

Alexander Wang Executive Summary

Prepared By: BLACK

		Year 1		Year 2																		
Remaining Obligation To Lease Expiration 3/31/2020																						
From		Aug-18		Aug-19																		
To		Jul-19		Mar-20																		
1 Remaining Obligation As Per The Lease																						
Base Rental Costs	\$	1,566,320	\$	1,064,891	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,631,211	\$	1,578,726	\$	2,490,628	\$	1,574,424
Escalations *	\$	147,272	\$	103,289	\$	-	\$	-	\$	-	\$	-	\$	-	\$	250,561	\$	150,337	\$	237,104	\$	149,883
Capital Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Transaction Cost	\$	1,713,592	\$	1,168,179	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,881,772	\$	1,729,063	\$	2,727,732	\$	1,724,307
Annualized Cost PSF	\$	38.08	\$	38.94	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2 Remaining Obligation + Trash & Security & Personnel Costs																						
Base Rental Costs	\$	1,566,320	\$	1,064,891	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,631,211	\$	1,578,726	\$	2,490,628	\$	1,574,424
Escalations *	\$	633,074	\$	436,872	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,069,946	\$	641,968	\$	1,012,638	\$	640,128
Capital Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Transaction Cost	\$	2,334,394	\$	1,594,463	\$	-	\$	-	\$	-	\$	-	\$	-	\$	3,928,857	\$	2,357,314	\$	3,718,780	\$	2,350,788
Annualized Cost PSF	\$	51.88	\$	53.15	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Remaining Obligation To Termination 6/30/2019																						
From		Aug-18																				
To		Jun-19																				
3 Remaining Obligation To Termination 6/30/19																						
Base Rental Costs	\$	1,433,209	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,433,209	\$	1,568,253	\$	1,378,085	\$	1,565,623
Escalations *	\$	134,361	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	134,361	\$	147,022	\$	129,194	\$	146,775
Termination Costs	\$	515,538	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	515,538	\$	564,115	\$	495,710	\$	563,169
Transaction Cost	\$	2,083,108	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,083,108	\$	2,279,389	\$	2,002,988	\$	2,275,567
Cost PSF	\$	46.29	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

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* Escalations include any real estate taxes, operating expenses, fixed annual increases and miscellaneous non-rental recurring expenses.

General Assumptions			Rental Assumptions				Real Estate Tax & Operating Expenses				Notes	
Analysis Start Date:	8/1/18							Real Estate Taxes: (1)	Base Amount:	\$3.57 p.s.f.	Blended	1) RE Taxes are calculated as per the Department of Finance. The base amount varies by floor as per the lease schedule and has been blended. 2) RSF is estimated to be 45,000 sf. 3) Water & Sprinkler is \$400 per floor (6) per month. Termination 4) Tenant can terminate anytime during the lease term with 90 days prior notice to the landlord during the "relevant period" and payment of the following: 4a) First year termination penalty is 6 months of Fixed Rent (\$775,406) plus Tenant's share of RE Tax and Water and Sprinkler Fees. 4b) Second year termination penalty is 3 months of Fixed Rent (\$399,334) plus Tenant's share of RE Tax and Water and Sprinkler Fees.
Analysis End Date:	3/31/20							Current Amount:	\$6.19 p.s.f.	2018/2019		
Analysis Period (years):	1.67											
Lease Commencement:	4/1/18											
Lease Expiration:	3/31/20											
Lease Period (years):	2.00											
Rentable Square Feet: (2)	45,000		Period Start	Period End	Base Rent	Duration						
Discount Rate:	4.00%		4/1/2018	3/31/2019	\$34.46 p.s.f.	1.00 year(s)						
Growth Rate:	3.00%		4/1/2019	3/31/2020	\$35.50 p.s.f.	1.00 year(s)						
Summary			Recurring Additional Costs									
	Total	P.S.F.					Electricity: (Direct)					
Total Obligation:	\$2,881,772	\$64.04					Trash & Security:					\$0.00 p.s.f.
Average Annual:	\$1,729,063	\$38.42					Personnel Costs:					\$0.00 p.s.f.
NPV:	\$2,727,732	\$60.62					Water & Sprinkler: (3)					\$0.64 p.s.f.
Annuity:	\$1,724,307											
Net Effective (p.s.f.):	\$38.32											

From To	Year 1 Aug-18 Jul-19	Year 2 Aug-19 Mar-20											Total
Lease Costs													
Base Rent:	\$34.81	\$23.66	-	-	-	-	-	-	-	-	-	-	\$2,631,211
Real Estate Taxes:	\$2.63	\$1.87	-	-	-	-	-	-	-	-	-	-	\$202,561
Total Lease Costs PSF	\$37.44	\$25.53	-	-	-	-	-	-	-	-	-	-	\$62.97
Total Lease Costs	\$1,684,792	\$1,148,979	-	-	-	-	-	-	-	-	-	-	\$2,833,772
Additional Costs													
Electricity:	-	-	-	-	-	-	-	-	-	-	-	-	-
Trash & Security:	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel Costs:	-	-	-	-	-	-	-	-	-	-	-	-	-
Water & Sprinkler:	\$0.64	\$0.43	-	-	-	-	-	-	-	-	-	-	\$48,000
Total Additional Costs PSF	\$0.64	\$0.43	-	-	-	-	-	-	-	-	-	-	\$1.07
Total Additional Costs	\$28,800	\$19,200	-	-	-	-	-	-	-	-	-	-	\$48,000
Total Obligation													
Total Annualized Cost PSF	-	\$38.94	-	-	-	-	-	-	-	-	-	-	\$64.04
Total Cost PSF	\$38.08	\$25.96	-	-	-	-	-	-	-	-	-	-	\$64.04
Total Cost	\$1,713,592	\$1,168,179	-	-	-	-	-	-	-	-	-	-	\$2,881,772

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General Assumptions			Rental Assumptions				Real Estate Tax & Operating Expenses				Notes	
Analysis Start Date:	8/1/18							Real Estate Taxes: (1)	Base Amount:	\$3.57 p.s.f.	Blended	1) RE Taxes are calculated as per the Department of Finance. The base amount varies by floor as per the lease schedule and has been blended. 2) RSF is estimated to be 45,000 sf. 3) Trash & Security and Personnel Costs have been provided by Alexander Wang for 2017. They are assumed to grow by by 3% beginning 4/1/18. 4) Water & Sprinkler is \$400 per floor (6) per month. 5) Tenant can terminate anytime during the lease term with 90 days prior notice to the landlord during the "relevant period" and payment of the following: 5a) First year termination penalty is 6 months of Fixed Rent (\$775,406) plus Tenant's share of RE Tax and Water and Sprinkler Fees. 5b) Second year termination penalty is 3 months of Fixed Rent (\$399,334) plus Tenant's share of RE Tax and Water and Sprinkler Fees.
Analysis End Date:	3/31/20							Current Amount:	\$6.19 p.s.f.	2018/2019		
Analysis Period (years):	1.67											
Lease Commencement:	4/1/18											
Lease Expiration:	3/31/20											
Lease Period (years):	2.00											
Rentable Square Feet: (2)	45,000											
Discount Rate:	4.00%											
Growth Rate:	3.00%											
Summary			Recurring Additional Costs									
	Total	P.S.F.										
Total Obligation:	\$3,928,857	\$87.31	Electricity: (Direct, est.)			\$3.00 p.s.f.						
Average Annual:	\$2,357,314	\$52.38	Trash & Security: (3)			\$2.14 p.s.f.						
NPV:	\$3,718,780	\$82.64	Personnel Costs: (3)			\$8.66 p.s.f.						
Annuity:	\$2,350,788		Water & Sprinkler: (4)			\$0.64 p.s.f.						
Net Effective (p.s.f.):	\$52.24											

From To	Year 1 Aug-18 Jul-19	Year 2 Aug-19 Mar-20											Total
Lease Costs													
Base Rent:	\$34.81	\$23.66	-	-	-	-	-	-	-	-	-	-	\$2,631,211
Real Estate Taxes:	\$2.63	\$1.87	-	-	-	-	-	-	-	-	-	-	\$202,561
Total Lease Costs PSF	\$37.44	\$25.53	-	-	-	-	-	-	-	-	-	-	\$62.97
Total Lease Costs	\$1,684,792	\$1,148,979	-	-	-	-	-	-	-	-	-	-	\$2,833,772
Additional Costs													
Electricity:	\$3.00	\$2.06	-	-	-	-	-	-	-	-	-	-	\$227,700
Trash & Security:	\$2.14	\$1.47	-	-	-	-	-	-	-	-	-	-	\$162,082
Personnel Costs:	\$8.66	\$5.95	-	-	-	-	-	-	-	-	-	-	\$657,304
Water & Sprinkler:	\$0.64	\$0.43	-	-	-	-	-	-	-	-	-	-	\$48,000
Total Additional Costs PSF	\$14.44	\$9.90	-	-	-	-	-	-	-	-	-	-	\$24.34
Total Additional Costs	\$649,602	\$445,484	-	-	-	-	-	-	-	-	-	-	\$1,095,085
Total Obligation													
Total Annualized Cost PSF	-	\$53.15	-	-	-	-	-	-	-	-	-	-	\$87.31
Total Cost PSF	\$51.88	\$35.43	-	-	-	-	-	-	-	-	-	-	\$87.31
Total Cost	\$2,334,394	\$1,594,463	-	-	-	-	-	-	-	-	-	-	\$3,928,857

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General Assumptions			Rental Assumptions				Real Estate Tax & Operating Expenses				Notes															
Analysis Start Date:	8/1/18		<table border="1"> <thead> <tr> <th>Period Start</th> <th>Period End</th> <th>Base Rent</th> <th>Duration</th> </tr> </thead> <tbody> <tr> <td>4/1/2018</td> <td>3/31/2019</td> <td>\$34.46 p.s.f.</td> <td>1.00 year(s)</td> </tr> <tr> <td>4/1/2019</td> <td>3/31/2020</td> <td>\$35.50 p.s.f.</td> <td>1.00 year(s)</td> </tr> </tbody> </table>				Period Start	Period End	Base Rent	Duration	4/1/2018	3/31/2019	\$34.46 p.s.f.	1.00 year(s)	4/1/2019	3/31/2020	\$35.50 p.s.f.	1.00 year(s)	Real Estate Taxes: (1)		Base Amount:	\$3.57 p.s.f.	Blended	2018/2019		<p>1) RE Taxes are calculated as per the Department of Finance. The base amount varies by floor as per the lease schedule and has been blended.</p> <p>2) RSF is estimated to be 45,000 sf.</p> <p>3) Water & Sprinkler is \$400 per floor (6) per month.</p> <p>Termination It is assumed that Alexander Wang moves to terminate the lease on the first day (4/1/19) of the second period of the lease, providing the stated 90 days notice. This will allow Alexander Wang to terminate the lease 6/30/2019 at the earliest, incurring a penalty of the equivalent of 3 months of rent (\$399,339), and unpaid RE Tax (\$94,599) and Water & Sprinkler (\$21,600) for the remainder of the term.</p>
Period Start	Period End	Base Rent					Duration																			
4/1/2018	3/31/2019	\$34.46 p.s.f.					1.00 year(s)																			
4/1/2019	3/31/2020	\$35.50 p.s.f.					1.00 year(s)																			
Analysis End Date:	6/30/19						Current Amount:	\$6.19 p.s.f.																		
Analysis Period (years):	0.91		Base Rent Penalty:		\$8.87 p.s.f.																					
Lease Commencement:	4/1/18		Unpaid RE Tax:		\$2.10 p.s.f.																					
Lease Expiration:	6/30/19		Unpaid Water & Sprinkler:		\$0.48 p.s.f.																					
Lease Period (years):	1.25																									
Rentable Square Feet: (2)	45,000																									
Discount Rate:	4.00%																									
Growth Rate:	3.00%																									
Summary			Recurring Additional Costs				Termination Costs																			
	Total	P.S.F.	Electricity: (Direct)				Base Rent Penalty:																			
Total Obligation:	\$2,083,108	\$46.29	\$0.00 p.s.f.				\$8.87 p.s.f.																			
Average Annual:	\$2,279,389	\$50.65	Trash & Security:				Unpaid RE Tax:																			
			\$0.00 p.s.f.				\$2.10 p.s.f.																			
NPV:	\$2,002,988	\$44.51	Personnel Costs:				Unpaid Water & Sprinkler:																			
Annuity:	\$2,275,567		\$0.00 p.s.f.				\$0.48 p.s.f.																			
Net Effective (p.s.f.):	\$50.57		Water & Sprinkler: (3)																							
			\$0.64 p.s.f.																							

		Year 1											Total	
From		Aug-18												
To		Jun-19												
Lease Costs														
Base Rent:	\$31.85	-	-	-	-	-	-	-	-	-	-	-	-	\$1,433,209
Real Estate Taxes:	\$2.40	-	-	-	-	-	-	-	-	-	-	-	-	\$107,961
Total Lease Costs PSF	\$34.25	-	-	-	-	-	-	-	-	-	-	-	-	\$34.25
Total Lease Costs	\$1,541,170	-	-	-	-	-	-	-	-	-	-	-	-	\$1,541,170
Additional Costs														
Electricity:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trash & Security:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel Costs:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water & Sprinkler:	\$0.59	-	-	-	-	-	-	-	-	-	-	-	-	\$26,400
Total Additional Costs PSF	\$0.59	-	-	-	-	-	-	-	-	-	-	-	-	\$0.59
Total Additional Costs	\$26,400	-	-	-	-	-	-	-	-	-	-	-	-	\$26,400
Total Lease Obligation Costs PSF	\$34.83	-	-	-	-	-	-	-	-	-	-	-	-	\$34.83
Total Lease Obligation Costs	\$1,567,570	-	-	-	-	-	-	-	-	-	-	-	-	\$1,567,570
Termination Costs - Payable By 6/30/2019														
Base Rent Penalty:	\$8.87	-	-	-	-	-	-	-	-	-	-	-	-	\$399,339
Unpaid RE Tax:	\$2.10	-	-	-	-	-	-	-	-	-	-	-	-	\$94,599
Unpaid Water & Sprinkler:	\$0.48	-	-	-	-	-	-	-	-	-	-	-	-	\$21,600
Total Termination Costs PSF	\$11.46	-	-	-	-	-	-	-	-	-	-	-	-	\$11.46
Total Termination Costs	\$515,538	-	-	-	-	-	-	-	-	-	-	-	-	\$515,538
Total Obligation To 6/30/2019 - Lease Costs + Termination Costs														
Total Cost PSF	\$46.29	-	-	-	-	-	-	-	-	-	-	-	-	\$46.29
Total Cost	\$2,083,108	-	-	-	-	-	-	-	-	-	-	-	-	\$2,083,108

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