

BUILDING SIZE

	<u>Building 1</u>	<u>Building 2</u>
Floor Area	1,000,000 square feet	1,000,000 square feet
Sum of Demised Premises as reflected in all leases	1,496,000	1,123,000
Floors	50	50
Floor Size	20,000 square feet FA	20,000 square feet
Average Floor Size- Rentable	29,920 square feet	22,460 square feet
3 Floor Lease Size	60,000 square feet FA 89,760 square feet Rentable	60,000 square feet 67,380 square feet

	<u>You Choose</u>
Tenants	$60,000 \div 1,000,000 = 6\%$ FA
Proportional	$89,760 \div 1,000,000 = 9\%$ Rentable to FA
Shares?	$89,760 \div 1,496,000 = 6\%$ Rentable to Sum of Demised Premises
	$60,000 \div 1,496,000 = 4\%$ FA to Sum of Demised Premises

Cost of Operating Building 1 \$9,000,000 per annum
3% difference \$270,000 for 3 floors - 4% difference \$360,000 and so on.
Rent per square foot difference \$1,190,400 per annum

FA=Floor Area

Interesting Unbundled Assumptions

	<u>Building 1</u>		<u>Building 2</u>	
Rent	\$40 sq. ft.		\$40 sq. ft.	
Debt Service	12 sq. ft.	\$12	6 sq. ft.	
Electricity/Steam	2 sq. ft.	\$14	2 sq. ft.	
Cleaning	4 sq. ft.	\$18	3 sq. ft.	
Taxes	11 sq. ft.	\$29	6 sq. ft.	
Carting	1 sq. ft.	\$30	1 sq. ft.	
	<hr/>		<hr/>	
Net Income:	\$10 sq. ft.		\$22 sq. ft.	

Net as % of Fixed Rent:

$$10 \div 40 = 25\%$$

$$22 \div 40 = 55\%$$

CPI Adjustment: Building 1- 25%
 Building 2- 55%

Tax Review of Base Year

	<u>Building 1</u>	<u>Building 2</u>
	\$11	\$ 6
Reduction of	\$ 2	\$ 1
New Base	\$ 9	\$ 5
Impact on rent	\$42	\$42
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Handout
 Lease: Contract Commencement
 Construction/Possession Commencement
 Term Commencement - Demising?
 Operation Commencement
 Rent Commencement

November 1991 Dated As of	January 1992 Lease Signed	July 1992 New requirements of 1990 law become effective \$20 per square foot
Porter's Wage Adjust December 1991	February 1992 Tenant possession for Commencing work after Landlord work	

New Law Requiring safety, fire, etc. \$16 per square foot October 1991	May 1992 Rent Commencement 3 months after Landlord's core work complete	June 1992 Fire
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- Assumptions
- 1) Tenant responsible for impact of "new" laws on Construction.
 - 2) Porter's Wage based on comparison of "Calendar" year form date of Lease.
 - 3) Term for contractual liability, insurance and compliance with laws from which commencement?
 - 4) Fire during pre-term commencement.
 - 5) Loss of Tenant allowance
 - 6) Low Base Year Taxes
 - 7) Loss of Construction Abatement Period

January 15
Tax Roll

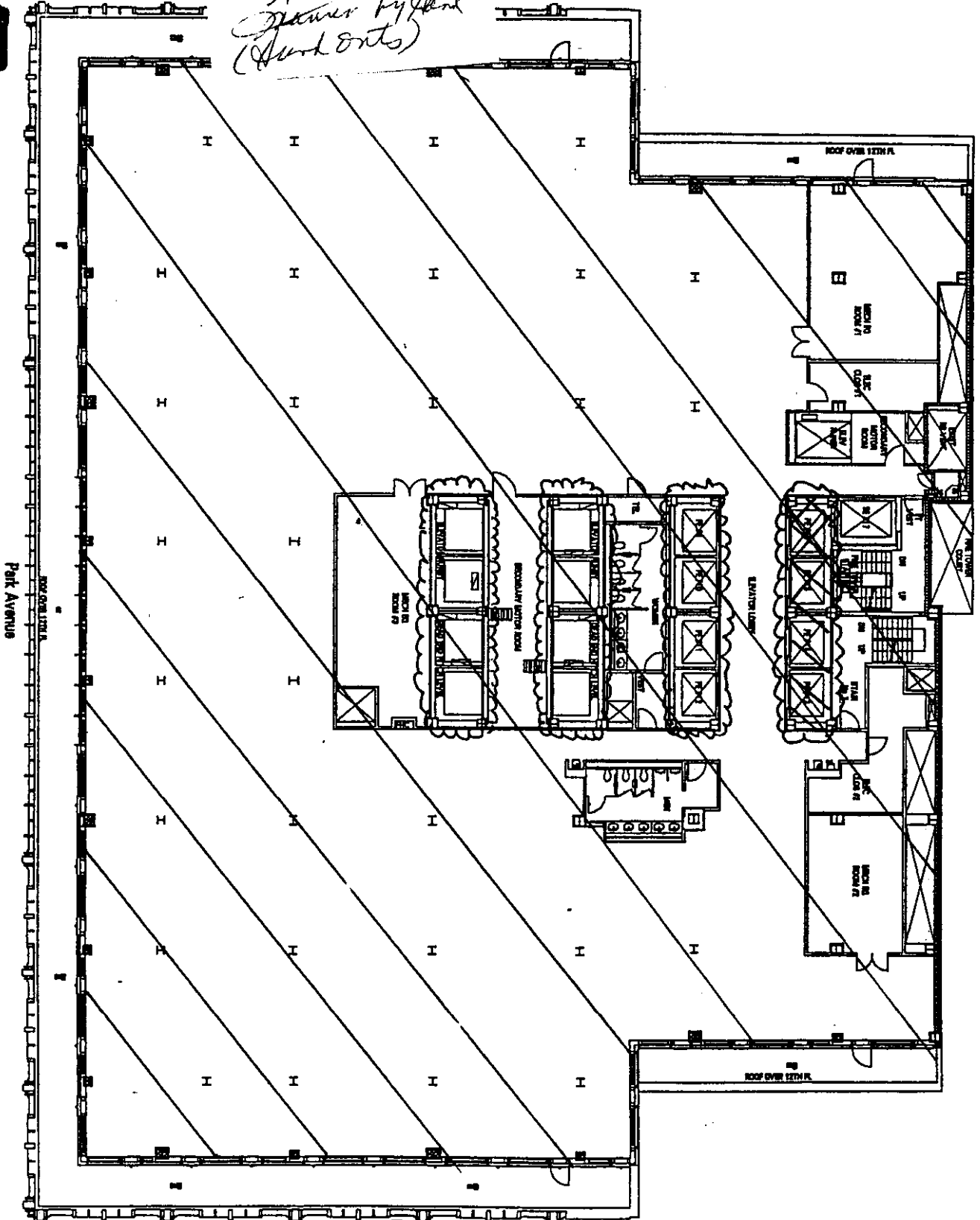
Which would you want?

3/25/99

sent to

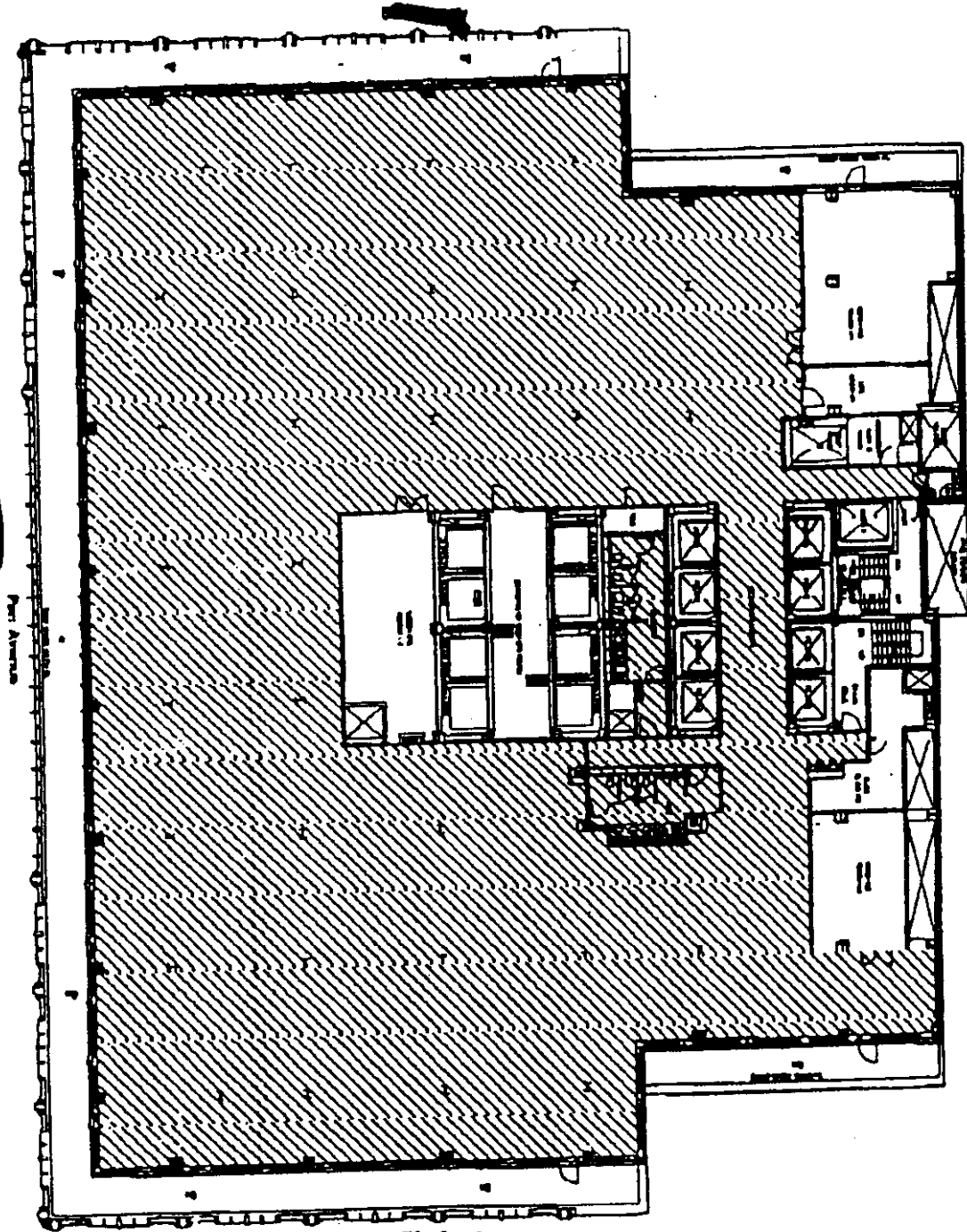
Donald
Gamer by hand
(Junk out)

Park Avenue



Park Avenue

Park Avenue



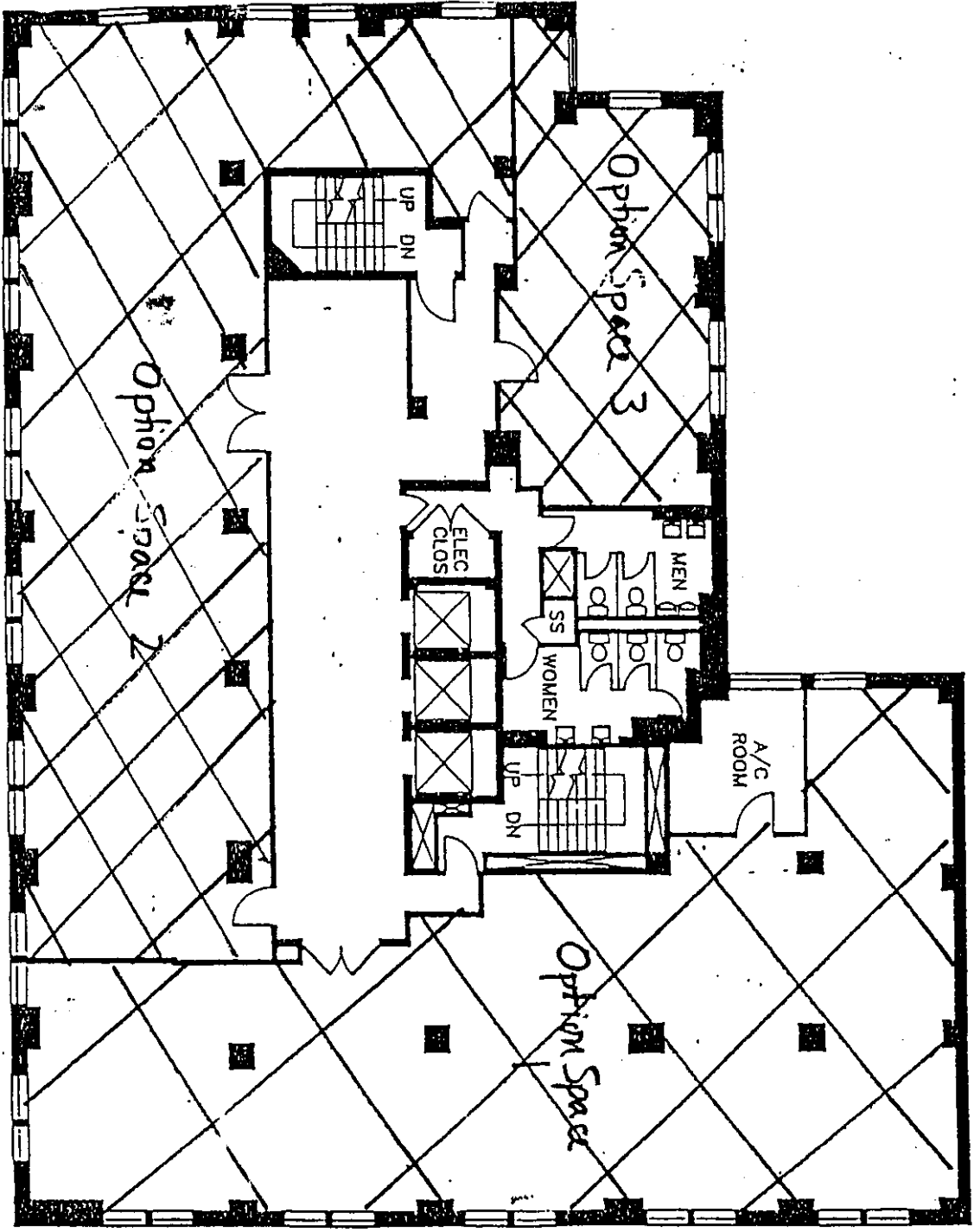
Park Avenue



70 WEST 36TH STREET
 NEW YORK N.Y. 10018
 (212) 584-2700

ENTIRE 11TH FLOOR

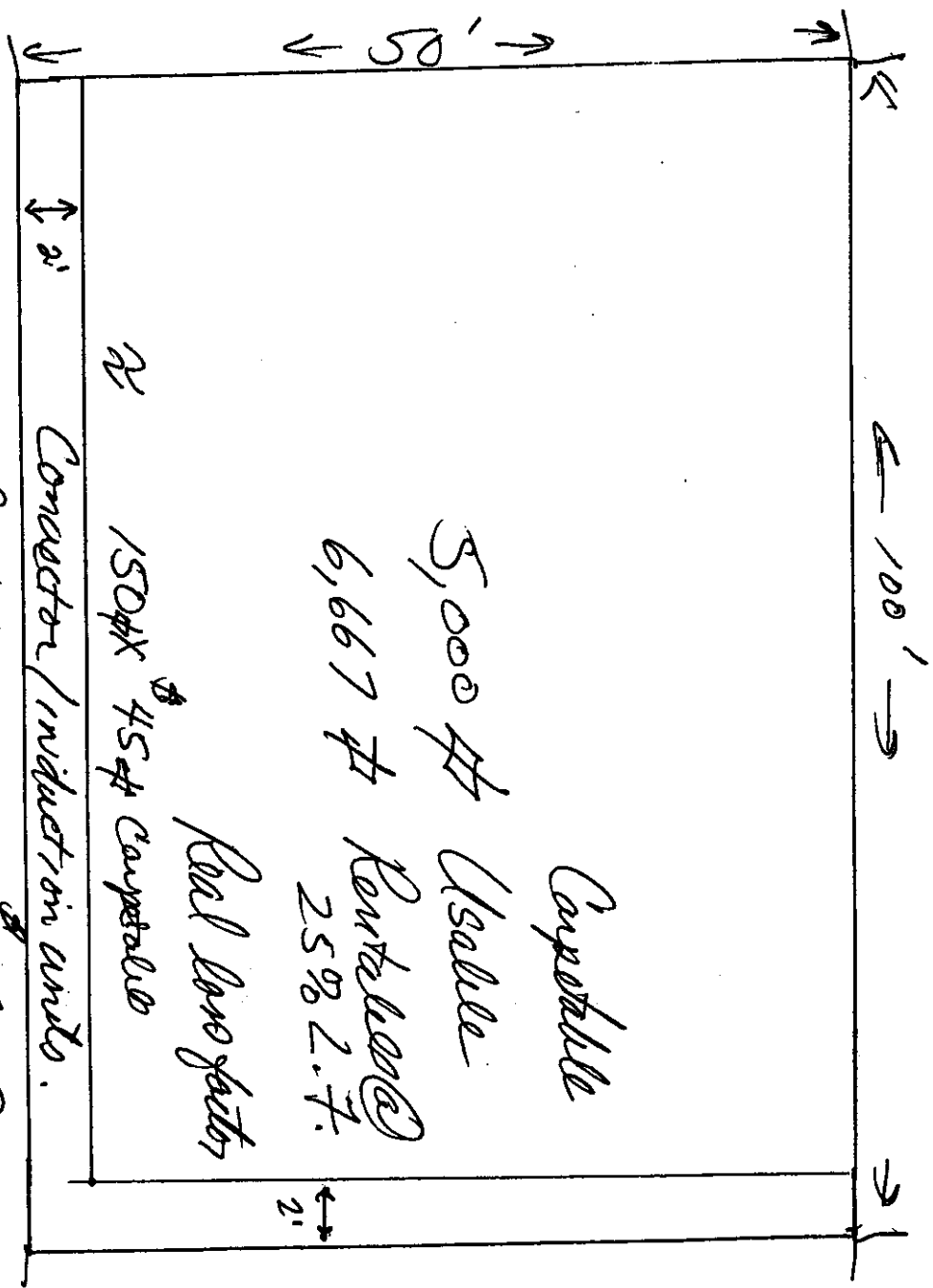
EXHIBIT D



ALL DIMENSIONS ARE APPROXIMATE AND
 SUBJECT TO RECORD, BUILDING VARIANCE



Standard
Typical Full Floor



OR Rentable $200\text{ft} \times 45\text{ft}$ @ $\text{①} =$
 $\$9,000$ per year
for connectors

Extra Hidden Costs

Whats missing!

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EXHIBIT D

Cleaning Schedule

- 20 1. General
- 22 All flooring swept nightly using approved dust-check type of
22 mop.
- 23 All carpeted areas and rugs carpet-swept nightly and vacuum
24 cleaned weekly.
- 25 All private stairways swept nightly.
- 26 Wastepaper baskets, ashtrays, receptacles, etc., emptied and
27 cleaned nightly.
- 28 Cigarette urns cleaned nightly and sand or water replaced
29 when necessary.
- 30 All furniture and fixture tops in normal reach (i.e. not
30 above 5 feet high) and window sills dusted nightly.
- 32 All glass furniture tops cleaned nightly.
- 33 All baseboards and trim dusted nightly.
- 34 All water fountains and coolers washed clean nightly.
- 35 Slop sink rooms cleaned nightly.
- 36 Dust all telephones when necessary.
- 38 2. Lavatories
- 40 All flooring swept and washed nightly using proper
disinfectants.
- 41 All mirrors, powder shelves, bright work, etc., including
42 flushometers, piping and toilet seat hinges washed and
43 polished nightly.
- 44 All basins, bowls, urinals and toilet seats (both sides)
45 disinfected and washed nightly and scoured when
45 necessary.
- 46 All partitions, tile walls, dispensers and receptacles
47 dusted nightly, and dispensers and receptacles washed
47 and polished when necessary.
- 48 Paper towel and sanitary disposal receptacles emptied and
49 cleaned nightly.
- 50 *The non-private toilets on one floor designated by Tenant
51 at the commencement of the term of this Lease shall be
51 the last spaces cleaned nightly on that floor.
- 54 3. High Dusting-Office Area
- 56 Do all high dusting approximately four times a year,
57 including the following:
- 59 Dust all pictures, frames, charts, graphs and panel wall
60 hangings not reached in nightly cleaning.
- 61 Dust all vertical surfaces such as walls, partitions,
62 ventilating louvres and other surfaces not reached in
nightly cleaning.

64 Dust all overhead pipes, sprinklers, etc.
65 Dust all venetian blinds and window frames quarterly.
66 Dust exterior of lighting fixtures.

68 4. Periodic Cleaning-Office Area

70 Wipe clean all interior metal as necessary.
71 Dust all door louvres and other ventilating louvres within
72 reach weekly.

74 5. Periodic Cleaning-Lavatories

76 Machine-scrub flooring when necessary.
77 Wash all partitions, tile walls and enamel surfaces monthly
78 with proper disinfectant.

80 6. Windows

82 Clean all windows inside and outside at least 10 times a
83 year, but not more often than once every 20 days.
84 Clean a normal amount of partition glass (which shall mean
84 not more than 25% of the linear feet of partitions on
85 any floor) at least 6 times a year, but not more often
86 than bi-monthly.

Extra Cleaning

412 32.08. Tenant acknowledges and understands that the
413 cleaning contractor for the Building is an entity under common
414 control with Landlord and Tenant agrees to employ said contractor
415 or such other contractor as Landlord may from time to time
416 designate for all waxing, polishing, lamp replacement and other
417 special cleaning or maintenance work of the demised premises and
418 of Tenant's furniture, fixtures and equipment, provided that the
419 quality thereof and the charges therefor shall be reasonably
420 comparable to that of other contractors doing comparable work in
421 comparable buildings in the area of the Building. Tenant shall
422 not employ any other such contractor or individual without
423 Landlord's prior written consent, but nothing herein contained
of its own regular employees.

425 32.09. Landlord will not be required to furnish any other
426 services, except as provided in this Article 32, and except that
427 Landlord agrees to provide on business days after 6:00 P.M. the
428 cleaning set forth in Exhibit D hereof. Landlord shall have no
429 obligation to perform cleaning services in those portions of the
430 demised premises which are below grade, bank space, or which are
431 used primarily for the preparation, dispensing or consumption of
432 food or beverages, for storage or shipping purposes, for the
433 operation of computer, data processing, reproduction or similar
434 equipment or as private lavatories or toilets, all of which
435 portions Tenant shall cause to be kept clean at Tenant's cost and
436 expense. Notwithstanding the foregoing, Landlord shall empty
437 waste receptacles in the office areas of customary office size
438 with respect to sources of dry refuse other than areas primarily
439 used for consumption of food or beverages or shipping purposes.
440 Tenant shall pay to Landlord, on demand, a reasonable charge for
441 the removal from the demised premises of any refuse and rubbish
442 of Tenant as shall not be contained in waste receptacles of
443 customary office size and of eating facilities requiring special
444 handling (known as wet garbage). Landlord, its cleaning
445 contractor and their employees shall have after-hours access to
446 the demised premises and the use of Tenant's light, power and
water in the demised premises as may be reasonably required for
the purpose of cleaning the demised premises.

*Why not
at least
#2
Cleaning*

*Talk about Johnson, Kelley and
Computers.*

448 If Tenant is permitted hereunder to and does have a separate
449 area for the preparation or consumption of food in the demised
450 premises, Tenant shall pay to Landlord the cost of employing on a
451 regular basis, an exterminator to keep the demised premises free
452 from vermin, provided that the quality thereof and the charges
453 therefor are reasonably comparable to that of other suppliers;
454 and Tenant shall provide a refrigerated garbage storage room (the
455 plans and specifications thereof to be approved by Landlord) or
456 other means of disposing of garbage reasonably satisfactory to
Landlord.

458 32.10. Tenant shall be entitled to have a number of
459 listings on the central Building directory board in the lobby of
460 the Building equal to "The Percentage" (as in Section 6.01(a)(iv)
of Article 6 stated) of the total number of listings on said

*Supplemental
HVAC*

*H, V, and
AC?*

ARTICLE 32

SERVICES

not always

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The provisions of this Article 32 are separate and distinct from the provisions of Article 33 hereof and are not intended to be related to or affected by such provisions in any manner whatsoever.

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32.01. Landlord shall provide necessary elevator facilities including six (6) passenger elevators and reasonable freight elevator service, on business days from 9:00 a.m. to 6:00 p.m. and shall have sufficient passenger elevators available at all other times. If any floors are removed from the bank of elevators serving Tenant's floors, then Tenant and any tenants remaining in that same elevator bank thereafter shall collectively have their pro rata share of the aforesaid six (6) passenger elevators. At Landlord's option, the elevators shall be operated by automatic control or by manual control, or by a combination of both of such methods. Landlord will provide Tenant with after-hours freight elevator service at Landlord's then established rates in the Building for same and pursuant to Landlord's Rules and Regulations. Such rates shall not exceed those then charged in a majority of office buildings on Park Avenue between 46th and 57th Streets in the Borough of Manhattan.

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32.02. (a) Landlord shall, through the air conditioning system of the Building, furnish to the demised premises, on an all year round basis, air conditioning, ventilation and heating during the hours from 9:00 A.M. to 7:00 P.M. on business days. Provided Tenant shall comply with applicable Building Regulations, the air conditioning system will maintain interior conditions of 78 degrees dry bulb and 50% relative humidity when outside conditions are 95 degrees dry bulb and 75 degrees wet bulb and winter conditions of 68 degrees F. interior with outside conditions of 0 degrees F., and to provide fresh air in a quantity not less than 0.25 cubic feet per minute per square foot of rentable floor area.

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(b) Landlord will maintain such heating, ventilating and air conditioning system in a manner befitting a first class office building and will use all reasonable care to keep the same in proper and efficient operating condition; and Landlord will not be responsible for the failure of such heating, ventilating and air conditioning system to meet the requirements hereinbefore specified if such failure results from the occupancy of the demised premises with more than an average of one person for each 75 square feet of rentable area or if Tenant installs and operates lighting, machines and appliances the total connected electrical load of which exceeds 6 watts per rentable square foot.

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(c) Tenant agrees to keep and cause to be kept closed all the windows in and any exterior doors to the demised premises at all times, and Tenant agrees to cooperate fully with Landlord

Talk about extra

*Talk about a 1/2 full Bldg
Heating **

767 work or service Landlord is obligated to furnish to this
768 Tenant at Landlord's expense; if any work or service is
8 performed or furnished by Landlord for any tenant other than
109 Tenant at such tenant's expense, then, but only to the
770 extent that Landlord is obligated to perform such work or
771 furnish such service to Tenant at Landlord's expense, such
772 work or service shall be deemed to have been performed or
772 furnished to such other tenant at Landlord's expense and
773 shall therefore be included in Expenses (it is understood
774 and agreed that work or services furnished tenants in
775 consideration of their rents are not to be considered as
775 "furnished at tenant's expense").

779 If Landlord shall purchase any item of capital equipment or
779 make any capital expenditure designed to result in savings or
780 reductions in Expenses, then the costs for same shall be included
781 in Expenses, but only to the extent reasonably estimated to be
782 the actual annual saving or reduction achieved. The costs of
783 capital equipment or capital expenditures are so to be included
784 in Expenses for the comparative year in which the costs are
784 incurred and subsequent comparative years, on a straight line
785 basis, to the extent that such items are amortized over such
786 period of time as reasonably can be estimated as the time in
787 which such savings or reductions in Expenses are expected to
788 equal Landlord's costs for such capital equipment or capital
789 expenditure, with an interest factor equal to the prime rate of
789 the Chemical Bank of New York (or, if Chemical has no such rate,
790 a bank of comparable standing) at the time of Landlord's having
790 incurred said costs. If Landlord shall lease any such item of
1 capital equipment designed to result in savings or reductions in
102 Expenses, then the rentals and other costs paid pursuant to such
793 leasing shall be included in Expenses for the comparative year in
794 which they were incurred, but only to the extent reasonably
795 estimated to be the actual annual saving or reduction achieved.
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798 If during all or part of any comparative year, Landlord
798 shall not furnish any particular item(s) of work or service at
800 Landlord's expense (or which would constitute an expense
801 hereunder) to portions of the Building, other than stores and
802 below grade areas, due to the fact that construction of the
803 Building is not completed, or such portions are not occupied or
804 leased, or because such item of work or service is not required
805 or desired by the tenant of such portion, or such tenant is
806 itself obtaining and providing such item of work or service, or
806 for other reasons, then, for the purposes of computing the
807 additional rent payable hereunder, the amount of the expenses for
808 such item for such period shall be deemed to be increased by an
809 amount equal to the additional operating and maintenance expenses
809 which would reasonably have been incurred during such period by
810 Landlord if it had at its own expense furnished such item of work
811 or services to such portion of the Building.

814 (b) 1. If the Expenses for any comparative year shall be
815 greater than the Expense Base Factor, Tenant shall pay to
5 Landlord, as additional rent for such comparative year, in the

provided in Section 4.4. Tenant's share of Common Area Expenses shall be calculated as follows:

(i) ~~Tenant's share of Common Area Expenses for the previous calendar year~~ shall be the proportion of all such expenses, exclusive of Interior Mall Expenses and Food Court Expenses, that the Floor Area of the Premises bears to the total Floor Area of all premises in the Shopping Center that are leased and open as of the commencement of each calendar year, at Landlord's sole and absolute discretion, each calendar quarter and averaged for that calendar year, exclusive of the Major Tenants' Floor Area and Licensees' Floor Area; provided, however, that during the Lease Term, in no event will Tenant's share of such Common Area Expenses be calculated on the basis of less than eighty ninety percent (80%) (90%) occupancy of the Floor Area of the Shopping Center, exclusive of the Major Tenant's Floor Area occupied by the Major Tenants and Licensees' Floor Area;

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(ii) If the storefront of the Premises is located on the Interior Mall, Tenant's share of Interior Mall Expenses for the previous calendar year shall be the proportion of all Interior Mall Expenses that the Floor Area of the Premises bears to the Floor Area of all premises ~~having storefronts on the Interior Mall that are leased and open as of the commencement of each calendar year~~, at Landlord's sole and absolute discretion, each calendar quarter and averaged for that calendar year ~~exclusive of the Major Tenants' Floor Area and Licensees' Floor Area~~; provided, however, that during the Lease Term, in no event will Tenant's share of such Interior Mall Expenses be calculated on the basis of less than eighty ninety percent (80%) (90%) occupancy of

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Colles team
Richard Kelly