

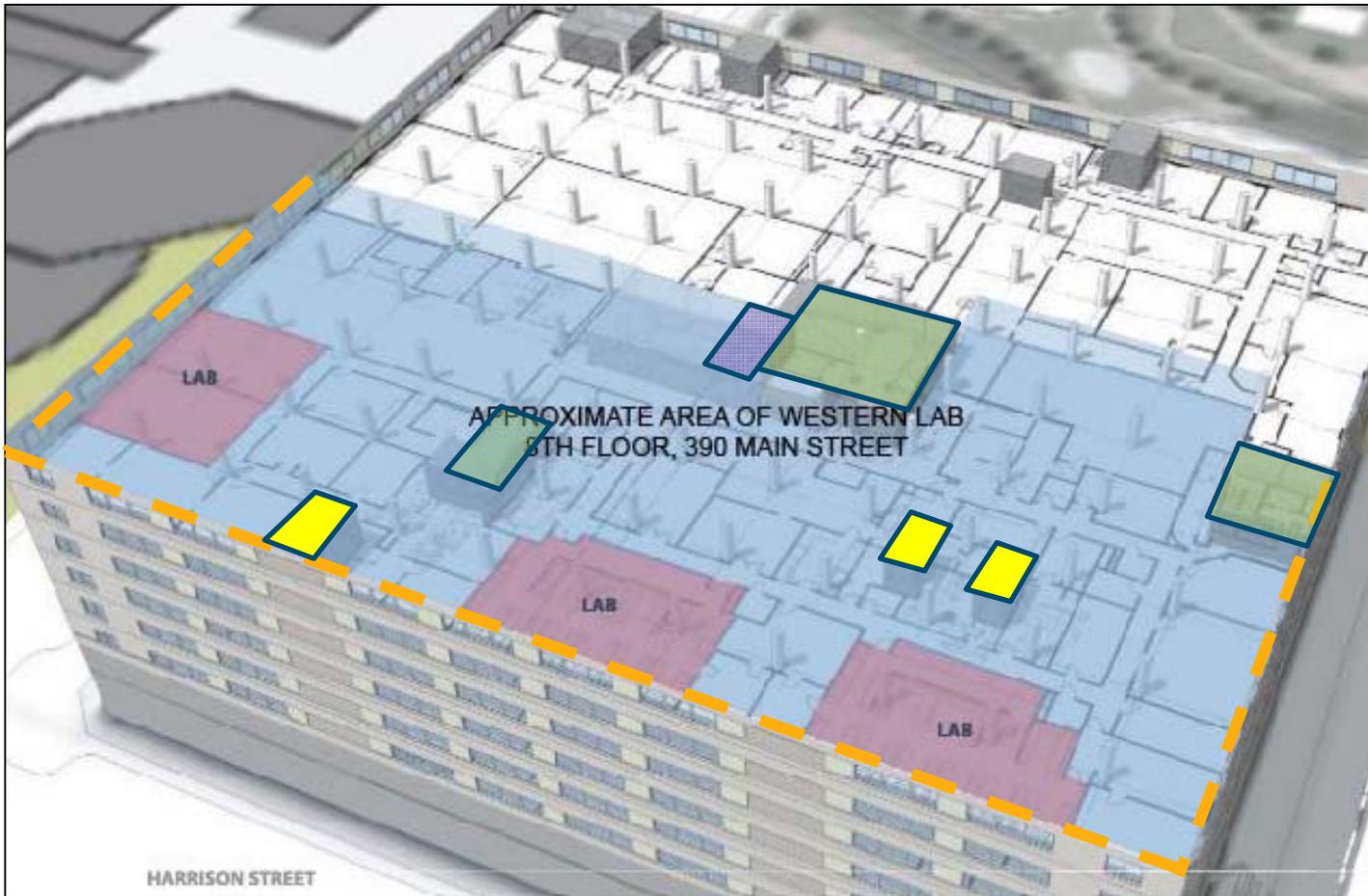


375 Beale BAHA Presentation November 19, 2014

Detail of November 2014 Costs

| | Category | Cost | Percent | Description |
|----------|--|--------------|---------|--|
| A | Base Building | | | |
| A1 | DEA 11-Month Delay | \$11,400,000 | 35% | <ul style="list-style-type: none"> •McCarthy general conditions (\$6.5M) •Extension of consultant support (\$2.8M) •Insurance (\$0.3M) •Workarounds (\$1.8M) |
| A2 | Project Contingency | \$7,000,000 | 21% | <ul style="list-style-type: none"> •Additional project contingency (\$7.0M) |
| A3 | Subtotal Base Building Costs | \$18,400,000 | 56% | |
| B | New Work Beyond Base Building | | | |
| B1 | Advance Landlord Work on Non-Agency Floors | \$7,000,000 | 21% | Brings L2-5 from cold to warm shell: <ul style="list-style-type: none"> •Atrium glass, restrooms, windows previously approved by BAHA (\$3.0M) • MEPF installation on L2-5 (\$4.0M) |
| B2 | Agency Floors | \$5,900,000 | 18% | <ul style="list-style-type: none"> •Shared Services Assessment/Accenture (\$0.7M) •Expansion to L5 (\$3.0M) •Furniture for previously unprogrammed spaces (\$0.7M) •Revision to diverged IT network (\$1.0M) •Air District L6 change orders (conversion of workstations to offices, high density file systems, specialty room redesign) (\$0.25M) |
| B3 | Public Benefit | \$1,600,000 | 5% | <ul style="list-style-type: none"> •Utility undergrounding (\$1.1M) •Rincon Place landscape (\$0.5M) |
| B4 | Subtotal New Work | \$14,500,000 | 44% | |
| | Total | \$32,900,000 | 100% | |

Location of Existing Tenant on L8



Affected work:

- L7-L8 seismic retrofit (orange)
- HVAC risers (yellow)
- Plumbing risers (purple)
- Stair and elevator upgrades (green)
- Main electrical upgrades







375 Beale Street Appraisal

| Market Value | 2011 Appraisal | 2014 Appraisal |
|---------------------|-----------------------|-----------------------|
| As Is | \$111 Million | \$136 Million |
| Stabilized | \$166 Million | \$272 Million |

Cost Totals

| | Sept. 2011 | Jan. 2013 | Nov. 2014 |
|---------------------------------|------------|-----------|-----------|
| Purchase | 93 | 93 | 93 |
| Renovation | 74 | 103 | 103 |
| DEA Delay Cost | 0 | 4 | 22 |
| Furniture, Fixtures, Technology | 0 | 15 | 15 |
| Beyond Base Building | 0 | 8 | 23 |