

EXHIBIT A: Artspace Real Estate 10-Year Projections

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
INCOME	Inflator After Yr 3	1	2	3	4	5	6	7	8	9	10
Base Rent	2.0%	\$41,214	\$52,241	\$71,532	\$72,963	\$74,393	\$75,824	\$77,254	\$78,685	\$80,116	\$81,546
Additional Rent	3.0%	\$15,269	\$29,752	\$30,644	\$31,564	\$32,511	\$33,486	\$34,490	\$35,525	\$36,591	\$37,689
Capitalized Construction Interest		\$12,750									
Capitalized Construction Period Op. Exp.		\$5,250									
Less Vacancy/Credit Loss	5.0%	(\$2,824)	(\$4,100)	(\$5,109)	(\$5,226)	(\$5,345)	(\$5,465)	(\$5,587)	(\$5,711)	(\$5,835)	(\$5,962)
EFFECTIVE GROSS INCOME		\$71,659	\$77,893	\$97,067	\$99,300	\$101,559	\$103,844	\$106,158	\$108,500	\$110,871	\$113,273
EXPENSES		1	2	3	4	5	6	7	8	9	10
Legal/Audit	3.0%	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957
Taxes/Special Assessments	3.0%	\$3,792	\$7,810	\$8,044	\$8,286	\$8,534	\$8,790	\$9,054	\$9,326	\$9,605	\$9,893
Insurance	3.0%	\$5,500	\$11,330	\$11,670	\$12,020	\$12,381	\$12,752	\$13,135	\$13,529	\$13,934	\$14,353
Asset Mgmt Fee	3.0%	\$2,500	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Reserves	0.0%	\$1,250	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
TOTAL EXPENSES		\$14,542	\$28,335	\$29,110	\$29,908	\$30,731	\$31,578	\$32,450	\$33,348	\$34,274	\$35,227
NET OPERATING INCOME		\$57,117	\$49,558	\$67,957	\$69,392	\$70,828	\$72,267	\$73,708	\$75,151	\$76,598	\$78,046
REQUIRED DEBT SERVICE		1	2	3	4	5	6	7	8	9	10
First Mortgage (BQ Wells Fargo)		\$30,948	\$37,146	\$37,146	\$37,146	\$37,146	\$37,146	\$37,146	\$37,146	\$37,146	\$37,146
Great Streets Gap Loan		\$0	\$0	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
CPED 2% Loan		\$4,891	\$8,281	\$8,281	\$8,281	\$8,281	\$8,281	\$8,281	\$8,281	\$8,281	\$8,281
NET CASH FLOW		\$21,279	\$4,131	\$6,530	\$7,964	\$9,401	\$10,840	\$12,281	\$13,724	\$15,170	\$16,619
DISTRIBUTION OF NET CASH FLOW		1	2	3	4	5	6	7	8	9	10
Artspace Contingent Asset Fee		\$2,500	\$4,131	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Great Streets Contingency Pmt		\$14,084	\$0	\$919	\$1,876	\$2,830	\$3,782	\$4,733	\$5,681	\$6,627	\$7,571
Remaining Cash Flow to Artspace and CAFAC		\$4,695	\$0	\$306	\$625	\$943	\$1,261	\$1,578	\$1,894	\$2,209	\$2,524

EXHIBIT B: CAFAC Operating 10-Year Projections

		July - Dec									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
INCOME	Inflator After Yr										
	3	1	2	3	4	5	6	7	8	9	10
Classes	3.0%	\$61,620	\$135,564	\$177,466	\$182,790	\$188,274	\$193,922	\$199,740	\$205,732	\$211,904	\$218,261
Memberships	3.0%	\$13,350	\$25,453	\$27,086	\$27,899	\$28,736	\$29,598	\$30,486	\$31,400	\$32,342	\$33,312
Studio Rental	3.0%	\$12,000	\$32,400	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792
Offsets	3.0%	\$130	\$5,520	\$5,520	\$5,686	\$5,856	\$6,032	\$6,213	\$6,399	\$6,591	\$6,789
Contracts	3.0%	\$2,500	\$5,250	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428	\$7,651	\$7,881	\$8,117
Gallery Sales	3.0%	\$250	\$700	\$1,350	\$1,391	\$1,432	\$1,475	\$1,519	\$1,565	\$1,612	\$1,660
Fundraising	3.0%	\$72,000	\$92,200	\$109,695	\$112,986	\$116,375	\$119,867	\$123,463	\$127,167	\$130,982	\$134,911
EFFECTIVE GROSS INCOME		\$161,850	\$297,087	\$387,717	\$399,349	\$411,329	\$423,669	\$436,379	\$449,470	\$462,954	\$476,843
EXPENSES	Inflator After Yr										
	3	1	2	3	4	5	6	7	8	9	10
Base Rent	2.0%	\$41,214	\$52,241	\$71,532	\$72,963	\$74,393	\$75,824	\$77,254	\$78,685	\$80,116	\$81,546
Additional Rent	3.0%	\$15,269	\$29,752	\$30,644	\$31,564	\$32,511	\$33,486	\$34,490	\$35,525	\$36,591	\$37,689
Staffing	3.0%	\$25,570	\$74,999	\$125,100	\$128,853	\$132,719	\$136,700	\$140,801	\$145,025	\$149,376	\$153,857
Facility & Administrative	3.0%	\$15,396	\$37,129	\$52,566	\$54,143	\$55,767	\$57,440	\$59,163	\$60,938	\$62,766	\$64,649
Professional Services	3.0%	\$5,000	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167
Class Support	3.0%	\$33,818	\$74,190	\$94,616	\$97,454	\$100,378	\$103,389	\$106,491	\$109,686	\$112,976	\$116,366
Other	3.0%	\$100	\$100	\$100	\$103	\$106	\$109	\$113	\$116	\$119	\$123
TOTAL EXPENSES		\$136,366	\$270,909	\$377,133	\$387,731	\$398,605	\$409,762	\$421,211	\$432,960	\$445,019	\$457,397
NET OPERATING INCOME		\$25,484	\$26,177	\$10,584	\$11,617	\$12,724	\$13,907	\$15,168	\$16,510	\$17,935	\$19,446