
- d. Railroad rights-of-way, including rights-of-way for switch, spur or team tracks, but not including railroad yards and shops, or freight and service buildings. (Am. by Ord. 8276, 3-5-84)
- e. Sewerage system lift stations.
- f. Telephone exchanges, microwave relay towers and telephone transmission equipment buildings.
- g. Water pumping stations and water reservoirs.

14. Radio and television studios and stations, provided that the zoning lot shall be not less than one and one-half (1 1/2) acres.

15. Temporary parking lots for a total period not to exceed three (3) years, provided such lot complies with the provisions of Section 10.08(6)(c), driveway and parking facility ordinance. (Am. by Ord. 7810, 8-27-82)

16. Undertaking establishments and funeral parlors, provided that the zoning lot shall be not less than one (1) acre and further provided that where such zoning lot abuts a church site, the combined areas of both zoning lots shall be not less than one and one-half (1 1/2) acres regardless of the zoning district of the church site.

17. Banks and financial institutions including drive-up service windows provided that the zoning lot shall have direct vehicular access to either the heavy traffic routes system or a collector street via a driveway approach where the Traffic Engineer has determined traffic problems will not be created in the street and further provided that in no case shall the total floor area exceed five thousand (5,000) square feet. (Cr. by Ord. 4457, 2-1-74)

18. Furniture stores provided that the zoning lot shall either be located on an arterial street or on a collector street with a right-of-way not less than eighty (80) feet and further provided that in no case shall the total floor area exceed five thousand (5,000) square feet. (Cr. by Ord. 4647, 8-2-74)

19. Business offices, machine sales and services establishments provided that the zoning lot shall be located on an arterial street with a right-of-way not less than eighty (80) feet and further provided that in no case shall the total floor area exceed five thousand (5,000) square feet. (Am. by Ord. 5252, 12-24-75)
20. Parking facilities, nonaccessory and publicly or privately owned and operated for parking of private passenger automobiles only, subject to the provisions of Section 28.11 and limited to those areas paved as of January 1, 1977, or those owned by the City Parking Utility as of January 1, 1977. (Cr. by Ord. 5946, 8-15-77)
21. Upholstery and interior decorating shops, provided that the zoning lot shall be located on an arterial highway or collector street and further provided that in no case shall the total floor area exceed five thousand (5,000) square feet. (Am. by Ord. 8223, 1-30-84)
22. Artisan workshops, including production for sale off the premises, provided that the Plan Commission shall find:
  - a. That the specific activities proposed, at that location, are consistent with the recommendations of the adopted Land Use Plan for the City; and
  - b. That the specific activities proposed will comply with the provisions of Section 28.04(17), with particular consideration given to the potential effects of heat producing equipment, power driven tools, and operations involving pounding or hammering; and
  - c. That the specific activities and hours of operation proposed will create no traffic or other impact detrimental to the purposes of the zoning district or the use and enjoyment of surrounding properties.

(Sec. 28.09(2)(d)22. Cr. by Ord. 6113, 1-26-78)

23. Live bait stores, where hours of operation exceed those permitted under Section 28.09(2)(c). (Cr. by Ord. 6261, 5-24-78)
24. Reserved for Future Use.
25. Walk-up Service Openings within ten (10) feet of a public right-of-way. (Cr. by Ord. 9464, 4-29-88)

(e) Lot Area Requirements. In the C1 district, lot areas shall be provided in accordance with the following requirements:

1. Dwelling units.

Minimum Lot Area Per Dwelling Unit	Type of Dwelling Unit Efficiency
700 square feet	
1,000 square feet	One bedroom
1,300 square feet	Two bedroom

plus an additional three hundred (300) square feet of lot area for each additional bedroom in excess of two (2) in a dwelling unit.

2. Lodging rooms--minimum lot area of four hundred (400) square feet per lodging room.

(f) Height Regulations. In the C1 district, no building or structure shall exceed three (3) stories nor forty (40) feet in height.

(g) Yard Requirements. In the C1 district, minimum yards shall be provided as follows:

1. A yard shall be provided where the extension of a front or side lot line abutting a street coincides with a front lot line of an adjacent lot located in a residence district. Such yard shall be equal in depth to the minimum front yard required by this ordinance on such adjacent residential lot. Such yard shall be provided along such front or side lot line abutting a street for a distance of at least fifty (50) feet, including the width of any intervening alley, from such residential lot.
2. A yard shall be provided where a side lot line coincides with an alley right-of-way line or a side or rear lot line in an adjacent residence district. Such yard along such side lot line shall be equal in dimension to the minimum side yard which would be required under this ordinance for a residential use opposite such alley right-of-way line or on the adjacent residential lot.
3. A yard shall be provided where a rear lot line coincides with an alley right-of-way line or a side lot line or rear lot line of an adjacent parcel. Such yard along such rear lot line shall be twenty (20) feet in depth for buildings not exceeding one story in height, and thirty (30) feet for buildings exceeding one (1) story in height. (Am. by Ord. 9136, 3-12-87)
4. For residential uses, there shall be provided side and rear yards as established in the R5 district regulations. For residential uses located above the ground floor, such yards shall begin at a level no higher than the level of the finished floor of the lowest residential unit.

(h) Usable Open Space Requirements. In the C1 district, there shall be provided a usable open space of not less than one hundred sixty (160) square feet for each lodging room, efficiency unit or one bedroom unit, plus an additional one hundred sixty (160) square feet for each additional bedroom in excess of one in a dwelling unit.

(i) (R. by Ord. 5831, 5-6-77)

## (3) C2 General Commercial District.

(a) Statement Of Purpose. The C2 general commercial district is established to accommodate the shopping needs of a much larger consumer population and area of residency than that served by the C1 limited commercial district. Within this district, which is located in relative proximity to residential areas and to major thoroughfares, is permitted a wider range of uses than in the C1 limited commercial district. Uses permitted in this district include not only the retailing of convenience goods and the furnishing of certain personal services, but also the retailing of durable and fashion goods and the furnishing of other types of services. Also permitted are all types of office uses. Within this district, there is no limitation on the size of establishments as provided in the C1 limited commercial district, except any retail use or any hotel or motel exceeding 50,000 square feet in size must be approved as conditional uses. (Am. by Ord. 8287, 3-16-84)

(b) General Regulations. Uses permitted in the C2 district are subject to the following conditions:

1. All goods produced on the premises shall be sold at retail on the premises where produced unless approved as a conditional use. (Am. by Ord. 5982, 9-30-77)
2. All business, servicing or processing shall be conducted within completely enclosed buildings, except for off-street parking, off-street loading, display and sale of farm produce and nursery stock, display of merchandise such as garden, lawn and recreation supplies and equipment for sale to the public, vending machines, establishments of the drive-in type and outdoor eating areas of restaurants approved as a conditional use by the Plan Commission, or display and sale of merchandise in City-owned public parking lots under the control of the Parking Utility wherein such sale is controlled by a lease between the City of Madison and the party or parties displaying and selling the merchandise. (Am. by Ord. 9535, 7-28-88)
3. Parking of trucks as an accessory use, when used in the conduct of a permitted business listed hereinafter, shall be limited to vehicles of not over one and one-half (1 1/2) tons capacity when located within one hundred fifty (150) feet of a residence district boundary line.
4. Any major alteration to the exterior face of retail, hotel and motel buildings over 50,000 square feet, including but not limited to painting of an unpainted exterior face, shall be permitted only after Urban Design Commission review and approval. Any action by the Urban Design Commission may be appealed to the City Plan Commission by the applicant or by the Alderman of the District in which the use is located. (Cr. by Ord. 9239, 8-14-87)

(c) Permitted Uses. The following uses are permitted in the C2 district:

1. Accessory uses.
2. Any use permitted in the C1 district.
3. Amusement establishments, including archery ranges, bowling alleys, golf driving ranges, gymnasiums, pool halls, swimming pools, skating rinks and other similar indoor amusement facilities. (Am. by Ord. 8500, 12-31-84)
4. Antique shops.
5. Art galleries and museums.
6. Auction rooms.
7. Automobile accessory stores.
8. Banks and financial institutions.
9. Blueprinting and photostating establishments.
10. Business machine sales and service establishments.
11. (R. by Ord. 5638, 11-3-76)
12. Carpet and rug stores.
13. Catering establishments.
14. China and glassware stores.
15. Clothing and costume rental stores.
16. Coin and philatelic stores.
17. Convalescent homes and nursing homes, provided that the zoning lot shall be not less than one-half (1/2) acre and further provided that the side and rear yards as established in the R5 district are provided. Provided also that the intended use abuts on one side either:
  - a. A residential zoning district; or
  - b. A substantially permanent residential building in the commercial district.
18. Department stores.
19. Dry goods stores.
20. Employment agencies.
21. Exterminating shops.
22. Floor covering stores (linoleum and tile).
23. Florist shops and conservatories with no limitation on number of employees.
24. Fraternal, philanthropic and eleemosynary uses.
25. Furniture stores.
26. Furrier shops, including the incidental storage and conditioning of furs.
27. Hospitals and sanitariums.
28. Hotels and motels.
29. Household appliance stores, including radio and television sales and service.
30. Interior decorating shops, including upholstering and making of draperies, slipcovers and other similar articles when conducted as part of the retail operation and secondary to the principal use.
31. Jewelry stores, including watch repair.
32. Laboratories--research, development and testing.
33. Leather goods and luggage stores.
34. Loan offices.
35. Locksmith shops.
36. Meat markets, including sale of meat and meat products to restaurants, hotels, clubs and other similar establishments when such sale is conducted as part of the retail business on the premises.

37. Musical instrument sales and repair.
38. Offices, business and professional.
39. Office supply stores.
40. Optical sales.
41. Orthopedic and medical appliance and supply stores.
42. Paint and wallpaper stores.
43. Phonograph, record and sheet music stores.
44. (R. by Ord. 7006, 6-6-80)
45. Picture framing.
46. Printing, publishing and bookbinding establishments.
47. Radio and television studios and stations.
48. Recording studios.
49. Schools--music, dance, business or trade.
50. Secondhand stores and rummage shops.
51. Sewing machine sales and service, household appliances only.
52. Sporting goods stores.
53. Tailor shops.
54. Taverns, except adult entertainment taverns. (Am. by Ord. 6101, 1-6-78)
55. Taxidermists.
56. Telegraph offices.
57. Theaters, indoor.
58. Ticket agencies, amusement.
59. Tobacco shops.
60. Travel bureaus and transportation ticket offices.
61. Typewriter and adding machine sales and service establishments.
62. Undertaking establishments and funeral parlors.
63. Upholstery shops.
64. Water softener sales and service.
65. Film developing and processing. (Cr. by Ord. 6226, 5-3-78)
66. Wholesale magazine distribution agencies, provided the hours of operation are limited to 7:00 a.m. to 7:00 p.m., and further provided that none of the magazines handled by such agencies fall within the definition of materials handled by an adult book store as defined in Sec. 28.03(2). (Cr. by Ord. 6876, 1-17-80)
67. Outdoor display and sale of farm produce and nursery stock. (Cr. by Ord. 7020, 6-27-80)
68. Newspaper distribution agencies for home delivery and retail sale provided the property is not adjacent to a residential lot. (Cr. by Ord. 8254, 2-20-84)
69. Sewer cleaning service. (Cr. by Ord. 8447, 10-12-84)
70. Display and sale of merchandise in City-owned public parking lots under the control of the Parking Utility wherein such sale is controlled by a lease between the City of Madison and the party or parties displaying and selling the merchandise. (Am. by Ord. 8904, 6-26-86)
71. Neon tube bending. (Cr. by Ord. 9553, 8-11-88)
72. Adult day care facilities. (Cr. by Ord. 9718, 3-2-89)

(d) Conditional Uses. The following conditional uses may be allowed in the C2 district subject to the provisions of Section 28.12(10).

1. Any use allowed as a conditional use in the C1 district unless permitted in (c) above.

2. Outdoor eating areas of restaurants and/or outdoor areas of cabarets. (Cr. by Ord. 7472, 7-30-81)
3. Automobile laundries, provided that the Plan Commission shall first obtain a report and recommendations from the Traffic Engineer on traffic matters.
4. Boat showrooms, including accessory sales, and repairs of boats, motors, parts and equipment, provided that the Plan Commission shall find:
  - a. That adequate off-street parking exists on the site.
  - b. That all repair of boats, motors, parts and equipment, and all sales and storage of boats, motors, parts and equipment, shall be conducted and displayed within completely enclosed buildings.
  - c. That any such use shall be located not less than one hundred twenty (120) feet from any residence district boundary line.
5. Contractors or construction offices and shops and display rooms, such as building, cement, electrical, heating, ventilating and air conditioning, masonry, painting, plumbing, refrigeration and roofing, provided that all parking (other than automobiles), loading, display of merchandise and parking or storage of equipment and supplies shall be conducted within completely enclosed buildings.
6. Garages for repair and servicing of motor vehicles of not over one and one-half (1 1/2) tons capacity, including accessory towing and wrecker service, but not including body repairs, painting or motor rebuilding, providing that the Plan Commission shall find:
  - a. That adequate off-street parking exists on the site for vehicles awaiting repairs, servicing or pickup.
  - b. That all other business and servicing shall be conducted within completely enclosed buildings.
  - c. That no permanent or temporary storage of wrecked vehicles or rental vehicles shall occur on the premises unless completely screened from view or within an enclosed building.
- (Am. by Ord. 8430, 9-18-84)
7. Storage and warehousing establishments, provided such gross floor area shall not exceed ten thousand (10,000) square feet, and further provided that the Plan Commission shall first obtain a report and recommendations from the Traffic Engineer on traffic matters.
8. Planned development-hospital facility, provided that the total site area shall be not less than one and one-half (1 1/2) acres and further provided that the site may consist of two (2) or more zoning lots separated only by a public right-of-way where authorized by the Plan Commission.
9. Drive-in establishments.
10. Bus terminals and bus turnaround areas, provided direct vehicular access is to a major traffic route and further provided the location is not in conflict with adopted plans.
11. Small machine shop, provided that no individual machine used in the shop exceeds one thousand two hundred (1,200) pounds, that no welding, forging or casting is conducted on site, that there shall be not more than five (5) shop employees, that the hours of operation shall be limited to the hours between 7:00 a.m. and 9:00 p.m., and that finished products shall not exceed twenty-five (25) pounds in weight.

12. Business community parking lot for operable passenger automobiles of persons employed full time within the immediate neighborhood, provided:
  - a. That such parking lot shall be located outside the central area.
  - b. That no building shall be located on such lot.
  - c. That at least eighty percent (80%) of the parking spaces located on such lot shall be leased on a monthly basis to persons employed full time in buildings within one thousand (1,000) feet walking distance from such parking lot.
  - d. That the site shall not abut residentially zoned property.
  - e. That the Traffic Engineer shall, prior to the approval of such lot, submit a report and recommendations regarding traffic and parking needs and conditions within the area.
  - f. That such lot contains a setback area which will be planted and landscaped and which conforms to screening regulations.
13. Trailer rental, for use with private passenger motor vehicles. (Cr. by Ord. 4755, 10-24-74)
14. Automobile rental agencies provided direct vehicular access is to the heavy traffic route system. (Cr. by Ord. 5092, 7-29-75)
15. Sales of motorcycles, provided that the Plan Commission shall find:
  - a. That adequate off-street parking exists for motorcycles and automobiles.
  - b. That all sales and service be conducted within completely enclosed buildings.
  - c. That screening, landscaping, lighting and signs are appropriate to the location.

(Sec. 28.09(3)(d)15. Cr. by Ord. 5515, 6-25-76)

16. Automobile sales establishments in abandoned automobile service station sites provided that the Plan Commission shall find:
  - a. That there is adequate screening and landscaping, including between the site and residential uses.
  - b. That no permanent or temporary storage of vehicles in disrepair shall occur on the premises unless within a completely enclosed building.
  - c. That the site fronts on either a street designated as an arterial street or on a frontage road adjacent to a designated arterial street.
  - d. That illumination of the site does not adversely affect adjacent properties.
  - e. That signs shall conform to the size limitation of the R5 residential district if the site is opposite or adjoining residential property.
  - f. That the hours of operation shall be limited to 8:00 a.m. to 8:00 p.m.

(Sec. 28.09(3)(d)16. Cr. by Ord. 5533, 7-13-76)

17. Adult entertainment establishments, subject to the following conditions:
  - a. All exterior windows in any premises occupied by such establishment shall be blackened to the extent necessary to make them opaque.
  - b. No such establishment shall be located within five hundred (500) lineal feet of a church, or a private or public elementary, secondary or vocational school, or a public park, or within five hundred (500) lineal feet of any residence district.

c. Such establishment may have only one (1) nonflashing business sign, which sign may only indicate the name of the business and identify it as an adult entertainment establishment.

(Sec. 28.09(3)(d)17. Cr. by Ord. 5711, 12-28-76)

18. Attendant or metered automobile parking facilities solely for the short term (3 hours or less) use of patrons and other visitors of retail, service, office, cultural and recreational uses in the vicinity of the State Street Mall and Capitol Concourse provided:

- a. That such lot is within three hundred (300) feet of the limits of the C4 Central Commercial District, and
- b. That such lot contains a setback area which will be planted and landscaped and which conforms to screening regulations, and
- c. That the Traffic Engineer shall, prior to the approval of such facility, submit a report and recommendation regarding traffic and parking conditions within the area, and
- d. That such lot, at its location, does not defeat the adopted objectives and policies of the City nor the purposes of the zoning district, and
- e. That no residential building shall be located on such lot.

(Sec. 28.09(3)(d)18. Cr. by Ord. 5905, 7-7-77)

19. Bakeries with more than eight (8) employees or selling at other than retail provided:

- a. That adequate off-street parking and loading exists on the site.
- b. That the hours of operation shall be established after consideration of the occupants of adjacent properties.

(Cr. by Ord. 5982, 9-30-77)

20. Model homes or garage displays. (Cr. by Ord. 6971, 4-30-80)

21. Physical culture and health services, reducing salons, masseurs and public baths, subject to the following conditions:

- a. The identity, including officers and agent of any corporation and all partners in a partnership, of the owner of the building and any lessee of the portion of the building so used shall be filed with the Zoning Administrator. A copy of any lease involved shall be filed with the Zoning Administrator. Changes in any of the above information shall be reported within ten (10) days of the change to the Zoning Administrator.
- b. The person seeking the conditional use permit shall provide, in writing, a full and detailed description of the proposed business as part of the application and shall update such description as changes occur.
- c. The intimate parts, as that term is defined in Sec. 939.22(19), Wis. Stats., of employees shall be covered with opaque material at all times.
- d. For public baths only, no employee shall be present with any patron in any hot tub, sauna, steam room or whirlpool except in an emergency. The occupant shall permit inspection of facilities by the City Health Division during regular business hours.
- e. The occupant shall not permit the violation of any law relating to commercial sexual activity.
- f. Failure of compliance with any of these conditions or operation of the business in a manner other than as most recently described may be grounds for revocation of the conditional use permit.

(Cr. by Ord. 7006, 6-6-80)

22. Jail facilities. (Cr. by Ord. 7470, 7-30-81)
23. (R. by Ord. 7873, 11-29-82)
24. Any new construction of a building or an addition to an existing building in which any portion of such building or addition exceeds fifty thousand (50,000) square feet in gross floor area and is designed or intended for retail use or for a hotel or motel. This conditional use and the one hereafter are established to allow consideration of the potential impacts of the proposed conditional use on the transportation system and on the policy objectives for transportation and land use, including noise, air quality and appearance. In addition to the requirements of Section 28.12(10), "Conditional Uses," the applicant shall provide an analysis in accordance with the guidelines established by the City Department of Transportation of the proposed development's impacts on the transportation system and associated recommended solutions to the Plan Commission. The Urban Design Commission shall review the design and appearance of the proposed conditional use and provide recommendations to the Plan Commission. (Cr. by Ord. 8287, 3-16-84)
25. Any change of use to a retail use or a hotel or motel in a building in which more than fifty thousand (50,000) square feet of gross floor area of such building is devoted to a retail use or to a hotel or motel. For the purpose of this paragraph, a change in use shall mean a change from any other use to a retail use or to a hotel or motel. (Cr. by Ord. 8287, 3-16-84)
26. (R. by Ord. 9718, 3-2-89)
27. Dance halls. (Cr. by Ord. 8500, 12-31-84)
28. Reserved for Future Use.
29. Lease for a year or longer or sale of parking stalls by the owner of an accessory parking structure to an owner or lessee of a building or portion thereof which has no or insufficient parking for said building, for use of his/her employees, patrons or visitors, provided:
  - a. That the stalls being leased or sold are in excess of the number required by the zoning ordinance for the use which the accessory parking structure serves and may not be used to meet minimum off-street parking requirements for the use for which the lessee or buyer is obtaining them.
  - b. That the stalls being leased or sold are used for accessory nonresidential parking by the lessee or buyer.
  - c. That the owner of the parking structure in which the stalls are being leased file with the City of Madison Zoning Administrator by January 15 of each year a statement setting forth the number of stalls being leased and the name and address of the firm to which the stalls are being leased.
  - d. That such lease or sale, at its location, does not defeat the adopted objectives and policies of the City nor the purposes of the zoning district.
  - e. That the stalls being leased or sold are not leased or sold to individual parkers.

(Cr. by Ord. 9028, 12-11-86)

- (e) Lot Area Requirements. In the C2 district, the lot area requirements of the C1 district shall apply.
- (f) Floor Area Ratio. In the C2 district, the floor area ratio shall not exceed 3.0.
- (g) Yard Requirements. In the C2 district, minimum yards shall be provided as follows:
  1. A yard shall be provided where the extension of a front or side lot line abutting a street coincides with a front lot line of an adjacent lot located in a residence district. Such yard shall be equal in depth to the minimum front yard required by this ordinance on such adjacent residential lot. Such yard shall be provided along such front or side lot abutting a street for a distance of at least twenty-five (25) feet, including the width of any intervening alley, from such residential lot.
  2. A yard shall be provided where a side lot line coincides with an alley right-of-way line or a side or rear lot line in an adjacent residence district. Such yard along such side lot line shall be equal in dimension to the minimum side yard which would be required under this ordinance for a residential use opposite such alley right-of-way line or on the adjacent residential lot.
  3. A yard shall be provided where a rear lot line coincides with an alley right-of-way line or a side lot line or rear lot line of an adjacent parcel. Such yard along such rear lot line shall be ten (10) feet in depth for buildings not exceeding one story in height, and thirty (30) feet for buildings exceeding one story in height. (Am. by Ord. 9136, 3-12-87)
  4. For residential uses, there shall be provided side and rear yards as established in the R5 district regulations. For residential uses located above the ground floor, such yards shall begin at a level no higher than the level of the finished floor of the lowest residential unit.
- (h) Usable Open Space Requirements. In the C2 district, the usable open space requirements of the C1 district shall apply.
- (i) (R. by Ord. 5831, 5-6-77)

(4) C3 Highway Commercial District.

- (a) Statement of Purpose. The C3 Highway Commercial district is established to furnish the consumer population served by the C2 General Commercial district with a wide variety of goods and services, some of which are not compatible with the uses permitted in the C2 General Commercial district and thus not permitted therein. Within this district are permitted those uses which because of certain locational requirements and operational characteristics are appropriate to locations either in close proximity to major thoroughfares or in areas away from residences.
- (b) General Regulations. Uses permitted in the C3 district are subject to the following conditions:

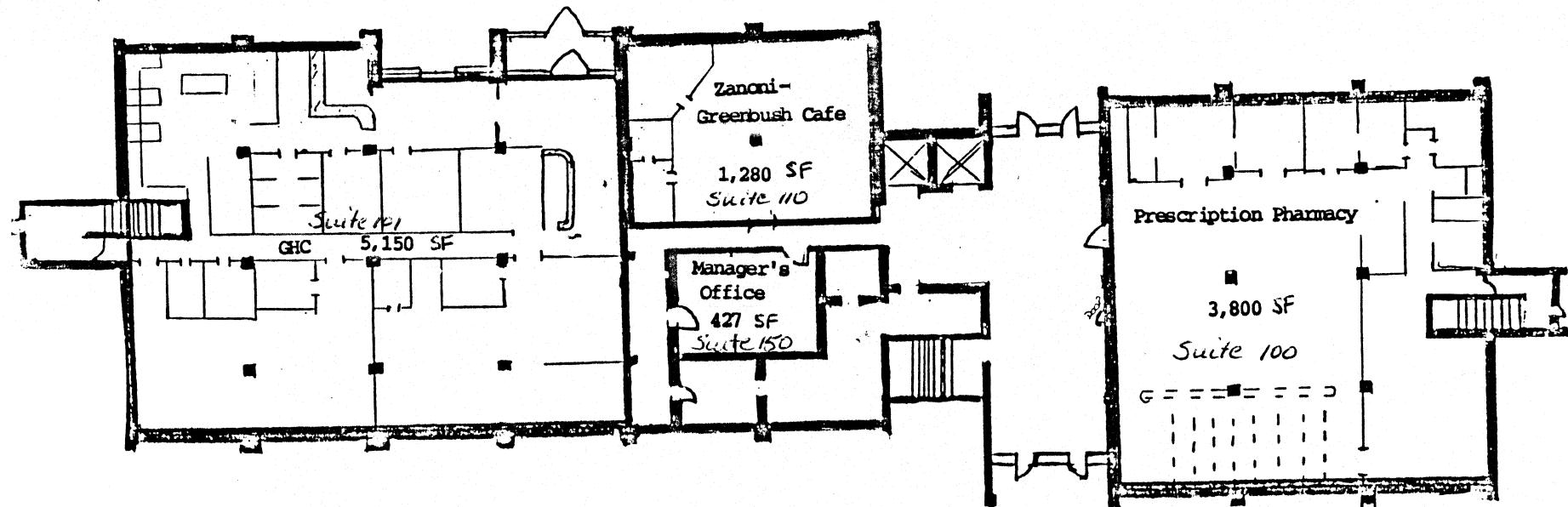
1. All business, servicing or processing, except for off-street parking, off-street loading, display of merchandise for sale to the public, establishments of the drive-in type and outdoor eating areas of restaurants approved as a conditional use by the Plan Commission shall be conducted within completely enclosed buildings unless otherwise indicated hereinafter. Areas adjoining or fronting on Arterial or Collector streets and used for outdoor display of merchandise for sale to the public shall comply with the landscaping requirements of Section 28.04(12)(b)1., 2. and 3. (Am. by Ord. 8542, 3-18-85)
2. Parking of trucks as an accessory use, when used in the conduct of a permitted business listed hereinafter, shall be limited to vehicles of not over one and one-half (1 1/2) tons capacity when located within one hundred fifty (150) feet of a residence district boundary line.
3. All storage within three hundred (300) feet of a residence district, arterial or collector street, except for motor vehicles in operable condition, shall be within completely enclosed buildings or effectively screened with screening not less than six (6) feet nor more than eight (8) feet in height, provided no storage located within fifty (50) feet of such screening shall exceed the maximum height of such screening; further provided, however, the Zoning Administrator may approve alternate landscaping/screening plans meeting the general intent, purpose and guidelines of the revised "New Approach to Parking Lot Landscaping" adopted by Substitute Resolution No. 37,915. (Am. by Ord. 9392, 1-29-88)
4. Any major alteration to the exterior face of retail, hotel and motel buildings over 50,000 square feet, including but not limited to painting of an unpainted exterior face, shall be permitted only after Urban Design Commission review and approval. Any action by the Urban Design Commission may be appealed to the City Plan Commission by the applicant or by the Alderman of the District in which the use is located. (Cr. by Ord. 9239, 8-14-87)

(c) Permitted Uses. The following uses are permitted in the C3 district:

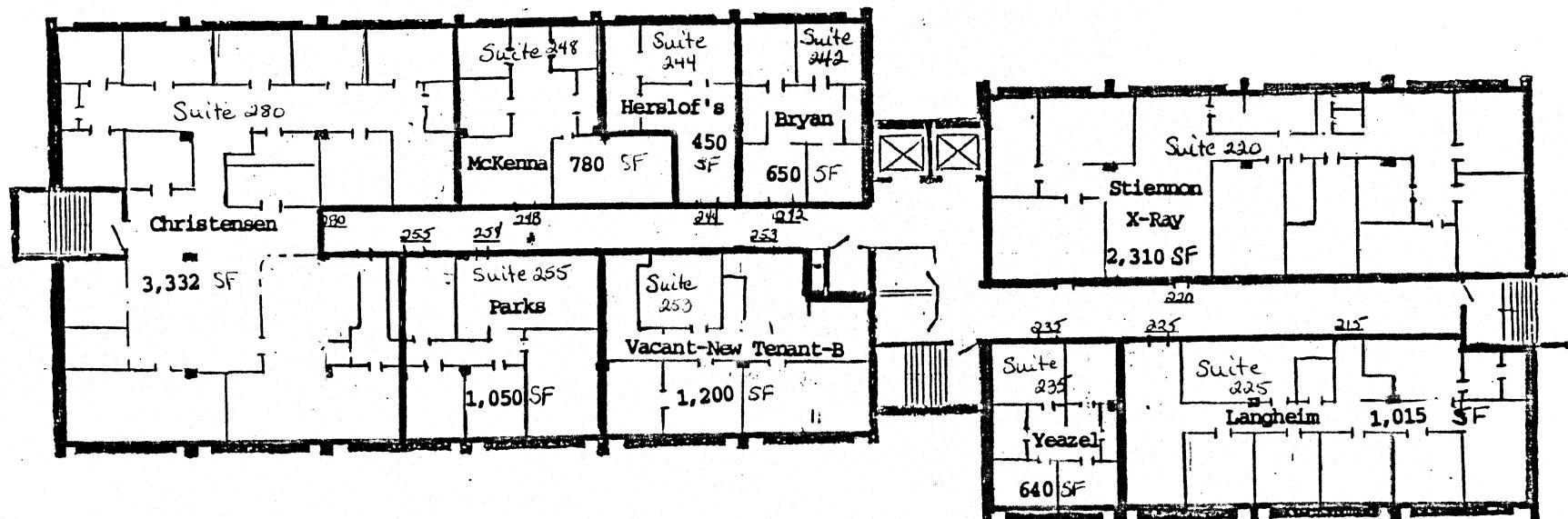
1. Accessory uses.
2. Any use permitted in the C2 district.
3. Animal hospitals and kennels, including outdoor dog runs or exercise pens when located not less than two hundred (200) feet from a residence district.
4. Any production, processing, cleaning, servicing, testing or repair of materials, goods or products, limited to the following uses or products:
  - a. Advertising products, such as signs and billboards.
  - b. Awnings, venetian blinds and window shades.
  - c. Bottling or distribution plants, milk or soft drinks.
  - d. Ceramic products, such as pottery, figurines and small glazed tiles.
  - e. Cooperage works.
  - f. Film developing and processing.
  - g. Furniture refinishing.
  - h. Jewelry.
  - i. Medical, dental and optical supplies.
  - j. Milk and ice cream processing.

**APPENDIX B**

**FLOOR PLAN SKETCHES FOR SEVEN FLOORS  
IN PARK REGENT MEDICAL BUILDING**

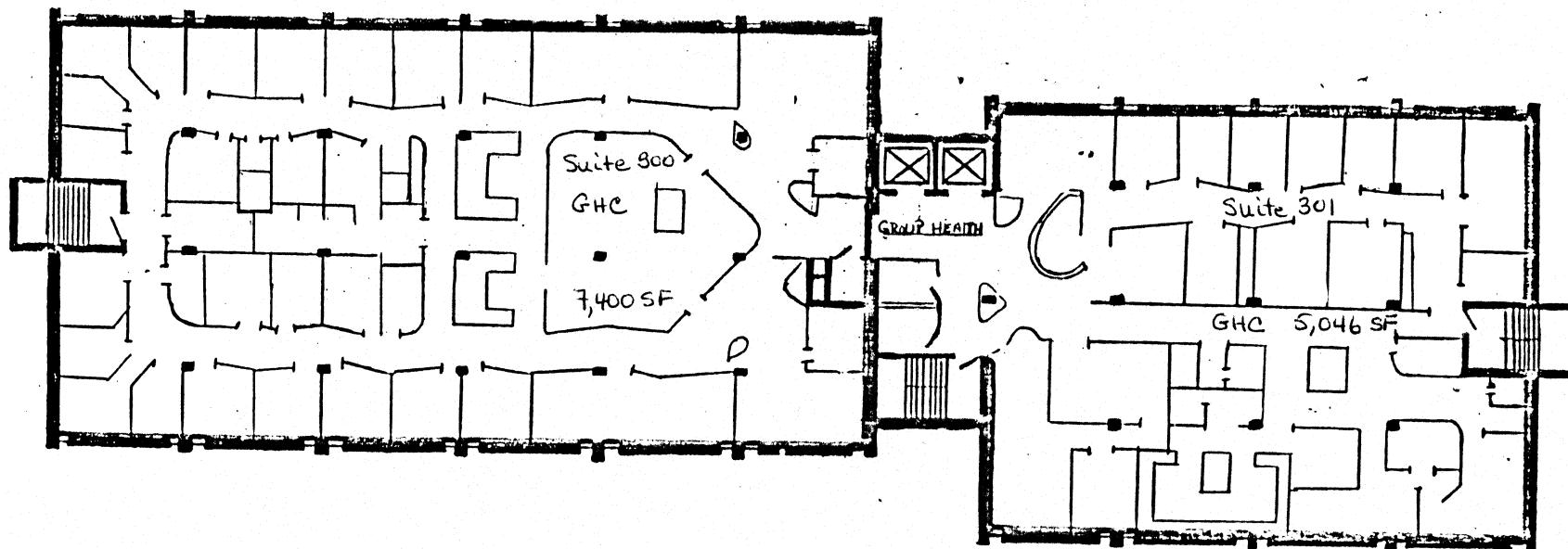


FIRST FLOOR



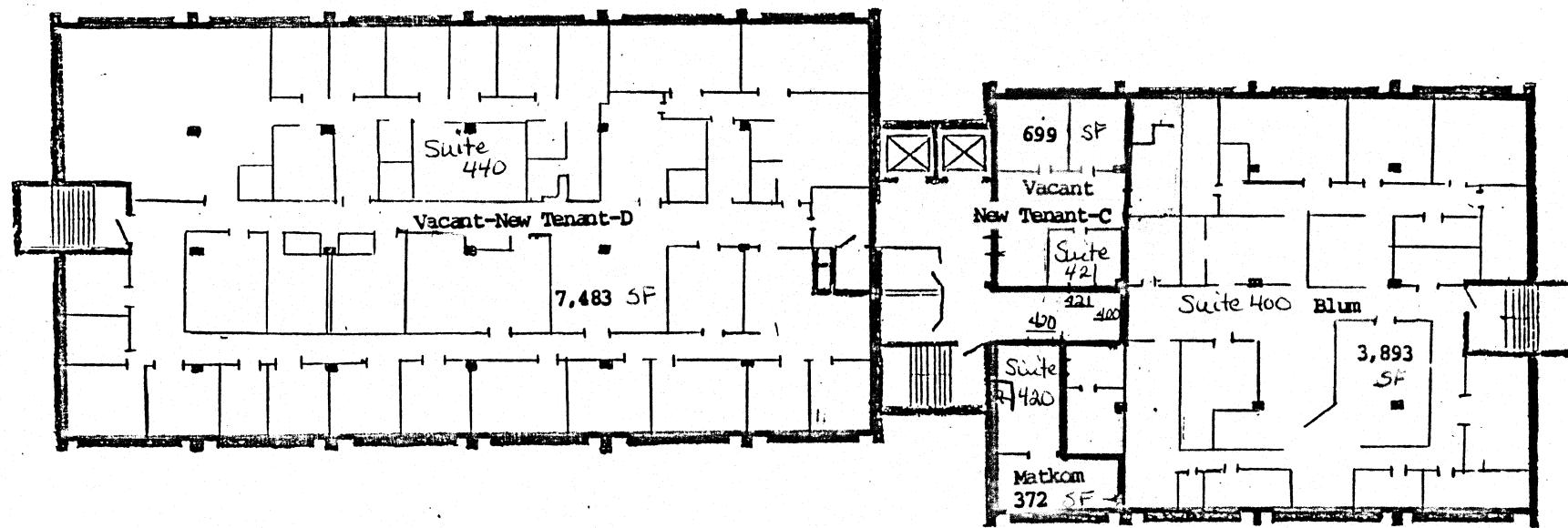
SECOND FLOOR

Also includes  
+ Stiennon Storage = 160 SF  
+ Vacant = 606 SF

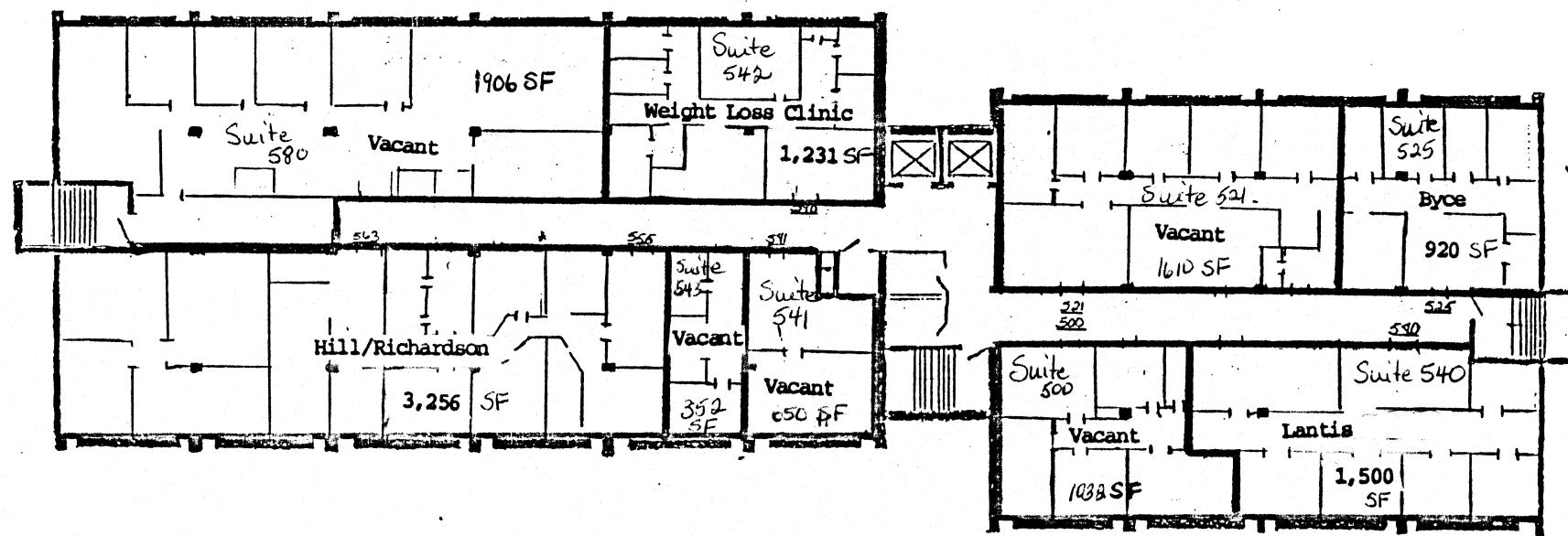


THIRD FLOOR

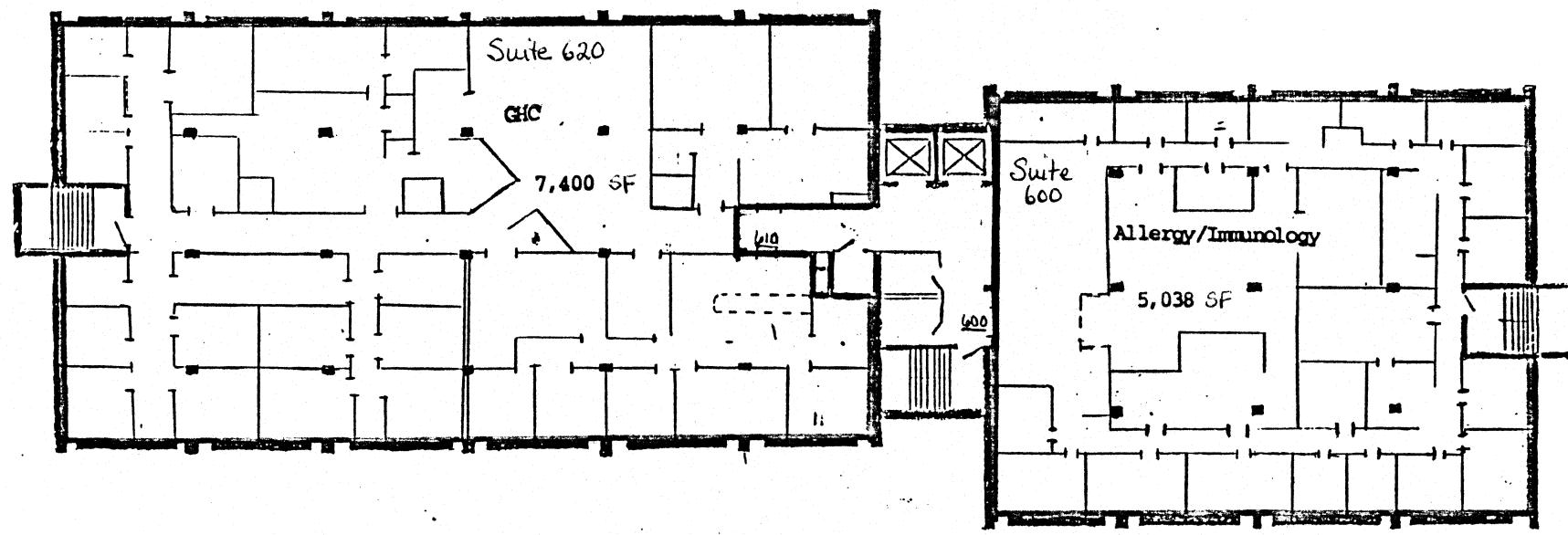
12,446 SF  
8/90  
ALL GHC.

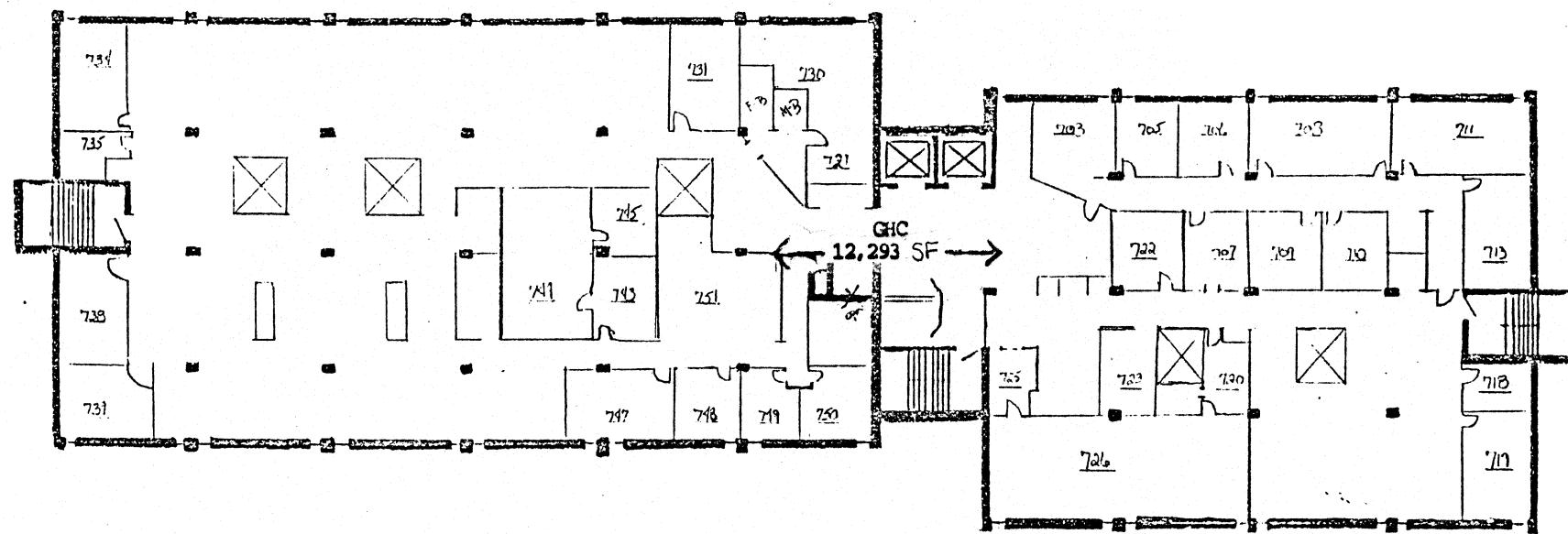


FOURTH FLOOR



FIFTH FLOOR





7<sup>th</sup> floor

**APPENDIX C**

**FINSIM RENT ROLL**

**AND**

**TENANT BY TENANT FINSIM INPUTS  
(Organized in order of Tenant Suite Number)**

**AND**

**FINSIM OPERATING EXPENSES - CURRENT AND HISTORICAL**

PARK-REGENT MEDICAL CENTER  
SPKUL05 Commercial TENANT ROSTER  
Sorted by Suite Number

Tenant Name	Rec No	Suite No	D Sq. Feet	Lease Start	Lease Expir	Sp Ty	Current Base Rent	Current Esc. Rent	Es Cd	Rn Cd
PRESCRIPTION PH	1	100	3,800	N	1/90	12/90	0	\$47500		\$
GREENBUSH CAFE	2	110	1,280	N	4/89	11/91	0	S6.6		S
GHC	3	140	5,150	N	6/85	5/90	1	S12.5	0	S
MANAGERS OFFICE	4	150	427	N	6/91	5/93	2	S6.75		S
STIENNIN	5	220	2,310	N	10/75	11/95	0	S7.75		S
STIENNIN	6	220-A	160	N	10/89	12/90	1	S12.75		M
LANGHEIM	7	225	1,015	N	1/90	12/92	1	S12.75	B	M
NEW TENANT-A	28	225-A	606	N	1/93	12/97	1	M		M
YEAZEL	8	235	640	N	8/86	7/91	1	S12.5	0	B
BRYAN	9	242	650	N	1/89	12/91	1	S12.75		M
HERSLOF'S	10	244	450	N	7/88	6/91	1	S12.75		S
MCKENNA	11	248	780	N	3/89	2/92	1	S12.75		S
NEW TENANT-B	14	253	1,200	N	1/92	12/94	1	S13		S
PARKS	13	255	1,050	N	8/89	7/92	1	S12.75		S
CHRISTENSEN	12	280	3,332	N	1/90	12/94	1	S12.75	B	M
GHC	15	301	12,446	N	12/87	11/95	1	S12.75	B	S
BLUM	16	400	3,893	N	11/88	10/91	1	S12.75		S
MATKOM	18	420	372	N	1/90	12/91	1	S12.75	B	S
NEW TENANT-C	29	421	699	N	10/92	9/96	1	S13.75		S
NEW TENANT-D	19	440	7,483	N	10/91	9/96	1	S13		S
NEW TENANT-E	24	500 &	2,642	N	1/93	12/97	1	S14		M
BYCE	17	525	920	N	6/87	5/90	1	S12.75		S
LANTIS	20	540	1,500	N	1/90	12/92	1	S13.25	0.25	B
WEIGHT LOSS CLI	22	542	1,231	N	1/89	12/93	1	S12.75	B	S
HILL/RICHARDSON	21	555	3,256	N	3/88	2/93	1	S12.75	B	S
NEW TENANT-F	23	580 &	2,908	N	1/92	12/96	1	S13.75		S
ALLERGY & IMMUN	25	600	5,038	N	1/90	12/90	1	S12.75		M
GHC	26	620	7,400	N	12/85	11/93	1	S12.5	B	S
GHC	27	700	12,293	N	6/85	5/93	1	S12.5	B	S

No of Tenants 29 Total SF 84,931

Legend

Rec No Record Number for Tenant  
 DE 'Y' Indicates that the Tenant Amounts were Entered Directly  
 'N' Indicates that the Tenant Amounts were Modeled  
 ' ' Indicates that the Tenant was Deleted  
 Sp Ty Refers to the Market Base Rent ID No  
 Es Cd Refers to How Base Rent is Escalated in the Current Lease Term  
 Rn Cd Refers to How Base Rent is Determined for the First Renewal Term  
 Rent Letter Codes '\$' Dollars Per Year  
 'S' Dollars Per Sq Ft Per Year  
 'P' Based on Previous Rent  
 'C' Based on CPI  
 'M' Based on Market  
 ' ' Indicates that the Column Doesn't Apply to the Tenant  
 Note: A Tenant Name of 'zzzzzzzzzzzzzz' Indicates that the Tenant was Deleted

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

## PRESCRIPTION PH Commercial Tenant 1

Item	Value				
Tenant Name or (Vacant)	PRESCRIPTION PH				
Suite Number	100				
Square Footage Occupied	3800				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
	Current	Renewal 1	Renewal 2	Renewal 3	
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/90	1/91	1/96	1/01	
Lease Term, (Months)	12	60	60		
Expiration Date, (MM/YY)	12/90	12/95	12/00	12/00	
Market Rent Zone Number			1		
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	\$ 47500	\$ 51300	M	M	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B		B	B		
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #					
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 85	D 85	D 85	D 85	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf,%#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 85	D 85	D 85	D 85	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf,%#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 85	D 85	D 85	D 85	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf,%#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf,%#) (C#%# if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	0	S .75	S .75	0	
Years from Lease Start	0	3	3	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	S .25	S .25	0	
Years from Lease Start	0	4	4	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

GREENBUSH CAFE Commercial Tenant 2

Item	Value			
Tenant Name or (Vacant)	GREENBUSH CAFE			
Suite Number	110			
Square Footage Occupied	1280			
Direct Entry, (Yes or No or Default Lease No 1-9) N				
Vacancy, (Months)	Current      Renewal 1      Renewal 2      Renewal 3			
Free Rent in Lease Term, (Months)				
Lease Start Date, (MM/YY)	4/89	12/91	12/95	12/99
Lease Term, (Months)	32	48	48	48
Expiration Date, (MM/YY)	11/91	11/95	11/99	11/03
Market Rent Zone Number				
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 6.6	S 7.7	S 9	S 10.5
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #				
Stepup Esc. Rule, (P/C/M/F/N) #,B				
Stepup Esc. Frequency, (Years)				
Commissions, (Cash out%, \$/Sf, Mo%) #				
Refinish, (miN, maJ, \$, \$/Sf) #				
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 85	D 85	D 85	D 85
CAM Billed, by Mo or Yr	Y	Y	Y	Y
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 85	D 85	D 85	D 85
Taxes Billed, by Mo or Yr	Y	Y	Y	Y
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 85	D 85	D 85	D 85
Utilities Billed, by Mo or Yr	Y	Y	Y	Y
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0
Miscellaneous Billed, by MO or Yr	M	M	M	M
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0

## SPKUL05 Tenant Input

## FS Commercial Tenant Module

09-18-90

Item	GHC	Commercial Tenant 3	Value		
Tenant Name or (Vacant)			GHC		
Suite Number			140		
Square Footage Occupied			5150		
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)		Current	Renewal 1	Renewal 2	Renewal 3
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	6/85	6/90	6/93	6/98	
Lease Term, (Months)	60	36	60	60	
Expiration Date, (MM/YY)	5/90	5/93	5/98	5/03	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.5	S 13.5	S 14	S 15.25	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #, B	0	B	0		
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maj, \$, \$/Sf) #					
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 84	D 84	D 84	D 97	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 84	D 84	D 84	D 97	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 84	D 84	D 84	D 97	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	0 0	S .25	0 0	0	
Years from Lease Start	0	2	0	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	0 0	0 0	0 0	0	
Years from Lease Start	0	0	0	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

## MANAGERS OFFICE Commercial Tenant 4

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	MANAGERS OFFICE				
Suite Number	150				
Square Footage Occupied	427				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)	17				
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	6/91	6/93	6/98	6/03	
Lease Term, (Months)	24	60	60		
Expiration Date, (MM/YY)	5/93	5/98	5/03	5/03	
Market Rent Zone Number	2				
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 6.75	S 6.9	S 7.55	0	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #	0				
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 90	D 90	D 97	Y 0	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf,%#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 90	D 90	D 97	Y 0	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf,%#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 90	D 90	D 97	Y 0	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf,%#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf,%#) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

	STIENN0N	Commercial Tenant 5			
Item		Value			
Tenant Name or (Vacant)		STIENN0N			
Suite Number		220			
Square Footage Occupied		2310			
Direct Entry, (Yes or No or Default Lease No 1-9) N		Current	Renewal 1	Renewal 2	Renewal 3
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	10/75	12/95	12/00	12/05	
Lease Term, (Months)	242	60	60		
Expiration Date, (MM/YY)	11/95	11/00	11/05	11/05	
Market Rent Zone Number		1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 7.75	S 14.5	S 15.75	M	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (mIN, maJ, \$, \$/Sf) #		N			
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 80	D 94	D 94	0 0	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 80	D 94	D 94	0 0	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 80	D 94	D 94	0 0	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

STIENN0N

Commercial Tenant 6

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	STIENN0N				
Suite Number	220-A				
Square Footage Occupied	160				
Direct Entry, (Yes or No or Default Lease No 1-9)	N				
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	10/89	1/91	1/93	1/98	
Lease Term, (Months)	15	24	60	60	
Expiration Date, (MM/YY)	12/90	12/92	12/97	12/02	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	M	M	M	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #, B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #					
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 80	D 80	D 92	D 92	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 80	D 80	D 92	D 92	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 80	D 80	D 92	D 92	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

LANGHEIM

Commercial Tenant 7

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	LANGHEIM				
Suite Number	225				
Square Footage Occupied	1015				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/90	1/93	1/98	1/03	
Lease Term, (Months)	36	60	60		
Expiration Date, (MM/YY)	12/92	12/97	12/02	12/02	
Market Rent Zone Number	1	1	1		
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	M	M	0	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B	B				
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #		J			
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 88	D 92	D 92	Y 0	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf,%#) (C## if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 88	D 92	D 92	Y 0	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf,%#) (C## if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 88	D 92	D 92	Y 0	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf,%#) (C## if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf,%#) (C## if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S .75	0	0	0	
Years from Lease Start	1	0	0	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	S .25	0	0	0	
Years from Lease Start	2	0	0	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	S 0	0	0	0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

NEW TENANT-A      Commercial Tenant 28

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	NEW TENANT-A				
Suite Number	225-A				
Square Footage Occupied	606				
Direct Entry, (Yes or No or Default Lease No 1-9)	N				
Vacancy, (Months)	36				
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/93	1/98	1/03	1/03	
Lease Term, (Months)	60	60			
Expiration Date, (MM/YY)	12/97	12/02	12/02	12/02	
Market Rent Zone Number	1	1			
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	M	M	0		
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #, B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #	J				
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 92	D 92	Y 0	Y 0	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 92	D 92	Y 0	Y 0	
Taxes Billed, by Mo or Yr	M	M	M	M	
Taxes (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 92	D 92	Y 0	Y 0	
Utilities Billed, by Mo or Yr	M	M	M	M	
Utilities (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

YEAZEL

Commercial Tenant 8

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	YEAZEL				
Suite Number	235				
Square Footage Occupied	640				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	8/86	8/91	8/96	8/01	
Lease Term, (Months)	60	60	60	12	
Expiration Date, (MM/YY)	7/91	7/96	7/01	7/02	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.5	S 13.5	S 14.75	M	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #	0				
Stepup Esc. Rule, (P/C/M/F/N) #,B	B	B	B		
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #					
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 85	D 85	D 95	D 95	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 85	D 85	D 95	D 95	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 85	D 85	D 95	D 95	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S .25	S .75	S .75	S .75	
Years from Lease Start	3	3	3	3	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	S .5	S .25	S .25	S .25	
Years from Lease Start	4	4	4	4	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

BRYAN

Commercial Tenant 9

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	BRYAN				
Suite Number	242				
Square Footage Occupied	650				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/89	1/92	1/95	1/98	
Lease Term, (Months)	36	36	36	36	
Expiration Date, (MM/YY)	12/91	12/94	12/97	12/00	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	M	M	M	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (min, maj, \$, \$/Sf) #					
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 88	D 94	D 94	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 88	D 94	D 94	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 88	D 94	D 94	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

HERSLOF'S      Commercial Tenant 10

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	HERSLOF'S				
Suite Number	244				
Square Footage Occupied	450				
Direct Entry, (Yes or No or Default Lease No 1-9)	N				
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	7/88	7/91	7/94	7/97	
Lease Term, (Months)	36	36	36	42	
Expiration Date, (MM/YY)	6/91	6/94	6/97	12/00	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 13.5	S 14.25	S 15	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (min, maj, \$, \$/Sf) #					
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 93	D 93	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 93	D 93	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 93	D 93	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %#) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %#) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

MCKENNA

Commercial Tenant 11

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	MCKENNA				
Suite Number	248				
Square Footage Occupied	780				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	3/89	3/92	3/95	3/98	
Lease Term, (Months)	36	36	36	48	
Expiration Date, (MM/YY)	2/92	2/95	2/98	2/02	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 13.75	S 14.5	S 15.25	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #					
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 88	D 94	D 94	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 88	D 94	D 94	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 88	D 94	D 94	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

NEW TENANT-B      Commercial Tenant 14

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	NEW TENANT-B				
Suite Number	253				
Square Footage Occupied	1200				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)	24				
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/92	1/95	1/98	1/01	
Lease Term, (Months)	36	36	36	36	
Expiration Date, (MM/YY)	12/94	12/97	12/00	12/03	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 13	S 14.5	S 15.25	S 16	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #	J				
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 91	D 91	D 97	D 97	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 91	D 91	D 97	D 97	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 91	D 91	D 97	D 97	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

## FS Commercial Tenant Module

09-18-90

PARKS Commercial Tenant 13

Item	Value			
Tenant Name or (Vacant)	PARKS			
Suite Number	255			
Square Footage Occupied	1050			
Direct Entry, (Yes or No or Default Lease No 1-9) N				
	Current      Renewal 1      Renewal 2      Renewal 3			
Vacancy, (Months)	9			
Free Rent in Lease Term, (Months)				
Lease Start Date, (MM/YY)	8/89	5/93	5/96	5/99
Lease Term, (Months)	36	36	36	36
Expiration Date, (MM/YY)	7/92	4/96	4/99	4/02
Market Rent Zone Number	1	1	1	1
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 14	S 14.75	S 15.5
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #				
Stepup Esc. Rule, (P/C/M/F/N) #, B				
Stepup Esc. Frequency, (Years)				
Commissions, (Cash out%, \$/Sf, Mo%) #				
Refinish, (miN, maJ, \$, \$/Sf) #		N		
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 92	D 92	D 98
CAM Billed, by Mo or Yr	Y	Y	Y	Y
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 92	D 92	D 98
Taxes Billed, by Mo or Yr	Y	Y	Y	Y
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 92	D 92	D 98
Utilities Billed, by Mo or Yr	Y	Y	Y	Y
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0
Miscellaneous Billed, by Mo or Yr	M	M	M	M
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

CHRISTENSEN      Commercial Tenant 12

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	CHRISTENSEN				
Suite Number	280				
Square Footage Occupied	3332				
Direct Entry, (Yes or No or Default Lease No 1-9)	N				
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/90	1/95	1/00	1/05	
Lease Term, (Months)	60	60	60		
Expiration Date, (MM/YY)	12/94	12/99	12/04	12/04	
Market Rent Zone Number	1	1	1		
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	M	M	0	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #, B	B	B	B		
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maj, \$, \$/Sf) #	S 5				
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 89	D 89	D 99	D 99	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 89	D 89	D 99	D 99	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 89	D 89	D 99	D 99	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S 1.25	S .75	S .75	0	
Years from Lease Start	3	3	3	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

GHC

Commercial Tenant 15

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	GHC				
Suite Number	301				
Square Footage Occupied	12446				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	12/87	12/95	12/00	12/01	
Lease Term, (Months)	96	60	12	12	
Expiration Date, (MM/YY)	11/95	11/00	11/01	11/02	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 14.5	S 15.75	S 16	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B	B	0			
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (min, maj, \$, \$/Sf) #					
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 99	D 99	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 99	D 99	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 99	D 99	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S .75	0 0	0	0	
Years from Lease Start	3	0	0	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	0 0	0 0	0	0	
Years from Lease Start	0	0	0	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	S .25	0 0	0	0	
Years from Lease Start	5	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	S .5	0 0	0	0	
Years from Lease Start	7	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0 0	0 0	0	0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

BLUM Commercial Tenant 16

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	BLUM				
Suite Number	400				
Square Footage Occupied	3893				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	11/88	11/91	11/94	11/97	
Lease Term, (Months)	36	36	36	48	
Expiration Date, (MM/YY)	10/91	10/94	10/97	10/01	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 13.5	S 14.25	S 15	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (min, maj, \$, \$/Sf) #					
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 81	D 81	D 93	D 93	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 88	D 88	D 93	D 93	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 88	D 88	D 93	D 93	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

MATKOM

Commercial Tenant 18

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	MATKOM				
Suite Number	420				
Square Footage Occupied	372				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)	9				
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/90	10/92	10/96	10/01	
Lease Term, (Months)	24	48	60	12	
Expiration Date, (MM/YY)	12/91	9/96	9/01	9/02	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 13.75	S 14.75	S 16	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #, B	B				
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #		J			
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 91	D 91	D 91	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#% if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 91	D 91	D 91	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#% if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 88	D 91	D 91	D 91	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#% if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#% if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S .75	0	0	0	
Years from Lease Start	1	0	0	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

NEW TENANT-C      Commercial Tenant 29

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	NEW TENANT-C				
Suite Number	421				
Square Footage Occupied	699				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)	33				
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	10/92	10/96	10/01	10/02	
Lease Term, (Months)	48	60	12		
Expiration Date, (MM/YY)	9/96	9/01	9/02	9/02	
Market Rent Zone Number	1	1	1		
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 13.75	S 14.75	S 16		
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #	J				
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 91	D 91	D 91	Y 0	
CAM Billed, by Mo or Yr	M	M	M	M	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 91	D 91	D 91	Y 0	
Taxes Billed, by Mo or Yr	M	M	M	M	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 91	D 91	D 91	Y 0	
Utilities Billed, by Mo or Yr	M	M	M	M	
Utilities (Prp'l SF, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

NEW TENANT-D Commercial Tenant 19

Item	Value				
Tenant Name or (Vacant)	NEW TENANT-D				
Suite Number	440				
Square Footage Occupied	7483				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)	21	Current	Renewal 1	Renewal 2	Renewal 3
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	10/91	10/96	10/01	10/02	
Lease Term, (Months)	60	60	12		
Expiration Date, (MM/YY)	9/96	9/01	9/02	9/02	
Market Rent Zone Number	1	1	1		
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 13	S 14.75	S 16		
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #, B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #	J				
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 90	D 90	D 99	Y 0	
CAM Billed, by Mo or Yr	Y	Y	Y	M	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 90	D 90	D 99	Y 0	
Taxes Billed, by Mo or Yr	Y	Y	Y	M	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 90	D 90	D 99	Y 0	
Utilities Billed, by Mo or Yr	Y	Y	Y	M	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

NEW TENANT-E      Commercial Tenant 24

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	NEW TENANT-E				
Suite Number	500 & 521				
Square Footage Occupied	2642				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)	36				
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/93	1/98	1/03	1/03	
Lease Term, (Months)	60	60			
Expiration Date, (MM/YY)	12/97	12/02	12/02	12/02	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 14	M	M	M	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #, B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #	J				
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 92	D 92	D 92	D 92	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 92	D 92	D 92	D 92	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 92	D 92	D 92	D 92	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

BYCE

Commercial Tenant 17

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	BYCE				
Suite Number	525				
Square Footage Occupied	920				
Direct Entry, (Yes or No or Default Lease No 1-9)	N				
Vacancy, (Months)			7		
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	6/87	6/90	1/93	1/98	
Lease Term, (Months)	36	24	60	60	
Expiration Date, (MM/YY)	5/90	5/92	12/97	12/02	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 13.25	M	M	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B			0		
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #			N		
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 86	D 86	D 92	D 92	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 86	D 86	D 92	D 92	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 86	D 86	D 92	D 92	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

LANTIS

Commercial Tenant 20

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	LANTIS				
Suite Number	540				
Square Footage Occupied	1500				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)	6				
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/90	7/93	1/94	7/98	
Lease Term, (Months)	36	6	54	60	
Expiration Date, (MM/YY)	12/92	12/93	6/98	6/03	
Market Rent Zone Number	1	1		1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 13.25	S 14	S 14	S 15.25	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #	S .25	\$ 13800			
Stepup Esc. Rule, (P/C/M/F/N) #, B	B				
Stepup Esc. Frequency, (Years)	3				
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #		N	0		
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	0 0	D 92	D 92	D 92	
CAM Billed, by Mo or Yr	0	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	0 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	0 0	D 92	D 92	D 92	
Taxes Billed, by Mo or Yr	0	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	0 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	0 0	D 92	D 92	D 92	
Utilities Billed, by Mo or Yr	0	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	0 0	S 0	S 0	S 0	
Base (Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	0 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	0	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	0 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	\$ 5078	0 0	0	0	
Years from Lease Start	1	0	0	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	\$ 893	0	0	0	
Years from Lease Start	2	0	0	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0 0	0	0	0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

## WEIGHT LOSS CLI Commercial Tenant 22

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	WEIGHT LOSS CLI				
Suite Number	542				
Square Footage Occupied	1231				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/89	1/94	1/99	1/04	
Lease Term, (Months)	60	60	60	36	
Expiration Date, (MM/YY)	12/93	12/98	12/03	12/06	
Market Rent Zone Number	1	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 14.25	M	M	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #	0			0	
Stepup Esc. Rule, (P/C/M/F/N) #, B	B	B	B	0	
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (min, maj, \$, \$/Sf) #					
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 87	D 87	D 98	D 98	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 87	D 87	D 98	D 98	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 87	D 87	D 98	D 98	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S 1	S .75	S .75	0 0	
Years from Lease Start	3	3	3	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	S .25	S .25	S .25	0 0	
Years from Lease Start	4	4	4	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0 0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0 0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0 0	
Years from Lease Start	0	0	0	0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

HILL/RICHARDSON Commercial Tenant 21

Item	Value			
Tenant Name or (Vacant)	HILL/RICHARDSON			
Suite Number	555			
Square Footage Occupied	3256			
Direct Entry, (Yes or No or Default Lease No 1-9) N				
	Current      Renewal 1      Renewal 2      Renewal 3			
Vacancy, (Months)				
Free Rent in Lease Term, (Months)				
Lease Start Date, (MM/YY)	3/88	3/93	3/98	3/03
Lease Term, (Months)	60	60	60	
Expiration Date, (MM/YY)	2/93	2/98	2/03	2/03
Market Rent Zone Number	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	S 14	S 15.25	0
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #				
Stepup Esc. Rule, (P/C/M/F/N) #, B	B	B	B	
Stepup Esc. Frequency, (Years)				
Commissions, (Cash out%, \$/Sf, Mo%) #				
Refinish, (miN, maJ, \$, \$/Sf) #				
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 97	Y 0
CAM Billed, by Mo or Yr	Y	Y	Y	Y
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 97	Y 0
Taxes Billed, by Mo or Yr	Y	Y	Y	Y
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 87	D 87	D 97	Y 0
Utilities Billed, by Mo or Yr	Y	Y	Y	Y
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0
Miscellaneous Billed, by Mo or Yr	M	M	M	M
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S .75	S .75	S .75	0
Years from Lease Start	3	3	3	0
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	S .25	S .25	S .25	0
Years from Lease Start	4	4	4	0
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

NEW TENANT-F      Commercial Tenant 23

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	NEW TENANT-F				
Suite Number	580 & 541-				
Square Footage Occupied	2908				
Direct Entry, (Yes or No or Default Lease No 1-9) N					
Vacancy, (Months)	24				
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	1/92	1/97	1/02	1/05	
Lease Term, (Months)	60	60	36		
Expiration Date, (MM/YY)	12/96	12/01	12/04	12/04	
Market Rent Zone Number	1	1	1		
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 13.75	S 15	S 16.25	0	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #,B					
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #	J				
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 91	D 91	D 99	D 99	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 91	D 91	D 99	D 99	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	D 91	D 91	D 99	D 99	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	
Base(Amt,\$/sf/yr,Dt,Yr,Total,Flt,Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf,%#) (C%# if F)	S 0	S 0	S 0	S 0	

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

ALLERGY &amp; IMMUN Commercial Tenant 25

Item	Value			
Tenant Name or (Vacant)	ALLERGY & IMMUN			
Suite Number	600			
Square Footage Occupied	5038			
Direct Entry, (Yes or No or Default Lease No 1-9) N				
	Current      Renewal 1      Renewal 2      Renewal 3			
Vacancy, (Months)	12			
Free Rent in Lease Term, (Months)				
Lease Start Date, (MM/YY)	1/90	1/91	1/94	1/99
Lease Term, (Months)	12	24	60	60
Expiration Date, (MM/YY)	12/90	12/92	12/98	12/03
Market Rent Zone Number	1	1	1	1
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.75	M	S 13.75	M
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #				
Stepup Esc. Rule, (P/C/M/F/N) #, B		B	B	
Stepup Esc. Frequency, (Years)				
Commissions, (Cash out%, \$/Sf, Mo%) #				
Refinish, (miN, maj, \$, \$/Sf) #		J		
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 82	D 82	D 93	D 93
CAM Billed, by Mo or Yr	Y	Y	Y	Y
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 82	D 82	D 93	D 93
Taxes Billed, by Mo or Yr	Y	Y	Y	Y
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 82	D 82	D 93	D 93
Utilities Billed, by Mo or Yr	Y	Y	Y	Y
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0
Miscellaneous Billed, by Mo or Yr	M	M	M	M
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	0 0	0 0	S 1.25	S .75
Years from Lease Start	0	0	3	3
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	0 0	0 0	S .25	S .25
Years from Lease Start	0	0	4	4
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

GHC

Commercial Tenant 26

## Item

## Value

Tenant Name or (Vacant)

GHC

Suite Number

620

Square Footage Occupied

7400

Direct Entry, (Yes or No or Default Lease No 1-9) N

Current   Renewal 1   Renewal 2   Renewal 3

Vacancy, (Months)

Free Rent in Lease Term, (Months)

Lease Start Date, (MM/YY)	12/85	12/93	12/98	12/03
Lease Term, (Months)	96	60	60	
Expiration Date, (MM/YY)	11/93	11/98	11/03	11/03
Market Rent Zone Number	1	1	1	
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.5	S 14	S 15.25	0
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #				
Stepup Esc. Rule, (P/C/M/F/N) #, B	B	0		
Stepup Esc. Frequency, (Years)				
Commissions, (Cash out%, \$/Sf, Mo%) #				
Refinish, (miN, maj, \$, \$/Sf) #				
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 84	D 84	D 97	Y 0
CAM Billed, by Mo or Yr	Y	Y	Y	Y
CAM (Prp'l Sf, %) (C%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 84	D 84	D 97	Y 0
Taxes Billed, by Mo or Yr	Y	Y	Y	Y
Taxes (Prp'l Sf, %) (C%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 84	D 84	D 97	Y 0
Utilities Billed, by Mo or Yr	Y	Y	Y	Y
Utilities (Prp'l Sf, %) (C%# if F)	S 0	S 0	S 0	S 0
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0
Miscellaneous Billed, by Mo or Yr	M	M	M	M
Miscellaneous (Prp'l Sf, %) (C%# if F)	S 0	S 0	S 0	S 0
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S 1	0 0	0	0
Years from Lease Start	5	0	0	0
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	S .25	0 0	0	0
Years from Lease Start	7	0	0	0
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0
Years from Lease Start	0	0	0	0

## SPKUL05 Tenant Input

FS Commercial Tenant Module

09-18-90

GHC

Commercial Tenant 27

Item	Value	Current	Renewal 1	Renewal 2	Renewal 3
Tenant Name or (Vacant)	GHC				
Suite Number	700				
Square Footage Occupied	12293				
Direct Entry, (Yes or No or Default Lease No 1-9)	N				
Vacancy, (Months)					
Free Rent in Lease Term, (Months)					
Lease Start Date, (MM/YY)	6/85	6/93	6/98	6/03	
Lease Term, (Months)	96	60	60	36	
Expiration Date, (MM/YY)	5/93	5/98	5/03	5/06	
Market Rent Zone Number	1	1	1		
Base Rent, (\$/yr, \$/Sf/yr, P/C/M) #	S 12.5	S 14	S 15.25	0	
Stepup Esc. Rent, (\$/yr, \$/Sf/yr) #					
Stepup Esc. Rule, (P/C/M/F/N) #, B	B	0			
Stepup Esc. Frequency, (Years)					
Commissions, (Cash out%, \$/Sf, Mo%) #					
Refinish, (miN, maJ, \$, \$/Sf) #					
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 84	D 84	D 97	Y 0	
CAM Billed, by Mo or Yr	Y	Y	Y	Y	
CAM (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 84	D 84	D 97	Y 0	
Taxes Billed, by Mo or Yr	Y	Y	Y	Y	
Taxes (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	D 84	D 84	D 97	Y 0	
Utilities Billed, by Mo or Yr	Y	Y	Y	Y	
Utilities (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
Base(Amt, \$/sf/yr, Dt, Yr, Total, Flt, Esc) #	Y 0	Y 0	Y 0	Y 0	
Miscellaneous Billed, by Mo or Yr	M	M	M	M	
Miscellaneous (Prp'l Sf, %) (C#%# if F)	S 0	S 0	S 0	S 0	
1st. Stepup Bump (\$/yr, \$/Sf/yr) #	S 1	0 0	0 0	0	
Years from Lease Start	5	0	0	0	
2nd. Stepup Bump (\$/yr, \$/Sf/yr) #	S .25	0 0	0 0	0	
Years from Lease Start	7	0	0	0	
3rd. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0 0	0	
Years from Lease Start	0	0	0	0	
4th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	
5th. Stepup Bump (\$/yr, \$/Sf/yr) #	0	0	0	0	
Years from Lease Start	0	0	0	0	

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Operating Expenses (CAM)

Expense Description	1990	1991	1992	1993
CLEANING	93,600	98,280	103,194	107,838
ADMINISTRATIVE	39,150	8,900	9,166	9,441
INSURANCE	7,500	7,762	8,034	8,315
REPAIRS & MAINT.	88,050	92,453	97,076	101,929
GROUND & SECURIT	31,150	47,685	49,115	50,588
MANAGEMENT @ 4%EG	35,000	42,100	46,175	45,720

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Operating Expenses (CAM)

Expense Description	1994	1995	1996	1997
CLEANING	112,690	117,761	123,061	128,598
ADMINISTRATIVE	9,725	10,017	10,317	10,627
INSURANCE	8,606	8,908	9,219	9,542
REPAIRS & MAINT.	107,026	112,377	117,996	123,896
GROUND & SECURIT	52,106	53,669	55,279	56,938
MANAGEMENT @ 4%EG	47,560	49,060	50,747	52,330

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Operating Expenses (CAM)

Expense Description	1998	1999	2000	2001
CLEANING	134,385	140,433	146,752	153,356
ADMINISTRATIVE	10,946	11,274	11,612	11,961
INSURANCE	9,876	10,222	10,579	10,950
REPAIRS & MAINT.	130,091	136,595	143,425	150,596
GROUND & SECURIT	58,646	60,405	62,217	64,084
MANAGEMENT @ 4%EG	54,550	55,060	54,620	56,260

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Operating Expenses (Taxes)

Expense Description	1990	1991	1992	1993
REAL ESTATE TAXES	157,831	166,512	123,340	130,124

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Operating Expenses (Taxes)

Expense Description	1994	1995	1996	1997
REAL ESTATE TAXES	137,280	144,831	152,797	161,200

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Operating Expenses (Taxes)

Expense Description	1998	1999	2000	2001
REAL ESTATE TAXES	170,066	179,420	189,288	199,699

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Operating Expenses (Utilities)

Expense Description	1990	1991	1992	1993
UTILITIES	96,300	100,633	105,162	109,894

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Operating Expenses (Utilities)

Expense Description	1994	1995	1996	1997
UTILITIES	114,840	120,007	125,408	131,051

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Operating Expenses (Utilities)

Expense Description	1998	1999	2000	2001
UTILITIES	136,948	143,111	149,551	156,281

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Operating Expenses (Miscellaneous)

Expense Description	1990	1991	1992	1993
RESERVE FOR REPAI	10,000	10,000	10,000	10,000

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Operating Expenses (Miscellaneous)

Expense Description	1994	1995	1996	1997
RESERVE FOR REPAI	10,000	10,000	10,000	10,000

09-19-90

Operating Expenses (Miscellaneous)

Expense Description	1998	1999	2000	2001
RESERVE FOR REPAI	10,000	10,000	10,000	10,000

## Historical Data

Data Category	1978		1988	
	St. Louis	Blum	1981	1982
CAM \$	132,905		268,676	0
CAM SF	0		0	0
Taxes \$	51,929		116,195	0
Taxes SF	0		0	0
Utilities \$	47,938		83,202	0
Utilities SF	0		0	0
Miscellaneous \$	0		0	0
Miscellaneous SF	0		0	0
CPI Growth Rate	0.0000		0.0000	0.0000
PWI (With Fringe)	0.0000		0.0000	0.0000
PWI (No Fringe)	0.0000		0.0000	0.0000
Data Category	1984		1985	
	224,620		232,267	259,344
CAM \$	0		0	0
CAM SF	92,532		94,093	97,529
Taxes \$	0		0	0
Taxes SF	102,623		97,975	98,556
Utilities \$	0		0	0
Utilities SF	0		0	0
Miscellaneous \$	0		0	0
Miscellaneous SF	0		0	0
CPI Growth Rate	0.0000		0.0000	0.0000
PWI (With Fringe)	0.0000		0.0000	0.0000
PWI (No Fringe)	0.0000		0.0000	0.0000
Data Category	1988		1989	
	263,676		288,886	
CAM \$	0		0	
CAM SF	116,195		140,195	
Taxes \$	0		0	
Taxes SF	83,202		86,967	
Utilities \$	0		0	
Utilities SF	0		0	
Miscellaneous \$	0		0	
Miscellaneous SF	0		0	
CPI Growth Rate	0.0000		0.0000	
PWI (With Fringe)	0.0000		0.0000	
PWI (No Fringe)	0.0000		0.0000	

**APPENDIX D**

**FINSIM OUTPUT**

**TENANT BY TENANT REVENUE, SPECIFIC VACANCY LOSSES  
AND TENANT IMPROVEMENT ALLOWANCES  
(Organized in order of Tenant Suite Number)**

**AND**

**TOTAL REVENUE, SPECIFIC VACANCY LOSSES  
AND TENANT IMPROVEMENT ALLOWANCE**

**DR. LANTIS' SCHEDULE OF SHARE OF EXPENSE INCREASES**

SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

PRESCRIPTION PH Commercial Tenant 1 Income

Item Description	1990	1991	1992	1993
Base Rental Income	47,500	51,300	51,300	51,300
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	2,794	2,917	3,617
Taxes Pass Through	0	2,864	3,254	1,314
Utilities Pass Through	0	0	119	323
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	47,500	56,959	57,591	56,554
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

PRESCRIPTION PH Commercial Tenant 1 Income

Item Description	1994	1995	1996	1997
Base Rental Income	51,300	51,300	56,050	56,050
Stepup Esc. Income	2,850	3,800	0	0
Overage Income	0	0	0	0
CAM Pass Through	4,115	4,738	5,371	6,037
Taxes Pass Through	1,619	1,941	2,280	2,638
Utilities Pass Through	536	758	990	1,233
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	60,419	62,537	64,691	65,958
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

PRESCRIPTION PH Commercial Tenant 1 Income

Item Description	1998	1999	2000	2001
Base Rental Income	56,050	56,050	56,050	60,800
Stepup Esc. Income	0	2,850	3,800	0
Overage Income	0	0	0	0
CAM Pass Through	6,725	7,470	8,166	8,850
Taxes Pass Through	3,016	3,414	3,834	4,278
Utilities Pass Through	1,486	1,751	2,028	2,318
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	67,277	71,535	73,879	76,245

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## GREENBUSH CAFE Commercial Tenant 2 Income

Item Description	1990	1991	1992	1993
Base Rental Income	8,448	8,565	9,856	9,856
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	941	983	1,218
Taxes Pass Through	0	965	1,096	443
Utilities Pass Through	0	0	40	109
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	8,448	10,471	11,975	11,626
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## GREENBUSH CAFE Commercial Tenant 2 Income

Item Description	1994	1995	1996	1997
Base Rental Income	9,856	9,995	11,520	11,520
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	1,386	1,596	1,809	2,034
Taxes Pass Through	545	654	768	889
Utilities Pass Through	180	255	333	415
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	11,968	12,500	14,431	14,857
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## GREENBUSH CAFE Commercial Tenant 2 Income

Item Description	1998	1999	2000	2001
Base Rental Income	11,520	11,680	13,440	13,440
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	2,265	2,516	2,751	2,981
Taxes Pass Through	1,016	1,150	1,292	1,441
Utilities Pass Through	501	590	683	781
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	15,302	15,936	18,165	18,643

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

Item Description	1990	1991	1992	1993
Base Rental Income	67,379	69,525	69,525	71,027
Stepup Esc. Income	0	0	751	536
Overage Income	0	0	0	0
CAM Pass Through	0	4,253	4,419	5,368
Taxes Pass Through	0	3,977	4,505	1,876
Utilities Pass Through	0	0	0	155
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	67,379	77,755	79,201	78,962
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

Item Description	1994	1995	1996	1997
Base Rental Income	72,100	72,100	72,100	72,100
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	6,042	6,888	7,745	8,648
Taxes Pass Through	2,289	2,725	3,185	3,670
Utilities Pass Through	443	744	1,059	1,388
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	80,874	82,457	84,089	85,806
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

Item Description	1998	1999	2000	2001
Base Rental Income	75,855	78,538	78,538	78,538
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	9,580	5,001	1,952	2,879
Taxes Pass Through	4,182	2,282	1,110	1,711
Utilities Pass Through	1,731	1,081	734	1,127
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	91,349	86,901	82,334	84,254

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## MANAGERS OFFICE Commercial Tenant 4 Income

Item Description	1990	1991	1992	1993
Base Rental Income	0	1,681	2,882	2,920
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	0	8	92
Taxes Pass Through	0	0	26	0
Utilities Pass Through	0	0	13	45
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	2,907	1,227	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	0	1,681	2,929	3,057
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## MANAGERS OFFICE Commercial Tenant 4 Income

Item Description	1994	1995	1996	1997
Base Rental Income	2,946	2,946	2,946	2,946
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	148	218	290	364
Taxes Pass Through	0	0	0	0
Utilities Pass Through	69	94	120	147
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	3,163	3,258	3,356	3,458
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## MANAGERS OFFICE Commercial Tenant 4 Income

Item Description	1998	1999	2000	2001
Base Rental Income	3,108	3,224	3,224	3,224
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	442	268	162	239
Taxes Pass Through	17	52	92	142
Utilities Pass Through	175	103	61	93
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	3,742	3,646	3,539	3,698

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

STIENN0N	Commercial Tenant 5 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	17,903	17,903	17,903	17,903
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	4,413	4,487	4,913
Taxes Pass Through	0	2,893	3,130	1,951
Utilities Pass Through	0	1,321	1,439	1,563
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	17,903	26,529	26,960	26,329
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

STIENN0N	Commercial Tenant 5 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	17,903	19,202	33,495	33,495
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	5,216	5,595	5,513	790
Taxes Pass Through	2,136	2,332	2,343	424
Utilities Pass Through	1,692	1,828	1,816	289
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	12,839	0	0
Total Cash (Exc. FR. & Vac.)	26,947	16,116	43,168	34,997
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

STIENN0N	Commercial Tenant 5 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	33,495	33,495	33,736	36,383
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	1,208	1,660	2,084	2,499
Taxes Pass Through	653	896	1,151	1,421
Utilities Pass Through	443	604	772	948
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	35,799	36,655	37,743	41,251

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

STIENN0N	Commercial Tenant 6 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	2,040	2,160	2,160	2,240
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	306	311	340
Taxes Pass Through	0	200	217	135
Utilities Pass Through	0	92	100	108
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	2,040	2,758	2,787	2,824
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

STIENN0N	Commercial Tenant 6 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	2,240	2,240	2,240	2,240
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	21	47	74	102
Taxes Pass Through	13	26	41	56
Utilities Pass Through	9	18	28	38
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	2,283	2,332	2,383	2,436
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

STIENN0N	Commercial Tenant 6 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	2,440	2,440	2,440	2,440
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	131	162	192	220
Taxes Pass Through	72	88	106	125
Utilities Pass Through	49	60	72	84
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	2,691	2,751	2,809	2,869

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

LANGHEIM	Commercial Tenant 7 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	12,941	12,941	12,941	14,210
Stepup Esc. Income	0	761	1,015	0
Overage Income	0	0	0	0
CAM Pass Through	0	369	402	589
Taxes Pass Through	0	500	604	86
Utilities Pass Through	0	157	209	264
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	10,725
Total Cash (Exc. FR. & Vac.)	12,941	14,729	15,172	4,424
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

LANGHEIM	Commercial Tenant 7 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	14,210	14,210	14,210	14,210
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	133	300	469	646
Taxes Pass Through	81	167	258	354
Utilities Pass Through	57	116	178	243
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	14,481	14,793	15,115	15,453
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

LANGHEIM	Commercial Tenant 7 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	15,479	15,479	15,479	15,479
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	830	1,029	1,215	1,398
Taxes Pass Through	454	561	673	792
Utilities Pass Through	311	382	455	533
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	17,074	17,450	17,822	18,201

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

NEW TENANT-A	Commercial Tenant	28 Income		
Item Description	1990	1991	1992	1993
Base Rental Income	0	0	0	8,484
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	0	0	0
Taxes Pass Through	0	0	0	49
Utilities Pass Through	0	0	0	34
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	8,099	8,250	8,402	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	6,403
Total Cash (Exc. FR. & Vac.)	0	0	0	2,164
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

NEW TENANT-A	Commercial Tenant	28 Income		
Item Description	1994	1995	1996	1997
Base Rental Income	8,484	8,484	8,484	8,484
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	79	179	280	386
Taxes Pass Through	100	154	211	271
Utilities Pass Through	69	106	145	186
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	8,733	8,923	9,120	9,327
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

NEW TENANT-A	Commercial Tenant	28 Income		
Item Description	1998	1999	2000	2001
Base Rental Income	9,242	9,242	9,242	9,242
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	496	614	725	834
Taxes Pass Through	335	402	473	547
Utilities Pass Through	228	272	318	366
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	10,300	10,530	10,758	10,990

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

YEAZEL	Commercial Tenant 8 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	8,000	8,267	8,640	8,640
Stepup Esc. Income	293	280	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	471	491	609
Taxes Pass Through	0	482	548	221
Utilities Pass Through	0	0	20	54
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	8,293	9,500	9,699	9,525

SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

YEAZEL	Commercial Tenant 8 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	8,640	8,640	8,973	9,440
Stepup Esc. Income	200	547	373	0
Overage Income	0	0	0	0
CAM Pass Through	693	798	905	640
Taxes Pass Through	273	327	384	284
Utilities Pass Through	90	128	167	138
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	9,896	10,439	10,802	10,502

SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

YEAZEL	Commercial Tenant 8 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	9,440	9,440	9,440	9,812
Stepup Esc. Income	0	200	547	373
Overage Income	0	0	0	0
CAM Pass Through	228	353	471	586
Taxes Pass Through	124	191	262	336
Utilities Pass Through	84	128	175	224
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	9,876	10,313	10,894	11,331

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

BRYAN	Commercial Tenant 9 Income	1990	1991	1992	1993
Item Description					
Base Rental Income	8,288	8,288	8,938	8,938	
Stepup Esc. Income	0	0	0	0	
Overage Income	0	0	0	0	
CAM Pass Through	0	237	258	377	
Taxes Pass Through	0	320	387	55	
Utilities Pass Through	0	101	134	169	
Miscellaneous Pass Through	0	0	0	0	
Free Rent	0	0	0	0	
Specific Vacancy	0	0	0	0	
Leasing Commissions	0	0	0	0	
Tenant Refinish	0	0	0	0	
Total Cash (Exc. FR. & Vac.)	8,288	8,945	9,716	9,539	
SPKUL05 Tenant Income					

FS Commercial Tenant Module

09-18-90

BRYAN	Commercial Tenant 9 Income	1994	1995	1996	1997
Item Description					
Base Rental Income	8,938	9,425	9,425	9,425	
Stepup Esc. Income	0	0	0	0	
Overage Income	0	0	0	0	
CAM Pass Through	462	569	108	222	
Taxes Pass Through	107	162	58	119	
Utilities Pass Through	205	243	40	81	
Miscellaneous Pass Through	0	0	0	0	
Free Rent	0	0	0	0	
Specific Vacancy	0	0	0	0	
Leasing Commissions	0	0	0	0	
Tenant Refinish	0	0	0	0	
Total Cash (Exc. FR. & Vac.)	9,712	10,399	9,631	9,848	
SPKUL05 Tenant Income					

FS Commercial Tenant Module

09-18-90

BRYAN	Commercial Tenant 9 Income	1998	1999	2000	2001
Item Description					
Base Rental Income	9,913	9,913	9,913	9,913	10,400
Stepup Esc. Income	0	0	0	0	0
Overage Income	0	0	0	0	0
CAM Pass Through	340	467	586	703	
Taxes Pass Through	184	252	324	400	
Utilities Pass Through	125	170	217	267	
Miscellaneous Pass Through	0	0	0	0	0
Free Rent	0	0	0	0	0
Specific Vacancy	0	0	0	0	0
Leasing Commissions	0	0	0	0	0
Tenant Refinish	0	0	0	0	0
Total Cash (Exc. FR. & Vac.)	10,561	10,802	11,040	11,770	

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

HERSLOF'S	Commercial Tenant 10 Income	1990	1991	1992	1993
Item Description					
Base Rental Income	5,738	5,906	6,075	6,075	
Stepup Esc. Income	0	0	0	0	
Overage Income	0	0	0	0	
CAM Pass Through	0	167	181	264	
Taxes Pass Through	0	250	296	66	
Utilities Pass Through	0	66	89	113	
Miscellaneous Pass Through	0	0	0	0	
Free Rent	0	0	0	0	
Specific Vacancy	0	0	0	0	
Leasing Commissions	0	0	0	0	
Tenant Refinish	0	0	0	0	
Total Cash (Exc. FR. & Vac.)	5,738	6,389	6,641	6,518	
SPKUL05 Tenant Income					

## FS Commercial Tenant Module

09-18-90

HERSLOF'S	Commercial Tenant 10 Income	1994	1995	1996	1997
Item Description					
Base Rental Income	6,244	6,413	6,413	6,581	
Stepup Esc. Income	0	0	0	0	
Overage Income	0	0	0	0	
CAM Pass Through	323	235	149	228	
Taxes Pass Through	102	89	78	121	
Utilities Pass Through	138	96	54	83	
Miscellaneous Pass Through	0	0	0	0	
Free Rent	0	0	0	0	
Specific Vacancy	0	0	0	0	
Leasing Commissions	0	0	0	0	
Tenant Refinish	0	0	0	0	
Total Cash (Exc. FR. & Vac.)	6,807	6,833	6,693	7,012	
SPKUL05 Tenant Income					

## FS Commercial Tenant Module

09-18-90

HERSLOF'S	Commercial Tenant 10 Income	1998	1999	2000	2001
Item Description					
Base Rental Income	6,750	6,750	6,750	6,750	
Stepup Esc. Income	0	0	0	0	
Overage Income	0	0	0	0	
CAM Pass Through	309	397	480	561	
Taxes Pass Through	165	213	262	315	
Utilities Pass Through	113	144	177	211	
Miscellaneous Pass Through	0	0	0	0	
Free Rent	0	0	0	0	
Specific Vacancy	0	0	0	0	
Leasing Commissions	0	0	0	0	
Tenant Refinish	0	0	0	0	
Total Cash (Exc. FR. & Vac.)	7,337	7,504	7,669	7,837	

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

MCKENNA	Commercial Tenant 11 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	9,945	9,945	10,595	10,725
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	284	309	453
Taxes Pass Through	0	384	464	66
Utilities Pass Through	0	121	161	203
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	9,945	10,734	11,529	11,446
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

MCKENNA	Commercial Tenant 11 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	10,725	11,213	11,310	11,310
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	555	683	244	267
Taxes Pass Through	128	194	102	143
Utilities Pass Through	246	292	96	97
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	11,655	12,382	11,752	11,817
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

MCKENNA	Commercial Tenant 11 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	11,798	11,895	11,895	11,895
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	408	561	704	844
Taxes Pass Through	221	302	389	480
Utilities Pass Through	150	204	261	320
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	12,576	12,962	13,248	13,539

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

NEW TENANT-B      Commercial Tenant    14 Income

Item Description	1990	1991	1992	1993
Base Rental Income	0	0	15,600	15,600
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	0	0	221
Taxes Pass Through	0	0	0	0
Utilities Pass Through	0	0	0	64
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	16,037	16,337	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	12,453	0
Total Cash (Exc. FR. & Vac.)	0	0	3,147	15,885

SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

NEW TENANT-B      Commercial Tenant    14 Income

Item Description	1994	1995	1996	1997
Base Rental Income	15,600	17,400	17,400	17,400
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	378	575	775	985
Taxes Pass Through	0	0	0	0
Utilities Pass Through	131	202	275	352
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	16,110	18,177	18,450	18,737

SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

NEW TENANT-B      Commercial Tenant    14 Income

Item Description	1998	1999	2000	2001
Base Rental Income	18,300	18,300	18,300	19,200
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	1,203	235	455	671
Taxes Pass Through	0	126	259	399
Utilities Pass Through	432	84	171	263
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	19,934	18,745	19,185	20,532

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

PARKS	Commercial Tenant 13 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	13,388	13,388	7,809	9,800
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	382	416	356
Taxes Pass Through	0	517	625	52
Utilities Pass Through	0	163	216	159
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	6,097	4,911
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	5,580
Total Cash (Exc. FR. & Vac.)	13,388	14,449	9,067	4,786
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

PARKS	Commercial Tenant 13 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	14,700	14,700	15,225	15,488
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	92	310	485	669
Taxes Pass Through	56	173	267	366
Utilities Pass Through	39	120	184	251
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	14,887	15,303	16,161	16,773
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

PARKS	Commercial Tenant 13 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	15,488	16,013	16,275	16,275
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	859	1,065	547	381
Taxes Pass Through	470	580	310	239
Utilities Pass Through	321	395	208	156
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	17,138	18,052	17,340	17,052

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

CHRISTENSEN	Commercial Tenant	12 Income		
Item Description	1990	1991	1992	1993
Base Rental Income	42,483	42,483	42,483	42,483
Stepup Esc. Income	0	0	0	4,165
Overage Income	0	0	0	0
CAM Pass Through	0	219	327	941
Taxes Pass Through	0	695	1,037	0
Utilities Pass Through	0	368	538	717
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	16,660	0	0	0
Total Cash (Exc. FR. & Vac.)	25,823	43,765	44,385	48,306
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

CHRISTENSEN	Commercial Tenant	12 Income		
Item Description	1994	1995	1996	1997
Base Rental Income	42,483	48,314	48,314	48,314
Stepup Esc. Income	4,165	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	1,377	1,924	2,479	3,063
Taxes Pass Through	0	0	183	497
Utilities Pass Through	903	1,098	1,302	1,515
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	48,928	51,336	52,277	53,388
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

CHRISTENSEN	Commercial Tenant	12 Income		
Item Description	1998	1999	2000	2001
Base Rental Income	48,314	48,314	52,479	52,479
Stepup Esc. Income	2,499	2,499	0	0
Overage Income	0	0	0	0
CAM Pass Through	3,666	4,319	4,929	600
Taxes Pass Through	828	1,177	1,546	389
Utilities Pass Through	1,737	1,969	2,212	254
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	57,044	58,278	61,166	53,721

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

Item Description	1990	1991	1992	1993
Base Rental Income	158,687	158,687	158,687	158,687
Stepup Esc. Income	778	9,335	9,594	12,446
Overage Income	0	0	0	0
CAM Pass Through	0	4,606	5,008	7,301
Taxes Pass Through	0	6,907	8,184	1,830
Utilities Pass Through	0	1,828	2,466	3,132
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	159,464	181,362	183,938	183,396
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

Item Description	1994	1995	1996	1997
Base Rental Income	158,687	160,502	180,467	180,467
Stepup Esc. Income	12,965	17,113	0	0
Overage Income	0	0	0	0
CAM Pass Through	8,930	10,973	13,045	15,228
Taxes Pass Through	2,829	3,882	4,993	6,166
Utilities Pass Through	3,829	4,557	5,317	6,112
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	187,239	197,027	203,823	207,973
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

Item Description	1998	1999	2000	2001
Base Rental Income	180,467	180,467	181,763	196,284
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	17,481	19,919	22,199	22,589
Taxes Pass Through	7,403	8,708	10,084	10,696
Utilities Pass Through	6,943	7,811	8,718	8,939
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	212,294	216,904	222,765	238,508

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

BLUM	Commercial Tenant 16 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	49,636	50,122	52,556	52,556
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	1,187	1,312	2,029
Taxes Pass Through	0	1,917	2,316	329
Utilities Pass Through	0	603	802	1,011
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	49,636	53,829	56,987	55,925
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

BLUM	Commercial Tenant 16 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	53,042	55,475	55,475	55,962
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	2,539	2,755	1,287	1,970
Taxes Pass Through	641	864	677	1,044
Utilities Pass Through	1,229	1,252	466	714
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	57,451	60,346	57,905	59,690
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

BLUM	Commercial Tenant 16 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	58,395	58,395	58,395	58,395
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	2,675	3,437	4,151	4,851
Taxes Pass Through	1,431	1,839	2,269	2,724
Utilities Pass Through	974	1,245	1,529	1,826
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	63,474	64,916	66,344	67,795

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

MATKOM	Commercial Tenant 18 Income	1990	1991	1992	1993
Item Description		1990	1991	1992	1993
Base Rental Income	4,743	4,743	1,279	5,115	
Stepup Esc. Income	0	279	0	0	
Overage Income	0	0	0	0	
CAM Pass Through	0	135	147	17	
Taxes Pass Through	0	183	221	0	
Utilities Pass Through	0	58	77	5	
Miscellaneous Pass Through	0	0	0	0	
Free Rent	0	0	0	0	
Specific Vacancy	0	0	3,859	0	
Leasing Commissions	0	0	0	0	
Tenant Refinish	0	0	3,913	0	
Total Cash (Exc. FR. & Vac.)	4,743	5,398	-2,189	5,137	
SPKUL05 Tenant Income					

## FS Commercial Tenant Module

09-18-90

MATKOM	Commercial Tenant 18 Income	1994	1995	1996	1997
Item Description		1994	1995	1996	1997
Base Rental Income	5,115	5,115	5,208	5,487	
Stepup Esc. Income	0	0	0	0	
Overage Income	0	0	0	0	
CAM Pass Through	117	178	240	305	
Taxes Pass Through	0	0	0	0	
Utilities Pass Through	41	62	85	109	
Miscellaneous Pass Through	0	0	0	0	
Free Rent	0	0	0	0	
Specific Vacancy	0	0	0	0	
Leasing Commissions	0	0	0	0	
Tenant Refinish	0	0	0	0	
Total Cash (Exc. FR. & Vac.)	5,273	5,356	5,533	5,901	
SPKUL05 Tenant Income					

## FS Commercial Tenant Module

09-18-90

MATKOM	Commercial Tenant 18 Income	1998	1999	2000	2001
Item Description		1998	1999	2000	2001
Base Rental Income	5,487	5,487	5,487	5,603	
Stepup Esc. Income	0	0	0	0	
Overage Income	0	0	0	0	
CAM Pass Through	373	446	514	581	
Taxes Pass Through	0	16	57	100	
Utilities Pass Through	134	160	187	215	
Miscellaneous Pass Through	0	0	0	0	
Free Rent	0	0	0	0	
Specific Vacancy	0	0	0	0	
Leasing Commissions	0	0	0	0	
Tenant Refinish	0	0	0	0	
Total Cash (Exc. FR. & Vac.)	5,994	6,108	6,244	6,499	

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

## NEW TENANT-C      Commercial Tenant 29 Income

Item Description	1990	1991	1992	1993
Base Rental Income	0	0	2,403	9,611
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	0	32	220
Taxes Pass Through	0	0	0	0
Utilities Pass Through	0	0	9	77
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	9,342	9,516	7,252	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	7,352	0
Total Cash (Exc. FR. & Vac.)	0	0	-4,908	9,908
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

## NEW TENANT-C      Commercial Tenant 29 Income

Item Description	1994	1995	1996	1997
Base Rental Income	9,611	9,611	9,786	10,310
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	335	451	574	701
Taxes Pass Through	0	0	0	0
Utilities Pass Through	117	160	205	251
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	10,064	10,223	10,565	11,262
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

## NEW TENANT-C      Commercial Tenant 29 Income

Item Description	1998	1999	2000	2001
Base Rental Income	10,310	10,310	10,310	10,529
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	837	966	1,091	1,240
Taxes Pass Through	29	107	188	274
Utilities Pass Through	300	351	404	460
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	11,477	11,734	11,994	12,503

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## NEW TENANT-D      Commercial Tenant 19 Income

Item Description	1990	1991	1992	1993
Base Rental Income	0	24,320	97,279	97,279
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	0	60	1,620
Taxes Pass Through	0	0	192	0
Utilities Pass Through	0	0	96	784
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	100,004	76,231	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	77,298	0	0
Total Cash (Exc. FR. & Vac.)	0	-52,979	97,627	99,683
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## NEW TENANT-D      Commercial Tenant 19 Income

Item Description	1994	1995	1996	1997
Base Rental Income	97,279	97,279	100,553	110,374
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	2,600	3,828	5,074	6,386
Taxes Pass Through	0	0	0	0
Utilities Pass Through	1,203	1,641	2,098	2,576
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	101,082	102,748	107,725	119,336
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## NEW TENANT-D      Commercial Tenant 19 Income

Item Description	1998	1999	2000	2001
Base Rental Income	110,374	110,374	110,374	112,713
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	7,741	9,207	10,578	11,925
Taxes Pass Through	298	1,083	1,910	2,784
Utilities Pass Through	3,075	3,597	4,142	4,712
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	121,489	124,261	127,005	132,133

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

NEW TENANT-E      Commercial Tenant      24 Income

Item Description	1990	1991	1992	1993
Base Rental Income	0	0	0	36,988
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	0	0	0
Taxes Pass Through	0	0	0	0
Utilities Pass Through	0	0	0	0
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	35,308	35,969	36,629	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	27,915
Total Cash (Exc. FR. & Vac.)	0	0	0	9,073
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

NEW TENANT-E      Commercial Tenant      24 Income

Item Description	1994	1995	1996	1997
Base Rental Income	36,988	36,988	36,988	36,988
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	346	780	1,219	1,683
Taxes Pass Through	212	436	671	920
Utilities Pass Through	148	302	464	633
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	37,694	38,506	39,343	40,224
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

NEW TENANT-E      Commercial Tenant      24 Income

Item Description	1998	1999	2000	2001
Base Rental Income	40,291	40,291	40,291	40,291
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	2,161	2,679	3,163	3,638
Taxes Pass Through	1,183	1,460	1,752	2,060
Utilities Pass Through	809	993	1,186	1,387
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	44,443	45,422	46,391	47,376

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

BYCE	Commercial Tenant 17 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	11,998	12,190	5,079	12,880
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	382	412	242
Taxes Pass Through	0	656	750	117
Utilities Pass Through	0	0	23	30
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	7,468	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	4,860
Total Cash (Exc. FR. & Vac.)	11,998	13,228	6,264	8,409
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

BYCE	Commercial Tenant 17 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	12,880	12,880	12,880	12,880
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	120	271	425	586
Taxes Pass Through	74	152	234	320
Utilities Pass Through	51	105	162	220
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	13,126	13,408	13,700	14,007
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

BYCE	Commercial Tenant 17 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	14,030	14,030	14,030	14,030
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	753	933	1,101	1,267
Taxes Pass Through	412	508	610	717
Utilities Pass Through	282	346	413	483
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	15,476	15,817	16,154	16,497

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

LANTIS	Commercial Tenant 20 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	19,875	19,875	19,875	10,500
Stepup Esc. Income	375	5,453	6,346	6,900
Overage Income	0	0	0	0
CAM Pass Through	0	0	0	0
Taxes Pass Through	0	0	0	0
Utilities Pass Through	0	0	0	0
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	10,539
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	7,995
Total Cash (Exc. FR. & Vac.)	20,250	25,328	26,221	9,405
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

LANTIS	Commercial Tenant 20 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	21,000	21,000	21,000	21,000
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	98	443	692	955
Taxes Pass Through	60	247	381	523
Utilities Pass Through	42	172	263	359
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	21,200	21,862	22,337	22,837
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

LANTIS	Commercial Tenant 20 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	21,938	22,875	22,875	22,875
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	1,227	1,521	1,796	2,066
Taxes Pass Through	672	829	995	1,170
Utilities Pass Through	459	564	673	787
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	24,295	25,788	26,339	26,898

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## WEIGHT LOSS CLI Commercial Tenant 22 Income

Item Description	1990	1991	1992	1993
Base Rental Income	15,695	15,695	15,695	15,695
Stepup Esc. Income	0	0	1,231	1,539
Overage Income	0	0	0	0
CAM Pass Through	0	456	495	722
Taxes Pass Through	0	683	809	181
Utilities Pass Through	0	181	244	310
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	15,695	17,015	18,475	18,447
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## WEIGHT LOSS CLI Commercial Tenant 22 Income

Item Description	1994	1995	1996	1997
Base Rental Income	17,542	17,542	17,542	17,542
Stepup Esc. Income	0	0	0	923
Overage Income	0	0	0	0
CAM Pass Through	883	1,085	1,290	1,506
Taxes Pass Through	280	384	494	610
Utilities Pass Through	379	451	526	605
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	19,084	19,462	19,852	21,186
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## WEIGHT LOSS CLI Commercial Tenant 22 Income

Item Description	1998	1999	2000	2001
Base Rental Income	17,542	19,080	19,080	19,080
Stepup Esc. Income	1,231	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	1,729	1,970	226	447
Taxes Pass Through	732	861	136	280
Utilities Pass Through	687	773	90	183
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	21,921	22,684	19,532	19,991

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## HILL/RICHARDSON Commercial Tenant 21 Income

Item Description	1990	1991	1992	1993
Base Rental Income	41,514	41,514	41,514	44,906
Stepup Esc. Income	0	2,035	3,120	543
Overage Income	0	0	0	0
CAM Pass Through	0	1,205	1,310	1,910
Taxes Pass Through	0	1,807	2,141	479
Utilities Pass Through	0	478	645	819
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	41,514	47,039	48,731	48,657
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## HILL/RICHARDSON Commercial Tenant 21 Income

Item Description	1994	1995	1996	1997
Base Rental Income	45,584	45,584	45,584	45,584
Stepup Esc. Income	0	0	2,035	3,120
Overage Income	0	0	0	0
CAM Pass Through	2,336	2,871	3,413	3,984
Taxes Pass Through	740	1,016	1,306	1,613
Utilities Pass Through	1,002	1,192	1,391	1,599
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	49,662	50,662	53,729	55,900
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## HILL/RICHARDSON Commercial Tenant 21 Income

Item Description	1998	1999	2000	2001
Base Rental Income	48,976	49,654	49,654	49,654
Stepup Esc. Income	543	0	0	2,035
Overage Income	0	0	0	0
CAM Pass Through	4,573	1,400	1,234	1,820
Taxes Pass Through	1,937	664	702	1,081
Utilities Pass Through	1,816	530	464	712
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	57,844	52,248	52,054	55,303

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## NEW TENANT-F      Commercial Tenant 23 Income

Item Description	1990	1991	1992	1993
Base Rental Income	0	0	39,985	39,985
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	0	0	536
Taxes Pass Through	0	0	0	0
Utilities Pass Through	0	0	0	156
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	38,863	39,590	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	30,177	0
Total Cash (Exc. FR. & Vac.)	0	0	9,808	40,676

SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## NEW TENANT-F      Commercial Tenant 23 Income

Item Description	1994	1995	1996	1997
Base Rental Income	39,985	39,985	39,985	43,620
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	917	1,394	1,878	2,388
Taxes Pass Through	0	0	0	0
Utilities Pass Through	318	489	666	852
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	41,220	41,867	42,529	46,860

SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## NEW TENANT-F      Commercial Tenant 23 Income

Item Description	1998	1999	2000	2001
Base Rental Income	43,620	43,620	43,620	43,620
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	2,914	3,484	4,017	4,540
Taxes Pass Through	0	122	444	783
Utilities Pass Through	1,046	1,249	1,461	1,682
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	47,580	48,475	49,541	50,626

SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

ALLERGY & IMMUN Commercial Tenant 25 Income

Item Description	1990	1991	1992	1993
Base Rental Income	64,235	68,013	68,013	0
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	0	17,542	17,705	18,633
Taxes Pass Through	0	9,403	9,920	7,348
Utilities Pass Through	0	5,737	5,995	6,265
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	71,107
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	64,235	100,696	101,634	32,247
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

ALLERGY & IMMUN Commercial Tenant 25 Income

Item Description	1994	1995	1996	1997
Base Rental Income	69,272	69,272	69,272	69,272
Stepup Esc. Income	0	0	0	6,297
Overage Income	0	0	0	0
CAM Pass Through	0	827	1,666	2,549
Taxes Pass Through	0	426	876	1,351
Utilities Pass Through	0	295	603	924
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	54,182	0	0	0
Total Cash (Exc. FR. & Vac.)	15,090	70,821	72,417	80,394
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

ALLERGY & IMMUN Commercial Tenant 25 Income

Item Description	1998	1999	2000	2001
Base Rental Income	69,272	78,089	78,089	78,089
Stepup Esc. Income	7,557	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	3,461	4,448	5,371	6,278
Taxes Pass Through	1,851	2,380	2,937	3,525
Utilities Pass Through	1,260	1,612	1,979	2,363
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	83,403	86,528	88,376	90,254

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

Item Description	1990	1991	1992	1993
Base Rental Income	92,500	92,500	92,500	93,425
Stepup Esc. Income	617	7,400	7,554	8,479
Overage Income	0	0	0	0
CAM Pass Through	0	6,111	6,350	7,713
Taxes Pass Through	0	5,714	6,474	2,696
Utilities Pass Through	0	0	0	222
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	93,117	111,725	112,878	112,535
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

Item Description	1994	1995	1996	1997
Base Rental Income	103,600	103,600	103,600	103,600
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	8,682	9,897	11,129	12,426
Taxes Pass Through	3,290	3,916	4,577	5,274
Utilities Pass Through	636	1,069	1,521	1,994
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	116,208	118,482	120,827	123,294
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

Item Description	1998	1999	2000	2001
Base Rental Income	104,371	112,850	112,850	112,850
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	13,766	14,068	2,805	4,137
Taxes Pass Through	6,009	6,284	1,594	2,458
Utilities Pass Through	2,488	2,796	1,055	1,619
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	126,634	135,999	118,305	121,064

## SPKUL05 Tenant Income

## FS Commercial Tenant Module

09-18-90

GHC	Commercial Tenant 27 Income			
Item Description	1990	1991	1992	1993
Base Rental Income	153,663	153,663	153,663	164,419
Stepup Esc. Income	7,171	12,293	14,086	6,403
Overage Income	0	0	0	0
CAM Pass Through	0	10,151	10,548	12,813
Taxes Pass Through	0	9,493	10,755	4,479
Utilities Pass Through	0	0	0	369
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	160,833	185,599	189,051	188,482
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

GHC	Commercial Tenant 27 Income			
Item Description	1994	1995	1996	1997
Base Rental Income	172,102	172,102	172,102	172,102
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	14,423	16,441	18,487	20,643
Taxes Pass Through	5,465	6,505	7,603	8,761
Utilities Pass Through	1,057	1,776	2,527	3,312
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	193,046	196,824	200,719	204,818
SPKUL05 Tenant Income				

## FS Commercial Tenant Module

09-18-90

GHC	Commercial Tenant 27 Income			
Item Description	1998	1999	2000	2001
Base Rental Income	181,066	187,468	187,468	187,468
Stepup Esc. Income	0	0	0	0
Overage Income	0	0	0	0
CAM Pass Through	22,868	11,936	4,660	6,872
Taxes Pass Through	9,982	5,448	2,649	4,083
Utilities Pass Through	4,133	2,579	1,753	2,689
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	218,049	207,432	196,530	201,113

## SPKUL05 Tenant Income

FS Commercial Tenant Module

09-18-90

## Commercial Tenant      Totals Income

Item Description	1990	1991	1992	1993
Base Rental Income	856,596	893,673	1,015,233	1,022,245
Stepup Esc. Income	9,234	37,836	43,697	41,011
Overage Income	0	0	0	0
CAM Pass Through	0	56,610	58,889	73,116
Taxes Pass Through	0	50,809	57,953	23,772
Utilities Pass Through	0	11,273	13,437	17,260
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	210,560	187,121	69,708	86,557
Leasing Commissions	0	0	0	0
Tenant Refinish	16,660	77,298	53,896	63,478
Total Cash (Exc. FR. & Vac.)	849,170	972,902	1,135,314	1,113,925
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## Commercial Tenant      Totals Income

Item Description	1994	1995	1996	1997
Base Rental Income	1,129,055	1,143,516	1,188,548	1,204,192
Stepup Esc. Income	20,180	21,460	2,408	10,341
Overage Income	0	0	0	0
CAM Pass Through	63,347	76,850	87,114	96,391
Taxes Pass Through	21,041	26,772	31,971	36,412
Utilities Pass Through	14,861	19,619	23,081	26,715
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	54,182	12,839	0	0
Total Cash (Exc. FR. & Vac.)	1,194,301	1,275,378	1,333,122	1,374,051
SPKUL05 Tenant Income				

FS Commercial Tenant Module

09-18-90

## Commercial Tenant      Totals Income

Item Description	1998	1999	2000	2001
Base Rental Income	1,233,328	1,263,761	1,271,486	1,297,836
Stepup Esc. Income	11,830	5,549	4,347	2,408
Overage Income	0	0	0	0
CAM Pass Through	111,251	102,530	88,325	96,497
Taxes Pass Through	43,675	41,994	38,408	45,749
Utilities Pass Through	32,290	32,541	32,600	36,002
Miscellaneous Pass Through	0	0	0	0
Free Rent	0	0	0	0
Specific Vacancy	0	0	0	0
Leasing Commissions	0	0	0	0
Tenant Refinish	0	0	0	0
Total Cash (Exc. FR. & Vac.)	1,432,374	1,446,376	1,435,166	1,478,492

RN540RNT.WK1

LANTIS - 5TH FLOOR PARK REGENT MEDICAL BLDG  
SUITE 540  
CALCULATION OF RENT ADJUSTMENT  
1984-2000

YEAR	CPI 1967=100	CPI 1982-1984=100	BASE RENT	RENT INCREASE	RENT ADJUSTMENT
=====	=====	=====	=====	=====	=====
DECEMBER 1983	303.5	101.3	\$17,250.00	\$17,250.00	\$0.00
DECEMBER 1984	315.5	105.3	\$17,250.00	\$17,932.04	\$682.04
DECEMBER 1985	327.4	109.3	\$17,250.00	\$18,608.40	\$1,358.40
DECEMBER 1986	331.1	110.5	\$17,250.00	\$18,818.70	\$1,568.70
DECEMBER 1987	345.7	115.4	\$17,250.00	\$19,648.52	\$2,398.52
DECEMBER 1988		120.5	\$17,250.00	\$20,516.10	\$3,266.10
DECEMBER 1989		126.1	\$17,250.00	\$21,469.55	\$4,219.55
DECEMBER 1990		131.1	\$17,250.00	\$22,328.33	\$5,078.33
DECEMBER 1991		136.4	\$17,250.00	\$23,221.46	\$5,971.46
DECEMBER 1992		141.8	\$17,250.00	\$24,150.32	\$6,900.32
DECEMBER 1993		147.5	\$17,250.00	\$25,116.33	\$7,866.33
DECEMBER 1994		153.4	\$17,250.00	\$26,120.99	\$8,870.99
DECEMBER 1995		159.6	\$17,250.00	\$27,165.82	\$9,915.82
DECEMBER 1996		165.9	\$17,250.00	\$28,252.46	\$11,002.46
DECEMBER 1997		173.0	\$17,250.00	\$29,453.19	\$12,203.19
DECEMBER 1998		180.3	\$17,250.00	\$30,704.95	\$13,454.95
DECEMBER 1999		188.0	\$17,250.00	\$32,009.91	\$14,759.91
DECEMBER 2000		196.0	\$17,250.00	\$33,370.33	\$16,120.33
DECEMBER 2001		204.3	\$17,250.00	\$34,788.57	\$17,538.57

## STATEMENTS OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

### 1. Contributions of Other Professionals

- Information furnished by others in the report, while believed to be reliable, is in no sense guaranteed by the appraisers.
- The appraiser assumes no responsibility for legal matters.
- All information furnished regarding property for sale or rent, financing, or projections of income and expenses is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.
- All direct and indirect information supplied by the client, agents of the client, or the lawyer of the client concerning the subject property is assumed to be true and accurate but may be modified by the appraiser as appropriate to the definition of value or purpose of the appraisal consistent with other standards specified herein.

### 2. Facts and Forecasts Under Conditions of Uncertainty

- The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.
- Forecasts of the effective demand for space are based upon the best available data concerning the market, but are projected under conditions of uncertainty.
- Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.
- Since the projected mathematical models are based on estimates and assumptions, which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.

STATEMENTS OF ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

- Sketches in the report are included to assist the reader in visualizing the property. These drawings are for illustrative purposes only and do not represent an actual survey of the property.
- In this appraisal assignment, the existence of potentially hazardous material introduced on site or in proximity to the site as a result of nearby existing or former uses in the neighborhood, or the existence of toxic waste or other building materials such as asbestos, formaldehyde insulation, radon, or other materials incorporated in property improvements must be disclosed by the owner to the appraiser. The appraiser is not qualified to detect such substances nor is he obliged to do so. Nevertheless, the existence of potentially hazardous material found on the subject property or in proximity to the site may have an adverse effect on the value and market price of the property. The property owner or those relying on this appraisal are urged to retain, at their discretion, an expert in this field of hazardous materials.

3. Controls on Use of Appraisal

- Values for various components of the subject parcel as contained within the report are valid only when making a summation and are not to be used independently for any purpose and must be considered invalid if so used.
- Possession of the report or any copy thereof does not carry with it the right of publication nor may the same be used for any other purpose by anyone without the previous written consent of the appraiser or the applicant and, in any event, only in its entirety.
- Neither all nor any part of the contents of the report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly regarding the valuation conclusions and the identity of the appraiser, of the firm with which he is connected, or any of his associates.
- The report shall not be used in the client's reports or financial statements or in any documents filed with any governmental agency, unless: (1) prior to making any such reference in any report or statement or any document filed with the Securities and Exchange Commission or other governmental agency, the appraiser is allowed to review the text of such reference to determine the accuracy and

STATEMENTS OF ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

adequacy of such reference to the appraisal report prepared by the appraiser; (2) in the appraiser's opinion the proposed reference is not untrue or misleading in light of the circumstances under which it is made; and (3) written permission has been obtained by the client from the appraiser for these uses.

- The appraiser shall not be required to give testimony or to attend any governmental hearing regarding the subject matter of this appraisal without agreement as to additional compensation and without sufficient notice to allow adequate preparation.

Contents of this appraisal report are governed by the By-Laws and Regulations of the American Institute of Real Estate Appraisers.

CERTIFICATION OF VALUE

We hereby certify that we have no interest, present or contemplated, in the property and that neither the employment to make the appraisal nor the compensation is contingent on the value of the property. We certify that we have personally inspected the property on October 18, 1990, and that according to our knowledge and belief, all statements and information in the report are true and correct, subject to the underlying assumptions and limiting conditions.

Based on the information and subject to the limiting conditions contained in this report and assuming cash to the seller and stabilized occupancy in 1994, it is our opinion that the Market Value as defined herein, of the leased fee title of the subject property located at One South Park Street, Madison, Wisconsin, as of January 1, 1991, is:

FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS

(\$4,800,000)

assuming cash to the seller and stabilized occupancy as of 1994.

*Jean B. Davis*

Jean B. Davis, President  
Appraiser/Analyst

*November 21, 1990*

Date

**JEAN B. DAVIS**

**EDUCATION**

Master of Science - Real Estate Appraisal and Investment Analysis  
University of Wisconsin

Master of Arts - Elementary Education - Stanford University

Bachelor of Arts - Stanford University (with distinction)

Additional graduate and undergraduate work  
Columbia Teachers College and the University of Wisconsin.

**PROFESSIONAL EDUCATION**

Society of Real Estate Appraisers

Appraising Real Property Course 101

Principles of Income Property Appraising Course 201

American Institute of Real Estate Appraisers

Residential Valuation (Formerly Course VIII)

**PROFESSIONAL DESIGNATIONS**

MAI (Candidate) - American Institute of Real Estate Appraisers

SRPA (Candidate) - Society of Real Estate Appraisers

**PROFESSIONAL AFFILIATIONS**

Wisconsin Association of Homes and Services for the Aging, Inc.

National Association of Senior Living Industries

**PROFESSIONAL EXPERIENCE**

Trained in appraisal and investment analysis under the guidance of the late James A. Graaskamp, Ms. Davis is President of Landmark Research, Inc., and specializes in market and survey research to estimate effective demand for elderly housing, residential development, and for office and retail projects. She also emphasizes the appraisal of major income properties, rehabilitated older commercial properties, and residential properties.

Her experience includes tax assessment as the former assessor in the Village of Maple Bluff, which is adjacent to Madison, Wisconsin, and as a representative of property owners appealing assessed valuations in other jurisdictions.

