

**EXHIBIT NO. ___(JLM-3)
DOCKET NO. UE-17___/UG-17___
2017 PSE GENERAL RATE CASE
WITNESS: JOEL L. MOLANDER**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

Docket UE-17___

Docket UG-17___

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

JOEL L. MOLANDER

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 13, 2017

June 5, 2016

George Lertkantitham
Puget Sound Energy
355 110th Ave NE
Bellevue, WA 98004

Dear Mr. Lertkantitham,

In response to our discussions associated with developing a strategy for the South King property, we have crafted the following memorandum which clearly articulates the various strategic real estate options available to Puget Sound Energy.

By exploring each strategic option with detailed financial and operational analysis we believe we have identified all the relevant benefits and detriments associated with each potential strategy. Furthermore, we have coordinated the relevant local CBRE Brokerage and TCC Development personnel in an effort to obtain the most accurate possible market and construction cost data for our financial models. In our opinion, this analysis should provide PSE with a solid basis for decision making based on our current understanding of the PSE real estate assets in play and the current realities of the Puget Sound real estate market.

If there are any questions or if you would like to have any further discussion, we would be happy to discuss anytime.

Best Regards,

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UNDERSTANDING OF THE PROPERTY

South King Complex (SKC) has been in use as a utility facility since 1976, initially as an AT&T (Western Electric) regional warehouse. AT&T sold the property to Ranch Associates in 1994 and Puget Sound Energy (PSE) has been leasing from Ranch Associates since that year. SKC is tailored to utility use by nature of its original design and owner/operator, and efficiently provides critical support for PSE's operations based on its commercial accessibility, layout and central proximity to PSE's service territory.

A wide variety of functions take place at this location, including storage, office, fleet, warehouse, gas / electric meters inventory management, waste handling, and training. In addition to its unique design characteristics, analysis performed by CBRE as part of PSE's Corporate Facilities Master Plan process indicates the SKC central location aligns with employee commute shed data and, if expanded, would enable reduced employee commute times, reduce regional traffic congestion and improve operational efficiencies aligned with PSE's employee dispersion and mobility objectives.

PSE has also commissioned a Facility Condition Assessment (FCA) to better quantify and determine its future improvements or relocation planning efforts in connection with SKC. According to the FCA report, SKC may require approximately \$15M to \$45M, in 2016 dollars, in future investments to all building systems as well as various building envelope and other condition-based improvements to maintain sufficient operational functionality. A detailed annual budget of these expenses is outlined in the Major Assumptions and Inputs section of the memorandum.

CURRENT SKC OPPORTUNITY AND RISK

SKC was last available for purchase in 1994. Review of PSE's lease agreement and recent communication chronology with the owner, Ranch Associates (see **Appendix A – Ranch Associates Communication Chronology**), indicates the following:

- In 2015, Ranch Associates received an offer from the adjoining investor and owner, Prologis (a warehouse developer), to purchase the property for \$28M.
- While PSE does not have a purchase option in connection with its current lease agreement, Ranch Associates then indicated its willingness to sell SKC to PSE instead of Prologis for the price of \$30M. (This willingness is neither memorialized nor a certainty in connection with future third party interest in the property.)
- The Prologis \$28M offer was rejected by Ranch Associates and not countered by Prologis.
- Ranch Associates has expressed its intent to sell the property if and when a third party is willing to pay \$30M. Conversations with Ranch Associates indicate that the \$30M price for SKC is firm and not negotiable.

The facility located at SKC contains approximately 277,000 square feet, or 25% of the usable land. Had the property been sold to Prologis last year, CBRE believes PSE's potential to secure future lease extensions would be at risk due to the potential densification of the property by a future landowner. Such densification – for warehouse or other commercial purposes – would

yield a higher income stream and return on investment than would an extension of PSE’s lease agreement, thereby likely forcing PSE to relocate to an alternate site. Alternatively, future lease agreements, if possible, between PSE, Ranch Associates or an alternate landowner, would be subject to significant price risk based on the property’s next best alternative use as described above and the lack of comparable alternative sites. For these reasons, CBRE does not believe a continued lease alternative at SKC (beyond PSE’s existing lease term) is a probable outcome.

SKC PROPERTY SPECIFICS AND REPLACEMENT COST

The SKC land area is approximately 26.5 acres with about 277,000 square feet of office and warehouse located on the property. AT&T built the facility to its specification in 1976 and its use of the property was very similar to how PSE operates its utility business. As a result of this utility-oriented design, PSE has been able to use many of the improvements built into the original construction. There have been three significant renovation projects since PSE acquired ownership, one of which occurred prior to initial occupancy in October, 1994.

The property is centrally located near major highways and, importantly, is zoned for outside yard equipment storage, thereby eliminating the need for covered facility infrastructure and associated cost. Properties of equal size and amenities near the current location are becoming increasingly scarce and it would be extremely difficult to find a replacement with similar characteristics and zoned for outdoor storage.

CBRE’s evaluation of potential replacement property based on current land availability in the Kent Valley indicates that PSE would pay at a minimum between \$20M and \$25M for raw land of equivalent size, and potentially higher due to the lack of available industrial land with good highway access for large equipment deliveries and proper zoning, according to CBRE Brokerage. Development and construction costs have been estimated by CBRE’s commercial brokerage team (land), Trammel Crow (construction costs), CBRE’s Consulting Group (internal build-out), and PSE’s Corporate Facilities team (utility-specific equipment and overhead). The total estimated cost to replicate the facility ranges between \$80M and \$100M in 2016 dollars (refer to **Appendix B – Replacement Cost Estimate** for a detailed breakdown of all costs). **Table 1** depicts a per square-foot unit cost comparison of purchasing versus replacing SKC.

TABLE 1: Purchase Versus Replacement Cost Comparison					
277,000-sf	Purchase SKC	\$/sf	Replace SKC	\$/sf	
Land and Existing Improvements ¹	\$30.6	\$110.0	\$23.0	\$83.0	
Improvements	\$46.0	\$165.0	\$61.0	\$220.0	
Utility-specific Additions	N/A	\$0.0	\$5.0	\$18.0	
Relocation Expense	N/A	\$0.0	\$5.0	\$18.0	
Total	\$76.6	\$276.0	\$94.0	\$339.0	

¹ Total acquisition cost is \$30.6MM including estimated closing costs and will be allocated between building and land based on the county assessor’s 39/61% split

FINANCIAL ANALYSIS

Within this context, PSE has asked CBRE to conduct a comprehensive analysis including lease versus purchase options, and model their respective financial impacts from a Cash and GAAP perspective. CBRE understands that PSE will conduct its own regulated utility financial analysis based on the outputs of this analysis.

CBRE has modeled a 24-year horizon to incorporate the remaining term of the existing lease and accommodate 10 years of analysis and end-effects quantification post-lease expiration in 2029. Specifically, the following scenarios were included in the analysis:

1. **Purchase SKC at End of Current Lease Extension Period:** Under this scenario, PSE would purchase the property after the lease option expires in 2029, while also investing an additional \$45.6M, in 2016 dollars, in capital improvements over the next 16 years based on FCA recommendations. All capital improvements made between now and 2029 would be depreciated over the remaining term of the lease. The remaining capital improvements will be depreciated over a 35-year schedule.
2. **Purchase SKC in 2016:** Under this scenario, PSE would purchase SKC in 2016 and invest an additional \$45.6M, in 2016 dollars, in capital improvements over the next 16 years based on FCA recommendations. All capital improvements would be depreciated over a 35-year schedule.
3. **Build and Own Alternative Property in 2029:** Under this scenario, PSE would exercise its lease extension rights and relocate SKC functions to a new and owned asset in 2029, while also investing an additional \$40.6M, in 2016 dollars, in capital improvements over the next 13 years based on FCA recommendations. All capital improvements made between now and 2029 would be depreciated over the remaining term of the lease.
4. **Lease Alternative Property in 2029:** PSE would exercise its lease extension rights and relocate SKC functions to a new and leased asset in 2029, while also investing an additional \$40.6M, in 2016 dollars, in capital improvements over the next 13 years based on FCA recommendations. All capital improvements made between now and 2029 would be depreciated over the remaining term of the lease.
5. **Build and Own Alternative Property in 2019:** Under this scenario, PSE would not exercise its lease extension rights in 2019 and would instead relocate SKC functions to a new and owned asset in 2019. Land acquisition would occur in 2016. Design and construction would begin in 2017 to support relocation in 2019.

MAJOR INPUTS AND ASSUMPTIONS

- A “book-end” approach is used for purchase price escalation and sensitivity analysis. The purchase price of the existing and alternative sites is escalated using today’s estimated values and modeled to increase annually at 6.01% and 0.5%, respectively. The 6.01% rate is the actual SKC annual escalation rate since 2001 to arrive at its current estimated market value. The 0.5% rate is intended to reflect a more conservative property price escalation for sensitivity purposes.

- Additionally, the property valuations for the purpose of quantifying end-effects for the existing and alternative sites are continually escalated annually at 6.01% and 0.5%.
- The current purchase price of the existing building is modeled at \$30M, which has been verbally communicated to PSE by Ranch Associates and validated as market representative by CBRE.
- Current SKC ownership is assumed to be willing to sell to PSE when and as modeled under Scenarios 1 and 2.
- The SKC property is assumed to have sold to a third party at Ranch Associates' asking price between now and lease expiration under scenarios 3 and 4.
- The analysis does not quantify the risk of macroeconomic forces that may impact the estimates used in this model.
- Costs provided by the FCA are represented in 2016 dollars and all future cash outflows have been compounded annually by 3% to estimate future values.
- The planned capital costs of \$45.6M, in 2016 dollars, have been provided by Puget Sound Energy based on the Facilities Condition Assessment. Capital improvements are scheduled to be incurred at the SKC site over sixteen (16) years based on asset condition, performance and risk. The scheduled outflows of cash are based on estimated observed deficiencies and predicted renewals which are (2016: \$0.08M, 2017: \$4.9M, 2018: \$7.2M, 2019: \$0.7M, 2020: \$0.03M, 2021: \$7.3M, 2022: \$2.2M, 2024: \$6.8M, 2025: \$0.01M, 2026: \$8.0M, 2027: \$1.7M, 2028: \$1.6M, 2030: \$2.9M, 2031: \$2.1M). For scenarios 3 and 4, planned capital costs exclude years 2030 and 2031.

PURCHASE PRICE AND END-EFFECTS

In order to compare lease versus own scenarios, all owned buildings are hypothetically "sold" at the end of the analysis period so that all equity associated with the purchase of the building is accurately compared against a lease scenario where PSE would maintain no equity in the building.

The results of the analysis are depicted in the exhibits on the following page and further detailed in **Appendix C – Financial Analysis**. The dark colored column represents the financial impacts of each scenario if the residual value of the building under analysis grows at the historic rate of 6.01% (aggressive) year over year. The lighter colored column represents the financial impacts of each scenario if the value of the building under analysis grows at 0.5% (conservative) year-over-year. **Exhibit 1** displays the total NPV on a cash basis over 24 years while **Exhibit 2** displays the GAAP impact over 24 years.

Exhibit

1

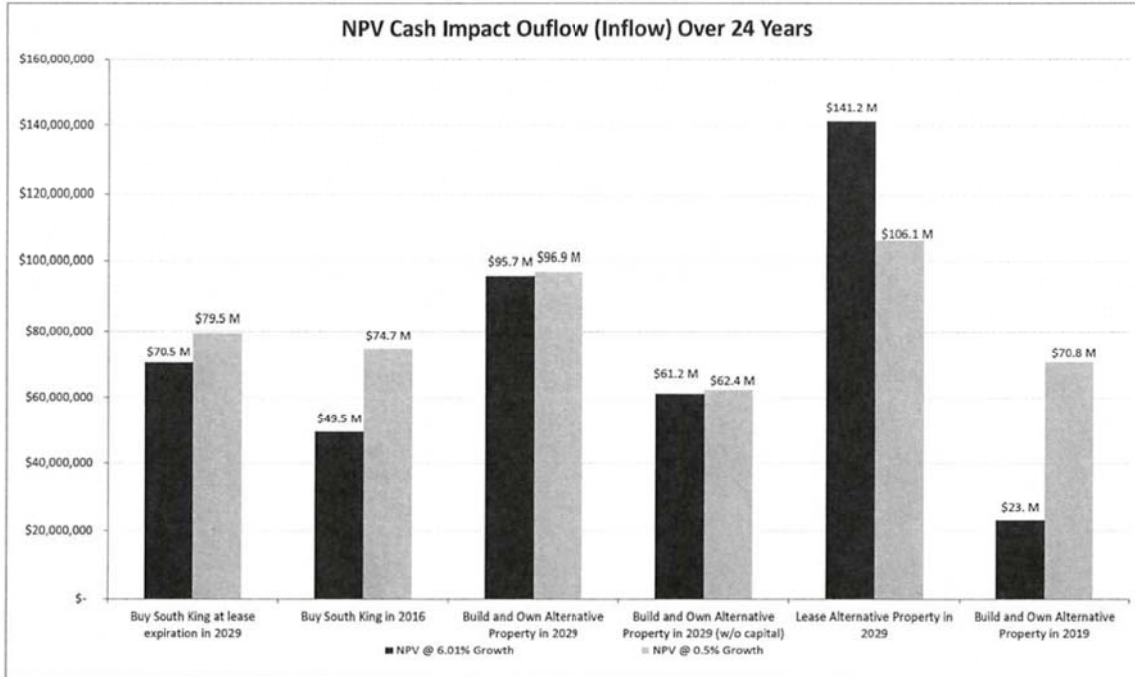
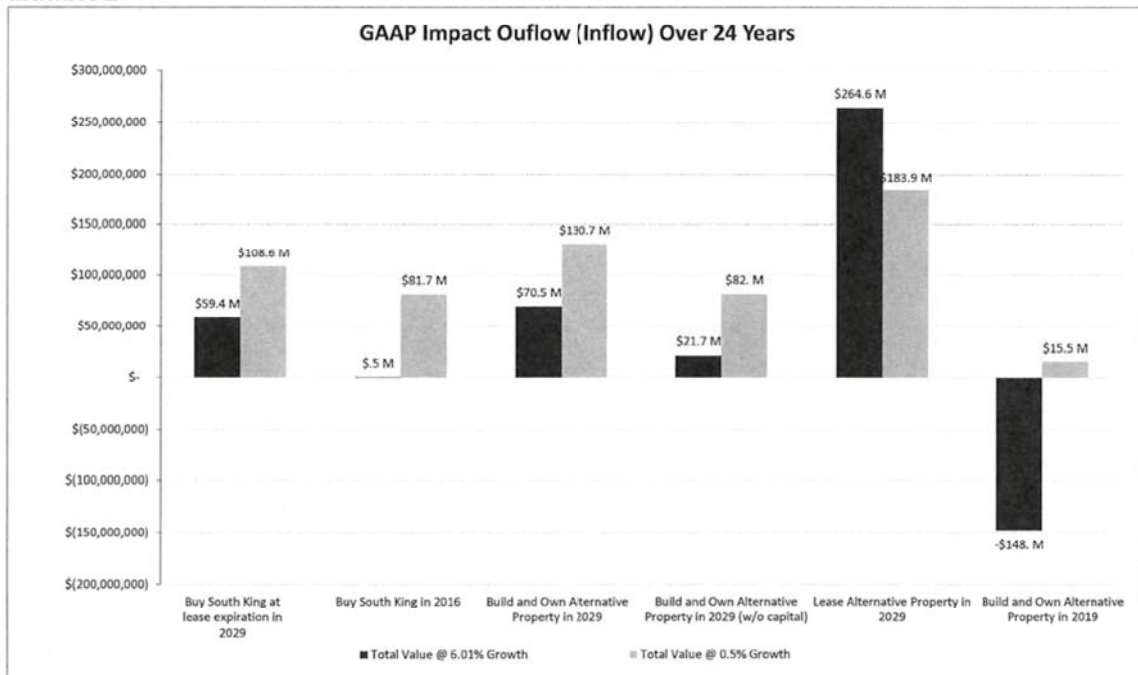


Exhibit 2



RECOMMENDATION

Based on modeled inputs and assumptions, purchasing SKC, or an alternative property, in the near term has the best cash NPV and GAAP benefit in relation to all other scenarios analyzed. If cash constrained in the near-term – holding all else equal – PSE would still benefit from purchasing SKC, or an alternative property, at the end of its current lease assuming the properties are available for purchase under today's terms escalated to future value. From a financial perspective, building and owning an alternative property is the best option. However, there is considerable unquantifiable risk associated with finding and developing an alternative property to SKC. Risks associated with timing, moving, development, zoning, or incurring costs incremental to the planned budget must be taken into account before coming to a decision. However, ownership of SKC or a similar type of asset would enable PSE to:

- Fully control asset condition, performance and risk objectives, and timing of needed investments.
- Depreciate incremental investments over a much longer period (35 years versus 14 or less), creating a lower annual cost to PSE's customers.
- Eliminate asset sale and forced relocation risk at the end of the current lease.
- Eliminate asset price escalation, replacement cost and availability risk at the end of the current lease.

DISCLAIMER

The current financial model uses a variety of inputs gathered from local market brokerage, project management, PSE facilities team, and estimates that are commonly used by CBRE consulting when modeling operational costs associated with real estate assets. The financial results of this model are estimates only, and cannot be guaranteed to reflect actual market conditions and outcomes. CBRE understands that PSE will further evaluate the merits of purchasing versus leasing SKC using its regulated revenue requirement model as part of its decision record, which may or may not align with the recommendation presented herein.

Appendix A – Ranch Associates Communication Chronology

Thursday, July 23, 2015: Larry Hurwitz, Manager Facility Services, and George Lertkantitham, Consulting Real Estate Representative, met with John Pietromonaco, landlord of the South King Complex property to discuss issues with the heating and cooling systems at South King Complex. We met John at his office on Mercer Island at 7900 SE 28th Street, Suite 310, Mercer Island, WA.

During our meeting John mentioned that the owner of the adjacent property, Prologis, had made an offer to purchase South King Complex for \$28MM and that he had countered their offer at \$30MM.

We asked John whether he would be willing to provide PSE with the opportunity to purchase if Prologis accepted his offer of \$30MM. He said he would provide PSE with the opportunity to match within 3 to 5 business days from the time he received an offer from Prologis.

Tuesday, February 2, 2016: George Lertkantitham had a lunch meeting with John Pietromonaco at Lynn's Bistro in downtown Kirkland at 214 Central Way, Kirkland, WA. The subject of discussion was around the South King Complex and whether: 1) had Prologis accepted his counter offer of \$30MM; and 2) was John still looking at the sale price of \$30MM. John responded that Prologis had neither accepted his counter offer nor countered with another offer and that he was still looking at the sale price of \$30MM – firm and non-negotiable.

John was informed that PSE is interested in pursuing the possible purchase of South King Complex but that some time was needed to obtain the necessary approval from PSE's executives in order to proceed and that he would be kept posted.

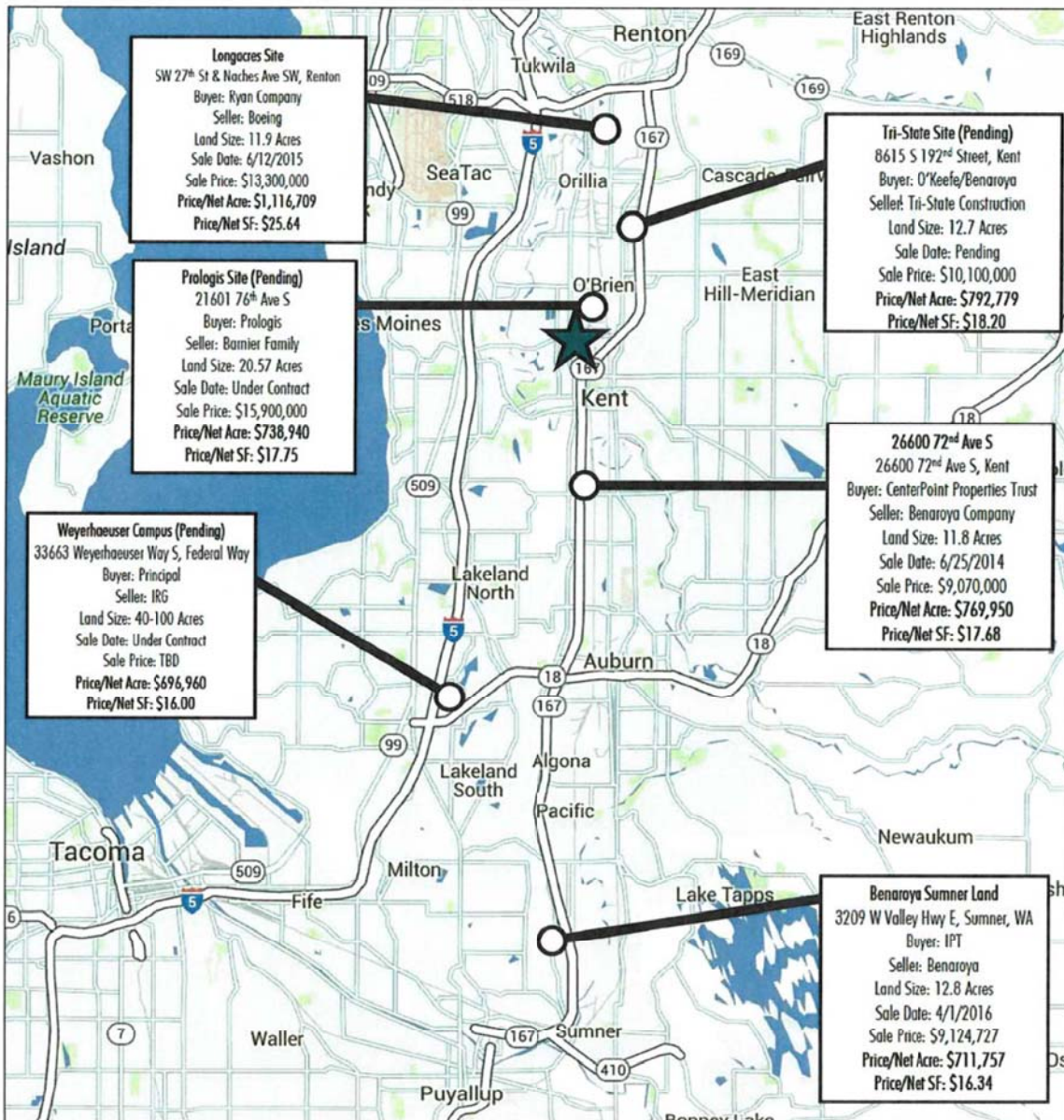
Tuesday, May 17, 2016: George Lertkantitham met with John Pietromonaco at his office on Mercer Island, 7900 SE 28th Street, Suite 310, Mercer Island, WA. John was asked whether Prologis had continued their negotiations with him regarding the possible purchase of South King Complex and he responded that they had not. John was asked whether he is still considering selling South King Complex for \$30MM and he affirmed that he was. John was informed that we still did not have the approval to proceed with the purchase, but that such approval was possible in the near future and that in the meantime PSE would like to submit a Purchase and Sale Agreement for his review. John reviewed the agreement at that time and stated that he did not have any problem with agreement except that he did not want to pay for "Extended Coverage Title Policy" and that he wanted PSE to pay off the loan of about \$55,000 that he had advanced to fund the boiler replacement three years ago.

Appendix B – Replacement Cost Estimate: Total

Replacement Cost Components	Cost Estimate (2016 \$)
• Land Acquisition	\$23,100,000
• Construction (surface and shell)	\$32,271,000
• Internal Build-out	\$21,913,000
• Utility-specific and OH	\$6,574,000
• Total	\$83,858,000

Appendix B – Replacement Cost Estimate: Land Costs

The \$23.1M estimated land price, or \$20.00 PSF, represented in today's dollars, based on an estimated 26.5 acres, was provided by local CBRE Brokerage based on comparable land prices and sales in the Kent Valley. Generally speaking, industrial land values in Kent, WA are continuing to rise. This is driven primarily due to lack of available industrial land, a strong local economy and rising demand for land especially in close proximity areas in King County. Recent land sales comps have been trading around \$17.00 - \$18.00 PSF of land, and due to recent land sales, it is reasonable to assume that sales of land will continue to trend upwards in the near future.



Appendix B – Replacement Cost Estimate: Construction Costs

The construction cost estimates, represented in today’s dollars, provided by the Trammell Crow Company, an independently operated subsidiary of CBRE, are consistent with large scale, industrial construction projects of similar size constructed recently in the Puget Sound region. The financial results of this model are estimates only, and cannot be guaranteed to reflect actual market conditions, construction costs, materials costs, and overhead costs.

Replicating Existing Program			
		SF	Cost/SF
Building Size		285,665	\$ 28.00
Office Size		90,000	\$ 60.00
Mezzanine SF		45,000	\$ 40.00
	Total	Per Bldg RSF	Acres
Site Work	\$ 5,483,000	\$ 4.75	26.5
Warehouse	\$ 7,999,000	\$ 28.00	
Office TI	\$ 5,400,000	\$ 18.90	
Mezzanine	\$ 1,800,000	\$ 6.30	
Arch, Eng & Other Consultants	\$ 428,000	\$ 1.50	
Legal, Insurance and Taxes	\$ 428,000	\$ 1.50	
Permits Testing/Inspection, Fees, Bonds	\$ 857,000	\$ 3.00	
Development Fee	\$ 571,000	\$ 2.00	
Finance Fees	\$ 286,000	\$ 1.00	
Interest/Loss Breakeven	\$ 714,000	\$ 2.50	
Contingency	\$ 857,000	\$ 3.00	
Total	\$ 24,823,000	\$ 72.45	
Total (w/Overhead)	\$ 32,271,000		
Other Costs			
Moving	Not included		
FFE	Not included		

Assumptions: Class A Speculative Warehouse with finishes consistent with market standards.

Appendix B – Replacement Cost Estimate: Build-out Costs

The build out cost estimates, provided by CBRE Consulting, represented in today's dollars, were estimated based on similar build-outs performed by PSE. These estimates have been vetted and approved by the PSE facilities team. The financial results of this model are estimates only, and cannot be guaranteed to reflect actual market conditions, construction costs, materials costs, and overhead costs.

Replicating Existing Program			
		SF	Cost/SF
Building Size		285,665	\$ 28.00
Office Size		90,000	\$ 60.00
Mezzanine SF		45,000	\$ 40.00
	Total	Per Bldg RSF	Acres
CBRE Inputs			
Office TI's	\$ 9,000,000	\$ 100.00	
Office FF&E	\$ 2,700,000	\$ 30.00	
Office IT	\$ 1,800,000	\$ 20.00	
Mezzanine TI's	\$ 3,600,000	\$ 80.00	
Mezzanine FF&E	\$ 1,080,000	\$ 24.00	
Mezzanine IT	\$ 720,000	\$ 16.00	
Warehouse TI's	\$ 3,013,000	\$ 20.00	
Total	\$ 21,913,000	\$ 290.00	

Appendix C - Cash Flow Detail with Growth at 0.5%



South King Options



Cash Flow	2016	2017	2018	2019	2020	2021	2022
Buy South King at Lease Expiration							
Existing Lease - Rent Expense	(\$1,541,038)	(\$1,541,038)	(\$1,541,038)	(\$290,229)	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$1,613,064)	(\$1,970,505)	(\$1,970,505)	(\$1,970,505)
Purchase Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$501,060)	(\$511,636)	(\$514,483)	(\$517,400)
Build Out Cost Refresh Space	(\$83,700)	(\$5,098,215)	(\$7,597,579)	(\$767,411)	(\$29,076)	(\$8,491,619)	(\$2,662,554)
Build Out Cost Vacant Office	(\$5,929,187)	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	(\$213,777)	(\$220,190)	(\$226,795)	(\$233,599)	(\$240,607)	(\$247,826)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$8,002,188)	(\$7,303,871)	(\$9,812,292)	(\$3,398,560)	(\$2,744,817)	(\$11,217,214)	(\$5,398,284)
Buy South King Now							
Existing Lease - Rent Expense	(\$1,155,779)	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Site	(\$30,000,000)	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$501,060)	(\$511,636)	(\$514,483)	(\$517,400)
Build Out Cost Refresh Space	(\$83,700)	(\$5,098,215)	(\$7,597,579)	(\$767,411)	(\$29,076)	(\$8,491,619)	(\$2,662,554)
Build Out Cost Vacant Office	(\$5,929,187)	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	(\$213,777)	(\$220,190)	(\$226,795)	(\$233,599)	(\$240,607)	(\$247,826)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$37,616,929)	(\$5,762,833)	(\$8,271,254)	(\$1,495,267)	(\$774,312)	(\$9,246,709)	(\$3,427,779)
Build and Own Alternative Property in 2029							
Existing Lease - Rent Expense	(\$1,541,038)	(\$1,541,038)	(\$1,541,038)	(\$290,229)	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$1,613,064)	(\$1,970,505)	(\$1,970,505)	(\$1,970,505)
Existing Lease - Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$501,060)	(\$511,636)	(\$514,483)	(\$517,400)
Build Out Cost Refresh Space	(\$83,700)	(\$5,098,215)	(\$7,597,579)	(\$767,411)	(\$29,076)	(\$8,491,619)	(\$2,662,554)
Build Out Cost Vacant Office	(\$5,929,187)	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	(\$213,777)	(\$220,190)	(\$226,795)	(\$233,599)	(\$240,607)	(\$247,826)
Purchase and Build Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owned Site - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$8,002,188)	(\$7,303,871)	(\$9,812,292)	(\$3,398,560)	(\$2,744,817)	(\$11,217,214)	(\$5,398,284)
Lease Alternative Property in 2029							
Existing Lease - Rent Expense	(\$1,541,038)	(\$1,541,038)	(\$1,541,038)	(\$290,229)	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$1,613,064)	(\$1,970,505)	(\$1,970,505)	(\$1,970,505)
Existing Lease - Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$501,060)	(\$511,636)	(\$514,483)	(\$517,400)
Build Out Cost Refresh Space	(\$83,700)	(\$5,098,215)	(\$7,597,579)	(\$767,411)	(\$29,076)	(\$8,491,619)	(\$2,662,554)
Build Out Cost Vacant Office	(\$5,929,187)	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	(\$213,777)	(\$220,190)	(\$226,795)	(\$233,599)	(\$240,607)	(\$247,826)
New Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Free Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - TI Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - TI Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$8,002,188)	(\$7,303,871)	(\$9,812,292)	(\$3,398,560)	(\$2,744,817)	(\$11,217,214)	(\$5,398,284)
Build and Own Alternative Property in 2019							
Existing Lease - Rent Expense	(\$1,541,038)	(\$1,541,038)	(\$1,541,038)	(\$290,229)	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$83,510)	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Purchase	(\$23,086,800)	\$0	\$0	\$0	\$0	\$0	\$0
Purchase and Build Site	\$0	(\$32,432,396)	\$0	\$0	\$0	\$0	\$0
Owned Site - Operating Expenses	\$0	\$0	\$0	(\$377,175)	(\$463,926)	(\$477,843)	(\$492,179)
Build Out Cost	\$0	\$0	(\$28,772,875)	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	(\$5,000,000)	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$25,076,101)	(\$34,424,276)	(\$30,767,398)	(\$5,750,914)	(\$463,926)	(\$477,843)	(\$492,179)

Appendix C - Cash Flow Detail with Growth at 0.5%



South King Options



Cash Flow	2023	2024	2025	2026	2027	2028	2029
Buy South King at Lease Expiration							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	(\$1,970,505)	(\$2,205,661)	(\$2,237,037)	(\$2,237,037)	(\$2,237,037)	(\$2,237,037)	(\$416,988)
Purchase Site	\$0	\$0	\$0	\$0	\$0	\$0	(\$32,009,586)
Operating Expenses	(\$520,391)	(\$575,168)	(\$584,415)	(\$587,636)	(\$590,936)	(\$594,319)	(\$657,016)
Build Out Cost Refresh Space	\$0	(\$8,605,906)	(\$13,019)	(\$10,740,371)	(\$2,371,683)	(\$2,289,706)	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	(\$255,260)	(\$262,918)	(\$270,806)	(\$278,930)	(\$287,298)	(\$295,917)	(\$304,794)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$2,746,156)	(\$11,649,654)	(\$3,105,277)	(\$13,843,974)	(\$5,486,953)	(\$5,416,979)	(\$33,388,384)
Buy South King Now							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$520,391)	(\$575,168)	(\$584,415)	(\$587,636)	(\$590,936)	(\$594,319)	(\$657,016)
Build Out Cost Refresh Space	\$0	(\$8,605,906)	(\$13,019)	(\$10,740,371)	(\$2,371,683)	(\$2,289,706)	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	(\$255,260)	(\$262,918)	(\$270,806)	(\$278,930)	(\$287,298)	(\$295,917)	(\$304,794)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$775,651)	(\$9,443,993)	(\$868,240)	(\$11,606,937)	(\$3,249,916)	(\$3,179,942)	(\$961,810)
Build and Own Alternative Property in 2029							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	(\$1,970,505)	(\$2,205,661)	(\$2,237,037)	(\$2,237,037)	(\$2,237,037)	(\$2,237,037)	(\$416,988)
Existing Lease - Operating Expenses	(\$520,391)	(\$575,168)	(\$584,415)	(\$587,636)	(\$590,936)	(\$594,319)	(\$109,503)
Build Out Cost Refresh Space	\$0	(\$8,605,906)	(\$13,019)	(\$10,740,371)	(\$2,371,683)	(\$2,289,706)	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	(\$255,260)	(\$262,918)	(\$270,806)	(\$278,930)	(\$287,298)	(\$295,917)	(\$50,799)
Purchase and Build Site	\$0	\$0	\$0	\$0	\$0	\$0	(\$59,066,052)
Owned Site - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	(\$506,892)
Build Out Cost	\$0	\$0	\$0	\$0	\$0	\$0	(\$30,395,545)
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000,000)
TOTAL PRE-TAX CASH FLOW	(\$2,746,156)	(\$11,649,654)	(\$3,105,277)	(\$13,843,974)	(\$5,486,953)	(\$5,416,979)	(\$95,545,779)
Lease Alternative Property in 2029							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	(\$1,970,505)	(\$2,205,661)	(\$2,237,037)	(\$2,237,037)	(\$2,237,037)	(\$2,237,037)	(\$416,988)
Existing Lease - Operating Expenses	(\$520,391)	(\$575,168)	(\$584,415)	(\$587,636)	(\$590,936)	(\$594,319)	(\$109,503)
Build Out Cost Refresh Space	\$0	(\$8,605,906)	(\$13,019)	(\$10,740,371)	(\$2,371,683)	(\$2,289,706)	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	(\$255,260)	(\$262,918)	(\$270,806)	(\$278,930)	(\$287,298)	(\$295,917)	(\$50,799)
New Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,322,465)
New Lease - Free Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	(\$506,892)
New Lease - TI Cost	\$0	\$0	\$0	\$0	\$0	\$0	(\$30,395,545)
New Lease - TI Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000,000)
TOTAL PRE-TAX CASH FLOW	(\$2,746,156)	(\$11,649,654)	(\$3,105,277)	(\$13,843,974)	(\$5,486,953)	(\$5,416,979)	(\$39,802,193)
Build and Own Alternative Property in 2019							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Purchase	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase and Build Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owned Site - Operating Expenses	(\$506,944)	(\$522,152)	(\$537,817)	(\$553,951)	(\$570,570)	(\$587,687)	(\$605,318)
Build Out Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$506,944)	(\$522,152)	(\$537,817)	(\$553,951)	(\$570,570)	(\$587,687)	(\$605,318)

Appendix C - Cash Flow Detail with Growth at 0.5%



South King Options



Cash Flow	2030	2031	2032	2033	2034	2035	2036
Buy South King at Lease Expiration							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$670,867)	(\$674,511)	(\$678,245)	(\$682,072)	(\$754,263)	(\$770,153)	(\$774,276)
Build Out Cost Refresh Space	(\$4,392,225)	(\$3,262,134)	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	(\$313,938)	(\$323,356)	(\$333,057)	(\$343,049)	(\$353,340)	(\$363,940)	(\$374,858)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$5,377,030)	(\$4,260,002)	(\$1,011,302)	(\$1,025,121)	(\$1,107,603)	(\$1,134,093)	(\$1,149,134)
Buy South King Now							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$670,867)	(\$674,511)	(\$678,245)	(\$682,072)	(\$754,263)	(\$770,153)	(\$774,276)
Build Out Cost Refresh Space	(\$4,392,225)	(\$3,262,134)	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	(\$313,938)	(\$323,356)	(\$333,057)	(\$343,049)	(\$353,340)	(\$363,940)	(\$374,858)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$5,377,030)	(\$4,260,002)	(\$1,011,302)	(\$1,025,121)	(\$1,107,603)	(\$1,134,093)	(\$1,149,134)
Build and Own Alternative Property in 2029							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase and Build Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owned Site - Operating Expenses	(\$623,477)	(\$642,181)	(\$661,447)	(\$681,290)	(\$701,729)	(\$722,781)	(\$744,464)
Build Out Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$623,477)	(\$642,181)	(\$661,447)	(\$681,290)	(\$701,729)	(\$722,781)	(\$744,464)
Lease Alternative Property in 2029							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Rent Expense	(\$4,086,632)	(\$4,209,231)	(\$4,335,508)	(\$4,465,574)	(\$4,599,541)	(\$4,737,527)	(\$4,879,653)
New Lease - Free Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Operating Expenses	(\$623,477)	(\$642,181)	(\$661,447)	(\$681,290)	(\$701,729)	(\$722,781)	(\$744,464)
New Lease - TI Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - TI Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$4,710,110)	(\$4,851,413)	(\$4,996,955)	(\$5,146,864)	(\$5,301,270)	(\$5,460,308)	(\$5,624,117)
Build and Own Alternative Property in 2019							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Purchase	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase and Build Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owned Site - Operating Expenses	(\$623,477)	(\$642,181)	(\$661,447)	(\$681,290)	(\$701,729)	(\$722,781)	(\$744,464)
Build Out Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$623,477)	(\$642,181)	(\$661,447)	(\$681,290)	(\$701,729)	(\$722,781)	(\$744,464)

Appendix C - Cash Flow Detail with Growth at 0.5%



South King Options



Cash Flow	2037	2038	2039	Total	NPV
Buy South King at Lease Expiration					
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$4,913,343)	(\$4,435,401)
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$21,065,881)	(\$13,821,258)
Purchase Site	\$0	\$0	\$33,646,560	\$1,636,974	(\$5,734,297)
Operating Expenses	(\$778,501)	(\$782,831)	(\$865,955)	(\$14,938,724)	(\$8,060,922)
Build Out Cost Refresh Space	\$0	\$0	\$0	(\$56,405,199)	(\$38,127,145)
Build Out Cost Vacant Office	\$0	\$0	\$0	(\$5,929,187)	(\$5,646,845)
ICON Operating Expenses	(\$386,104)	(\$397,687)	(\$409,618)	(\$6,937,664)	(\$3,638,851)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$1,164,605)	(\$1,180,518)	\$32,370,988	(\$108,553,024)	(\$79,464,719)
Buy South King Now					
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$1,155,779)	(\$1,100,741)
Purchase Site	\$0	\$0	\$33,646,560	\$3,646,560	(\$18,138,710)
Operating Expenses	(\$778,501)	(\$782,831)	(\$865,955)	(\$14,938,724)	(\$8,060,922)
Build Out Cost Refresh Space	\$0	\$0	\$0	(\$56,405,199)	(\$38,127,145)
Build Out Cost Vacant Office	\$0	\$0	\$0	(\$5,929,187)	(\$5,646,845)
ICON Operating Expenses	(\$386,104)	(\$397,687)	(\$409,618)	(\$6,937,664)	(\$3,638,851)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$1,164,605)	(\$1,180,518)	\$32,370,988	(\$81,719,993)	(\$74,713,214)
Build and Own Alternative Property in 2029					
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$4,913,343)	(\$4,435,401)
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$21,065,881)	(\$13,821,258)
Existing Lease - Operating Expenses	\$0	\$0	\$0	(\$6,959,537)	(\$4,917,187)
Build Out Cost Refresh Space	\$0	\$0	\$0	(\$48,750,840)	(\$34,519,988)
Build Out Cost Vacant Office	\$0	\$0	\$0	(\$5,929,187)	(\$5,646,845)
ICON Operating Expenses	\$0	\$0	\$0	(\$3,084,721)	(\$2,123,547)
Purchase and Build Site	\$0	\$0	\$62,086,698	\$3,020,646	(\$10,581,277)
Owned Site - Operating Expenses	(\$766,798)	(\$789,802)	(\$813,496)	(\$7,654,358)	(\$3,010,618)
Build Out Cost	\$0	\$0	\$0	(\$30,395,545)	(\$15,351,816)
Cleaning Costs	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	(\$5,000,000)	(\$2,525,340)
TOTAL PRE-TAX CASH FLOW	(\$766,798)	(\$789,802)	\$61,273,202	(\$130,732,767)	(\$96,933,277)
Lease Alternative Property in 2029					
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$4,913,343)	(\$4,435,401)
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$21,065,881)	(\$13,821,258)
Existing Lease - Operating Expenses	\$0	\$0	\$0	(\$6,959,537)	(\$4,917,187)
Build Out Cost Refresh Space	\$0	\$0	\$0	(\$48,750,840)	(\$34,519,988)
Build Out Cost Vacant Office	\$0	\$0	\$0	(\$5,929,187)	(\$5,646,845)
ICON Operating Expenses	\$0	\$0	\$0	(\$3,084,721)	(\$2,123,547)
New Lease - Rent Expense	(\$5,026,042)	(\$5,176,824)	(\$5,332,128)	(\$50,171,127)	(\$19,733,346)
New Lease - Free Rent	\$0	\$0	\$0	\$0	\$0
New Lease - Operating Expenses	(\$766,798)	(\$789,802)	(\$813,496)	(\$7,654,358)	(\$3,010,618)
New Lease - TI Cost	\$0	\$0	\$0	(\$30,395,545)	(\$15,351,816)
New Lease - TI Allowance	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	(\$5,000,000)	(\$2,525,340)
TOTAL PRE-TAX CASH FLOW	(\$5,792,841)	(\$5,966,626)	(\$6,145,625)	(\$183,924,540)	(\$106,085,346)
Build and Own Alternative Property in 2019					
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$4,913,343)	(\$4,435,401)
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	(\$1,436,100)	(\$1,296,285)
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0
Land Purchase	\$0	\$0	\$0	(\$23,086,800)	(\$21,987,429)
Purchase and Build Site	\$0	\$0	\$69,854,612	\$37,422,216	(\$7,757,466)
Owned Site - Operating Expenses	(\$766,798)	(\$789,802)	(\$813,496)	(\$12,843,027)	(\$6,403,624)
Build Out Cost	\$0	\$0	\$0	(\$28,772,875)	(\$24,855,091)
Cleaning Costs	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	(\$5,000,000)	(\$4,113,512)
TOTAL PRE-TAX CASH FLOW	(\$766,798)	(\$789,802)	\$69,041,116	(\$38,629,929)	(\$70,848,808)

Appendix C - Cash Flow Detail with Growth at 0.5%



South King Options



P&L	2016	2017	2018	2019	2020	2021	2022
Buy South King at Lease Expiration							
Existing Lease - Rent Expense	(\$1,551,582)	(\$1,551,582)	(\$1,551,582)	(\$258,597)	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$1,755,490)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)
Purchase Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$501,060)	(\$511,636)	(\$514,483)	(\$517,400)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$1,685)	(\$425,772)	(\$1,106,153)	(\$1,181,636)	(\$1,184,808)	(\$2,224,598)	(\$2,596,117)
Build Out Cost Vacant Office	\$0	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)
ICON Operating Expenses	\$0	(\$213,777)	(\$220,190)	(\$226,795)	(\$233,599)	(\$240,607)	(\$247,826)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$2,001,530)	(\$3,129,303)	(\$3,818,740)	(\$4,410,909)	(\$4,523,962)	(\$5,573,607)	(\$5,955,261)
Buy South King Now							
Existing Lease - Rent Expense	(\$1,155,779)	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Site	(\$115,385)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)
Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$501,060)	(\$511,636)	(\$514,483)	(\$517,400)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$598)	(\$148,055)	(\$365,128)	(\$387,054)	(\$387,885)	(\$630,503)	(\$706,576)
Build Out Cost Vacant Office	\$0	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)
ICON Operating Expenses	\$0	(\$213,777)	(\$220,190)	(\$226,795)	(\$233,599)	(\$240,607)	(\$247,826)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$1,720,024)	(\$1,532,002)	(\$1,758,132)	(\$1,834,239)	(\$1,852,450)	(\$2,104,922)	(\$2,191,131)
Build and Own Alternative Property in 2029							
Existing Lease - Rent Expense	(\$1,551,582)	(\$1,551,582)	(\$1,551,582)	(\$258,597)	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$1,755,490)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)
Existing Lease - Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$501,060)	(\$511,636)	(\$514,483)	(\$517,400)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$1,685)	(\$425,772)	(\$1,106,153)	(\$1,181,636)	(\$1,184,808)	(\$2,224,598)	(\$2,596,117)
Build Out Cost Vacant Office	\$0	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)
ICON Operating Expenses	\$0	(\$213,777)	(\$220,190)	(\$226,795)	(\$233,599)	(\$240,607)	(\$247,826)
Purchase and Build Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owned Site - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$2,001,530)	(\$3,129,303)	(\$3,818,740)	(\$4,410,909)	(\$4,523,962)	(\$5,573,607)	(\$5,955,261)
Lease Alternative Property in 2029							
Existing Lease - Rent Expense	(\$1,551,582)	(\$1,551,582)	(\$1,551,582)	(\$258,597)	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$1,755,490)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)
Existing Lease - Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$501,060)	(\$511,636)	(\$514,483)	(\$517,400)
Build Out Cost Refresh Space	(\$1,685)	(\$425,772)	(\$1,106,153)	(\$1,181,636)	(\$1,184,808)	(\$2,224,598)	(\$2,596,117)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)
ICON Operating Expenses	\$0	(\$213,777)	(\$220,190)	(\$226,795)	(\$233,599)	(\$240,607)	(\$247,826)
New Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Free Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - TI Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - TI Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$2,001,530)	(\$3,129,303)	(\$3,818,740)	(\$4,410,909)	(\$4,523,962)	(\$5,573,607)	(\$5,955,261)
Build and Own Alternative Property in 2019							
Existing Lease - Rent Expense	(\$1,551,582)	(\$1,551,582)	(\$1,551,582)	(\$258,597)	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	(\$448,263)	(\$450,842)	(\$453,485)	(\$83,510)	\$0	\$0	\$0
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase and Build Site	\$0	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)
Owned Site - Operating Expenses	\$0	\$0	\$0	(\$377,175)	(\$463,926)	(\$477,843)	(\$492,179)
Build Out Cost	\$0	\$0	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	(\$5,000,000)	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$1,999,845)	(\$2,834,024)	(\$4,144,525)	(\$7,858,740)	(\$2,603,383)	(\$2,617,301)	(\$2,631,636)

Appendix C - Cash Flow Detail with Growth at 0.5%



South King Options



P&L	2023	2024	2025	2026	2027	2028	2029
Buy South King at Lease Expiration							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$351,098)
Purchase Site	\$0	\$0	\$0	\$0	\$0	\$0	(\$410,379)
Operating Expenses	(\$520,391)	(\$575,168)	(\$584,415)	(\$587,636)	(\$590,936)	(\$594,319)	(\$657,016)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$2,596,117)	(\$4,261,776)	(\$4,264,901)	(\$7,656,597)	(\$8,751,220)	(\$10,713,825)	(\$1,785,638)
Build Out Cost Vacant Office	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$81,222)
ICON Operating Expenses	(\$255,260)	(\$262,918)	(\$270,806)	(\$278,930)	(\$287,298)	(\$295,917)	(\$304,794)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$5,965,687)	(\$7,693,781)	(\$7,714,040)	(\$11,117,081)	(\$12,223,372)	(\$14,197,979)	(\$3,590,147)
Buy South King Now							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Site	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)
Operating Expenses	(\$520,391)	(\$575,168)	(\$584,415)	(\$587,636)	(\$590,936)	(\$594,319)	(\$657,016)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$706,576)	(\$952,459)	(\$952,831)	(\$1,259,699)	(\$1,327,461)	(\$1,392,881)	(\$1,392,881)
Build Out Cost Vacant Office	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)
ICON Operating Expenses	(\$255,260)	(\$262,918)	(\$270,806)	(\$278,930)	(\$287,298)	(\$295,917)	(\$304,794)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$2,201,556)	(\$2,509,874)	(\$2,527,381)	(\$2,845,594)	(\$2,925,024)	(\$3,002,446)	(\$3,074,021)
Build and Own Alternative Property in 2029							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$351,098)
Existing Lease - Operating Expenses	(\$520,391)	(\$575,168)	(\$584,415)	(\$587,636)	(\$590,936)	(\$594,319)	(\$109,503)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$2,596,117)	(\$4,261,776)	(\$4,264,901)	(\$7,656,597)	(\$8,751,220)	(\$10,713,825)	(\$1,785,638)
Build Out Cost Vacant Office	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$81,222)
ICON Operating Expenses	(\$255,260)	(\$262,918)	(\$270,806)	(\$278,930)	(\$287,298)	(\$295,917)	(\$50,799)
Purchase and Build Site	\$0	\$0	\$0	\$0	\$0	\$0	(\$820,362)
Owned Site - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	(\$506,892)
Build Out Cost	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,338,119)
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000,000)
TOTAL PRE-TAX CASH FLOW	(\$5,965,687)	(\$7,693,781)	(\$7,714,040)	(\$11,117,081)	(\$12,223,372)	(\$14,197,979)	(\$11,043,632)
Lease Alternative Property in 2029							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$2,106,588)	(\$351,098)
Existing Lease - Operating Expenses	(\$520,391)	(\$575,168)	(\$584,415)	(\$587,636)	(\$590,936)	(\$594,319)	(\$109,503)
Build Out Cost Refresh Space	(\$2,596,117)	(\$4,261,776)	(\$4,264,901)	(\$7,656,597)	(\$8,751,220)	(\$10,713,825)	(\$1,785,638)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$487,330)	(\$81,222)
ICON Operating Expenses	(\$255,260)	(\$262,918)	(\$270,806)	(\$278,930)	(\$287,298)	(\$295,917)	(\$50,799)
New Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,859,317)
New Lease - Free Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	(\$506,892)
New Lease - TI Cost	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,338,119)
New Lease - TI Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000,000)
TOTAL PRE-TAX CASH FLOW	(\$5,965,687)	(\$7,693,781)	(\$7,714,040)	(\$11,117,081)	(\$12,223,372)	(\$14,197,979)	(\$14,082,587)
Build and Own Alternative Property in 2019							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase and Build Site	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)
Owned Site - Operating Expenses	(\$506,944)	(\$522,152)	(\$537,817)	(\$553,951)	(\$570,570)	(\$587,687)	(\$605,318)
Build Out Cost	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$2,646,402)	(\$2,661,610)	(\$2,677,275)	(\$2,693,409)	(\$2,710,028)	(\$2,727,145)	(\$2,744,775)

Appendix C - Cash Flow Detail with Growth at 0.5%



South King Options



P&L	2030	2031	2032	2033	2034	2035	2036
Buy South King at Lease Expiration							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Site	(\$492,455)	(\$492,455)	(\$492,455)	(\$492,455)	(\$492,455)	(\$492,455)	(\$492,455)
Operating Expenses	(\$670,867)	(\$674,511)	(\$678,245)	(\$682,072)	(\$754,263)	(\$770,153)	(\$774,276)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$125,492)	(\$218,696)	(\$218,696)	(\$218,696)	(\$218,696)	(\$218,696)	(\$218,696)
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	(\$313,938)	(\$323,356)	(\$333,057)	(\$343,049)	(\$353,340)	(\$363,940)	(\$374,858)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$1,602,752)	(\$1,709,018)	(\$1,722,453)	(\$1,736,272)	(\$1,818,754)	(\$1,845,244)	(\$1,860,286)
Buy South King Now							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Site	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)	(\$461,538)
Operating Expenses	(\$670,867)	(\$674,511)	(\$678,245)	(\$682,072)	(\$754,263)	(\$770,153)	(\$774,276)
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$1,518,373)	(\$1,611,577)	(\$1,611,577)	(\$1,611,577)	(\$1,611,577)	(\$1,611,577)	(\$1,611,577)
Build Out Cost Vacant Office	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)	(\$257,791)
ICON Operating Expenses	(\$313,938)	(\$323,356)	(\$333,057)	(\$343,049)	(\$353,340)	(\$363,940)	(\$374,858)
Clean & Exit Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$3,222,507)	(\$3,328,773)	(\$3,342,208)	(\$3,356,027)	(\$3,438,509)	(\$3,465,000)	(\$3,480,041)
Build and Own Alternative Property in 2029							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase and Build Site	(\$984,434)	(\$984,434)	(\$984,434)	(\$984,434)	(\$984,434)	(\$984,434)	(\$984,434)
Owned Site - Operating Expenses	(\$623,477)	(\$642,181)	(\$661,447)	(\$681,290)	(\$701,729)	(\$722,781)	(\$744,464)
Build Out Cost	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$4,413,654)	(\$4,432,358)	(\$4,451,624)	(\$4,471,467)	(\$4,491,906)	(\$4,512,958)	(\$4,534,641)
Lease Alternative Property in 2029							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Rent Expense	(\$4,631,181)	(\$4,631,181)	(\$4,631,181)	(\$4,631,181)	(\$4,631,181)	(\$4,631,181)	(\$4,631,181)
New Lease - Free Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Lease - Operating Expenses	(\$623,477)	(\$642,181)	(\$661,447)	(\$681,290)	(\$701,729)	(\$722,781)	(\$744,464)
New Lease - TI Cost	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)
New Lease - TI Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$8,060,401)	(\$8,079,105)	(\$8,098,370)	(\$8,118,214)	(\$8,138,653)	(\$8,159,704)	(\$8,181,388)
Build and Own Alternative Property in 2019							
Existing Lease - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase and Build Site	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)	(\$831,600)
Owned Site - Operating Expenses	(\$623,477)	(\$642,181)	(\$661,447)	(\$681,290)	(\$701,729)	(\$722,781)	(\$744,464)
Build Out Cost	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)
Cleaning Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$2,762,935)	(\$2,781,639)	(\$2,800,905)	(\$2,820,748)	(\$2,841,187)	(\$2,862,239)	(\$2,883,922)

Appendix C - Cash Flow Detail with Growth at 0.5%



South King Options



P&L	2037	2038	2039	Total
Buy South King at Lease Expiration				
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$4,913,343)
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$21,065,881)
Purchase Site	(\$492,455)	(\$492,455)	\$6,479,450	\$1,636,974
Operating Expenses	(\$778,501)	(\$782,831)	(\$865,955)	(\$14,938,724)
Existing Depreciation	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$218,696)	(\$218,696)	(\$5,779,299)	(\$56,405,199)
Build Out Cost Vacant Office	\$0	\$0	\$0	(\$5,929,187)
ICON Operating Expenses	(\$386,104)	(\$397,687)	(\$409,618)	(\$6,937,664)
Clean & Exit Costs	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$1,875,756)	(\$1,891,669)	(\$575,422)	(\$108,553,024)
Buy South King Now				
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$1,155,779)
Purchase Site	(\$461,538)	(\$461,538)	\$13,915,791	\$3,646,560
Operating Expenses	(\$778,501)	(\$782,831)	(\$865,955)	(\$14,938,724)
Existing Depreciation	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	(\$1,611,577)	(\$1,611,577)	(\$31,383,622)	(\$56,405,199)
Build Out Cost Vacant Office	(\$257,791)	(\$257,791)	(\$257,791)	(\$5,929,187)
ICON Operating Expenses	(\$386,104)	(\$397,687)	(\$409,618)	(\$6,937,664)
Clean & Exit Costs	\$0	\$0	\$0	\$0
TOTAL PRE-TAX CASH FLOW	(\$3,495,511)	(\$3,511,425)	(\$19,001,195)	(\$81,719,993)
Build and Own Alternative Property in 2029				
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$4,913,343)
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$21,065,881)
Existing Lease - Operating Expenses	\$0	\$0	\$0	(\$6,959,537)
Existing Depreciation	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	(\$48,750,840)
Build Out Cost Vacant Office	\$0	\$0	\$0	(\$5,929,187)
ICON Operating Expenses	\$0	\$0	\$0	(\$3,084,721)
Purchase and Build Site	(\$984,434)	(\$984,434)	\$12,700,915	\$3,020,646
Owned Site - Operating Expenses	(\$766,798)	(\$789,802)	(\$813,496)	(\$7,654,358)
Build Out Cost	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$30,395,545)
Cleaning Costs	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	(\$5,000,000)
TOTAL PRE-TAX CASH FLOW	(\$4,556,975)	(\$4,579,979)	\$9,081,677	(\$130,732,767)
Lease Alternative Property in 2029				
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$4,913,343)
1st Option Renewal - Rent Expense	\$0	\$0	\$0	(\$21,065,881)
Existing Lease - Operating Expenses	\$0	\$0	\$0	(\$6,959,537)
Build Out Cost Refresh Space	\$0	\$0	\$0	(\$48,750,840)
Existing Depreciation	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	(\$5,929,187)
ICON Operating Expenses	\$0	\$0	\$0	(\$3,084,721)
New Lease - Rent Expense	(\$4,631,181)	(\$4,631,181)	(\$4,631,181)	(\$50,171,127)
New Lease - Free Rent	\$0	\$0	\$0	\$0
New Lease - Operating Expenses	(\$766,798)	(\$789,802)	(\$813,496)	(\$7,654,358)
New Lease - TI Cost	(\$2,805,743)	(\$2,805,743)	(\$2,805,743)	(\$30,395,545)
New Lease - TI Allowance	\$0	\$0	\$0	\$0
Cleaning Costs	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	(\$5,000,000)
TOTAL PRE-TAX CASH FLOW	(\$8,203,722)	(\$8,226,726)	(\$8,250,420)	(\$183,924,540)
Build and Own Alternative Property in 2019				
Existing Lease - Rent Expense	\$0	\$0	\$0	(\$4,913,343)
1st Option Renewal - Rent Expense	\$0	\$0	\$0	\$0
Existing Lease - Operating Expenses	\$0	\$0	\$0	(\$1,436,100)
Existing Depreciation	\$0	\$0	\$0	\$0
Build Out Cost Refresh Space	\$0	\$0	\$0	\$0
Build Out Cost Vacant Office	\$0	\$0	\$0	\$0
ICON Operating Expenses	\$0	\$0	\$0	\$0
Purchase and Build Site	(\$831,600)	(\$831,600)	\$55,717,414	\$37,422,216
Owned Site - Operating Expenses	(\$766,798)	(\$789,802)	(\$813,496)	(\$12,843,027)
Build Out Cost	(\$1,307,858)	(\$1,307,858)	(\$1,307,858)	(\$28,772,875)
Cleaning Costs	\$0	\$0	\$0	\$0
Move Costs	\$0	\$0	\$0	(\$5,000,000)
TOTAL PRE-TAX CASH FLOW	(\$2,906,256)	(\$2,929,260)	\$53,596,060	(\$15,543,129)