

Ground Lease Rate	0.59	Triple Net FMV Rate	4.635
Hangar Size SF	1085.07	Fair Market Rental Return	4.045
Average Change in CPI	1.22%	Current Prime Rate	7.75%

Year	FMV Return	Escalation Rate	Discount Rate	Escalation / Discount	Comined Factors (N-1 power)	Combined Factors Cash Flow
1	\$4,389.11	1.0122	1.0775	0.9394	1.00	\$4,389.11
2	\$4,389.11	1.0122	1.0775	0.9394	0.9394	\$4,123.11
3	\$4,389.11	1.0122	1.0775	0.9394	0.8825	\$3,873.24
4	\$4,389.11	1.0122	1.0775	0.9394	0.8290	\$3,638.51
5	\$4,389.11	1.0122	1.0775	0.9394	0.7787	\$3,418.00
6	\$4,389.11	1.0122	1.0775	0.9394	0.7316	\$3,210.86
7	\$4,389.11	1.0122	1.0775	0.9394	0.6872	\$3,016.27
8	\$4,389.11	1.0122	1.0775	0.9394	0.6456	\$2,833.48
9	\$4,389.11	1.0122	1.0775	0.9394	0.6064	\$2,661.76
10	\$4,389.11	1.0122	1.0775	0.9394	0.5697	\$2,500.45
11	\$4,389.11	1.0122	1.0775	0.9394	0.5352	\$2,348.91
12	\$4,389.11	1.0122	1.0775	0.9394	0.5027	\$2,206.56
13	\$4,389.11	1.0122	1.0775	0.9394	0.4723	\$2,072.84
14	\$4,389.11	1.0122	1.0775	0.9394	0.4436	\$1,947.22
15	\$4,389.11	1.0122	1.0775	0.9394	0.4168	\$1,829.21
16	\$4,389.11	1.0122	1.0775	0.9394	0.3915	\$1,718.35
17	\$4,389.11	1.0122	1.0775	0.9394	0.3678	\$1,614.21
18	\$4,389.11	1.0122	1.0775	0.9394	0.3455	\$1,516.39
19	\$4,389.11	1.0122	1.0775	0.9394	0.3246	\$1,424.49
20	\$4,389.11	1.0122	1.0775	0.9394	0.3049	\$1,338.16

#### Deferral Fee Calculation

The Fair Market Rental Return (FMRR) shall be calculated as the Fair Market Rental Rate subtracting the normal operating costs or the Triple Net Fair Market Rate of similar facilities, as determined by appraisal. The ground lease rate will be subtracted from the Fair Market Rental Return Rate.

The rental return shall be escalated annually over the time period by the average change in CPI-U of the last 5 years. The Reversion Deferral Fee shall be the net present value of the aggregation of those returns discounted by the then current prime rate.

Total Deferral Fee      \$51,681.13

# DISCUSSION PURPOSES

HOA Group	Lease No.(s)	Building No.(s)	Total Deferral Fee
Group 1	93-240	24 & 25	\$951,364.04
Group 2	93-247	23	\$468,564.96
Group 3	93-248	Hngs 3-16, 4-13, 4-15	\$143,304.03

HNG #	Lease #	Lease Expiration Date	Lease Agreement SF	Grd Lease Price Monthly	Price Per SF/Year	Reversion Deferral Cost w/o Ground lease Costs
3-26	93-A240	2023-05-06	1085.07	\$47.05	\$0.52	\$52,575.49
3-28	93-A240	2023-05-06	1085.07	\$47.05	\$0.52	\$52,575.49
3-34	93-A240	2023-05-06	1085.07	\$47.05	\$0.52	\$52,575.49
4-25	93-A240	2023-05-06	1085.07	\$47.05	\$0.52	\$52,575.49
4-27	93-A240	2023-05-06	1085.07	\$47.05	\$0.52	\$52,575.49
4-33	93-A240	2023-05-06	1085.07	\$47.05	\$0.52	\$52,575.49
3-24	93-A240	2023-05-06	1094.14	\$47.05	\$0.52	\$53,014.96
3-32	93-A240	2023-05-06	1094.14	\$47.05	\$0.52	\$53,014.96
4-29	93-A240	2023-05-06	1094.14	\$47.05	\$0.52	\$53,014.96
4-37	93-A240	2023-05-06	1094.14	\$47.05	\$0.52	\$53,014.96
3-30	93-A240	2023-05-06	1644.36	\$70.60	\$0.52	\$79,675.07
3-38	93-A240	2023-05-06	1644.36	\$70.60	\$0.52	\$79,675.07
4-23	93-A240	2023-05-06	1644.36	\$70.60	\$0.52	\$79,675.07
4-35	93-A240C	2023-05-06	1085.07	\$47.05	\$0.52	\$52,575.49
4-31	93-A240D	2023-05-06	1644.36	\$70.60	\$0.52	\$79,675.07
3-36	93-A240F	2023-05-06	1085.07	\$47.05	\$0.52	\$52,575.49
3-18	93-A247	2023-04-27	1656	\$86.35	\$0.63	\$78,094.16
3-20	93-A247	2023-04-27	1656	\$86.35	\$0.63	\$78,094.16
3-22	93-A247	2023-04-27	1656	\$86.35	\$0.63	\$78,094.16
4-17	93-A247	2023-04-27	1656	\$86.35	\$0.63	\$78,094.16
4-19	93-A247	2023-04-27	1656	\$86.35	\$0.63	\$78,094.16
4-21	93-A247	2023-04-27	1656	\$86.35	\$0.63	\$78,094.16
3-16	93-A248	2023-04-27	1092	\$84.02	\$0.92	\$47,768.01
4-13	93-A248	2023-04-27	1092	\$84.02	\$0.92	\$47,768.01
4-15	93-A248	2023-04-27	1092	\$84.02	\$0.92	\$47,768.01