

PIER 4, SOUTH BOSTON ---

STRUCTURING THE PROJECT TO MANAGE RISK AND REWARD

VOLUME 1 -- TEXT

by

Wigton F. Zamore

B.A., Bowdoin College, 1974

SUBMITTED TO THE DEPARTMENT OF URBAN STUDIES AND PLANNING
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
OF THE DEGREE OF

MASTER OF SCIENCE IN REAL ESTATE DEVELOPMENT

at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY
August 1986

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by

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Submitted to the Department of Urban Studies and Planning on August 15, 1986 in partial fulfillment of the requirements for the Degree Master of Science in Real Estate Development at the Massachusetts Institute of Technology

ABSTRACT

This paper examines the risks and rewards inherent in a large mixed-use development planned for Pier 4 in South Boston. Still in its formative stages but rapidly progressing, the project is studied from the point-of-view of the current owners, the Athanas family, and potential equity partners.

Early consideration is given to contextual constraints and opportunities, both physical and political. A major portion of the work of this study involved the design of a Lotus 1-2-3 template which was used to analyze the viability of each component and to assess the component's contributions to or demands from the rest of the project. After summing this use by use examination of financial risks and rewards, the project as a whole is reexamined in light of the challenges revealed. Following the financial analyses, the resources and skills that the current owners can contribute to the development are considered.

Finally it is suggested that selecting a single joint venture strategy would be premature, that the current principals should continue in their efforts to create value for the project before commitment to a specific structure, and that a pragmatically-oriented search for the best joint venture combination among multiple alternatives should be conducted simultaneously.

- * Topically related papers have been written by Robert Anthonyson and Nancyellen Hayes Seiden on strategic planning and affordable housing alternatives respectively.

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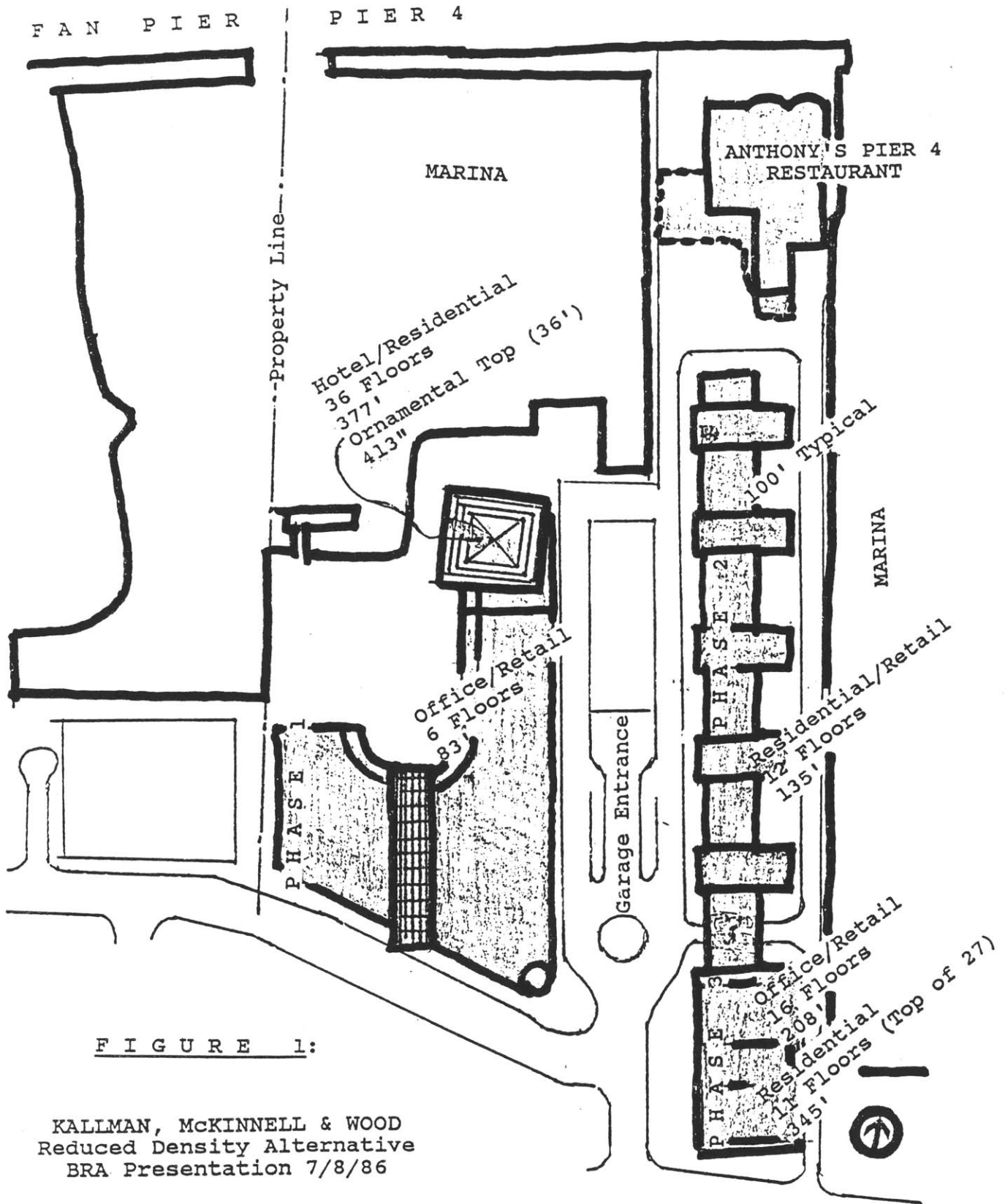


FIGURE 1:

KALLMAN, MCKINNEL & WOOD
 Reduced Density Alternative
 BRA Presentation 7/8/86

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	<u>PHASE 1</u>	<u>PHASE 2</u>	<u>PHASE 3</u>	<u>TOTAL</u>
CONDOS (units)	100	300	100	500
HOTEL (rooms)	290	0	0	290
OFFICE (net sq ft)	212,000	0	274,100	486,100
RETAIL (net sq ft)	35,600	13,650	6,300	55,550
GARAGE (spaces)	1400	800	450	2650
MARINA (slips)	100	80	0	180

FIGURE 2: PIER 4 DEVELOPMENT PROGRAM OF USES BY PHASE

INTRODUCTION

This paper examines the risks and rewards inherent in a large mixed-use development planned for Pier 4 in South Boston. Now in its formative stages, the project is studied from the point-of-view of the current owners, the Athanas family, and potential equity partners.

The current program for the development includes 500 condominium units, a 290-room hotel, about 500,000 square feet of office space, just over 50,000 square feet of retail, a four-level 2,650 car underground garage, and a 180-slip marina.

The paper begins with a consideration of the development's physical context. Site opportunities and constraints are analyzed in terms of characteristics of the land itself and three important locational relationships. The leap from Boston to South Boston across Fort Point Channel, the relative competitiveness of the property within the northern end of South Boston, and its unique relationship to the neighboring Fan Pier parcel are considered.

The next chapter investigates four aspects of the political context of the development. The skills applied in the approvals process, the effects of local housing policies, the HarborPark program to upgrade Boston's waterfront, and the likely impacts of transportation

improvements are examined.

Chapters 3 through 5 are concerned with financial analysis of the proposed Pier 4 development. The first of these chapters introduces the analytic framework designed to standardize study of the six uses and three phases. Financial criteria most heavily relied upon are defined and assumptions explained. The second of these chapters is an extensive look at the critical attributes of each component. Rates of return, capital requirements, and likely contributions to or demands on the rest of the project vary broadly by component. The last financial analysis chapter looks at the development as a whole and focuses on the large equity requirement for Phase 1. Potential methods of reducing this constraint, possible project-wide impacts from external risks and the need for phasing are briefly analyzed.

Chapter 6 discusses those resources and skills brought to the Pier 4 project by the Athanas family and Ellen Watts, President of Boston Mariner, the family's one-year old development company. The financial resources the family could contribute to a joint venture or pledge for credit include the Pier 4 parcel, the Fan Pier ground leases and sales options, and restaurant earnings. Besides financial resources, the principals of Boston Mariner can bring to any real estate development effort a range of business, political and professional skills. This competence must be channeled into development

management and used to compensate for some lack of experience in projects of this scale.

The final chapter considers the options available to the Athanases and Boston Mariner as they proceed with the development. The conclusions suggest that they will need partners, that as much value as possible should be created before final alliances with partners are made, and that those partners might better be chosen pragmatically for their ability to mitigate the risks and meet the demands of the development's uses than philosophically for their fit with a preconceived structure.

PHYSICAL CONTEXT

Many of the risks related to the Pier 4 development rise from its physical and political context. Discussion of the latter, issues of approvals policy and needed public infrastructure, will be largely deferred to the following chapter.

The Fan Pier and Pier 4, both of which the Athanas family owns, are located on the northern tip of the north end of South Boston, an area of roughly 600 underdeveloped acres. This area is bound on the northwest by The Fort Point Channel, which separates it from Boston's financial district; on the northeast by Boston Inner Harbor, which separates it from Logan International Airport; and on the south by the Reserved Channel and the rest of South Boston. Site opportunities and constraints may best be analyzed by looking at attributes of the parcel itself and three key locational relationships -- the jump across Fort Point Channel from downtown Boston to South Boston, the competitive position of the Athanas property within the northern end of South Boston, and the intertwined fates of the Fan Pier and Pier 4.

THE JUMP ACROSS THE CHANNEL

The inevitability of Boston development jumping Fort Point Channel into South Boston has been a matter of speculation for almost two centuries. In 1804, the Mount

Vernon Proprietors, flush with profits from the development of Beacon Hill, bought through private purchases much of what was then Dorchester Neck.¹ Once the land had been assembled, the General Court obligingly annexed it to Boston, disregarding the protests of Dorchester, and simultaneously granted this small group of land speculators the right to construct and operate a toll bridge to newly renamed South Boston. This first bridge, some 1550 feet long and known locally as the "Bridge of Sighs," became quite popular as a social gathering spot because of the panoramic view it offered back toward the city of Boston. However, subsequent free bridges precluded any chance of profit on the venture for the Mount Vernon Proprietors.

In the nearly two hundred years since that first connection between Boston and South Boston, landfill on both sides has reduced the widest remaining gap between them to roughly 600 feet, the views back toward the downtown skyline have grown more spectacular, and yet the debate has continued regarding the feasibility of large-scale development jumping across the channel. Doubters rest their arguments on a long history of proximity without parity, the present underutilization of much of northern South Boston, and office location preference studies. A survey of potential space users in the 1970s found few businesses entertaining a move to South Boston's Fort Point Channel area.² Interestingly, when asked to

rate locational attributes comparatively, respondents graded the area favorably. Perhaps the inability of those queried to imagine the area built out with first class office space limited their level of interest.

Proponents of the move across the channel point to the scarcity of viable downtown sites and the geographic preferences of current political powers on the Boston side of the channel. On the South Boston side of the channel, they point to mounting individual instances of approaching equality in real estate values and recent development. Some, like Anthony Athanas, have also based their beliefs on a vision of a city curling around Boston Inner Harbor much the way harbor-based cities have developed in other parts of the world. Those with this more optimistic outlook have often originally been outsiders, perhaps possessing more patience and perspective than local residents.

Examples of success include The Pier 4 Restaurant, opened by Anthony Athanas in 1963. Long one of the top ten grossing restaurants in the nation, it seems not to have suffered from its location. Similarly success was found on the east side of the channel by English and New York investors who purchased the Boston Wharf Company and its 3 million square feet of older buildings for \$12 million in 1971. Their space now rents for \$4 per square foot on the low end and as much as \$24 per square foot in

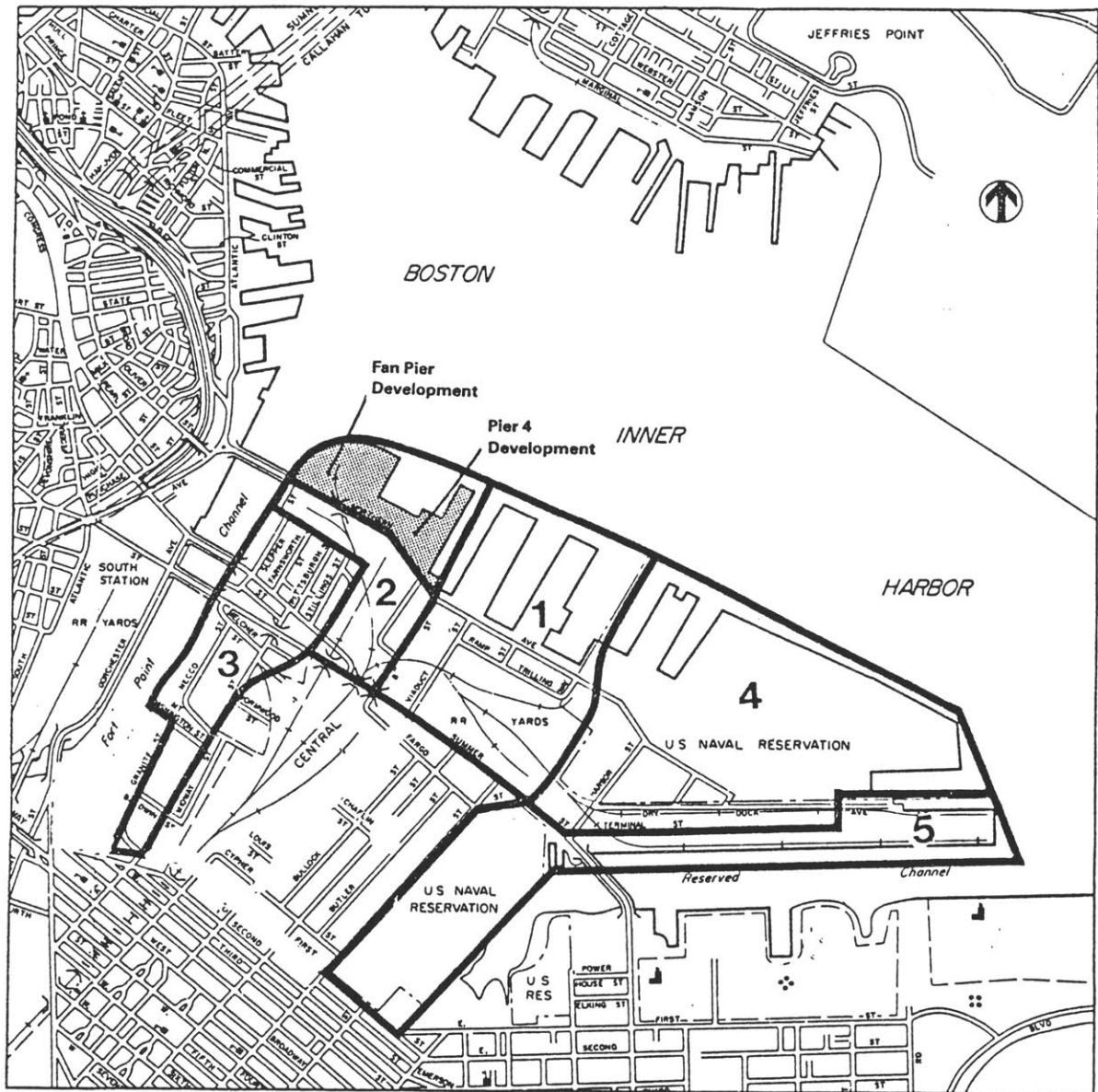


FIGURE 4: COMPETITION in Northern SOUTH BOSTON

- 1 Massachusetts Port Authority
- 2 Cabot, Cabot, & Forbes
- 3 Boston Wharf Company
- 4 Economic Development and Industrial Corporation
- 5 Massachusetts Port Authority

fully rehabilitated buildings.³ Rents in the mid-\$20s per square foot are at parity with those received for equivalent space in much of Boston.

Recent development activity is exemplified by two projects opened in South Boston in 1986, the Boston Design Center near the western end of Reserved Channel and the World Trade Center, an 850,000 square foot rehabilitation of the Commonwealth Pier building just to the east of the Athanas's land. Despite these positive trends, the Pier 4 development retains some market risks directly associated with the jump across the Fort Point Channel to what remains a frontier location for a large, mixed-use development.

COMPETITION WITH THE NEIGHBORS

Large chunks of the northern end of South Boston are owned by development-oriented private companies and public agencies. The enormous potential impact of development in this area can be gauged by noting that if three quarters of the 600 acres were developed commercially at a floor area to land ratio (FAR) only 1.5, all of Boston's first class office space, or roughly 30 million square feet, would be duplicated. Not unexpectedly, the transportation systems and infrastructure in place will support only a small fraction of this buildout. The Fan Pier and Pier 4 projects alone would burden beyond the breaking point some of the local

traffic routes if improvements are not made over the next several years.

Crucial characteristics defining the competitive position of Fan Pier and Pier 4 within this community of potential developments are the early planned buildout and the premier relative location of the Athanas parcel. If being among the first large developments across the Fort Point Channel adds an element of pioneering risk, it mitigates other risks. Neighbors with the same long term intent are reluctant to offer objections to proposals which precede their own, both for fear of setting self-defeating precedents and because the temporary status of their property precludes their proclaiming the sanctity of the status quo. Because the properties are not yet developed, they are also unable to effectively block-out claims to infrastructure. Any unequal burden for public works required in the future is more apt to fall upon later developments than those that have some time to grandfather rights to services.

Lying at the apex of Boston Inner Harbor directly across Fort Point Channel from Boston's financial district, the Fan Pier and Pier 4 parcels have less locational risk than land further out. The projects will have less marketing risk than they would at an interior location and will have less adverse impact on the northern sections of South Boston by being on its border.

Transportation systems and infrastructure needed by potential competitors further away from Boston's central business district will necessarily improve the Athanas site as well. Perhaps particularly fortunate is having development-oriented government agencies east of the site.

FAN PIER - SHARING FATE WITH PIER 4

Though being developed by different entities, the Fan Pier and Pier 4 have futures inextricably intertwined. They share, in addition to a boundary, a common origin, a common underlying ownership, and overlapping development periods. Including 25 acres of land and pier structure as well as 10 acres of open water, together they constitute a spectacular key parcel whose size will support at an FAR of 4.27 roughly 4.5 million square feet of mixed-use development. To relate this to a recent Boston project, the full buildout represents 20% more developed space than Copley Place on 2.5 times the land area.

Nonexistent except as tidal flats in the early 1800s of the Mount Vernon Proprietors, Fan Pier and Pier 4 were filled in two separate periods, the twenty years before 1890 and the five years following 1969. Although the site holds no extraordinary subterranean risks, bearing capacities of the fill and underlying strata and the need to contend with the waterfront would favor a common contractor and carefully coordinated excavation, foundations and substructure.

Also favoring either a linked development or an earlier start on the Fan Pier are the relative locations of the sites and the stream of cash flows that will flow from it via a participating ground lease. Lying between Pier 4 and the Fort Point Channel, development of the Fan Pier is a necessary link to Boston's financial district and downtown.

Anthony Athanas, who assembled the sites over several decades following 1959, has long wanted a major hotel to anchor the combined land parcels. After acquiring permits to build one himself in the 1960s, he backed out of the endeavor because he couldn't prove it financially feasible. With this in mind and feeling that the family couldn't come close to developing the whole site with their own resources, the Athanases have executed a series of 65-year ground leases and land purchase options with HBC Associates, a joint venture between Hyatt Hotel and Carpenter Company interests. These agreements cover almost two-thirds of the combined site and will produce, as the Fan Pier is built out, a significant stream of cash flows which could be used as a source of funds or collateral for the Athanas's development on Pier 4.

The common development period of these two mixed-use projects will make it easier to establish the area and will allow joint marina development, symbiotic site

planning, and a common or interactive retailing scheme if it's desired. The contemporary buildouts at Fan Pier and Pier 4 will also produce some problems. Each project will probably be the other's stiffest competition and aggravate any absorption problems. For the Athanases there are further risks. At the same time that it produces a link to Boston, the Fan Pier project may serve to block some of the market from Pier 4. Potentially more serious will be the family's enormous concentration of income-producing assets in one location. The Pier 4 restaurant, the Fan Pier ground leases, and the Pier 4 development will reside on one 25-acre parcel all subject to the same external factors. Because the impact of something like a poorly managed local transportation construction project could be enormous on all three of those assets, a greater than normal financial safety margin should be maintained.

The intertwined fates of the Fan Pier and Pier 4 developments mean that these natural competitors have an intense mutual interest in creating an appealing area. That this need for the other to succeed might be a little stronger for the Athanases may be offset by the additional margin created by their leasehold interest and by their onsite diversification with interests in two separate developments and an outstanding restaurant.

THE SITE ITSELF

Pier 4's waterfrontage, relationship to current transportation systems, and existing restaurant give rise to major site-defined opportunities and constraints. Water on all but the southern side of the site is an enormous amenity for all of the project's proposed uses. It facilitates creation of Boston Inner Harbor's largest protected marina, decreases the apparent density of the development, and frames great views of the city and airport. In an age of open and stringent review processes, water frontage also means there are fewer neighbors who could be adversely impacted by a development. Shadows, for instance, will fall largely either on the site or on the water. A major constraint caused by the water is the additional site costs it imposes, particularly when coupled with filled lands and the need for multiple layers of underground parking. A second constraint is the presence of increased winds at the water's edge and the need to plant and plan accordingly.

The extent, schedule, and likely impact of future road improvements on Pier 4 will be discussed later in the section on politics. The site's relationship to existing ground and air mass transit systems produces both opportunities and constraints that will have to be addressed and managed by the developers. Pier 4 is roughly three quarters of a mile from South Station, a

node on the Red line, the Boston metropolitan area's busiest subway. South Station is also a collector and transfer point for commuter rails. Though some will not find three quarters of a mile too far to walk, many others will. Existing bus lines between South Station and the site will have to be expanded or supplemented.

Only several miles from Logan International, transport from Pier 4 to the airport may be by water taxi or shuttle, or overland. Attention will have to be given to making either or both methods of connecting with flights convenient. Noise from Logan, particularly that created by planes taking off from Runway 9/27, will have to be mitigated in construction but then will fall within FAA guidelines for compatibility with residential areas.

The continued presence and operation of the Pier 4 restaurant and the need for continued parking on the site during development will pose some construction management problems. At the same time, the restaurant will draw a steady stream of potential users past the site.

POLITICAL CONTEXT

The right to develop Pier 4, the cost of exercising that right, and the eventual reward for having done so are all profoundly affected by political context. For all large projects in Boston the permitting and approvals process is a gauntlet of national repute. Many developers find the demands for private subsidy of public services and amenities an additional threat to profitability. The owners of Pier 4 must be concerned as well with the probability and timing of major transportation improvements.

MANAGING THE APPROVAL PROCESS

The Athanas property is located within a strongly Democratic community, city, and state. Though these different levels of government often disagree on policy, they can serve as a formidable force when their interests are aligned. The city's development review process relies heavily upon the Boston Redevelopment Authority (BRA) and, by extension, the Mayor's office. This concentration of power, the lack of modern zoning (almost nothing can be built as of right), and the extent of local design interest sometimes combine to make Boston one of the toughest places in which to build.

In Boston's Back Bay, New England Life, parent of a nationally respected development equity source and a near

blueblood among the city's corporations, unwittingly spent three years and \$30 million preparing to build half of a project they thought had been endorsed earlier by all key city officials.⁴ Local foes of the project are pressing for further concessions. Near the Inner Harbor on the other side of town, a less composed development team led by Donald Chiofaro has reacted caustically to the BRA's assertion that a highway ramp relocation problem will necessitate city approval of a new building design.⁵ At peril is the 35-story second phase of the 1.6 million square foot International Place office and retail project. Mr. Chiofaro had earlier threatened to withhold payments to the city for land and "linkage" if his right to move the ramp was not conceded. Rejection of the relocation of the ramp came neither from Mayor Raymond Flynn nor from BRA director Stephen Coyle. Rather it was issued by Massachusetts Transportation Secretary Frederick Salvucci. The extent of (political) coordination among these offices has not been divulged. For both New England Life and Donald Chiofaro, the loss of major amounts of floor space will drive up the finished cost per square foot.

Boston Mariner, the development company chaired by Anthony Athanas and operated by Ellen Watts, has managed the approval process to date with uncommon skill. The Draft Environmental Impact Report submitted jointly for both Fan Pier and Pier 4 has set new standards for thoroughness. James S. Hoyte, Secretary of the

Massachusetts EOE in his certification letter, stated, "The Draft EIR prepared for this project goes well beyond both the breadth of coverage and the depth of detail that is customary in EIRs . . . The proponents and their consultants are to be commended for the Draft EIR and for their support of informed public review in the best spirit of the Massachusetts Environmental Policy Act."⁶

Pier 4 and Fan Pier were the first developments to apply for and receive approval of Master Plans for Planned Development Areas (PDAs), a procedure for major city sites of over five acres. The Boston Globe reported, "Approval . . . was given in less than a minute after a public hearing on the planning proposals ended. While some initial concerns were expressed at the hearing, no actual opposition was raised."⁷ The Boston Herald stated, "There was no opposition to the development voiced at the public hearing which ran more like a testimonial to Athanas."⁸

The respect shown Anthony Athanas in the approval arena rests upon his longstanding investment in the community, his personal dedication to a hands-on work ethic, and his relentless cultivation of friendships over the years. Ellen Watts brings to the process an educational background in design and development, and a well-focused professionalism. Between them, Mariner has demonstrated an ability to contend with the politics of the approval process that by itself would be a major

contribution to any development effort. With a Boston site, this skill may be needed not only during the preparation and presentation of the final Pier 4 EIR in the Fall of 1986, but again and again throughout the project's long buildout.

HOUSING POLICY AND IMPACTS - PUBLIC BENEFITS/PRIVATE COSTS

The direct cost of subsidizing housing, the potential political cost of subsidizing the wrong housing, and the opportunity cost of diverting entrepreneurial energies to address these issues are all a function of Boston's "affordable housing" policies. Perhaps just as important to both the Pier 4 development's profitability and the affordability of future Boston housing is the city's ability to regulate residential construction and its competitive environment.

Sparked by the property tax limitations of Proposition 2 1/2 and carried aloft by the recent local economic and building boom, Boston's affordable housing policies sometimes seem an ever-widening gyre rather far from earth. Local powers have recently been promoting as many as four schemes simultaneously.

Least threatening of these schemes to Pier 4 are parcel-to-parcel linkages, both formal and informal. The BRA has recently promoted a program linking development of hotly pursued downtown city controlled sites with less

popular sites in the surrounding neighborhoods. In one such recent proposal, 70% of the combined \$350 million investment was expected to go to the neighborhood project, only 30% to the downtown lure.⁹

Another more traditional but unwritten form of parcel-to-parcel linkage was employed earlier this summer. In a highly publicized apartment tour, Boston Mayor Raymond Flynn castigated local developer Rosalind Gorin regarding code violations and the need for repairs. He was undoubtedly cognizant of, and using as leverage, her hope to be designated developer of a major new Boston Garden complex.

In the third plan, not parcel-to-parcel, Boston's zoning code provides for formal linkage fees for all large new hotel, office, and retail developments. Recently changed from \$5 per gross square foot spread over 12 years to \$6 over 7 years, these fees were the subject of a recent compromise between Boston Mariner and the BRA.¹⁰ Pier 4 would base its fees on a schedule of twelve annual payments of \$.50 per foot of gross developed space. If finished building costs are \$250 per foot, these fees would amount to roughly 2 1/2% of costs before discounting back to present value.

Two realities complicate the linkage issue for all developers in Boston Mariner's position. First, Superior Court Justice Mel Greenberg decided in March that Boston's

linkage provisions are neither enabled by Massachusetts law nor classifiable as fees (as opposed to taxes).¹¹ Rather than casting doubt on whether Boston will receive linkage money, in most cases this has merely made uncertain what form the payments might take. Rather than stay in suspense many developers have struck "voluntary" agreements with the BRA.

Second, even when legal there has always been a plethora of possibilities under Boston's linkage plans. Developers could pay into a trust fund, find and finance a residential builder, or construct housing themselves. Even before Judge Greenberg's decision, the trust fund attracted criticism because it had neither dispersed money nor budgeted real projects. Choosing one of the more proactive affordable housing alternatives might be more socially responsible but also exposes a developer to a minefield of political risks. Boston's neighborhoods possess pride and autonomy, perhaps none more than South Boston. The current city administration under Mayor Flynn is dedicated to strengthening neighborhood identity. This dedication includes a fair housing plan allowing up to 70% neighborhood preference in publicly-assisted housing developments. This preference has drawn the ire of the Massachusetts Commission Against Discrimination and its Chairman Alex Rodriguez. They feel the neighborhood preference may be discriminatory when applied in historically segregated communities such as South Boston.

Whichever of the linkage-related affordable housing alternatives the Pier 4 developers choose, or if they synthesize a new course, there will be political problems to be managed. Just as in the approvals process, the skills and respect the principals of Boston Mariner exercise and command within the community will be of critical value. If they choose an active role in creating subsidized housing, the developers must be wary of diverting too much of their energy away from their main task, ultimately for the sake of the community as well as themselves because the Pier 4 development will have a community presence long into the future. Additionally, in an environment where everyone cuts their own deal, they must be careful that amounts extracted from them are not excessive relative to payments made or efforts expended by competitors.

Boston's fourth and latest affordable housing scheme, inclusionary zoning, would undoubtedly tax the entrepreneurial energies and profits of the Pier 4 developers. This policy requires ten percent of a residential development to be set aside for low- and moderate-income families. Operating like a flat tax rather than the more regressive linkage fees, this type of zoning would be enormously expensive for high end projects. Despite recent backing by the governor, there is no evidence that inclusionary zoning would be any more legal under the state's zoning enabling acts than Boston's

linkage provisions. There is, in addition, a real concern about providing a few low or moderate income citizens with housing costing \$250 per square foot and selling for \$300 to \$400 per square foot when the same amount of money could serve far more people if applied in a more modest means.

Housing prices are ultimately a function of demand and supply. Supply enters the market only with the permission of government legislators, administrators and regulators. Housing starts of all types are at record levels for both Boston and Massachusetts. During the first half of 1986, state starts hit an annual rate of 50,000 new houses, a thirteen-year high equivalent to an annual flow of 2 1/2% of the housing stock.¹² As of the middle of July 1986, the city of Boston had recorded over 2,300 year-to-date housing starts or almost 50% more than in any full-year between 1975 and 1984.¹³ ¹⁴ These statistics reflect a powerful elasticity of supply in reaction to governmental encouragement, lower construction period interest rates, and strong local home price appreciation. This appreciation reached 50% in real terms between the third quarters of 1983 and 1985.¹⁵

Annualized 1986 Boston housing starts should surpass Mayor Flynn's goal of 3,400 and are well in excess of the current household formation rate. City officials realize that starts alone will help affordability and are

being accordingly accommodative. Pursuing a similar policy the state has gone as far as threatening to withhold funds from areas where housing developments are being unreasonably discouraged by local governments. These policies encouraging supply will surely affect Pier 4 more by setting the competitive environment for its residential units than by relieving the need for contributions to affordable housing.

HARBORPARK - PUBLIC AMENITIES/PRIVATE BENEFITS

If affordable housing is a public benefit with private costs, Boston Inner Harbor is a public resource of enormous potential private benefit. Even the highest-end private developments may gain from addresses adjacent to public amenities. Central Park in New York City underwrites a vast amount of private wealth. Donald Trump considered the view to it a steal at \$2 million when he bought Tiffany's air rights. In Boston the Commons has recently provided a local example of the same phenomenon. Condominiums at The Four Seasons which overlook the Commons are selling for between \$75 and \$125 more per square foot of salable living space than condominiums facing in the other direction.¹⁶ This price differential is understated because the Commons is north of The Four Seasons and the lower-priced units have a southern exposure, traditionally more desirable.

Extensive water frontage and the largest sheltered

marina in Boston Inner Harbor will create enormous value for the Pier 4 project. If, for example, the harborside site adds \$100 per salable square foot to one half of the condominiums in the Pier 4 project, the value created would approach \$30 million.

The city of Boston is in the midst of enacting the first stages of HarborPark, a comprehensive plan to rebuild and extensively upgrade the city's harbor areas. One of the first projects in this plan is Harborwalk, a seven mile waterfront public park beginning in Charlestown and ending at Pier 4. Portions of the HarborPark system will receive in excess of \$40 million of public financial support.¹⁷ Even though the Fan Pier and Pier 4 projects will be paying for the cost of public improvements upon their sites, the connecting offsite improvements and the change in focus from other parts of the city to the waterfront may more than compensate the developers. Rowes Wharf, a mixed-use project almost directly across Fort Point Channel from the Athanas property and a part of the HarborPark/Walk system, has recently set new records for condominium prices in Boston --signing contracts on all 100 units in 100 days at prices reputedly averaging \$435 per square foot.¹⁸

There are often doubts as to whether increased public access to a developed site won't decrease its value and increase its operating costs. Undoubtedly, some

operating costs are increased by such access. But realistically there is little possibility of gaining the right to build out a parcel as large as Pier 4 in a city as large as Boston without providing public access. Given this reality, a lofty public sector ambition for the parcel's waterfrontage may be the best complement for a well-crafted site plan which commands the behavioral respect of all of the site's future users.

TRANSPORTATION IMPROVEMENTS -- COSTS AND BENEFITS

Perhaps no area related to politics will affect the Pier 4 development's long-term feasibility more than the enhancement of offsite public services. Improvements are needed in utility infrastructure, existing rapid transit and roadways.

Changes needed in the current sewer, water, power, and gas systems of the Fort Point Channel area are expected to pose neither undue financial burdens nor undue delays for the Pier 4 project. A neighboring developer, Cabot, Cabot and Forbes, has suggested a new utility conduit be run through the Fort Point Channel area. Government officials have expressed wishes that developers carry some of the new utility costs. In a worst-case scenario, California precedents following in the wake of their 1978 property tax limitation bill, Proposition 13, could be enacted in Massachusetts. There, tax exempt "Mello-Roos" bonds are issued by municipalities to pay for

infrastructure within an assessment district but are backed only by privately held real estate.¹⁹ Regardless of the method of financing improvements in Boston, however, they are not expected to be a crippling problem for Pier 4.

Similarly, recent and continuing improvements to the MBTA Red Line which indirectly serves the site are expected to be able to accomodate any extra demands placed on the line by both the Fan Pier and Pier 4 developments. In the very long run there is a chance that a Red Line spur will connect South Station, the Athanas site, and Logan airport. Such a spur would be of enormous value but its degree of uncertainty at this point precludes depending upon it. In the immediate future, as discussed earlier, the developers will have to assure convenient links to both South Station and the airport via bus, water shuttle, or otherwise.

Of all the potential infrastructure and transportation system improvements pending, those involving roads and highways are likely to have the most impact on the Pier 4 development in every time frame. In the short term a new Northern Avenue and Northern Avenue bridge are prerequisites for the development of Fan Pier and Pier 4. This \$12-\$14 million project, in the design stage since 1972, is so important its commencement triggers specific performance in the ground lease between

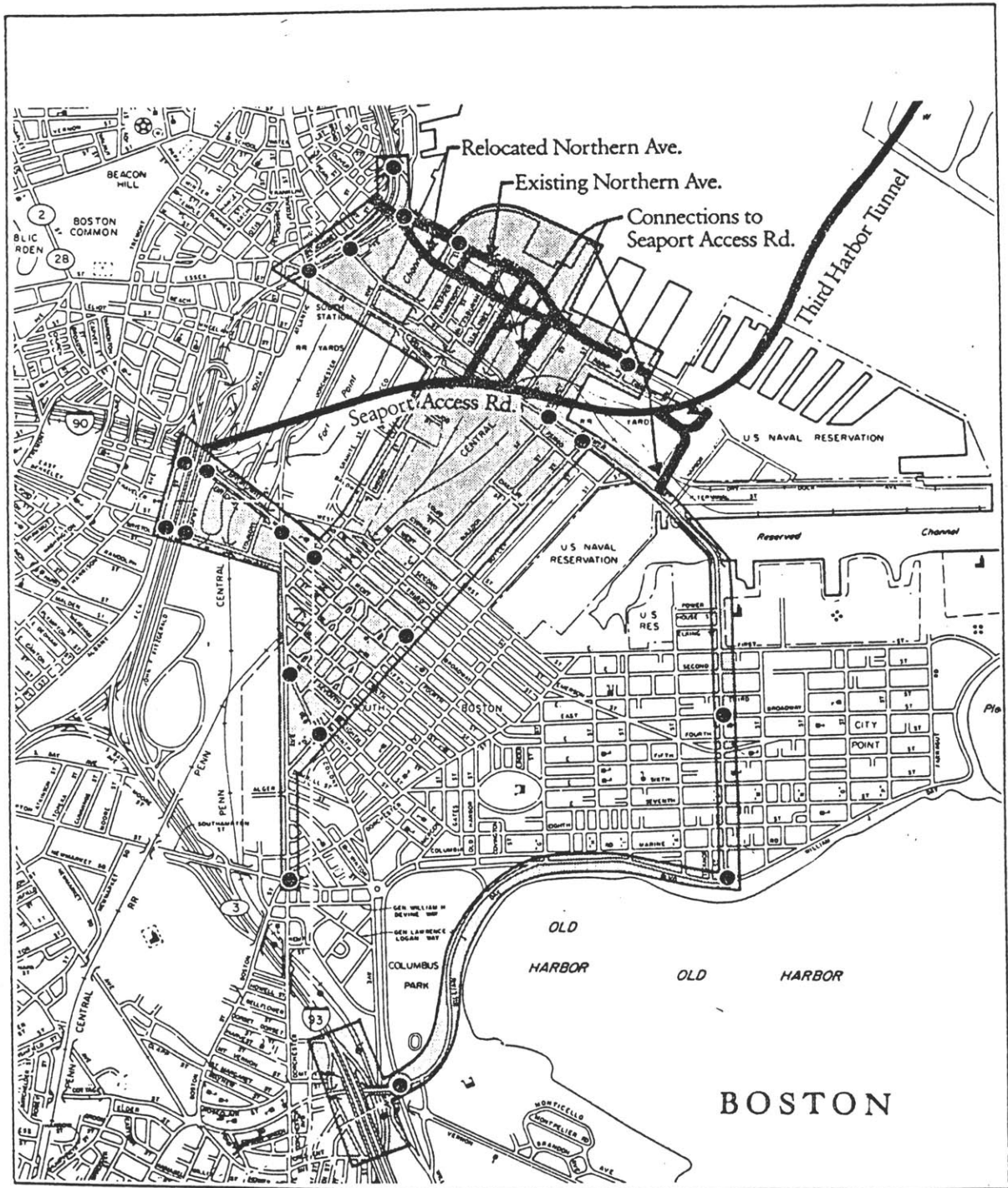


FIGURE 5: ROAD IMPROVEMENTS

the Athanases and the Fan Pier developers. Long held up by a suit brought by the Boston Harbor Associates against the city and a debate between open and fixed span proponents, it now appears construction will get underway by the spring of 1988 and be concluded by 1990.²⁰ Without these improvements traffic in the Fort Point Channel area would be brought to a halt by continued development activity. With them the gap between Boston's financial district and the Fan Pier and Pier 4 will be narrowed further.

In the intermediate term, 5 to 10 years away, a Seaport Access Road and Third Harbor Tunnel connecting the Massachusetts Turnpike, the Southeast Expressway, and Logan Airport could have immense impacts on Pier 4. As a matter of political strategy, this \$1.5 billion project has been linked with the Central Artery Depression project by Massachusetts Transportation Secretary Frederick P. Salvucci and others.^{21 22 23} As discussed below, it has not yet received Congressional funding. This road, passing to the south and east of Pier 4 would effectively give the site a more central location by passing outside of it relative to downtown Boston. Those travelling to Logan from west of Boston via the Turnpike or south of Boston via the Expressway would naturally pass by the Pier 4 neighborhood rather than the current financial district. The Third Harbor Tunnel is expected to eventually carry 50% of the traffic to and from the airport. Commuters

from the same suburban locations would be able to get to offices at Pier 4 more easily than to current downtown space. Connector roads would go almost directly from the Pier 4 site to the Seaport Access Road.

In the long-term this large public project will undoubtedly enhance the value of Pier 4's location. During its construction however, the adverse effects could be costly unless great care is taken to mitigate disruption of the local area. Mayor Flynn and his Transportation Secretary Richard Dimino have started skirmishing with the state regarding uninterrupted local access and the need for measures to protect or compensate small businesses and residential neighborhoods. Proper public management of this large construction project will be enormously important to the developers of Fan Pier and Pier 4 and in particular, to the Athanases because of their local concentration of income-producing assets -- the restaurant, the Fan Pier ground leases and the Pier 4 project.

In the long term, 10-15 years, the billion dollar Central Artery Depression project should further unify the Fort Point Channel area and Boston's financial and downtown areas. The design and engineering portions of this and the Seaport Access Road and Third Harbor Tunnel project discussed above, have been funded and will take approximately 3 years. The projects themselves have not yet been funded. The Federal Highway Administration has

long argued that the Central Artery Depression is not eligible for funds because it is a rehabilitation rather than a new project. Consequently, the combined projects may only be financed with gas-tax trust money if specifically designated as recipients by Federal legislation. Though a preliminary version of House of Representatives legislation notably includes the Central Artery, there is no assurance the Senate or Conference Committee versions will follow suit. If the funds are not legislated this fall, the next chance will be 4 years later. If the funds are voted this fall, there is no way of assuring their early availability from the gas-tax trust fund which must first accumulate them.

Given the long-term impact of these transportation improvements on the Pier 4 project's locational value and the potentially adverse construction period impacts, continual monitoring of their progress is a necessity. Given the importance of transportation systems and the magnitude of possible future developments in the northern end of South Boston, it seems a shame there are apparently no contemporary planners the magnitude of Bulfinch or Olmsted working on the problem.

FINANCIAL ANALYSIS - FRAMEWORK

The Pier 4 development is eminently feasible as presently configured given the accuracy of the costs and revenues assumed. Ascertaining the accuracy of those assumptions, which are discussed briefly below, was well beyond the scope of this thesis but will remain a critical challenge for Boston Mariner throughout the buildout period. Because the Pier 4 development is still in the formative stages, physically and financially, the task undertaken was to create and apply a standardized but flexible analytic framework which would allow both a critical comparison of the viability of each component and an assessment of the component's contribution to the whole project on a phase by phase basis.

The current program has six distinct revenue producing uses. In total there are 500 condominium units, 290 hotel rooms, a little less than 500,000 rentable square feet of office space, and a little over 50,000 square feet of retail. Below ground is a four-level 2,650 car garage. A 180 slip marina lies to the north and either side of the site.

All of the uses, and all of the hotel, are present in the first phase. The first phase has grown to represent almost 50% of total costs (about \$200 million) and 45% of built space (about 740,000 gross square feet). Individual components have seen larger proportional

changes. The hotel is now more than 50% larger than initially planned. The retail space is less than half its former self.

In contrast to the complexity of the development, an attempt was made to keep the financial criteria scrutinized as simple as possible. Static gross margin and return on asset calculations were used along with several discounted cash flow measures to evaluate overall profitability. The variations among components are tremendous. In Phase 1, for example, the hotel produces the highest net present value, over \$15 million, but also requires by far the largest investment of equity, nearly \$30 million or one half of the total for the phase. The highest rates of return are produced by the marina, garage, and condominiums.

Equity required over time and the composition and timing of returns were relied upon to indicate a component's financial importance to the whole project and its relative need for capital. The condominiums are expectedly the largest early generator of cash to subsidize the rest of the project, producing over \$10 million of after-tax net gains 4 years from the start of construction. Selling garage spaces and marina slips can also contribute to front-end fundraising.

More specific definitions of financial criteria and an examination of the assumptions employed in base case

analyses follow. The next chapter contains one by one considerations of the individual components of the Pier 4 development. Where appropriate, competing uses on the Fan Pier and terms of the ground leases or sale options that apply to them are discussed. Issues of importance throughout this financial analysis are the effects of the long total buildout time and the potential results of changes in Federal tax policy. Finally, external risks such as some of those introduced in the chapters on site and political context and the interaction of the parts to form a synergistic whole are considered.

A description of the computer program which was written to serve as an analytic framework is deferred to the Appendix. This program represents a major portion of the work of this thesis and includes a great many details entirely left out of the discussions. Nearly comprehensive printouts of results and backup schedules for base cases of all three phases are included in the Appendix, along with shorter summary printouts of analyses run for specific reasons.

FINANCIAL CRITERIA

Gross Margin: The gross margin on sales before income taxes was calculated for all units sold outright, i.e., condominiums and some of the garage spaces and marina slips. This is simply the percentage by which

unescalated sales proceeds exceed unescalated costs before deducting taxes on the gain.

Return on Assets: As used here return on assets is stabilized net operating income divided by investment cost. Net operating income has neither been reduced by the sporadic cost of lease turns (commissions and refurbishment) nor by linkage fees which are not a perpetually recurring expense. A more sophisticated analysis would at least have annualized the turning costs. Investment cost includes land, hard and soft costs. Operating deficits before stabilization are not included in costs. As with gross margin, no escalation has been imputed in calculating return on assets.

Net Present Value: The value of a future stream of cash flows plus an initial investment after discounting each individual cash flow back to the first day of investment at a specified rate. Only after-tax cash flows are investigated in this paper. The discount rate used is 8% which corresponds to 12.3% before tax in a 35% tax bracket (anticipated new law) or 16% before tax in a 50% tax bracket (old law). The after-tax cash flows used in figuring net present value incorporate all escalation assumptions. The base case analyses assume a 4% annual inflation of costs, revenues, and expenses.

Internal Rate of Return: The single after-tax discount rate that would have to be used to make all

future cash flows exactly balance an initial investment. This is a weighted average rate of return on the fluctuating amount of funds invested. Unlike net present value, this measure is separable from the quantity of the investment and returns.

Cumulative After-Tax Cash Flow: This is a running total of the amount of money after income taxes a single investor would either be out-of-pocket or have received as a net return through any given point in the development's history. For any capital constrained developer it is important to anticipate both the maximum equity required and the cash position of the project as it evolves. The financial analyses of the three phases of the Pier 4 development assume 2 years of design and 2 - 2 1/2 years of construction. Cumulative cash position at the end of year 6 has been used throughout the discussions which follow as a key indicator of a component's ability to help finance other uses or need to be underwritten. Because the cumulative cash position at the end of year 6 is very sensitive to both absorption rate and the level of permanent financing justified by early operating results, it serves as a barometer of financial pressure. Unlike net present value and internal rate of return, cumulative cash position does not involve discounting.

Composition of After-Tax Net Present Value: Net present value has been partitioned into five components for each use -- investment, cash flow from operations,

taxes/benefits from operations, cash flow on project sale, and taxes/benefits from sale. This partitioning shows the relative performance of the different uses. Particularly telling is the ratio of cash flow from operations to investment. Those uses which depend upon a gain on eventual sale are inherently riskier than those which do not.

All of the uses analyzed except the condominiums assume a sale of the development at the end of the 15th year of each phase based on capitalization of the 16th year's net operating income. Each of the three phases has been analyzed as a separate project without presuming the length of time between the start of one and the start of another. This preserves flexibility but means that care must be taken when adding or superimposing several phases. Costs and revenues, e.g., should be escalated in proportion to the gap assumed.

ASSUMPTIONS

Key assumptions were made in the areas of costs, revenues, financial and market terms and conditions, and the allocation of costs among different phases and components. Land, hard and soft costs were derived from distinct sources.

Land: Although the Athanas family owns Fan Pier and Pier 4 outright and has a much lower than market

basis, land costs of \$2 million per acre were imputed in order to simulate both a realistic cost and some of the burden that might be imposed on a joint venture. Prices of nearly \$1 million per acre before escalation from July of 1983 are being used as a base for calculations in the Fan Pier ground leases.

Hard Costs: Hard construction costs for Phase 1 were taken from sections of a May 1986 professional estimate done for Boston Mariner by Wolf New England of Worcester, Massachusetts. The component specific hard costs range up to \$122.50 for the condominiums of Phase 1 which are located in a small footprint 36-story tower. These estimates have 10% "design/estimating" contingencies at the component levels. When compounded by a total hard cost contingency of 5%, there is a 15.5% premium over system costs.

Wolf New England has done more than half a dozen estimates for prior Kallman, McKinnell, & Wood (KMW) designed projects and should have commensurate takeoff skills. KMW have undoubtedly been maligned beyond reason regarding the construction costs of their award-winning design for Boston City Hall. But as with all good architectural firms, particularly those known for their commissioned work, care must be taken to ensure the economic efficiency of the designs in a speculative marketplace.

Foundation: One of the few problems with allocating the hard costs involved the foundation. Wolf allocated 100% of all foundation costs to garage substructure. Because it is unrealistic to assume that a 400 foot tower and 6-story office building would impose no additional foundation costs on an underground garage, a variable was created within the financial analysis to reallocate some of the foundation costs to nongarage uses. The Phase 1 base case imposes only 75% of total garage and foundation costs of \$34.6 million dollars upon the garage.

Soft Costs: The soft costs used for permits and approvals, architecture and engineering, and other development overhead were supplied by Boston Mariner. When coupled with the land and hard costs, total development costs per net rentable or salable square foot range from \$223 for office space to \$265 for the condominiums. The realistic competitiveness of these costs must be addressed by Boston Mariner. The danger of budgeting and incurring high costs is greatest in ebullient markets where discipline with regard to costs is shouldered aside by the rush for profits. Because Boston has enjoyed a more exuberant market the last several years than much of the nation, concern is warranted. In some cities the size of Boston, the sales price of office space has never reached the costs projected for Pier 4. In Miami, for example, office prices peaked several years ago at \$210 per square foot.²⁴ Historical cost differences

(roughly 15% in 1984 between Boston and Miami --- MEANS) are not enough by themselves to explain the contrast.

Revenues The office revenues projected for this project, \$35 per rentable square foot are in line with downtown levels and about 8% below the premium rents of \$38 reputedly being contracted at Rowes Wharf. Other revenues are similarly near but not at the top of the Boston market. Condominium sales prices of \$375 per foot are within about 15% of Rowes Wharf prices reportedly averaging \$435. With the exception of the hotel rates, the revenues used for the financial analysis come mainly from Boston Mariner although recent consultations they have had with a garage expert suggest those figures may be too conservative. The hotel rates for rooms, food and beverage, and other income have been drawn from a professional market study done by Pannell Kerr Forster. (PKF), a leading hotel accounting and consulting firm.²⁵

Financial and Marketing Terms and Conditions:

Financial and marketing terms and conditions assumed are set out along with the rest of the assumptions in the "Development Assumptions" tables in computer printouts in the Appendix. Escalation of both costs and revenues was assumed to be 4% per year for the base cases. Because of the cyclical nature of real estate and the decade long development period of Pier 4, it was thought untenable to rely upon recent trends suggesting faster appreciation of

revenue than cost.

With the exception of an initial occupancy level of 50% in the hotel, one quarter of Phase 1 uses were assumed presold or preleased. Absorption was assumed to take a year and a half for all uses except the hotel which doesn't reach stabilization for 4 years. The effects of changes in these variables have been analyzed for several of the uses.

Allocations Land, site, utility and service costs were allocated to uses based on gross above-ground square feet because FAR is used by the Boston Redevelopment Authority to limit development size. Those soft costs not specifically allocated were divided in proportion to total hard costs.

FINANCIAL ANALYSIS - COMPONENTS

Each component of each phase has particular risks and rewards associated with it. The first phase of the development has been studied more intensely than the second and third phases because its failure would preclude their development as planned. Success of the first phase, on the other hand, would reduce much of the financial risk of the project as a whole.

CONDOMINIUMS

The single most critical financial figure for the condominiums is the cumulative after-tax cash flow. Condominiums represent roughly one quarter of Phases 1 and 3 and virtually all of Phase 2. The 100 luxury units in the first phase, with an average net size of 1,360 square feet and commanding spectacular views of the city and harbor from their perch over the hotel, would sell for just over \$500,000 each. With total anticipated sales prices of \$375 and development costs of roughly \$265 per salable square foot, gross margin before taxes would be roughly 37%. Two garage spaces and a marina slip might add \$100,000 to the selling price and a small percentage to the developer's gross margin.

At the cost and selling prices projected and with an 18-month absorption period, the first phase residential units would generate over \$11 million of after-tax cash

flow which could be used to reduce the debt and financial risks of the rest of the development. This necessary cash generation is sensitive to construction cost and selling price. Each \$25 per foot increase in selling price results in roughly \$2 1/2 million of cash. Each \$10 increase or decrease in construction costs produces a swing of roughly \$2 million.

Despite the apparent recent marketing success of Rowes Wharf, absorption must remain a prime concern for anyone developing housing in an area of low population growth and increasing elasticity of supply. Although employment and incomes grew more rapidly, Massachusetts's population increased only about 1% in the decade from 1976-1985. As discussed in the chapter on politics, housing stock has recently been growing much faster. An absorption period of 18 months with 25% presales was assumed for the base case Phase 1 financial analysis. As absorption is changed from 0 months (100% presold) to 48 months, the internal rate of return on the condominiums decreases from 37% to 24%. This drop is understated because it does not account for the higher carrying costs on the rest of the project when the subsidy from condominium sales is decreased or delayed. As the absorption period moves from 18 to 42 months, the cumulative cash flow six years from the start of construction (year 8) only drops about \$500,000. However, the amount available for use four years from the start of

construction (year 6) falls radically from over \$11 million to just over \$3.5 million. The difference of \$7.5 million represents both a lot of exposure for the owners and a hurdle that would postpone development of later phases.

As Phase 2 is virtually all condominiums, residential absorption will also be most critical for it. These are smaller units at just under 1200 net square feet on average and assumed to be almost 15% less expensive to build per foot. In anticipation of more market resistance than for Phase 1, the base case selling price used was \$300 and absorption was estimated to take 2 years. At just over \$350,000, the average selling price is much lower. Even so, following the 100 units of Phase 1 and competing with the 600 units planned for Fan Pier may mean the absorption period used was ambitious. The stakes are intensified by participation through land sales in the condominium portion of the Fan Pier development. Breakeven, an internal rate of return of 0%, would occur in Phase 2 if there were no presales and sellout took 5 years. Because of the linear and repetitive nature of its design, a construction phasing scheme may be possible within Phase 2 which would reduce both the developers' exposure and the effective absorption period.

One of the challenges of mixed-use development is efficiently collecting the diversity of skills necessary

to build the range of uses. Condominiums in particular are apt to pose a fits and finishes problem for even accomplished commercial developers unaccustomed to the rigorous demands of homeowners. Both Hank Spaulding, former owner of Spaulding and Slye, and Gerald W. Blakeley, former Chairman of Cabot, Cabot and Forbes, have spoken of personally stumbling when attempting the transition from office building and other commercial work to residential.

Even if the condominiums at Pier 4 are sold in a semi-finished state (primed walls, few floor coverings), the builder chosen to construct them must be able to prove there will be no quality problems with the level of work attempted. This is particularly true at Pier 4 because the most luxurious condominiums will be built first and because the reputation of the 100 Phase 1 units will serve as the marketing foundation for sales of the 400 units which follow in Phases 2 and 3.

From a vantage point preceding both construction and final approvals, the financial risks of the condominiums of Phase 3 are less important than the need to maintain flexibility in programming and to protect the right to respond to whatever market conditions evolve before the project's last stages. The political skills already demonstrated by Boston Mariner in the preliminary approvals process must be kept honed. If, for example,

BRA director Stephen Coyle resolves he has the right to review individual components of the Pier 4 development, Master PDA approval notwithstanding, then Boston Mariner should figuratively file away for its own potential later use a similar right to review and revise earlier plans when appropriate.²⁶

The base cases for all phases of the Pier 4 development have been run using a simplified version of the Federal tax code expected to be in effect. A 35% tax rate has been assumed for both ordinary income and capital gains. Depreciable life for tax purposes has been set at 30 years (except for hotel furniture, fixtures, and equipment left at 5), the investment tax credit has been assumed eliminated, and losses have been treated as usable only within the development entity. A second version of the financial analysis was run using current rather than anticipated rates. Of all the uses, the condominiums are most favorably affected by the changes. Nearly \$2 million of the cumulative after-tax cash flow generated by the Phase 1 condominiums is directly produced by the new rules, in particular the drop in ordinary income tax rates. Peripheral issues such as the continued deductibility of mortgage interest and the possibility of creating tax value by coupling the condominiums with garage and marina space and thereby extending the amount of interest shielded have not been investigated in depth.

HOTEL

The hotel is as adversely affected by the anticipated tax law changes as the condominiums are aided. The lengthening of depreciation and the change in tax rates drastically cut the amount of tax shelter. In year 6, for example, the shelter is halved, going from \$2 million to \$1 million. If the losses are further constrained from use against outside income, the remaining \$1 million disappears. Over the life of the hotel the loss of investment tax credits on furniture, fixtures, and equipment and the loss of a low capital gains rate on sale compound the new found tax disadvantages. Finally, as they always do, members of Congress are talking about phasing out business deductions for travel, room, and meals. The most serious of these potential changes are not necessarily those which would cost an individual hotel the most, but rather those that would cause a competitive disadvantage for newcomers. If the old depreciation and investment tax credit terms are grandfathered for existing hotels, the cost of capital will be raised only for new entrants.

The amount of capital required by the hotel is a second constraint on its developers. Permanent loan calculations using the lesser of an 80% loan-to-value ratio or 110% debt coverage both applied in the second year of operations determined that for the base case,

equity of almost 50% might be needed. (Equity of 40% was not quite enough to assure that a permanent loan would cover the takeout required in the first year of operations.) The equity required for the hotel means that nearly \$20 million of cumulative after tax dollars might remain invested in the hotel at the end of year 6 of Phase 1. Without the hotel, the development might have returned all investment by that time.

With 290 rooms, 40 of them suites, the hotel represents a little over one third of Phase 1 of the Pier 4 development in both above-ground gross square feet and total development costs. Located in the lower half of a dramatic 400' tower which would overlook the site's central plaza and marina and the Inner Harbor beyond, it would be part of the physical landmark most visible from downtown, the harbor, the air, or the eventual Seaport Access Road. Those issues not purely financial in origin but critical to the hotel's economic success include location and timing, competition, and management intensity.

The thorough Pannell Kerr Forster hotel market study might have been improved if it had attempted a correlation of features and hotel success. The lowest vacancy rate among the comparables PKF profiled was 10-15% at the Marriott Long Wharf, the only example detailed of a harborside hotel in Boston. Unfortunately, no attempt was made to distinguish the correlation between waterfrontage

and occupancy from the correlation with other attributes such as age or proximity to Quincy Market or the financial district. The Bostonian and Hotel Meridien, with occupancy levels of 70-75%, early 1980s completion dates within a year of the Marriott, and central locations have also been among the most successful local hotels but have no waterfrontage.

Two locational attributes of the Pier 4 site should improve dramatically with time. Now further by road from Logan International Airport than most downtown hotels, a hotel built on the Pier 4 site would probably be the first on the Boston side of the Inner Harbor after completion of the Third Harbor Tunnel.

Annual increases in airline passengers averaging over 7% between 1980 and 1984 have undoubtedly helped fill local hotel rooms. Continued increases may depend upon airport expansions as well as relief of local road congestion. In a brief skirmish in early July 1986, Federal Aviation Administration officials threatened to impose future flight restrictions on Logan unless expansion plans are started.²⁷ Local officials responded that geography prevents physical expansion and that numerous air traffic control and navigation efficiencies could be employed if local road congestion didn't prevent flight increases.

The second locational attribute that should improve

dramatically with time is the surrounding presence of office space which will support the hotel's use. BRA figures at the end of 1985 showed a Boston inventory of 11,316 hotel rooms and 42,877,000 square feet of private office space -- roughly 2.5 rooms per 1,000 square feet of office.²⁸ With an eventual buildout of 486,000 square feet of office, the development's hotel will have more than its proportional share of local office surroundings. In part because of local South Boston traffic constraints, 274,000 square feet of this office space has been deferred to Phase 3.

Certainly office buildout on surrounding sites, including 1,000,000 square feet planned inland of Commonwealth Pier to the east and much more than that on Fan Pier to the west will eventually help supply hotel occupants.

In their most unusual statement, the authors of the PKF market study say, ". . . the development of the subject hotel in addition to the Hyatt Regency and Rowes Wharf hotels will preclude any new hotel development until the new rooms are absorbed into the market."²⁹ The last time hotel building stopped because of market conditions was 1928. The next new hotel was constructed in 1956. Either the PKF study should reflect continued additions of competitors or it should show a more serious market wide weakening in projected results of operations.

The stiffest local competition for the Pier 4 hotel will likely be the proposed 800-room Hyatt Regency on the Fan Pier site. Scaled back from 1000 rooms this structure will have some of the largest facilities rooms in Boston and a commanding tower presence on the water. This self-imposed competitor was long felt by Anthony Athanas to be a requirement for establishing the vitality of development on the combined Fan Pier and Pier 4 parcels. With a somewhat broader-based and lower paying target clientele, this hotel and the smaller Pier 4 effort may be able to establish a synergistic relationship, each offering some features and amenities not put forward by the other.

As with the condominiums, the Fan Pier hotel will provide not only competition but also a subsidy through the ground lease. This should provide a minimum of \$8,000,000 of cumulative after-tax cash flow during the 15 years comparable to the Pier 4's Phase 1. These ground lease cash flows also provide a check and balance on the Pier 4 hotel financial projections. At 800 rooms, the Hyatt would provide the owners of the ground lease an after-tax cash flow accumulating over 15 years to about \$10,000 per room before calculating sale proceeds or discounting for the time value of money. By contrast the Pier 4 hotel would provide over \$55,000 per room of cumulative after-tax cash flow before sale. Because of the large initial investment required in the Pier 4 hotel, however, discounted net present values show the ground

lease to be more valuable per room at about \$6,400 than the self-developed hotel which has a negative net present value per room of about \$8,400 before sale proceeds. Sales proceeds have a projected worth of over \$70,500 per room after discounting back @ 8%.

The gross revenues of the Pier 4 hotel are projected to be about \$16 million at stabilized occupancy -- in the same order of magnitude as the on-site Pier 4 restaurant. With net revenues per square foot roughly double any other use in the development at \$60 plus and operating expenses more than four times any other use at \$40 plus, the management intensity required by the hotel might be comparable to that of the Athanas's restaurant. Though the Athanases originally contemplated running the hotel themselves, adhering to this policy might well prevent their active participation in and monitoring of the rest of the development.

The hotel is a cornerstone of the current Pier 4 program. But its overall profitability at an internal rate of return of 14% is lower than the site's other major uses. Its capital requirements are severe. Its returns come late. Its management will be more problematic.

Two strategies would seem appropriate in order for the hotel to remain a major part of the program. First, as much bottom line operating risk as possible should be laid off on a well-financed operator or joint venturer.

Second, areas of synergy between the hotel and uses on the site in addition to the Phase 1 luxury condominiums must be discovered.

OFFICE

Office space represents roughly one third of the gross square feet of both Phase 1 of the Pier 4 development and of the project as a whole. Absent from Phase 2, it makes up more than two-thirds of Phase 3. Assuming total development costs of nearly \$225 per rentable square foot and rents of \$35, the office component of Phase 1 has equity requirements and an overall profitability intermediate between the other large above-ground uses. The internal rate of return projected is over 18%. As with the hotel, the net present value of the office comes largely from its projected value upon sale. Ten years of operations just about pay back the initial investment after discounting for the time value of money. Also paralleling the hotel, the office suffers enormously under the new tax assumptions, losing nearly \$4 million in net present value because of the anticipated changes.

Three interesting questions can be posed about the office component. First what are the financial consequences if Fort Point Channel reasserts its historical presence as a barrier to real estate values?

Second, what are the results in an office space disaster scenario such as is currently occurring in much of the rest of the country and less spectacularly as close as Route 495 in the outer suburbs surrounding Boston? (Spaulding and Slye's April 1986 Office Market Survey suggests, "effective rental rates have actually declined by 10% - 20%" over the course of a year which has also seen vacancies in the suburbs go from 15 - 20%.) Third, what kind of value would be created by either a joint venture or a long-term master lease with a major office tenant?

Some of Boston's commercial brokers believe that a 20% rent discount is natural and unavoidable in the long run for space across Fort Point Channel.³⁰ As discussed in the chapter on site context, much recent evidence seems to undermine this theory. Nevertheless, an analysis was run setting rents at \$28 rather than \$35 per square foot for Phase 1. Return on assets dropped by nearly 25% and the internal rate of return was cut roughly in half, from over 18% to just over 9%. Perhaps most seriously the owners' cumulative investment through year 6 increased 2.5 times from \$8.5 million to over \$21 million. Most of this difference comes from the reduced permanent mortgage available given the assumed loan-to-value and debt coverage constraints. The permanent mortgage dropped \$12 million from \$40 million to \$28 million. The remainder of the difference comes from lost rents in the first two years of operation.

An office space disaster scenario was simulated by setting absorption at 48 months, vacancy at 20%, and lease turnover on expiration to 50%. Rents for this analysis were left at first at a nominal \$35 per square foot. The cumulative cash flow was once again the financial result most affected. The mortgage available based on net operating income in the second year of operations was drastically lower at \$19 million largely due to the increase in absorption term. The internal rate of return was also severely affected, dropping from over 18% to just over 10%. Compounding the disaster by lowering rents to \$28 and leaving the rest of the scenario the same, drops the rate of return to 6% and increases the cash invested at the end of year 6 by more than \$6 million.

In perhaps the most interesting analysis of the office component, the potential value created by an office joint venturer or master lessee was estimated by assuming 0% vacancy, 100% preleasing, 1% commission (for legal etc.), and no turnover for 10 years. Return on assets increased to 12.4% from 10.8% and internal rate of return jumped from over 18% to over 34%. The difference in the cumulative cash flow is enormous, swinging from a year 6 cash still invested position of \$8.5 million to a cumulative cash return of over \$9 million. The swing is almost \$18 million. Certainly this difference would not accrue to the sole benefit of the owners but would be split through negotiations with the office tenant or joint

venturer. Even if a material percent of this gain is bargained away, the economic risks of the project as a whole would be significantly reduced as the chances of a commercial space disaster would be eliminated in proportion to the space master leased out. An office tenant who could populate the space with its own employees, if only as a last resort, would not be facing the same risks as a speculative developer. Further gains would come from the tenant's unchallenged right to deduct rent or other costs of occupancy. Bonuses for an office participant in Phase 1 might be options on Phase 3 space and the right to participate in the property's appreciation, if the Seaport Access Road and Third Harbor Tunnel are built or if the northern end of South Boston starts being developed as an extension of downtown Boston on a large scale.

RETAIL

Retail is by far the smallest above-ground use in the Pier 4 program. At less than 7% of the first phase and 5% of the total project its major financial effects are likely to be felt indirectly through the other uses. Because it occupies much of the ground floor of Phase 1, retail is part of the site context for the other uses. Done well, the retail will probably not dramatically affect the overall financial returns. Done poorly, it could be an albatross around the neck of the rest of the

development.

The base case financial analysis of the retail component of Phase 1 assumes fairly modest rent levels of \$30 per square foot (\$20 of base rent and \$10 of percentage rent). With an internal rate of return of less than 7%, the net present value of 15 years of cash flows discounted at 8% is negative. With efficiencies of only 70%, total development costs per net rentable square foot approach \$265. Debt coverage constraints used to calculate the permanent mortgage suggest 50% of the retail financing must come from equity sources. Maximum after-tax equity required is reached in year 4 at about \$4.5 million for this 35,500 net square foot component. Even if the retail sales per square foot are increased to near world record mixed-use levels at \$500, the net present value created via percentage rents set at 5% over a 10-year period is less than \$5 million.

To illustrate the larger importance of the retail's side effects on other uses, a Phase 1 financial analysis was run increasing all absorption terms by 6 months and increasing hotel, commercial, and retail vacancies by 5% each. This caused a loss of \$10 million in net present value over the 15 simulated years and a \$25 million erosion of cumulative cash position in year 6. In simplest terms, the retail must be designed to serve and enhance the project as a whole.

GARAGE

The four-level underground garage is twice the gross size at 560,000 square feet of any other component in Phase 1 and a major portion of the rest of the planned Pier 4 development. The most interesting issues in analyzing the garage's financial performance are all allocational. They include the relative allocation of foundation costs between the garage and the other uses, the proportional breakdown between outright sales, monthly leases, and daily rents, and the amount of space effectively used by each vehicle.

In the base case analysis, the garage has a high level of profitability with an internal rate of return of over 31%. Because as many spaces are sold as possible, this use is also an early cash generator for the rest of the program. An assumption was made that the 36-story hotel and condominium tower and the 6-story office and retail space would impose foundation costs beyond those that would be caused by the garage structure alone. An arbitrary 25% of combined garage and foundation costs was allocated to the other uses. If this had not been done the garage returns would have been much lower. Both net present value and internal rates of return would be halved and the garage would be a net consumer of cash through year 6 rather than a net generator. Going in the opposite direction, if more than 25% of these combined costs are

allocated to other uses, the garage returns become increasingly incredulous. Because these changes in allocation represent a zero-sum game -- a shift only from one use to another -- the overall Phase 1 returns should not be materially affected. It is important only to maintain enough integrity in measurement that the components' returns be well-understood and that there be as few hidden subsidies or costs as possible.

With total development costs of almost \$25,000 per space and assumed revenues of \$35,000 for a sale and \$275 and \$10.50 for monthly and daily rents respectively, the garage returns are not radically affected by the breakdown between spaces sold and rented. Doubling the percent of spaces sold in Phase 1 to 50% and halving the daily rents to 25% has a negligible effect on the internal rate of return and causes a small but material loss in net present value. The most dramatic effect of this simulated increase in sales is the more than one third increase in cumulative cash position at year 6 from a positive position of under \$4 million to one over \$5 million.

The new tax rules assumed have a negative effect upon the garage of Phase 1. When the proportion of spaces sold outright increases as in Phases 2 and 3, this drawback should disappear. In all phases the base case projected as many garage space sales as the program would permit because cash flow was assumed to be a likely constraint on the developers. The 25% increment in sales

used above represents 375 spaces and corresponds directly with the amount of garage square feet reserved from sale in order to continue serving the clientele of Anthony's Pier 4 restaurant. If market rate parking fees are charged these customers, there is no burden other than the deferral of cash flow imposed by this arrangement. The restaurant's past and continuing success is ultimately parent to the whole Pier 4 development. On the other hand if the Athanases keep a major active role in the development it, and not the restaurant, will represent the largest single amount of their family wealth at risk. Consequently, any conflicts of interest between the restaurant and the development must be dealt with lucidly.

Value may well be created for the buyers of garage spaces as well as for the sellers. Condominium residents, in particular, who are unable to deduct monthly or daily rents, may be able to finance the spaces as part of their condominium purchases and take advantage of mortgage interest deductions and any other legislated home tax subsidies. Of course residents and tenants might prefer to own garage space based purely on convenience or the desire to participate in appreciation. Unfortunately, the after-tax value of rent deductions will decrease for many corporations if a tax bill with lower top rates is passed.

In all phases the garage efficiency used allocates just over 400 square feet per vehicle. If through careful

planning this number could be reduced to 350 square feet, then 200 more spaces would result in Phase 1 at no additional cost and the component's net present value would rise roughly \$6 million. Comparable results would accrue in the later phases.

Before leaving the garage component brief mention must be made of the potential for competition. Much of the Fan Pier is now used for parking at the rate of \$3 per day. Unimproved outdoor parking will probably not be directly competitive with the Pier 4 garage. Land costs are high enough to preclude a similar garage without the mixed uses above. There remains the possibility, however, that a mid-range competitor might find a niche at least temporarily on some of the underdeveloped land in the Fort Point Channel area. Because Fan Pier and Pier 4 will be parking constrained, any competition for the garage would probably add value to the rest of the development. Both competition and increased on-site parking could be prevented by legitimate concern for the exacerbation of local traffic congestion.

MARINA

The smallest of the uses in cost and revenue, the Pier 4 marina will offer the largest protected berthing place in Boston Inner Harbor. As with the garage, issues of interest include allocation of related costs and the number of spaces created. As with the retail, the

marina's largest effects on the development's overall profitability will be by proxy through the other uses.

In the base case 100% of all breakwater costs have been allocated to the other uses. When this burden is shifted to the marina, its overall profitability and cash generation capability suffer. Internal rate of return falls from a spectacular 56% to a hohum 10%, net present value from over \$1 million to under \$150,000 and cumulative cash position at the end of year 6 from positive \$25,000 plus to a negative \$825,000. With projected sales prices at \$30,000 each, the benefits of increasing the number of slips without appreciably changing the costs are obvious and analogous to the garage results. A Phase 1 increase of 10 slips from 100 to 110 results in a 5% gross boost in internal rate of return, \$200,000 of additional net present value, and \$130,000 more cash through the end of year 6.

The marina offers the Pier 4 development, and to a lesser extent the Fan Pier, a unique competitive advantage and site context. Done well it would be the opposite of an albatross around the development's neck. The value created through the enhanced profitability of the other uses could easily dwarf Phase 1 total marina development costs of \$1.6 million and Phase 2 costs of \$1.3 million.

FINANCIAL ANALYSIS -- SUMMING THE PARTS

When the different uses and phases are summed, the most compelling result is the large equity requirement for Phase 1, both in absolute terms and relative to the later phases. A more careful scrutiny of the financing and a look at some of the components relative to the whole suggest that the equity requirements may be reduced considerably. Financial analyses of Phase 1 in total allow a consideration of the effect of cost reductions on one hand or of external risks which might affect the whole site on the other. Finally, the need for phasing is briefly addressed.

PHASE 1 EQUITY

Given the base case costs and revenues assumed, the rates of return for Phase 1 are excellent. At over 18% the internal rate of return is only 3% below Phase 2 and 5% below Phase 3. The net present value of almost \$54 million is much larger than for the following two phases combined. With all six revenue producing uses and a mandate to establish the value of the site as a whole, however, Phase 1 would at first appear to require almost \$60 million in equity, the negative after tax cumulative cash position in the second year of construction. This amount was derived after setting equity levels of 20% on all but the hotel and retail uses which were set at 50%.

Permanent loans were then calculated for leased and rented components based on debt coverage and loan-to-value ratios. In total these loans exceeded the takeout needed by \$9.5 million. The equity requirement is thus overstated to the extent the construction lenders would fund this difference in anticipation of permanent financing. Further lender-originated reductions in required equity investment may well come from more complete financing of those uses held for sale -- the condominiums, garage spaces, and marina slips -- based on substantial gross margins.

Those uses not directly held for sale -- the retail, office, and hotel -- are more of a problem. They require relatively large amounts of equity, not only during construction but also well into their operating lives. This contrast of uses can be seen most vividly in the year 6 cumulative cash flow. The three uses at least partially held for sale have returned more than \$15 million in excess of initial investment. At the same point in time, those exclusively leased or rented have a negative cumulative position well over \$32 million. The most likely way of reducing the equity requirements in these uses is joint venturing.

Because of its relatively small square footage, poor economics, and subservient nature, it may be difficult or unwise to farm out all of the retail. If,

however, a joint venture is struck involving the retail, care must be taken to make sure the structure of the venture encourages tenants compatible with Pier 4's other uses. As shown in the last chapter, no amount of retail profit is likely to offset an adverse impact on the project's other uses.

The office component, as discussed earlier, offers an enormous potential for joint venturing or at least master leasing. If a financial analysis is run to simulate such an agreement with 0% vacancy, 1% commission, and no turnover, the increase in the permanent loan justified by the second year of operating results is \$14 million. Even if a large portion of this gain is bargained away, most of the office equity requirement of \$10 million in the base case could be eliminated.

The hotel, even after deducting from equity all excess permanent financing, will require nearly \$25 million of investment. This commitment when coupled with the intense management demands argues for the need for a well-heeled hotel joint venturer able to assume both financial and operating risks. A participating ground lease with very little front end burden and a larger share of profits later on might be considered as a hotel vehicle.

The equity required by the hotel, office, and retail amounts to over \$40 million after reduction by the

amount of excess permanent loan financing. An office joint venture could reduce this \$5 - \$10 million more. A hotel ground lease might eliminate almost \$25 million of equity requirement, a joint venture somewhat less.

COST REDUCTION

The alternative that Boston Mariner must investigate before aligning joint venturers is the possibility of serious construction cost reductions. A 10% reduction in hard costs was simulated by changing the contingency variable to -5% from +5%. Excluding the condominiums this reduced the amount of takeout loans needed by over \$9 million and the cumulative cash required before the takeout by \$5 million. Because the cost structure has no effect on the amount of permanent mortgage supported by operations, this combined \$14 million is also the amount of equity saved. It is necessary to do as much cost saving as possible before joint venturing simply because each dollar saved before, boosts the percent of the project retained by the current owners at no cost to them. Each dollar saved after joint venturing is split according to the terms of the agreement.

EXTERNAL RISKS

Capital constraints encourage reduction of the equity required in a project like the Pier 4 development. Saving against potential risks is another reason to

conserve capital. Financial analyses produce numbers that sometimes look real but are actually only working hypotheses. The two project-wide risks most likely to undermine the Phase 1 base case analyses are a general local economic downturn or an adverse impact from road construction. Either potential problem can best be simulated for Phase 1 by increasing vacancies (5%) and the absorption term (6 months) as was done earlier in looking at the possible detrimental effects of poorly executed retail. The shortfall in permanent loan availability calculated from operating results is \$20 million that would have to be made up from an equity source.

PHASING

The most surprising result when Phases 1, 2, and 3 are added together with a three-year gap between each pair is the lack of additional equity required. Phase 1 has almost all of the financial risk of the project. Its success would allow the later phases to be underwritten with the proceeds from condominium and other outright sales. Ironically, these later phases have less need of long-term equity because of their proportionally higher concentration of condominium sales. Both Phase 2 and Phase 3 show positive cumulative cash flows by the end of year 6.

If the whole Pier 4 project were built in a single

phase, there would be no disruption of the project by later construction. There are, however, three overwhelming drawbacks to doing away with phasing. First, the capital required would be much larger even though not proportional to the increase in total development costs (because of the absence of later hotel rooms). Second, there would be less chance of capturing the residual value created by a successful first phase. Third, absorption, particularly for the 500 condominiums, would be a far greater problem. Related to this last drawback would be the inability to respond to market changes by letting the product evolve over time.

CURRENT OWNERSHIP

The contextual and financial risks of the Pier 4 development have been described in the preceding chapters. Before considering what strategies the current owners might take with regard to the future development of the project, an inventory of their resources, operating style, and suggested goals is necessary.

FINANCIAL RESOURCES

The Athanas family has three major financial resources other than savings which could be harnessed to help capitalize the Pier 4 development. Because the first six years of Phase 1 of the development is the critical time for investment, a major concern is getting credit for either nonliquid contributions or a stream of future cash flows. Either joint venturers can be chosen who will value assets not in a liquid form or the assets could be pledged in return for cash from a financial institution. An additional concern is time, specifically the date beyond which the Athanas family prefers not to be carrying the full financial burden of the project. There is an inherent tension in structuring all ventures between producing and keeping all the value on the one hand or capturing some of the value created by others in return for giving them the opportunity on the other. In a city with an extensive approval and design process and in a

project as large as the Pier 4 development, the tension is exacerbated by the higher front-end costs and the need for expertise in the early stages.

Land: The eight acres of land which underlie the future Pier 4 development could be either used as a capital contribution or leased to any joint venture. An estimated value of \$2 million per acre has been used throughout the financial analyses. This value will certainly be too low once final development approvals are obtained in the fall of 1986. If the project is to have a reasonable rate of return, the development opportunity must exceed \$16 million.

Phasing by itself creates a constraint on use of the land as contributed capital. If full credit is to be received in Phase 1, then all phases must be joint ventured together. Otherwise, only slightly less than half the land value can be used.

Donation of the land does not create cash which can be applied to the rest of the project except to the extent it increases the mortgage available. Because of this, an opportunity exists to structure long-term ground leases with all joint ventures involved in the Pier 4 development with the possible exception of the residential components. Though it might at first seem illogical to ground lease to a joint venture including yourself, there are several motives. It may be possible to structure a series of

ground leases which extract no cash from the development's crucial early period but then take a material share of profits during later operating years. Such leases would represent a real contribution in the early years and be tax efficient for the non-Athanas joint venturers in later years. Because they would represent a superior security to the project as a whole, the leases might be used by the Athanases to raise cash to be contributed in the early years of the project. Finally, long-term leases, on the order of the 65 years of the Fan Pier agreements, could create something of a yo-yo effect, allowing participation in the sale of the development at some agreed upon time and then reversion to the Athanases or their designated beneficiaries much later upon expiration of the leases.

Much of this thesis has relied upon discounted cash flows as indicators of value. While net present values and internal rates of return are excellent indicators, particularly for financial institutions and large operating concerns, they are incomplete when used by a small business or family unless coupled with a savings policy. Very long-term ground leases are an extremely effective way of ensuring savings without detracting from the value of a project to those joint venturers more strictly rate of return oriented. If ground leases are used, efforts should be made to specify participation in gross revenues rather than net profits whenever possible.

Fan Pier Ground Leases and Sales Options: The

second asset the Athanas's own which could help underwrite Pier 4's development is the series of Fan Pier ground leases and sales options. HBC Associates may determine to purchase for later sale with condominiums up to 10.5 of the 18.5 acres which have been designated the Fan Pier site. The unpurchased acreage is subject to participating 65-year ground leases. Participation in net profits also occurs in the condominium sales. Oversimplified preparticipation discounted cash flow analyses were run on two ground lease and sale scenarios. In the first HBC was treated as having bought the maximum amount of acreage. In the second no land sales were imputed. In both, the same after-tax discount rate of 8% was used. There was little difference in the net present values. Both were over \$15 million. As superimposed on the Pier 4 project, the sale scenario understandably produces more cash flow during the critical early years of Phase 1.

The Fan Pier ground leases could be contributed to a joint venture or used as credit. In either case timing is a critical problem. Because the ground lease agreements represent, at \$250,000 annually, a very cheap option on the Fan Pier development opportunities, it seems unlikely HBC Associates will exercise their rights earlier than necessary. Their deadline for notifying the Athanases of their phasing and allocation of uses is June of 1988, with closings on or before the last day of the

year. Earlier deadlines apply in the event of an earlier start on the new Northern Avenue Bridge. It will be very hard to receive credit for these ground leases from either a financial institution or a joint venturer before the nature and extent of their cash flows is known. Providing a fallback, such as an interest in Fan Pier should HBC Associates back out, could be too expensive for the Athanases.

Restaurant Earnings: The third asset the Athanases could use to capitalize the Pier 4 development is their restaurant group, flagshipped by Anthony's Pier 4 on the site. (As the Athanases realize, subdivision into separate adjacent parcels would be most prudent.) The Athanas's business style has been to carry no debt except when absolutely necessary. As a savings policy and cost control mechanism, this discipline has served their interests well over the years. If, however, the Athanas's interest in the Pier 4 development is going to carry any debt, it might be wiser to raise some of the money from within the restaurant entity than from the development itself. Despite their heavy reliance upon the personal service of the owners, the restaurants have an eminently bankable history of earnings. Because of proposed tax law changes limiting use of real estate losses against other income and a historical bias against closely-held corporations (five or fewer individuals controlling 50% or more of a company's stock), it may be very hard to offset

real estate losses in the early years of development against restaurant income. Raising some debt from within the restaurants instead of the development would transfer interest deductions from the real estate to the restaurant without there being a threat of disallowance of losses or an increase in overall family debt.

The Athanas's may use any or all of the three avenues of raising capital for the Pier 4 development. Each comes with a drawback. Only Phase 1 land could be contributed to a Phase 1 joint venture. The terms of the Fan Pier ground leases will probably not be determined for several years. Raising funds from within the restaurant entities may violate unwritten Athanas family policy as well as transfer some of the development risk to the restaurants. Taken together the financial resources of the Athanas family would be able to cover much if not all of the equity requirements for the Pier 4 development as presently programmed.

OTHER RESOURCES AND SKILLS

The nonfinancial resources which the Athanases have to offer are their own skills and those of Boston Mariner President Ellen Watts. The Athanas's political and general business skills are extensive. Ellen Watts's prior work experience, education in design and development, and knowledge of Boston's built environment provide an excellent background for the Pier 4 project.

Two of the more interesting questions regarding the personal resources of the principals of Boston Mariner are how they will manage or interact with equity positions given to others, and what effect their lack of experience in large-scale development will have on that management. The assessment of project risk made by potential partners will be affected by Boston Mariner's attitude toward both questions.

Anthony Athanas's singular, long-term vision brought him to assemble the Fan Pier and Pier 4 parcels. His uncommon ability to cultivate friendships and his political skills aided enormously in the preliminary approval process and will undoubtedly be a key asset in both future approvals and the resolution of public disputes as they occur over the life of the development. Unanswered to date is how Mr. Athanas's hands-on business skills will translate to management of partners in a non-restaurant venture.

The restaurant business is extremely competitive, the failure rate very high. With the exception of some fast food franchises, there are very few successful restaurants with off-premises owners. Anthony's Pier 4 is one of the highest grossing restaurants in the country and has among the most visible of owners. Anthony Athanas or his sons oversee every detail. This intense identity of ownership and management has undoubtedly been a major

reason for success.

As with the restaurant business, large-scale real estate development contains a high level of risk and warrants the motivational alignment of equity and management. If regardless of their ability to capitalize the Pier 4 project, the Athanases will be unable to personally oversee the details of its development and operation, they may require the energy and expertise of partners for at least some of the components. When asked over lunch in June of 1986 what requirements he might seek in a joint venture partner, Anthony Athanas replied that he viewed joint ventures as analogous to a marriage and that he had not drawn up a list when seeking a wife nor in hindsight should he have. Judgment of character and compatibility, especially by an observer both astute and practiced, may well be the most suitable basis for a partnership. A follow-up question that should have been asked of Mr. Athanas, however, was how someone unexperienced in the high volume restaurant business could best manage a partnership with the Athanases. What strategies might they use that would give them some control yet allow the Athanases enough freedom, authority, and motivation to maximize long-term results? In the Pier 4 development, the Athanases will need partners who are as strongly driven and driving as the Athanas family is in their devotion to the Pier 4 restaurants.

The Athanases and Ellen Watts of Boston Mariner may

lack some important experience. There is no lack of competence. They must compensate for one with the other. The biggest dangers in inexperience are oversights due to lack of anticipation and inefficiencies due to lack of knowledge of rules of thumb, shortcuts, and priorities. On the other hand, experience may well be a handicap when faced with unique challenges and the need to think independently. Anthony Athanas believed in the long-term value of the Fan Pier and Pier 4 parcels despite local professional prejudices against the future of the Fort Point Channel area. He consequently brings to any joint venture a site of enormous value. Ellen Watts and the team working on the Draft Environmental Impact Report set new standards of excellence in the first Master Plan for a Planned Development Area in Boston. The intellect and energy shown by these accomplishments when coupled with Boston Mariner's political skills and the professional focus that spawned so much progress in the company's first year, will be invaluable in taking advantage of the opportunities presented by the Pier 4 site.

The assets Boston Mariner brings to any joint venture should be well regarded by potential partners. Their potential partners should also take note of the rapport, teamwork, and efficiency among the principals of Boston Mariner. Boston Mariner, in turn, must use their skills to carefully align the parties' common interests in any agreements. Adding experienced partners only to be

blindsided by a poorly structured joint venture or two might well be worse for Boston Mariner and the Athanases than developing the site alone. It is essential that the motivation of partners align with the long-term operating results of the development. Partners cannot be allowed to work for wages under the guise of a common interest.

RECOMMENDATIONS

After examining the risks and opportunities that arise from the context and project economics of the Pier 4 development, there is not yet a specific joint venture structure which should be exclusively pursued. Rather, because the project is in its formative stages, a multiplicity of alternatives should be investigated. Negotiations with potential joint venturers or component operators should be initiated and maintained. Commitments should not be made unless contingent upon crediting the Athanases and Boston Mariner with much of the near term value that may be created at the site.

Four upcoming events will have a large impact on the value of the Pier 4 site. Two will occur in the Fall of 1986, two somewhat later. Sometime before November, Congress will vote to fund or shelve the Third Harbor Tunnel, Seaport Access Road, and Central Artery Depression project. If the first two of these were built, the long-term value of the site would be enhanced tremendously. If left unfunded, the next chance for these road improvements to be voted on is four years away. Second, sometime around November, Boston Mariner will file their Final Environmental Impact Report. A successful completion of this filing may not create any value -- that is, it will only enable development of value inherent in the project. However, a successful filing will give further evidence of

the professional competence of Boston Mariner.

The schedule for the construction of a new Northern Avenue and Northern Avenue Bridge will probably not be known until sometime after the fall of 1986. The extent of the commitment of HBC Associates and the phasing and preliminary economics of the ground leases may not be known until June of 1988.

There is little strategy involved in the first three of these four events. The transportation improvements should be encouraged along with mitigation of their temporary adverse impacts. The Final EIR should be approached in the same manner as the Draft EIR.

The fourth event will require some strategy. If a joint venture is started before the final HBC commitment, ways of anticipating the interaction of the two developments will have to be planned and alternatives in case HBC balks conceived.

Three general tasks should be undertaken by Boston Mariner before any alliances are formed. Total development costs, particularly for Phase 1, should be checked for their competitiveness. The value and credit potential of the Athanas's financial assets -- land, ground leases, and restaurants -- should be carefully gauged. Finally, a framework for an ongoing feature by feature market analysis should be designed. Not necessarily too sophisticated, this should be something

the principals of Boston Mariner can use to monitor market evolution across the Pier 4 components.

The level of participation the Athanases and Boston Mariner choose in the future Pier 4 development is apt to be intermediate between the two extremes of a totally passive position and doing it all alone. The most passive position possible would be postponement. Other possibilities would be ground leasing or outright sale. As a totally new developer would likely change the program, both of the latter strategies would involve giving up on recovery of most of the design and approval efforts and expenditures. All three passive positions would abandon the skills of the Athanases and Boston Mariner.

At the other extreme, doing the whole Pier 4 development without the help of outside partners might involve an intolerable level of risk. The risks in the remaining frontier aspects of the site, the need to motivate the expertise of others in some of the components' operations, and the desire to protect from risk some of the Athanas family wealth all argue against going it alone.

Pier 4 joint ventures might be formed either when the Athanases no longer wish to be sole financial contributors to the project or when the value creating abilities of potential partners can only be enlisted via

equity. The longer these points can be held off, the more value can be created for the original owners.

The two questions which are most apparent in an abstract consideration of what kinds of joint ventures to pursue are whether to have one or many partners and whether to initially joint venture just Phase 1 or the whole development. With one development partner only, most of the operational responsibility and oversight of synergy between uses would be given up by Boston Mariner. Assuming the strength of the partner, financing of both the project and the Athanas's portion would be easier. The whole project would be more legible to a financial institution. The Athanases could more easily contribute noncash assets to a joint venture with a single partner.

Having many partners would thrust more operating responsibility on Boston Mariner and make the project financing more complex. Though it may allow Boston Mariner to retain a greater degree of control over the project, it would greatly increase the quantity of management required. Contention between competing uses would have to be molded into a cooperative whole. The challenge of designing structures which motivate the partners would not change. In general, the participants should not make money off the structures, but rather the operating agreements should be a vehicle for applying skills to the development and letting the development's

rewards flow back to those who applied the skills.

An initial joint venture that included only Phase 1 would be preferable for Boston Mariner and the Athanases all other things being equal. The chances of all other things being equal are slim. Because Phase 1 holds nearly all the financial risks of the Pier 4 development and because most joint venturers prefer the security of repeating alliances, a single phase agreement will undoubtedly be more costly to the current owners than a multiphase agreement. Single phase joint ventures will also preclude the crediting of land or other value from later phases to the Athanas's Phase 1 equity position. If all partners believe Phase 1 participation will give them an opportunity to share in the residual value created for later phases by Phase 1, then perhaps the joint venture terms will be more temperate. Such an implied opportunity could either motivate the partners or increase tensions between them as the time for organizing Phases 2 and 3 nears.

Regardless of the number of joint ventures or the number of phases involved, the Athanas's will want to carefully review all family business structures from the point-of-view of tax and legal liabilities. Though not scrutinized, it was suggested that the current real estate development entity is a partnership with Athanas family members as general partners and Anthony's Pier 4 restaurant as a limited partner. The underlying

justification for the ownership structure was to get the tax losses generated by the development to the restaurant and at the same time protect it from liability. Unfortunately, under the new tax law it does not appear that limited partners will be able to use real estate investment losses against income from other activities. Nor is it evident that this structure would protect the restaurant. The general partners are also holders of the restaurant's common stock and presumably could be forced to relinquish it in a marshalling of assets following a liability which exceeded the net worth of the other assets of the general partners. A lesser liability would not be a hazard to the restaurant in the first place.

With the Pier 4 development still in its formative stages, the best guides for considering potential joint ventures may not be philosophical in nature but rather pragmatic. Just as if the six revenue producing uses of the Pier 4 development were a house floor plan in the early stages of design, different combinations of joint venturers should be checked for their capability in mitigating the risks and satisfying the demands of the individual components. The sum of the parts of these combinations is really more important than whether any particular combination fits a prespecified management philosophy.

Boston Mariner might start this process by looking

very hard for an office tenant joint venturer or master lessee. Such a tenant would both reduce the Phase 1 equity requirement and boost the Athanas's share of the development vis-a-vis later development partners.

For the hotel, a joint venturer should be sought who assumes both a major equity commitment and a large portion of the operating responsibility. If, because of the hotel's economics and recent tax law changes, a partner cannot be found for this position, it might make sense to combine the hotel and Phase 1 condominiums in a single venture. Recently suggested by others studying the project, this combination would help offset the investment demands of the hotel with the cash generated by condominium sales. It would also motivate a partner to do everything possible to sell the condominiums quickly. If it turns out that there are not qualified partners interested in the hotel as planned, then either a change in scale or a change in program may be in order.

The key criteria for anyone brought into development of the condominiums is proof of competence in high quality execution. Boston Mariner might want all parties to assume any condominium joint venture will be sustained throughout the three phases. This should motivate commitment to the values created in later phases by care taken in Phase 1.

The three other uses -- garage, marina, and retail

-- need any partners to be devoted to efficiency of development and operation. The partners must also be appreciative of the need for these subservient uses to enhance the rest of the project as well as succeed on their own.

The summing of the parts of different combinations of development partners is necessarily a trial-and-error process involving not only discounted cash flow measures but also judgment of character and compatibility. Perhaps the Pier 4 site itself will help select those sympathetic with the opportunity to create a development capitalizing on its characteristics.

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22. Conversation with Thomas F. Humphrey, Research Associate, MIT Center for Transportation Studies, July 25, 1986.
23. Boston Globe, July 1986, A series of articles on the Seaport Access Road, Third Harbor Tunnel, and Central Artery Depression. Authored by Michael K. Frisby, Michael Kranish, and Frederick P. Salvucci.
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York Times, August 11, 1986, pp. D1, D3.

25. Pannell Kerr Forster, "Study of Potential Market Demand And A Five-Year Statement of Estimated Annual Operating Results For A Proposed 290 Unit Luxury Hotel To Be Part Of The Pier 4 Mixed-Use Development In Boston, Massachusetts," February, 1986.
26. Letter from Stephen Coyle, Director, Boston Redevelopment Authority, January 31, 1986.
27. Bailey, Douglas M., "US threatens to cut back Logan flights," Boston Globe, July 2, 1986, p. 1, and "Logan controversy: traffic problems on ground vs. air," Boston Globe, July 3, 1986.
28. Op. cit., note 14, pp. 37, 44.
29. Op. cit., note 25, p. IV-4.
30. Letter from Pannell Kerr Forster, February 27, 1986, p. 9.

SOURCES

The Boston Mariner Company and several individuals provided information whose value goes beyond the ability of notes to document. The following materials supplied by Boston Mariner appear in no particular order.

1. Press clippings from November 22, 1985 through May 18, 1986 gave a good early grounding in the Pier 4 development.
2. The Draft Environmental Impact Report submitted in December 1985 by HBC Associates and The Boston Mariner Company and prepared by Skidmore, Owings & Merrill and others was enormously helpful, particularly in the areas of physical and political context. The source of most of the illustrative figures in the paper.
3. Responses to the Draft EIR came from James S. Hoyte of the Executive Office of Environmental Affairs, competitors, neighbors, lobbyists, and almost everyone else in the area who could put pen to paper. Largely written in January 1986.
4. "Master Plan and Development Impact Project Plan for Planned Development Area No. 24 -- Pier 4, South Boston," 2/12/86, is a succinct summary of the development as well as the basis for Map Amendment No. 191. Parallel documents (PDA No. 23 and Map Amendment No. 190) relate to Fan Pier.
5. Qualifying letter from Stephen Coyle, Director, Boston Redevelopment Authority, January 31, 1986.
6. Linkage documents including Boston Redevelopment Authority memoranda dated January 15 and 23, 1986; and Text Amendments to the Boston Zoning Code including "Article 26A, Development Impact Projects -- Housing" and "Article 26B, Development Impact Projects -- Job Training," January 14 and 15, 1986, respectively.
7. Pannell Kerr Forster's site specific hotel market analysis, February, 1986, (Op. cit., note 25) and a February 27, 1986 letter reviewing less formally (in 15 pages) the Boston market for all of Pier 4's uses.

8. Cost estimate summary sheets from an 87 page estimate of Pier 4 development costs made by Wolf New England of Worcester, Massachusetts, May, 1986.
9. Numerous spreadsheets examining financial and program aspects of successive versions of the development as it evolved.

My special thanks to the following individual sources of information and wisdom:

1. Robert Anthonyson, a classmate, whose composure of character allowed him to suggest I tackle this subject even though he knew the risks to it. The efficiency of our conversations regarding Pier 4 has been frightening.
2. Nancyellen Hayes Seiden, a classmate, whose quiet philosophy of looking for the character and personality behind all worldly events brought warmth to a process which could easily have been more frazzled.
3. Ellen Watts, a pioneer at CRED, whose conception of the topic, clarity of thought and expression, and well-focused cooperation throughout almost made a vary large subject graspable in the short time allotted.
4. Finally, a tip of my hat to the ravishing Emily Marshall whose mere presence inspired so much thought about the site.

PIER 4, SOUTH BOSTON ---

STRUCTURING THE PROJECT TO MANAGE RISK AND REWARD

VOLUME 2 -- APPENDIX

by

Wigton F. Zamore

B.A., Bowdoin College, 1974

SUBMITTED TO THE DEPARTMENT OF URBAN STUDIES AND PLANNING
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
OF THE DEGREE OF

MASTER OF SCIENCE IN REAL ESTATE DEVELOPMENT

at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY
August 1986

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Thanks Again.

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FINANCIAL ANALYSIS PROGRAM

A major portion of the work of this thesis involved writing a computer program which performs a basic financial analysis of the three phases and six components of the Pier 4 development. The intent was to design a standard and flexible analytic framework which would encourage both critical comparisons between components and lucid assessments of each component's contribution to or reliance upon the rest of the project. The brief discussion which follows assumes the reader's ability to understand Lotus 1-2-3 financial spreadsheets. Rather than being comprehensive, it touches only on some of those specific items which are thought noteworthy, were problems to the author, or could be improved.

The computer program will analyze only one phase of the Pier 4 development at a time. It has three distinct sections. The first begins with tables of all the variables assumed for a phase and uses them to calculate basic unescalated costs, simple income and expense schedules, and gross margin and return on assets. The second section performs a 15-year discounted cash flow analysis one component at a time, using the assumptions and results generated in the first section. The third section returns to an analysis of a whole phase by accumulating and combining the results of the second section.

SECTION ONE -- PHASE ASSUMPTIONS AND UNESCALATED
SIMPLE ANALYSIS

The first two pages of the four page introductory portion of the computer program contain a compilation of the variables used in the rest of the program. Of note are the assumptions made with regard to income taxation, equity required, and revenue production.

Taxes: The tax assumptions are of note because of the timeliness of the topic. Several iterations of the program were run by changing these variables from old to anticipated tax mathematics. Until final passage of a bill, there can be no assurance of accuracy in the anticipated rates that were used. Depreciable life, for instance, might be made considerably shorter than the 30-year period presumed. It has been assumed within both the component analyses and the phase analyses that excess tax losses could not be used against other income. Under all the scenarios one shortcoming of the program as currently written is its inability to carry tax losses backward.

Equity: The equity assumptions are currently handled by the program in an inelegant fashion. The equity percent is set for all the uses of a phase and those uses which require a different setting are accommodated through the use of subroutines which do not appear to the reader. The equity assumptions should be changed to appear in the component specific assumption

tables. Though it might at first appear clumsy to assume rather than calculate equity requirements, there are two reasons favoring this approach. First, it makes the debt calculations easier. Second, there are many motives exterior to pure project economics which may drive the level of equity chosen.

Sale, Lease, Rent Allocations: One of the toughest parts of the program was programming flexibility into the sale, lease, and rent allocations. Some of the uses are always sold (condominiums), leased monthly (office and retail space), or rented daily (hotel rooms). Other uses (garage and marina) may have any combination of these revenue sources. Handling a changeable mix of sales, leases, and rents was difficult for several reasons. Construction loans, for instance, are taken out by proceeds for those items sold and by permanent lending for those items held for lease or rent. Depreciation is calculated only on that proportion of a use not held as inventory for sale to customers in the ordinary course of business.

Unescalated costs, income, and expense: The second two pages of the four page introductory portion of the computer program calculate unescalated project costs and stabilized year income and expenses. Though methods of incorporating inclusionary housing costs were devised, the costs were never imputed. The simple return measures of gross margin on sales before tax and return on assets are

usable as primitive indicators only. These schedules are devoid of adjustment for early operating deficits. Further confusion can arise because the stabilized years of the different components do not necessarily coincide. In Phase 1, for example, most uses were assumed stable after 18 months of operations but the hotel was given four years to reach its level occupancy of 71%. The complexity and length of the Pier 4 development limit the value of these unescalated schedules. They are, however, excellent feeds for the discounted cash flow analyses which follow.

SECTION TWO -- COMPONENT ANALYSIS

Standardized discounted cash flow analyses are calculated separately for each use of a phase. Counting design and construction periods, each about two years long, a 15-year schedule is used with sale of the project (actually the phase) at the end of the last year.

The first two pages of each ten page analysis in this section contain cost and debt flow schedules and a determination of net operating income. In those components not held for sale, one of the more interesting uses of the debt schedules is comparison of the construction loan takeout needed and the permanent mortgage available. (Permanent financing is figured with the more conservative of loan-to-value and debt coverage ratio calculations. Loan determination tables

appear on pages nine and ten of each component analysis.)

Pages three and four of these analyses contain most of the discounted cash flow measures used. Following determination of before and after-tax cash flow, the latter is used to calculate both simple and partitioned net present values and an internal rate of return. Cumulative after-tax cash flow has been used throughout this paper as a barometer of equity required or early cash generated by a component.

Pages five through eight contain subsidiary schedules with determinations of taxable income and income taxes; soft costs; depreciation, amortization, and basis; and sale and lease absorption and operating expense growth. Because of the standardization of the analysis some schedules vary in their relevance to specific uses.

SECTION THREE -- COMBINING THE PARTS

The discounted cash flow measures already calculated by component in section two are shown here for the phase as a whole. The top half of pages 1 and 2 of this section show all the summary results. The remaining schedules are subsidiary in nature.

Because tax losses were assumed usable only within a component in the earlier calculations, but are here spread over a phase, the value of the mix of uses is greater than the sum of its parts. Federal legislators

have never fully clarified the difference between active and passive income or come to a consensus on the relative social worths of operating businesses and investments. As long as there is confusion, opportunities are likely and it may be that the tax assumptions have been made too conservative.

As with the component analyses, cumulative after-tax cash flow for a whole phase is an important indicator even though it is not discounted for the time value of money. Unlike the component analyses, capital contributions have been further partitioned here into land and cash segments.

Base case analyses of all three phases follow. They, in turn, are followed by more summarized printouts of iterations of the program produced by changing those variables thought important to investigate. Finally, a series of sensitivity tables appears which were created to examine narrow issues of interest.

PIER 4
Boston, Massachusetts
8-7-86
DEVELOPMENT ASSUMPTIONS - PHASE 1

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	100,000
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO	
Total buildout		1,649,812		Permanent Term	30	NONGARAGE USES	25.00%
Floor Area Ratio			4.27			ALLOCATION OF BREAKWATER TO	
						NONMARINA USES	100.00%
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED	
Ordinary Rate		35.00%		EQUITY	20.00%	EQUITY FUNDS	0.00%
Capital Gains		35.00%				PHASE 1 COSTS	
Deprec. Life (Bldg. & FF&E)		30	5	PHASE 1 AS PERCENT		UNESCALATED	194,512,973
ITC on Hotel FF&E		0.00%	(@ 85.00%)	OF TOTAL BUILDOUT	44.73%		
Losses Disallowed		100.00%					
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts
8-7-86
DEVELOPMENT ASSUMPTIONS - PHASE 1

PROGRAM:	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
Land	3.56 acres							155,112
Above ground	737,928	167,820	269,831	249,450	50,827			
Below ground	613,604					560,104		53,500
Water	178,200						178,200	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	653,377	135,934	269,831	212,033	35,579	560,104	178,200	
UNITS:								
Condominiums	100	100						
Hotel rooms	290		290					
Hotel bays	339		339					
Cars	1,400					1,400		
Marina slips	100						100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts

8-7-96

DEVELOPMENT ASSUMPTIONS - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina						1,200,000		
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		205,580						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent					10.00			
REVENUES PER UNIT:								
Unit sales	1,359	509,753				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent			158.00			10.50	10.50	
Hotel daily other	38.44%		60.74					
SALE, LEASE, RENT TERMS:								
Presale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
Prelease		0.00%	50.00%	25.00%	25.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years	5							
Rent - monthly				100.00%	100.00%	25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				5.00%	5.00%			
VACANCY			29.00%	10.00%	10.00%			
TURNOVER:								
Turnover - stay				75.00%	50.00%			
Turnover - leave				25.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb. - leave				7.00	7.00			

PIER 4
Boston, Massachusetts

8-7-86
PROJECT COSTS - UNESCALATED - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
<hr/>								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534			
<hr/>								
HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,664	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E	8,475,000		8,475,000					
Foundation @ 25%	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		
Garage service area	0	751,312	1,208,005	1,116,761	227,547			(3,303,625)
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,056,493	826,536			
<hr/>								
HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,105	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency	6,903,750	1,313,881	2,347,405	1,566,324	319,148	1,296,991	60,000	0
<hr/>								
TOTAL HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	0
<hr/>								
SOFT COSTS:								
Envir. Imp. Report	30 490,000	93,254	166,609	111,171	22,652	92,055	4,259	
Permitting/Licens.	30 100,000	19,031	34,002	22,688	4,623	18,787	869	
Building Permits	30 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
A/E Fees	30 4.5% 6,213,375	1,182,493	2,112,665	1,409,692	287,234	1,167,292	54,000	
Design Consultants	30 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Development Fee	30 2.0% 2,761,500	525,553	938,962	626,530	127,659	518,796	24,000	
Mtg. Brokerage Fee	30 1.0% 1,104,600	210,221	375,585	250,612	51,064	207,519	9,600	
Market Research Fe	30 100,000	19,031	34,002	22,688	4,623	18,787	869	
Legal/Accounting	30 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Linkage	12 2,820,648		1,335,007	1,234,171	251,470			
Insurance	10 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
RE Taxes	10 0.5% 690,375	131,388	234,741	156,632	31,915	129,699	6,000	
Marketing/PR	5 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Brokerage on Lease	5 2,033,179			1,855,284	177,895			
<hr/>								
Soft Cost SUBTOTAL	23,217,428	3,494,853	7,578,978	7,255,793	1,278,282	3,449,925	159,597	
Constr. Loan Pt.	1.0% 1,345,569	248,691	454,996	321,189	63,843	245,494	11,357	
Constr. Int.	15 16,819,618	3,108,636	5,687,449	4,014,860	798,040	3,068,673	141,960	
Permanent Loan Pt.	1.0% 1,029,827	0	454,996	321,189	63,843	184,120	5,678	
<hr/>								
TOTAL SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
<hr/>								
COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
<hr/>								
TOTAL PROJECT COSTS	194,512,973	36,063,330	66,076,079	47,213,295	9,396,658	34,185,020	1,578,592	
<hr/>								
COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
<hr/>								
TOTAL PROJECT COSTS	194,512,973	36,063,330	66,076,079	47,213,295	9,396,658	34,185,020	1,578,592	
<hr/>								
PERCENT OF USE:								
Land Costs	3.66%	4.49%	3.94%	5.10%	5.22%	0.00%	0.00%	
Hard Costs	74.53%	76.51%	74.60%	69.67%	71.32%	79.67%	79.82%	
Soft Costs	21.80%	19.00%	21.45%	25.23%	23.46%	20.33%	20.18%	
<hr/>								
Total Project Costs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
<hr/>								
PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	22.74%	36.57%	33.80%	6.89%	0.00%	0.00%	
Hard Costs	100.00%	19.03%	34.00%	22.69%	4.62%	18.79%	0.87%	
Soft Costs	100.00%	16.16%	33.43%	28.09%	5.20%	16.38%	0.75%	
<hr/>								
Total Project Costs	100.00%	18.54%	33.97%	24.27%	4.83%	17.57%	0.81%	

PIER 4
Boston, Massachusetts

9-7-86 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
GROSS SALES	50,975,325	50,975,325				12,250,000	1,500,000	
Less Basis	(45,398,880)	(36,063,330)				(8,546,255)	(789,296)	
Less Commissions	(2,079,260)	(1,529,260)				(490,000)	(60,000)	
Gain on Sale	17,247,185	13,382,736				3,213,745	650,704	
TAX on Sale 35.0%	(6,036,515)	(4,683,957)				(1,124,811)	(227,746)	
NET SALES PROCEEDS	56,609,551	44,762,108				10,635,189	1,212,254	
GROSS REVENUE:								
Base leases 5	8,132,716			7,421,138	711,578			
Base rents	20,725,363		16,724,300			3,837,750	163,313	
Other income	6,784,610		6,428,821		355,789			
TOTAL GROSS REVENUES	35,642,688		23,153,121	7,421,138	1,067,367	3,837,750	163,313	
Less VACANCY	(7,563,256)		(6,714,405)	(742,114)	(106,737)			
NET REVENUES	28,079,432		16,438,716	6,679,024	960,630	3,837,750	163,313	
OPERATING EXPENSES:								
Base operating expenses	(13,050,397)		(10,341,122)	(1,526,634)	(320,210)	(840,156)	(22,275)	
Replacement reserve	(609,569)		(493,161)	(66,790)	(9,606)	(38,378)	(1,633)	
TOTAL OPERATING EXPENSES	(13,659,965)		(10,834,283)	(1,593,424)	(329,816)	(878,534)	(23,908)	
NET OPERATING INCOME	14,419,467		5,604,433	5,085,600	630,814	2,959,217	139,404	
GROSS MARGIN ON SALES BEFORE TAX	37.99%	37.11%				37.60%	82.44%	
RETURN ON ASSETS BY USE	9.67%		8.48%	10.77%	6.71%	11.54%	17.66%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	17.19%							

9-7-86 COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
Hard Costs (Component Specific)		151.23	108.50	107.65	130.71	61.75	6.73	
Land Costs	10.90	11.91	9.65	11.35	13.79	0.00	0.00	
Hard Costs (Total)	221.89	202.98	182.69	155.13	188.37	48.63	7.07	
Soft Costs	64.91	50.41	52.54	56.18	61.95	12.41	1.79	
TOTAL DEVELOPMENT COSTS	297.70	265.30	244.88	222.67	264.11	61.03	9.86	
Gross Sales		375.00				87.48	16.84	
Less Basis, Commissions, Taxes		(311.01)				(72.57)	(12.09)	
AFTER TAX GAIN ON SALES		63.99				14.92	4.75	
Gross Revenues		0.00	85.81	35.00	30.00	9.14	0.92	
Less Vacancy		0.00	(24.88)	(3.50)	(3.00)	0.00	0.00	
Net Revenues		0.00	60.92	31.50	27.00	9.14	0.92	
Operating Expenses (Before deducting Linkage or Turns)		0.00	(40.15)	(7.52)	(9.27)	(2.09)	(0.27)	
NET OPERATING INCOME		0.00	20.77	23.99	17.73	7.04	0.65	

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	7,259,154	4,666,857	3,600,560	0	0	
EQUITY INVESTED	2,592,297	1,066,297	3,600,560	0	0	
BUILDING COSTS:						
Land	(1,619,638)					
Hard Costs			(11,937,191)	(12,414,679)	(6,455,633)	
Soft Costs Before Financing	(972,659)	(1,066,297)	(562,543)	(825,378)	(441,753)	
Mortgage Points (Approx.)			(290,366)			
BUILDING COSTS BEFORE INTEREST	(2,592,297)	(1,066,297)	(12,790,101)	(13,240,057)	(6,897,386)	
CONSTRUCTION LOAN:						
Interest	0	0	(459,477)	(1,626,905)	(2,796,467)	(1,710,492)
Takedown	0	0	(9,649,017)	(14,866,961)	(9,693,853)	(1,710,492)
Retirements - Sales					17,104,916	18,815,408
Retirements - Takeout					0	0
Balance	0	0	(9,649,017)	(24,515,978)	(17,104,916)	(0)
PERMANENT MORTGAGE:						
Payment						0
Interest						0
Amortization						0
Balance					(0)	0
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(2,592,297)	(1,066,297)	(13,249,578)	(14,866,961)	(9,693,853)	(1,710,492)
Construction Loan	(0)	(0)	9,649,017	14,866,961	(7,411,063)	(17,104,916)
Permanent Loan	0	0	0	0	0	0
COST & DEBT FLOWS	(2,592,297)	(1,066,297)	(3,600,560)	0	(17,104,916)	(18,815,408)
GROSS SALES						
Less Commissions					29,816,960	31,009,639
					(894,509)	(930,289)
PRETAX SALES PROCEEDS					28,922,451	30,079,349
GROSS REVENUES:						
Leases					0	0
Rents					0	0
Other income					0	0
TOTAL GROSS REVENUES					0	0
Less VACANCY					0	0
NET REVENUES					0	0
OPERATING EXPENSES:						
Operating Expenses					0	0
Replacement Reserve					0	0
TOTAL OPERATING EXPENSES					0	0
NET OPERATING INCOME					0	0

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 CONDOS

YEAR	1 DESIGN	2 DESIGN	3 CONSTRUCT	4 CONSTRUCT	5 LEASE-UP	6 STABILIZED & SALES
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PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%			0			
Less Commission @ 3.00%			0			

PRETAX SALE PROCEEDS			0			
Less Mortgage Balance			0			
Less Taxes / Plus Benefits			0			

AFTER TAX SALES PROCEEDS 0

COST & DEBT FLOWS (Exc. Perm. Amort.) (2,592,297) (1,066,297) (3,600,560) 0 (17,104,916) (18,815,408)

PRETAX SALES PROCEEDS 0 0 0 0 28,922,451 30,079,349

NET OPERATING INCOME (Before Linkage Or Turning Costs) 0 0 0 0 0 0

LINKAGE 0 0

TURNING COSTS:
Brokerage Fees 0 0
Tenant Refurbishment 0 0

DEBT SERVICE 0 0

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (2,592,297) (1,066,297) (3,600,560) 0 11,817,535 11,263,942

Before Tax Cash Flow	(2,592,297)	(1,066,297)	(3,600,560)	0	11,817,535	11,263,942
Income Tax./Ben. From Operations	0	0	0	0	(2,254,624)	(2,388,591)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (2,592,297) (1,066,297) (3,600,560) 0 9,562,912 8,875,351

COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(2,592,297)	(1,066,297)	(3,600,560)	(0)	(0)	(0)
Cash Flow From Operations	0	0	(0)	0	11,817,535	11,263,942
Taxes/Benefits From Operations	0	0	0	0	(2,254,624)	(2,388,591)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (2,592,297) (1,066,297) (3,600,560) 0 9,562,912 8,875,351

CUMULATIVE AFTER TAX CASH FLOW (2,592,297) (3,658,594) (7,259,154) (7,259,154) 2,303,758 11,179,108

Breakeven 0.00%
Debt Coverage Ratio 0.00%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(6,666,509)	-100.00%	(49.04)
Cash Flow From Operations	16,352,291	245.29%	120.30
Taxes /Benefits From Operations	(3,282,851)	-49.24%	(24.15)
Cash Flow On Sale	0	0.00%	0.00
Taxes / Benefits From Sale	0	.00%	.00

TOTAL AFTER TAX NPV @ 8.00% 6,402,931 96.05% 47.10

PIER 4 Boston, Massachusetts							
8-7-86	TAXABLE INCOME AND INCOME TAXES - PHASE 1					CONDOs	
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES	
INCOME ON SALES:							
Pretax Sales Proceeds	0	0	0	0	28,922,451	30,079,349	
Less Basis in Improv.	0	0	0	0	(20,734,493)	(22,444,985)	
Less Basis in Land	0	0	0	0	(809,819)	(809,819)	
TAXABLE INCOME ON SALES	0	0	0	0	7,378,139	6,824,546	
INCOME FROM LEASES, RENTS, ETC.							
Net Operating Income	0	0	0	0	0	0	
Deduct Interest	0	0	0	0	0	0	
Deduct Depreciation & Amortization	(6,569)	(13,402)	(182,601)	(397,020)	(336,766)	0	
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(6,569)	(13,402)	(182,601)	(397,020)	(336,766)	0	
TOTAL ORDINARY TAXABLE INCOME							
Income Taxes/Benefits	0.35	(6,569)	(13,402)	(182,601)	(397,020)	7,041,374	
Benefits Disallowed		2,299	4,691	63,910	138,957	(2,464,481)	
Benefits From Prior Years		(2,299)	(4,691)	(63,910)	(138,957)	(0)	
Benefits To Be Carried		0	0	0	0	209,857	
ORDINARY TAXES/BENEFITS	0	0	0	0	(2,254,624)	(2,388,591)	
Potential Investment Tax Credits On FF&E					0	0	
INVESTMENT TAX CREDIT USED					0	0	
Investment Tax Credit Carryover					0	0	
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(2,254,624)	(2,388,591)	
PROJECT SALE TAXES:							
Pretax Sales Proceeds		0					
Less Basis in Improv.		(0)					
Less Basis in Land		(0)					
GAIN ON SALE		(0)					
TAX / BENEFIT @ 35.00%		0					

PIER 4 Boston, Massachusetts							
8-7-86	SOFT COSTS - PHASE 1					CONDOs	
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES	
SOFT COSTS:							
Envir. Imp. Report	30	93,254				93,254	
Permitting/Licens.	30	19,031				19,031	
Building Permits	30		273,287			273,287	
A/E Fees	30	4.5%	591,247	368,938	127,898	133,014	
Design Consultants	30	1.0%	131,388	81,986	28,422	29,559	
Development Fee	30	2.0%	33,305	34,637	184,739	279,297	
Mtg. Brokerage Fee	30	1.0%		218,630		151,044	
Market Research Fee	30		19,031			19,031	
Legal/Accounting	30	1.0%	52,555	54,657	56,844	59,118	
Insurance	30	1.0%			129,113	139,648	
RE Taxes	10	0.5%				75,522	
Marketing/PR	5	1.0%	32,847	34,161	35,527	36,948	
Brokerage on Leases	5					153,706	
SOFT COSTS BEFORE INTEREST		972,659	1,066,297	562,543	825,378	441,753	
						3,868,630	

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1					CONDOS
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					0	0
Soft Costs					0	0
Permanent Pt.					(9,679)	(9,679)
Construc. Per. - 10	0	0	(45,948)	(223,418)	(503,064)	(688,893)
Construc. Pt.			(116,146)	(116,146)	(72,592)	
Selling Costs	(6,569)	(13,402)	(20,507)	(57,456)	(88,197)	(169,824)
POTENTIAL DEPREC. & AMORT.	(6,569)	(13,402)	(182,601)	(397,020)	(673,531)	(868,395)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	50.00%	0.00%
ACTUAL DEPREC. & AMORT.	(6,569)	(13,402)	(182,601)	(397,020)	(336,766)	0
ACCUM. DEPREC. & AMORT.	(6,569)	(19,971)	(202,572)	(599,592)	(936,357)	(636,562)
Add Back For Sales	0	0	0	0	299,796	636,562
ACTUAL ACCUM. DEPREC. & AMORT.	(6,569)	(19,971)	(202,572)	(599,592)	(636,562)	0
Add to Basis	2,592,297	1,066,297	13,249,578	14,866,961	9,693,853	1,710,492
Beginning Basis	2,592,297	3,658,594	16,908,171	31,775,133	41,468,986	22,444,985
Deduct from Basis	0	0	0	0	(20,734,493)	(22,444,985)
ADJUSTED BASIS OF IMPROVEMENTS	2,592,297	3,658,594	16,908,171	31,775,133	20,734,493	0
Beginning Land	1,619,638	1,619,638	1,619,638	1,619,638	1,619,638	809,819
Deduct from Land	0	0	0	0	(809,819)	(809,819)
ENDING LAND BASIS	1,619,638	1,619,638	1,619,638	1,619,638	809,819	0

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1					CONDOS
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	50,975,325	53,014,338	55,134,912	57,340,308	59,633,920	62,019,277
New Sales %					50.00%	100.00%
New Sales					29,816,960	31,009,639
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					33.33%	100.00%
New Leased %					33.33%	66.67%
New Leases					0	0
Total Leases					0	0
Lease Commissions	0.00%					0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	0	0	0	0	0	0
Operating Expenses					0	0

PIER 4 Boston, Massachusetts						
8-7-86 LOAN DETERMINATION - PHASE 1 CONDOs						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	0	0
Capitalized @ 10.00%	0	0	0	0	0	0
Loan-to-Value @ 80.00%	0	0	0	0	0	0
Net Operating Income	0	0	0	0	0	0
Plus Linkage and Turning Costs	0	0	0	0	0	0
Debt Coverage @ 110.00%	0	0	0	0	0	0
Loan Potential	0	0	0	0	0	0

PIER 4 Boston, Massachusetts								
LOAN DETERMINATION - PHASE 1								CONDOS
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						HOTEL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 50.00%	32,205,351	27,863,430	26,104,842	3,128,475	0	
EQUITY INVESTED	4,341,921	1,758,588	22,976,367	3,128,475	0	
BUILDING COSTS:						
Land	(2,604,150)					
Hard Costs			(21,327,210)	(22,180,298)	(11,533,755)	
Soft Costs Before Financing	(1,737,771)	(1,758,588)	(1,005,050)	(1,474,635)	(789,244)	
Mortgage Points (Approx.)			(644,107)			
BUILDING COSTS BEFORE INTEREST	(4,341,921)	(1,758,588)	(22,976,367)	(23,654,933)	(12,322,999)	
CONSTRUCTION LOAN:						
Interest	0	0	0	(1,026,323)	(2,771,428)	0
Takedown	0	0	0	(21,552,781)	(15,094,427)	0
Retirements - Sales					0	(0)
Retirements - Takeout					36,647,209	0
Balance	0	0	0	(21,552,781)	0	0
PERMANENT MORTGAGE:						
Payment						(4,667,487)
Interest						(4,400,000)
Amortization						(267,487)
Balance					(44,000,000)	(43,732,513)
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (inc. Interest)	(4,341,921)	(1,758,588)	(22,976,367)	(24,681,256)	(15,094,427)	0
Construction Loan	(0)	(0)	(0)	21,552,781	(21,552,781)	0
Permanent Loan	0	0	0	0	44,000,000	(267,487)
COST & DEBT FLOWS	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	7,352,791	(267,487)
GROSS SALES						
Less Commissions					0	0
PRETAX SALES PROCEEDS					0	0
GROSS REVENUES:						
Leases					0	0
Rents					11,005,349	13,989,022
Other income					4,230,456	5,377,380
TOTAL GROSS REVENUES					15,235,806	19,366,402
Less VACANCY					(4,418,384)	(5,616,257)
NET REVENUES					10,817,422	13,750,145
OPERATING EXPENSES:						
Operating Expenses					(6,804,928)	(8,649,819)
Replacement Reserve					324,523	412,504
TOTAL OPERATING EXPENSES					(6,480,405)	(8,237,315)
NET OPERATING INCOME					4,337,017	5,512,830

PIER 4
Boston, Massachusetts

8-7-85 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 HOTEL

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
 Gross Proceeds - Year 16 NOI
 Capitalized @ 10.00% 118,695,787
 Less Commission @ 3.00% (3,560,874)

 PRETAX SALE PROCEEDS 115,134,914
 Less Mortgage Balance (39,736,947)
 Less Taxes / Plus Benefits (15,287,371)

AFTER TAX SALES PROCEEDS 60,110,595

COST & DEBT FLOWS (Exc. Perm. Amort.)	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	7,352,791	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	4,337,017	5,512,830
LINKAGE					(111,251)	(111,251)
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(4,667,487)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (4,341,921) (1,758,588) (22,976,367) (3,128,475) 11,578,557 734,093

Before Tax Cash Flow	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	11,578,557	734,093
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (4,341,921) (1,758,588) (22,976,367) (3,128,475) 11,578,557 734,093

COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	(0)	(0)
Cash Flow From Operations	0	0	0	0	11,578,557	734,093
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (4,341,921) (1,758,588) (22,976,367) (3,128,475) 11,578,557 734,093

CUMULATIVE AFTER TAX CASH FLOW (4,341,921) (6,100,509) (29,076,876) (32,205,351) (20,626,793) (19,892,701)

Breakeven 67.21%
 Debt Coverage Ratio 115.73%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(28,152,259)	-100.00%	(104.33)
Cash Flow From Operations	28,254,925	100.36%	104.71
Taxes /Benefits From Operations	(2,540,983)	-9.03%	(9.42)
Cash Flow On Sale	25,670,070	91.18%	95.13
Taxes / Benefits From Sale	(5,204,754)	-18.49%	(19.29)

TOTAL AFTER TAX NPV @ 8.00% 18,026,999 64.03% 66.81

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 HOTEL

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	(0)	(0)	0	0	(0)	0	(39,736,947)
0	0	0	0	0	0	0	0	0
6,775,769	8,130,923	9,019,904	9,380,700	9,755,929	10,146,166	10,552,012	10,974,093	11,413,056
(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)
115,134,914								
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	82,032,285
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	82,032,285
0	0	0	0	(361,907)	(1,317,561)	(1,476,193)	(1,642,165)	(1,815,871)
0	0	0	0	0	0	0	0	(15,287,371)
1,997,032	3,352,186	4,241,167	4,601,963	4,615,284	4,049,867	4,297,082	4,553,190	64,929,043
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	6,634,319
0	0	0	0	(361,907)	(1,317,561)	(1,476,193)	(1,642,165)	(1,815,871)
0	0	0	0	0	0	0	0	75,397,966
0	0	0	0	0	0	0	0	(15,287,371)
1,997,032	3,352,186	4,241,167	4,601,963	4,615,284	4,049,867	4,297,082	4,553,190	64,929,043
(17,895,669)	(14,543,483)	(10,302,316)	(5,700,353)	(1,085,069)	2,964,798	7,261,880	11,815,070	76,744,113
62.61%	59.26%	57.62%	57.04%	56.48%	55.94%	55.43%	54.93%	54.45%
142.79%	171.82%	190.87%	198.60%	206.64%	215.00%	223.69%	232.73%	242.14%

INTERNAL RATE OF RETURN

INTERNAL RATE OF RETURN
14.55%

PIER 4 Boston, Massachusetts						
8-7-86	TAXABLE INCOME AND INCOME TAXES - PHASE 1					HOTEL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	4,337,017	5,512,830
Deduct Interest	0	0	0	0	(1,385,714)	(4,400,000)
Deduct Depreciation & Amortization	(11,737)	(23,944)	(165,460)	(360,510)	(2,413,853)	(4,080,878)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(11,737)	(23,944)	(165,460)	(360,510)	537,450	(2,968,048)
TOTAL ORDINARY TAXABLE INCOME						
	(11,737)	(23,944)	(165,460)	(360,510)	537,450	(2,968,048)
Income Taxes/Benefits	0.35	4,108	8,380	57,911	126,178	(188,107)
Benefits Disallowed		(4,108)	(8,380)	(57,911)	(126,178)	(0)
Benefits From Prior Years		0	0	0	188,107	0
Benefits To Be Carried		4,108	12,488	70,399	196,578	1,047,287
ORDINARY TAXES/BENEFITS	0	0	0	0	0	0
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	0	0

PROJECT SALE TAXES:	
Pretax Sales Proceeds	115,134,914
Less Basis In Improv.	(68,852,560)
Less Basis In Land	(2,604,150)
GAIN ON SALE	43,678,204
TAX / BENEFIT @ 35.00%	(15,287,371)

PIER 4 Boston, Massachusetts						
8-7-86	SOFT COSTS - PHASE 1					HOTEL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	166,609				166,609
Permitting/Licens.	30	34,002				34,002
Building Permits	30	1.0%	488,260			488,260
A/E Fees	30	4.5%	1,056,332	228,506	237,646	2,181,636
Design Consultants	30	1.0%	234,741	146,478	50,779	484,808
Development Fee	30	2.0%	59,503	61,883	330,058	1,220,299
Mtg. Brokerage Fee	30	1.0%		244,130		244,130
Market Research Fee	30		34,002			34,002
Legal/Accounting	30	1.0%	93,896	97,652	101,558	508,572
Insurance	30	1.0%		230,675	105,620	615,102
RE Taxes	10	0.5%			249,498	264,051
Marketing/PR	5	1.0%	58,685	61,033	66,013	523,818
Brokerage on Leases	5					0
SOFT COSTS BEFORE INTEREST		1,737,771	1,758,588	1,005,050	1,474,635	789,244
						6,765,288

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 1									
									HOTEL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
6,775,769	8,130,923	9,019,904	9,380,700	9,755,929	10,146,166	10,552,012	10,974,093	11,413,056	
(4,373,251)	(4,343,828)	(4,311,462)	(4,275,859)	(4,236,697)	(4,193,618)	(4,146,231)	(4,094,105)	(4,036,767)	
(4,068,671)	(4,055,977)	(4,042,774)	(3,140,351)	(2,188,088)	(2,188,088)	(2,188,088)	(2,188,088)	(2,188,088)	
(1,666,153)	(268,881)	665,668	1,964,490	3,331,144	3,764,460	4,217,694	4,691,900	5,188,202	
(1,666,153)	(268,881)	665,668	1,964,490	3,331,144	3,764,460	4,217,694	4,691,900	5,188,202	
583,154	94,108	(232,984)	(687,571)	(1,165,900)	(1,317,561)	(1,476,193)	(1,642,165)	(1,815,871)	
(583,154)	(94,108)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
0	0	232,984	687,571	803,993	0	0	0	0	
1,630,440	1,724,549	1,491,565	803,993	0	0	0	0	0	
0	0	0	0	(361,907)	(1,317,561)	(1,476,193)	(1,642,165)	(1,815,871)	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	(361,907)	(1,317,561)	(1,476,193)	(1,642,165)	(1,815,871)	

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1					HOTEL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(1,623,604)	(3,247,209)
Soft Costs					(225,510)	(225,510)
Permanent Pt.					(10,735)	(10,735)
Construc. Per. - 10	0	0	0	(129,037)	(267,609)	(294,014)
Construc. Pt.			(128,821)	(128,821)	(128,821)	
Selling Costs	(11,737)	(23,944)	(36,638)	(102,651)	(157,574)	(303,410)
POTENTIAL DEPREC. & AMORT.	(11,737)	(23,944)	(165,460)	(360,510)	(2,413,853)	(4,080,878)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(11,737)	(23,944)	(165,460)	(360,510)	(2,413,853)	(4,080,878)
ACCUM. DEPREC. & AMORT.	(11,737)	(35,681)	(201,140)	(561,650)	(2,975,503)	(7,056,381)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(11,737)	(35,681)	(201,140)	(561,650)	(2,975,503)	(7,056,381)
Add to Basis	4,341,921	1,758,588	22,976,367	24,681,256	15,094,427	(0)
Beginning Basis	4,341,921	6,100,509	29,076,876	53,758,132	68,852,560	68,852,560
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	4,341,921	6,100,509	29,076,876	53,758,132	68,852,560	68,852,560
Beginning Land	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1					HOTEL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	0	0	0	0	12.50%	37.50%
New Sales %					12.50%	25.00%
New Sales					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					56.25%	68.75%
New Leased %					56.25%	12.50%
New Leases					0	0
Total Leases					0	0
Lease Commissions	0.00%				0	0
Base rents	16,724,300	17,393,272	18,089,003	18,812,563	19,565,066	20,347,668
Rents					11,005,349	13,989,022
Base Other Income	6,428,821	6,685,974	6,953,413	7,231,549	7,520,811	7,821,644
Other Income					4,230,456	5,377,380
OPERATING EXPENSES:						
Base operating expenses	(10,341,122)	(10,754,766)	(11,184,957)	(11,632,355)	(12,097,650)	(12,581,556)
Operating Expenses					(6,804,928)	(8,649,819)

PIER 4 Boston, Massachusetts									
DEPRECIATION, AMORTIZATION, & BASIS - PHASE I									HOTEL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(3,247,209)	(3,247,209)	(3,247,209)	(2,399,709)	(1,552,209)	(1,552,209)	(1,552,209)	(1,552,209)	(1,552,209)	(1,552,209)
(225,510)	(225,510)	(225,510)	(225,510)	(225,510)	(225,510)	(225,510)	(225,510)	(225,510)	(225,510)
(10,735)	(10,735)	(10,735)	(10,735)	(10,735)	(10,735)	(10,735)	(10,735)	(10,735)	(10,735)
(294,014)	(294,014)	(294,014)	(294,014)	(294,014)	(294,014)	(294,014)	(294,014)	(294,014)	(294,014)
(291,204)	(278,509)	(285,307)	(210,384)	(105,620)	(105,620)	(105,620)	(105,620)	(105,620)	(105,620)
(4,068,671)	(4,055,977)	(4,042,774)	(3,140,351)	(2,188,088)	(2,188,088)	(2,188,088)	(2,188,088)	(2,188,088)	(2,188,088)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(4,068,671)	(4,055,977)	(4,042,774)	(3,140,351)	(2,188,088)	(2,188,088)	(2,188,088)	(2,188,088)	(2,188,088)	(2,188,088)
(11,125,052)	(15,181,029)	(19,223,803)	(22,364,154)	(24,552,242)	(26,740,330)	(28,928,418)	(31,116,506)	(33,304,594)	
0	0	0	0	0	0	0	0	0	
(11,125,052)	(15,181,029)	(19,223,803)	(22,364,154)	(24,552,242)	(26,740,330)	(28,928,418)	(31,116,506)	(33,304,594)	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560
0	0	0	0	0	0	0	0	0	0
68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560	68,852,560
2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150
0	0	0	0	0	0	0	0	0	0
2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150	2,604,150

PIER 4 Boston, Massachusetts									
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE I									HOTEL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
62.50%	87.50%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
25.00%	25.00%	12.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0	0
81.25%	93.75%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
12.50%	12.50%	6.25%	56.25%	12.50%	12.50%	12.50%	6.25%	56.25%	
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
21,161,575	22,008,038	22,888,359	23,803,894	24,756,049	25,746,291	26,776,143	27,847,189	28,961,076	
17,193,780	20,632,535	22,888,359	23,803,894	24,756,049	25,746,291	26,776,143	27,847,189	28,961,076	
8,134,509	8,459,890	8,798,285	9,150,217	9,516,225	9,896,874	10,292,749	10,704,459	11,132,638	
6,609,289	7,931,147	8,798,285	9,150,217	9,516,225	9,896,874	10,292,749	10,704,459	11,132,638	
(13,084,818)	(13,608,211)	(14,152,539)	(14,718,641)	(15,307,386)	(15,919,682)	(16,556,469)	(17,218,728)	(17,907,477)	
(10,631,414)	(12,757,697)	(14,152,539)	(14,718,641)	(15,307,386)	(15,919,682)	(16,556,469)	(17,218,728)	(17,907,477)	

PIER 4 Boston, Massachusetts							
8-7-86	LOAN DETERMINATION - PHASE 1						HOTEL
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
PERMANENT LOAN DETERMINATION:							
Net Operating Income	0	0	0	0	4,337,017	5,512,830	
Capitalized @ 10.00%	0	0	0	0	43,370,168	55,128,302	
Loan-to-Value @ 80.00%	0	0	0	0	34,696,134	44,102,641	
Net Operating Income	0	0	0	0	4,337,017	5,512,830	
Plus Linkage and Turning Costs	0	0	0	0	4,225,766	5,401,580	
Debt Coverage @ 110.00%	0	0	0	0	3,841,606	4,910,527	
Loan Potential	0	0	0	0	36,214,487	46,291,117	

PIER 4
Boston, Massachusetts

***** LOAN DETERMINATION - PHASE 1 ***** HOTEL *****

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
6,775,769	8,130,923	9,019,904	9,380,700	9,755,929	10,146,166	10,552,012	10,974,093	11,413,056
87,757,695	81,309,234	90,199,043	93,807,005	97,559,285	101,461,656	105,520,123	109,740,928	114,130,565
54,206,156	65,047,387	72,159,234	75,045,604	78,047,428	81,169,325	84,416,098	87,792,742	91,304,452
6,775,769	8,130,923	9,019,904	9,380,700	9,755,929	10,146,166	10,552,012	10,974,093	11,413,056
6,664,519	8,019,673	8,908,654	9,249,450	9,644,678	10,034,915	10,440,762	10,862,842	11,301,806
6,058,654	7,290,612	8,098,776	8,426,773	8,767,889	9,122,650	9,491,602	9,875,311	10,274,369
57,114,408	68,727,972	76,346,470	79,438,465	82,654,140	85,998,442	89,476,516	93,093,713	96,855,598

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	8,749,218	5,182,225	3,911,055	0	0	
EQUITY INVESTED	3,566,993	1,271,170	3,911,055	0	0	
=====						
BUILDING COSTS:						
Land	(2,407,453)					
Hard Costs			(14,230,746)	(14,799,976)	(7,695,987)	
Soft Costs Before Financing	(1,159,541)	(1,271,170)	(670,628)	(983,962)	(526,629)	
Mortgage Points (Approx.)			(699,937)			
BUILDING COSTS BEFORE INTEREST	(3,566,993)	(1,271,170)	(15,601,311)	(15,783,937)	(8,222,617)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(584,513)	(2,016,674)	(3,418,669)	0
Takedown	0	0	(12,274,769)	(17,800,611)	(11,641,286)	0
Retirements - Sales					0	(0)
Retirements - Takeout					41,716,666	0
Balance	0	0	(12,274,769)	(30,075,380)	0	(0)
PERMANENT MORTGAGE:						
Payment						(4,243,170)
Interest						(4,000,000)
Amortization						(243,170)
Balance					(40,000,000)	(39,756,830)
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(3,566,993)	(1,271,170)	(16,185,824)	(17,800,611)	(11,641,286)	0
Construction Loan	(0)	(0)	12,274,769	17,800,611	(30,075,380)	0
Permanent Loan	0	0	0	0	40,000,000	(243,170)
COST & DEBT FLOWS	(3,566,993)	(1,271,170)	(3,911,055)	0	(1,716,666)	(243,170)
=====						
GROSS SALES					0	0
Less Commissions					0	0
PRETAX SALES PROCEEDS					0	0
=====						
GROSS REVENUES:						
Leases					4,340,841	8,855,315
Rents					0	0
Other income					0	0
TOTAL GROSS REVENUES					4,340,841	8,855,315
Less VACANCY					(434,084)	(885,531)
NET REVENUES					3,906,757	7,969,783
=====						
OPERATING EXPENSES:						
Operating Expenses					(892,973)	(1,857,384)
Replacement Reserve					39,068	79,698
TOTAL OPERATING EXPENSES					(853,905)	(1,777,686)
NET OPERATING INCOME					3,052,851	6,192,098
=====						

PIER 4
Boston, Massachusetts

CASH FLOW SCHEDULES - PHASE 1 OFFICE

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

=====									

	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)
	(3,975,683)	(3,948,934)	(3,919,511)	(3,887,145)	(3,851,542)	(3,812,380)	(3,769,301)	(3,721,914)	(3,669,788)
	(267,487)	(294,236)	(323,659)	(356,025)	(391,628)	(430,790)	(473,869)	(521,256)	(573,382)
	(39,489,343)	(39,195,108)	(38,871,448)	(38,515,423)	(38,123,796)	(37,693,005)	(37,219,136)	(36,697,880)	(36,124,498)

	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	0	0	0	0	0	0	0	0	0
	(267,487)	(294,236)	(323,659)	(356,025)	(391,628)	(430,790)	(473,869)	(521,256)	(573,382)
	(267,487)	(294,236)	(323,659)	(356,025)	(391,628)	(430,790)	(473,869)	(521,256)	(573,382)
=====									
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0

	0	0	0	0	0	0	0	0	0
=====									
	8,855,315	8,855,315	8,855,315	9,795,771	10,773,845	10,773,845	10,773,845	10,773,845	11,918,053
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	8,855,315	8,855,315	8,855,315	9,795,771	10,773,845	10,773,845	10,773,845	10,773,845	11,918,053
	(885,531)	(885,531)	(885,531)	(979,577)	(1,077,384)	(1,077,384)	(1,077,384)	(1,077,384)	(1,191,805)
	7,969,783	7,969,783	7,969,783	8,816,194	9,696,460	9,696,460	9,696,460	9,696,460	10,726,247

	(1,931,679)	(2,008,946)	(2,089,304)	(2,172,876)	(2,259,791)	(2,350,183)	(2,444,190)	(2,541,958)	(2,643,636)
	79,698	79,698	79,698	88,162	96,965	96,965	96,965	96,965	107,262
	(1,851,981)	(1,929,248)	(2,009,606)	(2,084,714)	(2,162,827)	(2,253,218)	(2,347,226)	(2,444,993)	(2,536,374)
	6,117,802	6,040,535	5,960,177	6,731,479	7,533,633	7,443,242	7,349,234	7,251,467	8,189,874
=====									

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 OFFICE
YEAR 1 2 3 4 5 6
DESIGN DESIGN CONSTRUCT CONSTRUCT LEASE-UP STABILIZED & SALES

PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		91,658,170				
Less Commission @ 3.00%		(2,749,745)				
PRETAX SALE PROCEEDS		88,908,424				
Less Mortgage Balance		(36,124,498)				
Less Taxes / Plus Benefits		(9,729,530)				
AFTER TAX SALES PROCEEDS		43,054,397				

COST & DEBT FLOWS (Exc. Perm. Amort.)	(3,566,993)	(1,271,170)	(3,911,055)	0	(1,716,666)	0
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	3,052,851	6,192,098
LINKAGE					(102,848)	(102,848)
TURNING COSTS:						
Brokerage Fees					(1,085,210)	(1,128,619)
Tenant Refurbishment					(344,553)	(344,553)
DEBT SERVICE					0	(4,243,170)
PROJECT SALE PROCEEDS						

BEFORE TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909
Before Tax Cash Flow	(3,566,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(3,566,993)	(1,271,170)	(3,911,055)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	(196,425)	372,909
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909
CUMULATIVE AFTER TAX CASH FLOW	(3,566,993)	(4,838,164)	(8,749,218)	(8,749,218)	(8,945,643)	(8,572,735)
Breakeven Debt Coverage Ratio						85.79%
						108.79%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(8,097,102)	-100.00%	(38.19)
Cash Flow From Operations	8,361,850	103.27%	39.44
Taxes /Benefits From Operations	(364,705)	-4.50%	(1.72)
Cash Flow On Sale	17,970,871	221.94%	84.76
Taxes / Benefits From Sale	(3,312,526)	-40.91%	(15.62)

TOTAL AFTER TAX NPV @ 8.00%	14,558,388	179.80%	68.66
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PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I OFFICE

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
	(0)	0	0	(0)	0	(0)	(0)	0	(36,124,498)
	0	0	0	0	0	0	0	0	0
	6,117,802	6,040,535	5,960,177	6,731,479	7,533,633	7,443,242	7,349,234	7,251,467	8,189,874
	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)
	0	0	0	(1,320,324)	(1,373,137)	0	0	0	(1,606,376)
	0	0	0	(344,553)	(344,553)	0	0	0	(344,553)
	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)
									88,908,424
	1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	54,676,854
	1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	54,676,854
	0	0	0	0	0	0	(59,964)	(324,329)	(650,991)
	0	0	0	0	0	0	0	0	(9,729,530)
	1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	2,943,253	2,581,121	44,296,333
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	1,892,927
	0	0	0	0	0	0	(59,964)	(324,329)	(650,991)
	0	0	0	0	0	0	0	0	52,783,927
	0	0	0	0	0	0	0	0	(9,729,530)
	1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	2,943,253	2,581,121	44,296,333
	(16,800,950)	(5,106,433)	(3,492,273)	(2,771,688)	(1,301,762)	1,795,462	4,738,715	7,319,836	51,616,168
	69.99%	70.86%	71.77%	82.64%	76.36%	61.25%	62.12%	63.03%	74.12%
	141.76%	139.94%	138.04%	116.98%	134.64%	172.99%	170.78%	168.47%	144.61%

INTERNAL RATE OF RETURN

18.34%

PIER 4 Boston, Massachusetts						
8-7-86	TAXABLE INCOME AND INCOME TAXES - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	3,052,851	6,192,098
Deduct Interest	0	0	0	0	(1,709,334)	(4,000,000)
Deduct Depreciation & Amortization	(7,832)	(15,977)	(222,886)	(486,220)	(1,704,767)	(2,638,950)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(7,832)	(15,977)	(222,886)	(486,220)	(361,250)	(446,853)
TOTAL ORDINARY TAXABLE INCOME						
	(7,832)	(15,977)	(222,886)	(486,220)	(361,250)	(446,853)
Income Taxes/Benefits	0.35	2,741	5,592	78,010	170,177	126,437
Benefits Disallowed		(2,741)	(5,592)	(78,010)	(170,177)	(126,437)
Benefits From Prior Years		0	0	0	0	0
Benefits To Be Carried		2,741	8,333	86,343	256,520	382,957
ORDINARY TAXES/BENEFITS	0	0	0	0	0	0
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	0	0

PROJECT SALE TAXES:	
Pretax Sales Proceeds	88,908,424
Less Basis in Improv.	(58,702,314)
Less Basis in Land	(2,407,453)
GAIN ON SALE	27,798,658
TAX / BENEFIT @ 35.00%	(9,729,530)

PIER 4 Boston, Massachusetts						
8-7-86	SOFT COSTS - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	111,171				111,171
Permitting/Licens.	30	22,688				22,688
Building Permits	30	1.0%	325,795			325,795
A/E Fees	30	4.5%	704,846	439,824	152,472	1,588,142
Design Consultants	30	1.0%	156,632	97,739	33,883	323,492
Development Fee	30	2.0%	39,704	41,292	220,234	814,254
Mtg. Brokerage Fee	30	1.0%		260,636		260,636
Market Research Fee	30		22,688			22,688
Legal/Accounting	30	1.0%	62,653	65,159	67,765	339,349
Insurance	30	1.0%		153,920	70,476	410,432
RE Taxes	10	0.5%			166,480	176,190
Marketing/PR	5	1.0%	39,158	40,724	42,353	349,521
Brokerage on Leases	5				44,048	0
SOFT COSTS BEFORE INTEREST		1,159,541	1,271,170	670,628	983,962	526,629
						4,611,930

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 1									OFFICE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
6,117,802	6,040,535	5,960,177	6,731,479	7,533,633	7,443,242	7,349,234	7,251,467	8,189,874	
(3,975,683)	(3,948,934)	(3,919,511)	(3,887,145)	(3,851,542)	(3,812,380)	(3,769,301)	(3,721,914)	(3,649,788)	
(2,630,805)	(2,622,335)	(2,613,525)	(2,623,900)	(2,602,900)	(2,602,900)	(2,602,900)	(2,602,900)	(2,660,110)	
(488,686)	(530,734)	(572,859)	220,434	1,079,191	1,027,962	977,034	926,653	1,859,976	
(488,686)	(530,734)	(572,859)	220,434	1,079,191	1,027,962	977,034	926,653	1,859,976	
171,040	185,757	200,501	(77,152)	(377,717)	(359,787)	(341,962)	(324,329)	(650,991)	
(171,040)	(185,757)	(200,501)	(0)	(0)	(0)	(0)	(0)	(0)	
0	0	0	77,152	377,717	359,787	281,998	0	0	
710,396	896,153	1,096,653	1,019,501	641,785	281,998	0	0	0	
0	0	0	0	0	0	(59,964)	(324,329)	(650,991)	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	(59,964)	(324,329)	(650,991)	

PIER 4 Boston, Massachusetts						
8-7-85	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:					(612,112)	(1,224,224)
Hard Costs					(153,731)	(153,731)
Soft Costs					(11,666)	(11,666)
Permanent Pt.					(448,671)	(466,290)
Construc. Per. - 10	0	0	(58,451)	(277,738)	(87,492)	(783,040)
Construc. Pt.			(139,987)	(139,987)	(391,095)	
Selling Costs	(7,832)	(15,977)	(24,447)	(68,495)		
POTENTIAL DEPREC. & AMORT.	(7,832)	(15,977)	(222,886)	(486,220)	(1,704,767)	(2,638,950)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(7,832)	(15,977)	(222,886)	(486,220)	(1,704,767)	(2,638,950)
ACCUM. DEPREC. & AMORT.	(7,832)	(23,808)	(246,694)	(732,914)	(2,437,681)	(5,076,631)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(7,832)	(23,808)	(246,694)	(732,914)	(2,437,681)	(5,076,631)
Add to Basis	3,566,993	1,271,170	16,185,824	17,800,611	13,071,049	1,473,171
Beginning Basis	3,566,993	4,838,164	21,023,987	38,824,598	51,895,647	53,368,818
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	3,566,993	4,838,164	21,023,987	38,824,598	51,895,647	53,368,818
Beginning Land	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:	0	0	0	0	0	0
Cumulative Sold %					33.33%	100.00%
New Sales %					33.33%	66.67%
New Sales					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	7,421,138	7,717,983	8,026,702	8,347,770	8,681,681	9,028,948
Total Leased %					50.00%	100.00%
New Leased %					50.00%	50.00%
New Leases					4,340,841	4,514,474
Total Leases					4,340,841	8,855,315
Lease Commissions 5.00%						0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(1,526,634)	(1,587,699)	(1,651,207)	(1,717,256)	(1,785,946)	(1,857,384)
Operating Expenses					(892,973)	(1,857,384)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1								OFFICE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)
(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)
(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)
(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)
(774,895)	(766,424)	(757,615)	(767,990)	(746,989)	(746,989)	(746,989)	(746,989)	(804,200)
(2,630,805)	(2,622,335)	(2,613,525)	(2,623,900)	(2,602,900)	(2,602,900)	(2,602,900)	(2,602,900)	(2,660,110)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(2,630,805)	(2,622,335)	(2,613,525)	(2,623,900)	(2,602,900)	(2,602,900)	(2,602,900)	(2,602,900)	(2,660,110)
(7,707,436)	(10,329,771)	(12,943,296)	(15,567,196)	(18,170,096)	(20,772,996)	(23,375,896)	(25,978,796)	(28,638,906)
0	0	0	0	0	0	0	0	0
(7,707,436)	(10,329,771)	(12,943,296)	(15,567,196)	(18,170,096)	(20,772,996)	(23,375,896)	(25,978,796)	(28,638,906)
53,368,818	53,368,818	53,368,818	1,664,877	1,717,690	56,751,385	56,751,385	56,751,385	1,950,929
0	0	0	55,033,695	56,751,385	0	0	0	58,702,314
53,368,818	53,368,818	53,368,818	55,033,695	56,751,385	56,751,385	56,751,385	56,751,385	58,702,314
2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453
0	0	0	0	0	0	0	0	0
2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1								OFFICE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
9,390,106	9,765,711	10,156,339	10,562,593	10,985,096	11,424,500	11,881,480	12,356,739	12,851,009
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	50.00%
0	0	0	5,281,296	5,492,548	0	0	0	6,425,505
8,855,315	8,855,315	8,855,315	9,795,771	10,773,845	10,773,845	10,773,845	10,773,845	11,918,053
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(1,931,679)	(2,008,946)	(2,089,304)	(2,172,876)	(2,259,791)	(2,350,183)	(2,444,190)	(2,541,958)	(2,643,636)
(1,931,679)	(2,008,946)	(2,089,304)	(2,172,876)	(2,259,791)	(2,350,183)	(2,444,190)	(2,541,958)	(2,643,636)

PIER 4
Boston, Massachusetts

8-7-86		LOAN DETERMINATION - PHASE 1				OFFICE	
YEAR		1	2	3	4	5	6
		DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:							
Net Operating Income		0	0	0	0	3,052,851	6,192,098
Capitalized @	10.00%	0	0	0	0	30,528,512	61,920,975
Loan-to-Value @	80.00%	0	0	0	0	24,422,810	49,536,780
Net Operating Income		0	0	0	0	3,052,851	6,192,098
Plus Linkage and Turning Costs		0	0	0	0	1,520,241	4,616,079
Debt Coverage @	110.00%	0	0	0	0	1,382,037	4,196,435
Loan Potential		0	0	0	0	13,028,344	39,559,434

PIER 4 Boston, Massachusetts LOAN DETERMINATION - PHASE 1 OFFICE								
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
6,117,802	6,040,535	5,960,177	6,731,479	7,533,633	7,443,242	7,349,234	7,251,467	8,189,874
81,178,022	60,405,350	59,601,772	67,314,792	75,336,334	74,432,418	73,492,344	72,514,668	81,898,738
48,942,417	48,324,280	47,681,417	53,851,834	60,269,067	59,545,934	58,793,876	58,011,735	65,518,990
6,117,802	6,040,535	5,960,177	6,731,479	7,533,633	7,443,242	7,349,234	7,251,467	8,189,874
6,014,955	5,937,687	5,857,330	4,963,755	5,713,096	7,340,394	7,246,387	7,148,619	8,136,097
5,468,141	5,397,898	5,324,845	4,512,504	5,193,724	6,673,086	6,587,624	6,498,745	5,578,270
51,547,693	50,885,520	50,196,859	42,538,993	48,960,788	62,906,608	62,100,972	61,263,111	52,585,876

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						
						RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 50.00%	4,446,813	3,720,015	3,480,921	353,737	0	
EQUITY INVESTED	726,797	239,094	3,125,184	355,737	0	
=====						
BUILDING COSTS:						
Land	(490,534)					
Hard Costs			(2,899,604)	(3,015,588)	(1,568,106)	
Soft Costs Before Financing	(236,264)	(239,094)	(136,645)	(200,488)	(107,304)	
Mortgage Points (Approx.)			(88,936)			
BUILDING COSTS BEFORE INTEREST	(726,797)	(239,094)	(3,125,184)	(3,216,076)	(1,675,410)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(0)	(143,017)	(384,106)	0
Takedown	0	0	(0)	(3,003,356)	(2,059,516)	0
Retirements - Sales					0	0
Retirements - Takeout					5,062,872	0
Balance	0	0	(0)	(3,003,356)	0	0
=====						
PERMANENT MORTGAGE:						
Payment						(530,396)
Interest						(500,000)
Amortization						(30,396)
Balance					(5,000,000)	(4,969,604)
=====						
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(726,797)	(239,094)	(3,125,184)	(3,359,093)	(2,059,516)	0
Construction Loan	(0)	(0)	0	3,003,356	(3,003,356)	(0)
Permanent Loan	0	0	0	0	5,000,000	(30,396)
COST & DEBT FLOWS	(726,797)	(239,094)	(3,125,184)	(355,737)	(62,872)	(30,396)
=====						
GROSS SALES						
Less Commissions					0	0
PRETAX SALES PROCEEDS					0	0
=====						
GROSS REVENUES:						
Leases					416,223	849,095
Rents					0	0
Other income					208,111	432,872
TOTAL GROSS REVENUES					624,334	1,281,966
Less VACANCY					(62,433)	(128,197)
NET REVENUES					561,901	1,153,770
=====						
OPERATING EXPENSES:						
Operating Expenses					(187,300)	(389,585)
Replacement Reserve					5,619	11,538
TOTAL OPERATING EXPENSES					(181,681)	(378,047)
=====						
NET OPERATING INCOME					380,220	775,723
=====						

PIER 4
Boston, Massachusetts

CASH FLOW SCHEDULES - PHASE 1

RETAIL

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)
(496,960)	(493,617)	(489,939)	(485,893)	(481,443)	(476,547)	(471,163)	(465,239)	(458,723)
(33,436)	(36,779)	(40,457)	(44,503)	(48,953)	(53,849)	(59,234)	(65,157)	(71,673)
(4,936,168)	(4,899,388)	(4,858,931)	(4,814,428)	(4,765,474)	(4,711,626)	(4,652,392)	(4,587,235)	(4,515,562)
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(33,436)	(36,779)	(40,457)	(44,503)	(48,953)	(53,849)	(59,234)	(65,157)	(71,673)
(33,436)	(36,779)	(40,457)	(44,503)	(48,953)	(53,849)	(59,234)	(65,157)	(71,673)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
849,095	849,095	849,095	939,270	1,033,053	1,033,053	1,033,053	1,033,053	1,142,766
0	0	0	0	0	0	0	0	0
450,187	468,194	486,922	506,399	526,655	547,721	569,630	592,415	616,111
1,299,281	1,317,289	1,336,016	1,445,669	1,559,708	1,580,774	1,602,683	1,625,468	1,758,877
(129,928)	(131,729)	(133,602)	(144,567)	(155,971)	(158,077)	(160,268)	(162,547)	(175,888)
1,169,353	1,185,560	1,202,415	1,301,102	1,403,737	1,422,697	1,442,415	1,462,921	1,582,990
(405,168)	(421,375)	(438,230)	(455,759)	(473,989)	(492,949)	(512,667)	(533,173)	(554,500)
11,694	11,856	12,024	13,011	14,037	14,227	14,424	14,629	15,830
(393,474)	(409,519)	(426,205)	(442,748)	(459,952)	(478,722)	(498,243)	(518,544)	(538,670)
775,879	776,041	776,209	858,354	943,785	943,975	944,172	944,377	1,044,319

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 RETAIL

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
Gross Proceeds - Year 16 NOI
Capitalized @ 10.00% 11,482,592
Less Commission @ 3.00% (344,478)

PRETAX SALE PROCEEDS 11,138,114
Less Mortgage Balance (4,515,562)
Less Taxes / Plus Benefits (39,574)

AFTER TAX SALES PROCEEDS 4,582,978

COST & DEBT FLOWS (Exc. Perm. Amort.)	(726,797)	(239,094)	(3,125,184)	(355,737)	(62,872)	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	380,220	775,723
LINKAGE					(20,956)	(20,956)
TURNING COSTS:						
Brokerage Fees					(104,056)	(108,218)
Tenant Refurbishment					(80,053)	(80,053)
DEBT SERVICE					0	(530,396)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(726,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
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Before Tax Cash Flow	(726,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(726,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(726,797)	(239,094)	(3,125,184)	(355,737)	(0)	(0)
Cash Flow From Operations	0	0	0	0	112,284	36,100
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(726,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
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CUMULATIVE AFTER TAX CASH FLOW	(726,797)	(965,891)	(4,091,076)	(4,446,813)	(4,334,529)	(4,298,429)
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Breakeven						87.18%
Debt Coverage Ratio						106.81%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(3,909,918)	-100.00%	(109.89)
Cash Flow From Operations	1,192,124	30.49%	33.51
Taxes /Benefits From Operations	0	0.00%	0.00
Cash Flow On Sale	2,254,721	57.67%	63.37
Taxes / Benefits From Sale	(13,473)	-0.34%	(0.38)

TOTAL AFTER TAX NPV @ 8.00%	(476,547)	-12.19%	(13.39)
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PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 RETAIL

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
(0)	0	0	(0)	0	(0)	(0)	0	(4,515,562)
0	0	0	0	0	0	0	0	0
775,879	776,041	776,209	858,354	943,785	943,975	944,172	944,377	1,044,319
(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)
0	0	0	(126,600)	(131,664)	0	0	0	(154,028)
0	0	0	(80,053)	(80,053)	0	0	0	(80,053)
(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)
								11,138,114
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,881,439
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,881,439
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	(39,574)
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,841,865
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	258,887
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	6,622,552
0	0	0	0	0	0	0	0	(39,574)
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,841,865
(4,073,902)	(3,849,214)	(3,624,357)	(3,524,006)	(3,343,289)	(2,950,666)	(2,557,846)	(2,164,821)	4,677,044
72.72%	72.94%	73.17%	83.06%	78.41%	65.16%	65.49%	65.82%	75.28%
142.33%	142.36%	142.39%	118.92%	134.07%	174.02%	174.06%	174.10%	148.81%

INTERNAL RATE OF RETURN

6.71%

PIER 4 Boston, Massachusetts						
8-7-86	TAXABLE INCOME AND INCOME TAXES - PHASE 1					RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	380,220	775,723
Deduct Interest	0	0	0	0	(192,053)	(500,000)
Deduct Depreciation & Amortization	(1,596)	(3,255)	(22,769)	(49,635)	(269,993)	(437,999)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(1,596)	(3,255)	(22,769)	(49,635)	(81,827)	(162,276)
TOTAL ORDINARY TAXABLE INCOME						
Income Taxes/Benefits	0.35	(1,596)	(3,255)	(22,769)	(49,635)	(81,827)
Benefits Disallowed		559	1,139	7,969	17,372	28,639
Benefits From Prior Years		(559)	(1,139)	(7,969)	(17,372)	(28,639)
Benefits To Be Carried		0	0	0	0	0
ORDINARY TAXES/BENEFITS	0	0	0	0	0	0
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	0	0
PROJECT SALE TAXES:						
Pretax Sales Proceeds			11,138,114			
Less Basis In Improv.			(10,534,512)			
Less Basis In Land			(490,534)			
GAIN ON SALE			113,069			
TAX / BENEFIT @ 35.00%			(39,574)			

PIER 4 Boston, Massachusetts						
8-7-86	SOFT COSTS - PHASE 1					RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	22,652				22,652
Permitting/Licens.	30	4,623				4,623
Building Permits	30	1.0%	66,383			66,383
A/E Fees	30	4.5%	143,617	89,617	31,067	32,310
Design Consultants	30	1.0%	31,915	19,915	6,904	7,180
Development Fee	30	2.0%	8,090	8,414	44,874	67,843
Mtg. Brokerage Fee	30	1.0%		33,191		36,689
Market Research Fee	30		4,623			33,191
Legal/Accounting	30	1.0%	12,766	13,277	13,808	14,360
Insurance	30	1.0%			31,362	33,921
RE Taxes	10	0.5%				14,934
Marketing/PR	5	1.0%	7,979	8,298	8,630	18,345
Brokerage on Leases	5					35,900
SOFT COSTS BEFORE INTEREST		236,264	239,094	136,645	200,488	107,304
						919,795

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 1									RETAIL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
<hr/>									
775,879	776,041	776,209	858,354	943,785	943,975	944,172	944,377	1,044,319	
(496,960)	(493,617)	(489,939)	(485,893)	(481,443)	(476,547)	(471,163)	(465,239)	(458,723)	
(436,340)	(434,614)	(432,819)	(429,860)	(420,306)	(420,306)	(420,306)	(420,306)	(425,792)	
<hr/>									
(157,421)	(152,190)	(146,548)	(57,399)	42,037	47,122	52,704	58,832	159,804	
<hr/>									
(157,421)	(152,190)	(146,548)	(57,399)	42,037	47,122	52,704	58,832	159,804	
55,097	53,266	51,292	20,090	(14,713)	(16,493)	(18,446)	(20,591)	(55,932)	
(55,097)	(53,266)	(51,292)	(20,090)	(0)	(0)	(0)	(0)	(0)	
0	0	0	0	14,713	16,493	18,446	20,591	55,932	
167,573	220,839	272,131	292,220	277,508	261,015	242,569	221,978	166,046	
<hr/>									
0	0	0	0	0	0	0	0	0	
<hr/>									
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1					RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(124,722)	(249,443)
Soft Costs					(30,660)	(30,660)
Permanent Pt.					(1,482)	(1,482)
Construc. Per. - 10	0	0	(0)	(17,892)	(37,097)	(40,687)
Construc. Pt.			(17,787)	(17,787)	(17,787)	
Selling Costs	(1,596)	(3,255)	(4,981)	(13,956)	(58,245)	(115,727)
POTENTIAL DEPREC. & AMORT.	(1,596)	(3,255)	(22,769)	(49,635)	(269,993)	(437,999)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(1,596)	(3,255)	(22,769)	(49,635)	(269,993)	(437,999)
ACCUM. DEPREC. & AMORT.	(1,596)	(4,851)	(27,620)	(77,255)	(347,248)	(785,247)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(1,596)	(4,851)	(27,620)	(77,255)	(347,248)	(785,247)
Add to Basis	726,797	239,094	3,125,184	3,359,093	2,243,624	188,270
Beginning Basis	726,797	965,891	4,091,076	7,450,169	9,693,793	9,882,063
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	726,797	965,891	4,091,076	7,450,169	9,693,793	9,882,063
Beginning Land	490,534	490,534	490,534	490,534	490,534	490,534
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	490,534	490,534	490,534	490,534	490,534	490,534

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1					RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	0	0	0	0	0	0
New Sales %					33.33%	100.00%
New Sales					33.33%	66.67%
					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	711,578	740,041	769,643	800,428	832,446	865,743
Total Leased %					50.00%	100.00%
New Leased %					50.00%	50.00%
New Leases					416,223	432,872
Total Leases					416,223	849,095
Lease Commissions	5.00%					0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	355,789	370,021	384,821	400,214	416,223	432,872
Other Income					208,111	432,872
OPERATING EXPENSES:						
Base operating expenses	(320,210)	(333,019)	(346,339)	(360,193)	(374,601)	(389,585)
Operating Expenses					(187,300)	(389,585)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE I								RETAIL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(249,443)	(249,443)	(249,443)	(249,443)	(249,443)	(249,443)	(249,443)	(249,443)	(249,443)
(30,660)	(30,660)	(30,660)	(30,660)	(30,660)	(30,660)	(30,660)	(30,660)	(30,660)
(1,482)	(1,482)	(1,482)	(1,482)	(1,482)	(1,482)	(1,482)	(1,482)	(1,482)
(40,687)	(40,687)	(40,687)	(40,687)	(40,687)	(40,687)	(40,687)	(40,687)	(40,687)
(114,067)	(112,341)	(110,546)	(107,588)	(98,034)	(98,034)	(98,034)	(98,034)	(103,519)
(436,340)	(434,614)	(432,819)	(429,860)	(420,306)	(420,306)	(420,306)	(420,306)	(425,792)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(436,340)	(434,614)	(432,819)	(429,860)	(420,306)	(420,306)	(420,306)	(420,306)	(425,792)
(1,221,586)	(1,656,200)	(2,089,018)	(2,518,879)	(2,939,185)	(3,359,491)	(3,779,796)	(4,200,102)	(4,625,894)
0	0	0	0	0	0	0	0	0
(1,221,586)	(1,656,200)	(2,089,018)	(2,518,879)	(2,939,185)	(3,359,491)	(3,779,796)	(4,200,102)	(4,625,894)
(0)	(0)	(0)	206,652	211,716	(0)	(0)	(0)	234,080
9,882,063	9,882,063	9,882,063	10,088,715	10,300,432	10,300,432	10,300,432	10,300,432	10,534,512
0	0	0	0	0	0	0	0	0
9,882,063	9,882,063	9,882,063	10,088,715	10,300,432	10,300,432	10,300,432	10,300,432	10,534,512
490,534	490,534	490,534	490,534	490,534	490,534	490,534	490,534	490,534
0	0	0	0	0	0	0	0	0
490,534	490,534	490,534	490,534	490,534	490,534	490,534	490,534	490,534

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE I								RETAIL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0						
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
900,373	936,388	973,844	1,012,797	1,053,309	1,095,442	1,139,259	1,184,830	1,232,223
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	50.00%
0	0	0	506,399	526,655	0	0	0	616,111
849,095	849,095	849,095	939,270	1,033,053	1,033,053	1,033,053	1,033,053	1,142,766
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
450,187	468,194	486,922	506,399	526,655	547,721	569,630	592,415	616,111
450,187	468,194	486,922	506,399	526,655	547,721	569,630	592,415	616,111
(405,168)	(421,375)	(438,230)	(455,759)	(473,989)	(492,949)	(512,667)	(533,173)	(554,500)
(405,168)	(421,375)	(438,230)	(455,759)	(473,989)	(492,949)	(512,667)	(533,173)	(554,500)

PIER 4
Boston, Massachusetts

LOAN DETERMINATION - PHASE 1							RETAIL
8-7-86 YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES	
PERMANENT LOAN DETERMINATION:							
Net Operating Income	0	0	0	0	380,220	775,723	
Capitalized @ 10.00%	0	0	0	0	3,802,195	7,757,228	
Loan-to-Value @ 80.00%	0	0	0	0	3,041,756	6,205,782	
Net Operating Income	0	0	0	0	380,220	775,723	
Plus Linkage and Turning Costs	0	0	0	0	175,155	566,496	
Debt Coverage @ 110.00%	0	0	0	0	159,232	514,997	
Loan Potential	0	0	0	0	1,501,069	4,854,831	

PIER 4 Boston, Massachusetts								
LOAN DETERMINATION - PHASE I								RETAIL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
775,879	776,041	776,209	858,354	943,785	943,975	944,172	944,377	1,044,319
7,758,786	7,760,407	7,762,092	8,583,544	9,437,854	9,439,750	9,441,721	9,443,772	10,443,194
6,207,029	6,208,325	6,209,674	6,866,835	7,550,283	7,551,800	7,553,377	7,555,018	8,354,555
775,879	776,041	776,209	858,354	943,785	943,975	944,172	944,377	1,044,319
754,923	755,085	755,253	630,746	711,113	923,019	923,216	923,421	789,283
686,293	686,441	686,594	573,406	646,467	839,108	839,288	839,474	717,530
6,469,629	6,471,018	6,472,463	5,405,447	6,094,186	7,910,202	7,911,892	7,913,649	6,764,095

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	6,846,071	5,885,916	4,833,327	0	0	
EQUITY INVESTED	960,155	1,052,589	4,833,327	0	0	
=====						
BUILDING COSTS:						
Land	(0)					
Hard Costs			(11,783,732)	(12,255,082)	(6,372,642)	
Soft Costs Before Financing	(960,155)	(1,052,589)	(555,311)	(814,767)	(436,074)	
Mortgage Points (Approx.)			(479,225)			
BUILDING COSTS BEFORE INTEREST	(960,155)	(1,052,589)	(12,818,269)	(13,069,849)	(6,808,717)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(399,247)	(1,491,911)	(2,635,031)	(404,871)
Takedown	0	0	(8,384,189)	(14,561,760)	(9,443,747)	(404,871)
Retirements - Sales					4,048,712	4,453,583
Retirements - Takeout					24,292,272	0
Balance	0	0	(8,384,189)	(22,945,949)	(4,048,712)	0
=====						
PERMANENT MORTGAGE:						
Payment						(2,970,219)
Interest						(2,800,000)
Amortization						(170,219)
Balance					(28,000,000)	(27,829,781)
=====						
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(960,155)	(1,052,589)	(13,217,516)	(14,561,760)	(9,443,747)	(404,871)
Construction Loan	(0)	(0)	8,384,189	14,561,760	(18,897,237)	(4,048,712)
Permanent Loan	0	0	0	0	28,000,000	(170,219)
COST & DEBT FLOWS	(960,155)	(1,052,589)	(4,833,327)	0	(340,984)	(4,623,802)
=====						
GROSS SALES						
Less Commissions					7,165,384	7,451,999
					(286,615)	(298,080)
PRETAX SALES PROCEEDS					6,878,768	7,153,919
=====						
GROSS REVENUES:						
Leases					0	0
Rents					2,244,812	4,669,210
Other income					0	0
TOTAL GROSS REVENUES					2,244,812	4,669,210
Less VACANCY					0	0
NET REVENUES					2,244,812	4,669,210
=====						
OPERATING EXPENSES:						
Operating Expenses					(471,775)	(981,291)
Replacement Reserve					22,448	46,692
TOTAL OPERATING EXPENSES					(449,326)	(934,599)
NET OPERATING INCOME					1,795,486	3,734,611
=====						

PIER 4
Boston, Massachusetts

CASH FLOW SCHEDULES - PHASE 1 GARAGE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)
(2,782,978)	(2,764,254)	(2,743,658)	(2,721,001)	(2,696,080)	(2,668,666)	(2,638,510)	(2,605,340)	(2,568,852)
(187,241)	(205,965)	(226,561)	(249,218)	(274,139)	(301,553)	(331,709)	(364,879)	(401,367)
(27,642,540)	(27,436,575)	(27,210,014)	(26,960,796)	(26,686,657)	(26,385,104)	(26,053,395)	(25,688,516)	(25,287,148)
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(187,241)	(205,965)	(226,561)	(249,218)	(274,139)	(301,553)	(331,709)	(364,879)	(25,688,516)
(187,241)	(205,965)	(226,561)	(249,218)	(274,139)	(301,553)	(331,709)	(364,879)	(25,688,516)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
4,855,978	5,050,217	5,252,226	5,462,315	5,680,808	5,908,040	6,144,361	6,390,136	6,645,741
0	0	0	0	0	0	0	0	0
4,855,978	5,050,217	5,252,226	5,462,315	5,680,808	5,908,040	6,144,361	6,390,136	6,645,741
0	0	0	0	0	0	0	0	0
4,855,978	5,050,217	5,252,226	5,462,315	5,680,808	5,908,040	6,144,361	6,390,136	6,645,741
(1,020,543)	(1,061,364)	(1,103,819)	(1,147,972)	(1,193,891)	(1,241,646)	(1,291,312)	(1,342,965)	(1,396,683)
48,560	50,502	52,522	54,623	56,808	59,080	61,444	63,901	66,457
(971,983)	(1,010,862)	(1,051,297)	(1,093,349)	(1,137,083)	(1,182,566)	(1,229,869)	(1,279,063)	(1,330,226)
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515

PIER 4 Boston, Massachusetts						
PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1						
						GARAGE
8-7-86	1	2	3	4	5	6
YEAR	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		55,291,361				
Less Commission @ 3.00%		(1,658,441)				
PRETAX SALE PROCEEDS		53,622,920				
Less Mortgage Balance		(25,287,148)				
Less Taxes / Plus Benefits		(8,347,172)				
AFTER TAX SALES PROCEEDS		19,988,600				
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(960,155)	(1,052,589)	(4,833,327)	0	(340,984)	(4,453,583)
PRETAX SALES PROCEEDS	0	0	0	0	6,878,768	7,153,919
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	1,795,486	3,734,611
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(2,970,219)
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW	(960,155)	(1,052,589)	(4,833,327)	0	8,333,270	3,464,728
BEFORE TAX CASH FLOW	(960,155)	(1,052,589)	(4,833,327)	0	8,333,270	3,464,728
Income Tax./Ben. From Operations	0	0	0	0	(468,891)	(711,977)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(960,155)	(1,052,589)	(4,833,327)	0	7,864,379	2,752,750
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(960,155)	(1,052,589)	(4,833,327)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	8,333,270	3,464,728
Taxes/Benefits From Operations	0	0	0	0	(468,891)	(711,977)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(960,155)	(1,052,589)	(4,833,327)	0	7,864,379	2,752,750
CUMULATIVE AFTER TAX CASH FLOW	(960,155)	(2,012,744)	(6,846,071)	(6,846,071)	1,018,308	3,771,058
Breakeven						83.63%
Debt Coverage Ratio						125.74%
COMPOSITION OF AFTER TAX NPV:						
Investment	(6,078,573)				(10.85)	
Cash Flow From Operations	14,886,942				244.91%	
Taxes /Benefits From Operations	(1,916,264)				-31.52%	
Cash Flow On Sale	9,647,226				158.71%	
Taxes / Benefits From Sale	(2,841,887)				-46.75%	
TOTAL AFTER TAX NPV @ 8.00%	13,697,445		225.34%		24.46	

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 GARAGE

	7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
	0	(0)	(0)	0	0	0	(0)	0	(25,287,148)
	0	0	0	0	0	0	0	0	0
	3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)
									53,622,920
<hr/>									
	913,776	1,069,136	1,230,710	1,398,747	1,573,506	1,755,255	1,944,274	2,140,854	30,681,068
<hr/>									
	913,776 (4,927) 0	1,069,136 (67,697) 0	1,230,710 (133,372) 0	1,398,747 (208,080) 0	1,573,506 (293,163) 0	1,755,255 (366,370) 0	1,944,274 (443,081) 0	2,140,854 (523,494) 0	30,681,068 (607,820) (8,347,172)
<hr/>									
	908,849	1,001,439	1,097,338	1,190,667	1,280,343	1,388,885	1,501,193	1,617,360	21,726,077
<hr/>									
	(0) 913,776 (4,927) 0 0	(0) 1,069,136 (67,697) 0 0	(0) 1,230,710 (133,372) 0 0	(0) 1,398,747 (208,080) 0 0	(0) 1,573,506 (293,163) 0 0	(0) 1,755,255 (366,370) 0 0	(0) 1,944,274 (443,081) 0 0	(0) 2,140,854 (523,494) 0 0	(0) 2,345,297 (607,820) 28,335,772 (8,347,172)
<hr/>									
	908,849	1,001,439	1,097,338	1,190,667	1,280,343	1,388,885	1,501,193	1,617,360	21,726,077
	4,679,908	5,681,346	6,778,685	7,969,352	9,249,695	10,638,580	12,139,773	13,757,132	35,483,209
	81.18%	78.83%	76.57%	74.39%	72.30%	70.29%	68.36%	66.50%	64.71%
	130.76%	136.00%	141.43%	147.09%	152.98%	159.10%	165.46%	172.08%	178.96%

INTERNAL RATE OF RETURN

31.78%

PIER 4 Boston, Massachusetts						
8-7-84	TAXABLE INCOME AND INCOME TAXES - PHASE 1					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	6,878,768	7,153,919
Less Basis in Improv.	0	0	0	0	(4,904,471)	(4,962,310)
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	1,974,297	2,191,609
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	1,795,486	3,734,611
Deduct Interest	0	0	0	0	(988,137)	(2,800,000)
Deduct Depreciation & Amortization	(6,485)	(13,229)	(169,705)	(369,959)	(882,579)	(1,091,999)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(6,485)	(13,229)	(169,705)	(369,959)	(75,230)	(157,388)
TOTAL ORDINARY TAXABLE INCOME						
Income Taxes/Benefits	0.35	(6,485)	(13,229)	(169,705)	(369,959)	1,899,068
Benefits Disallowed		2,270	4,630	59,397	129,486	(664,674)
Benefits From Prior Years		(2,270)	(4,630)	(59,397)	(129,486)	(0)
Benefits To Be Carried		0	0	0	0	195,783
		2,270	6,900	66,297	195,783	0
ORDINARY TAXES/BENEFITS	0	0	0	0	(468,891)	(711,977)
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(468,891)	(711,977)

PROJECT SALE TAXES:	
Pretax Sales Proceeds	53,622,920
Less Basis In Improv.	(29,773,858)
Less Basis In Land	(0)
GAIN ON SALE	23,849,062
TAX / BENEFIT @ 35.00%	(8,347,172)

PIER 4 Boston, Massachusetts						
8-7-86	SOFT COSTS - PHASE 1					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	92,055				92,055
Permitting/Licens.	30	18,787				18,787
Building Permits	30	1.0%	269,774			269,774
A/E Fees	30	4.5%	583,646	126,254	131,304	1,205,400
Design Consultants	30	1.0%	129,699	80,932	28,057	267,867
Development Fee	30	2.0%	32,877	34,192	182,364	674,241
Mtg. Brokerage Fee	30	1.0%		215,819		215,819
Market Research Fee	30		18,787			18,787
Legal/Accounting	30	1.0%	51,880	53,955	56,113	280,997
Insurance	30	1.0%		127,453	58,358	339,857
RE Taxes	10	0.5%			137,853	145,894
Marketing/PR	5	1.0%	32,425	33,722	145,894	289,420
Brokerage on Leases	5				36,473	0
SOFT COSTS BEFORE INTEREST		960,155	1,052,589	555,311	814,767	436,074
						3,818,896

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE I									GARAGE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515	
(2,782,978)	(2,764,254)	(2,743,658)	(2,721,001)	(2,696,080)	(2,668,666)	(2,638,510)	(2,605,340)	(2,568,852)	
(1,086,941)	(1,081,680)	(1,076,209)	(1,053,450)	(1,010,037)	(1,010,037)	(1,010,037)	(1,010,037)	(1,010,037)	
14,076	193,421	381,062	594,515	837,609	1,046,772	1,265,946	1,495,696	1,736,627	
14,076	193,421	381,062	594,515	837,609	1,046,772	1,265,946	1,495,696	1,736,627	
(4,927)	(67,697)	(133,372)	(208,080)	(293,163)	(366,370)	(443,081)	(523,494)	(607,820)	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
(4,927)	(67,697)	(133,372)	(208,080)	(293,163)	(366,370)	(443,081)	(523,494)	(607,820)	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
(4,927)	(67,697)	(133,372)	(208,080)	(293,163)	(366,370)	(443,081)	(523,494)	(607,820)	

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(380,143)	(760,286)
Soft Costs					(95,472)	(95,472)
Permanent Pt.					(9,128)	(9,128)
Construc. Per. - 10	0	0	(39,925)	(203,705)	(368,395)	(423,471)
Construc. Pt.			(109,537)	(109,537)	(68,461)	
Selling Costs	(6,485)	(13,229)	(20,243)	(56,717)	(87,063)	(167,641)
POTENTIAL DEPREC. & AMORT.	(6,485)	(13,229)	(169,705)	(369,959)	(1,008,662)	(1,455,999)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	87.50%	75.00%
ACTUAL DEPREC. & AMORT.	(6,485)	(13,229)	(169,705)	(369,959)	(882,579)	(1,091,999)
ACCUM. DEPREC. & AMORT.	(6,485)	(19,714)	(189,420)	(559,379)	(1,441,958)	(2,464,035)
Add Back For Sales	0	0	0	0	69,922	196,005
ACTUAL ACCUM. DEPREC. & AMORT.	(6,485)	(19,714)	(189,420)	(559,379)	(1,372,036)	(2,268,030)
Add to Basis	960,155	1,052,589	13,217,516	14,561,760	9,443,747	404,871
Beginning Basis	960,155	2,012,744	15,230,260	29,792,020	39,235,767	34,736,167
Deduct from Basis	0	0	0	0	(4,904,471)	(4,962,310)
ADJUSTED BASIS OF IMPROVEMENTS	960,155	2,012,744	15,230,260	29,792,020	34,331,296	29,773,858
Beginning Land	0	0	0	0	0	0
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	12,250,000	12,740,000	13,249,600	13,779,584	14,330,767	14,903,998
New Sales %					50.00%	100.00%
New Sales					50.00%	50.00%
					7,165,384	7,451,999
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					50.00%	100.00%
New Leased %					50.00%	50.00%
New Leases					0	0
Total Leases					0	0
Lease Commissions	0.00%					0
Base rents	3,837,750	3,991,260	4,150,910	4,316,947	4,489,625	4,669,210
Rents					2,244,812	4,669,210
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(840,156)	(873,762)	(908,713)	(945,061)	(982,864)	(1,022,178)
Operating Expenses					(471,775)	(981,291)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1								GARAGE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(760,286)	(760,286)	(760,286)	(760,286)	(760,286)	(760,286)	(760,286)	(760,286)	(760,286)
(95,472)	(95,472)	(95,472)	(95,472)	(95,472)	(95,472)	(95,472)	(95,472)	(95,472)
(9,128)	(9,128)	(9,128)	(9,128)	(9,128)	(9,128)	(9,128)	(9,128)	(9,128)
(423,471)	(423,471)	(423,471)	(423,471)	(423,471)	(423,471)	(423,471)	(423,471)	(423,471)
(160,896)	(153,882)	(146,587)	(116,242)	(58,358)	(58,358)	(58,358)	(58,358)	(58,358)
(1,449,254)	(1,442,240)	(1,434,946)	(1,404,600)	(1,346,716)	(1,346,716)	(1,346,716)	(1,346,716)	(1,346,716)
75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
(1,086,941)	(1,081,680)	(1,076,209)	(1,053,450)	(1,010,037)	(1,010,037)	(1,010,037)	(1,010,037)	(1,010,037)
(3,354,970)	(4,436,651)	(5,512,860)	(6,566,309)	(7,576,346)	(8,586,383)	(9,596,419)	(10,606,456)	(11,616,493)
0	0	0	0	0	0	0	0	0
(3,354,970)	(4,436,651)	(5,512,860)	(6,566,309)	(7,576,346)	(8,586,383)	(9,596,419)	(10,606,456)	(11,616,493)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
29,773,858	29,773,858	29,773,858	29,773,858	29,773,858	29,773,858	29,773,858	29,773,858	29,773,858
0	0	0	0	0	0	0	0	0
29,773,858	29,773,858	29,773,858	29,773,858	29,773,858	29,773,858	29,773,858	29,773,858	29,773,858
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1								GARAGE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
15,500,158	16,120,164	16,764,971						
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	50.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
4,855,978	5,050,217	5,252,226	5,462,315	5,680,808	5,908,040	6,144,361	6,390,136	6,645,741
4,855,978	5,050,217	5,252,226	5,462,315	5,680,808	5,908,040	6,144,361	6,390,136	6,645,741
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(1,063,065)	(1,105,588)	(1,149,811)	(1,195,804)	(1,243,636)	(1,293,382)	(1,345,117)	(1,398,921)	(1,454,878)
(1,020,543)	(1,061,364)	(1,103,819)	(1,147,972)	(1,193,891)	(1,241,646)	(1,291,312)	(1,342,965)	(1,396,683)

PIER 4
Boston, Massachusetts

8-7-86		LOAN DETERMINATION - PHASE 1				GARAGE	
YEAR		1	2	3	4	5	6
		DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:							
Net Operating Income		0	0	0	0	1,795,486	3,734,611
Capitalized @	10.00%	0	0	0	0	17,954,859	37,346,107
Loan-to-Value @	80.00%	0	0	0	0	14,363,887	29,876,885
Net Operating Income		0	0	0	0	1,795,486	3,734,611
Plus Linkage and Turning Costs		0	0	0	0	1,795,486	3,734,611
Debt Coverage @	125.00%	0	0	0	0	1,436,389	2,987,689
Loan Potential		0	0	0	0	13,540,714	28,164,684

PIER 4
Boston, Massachusetts

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LOAN DETERMINATION - PHASE 1

=====

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515
38,839,951	40,393,549	42,009,291	43,689,663	45,437,249	47,254,739	49,144,929	51,110,726	53,155,155
31,071,961	32,314,839	33,607,433	34,951,730	36,349,799	37,803,791	39,315,943	40,888,581	42,524,124
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515
3,107,196	3,231,484	3,360,743	3,495,173	3,634,980	3,780,379	3,931,594	4,088,858	4,252,412
29,291,272	30,462,922	31,681,439	32,948,697	34,266,645	35,637,311	37,062,803	38,545,315	40,087,128

=====

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						
						MARINA
8-7-86	1	2	3	4	5	6
YEAR	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	316,706	272,288	223,594	0	0	
EQUITY INVESTED	44,418	48,694	223,594	0	0	
=====						
BUILDING COSTS:						
Land	(0)					
Hard Costs			(545,126)	(566,931)	(294,804)	
Soft Costs Before Financing	(44,418)	(48,694)	(25,689)	(37,692)	(20,173)	
Mortgage Points (Approx.)			(19,002)			
BUILDING COSTS BEFORE INTEREST	(44,418)	(48,694)	(589,818)	(604,623)	(314,978)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(18,311)	(68,685)	(121,533)	(37,359)
Takedown	0	0	(384,535)	(673,308)	(436,511)	(37,359)
Retirements - Sales					373,588	410,947
Retirements - Takeout					747,177	0
Balance	0	0	(384,535)	(1,057,843)	(373,588)	0
=====						
PERMANENT MORTGAGE:						
Payment						(106,079)
Interest						(100,000)
Amortization						(6,079)
Balance					(1,000,000)	(993,921)
=====						
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(44,418)	(48,694)	(608,129)	(673,308)	(436,511)	(37,359)
Construction Loan	(0)	(0)	384,535	673,308	(684,255)	(373,588)
Permanent Loan	0	0	0	0	1,000,000	(6,079)
COST & DEBT FLOWS	(44,418)	(48,694)	(223,594)	0	(120,765)	(417,027)
=====						
GROSS SALES						
Less Commissions					877,394	912,490
					(35,096)	(36,500)
PRETAX SALES PROCEEDS					842,298	875,990
=====						
GROSS REVENUES:						
Leases					0	0
Rents					95,526	198,695
Other income					0	0
TOTAL GROSS REVENUES					95,526	198,695
Less VACANCY					0	0
NET REVENUES					95,526	198,695
=====						
OPERATING EXPENSES:						
Operating Expenses					(12,508)	(26,017)
Replacement Reserve					955	1,987
TOTAL OPERATING EXPENSES					(11,553)	(24,030)
=====						
NET OPERATING INCOME					83,973	174,665
=====						

PIER 4
Boston, Massachusetts

CASH FLOW SCHEDULES - PHASE I

MARINA

=====

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)
(99,392)	(98,723)	(97,988)	(97,179)	(96,289)	(95,309)	(94,233)	(93,048)	(91,745)
(6,687)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)
(987,234)	(979,878)	(971,786)	(962,886)	(953,095)	(942,325)	(930,478)	(917,447)	(903,112)
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(6,687)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)
(6,687)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
206,642	214,908	223,504	232,445	241,742	251,412	261,469	271,927	282,804
0	0	0	0	0	0	0	0	0
206,642	214,908	223,504	232,445	241,742	251,412	261,469	271,927	282,804
0	0	0	0	0	0	0	0	0
206,642	214,908	223,504	232,445	241,742	251,412	261,469	271,927	282,804
(27,058)	(28,140)	(29,265)	(30,436)	(31,654)	(32,920)	(34,236)	(35,606)	(37,030)
2,066	2,149	2,235	2,324	2,417	2,514	2,615	2,719	2,828
(24,991)	(25,991)	(27,030)	(28,112)	(29,236)	(30,406)	(31,622)	(32,887)	(34,202)
181,651	188,917	196,474	204,333	212,506	221,007	229,847	239,041	248,602

PIER 4 Boston, Massachusetts						
PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 14 NOI						
Capitalized @ 10.00%						2,585,464
Less Commission @ 3.00%						(77,564)
						2,507,900
PRETAX SALE PROCEEDS						(903,112)
Less Mortgage Balance						(552,113)
Less Taxes / Plus Benefits						
						1,052,675
AFTER TAX SALES PROCEEDS						
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(44,418)	(48,694)	(223,594)	0	(120,765)	(410,947)
PRETAX SALES PROCEEDS						
	0	0	0	0	842,298	875,990
NET OPERATING INCOME (Before Linkage Or Turning Costs)						
	0	0	0	0	83,973	174,665
LINKAGE						
					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE						
					0	(106,079)
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW						
	(44,418)	(48,694)	(223,594)	0	805,506	533,628
BEFORE TAX CASH FLOW						
	(44,418)	(48,694)	(223,594)	0	805,506	533,628
Income Tax./Ben. From Operations	0	0	0	0	(135,355)	(159,846)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW						
	(44,418)	(48,694)	(223,594)	0	670,151	373,783
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(44,418)	(48,694)	(223,594)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	805,506	533,628
Taxes/Benefits From Operations	0	0	0	0	(135,355)	(159,846)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW						
	(44,418)	(48,694)	(223,594)	0	670,151	373,783
CUMULATIVE AFTER TAX CASH FLOW						
	(44,418)	(93,111)	(316,706)	(316,706)	353,445	727,228
Breakeven Debt Coverage Ratio						
						65.48%
						164.65%
COMPOSITION OF AFTER TAX NPV:						
Investment	(281,200)				(1.58)	
Cash Flow From Operations	1,394,346				495.85%	7.82
Taxes /Benefits From Operations	(335,672)				-119.37%	(1.88)
Cash Flow On Sale	546,368				194.30%	3.07
Taxes / Benefits From Sale	(187,973)				-66.85%	(1.05)
TOTAL AFTER TAX NPV @ 8.00%						
	1,135,869		403.94%		6.37	

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 MARINA

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
	0	0	(0)	0	(0)	0	(0)	0	(903,112)
	0	0	0	0	0	0	0	0	0
	181,651	188,917	196,474	204,333	212,506	221,007	229,847	239,041	248,602
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)
									2,507,900

	75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	1,747,310
=====									
	75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	1,747,310
	(18,788)	(21,622)	(24,583)	(27,863)	(31,504)	(34,821)	(38,292)	(41,925)	(45,728)
	0	0	0	0	0	0	0	0	(552,113)

	56,784	61,216	65,811	70,391	74,923	80,106	85,475	91,036	1,149,470

	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	142,523
	(18,788)	(21,622)	(24,583)	(27,863)	(31,504)	(34,821)	(38,292)	(41,925)	(45,728)
	0	0	0	0	0	0	0	0	1,604,787
	0	0	0	0	0	0	0	0	(552,113)

	56,784	61,216	65,811	70,391	74,923	80,106	85,475	91,036	1,149,470
	784,012	845,228	911,039	981,430	1,056,353	1,136,459	1,221,934	1,312,971	2,462,441
	63.43%	61.45%	59.56%	57.73%	55.98%	54.29%	52.66%	51.10%	49.60%
	171.24%	178.09%	185.21%	192.62%	200.33%	208.34%	216.67%	225.34%	234.36%

INTERNAL RATE OF RETURN

56.10%

PIER 4 Boston, Massachusetts							
8-7-86 TAXABLE INCOME AND INCOME TAXES - PHASE 1 MARINA							
YEAR		1	2	3	4	5	6
		DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:							
Pretax Sales Proceeds		0	0	0	0	842,298	875,990
Less Basis in Improv.		0	0	0	0	(452,765)	(465,218)
Less Basis in Land		0	0	0	0	0	0
TAXABLE INCOME ON SALES		0	0	0	0	389,533	410,772
INCOME FROM LEASES, RENTS, ETC.							
Net Operating Income		0	0	0	0	83,973	174,665
Deduct Interest		0	0	0	0	(30,383)	(100,000)
Deduct Depreciation & Amortization		(300)	(612)	(7,835)	(17,066)	(30,581)	(28,735)
TAXABLE INCOME FROM LEASES, RENTS, ETC.		(300)	(612)	(7,835)	(17,066)	23,009	45,930
TOTAL ORDINARY TAXABLE INCOME							
Income Taxes/Benefits	0.35	(300)	(612)	(7,835)	(17,066)	412,542	456,702
Benefits Disallowed		105	214	2,742	5,973	(144,390)	(159,846)
Benefits From Prior Years		(105)	(214)	(2,742)	(5,973)	(0)	(0)
Benefits To Be Carried		0	0	0	0	9,034	0
ORDINARY TAXES/BENEFITS		105	319	3,061	9,034	0	0
Potential Investment Tax Credits On FF&E						0	0
INVESTMENT TAX CREDIT USED						0	0
Investment Tax Credit Carryover						0	0
INCOME TAXES/BENEFITS FROM OPERATIONS		0	0	0	0	(135,355)	(159,846)
PROJECT SALE TAXES:							
Pretax Sales Proceeds			2,507,900				
Less Basis In Improv.			(930,436)				
Less Basis In Land			(0)				
GAIN ON SALE			1,577,464				
TAX / BENEFIT. @ 35.00%			(552,113)				

PIER 4 Boston, Massachusetts							
8-7-86 SOFT COSTS - PHASE 1 MARINA							
YEAR		1	2	3	4	5	6
		DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:							
Envir. Imp. Report	30	4,259					4,259
Permitting/Licens.	30	869					869
Building Permits	30	1.0%	12,480				12,480
A/E Fees	30	4.5%	27,000	5,841	6,074		55,763
Design Consultants	30	1.0%	6,000	3,744	1,298		12,392
Development Fee	30	2.0%	1,521	1,582	8,436	6,898	31,191
Mtg. Brokerage Fee	30	1.0%		9,984			9,984
Market Research Fee	30		869				869
Legal/Accounting	30	1.0%	2,400	2,496	2,596	2,808	12,999
Insurance	30	1.0%		5,896	6,377	3,449	15,722
RE Taxes	10	0.5%			6,749		6,749
Marketing/PR	5	1.0%	1,500	1,560	1,622	7,019	13,389
Brokerage on Leases	5				1,687		0
SOFT COSTS BEFORE INTEREST		44,418	48,694	25,689	37,692	20,173	176,666

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 1									MARINA
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
181,651	188,917	196,474	204,333	212,506	221,007	229,847	239,041	248,602	
(99,392)	(98,723)	(97,988)	(97,179)	(96,289)	(95,309)	(94,233)	(93,048)	(91,745)	
(28,579)	(28,417)	(28,248)	(27,546)	(26,207)	(26,207)	(26,207)	(26,207)	(26,207)	
53,680	61,777	70,238	79,608	90,011	99,490	109,407	119,786	130,650	
53,680	61,777	70,238	79,608	90,011	99,490	109,407	119,786	130,650	
(18,788)	(21,622)	(24,583)	(27,863)	(31,504)	(34,821)	(38,292)	(41,925)	(45,728)	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
(18,788)	(21,622)	(24,583)	(27,863)	(31,504)	(34,821)	(38,292)	(41,925)	(45,728)	

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1					MARINA
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(11,724)	(23,448)
Soft Costs					(2,944)	(2,944)
Permanent Pt.					(422)	(422)
Construc. Per. - 10	0	0	(1,831)	(9,375)	(18,489)	(22,900)
Construc. Pt.			(5,067)	(5,067)	(3,167)	
Selling Costs	(300)	(612)	(936)	(2,624)	(4,028)	(7,755)
POTENTIAL DEPREC. & AMORT.	(300)	(612)	(7,835)	(17,066)	(40,775)	(57,470)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	75.00%	50.00%
ACTUAL DEPREC. & AMORT.	(300)	(612)	(7,835)	(17,066)	(30,581)	(28,735)
ACCUM. DEPREC. & AMORT.	(300)	(912)	(8,747)	(25,812)	(56,393)	(78,675)
Add Back For Sales	0	0	0	0	6,453	16,647
ACTUAL ACCUM. DEPREC. & AMORT.	(300)	(912)	(8,747)	(25,812)	(49,940)	(62,029)
Add to Basis	44,418	48,694	608,129	673,308	436,511	37,359
Beginning Basis	44,418	93,111	701,241	1,374,549	1,811,059	1,395,653
Deduct from Basis	0	0	0	0	(452,765)	(465,218)
ADJUSTED BASIS OF IMPROVEMENTS	44,418	93,111	701,241	1,374,549	1,358,294	930,436
Beginning Land	0	0	0	0	0	0
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1					MARINA
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:	1,500,000	1,560,000	1,622,400	1,687,296	1,754,788	1,824,979
Cumulative Sold %					50.00%	100.00%
New Sales %					50.00%	50.00%
New Sales					877,394	912,490
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					50.00%	100.00%
New Leased %					50.00%	50.00%
New Leases					0	0
Total Leases					0	0
Lease Commissions	0.00%					0
Base rents	163,313	169,845	176,639	183,704	191,053	198,695
Rents					95,526	198,695
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(22,275)	(23,166)	(24,093)	(25,056)	(26,059)	(27,101)
Operating Expenses					(12,508)	(26,017)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1								
								MARINA
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(23,448)	(23,448)	(23,448)	(23,448)	(23,448)	(23,448)	(23,448)	(23,448)	(23,448)
(2,944)	(2,944)	(2,944)	(2,944)	(2,944)	(2,944)	(2,944)	(2,944)	(2,944)
{422}	{422}	{422}	{422}	{422}	{422}	{422}	{422}	{422}
(22,900)	(22,900)	(22,900)	(22,900)	(22,900)	(22,900)	(22,900)	(22,900)	(22,900)
(7,443)	(7,119)	(6,781)	(5,377)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
(57,158)	(56,833)	(56,496)	(55,092)	(52,414)	(52,414)	(52,414)	(52,414)	(52,414)
50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
(28,579)	(28,417)	(28,248)	(27,546)	(26,207)	(26,207)	(26,207)	(26,207)	(26,207)
(90,607)	(119,024)	(147,272)	(174,818)	(201,025)	(227,233)	(253,440)	(279,647)	(305,854)
0	0	0	0	0	0	0	0	0
(90,607)	(119,024)	(147,272)	(174,818)	(201,025)	(227,233)	(253,440)	(279,647)	(305,854)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
930,436	930,436	930,436	930,436	930,436	930,436	930,436	930,436	930,436
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1								
								MARINA
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
1,897,979	1,973,898	2,052,854						
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	50.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
206,642	214,908	223,504	232,445	241,742	251,412	261,469	271,927	282,804
206,642	214,908	223,504	232,445	241,742	251,412	261,469	271,927	282,804
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(28,185)	(29,312)	(30,485)	(31,704)	(32,972)	(34,291)	(35,663)	(37,090)	(38,573)
(27,058)	(28,140)	(29,265)	(30,436)	(31,654)	(32,920)	(34,236)	(35,606)	(37,030)

PIER 4 Boston, Massachusetts						
LOAN DETERMINATION - PHASE 1						MARINA
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	83,973	174,665
Capitalized @ 10.00%	0	0	0	0	839,734	1,746,647
Loan-to-Value @ 80.00%	0	0	0	0	671,787	1,397,317
Net Operating Income	0	0	0	0	83,973	174,665
Plus Linkage and Turning Costs	0	0	0	0	83,973	174,665
Debt Coverage @ 125.00%	0	0	0	0	67,179	139,732
Loan Potential	0	0	0	0	633,288	1,317,239

PIER 4
Boston, Massachusetts

LOAN DETERMINATION - PHASE I								
								MARINA
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
181,651	188,917	196,474	204,333	212,506	221,007	229,847	239,041	248,602
1,816,513	1,889,173	1,964,740	2,043,330	2,125,063	2,210,065	2,298,468	2,390,407	2,486,023
1,453,210	1,511,338	1,571,792	1,634,664	1,700,050	1,768,052	1,838,774	1,912,325	1,988,818
181,651	188,917	196,474	204,333	212,506	221,007	229,847	239,041	248,602
181,651	188,917	196,474	204,333	212,506	221,007	229,847	239,041	248,602
145,321	151,134	157,179	163,466	170,005	176,805	183,877	191,233	198,882
1,369,929	1,424,726	1,481,715	1,540,983	1,602,623	1,666,728	1,733,397	1,802,733	1,874,842

PIER 4 Boston, Massachusetts						
8-7-86	PHASE 1 PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
COMPOSITION OF AFTER TAX CASH FLOW:						
Land Contributions	(7,121,775)	(0)	(0)	(0)	(0)	(0)
Cash Contributions	(5,110,806)	(5,436,432)	(38,670,087)	(3,484,212)	(0)	(0)
Investment	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	0	0
Cash Flow From Operations	0	0	0	0	32,450,727	16,405,399
Taxes/Benefits From Operations	0	0	0	0	(2,411,764)	(2,008,402)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
CUMULATIVE AFTER TAX CASH FLOW	(12,232,581)	(17,669,013)	(56,339,100)	(59,823,312)	(29,784,349)	(15,387,352)
COMPOSITION OF AFTER TAX NPV:						
Land Contributions	(7,121,775)		-13.39%			
Cash Contributions	(46,063,786)		-86.61%			
Investment	(53,185,561)		-100.00%			
Cash Flow From Operations	70,442,478		132.45%			
Taxes/Benefits From Operations	(7,895,979)		-14.85%			
Cash Flow On Sale	56,089,256		105.46%			
Taxes/Benefits On Sale	(11,560,613)		-21.74%			
TOTAL AFTER TAX NPV @ 8.00%	53,889,580		101.32%			
TAX VALUE OF MIXED USE:						
After Tax Cash Flow - As A Whole	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
After Tax Cash Flow - Components	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	29,591,857	13,144,985
VALUE OF MIXED USE NPV = 544,495	0	0	0	0	447,106	1,252,012
BEFORE TAX CASH FLOW:						
Condos	(2,592,297)	(1,066,297)	(3,600,560)	0	11,817,535	11,263,942
Hotel	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	11,578,557	734,093
Office	(3,566,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909
Retail	(728,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
Garage	(960,155)	(1,052,589)	(4,833,327)	0	8,333,270	3,464,728
Marina	(44,418)	(48,694)	(223,594)	0	805,506	533,628
TOTAL BEFORE TAX CASH FLOW	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	32,450,727	16,405,399
TAXABLE INCOME:						
Condos	(6,569)	(13,402)	(182,601)	(397,020)	7,041,374	6,824,546
Hotel	(11,737)	(23,944)	(165,460)	(360,510)	537,450	(2,968,048)
Office	(7,832)	(15,977)	(222,886)	(486,220)	(361,250)	(446,853)
Retail	(1,596)	(3,255)	(22,769)	(49,635)	(81,827)	(162,276)
Garage	(6,485)	(13,229)	(169,705)	(369,959)	1,899,068	2,034,221
Marina	(300)	(612)	(7,835)	(17,066)	412,542	456,702
TOTAL TAXABLE INCOME	(34,519)	(70,418)	(771,256)	(1,680,409)	9,447,357	5,738,292
Income Taxes/Benefits	12,082	24,646	269,939	588,143	(3,306,575)	(2,008,402)
Benefits Disallowed	(12,082)	(24,646)	(269,939)	(588,143)	(0)	(0)
Benefits From Prior Years	0	0	0	0	894,811	0
Benefits To Be Carried	12,082	36,728	306,667	894,811	0	0
ORDINARY TAXES/BENEFITS	0	0	0	0	(2,411,764)	(2,008,402)
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(2,411,764)	(2,008,402)

PIER 4
Boston, Massachusetts

PHASE 1 PERFORMANCE									TOTAL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
0	0	0	0	0	0	0	0	0	
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	11,273,953	
0	0	0	(90,335)	(1,882,997)	(2,095,032)	(2,317,975)	(2,552,504)	(3,176,341)	
0	0	0	0	0	0	0	0	164,745,004	
0	0	0	0	0	0	0	0	(33,955,760)	
4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	138,886,857	
(10,404,661)	(3,981,295)	3,419,994	10,249,558	16,674,328	25,306,754	34,226,132	43,441,273	182,328,130	

INTERNAL RATE OF RETURN

eeeeeeeeeeee
18.38%
eeeeeeeeeeee

4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	138,886,857
4,958,977	6,334,047	7,243,333	6,683,956	7,621,193	9,008,705	9,219,823	9,235,732	138,942,788
23,715	89,319	157,955	145,608	(1,196,423)	(376,279)	(300,444)	(20,591)	(55,932)

0	0	0	0	0	0	0	0	0
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	82,032,285
1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	54,676,854
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,881,439
913,776	1,069,136	1,230,710	1,398,747	1,573,506	1,755,255	1,944,274	2,140,854	30,681,068
75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	1,747,310
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	176,018,957
0	0	0	0	0	0	0	0	0
(1,666,153)	(268,881)	665,668	1,964,490	3,331,144	3,764,460	4,217,694	4,691,900	5,188,202
(488,686)	(530,734)	(572,859)	220,434	1,079,191	1,027,962	977,034	926,653	1,859,976
(157,421)	(152,190)	(146,548)	(57,399)	42,037	47,122	52,704	58,832	159,904
14,076	193,421	381,062	594,515	837,609	1,046,772	1,265,946	1,495,696	1,736,627
53,680	61,777	70,238	79,608	90,011	99,490	109,407	119,786	130,650
(2,244,504)	(696,607)	397,562	2,801,648	5,379,991	5,985,806	6,622,784	7,292,867	9,075,259
785,576	243,812	(139,147)	(980,577)	(1,882,997)	(2,095,032)	(2,317,975)	(2,552,504)	(3,176,341)
(785,576)	(243,812)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	139,147	890,242	0	0	0	0	0
785,576	1,029,389	890,242	0	0	0	0	0	0
0	0	0	(90,335)	(1,882,997)	(2,095,032)	(2,317,975)	(2,552,504)	(3,176,341)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	(90,335)	(1,882,997)	(2,095,032)	(2,317,975)	(2,552,504)	(3,176,341)

PIER 4 Boston, Massachusetts						
8-7-86	PHASE 1 PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
SALE PROCEEDS:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL SALE PROCEEDS	0	0	0	0	0	0
GAIN ON SALE:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL GAIN ON SALE	0	0	0	0	0	0
TAX / BENEFIT @ 35.00%	0	0	0	0	0	0
Before Tax Cash Flow From Oper.	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	32,450,727	16,405,399
Taxes/Benefits From Oper.	0	0	0	0	(2,411,764)	(2,008,402)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
Land Equity Available	7,121,775	0				
Land Equity Contributed	7,121,775	0	0	0	0	0
CASH CONTRIBUTION REQUIRED	5,110,806	5,436,432	38,670,087	3,484,212	0	0
AFTER TAX CASH FLOW BY COMPONENT:						
Condos	(2,592,297)	(1,066,297)	(3,600,560)	0	9,562,912	8,875,351
Hotel	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	11,578,557	734,093
Office	(3,566,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909
Retail	(726,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
Garage	(960,155)	(1,052,589)	(4,833,327)	0	7,864,379	2,752,750
Marina	(44,418)	(48,694)	(223,594)	0	670,151	373,783
TOTAL AFTER TAX BY COMPONENT	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	29,591,857	13,144,985

PIER 4
Boston, Massachusetts

PHASE I PERFORMANCE									TOTAL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
								0	
								75,397,966	
								52,783,927	
								6,622,552	
								28,335,772	
								1,604,787	
0	0	0	0	0	0	0	0	164,745,004	
								(0)	
								43,678,204	
								(0)	
								43,678,204	
								27,798,658	
								113,069	
								23,849,062	
								1,577,464	
0	0	0	0	0	0	0	0	97,016,457	
0	0	0	0	0	0	0	0	(33,955,760)	
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	176,018,957	
0	0	0	(90,335)	(1,882,997)	(2,095,032)	(2,317,975)	(2,552,504)	(3,176,341)	
0	0	0	0	0	0	0	0	164,745,004	
0	0	0	0	0	0	0	0	(33,955,760)	
4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	303,631,861	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
1,997,032	3,352,186	4,241,167	4,601,963	4,615,284	4,049,867	4,297,082	4,553,190	64,929,043	
1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	2,943,253	2,581,121	44,296,333	
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,841,865	
908,849	1,001,439	1,097,338	1,190,667	1,280,343	1,388,885	1,501,193	1,617,360	21,726,077	
56,784	61,216	65,811	70,391	74,923	80,106	85,475	91,036	1,149,470	
4,958,977	6,334,047	7,243,333	6,683,956	7,621,193	9,008,705	9,219,823	9,235,732	138,942,788	

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 2

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	0
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO	
Total buildout		1,649,812		Permanent Term	30	NONGARAGE USES	25.00%
Floor Area Ratio			4.27			ALLOCATION OF BREAKWATER TO	
						NONMARINA USES	100.00%
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED	
Ordinary Rate		35.00%		EQUITY	20.00%	EQUITY FUNDS	0.00%
Capital Gains		35.00%		PHASE 1 AS PERCENT		OF TOTAL BUILDOUT	27.85%
Deprec. Life (Bldg. & FF&E)		30	5			PHASE 1 COSTS	
ITC on Hotel FF&E		0.00%	(@ 85.00%)			UNESCALATED	106,202,725
Losses Disallowed		100.00%					
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 2

PROGRAM:	TOTAL	COND	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
Land	2.22 acres							96,570
Above ground	459,420	439,920	0	0	19,500			
Below ground	322,304					322,304		
Water	148,500						148,500	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	369,985	356,335	0	0	13,650	322,304	148,500	
UNITS:								
Condominiums	300	300						
Hotel rooms	0		0					
Hotel bays	0		0					
Cars	800					800		
Marina slips	80						80	
CONSTRUCTION PERIOD (MONTHS)	24	24			24	24	24	24
ANNUAL ESCALATION:								
Hard costs		4.00%			4.00%	4.00%	4.00%	
Soft costs		4.00%			4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates					4.00%	4.00%	4.00%	
Operating costs					4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%			110.00%	125.00%	125.00%	
Loan To Value		80.00%			80.00%	80.00%	80.00%	
Capitalization Rate		10.00%			10.00%	10.00%	10.00%	
Commission On Sale		3.00%			3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 2

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		115.00			115.00	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:							1,000,000	
Marina								
Breakwater								
Site & Util.								4,000,000
BUILDING COSTS PER UNIT:								2,000,000
Land per acre								
Condominium per unit		168,636						
Hotel bay - FF&E								
Hotel room - hard								
Hotel room - FF&E								
Parking per car						24,878		
Marina per slip							12,500	
REVENUES PER SQ. FOOT:								
Sales per rsf		300.00						
Rents per rsf					20.00			
Retail sales per rsf					200.00			
Retail % rent 5.00%					10.00			
REVENUES PER UNIT:								
Unit sales 1,188 ssf		356,335				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent						10.50	10.50	
Hotel daily other 38.44%								
SALE, LEASE, RENT TERMS:								
Presale		25.00%			0.00%	25.00%	25.00%	
Absorption		24			24	24	24	
Prelease		0.00%			25.00%	25.00%	25.00%	
Absorption		24			24	24	24	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				50.00%	50.00%	
Lease - years 5					100.00%			
Rent - monthly						25.00%	25.00%	
Rent - daily						25.00%	25.00%	
Total		100.00%			100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases					5.00%			
VACANCY					10.00%			
TURNOVER:								
Turnover - stay					50.00%			
Turnover - leave					50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET					10.00	2.00	0.25	
Replacement reserve					1.00%	1.00%	1.00%	
Turnover refurb. - stay					2.00			
Turnover refurb. - leave					7.00			

PIER 4
Boston, Massachusetts

8-7-85 PROJECT COSTS - UNESCALATED - PHASE 2 *****

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	459,420	439,920	0	0	19,500	322,304	148,500	0
NET RENTABLE/SALABLE SF	369,985	356,335	0	0	13,650	322,304	148,500	0

LAND COSTS	4,433,882	4,245,687	0	0	188,195			

HARD COSTS:								
Component specific	73,735,572	50,590,800	0	0	2,242,500	19,902,272	1,000,000	0
Hotel FF&E 5	0	0	0	0	0	0	0	0
Foundation @ 25%	0	4,764,381	0	0	211,187	(4,975,568)		
Garage service area	(0)	0	0	0	0			(0)
Breakwater	0	0	0	0	0		0	
Site & Utilities	4,000,000	3,830,221	0	0	169,779			

HARD COST SUBTOTAL	77,735,572	59,185,402	0	0	2,623,466	14,926,704	1,000,000	0
Contingency 30 5.0%	3,886,779	2,959,270	0	0	131,173	746,335	50,000	0

TOTAL HARD COSTS	81,622,351	62,144,672	0	0	2,754,640	15,673,039	1,050,000	0

SOFT COSTS:								
Envir. Imp. Report 30	0	0	0	0	0	0	0	0
Permitting/Licens. 30	0	0	0	0	0	0	0	0
Building Permits 30 1.0%	777,356	591,854	0	0	26,235	149,267	10,000	0
A/E Fees 30 4.5%	3,498,101	2,663,343	0	0	118,056	671,702	45,000	0
Design Consultants 30 1.0%	777,356	591,854	0	0	26,235	149,267	10,000	0
Development Fee 30 2.0%	1,554,711	1,183,708	0	0	52,469	298,534	20,000	0
Mtg. Brokerage Fee 30 1.0%	621,885	473,483	0	0	20,988	119,414	8,000	0
Market Research Fe 30	0	0	0	0	0	0	0	0
Legal/Accounting 30 1.0%	777,356	591,854	0	0	26,235	149,267	10,000	0
Linkage 12	117,000	0	0	0	117,000			
Insurance 10 1.0%	777,356	591,854	0	0	26,235	149,267	10,000	0
RE Taxes 10 0.5%	388,678	295,927	0	0	13,117	74,634	5,000	0
Marketing/PR 5 1.0%	777,356	591,854	0	0	26,235	149,267	10,000	0
Brokerage on Lease 5	68,250	0	0	0	68,250			

Soft Cost SUBTOTAL	10,135,403	7,575,731	0	0	521,054	1,910,618	128,000	0
Construc. Loan Pt. 1.0%	734,062	557,763	0	0	26,206	140,669	9,424	0
Constr. Int. 15	9,175,775	6,972,040	0	0	327,569	1,758,366	117,800	0
Permanent Loan Pt. 1.0%	101,252	0	0	0	26,206	70,335	4,712	0

TOTAL SOFT COSTS	20,146,493	15,105,535	0	0	901,034	3,879,988	259,936	0

COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	4,433,882	4,245,687	0	0	188,195	0	0	0
HARD COSTS	81,622,351	62,144,672	0	0	2,754,640	15,673,039	1,050,000	0
SOFT COSTS	20,146,493	15,105,535	0	0	901,034	3,879,988	259,936	0

TOTAL PROJECT COSTS	106,202,725	81,495,893	0	0	3,843,869	19,553,027	1,309,936	0

COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	4,433,882	4,245,687	0	0	188,195	0	0	0
HARD COSTS	81,622,351	62,144,672	0	0	2,754,640	15,673,039	1,050,000	0
SOFT COSTS	20,146,493	15,105,535	0	0	901,034	3,879,988	259,936	0

TOTAL PROJECT COSTS	106,202,725	81,495,893	0	0	3,843,869	19,553,027	1,309,936	0

PERCENT OF USE:								
Land Costs	4.17%	5.21%	0.00%	0.00%	4.90%	0.00%	0.00%	0.00%
Hard Costs	76.86%	76.25%	0.00%	0.00%	71.66%	80.16%	80.16%	0.00%
Soft Costs	18.97%	18.54%	0.00%	0.00%	23.44%	19.84%	19.84%	0.00%

Total Project Costs	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	100.00%	0.00%

PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	95.76%	0.00%	0.00%	4.24%	0.00%	0.00%	0.00%
Hard Costs	100.00%	76.14%	0.00%	0.00%	3.37%	19.20%	1.29%	0.00%
Soft Costs	100.00%	74.98%	0.00%	0.00%	4.47%	19.26%	1.29%	0.00%

Total Project Costs	100.00%	76.74%	0.00%	0.00%	3.62%	18.41%	1.23%	0.00%

PIER 4
Boston, Massachusetts

8-7-86 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 2

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	459,420	439,920	0	0	19,500	322,304	148,500	0
NET RENTABLE/SALABLE SF	369,985	356,335	0	0	13,650	322,304	148,500	0
GROSS SALES	106,900,560	106,900,560				14,000,000	1,200,000	
Less Basis	(91,927,375)	(81,495,893)				(9,776,513)	(654,968)	
Less Commissions	(3,815,017)	(3,207,017)				(560,000)	(48,000)	
Gain on Sale	26,358,168	22,197,650				3,663,487	497,032	
TAX on Sale 35.0%	(9,225,359)	(7,769,177)				(1,282,220)	(173,961)	
NET SALES PROCEEDS	109,060,184	95,924,366				12,157,780	978,039	
GROSS REVENUE:								
Base leases 5	273,000			0	273,000			
Base rents	1,557,150		0			1,426,500	130,650	
Other income	136,500		0		136,500			
TOTAL GROSS REVENUES	1,966,650		0	0	409,500	1,426,500	130,650	
Less VACANCY	(40,950)		0	0	(40,950)			
NET REVENUES	1,925,700		0	0	368,550	1,426,500	130,650	
OPERATING EXPENSES:								
Base operating expenses	(463,717)		0	0	(122,850)	(322,304)	(18,563)	
Replacement reserve	(19,257)		0	0	(3,686)	(14,265)	(1,307)	
TOTAL OPERATING EXPENSES	(482,974)		0	0	(126,536)	(336,569)	(19,869)	
NET OPERATING INCOME	1,442,727		0	0	242,015	1,089,931	110,781	
GROSS MARGIN ON SALES BEFORE TAX	28.67%	27.24%				37.47%	75.89%	
RETURN ON ASSETS BY USE	10.11%		0.00%	0.00%	6.30%	11.15%	16.91%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	130.12%							

8-7-86 COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 2

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	459,420	439,920	0	0	19,500	322,304	148,500	0
NET RENTABLE/SALABLE SF	369,985	356,335	0	0	13,650	322,304	148,500	0
Hard Costs (Component Specific)		141.98	0.00	0.00	164.29	61.75	6.73	
Land Costs	11.98	11.91	0.00	0.00	13.79	0.00	0.00	
Hard Costs (Total)	220.61	174.40	0.00	0.00	201.81	48.63	7.07	
Soft Costs	54.45	42.39	0.00	0.00	66.01	12.04	1.75	
TOTAL DEVELOPMENT COSTS	287.05	228.71	0.00	0.00	281.60	60.67	8.82	
Gross Sales		300.00				86.87	16.16	
Less Basis, Commissions, Taxes		(259.51)				(72.10)	(11.81)	
AFTER TAX GAIN ON SALES		40.49				14.78	4.35	
Gross Revenues		0.00	0.00	0.00	30.00	4.43	0.88	
Less Vacancy		0.00	0.00	0.00	(3.00)	0.00	0.00	
Net Revenues		0.00	0.00	0.00	27.00	4.43	0.88	
Operating Expenses (Before deducting Linkage or Turns)		0.00	0.00	0.00	(9.27)	(1.04)	(0.13)	
NET OPERATING INCOME		0.00	0.00	0.00	17.73	3.38	0.75	

PIER 4 Boston, Massachusetts							
CASH FLOW SCHEDULES - PHASE 2							
8-7-86	CONDDs						
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
EQUITY AVAILABLE @ 20.00%	16,231,456	10,032,579	7,570,391	0	0		
EQUITY INVESTED	6,198,877	2,462,188	7,570,391	0	0		
=====							
BUILDING COSTS:							
Land	(4,245,687)						
Hard Costs			(33,607,938)	(34,952,152)	0		
Soft Costs Before Financing	(1,953,191)	(2,462,188)	(1,356,650)	(2,094,906)	(484,670)		
Mortgage Points (Approx.)			(649,258)				
BUILDING COSTS BEFORE INTEREST	(6,198,877)	(2,462,188)	(35,613,746)	(37,047,058)	(484,670)		
=====							
CONSTRUCTION LOAN:							
Interest	0	0	(1,402,168)	(4,796,905)	(7,153,182)	(4,439,663)	
Takedown	0	0	(29,445,523)	(41,843,963)	(7,637,852)	(4,439,663)	
Retirements - Sales					34,530,710	32,557,527	
Retirements - Takeout					0	0	
Balance	0	0	(29,445,523)	(71,289,486)	(44,396,628)	(16,278,764)	
=====							
PERMANENT MORTGAGE:							
Payment							0
Interest							0
Amortization							0
Balance					(0)		0
=====							
SUMMARY OF COST & DEBT FLOWS:							
Construction Costs (Inc. Interest)	(6,198,877)	(2,462,188)	(37,015,914)	(41,843,963)	(7,637,852)	(4,439,663)	
Construction Loan	(0)	(0)	29,445,523	41,843,963	(26,892,859)	(28,117,864)	
Permanent Loan	0	0	0	0	0	0	
COST & DEBT FLOWS	(6,198,877)	(2,462,188)	(7,570,391)	0	(34,530,710)	(32,557,527)	
=====							
GROSS SALES							
Less Commissions					54,713,109	48,772,829	
					(1,641,393)	(1,463,185)	
PRETAX SALES PROCEEDS					53,071,716	47,309,644	
=====							
GROSS REVENUES:							
Leases					0	0	
Rents					0	0	
Other income					0	0	
TOTAL GROSS REVENUES					0	0	
Less VACANCY					0	0	
NET REVENUES					0	0	
=====							
OPERATING EXPENSES:							
Operating Expenses					0	0	
Replacement Reserve					0	0	
TOTAL OPERATING EXPENSES					0	0	
=====							
NET OPERATING INCOME					0	0	
=====							

PIER 4 Boston, Massachusetts						
8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 2 CONDOS						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 1's NOI						
Capitalized @ 10.00%			0			
Less Commission @ 3.00%			0			
PRETAX SALE PROCEEDS			0			
Less Mortgage Balance			0			
Less Taxes / Plus Benefits			0			
AFTER TAX SALES PROCEEDS			0			
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(6,198,877)	(2,462,188)	(7,570,391)	0	(34,530,710)	(32,557,527)
PRETAX SALES PROCEEDS	0	0	0	0	53,071,716	47,309,644
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	0	0
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	0
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW	(6,198,877)	(2,462,188)	(7,570,391)	0	18,541,005	14,752,117
BEFORE TAX CASH FLOW	(6,198,877)	(2,462,188)	(7,570,391)	0	18,541,005	14,752,117
Income Tax./Ben. From Operations	0	0	0	0	(2,458,858)	(2,327,966)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(6,198,877)	(2,462,188)	(7,570,391)	0	16,082,148	12,424,151
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(6,198,877)	(2,462,188)	(7,570,391)	(0)	(0)	(0)
Cash Flow From Operations	0	0	(0)	0	18,541,005	14,752,117
Taxes/Benefits From Operations	0	0	0	0	(2,458,858)	(2,327,966)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(6,198,877)	(2,462,188)	(7,570,391)	0	16,082,148	12,424,151
CUMULATIVE AFTER TAX CASH FLOW	(6,198,877)	(8,661,065)	(16,231,456)	(16,231,456)	(149,309)	12,274,842
Breakeven						0.00%
Debt Coverage Ratio						0.00%
COMPOSITION OF AFTER TAX NPV:						
Investment	(14,969,071)		-100.00%		(42.01)	
Cash Flow From Operations	27,886,827		186.30%		78.26	
Taxes /Benefits From Operations	(4,021,386)		-26.86%		(11.29)	
Cash Flow On Sale	0		0.00%		0.00	
Taxes / Benefits From Sale	0		.00%		.00	
TOTAL AFTER TAX NPV @ 8.00%	8,896,371		59.43%		24.97	

PIER 4 Boston, Massachusetts						
TAXABLE INCOME AND INCOME TAXES - PHASE 2						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	53,071,716	47,309,644
Less Basis in Improv.	0	0	0	0	(41,631,973)	(38,644,323)
Less Basis in Land	0	0	0	0	(1,857,488)	(1,592,132)
TAXABLE INCOME ON SALES	0	0	0	0	9,582,255	7,073,188
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	0	0
Deduct Interest	0	0	0	0	0	0
Deduct Depreciation & Amortization	(14,796)	(30,185)	(511,034)	(1,107,232)	(893,701)	(421,857)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(14,796)	(30,185)	(511,034)	(1,107,232)	(893,701)	(421,857)
TOTAL ORDINARY TAXABLE INCOME						
Income Taxes/Benefits	0.35	(14,796)	(30,185)	(511,034)	(1,107,232)	8,688,555
Benefits Disallowed		5,179	10,565	178,862	387,531	(3,040,994)
Benefits From Prior Years		(5,179)	(10,565)	(178,862)	(387,531)	(0)
Benefits To Be Carried		0	0	0	0	0
ORDINARY TAXES/BENEFITS	0	0	0	0	(2,458,858)	(2,327,966)
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(2,458,858)	(2,327,966)

PROJECT SALE TAXES:	
Pretax Sales Proceeds	0
Less Basis In Improv.	(0)
Less Basis In Land	(0)
GAIN ON SALE	(0)
TAX / BENEFIT @ 35.00%	0

PIER 4 Boston, Massachusetts						
SOFT COSTS - PHASE 2						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	0				0
Permitting/Licens.	30	0				0
Building Permits	30	1.0%	615,528			615,528
A/E Fees	30	4.5%	1,331,672	288,067	299,590	2,750,292
Design Consultants	30	1.0%	295,927	64,015	66,576	611,176
Development Fee	30	2.0%	133,239	433,017	786,328	1,491,154
Mtg. Brokerage Fee	30	1.0%	492,423			492,423
Market Research Fee	30		0			0
Legal/Accounting	30	1.0%	118,371	128,030	133,151	641,134
Insurance	30	1.0%		363,502	393,164	756,667
RE Taxes	10	0.5%				332,878
Marketing/PR	5	1.0%	73,982	80,019	83,219	660,354
Brokerage on Leases	5					0
SOFT COSTS BEFORE INTEREST	1,953,191	2,462,188	1,356,650	2,094,906	484,670	8,351,604

PIER 4
Boston, Massachusetts

=====

TAXABLE INCOME AND INCOME TAXES - PHASE 2

=====

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
24,601,015	0	0	0	0	0	0	0	0
(20,950,038)	0	0	0	0	0	0	0	0
(796,066)	0	0	0	0	0	0	0	0

2,854,911	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0

2,854,911	0	0	0	0	0	0	0	0
(999,219)	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

(999,219)	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

(999,219)	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 2				CONDOS	
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					0	0
Soft Costs					0	0
Permanent Pt.					(21,642)	(21,642)
Construc. Per. - 10	0	0	(140,217)	(653,195)	(1,368,513)	(1,845,767)
Construc. Pt.			(324,629)	(324,629)	0	
Selling Costs	(14,796)	(30,185)	(46,188)	(129,408)	(198,646)	(382,496)
POTENTIAL DEPREC. & AMORT.	(14,796)	(30,185)	(511,034)	(1,107,232)	(1,588,801)	(2,249,905)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	56.25%	18.75%
ACTUAL DEPREC. & AMORT.	(14,796)	(30,185)	(511,034)	(1,107,232)	(893,701)	(421,857)
ACCUM. DEPREC. & AMORT.	(14,796)	(44,981)	(556,015)	(1,663,247)	(2,556,948)	(2,251,135)
Add Back For Sales	0	0	0	0	727,671	1,219,518
ACTUAL ACCUM. DEPREC. & AMORT.	(14,796)	(44,981)	(556,015)	(1,663,247)	(1,829,277)	(1,031,616)
Add to Basis	6,198,877	2,462,188	37,015,914	41,843,963	7,637,852	4,439,663
Beginning Basis	6,198,877	8,661,065	45,676,979	87,520,943	95,158,794	57,966,485
Deduct from Basis	0	0	0	0	(41,631,973)	(38,644,323)
ADJUSTED BASIS OF IMPROVEMENTS	6,198,877	8,661,065	45,676,979	87,520,943	53,526,822	19,322,162
Beginning Land	4,245,687	4,245,687	4,245,687	4,245,687	4,245,687	2,388,199
Deduct from Land	0	0	0	0	(1,857,488)	(1,592,132)
ENDING LAND BASIS	4,245,687	4,245,687	4,245,687	4,245,687	2,388,199	796,066

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 2				CONDOS	
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	106,900,560	111,176,582	115,623,646	120,248,592	125,058,535	130,060,877
New Sales %					43.75%	81.25%
New Sales					54,713,109	48,772,829
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					25.00%	75.00%
New Leased %					25.00%	50.00%
New Leases					0	0
Total Leases					0	0
Lease Commissions	0.00%				0	0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	0	0	0	0	0	0
Operating Expenses					0	0

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 2								
								CONDOs
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(21,642)	(21,642)	(21,642)	(21,642)	(21,642)	(21,642)	(21,642)	(21,642)	(21,642)
(2,008,555)	(2,008,555)	(2,008,555)	(2,008,555)	(2,008,555)	(2,008,555)	(2,008,555)	(2,008,555)	(2,008,555)
(367,108)	(351,104)	(334,460)	(265,222)	(133,151)	(133,151)	(133,151)	(133,151)	(133,151)
(2,397,305)	(2,381,301)	(2,364,657)	(2,295,419)	(2,163,348)	(2,163,348)	(2,163,348)	(2,163,348)	(2,163,348)
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
1,031,616	0	0	0	0	0	0	0	0
1,031,616	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,627,876	0	0	0	0	0	0	0	0
20,950,038	0	0	0	0	0	0	0	0
(20,950,038)	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
796,066	0	0	0	0	0	0	0	0
(796,066)	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 2								
								CONDOs
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
135,263,312	140,673,844	146,300,798						
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
18.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25,361,871	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
25.00%	0.00%	0.00%	25.00%	50.00%	25.00%	0.00%	0.00%	25.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
LOAN DETERMINATION - PHASE 2						CONDOS
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	0	0
Capitalized @ 10.00%	0	0	0	0	0	0
Loan-to-Value @ 80.00%	0	0	0	0	0	0
Net Operating Income	0	0	0	0	0	0
Plus Linkage and Turning Costs	0	0	0	0	0	0
Debt Coverage @ 110.00%	0	0	0	0	0	0
Loan Potential	0	0	0	0	0	0

PIER 4 Boston, Massachusetts									
LOAN DETERMINATION - PHASE 2									
									CONDOs
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 2						
						RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 50.00%	1,794,606	1,519,833	1,418,879	0	0	
EQUITY INVESTED	274,773	100,954	1,418,879	0	0	
=====						
BUILDING COSTS:						
Land	(188,195)					
Hard Costs			(1,489,709)	(1,549,298)	0	
Soft Costs Before Financing	(86,578)	(100,954)	(60,135)	(92,859)	(21,484)	
Mortgage Points (Approx.)			(35,892)			
BUILDING COSTS BEFORE INTEREST	(274,773)	(100,954)	(1,585,736)	(1,642,157)	(21,484)	

CONSTRUCTION LOAN:						
Interest	(0)	(0)	(8,343)	(99,628)	(192,773)	0
Take-down	(0)	(0)	(175,201)	(1,741,785)	(214,256)	0
Retirements - Sales					0	(0)
Retirements - Takeout					2,131,242	0
Balance	(0)	(0)	(175,201)	(1,916,985)	0	0
PERMANENT MORTGAGE:						
Payment						(212,158)
Interest						(200,000)
Amortization						(12,158)
Balance					(2,000,000)	(1,987,842)
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(274,773)	(100,954)	(1,594,079)	(1,741,785)	(214,256)	0
Construction Loan	0	0	175,201	1,741,785	(1,916,985)	0
Permanent Loan	0	0	0	0	2,000,000	(12,158)
COST & DEBT FLOWS	(274,773)	(100,954)	(1,418,879)	0	(131,242)	(12,158)
=====						
GROSS SALES					0	0
Less Commissions					0	0
PRETAX SALES PROCEEDS					0	0
=====						
GROSS REVENUES:						
Leases					139,725	264,280
Rents					0	0
Other income					69,862	134,934
TOTAL GROSS REVENUES					209,587	399,214
Less VACANCY					(20,959)	(39,921)
NET REVENUES					188,629	359,293

OPERATING EXPENSES:						
Operating Expenses					(62,876)	(121,441)
Replacement Reserve					1,886	3,593
TOTAL OPERATING EXPENSES					(60,990)	(117,848)
NET OPERATING INCOME					127,639	241,445
=====						

PIER 4
Boston, Massachusetts

CASH FLOW SCHEDULES - PHASE 2

RETAIL

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(212,158)	(212,158)	(212,158)	(212,158)	(212,158)	(212,158)	(212,158)	(212,158)	(212,158)
(198,784)	(197,447)	(195,976)	(194,357)	(192,577)	(190,619)	(188,465)	(186,096)	(183,489)
(13,374)	(14,712)	(16,183)	(17,801)	(19,581)	(21,540)	(23,693)	(26,063)	(28,669)
(1,974,467)	(1,959,755)	(1,943,572)	(1,925,771)	(1,906,190)	(1,884,650)	(1,860,957)	(1,834,894)	(1,806,225)
0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
(13,374)	(14,712)	(16,183)	(17,801)	(19,581)	(21,540)	(23,693)	(26,063)	(1,834,894)
(13,374)	(14,712)	(16,183)	(17,801)	(19,581)	(21,540)	(23,693)	(26,063)	(1,834,894)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
329,048	329,048	329,048	359,320	386,305	400,338	400,338	400,338	437,168
0	0	0	0	0	0	0	0	0
172,716	179,625	186,810	194,282	202,053	210,135	218,541	227,283	236,374
501,764	508,673	515,858	553,602	588,359	610,473	618,879	627,620	673,542
(50,176)	(50,867)	(51,586)	(55,360)	(58,836)	(61,047)	(61,888)	(62,762)	(67,354)
451,588	457,806	464,272	498,242	529,523	549,426	556,991	564,858	606,188
(155,444)	(161,662)	(168,129)	(174,854)	(181,848)	(189,122)	(196,687)	(204,554)	(212,736)
4,516	4,578	4,643	4,982	5,295	5,494	5,570	5,649	6,062
(150,929)	(157,084)	(163,486)	(169,871)	(176,553)	(183,628)	(191,117)	(198,906)	(206,675)
300,659	300,722	300,786	328,371	352,970	365,798	365,874	365,952	399,513

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 2 RETAIL

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
 Gross Proceeds - Year 16 NOI
 Capitalized @ 10.00% 4,294,420
 Less Commission @ 3.00% (128,833)

PRETAX SALE PROCEEDS 4,165,587
 Less Mortgage Balance (1,806,225)
 Less Taxes / Plus Benefits 116,281

AFTER TAX SALES PROCEEDS 2,475,644

COST & DEBT FLOWS (Exc. Perm. Amort.)	(274,773)	(100,954)	(1,418,879)	0	(131,242)	0
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	127,639	241,445
LINKAGE					(9,750)	(9,750)
TURNING COSTS:						
Brokerage Fees					(34,931)	(31,139)
Tenant Refurbishment					(26,873)	(23,034)
DEBT SERVICE					0	(212,158)

BEFORE TAX CASH FLOW (274,773) (100,954) (1,418,879) 0 (75,158) (34,637)

Before Tax Cash Flow	(274,773)	(100,954)	(1,418,879)	0	(75,158)	(34,637)
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (274,773) (100,954) (1,418,879) 0 (75,158) (34,637)

COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(274,773)	(100,954)	(1,418,879)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	(75,158)	(34,637)
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (274,773) (100,954) (1,418,879) 0 (75,158) (34,637)

CUMULATIVE AFTER TAX CASH FLOW (274,773) (375,727) (1,794,606) (1,794,606) (1,869,764) (1,904,400)

Breakeven Debt Coverage Ratio 98.68%
83.67%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(1,584,709)	-100.00%	(116.10)
Cash Flow From Operations	285,166	17.99%	20.89
Taxes / Benefits From Operations	0	0.00%	0.00
Cash Flow On Sale	803,271	50.69%	58.85
Taxes / Benefits From Sale	39,589	2.50%	2.90

TOTAL AFTER TAX NPV @ 8.00% (456,683) -28.82% (33.46)

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 2 RETAIL

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
0	0	(0)	0	(0)	0	(0)	0	(1,806,225)
0	0	0	0	0	0	0	0	0
300,659	300,722	300,786	328,371	352,970	365,798	365,874	365,952	399,513
(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)	(9,750)
(16,192)	0	0	(42,499)	(37,885)	(19,700)	0	0	(51,707)
(11,517)	0	0	(26,873)	(23,034)	(11,517)	0	0	(26,873)
(212,158)	(212,158)	(212,158)	(212,158)	(212,158)	(212,158)	(212,158)	(212,158)	(212,158)
								4,165,587
51,042	78,813	78,878	37,089	70,142	112,672	143,965	144,044	2,458,387
=====								
51,042	78,813	78,878	37,089	70,142	112,672	143,965	144,044	2,458,387
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	116,281
=====								
51,042	78,813	78,878	37,089	70,142	112,672	143,965	144,044	2,574,668
=====								
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
51,042	78,813	78,878	37,089	70,142	112,672	143,965	144,044	99,024
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	2,359,363
0	0	0	0	0	0	0	0	116,281
=====								
51,042	78,813	78,878	37,089	70,142	112,672	143,965	144,044	2,574,668
(1,853,359)	(1,774,546)	(1,695,668)	(1,658,579)	(1,588,436)	(1,475,764)	(1,331,799)	(1,187,755)	1,386,913
79.83%	74.51%	74.71%	83.30%	78.08%	71.54%	66.74%	67.05%	75.30%
124.06%	137.15%	137.18%	117.48%	133.06%	153.11%	167.86%	167.89%	146.67%

INTERNAL RATE OF RETURN

4.95%

PIER 4 Boston, Massachusetts							
TAXABLE INCOME AND INCOME TAXES - PHASE 2							RETAIL
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
INCOME ON SALES:							
Pretax Sales Proceeds	0	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.							
Net Operating Income	0	0	0	0	127,639	241,445	
Deduct Interest	0	0	0	0	(96,386)	(200,000)	
Deduct Depreciation & Amortization	(656)	(1,338)	(11,855)	(26,982)	(106,393)	(177,502)	
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(656)	(1,338)	(11,855)	(26,982)	(75,140)	(136,058)	
TOTAL ORDINARY TAXABLE INCOME							
Income Taxes/Benefits	0.35	(656)	(1,338)	(11,855)	(26,982)	(75,140)	(136,058)
Benefits Disallowed		230	468	4,149	9,444	26,299	47,620
Benefits From Prior Years		(230)	(468)	(4,149)	(9,444)	(26,299)	(47,620)
Benefits To Be Carried		0	0	0	0	0	0
		230	698	4,847	14,291	40,590	88,210
ORDINARY TAXES/BENEFITS	0	0	0	0	0	0	0
Potential Investment Tax Credits On FF&E					0	0	
INVESTMENT TAX CREDIT USED					0	0	
Investment Tax Credit Carryover					0	0	
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	0	0	0

PROJECT SALE TAXES:	
Pretax Sales Proceeds	4,165,587
Less Basis In Improv.	(4,309,624)
Less Basis In Land	(188,195)
GAIN ON SALE	(332,232)
TAX / BENEFIT @ 35.00%	116,281

PIER 4 Boston, Massachusetts							
SOFT COSTS - PHASE 2							RETAIL
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
SOFT COSTS:							
Envir. Imp. Report	30	0					0
Permitting/Licens.	30	0					0
Building Permits	30	1.0%	27,284				27,284
A/E Fees	30	4.5%	59,028	36,833	12,769	13,280	121,910
Design Consultants	30	1.0%	13,117	8,185	2,838	2,951	27,091
Development Fee	30	2.0%	5,906	6,142	19,194	34,855	66,097
Mtq. Brokerage Fee	30	1.0%		13,642			13,642
Market Research Fee	30		0				0
Legal/Accounting	30	1.0%	5,247	5,457	5,675	5,902	6,138
Insurance	30	1.0%			16,113	17,427	0
RE Taxes	10	0.5%				14,755	14,755
Marketing/PR	5	1.0%	3,279	3,411	3,547	3,689	15,345
Brokerage on Leases	5						29,271
							0
SOFT COSTS BEFORE INTEREST	86,578	100,954	60,135	92,859	21,484	362,010	

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 2									RETAIL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
300,659	300,722	300,786	328,371	352,970	365,798	365,874	365,952	399,513	
(198,784)	(197,447)	(195,976)	(194,357)	(192,577)	(190,619)	(188,465)	(186,096)	(183,489)	
(182,362)	(181,653)	(180,915)	(179,359)	(174,855)	(175,556)	(175,556)	(175,556)	(177,398)	
(80,487)	(78,378)	(76,104)	(45,346)	(14,462)	(377)	1,853	4,301	38,626	
(80,487)	(78,378)	(76,104)	(45,346)	(14,462)	(377)	1,853	4,301	38,626	
28,170	27,432	26,636	15,871	5,062	132	(648)	(1,505)	(13,519)	
(28,170)	(27,432)	(26,636)	(15,871)	(5,062)	(132)	(0)	(0)	(0)	
0	0	0	0	0	0	648	1,505	13,519	
116,380	143,813	170,449	186,320	191,382	191,514	190,865	189,360	175,841	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	

PIER 4 Boston, Massachusetts						
9-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 2					RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(50,650)	(101,300)
Soft Costs					(12,067)	(12,067)
Permanent Pt.					1598	1598
Construc. Per. - 10	(0)	(0)	(834)	(12,273)	(21,911)	(23,387)
Construc. Pt.			(8,973)	(8,973)	0	
Selling Costs	(656)	(1,338)	(2,047)	(5,736)	(21,166)	(40,150)
POTENTIAL DEPREC. & AMORT.	(656)	(1,338)	(11,855)	(26,982)	(106,393)	(177,502)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(656)	(1,338)	(11,855)	(26,982)	(106,393)	(177,502)
ACCUM. DEPREC. & AMORT.	(656)	(1,994)	(13,849)	(40,830)	(147,223)	(324,725)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(656)	(1,994)	(13,849)	(40,830)	(147,223)	(324,725)
Add to Basis	274,773	100,954	1,594,079	1,741,785	276,061	54,173
Beginning Basis	274,773	375,727	1,969,807	3,711,591	3,987,652	4,041,825
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	274,773	375,727	1,969,807	3,711,591	3,987,652	4,041,825
Beginning Land	188,195	188,195	188,195	188,195	188,195	188,195
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	188,195	188,195	188,195	188,195	188,195	188,195

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 2					RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:	0	0	0	0	0	0
Cumulative Sold %					25.00%	75.00%
New Sales %					25.00%	50.00%
New Sales					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	273,000	283,920	295,277	307,088	319,371	332,146
Total Leased %					43.75%	81.25%
New Leased %					43.75%	37.50%
New Leases					139,725	124,555
Total Leases					139,725	264,280
Lease Commissions 5.00%						0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	136,500	141,960	147,638	153,544	159,686	166,073
Other Income					69,862	134,934
OPERATING EXPENSES:						
Base operating expenses	(122,850)	(127,764)	(132,875)	(138,190)	(143,717)	(149,466)
Operating Expenses					(62,876)	(121,441)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 2								RETAIL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(101,300)	(101,300)	(101,300)	(101,300)	(101,300)	(101,300)	(101,300)	(101,300)	(101,300)
(12,067)	(12,067)	(12,067)	(12,067)	(12,067)	(12,067)	(12,067)	(12,067)	(12,067)
(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)
(23,387)	(23,387)	(23,387)	(23,387)	(23,387)	(23,387)	(23,387)	(23,387)	(23,387)
(45,010)	(44,301)	(43,563)	(42,007)	(37,502)	(38,204)	(38,204)	(38,204)	(40,045)
(182,362)	(181,653)	(180,915)	(179,359)	(174,855)	(175,556)	(175,556)	(175,556)	(177,398)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(182,362)	(181,653)	(180,915)	(179,359)	(174,855)	(175,556)	(175,556)	(175,556)	(177,398)
(507,087)	(688,740)	(869,655)	(1,049,015)	(1,223,869)	(1,399,425)	(1,574,981)	(1,750,538)	(1,927,935)
0	0	0	0	0	0	0	0	0
(507,087)	(688,740)	(869,655)	(1,049,015)	(1,223,869)	(1,399,425)	(1,574,981)	(1,750,538)	(1,927,935)
27,709	0	0	69,373	60,919	31,217	0	0	78,580
4,069,535	4,069,535	4,069,535	4,138,907	4,199,827	4,231,044	4,231,044	4,231,044	4,309,624
0	0	0	0	0	0	0	0	0
4,069,535	4,069,535	4,069,535	4,138,907	4,199,827	4,231,044	4,231,044	4,231,044	4,309,624
188,195	188,195	188,195	188,195	188,195	188,195	188,195	188,195	188,195
0	0	0	0	0	0	0	0	0
188,195	188,195	188,195	188,195	188,195	188,195	188,195	188,195	188,195

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 2								RETAIL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
345,432	359,249	373,619	388,564	404,107	420,271	437,082	454,565	472,748
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
18.75%	0.00%	0.00%	43.75%	37.50%	18.75%	0.00%	0.00%	43.75%
64,769	0	0	169,997	151,540	78,801	0	0	206,827
329,048	329,048	329,048	359,320	386,305	400,338	400,338	400,338	437,168
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
172,716	179,625	186,810	194,282	202,053	210,135	218,541	227,283	236,374
172,716	179,625	186,810	194,282	202,053	210,135	218,541	227,283	236,374
(155,444)	(161,662)	(168,129)	(174,854)	(181,848)	(189,122)	(196,687)	(204,554)	(212,736)
(155,444)	(161,662)	(168,129)	(174,854)	(181,848)	(189,122)	(196,687)	(204,554)	(212,736)

PIER 4 Boston, Massachusetts						
8-7-86	LOAN DETERMINATION - PHASE 2					RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	127,639	241,445
Capitalized @ 10.00%	0	0	0	0	1,276,388	2,414,448
Loan-to-Value @ 80.00%	0	0	0	0	1,021,110	1,931,558
Net Operating Income	0	0	0	0	127,639	241,445
Plus Linkage and Turning Costs	0	0	0	0	56,084	177,522
Debt Coverage @ 110.00%	0	0	0	0	50,986	161,383
Loan Potential	0	0	0	0	480,636	1,521,347

PIER 4
Boston, Massachusetts

LOAN DETERMINATION - PHASE 2									RETAIL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
300,659	300,722	300,786	328,371	352,970	365,798	365,874	365,952	399,513	
3,006,594	3,007,216	3,007,862	3,283,706	3,529,700	3,657,981	3,658,738	3,659,524	3,995,130	
2,405,275	2,405,773	2,406,290	2,626,965	2,823,760	2,926,385	2,926,990	2,927,619	3,196,104	
300,659	300,722	300,786	328,371	352,970	365,798	365,874	365,952	399,513	
263,200	290,972	291,036	249,248	282,301	324,831	356,124	356,202	311,183	
239,273	264,520	264,578	226,589	256,637	295,301	323,749	323,820	282,893	
2,255,604	2,493,604	2,494,158	2,136,035	2,419,295	2,783,774	3,051,953	3,052,627	2,666,812	

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 2						GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	3,879,459	3,386,859	2,765,889	0	0	0
EQUITY INVESTED	492,599	620,970	2,765,889	0	0	0
BUILDING COSTS:						
Land	(0)					
Hard Costs			(8,475,980)	(8,815,019)	0	
Soft Costs Before Financing	(492,599)	(620,970)	(342,150)	(528,340)	(122,235)	
Mortgage Points (Approx.)			(232,766)			
BUILDING COSTS BEFORE INTEREST	(492,599)	(620,970)	(9,050,898)	(9,343,359)	(122,235)	
CONSTRUCTION LOAN:						
Interest	0	0	(314,250)	(1,127,094)	(1,713,083)	(531,704)
Takedown	0	0	(6,599,259)	(10,470,453)	(1,835,318)	(531,704)
Retirements - Sales					4,135,475	3,899,162
Retirements - Takeout					9,452,515	0
Balance	0	0	(6,599,259)	(17,069,712)	(5,317,040)	(1,949,581)
PERMANENT MORTGAGE:						
Payment						(848,634)
Interest						(800,000)
Amortization						(48,634)
Balance					(8,000,000)	(7,951,366)
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(492,599)	(620,970)	(9,365,148)	(10,470,453)	(1,835,318)	(531,704)
Construction Loan	(0)	(0)	6,599,259	10,470,453	(11,752,672)	(3,367,458)
Permanent Loan	0	0	0	0	8,000,000	(48,634)
COST & DEBT FLOWS	(492,599)	(620,970)	(2,765,889)	0	(5,587,990)	(3,947,796)
GROSS SALES						
Less Commissions					7,165,384	6,387,428
					(286,615)	(255,497)
PRETAX SALES PROCEEDS					6,878,768	6,131,931
GROSS REVENUES:						
Leases					0	0
Rents					730,101	1,410,139
Other income					0	0
TOTAL GROSS REVENUES					730,101	1,410,139
Less VACANCY					0	0
NET REVENUES					730,101	1,410,139
OPERATING EXPENSES:						
Operating Expenses					(158,361)	(305,863)
Replacement Reserve					7,301	14,101
TOTAL OPERATING EXPENSES					(151,060)	(291,762)
NET OPERATING INCOME					579,041	1,118,377

PIER 4
Boston, Massachusetts

CASH FLOW SCHEDULES - PHASE 2

GARAGE

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

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(194,958)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(194,958)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
2,144,539	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)
(795,137)	(789,787)	(783,902)	(777,429)	(770,308)	(762,476)	(753,860)	(744,383)	(733,958)	
(53,497)	(58,847)	(64,732)	(71,205)	(78,326)	(86,158)	(94,774)	(104,251)	(114,676)	
(7,897,869)	(7,839,022)	(7,774,290)	(7,703,085)	(7,624,759)	(7,538,601)	(7,443,827)	(7,339,576)	(7,224,900)	

(194,958)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(1,949,581)	0	0	0	0	0	0	0	0	0
(53,497)	(58,847)	(64,732)	(71,205)	(78,326)	(86,158)	(94,774)	(104,251)	(7,339,576)	

(2,198,037)	(58,847)	(64,732)	(71,205)	(78,326)	(86,158)	(94,774)	(104,251)	(7,339,576)	

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3,321,462	0	0	0	0	0	0	0	0	0
(132,858)	0	0	0	0	0	0	0	0	0

3,188,604	0	0	0	0	0	0	0	0	0

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0	0	0	0	0	0	0	0	0	0
1,804,978	1,877,177	1,952,264	2,030,354	2,111,568	2,196,031	2,283,872	2,375,227	2,470,236	0
0	0	0	0	0	0	0	0	0	0

1,804,978	1,877,177	1,952,264	2,030,354	2,111,568	2,196,031	2,283,872	2,375,227	2,470,236	0

1,804,978	1,877,177	1,952,264	2,030,354	2,111,568	2,196,031	2,283,872	2,375,227	2,470,236	0

(391,505)	(407,165)	(423,451)	(440,390)	(458,005)	(476,325)	(495,378)	(515,193)	(535,801)	
18,050	18,772	19,523	20,304	21,116	21,960	22,839	23,752	24,702	

(373,455)	(388,393)	(403,929)	(420,086)	(436,889)	(454,365)	(472,540)	(491,441)	(511,099)	

1,431,523	1,488,784	1,548,335	1,610,268	1,674,679	1,741,666	1,811,333	1,883,786	1,959,138	

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PIER 4
Boston, Massachusetts

9-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 2 GARAGE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
 Gross Proceeds - Year 16 NOI
 Capitalized @ 10.00% 20,375,031
 Less Commission @ 3.00% (611,251)

 19,763,780
 PRETAX SALE PROCEEDS
 Less Mortgage Balance (7,224,900)
 Less Taxes / Plus Benefits (2,753,475)

AFTER TAX SALES PROCEEDS 9,785,406

COST & DEBT FLOWS (Exc. Perm. Amort.)	(492,599)	(620,970)	(2,765,889)	0	(5,587,990)	(3,899,162)
PRETAX SALES PROCEEDS	0	0	0	0	6,878,768	6,131,931
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	579,041	1,118,377
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(848,634)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(492,599)	(620,970)	(2,765,889)	0	1,869,820	2,502,511
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Before Tax Cash Flow	(492,599)	(620,970)	(2,765,889)	0	1,869,820	2,502,511
Income Tax./Ben. From Operations	0	0	0	0	(436,783)	(558,216)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(492,599)	(620,970)	(2,765,889)	0	1,433,037	1,944,296
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(492,599)	(620,970)	(2,765,889)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	1,869,820	2,502,511
Taxes/Benefits From Operations	0	0	0	0	(436,783)	(558,216)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(492,599)	(620,970)	(2,765,889)	0	1,433,037	1,944,296
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CUMULATIVE AFTER TAX CASH FLOW	(492,599)	(1,113,569)	(3,879,459)	(3,879,459)	(2,446,422)	(502,126)
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Breakeven						80.87%
Debt Coverage Ratio						131.79%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(3,438,876)	-100.00%	(10.67)
Cash Flow From Operations	7,141,984	207.68%	22.16
Taxes /Benefits From Operations	(1,660,347)	-48.28%	(5.15)
Cash Flow On Sale	4,269,000	124.14%	13.25
Taxes / Benefits From Sale	(937,451)	-27.26%	(2.91)

TOTAL AFTER TAX NPV @ 8.00%	5,374,310	156.28%	16.67
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PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 2

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

	(2,144,539)	0	(0)	0	(0)	0	(0)	0	(7,224,900)
	3,188,604	0	0	0	0	0	0	0	0
	1,431,523	1,488,784	1,548,335	1,610,268	1,674,679	1,741,666	1,811,333	1,883,786	1,959,138
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)	(848,634)
									19,763,780

	1,626,953	640,150	699,701	761,634	826,045	893,032	962,699	1,035,152	13,649,384
=====									
	1,626,953	640,150	699,701	761,634	826,045	893,032	962,699	1,035,152	13,649,384
	(420,979)	(108,309)	(131,947)	(158,945)	(189,810)	(215,997)	(243,395)	(272,071)	(302,093)
	0	0	0	0	0	0	0	0	(2,753,475)

	1,205,974	531,840	567,754	602,690	636,235	677,036	719,303	763,081	10,593,817
=====									
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	1,626,953	640,150	699,701	761,634	826,045	893,032	962,699	1,035,152	1,110,504
	(420,979)	(108,309)	(131,947)	(158,945)	(189,810)	(215,997)	(243,395)	(272,071)	(302,093)
	0	0	0	0	0	0	0	0	12,538,881
	0	0	0	0	0	0	0	0	(2,753,475)

	1,205,974	531,840	567,754	602,690	636,235	677,036	719,303	763,081	10,593,817
	703,848	1,235,688	1,803,443	2,406,132	3,042,368	3,719,403	4,438,707	5,201,788	15,795,604
	67.71%	65.90%	64.16%	62.49%	60.88%	59.33%	57.85%	56.42%	55.04%
	168.69%	175.43%	182.45%	189.75%	197.34%	205.23%	213.44%	221.98%	230.86%

INTERNAL RATE OF RETURN

 23.08%

PIER 4 Boston, Massachusetts							
8-7-86 TAXABLE INCOME AND INCOME TAXES - PHASE 2 GARAGE							
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
INCOME ON SALES:							
Pretax Sales Proceeds	0	0	0	0	6,878,768	6,131,931	
Less Basis in Improv.	0	0	0	0	(4,984,107)	(4,399,700)	
Less Basis in Land	0	0	0	0	0	0	
TAXABLE INCOME ON SALES	0	0	0	0	1,894,662	1,732,230	
INCOME FROM LEASES, RENTS, ETC.							
Net Operating Income	0	0	0	0	579,041	1,118,377	
Deduct Interest	0	0	0	0	(428,271)	(800,000)	
Deduct Depreciation & Amortization	(3,732)	(7,613)	(120,663)	(262,756)	(402,718)	(455,705)	
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(3,732)	(7,613)	(120,663)	(262,756)	(251,947)	(137,328)	
TOTAL ORDINARY TAXABLE INCOME							
Income Taxes/Benefits	0.35				1,642,714	1,594,902	
Benefits Disallowed	(1,306)	(2,664)	(42,232)	(91,965)	(574,950)	(558,216)	
Benefits From Prior Years	0	0	0	0	(0)	(0)	
Benefits To Be Carried	1,306	3,971	46,203	138,167	0	0	
ORDINARY TAXES/BENEFITS	0	0	0	0	(436,783)	(558,216)	
Potential Investment Tax Credits On FF&E					0	0	
INVESTMENT TAX CREDIT USED					0	0	
Investment Tax Credit Carryover					0	0	
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(436,783)	(558,216)	

PROJECT SALE TAXES:	
Pretax Sales Proceeds	19,763,780
Less Basis In Improv.	(11,898,710)
Less Basis In Land	(0)
GAIN ON SALE	7,867,070
TAX / BENEFIT @ 35.00%	(2,753,475)

PIER 4 Boston, Massachusetts							
8-7-86 SOFT COSTS - PHASE 2 GARAGE							
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
SOFT COSTS:							
Envir. Imp. Report	30	0				0	
Permitting/Licens.	30	0				0	
Building Permits	30	1.0%	155,238			155,238	
A/E Fees	30	4.5%	335,851	209,571	72,651	75,557	693,630
Design Consultants	30	1.0%	74,634	46,571	16,145	16,791	154,140
Development Fee	30	2.0%	33,603	34,947	109,208	198,314	376,073
Mtg. Brokerage Fee	30	1.0%		124,190			124,190
Market Research Fee	30		0				0
Legal/Accounting	30	1.0%	29,853	31,048	32,289	33,581	34,924
Insurance	30	1.0%			91,676	99,157	0
RE Taxes	10	0.5%					83,953
Marketing/PR	5	1.0%	18,658	19,405	20,181	20,988	87,311
Brokerage on Leases	5						166,543
							0
SOFT COSTS BEFORE INTEREST	492,599	620,970	342,150	528,340	122,235	2,106,295	

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 2									
									GARAGE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
3,188,604	0	0	0	0	0	0	0	0	0
(2,230,633)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
957,971	0	0	0	0	0	0	0	0	0
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1,431,523	1,488,784	1,548,335	1,610,268	1,674,679	1,741,666	1,811,333	1,883,786	1,959,138	
(795,137)	(789,787)	(783,902)	(777,429)	(770,308)	(762,476)	(753,860)	(744,383)	(733,958)	
(391,559)	(389,541)	(387,442)	(378,711)	(362,057)	(362,057)	(362,057)	(362,057)	(362,057)	
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
244,827	309,455	376,990	454,128	542,313	617,133	695,416	777,346	863,123	
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1,202,798	309,455	376,990	454,128	542,313	617,133	695,416	777,346	863,123	
(420,979)	(108,309)	(131,947)	(158,945)	(189,810)	(215,997)	(243,395)	(272,071)	(302,093)	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(420,979)	(108,309)	(131,947)	(158,945)	(189,810)	(215,997)	(243,395)	(272,071)	(302,093)	
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(420,979)	(108,309)	(131,947)	(158,945)	(189,810)	(215,997)	(243,395)	(272,071)	(302,093)	

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 2					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(144,092)	(288,183)
Soft Costs					(35,105)	(35,105)
Permanent Pt.					(5,173)	(5,173)
Construc. Per. - 10	0	0	(31,425)	(152,530)	(281,011)	(342,577)
Construc. Pt.			(77,589)	(77,589)	0	
Selling Costs	(3,732)	(7,613)	(11,649)	(32,637)	(50,099)	(96,466)
POTENTIAL DEPREC. & AMORT.	(3,732)	(7,613)	(120,663)	(262,756)	(515,479)	(767,504)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	78.13%	59.38%
ACTUAL DEPREC. & AMORT.	(3,732)	(7,613)	(120,663)	(262,756)	(402,718)	(455,705)
ACCUM. DEPREC. & AMORT.	(3,732)	(11,344)	(132,007)	(394,763)	(797,481)	(1,166,832)
Add Back For Sales	0	0	0	0	86,354	170,670
ACTUAL ACCUM. DEPREC. & AMORT.	(3,732)	(11,344)	(132,007)	(394,763)	(711,127)	(996,162)
Add to Basis	492,599	620,970	9,365,148	10,470,453	1,835,318	531,704
Beginning Basis	492,599	1,113,569	10,478,717	20,949,170	22,784,488	18,332,085
Deduct from Basis	0	0	0	0	(4,984,107)	(4,399,700)
ADJUSTED BASIS OF IMPROVEMENTS	492,599	1,113,569	10,478,717	20,949,170	17,800,381	13,932,385
Beginning Land	0	0	0	0	0	0
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 2					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	14,000,000	14,560,000	15,142,400	15,748,096	16,378,020	17,033,141
New Sales %					43.75%	81.25%
New Sales					43.75%	37.50%
New Sales					7,165,384	6,387,428
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					43.75%	81.25%
New Leased %					43.75%	37.50%
New Leases					0	0
Total Leases					0	0
Lease Commissions	0.00%				0	0
Base rents	1,426,500	1,483,560	1,542,902	1,604,618	1,668,803	1,735,555
Rents					730,101	1,410,139
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(322,304)	(335,196)	(348,604)	(362,548)	(377,050)	(392,132)
Operating Expenses					(158,361)	(305,863)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 2								GARAGE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(288,183)	(288,183)	(288,183)	(288,183)	(288,183)	(288,183)	(288,183)	(288,183)	(288,183)
(35,105)	(35,105)	(35,105)	(35,105)	(35,105)	(35,105)	(35,105)	(35,105)	(35,105)
(5,173)	(5,173)	(5,173)	(5,173)	(5,173)	(5,173)	(5,173)	(5,173)	(5,173)
(362,072)	(362,072)	(362,072)	(362,072)	(362,072)	(362,072)	(362,072)	(362,072)	(362,072)
(92,586)	(88,549)	(84,352)	(66,890)	(33,581)	(33,581)	(33,581)	(33,581)	(33,581)
(783,119)	(779,083)	(774,885)	(757,423)	(724,114)	(724,114)	(724,114)	(724,114)	(724,114)
50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
(391,559)	(389,541)	(387,442)	(378,711)	(362,057)	(362,057)	(362,057)	(362,057)	(362,057)
(1,387,721)	(1,619,974)	(2,007,416)	(2,386,128)	(2,748,185)	(3,110,242)	(3,472,299)	(3,834,356)	(4,196,413)
157,289	0	0	0	0	0	0	0	0
(1,230,432)	(1,619,974)	(2,007,416)	(2,386,128)	(2,748,185)	(3,110,242)	(3,472,299)	(3,834,356)	(4,196,413)
194,958	0	0	0	0	0	0	0	0
14,127,343	11,896,710	11,896,710	11,896,710	11,896,710	11,896,710	11,896,710	11,896,710	11,896,710
(2,230,633)	0	0	0	0	0	0	0	0
11,896,710	11,896,710	11,896,710	11,896,710	11,896,710	11,896,710	11,896,710	11,896,710	11,896,710
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 2								GARAGE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
17,714,466	18,423,045	19,159,967						
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
18.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3,321,462	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
18.75%	0.00%	0.00%	43.75%	37.50%	18.75%	0.00%	0.00%	43.75%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,804,978	1,877,177	1,952,264	2,030,354	2,111,568	2,196,031	2,283,872	2,375,227	2,470,236
1,804,978	1,877,177	1,952,264	2,030,354	2,111,568	2,196,031	2,283,872	2,375,227	2,470,236
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(407,817)	(424,130)	(441,095)	(458,739)	(477,089)	(496,172)	(516,019)	(536,660)	(558,126)
(391,505)	(407,165)	(423,451)	(440,390)	(458,005)	(476,325)	(495,378)	(515,193)	(535,801)

PIER 4 Boston, Massachusetts						
8-7-86	LOAN DETERMINATION - PHASE 2					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	579,041	1,118,377
Capitalized @ 10.00%	0	0	0	0	5,790,414	11,183,771
Loan-to-Value @ 80.00%	0	0	0	0	4,632,331	8,947,017
Net Operating Income	0	0	0	0	579,041	1,118,377
Plus Linkage and Turning Costs	0	0	0	0	579,041	1,118,377
Debt Coverage @ 125.00%	0	0	0	0	463,233	894,702
Loan Potential	0	0	0	0	4,366,859	8,434,276

PIER 4
Boston, Massachusetts

LOAN DETERMINATION - PHASE 2									GARAGE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
1,431,523	1,488,784	1,548,335	1,610,268	1,674,679	1,741,666	1,811,333	1,883,786	1,959,138	
14,315,227	14,887,836	15,483,349	16,102,683	16,746,790	17,416,662	18,113,329	18,837,862	19,591,376	
11,452,181	11,910,269	12,386,679	12,882,147	13,397,432	13,933,330	14,490,663	15,070,289	15,673,101	
1,431,523	1,488,784	1,548,335	1,610,268	1,674,679	1,741,666	1,811,333	1,883,786	1,959,138	
1,431,523	1,488,784	1,548,335	1,610,268	1,674,679	1,741,666	1,811,333	1,883,786	1,959,138	
1,145,218	1,191,027	1,238,668	1,288,215	1,339,743	1,393,333	1,449,066	1,507,029	1,567,310	
10,795,873	11,227,708	11,676,817	12,143,889	12,629,645	13,134,831	13,660,224	14,206,633	14,774,898	

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 2						
8-7-86						MARINA
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00Z	259,901	226,899	185,298	0	0	
EQUITY INVESTED	33,001	41,601	185,298	0	0	
=====						
BUILDING COSTS:						
Land	(0)					
Hard Costs			(567,840)	(590,554)	0	
Soft Costs Before Financing	(33,001)	(41,601)	(22,922)	(35,396)	(8,189)	
Mortgage Points (Approx.)			(15,594)			
BUILDING COSTS BEFORE INTEREST	(33,001)	(41,601)	(606,356)	(625,949)	(8,189)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(21,053)	(75,509)	(114,766)	(35,621)
Take-down	0	0	(442,111)	(701,458)	(122,955)	(35,621)
Retirements - Sales					277,052	261,221
Retirements - Takeout					633,262	0
Balance	0	0	(442,111)	(1,143,569)	(356,210)	(130,610)
PERMANENT MORTGAGE:						
Payment						(106,079)
Interest						(100,000)
Amortization						(6,079)
Balance					(1,000,000)	(993,921)
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (inc. Interest)	(33,001)	(41,601)	(627,409)	(701,458)	(122,955)	(35,621)
Construction Loan	(0)	(0)	442,111	701,458	(787,359)	(225,600)
Permanent Loan	0	0	0	0	1,000,000	(6,079)
COST & DEBT FLOWS	(33,001)	(41,601)	(185,298)	0	89,686	(267,300)
=====						
GROSS SALES						
Less Commissions					614,176	547,494
					(24,567)	(21,900)
PRETAX SALES PROCEEDS					589,609	525,594
=====						
GROSS REVENUES:						
Leases					0	0
Rents					66,868	129,152
Other income					0	0
TOTAL GROSS REVENUES					66,868	129,152
Less VACANCY					0	0
NET REVENUES					66,868	129,152
=====						
OPERATING EXPENSES:						
Operating Expenses					(9,121)	(17,616)
Replacement Reserve					669	1,292
TOTAL OPERATING EXPENSES					(8,452)	(16,324)
=====						
NET OPERATING INCOME					58,417	112,827
=====						

PIER 4 Boston, Massachusetts CASH FLOW SCHEDULES - PHASE 2 MARINA									
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(13,061)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(13,061)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
143,671	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)
(99,392)	(98,723)	(97,988)	(97,179)	(96,289)	(95,309)	(94,233)	(93,048)	(91,745)	(91,745)
(6,687)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)	(14,335)
(987,234)	(979,878)	(971,786)	(962,886)	(953,095)	(942,325)	(930,478)	(917,447)	(903,112)	(903,112)
(13,061)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(130,610)	0	0	0	0	0	0	0	0	0
(6,687)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)	(14,335)
(150,358)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)	(14,335)
284,697	0	0	0	0	0	0	0	0	0
(11,388)	0	0	0	0	0	0	0	0	0
273,309	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
165,314	171,926	178,804	185,956	193,394	201,130	209,175	217,542	226,244	226,244
0	0	0	0	0	0	0	0	0	0
165,314	171,926	178,804	185,956	193,394	201,130	209,175	217,542	226,244	226,244
0	0	0	0	0	0	0	0	0	0
165,314	171,926	178,804	185,956	193,394	201,130	209,175	217,542	226,244	226,244
(22,548)	(23,450)	(24,388)	(25,363)	(26,378)	(27,433)	(28,530)	(29,672)	(30,858)	(30,858)
1,653	1,719	1,788	1,860	1,934	2,011	2,092	2,175	2,262	2,262
(20,895)	(21,731)	(22,600)	(23,504)	(24,444)	(25,422)	(26,439)	(27,496)	(28,596)	(28,596)
144,419	150,196	156,204	162,452	168,950	175,708	182,736	190,046	197,647	197,647

PIER 4
Boston, Massachusetts

9-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 2 MARINA

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
Gross Proceeds - Year 16 NOI
Capitalized @ 10.00%
Less Commission @ 3.00%

2,055,534
(61,666)

PRETAX SALE PROCEEDS
Less Mortgage Balance
Less Taxes / Plus Benefits

1,993,868
(903,112)
(418,901)

AFTER TAX SALES PROCEEDS

671,855

COST & DEBT FLOWS (Exc. Perm. Amort.)

(33,001) (41,601) (185,298) 0 89,686 (261,221)

PRETAX SALES PROCEEDS

0 0 0 0 589,609 525,594

NET OPERATING INCOME (Before Linkage Or Turning Costs)

0 0 0 0 58,417 112,827

LINKAGE

0 0

TURNING COSTS:

Brokerage Fees
Tenant Refurbishment

0 0
0 0

DEBT SERVICE

0 (106,079)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW

(33,001) (41,601) (185,298) 0 737,711 271,122

Before Tax Cash Flow
Income Tax./Ben. From Operations
Income Tax./Ben. From Project Sale

(33,001) (41,601) (185,298) 0 737,711 271,122
0 0 0 0 (81,201) (74,598)
0 0 0 0 0 0

AFTER TAX CASH FLOW

(33,001) (41,601) (185,298) 0 656,510 196,523

COMPOSITION OF AFTER TAX CASH FLOW:

Investment (33,001) (41,601) (185,298) (0) (0) (0)
Cash Flow From Operations 0 0 0 0 737,711 271,122
Taxes/Benefits From Operations 0 0 0 0 (81,201) (74,598)
Cash Flow On Sale 0 0 0 0 0 0
Taxes/Benefits From Sale 0 0 0 0 0 0

AFTER TAX CASH FLOW

(33,001) (41,601) (185,298) 0 656,510 196,523

CUMULATIVE AFTER TAX CASH FLOW

(33,001) (74,602) (259,901) (259,901) 396,610 593,133

Breakeven
Debt Coverage Ratio

94.78%
106.36%

COMPOSITION OF AFTER TAX NPV:

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(230,384)	-100.00%	(1.55)
Cash Flow From Operations	1,065,112	462.32%	7.17
Taxes / Benefits From Operations	(204,485)	-88.76%	(1.38)
Cash Flow On Sale	371,360	161.19%	2.50
Taxes / Benefits From Sale	(142,619)	-61.91%	(0.96)

TOTAL AFTER TAX NPV @ 8.00%

858,983 372.85% 5.78

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 2 MARINA

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
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(143,671)	0	(0)	0	(0)	0	(0)	0	(903,112)
273,309	0	0	0	0	0	0	0	0
144,419	150,196	156,204	162,452	168,950	175,708	182,736	190,046	197,647
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)
								1,993,868
<hr/>								
167,977	44,117	50,124	56,373	62,871	69,629	76,657	83,966	1,182,324
<hr/>								
167,977	44,117	50,124	56,373	62,871	69,629	76,657	83,966	1,182,324
(49,933)	(8,881)	(11,291)	(13,966)	(16,942)	(19,650)	(22,487)	(25,460)	(28,576)
0	0	0	0	0	0	0	0	(418,901)
<hr/>								
118,045	35,235	38,834	42,407	45,929	49,979	54,170	58,507	734,846
<hr/>								
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
167,977	44,117	50,124	56,373	62,871	69,629	76,657	83,966	91,568
(49,933)	(8,881)	(11,291)	(13,966)	(16,942)	(19,650)	(22,487)	(25,460)	(28,576)
0	0	0	0	0	0	0	0	1,090,755
0	0	0	0	0	0	0	0	(418,901)
<hr/>								
118,045	35,235	38,834	42,407	45,929	49,979	54,170	58,507	734,846
711,178	746,413	785,247	827,654	873,582	923,561	977,731	1,036,238	1,771,084
76.81%	74.34%	71.97%	69.68%	67.49%	65.38%	63.35%	61.40%	59.53%
136.14%	141.59%	147.25%	153.14%	159.27%	165.64%	172.26%	179.15%	186.32%

INTERNAL RATE OF RETURN

59.79%

PIER 4 Boston, Massachusetts						
8-7-86	TAXABLE INCOME AND INCOME TAXES - PHASE 2					MARINA
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	589,609	525,594
Less Basis in Improv.	0	0	0	0	(333,905)	(294,754)
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	255,703	230,840
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	58,417	112,827
Deduct Interest	0	0	0	0	(28,692)	(100,000)
Deduct Depreciation & Amortization	(250)	(510)	(8,084)	(17,603)	(26,980)	(30,530)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(250)	(510)	(8,084)	(17,603)	2,745	(17,702)
TOTAL ORDINARY TAXABLE INCOME						
Income Taxes/Benefits	0.35	88	179	2,829	6,161	(90,457)
Benefits Disallowed	(88)	(179)	(2,829)	(6,161)	(0)	(0)
Benefits From Prior Years	0	0	0	0	9,256	0
Benefits To Be Carried	88	266	3,095	9,256	0	0
ORDINARY TAXES/BENEFITS	0	0	0	0	(81,201)	(74,598)
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(81,201)	(74,598)

PROJECT SALE TAXES:	
Pretax Sales Proceeds	1,993,868
Less Basis in Improv.	(797,008)
Less Basis in Land	(0)
GAIN ON SALE	1,196,859
TAX / BENEFIT @ 35.00%	(418,901)

PIER 4 Boston, Massachusetts						
8-7-86	SOFT COSTS - PHASE 2					MARINA
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	0				0
Permitting/Licens.	30	0				0
Building Permits	30	1.0%	10,400			10,400
A/E Fees	30	4.5%	22,500	4,867	5,062	46,469
Design Consultants	30	1.0%	5,000	3,120	1,082	10,326
Development Fee	30	2.0%	2,251	2,341	7,316	25,195
Mtg. Brokerage Fee	30	1.0%		8,320		8,320
Market Research Fee	30		0			0
Legal/Accounting	30	1.0%	2,000	2,080	2,163	10,833
Insurance	30	1.0%		6,142	6,543	12,785
RE Taxes	10	0.5%			5,624	5,624
Marketing/PR	5	1.0%	1,250	1,300	1,352	11,157
Brokerage on Leases	5				1,406	0
SOFT COSTS BEFORE INTEREST	33,001	41,601	22,922	35,396	8,189	141,109

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 2								
								MARINA
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
273,309	0	0	0	0	0	0	0	0
(149,439)	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
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123,870	0	0	0	0	0	0	0	0
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144,419	150,196	156,204	162,452	168,950	175,708	182,736	190,046	197,647
(99,392)	(98,723)	(97,988)	(97,179)	(96,289)	(95,309)	(94,233)	(93,048)	(91,745)
(26,232)	(26,097)	(25,956)	(25,371)	(24,256)	(24,256)	(24,256)	(24,256)	(24,256)
-----	-----	-----	-----	-----	-----	-----	-----	-----
18,795	25,376	32,260	39,902	48,406	56,143	64,248	72,742	81,647
-----	-----	-----	-----	-----	-----	-----	-----	-----
142,665	25,376	32,260	39,902	48,406	56,143	64,248	72,742	81,647
(49,933)	(8,881)	(11,291)	(13,966)	(16,942)	(19,650)	(22,487)	(25,460)	(28,576)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
-----	-----	-----	-----	-----	-----	-----	-----	-----
(49,933)	(8,881)	(11,291)	(13,966)	(16,942)	(19,650)	(22,487)	(25,460)	(28,576)
-----	-----	-----	-----	-----	-----	-----	-----	-----
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
-----	-----	-----	-----	-----	-----	-----	-----	-----
(49,933)	(8,881)	(11,291)	(13,966)	(16,942)	(19,650)	(22,487)	(25,460)	(28,576)

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 2				MARINA	
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(9,653)	(19,307)
Soft Costs					(2,352)	(2,352)
Permanent Pt.					(347)	(347)
Construc. Per. - 10	0	0	(2,105)	(10,219)	(18,826)	(22,951)
Construc. Pt.			(5,198)	(5,198)	0	
Selling Costs	(250)	(510)	(780)	(2,186)	(3,356)	(6,463)
POTENTIAL DEPREC. & AMORT.	(250)	(510)	(8,084)	(17,603)	(34,534)	(51,418)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	78.13%	59.38%
ACTUAL DEPREC. & AMORT.	(250)	(510)	(8,084)	(17,603)	(26,980)	(30,530)
ACCUM. DEPREC. & AMORT.	(250)	(760)	(8,844)	(26,447)	(53,426)	(78,171)
Add Back For Sales	0	0	0	0	5,785	11,434
ACTUAL ACCUM. DEPREC. & AMORT.	(250)	(760)	(8,844)	(26,447)	(47,641)	(66,737)
Add to Basis	33,001	41,601	627,409	701,458	122,955	35,621
Beginning Basis	33,001	74,602	702,011	1,403,469	1,526,425	1,228,140
Deduct from Basis	0	0	0	0	(333,905)	(294,754)
ADJUSTED BASIS OF IMPROVEMENTS	33,001	74,602	702,011	1,403,469	1,192,519	933,387
Beginning Land	0	0	0	0	0	0
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 2				MARINA	
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	1,200,000	1,248,000	1,297,920	1,349,837	1,403,830	1,459,983
New Sales %					43.75%	81.25%
New Sales					43.75%	37.50%
					614,176	547,494
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					43.75%	81.25%
New Leased %					43.75%	37.50%
New Leases					0	0
Total Leases					0	0
Lease Commissions 0.00%					0	0
Base rents	130,650	135,876	141,311	146,963	152,842	158,956
Rents					66,868	129,152
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(18,563)	(19,305)	(20,077)	(20,880)	(21,715)	(22,584)
Operating Expenses					(9,121)	(17,616)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 2								MARINA
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(19,307)	(19,307)	(19,307)	(19,307)	(19,307)	(19,307)	(19,307)	(19,307)	(19,307)
(2,352)	(2,352)	(2,352)	(2,352)	(2,352)	(2,352)	(2,352)	(2,352)	(2,352)
(347)	(347)	(347)	(347)	(347)	(347)	(347)	(347)	(347)
(24,257)	(24,257)	(24,257)	(24,257)	(24,257)	(24,257)	(24,257)	(24,257)	(24,257)
(6,203)	(5,932)	(5,651)	(4,481)	(2,250)	(2,250)	(2,250)	(2,250)	(2,250)
(52,464)	(52,194)	(51,913)	(50,743)	(48,511)	(48,511)	(48,511)	(48,511)	(48,511)
50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
(26,232)	(26,097)	(25,956)	(25,371)	(24,256)	(24,256)	(24,256)	(24,256)	(24,256)
(92,969)	(108,529)	(134,485)	(159,856)	(184,112)	(208,368)	(232,623)	(256,879)	(281,135)
10,537	0	0	0	0	0	0	0	0
(82,432)	(108,529)	(134,485)	(159,856)	(184,112)	(208,368)	(232,623)	(256,879)	(281,135)
13,061	0	0	0	0	0	0	0	0
946,448	797,008	797,008	797,008	797,008	797,008	797,008	797,008	797,008
(149,439)	0	0	0	0	0	0	0	0
797,008	797,008	797,008	797,008	797,008	797,008	797,008	797,008	797,008
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 2								MARINA
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
1,518,383	1,579,118	1,642,283						
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
18.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
284,697	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
18.75%	0.00%	0.00%	43.75%	37.50%	18.75%	0.00%	0.00%	43.75%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
165,314	171,926	178,804	185,956	193,394	201,130	209,175	217,542	226,244
165,314	171,926	178,804	185,956	193,394	201,130	209,175	217,542	226,244
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(23,487)	(24,427)	(25,404)	(26,420)	(27,477)	(28,576)	(29,719)	(30,908)	(32,144)
(22,548)	(23,450)	(24,388)	(25,363)	(26,378)	(27,433)	(28,530)	(29,672)	(30,858)

PIER 4 Boston, Massachusetts						
LOAN DETERMINATION - PHASE 2						MARINA
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	58,417	112,827
Capitalized @ 10.00%	0	0	0	0	584,166	1,128,274
Loan-to-Value @ 80.00%	0	0	0	0	467,332	902,619
Net Operating Income	0	0	0	0	58,417	112,827
Plus Linkage and Turning Costs	0	0	0	0	58,417	112,827
Debt Coverage @ 125.00%	0	0	0	0	46,733	90,262
Loan Potential	0	0	0	0	440,550	850,891

PIER 4
Boston, Massachusetts

LOAN DETERMINATION - PHASE 2									MARINA
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
144,419	150,196	156,204	162,452	168,950	175,708	182,736	190,046	197,647	
1,444,191	1,501,958	1,562,037	1,624,518	1,689,499	1,757,079	1,827,362	1,900,457	1,976,475	
1,155,353	1,201,567	1,249,629	1,299,615	1,351,599	1,405,663	1,461,890	1,520,365	1,581,180	
144,419	150,196	156,204	162,452	168,950	175,708	182,736	190,046	197,647	
144,419	150,196	156,204	162,452	168,950	175,708	182,736	190,046	197,647	
115,535	120,157	124,963	129,961	135,160	140,566	146,189	152,037	158,118	
1,089,141	1,132,707	1,178,015	1,225,136	1,274,141	1,325,107	1,378,111	1,433,235	1,490,565	

PIER 4
Boston, Massachusetts

8-7-86 PHASE 2 PERFORMANCE TOTAL

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED

COMPOSITION OF AFTER TAX CASH FLOW:

Land Contributions	(4,433,884)	(0)	(0)	(0)	(0)	(0)
Cash Contributions	(2,565,367)	(3,225,713)	(11,940,457)	(0)	(0)	(0)
Investment	(6,999,251)	(3,225,713)	(11,940,457)	0	0	0
Cash Flow From Operations	0	0	0	0	21,073,379	17,491,113
Taxes/Benefits From Operations	0	0	0	0	(2,936,251)	(2,913,160)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (6,999,251) (3,225,713) (11,940,457) 0 18,137,127 14,577,953

CUMULATIVE AFTER TAX CASH FLOW (6,999,251) (10,224,964) (22,165,421) (22,165,421) (4,028,294) 10,549,659

COMPOSITION OF AFTER TAX NPV:

Land Contributions	(4,433,884)		-21.92%
Cash Contributions	(15,789,156)		-78.08%
Investment	(20,223,040)		-100.00%
Cash Flow From Operations	36,379,090		179.89%
Taxes/Benefits From Operations	(5,770,898)		-28.54%
Cash Flow On Sale	5,443,631		26.92%
Taxes/Benefits On Sale	(1,040,481)		-5.15%

TOTAL AFTER TAX NPV @ 8.00% 14,788,302 73.13%

TAX VALUE OF MIXED USE:

After Tax Cash Flow - As A Whole	(6,999,251)	(3,225,713)	(11,940,457)	0	18,137,127	14,577,953
After Tax Cash Flow - Components	(6,999,251)	(3,225,713)	(11,940,457)	0	18,096,538	14,530,333

VALUE OF MIXED USE NPV = 115,321 0 0 0 0 40,590 47,620

BEFORE TAX CASH FLOW:

Condos	(6,198,877)	(2,462,188)	(7,570,391)	0	18,541,005	14,752,117
Hotel	0	0	0	0	0	0
Office	0	0	0	0	0	0
Retail	(274,773)	(100,954)	(1,418,879)	0	(75,158)	(34,637)
Garage	(492,599)	(620,970)	(2,765,889)	0	1,869,820	2,502,511
Marina	(33,001)	(41,601)	(185,298)	0	737,711	271,122
TOTAL BEFORE TAX CASH FLOW	(6,999,251)	(3,225,713)	(11,940,457)	0	21,073,379	17,491,113

TAXABLE INCOME:

Condos	(14,796)	(30,185)	(511,034)	(1,107,232)	8,688,555	6,651,331
Hotel	0	0	0	0	0	0
Office	0	0	0	0	0	0
Retail	(656)	(1,338)	(11,855)	(26,982)	(75,140)	(136,058)
Garage	(3,732)	(7,613)	(120,663)	(262,756)	1,642,714	1,594,902
Marina	(250)	(510)	(8,084)	(17,603)	258,449	213,138

TOTAL TAXABLE INCOME (19,434) (39,645) (651,636) (1,414,573) 10,514,577 8,323,314

Income Taxes/Benefits 0.35 6,802 13,876 228,072 495,100 (3,680,102) (2,913,160)

Benefits Disallowed (6,802) (13,876) (228,072) (495,100) (0) (0)

Benefits From Prior Years 0 0 0 0 743,850 0

Benefits To Be Carried 6,802 20,678 248,750 743,850 0 0

ORDINARY TAXES/BENEFITS 0 0 0 0 (2,936,251) (2,913,160)

Potential Investment Tax Credits On FF&E 0 0

INVESTMENT TAX CREDIT USED 0 0

Investment Tax Credit Carryover 0 0

INCOME TAXES/BENEFITS FROM OPERATIONS 0 0 0 0 (2,936,251) (2,913,160)

PIER 4
Boston, Massachusetts

PHASE 2 PERFORMANCE

TOTAL								
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
8,540,347	763,079	828,703	855,096	959,058	1,075,333	1,183,321	1,263,163	1,301,096
(1,441,960)	(89,759)	(116,601)	(157,039)	(201,690)	(235,515)	(266,531)	(299,036)	(344,189)
0	0	0	0	0	0	0	0	15,988,999
0	0	0	0	0	0	0	0	(3,056,094)
7,098,387	673,321	712,102	698,057	757,368	839,818	916,790	964,126	13,889,812
17,648,046	18,321,367	19,033,469	19,731,526	20,488,894	21,328,712	22,245,503	23,209,629	37,099,441

INTERNAL RATE OF RETURN *****
21.53%

7,098,387	673,321	712,102	698,057	757,368	839,818	916,790	964,126	13,889,812
7,070,217	645,888	685,466	682,186	752,306	839,687	917,439	963,632	13,903,331

28,170	27,432	26,636	15,871	5,062	132	(648)	(1,505)	(13,519)
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6,694,375	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
51,042	78,813	78,878	37,089	70,142	112,672	143,965	144,044	2,458,387
1,626,953	640,150	699,701	761,634	826,045	893,032	962,699	1,035,152	13,649,384
167,977	44,117	50,124	56,373	62,871	69,629	76,657	83,966	1,182,324

8,540,347	763,079	828,703	855,096	959,058	1,075,333	1,183,321	1,263,163	17,290,095
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2,854,911	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(80,487)	(78,378)	(76,104)	(45,346)	(14,462)	(377)	1,853	4,301	38,626
1,202,798	309,455	376,990	454,128	542,313	617,133	695,416	777,346	863,123
142,665	25,376	32,260	39,902	48,406	56,143	64,248	72,742	81,647

4,119,886	256,453	333,146	448,684	576,258	672,899	761,516	854,389	983,396
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PIER 4 Boston, Massachusetts						
8-7-86	PHASE 2 PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
SALE PROCEEDS:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL SALE PROCEEDS	0	0	0	0	0	0
GAIN ON SALE:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL GAIN ON SALE	0	0	0	0	0	0
TAX / BENEFIT @ 35.00%	0	0	0	0	0	0
Before Tax Cash Flow From Oper.	(6,999,251)	(3,225,713)	(11,940,457)	0	21,073,379	17,491,113
Taxes/Benefits From Oper.	0	0	0	0	(2,936,251)	(2,913,160)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(6,999,251)	(3,225,713)	(11,940,457)	0	18,137,127	14,577,953
Land Equity Available	4,433,884	0				
Land Equity Contributed	4,433,884	0	0	0	0	0
CASH CONTRIBUTION REQUIRED	2,565,367	3,225,713	11,940,457	0	0	0
AFTER TAX CASH FLOW BY COMPONENT:						
Condos	(6,198,877)	(2,462,188)	(7,570,391)	0	16,082,148	12,424,151
Hotel	0	0	0	0	0	0
Office	0	0	0	0	0	0
Retail	(274,773)	(100,954)	(1,418,879)	0	(75,158)	(34,637)
Garage	(492,599)	(620,970)	(2,765,889)	0	1,433,037	1,944,296
Marina	(33,001)	(41,601)	(185,298)	0	656,510	196,523
TOTAL AFTER TAX BY COMPONENT	(6,999,251)	(3,225,713)	(11,940,457)	0	18,096,538	14,530,333

PIER 4
Boston, Massachusetts

PHASE 2 PERFORMANCE								TOTAL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
								0
								0
								0
								2,359,363
								12,538,881
								1,090,755
0	0	0	0	0	0	0	0	15,988,999
								(0)
								43,678,204
								(0)
								0
								0
								(332,232)
								7,867,070
								1,196,859
0	0	0	0	0	0	0	0	8,731,698
0	0	0	0	0	0	0	0	(3,056,094)
8,540,347	763,079	828,703	855,096	959,058	1,075,333	1,183,321	1,263,163	17,290,095
(1,441,960)	(89,759)	(116,601)	(157,039)	(201,690)	(235,515)	(266,531)	(299,036)	(344,189)
0	0	0	0	0	0	0	0	15,988,999
0	0	0	0	0	0	0	0	(3,056,094)
7,098,387	673,321	712,102	698,057	757,368	839,818	916,790	964,126	29,878,811
								0
0	0	0	0	0	0	0	0	0
								0
								0
5,695,156	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
51,042	78,813	78,878	37,089	70,142	112,672	143,965	144,044	2,574,668
1,205,974	531,840	567,754	602,690	636,235	677,036	719,303	763,081	10,593,817
118,045	35,235	38,834	42,407	45,929	49,979	54,170	58,507	734,846
7,070,217	645,888	685,466	682,186	752,306	839,687	917,439	965,632	13,903,331

PIER 4
Boston, Massachusetts
8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 3

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	0
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO	
Total buildout		1,649,812		Permanent Term	30	NONGARAGE USES	25.00%
Floor Area Ratio			4.27			ALLOCATION OF BREAKWATER TO	
						NONMARINA USES	100.00%
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED	
Ordinary Rate		35.00%		EQUITY	20.00%	EQUITY FUNDS	0.00%
Capital Gains		35.00%				PHASE 1 COSTS	
Deprec. Life (Bldg. & FF&E)		30	5	PHASE 1 AS PERCENT		UNESCALATED	93,256,999
ITC on Hotel FF&E		0.00%	(@ 85.00%)	OF TOTAL BUILDOUT	27.43%		
Losses Disallowed		100.00%					
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts
9-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 3

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
PROGRAM:								
Land	2.18 acres							95,108
Above ground	452,464	121,000	0	322,440	9,024			
Below ground	181,760					181,760		0
Water	0						0	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	378,401	98,010	0	274,074	6,317	181,760	0	
UNITS:								
Condominiums	100	100						
Hotel rooms	0		0					
Hotel bays	0		0					
Cars	450					450		
Marina slips	0						0	
CONSTRUCTION PERIOD (MONTHS)	30	30		30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%		4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%		4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates				4.00%	4.00%	4.00%	4.00%	
Operating costs				4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%		110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%		80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%		10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%		3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts

8-7-86

DEVELOPMENT ASSUMPTIONS - PHASE 3

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50		108.50	108.50	61.75		
BUILDING COSTS - LUMP SUM:								
Marina								
Breakwater								
Site & Util.								2,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		148,225						
Hotel bay - FF&E								
Hotel room - hard								
Hotel room - FF&E								
Parking per car						24,942		
Marina per slip								
REVENUES PER SQ. FOOT:								
Sales per rsf		356.25						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent 5.00%					10.00			
REVENUES PER UNIT:								
Unit sales 980 ssf		349,161				35,000.00		
Monthly rent						275.00		
Daily rent						10.50		
Hotel daily other 38.44%								
SALE, LEASE, RENT TERMS:								
Presale		25.00%		0.00%	0.00%	25.00%		
Absorption		18		18	18	18		
Prelease		0.00%		25.00%	25.00%	25.00%		
Absorption		18		18	18	18		
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				50.00%		
Lease - years 5				100.00%	100.00%			
Rent - monthly						25.00%		
Rent - daily						25.00%		
Total		100.00%		100.00%	100.00%	100.00%		
COMMISSION:								
Sales		3.00%				4.00%		
Leases				5.00%	5.00%			
VACANCY				10.00%	10.00%			
TURNOVER:								
Turnover - stay				75.00%	50.00%			
Turnover - leave				25.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET				8.00	10.00	2.00		
Replacement reserve				1.00%	1.00%	1.00%		
Turnover refurb. - stay				2.00	2.00			
Turnover refurb. - leave				7.00	7.00			

PIER 4
Boston, Massachusetts

B-7-B5 PROJECT COSTS - UNESCALATED - PHASE 3

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	452,464	121,000	0	322,440	9,024	181,760	0	0
NET RENTABLE/SALABLE SF	378,401	98,010	0	274,074	6,317	181,760	0	0

LAND COSTS	4,366,749	1,167,776	0	3,111,882	87,091			

HARD COSTS:								
Component specific	62,010,024	14,822,500	0	34,984,740	979,104	11,223,680	0	0
Hotel FF&E 5	0	0	0	0	0	0	0	0
Foundation @ 25%	0	750,372	0	1,999,586	55,962	(2,805,920)	0	0
Garage service area	(0)	0	0	0	0	0	0	(0)
Breakwater	0	0	0	0	0	0	0	0
Site & Utilities	2,000,000	534,849	0	1,425,263	39,888			

HARD COST SUBTOTAL	64,010,024	16,107,721	0	38,409,589	1,074,954	8,417,760	0	0
Contingency 30 5.0%	3,200,501	805,386	0	1,920,479	53,748	420,888	0	0

TOTAL HARD COSTS	67,210,525	16,913,107	0	40,330,068	1,128,702	8,838,648	0	0

SOFT COSTS:								
Envir. Imp. Report 30	0	0	0	0	0	0	0	0
Permitting/Licens. 30	0	0	0	0	0	0	0	0
Building Permits 30 1.0%	640,100	161,077	0	384,096	10,750	84,178	0	0
A/E Fees 30 4.5%	2,880,451	724,847	0	1,728,432	48,373	378,799	0	0
Design Consultants 30 1.0%	640,100	161,077	0	384,096	10,750	84,178	0	0
Development Fee 30 2.0%	1,280,200	322,154	0	768,192	21,499	168,355	0	0
Mtg. Brokerage Fee 30 1.0%	512,080	128,862	0	307,277	8,600	67,342	0	0
Market Research Fe 30	0	0	0	0	0	0	0	0
Legal/Accounting 30 1.0%	640,100	161,077	0	384,096	10,750	84,178	0	0
Linkage 12	1,988,784		0	1,934,640	54,144			
Insurance 10 1.0%	640,100	161,077	0	384,096	10,750	84,178	0	0
RE Taxes 10 0.5%	320,050	80,539	0	192,048	5,375	42,089	0	0
Marketing/PR 5 1.0%	640,100	161,077	0	384,096	10,750	84,178	0	0
Brokerage on Lease 5	2,429,732		0	2,398,148	31,584			

Soft Cost SUBTOTAL	12,611,799	2,061,788	0	9,249,215	223,322	1,077,473	0	0
Constr. Loan Pt. 1.0%	638,579	151,799	0	396,634	10,816	79,329	0	0
Constr. Int. 15	7,982,232	1,897,490	0	4,957,928	135,202	991,612	0	0
Permanent Loan Pt. 1.0%	447,115	0	0	396,634	10,816	39,664	0	0

TOTAL SOFT COSTS	21,679,724	4,111,077	0	15,000,412	380,157	2,188,079	0	0

COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	4,366,749	1,167,776	0	3,111,882	87,091	0	0	0
HARD COSTS	67,210,525	16,913,107	0	40,330,068	1,128,702	8,838,648	0	0
SOFT COSTS	21,679,724	4,111,077	0	15,000,412	380,157	2,188,079	0	0

TOTAL PROJECT COSTS	93,256,999	22,191,960	0	58,442,362	1,595,949	11,026,727	0	0

COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	4,366,749	1,167,776	0	3,111,882	87,091	0	0	0
HARD COSTS	67,210,525	16,913,107	0	40,330,068	1,128,702	8,838,648	0	0
SOFT COSTS	21,679,724	4,111,077	0	15,000,412	380,157	2,188,079	0	0

TOTAL PROJECT COSTS	93,256,999	22,191,960	0	58,442,362	1,595,949	11,026,727	0	0

PERCENT OF USE:								
Land Costs	4.68%	5.26%	0.00%	5.32%	5.46%	0.00%	0.00%	0.00%
Hard Costs	72.07%	76.21%	0.00%	69.01%	70.72%	80.16%	0.00%	0.00%
Soft Costs	23.25%	18.53%	0.00%	25.67%	23.82%	19.84%	0.00%	0.00%

Total Project Costs	100.00%	100.00%	0.00%	100.00%	100.00%	100.00%	0.00%	0.00%

PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	26.74%	0.00%	71.26%	1.99%	0.00%	0.00%	0.00%
Hard Costs	100.00%	25.16%	0.00%	60.01%	1.68%	13.15%	0.00%	0.00%
Soft Costs	100.00%	18.96%	0.00%	69.19%	1.75%	10.09%	0.00%	0.00%

Total Project Costs	100.00%	23.80%	0.00%	62.67%	1.71%	11.82%	0.00%	0.00%

PIER 4
Boston, Massachusetts
8-7-86 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 3

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	452,464	121,000	0	322,440	9,024	181,760	0	0
NET RENTABLE/SALABLE SF	378,401	98,010	0	274,074	6,317	181,760	0	0
GROSS SALES	34,916,063	34,916,063				7,875,000	0	
Less Basis	(27,705,324)	(22,191,960)				(5,513,363)	0	
Less Commissions	(1,362,482)	(1,047,482)				(315,000)	0	
Gain on Sale	13,723,257	11,676,620				2,046,637	0	
TAX on Sale 35.0%	(4,803,140)	(4,086,817)				(716,323)	0	
NET SALES PROCEEDS	36,625,441	29,781,764				6,843,677	0	
GROSS REVENUE:								
Base leases 5	9,718,926			9,592,590	126,336			
Base rents	802,406		0			802,406	0	
Other income	63,168		0		63,168			
TOTAL GROSS REVENUES	10,584,500		0	9,592,590	189,504	802,406	0	
Less VACANCY	(178,209)		0	(159,259)	(18,950)			
NET REVENUES	9,606,291		0	8,633,331	170,554	802,406	0	
OPERATING EXPENSES:								
Base operating expenses	(2,211,944)		0	(1,973,333)	(56,851)	(181,760)	0	
Replacement reserve	(96,063)		0	(86,333)	(1,706)	(8,024)	0	
TOTAL OPERATING EXPENSES	(2,308,007)		0	(2,059,666)	(58,557)	(189,784)	0	
NET OPERATING INCOME	7,298,284		0	6,573,665	111,997	612,622	0	
GROSS MARGIN ON SALES BEFORE TAX	49.53%	52.62%				37.12%	0.00%	
RETURN ON ASSETS BY USE	11.13%		0.00%	11.25%	7.02%	11.11%	0.00%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	24.74%							

8-7-86 COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 3

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	452,464	121,000	0	322,440	9,024	181,760	0	0
NET RENTABLE/SALABLE SF	378,401	98,010	0	274,074	6,317	181,760	0	0
Hard Costs (Component Specific)		151.23	0.00	127.65	155.00	61.75	0.00	
Land Costs	11.54	11.91	0.00	11.35	13.79	0.00	0.00	
Hard Costs (Total)	177.62	172.57	0.00	147.15	178.68	48.63	0.00	
Soft Costs	57.29	41.95	0.00	54.73	60.18	12.04	0.00	
TOTAL DEVELOPMENT COSTS	246.45	226.43	0.00	213.24	252.65	60.67	0.00	
Gross Sales		356.25				86.65	0.00	
Less Basis, Commissions, Taxes		(278.81)				(72.01)	0.00	
AFTER TAX GAIN ON SALES		77.44				14.64	0.00	
Gross Revenues		0.00	0.00	35.00	30.00	8.83	0.00	
Less Vacancy		0.00	0.00	(3.50)	(3.00)	0.00	0.00	
Net Revenues		0.00	0.00	31.50	27.00	8.83	0.00	
Operating Expenses (Before deducting Linkage or Turns)		0.00	0.00	(7.52)	(9.27)	(2.09)	0.00	
NET OPERATING INCOME		0.00	0.00	23.99	17.73	6.74	0.00	

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 3						
8-7-86						CONDOS
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	4,467,841	2,760,715	2,082,526	0	0	
EQUITY INVESTED	1,707,126	678,188	2,082,526	0	0	
=====						
BUILDING COSTS:						
Land	(1,167,776)					
Hard Costs			(7,317,287)	(7,609,978)	(3,957,189)	
Soft Costs Before Financing	(539,350)	(678,188)	(292,707)	(505,942)	(270,787)	
Mortgage Points (Approx.)			(178,714)			
BUILDING COSTS BEFORE INTEREST	(1,707,126)	(678,188)	(7,788,708)	(8,115,920)	(4,227,975)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(285,309)	(1,004,945)	(1,722,634)	(1,053,148)
Takedown	0	0	(5,991,490)	(9,120,865)	(5,950,610)	(1,053,148)
Retirements - Sales					10,531,483	11,584,631
Retirements - Takeout					0	0
Balance	0	0	(5,991,490)	(15,112,356)	(10,531,483)	0
=====						
PERMANENT MORTGAGE:						
Payment						0
Interest						0
Amortization						0
Balance					(0)	0
=====						
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(1,707,126)	(678,188)	(8,074,017)	(9,120,865)	(5,950,610)	(1,053,148)
Construction Loan	(0)	(0)	5,991,490	9,120,865	(4,580,873)	(10,531,483)
Permanent Loan	0	0	0	0	0	0
COST & DEBT FLOWS	(1,707,126)	(678,188)	(2,082,526)	0	(10,531,483)	(11,584,631)
=====						
GROSS SALES						
Less Commissions					20,423,427	21,240,364
					(612,703)	(637,211)
PRETAX SALES PROCEEDS					19,810,724	20,603,153
=====						
GROSS REVENUES:						
Leases					0	0
Rents					0	0
Other income					0	0
TOTAL GROSS REVENUES					0	0
Less VACANCY					0	0
NET REVENUES					0	0
=====						
OPERATING EXPENSES:						
Operating Expenses					0	0
Replacement Reserve					0	0
TOTAL OPERATING EXPENSES					0	0
NET OPERATING INCOME					0	0
=====						

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 3 CONDOS

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		0				
Less Commission @ 3.00%		0				
PRETAX SALE PROCEEDS		0				
Less Mortgage Balance		0				
Less Taxes / Plus Benefits		(0)				

AFTER TAX SALES PROCEEDS (0)

COST & DEBT FLOWS (Exc. Perm. Amort.)	(1,707,126)	(678,188)	(2,082,526)	0	(10,531,483)	(11,594,631)
PRETAX SALES PROCEEDS	0	0	0	0	19,810,724	20,603,153
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	0	0
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	0
PROJECT SALE PROCEEDS						

BEFORE TAX CASH FLOW (1,707,126) (678,188) (2,082,526) 0 9,279,242 9,018,523

Before Tax Cash Flow	(1,707,126)	(678,188)	(2,082,526)	0	9,279,242	9,018,523
Income Tax./Ben. From Operations	0	0	0	0	(2,059,502)	(2,170,250)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (1,707,126) (678,188) (2,082,526) 0 7,219,740 6,848,273

COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(1,707,126)	(678,188)	(2,082,526)	(0)	(0)	(0)
Cash Flow From Operations	0	0	(0)	0	9,279,242	9,018,523
Taxes/Benefits From Operations	0	0	0	0	(2,059,502)	(2,170,250)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (1,707,126) (678,188) (2,082,526) 0 7,219,740 6,848,273

CUMULATIVE AFTER TAX CASH FLOW (1,707,126) (2,385,315) (4,467,841) (4,467,841) 2,751,899 9,600,172

Breakeven Debt Coverage Ratio 0.00% 0.00%

COMPOSITION OF AFTER TAX NPV:

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(4,120,509)	-100.00%	(42.04)
Cash Flow From Operations	12,958,375	314.48%	132.21
Taxes /Benefits From Operations	(2,990,831)	-72.58%	(30.52)
Cash Flow On Sale	0	0.00%	0.00
Taxes / Benefits From Sale	(0)	.00%	(.00)

TOTAL AFTER TAX NPV @ 8.00% 5,847,034 141.90% 59.66

PIER 4 Boston, Massachusetts							
9-7-86 TAXABLE INCOME AND INCOME TAXES - PHASE 3 CONDOS							
YEAR		1	2	3	4	5	6
		DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:							
Pretax Sales Proceeds		0	0	0	0	19,810,724	20,603,153
Less Basis in Improv.		0	0	0	0	(12,765,403)	(13,818,551)
Less Basis in Land		0	0	0	0	(583,888)	(583,888)
TAXABLE INCOME ON SALES		0	0	0	0	6,461,433	6,200,714
INCOME FROM LEASES, RENTS, ETC.							
Net Operating Income		0	0	0	0	0	0
Deduct Interest		0	0	0	0	0	0
Deduct Depreciation & Amortization		(4,027)	(8,215)	(112,587)	(244,790)	(207,523)	0
TAXABLE INCOME FROM LEASES, RENTS, ETC.		(4,027)	(8,215)	(112,587)	(244,790)	(207,523)	0
TOTAL ORDINARY TAXABLE INCOME							
		(4,027)	(8,215)	(112,587)	(244,790)	6,253,910	6,200,714
Income Taxes/Benefits	0.35	1,409	2,875	39,405	85,676	(2,188,868)	(2,170,250)
Benefits Disallowed		(1,409)	(2,875)	(39,405)	(85,676)	(0)	(0)
Benefits From Prior Years		0	0	0	0	129,366	0
Benefits To Be Carried		1,409	4,285	43,690	129,366	0	0
ORDINARY TAXES/BENEFITS		0	0	0	0	(2,059,502)	(2,170,250)
Potential Investment Tax Credits On FF&E							
INVESTMENT TAX CREDIT USED						0	0
Investment Tax Credit Carryover						0	0
INCOME TAXES/BENEFITS FROM OPERATIONS		0	0	0	0	(2,059,502)	(2,170,250)
PROJECT SALE TAXES:							
Pretax Sales Proceeds			0				
Less Basis In Improv.			0				
Less Basis In Land			(0)				
GAIN ON SALE			0				
TAX / BENEFIT @ 35.00%			(0)				

PIER 4 Boston, Massachusetts							
9-7-86 SOFT COSTS - PHASE 3 CONDOS							
YEAR		1	2	3	4	5	6
		DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:							
Envir. Imp. Report	30	0					0
Permitting/Licens.	30	0					0
Building Permits	30		167,520				167,520
A/E Fees	30	4.5%	362,424	78,400	81,535		748,511
Design Consultants	30	1.0%	80,539	17,422	18,119		166,336
Development Fee	30	2.0%	44,038	45,799	171,204	92,587	414,748
Mtg. Brokerage Fee	30	1.0%		134,016			134,016
Market Research Fee	30		0				0
Legal/Accounting	30	1.0%	32,215	33,504	34,844	36,238	174,489
Insurance	30	1.0%		79,144	85,602	46,294	211,039
RE Taxes	10	0.5%			90,595		90,595
Marketing/PR	5	1.0%	20,135	20,940	21,778	22,649	179,720
Brokerage on Leases	5						0
SOFT COSTS BEFORE INTEREST		539,350	678,188	292,707	505,942	270,787	2,286,974

PIER 4
Boston, Massachusetts

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TAXABLE INCOME AND INCOME TAXES - PHASE 3

CONDOs

=====

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

=====

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PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 3					CONDOS
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					0	0
Soft Costs					0	0
Permanent Pt.					(5,957)	(5,957)
Construc. Per. - 10	0	0	(28,531)	(138,085)	(310,348)	(424,723)
Construc. Pt.			(71,485)	(71,485)	(44,678)	
Selling Costs	(4,027)	(8,215)	(12,570)	(35,219)	(54,063)	(104,099)
POTENTIAL DEPREC. & AMORT.	(4,027)	(8,215)	(112,587)	(244,790)	(415,047)	(534,779)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	50.00%	0.00%
ACTUAL DEPREC. & AMORT.	(4,027)	(8,215)	(112,587)	(244,790)	(207,523)	0
ACCUM. DEPREC. & AMORT.	(4,027)	(12,242)	(124,829)	(369,618)	(577,142)	(392,333)
Add Back For Sales	0	0	0	0	184,809	392,333
ACTUAL ACCUM. DEPREC. & AMORT.	(4,027)	(12,242)	(124,829)	(369,618)	(392,333)	0
Add to Basis	1,707,126	678,188	8,074,017	9,120,865	5,950,610	1,053,148
Beginning Basis	1,707,126	2,385,315	10,459,331	19,580,196	25,530,806	13,818,551
Deduct from Basis	0	0	0	0	(12,765,403)	(13,818,551)
ADJUSTED BASIS OF IMPROVEMENTS	1,707,126	2,385,315	10,459,331	19,580,196	12,765,403	0
Beginning Land	1,167,776	1,167,776	1,167,776	1,167,776	1,167,776	583,888
Deduct from Land	0	0	0	0	(583,888)	(583,888)
ENDING LAND BASIS	1,167,776	1,167,776	1,167,776	1,167,776	583,888	0

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 3					CONDOS
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	34,916,063	36,312,705	37,765,213	39,275,822	40,846,855	42,480,729
New Sales %					50.00%	100.00%
New Sales					50.00%	50.00%
					20,423,427	21,240,364
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					33.33%	100.00%
New Leased %					33.33%	66.67%
New Leases					0	0
Total Leases					0	0
Lease Commissions	0.00%				0	0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	0	0	0	0	0	0
Operating Expenses					0	0

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 3								CONDOs
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(5,957)	(5,957)	(5,957)	(5,957)	(5,957)	(5,957)	(5,957)	(5,957)	(5,957)
(424,723)	(424,723)	(424,723)	(424,723)	(424,723)	(424,723)	(424,723)	(424,723)	(424,723)
(99,911)	(95,555)	(91,026)	(72,182)	(36,238)	(36,238)	(36,238)	(36,238)	(36,238)
(530,591)	(526,235)	(521,706)	(502,862)	(466,918)	(466,918)	(466,918)	(466,918)	(466,918)
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 3								CONDOs
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
44,179,958	45,947,156	47,785,042						
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	33.33%	66.67%	0.00%	0.00%	0.00%	33.33%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
8-7-86	LOAN DETERMINATION - PHASE 3					CONDOS
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	0	0
Capitalized @ 10.00%	0	0	0	0	0	0
Loan-to-Value @ 80.00%	0	0	0	0	0	0
Net Operating Income	0	0	0	0	0	0
Plus Linkage and Turning Costs	0	0	0	0	0	0
Debt Coverage @ 110.00%	0	0	0	0	0	0
Loan Potential	0	0	0	0	0	0

PIER 4
Boston, Massachusetts

LOAN DETERMINATION - PHASE 3									
7	8	9	10	11	12	13	14	15	CONDOs
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0

PIER 4 Boston, Massachusetts							
CASH FLOW SCHEDULES - PHASE 3							
OFFICE							
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
EQUITY AVAILABLE @ 20.00%	10,719,222	6,321,235	4,704,064	0	0	0	
EQUITY INVESTED	4,397,987	1,617,171	4,704,064	0	0	0	
=====							
BUILDING COSTS:							
Land	(3,111,882)						
Hard Costs			(17,448,401)	(18,146,337)	(9,436,095)		
Soft Costs Before Financing	(1,286,105)	(1,617,171)	(697,974)	(1,206,441)	(645,703)		
Mortgage Points (Approx.)			(857,538)				
BUILDING COSTS BEFORE INTEREST	(4,397,987)	(1,617,171)	(19,003,912)	(19,352,778)	(10,081,799)		

CONSTRUCTION LOAN:							
Interest	0	0	(714,992)	(2,469,123)	(4,187,764)	0	
Takedown	0	0	(15,014,840)	(21,821,901)	(14,269,563)	0	
Retirements - Sales					0	(0)	
Retirements - Takeout					51,106,304	0	
Balance	0	0	(15,014,840)	(36,836,741)	0	(0)	
PERMANENT MORTGAGE:							
Payment						(5,410,042)	
Interest						(5,100,000)	
Amortization						(310,042)	
Balance					(51,000,000)	(50,689,958)	
=====							
SUMMARY OF COST & DEBT FLOWS:							
Construction Costs (Inc. Interest)	(4,397,987)	(1,617,171)	(19,718,905)	(21,821,901)	(14,269,563)	0	
Construction Loan	(0)	(0)	15,014,840	21,821,901	(36,836,741)	0	
Permanent Loan	0	0	0	0	51,000,000	(310,042)	
COST & DEBT FLOWS	(4,397,987)	(1,617,171)	(4,704,064)	0	(106,304)	(310,042)	
=====							
GROSS SALES					0	0	
Less Commissions					0	0	
PRETAX SALES PROCEEDS					0	0	
=====							
GROSS REVENUES:							
Leases					5,610,987	11,446,413	
Rents					0	0	
Other income					0	0	
TOTAL GROSS REVENUES					5,610,987	11,446,413	
Less VACANCY					(561,099)	(1,144,641)	
NET REVENUES					5,049,888	10,301,772	

OPERATING EXPENSES:							
Operating Expenses					(1,154,260)	(2,400,861)	
Replacement Reserve					50,499	103,018	
TOTAL OPERATING EXPENSES					(1,103,761)	(2,297,843)	

NET OPERATING INCOME					3,946,127	8,003,928	
=====							

PIER 4
Boston, Massachusetts

CASH FLOW SCHEDULES - PHASE 3

OFFICE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)
(5,068,996)	(5,034,891)	(4,997,376)	(4,956,110)	(4,910,716)	(4,860,784)	(4,805,858)	(4,745,440)	(4,678,980)
(341,046)	(375,150)	(412,665)	(453,932)	(499,325)	(549,258)	(604,183)	(664,602)	(731,062)
(50,348,913)	(49,973,762)	(49,561,097)	(49,107,165)	(48,607,839)	(48,058,582)	(47,154,398)	(46,789,796)	(46,058,734)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
(341,046)	(375,150)	(412,665)	(453,932)	(499,325)	(549,258)	(604,183)	(664,602)	(731,062)
(341,046)	(375,150)	(412,665)	(453,932)	(499,325)	(549,258)	(604,183)	(664,602)	(731,062)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
11,446,413	11,446,413	11,446,413	12,662,050	13,926,312	13,926,312	13,926,312	13,926,312	15,405,319
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
11,446,413	11,446,413	11,446,413	12,662,050	13,926,312	13,926,312	13,926,312	13,926,312	15,405,319
(1,144,641)	(1,144,641)	(1,144,641)	(1,266,205)	(1,392,631)	(1,392,631)	(1,392,631)	(1,392,631)	(1,540,532)
10,301,772	10,301,772	10,301,772	11,395,845	12,533,680	12,533,680	12,533,680	12,533,680	13,864,787
(2,496,896)	(2,596,771)	(2,700,642)	(2,808,668)	(2,921,015)	(3,037,855)	(3,159,369)	(3,285,744)	(3,417,174)
103,018	103,018	103,018	113,958	125,337	125,337	125,337	125,337	138,648
(2,393,878)	(2,493,754)	(2,597,624)	(2,694,709)	(2,795,678)	(2,912,518)	(3,034,033)	(3,160,407)	(3,278,526)
7,907,894	7,808,018	7,704,147	8,701,135	9,738,003	9,621,162	9,499,648	9,373,273	10,586,261

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 3 OFFICE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		118,477,692				
Less Commission @ 3.00%		(3,554,331)				
PRETAX SALE PROCEEDS		114,923,361				
Less Mortgage Balance		(46,058,734)				
Less Taxes / Plus Benefits		(13,768,829)				

AFTER TAX SALES PROCEEDS 55,095,797

COST & DEBT FLOWS (Exc. Perm. Amort.)	(4,397,987)	(1,617,171)	(4,704,064)	0	(106,304)	0
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	3,946,127	8,003,928
LINKAGE					(161,220)	(161,220)
TURNING COSTS:						
Brokerage Fees					(1,402,747)	(1,458,857)
Tenant Refurbishment					(445,370)	(445,370)
DEBT SERVICE					0	(5,410,042)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (4,397,987) (1,617,171) (4,704,064) 0 1,830,486 528,440

Before Tax Cash Flow	(4,397,987)	(1,617,171)	(4,704,064)	0	1,830,486	528,440
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (4,397,987) (1,617,171) (4,704,064) 0 1,830,486 528,440

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(4,397,987)	(1,617,171)	(4,704,064)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	1,830,486	528,440
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (4,397,987) (1,617,171) (4,704,064) 0 1,830,486 528,440

CUMULATIVE AFTER TAX CASH FLOW (4,397,987) (6,015,157) (10,719,222) (10,719,222) (8,888,736) (8,360,296)

Breakeven Debt Coverage Ratio 85.38%
109.77%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(9,928,344)	-100.00%	(36.23)
Cash Flow From Operations	12,569,576	126.60%	45.86
Taxes /Benefits From Operations	(798,004)	-8.04%	(2.91)
Cash Flow On Sale	23,445,722	236.15%	85.55
Taxes / Benefits From Sale	(4,687,750)	-47.22%	(17.10)

TOTAL AFTER TAX NPV @ 8.00% 20,601,201 207.50% 75.17

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 3 OFFICE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	(0)	0	0	0	0	(0)	0	(46,058,734)
0	0	0	0	0	0	0	0	0
7,907,894	7,808,018	7,704,147	8,701,135	9,738,003	9,621,162	9,499,648	9,373,273	10,586,261
(161,220)	(161,220)	(161,220)	(161,220)	(161,220)	(161,220)	(161,220)	(161,220)	(161,220)
0	0	0	(1,706,656)	(1,774,922)	0	0	0	(2,076,408)
0	0	0	(445,370)	(445,370)	0	0	0	(445,370)
(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)	(5,410,042)
								114,923,361
2,336,632	2,236,756	2,132,886	977,847	1,946,449	4,049,900	3,928,386	3,802,011	71,357,848
2,336,632	2,236,756	2,132,886	977,847	1,946,449	4,049,900	3,928,386	3,802,011	71,357,848
0	0	0	0	0	(242,602)	(512,683)	(489,599)	(911,523)
0	0	0	0	0	0	0	0	(13,768,829)
2,336,632	2,236,756	2,132,886	977,847	1,946,449	3,807,299	3,415,703	3,312,413	56,677,496
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
2,336,632	2,236,756	2,132,886	977,847	1,946,449	4,049,900	3,928,386	3,802,011	2,493,222
0	0	0	0	0	(242,602)	(512,683)	(489,599)	(911,523)
0	0	0	0	0	0	0	0	68,864,627
0	0	0	0	0	0	0	0	(13,768,829)
2,336,632	2,236,756	2,132,886	977,847	1,946,449	3,807,299	3,415,703	3,312,413	56,677,496
(6,023,664)	(3,786,907)	(1,654,022)	(676,174)	1,270,274	5,077,573	8,493,276	11,805,688	68,483,184
69.59%	70.46%	71.37%	82.28%	76.02%	60.92%	61.79%	62.70%	73.82%
143.19%	141.34%	139.42%	118.07%	135.98%	174.86%	172.61%	170.28%	146.09%

INTERNAL RATE OF RETURN

INTERNAL RATE OF RETURN
20.15%

PIER 4 Boston, Massachusetts							
8-7-86 TAXABLE INCOME AND INCOME TAXES - PHASE 3 OFFICE							
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
INCOME ON SALES:							
Pretax Sales Proceeds	0	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.							
Net Operating Income	0	0	0	0	3,946,127	8,003,928	
Deduct Interest	0	0	0	0	(2,093,882)	(5,100,000)	
Deduct Depreciation & Amortization	(9,602)	(19,589)	(272,982)	(595,504)	(2,101,720)	(3,266,803)	
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(9,602)	(19,589)	(272,982)	(595,504)	(249,475)	(362,874)	
TOTAL ORDINARY TAXABLE INCOME							
Income Taxes/Benefits	0.35						
Benefits Disallowed	3,361	6,856	95,544	208,426	87,316	127,006	
Benefits From Prior Years	(3,361)	(6,856)	(95,544)	(208,426)	(87,316)	(127,006)	
Benefits To Be Carried	0	0	0	0	0	0	
	3,361	10,217	105,761	314,187	401,503	528,509	
ORDINARY TAXES/BENEFITS	0	0	0	0	0	0	0
Potential Investment Tax Credits On FF&E					0	0	
INVESTMENT TAX CREDIT USED					0	0	
Investment Tax Credit Carryover					0	0	
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	0	0	0
PROJECT SALE TAXES:							
Pretax Sales Proceeds			114,923,361				
Less Basis In Improv.			(72,471,966)				
Less Basis In Land			(3,111,882)				
GAIN ON SALE			39,339,513				
TAX / BENEFIT @ 35.00%			(13,768,829)				

PIER 4 Boston, Massachusetts							
8-7-86 SOFT COSTS - PHASE 3 OFFICE							
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
SOFT COSTS:							
Envir. Imp. Report	30	0					0
Permitting/Licens.	30	0					0
Building Permits	30	1.0%	399,460				399,460
A/E Fees	30	4.5%	864,216	186,947	194,425		1,784,859
Design Consultants	30	1.0%	192,048	119,838	43,206		396,635
Development Fee	30	2.0%	105,010	109,210	408,243	220,778	988,985
Mtg. Brokerage Fee	30	1.0%		319,568			319,568
Market Research Fee	30		0				0
Legal/Accounting	30	1.0%	76,819	79,892	83,088	89,868	416,077
Insurance	30	1.0%		188,722	204,122	110,389	503,232
RE Taxes	10	0.5%			216,028		216,028
Marketing/PR	5	1.0%	48,012	49,932	51,930	224,669	428,550
Brokerage on Leases	5						0
SOFT COSTS BEFORE INTEREST		1,286,105	1,617,171	697,974	1,206,441	645,703	5,453,394

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 3									
									OFFICE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0	0

7,907,894	7,808,018	7,704,147	8,701,135	9,738,003	9,621,162	9,499,648	9,373,273	10,586,261	
(5,068,996)	(5,034,891)	(4,997,376)	(4,956,110)	(4,910,716)	(4,860,784)	(4,805,858)	(4,745,440)	(4,678,980)	
(3,256,816)	(3,246,430)	(3,235,629)	(3,251,477)	(3,228,980)	(3,228,980)	(3,228,980)	(3,228,980)	(3,302,930)	

(417,918)	(473,303)	(528,858)	493,549	1,598,306	1,531,398	1,464,810	1,398,853	2,604,351	

(417,918)	(473,303)	(528,858)	493,549	1,598,306	1,531,398	1,464,810	1,398,853	2,604,351	
146,271	165,656	185,100	(172,742)	(559,407)	(535,989)	(512,683)	(409,599)	(911,523)	
(146,271)	(165,656)	(185,100)	(0)	(0)	(0)	(0)	(0)	(0)	
0	0	0	172,742	559,407	293,388	0	0	0	
674,780	840,437	1,025,537	852,795	293,388	0	0	0	0	

0	0	0	0	0	(242,602)	(512,683)	(489,599)	(911,523)	

0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	

0	0	0	0	0	(242,602)	(512,683)	(489,599)	(911,523)	
=====									

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 3					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(750,514)	(1,501,028)
Soft Costs					(181,780)	(181,780)
Permanent Pt.					(14,292)	(14,292)
Construc. Per. - 10	0	0	(71,499)	(340,014)	(549,403)	(571,005)
Construc. Pt.			(171,508)	(171,508)	(107,192)	
Selling Costs	(9,602)	(19,589)	(29,975)	(83,982)	(498,539)	(998,698)
POTENTIAL DEPREC. & AMORT.	(9,602)	(19,589)	(272,982)	(595,504)	(2,101,720)	(3,266,803)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(9,602)	(19,589)	(272,982)	(595,504)	(2,101,720)	(3,266,803)
ACCUM. DEPREC. & AMORT.	(9,602)	(29,191)	(302,173)	(897,677)	(2,999,396)	(6,266,199)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(9,602)	(29,191)	(302,173)	(897,677)	(2,999,396)	(6,266,199)
Add to Basis	4,397,987	1,617,171	19,718,905	21,821,901	16,117,680	1,904,227
Beginning Basis	4,397,987	6,015,157	25,734,062	47,555,963	63,673,643	65,577,870
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	4,397,987	6,015,157	25,734,062	47,555,963	63,673,643	65,577,870
Beginning Land	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 3					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	0	0	0	0	0	0
New Sales %					33.33%	100.00%
New Sales					33.33%	66.67%
					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base Leases	9,592,590	9,976,294	10,375,345	10,790,359	11,221,974	11,670,852
Total Leased %					50.00%	100.00%
New Leased %					50.00%	50.00%
New Leases					5,610,987	5,835,426
Total Leases					5,610,987	11,446,413
Lease Commissions						0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(1,973,333)	(2,052,266)	(2,134,357)	(2,219,731)	(2,308,520)	(2,400,861)
Operating Expenses					(1,154,260)	(2,400,861)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 3 OFFICE								
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(1,501,028)	(1,501,028)	(1,501,028)	(1,501,028)	(1,501,028)	(1,501,028)	(1,501,028)	(1,501,028)	(1,501,028)
(181,780)	(181,780)	(181,780)	(181,780)	(181,780)	(181,780)	(181,780)	(181,780)	(181,780)
(14,292)	(14,292)	(14,292)	(14,292)	(14,292)	(14,292)	(14,292)	(14,292)	(14,292)
(571,005)	(571,005)	(571,005)	(571,005)	(571,005)	(571,005)	(571,005)	(571,005)	(571,005)
(988,711)	(978,325)	(967,524)	(983,372)	(960,875)	(960,875)	(960,875)	(960,875)	(1,034,825)
(3,256,816)	(3,246,430)	(3,235,629)	(3,251,477)	(3,228,980)	(3,228,980)	(3,228,980)	(3,228,980)	(3,302,930)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(3,256,816)	(3,246,430)	(3,235,629)	(3,251,477)	(3,228,980)	(3,228,980)	(3,228,980)	(3,228,980)	(3,302,930)
(9,523,015)	(12,769,445)	(16,005,074)	(19,256,551)	(22,485,531)	(25,714,511)	(28,943,491)	(32,172,471)	(35,475,401)
0	0	0	0	0	0	0	0	0
(9,523,015)	(12,769,445)	(16,005,074)	(19,256,551)	(22,485,531)	(25,714,511)	(28,943,491)	(32,172,471)	(35,475,401)
0	0	0	2,152,026	2,220,292	0	0	0	2,521,778
65,577,870	65,577,870	65,577,870	67,729,896	69,950,188	69,950,188	69,950,188	69,950,188	72,471,966
0	0	0	0	0	0	0	0	0
65,577,870	65,577,870	65,577,870	67,729,896	69,950,188	69,950,188	69,950,188	69,950,188	72,471,966
3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882
0	0	0	0	0	0	0	0	0
3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882	3,111,882

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 3 OFFICE								
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
12,137,687	12,623,194	13,128,122	13,653,247	14,199,377	14,767,352	15,358,046	15,972,367	16,611,262
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	50.00%
0	0	0	6,826,623	7,099,688	0	0	0	8,305,631
11,446,413	11,446,413	11,446,413	12,662,050	13,926,312	13,926,312	13,926,312	13,926,312	15,405,319
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(2,496,896)	(2,596,771)	(2,700,642)	(2,808,668)	(2,921,015)	(3,037,855)	(3,159,369)	(3,285,744)	(3,417,174)
(2,496,896)	(2,596,771)	(2,700,642)	(2,808,668)	(2,921,015)	(3,037,855)	(3,159,369)	(3,285,744)	(3,417,174)

PIER 4
Boston, Massachusetts

8-7-86	LOAN DETERMINATION - PHASE 3						OFFICE
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES	
PERMANENT LOAN DETERMINATION:							
Net Operating Income	0	0	0	0	3,946,127	8,003,928	
Capitalized @ 10.00%	0	0	0	0	37,461,268	80,039,293	
Loan-to-Value @ 80.00%	0	0	0	0	31,569,015	64,031,427	
Net Operating Income	0	0	0	0	3,946,127	8,003,928	
Plus Linkage and Turning Costs	0	0	0	0	1,936,790	5,938,482	
Debt Coverage @ 110.00%	0	0	0	0	1,760,718	5,398,620	
Loan Potential	0	0	0	0	16,598,139	50,892,325	

PIER 4 Boston, Massachusetts									
LOAN DETERMINATION - PHASE 3									OFFICE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
7,907,894	7,808,018	7,704,147	8,701,135	9,738,003	9,621,162	9,499,648	9,373,273	10,586,261	
79,078,939	78,080,181	77,041,472	87,011,352	97,380,026	96,211,621	94,996,478	93,732,731	105,862,614	
63,263,151	62,464,145	61,633,178	69,609,081	77,904,021	76,969,296	75,997,183	74,986,185	84,690,091	
7,907,894	7,808,018	7,704,147	8,701,135	9,738,003	9,621,162	9,499,648	9,373,273	10,586,261	
7,746,674	7,646,798	7,542,927	6,387,889	7,356,490	9,459,942	9,338,428	9,212,053	7,903,263	
7,042,431	6,951,635	6,857,207	5,807,172	6,687,718	8,599,947	8,489,480	8,374,594	7,184,785	
66,388,393	65,532,465	64,642,300	54,743,713	63,044,550	81,070,968	80,029,601	78,946,579	67,730,352	

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 3						
						RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 50.00%	748,310	625,225	583,320	60,498	0	
EQUITY INVESTED	123,065	41,905	522,822	60,498	0	
=====						
BUILDING COSTS:						
Land	(87,091)					
Hard Costs			(488,321)	(507,854)	(264,084)	
Soft Costs Before Financing	(35,994)	(41,905)	(19,534)	(33,764)	(18,071)	
Mortgage Points (Approx.)			(14,966)			
BUILDING COSTS BEFORE INTEREST	(123,085)	(41,905)	(522,822)	(541,619)	(282,155)	

CONSTRUCTION LOAN:						
Interest	0	0	(0)	(24,056)	(64,625)	(0)
Takedown	0	0	(0)	(505,176)	(346,781)	(0)
Retirements - Sales					0	0
Retirements - Takeout					851,957	0
Balance	0	0	(0)	(505,176)	(0)	0

PERMANENT MORTGAGE:						
Payment						(106,079)
Interest						(100,000)
Amortization						(6,079)
Balance					(1,000,000)	(993,921)

SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(123,085)	(41,905)	(522,822)	(565,675)	(346,781)	(0)
Construction Loan	(0)	(0)	0	505,176	(505,176)	(0)
Permanent Loan	0	0	0	0	1,000,000	(6,079)
COST & DEBT FLOWS	(123,085)	(41,905)	(522,822)	(60,498)	148,043	(6,079)
=====						
GROSS SALES					0	0
Less Commissions					0	0
PRETAX SALES PROCEEDS					0	0
=====						
GROSS REVENUES:						
Leases					73,898	150,751
Rents					0	0
Other income					36,949	76,854
TOTAL GROSS REVENUES					110,846	227,605
Less VACANCY					(11,085)	(22,760)
NET REVENUES					99,762	204,844

OPERATING EXPENSES:						
Operating Expenses					(33,254)	(69,168)
Replacement Reserve					998	2,048
TOTAL OPERATING EXPENSES					(32,256)	(67,120)

NET OPERATING INCOME					67,505	137,724
=====						

PIER 4
Boston, Massachusetts
CASH FLOW SCHEDULES - PHASE 3 RETAIL

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)
	(99,392)	(98,723)	(97,988)	(97,179)	(96,289)	(95,309)	(94,233)	(93,048)	(91,745)
	(6,687)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)
	(987,234)	(979,878)	(971,786)	(962,886)	(953,095)	(942,325)	(930,478)	(917,447)	(903,112)
	0	0	0	0	0	0	0	0	0
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	(6,687)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)
	(6,687)	(7,356)	(8,091)	(8,901)	(9,791)	(10,770)	(11,847)	(13,031)	(14,335)
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	150,751	150,751	150,751	166,761	183,412	183,412	183,412	183,412	202,891
	0	0	0	0	0	0	0	0	0
	79,928	83,125	86,450	89,908	93,504	97,244	101,134	105,179	109,387
	230,679	233,876	237,201	256,669	276,916	280,656	284,546	288,591	312,277
	(23,068)	(23,388)	(23,720)	(25,667)	(27,692)	(28,066)	(28,455)	(28,859)	(31,228)
	207,611	210,488	213,481	231,002	249,224	252,590	256,091	259,732	281,049
	(71,935)	(74,812)	(77,805)	(80,917)	(84,154)	(87,520)	(91,021)	(94,661)	(98,448)
	2,076	2,105	2,135	2,310	2,492	2,526	2,561	2,597	2,810
	(69,859)	(72,707)	(75,670)	(78,607)	(81,661)	(84,994)	(88,460)	(92,064)	(95,637)
	137,752	137,781	137,811	152,395	167,563	167,597	167,632	167,668	185,412

PIER 4 Boston, Massachusetts						
8-7-86	PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE J					RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		2,038,659				
Less Commission @ 3.00%		(61,160)				
		<u>1,977,499</u>				
PRETAX SALE PROCEEDS						
Less Mortgage Balance		(903,112)				
Less Taxes / Plus Benefits		<u>(37,866)</u>				
		<u>1,036,520</u>				
AFTER TAX SALES PROCEEDS						
		1,036,520				
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(123,085)	(41,905)	(522,822)	(60,498)	148,043	(0)
PRETAX SALES PROCEEDS						
	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)						
	0	0	0	0	67,505	137,724
LINKAGE						
					(4,512)	(4,512)
TURNING COSTS:						
Brokerage Fees					(18,474)	(19,213)
Tenant Refurbishment					(14,213)	(14,213)
DEBT SERVICE						
					0	(106,079)
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW						
	(123,085)	(41,905)	(522,822)	(60,498)	178,349	(6,293)
BEFORE TAX CASH FLOW						
Before Tax Cash Flow	(123,085)	(41,905)	(522,822)	(60,498)	178,349	(6,293)
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW						
	(123,085)	(41,905)	(522,822)	(60,498)	178,349	(6,293)
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(123,085)	(41,905)	(522,822)	(60,498)	(0)	(0)
Cash Flow From Operations	0	0	0	0	178,349	(6,293)
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW						
	(123,085)	(41,905)	(522,822)	(60,498)	178,349	(6,293)
CUMULATIVE AFTER TAX CASH FLOW						
	(123,085)	(164,990)	(687,812)	(748,310)	(569,960)	(576,253)
Breakeven						
						92.76%
Debt Coverage Ratio						
						94.07%
COMPOSITION OF AFTER TAX NPV:						
Investment	(658,146)					(104.19)
Cash Flow From Operations	265,443					40.33%
Taxes /Benefits From Operations	0					0.00%
Cash Flow On Sale	365,787					55.58%
Taxes / Benefits From Sale	(12,892)					(1.96%)
TOTAL AFTER TAX NPV @ 8.00%						
	(39,808)					(6.30%)

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 3

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
	0	0	(0)	0	(0)	0	(0)	0	(903,112)
	0	0	0	0	0	0	0	0	0
	137,752	137,781	137,811	152,395	167,563	167,597	167,632	167,668	185,412
	(4,512)	(4,512)	(4,512)	(4,512)	(4,512)	(4,512)	(4,512)	(4,512)	(4,512)
	0	0	0	(22,477)	(23,376)	0	0	0	(27,347)
	0	0	0	(14,213)	(14,213)	0	0	0	(14,213)
	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)
									1,977,499

	27,161	27,190	27,220	5,114	19,383	57,005	57,040	57,077	1,107,648

	27,161	27,190	27,220	5,114	19,383	57,005	57,040	57,077	1,107,648
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	(37,866)

	27,161	27,190	27,220	5,114	19,383	57,005	57,040	57,077	1,069,781

	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	27,161	27,190	27,220	5,114	19,383	57,005	57,040	57,077	33,261
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	1,074,387
	0	0	0	0	0	0	0	0	(37,866)

	27,161	27,190	27,220	5,114	19,383	57,005	57,040	57,077	1,069,781
	(549,093)	(521,903)	(494,683)	(489,569)	(470,186)	(413,181)	(356,141)	(299,064)	770,718
	78.23%	78.37%	78.52%	88.01%	83.00%	69.69%	69.95%	70.22%	79.35%
	125.60%	125.63%	125.66%	104.82%	118.27%	153.74%	153.77%	153.81%	131.36%

INTERNAL RATE OF RETURN

7.29%

PIER 4 Boston, Massachusetts						
8-7-86 TAXABLE INCOME AND INCOME TAXES - PHASE 3 RETAIL						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	67,505	137,724
Deduct Interest	0	0	0	0	(32,313)	(100,000)
Deduct Depreciation & Amortization	(269)	(548)	(3,832)	(8,354)	(45,609)	(74,250)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(269)	(548)	(3,832)	(8,354)	(10,417)	(36,525)
TOTAL ORDINARY TAXABLE INCOME						
Income Taxes/Benefits	0.35	94	192	1,341	2,924	3,646
Benefits Disallowed	(94)	(192)	(1,341)	(2,924)	(3,646)	(12,784)
Benefits From Prior Years	0	0	0	0	0	0
Benefits To Be Carried	94	286	1,627	4,551	8,197	20,981
ORDINARY TAXES/BENEFITS	0	0	0	0	0	0
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	0	0

PROJECT SALE TAXES:	
Pretax Sales Proceeds	1,977,499
Less Basis In Improv.	(1,782,218)
Less Basis In Land	(87,091)
GAIN ON SALE	108,190
TAX / BENEFIT @ 35.00%	(37,866)

PIER 4 Boston, Massachusetts						
8-7-86 SOFT COSTS - PHASE 3 RETAIL						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	0				0
Permitting/Licens.	30	0				0
Building Permits	30	1.0%	11,180			11,180
A/E Fees	30	4.5%	15,092	5,232	5,441	49,952
Design Consultants	30	1.0%	5,375	3,354	1,163	11,100
Development Fee	30	2.0%	2,939	3,056	4,079	27,678
Mtg. Brokerage Fee	30	1.0%	5,590			5,590
Market Research Fee	30		0			0
Legal/Accounting	30	1.0%	2,150	2,325	2,418	11,645
Insurance	30	1.0%		5,282	5,713	14,084
RE Taxes	10	0.5%			6,046	6,046
Marketing/PR	5	1.0%	1,344	1,397	1,453	11,994
Brokerage on Leases	5					0
SOFT COSTS BEFORE INTEREST	35,994	41,905	19,534	33,764	18,071	149,268

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 3									RETAIL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
137,752	137,781	137,811	152,395	167,563	167,597	167,632	167,668	185,412	
(99,392)	(98,723)	(97,988)	(97,179)	(96,289)	(95,309)	(94,233)	(93,048)	(91,745)	
(73,970)	(73,679)	(73,377)	(72,920)	(71,354)	(71,354)	(71,354)	(71,354)	(72,328)	
(35,610)	(34,622)	(33,554)	(17,703)	(79)	933	2,045	3,266	21,340	
(35,610)	(34,622)	(33,554)	(17,703)	(79)	933	2,045	3,266	21,340	
12,463	12,118	11,744	6,196	28	(327)	(716)	(1,143)	(7,469)	
(12,463)	(12,118)	(11,744)	(6,196)	(28)	(0)	(0)	(0)	(0)	
0	0	0	0	0	327	716	1,143	7,469	
33,444	45,562	57,306	63,502	63,530	63,203	62,487	61,344	53,875	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 3				RETAIL	
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(21,004)	(42,009)
Soft Costs					(4,976)	(4,976)
Permanent Pt.					(249)	(249)
Construc. Per. - 10	0	0	(0)	(3,010)	(6,241)	(6,846)
Construc. Pt.			(2,993)	(2,993)	(2,993)	
Selling Costs	(269)	(548)	(839)	(2,350)	(10,145)	(20,170)
POTENTIAL DEPREC. & AMORT.	(269)	(548)	(3,832)	(8,354)	(45,609)	(74,250)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(269)	(548)	(3,832)	(8,354)	(45,609)	(74,250)
ACCUM. DEPREC. & AMORT.	(269)	(817)	(4,649)	(13,003)	(58,612)	(132,862)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(269)	(817)	(4,649)	(13,003)	(58,612)	(132,862)
Add to Basis	123,085	41,905	522,822	565,675	379,468	33,426
Beginning Basis	123,085	164,990	687,812	1,253,486	1,632,954	1,666,380
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	123,085	164,990	687,812	1,253,486	1,632,954	1,666,380
Beginning Land	87,091	87,091	87,091	87,091	87,091	87,091
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	87,091	87,091	87,091	87,091	87,091	87,091

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 3				RETAIL	
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:	0	0	0	0	0	0
Cumulative Sold %					33.33%	100.00%
New Sales %					33.33%	66.67%
New Sales					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	126,336	131,389	136,645	142,111	147,795	153,707
Total Leased %					50.00%	100.00%
New Leased %					50.00%	50.00%
New Leases					73,898	76,854
Total Leases					73,898	150,751
Lease Commissions 5.00%						0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	63,168	65,695	68,323	71,055	73,898	76,854
Other Income					36,949	76,854
OPERATING EXPENSES:						
Base operating expenses	(56,851)	(59,125)	(61,490)	(63,950)	(66,508)	(69,168)
Operating Expenses					(33,254)	(69,168)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 3								RETAIL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(42,009)	(42,009)	(42,009)	(42,009)	(42,009)	(42,009)	(42,009)	(42,009)	(42,009)
(4,976)	(4,976)	(4,976)	(4,976)	(4,976)	(4,976)	(4,976)	(4,976)	(4,976)
(249)	(249)	(249)	(249)	(249)	(249)	(249)	(249)	(249)
(6,846)	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)
(19,890)	(19,600)	(19,297)	(18,840)	(17,274)	(17,274)	(17,274)	(17,274)	(18,248)
(73,970)	(73,679)	(73,377)	(72,920)	(71,354)	(71,354)	(71,354)	(71,354)	(72,328)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(73,970)	(73,679)	(73,377)	(72,920)	(71,354)	(71,354)	(71,354)	(71,354)	(72,328)
(206,832)	(280,511)	(353,888)	(426,808)	(498,162)	(569,516)	(640,870)	(712,224)	(784,551)
0	0	0	0	0	0	0	0	0
(206,832)	(280,511)	(353,888)	(426,808)	(498,162)	(569,516)	(640,870)	(712,224)	(784,551)
(0)	(0)	(0)	36,690	37,589	(0)	(0)	(0)	41,559
1,666,380	1,666,380	1,666,380	1,703,070	1,740,659	1,740,659	1,740,659	1,740,659	1,782,218
0	0	0	0	0	0	0	0	0
1,666,380	1,666,380	1,666,380	1,703,070	1,740,659	1,740,659	1,740,659	1,740,659	1,782,218
87,091	87,091	87,091	87,091	87,091	87,091	87,091	87,091	87,091
0	0	0	0	0	0	0	0	0
87,091	87,091	87,091	87,091	87,091	87,091	87,091	87,091	87,091

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 3								RETAIL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
159,855	166,250	172,900	179,816	187,008	194,488	202,268	210,359	218,773
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	50.00%
0	0	0	89,908	93,504	0	0	0	109,387
150,751	150,751	150,751	166,761	183,412	183,412	183,412	183,412	202,891
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
79,928	83,125	86,450	89,908	93,504	97,244	101,134	105,179	109,387
79,928	83,125	86,450	89,908	93,504	97,244	101,134	105,179	109,387
(71,935)	(74,812)	(77,805)	(80,917)	(84,154)	(87,520)	(91,021)	(94,661)	(98,448)
(71,935)	(74,812)	(77,805)	(80,917)	(84,154)	(87,520)	(91,021)	(94,661)	(98,448)

PIER 4

Boston, Massachusetts

=====						
8-7-86						
LOAN DETERMINATION - PHASE 3						
RETAIL						
=====						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	67,505	137,724
Capitalized @ 10.00%	0	0	0	0	675,055	1,377,245
Loan-to-Value @ 80.00%	0	0	0	0	540,044	1,101,796
Net Operating Income	0	0	0	0	67,505	137,724
Plus Linkage and Turning Costs	0	0	0	0	30,306	99,786
Debt Coverage @ 110.00%	0	0	0	0	27,551	90,715
Loan Potential	0	0	0	0	259,722	855,161
=====						

PIER 4
Boston, Massachusetts

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LOAN DETERMINATION - PHASE 3

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7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
137,752	137,781	137,811	152,395	167,563	167,597	167,632	167,668	185,412
1,377,521	1,377,809	1,378,108	1,523,952	1,675,629	1,675,966	1,676,316	1,676,680	1,854,120
1,102,017	1,102,247	1,102,487	1,219,161	1,340,503	1,340,772	1,341,052	1,341,344	1,483,296
137,752	137,781	137,811	152,395	167,563	167,597	167,632	167,668	185,412
133,240	133,269	133,299	111,193	125,462	163,085	163,120	163,156	139,341
121,127	121,154	121,181	101,085	114,056	148,259	148,291	148,324	126,673
1,141,858	1,142,104	1,142,361	952,919	1,075,200	1,397,622	1,397,922	1,398,234	1,194,138

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PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 3						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	2,212,802	1,930,942	1,576,527	0	0	
EQUITY INVESTED	281,860	354,416	1,576,527	0	0	
=====						
BUILDING COSTS:						
Land	(0)					
Hard Costs			(3,823,953)	(3,976,911)	(2,067,994)	
Soft Costs Before Financing	(281,860)	(354,416)	(152,966)	(264,401)	(141,511)	
Mortgage Points (Approx.)			(132,768)			
BUILDING COSTS BEFORE INTEREST	(281,860)	(354,416)	(4,109,687)	(4,241,312)	(2,209,505)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(126,658)	(478,047)	(848,393)	(260,927)
Takedown	0	0	(2,659,818)	(4,719,359)	(3,057,898)	(260,927)
Retirements - Sales					2,609,269	2,870,196
Retirements - Takeout					5,218,538	0
Balance	0	0	(2,659,818)	(7,379,178)	(2,609,269)	0
=====						
PERMANENT MORTGAGE:						
Payment						(636,475)
Interest						(600,000)
Amortization						(36,475)
Balance					(6,000,000)	(5,963,525)
=====						
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(281,860)	(354,416)	(4,236,345)	(4,719,359)	(3,057,898)	(260,927)
Construction Loan	(0)	(0)	2,659,818	4,719,359	(4,769,909)	(2,609,269)
Permanent Loan	0	0	0	0	6,000,000	(36,475)
COST & DEBT FLOWS	(281,860)	(354,416)	(1,576,527)	0	(1,827,806)	(2,906,671)
=====						
GROSS SALES						
Less Commissions					4,606,318	4,790,571
					(184,253)	(191,623)
PRETAX SALES PROCEEDS					4,422,065	4,598,948
=====						
GROSS REVENUES:						
Leases					0	0
Rents					469,351	976,250
Other income					0	0
TOTAL GROSS REVENUES					469,351	976,250
Less VACANCY					0	0
NET REVENUES					469,351	976,250
=====						
OPERATING EXPENSES:						
Operating Expenses					(102,064)	(212,293)
Replacement Reserve					4,694	9,762
TOTAL OPERATING EXPENSES					(97,371)	(202,531)
=====						
NET OPERATING INCOME					371,980	773,719
=====						

PIER 4
Boston, Massachusetts
CASH FLOW SCHEDULES - PHASE 3
GARAGE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(636,475)	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)
(596,352)	(592,340)	(587,927)	(583,072)	(577,731)	(571,857)	(565,395)	(558,287)	(550,468)
(40,123)	(44,135)	(48,549)	(53,404)	(58,744)	(64,619)	(71,080)	(78,188)	(86,007)
(5,923,401)	(5,879,266)	(5,830,717)	(5,777,313)	(5,718,569)	(5,653,951)	(5,582,870)	(5,504,682)	(5,418,675)
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(40,123)	(44,135)	(48,549)	(53,404)	(58,744)	(64,619)	(71,080)	(78,188)	(86,007)
(40,123)	(44,135)	(48,549)	(53,404)	(58,744)	(64,619)	(71,080)	(78,188)	(86,007)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,015,300	1,055,912	1,098,148	1,142,074	1,187,757	1,235,268	1,284,678	1,336,065	1,389,508
0	0	0	0	0	0	0	0	0
1,015,300	1,055,912	1,098,148	1,142,074	1,187,757	1,235,268	1,284,678	1,336,065	1,389,508
0	0	0	0	0	0	0	0	0
1,015,300	1,055,912	1,098,148	1,142,074	1,187,757	1,235,268	1,284,678	1,336,065	1,389,508
(220,785)	(229,616)	(238,801)	(248,353)	(258,287)	(268,619)	(279,363)	(290,538)	(302,160)
10,153	10,559	10,981	11,421	11,878	12,353	12,847	13,361	13,895
(210,632)	(219,057)	(227,820)	(236,932)	(246,410)	(256,266)	(266,517)	(277,177)	(288,264)
804,668	836,855	870,329	905,142	941,348	979,002	1,018,162	1,058,888	1,101,244

PIER 4
Boston, Massachusetts

9-7-85 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 3 GARAGE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		11,452,933				
Less Commission @ 3.00%		(343,588)				
PRETAX SALE PROCEEDS		11,109,345				
Less Mortgage Balance		(5,418,675)				
Less Taxes / Plus Benefits		(1,613,659)				
AFTER TAX SALES PROCEEDS		4,077,011				

COST & DEBT FLOWS (Exc. Perm. Amort.)	(281,860)	(354,416)	(1,576,527)	0	(1,827,806)	(2,870,196)
PRETAX SALES PROCEEDS	0	0	0	0	4,422,065	4,598,948
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	371,980	773,719
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(636,475)
PROJECT SALE PROCEEDS						

BEFORE TAX CASH FLOW	(281,860)	(354,416)	(1,576,527)	0	2,966,239	1,865,996
Before Tax Cash Flow	(281,860)	(354,416)	(1,576,527)	0	2,966,239	1,865,996
Income Tax./Ben. From Operations	0	0	0	0	(359,164)	(462,880)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(281,860)	(354,416)	(1,576,527)	0	2,607,076	1,403,116

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(281,860)	(354,416)	(1,576,527)	(0)	(0)	(0)
Cash Flow From Operations	0	0	(0)	0	2,966,239	1,865,996
Taxes/Benefits From Operations	0	0	0	0	(359,164)	(462,880)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(281,860)	(354,416)	(1,576,527)	0	2,607,076	1,403,116
CUMULATIVE AFTER TAX CASH FLOW	(281,860)	(636,275)	(2,212,802)	(2,212,802)	394,274	1,797,389
Breakeven						85.94%
Debt Coverage Ratio						121.56%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(1,961,640)	-100.00%	(10.79)
Cash Flow From Operations	4,687,139	238.94%	25.79
Taxes /Benefits From Operations	(814,288)	-41.51%	(4.48)
Cash Flow On Sale	1,937,452	98.77%	10.66
Taxes / Benefits From Sale	(549,388)	-28.01%	(3.02)

TOTAL AFTER TAX NPV @ 8.00%	3,299,275	168.19%	18.15
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PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 3

GARAGE

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

	(0)	(0)	(0)	(0)	0	(0)	(0)	0	(5,418,675)
	0	0	0	0	0	0	0	0	0
	804,668	836,855	870,329	905,142	941,348	979,002	1,018,162	1,058,888	1,101,244
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)	(636,475)
									11,109,345

	168,192	200,379	233,853	268,666	304,872	342,526	381,686	422,413	6,155,438
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	168,192	200,379	233,853	268,666	304,872	342,526	381,686	422,413	6,155,438
	(3,046)	(16,114)	(29,789)	(45,396)	(63,224)	(78,459)	(94,427)	(111,169)	(128,730)
	0	0	0	0	0	0	0	0	(1,613,659)

	165,146	184,265	204,064	223,270	241,648	264,067	287,259	311,243	4,413,049
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	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	168,192	200,379	233,853	268,666	304,872	342,526	381,686	422,413	464,768
	(3,046)	(16,114)	(29,789)	(45,396)	(63,224)	(78,459)	(94,427)	(111,169)	(128,730)
	0	0	0	0	0	0	0	0	5,690,670
	0	0	0	0	0	0	0	0	(1,613,659)

	165,146	184,265	204,064	223,270	241,648	264,067	287,259	311,243	4,413,049
	1,962,535	2,146,801	2,350,865	2,574,135	2,815,783	3,079,849	3,367,108	3,678,352	8,091,401

	83.43%	81.02%	78.70%	76.48%	74.33%	72.27%	70.29%	68.38%	66.55%
	126.43%	131.48%	136.74%	142.21%	147.90%	153.82%	159.97%	166.37%	173.02%

INTERNAL RATE OF RETURN

eeeeeeeeeee
 31.73%
 eeeeeeeeeee

PIER 4 Boston, Massachusetts						
8-7-86 TAXABLE INCOME AND INCOME TAXES - PHASE 3 GARAGE						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	4,422,065	4,598,948
Less Basis in Improv.	0	0	0	0	(3,162,469)	(3,249,445)
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	1,259,596	1,349,503
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	371,980	773,719
Deduct Interest	0	0	0	0	(212,098)	(600,000)
Deduct Depreciation & Amortization	(2,104)	(4,293)	(54,640)	(119,015)	(213,244)	(200,707)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(2,104)	(4,293)	(54,640)	(119,015)	(53,362)	(26,988)
TOTAL ORDINARY TAXABLE INCOME						
Income Taxes/Benefits	(2,104)	(4,293)	(54,640)	(119,015)	1,206,234	1,322,515
Benefits Disallowed	0.35	737	1,503	19,124	41,655	(462,880)
Benefits From Prior Years	(737)	(1,503)	(19,124)	(41,655)	(0)	(0)
Benefits To Be Carried	0	0	0	0	63,018	0
ORDINARY TAXES/BENEFITS	737	2,239	21,363	63,018	0	0
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(359,164)	(462,880)
PROJECT SALE TAXES:						
Pretax Sales Proceeds			11,109,345			
Less Basis In Improv.			(6,498,890)			
Less Basis In Land			(0)			
GAIN ON SALE			4,610,455			
TAX / BENEFIT @ 35.00%			(1,613,659)			

PIER 4 Boston, Massachusetts						
8-7-86 SOFT COSTS - PHASE 3 GARAGE						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	0				0
Permitting/Licens.	30	0				0
Building Permits	30	1.0Z	87,545			87,545
A/E Fees	30	4.5Z	189,400	40,971	42,610	391,186
Design Consultants	30	1.0Z	42,089	9,105	9,469	86,926
Development Fee	30	2.0Z	23,934	31,941	89,470	216,744
Mtg. Brokerage Fee	30	1.0Z	70,036			70,036
Market Research Fee	30		0			0
Legal/Accounting	30	1.0Z	16,836	18,209	18,938	91,187
Insurance	30	1.0Z		41,360	44,735	110,287
RE Taxes	10	0.5Z			47,344	47,344
Marketing/PR	5	1.0Z	10,522	11,381	11,836	93,920
Brokerage on Leases	5					0
SOFT COSTS BEFORE INTEREST		281,860	354,416	152,966	264,401	141,511
					1,195,154	

PIER 4
Boston, Massachusetts

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TAXABLE INCOME AND INCOME TAXES - PHASE 3

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7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
804,668	836,855	870,329	905,142	941,348	979,002	1,018,162	1,058,888	1,101,244
(596,352)	(592,340)	(587,927)	(583,072)	(577,731)	(571,857)	(565,395)	(558,287)	(550,468)
(199,612)	(198,474)	(197,291)	(192,367)	(182,975)	(182,975)	(182,975)	(182,975)	(182,975)
8,703	46,040	85,111	129,703	180,641	224,170	269,792	317,626	367,800
8,703	46,040	85,111	129,703	180,641	224,170	269,792	317,626	367,800
(3,046)	(16,114)	(29,789)	(45,396)	(63,224)	(78,459)	(94,427)	(111,169)	(128,730)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(3,046)	(16,114)	(29,789)	(45,396)	(63,224)	(78,459)	(94,427)	(111,169)	(128,730)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(3,046)	(16,114)	(29,789)	(45,396)	(63,224)	(78,459)	(94,427)	(111,169)	(128,730)

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 3					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(82,240)	(164,481)
Soft Costs					(19,919)	(19,919)
Permanent Pt.					(2,950)	(2,950)
Construc. Per. - 10	0	0	(12,666)	(65,205)	(128,834)	(159,662)
Construc. Pt.			(35,405)	(35,405)	(22,128)	
Selling Costs	(2,104)	(4,293)	(6,569)	(18,405)	(28,253)	(54,401)
POTENTIAL DEPREC. & AMORT.	(2,104)	(4,293)	(54,640)	(119,015)	(284,325)	(401,413)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	75.00%	50.00%
ACTUAL DEPREC. & AMORT.	(2,104)	(4,293)	(54,640)	(119,015)	(213,244)	(200,707)
ACCUM. DEPREC. & AMORT.	(2,104)	(6,397)	(61,037)	(180,052)	(393,296)	(548,990)
Add Back For Sales	0	0	0	0	45,013	116,094
ACTUAL ACCUM. DEPREC. & AMORT.	(2,104)	(6,397)	(61,037)	(180,052)	(348,283)	(432,896)
Add to Basis	281,860	354,416	4,236,345	4,719,359	3,057,898	260,927
Beginning Basis	281,860	636,275	4,872,621	9,591,980	12,649,877	9,748,335
Deduct from Basis	0	0	0	0	(3,162,469)	(3,249,445)
ADJUSTED BASIS OF IMPROVEMENTS	281,860	636,275	4,872,621	9,591,980	9,487,408	6,498,890
Beginning Land	0	0	0	0	0	0
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	0	0	0	0	0	0

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 3					GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %	7,875,000	8,190,000	8,517,600	8,858,304	9,212,636	9,581,142
New Sales %					50.00%	100.00%
New Sales					50.00%	50.00%
					4,606,318	4,790,571
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	0	0	0	0	0	0
Total Leased %					50.00%	100.00%
New Leased %					50.00%	50.00%
New Leases					0	0
Total Leases					0	0
Lease Commissions	0.00%				0	0
Base rents	802,406	834,503	867,883	902,598	938,702	976,250
Rents					469,351	976,250
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(181,760)	(189,030)	(196,592)	(204,455)	(212,633)	(221,139)
Operating Expenses					(102,064)	(212,293)

PIER 4
Boston, Massachusetts

DEPRECIATION, AMORTIZATION, & BASIS - PHASE 3

							GARAGE	
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(164,481)	(164,481)	(164,481)	(164,481)	(164,481)	(164,481)	(164,481)	(164,481)	(164,481)
(19,919)	(19,919)	(19,919)	(19,919)	(19,919)	(19,919)	(19,919)	(19,919)	(19,919)
(2,950)	(2,950)	(2,950)	(2,950)	(2,950)	(2,950)	(2,950)	(2,950)	(2,950)
(159,662)	(159,662)	(159,662)	(159,662)	(159,662)	(159,662)	(159,662)	(159,662)	(159,662)
(52,213)	(49,936)	(47,569)	(37,722)	(18,938)	(18,938)	(18,938)	(18,938)	(18,938)
(399,225)	(396,949)	(394,581)	(384,734)	(365,950)	(365,950)	(365,950)	(365,950)	(365,950)
50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
(199,612)	(198,474)	(197,291)	(192,367)	(182,975)	(182,975)	(182,975)	(182,975)	(182,975)
(632,508)	(830,982)	(1,028,273)	(1,220,640)	(1,403,615)	(1,586,590)	(1,769,565)	(1,952,539)	(2,135,514)
0	0	0	0	0	0	0	0	0
(632,508)	(830,982)	(1,028,273)	(1,220,640)	(1,403,615)	(1,586,590)	(1,769,565)	(1,952,539)	(2,135,514)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
6,498,890	6,498,890	6,498,890	6,498,890	6,498,890	6,498,890	6,498,890	6,498,890	6,498,890
0	0	0	0	0	0	0	0	0
6,498,890	6,498,890	6,498,890	6,498,890	6,498,890	6,498,890	6,498,890	6,498,890	6,498,890
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

PIER 4
Boston, Massachusetts

SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 3

							GARAGE	
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
9,964,387	10,362,963	10,777,481						
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	50.00%
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,015,300	1,055,912	1,098,148	1,142,074	1,187,757	1,235,268	1,284,678	1,336,065	1,389,508
1,015,300	1,055,912	1,098,148	1,142,074	1,187,757	1,235,268	1,284,678	1,336,065	1,389,508
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(229,984)	(239,184)	(248,751)	(258,701)	(269,049)	(279,811)	(291,004)	(302,644)	(314,750)
(220,785)	(229,616)	(238,801)	(248,353)	(258,287)	(268,619)	(279,363)	(290,538)	(302,160)

PIER 4 Boston, Massachusetts						
9-7-86 LOAN DETERMINATION - PHASE 3						GARAGE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	371,980	773,719
Capitalized @ 10.00%	0	0	0	0	3,719,803	7,737,191
Loan-to-Value @ 80.00%	0	0	0	0	2,975,843	6,189,753
Net Operating Income	0	0	0	0	371,980	773,719
Plus Linkage and Turning Costs	0	0	0	0	371,980	773,719
Debt Coverage @ 25.00%	0	0	0	0	297,584	618,975
Loan Potential	0	0	0	0	2,805,302	5,835,027

PIER 4

Boston, Massachusetts

LOAN DETERMINATION - PHASE 3

GARAGE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
804,668	836,855	870,329	905,142	941,348	979,002	1,018,162	1,058,888	1,101,244
8,046,679	8,368,546	8,703,288	9,051,419	9,413,476	9,790,015	10,181,616	10,588,880	11,012,436
6,437,343	6,694,837	6,962,630	7,241,135	7,530,781	7,832,012	8,145,293	8,471,104	8,809,948
804,668	836,855	870,329	905,142	941,348	979,002	1,018,162	1,058,888	1,101,244
804,668	836,855	870,329	905,142	941,348	979,002	1,018,162	1,058,888	1,101,244
643,734	669,484	696,263	724,114	753,078	783,201	814,529	847,110	880,995
6,068,428	6,311,165	6,563,612	6,826,156	7,099,203	7,383,171	7,678,498	7,985,638	8,305,063

PIER 4 Boston, Massachusetts						
8-7-86	PHASE 3 PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
COMPOSITION OF AFTER TAX CASH FLOW:						
Land Contributions	(4,366,758)	(0)	(0)	(0)	(0)	(0)
Cash Contributions	(2,143,299)	(2,691,680)	(8,885,939)	(60,498)	(0)	(0)
Investment	(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	0	0
Cash Flow From Operations	0	0	0	0	14,254,316	11,406,665
Taxes/Benefits From Operations	0	0	0	0	(2,008,966)	(2,493,341)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	12,245,350	8,913,325
CUMULATIVE AFTER TAX CASH FLOW	(6,510,058)	(9,201,737)	(18,087,676)	(18,148,174)	(5,902,824)	3,010,501
COMPOSITION OF AFTER TAX NPV:						
Land Contributions	(4,366,758)		-26.20%			
Cash Contributions	(12,301,881)		-73.80%			
Investment	(16,668,639)		-100.00%			
Cash Flow From Operations	30,480,534		182.86%			
Taxes/Benefits From Operations	(4,418,832)		-26.51%			
Cash Flow On Sale	29,748,961		154.48%			
Taxes/Benefits On Sale	(5,250,030)		-31.50%			
TOTAL AFTER TAX NPV @ 8.00%	29,891,993		179.33%			
TAX VALUE OF MIXED USE:						
After Tax Cash Flow - As A Whole	(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	12,245,350	8,913,325
After Tax Cash Flow - Components	(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	11,835,650	8,773,535
VALUE OF MIXED USE NPV = 184,291	0	0	0	0	409,700	139,790
BEFORE TAX CASH FLOW:						
Condos	(1,707,126)	(678,188)	(2,082,526)	0	9,279,242	9,018,523
Hotel	0	0	0	0	0	0
Office	(4,397,987)	(1,617,171)	(4,704,064)	0	1,830,486	528,440
Retail	(123,085)	(41,905)	(522,822)	(60,498)	178,349	(6,293)
Garage	(281,860)	(354,416)	(1,576,527)	0	2,966,239	1,865,996
Marina	0	0	0	0	0	0
TOTAL BEFORE TAX CASH FLOW	(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	14,254,316	11,406,665
TAXABLE INCOME:						
Condos	(4,027)	(8,215)	(112,587)	(244,790)	6,253,910	6,200,714
Hotel	0	0	0	0	0	0
Office	(9,602)	(19,589)	(272,982)	(595,504)	(249,475)	(362,874)
Retail	(269)	(548)	(3,832)	(8,354)	(10,417)	(36,525)
Garage	(2,104)	(4,293)	(54,640)	(119,015)	1,206,234	1,322,515
Marina	0	0	0	0	0	0
TOTAL TAXABLE INCOME	(16,003)	(32,645)	(444,040)	(967,662)	7,200,252	7,123,830
Income Taxes/Benefits	5,601	11,426	155,414	338,682	(2,520,088)	(2,493,341)
Benefits Disallowed	(5,601)	(11,426)	(155,414)	(338,682)	(0)	(0)
Benefits From Prior Years	0	0	0	0	511,123	0
Benefits To Be Carried	5,601	17,027	172,441	511,123	0	0
ORDINARY TAXES/BENEFITS	0	0	0	0	(2,008,966)	(2,493,341)
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(2,008,966)	(2,493,341)

PIER 4
Boston, Massachusetts

PHASE 3 PERFORMANCE TOTAL

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
2,531,986	2,464,325	2,393,958	1,251,628	2,270,704	4,449,432	4,367,113	4,281,501	2,991,251
0	0	0	0	(350,142)	(614,775)	(607,826)	(601,911)	(1,047,722)
0	0	0	0	0	0	0	0	75,629,683
0	0	0	0	0	0	0	0	(15,420,355)

2,531,986	2,464,325	2,393,958	1,251,628	1,920,561	3,834,656	3,759,286	3,679,590	62,152,857
5,542,486	8,006,812	10,400,770	11,652,398	13,572,959	17,407,616	21,166,902	24,846,492	86,999,349

INTERNAL RATE OF RETURN

23.64%

2,531,986	2,464,325	2,393,958	1,251,628	1,920,561	3,834,656	3,759,286	3,679,590	62,152,857
2,528,939	2,448,211	2,364,169	1,206,232	2,207,479	4,128,371	3,760,002	3,680,733	62,160,326

3,046	16,114	29,789	45,396	(286,918)	(293,714)	(716)	(1,143)	(7,469)
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0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,336,632	2,236,756	2,132,886	977,847	1,946,449	4,049,900	3,928,386	3,802,011	71,357,848
27,161	27,190	27,220	5,114	19,383	57,005	57,040	57,077	1,107,648
168,192	200,379	233,853	268,666	304,872	342,526	381,686	422,413	6,155,438
0	0	0	0	0	0	0	0	0

2,531,986	2,464,325	2,393,958	1,251,628	2,270,704	4,449,432	4,367,113	4,281,501	78,620,935
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0	0	0	0	0	0	0	0	0
(417,918)	(473,303)	(528,858)	493,549	1,598,306	1,531,398	1,464,810	1,398,853	2,604,351
(35,610)	(34,622)	(33,554)	(17,703)	(79)	933	2,045	3,266	21,340
8,703	46,040	85,111	129,703	180,641	224,170	269,792	317,626	367,800
0	0	0	0	0	0	0	0	0

(444,825)	(461,885)	(477,300)	605,548	1,778,868	1,756,501	1,736,647	1,719,746	2,993,491
155,689	161,660	167,055	(211,942)	(622,604)	(614,775)	(607,826)	(601,911)	(1,047,722)
(155,689)	(161,660)	(167,055)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	211,942	272,462	0	0	0	0
155,689	317,349	484,404	272,462	0	0	0	0	0

0	0	0	0	(350,142)	(614,775)	(607,826)	(601,911)	(1,047,722)
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0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

0	0	0	0	(350,142)	(614,775)	(607,826)	(601,911)	(1,047,722)
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PIER 4 Boston, Massachusetts						
8-7-86	PHASE 3 PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
SALE PROCEEDS:	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL SALE PROCEEDS	0	0	0	0	0	0
GAIN ON SALE:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL GAIN ON SALE	0	0	0	0	0	0
TAX / BENEFIT @ 35.00%	0	0	0	0	0	0
Before Tax Cash Flow From Oper.	(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	14,254,316	11,406,665
Taxes/Benefits From Oper.	0	0	0	0	(2,008,966)	(2,493,341)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	12,245,350	8,913,325
Land Equity Available	4,366,758	0	0	0	0	0
Land Equity Contributed	4,366,758	0	0	0	0	0
CASH CONTRIBUTION REQUIRED	2,143,299	2,691,680	8,885,939	60,498	0	0
AFTER TAX CASH FLOW BY COMPONENT:						
Condos	(1,707,126)	(678,188)	(2,082,526)	0	7,219,740	6,848,273
Hotel	0	0	0	0	0	0
Office	(4,397,987)	(1,617,171)	(4,704,064)	0	1,830,486	528,440
Retail	(123,085)	(41,905)	(522,822)	(60,498)	178,349	(6,293)
Garage	(281,860)	(354,416)	(1,576,527)	0	2,607,076	1,403,116
Marina	0	0	0	0	0	0
TOTAL AFTER TAX BY COMPONENT	(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	11,835,650	8,773,535

PIER 4
Boston, Massachusetts

PHASE 3 PERFORMANCE									TOTAL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
								0	
								0	
								68,864,627	
								1,074,387	
								5,690,670	
								0	
0	0	0	0	0	0	0	0	75,629,683	
								(10)	
								43,678,204	
								0	
								0	
								39,339,513	
								108,190	
								4,610,455	
								0	
0	0	0	0	0	0	0	0	44,058,158	
0	0	0	0	0	0	0	0	(15,420,355)	
2,531,986	2,464,325	2,393,958	1,251,628	2,270,704	4,449,432	4,367,113	4,281,501	78,620,935	
0	0	0	0	(350,142)	(614,775)	(607,826)	(601,911)	(1,047,722)	
0	0	0	0	0	0	0	0	75,629,683	
0	0	0	0	0	0	0	0	(15,420,355)	
2,531,986	2,464,325	2,393,958	1,251,628	1,920,561	3,834,656	3,759,286	3,679,590	137,782,541	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	(10)	
0	0	0	0	0	0	0	0	0	
2,336,632	2,236,756	2,132,886	977,847	1,946,449	3,807,299	3,415,703	3,312,413	56,677,496	
27,161	27,190	27,220	5,114	19,383	57,005	57,040	57,077	1,069,781	
165,146	184,265	204,064	223,270	241,648	264,067	287,259	311,243	4,413,049	
0	0	0	0	0	0	0	0	0	
2,528,939	2,448,211	2,364,169	1,206,232	2,207,479	4,128,371	3,760,002	3,680,733	62,160,326	

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE I

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	100,000
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO	
Total buildout		1,649,812		Permanent Term	30	NONGARAGE USES	25.00%
Floor Area Ratio			4.27				
TAXATION:				DISCOUNT RATE FOR NPV	9.00%	ALLOCATION OF BREAKWATER TO	
Ordinary Rate		50.00%		EQUITY	20.00%	NONMARINA USES	100.00%
Capital Gains		20.00%				RETURN ASSUMED ON UNINVESTED	
Deprec. Life (Bldg. & FF&E)		19	5	PHASE I AS PERCENT		EQUITY FUNDS	0.00%
ITC on Hotel FF&E		8.00%	(@ 85.00%)	OF TOTAL BUILDOUT	44.73%	PHASE I COSTS	
Losses Disallowed		0.00%				UNESCALATED	194,512,973
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
PROGRAM:								
Land	3.56 acres							155,112
Above ground	737,928	167,820	269,831	249,450	50,827			
Below ground	613,604					560,104		53,500
Water	178,200						178,200	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Saleable	653,377	135,934	269,831	212,033	35,579	560,104	178,200	
UNITS:								
Condominiums	100	100						
Hotel rooms	290		290					
Hotel bays	339		339					
Cars	1,400					1,400		
Marina slips	100						100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts
8-7-86
DEVELOPMENT ASSUMPTIONS - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina						1,200,000		
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		205,580						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent					10.00			
REVENUES PER UNIT:								
Unit sales 1,359 ssf		509,753				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent			158.00			10.50	10.50	
Hotel daily other 38.44%			60.74					
SALE, LEASE, RENT TERMS:								
Presale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
Prelease		0.00%	50.00%	25.00%	25.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years 5				100.00%	100.00%			
Rent - monthly						25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				5.00%	5.00%			
VACANCY			29.00%	10.00%	10.00%			
TURNOVER:								
Turnover - stay				75.00%	50.00%			
Turnover - leave				25.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb.- leave				7.00	7.00			

PIER 4
Boston, Massachusetts

9-7-85

PROJECT COSTS - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
<hr/>								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534			
<hr/>								
HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,664	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E	8,475,000		8,475,000					
Foundation @ 25%	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		
Garage service area	0	751,312	1,208,005	1,116,761	227,547			(3,303,625)
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,056,493	826,536			
<hr/>								
HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,105	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency	19 5.0%	6,903,750	1,313,881	2,347,405	1,566,324	319,148	1,296,991	60,000
<hr/>								
TOTAL HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	0
<hr/>								
SOFT COSTS:								
Envir. Imp. Report	19 490,000	93,254	166,609	111,171	22,652	92,055	4,259	
Permitting/Licens.	19 100,000	19,031	34,002	22,888	4,823	18,787	869	
Building Permits	19 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
A/E Fees	19 4.5%	6,213,375	1,182,493	2,112,665	1,409,692	297,234	1,167,292	54,000
Design Consultants	19 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Development Fee	19 2.0%	2,761,500	525,553	938,962	626,530	127,659	518,796	24,000
Mtg. Brokerage Fee	19 1.0%	1,104,600	210,221	375,585	250,612	51,064	207,519	9,600
Market Research Fe	19 100,000	19,031	34,002	22,888	4,823	18,787	869	
Legal/Accounting	19 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Linkage	12 2,820,648		1,335,007	1,234,171	251,470			
Insurance	10 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
RE Taxes	10 0.5%	690,375	131,388	234,741	156,632	31,915	129,699	6,000
Marketing/PR	5 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Brokerage on Lease	5 2,033,179			1,855,284	177,895			
<hr/>								
Soft Cost SUBTOTAL	23,217,428	3,494,853	7,578,978	7,255,793	1,278,282	3,449,925	159,597	
Construc. Loan Pt.	1.0%	1,345,569	248,691	454,996	321,189	63,843	245,494	11,357
Constr. Int.	15 16,819,618	3,108,636	5,687,449	4,014,860	798,040	3,068,673	141,960	
Permanent Loan Pt.	1.0%	1,029,827	0	454,996	321,189	63,843	184,120	5,678
<hr/>								
TOTAL SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
<hr/>								
COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
<hr/>								
TOTAL PROJECT COSTS	194,512,973	36,063,330	66,076,079	47,213,295	9,396,658	34,185,020	1,578,592	
<hr/>								
COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
<hr/>								
TOTAL PROJECT COSTS	194,512,973	36,063,330	66,076,079	47,213,295	9,396,658	34,185,020	1,578,592	
<hr/>								
PERCENT OF USE:								
Land Costs	3.66%	4.49%	3.94%	5.10%	5.22%	0.00%	0.00%	
Hard Costs	74.53%	76.51%	74.60%	69.67%	71.32%	79.67%	79.82%	
Soft Costs	21.80%	19.00%	21.45%	25.23%	23.46%	20.33%	20.18%	
<hr/>								
Total Project Costs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
<hr/>								
PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	22.74%	36.57%	33.80%	6.89%	0.00%	0.00%	
Hard Costs	100.00%	19.03%	34.00%	22.69%	4.62%	18.79%	0.87%	
Soft Costs	100.00%	16.16%	33.43%	28.09%	5.20%	16.38%	0.75%	
<hr/>								
Total Project Costs	100.00%	18.54%	33.97%	24.27%	4.83%	17.57%	0.81%	

PIER 4
Boston, Massachusetts
STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 1
8-7-86

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	59,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
GROSS SALES	50,975,325	50,975,325				12,250,000	1,500,000	
Less Basis	(45,398,880)	(36,063,330)				(8,548,255)	(789,296)	
Less Commissions	(2,079,260)	(1,529,260)				(490,000)	(60,000)	
Gain on Sale	17,247,185	13,382,736				3,213,745	650,704	
TAX on Sale 50.0%	(8,623,592)	(6,691,368)				(1,606,873)	(325,352)	
NET SALES PROCEEDS	54,022,473	42,754,697				10,153,127	1,114,648	
GROSS REVENUE:								
Base leases 5	8,132,716			7,421,138	711,578			
Base rents	20,725,363		16,724,300			3,837,750	163,313	
Other income	6,784,610		6,428,821		355,789			
TOTAL GROSS REVENUES	35,642,689		23,153,121	7,421,138	1,067,367	3,837,750	163,313	
Less VACANCY	(7,563,256)		(6,714,405)	(742,114)	(106,737)			
NET REVENUES	28,079,432		16,438,716	6,679,024	960,630	3,837,750	163,313	
OPERATING EXPENSES:								
Base operating expenses	(13,050,397)		(10,341,122)	(1,526,634)	(320,210)	(840,156)	(22,275)	
Replacement reserve	(609,569)		(493,161)	(66,790)	(9,606)	(38,378)	(1,633)	
TOTAL OPERATING EXPENSES	(13,659,965)		(10,834,283)	(1,593,424)	(329,816)	(878,534)	(23,908)	
NET OPERATING INCOME	14,419,467		5,604,433	5,085,600	630,814	2,959,217	139,404	
GROSS MARGIN ON SALES BEFORE TAX	37.99%	37.11%				37.60%	82.44%	
RETURN ON ASSETS BY USE	9.67%		8.48%	10.77%	6.71%	11.54%	17.66%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	15.45%							

COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 1
8-7-86

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	59,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
Hard Costs (Component Specific)		151.23	108.50	107.65	130.71	61.75	6.73	
Land Costs	10.90	11.91	9.65	11.35	13.79	0.00	0.00	
Hard Costs (Total)	221.89	202.98	182.69	155.13	188.37	48.63	7.07	
Soft Costs	64.91	50.41	52.54	56.18	61.95	12.41	1.79	
TOTAL DEVELOPMENT COSTS	297.70	265.30	244.88	222.67	264.11	61.03	8.86	
Gross Sales		375.00				87.48	16.84	
Less Basis, Commissions, Taxes		(325.77)				(76.01)	(13.18)	
AFTER TAX GAIN ON SALES		49.23				11.48	3.65	
Gross Revenues		0.00	85.81	35.00	30.00	9.14	0.92	
Less Vacancy		0.00	(24.88)	(3.50)	(3.00)	0.00	0.00	
Net Revenues		0.00	60.92	31.50	27.00	9.14	0.92	
Operating Expenses (Before deducting Linkage or Turns)		0.00	(40.15)	(7.52)	(9.27)	(2.09)	(0.27)	
NET OPERATING INCOME		0.00	20.77	23.99	17.73	7.04	0.65	

PIER 4 Boston, Massachusetts						
PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI Capitalized @ 10.00%		0				
Less Commission @ 3.00%		0				

PRETAX SALE PROCEEDS		0				
Less Mortgage Balance		0				
Less Taxes / Plus Benefits		0				

AFTER TAX SALES PROCEEDS		0				
=====						
COST & DEBT FLOWS (Exc. Perma. Amort.)	(2,592,297)	(1,066,297)	(3,600,560)	0	(17,104,916)	(18,815,408)
PRETAX SALES PROCEEDS	0	0	0	0	28,922,451	30,079,349
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	0	0
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	0
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW	(2,592,297)	(1,066,297)	(3,600,560)	0	11,817,535	11,263,942
=====						
Before Tax Cash Flow	(2,592,297)	(1,066,297)	(3,600,560)	0	11,817,535	11,263,942
Income Tax./Ben. From Operations	3,285	6,701	91,301	198,510	(3,520,687)	(3,412,273)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(2,589,012)	(1,059,596)	(3,509,260)	198,510	8,296,849	7,851,669
=====						
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(2,592,297)	(1,066,297)	(3,600,560)	(0)	(0)	(0)
Cash Flow From Operations	0	0	(0)	0	11,817,535	11,263,942
Taxes/Benefits From Operations	3,285	6,701	91,301	198,510	(3,520,687)	(3,412,273)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(2,589,012)	(1,059,596)	(3,509,260)	198,510	8,296,849	7,851,669
CUMULATIVE AFTER TAX CASH FLOW	(2,589,012)	(3,648,608)	(7,157,868)	(6,959,358)	1,337,490	9,189,159
Breakeven Debt Coverage Ratio						0.00%
						0.00%
=====						
COMPOSITION OF AFTER TAX NPV:			NPV Components As % Of Investment		NPV Components Per Rentable/Salable SF	
Investment	(6,664,509)		-100.00%		(49.04)	
Cash Flow From Operations	16,352,291		245.29%		120.30	
Taxes /Benefits From Operations	(4,664,797)		-69.97%		(34.32)	
Cash Flow On Sale	0		0.00%		0.00	
Taxes / Benefits From Sale	0		.00%		.00	
			-----		-----	
TOTAL AFTER TAX NPV @ 8.00%	5,020,984		75.32%		36.94	
=====						

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 HOTEL

YEAR

	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
 Gross Proceeds - Year 16 NOI
 Capitalized @ 10.00% 118,695,787
 Less Commission @ 3.00% (3,560,874)

 PRETAX SALE PROCEEDS 115,134,914
 Less Mortgage Balance (39,736,947)
 Less Taxes / Plus Benefits (8,735,641)

AFTER TAX SALES PROCEEDS 66,662,326

COST & DEBT FLOWS (Exc. Perm. Amort.)	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	7,352,791	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	4,337,017	5,512,830
LINKAGE					(111,251)	(111,251)
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(4,667,487)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW

	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	11,578,557	734,093
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Before Tax Cash Flow	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	11,578,557	734,093
Income Tax./Ben. From Operations	5,869	11,972	82,730	180,255	21,216	1,998,627
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW

	(4,336,053)	(1,746,616)	(22,893,637)	(2,948,220)	11,599,773	2,732,719
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	(0)	(0)
Cash Flow From Operations	0	0	0	0	11,578,557	734,093
Taxes/Benefits From Operations	5,869	11,972	82,730	180,255	21,216	1,998,627
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW

	(4,336,053)	(1,746,616)	(22,893,637)	(2,948,220)	11,599,773	2,732,719
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CUMULATIVE AFTER TAX CASH FLOW

	(4,336,053)	(6,082,669)	(28,976,306)	(31,924,526)	(20,324,752)	(17,592,033)
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Breakeven 67.21%
 Debt Coverage Ratio 115.73%

			NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:				
Investment	(28,152,259)		-100.00%	(104.33)
Cash Flow From Operations	28,254,925		100.36%	104.71
Taxes / Benefits From Operations	(147,357)		-0.52%	(0.55)
Cash Flow On Sale	25,670,070		91.18%	95.13
Taxes / Benefits From Sale	(2,974,145)		-10.56%	(11.02)

TOTAL AFTER TAX NPV @ 8.00% 22,651,234 80.46% 83.95

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I HOTEL

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	(0)	(0)	0	0	(0)	0	(39,736,947)
0	0	0	0	0	0	0	0	0
6,775,769	8,130,923	9,019,904	9,380,700	9,755,929	10,146,166	10,552,012	10,974,093	11,413,056
(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)	(4,667,487)
115,134,914								
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	82,032,285
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	82,032,285
1,347,679	649,043	181,768	0	(1,034,812)	(1,367,627)	(1,594,244)	(1,831,347)	(2,079,498)
0	0	0	0	0	0	0	0	(8,735,641)
3,344,711	4,001,229	4,422,935	4,601,963	3,942,379	3,999,801	4,179,031	4,364,008	71,217,146
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	6,634,319
1,347,679	649,043	181,768	0	(1,034,812)	(1,367,627)	(1,594,244)	(1,831,347)	(2,079,498)
0	0	0	0	0	0	0	0	75,397,966
0	0	0	0	0	0	0	0	(8,735,641)
3,344,711	4,001,229	4,422,935	4,601,963	3,942,379	3,999,801	4,179,031	4,364,008	71,217,146
(14,247,322)	(10,246,093)	(5,823,158)	(1,221,195)	2,721,185	6,720,985	10,900,016	15,264,024	86,481,170
62.61%	59.26%	57.62%	57.04%	56.48%	55.94%	55.43%	54.93%	54.45%
142.79%	171.82%	190.87%	198.60%	206.64%	215.00%	223.69%	232.73%	242.14%

INTERNAL RATE OF RETURN

16.15%
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PIER 4 Boston, Massachusetts						
B-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I OFFICE						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		91,658,170				
Less Commission @ 3.00%		(2,749,745)				
PRETAX SALE PROCEEDS		88,908,424				
Less Mortgage Balance		(36,124,498)				
Less Taxes / Plus Benefits		(5,559,732)				
AFTER TAX SALES PROCEEDS		47,224,195				
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(3,566,993)	(1,271,170)	(3,911,055)	0	(1,716,666)	0
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	3,052,851	6,192,098
LINKAGE					(102,849)	(102,848)
TURNING COSTS:						
Brokerage Fees					(1,085,210)	(1,128,619)
Tenant Refurbishment					(344,553)	(344,553)
DEBT SERVICE					0	(4,243,170)
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909
Before Tax Cash Flow	(3,566,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909
Income Tax./Ben. From Operations	3,916	7,988	111,443	243,110	402,316	622,308
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(3,563,078)	(1,263,182)	(3,799,612)	243,110	205,891	995,217
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(3,566,993)	(1,271,170)	(3,911,055)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	(196,425)	372,909
Taxes/Benefits From Operations	3,916	7,988	111,443	243,110	402,316	622,308
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(3,563,078)	(1,263,182)	(3,799,612)	243,110	205,891	995,217
CUMULATIVE AFTER TAX CASH FLOW	(3,563,078)	(4,826,259)	(8,625,871)	(8,382,761)	(8,176,870)	(7,181,653)
Breakeven						85.79%
Debt Coverage Ratio						108.79%
COMPOSITION OF AFTER TAX NPV:						
Investment	(8,097,102)					(38.19)
Cash Flow From Operations	8,361,850					39.44
Taxes /Benefits From Operations	1,972,017					9.30
Cash Flow On Sale	17,970,871					84.76
Taxes / Benefits From Sale	(1,892,872)					(8.93)
TOTAL AFTER TAX NPV @ 8.00%	18,314,764			226.19%		86.38

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 OFFICE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(0)	0	0	(0)	0	(0)	(0)	0	(36,124,498)
0	0	0	0	0	0	0	0	0
6,117,802	6,040,535	5,960,177	6,731,479	7,533,633	7,443,242	7,349,234	7,251,467	8,189,874
(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)
0	0	0	(1,320,324)	(1,373,137)	0	0	0	(1,606,376)
0	0	0	(344,553)	(344,553)	0	0	0	(344,553)
(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)
								88,908,424
1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	54,676,854
1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	54,676,854
843,225	864,249	885,311	288,665	(140,714)	(115,100)	(89,635)	(64,445)	(531,106)
0	0	0	0	0	0	0	0	(5,559,732)
2,415,009	2,358,766	2,299,471	1,009,249	1,329,212	2,982,125	2,913,581	2,841,004	48,586,016
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	1,892,927
843,225	864,249	885,311	288,665	(140,714)	(115,100)	(89,635)	(64,445)	(531,106)
0	0	0	0	0	0	0	0	52,783,927
0	0	0	0	0	0	0	0	(5,559,732)
2,415,009	2,358,766	2,299,471	1,009,249	1,329,212	2,982,125	2,913,581	2,841,004	48,586,016
(4,766,644)	(2,407,878)	(108,407)	900,842	2,230,054	5,212,179	8,125,760	10,966,764	59,552,781
69.99%	70.86%	71.77%	82.64%	76.36%	61.25%	62.12%	63.03%	74.12%
141.76%	139.94%	138.04%	116.98%	134.64%	172.99%	170.78%	168.47%	144.61%

INTERNAL RATE OF RETURN

20.92%

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 RETAIL
YEAR

	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
Gross Proceeds - Year 16 NOI
Capitalized @ 10.00% 11,482,592
Less Commission @ 3.00% (344,478)

PRETAX SALE PROCEEDS 11,138,114
Less Mortgage Balance (4,515,562)
Less Taxes / Plus Benefits (22,514)

AFTER TAX SALES PROCEEDS 6,599,938

COST & DEBT FLOWS (Exc. Perm. Amort.)	(726,797)	(239,094)	(3,125,184)	(355,737)	(62,872)	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	380,220	775,723
LINKAGE					(20,956)	(20,956)
TURNING COSTS:						
Brokerage Fees					(104,056)	(108,218)
Tenant Refurbishment					(80,053)	(80,053)
DEBT SERVICE					0	(530,396)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(726,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
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Before Tax Cash Flow	(726,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
Income Tax./Ben. From Operations	798	1,628	11,384	24,818	85,892	162,221
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(725,999)	(237,466)	(3,113,800)	(330,919)	198,176	198,321
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(726,797)	(239,094)	(3,125,184)	(355,737)	(0)	(0)
Cash Flow From Operations	0	0	0	0	112,284	36,100
Taxes/Benefits From Operations	798	1,628	11,384	24,818	85,892	162,221
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(725,999)	(237,466)	(3,113,800)	(330,919)	198,176	198,321
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CUMULATIVE AFTER TAX CASH FLOW	(725,999)	(963,466)	(4,077,266)	(4,408,185)	(4,210,010)	(4,011,689)
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Breakeven						87.18Z
Debt Coverage Ratio						106.81Z

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(3,909,918)	-100.00Z	(109.89)
Cash Flow From Operations	1,192,124	30.49Z	33.51
Taxes /Benefits From Operations	629,650	16.10Z	17.70
Cash Flow On Sale	2,254,721	57.67Z	63.37
Taxes / Benefits From Sale	(7,699)	-0.20Z	(0.22)

TOTAL AFTER TAX NPV @ 8.00Z	158,877	4.06Z	4.47
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PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 RETAIL

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
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(0)	0	0	(0)	0	(0)	(0)	0	(4,515,562)
0	0	0	0	0	0	0	0	0
775,879	776,041	776,209	858,354	943,785	943,975	944,172	944,377	1,044,319
(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)
0	0	0	(126,600)	(131,664)	0	0	0	(154,028)
0	0	0	(80,053)	(80,053)	0	0	0	(80,053)
(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)	(530,396)
								11,138,114
<hr/>								
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,881,439
<hr/>								
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,881,439
159,793	157,177	154,357	109,782	60,064	57,522	54,731	51,666	1,180
0	0	0	0	0	0	0	0	(22,614)
<hr/>								
384,320	381,866	379,214	210,132	240,781	450,145	447,551	444,692	6,860,005
<hr/>								
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	258,887
159,793	157,177	154,357	109,782	60,064	57,522	54,731	51,666	1,180
0	0	0	0	0	0	0	0	6,622,552
0	0	0	0	0	0	0	0	(22,614)
<hr/>								
384,320	381,866	379,214	210,132	240,781	450,145	447,551	444,692	6,860,005
(3,627,369)	(3,245,503)	(2,866,289)	(2,656,157)	(2,415,376)	(1,965,232)	(1,517,681)	(1,072,989)	5,787,016
72.72%	72.94%	73.17%	83.06%	78.41%	65.16%	65.49%	65.82%	75.28%
142.33%	142.36%	142.39%	118.92%	134.07%	174.02%	174.06%	174.10%	148.81%

INTERNAL RATE OF RETURN

@@@@@@@@@@@@
 8.43%
 @@@@@@@@@@@@

PIER 4
Boston, Massachusetts

8-7-85 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 GARAGE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
 Gross Proceeds - Year 16 NOI
 Capitalized @ 10.00% 55,281,361
 Less Commission @ 3.00% (1,658,441)

PRETAX SALE PROCEEDS 53,622,920
 Less Mortgage Balance (25,287,148)
 Less Taxes / Plus Benefits (4,769,812)

AFTER TAX SALES PROCEEDS 23,565,959

COST & DEBT FLOWS (Exc. Perm. Amort.)	(960,155)	(1,052,589)	(4,833,327)	0	(340,984)	(4,453,583)
PRETAX SALES PROCEEDS	0	0	0	0	6,878,768	7,153,919
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	1,795,486	3,734,611
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(2,970,219)
PROJECT SALE PROCEEDS						

BEFORE TAX CASH FLOW (960,155) (1,052,589) (4,833,327) 0 8,333,270 3,464,728

Before Tax Cash Flow	(960,155)	(1,052,589)	(4,833,327)	0	8,333,270	3,464,728
Income Tax./Ben. From Operations	3,242	6,615	84,853	184,980	(829,065)	(831,321)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (956,912) (1,045,974) (4,748,474) 184,980 7,504,204 2,633,407

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(960,155)	(1,052,589)	(4,833,327)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	8,333,270	3,464,728
Taxes/Benefits From Operations	3,242	6,615	84,853	184,980	(829,065)	(831,321)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (956,912) (1,045,974) (4,748,474) 184,980 7,504,204 2,633,407

CUMULATIVE AFTER TAX CASH FLOW (956,912) (2,002,887) (6,751,361) (6,566,381) 937,823 3,571,230

Breakeven
 Debt Coverage Ratio 83.63%
 125.74%

		NPV Components As % Of Investment		NPV Components Per Rentable/Salable SF	
COMPOSITION OF AFTER TAX NPV:					
Investment	(6,078,573)		-100.00%		(10.85)
Cash Flow From Operations	14,886,942		244.91%		26.58
Taxes / Benefits From Operations	(1,709,259)		-28.12%		(3.05)
Cash Flow On Sale	9,647,226		158.71%		17.22
Taxes / Benefits From Sale	(1,623,935)		-26.72%		(2.90)

TOTAL AFTER TAX NPV @ 8.00% 15,122,401 248.78% 27.00

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I

								GARAGE	
7	8	9	10	11	12	13	14	15	SALE
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE

0	(0)	(0)	0	0	0	(0)	0	(25,287,148)
0	0	0	0	0	0	0	0	0
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)
53,622,920								

913,776	1,069,136	1,230,710	1,398,747	1,573,506	1,755,255	1,944,274	2,140,854	30,681,068
=====								
913,776	1,069,136	1,230,710	1,398,747	1,573,506	1,755,255	1,944,274	2,140,854	30,681,068
178,752	89,079	(4,741)	(111,468)	(233,015)	(337,596)	(447,183)	(562,058)	(682,524)
0	0	0	0	0	0	0	0	(4,769,812)

1,092,528	1,158,215	1,225,969	1,287,279	1,340,491	1,417,659	1,497,091	1,578,795	25,228,732
=====								
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
913,776	1,069,136	1,230,710	1,398,747	1,573,506	1,755,255	1,944,274	2,140,854	2,345,297
178,752	89,079	(4,741)	(111,468)	(233,015)	(337,596)	(447,183)	(562,058)	(682,524)
0	0	0	0	0	0	0	0	28,335,772
0	0	0	0	0	0	0	0	(4,769,812)

1,092,528	1,158,215	1,225,969	1,287,279	1,340,491	1,417,659	1,497,091	1,578,795	25,228,732
4,663,758	5,821,973	7,047,942	8,335,221	9,675,713	11,093,372	12,590,462	14,169,258	39,397,990
81.18%	78.83%	76.57%	74.39%	72.30%	70.29%	68.36%	66.50%	64.71%
130.76%	136.00%	141.43%	147.09%	152.98%	159.10%	165.46%	172.08%	178.96%

INTERNAL RATE OF RETURN

eeeeeeeeeeee
 32.69%
 eeeeeeeeeeee

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 MARINA
YEAR

	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		2,585,464				
Less Commission @ 3.00%		(77,564)				
PRETAX SALE PROCEEDS		2,507,900				
Less Mortgage Balance		(903,112)				
Less Taxes / Plus Benefits		(315,493)				

AFTER TAX SALES PROCEEDS 1,289,295

COST & DEBT FLOWS (Exc. Perm. Amort.)	(44,418)	(48,694)	(223,594)	0	(120,765)	(410,947)
PRETAX SALES PROCEEDS	0	0	0	0	842,298	875,990
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	83,973	174,665
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(106,079)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (44,418) (48,694) (223,594) 0 805,506 533,628

Before Tax Cash Flow	(44,418)	(48,694)	(223,594)	0	805,506	533,628
Income Tax./Ben. From Operations	150	306	3,917	8,533	(203,087)	(224,531)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (44,268) (48,388) (219,677) 8,533 602,420 309,097

COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(44,418)	(48,694)	(223,594)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	805,506	533,628
Taxes/Benefits From Operations	150	306	3,917	8,533	(203,087)	(224,531)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (44,268) (48,388) (219,677) 8,533 602,420 309,097

CUMULATIVE AFTER TAX CASH FLOW (44,268) (92,655) (312,332) (303,799) 298,620 607,717

Breakeven Debt Coverage Ratio 65.48% 164.65%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(281,200)	-100.00%	(1.58)
Cash Flow From Operations	1,394,346	495.85%	7.82
Taxes / Benefits From Operations	(457,271)	-162.61%	(2.57)
Cash Flow On Sale	546,368	194.30%	3.07
Taxes / Benefits From Sale	(107,413)	-38.20%	(0.60)

TOTAL AFTER TAX NPV @ 8.00% 1,094,829 389.34% 6.14

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 MARINA

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

	0	0	(0)	0	(0)	0	(0)	0	(903,112)
	0	0	0	0	0	0	0	0	0
	181,651	188,917	196,474	204,333	212,506	221,007	229,847	239,041	248,602
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)
									2,507,900

	75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	1,747,310
=====									
	75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	1,747,310
	(23,020)	(27,069)	(31,299)	(35,984)	(41,185)	(45,925)	(50,884)	(56,073)	(61,505)
	0	0	0	0	0	0	0	0	(315,493)

	52,552	55,769	59,096	62,269	65,242	69,002	72,884	76,889	1,370,312
=====									
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	142,523
	(23,020)	(27,069)	(31,299)	(35,984)	(41,185)	(45,925)	(50,884)	(56,073)	(61,505)
	0	0	0	0	0	0	0	0	1,604,787
	0	0	0	0	0	0	0	0	(315,493)

	52,552	55,769	59,096	62,269	65,242	69,002	72,884	76,889	1,370,312
	660,269	716,039	775,134	837,404	902,645	971,648	1,044,531	1,121,420	2,491,732
	63.43%	61.45%	59.56%	57.73%	55.98%	54.29%	52.66%	51.10%	49.60%
	171.24%	178.09%	185.21%	192.62%	200.33%	208.34%	216.67%	225.34%	234.36%

INTERNAL RATE OF RETURN

51.83%

PIER 4 Boston, Massachusetts						
8-7-86	PHASE I PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
COMPOSITION OF AFTER TAX CASH FLOW:						
Land Contributions	(7,121,775)	(0)	(0)	(0)	(0)	(0)
Cash Contributions	(5,093,547)	(5,401,223)	(38,284,460)	(2,644,007)	(0)	(0)
Investment	(12,215,322)	(5,401,223)	(38,284,460)	(2,644,007)	0	0
Cash Flow From Operations	(17,259)	(35,209)	(385,628)	(840,205)	32,450,727	16,405,399
Taxes/Benefits From Operations	17,259	35,209	385,628	840,205	(3,463,364)	(1,684,970)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(12,215,322)	(5,401,223)	(38,284,460)	(2,644,007)	28,987,363	14,720,430
CUMULATIVE AFTER TAX CASH FLOW	(12,215,322)	(17,616,544)	(55,901,004)	(58,545,011)	(29,557,648)	(14,837,219)
COMPOSITION OF AFTER TAX NPV:						
Land Contributions	(7,121,775)		-13.66%			
Cash Contributions	(45,016,331)		-86.34%			
Investment	(52,138,105)		-100.00%			
Cash Flow From Operations	69,395,022		133.10%			
Taxes/Benefits From Operations	(4,238,405)		-8.13%			
Cash Flow On Sale	56,089,256		107.58%			
Taxes/Benefits On Sale	(6,606,065)		-12.67%			
TOTAL AFTER TAX NPV @ 9.00%	62,501,703		119.89%			
TAX VALUE OF MIXED USE:						
After Tax Cash Flow - As A Whole	(12,215,322)	(5,401,223)	(38,284,460)	(2,644,007)	28,987,363	14,720,430
After Tax Cash Flow - Components	(12,215,322)	(5,401,223)	(38,284,460)	(2,644,007)	28,407,313	14,720,430
VALUE OF MIXED USE NPV = 138,613	0	(0)	0	0	580,050	0
BEFORE TAX CASH FLOW:						
Condos	(2,592,297)	(1,066,297)	(3,600,560)	0	11,817,535	11,263,942
Hotel	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	11,578,557	734,093
Office	(3,586,993)	(1,271,170)	(3,911,055)	0	(196,425)	372,909
Retail	(726,797)	(239,094)	(3,125,184)	(355,737)	112,284	36,100
Garage	(960,155)	(1,052,589)	(4,833,327)	0	8,333,270	3,464,728
Marina	(44,418)	(48,694)	(223,594)	0	805,506	533,628
TOTAL BEFORE TAX CASH FLOW	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	32,450,727	16,405,399
TAXABLE INCOME:						
Condos	(6,569)	(13,402)	(182,601)	(397,020)	7,041,374	6,824,546
Hotel	(11,737)	(23,944)	(165,460)	(360,510)	(42,432)	(3,997,253)
Office	(7,832)	(15,977)	(222,886)	(486,220)	(804,633)	(1,244,616)
Retail	(1,596)	(3,255)	(22,769)	(49,635)	(171,784)	(324,441)
Garage	(6,485)	(13,229)	(169,705)	(369,959)	1,658,131	1,662,642
Marina	(300)	(612)	(7,935)	(17,066)	406,173	449,062
TOTAL TAXABLE INCOME	(34,519)	(70,418)	(771,256)	(1,680,409)	8,086,829	3,369,939
Income Taxes/Benefits	0.5 17,259	35,209	385,628	840,205	(4,043,414)	(1,684,970)
Benefits Disallowed	(0)	(0)	(0)	(0)	(0)	(0)
Benefits From Prior Years	0	0	0	0	0	0
Benefits To Be Carried	0	0	0	0	0	0
ORDINARY TAXES/BENEFITS	17,259	35,209	385,628	840,205	(4,043,414)	(1,684,970)
Potential Investment Tax Credits On FF&E					678,000	0
INVESTMENT TAX CREDIT USED					580,050	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	17,259	35,209	385,628	840,205	(3,463,364)	(1,684,970)

PIER 4
Boston, Massachusetts

PHASE 1 PERFORMANCE

								TOTAL	
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0	0
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	11,273,953	
2,306,429	1,532,480	985,395	(216,648)	(1,505,819)	(1,808,726)	(2,127,216)	(2,462,257)	(3,353,453)	
0	0	0	0	0	0	0	0	0	164,745,004
0	0	0	0	0	0	0	0	0	(19,403,291)
7,289,120	7,955,846	8,386,684	6,703,251	6,801,948	8,918,731	9,110,137	9,305,387	153,262,213	
(7,548,099)	407,747	8,794,431	15,497,682	22,299,630	31,218,361	40,328,498	49,633,886	202,896,098	

INTERNAL RATE OF RETURN *****
19.64%

7,289,120	7,955,846	8,386,684	6,703,251	6,801,948	8,918,731	9,110,137	9,305,387	153,262,213
7,289,120	7,955,846	8,386,684	7,170,893	6,918,106	8,918,731	9,110,137	9,305,387	153,262,213

0	(0)	0	(467,642)	(116,158)	0	(0)	(0)	(0)
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0	0	0	0	0	0	0	0	0
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	82,032,285
1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	54,676,854
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,881,439
913,776	1,069,136	1,230,710	1,398,747	1,573,506	1,755,255	1,944,274	2,140,854	30,681,068
75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	1,747,310

4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	176,018,957
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0	0	0	0	0	0	0	0	0
(2,695,359)	(1,298,086)	(363,537)	935,284	2,301,939	2,735,255	3,188,488	3,662,695	4,158,996
(1,286,449)	(1,328,497)	(1,370,622)	(577,329)	281,428	230,199	179,271	128,890	1,062,212
(319,586)	(314,355)	(308,713)	(219,564)	(120,128)	(115,043)	(109,461)	(103,333)	(2,361)
(357,503)	(178,159)	9,483	222,936	466,029	675,192	894,366	1,124,117	1,365,048
46,040	54,137	62,598	71,968	82,371	91,850	101,767	112,146	123,011

(4,612,857)	(3,064,960)	(1,970,791)	433,295	3,011,638	3,617,453	4,254,432	4,924,515	6,706,907
2,306,429	1,532,480	985,395	(216,648)	(1,505,819)	(1,808,726)	(2,127,216)	(2,462,257)	(3,353,453)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,306,429	1,532,480	985,395	(216,648)	(1,505,819)	(1,808,726)	(2,127,216)	(2,462,257)	(3,353,453)

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,306,429	1,532,480	985,395	(216,648)	(1,505,819)	(1,808,726)	(2,127,216)	(2,462,257)	(3,353,453)

PIER 4 Boston, Massachusetts						
9-7-86	PHASE 1 PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
SALE PROCEEDS:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL SALE PROCEEDS	0	0	0	0	0	0
GAIN ON SALE:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL GAIN ON SALE	0	0	0	0	0	0
TAX / BENEFIT @ 20.00%	0	0	0	0	0	0
Before Tax Cash Flow From Oper.	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	32,450,727	16,405,399
Taxes/Benefits From Oper.	17,259	35,209	385,628	940,205	(3,463,364)	(1,684,970)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(12,215,322)	(5,401,223)	(38,284,460)	(2,644,007)	28,987,363	14,720,430
Land Equity Available	7,121,775	0				
Land Equity Contributed	7,121,775	0	0	0	0	0
CASH CONTRIBUTION REQUIRED	5,093,547	5,401,223	38,284,460	2,644,007	0	0
AFTER TAX CASH FLOW BY COMPONENT:						
Condos	(2,589,012)	(1,059,596)	(3,509,260)	198,510	8,296,849	7,851,669
Hotel	(4,336,053)	(1,746,616)	(22,893,637)	(2,948,220)	11,599,773	2,732,719
Office	(3,563,078)	(1,263,182)	(3,799,612)	243,110	205,891	995,217
Retail	(725,999)	(237,466)	(3,113,800)	(330,919)	198,176	198,321
Garage	(956,912)	(1,045,974)	(4,748,474)	184,980	7,504,204	2,633,407
Marina	(44,268)	(48,388)	(219,677)	8,533	602,420	309,097
TOTAL AFTER TAX BY COMPONENT	(12,215,322)	(5,401,223)	(38,284,460)	(2,644,007)	28,407,313	14,720,430

PIER 4 Boston, Massachusetts									
PHASE 1 PERFORMANCE									TOTAL
7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE	
									0
									75,397,966
									52,783,927
									6,622,552
									28,335,772
									1,604,787
0	0	0	0	0	0	0	0	0	164,745,004
									(0)
									43,678,204
									(0)
									43,678,204
									27,798,658
									113,069
									23,849,062
									1,577,464
0	0	0	0	0	0	0	0	0	97,016,457
0	0	0	0	0	0	0	0	0	(19,403,291)
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	176,018,957	
2,306,429	1,532,480	985,395	(216,648)	(1,505,819)	(1,808,726)	(2,127,216)	(2,462,257)	(3,353,453)	
0	0	0	0	0	0	0	0	164,745,004	
0	0	0	0	0	0	0	0	(19,403,291)	
7,289,120	7,955,846	8,386,684	6,703,251	6,801,948	8,918,731	9,110,137	9,305,387	318,007,217	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
3,344,711	4,001,229	4,422,935	4,601,963	3,942,379	3,999,801	4,179,031	4,364,008	71,217,146	
2,415,009	2,358,766	2,299,471	1,009,249	1,329,212	2,982,125	2,913,581	2,841,004	48,586,016	
384,320	381,866	379,214	210,132	240,781	450,145	447,551	444,692	6,860,005	
1,092,528	1,158,215	1,225,969	1,287,279	1,340,491	1,417,659	1,497,091	1,578,795	25,228,732	
52,552	55,769	59,096	62,269	65,242	69,902	72,884	76,889	1,370,312	
7,289,120	7,955,846	8,386,684	7,170,893	6,918,106	8,918,731	9,110,137	9,305,387	153,262,213	

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE I

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	100,000
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO	
Total buildout		1,649,812		Permanent Term	30	NONGARAGE USES	25.00%
Floor Area Ratio			4.27			ALLOCATION OF BREAKWATER TO	
						NONMARINA USES	100.00%
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED	
Ordinary Rate		35.00%		EQUITY	100.00%	EQUITY FUNDS	0.00%
Capital Gains		35.00%				PHASE I COSTS	
Deprec. Life (Bldg. & FF&E)		30	5	PHASE I AS PERCENT		UNESCALATED	174,213,358
ITC on Hotel FF&E		0.00%	(@ 85.00%)	OF TOTAL BUILDOUT	44.73%		
Losses Disallowed		100.00%					
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
PROGRAM:								
Land	3.56 acres							155,112
Above ground	737,929	167,820	269,831	249,450	50,827			
Below ground	613,604					560,104		53,500
Water	178,200						178,200	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	653,377	135,934	269,831	212,033	35,579	560,104	178,200	
UNITS:								
Condominiums	100	100						
Hotel rooms	290		290					
Hotel bays	339		339					
Cars	1,400					1,400		
Marina slips	100						100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts

8-7-85

DEVELOPMENT ASSUMPTIONS - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina						1,200,000		
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		205,580						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent					10.00			
REVENUES PER UNIT:								
Unit sales 1,359 ssf		509,753				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent			158.00			10.50	19.50	
Hotel daily other 38.44%			60.74					
SALE, LEASE, RENT TERMS:								
Presale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
Prelease		0.00%	50.00%	25.00%	25.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years 5				100.00%	100.00%			
Rent - monthly						25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				5.00%	5.00%			
VACANCY			29.00%	10.00%	10.00%			
TURNOVER:								
Turnover - stay				75.00%	50.00%			
Turnover - leave				25.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb. - leave				7.00	7.00			

PIER 4
Boston, Massachusetts

8-7-86

PROJECT COSTS - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534			
HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,664	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E	8,475,000		8,475,000					
Foundation @ 25%	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		
Garage service area	0	751,312	1,208,005	1,116,761	227,547			(3,303,625)
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,056,493	826,536			
HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,105	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency	6,903,750	1,313,881	2,347,405	1,566,324	319,148	1,296,991	60,000	0
TOTAL HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	0
SOFT COSTS:								
Envir. Imp. Report	30 490,600	93,254	166,609	111,171	22,652	92,055	4,259	
Permitting/Licens.	30 100,000	19,031	34,002	22,688	4,623	18,787	869	
Building Permits	30 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
A/E Fees	30 4.5% 6,213,375	1,182,493	2,112,665	1,409,692	287,234	1,167,292	54,000	
Design Consultants	30 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Development Fee	30 2.0% 2,761,500	525,553	938,962	626,530	127,659	518,796	24,000	
Mtg. Brokerage Fee	30 1.0% 0	0	0	0	0	0	0	
Market Research Fe	30 100,000	19,031	34,002	22,688	4,623	18,787	869	
Legal/Accounting	30 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Linkage	12 2,820,648		1,335,007	1,234,171	251,470			
Insurance	10 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
RE Taxes	10 0.5% 690,375	131,388	234,741	156,632	31,915	129,699	6,000	
Marketing/PR	5 1.0% 1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Brokerage on Lease	5 2,033,179			1,855,284	177,895			
Soft Cost SUBTOTAL	22,112,828	3,284,632	7,203,393	7,005,181	1,227,218	3,242,407	149,997	
Construc. Loan Pt.	1.0% 0	0	0	0	0	0	0	
Constr. Int.	15 0	0	0	0	0	0	0	
Permanent Loan Pt.	1.0% 0	0	0	0	0	0	0	
TOTAL SOFT COSTS	22,112,828	3,284,632	7,203,393	7,005,181	1,227,218	3,242,407	149,997	
COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	22,112,828	3,284,632	7,203,393	7,005,181	1,227,218	3,242,407	149,997	
TOTAL PROJECT COSTS	174,213,358	32,495,781	59,103,054	42,305,445	8,419,868	30,479,214	1,409,997	
COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	22,112,828	3,284,632	7,203,393	7,005,181	1,227,218	3,242,407	149,997	
TOTAL PROJECT COSTS	174,213,358	32,495,781	59,103,054	42,305,445	8,419,868	30,479,214	1,409,997	
PERCENT OF USE:								
Land Costs	4.09%	4.98%	4.41%	5.69%	5.83%	0.00%	0.00%	
Hard Costs	83.22%	84.91%	83.41%	77.75%	79.60%	89.36%	89.36%	
Soft Costs	12.69%	10.11%	12.19%	16.56%	14.58%	10.64%	10.64%	
Total Project Costs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	22.74%	36.57%	33.80%	6.89%	0.00%	0.00%	
Hard Costs	100.00%	19.03%	34.00%	22.69%	4.82%	18.79%	0.87%	
Soft Costs	100.00%	14.85%	32.58%	31.68%	5.55%	14.66%	0.68%	
Total Project Costs	100.00%	18.65%	33.93%	24.28%	4.83%	17.50%	0.81%	

PIER 4
Boston, Massachusetts

8-7-86 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
GROSS SALES	50,975,325	50,975,325				12,250,000	1,500,000	
Less Basis	(40,820,583)	(32,495,791)				(7,619,803)	(704,998)	
Less Commissions	(2,079,260)	(1,529,260)				(490,000)	(60,000)	
Gain on Sale	21,825,482	16,950,284				4,140,197	735,002	
TAX on Sale 35.0%	(7,638,919)	(5,932,599)				(1,449,069)	(257,251)	
NET SALES PROCEEDS	55,007,147	43,513,466				10,310,931	1,182,749	
GROSS REVENUE:								
Base leases 5	8,132,716			7,421,138	711,578			
Base rents	20,725,363		16,724,300			3,837,750	163,313	
Other income	6,784,610		6,428,821		355,789			
TOTAL GROSS REVENUES	35,642,688		23,153,121	7,421,138	1,067,367	3,837,750	163,313	
Less VACANCY	(7,563,256)		(6,714,405)	(742,114)	(106,737)			
NET REVENUES	28,079,432		16,438,716	6,679,024	960,630	3,837,750	163,313	
OPERATING EXPENSES:								
Base operating expenses	(13,050,397)		(10,341,122)	(1,526,634)	(320,210)	(840,156)	(22,275)	
Replacement reserve	(609,569)		(493,161)	(66,790)	(9,606)	(38,378)	(1,633)	
TOTAL OPERATING EXPENSES	(13,659,965)		(10,834,283)	(1,593,424)	(329,816)	(878,534)	(23,908)	
NET OPERATING INCOME	14,419,467		5,604,433	5,085,600	630,814	2,959,217	139,404	
GROSS MARGIN ON SALES BEFORE TAX	53.47%	52.16%				54.33%	104.26%	
RETURN ON ASSETS BY USE	10.81%		9.48%	12.02%	7.49%	12.95%	19.77%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	21.44%							

9-7-86 COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
Hard Costs (Component Specific)		151.23	108.50	107.65	130.71	61.75	6.73	
Land Costs	10.90	11.91	9.65	11.35	13.79	0.00	0.00	
Hard Costs (Total)	221.89	202.98	182.69	155.13	188.37	48.63	7.07	
Soft Costs	33.84	24.16	26.70	33.04	34.49	5.79	0.84	
TOTAL DEVELOPMENT COSTS	266.64	239.06	219.04	199.52	236.65	54.42	7.91	
Gross Sales		375.00				87.48	16.84	
Less Basis, Commissions, Taxes		(293.95)				(68.26)	(11.47)	
AFTER TAX GAIN ON SALES		81.05				19.22	5.36	
Gross Revenues		0.00	85.81	35.00	30.00	9.14	0.92	
Less Vacancy		0.00	(24.88)	(3.50)	(3.00)	0.00	0.00	
Net Revenues		0.00	60.92	31.50	27.00	9.14	0.92	
Operating Expenses (Before deducting Linkage or Turns)		0.00	(40.15)	(7.52)	(9.27)	(2.09)	(0.27)	
NET OPERATING INCOME		0.00	20.77	23.99	17.73	7.04	0.65	

PIER 4 Boston, Massachusetts						
PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		0				
Less Commission @ 3.00%		0				
PRETAX SALE PROCEEDS		0				
Less Mortgage Balance		0				
Less Taxes / Plus Benefits		(0)				
AFTER TAX SALES PROCEEDS		(0)				
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(2,592,297)	(847,667)	(12,499,735)	(13,240,057)	(6,897,386)	0
PRETAX SALES PROCEEDS	0	0	0	0	28,922,451	30,079,349
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	0	0
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	0
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW	(2,592,297)	(847,667)	(12,499,735)	(13,240,057)	22,025,065	30,079,349
Before Tax Cash Flow	(2,592,297)	(847,667)	(12,499,735)	(13,240,057)	22,025,065	30,079,349
Income Tax./Ben. From Operations	0	0	0	0	(3,455,824)	(3,930,836)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(2,592,297)	(847,667)	(12,499,735)	(13,240,057)	18,569,241	26,148,513
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(2,592,297)	(847,667)	(12,499,735)	(13,240,057)	(6,897,386)	(0)
Cash Flow From Operations	0	0	0	0	28,922,451	30,079,349
Taxes/Benefits From Operations	0	0	0	0	(3,455,824)	(3,930,836)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(2,592,297)	(847,667)	(12,499,735)	(13,240,057)	18,569,241	26,148,513
CUMULATIVE AFTER TAX CASH FLOW	(2,592,297)	(3,439,964)	(15,939,698)	(29,179,755)	(10,610,514)	15,537,999
Breakeven						0.00%
Debt Coverage Ratio						0.00%
COMPOSITION OF AFTER TAX NPV:						
Investment	(29,673,850)				(218.30)	
Cash Flow From Operations	41,730,365				308.99	
Taxes /Benefits From Operations	(5,215,395)				(38.37)	
Cash Flow On Sale	0				0.00	
Taxes / Benefits From Sale	(0)				(.00)	
TOTAL AFTER TAX NPV @ 8.00%	6,841,120				50.33	

YEAR	DESIGN	RESIDN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
<p>PROJECT SALE PROCEEDS: Gross Proceeds - Year 16 NOI @ 10.00% Capitalized @ 3.00% Less Commission @ 3.00%</p>							
<p>PROJECT SALE PROCEEDS: 118,695,787 (3,560,874) 115,134,914</p>							
<p>Less Mortgage Balance 0</p>							
<p>Less Taxes / Plus Benefits (16,927,467) 98,207,447</p>							
<p>AFTER TAX SALES PROCEEDS</p>							
<p>COST & DEBT FLOWS (exc. Perm. Amort.) (4,341,921) (1,514,458) (22,332,260) (23,654,933) (12,322,999) 0</p>							
<p>PRETAX SALES PROCEEDS 0 0 0 0 0 0</p>							
<p>NET OPERATING INCOME (Before Linkage Or Turning Costs) 4,337,017 5,512,830 (111,251)</p>							
<p>TURNING COSTS: Brokerage Fees 0 0 0</p>							
<p>Tenant Refurbishment 0 0 0</p>							
<p>DEBT SERVICE 0 0 0</p>							
<p>PROJECT SALE PROCEEDS</p>							
<p>BEFORE TAX CASH FLOW (4,341,921) (1,514,458) (22,332,260) (23,654,933) (8,097,233) 5,401,580</p>							
<p>Income Tax./Ben. From Operations 0 0 0</p>							
<p>Income Tax./Ben. From Project Sale 0 0 0</p>							
<p>AFTER TAX CASH FLOW (4,341,921) (1,514,458) (22,332,260) (23,654,933) (8,791,057) 4,809,370</p>							
<p>COMPOSITION OF AFTER TAX CASH FLOW: Investment (4,341,921) (1,514,458) (22,332,260) (23,654,933) (12,322,999) (0)</p>							
<p>Cash Flow From Operations 0 0 0</p>							
<p>Taxes/Benefits From Operations 0 0 0</p>							
<p>Cash Flow On Sale 0 0 0</p>							
<p>Taxes/Benefits From Sale 0 0 0</p>							
<p>AFTER TAX CASH FLOW (4,341,921) (1,514,458) (22,332,260) (23,654,933) (8,791,057) 4,809,370</p>							
<p>CUMULATIVE AFTER TAX CASH FLOW (4,341,921) (5,856,379) (28,188,639) (51,843,572) (60,634,629) (55,825,259)</p>							
<p>Break-even</p>							
<p>Debt Coverage Ratio 43.112</p>							
<p>NPV Components As % Of Investment NPV Components Per Rentable/Salable SF</p>							
<p>Investment (52,726,331) -100.00% (195,411)</p>							
<p>Cash Flow From Operations 45,870,963 -87.00% 170.00</p>							
<p>Taxes/Benefits From Operations (10,576,980) -20.06% (39.20)</p>							
<p>Cash Flow On Sale 39,198,953 74.34% 145.27</p>							
<p>Taxes / Benefits From Sale (5,763,143) -10.93% (21.36)</p>							
<p>TOTAL AFTER TAX NPV @ 8.00% 16,003,462 30.35% 59.31</p>							

PIER 4
Boston, Massachusetts
HOTEL

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 HOTEL

	7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	6,775,769	8,130,923	9,019,904	9,380,700	9,755,929	10,146,166	10,552,012	10,974,093	11,413,056
	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
									115,134,914
	6,664,519	8,019,673	8,908,654	9,269,450	9,644,678	10,034,915	10,440,762	10,862,842	126,436,720
	6,664,519	8,019,673	8,908,654	9,269,450	9,644,678	10,034,915	10,440,762	10,862,842	126,436,720
	(1,038,511)	(1,517,258)	(1,833,022)	(2,275,149)	(2,739,771)	(2,876,354)	(3,018,400)	(3,166,128)	(3,319,766)
	0	0	0	0	0	0	0	0	(16,927,467)
	5,626,008	6,502,415	7,075,631	6,994,301	6,904,907	7,158,561	7,422,361	7,696,714	106,189,487
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	6,664,519	8,019,673	8,908,654	9,269,450	9,644,678	10,034,915	10,440,762	10,862,842	11,301,806
	(1,038,511)	(1,517,258)	(1,833,022)	(2,275,149)	(2,739,771)	(2,876,354)	(3,018,400)	(3,166,128)	(3,319,766)
	0	0	0	0	0	0	0	0	115,134,914
	0	0	0	0	0	0	0	0	(16,927,467)
	5,626,008	6,502,415	7,075,631	6,994,301	6,904,907	7,158,561	7,422,361	7,696,714	106,189,487
	(50,199,252)	(43,696,837)	(36,621,206)	(29,626,905)	(22,721,998)	(15,563,437)	(8,141,075)	(444,362)	105,745,125
	43.00%	42.92%	42.89%	42.87%	42.86%	42.85%	42.83%	42.82%	42.81%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

INTERNAL RATE OF RETURN

@@@@@@@@@@
 11.34%
 @@@@@@@@@@

PIER 4 Boston, Massachusetts						
PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1						
8-7-85	OFFICE					
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		91,658,170				
Less Commission @ 3.00%		(2,749,745)				
		<u>88,908,424</u>				
PRETAX SALE PROCEEDS		88,908,424				
Less Mortgage Balance		0				
Less Taxes / Plus Benefits		(12,172,680)				
		<u>76,735,744</u>				
AFTER TAX SALES PROCEEDS						

COST & DEBT FLOWS (Exc. Perm. Amort.)	(3,566,993)	(1,010,534)	(14,901,373)	(15,783,937)	(8,222,617)	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	3,052,851	6,192,098
LINKAGE					(102,848)	(102,848)
TURNING COSTS:						
Brokerage Fees					(1,085,210)	(1,128,619)
Tenant Refurbishment					(344,553)	(344,553)
DEBT SERVICE					0	0
PROJECT SALE PROCEEDS						

BEFORE TAX CASH FLOW	(3,566,993)	(1,010,534)	(14,901,373)	(15,783,937)	(6,702,376)	4,616,079
=====						
Before Tax Cash Flow	(3,566,993)	(1,010,534)	(14,901,373)	(15,783,937)	(6,702,376)	4,616,079
Income Tax./Ben. From Operations	0	0	0	0	(582,975)	(1,401,594)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(3,566,993)	(1,010,534)	(14,901,373)	(15,783,937)	(7,285,351)	3,214,485

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(3,566,993)	(1,010,534)	(14,901,373)	(15,783,937)	(8,222,617)	(0)
Cash Flow From Operations	0	0	0	0	1,520,241	4,616,079
Taxes/Benefits From Operations	0	0	0	0	(582,975)	(1,401,594)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(3,566,993)	(1,010,534)	(14,901,373)	(15,783,937)	(7,285,351)	3,214,485
CUMULATIVE AFTER TAX CASH FLOW	(3,566,993)	(4,577,527)	(19,478,901)	(35,262,838)	(42,548,189)	(39,333,704)
Breakeven Debt Coverage Ratio						37.87% 0.00%

COMPOSITION OF AFTER TAX NPV:						
Investment	(35,851,866)					(169.09)
Cash Flow From Operations	30,551,432					144.09
Taxes /Benefits From Operations	(8,316,097)					(39.22)
Cash Flow On Sale	30,269,855					142.76
Taxes / Benefits From Sale	(4,144,323)					(19.55)

TOTAL AFTER TAX NPV @ 8.00%	12,509,000			34.89%		59.00

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 OFFICE

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	6,117,902	6,040,535	5,960,177	6,731,479	7,533,633	7,443,242	7,349,234	7,251,467	8,189,874
	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)
	0	0	0	(1,320,324)	(1,373,137)	0	0	0	(1,606,376)
	0	0	0	(344,553)	(344,553)	0	0	0	(344,553)
	0	0	0	0	0	0	0	0	0
									88,908,424
	6,014,955	5,937,687	5,857,330	4,963,755	5,713,096	7,340,394	7,246,387	7,148,619	95,044,522
	6,014,955	5,937,687	5,857,330	4,963,755	5,713,096	7,340,394	7,246,387	7,148,619	95,044,522
	(1,378,441)	(1,354,362)	(1,329,320)	(1,595,645)	(1,883,749)	(1,852,112)	(1,819,209)	(1,784,990)	(2,093,409)
	0	0	0	0	0	0	0	0	(12,172,680)
	4,636,514	4,583,325	4,528,009	3,368,110	3,829,347	5,488,283	5,427,178	5,363,629	80,778,432
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	6,014,955	5,937,687	5,857,330	4,963,755	5,713,096	7,340,394	7,246,387	7,148,619	6,136,077
	(1,378,441)	(1,354,362)	(1,329,320)	(1,595,645)	(1,883,749)	(1,852,112)	(1,819,209)	(1,784,990)	(2,093,409)
	0	0	0	0	0	0	0	0	88,908,424
	0	0	0	0	0	0	0	0	(12,172,680)
	4,636,514	4,583,325	4,528,009	3,368,110	3,829,347	5,488,283	5,427,178	5,363,629	80,778,432
	(34,697,190)	(30,113,865)	(25,585,855)	(22,217,745)	(18,388,398)	(12,900,115)	(7,472,938)	(2,109,309)	78,669,123
	22.08%	22.95%	23.86%	39.33%	36.97%	21.87%	22.74%	23.65%	38.51%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

INTERNAL RATE OF RETURN

11.63%

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 RETAIL

YEAR 1 2 3 4 5 6
DESIGN DESIGN CONSTRUCT CONSTRUCT LEASE-UP STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI
Capitalized @ 10.00% 11,482,592
Less Commission @ 3.00% (344,478)

PRETAX SALE PROCEEDS 11,138,114
Less Mortgage Balance 0
Less Taxes / Plus Benefits (266,812)

AFTER TAX SALES PROCEEDS 10,871,302

COST & DEBT FLOWS (Exc. Perm. Amort.) (726,797) (205,903) (3,036,248) (3,216,076) (1,675,410) 0

PRETAX SALES PROCEEDS 0 0 0 0 0 0

NET OPERATING INCOME (Before Linkage Or Turning Costs) 0 0 0 0 380,220 775,723

LINKAGE (20,956) (20,956)

TURNING COSTS:
Brokerage Fees (104,056) (108,218)
Tenant Refurbishment (80,053) (80,053)

DEBT SERVICE 0 0

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (726,797) (205,903) (3,036,248) (3,216,076) (1,500,254) 566,496

Before Tax Cash Flow (726,797) (205,903) (3,036,248) (3,216,076) (1,500,254) 566,496
Income Tax./Ben. From Operations 0 0 0 0 (41,654) (130,837)
Income Tax./Ben. From Project Sale 0 0 0 0 0 0

AFTER TAX CASH FLOW (726,797) (205,903) (3,036,248) (3,216,076) (1,541,908) 435,660

COMPOSITION OF AFTER TAX CASH FLOW:

Investment (726,797) (205,903) (3,036,248) (3,216,076) (1,675,410) (0)
Cash Flow From Operations 0 0 0 0 175,155 566,496
Taxes/Benefits From Operations 0 0 0 0 (41,654) (130,837)
Cash Flow On Sale 0 0 0 0 0 0
Taxes/Benefits From Sale 0 0 0 0 0 0

AFTER TAX CASH FLOW (726,797) (205,903) (3,036,248) (3,216,076) (1,541,908) 435,660

CUMULATIVE AFTER TAX CASH FLOW (726,797) (932,700) (3,968,948) (7,185,024) (8,726,932) (8,291,272)

Breakeven 45.81%
Debt Coverage Ratio 0.00%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(7,305,042)	-100.00%	(205.32)
Cash Flow From Operations	3,854,309	52.76%	109.33
Taxes /Benefits From Operations	(835,380)	-11.44%	(23.48)
Cash Flow On Sale	3,792,094	51.91%	106.58
Taxes / Benefits From Sale	(90,839)	-1.24%	(2.55)

TOTAL AFTER TAX NPV @ 8.00% (584,858) -8.01% (16.44)

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
775,879	776,041	776,209	858,354	943,785	943,975	944,172	944,377	1,044,319
(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)
0	0	0	(126,600)	(131,664)	0	0	0	(154,028)
0	0	0	(80,053)	(80,053)	0	0	0	(80,053)
0	0	0	0	0	0	0	0	0
								11,138,114
754,923	755,085	755,253	630,746	711,113	923,019	923,216	923,421	11,927,397
754,923	755,085	755,253	630,746	711,113	923,019	923,216	923,421	11,927,397
(131,472)	(132,133)	(132,820)	(162,606)	(195,851)	(195,918)	(195,987)	(196,058)	(229,118)
0	0	0	0	0	0	0	0	(266,812)
623,451	622,952	622,433	468,140	515,262	727,101	727,230	727,363	11,431,467
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
754,923	755,085	755,253	630,746	711,113	923,019	923,216	923,421	789,283
(131,472)	(132,133)	(132,820)	(162,606)	(195,851)	(195,918)	(195,987)	(196,058)	(229,118)
0	0	0	0	0	0	0	0	11,138,114
0	0	0	0	0	0	0	0	(266,812)
623,451	622,952	622,433	468,140	515,262	727,101	727,230	727,363	11,431,467
(7,667,822)	(7,044,870)	(6,422,436)	(5,954,297)	(5,439,034)	(4,711,933)	(3,984,703)	(3,257,340)	8,174,127
31.90%	32.68%	33.47%	46.37%	44.41%	31.61%	32.40%	33.19%	45.13%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

INTERNAL RATE OF RETURN

7.04%

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 GARAGE
YEAR

	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%						
Less Commission @ 3.00%						
		55,281,361				
		(1,658,441)				
PRETAX SALE PROCEEDS		53,622,920				
Less Mortgage Balance		0				
Less Taxes / Plus Benefits		(9,839,207)				

AFTER TAX SALES PROCEEDS 43,783,713

COST & DEBT FLOWS (Exc. Perm. Amort.)	(960,155)	(836,770)	(12,339,044)	(13,069,849)	(6,808,717)	0
PRETAX SALES PROCEEDS	0	0	0	0	6,878,768	7,153,919
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	1,795,486	3,734,611
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	0

PROJECT SALE PROCEEDS
BEFORE TAX CASH FLOW (960,155) (836,770) (12,339,044) (13,069,849) 1,865,538 10,888,530

Before Tax Cash Flow	(960,155)	(836,770)	(12,339,044)	(13,069,849)	1,865,538	10,888,530
Income Tax./Ben. From Operations	0	0	0	0	(1,312,941)	(2,047,964)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (960,155) (836,770) (12,339,044) (13,069,849) 552,597 8,840,566

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(960,155)	(836,770)	(12,339,044)	(13,069,849)	(6,808,717)	(0)
Cash Flow From Operations	0	0	0	0	9,674,254	10,888,530
Taxes/Benefits From Operations	0	0	0	0	(1,312,941)	(2,047,964)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (960,155) (836,770) (12,339,044) (13,069,849) 552,597 8,840,566

CUMULATIVE AFTER TAX CASH FLOW (960,155) (1,796,925) (14,135,968) (27,205,817) (26,653,220) (17,812,655)

Breakeven Debt Coverage Ratio 20.02% 0.00%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(27,693,560)	-100.00%	(49.44)
Cash Flow From Operations	32,818,057	118.50%	59.59
Taxes /Benefits From Operations	(7,921,518)	-28.60%	(14.14)
Cash Flow On Sale	18,256,515	65.92%	32.59
Taxes / Benefits From Sale	(3,349,867)	-12.10%	(5.98)

TOTAL AFTER TAX NPV @ 8.00% 12,109,627 43.73% 21.62

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1

OPERATE 7 OPERATE 8 OPERATE 9 OPERATE 10 OPERATE 11 OPERATE 12 OPERATE 13 OPERATE 14 GARAGE 15

0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
3,883,795	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515	
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
									53,622,920
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	58,938,436	
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	58,938,436	
(1,086,283)	(1,142,500)	(1,200,966)	(1,267,745)	(1,344,105)	(1,407,717)	(1,473,874)	(1,542,677)	(1,614,232)	
0	0	0	0	0	0	0	0	0	(9,839,207)
2,797,712	2,896,855	2,999,963	3,101,221	3,199,620	3,317,757	3,440,619	3,568,396	47,484,997	
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515	
(1,086,283)	(1,142,500)	(1,200,966)	(1,267,745)	(1,344,105)	(1,407,717)	(1,473,874)	(1,542,677)	(1,614,232)	
0	0	0	0	0	0	0	0	0	53,622,920
0	0	0	0	0	0	0	0	0	(9,839,207)
2,797,712	2,896,855	2,999,963	3,101,221	3,199,620	3,317,757	3,440,619	3,568,396	47,484,997	
(15,014,943)	(12,118,088)	(9,118,125)	(6,016,904)	(2,817,284)	500,473	3,941,092	7,509,487	54,994,484	
20.02%	20.02%	20.02%	20.02%	20.02%	20.02%	20.02%	20.02%	20.02%	20.02%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

INTERNAL RATE OF RETURN

13.96%

PIER 4
Boston, Massachusetts

8-7-84 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 MARINA

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI	
Capitalized @ 10.00%	2,585,464
Less Commission @ 3.00%	(77,564)
PRETAX SALE PROCEEDS	2,507,900
Less Mortgage Balance	0
Less Taxes / Plus Benefits	(602,395)

AFTER TAX SALES PROCEEDS 1,905,505

COST & DEBT FLOWS (Exc. Perm. Amort.)	(44,418)	(38,710)	(570,816)	(604,623)	(314,978)	0
PRETAX SALES PROCEEDS	0	0	0	0	842,298	875,990
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	83,973	174,665
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	0

BEFORE TAX CASH FLOW (44,418) (38,710) (570,816) (604,623) 611,294 1,050,655

Before Tax Cash Flow	(44,418)	(38,710)	(570,816)	(604,623)	611,294	1,050,655
Income Tax./Ben. From Operations	0	0	0	0	(178,841)	(223,861)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (44,418) (38,710) (570,816) (604,623) 432,453 826,794

COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(44,418)	(38,710)	(570,816)	(604,623)	(314,978)	(0)
Cash Flow From Operations	0	0	0	0	926,272	1,050,655
Taxes/Benefits From Operations	0	0	0	0	(178,841)	(223,861)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (44,418) (38,710) (570,816) (604,623) 432,453 826,794

CUMULATIVE AFTER TAX CASH FLOW (44,418) (83,127) (653,943) (1,258,566) (826,114) 680

Breakeven	12.09%
Debt Coverage Ratio	0.00%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(1,281,130)	-100.00%	(7.19)
Cash Flow From Operations	2,285,991	178.44%	12.83
Taxes /Benefits From Operations	(571,223)	-44.59%	(3.21)
Cash Flow On Sale	853,842	66.65%	4.79
Taxes / Benefits From Sale	(205,092)	-16.01%	(1.15)

TOTAL AFTER TAX NPV @ 8.00% 1,082,388 84.49% 6.07

PIER 4 Boston, Massachusetts						
0-7-86	PHASE 1 PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
SALE PROCEEDS:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL SALE PROCEEDS	0	0	0	0	0	0
GAIN ON SALE:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL GAIN ON SALE	0	0	0	0	0	0
TAX / BENEFIT @ 35.00%	0	0	0	0	0	0
Before Tax Cash Flow From Oper.	(12,232,581)	(4,454,041)	(65,679,475)	(69,569,476)	8,202,033	52,602,689
Taxes/Benefits From Oper.	0	0	0	0	(6,266,058)	(8,327,302)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(12,232,581)	(4,454,041)	(65,679,475)	(69,569,476)	1,935,975	44,275,387
Land Equity Available	7,121,775	0				
Land Equity Contributed	7,121,775	0	0	0	0	0
CASH CONTRIBUTION REQUIRED	5,110,806	4,454,041	65,679,475	69,569,476	0	0
AFTER TAX CASH FLOW BY COMPONENT:						
Condos	(2,592,297)	(847,667)	(12,499,735)	(13,240,057)	18,569,241	26,148,513
Hotel	(4,341,921)	(1,514,458)	(22,332,260)	(23,654,933)	(8,791,057)	4,809,370
Office	(3,566,993)	(1,010,534)	(14,901,373)	(15,783,937)	(7,285,351)	3,214,485
Retail	(726,797)	(205,903)	(3,036,248)	(3,216,076)	(1,541,908)	435,660
Garage	(960,155)	(836,770)	(12,339,044)	(13,069,849)	552,597	8,840,566
Marina	(44,418)	(38,710)	(570,916)	(604,623)	432,453	826,794
TOTAL AFTER TAX BY COMPONENT	(12,232,581)	(4,454,041)	(65,679,475)	(69,569,476)	1,935,975	44,275,387

PIER 4
Boston, Massachusetts

PHASE I PERFORMANCE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
17,500,043	18,940,717	19,918,640	19,437,250	20,825,118	23,244,809	23,754,704	24,284,996	23,791,304
(3,692,157)	(4,206,303)	(4,558,882)	(5,366,895)	(6,232,555)	(6,404,155)	(6,582,618)	(6,768,220)	(7,338,238)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
13,907,886	14,734,414	15,359,757	14,070,356	14,592,563	16,840,654	17,172,086	17,516,776	247,956,778
(91,916,325)	(77,181,911)	(61,822,154)	(47,751,798)	(33,159,235)	(16,318,581)	853,506	18,370,282	266,327,059

INTERNAL RATE OF RETURN

12.22%

13,907,886	14,734,414	15,359,757	14,070,356	14,592,563	16,840,654	17,172,086	17,516,776	247,956,778
13,907,886	14,734,414	15,359,757	14,070,356	14,592,563	16,840,654	17,172,086	17,516,776	247,956,778

(0) (0) (0) (0) (0) 0 (0) 0 0

0	0	0	0	0	0	0	0	0
6,664,519	8,019,673	8,908,654	9,269,450	9,644,678	10,034,915	10,440,762	10,862,842	126,436,720
6,014,955	5,937,687	5,857,330	4,963,755	5,713,096	7,340,394	7,246,387	7,148,619	95,044,522
754,923	755,085	755,253	630,746	711,113	923,019	923,216	923,421	11,927,397
3,983,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	58,938,436
181,651	189,917	196,474	204,333	212,506	221,007	229,847	239,041	2,756,502

17,500,043	18,940,717	19,918,640	19,437,250	20,825,118	23,244,809	23,754,704	24,284,996	295,103,576
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2,967,175	4,335,023	5,237,207	6,500,426	7,827,917	8,218,154	8,624,001	9,046,081	9,485,045
3,938,402	3,869,606	3,798,058	4,558,984	5,382,139	5,291,748	5,197,740	5,099,973	5,981,169
375,635	377,523	379,486	464,590	559,575	559,765	559,962	560,167	654,623
3,103,666	3,264,287	3,431,332	3,622,128	3,840,300	4,022,049	4,211,068	4,407,648	4,612,091
164,142	171,570	179,296	187,856	197,369	205,869	214,709	223,903	233,465

10,549,020	12,018,009	13,025,378	15,333,985	17,807,300	18,297,585	18,807,480	19,337,772	20,966,393
(3,692,157)	(4,206,303)	(4,558,882)	(5,366,895)	(6,232,555)	(6,404,155)	(6,582,618)	(6,768,220)	(7,338,238)

(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

(3,692,157)	(4,206,303)	(4,558,882)	(5,366,895)	(6,232,555)	(6,404,155)	(6,582,618)	(6,768,220)	(7,338,238)
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0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

(3,692,157)	(4,206,303)	(4,558,882)	(5,366,895)	(6,232,555)	(6,404,155)	(6,582,618)	(6,768,220)	(7,338,238)
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PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 2						
MARINA						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	259,901	226,899	185,298	0	0	
EQUITY INVESTED	33,001	41,601	185,298	0	0	
=====						
BUILDING COSTS:						
Land	(0)					
Hard Costs			(567,840)	(590,554)	0	
Soft Costs Before Financing	(33,001)	(41,601)	(22,922)	(35,396)	(8,189)	
Mortgage Points (Approx.)			(15,594)			
BUILDING COSTS BEFORE INTEREST	(33,001)	(41,601)	(606,356)	(625,949)	(8,189)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(21,053)	(75,509)	(114,766)	(35,621)
Takedown	0	0	(442,111)	(701,458)	(122,955)	(35,621)
Retirements - Sales					277,052	261,221
Retirements - Takeout					633,262	0
Balance	0	0	(442,111)	(1,143,569)	(356,210)	(130,610)
=====						
PERMANENT MORTGAGE:						
Payment						(106,079)
Interest						(100,000)
Amortization						(6,079)
Balance					(1,000,000)	(993,921)
=====						
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(33,001)	(41,601)	(627,409)	(701,458)	(122,955)	(35,621)
Construction Loan	(0)	(0)	442,111	701,458	(787,359)	(225,600)
Permanent Loan	0	0	0	0	1,000,000	(6,079)
COST & DEBT FLOWS	(33,001)	(41,601)	(185,298)	0	89,686	(267,300)
=====						
GROSS SALES						
Less Commissions					614,176	547,494
					(24,567)	(21,900)
PRETAX SALES PROCEEDS					589,609	525,594
=====						
GROSS REVENUES:						
Leases					0	0
Rents					66,868	129,152
Other income					0	0
TOTAL GROSS REVENUES					66,868	129,152
Less VACANCY					0	0
NET REVENUES					66,868	129,152
=====						
OPERATING EXPENSES:						
Operating Expenses					(9,121)	(17,616)
Replacement Reserve					669	1,292
TOTAL OPERATING EXPENSES					(8,452)	(16,324)
=====						
NET OPERATING INCOME					58,417	112,827
=====						

PIER 4 Boston, Massachusetts								
PHASE 1 PERFORMANCE								TOTAL
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
								115,134,914
								88,908,424
								11,138,114
								53,622,920
								2,507,900
0	0	0	0	0	0	0	0	271,312,272
								(10)
								43,678,204
								0
								48,364,192
								34,779,087
								762,319
								28,112,020
								1,721,128
0	0	0	0	0	0	0	0	113,738,746
0	0	0	0	0	0	0	0	(39,808,561)
17,500,043	18,940,717	19,918,640	19,437,250	20,825,118	23,244,809	23,754,704	24,284,996	295,103,576
(3,692,157)	(4,206,303)	(4,558,882)	(5,366,895)	(6,232,555)	(6,404,155)	(6,582,618)	(6,768,220)	(7,338,238)
0	0	0	0	0	0	0	0	271,312,272
0	0	0	0	0	0	0	0	(39,808,561)
13,807,886	14,734,414	15,359,757	14,070,356	14,592,563	16,840,654	17,172,086	17,516,776	519,269,050
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	(10)
5,626,008	6,502,415	7,075,631	6,994,301	6,904,907	7,158,561	7,422,361	7,696,714	106,189,487
4,636,514	4,583,325	4,528,009	3,368,110	3,829,347	5,488,283	5,427,178	5,363,629	80,778,432
623,451	622,952	622,433	468,140	515,262	727,101	727,230	727,363	11,431,467
2,797,712	2,896,855	2,999,963	3,101,221	3,199,620	3,317,757	3,440,619	3,568,396	47,484,997
124,202	128,968	133,721	138,583	143,427	148,952	154,699	160,675	2,072,395
13,807,886	14,734,414	15,359,757	14,070,356	14,592,563	16,840,654	17,172,086	17,516,776	247,956,778

PIER 4
Boston, Massachusetts

9-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 1

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	100,000
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO NONGARAGE USES	25.00%
Total buildout		1,649,812		Permanent Term	30		
Floor Area Ratio			4.27			ALLOCATION OF BREAKWATER TO NONMARINA USES	100.00%
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED EQUITY FUNDS	0.00%
Ordinary Rate		35.00%		EQUITY	20.00%	PHASE 1 COSTS UNESCALATED	187,391,199
Capital Gains		35.00%					
Deprec. Life (Bldg. & FF&E)		30	5				
ITC on Hotel FF&E		0.00%	(@ 85.00%)	PHASE 1 AS PERCENT OF TOTAL BUILDOUT	44.73%		
Losses Disallowed		100.00%					
Loss Carryforward		100.00%					

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Boston, Massachusetts

9-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 1

PROGRAM:	TOTAL	CONDD	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
Land	3.56 acres							155,112
Above ground	737,928	167,820	269,831	249,450	50,827			
Below ground	613,604					560,104		53,500
Water	178,200						178,200	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	653,377	135,934	269,831	212,033	35,579	560,104	178,200	
UNITS:								
Condominiums	100	100						
Hotel rooms	290		290					
Hotel bays	339		339					
Cars	1,400					1,400		
Marina slips	100						100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

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8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina						1,200,000		
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								0
Condominium per unit		205,580						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent					10.00			
REVENUES PER UNIT:								
Unit sales	1,359	509,753				35,000.00	30,000.00	
Monthly rent	ssf					275.00	225.00	
Daily rent			158.00			10.50	10.50	
Hotel daily other	38.44%		60.74					
SALE, LEASE, RENT TERMS:								
Presale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
Prelease		0.00%	50.00%	25.00%	25.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years	5							
Rent - monthly				100.00%	100.00%	25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				5.00%	5.00%			
VACANCY			29.00%	10.00%	10.00%			
TURNOVER:								
Turnover - stay				75.00%	50.00%			
Turnover - leave				25.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb. - leave				7.00	7.00			

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8-7-86

PROJECT COSTS - UNESCALATED - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
LAND COSTS	0	0	0	0	0			
HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,664	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E	8,475,000		8,475,000					
Foundation @ 25%	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		
Garage service area	0	751,312	1,208,005	1,116,761	227,347			(3,303,625)
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,956,493	826,536			
HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,105	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency	30 5.0%	6,903,750	1,313,881	2,347,405	1,566,324	319,148	1,296,991	60,000
TOTAL HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	0
SOFT COSTS:								
Envir. Imp. Report	30	490,000	93,254	166,609	111,171	22,652	92,055	4,259
Permitting/Licens.	30	100,000	19,031	34,002	22,688	4,623	18,787	869
Building Permits	30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
A/E Fees	30 4.5%	6,213,375	1,182,493	2,112,665	1,409,692	287,234	1,167,292	54,000
Design Consultants	30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Development Fee	30 2.0%	2,761,500	525,553	938,962	626,530	127,659	518,796	24,000
Mtg. Brokerage Fee	30 1.0%	1,104,600	210,221	375,585	250,612	51,064	207,519	9,600
Market Research Fe	30	100,000	19,031	34,002	22,688	4,623	18,787	869
Legal/Accounting	30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Linkage	12	2,820,648		1,335,007	1,234,171	251,470		
Insurance	10 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
RE Taxes	10 0.5%	690,375	131,388	234,741	156,632	31,915	129,699	6,000
Marketing/PR	5 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Brokerage on Lease	5	2,033,179			1,855,284	177,895		
Soft Cost SUBTOTAL		23,217,428	3,494,853	7,578,978	7,255,793	1,278,282	3,449,925	159,597
Construc. Loan Pt.	1.0%	1,345,569	248,691	454,996	321,189	63,843	245,494	11,357
Constr. Int.	15	16,819,618	3,108,636	5,687,449	4,014,860	798,040	3,068,673	141,960
Permanent Loan Pt.	1.0%	1,029,827	0	454,996	321,189	63,843	184,120	5,678
TOTAL SOFT COSTS		42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592
COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS		0	0	0	0	0	0	0
HARD COSTS		144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000
SOFT COSTS		42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592
TOTAL PROJECT COSTS		187,391,199	34,443,692	63,471,929	44,805,842	8,906,124	34,185,020	1,578,592
COSTS After INCLUSIONARY HOUSING:								
LAND COSTS		0	0	0	0	0	0	0
HARD COSTS		144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000
SOFT COSTS		42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592
TOTAL PROJECT COSTS		187,391,199	34,443,692	63,471,929	44,805,842	8,906,124	34,185,020	1,578,592
PERCENT OF USE:								
Land Costs		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Hard Costs		77.37%	80.11%	77.67%	73.41%	75.25%	79.67%	79.82%
Soft Costs		22.63%	19.89%	22.33%	26.59%	24.75%	20.33%	20.18%
Total Project Costs		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
PERCENT OF PROJECT BY COST:								
Land Costs		ERR	ERR	ERR	ERR	ERR	ERR	ERR
Hard Costs		100.00%	19.03%	34.00%	22.69%	4.62%	18.79%	0.87%
Soft Costs		100.00%	16.16%	33.43%	28.09%	5.29%	16.38%	0.75%
Total Project Costs		100.00%	18.38%	33.87%	23.91%	4.75%	18.24%	0.84%

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8-7-86 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
GROSS SALES	50,975,325	50,975,325				12,250,000	1,500,000	
Less Basis	(43,779,243)	(34,443,692)				(8,546,255)	(789,296)	
Less Commissions	(2,079,260)	(1,529,260)				(490,000)	(60,000)	
Gain on Sale	19,866,823	15,002,374				3,213,745	650,704	
TAX on Sale 35.0%	(6,603,388)	(5,250,831)				(1,124,811)	(227,746)	
NET SALES PROCEEDS	56,042,677	44,195,235				10,635,189	1,212,254	
GROSS REVENUE:								
Base leases 5	8,132,716			7,421,138	711,578			
Base rents	20,725,363		16,724,300			3,837,750	163,313	
Other income	6,784,610		6,428,821		355,789			
TOTAL GROSS REVENUES	35,642,689		23,153,121	7,421,138	1,067,367	3,837,750	163,313	
Less VACANCY	(7,563,256)		(6,714,405)	(742,114)	(106,737)			
NET REVENUES	28,079,432		16,438,716	6,679,024	960,630	3,837,750	163,313	
OPERATING EXPENSES:								
Base operating expenses	(13,050,397)		(10,341,122)	(1,526,634)	(320,210)	(840,156)	(22,275)	
Replacement reserve	(609,569)		(493,161)	(66,790)	(9,606)	(38,378)	(1,633)	
TOTAL OPERATING EXPENSES	(13,659,965)		(10,834,283)	(1,593,424)	(329,816)	(878,534)	(23,908)	
NET OPERATING INCOME	14,419,467		5,604,433	5,085,600	630,814	2,959,217	139,404	
GROSS MARGIN ON SALES BEFORE TAX	43.10%	43.56%				37.60%	92.44%	
RETURN ON ASSETS BY USE	10.04%		8.83%	11.35%	7.08%	11.54%	17.66%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	18.58%							

8-7-86 COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
Hard Costs (Component Specific)		151.23	108.50	107.65	130.71	61.75	6.73	
Land Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Hard Costs (Total)	221.89	202.98	182.69	155.13	189.37	48.63	7.07	
Soft Costs	64.91	50.41	52.54	56.18	61.95	12.41	1.79	
TOTAL DEVELOPMENT COSTS	286.80	253.39	235.23	211.32	250.32	61.03	8.86	
Gross Sales		375.00				87.48	16.84	
Less Basis, Commissions, Taxes		(303.26)				(72.57)	(12.09)	
AFTER TAX GAIN ON SALES		71.74				14.92	4.75	
Gross Revenues		0.00	85.81	35.00	30.00	9.14	0.92	
Less Vacancy		0.00	(24.88)	(3.50)	(3.00)	0.00	0.00	
Net Revenues		0.00	60.92	31.50	27.00	9.14	0.92	
Operating Expenses (Before deducting Linkage or Turns)		0.00	(40.15)	(7.52)	(9.27)	(2.09)	(0.27)	
NET OPERATING INCOME		0.00	20.77	23.99	17.73	7.04	0.65	

PIER 4 Boston, Massachusetts						
PHASE 1 PERFORMANCE						TOTAL
8-7-86	1	2	3	4	5	6
YEAR	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
COMPOSITION OF AFTER TAX CASH FLOW:						
Land Contributions	(0)	(0)	(0)	(0)	(0)	(0)
Cash Contributions	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	(0)	(0)
Investment	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	0	0
Cash Flow From Operations	0	0	0	0	37,600,855	17,319,863
Taxes/Benefits From Operations	0	0	0	0	(3,182,547)	(2,689,284)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	34,419,309	14,630,579
CUMULATIVE AFTER TAX CASH FLOW	(5,110,806)	(10,547,238)	(52,408,051)	(57,470,552)	(23,052,243)	(8,421,664)
COMPOSITION OF AFTER TAX NPV:						
Land Contributions	0		0.00%			
Cash Contributions	(50,052,216)		-100.00%			
Investment	(50,052,216)		-100.00%			
Cash Flow From Operations	74,850,345		149.54%			
Taxes/Benefits From Operations	(9,008,671)		-18.00%			
Cash Flow On Sale	56,089,256		112.06%			
Taxes/Benefits On Sale	(12,972,648)		-25.92%			
TOTAL AFTER TAX NPV @ 8.00%	58,906,066		117.69%			
TAX VALUE OF MIXED USE:						
After Tax Cash Flow - As A Whole	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	34,419,309	14,630,579
After Tax Cash Flow - Components	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	34,062,397	13,399,263
VALUE OF MIXED USE NPV = 493,541	0	0	0	0	355,912	1,231,316
BEFORE TAX CASH FLOW:						
Condos	(972,659)	(1,066,297)	(4,896,271)	0	12,648,866	12,178,406
Hotel	(1,737,771)	(1,758,588)	(22,950,325)	(4,456,592)	13,112,532	734,093
Office	(1,159,541)	(1,271,170)	(5,837,017)	0	2,299,448	372,909
Retail	(236,264)	(239,094)	(3,120,279)	(605,909)	401,232	36,100
Garage	(960,155)	(1,052,589)	(4,833,327)	0	8,333,270	3,464,728
Marina	(44,418)	(48,594)	(223,594)	0	805,506	533,628
TOTAL BEFORE TAX CASH FLOW	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	37,600,855	17,319,863
TAXABLE INCOME:						
Condos	(6,569)	(13,402)	(170,875)	(371,552)	9,864,023	8,710,793
Hotel	(11,737)	(23,944)	(160,251)	(348,661)	626,431	(2,954,000)
Office	(7,832)	(15,977)	(205,360)	(448,067)	(200,550)	(404,416)
Retail	(1,596)	(3,255)	(21,787)	(47,403)	(65,065)	(159,630)
Garage	(6,485)	(13,229)	(169,705)	(369,959)	1,899,068	2,034,221
Marina	(300)	(612)	(7,935)	(17,066)	412,542	456,702
TOTAL TAXABLE INCOME	(34,519)	(70,418)	(735,814)	(1,602,708)	11,536,449	7,683,669
Income Taxes/Benefits	0.35	12,082	24,646	257,535	560,948	(4,037,757)
Benefits Disallowed	(12,082)	(24,646)	(257,535)	(560,948)	(0)	(0)
Benefits From Prior Years	0	0	0	0	855,211	0
Benefits To Be Carried	12,082	36,728	294,263	855,211	0	0
ORDINARY TAXES/BENEFITS	0	0	0	0	(3,182,547)	(2,689,284)
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(3,182,547)	(2,689,284)

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Boston, Massachusetts

***** PHASE 1 PERFORMANCE ***** TOTAL *****

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	11,273,953
0	0	0	(173,116)	(1,903,692)	(2,115,727)	(2,338,670)	(2,573,199)	(3,197,036)
0	0	0	0	0	0	0	0	164,745,004
0	0	0	0	0	0	0	0	(38,103,178)
4,982,691	6,423,366	7,401,288	6,746,783	6,404,075	8,611,730	8,898,683	9,194,446	134,718,743
(3,438,972)	2,984,394	10,385,682	17,132,465	23,536,540	32,148,270	41,046,953	50,241,399	184,960,142

INTERNAL RATE OF RETURN

20.87%

4,982,691	6,423,366	7,401,288	6,746,783	6,404,075	8,611,730	8,898,683	9,194,446	134,718,743
4,958,977	6,334,047	7,243,333	6,683,956	7,583,224	9,003,788	9,020,352	9,215,963	134,775,601

23,715 89,319 157,955 62,827 (1,179,149) (392,058) (121,668) (21,517) (56,858)

0	0	0	0	0	0	0	0	0
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	82,032,285
1,771,785	1,894,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	54,678,854
224,527	224,689	224,957	100,350	180,717	392,623	392,820	393,025	6,981,437
913,776	1,069,136	1,230,710	1,398,747	1,573,506	1,755,255	1,944,274	2,140,854	30,681,068
75,572	82,838	90,395	98,254	106,427	114,927	125,768	132,961	1,747,310

4,982,691 6,423,366 7,401,288 6,919,899 8,307,767 10,727,457 11,237,353 11,767,645 176,018,957

0	0	0	0	0	0	0	0	0
(1,652,106)	(254,834)	679,716	1,978,537	3,345,191	3,778,507	4,231,741	4,705,947	5,202,249
(446,250)	(488,298)	(530,422)	262,870	1,121,628	1,070,399	1,019,470	969,090	1,902,412
(154,775)	(149,544)	(143,902)	(54,753)	44,683	49,768	55,350	61,478	162,450
14,076	193,421	381,062	594,515	837,609	1,046,772	1,265,946	1,495,696	1,736,627
53,680	61,777	70,238	79,608	90,011	99,490	109,407	119,786	130,650

(2,185,375) (637,477) 456,692 2,860,778 5,439,121 6,044,935 6,681,914 7,351,997 9,134,389

764,881 223,117 (159,842) (1,001,272) (1,903,692) (2,115,727) (2,338,670) (2,573,199) (3,197,036)

(764,881) (223,117) (0) (0) (0) (0) (0) (0) (0)

0 0 159,842 828,156 0 0 0 0 0

764,881 987,998 828,156 0 0 0 0 0 0

0 0 0 (173,116) (1,903,692) (2,115,727) (2,338,670) (2,573,199) (3,197,036)

0 0 0 0 0 0 0 0 0

0 0 0 0 0 0 0 0 0

0 0 0 (173,116) (1,903,692) (2,115,727) (2,338,670) (2,573,199) (3,197,036)

PIER 4 Boston, Massachusetts							
PHASE 1 PERFORMANCE							TOTAL
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	
SALE PROCEEDS:							
Condos							
Hotel							
Office							
Retail							
Garage							
Marina							
TOTAL SALE PROCEEDS	0	0	0	0	0	0	0
GAIN ON SALE:							
Condos							
Hotel							
Office							
Retail							
Garage							
Marina							
TOTAL GAIN ON SALE	0	0	0	0	0	0	0
TAX / BENEFIT @ 35.00%	0	0	0	0	0	0	0
Before Tax Cash Flow From Oper.	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	37,600,855	17,319,863	
Taxes/Benefits From Oper.	0	0	0	0	(3,182,547)	(2,689,284)	
Cash Flow On Sale	0	0	0	0	0	0	
Taxes/Benefits On Sale	0	0	0	0	0	0	
AFTER TAX CASH FLOW	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	34,418,309	14,630,579	
Land Equity Available	0	0	0	0	0	0	
Land Equity Contributed	0	0	0	0	0	0	
CASH CONTRIBUTION REQUIRED	5,110,806	5,436,432	41,860,813	5,062,501	0	0	
AFTER TAX CASH FLOW BY COMPONENT:							
Condos	(972,659)	(1,066,297)	(4,896,271)	0	9,743,298	9,129,629	
Hotel	(1,737,771)	(1,759,588)	(22,950,325)	(4,456,592)	13,083,889	734,093	
Office	(1,159,541)	(1,271,170)	(5,837,017)	0	2,299,448	372,909	
Retail	(236,264)	(239,094)	(3,120,279)	(605,909)	401,232	36,100	
Garage	(960,155)	(1,052,589)	(4,833,327)	0	7,864,379	2,752,750	
Marina	(44,418)	(48,694)	(223,594)	0	670,151	373,783	
TOTAL AFTER TAX BY COMPONENT	(5,110,806)	(5,436,432)	(41,860,813)	(5,062,501)	34,062,397	13,399,263	

PIER 4
Boston, Massachusetts

PHASE 1 PERFORMANCE									TOTAL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
								0	
								75,397,966	
								52,783,927	
								6,622,552	
								28,335,772	
								1,604,787	
0	0	0	0	0	0	0	0	164,745,004	
								(0)	
								43,678,204	
								0	
								49,118,404	
								33,183,474	
								1,137,818	
								23,849,062	
								1,577,464	
0	0	0	0	0	0	0	0	108,866,223	
0	0	0	0	0	0	0	0	(38,103,178)	
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	176,018,957	
0	0	0	1173,116	(1,903,892)	(2,115,727)	(2,338,670)	(2,573,199)	(3,197,036)	
0	0	0	0	0	0	0	0	164,745,004	
0	0	0	0	0	0	0	0	(38,103,178)	
4,982,691	6,423,366	7,401,288	6,746,783	6,404,075	8,611,730	8,898,683	9,194,446	299,463,748	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	(0)	
1,997,032	3,352,186	4,241,167	4,601,963	4,577,315	4,044,951	4,292,165	4,548,274	63,020,057	
1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	2,748,698	2,566,268	42,396,794	
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,483,203	
908,849	1,001,439	1,097,338	1,190,667	1,280,343	1,388,885	1,501,193	1,617,360	21,726,077	
56,784	61,216	65,811	70,391	74,923	80,106	85,475	91,036	1,149,470	
4,958,977	6,334,047	7,243,333	6,683,956	7,583,224	9,003,788	9,020,352	9,215,963	134,775,601	

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE I

<p>SITE:</p> <p>Total 8.9 ACRES 385,994 SQ. FEET 100.0% PERCENT</p> <p>Pier 4 Restaurant 0.9 39,204 10.2%</p> <p>Remainder 8.0 346,790 89.8%</p> <p>Built 3.8 166,230 43.1%</p> <p>Open 5.0 219,764 56.9%</p> <p>Total buildout 1,649,812</p> <p>Floor Area Ratio 4.27</p> <p>TAXATION:</p> <p>Ordinary Rate 35.00%</p> <p>Capital Gains 35.00%</p> <p>Deprec. Life (Bldg. & FF&E) 30 5</p> <p>ITC on Hotel FF&E 0.00% (@ 85.00%)</p> <p>Losses Disallowed 100.00%</p> <p>Loss Carryforward 100.00%</p>	<p>DEBT:</p> <p>Construction Loan 10.00%</p> <p>Construction Points 1.00%</p> <p>Construction Term 30</p> <p>Permanent Loan 10.00%</p> <p>Permanent Points 1.00%</p> <p>Permanent Term 30</p> <p>DISCOUNT RATE FOR NPV 8.00%</p> <p>EQUITY 20.00%</p> <p>PHASE I AS PERCENT OF TOTAL BUILDOUT 44.73%</p>	<p>AFFORDABLE HOUSING</p> <p>Linkage Fee 6.00</p> <p>Linkage Ex. 100,000</p> <p>Inclus. Hous. 0.00%</p> <p>ALLOCATION OF FOUNDATION TO NONGARAGE USES 25.00%</p> <p>ALLOCATION OF BREAKWATER TO NONMARINA USES 100.00%</p> <p>RETURN ASSUMED ON UNINVESTED EQUITY FUNDS 0.00%</p> <p>PHASE I COSTS UNESCALATED 194,098,874</p>
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PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE I

PROGRAM:	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
Land 3.56 acres								155,112
Above ground	737,928	167,820	269,831	249,450	50,827			
Below ground	613,604					560,104		53,500
Water	178,200						178,200	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	653,377	135,934	269,831	212,033	35,579	560,104	178,200	
UNITS:								
Condominiums	100	100						
Hotel rooms	290		290					
Hotel bays	339		339					
Cars	1,400					1,400		
Marina slips	100						100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts
8-7-84
DEVELOPMENT ASSUMPTIONS - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina							1,200,000	
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		205,580						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				28.00	20.00			
Retail sales per rsf					200.00			
Retail % rent 5.00%					10.00			
REVENUES PER UNIT:								
Unit sales 1,359 ssf		509,753				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent			158.00			10.50	10.50	
Hotel daily other 38.44%			60.74					
SALE, LEASE, RENT TERMS:								
Presale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
Prelease		0.00%	50.00%	25.00%	25.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years 5								
Rent - monthly				100.00%	100.00%	25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				5.00%	5.00%			
VACANCY			29.00%	10.00%	10.00%			
TURNOVER:								
Turnover - stay				75.00%	50.00%			
Turnover - leave				25.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb. - leave				7.00	7.00			

PIER 4
Boston, Massachusetts

9-7-85 PROJECT COSTS - UNESCALATED - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534			
HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,664	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E	8,475,000		8,475,000					
Foundation @ 25%	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		
Garage service area	0	751,312	1,208,005	1,116,761	227,547			(3,303,625)
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,056,493	826,536			
HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,105	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency 30 5.0%	6,903,750	1,313,881	2,347,405	1,566,324	319,148	1,296,991	60,000	0
TOTAL HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	0
SOFT COSTS:								
Envir. Imp. Report 30	490,000	93,254	166,609	111,171	22,652	92,055	4,259	
Permitting/Licens. 30	100,000	19,031	34,002	22,688	4,623	18,787	869	
Building Permits 30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
A/E Fees 30 4.5%	6,213,375	1,182,493	2,112,665	1,409,692	287,234	1,167,292	54,000	
Design Consultants 30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Development Fee 30 2.0%	2,761,500	525,553	938,962	626,530	127,659	518,796	24,000	
Mtg. Brokerage Fee 30 1.0%	1,104,600	210,221	375,585	250,812	51,064	207,519	9,600	
Market Research Fe 30	100,000	19,031	34,002	22,688	4,623	18,787	869	
Legal/Accounting 30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Linkage 12	2,820,648		1,335,007	1,234,171	251,470			
Insurance 10 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
RE Taxes 10 0.5%	690,375	131,388	234,741	156,632	31,915	129,699	6,000	
Marketing/PR 5 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Brokerage on Lease 5	1,662,122			1,484,228	177,895			
Soft Cost SUBTOTAL	22,846,371	3,494,853	7,578,978	6,884,736	1,278,282	3,449,925	159,597	
Construc. Loan Pt. 1.0%	1,342,601	248,691	454,996	318,220	63,843	245,494	11,357	
Constr. Int. 15	16,782,513	3,108,636	5,687,449	3,977,755	798,040	3,068,673	141,960	
Permanent Loan Pt. 1.0%	1,026,858	0	454,996	318,220	63,843	184,120	5,678	
TOTAL SOFT COSTS	41,998,343	6,852,181	14,176,418	11,498,931	2,204,008	6,948,213	318,592	
COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	41,998,343	6,852,181	14,176,418	11,498,931	2,204,008	6,948,213	318,592	
TOTAL PROJECT COSTS	194,098,874	36,063,330	66,076,079	46,799,195	9,396,658	34,185,020	1,578,592	
COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	41,998,343	6,852,181	14,176,418	11,498,931	2,204,008	6,948,213	318,592	
TOTAL PROJECT COSTS	194,098,874	36,063,330	66,076,079	46,799,195	9,396,658	34,185,020	1,578,592	
PERCENT OF USE:								
Land Costs	3.67%	4.49%	3.94%	5.14%	5.22%	0.00%	0.00%	
Hard Costs	74.69%	76.51%	74.60%	70.28%	71.32%	79.67%	79.82%	
Soft Costs	21.64%	19.00%	21.45%	24.57%	23.46%	20.33%	20.18%	
Total Project Costs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	22.74%	36.57%	33.80%	6.89%	0.00%	0.00%	
Hard Costs	100.00%	19.03%	34.00%	22.69%	4.62%	18.79%	0.87%	
Soft Costs	100.00%	16.32%	33.75%	27.38%	5.25%	16.54%	0.76%	
Total Project Costs	100.00%	18.58%	34.04%	24.11%	4.84%	17.61%	0.81%	

PIER 4
Boston, Massachusetts

8-7-84 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
GROSS SALES	50,975,325	50,975,325				12,250,000	1,500,000	
Less Basis	(45,398,880)	(36,063,330)				(8,546,255)	(789,296)	
Less Commissions	(2,079,260)	(1,529,260)				(490,000)	(60,000)	
Gain on Sale	17,247,185	13,382,736				3,213,745	650,704	
TAX on Sale 35.0%	(6,036,515)	(4,683,957)				(1,124,811)	(227,746)	
NET SALES PROCEEDS	56,609,551	44,762,108				10,635,189	1,212,254	
GROSS REVENUE:								
Base leases 5	6,648,488			5,936,910	711,578			
Base rents	20,725,363		16,724,300			3,837,750	163,313	
Other income	6,784,610		6,428,821		355,789			
TOTAL GROSS REVENUES	34,158,460		23,153,121	5,936,910	1,067,367	3,837,750	163,313	
Less VACANCY	(7,414,833)		(6,714,405)	(593,691)	(106,737)			
NET REVENUES	26,743,628		16,438,716	5,343,219	960,630	3,837,750	163,313	
OPERATING EXPENSES:								
Base operating expenses	(13,050,397)		(10,341,122)	(1,526,634)	(320,210)	(840,156)	(22,275)	
Replacement reserve	(596,211)		(493,161)	(53,432)	(9,606)	(38,378)	(1,633)	
TOTAL OPERATING EXPENSES	(13,646,607)		(10,834,283)	(1,580,066)	(329,816)	(878,534)	(23,908)	
NET OPERATING INCOME	13,097,020		5,604,433	3,763,153	630,814	2,959,217	139,404	
GROSS MARGIN ON SALES BEFORE TAX	37.99%	37.11%				37.60%	82.44%	
RETURN ON ASSETS BY USE	8.81%		8.48%	8.04%	6.71%	11.54%	17.66%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	16.35%							

8-7-84 COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
Hard Costs (Component Specific)		151.23	108.50	107.65	130.71	61.75	6.73	
Land Costs	10.90	11.91	9.65	11.35	13.79	0.00	0.00	
Hard Costs (Total)	221.89	202.98	182.69	155.13	188.37	48.63	7.07	
Soft Costs	64.28	50.41	52.54	54.23	61.95	12.41	1.79	
TOTAL DEVELOPMENT COSTS	297.07	265.30	244.88	220.72	264.11	61.03	8.86	
Gross Sales		375.00				87.48	16.84	
Less Basis, Commissions, Taxes		(311.01)				(72.57)	(12.09)	
AFTER TAX GAIN ON SALES		63.99				14.92	4.75	
Gross Revenues		0.00	85.81	28.00	30.00	9.14	0.92	
Less Vacancy		0.00	(24.88)	(2.80)	(3.00)	0.00	0.00	
Net Revenues		0.00	60.92	25.20	27.00	9.14	0.92	
Operating Expenses (Before deducting Linkage or Turns)		0.00	(40.15)	(7.45)	(9.27)	(2.09)	(0.27)	
NET OPERATING INCOME		0.00	20.77	17.75	17.73	7.04	0.65	

PIER 4 Boston, Massachusetts							
CASH FLOW SCHEDULES - PHASE 1							OFFICE
8-7-86							
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
EQUITY AVAILABLE @ 20.00%	8,749,218	5,182,225	3,911,055	0	0		
EQUITY INVESTED	3,566,993	1,271,170	3,911,055	0	0		
=====							
BUILDING COSTS:							
Land	(2,407,453)						
Hard Costs			(14,230,746)	(14,799,976)	(7,695,987)		
Soft Costs Before Financing	(1,159,541)	(1,271,170)	(670,628)	(983,962)	(526,629)		
Mortgage Points (Approx.)			(699,937)				
BUILDING COSTS BEFORE INTEREST	(3,566,993)	(1,271,170)	(15,601,311)	(15,783,937)	(8,222,617)		

CONSTRUCTION LOAN:							
Interest	0	0	(584,513)	(2,016,674)	(3,418,669)	0	0
Takedown	0	0	(12,274,769)	(17,800,611)	(11,641,286)	0	0
Retirements - Sales					0	0	(0)
Retirements - Takeout					41,716,666	0	0
Balance	0	0	(12,274,769)	(30,075,380)	0	0	(0)

PERMANENT MORTGAGE:							
Payment							(2,970,219)
Interest							(2,800,000)
Amortization							(170,219)
Balance					(28,000,000)	(27,829,781)	

SUMMARY OF COST & DEBT FLOWS:							
Construction Costs (Inc. Interest)	(3,566,993)	(1,271,170)	(16,185,824)	(17,800,611)	(11,641,286)	0	0
Construction Loan	(0)	(0)	12,274,769	17,800,611	(30,075,380)	0	0
Permanent Loan	0	0	0	0	28,000,000	(170,219)	
COST & DEBT FLOWS	(3,566,993)	(1,271,170)	(3,911,055)	0	(13,716,666)	(170,219)	
=====							
GROSS SALES					0	0	
Less Commissions					0	0	
PRETAX SALES PROCEEDS					0	0	
=====							
GROSS REVENUES:							
Leases					3,472,672	7,084,252	
Rents					0	0	
Other income					0	0	
TOTAL GROSS REVENUES					3,472,672	7,084,252	
Less VACANCY					(347,267)	(708,425)	
NET REVENUES					3,125,405	6,375,827	

OPERATING EXPENSES:							
Operating Expenses					(892,973)	(1,857,384)	
Replacement Reserve					31,254	63,758	
TOTAL OPERATING EXPENSES					(861,719)	(1,793,625)	

NET OPERATING INCOME					2,263,686	4,582,201	
=====							

PIER 4
Boston, Massachusetts

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CASH FLOW SCHEDULES - PHASE I

OFFICE

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7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

=====

(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)
(2,782,978)	(2,764,254)	(2,743,658)	(2,721,001)	(2,698,080)	(2,668,666)	(2,638,510)	(2,605,340)	(2,568,852)
(187,241)	(205,965)	(226,561)	(249,218)	(274,139)	(301,553)	(331,709)	(364,879)	(401,367)
(27,642,540)	(27,436,575)	(27,210,014)	(26,960,796)	(26,686,657)	(26,385,104)	(26,053,395)	(25,688,516)	(25,287,148)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
(187,241)	(205,965)	(226,561)	(249,218)	(274,139)	(301,553)	(331,709)	(364,879)	(25,688,516)
(187,241)	(205,965)	(226,561)	(249,218)	(274,139)	(301,553)	(331,709)	(364,879)	(25,688,516)

0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0
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7,084,252	7,084,252	7,084,252	7,836,616	8,619,076	8,619,076	8,619,076	8,619,076	9,534,442
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

7,084,252	7,084,252	7,084,252	7,836,616	8,619,076	8,619,076	8,619,076	8,619,076	9,534,442
(708,425)	(708,425)	(708,425)	(783,662)	(861,908)	(861,908)	(861,908)	(861,908)	(953,444)

6,375,827	6,375,827	6,375,827	7,052,955	7,757,168	7,757,168	7,757,168	7,757,168	8,580,998
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(1,931,679)	(2,008,946)	(2,089,304)	(2,172,876)	(2,259,791)	(2,350,183)	(2,444,190)	(2,541,958)	(2,643,636)
63,758	63,758	63,758	70,530	77,572	77,572	77,572	77,572	85,810

(1,867,921)	(1,945,188)	(2,025,546)	(2,102,347)	(2,182,220)	(2,272,611)	(2,366,619)	(2,464,386)	(2,557,826)
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4,507,906	4,430,639	4,350,281	4,950,608	5,574,948	5,484,557	5,390,550	5,292,782	6,023,172
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PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I OFFICE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%			67,827,772			
Less Commission @ 3.00%			(2,034,833)			

PRETAX SALE PROCEEDS			65,792,939			
Less Mortgage Balance			(25,287,148)			
Less Taxes / Plus Benefits			(2,095,067)			

AFTER TAX SALES PROCEEDS 38,410,724

COST & DEBT FLOWS (Exc. Perm. Amort.)	(3,566,993)	(1,271,170)	(3,911,055)	0	(13,716,666)	0
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	2,263,686	4,582,201
LINKAGE					(102,848)	(102,848)
TURNING COSTS:						
Brokerage Fees					(868,168)	(902,895)
Tenant Refurbishment					(344,553)	(344,553)
DEBT SERVICE					0	(2,970,219)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,911,055)	0	(12,768,548)	261,687
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Before Tax Cash Flow	(3,566,993)	(1,271,170)	(3,911,055)	0	(12,768,548)	261,687
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,911,055)	0	(12,768,548)	261,687
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(3,566,993)	(1,271,170)	(3,911,055)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	(12,768,548)	261,687
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,911,055)	0	(12,768,548)	261,687
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CUMULATIVE AFTER TAX CASH FLOW	(3,566,993)	(4,838,164)	(8,749,218)	(8,749,218)	(21,517,766)	(21,256,079)
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Breakeven						86.31%
Debt Coverage Ratio						108.81%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(8,097,102)	-100.00%	(38.19)
Cash Flow From Operations	(2,871,582)	-35.46%	(13.54)
Taxes /Benefits From Operations	0	0.00%	0.00
Cash Flow On Sale	13,790,644	170.32%	65.04
Taxes / Benefits From Sale	(713,289)	-8.81%	(3.36)

TOTAL AFTER TAX NPV @ 8.00%	2,108,671	26.04%	9.95
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PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I OFFICE

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
	0	(0)	(0)	0	0	0	(0)	0	(25,287,148)
	0	0	0	0	0	0	0	0	0
	4,507,906	4,430,639	4,350,281	4,950,608	5,574,948	5,484,557	5,390,550	5,292,782	6,023,172
	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)
	0	0	0	(1,056,259)	(1,098,510)	0	0	0	(1,285,101)
	0	0	0	(344,553)	(344,553)	0	0	0	(344,553)
	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)	(2,970,219)
									65,792,939
	1,434,839	1,357,572	1,277,214	476,730	1,058,820	2,411,490	2,317,483	2,219,715	41,826,243
	1,434,839	1,357,572	1,277,214	476,730	1,058,820	2,411,490	2,317,483	2,219,715	41,826,243
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	(2,095,067)
	1,434,839	1,357,572	1,277,214	476,730	1,058,820	2,411,490	2,317,483	2,219,715	39,731,176
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	1,434,839	1,357,572	1,277,214	476,730	1,058,820	2,411,490	2,317,483	2,219,715	1,320,452
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	40,505,791
	0	0	0	0	0	0	0	0	(2,095,067)
	1,434,839	1,357,572	1,277,214	476,730	1,058,820	2,411,490	2,317,483	2,219,715	39,731,176
	(19,821,240)	(18,463,667)	(17,186,453)	(16,709,723)	(15,650,904)	(13,239,414)	(10,921,931)	(8,702,215)	31,028,960
	69.75%	70.84%	71.97%	83.92%	77.72%	62.02%	63.11%	64.25%	76.15%
	148.31%	145.71%	143.00%	116.05%	135.65%	181.19%	178.02%	174.73%	144.46%

INTERNAL RATE OF RETURN

9.24%

PIER 4 Boston, Massachusetts						
TAXABLE INCOME AND INCOME TAXES - PHASE I						OFFICE
8-7-86	1	2	3	4	5	6
YEAR	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	2,263,686	4,582,201
Deduct Interest	0	0	0	0	(1,709,334)	(2,800,000)
Deduct Depreciation & Amortization	(7,832)	(15,977)	(222,886)	(486,220)	(1,661,358)	(2,550,397)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(7,832)	(15,977)	(222,886)	(486,220)	(1,107,006)	(768,196)
TOTAL ORDINARY TAXABLE INCOME						
Income Taxes/Benefits	0.35	2,741	5,592	78,010	170,177	387,452
Benefits Disallowed		(2,741)	(5,592)	(78,010)	(170,177)	(387,452)
Benefits From Prior Years		0	0	0	0	0
Benefits To Be Carried		2,741	8,333	86,343	256,520	643,972
ORDINARY TAXES/BENEFITS	0	0	0	0	0	0
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	0	0

PROJECT SALE TAXES:	
Pretax Sales Proceeds	65,792,939
Less Basis in Improv.	(57,399,581)
Less Basis in Land	(2,407,453)
GAIN ON SALE	5,985,906
TAX / BENEFIT @ 35.00%	(2,095,067)

PIER 4 Boston, Massachusetts							
SOFT COSTS - PHASE I						OFFICE	
8-7-86	1	2	3	4	5	6	
YEAR	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES	
SOFT COSTS:							
Envir. Imp. Report	30	111,171				111,171	
Permitting/Licens.	30	22,688				22,688	
Building Permits	30	1.0%	325,795			325,795	
A/E Fees	30	4.5%	704,846	439,824	152,472	1,455,713	
Design Consultants	30	1.0%	156,632	97,739	33,883	323,492	
Development Fee	30	2.0%	39,704	41,292	220,234	814,254	
Mtg. Brokerage Fee	30	1.0%		260,636		260,636	
Market Research Fee	30		22,688			22,688	
Legal/Accounting	30	1.0%	62,653	65,159	67,765	73,295	
Insurance	30	1.0%		153,920	166,480	90,032	
RE Taxes	10	0.5%			176,190	176,190	
Marketing/PR	5	1.0%	39,158	40,724	42,353	44,048	
Brokerage on Leases	5					183,238	
SOFT COSTS BEFORE INTEREST		1,159,541	1,271,170	670,628	983,962	526,629	4,611,930

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 1									OFFICE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
4,507,906	4,430,639	4,350,281	4,950,608	5,574,948	5,484,557	5,390,550	5,292,782	6,023,172	
(2,782,978)	(2,764,254)	(2,743,658)	(2,721,001)	(2,696,080)	(2,668,666)	(2,638,510)	(2,605,340)	(2,568,852)	
(2,542,252)	(2,533,782)	(2,524,972)	(2,525,943)	(2,495,161)	(2,495,161)	(2,495,161)	(2,495,161)	(2,540,930)	
(817,324)	(867,397)	(918,349)	(296,336)	383,707	320,730	256,878	192,281	913,391	
(817,324)	(867,397)	(918,349)	(296,336)	383,707	320,730	256,878	192,281	913,391	
286,064	303,589	321,422	103,718	(134,298)	(112,255)	(89,907)	(67,298)	(319,687)	
(286,064)	(303,589)	(321,422)	(103,718)	(0)	(0)	(0)	(0)	(0)	
0	0	0	0	134,298	112,255	89,907	67,298	319,687	
1,198,904	1,502,493	1,823,915	1,927,633	1,793,335	1,681,080	1,591,172	1,523,874	1,204,187	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	

PIER 4 Boston, Massachusetts						
8-7-85	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(612,112)	(1,224,224)
Soft Costs					(153,731)	(153,731)
Permanent Pt.					(11,666)	(11,666)
Construc. Per. - 10	0	0	(58,451)	(277,738)	(448,671)	(466,290)
Construc. Pt.			(139,987)	(139,987)	(87,492)	
Selling Costs	(7,832)	(15,977)	(24,447)	(68,495)	(347,686)	(694,487)
POTENTIAL DEPREC. & AMORT.	(7,832)	(15,977)	(222,886)	(486,220)	(1,661,358)	(2,550,397)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(7,832)	(15,977)	(222,886)	(486,220)	(1,661,358)	(2,550,397)
ACCUM. DEPREC. & AMORT.	(7,832)	(23,808)	(246,694)	(732,914)	(2,394,272)	(4,944,669)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(7,832)	(23,808)	(246,694)	(732,914)	(2,394,272)	(4,944,669)
Add to Basis	3,566,993	1,271,170	16,185,824	17,800,611	12,854,007	1,247,448
Beginning Basis	3,566,993	4,838,164	21,023,987	38,824,598	51,678,605	52,926,053
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	3,566,993	4,838,164	21,023,987	38,824,598	51,678,605	52,926,053
Beginning Land	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:	0	0	0	0	0	0
Cumulative Sold %					33.33%	100.00%
New Sales %					33.33%	66.67%
New Sales					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	5,936,910	6,174,386	6,421,362	6,678,216	6,945,345	7,223,159
Total Leased %					50.00%	100.00%
New Leased %					50.00%	50.00%
New Leases					3,472,672	3,611,579
Total Leases					3,472,672	7,084,252
Lease Commissions	5.00%					0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(1,526,634)	(1,587,699)	(1,651,207)	(1,717,256)	(1,785,946)	(1,857,384)
Operating Expenses					(892,973)	(1,857,384)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1								OFFICE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)
(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)
(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)
(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)
(686,342)	(677,871)	(669,062)	(670,032)	(639,251)	(639,251)	(639,251)	(639,251)	(685,019)
(2,542,252)	(2,533,782)	(2,524,972)	(2,525,943)	(2,495,161)	(2,495,161)	(2,495,161)	(2,495,161)	(2,540,930)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(2,542,252)	(2,533,782)	(2,524,972)	(2,525,943)	(2,495,161)	(2,495,161)	(2,495,161)	(2,495,161)	(2,540,930)
(7,486,921)	(10,020,703)	(12,545,675)	(15,071,618)	(17,566,779)	(20,061,940)	(22,557,102)	(25,052,263)	(27,593,193)
0	0	0	0	0	0	0	0	0
(7,486,921)	(10,020,703)	(12,545,675)	(15,071,618)	(17,566,779)	(20,061,940)	(22,557,102)	(25,052,263)	(27,593,193)
0	0	0	1,400,812	1,443,062	0	0	0	1,629,654
52,926,053	52,926,053	52,926,053	54,326,865	55,769,927	55,769,927	55,769,927	55,769,927	57,399,581
0	0	0	0	0	0	0	0	0
52,926,053	52,926,053	52,926,053	54,326,865	55,769,927	55,769,927	55,769,927	55,769,927	57,399,581
2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453
0	0	0	0	0	0	0	0	0
2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1								OFFICE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
7,512,085	7,812,569	8,125,071	8,450,074	8,788,077	9,139,600	9,505,184	9,885,392	10,280,807
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	50.00%
0	0	0	4,225,037	4,394,039	0	0	0	5,140,404
7,084,252	7,084,252	7,084,252	7,836,616	8,619,076	8,619,076	8,619,076	8,619,076	9,534,442
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(1,931,679)	(2,008,946)	(2,089,304)	(2,172,876)	(2,259,791)	(2,350,183)	(2,444,190)	(2,541,958)	(2,643,636)
(1,931,679)	(2,008,946)	(2,089,304)	(2,172,876)	(2,259,791)	(2,350,183)	(2,444,190)	(2,541,958)	(2,643,636)

PIER 4 Boston, Massachusetts						
S-7-86 LOAN DETERMINATION - PHASE 1						OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	2,263,686	4,582,201
Capitalized @ 10.00%	0	0	0	0	22,636,864	45,822,013
Loan-to-Value @ 80.00%	0	0	0	0	18,109,491	36,657,610
Net Operating Income	0	0	0	0	2,263,686	4,582,201
Plus Linkage and Turning Costs	0	0	0	0	948,118	3,231,906
Debt Coverage @ 110.00%	0	0	0	0	861,925	2,938,096
Loan Potential	0	0	0	0	8,125,296	27,697,184

PIER 4
Boston, Massachusetts

===== LOAN DETERMINATION - PHASE 1 ===== OFFICE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
4,507,906	4,430,639	4,350,281	4,950,608	5,574,948	5,484,557	5,390,550	5,292,782	6,023,172
45,079,059	44,306,388	43,502,809	49,506,082	55,749,485	54,845,568	53,905,495	52,927,819	60,231,718
36,063,247	35,445,110	34,802,247	39,604,865	44,599,588	43,876,455	43,124,396	42,342,255	48,185,374
4,507,906	4,430,639	4,350,281	4,950,608	5,574,948	5,484,557	5,390,550	5,292,782	6,023,172
4,405,058	4,327,791	4,247,433	3,446,949	4,029,038	5,381,709	5,287,702	5,189,934	4,290,670
4,004,599	3,934,356	3,861,303	3,133,590	3,662,762	4,892,463	4,807,002	4,718,122	3,900,610
37,751,008	37,088,834	36,400,174	29,540,081	34,528,546	46,120,830	45,315,195	44,477,334	36,770,713

PIER 4
Boston, Massachusetts
8-7-86
DEVELOPMENT ASSUMPTIONS - PHASE 1

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	100,000
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO	
Total buildout		1,649,812		Permanent Term	30	NONGARAGE USES	25.00%
Floor Area Ratio			4.27			ALLOCATION OF BREAKWATER TO	
						NONMARINA USES	100.00%
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED	
Ordinary Rate		35.00%		EQUITY	20.00%	EQUITY FUNDS	0.00%
Capital Gains		35.00%				PHASE 1 COSTS	
Deprec. Life (Bldg. & FF&E)		30	5			UNESCALATED	194,512,973
ITC on Hotel FF&E		0.00%	(@ 85.00%)	PHASE 1 AS PERCENT			
Losses Disallowed		100.00%		OF TOTAL BUILDOUT	44.73%		
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts
8-7-86
DEVELOPMENT ASSUMPTIONS - PHASE 1

PROGRAM:	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
Land	3.56 acres							155,112
Above ground	737,928	167,820	269,831	249,450	50,827			
Below ground	613,604					560,104		53,500
Water	178,200						178,200	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	653,377	135,934	269,831	212,033	35,579	560,104	178,200	
UNITS:								
Condominiums	100	100						
Hotel rooms	290		290					
Hotel bays	339		339					
Cars	1,400					1,400		
Marina slips	100						100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts

8-7-85

DEVELOPMENT ASSUMPTIONS - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina						1,200,000		
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		205,580						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent 5.00%					10.00			
REVENUES PER UNIT:								
Unit sales 1,359 ssf		509,753				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent			158.00			10.50	10.50	
Hotel daily other 30.44%			60.74					
SALE, LEASE, RENT TERMS:								
Presale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		24	54	24	24	24	24	
Prelease		0.00%	50.00%	25.00%	25.00%	25.00%	25.00%	
Absorption		18	48	48	18	18	18	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years 5				100.00%	100.00%			
Rent - monthly						25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				5.00%	5.00%			
VACANCY			29.00%	20.00%	10.00%			
TURNOVER:								
Turnover - stay				50.00%	50.00%			
Turnover - leave				50.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb. - leave				7.00	7.00			

PIER 4
Boston, Massachusetts

8-7-86 PROJECT COSTS - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0

LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534			

HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,564	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E	8,475,000		8,475,000					
Foundation @	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		
Garage service area	0	751,312	1,208,005	1,116,761	227,547			(3,303,625)
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,056,493	826,536			

HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,105	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency	6,903,750	1,313,881	2,347,405	1,566,324	319,148	1,296,991	60,000	0

TOTAL HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	0

SOFT COSTS:								
Envir. Imp. Report	30	490,000	93,254	166,609	111,171	22,652	92,055	4,259
Permitting/Licens.	30	100,000	19,031	34,002	22,688	4,623	18,787	869
Building Permits	30	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
A/E Fees	30	6,213,375	1,182,493	2,112,665	1,409,692	287,234	1,167,292	54,000
Design Consultants	30	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Development Fee	30	2,761,500	525,553	938,962	626,530	127,659	518,796	24,000
Mtg. Brokerage Fee	30	1,104,600	210,271	375,585	250,612	51,064	207,519	9,600
Market Research Fe	30	100,000	19,031	34,002	22,688	4,623	18,787	869
Legal/Accounting	30	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Linkage	12	2,820,648		1,335,007	1,234,171	251,470		
Insurance	10	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
RE Taxes	10	690,375	131,388	234,741	156,632	31,915	129,699	6,000
Marketing/PR	5	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Brokerage on Lease	5	2,033,179			1,855,284	177,895		

Soft Cost SUBTOTAL	23,217,428	3,494,853	7,578,978	7,255,793	1,278,282	3,449,925	159,597	
Construc. Loan Pt.	1.0%	1,345,569	248,691	454,996	321,189	63,843	245,494	11,357
Constr. Int.	15	16,819,618	3,108,636	5,687,449	4,014,860	798,040	3,068,673	141,960
Permanent Loan Pt.	1.0%	1,029,827	0	454,996	321,189	63,843	184,120	5,678

TOTAL SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	

COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	

TOTAL PROJECT COSTS	194,512,973	36,063,330	66,076,079	47,213,295	9,396,658	34,185,020	1,578,592	
=====								
COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	

TOTAL PROJECT COSTS	194,512,973	36,063,330	66,076,079	47,213,295	9,396,658	34,185,020	1,578,592	
=====								
PERCENT OF USE:								
Land Costs	3.66%	4.49%	3.94%	5.10%	5.22%	0.00%	0.00%	
Hard Costs	74.53%	76.51%	74.60%	69.67%	71.32%	79.67%	79.82%	
Soft Costs	21.80%	19.00%	21.45%	25.23%	23.46%	20.33%	20.18%	

Total Project Costs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
=====								
PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	22.74%	36.57%	33.80%	6.89%	0.00%	0.00%	
Hard Costs	100.00%	19.03%	34.00%	22.69%	4.62%	18.79%	0.87%	
Soft Costs	100.00%	16.16%	33.43%	28.09%	5.20%	16.38%	0.75%	

Total Project Costs	100.00%	18.54%	33.97%	24.27%	4.83%	17.57%	0.81%	
=====								

PIER 4
Boston, Massachusetts

8-7-86 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,379	560,104	178,200	0
GROSS SALES	50,975,325	50,975,325				12,250,000	1,500,000	
Less Basis	(45,398,880)	(36,063,330)				(8,546,255)	(789,296)	
Less Commissions	(2,079,260)	(1,529,260)				(490,000)	(60,000)	
Gain on Sale	17,247,185	13,382,736				3,213,745	650,704	
TAX on Sale 35.0%	(6,036,515)	(4,683,957)				(1,124,811)	(227,746)	
NET SALES PROCEEDS	56,609,551	44,762,108				10,635,189	1,212,254	
GROSS REVENUE:								
Base leases 5	8,132,716			7,421,138	711,578			
Base rents	20,725,363		16,724,300			3,837,750	163,313	
Other income	6,784,610		6,428,821		355,789			
TOTAL GROSS REVENUES	35,642,689		23,153,121	7,421,138	1,067,367	3,837,750	163,313	
Less VACANCY	(8,305,369)		(6,714,405)	(1,484,228)	(106,737)			
NET REVENUES	27,337,319		16,438,716	5,936,910	960,630	3,837,750	163,313	
OPERATING EXPENSES:								
Base operating expenses	(12,880,771)		(10,341,122)	(1,357,008)	(320,210)	(840,156)	(22,275)	
Replacement reserve	(602,148)		(493,161)	(59,369)	(9,606)	(38,378)	(1,633)	
TOTAL OPERATING EXPENSES	(13,482,919)		(10,834,283)	(1,416,377)	(329,816)	(878,534)	(23,908)	
NET OPERATING INCOME	13,854,400		5,604,433	4,520,533	630,814	2,959,217	139,404	
GROSS MARGIN ON SALES BEFORE TAX	37.99%	37.11%				37.60%	82.44%	
RETURN ON ASSETS BY USE	9.29%		8.48%	9.57%	6.71%	11.54%	17.66%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	16.81%							

8-7-86 COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,379	560,104	178,200	0
Hard Costs (Component Specific)		151.23	108.50	107.65	130.71	61.75	6.73	
Land Costs	10.90	11.91	9.65	11.35	13.79	0.00	0.00	
Hard Costs (Total)	221.89	202.98	182.69	155.13	188.37	48.63	7.07	
Soft Costs	64.91	50.41	52.54	56.18	61.95	12.41	1.79	
TOTAL DEVELOPMENT COSTS	297.70	265.30	244.88	222.67	264.11	61.03	8.86	
Gross Sales		375.00				87.48	16.84	
Less Basis, Commissions, Taxes		(311.01)				(72.57)	(12.09)	
AFTER TAX GAIN ON SALES		63.99				14.92	4.75	
Gross Revenues		0.00	85.81	35.00	30.00	9.14	0.92	
Less Vacancy		0.00	(24.88)	(7.00)	(3.00)	0.00	0.00	
Net Revenues		0.00	60.92	28.00	27.00	9.14	0.92	
Operating Expenses (Before deducting Linkage or Turns)		0.00	(40.15)	(6.68)	(9.27)	(2.09)	(0.27)	
NET OPERATING INCOME		0.00	20.77	21.32	17.73	7.04	0.65	

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE I						OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	8,749,218	5,182,225	3,911,055	0	0	
EQUITY INVESTED	3,566,993	1,271,170	3,911,055	0	0	
=====						
BUILDING COSTS:						
Land	(2,407,453)					
Hard Costs			(14,230,746)	(14,799,976)	(7,695,987)	
Soft Costs Before Financing	(1,159,541)	(1,271,170)	(670,628)	(983,962)	(526,629)	
Mortgage Points (Approx.)			(699,937)			
BUILDING COSTS BEFORE INTEREST	(3,566,993)	(1,271,170)	(15,601,311)	(15,783,937)	(8,222,617)	

CONSTRUCTION LOAN:						
Interest	0	0	(584,513)	(2,016,674)	(3,418,669)	0
Takedown	0	0	(12,274,769)	(17,800,611)	(11,641,286)	0
Retirements - Sales					0	(0)
Retirements - Takeout					41,716,666	0
Balance	0	0	(12,274,769)	(30,075,380)	0	0
PERMANENT MORTGAGE:						
Payment						(2,015,506)
Interest						(1,900,000)
Amortization						(115,506)
Balance					(19,000,000)	(18,884,494)
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(3,566,993)	(1,271,170)	(16,185,824)	(17,800,611)	(11,641,286)	0
Construction Loan	(0)	(0)	12,274,769	17,800,611	(30,075,380)	0
Permanent Loan	0	0	0	0	19,000,000	(115,506)
COST & DEBT FLOWS	(3,566,993)	(1,271,170)	(3,911,055)	0	(22,716,666)	(115,506)
=====						
GROSS SALES					0	0
Less Commissions					0	0
PRETAX SALES PROCEEDS					0	0
=====						
GROSS REVENUES:						
Leases					2,984,328	4,677,256
Rents					0	0
Other income					0	0
TOTAL GROSS REVENUES					2,984,328	4,677,256
Less VACANCY					(596,866)	(935,451)
NET REVENUES					2,387,462	3,741,805

OPERATING EXPENSES:						
Operating Expenses					(545,706)	(877,098)
Replacement Reserve					23,875	37,418
TOTAL OPERATING EXPENSES					(521,831)	(839,680)

NET OPERATING INCOME					1,865,631	2,902,125
=====						

PIER 4
Boston, Massachusetts
CASH FLOW SCHEDULES - PHASE 1
OFFICE

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	(0)	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)
	(1,888,449)	(1,875,744)	(1,861,768)	(1,846,394)	(1,829,483)	(1,810,880)	(1,790,418)	(1,767,909)	(1,743,149)
	(127,056)	(139,762)	(153,738)	(169,112)	(186,023)	(204,625)	(225,088)	(247,597)	(272,356)
	(18,757,439)	(18,617,676)	(18,463,938)	(18,294,826)	(18,108,803)	(17,904,178)	(17,679,090)	(17,431,493)	(17,159,136)
	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	0	0	0	0	0	0	0	0	0
	(127,056)	(139,762)	(153,738)	(169,112)	(186,023)	(204,625)	(225,088)	(247,597)	(17,431,493)
	(127,056)	(139,762)	(153,738)	(169,112)	(186,023)	(204,625)	(225,088)	(247,597)	(17,431,493)
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	6,437,901	8,268,971	9,221,128	9,867,692	10,234,469	10,615,918	11,012,625	11,218,912	12,005,556
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	6,437,901	8,268,971	9,221,128	9,867,692	10,234,469	10,615,918	11,012,625	11,218,912	12,005,556
	(1,287,580)	(1,653,794)	(1,844,226)	(1,973,538)	(2,046,894)	(2,123,184)	(2,202,525)	(2,243,782)	(2,401,111)
	5,150,321	6,615,177	7,376,903	7,894,153	8,187,575	8,492,735	8,810,100	8,975,130	9,604,444
	(1,234,128)	(1,618,318)	(1,857,159)	(1,931,446)	(2,008,703)	(2,089,051)	(2,172,614)	(2,259,518)	(2,349,899)
	51,503	66,152	73,769	78,942	81,876	84,927	88,101	89,751	96,044
	(1,182,625)	(1,552,166)	(1,783,390)	(1,852,504)	(1,926,828)	(2,004,124)	(2,084,513)	(2,169,767)	(2,253,854)
	3,967,696	5,063,011	5,593,512	6,041,649	6,260,748	6,488,610	6,725,587	6,805,363	7,350,590

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 OFFICE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		76,171,570				
Less Commission @ 3.00%		(2,285,147)				
PRETAX SALE PROCEEDS		73,886,423				
Less Mortgage Balance		(17,159,136)				
Less Taxes / Plus Benefits		(4,396,844)				

AFTER TAX SALES PROCEEDS 52,330,443

COST & DEBT FLOWS (Exc. Perm. Amort.)	(3,566,993)	(1,271,170)	(3,911,055)	0	(22,716,666)	0
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	1,865,631	2,902,125
LINKAGE					(102,848)	(102,848)
TURNING COSTS:						
Brokerage Fees					(746,082)	(423,232)
Tenant Refurbishment					(327,988)	(178,902)
DEBT SERVICE					0	(2,015,506)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (22,027,952) 181,637

Before Tax Cash Flow	(3,566,993)	(1,271,170)	(3,911,055)	0	(22,027,952)	181,637
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (22,027,952) 181,637

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(3,566,993)	(1,271,170)	(3,911,055)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	(22,027,952)	181,637
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (22,027,952) 181,637

CUMULATIVE AFTER TAX CASH FLOW (3,566,993) (4,838,164) (8,749,218) (8,749,218) (30,777,170) (30,595,533)

Breakeven 76.12%
Debt Coverage Ratio 109.01%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(8,097,102)	-100.00%	(38.19)
Cash Flow From Operations	(3,320,174)	-41.00%	(15.66)
Taxes /Benefits From Operations	(1,412,320)	-17.44%	(6.66)
Cash Flow On Sale	19,313,431	238.52%	91.09
Taxes / Benefits From Sale	(1,496,954)	-18.49%	(7.06)

TOTAL AFTER TAX NPV @ 8.00% 4,986,882 61.59% 23.52

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 OFFICE SALE
(0)	0	(0)	0	(0)	0	0	(0)	(17,159,136)
0	0	0	0	0	0	0	0	0
3,967,696	5,063,011	5,593,512	6,041,649	6,260,748	6,488,610	6,725,587	6,805,363	7,350,590
(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)
(440,161)	(457,768)	(238,039)	(907,723)	(514,926)	(535,523)	(556,944)	(289,611)	(1,104,384)
(178,902)	(178,902)	(89,451)	(327,988)	(178,902)	(178,902)	(178,902)	(89,451)	(327,988)
(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)	(2,015,506)
								73,886,423
1,230,279	2,307,988	3,147,669	2,687,585	3,448,566	3,655,831	3,871,387	4,307,948	60,527,152
1,230,279	2,307,988	3,147,669	2,687,585	3,448,566	3,655,831	3,871,387	4,307,948	60,527,152
0	0	0	0	(311,983)	(710,401)	(793,563)	(825,753)	(1,011,482)
0	0	0	0	0	0	0	0	(4,396,844)
1,230,279	2,307,988	3,147,669	2,687,585	3,136,583	2,945,430	3,077,824	3,482,195	55,118,826
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
1,230,279	2,307,988	3,147,669	2,687,585	3,448,566	3,655,831	3,871,387	4,307,948	3,799,865
0	0	0	0	(311,983)	(710,401)	(793,563)	(825,753)	(1,011,482)
0	0	0	0	0	0	0	0	56,727,287
0	0	0	0	0	0	0	0	(4,396,844)
1,230,279	2,307,988	3,147,669	2,687,585	3,136,583	2,945,430	3,077,824	3,482,195	55,118,826
(29,365,254)	(27,057,267)	(23,909,598)	(21,222,012)	(18,085,429)	(15,140,000)	(12,062,175)	(8,579,980)	46,538,846
60.89%	52.09%	45.86%	52.76%	46.30%	45.56%	44.85%	41.60%	48.35%
161.04%	214.51%	256.17%	233.35%	271.10%	281.39%	292.08%	313.74%	288.53%

INTERNAL RATE OF RETURN

 10.18%
 #####

PIER 4 Boston, Massachusetts							
8-7-85 TAXABLE INCOME AND INCOME TAXES - PHASE 1							OFFICE
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
INCOME ON SALES:							
Pretax Sales Proceeds	0	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.							
Net Operating Income	0	0	0	0	1,865,631	2,902,125	
Deduct Interest	0	0	0	0	(1,709,334)	(1,900,000)	
Deduct Depreciation & Amortization	(7,832)	(15,977)	(222,886)	(486,220)	(1,633,628)	(2,393,604)	
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(7,832)	(15,977)	(222,886)	(486,220)	(1,477,331)	(1,391,479)	
TOTAL ORDINARY TAXABLE INCOME							
Income Taxes/Benefits	0.35	2,741	5,592	78,010	170,177	517,066	487,018
Benefits Disallowed		(2,741)	(5,592)	(78,010)	(170,177)	(517,066)	(487,018)
Benefits From Prior Years		0	0	0	0	0	0
Benefits To Be Carried		2,741	8,333	86,343	256,520	773,586	1,260,604
ORDINARY TAXES/BENEFITS	0	0	0	0	0	0	0
Potential Investment Tax Credits On FF&E						0	0
INVESTMENT TAX CREDIT USED						0	0
Investment Tax Credit Carryover						0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	0	0	0

PROJECT SALE TAXES:	
Pretax Sales Proceeds	73,886,423
Less Basis In Improv.	(58,916,558)
Less Basis In Land	(2,407,453)
GAIN ON SALE	12,562,413
TAX / BENEFIT @ 35.00%	(4,396,844)

PIER 4 Boston, Massachusetts							
8-7-85 SOFT COSTS - PHASE 1							OFFICE
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
SOFT COSTS:							
Envir. Imp. Report	30	111,171					111,171
Permitting/Licens.	30	22,688					22,688
Building Permits	30	1.0%	325,795				325,795
A/E Fees	30	4.5%	704,846	439,824	152,472	158,571	1,455,713
Design Consultants	30	1.0%	156,632	97,739	33,883	35,238	323,492
Development Fee	30	2.0%	39,704	41,292	220,234	332,959	814,254
Mtg. Brokerage Fee	30	1.0%		260,636			260,636
Market Research Fee	30		22,688				22,688
Legal/Accounting	30	1.0%	62,653	65,159	67,765	70,476	339,349
Insurance	30	1.0%		153,920	166,480	90,032	410,432
RE Taxes	10	0.5%			176,190		176,190
Marketing/PR	5	1.0%	39,158	40,724	42,353	44,048	349,521
Brokerage on Leases	5						0
SOFT COSTS BEFORE INTEREST		1,159,541	1,271,170	670,628	983,962	526,629	4,611,930

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 1									
									OFFICE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0

3,967,696	5,063,011	5,593,512	6,041,649	6,260,748	6,488,610	6,725,587	6,805,363	7,350,590	
(1,888,449)	(1,875,744)	(1,861,768)	(1,846,394)	(1,829,483)	(1,810,880)	(1,790,418)	(1,767,909)	(1,743,149)	
(2,509,272)	(2,628,135)	(2,684,824)	(2,680,505)	(2,628,939)	(2,648,012)	(2,667,847)	(2,678,161)	(2,717,493)	
(430,026)	559,132	1,046,921	1,514,751	1,802,326	2,029,718	2,267,323	2,359,293	2,889,947	

(430,026)	559,132	1,046,921	1,514,751	1,802,326	2,029,718	2,267,323	2,359,293	2,889,947	
150,509	(195,696)	(366,422)	(530,163)	(630,814)	(710,401)	(793,563)	(825,753)	(1,011,482)	
(150,509)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
0	195,696	366,422	530,163	318,831	0	0	0	0	
1,411,113	1,215,416	848,994	318,831	0	0	0	0	0	

0	0	0	0	(311,983)	(710,401)	(793,563)	(825,753)	(1,011,482)	

0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	

0	0	0	0	(311,983)	(710,401)	(793,563)	(825,753)	(1,011,482)	
=====									

PIER 4 Boston, Massachusetts						
8-7-86	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(612,112)	(1,224,224)
Soft Costs					(153,731)	(153,731)
Permanent Pt.					(11,666)	(11,666)
Construc. Per. - 10	0	0	(58,451)	(277,738)	(448,671)	(466,290)
Construc. Pt.			(139,987)	(139,987)	(87,492)	
Selling Costs	(7,832)	(15,977)	(24,447)	(68,495)	(319,956)	(537,694)
POTENTIAL DEPREC. & AMORT.	(7,832)	(15,977)	(222,886)	(486,220)	(1,633,628)	(2,393,604)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(7,832)	(15,977)	(222,886)	(486,220)	(1,633,628)	(2,393,604)
ACCUM. DEPREC. & AMORT.	(7,832)	(23,808)	(246,694)	(732,914)	(2,366,542)	(4,760,146)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(7,832)	(23,808)	(246,694)	(732,914)	(2,366,542)	(4,760,146)
Add to Basis	3,566,993	1,271,170	16,195,824	17,800,611	12,715,355	602,134
Beginning Basis	3,566,993	4,838,164	21,023,987	38,824,598	51,539,954	52,142,088
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	3,566,993	4,838,164	21,023,987	38,824,598	51,539,954	52,142,088
Beginning Land	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453

PIER 4 Boston, Massachusetts						
8-7-86	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:						
Cumulative Sold %			0	0	25.00%	75.00%
New Sales %					25.00%	50.00%
New Sales					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	7,421,138	7,717,983	8,026,702	8,347,770	8,681,681	9,028,948
Total Leased %					34.38%	53.13%
New Leased %					34.38%	18.75%
New Leases					2,984,328	1,692,928
Total Leases					2,984,328	4,677,256
Lease Commissions 5.00%						0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(1,357,008)	(1,411,288)	(1,467,740)	(1,526,449)	(1,587,507)	(1,651,008)
Operating Expenses					(545,706)	(877,098)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1								
								OFFICE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)
(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)
(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)
(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)
(653,362)	(772,225)	(828,914)	(824,594)	(773,029)	(792,101)	(811,937)	(822,251)	(861,583)
(2,509,272)	(2,628,135)	(2,684,824)	(2,680,505)	(2,628,939)	(2,648,012)	(2,667,847)	(2,678,161)	(2,717,493)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(2,509,272)	(2,628,135)	(2,684,824)	(2,680,505)	(2,628,939)	(2,648,012)	(2,667,847)	(2,678,161)	(2,717,493)
(7,269,418)	(9,897,554)	(12,582,377)	(15,262,882)	(17,891,821)	(20,539,833)	(23,207,680)	(25,885,841)	(28,603,335)
0	0	0	0	0	0	0	0	0
(7,269,418)	(9,897,554)	(12,582,377)	(15,262,882)	(17,891,821)	(20,539,833)	(23,207,680)	(25,885,841)	(28,603,335)
619,064	636,670	327,490	1,235,711	693,829	714,426	735,847	379,062	1,432,371
52,761,152	53,397,822	53,725,312	54,961,023	55,654,852	56,369,278	57,105,124	57,484,187	58,916,558
0	0	0	0	0	0	0	0	0
52,761,152	53,397,822	53,725,312	54,961,023	55,654,852	56,369,278	57,105,124	57,484,187	58,916,558
2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453
0	0	0	0	0	0	0	0	0
2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1								
								OFFICE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
9,390,106	9,765,711	10,156,339	10,562,593	10,985,096	11,424,500	11,881,480	12,356,739	12,851,009
71.88%	90.63%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
18.75%	18.75%	9.38%	34.38%	18.75%	18.75%	18.75%	9.38%	34.38%
1,760,645	1,831,071	952,157	3,630,891	2,059,706	2,142,094	2,227,778	1,158,444	4,417,534
6,437,901	8,268,971	9,221,128	9,867,692	10,234,469	10,615,918	11,012,625	11,218,912	12,005,556
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(1,717,048)	(1,785,730)	(1,857,159)	(1,931,446)	(2,008,703)	(2,089,051)	(2,172,614)	(2,259,518)	(2,349,899)
(1,234,128)	(1,618,318)	(1,857,159)	(1,931,446)	(2,008,703)	(2,089,051)	(2,172,614)	(2,259,518)	(2,349,899)

PIER 4 Boston, Massachusetts						
9-7-86 LOAN DETERMINATION - PHASE 1						OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PERMANENT LOAN DETERMINATION:						
Net Operating Income	0	0	0	0	1,865,631	2,902,125
Capitalized @ 10.00%	0	0	0	0	18,656,313	29,021,248
Loan-to-Value @ 80.00%	0	0	0	0	14,925,050	23,216,998
Net Operating Income	0	0	0	0	1,865,631	2,902,125
Plus Linkage and Turning Costs	0	0	0	0	688,714	2,197,143
Debt Coverage @ 110.00%	0	0	0	0	626,104	1,997,403
Loan Potential	0	0	0	0	5,902,225	18,829,343

PIER 4 Boston, Massachusetts									
LOAN DETERMINATION - PHASE 1									
									OFFICE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
3,967,696	5,063,011	5,593,512	6,041,649	6,260,748	6,488,610	6,725,587	6,905,363	7,350,590	
39,676,955	50,630,112	55,935,125	60,416,493	62,607,479	64,886,104	67,255,874	68,053,632	73,505,901	
31,741,564	40,504,089	44,748,100	48,333,194	50,085,983	51,908,883	53,804,699	54,442,906	58,804,721	
3,967,696	5,063,011	5,593,512	6,041,649	6,260,748	6,488,610	6,725,587	6,905,363	7,350,590	
3,245,784	4,323,494	5,163,175	4,703,091	5,464,071	5,671,337	5,886,893	6,323,453	5,815,371	
2,950,713	3,930,449	4,693,795	4,275,537	4,967,338	5,155,761	5,351,721	5,748,594	5,286,701	
27,816,119	37,052,003	44,248,004	40,305,125	46,826,668	48,602,917	50,450,216	54,191,503	49,837,279	

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 OFFICE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		56,049,467				
Less Commission @ 3.00%		(1,681,484)				
PRETAX SALE PROCEEDS		54,367,983				
Less Mortgage Balance		(11,740,462)				
Less Taxes / Plus Benefits		1,999,602				

AFTER TAX SALES PROCEEDS 44,627,123

COST & DEBT FLOWS (Exc. Perm. Amort.)	(3,566,993)	(1,271,170)	(3,911,055)	0	(28,716,666)	0
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	1,383,364	2,146,280
LINKAGE					(102,848)	(102,848)
TURNING COSTS:						
Brokerage Fees					(596,866)	(338,586)
Tenant Refurbishment					(327,988)	(178,902)
DEBT SERVICE					0	(1,379,030)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (28,361,003) 146,914

Before Tax Cash Flow	(3,566,993)	(1,271,170)	(3,911,055)	0	(28,361,003)	146,914
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (28,361,003) 146,914

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(3,566,993)	(1,271,170)	(3,911,055)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	(28,361,003)	146,914
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (28,361,003) 146,914

CUMULATIVE AFTER TAX CASH FLOW (3,566,993) (4,838,164) (8,749,218) (8,749,218) (37,110,221) (36,963,307)

Breakeven 76.07%
Debt Coverage Ratio 110.65%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(8,097,102)	-100.00%	(38.19)
Cash Flow From Operations	(11,406,783)	-140.87%	(53.80)
Taxes /Benefits From Operations	(188,860)	-2.33%	(0.89)
Cash Flow On Sale	14,513,010	179.24%	68.45
Taxes / Benefits From Sale	680,787	8.41%	3.21

TOTAL AFTER TAX NPV @ 8.00% (4,498,947) -55.56% (21.22)

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1
OFFICE

	7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
	0	0	(0)	0	(0)	(0)	(0)	0	(11,740,462)
	0	0	0	0	0	0	0	0	0
	2,927,331	3,726,745	4,103,378	4,447,030	4,606,858	4,773,078	4,945,947	4,992,387	5,410,492
	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)
	(352,129)	(366,214)	(190,431)	(726,178)	(411,941)	(428,419)	(445,556)	(231,689)	(883,507)
	(178,902)	(178,902)	(89,451)	(327,988)	(178,902)	(178,902)	(178,902)	(89,451)	(327,988)
	(1,379,030)	(1,379,030)	(1,379,030)	(1,379,030)	(1,379,030)	(1,379,030)	(1,379,030)	(1,379,030)	(1,379,030)
									54,367,983
	914,422	1,699,751	2,341,618	1,910,986	2,534,136	2,683,879	2,839,611	3,189,369	45,344,641
	914,422	1,699,751	2,341,618	1,910,986	2,534,136	2,683,879	2,839,611	3,189,369	45,344,641
	0	0	0	0	0	0	0	0	(554,717)
	0	0	0	0	0	0	0	0	1,999,602
	914,422	1,699,751	2,341,618	1,910,986	2,534,136	2,683,879	2,839,611	3,189,369	46,789,526
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	914,422	1,699,751	2,341,618	1,910,986	2,534,136	2,683,879	2,839,611	3,189,369	2,717,120
	0	0	0	0	0	0	0	0	(554,717)
	0	0	0	0	0	0	0	0	42,627,521
	0	0	0	0	0	0	0	0	1,999,602
	914,422	1,699,751	2,341,618	1,910,986	2,534,136	2,683,879	2,839,611	3,189,369	46,789,526
	(36,048,885)	(34,349,134)	(32,007,516)	(30,096,530)	(27,562,393)	(24,878,514)	(22,038,903)	(18,849,534)	27,939,992
	62.25%	54.31%	48.26%	55.79%	49.05%	48.40%	47.77%	44.46%	51.71%
	166.31%	223.26%	269.80%	238.57%	283.76%	294.62%	305.91%	331.28%	297.03%

INTERNAL RATE OF RETURN

6.07%

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 1

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	100,000
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO	
Total buildout		1,649,812		Permanent Term	30	NONGARAGE USES	25.00%
Floor Area Ratio			4.27			ALLOCATION OF BREAKWATER TO	
						NONMARINA USES	100.00%
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED	
Ordinary Rate		35.00%		EQUITY	20.00%	EQUITY FUNDS	0.00%
Capital Gains		35.00%				PHASE 1 COSTS	
Deprec. Life (Bldg. & FF&E)		30	5			UNESCALATED	192,856,575
ITC on Hotel FF&E		0.00%	(@ 85.00%)	PHASE 1 AS PERCENT			
Losses Disallowed		100.00%		OF TOTAL BUILDOUT	44.73%		
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
PROGRAM:								
Land	3.56 acres							155,112
Above ground		737,928	167,820	269,831	249,450	50,827		
Below ground		613,604				560,104		53,500
Water		178,200					178,200	
Efficiency Factors			81%	100%	85%	70%	100.00%	100.00%
Rentable/Salable		653,377	135,934	269,831	212,033	35,579	560,104	178,200
UNITS:								
Condominiums		100						
Hotel rooms		290		290				
Hotel bays		339		339				
Cars		1,400				1,400		
Marina slips		100					100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts

8-7-85

DEVELOPMENT ASSUMPTIONS - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina						1,200,000		
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		205,590						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent 5.00%					10.00			
REVENUES PER UNIT:								
Unit sales 1,359 ssf		509,753				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent			158.00			10.50	10.50	
Hotel daily other 38.44%			60.74					
SALE, LEASE, RENT TERMS:								
Fresale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
Prelease		0.00%	50.00%	100.00%	25.00%	25.00%	25.00%	
Absorption		18	48	0	18	18	18	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years 5				100.00%	100.00%			
Rent - monthly						25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				1.00%	5.00%			
VACANCY			29.00%	0.00%	10.00%			
TURNOVER:								
Turnover - stay				100.00%	50.00%			
Turnover - leave				0.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb. - leave				7.00	7.00			

PIER 4
Boston, Massachusetts

8-7-86 PROJECT COSTS - UNESCALATED - PHASE I *****

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,590
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,379	560,104	178,200	0
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LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534			
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HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,664	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E 5	8,475,000		8,475,000					
Foundation @ 25%	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		(3,303,625)
Garage service area	0	751,312	1,208,005	1,116,761	227,547			
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,056,493	826,536			
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HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,195	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency 30 5.0%	6,903,750	1,313,881	2,347,405	1,566,324	319,148	1,296,991	60,000	0
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TOTAL HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	0
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SOFT COSTS:								
Envir. Imp. Report 30	490,000	93,254	166,609	111,171	22,652	92,055	4,259	
Permitting/Licens. 30	100,000	19,031	34,002	22,688	4,623	18,787	869	
Building Permits 30 1.0%	1,390,750	262,776	469,481	313,265	63,830	259,398	12,000	
A/E Fees 30 4.5%	6,213,375	1,182,493	2,112,665	1,409,692	287,234	1,167,292	54,000	
Design Consultants 30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Development Fee 30 2.0%	2,761,500	525,553	938,962	626,530	127,659	518,796	24,000	
Mtg. Brokerage Fee 30 1.0%	1,104,600	210,221	375,585	250,612	51,064	207,519	9,600	
Market Research Fe 30	100,000	19,031	34,002	22,688	4,623	18,787	869	
Legal/Accounting 30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Linkage 12	2,820,648		1,335,007	1,234,171	251,470			
Insurance 10 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
RE Taxes 10 0.5%	690,375	131,388	234,741	156,632	31,915	129,699	6,000	
Marketing/PR 5 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Brokerage on Lease 5	548,951			371,057	177,895			
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Soft Cost SUBTOTAL	21,733,200	3,494,853	7,578,978	5,771,565	1,278,282	3,449,925	159,597	
Construc. Loan Pt. 1.0%	1,333,676	248,691	454,996	309,315	63,843	245,494	11,357	
Constr. Int. 15	16,671,196	3,108,636	5,687,449	3,866,438	798,040	3,068,673	141,960	
Permanent Loan Pt. 1.0%	1,017,953	0	454,996	309,315	63,843	184,120	5,678	
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TOTAL SOFT COSTS	40,756,044	6,852,181	14,176,418	10,256,633	2,204,008	6,948,213	318,592	
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COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	40,756,044	6,852,181	14,176,418	10,256,633	2,204,008	6,948,213	318,592	
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TOTAL PROJECT COSTS	192,856,575	36,063,330	66,076,079	45,556,897	9,396,658	34,185,020	1,578,592	
<hr/>								
COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	40,756,044	6,852,181	14,176,418	10,256,633	2,204,008	6,948,213	318,592	
<hr/>								
TOTAL PROJECT COSTS	192,856,575	36,063,330	66,076,079	45,556,897	9,396,658	34,185,020	1,578,592	
<hr/>								
PERCENT OF USE:								
Land Costs	3.69%	4.49%	3.94%	5.28%	5.22%	0.00%	0.00%	
Hard Costs	75.17%	76.51%	74.60%	72.20%	71.32%	79.67%	79.82%	
Soft Costs	21.13%	19.00%	21.45%	22.51%	23.46%	20.33%	20.18%	
<hr/>								
Total Project Costs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
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PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	22.74%	36.57%	33.80%	6.89%	0.00%	0.00%	
Hard Costs	100.00%	19.03%	34.00%	22.69%	4.62%	18.79%	0.87%	
Soft Costs	100.00%	16.81%	34.78%	25.17%	5.41%	17.05%	0.78%	
<hr/>								
Total Project Costs	100.00%	18.70%	34.26%	23.62%	4.87%	17.73%	0.82%	

***** BOSTON, MASSACHUSETTS PIER 4 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNRESCALED - PHASE 1 *****											
GROSS SQUARE FEET NET RENTABLE/SALABLE SF											
TOTAL	COND0	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.	53,500	0		
737,929	167,820	269,831	249,450	50,827	560,104	178,200	53,500	0			
653,377	135,934	269,831	212,033	35,579	560,104	178,200	53,500	0			
GROSS REVENUE:											
Base leases	5	8,132,716	7,421,138	711,578	3,837,750	163,313					
Base rents		20,725,363									
Other income		6,784,610									
TOTAL GROSS REVENUES		35,642,689	7,421,138	1,067,367	3,837,750	163,313					
Less VACANCY		(6,821,142)	0	(106,737)							
NET REVENUES		28,821,546	7,421,138	960,630	3,837,750	163,313					
OPERATING EXPENSES:											
Base operating expenses		(13,220,023)	(1,696,260)	(320,210)	(840,156)	(22,275)					
Replacement reserve		(616,990)	(74,211)	(9,606)	(38,378)	(1,633)					
TOTAL OPERATING EXPENSES		(13,837,012)	(1,770,471)	(329,816)	(878,534)	(23,908)					
NET OPERATING INCOME											
14,984,534	5,604,433	5,650,666	630,814	2,959,217	139,404						
GROSS MARGIN ON SALES BEFORE TAX											
37.99%	37.11%	8.48%	12.40%	6.71%	11.54%	82.44%					
RETURN ON ASSETS BY USE											
10.16%	17.76%										
OVERALL ROA WITH AFTER TAX SALES SUBSIDY											
***** 9-7-86 COSTS INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNRESCALED - PHASE 1 *****											
GROSS SQUARE FEET NET RENTABLE/SALABLE SF											
TOTAL	COND0	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.	53,500	0		
737,929	167,820	269,831	249,450	50,827	560,104	178,200	53,500	0			
653,377	135,934	269,831	212,033	35,579	560,104	178,200	53,500	0			
HARD COSTS (Component Specific)											
Land Costs	10.90	11.91	9.65	11.35	13.79	0.00	0.00	6.73			
Hard Costs (Total)	221.89	202.98	182.69	155.13	188.37	48.63	7.07	1.79			
Soft Costs	62.38	50.41	52.54	48.37	61.95	12.41	1.79				
TOTAL DEVELOPMENT COSTS	284.27	253.39	235.23	203.50	250.32	61.04	8.86				
Gross Sales Less Basis, Commissions, Taxes											
375.00	(311.01)	63.99									
87.48	(72.57)	14.92									
16.84	(12.09)	4.75									
AFTER TAX GAIN ON SALES											
Gross Revenues	0.00	85.91	35.00	39.00	9.14	0.00	0.92				
Less Vacancy	0.00	(24.88)	0.00	(3.00)	9.14	0.00	0.00				
Net Revenues	0.00	60.92	35.00	36.00	0.00	0.00	0.92				
Operating Expenses (Before deducting Linkage or Turns)	0.00	(40.15)	(8.35)	(9.27)	9.14	(2.09)	(0.27)				
NET OPERATING INCOME	0.00	20.77	26.65	17.73	7.04	0.65					

PIER 4 Boston, Massachusetts							
CASH FLOW SCHEDULES - PHASE 1							OFFICE
3-7-86	1	2	3	4	5	6	
YEAR	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	& SALES
EQUITY AVAILABLE @ 20.00%	8,749,218	5,182,225	3,911,055	0	0		
EQUITY INVESTED	3,566,993	1,271,170	3,911,055	0	0		
=====							
BUILDING COSTS:							
Land	(2,407,453)						
Hard Costs			(14,230,746)	(14,799,976)	(7,695,987)		
Soft Costs Before Financing	(1,159,541)	(1,271,170)	(670,628)	(983,962)	(526,629)		
Mortgage Points (Approx.)			(699,937)				
BUILDING COSTS BEFORE INTEREST	(3,566,993)	(1,271,170)	(15,601,311)	(15,783,937)	(8,222,617)		
=====							
CONSTRUCTION LOAN:							
Interest	0	0	(584,513)	(2,016,674)	(3,418,669)	0	
Takedown	0	0	(12,274,769)	(17,800,611)	(11,641,286)	0	
Retirements - Sales					0	0	(0)
Retirements - Takeout					41,716,666	0	0
Balance	0	0	(12,274,769)	(30,075,380)	0	0	(0)
=====							
PERMANENT MORTGAGE:							
Payment						(5,728,279)	
Interest						(5,400,000)	
Amortization						(328,279)	
Balance					(54,000,000)	(53,671,721)	
=====							
SUMMARY OF COST & DEBT FLOWS:							
Construction Costs (Inc. Interest)	(3,566,993)	(1,271,170)	(16,185,824)	(17,800,611)	(11,641,286)	0	
Construction Loan	(0)	(0)	12,274,769	17,800,611	(30,075,380)	0	
Permanent Loan	0	0	0	0	54,000,000	(328,279)	
COST & DEBT FLOWS	(3,566,993)	(1,271,170)	(3,911,055)	0	12,283,334	(328,279)	
=====							
GROSS SALES							
Less Commissions					0	0	
PRETAX SALES PROCEEDS					0	0	
=====							
GROSS REVENUES:							
Leases					8,681,681	8,681,681	
Rents					0	0	
Other income					0	0	
TOTAL GROSS REVENUES					8,681,681	8,681,681	
Less VACANCY					0	0	
NET REVENUES					8,681,681	8,681,681	
=====							
OPERATING EXPENSES:							
Operating Expenses					(1,984,384)	(2,063,760)	
Replacement Reserve					86,817	86,917	
TOTAL OPERATING EXPENSES					(1,897,567)	(1,976,843)	
NET OPERATING INCOME					6,784,114	6,704,738	
=====							

PIER 4
Boston, Massachusetts
CASH FLOW SCHEDULES - PHASE 1

OFFICE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)
(5,367,172)	(5,331,061)	(5,291,340)	(5,247,646)	(5,199,582)	(5,146,712)	(5,088,556)	(5,024,583)	(4,954,214)
(361,107)	(397,218)	(436,940)	(480,634)	(528,697)	(581,567)	(639,724)	(703,696)	(774,066)
(53,310,613)	(52,913,395)	(52,476,455)	(51,995,821)	(51,467,124)	(50,885,557)	(50,245,833)	(49,542,137)	(48,768,072)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
(361,107)	(397,218)	(436,940)	(480,634)	(528,697)	(581,567)	(639,724)	(703,696)	(774,066)
(361,107)	(397,218)	(436,940)	(480,634)	(528,697)	(581,567)	(639,724)	(703,696)	(774,066)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
8,681,681	8,681,681	8,681,681	10,562,593	10,562,593	10,562,593	10,562,593	10,562,593	12,851,009
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
8,681,681	8,681,681	8,681,681	10,562,593	10,562,593	10,562,593	10,562,593	10,562,593	12,851,009
0	0	0	0	0	0	0	0	0
8,681,681	8,681,681	8,681,681	10,562,593	10,562,593	10,562,593	10,562,593	10,562,593	12,851,009
(2,146,310)	(2,232,162)	(2,321,449)	(2,414,307)	(2,510,879)	(2,611,314)	(2,715,767)	(2,824,398)	(2,937,373)
86,817	86,817	86,817	105,626	105,626	105,626	105,626	105,626	128,510
(2,059,493)	(2,145,346)	(2,234,632)	(2,308,681)	(2,405,253)	(2,505,688)	(2,610,141)	(2,718,772)	(2,808,863)
6,622,188	6,536,336	6,447,049	6,253,912	6,157,339	6,056,904	5,952,452	5,843,821	5,704,146

PIER 4 Boston, Massachusetts						
PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1						
8-7-86	OFFICE					
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%			99,246,507			
Less Commission @ 3.00%			(2,977,395)			
			<u>96,269,112</u>			
PRETAX SALE PROCEEDS						
Less Mortgage Balance			(48,768,072)			
Less Taxes / Plus Benefits			<u>(14,181,586)</u>			
AFTER TAX SALES PROCEEDS						33,319,454
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(3,566,993)	(1,271,170)	(3,911,055)	0	12,283,334	0
PRETAX SALES PROCEEDS						
	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)						
	0	0	0	0	6,784,114	6,704,738
LINKAGE						
					(102,848)	(102,848)
TURNING COSTS:						
Brokerage Fees					(434,084)	0
Tenant Refurbishment					(424,065)	0
DEBT SERVICE						
					0	(5,728,279)
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW						
	(3,566,993)	(1,271,170)	(3,911,055)	0	18,106,451	873,611
BEFORE TAX CASH FLOW						
Before Tax Cash Flow	(3,566,993)	(1,271,170)	(3,911,055)	0	18,106,451	873,611
Income Tax./Ben. From Operations	0	0	0	0	(962,998)	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW						
	(3,566,993)	(1,271,170)	(3,911,055)	0	17,143,454	873,611
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(3,566,993)	(1,271,170)	(3,911,055)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	18,106,451	973,611
Taxes/Benefits From Operations	0	0	0	0	(962,998)	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW						
	(3,566,993)	(1,271,170)	(3,911,055)	0	17,143,454	873,611
CUMULATIVE AFTER TAX CASH FLOW						
	(3,566,993)	(4,838,164)	(8,749,218)	(8,749,218)	8,394,236	9,267,847
Breakeven						
Debt Coverage Ratio						89.74%
						115.25%
COMPOSITION OF AFTER TAX NPV:						
Investment	(8,097,102)					(38.19)
Cash Flow From Operations	20,566,959					97.00
Taxes /Benefits From Operations	(1,053,697)					(4.97)
Cash Flow On Sale	16,172,254					76.27
Taxes / Benefits From Sale	(4,828,277)					(22.77)
TOTAL AFTER TAX NPV @ 8.00%						
	22,760,037			281.09%		107.34

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1

OFFICE

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
	(0)	0	(0)	0	(0)	(0)	0	(0)	(48,768,072)
	0	0	0	0	0	0	0	0	0
	6,622,189	6,536,336	6,447,049	8,253,912	8,157,339	8,056,904	7,952,452	7,843,821	10,042,146
	(102,948)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)
	0	0	0	(528,130)	0	0	0	0	(642,550)
	0	0	0	(424,065)	0	0	0	0	(424,065)
	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)	(5,728,279)
									96,269,112
	791,061	705,209	615,922	1,470,590	2,326,212	2,225,777	2,121,325	2,012,694	50,645,443
	791,061	705,209	615,922	1,470,590	2,326,212	2,225,777	2,121,325	2,012,694	50,645,443
	0	0	0	0	0	0	0	0	(1,015,872)
	0	0	0	0	0	0	0	0	(14,181,586)
	791,061	705,209	615,922	1,470,590	2,326,212	2,225,777	2,121,325	2,012,694	35,447,986
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	791,061	705,209	615,922	1,470,590	2,326,212	2,225,777	2,121,325	2,012,694	3,144,403
	0	0	0	0	0	0	0	0	(1,015,872)
	0	0	0	0	0	0	0	0	47,501,940
	0	0	0	0	0	0	0	0	(14,181,586)
	791,061	705,209	615,922	1,470,590	2,326,212	2,225,777	2,121,325	2,012,694	35,447,986
	10,058,908	10,764,117	11,380,039	12,850,629	15,176,841	17,402,619	19,523,943	21,536,637	56,984,623
	90.89%	91.88%	92.91%	86.08%	77.98%	78.93%	79.92%	80.95%	75.53%
	113.81%	112.31%	110.75%	125.67%	140.61%	138.86%	137.03%	135.14%	154.89%

INTERNAL RATE OF RETURN

 34.55%

PIER 4 Boston, Massachusetts						
8-7-86	TAXABLE INCOME AND INCOME TAXES - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
INCOME ON SALES:						
Pretax Sales Proceeds	0	0	0	0	0	0
Less Basis in Improv.	0	0	0	0	0	0
Less Basis in Land	0	0	0	0	0	0
TAXABLE INCOME ON SALES	0	0	0	0	0	0
INCOME FROM LEASES, RENTS, ETC.						
Net Operating Income	0	0	0	0	6,784,114	6,704,738
Deduct Interest	0	0	0	0	(1,709,334)	(5,400,000)
Deduct Depreciation & Amortization	(7,932)	(15,977)	(222,886)	(486,220)	(1,590,444)	(2,229,993)
TAXABLE INCOME FROM LEASES, RENTS, ETC.	(7,932)	(15,977)	(222,886)	(486,220)	3,484,335	(925,255)
TOTAL ORDINARY TAXABLE INCOME						
	(7,932)	(15,977)	(222,886)	(486,220)	3,484,335	(925,255)
Income Taxes/Benefits	0.35	2,741	5,592	78,010	170,177	(1,219,517)
Benefits Disallowed		(2,741)	(5,592)	(78,010)	(170,177)	(0)
Benefits From Prior Years		0	0	0	0	256,520
Benefits To Be Carried		2,741	8,333	86,343	256,520	0
ORDINARY TAXES/BENEFITS	0	0	0	0	(962,998)	0
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(962,998)	0

PROJECT SALE TAXES:	
Pretax Sales Proceeds	96,269,112
Less Basis in Improv.	(53,342,943)
Less Basis in Land	(2,407,453)
GAIN ON SALE	40,518,816
TAX / BENEFIT @ 35.00%	(14,181,586)

PIER 4 Boston, Massachusetts						
8-7-86	SOFT COSTS - PHASE 1					OFFICE
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
SOFT COSTS:						
Envir. Imp. Report	30	111,171				111,171
Permitting/Licens.	30	22,688				22,688
Building Permits	30	1.0%	325,795			325,795
A/E Fees	30	4.5%	704,846	439,824	152,472	1,455,713
Design Consultants	30	1.0%	156,632	97,739	33,883	325,492
Development Fee	30	2.0%	39,704	41,292	220,234	814,254
Mtg. Brokerage Fee	30	1.0%	260,636			260,636
Market Research Fee	30					22,688
Legal/Accounting	30	1.0%	82,653	65,159	67,765	339,349
Insurance	30	1.0%		153,920	70,476	410,432
RE Taxes	10	0.5%			166,480	176,190
Marketing/PR	5	1.0%	39,158	40,724	44,048	349,521
Brokerage on Leases	5					0
SOFT COSTS BEFORE INTEREST	-	1,159,541	1,271,170	670,628	983,962	526,629
						4,611,930

PIER 4
Boston, Massachusetts

TAXABLE INCOME AND INCOME TAXES - PHASE 1									OFFICE
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
6,622,188	6,536,336	6,447,049	8,253,912	8,157,339	8,056,904	7,952,452	7,843,821	10,042,146	
(5,367,172)	(5,331,061)	(5,291,340)	(5,247,646)	(5,199,582)	(5,146,712)	(5,088,556)	(5,024,583)	(4,954,214)	
(2,221,948)	(2,213,378)	(2,264,568)	(2,186,730)	(2,116,825)	(2,116,825)	(2,116,825)	(2,116,825)	(2,139,710)	
(966,832)	(1,008,103)	(1,048,958)	819,537	840,932	793,366	747,071	702,412	2,948,222	
(966,832)	(1,008,103)	(1,048,958)	819,537	840,932	793,366	747,071	702,412	2,948,222	
338,391	352,836	367,100	(286,838)	(294,326)	(277,678)	(261,475)	(245,844)	(1,031,878)	
(338,391)	(352,836)	(367,100)	(0)	(0)	(0)	(0)	(0)	(0)	
0	0	0	286,838	294,326	277,678	261,475	245,844	16,006	
662,230	1,015,067	1,382,167	1,095,329	801,003	523,325	261,850	16,006	0	
0	0	0	0	0	0	0	0	(1,015,872)	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	(1,015,872)	

PIER 4 Boston, Massachusetts						
8-7-85	DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1				OFFICE	
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
DEPRECIATION & AMORTIZATION:						
Hard Costs					(612,112)	(1,224,224)
Soft Costs					(153,731)	(153,731)
Permanent Pt.					(11,666)	(11,666)
Construc. Per. - 10	0	0	(58,451)	(277,738)	(448,671)	(466,290)
Construc. Pt.			(139,987)	(139,987)	(87,492)	
Selling Costs	(7,832)	(15,977)	(24,447)	(68,495)	(276,772)	(374,083)
POTENTIAL DEPREC. & AMORT.	(7,832)	(15,977)	(222,886)	(486,220)	(1,590,444)	(2,229,993)
Percent Unsold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ACTUAL DEPREC. & AMORT.	(7,832)	(15,977)	(222,886)	(486,220)	(1,590,444)	(2,229,993)
ACCUM. DEPREC. & AMORT.	(7,832)	(23,808)	(246,694)	(732,914)	(2,323,358)	(4,553,351)
Add Back For Sales	0	0	0	0	0	0
ACTUAL ACCUM. DEPREC. & AMORT.	(7,832)	(23,808)	(246,694)	(732,914)	(2,323,358)	(4,553,351)
Add to Basis	3,566,993	1,271,170	16,185,824	17,800,611	12,499,435	(0)
Beginning Basis	3,566,993	4,838,164	21,023,987	38,824,598	51,324,033	51,324,033
Deduct from Basis	0	0	0	0	0	0
ADJUSTED BASIS OF IMPROVEMENTS	3,566,993	4,838,164	21,023,987	38,824,598	51,324,033	51,324,033
Beginning Land	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453
Deduct from Land	0	0	0	0	0	0
ENDING LAND BASIS	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453

PIER 4 Boston, Massachusetts						
8-7-85	SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1				OFFICE	
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
GROSS SALES:	0	0	0	0	0	0
Cumulative Sold %					33.33%	100.00%
New Sales %					33.33%	66.67%
New Sales					0	0
GROSS LEASES, RENTS, OTHER INCOME:						
Base leases	7,421,138	7,717,983	8,026,702	8,347,770	8,681,681	9,028,948
Total Leased %					100.00%	100.00%
New Leased %					100.00%	0.00%
New Leases					8,681,681	0
Total Leases					8,681,681	8,681,681
Lease Commissions 1.00%						0
Base rents	0	0	0	0	0	0
Rents					0	0
Base Other Income	0	0	0	0	0	0
Other Income					0	0
OPERATING EXPENSES:						
Base operating expenses	(1,696,260)	(1,764,110)	(1,834,675)	(1,908,062)	(1,984,384)	(2,063,760)
Operating Expenses					(1,984,384)	(2,063,760)

PIER 4 Boston, Massachusetts								
DEPRECIATION, AMORTIZATION, & BASIS - PHASE 1								
								OFFICE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)	(1,224,224)
(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)	(153,731)
(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)	(11,666)
(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)	(466,290)
(365,938)	(357,467)	(348,658)	(330,819)	(260,915)	(260,915)	(260,915)	(260,915)	(283,799)
(2,221,848)	(2,213,378)	(2,204,568)	(2,186,730)	(2,116,825)	(2,116,825)	(2,116,825)	(2,116,825)	(2,139,710)
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
(2,221,848)	(2,213,378)	(2,204,568)	(2,186,730)	(2,116,825)	(2,116,825)	(2,116,825)	(2,116,825)	(2,139,710)
(6,775,199)	(8,988,577)	(11,193,145)	(13,379,875)	(15,496,700)	(17,613,525)	(19,730,351)	(21,847,176)	(23,986,886)
0	0	0	0	0	0	0	0	0
(6,775,199)	(8,988,577)	(11,193,145)	(13,379,875)	(15,496,700)	(17,613,525)	(19,730,351)	(21,847,176)	(23,986,886)
0	0	0	952,195	0	0	0	0	1,066,615
51,324,033	51,324,033	51,324,033	52,276,228	52,276,228	52,276,228	52,276,228	52,276,228	53,342,843
0	0	0	0	0	0	0	0	0
51,324,033	51,324,033	51,324,033	52,276,228	52,276,228	52,276,228	52,276,228	52,276,228	53,342,843
2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453
0	0	0	0	0	0	0	0	0
2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453	2,407,453

PIER 4 Boston, Massachusetts								
SALE & LEASE ABSORPTION, OPERATING EXPENSE GROWTH - PHASE 1								
								OFFICE
7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	0	0	0	0	0
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0
9,390,106	9,765,711	10,156,339	10,562,593	10,985,096	11,424,500	11,881,480	12,356,739	12,851,009
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	10,562,593	0	0	0	0	12,851,009
8,681,681	8,681,681	8,681,681	10,562,593	10,562,593	10,562,593	10,562,593	10,562,593	12,851,009
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(2,146,310)	(2,232,162)	(2,321,449)	(2,414,307)	(2,510,879)	(2,611,314)	(2,715,767)	(2,824,398)	(2,937,373)
(2,146,310)	(2,232,162)	(2,321,449)	(2,414,307)	(2,510,879)	(2,611,314)	(2,715,767)	(2,824,398)	(2,937,373)

PIER 4
Boston, Massachusetts

LOAN DETERMINATION - PHASE 1							OFFICE
YEAR	1	2	3	4	5	6	
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES	
PERMANENT LOAN DETERMINATION:							
Net Operating Income	0	0	0	0	6,794,114	6,704,738	
Capitalized @ 10.00%	0	0	0	0	67,841,138	57,047,384	
Loan-to-Value @ 80.00%	0	0	0	0	54,272,910	53,637,907	
Net Operating Income	0	0	0	0	6,784,114	6,704,738	
Plus Linkage and Turning Costs	0	0	0	0	5,823,117	6,601,891	
Debt Coverage @ 110.00%	0	0	0	0	5,293,743	6,001,719	
Loan Potential	0	0	0	0	49,903,661	56,577,691	

PIER 4

Boston, Massachusetts

LOAN DETERMINATION - PHASE 1

OFFICE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
6,622,189	6,556,336	6,447,049	8,253,912	8,157,339	8,056,904	7,952,452	7,843,821	10,042,146
66,221,880	65,363,356	64,470,491	82,539,117	81,573,394	80,569,043	79,524,517	78,438,210	100,421,456
52,977,504	52,290,685	51,576,393	66,031,294	65,259,715	64,455,234	63,619,613	62,750,568	80,337,165
6,622,188	6,536,336	6,447,049	8,253,912	8,157,339	8,056,904	7,952,452	7,843,821	10,042,146
6,519,340	6,433,488	6,344,202	7,198,869	8,054,492	7,954,057	7,849,604	7,740,973	8,872,683
5,926,673	5,848,625	5,767,456	6,544,427	7,322,265	7,230,961	7,136,004	7,037,249	8,066,075
55,970,241	55,134,492	54,369,314	61,693,752	69,026,369	68,165,647	67,270,497	66,339,540	76,038,200

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PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 1

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	100,000
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%		
Open	5.0	219,764	56.9%	Permanent Points	1.00%	ALLOCATION OF FOUNDATION TO	
Total buildout		1,649,812		Permanent Term	30	NONGARAGE USES	25.00%
Floor Area Ratio			4.27			ALLOCATION OF BREAKWATER TO	
						NONMARINA USES	100.00%
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED	
Ordinary Rate		35.00%		EQUITY	20.00%	EQUITY FUNDS	0.00%
Capital Gains		35.00%				PHASE 1 COSTS	
Deprec. Life (Bldg. & FF&E)		30	5			UNESCALATED	194,512,973
ITC on Hotel FF&E		0.00%	(@ 85.00%)	PHASE 1 AS PERCENT			
Losses Disallowed		100.00%		OF TOTAL BUILDOUT	44.73%		
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts

8-7-86 DEVELOPMENT ASSUMPTIONS - PHASE 1

PROGRAM:	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
Land	3.56 acres							155,112
Above ground	737,928	167,820	269,831	249,450	50,827			
Below ground	613,604					560,104		53,500
Water	178,200						178,200	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	653,377	135,934	269,831	212,033	35,579	560,104	178,200	
UNITS:								
Condominiums	100	100						
Hotel rooms	290		290					
Hotel bays	339		339					
Cars	1,400					1,400		
Marina slips	100						100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts

8-7-86

DEVELOPMENT ASSUMPTIONS - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina						1,200,000		
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		205,580						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent 5.00%					10.00			
REVENUES PER UNIT:								
Unit sales 1,359 ssf		509,753				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent			158.00			10.50	10.50	
Hotel daily other 38.44%			60.74					
SALE, LEASE, RENT TERMS:								
Presale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		24	54	24	24	24	24	
Prelease		0.00%	50.00%	25.00%	25.00%	25.00%	25.00%	
Absorption		24	54	24	24	24	24	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years 5				100.00%	100.00%			
Rent - monthly						25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				5.00%	5.00%			
VACANCY			34.00%	15.00%	15.00%			
TURNOVER:								
Turnover - stay				75.00%	50.00%			
Turnover - leave				25.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb. - leave				7.00	7.00			

PIER 4
Boston, Massachusetts

8-7-86 PROJECT COSTS - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,829	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
<hr/>								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534			
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HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,664	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E 5	8,475,000		8,475,000					
Foundation @ 25%	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		
Garage service area	0	751,312	1,208,005	1,116,761	227,547			(3,303,625)
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,056,493	826,536			
<hr/>								
HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,105	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency 30 5.0%	6,903,750	1,313,881	2,347,405	1,566,324	319,148	1,296,991	60,000	0
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TOTAL HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	0
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SOFT COSTS:								
Envir. Imp. Report 30	490,000	93,254	166,609	111,171	22,652	92,055	4,259	
Permitting/Licens. 30	100,000	19,031	34,002	22,688	4,623	18,787	869	
Building Permits 30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
A/E Fees 30 4.5%	6,213,375	1,182,493	2,112,665	1,409,692	287,234	1,167,292	54,000	
Design Consultants 30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Development Fee 30 2.0%	2,761,500	525,553	938,962	626,530	127,659	518,796	24,000	
Mtg. Brokerage Fee 30 1.0%	1,104,600	210,221	375,585	250,612	51,064	207,519	9,600	
Market Research Fe 30	100,000	19,031	34,002	22,688	4,623	18,787	869	
Legal/Accounting 30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Linkage 12	2,820,648		1,335,007	1,234,171	251,470			
insurance 10 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
RE Taxes 10 0.5%	690,375	131,388	234,741	156,632	31,915	129,699	6,000	
Marketing/PR 5 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000	
Brokerage on Lease 5	2,033,179			1,855,284	177,895			
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Soft Cost SUBTOTAL	23,217,428	3,494,853	7,578,978	7,255,793	1,278,282	3,449,925	159,597	
Construc. Loan Pt. 1.0%	1,345,569	248,691	454,996	321,189	63,843	245,494	11,357	
Constr. Int. 15	16,819,618	3,108,636	5,687,449	4,014,860	798,040	3,068,673	141,960	
Permanent Loan Pt. 1.0%	1,029,827	0	454,996	321,189	63,843	184,120	5,678	
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TOTAL SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
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COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
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TOTAL PROJECT COSTS	194,512,973	36,063,330	66,076,079	47,213,295	9,396,658	34,185,020	1,578,592	
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COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	144,978,756	27,591,511	49,295,510	32,892,811	6,702,116	27,236,807	1,260,000	
SOFT COSTS	42,412,442	6,852,181	14,176,418	11,913,031	2,204,008	6,948,213	318,592	
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TOTAL PROJECT COSTS	194,512,973	36,063,330	66,076,079	47,213,295	9,396,658	34,185,020	1,578,592	
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PERCENT OF USE:								
Land Costs	3.66%	4.49%	3.94%	5.10%	5.22%	0.00%	0.00%	
Hard Costs	74.53%	76.51%	74.60%	69.67%	71.32%	79.67%	79.82%	
Soft Costs	21.80%	19.00%	21.45%	25.23%	23.46%	20.33%	20.18%	
<hr/>								
Total Project Costs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
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PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	22.74%	36.57%	33.80%	6.89%	0.00%	0.00%	
Hard Costs	100.00%	19.03%	34.00%	22.69%	4.62%	18.79%	0.87%	
Soft Costs	100.00%	16.16%	33.43%	28.09%	5.20%	16.38%	0.75%	
<hr/>								
Total Project Costs	100.00%	18.54%	33.97%	24.27%	4.83%	17.57%	0.81%	

PIER 4
Boston, Massachusetts

8-7-86 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
GROSS SALES	50,975,325	50,975,325				12,250,000	1,500,000	
Less Basis	(45,398,880)	(36,063,330)				(8,546,255)	(789,296)	
Less Commissions	(2,079,260)	(1,529,260)				(490,000)	(60,000)	
Gain on Sale	17,247,185	13,382,736				3,213,745	650,704	
TAX on Sale 35.0%	(6,036,515)	(4,683,957)				(1,124,811)	(227,746)	
NET SALES PROCEEDS	56,609,551	44,762,108				10,635,189	1,212,254	
GROSS REVENUE:								
Base leases 5	8,132,716			7,421,138	711,578			
Base rents	20,725,363		16,724,300			3,837,750	163,313	
Other income	6,784,610		6,428,821		355,789			
TOTAL GROSS REVENUES	35,642,689		23,153,121	7,421,138	1,067,367	3,837,750	163,313	
Less VACANCY	(9,145,337)		(7,872,061)	(1,113,171)	(160,105)			
NET REVENUES	26,497,351		15,281,060	6,307,967	907,262	3,837,750	163,313	
OPERATING EXPENSES:								
Base operating expenses	(12,219,546)		(9,612,874)	(1,441,821)	(302,421)	(840,156)	(22,275)	
Replacement reserve	(570,595)		(458,432)	(63,080)	(9,073)	(38,378)	(1,633)	
TOTAL OPERATING EXPENSES	(12,790,141)		(10,071,305)	(1,504,901)	(311,493)	(878,534)	(23,908)	
NET OPERATING INCOME	13,707,210		5,209,754	4,803,066	595,769	2,959,217	139,404	
GROSS MARGIN ON SALES BEFORE TAX	37.99%	37.11%				37.60%	82.44%	
RETURN ON ASSETS BY USE	9.19%		7.88%	10.17%	6.34%	11.54%	17.66%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	16.71%							

8-7-86 COSTS, INCOME, & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
Hard Costs (Component Specific)		151.23	108.50	107.65	130.71	61.75	6.73	
Land Costs	10.90	11.91	9.65	11.35	13.79	0.00	0.00	
Hard Costs (Total)	221.89	202.98	182.69	155.13	188.37	48.63	7.07	
Soft Costs	64.91	50.41	52.54	56.18	61.95	12.41	1.79	
TOTAL DEVELOPMENT COSTS	297.70	265.30	244.88	222.67	264.11	61.03	8.86	
Gross Sales		375.00				87.48	16.84	
Less Basis, Commissions, Taxes		(311.01)				(72.57)	(12.09)	
AFTER TAX GAIN ON SALES		63.99				14.92	4.75	
Gross Revenues		0.00	85.81	35.00	30.00	9.14	0.92	
Less Vacancy		0.00	(29.17)	(5.25)	(4.50)	0.00	0.00	
Net Revenues		0.00	56.63	29.75	25.50	9.14	0.92	
Operating Expenses (Before deducting Linkage or Turns)		0.00	(37.32)	(7.10)	(8.76)	(2.09)	(0.27)	
NET OPERATING INCOME		0.00	19.31	22.65	16.75	7.04	0.65	

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 CONDOS

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		0				
Less Commission @ 3.00%		0				
PRETAX SALE PROCEEDS		0				
Less Mortgage Balance		0				
Less Taxes / Plus Benefits		(0)				
AFTER TAX SALES PROCEEDS		(0)				

COST & DEBT FLOWS (Exc. Perm. Amort.)	(2,592,297)	(1,066,297)	(3,600,560)	0	(14,966,801)	(14,111,556)
PRETAX SALES PROCEEDS	0	0	0	0	25,307,145	22,559,512
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	0	0
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	0

PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW	(2,592,297)	(1,066,297)	(3,600,560)	0	10,340,344	8,447,956

Before Tax Cash Flow	(2,592,297)	(1,066,297)	(3,600,560)	0	10,340,344	8,447,956
Income Tax./Ben. From Operations	0	0	0	0	(1,917,097)	(1,733,052)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(2,592,297)	(1,066,297)	(3,600,560)	0	8,423,247	6,714,905
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COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(2,592,297)	(1,066,297)	(3,600,560)	(0)	(0)	(0)
Cash Flow From Operations	0	0	(0)	0	10,340,344	8,447,956
Taxes/Benefits From Operations	0	0	0	0	(1,917,097)	(1,733,052)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(2,592,297)	(1,066,297)	(3,600,560)	0	8,423,247	6,714,905
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CUMULATIVE AFTER TAX CASH FLOW	(2,592,297)	(3,658,594)	(7,259,154)	(7,259,154)	1,164,093	7,878,997
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Breakeven						0.00%
Debt Coverage Ratio						0.00%

COMPOSITION OF AFTER TAX NPV:						
Investment	(6,666,509)		-100.00%		(49.04)	
Cash Flow From Operations	15,851,514		237.78%		118.61	
Taxes /Benefits From Operations	(3,096,958)		-46.46%		(22.78)	
Cash Flow On Sale	0		0.00%		0.00	
Taxes / Benefits From Sale	(0)		.00%		(.00)	

TOTAL AFTER TAX NPV @ 8.00%	6,088,047		91.32%		44.79	
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PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1

CONDOS

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE

(7,761,356)	0	0	0	0	0	0	0	0	0
11,730,946	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0

3,969,591	0	0	0	0	0	0	0	0	0
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3,969,591	0	0	0	0	0	0	0	0	0
(806,686)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	(0)

3,162,905	0	0	0	0	0	0	0	0	(0)
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(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
3,969,591	0	0	0	0	0	0	0	0	0
(806,686)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	(0)

3,162,905	0	0	0	0	0	0	0	0	(0)
11,041,902	11,041,902	11,041,902	11,041,902	11,041,902	11,041,902	11,041,902	11,041,902	11,041,902	11,041,902
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

INTERNAL RATE OF RETURN

 29.16%

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 HOTEL

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI	
Capitalized @ 10.00%	110,336,929
Less Commission @ 3.00%	(3,310,108)
PRETAX SALE PROCEEDS	107,026,821
Less Mortgage Balance	(36,124,498)
Less Taxes / Plus Benefits	(12,449,539)

AFTER TAX SALES PROCEEDS 58,452,785

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COST & DEBT FLOWS (Exc. Perm. Amort.)	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	3,352,791	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	3,981,820	4,969,312
LINKAGE					(111,251)	(111,251)
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(4,243,170)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (4,341,921) (1,758,588) (22,976,367) (3,128,475) 7,223,361 614,891

Before Tax Cash Flow	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	7,223,361	614,891
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (4,341,921) (1,758,588) (22,976,367) (3,128,475) 7,223,361 614,891

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COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	(0)	(0)
Cash Flow From Operations	0	0	0	0	7,223,361	614,891
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (4,341,921) (1,758,588) (22,976,367) (3,128,475) 7,223,361 614,891

CUMULATIVE AFTER TAX CASH FLOW (4,341,921) (6,100,509) (29,076,876) (32,205,351) (24,981,990) (24,367,099)

Breakeven Debt Coverage Ratio 62.73% 114.49%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(28,152,259)	-100.00%	(104.33)
Cash Flow From Operations	23,592,261	83.80%	87.43
Taxes /Benefits From Operations	(1,988,675)	-7.06%	(7.37)
Cash Flow On Sale	24,139,479	85.75%	89.46
Taxes / Benefits From Sale	(4,238,583)	-15.06%	(15.71)
TOTAL AFTER TAX NPV @ 8.00%	13,352,223	47.43%	49.48

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 HOTEL

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(0)	0	0	(0)	0	(0)	(0)	0	(36,124,498)
0	0	0	0	0	0	0	0	0
6,029,432	7,166,410	8,384,700	8,720,088	9,068,891	9,431,647	9,808,913	10,201,269	10,609,320
(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)	(111,251)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)	(4,243,170)
107,026,821								
1,675,011	2,811,990	4,030,279	4,365,667	4,714,471	5,077,226	5,454,492	5,846,849	77,157,223
1,675,011	2,811,990	4,030,279	4,365,667	4,714,471	5,077,226	5,454,492	5,846,849	77,157,223
0	0	0	0	0	(780,871)	(1,348,034)	(1,501,944)	(1,667,005)
0	0	0	0	0	0	0	0	(12,449,539)
1,675,011	2,811,990	4,030,279	4,365,667	4,714,471	4,296,355	4,106,459	4,344,905	63,044,679
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
1,675,011	2,811,990	4,030,279	4,365,667	4,714,471	5,077,226	5,454,492	5,846,849	6,254,900
0	0	0	0	0	(780,871)	(1,348,034)	(1,501,944)	(1,663,005)
0	0	0	0	0	0	0	0	70,902,324
0	0	0	0	0	0	0	0	(12,449,539)
1,675,011	2,811,990	4,030,279	4,365,667	4,714,471	4,296,355	4,106,459	4,344,905	63,044,679
(22,692,088)	(19,880,098)	(15,849,819)	(11,484,152)	(6,769,681)	(2,473,326)	1,633,133	5,978,038	69,022,717
58.65%	55.62%	53.28%	52.75%	52.24%	51.76%	51.29%	50.83%	50.40%
139.48%	166.27%	194.98%	202.89%	211.11%	219.66%	228.55%	237.79%	247.41%

INTERNAL RATE OF RETURN

12.70%

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I OFFICE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI		83,718,186				
Capitalized @ 10.00%		(2,511,546)				
Less Commission @ 3.00%						

PRETAX SALE PROCEEDS

Less Mortgage Balance		81,206,641				
Less Taxes / Plus Benefits		(27,093,373)				
		(7,101,915)				

AFTER TAX SALES PROCEEDS 47,011,352

COST & DEBT FLOWS (Exc. Perm. Amort.) (3,566,993) (1,271,170) (3,911,055) 0 (11,716,666) 0

PRETAX SALES PROCEEDS 0 0 0 0 0 0

NET OPERATING INCOME (Before Linkage Or Turning Costs) 0 0 0 0 2,522,842 4,742,258

LINKAGE (102,848) (102,848)

TURNING COSTS:

Brokerage Fees					(949,559)	(846,464)
Tenant Refurbishment					(301,484)	(258,415)

DEBT SERVICE 0 (3,182,377)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (10,547,714) 352,155

Before Tax Cash Flow	(3,566,993)	(1,271,170)	(3,911,055)	0	(10,547,714)	352,155
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (10,547,714) 352,155

COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(3,566,993)	(1,271,170)	(3,911,055)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	(10,547,714)	352,155
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (3,566,993) (1,271,170) (3,911,055) 0 (10,547,714) 352,155

CUMULATIVE AFTER TAX CASH FLOW (3,566,993) (4,838,164) (8,749,218) (8,749,218) (19,296,932) (18,944,777)

Breakeven 80.10%

Debt Coverage Ratio 111.07%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(8,097,102)	-100.00%	(38.19)
Cash Flow From Operations	3,494,631	43.16%	16.48
Taxes /Benefits From Operations	(1,007,840)	-12.45%	(4.75)
Cash Flow On Sale	18,423,459	227.53%	86.89
Taxes / Benefits From Sale	(2,417,925)	-29.86%	(11.40)

TOTAL AFTER TAX NPV @ 8.00% 10,395,223 128.38% 49.03

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 OFFICE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
0	0	0	0	(0)	(0)	(0)	0	(27,093,373)
0	0	0	0	0	0	0	0	0
5,854,692	5,781,718	5,705,824	6,333,354	6,881,025	7,123,129	7,034,344	6,942,008	7,705,493
(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)	(102,848)
(440,161)	0	0	(1,155,284)	(1,029,853)	(535,523)	0	0	(1,405,579)
(129,207)	0	0	(301,484)	(258,415)	(129,207)	0	0	(301,484)
(3,182,377)	(3,182,377)	(3,182,377)	(3,182,377)	(3,182,377)	(3,182,377)	(3,182,377)	(3,182,377)	(3,182,377)
								81,206,641
2,000,099	2,496,493	2,420,599	1,591,361	2,307,532	3,173,173	3,749,119	3,656,783	56,826,473
2,000,099	2,496,493	2,420,599	1,591,361	2,307,532	3,173,173	3,749,119	3,656,783	56,826,473
0	0	0	0	(140,681)	(579,427)	(559,660)	(539,782)	(803,164)
0	0	0	0	0	0	0	0	(7,101,915)
2,000,099	2,496,493	2,420,599	1,591,361	2,166,852	2,593,746	3,189,459	3,117,001	48,921,394
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
2,000,099	2,496,493	2,420,599	1,591,361	2,307,532	3,173,173	3,749,119	3,656,783	2,713,205
0	0	0	0	(140,681)	(579,427)	(559,660)	(539,782)	(803,164)
0	0	0	0	0	0	0	0	54,113,267
0	0	0	0	0	0	0	0	(7,101,915)
2,000,099	2,496,493	2,420,599	1,591,361	2,166,852	2,593,746	3,189,459	3,117,001	48,921,394
(16,944,678)	(14,448,185)	(12,027,586)	(10,436,224)	(8,269,373)	(5,675,627)	(2,486,168)	630,833	49,552,227
62.64%	57.09%	57.94%	68.71%	63.03%	55.84%	50.55%	51.40%	62.17%
162.85%	178.45%	176.06%	150.01%	172.51%	199.71%	217.81%	214.91%	185.26%

INTERNAL RATE OF RETURN

13.77%

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 RETAIL
YEAR 1 2 3 4 5 6
DESIGN DESIGN CONSTRUCT CONSTRUCT LEASE-UP STARTLIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI	
Capitalized @ 10.00%	10,571,602
Less Commission @ 3.00%	(317,148)
PRETAX SALE PROCEEDS	10,254,454
Less Mortgage Balance	(3,812,450)
Less Taxes / Plus Benefits	261,129

AFTER TAX SALES PROCEEDS

6,903,133

COST & DEBT FLOWS (Exc. Perm. Amort.)	(726,797)	(239,094)	(3,125,184)	(355,737)	(1,062,872)	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	314,209	594,366
LINKAGE					(20,956)	(20,956)
TURNING COSTS:						
Brokerage Fees					(91,049)	(81,163)
Tenant Refurbishment					(70,046)	(60,039)
DEBT SERVICE					0	(424,317)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(726,797)	(239,094)	(3,125,184)	(355,737)	(930,713)	7,890
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Before Tax Cash Flow	(726,797)	(239,094)	(3,125,184)	(355,737)	(930,713)	7,890
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(726,797)	(239,094)	(3,125,184)	(355,737)	(930,713)	7,890
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(726,797)	(239,094)	(3,125,184)	(355,737)	(0)	(0)
Cash Flow From Operations	0	0	0	0	(930,713)	7,890
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(726,797)	(239,094)	(3,125,184)	(355,737)	(930,713)	7,890
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CUMULATIVE AFTER TAX CASH FLOW	(726,797)	(965,891)	(4,091,076)	(4,446,813)	(5,377,526)	(5,369,635)
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Breakeven						84.24%
Debt Coverage Ratio						101.86%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(3,909,918)	-100.00%	(109.89)
Cash Flow From Operations	629,241	16.09%	17.49
Taxes /Benefits From Operations	0	0.00%	0.00
Cash Flow On Sale	2,261,344	57.84%	63.56
Taxes / Benefits From Sale	88,904	2.27%	2.50
TOTAL AFTER TAX NPV @ 8.00%	(930,429)	-23.80%	(26.15)

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
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0	0	(0)	0	(0)	0	(0)	0	(3,612,450)
0	0	0	0	0	0	0	0	0
740,135	740,288	740,447	808,352	868,909	900,488	900,674	900,868	983,484
(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)	(20,956)
(42,205)	0	0	(110,775)	(98,748)	(51,349)	0	0	(134,774)
(30,020)	0	0	(70,946)	(60,039)	(30,020)	0	0	(70,046)
(424,317)	(424,317)	(424,317)	(424,317)	(424,317)	(424,317)	(424,317)	(424,317)	(424,317)
								10,254,454
222,638	295,015	295,175	182,258	264,849	373,846	455,401	455,595	6,975,395
222,638	295,015	295,175	182,258	264,849	373,846	455,401	455,595	6,975,395
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	261,129
222,638	295,015	295,175	182,258	264,849	373,846	455,401	455,595	7,236,524
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
222,638	295,015	295,175	182,258	264,849	373,846	455,401	455,595	333,391
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	6,642,004
0	0	0	0	0	0	0	0	261,129
222,638	295,015	295,175	182,258	264,849	373,846	455,401	455,595	7,236,524
(5,146,998)	(4,851,982)	(4,556,808)	(4,374,549)	(4,109,701)	(3,735,854)	(3,280,453)	(2,824,859)	4,411,665
67.98%	62.75%	63.05%	72.37%	67.73%	61.51%	56.77%	57.15%	66.01%
152.47%	169.53%	169.56%	142.95%	162.42%	188.11%	207.33%	207.37%	178.57%

INTERNAL RATE OF RETURN

5.72%

PIER 4 Boston, Massachusetts						
PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		55,281,361				
Less Commission @ 3.00%		(1,658,441)				
PRETAX SALE PROCEEDS		53,622,920				
Less Mortgage Balance		(20,771,586)				
Less Taxes / Plus Benefits		(8,279,372)				
AFTER TAX SALES PROCEEDS		24,571,962				
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(960,155)	(1,052,589)	(4,833,327)	0	(4,834,895)	(3,340,187)
PRETAX SALES PROCEEDS	0	0	0	0	6,018,922	5,365,439
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	1,571,050	3,034,371
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(2,439,823)
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW	(960,155)	(1,052,589)	(4,833,327)	0	2,755,077	2,619,800
Before Tax Cash Flow	(960,155)	(1,052,589)	(4,833,327)	0	2,755,077	2,619,800
Income Tax./Ben. From Operations	0	0	0	0	(298,447)	(423,231)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(960,155)	(1,052,589)	(4,833,327)	0	2,456,630	2,196,570
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(960,155)	(1,052,589)	(4,833,327)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	2,755,077	2,619,800
Taxes/Benefits From Operations	0	0	0	0	(298,447)	(423,231)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(960,155)	(1,052,589)	(4,833,327)	0	2,456,630	2,196,570
CUMULATIVE AFTER TAX CASH FLOW	(960,155)	(2,012,744)	(6,846,071)	(6,846,071)	(4,389,440)	(2,192,871)
Breakeven Debt Coverage Ratio						84.332 124.372
COMPOSITION OF AFTER TAX NPV:						
Investment	(6,078,573)				(10.85)	
Cash Flow From Operations	13,067,259				214.97%	23.33
Taxes /Benefits From Operations	(2,490,186)				-40.97%	(4.45)
Cash Flow On Sale	11,184,599				184.00%	19.97
Taxes / Benefits From Sale	(2,818,803)				-46.37%	(5.03)
TOTAL AFTER TAX NPV @ 8.00%	12,864,296		211.63%		22.97	

PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1

	7	8	9	10	11	12	13	14	15
	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
	(1,837,103)	0	0	(0)	0	(0)	0	0	(20,771,586)
	2,790,028	0	0	0	0	0	0	0	0
	3,883,995	4,039,355	4,200,929	4,368,966	4,543,725	4,725,474	4,914,493	5,111,073	5,315,515
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	(2,439,823)	(2,439,823)	(2,439,823)	(2,439,823)	(2,439,823)	(2,439,823)	(2,439,823)	(2,439,823)	(2,439,823)
									53,622,920
	2,397,098	1,599,532	1,761,106	1,929,144	2,103,902	2,285,651	2,474,670	2,671,250	35,727,027
	2,397,098	1,599,532	1,761,106	1,929,144	2,103,902	2,285,651	2,474,670	2,671,250	35,727,027
	(494,120)	(234,751)	(299,138)	(372,430)	(455,955)	(527,449)	(602,275)	(680,615)	(762,660)
	0	0	0	0	0	0	0	0	(8,279,372)
	1,902,978	1,364,782	1,461,968	1,556,713	1,647,947	1,758,202	1,872,395	1,990,635	26,684,995
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	2,397,098	1,599,532	1,761,106	1,929,144	2,103,902	2,285,651	2,474,670	2,671,250	2,875,693
	(494,120)	(234,751)	(299,138)	(372,430)	(455,955)	(527,449)	(602,275)	(680,615)	(762,660)
	0	0	0	0	0	0	0	0	32,851,334
	0	0	0	0	0	0	0	0	(8,279,372)
	1,902,978	1,364,782	1,461,968	1,556,713	1,647,947	1,758,202	1,872,395	1,990,635	26,684,995
	(289,893)	1,074,889	2,536,857	4,093,571	5,741,517	7,499,719	9,372,114	11,362,749	38,047,744
	70.26%	68.33%	66.47%	64.68%	62.96%	61.31%	59.72%	58.20%	56.73%
	159.19%	165.56%	172.18%	179.07%	186.23%	193.68%	201.43%	209.49%	217.86%

INTERNAL RATE OF RETURN

INTERNAL RATE OF RETURN
24.29%

PIER 4
Boston, Massachusetts

8-7-85 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 MARINA

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
 Gross Proceeds - Year 16 NOI
 Capitalized @ 10.00% 2,585,464
 Less Commission @ 3.00% (77,564)

 PRETAX SALE PROCEEDS 2,507,900
 Less Mortgage Balance (903,112)
 Less Taxes / Plus Benefits (546,873)

AFTER TAX SALES PROCEEDS 1,057,914

COST & DEBT FLOWS (Exc. Perm. Amort.)	(44,418)	(48,694)	(223,594)	0	(74,067)	(308,210)
PRETAX SALES PROCEEDS	0	0	0	0	737,011	656,993
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	73,477	141,915
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(106,079)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(44,418)	(48,694)	(223,594)	0	736,421	384,618
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Before Tax Cash Flow	(44,418)	(48,694)	(223,594)	0	736,421	384,618
Income Tax./Ben. From Operations	0	0	0	0	(114,194)	(110,196)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(44,418)	(48,694)	(223,594)	0	622,227	274,421
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(44,418)	(48,694)	(223,594)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	736,421	384,618
Taxes/Benefits From Operations	0	0	0	0	(114,194)	(110,196)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(44,418)	(48,694)	(223,594)	0	622,227	274,421
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CUMULATIVE AFTER TAX CASH FLOW	(44,418)	(93,111)	(316,706)	(316,706)	305,522	579,943
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Breakeven						77.80%
Debt Coverage Ratio						133.78%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(281,200)	-100.00%	(1.58)
Cash Flow From Operations	1,350,618	480.30%	7.58
Taxes /Benefits From Operations	(321,087)	-114.18%	(1.80)
Cash Flow On Sale	546,368	194.30%	3.07
Taxes / Benefits From Sale	(186,189)	-66.21%	(1.04)

TOTAL AFTER TAX NPV @ 8.00%	1,108,509	394.21%	6.22
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PIER 4
Boston, Massachusetts

PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE I MARINA

7 OPERATE 8 OPERATE 9 OPERATE 10 OPERATE 11 OPERATE 12 OPERATE 13 OPERATE 14 OPERATE 15 SALE

(169,516)	0	(0)	0	(0)	0	(0)	0	(903,112)
341,636	0	0	0	0	0	0	0	0
181,651	188,917	196,474	204,333	212,506	221,007	229,847	239,041	248,602
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)	(106,079)
								2,507,900

247,692 82,838 90,395 98,254 106,427 114,927 123,768 132,961 1,747,310

247,692	82,838	90,395	98,254	106,427	114,927	123,768	132,961	1,747,310
(75,967)	(21,271)	(24,232)	(27,511)	(31,152)	(34,470)	(37,941)	(41,574)	(45,376)
0	0	0	0	0	0	0	0	(546,873)

171,725 61,567 66,163 70,742 75,275 80,457 85,826 91,388 1,155,061

(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
247,692	82,838	90,395	98,254	106,427	114,927	123,768	132,961	142,523
(75,967)	(21,271)	(24,232)	(27,511)	(31,152)	(34,470)	(37,941)	(41,574)	(45,376)
0	0	0	0	0	0	0	0	1,604,787
0	0	0	0	0	0	0	0	(546,873)

171,725 61,567 66,163 70,742 75,275 80,457 85,826 91,388 1,155,061

751,668 813,236 879,399 950,141 1,025,416 1,105,873 1,191,699 1,283,087 2,438,148

63.43%	61.45%	59.56%	57.73%	55.98%	54.29%	52.66%	51.10%	49.60%
171.24%	178.09%	185.21%	192.62%	200.33%	208.34%	216.67%	225.34%	234.36%

INTERNAL RATE OF RETURN

53.13%

PIER 4
Boston, Massachusetts

S-7-86 PHASE I PERFORMANCE TOTAL

YEAR 1 2 3 4 5 6
DESIGN DESIGN CONSTRUCT CONSTRUCT LEASE-UP STABILIZED

COMPOSITION OF AFTER TAX CASH FLOW:	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
Land Contributions	(7,121,775)	(0)	(0)	(0)	(0)	(0)
Cash Contributions	(5,110,806)	(5,436,432)	(38,670,087)	(3,484,212)	(0)	(0)
Investment	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	0	0
Cash Flow From Operations	0	0	0	0	9,576,775	12,427,311
Taxes/Benefits From Operations	0	0	0	0	(1,563,827)	(821,513)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	8,012,948	11,605,798
CUMULATIVE AFTER TAX CASH FLOW	(12,232,581)	(17,669,013)	(56,339,100)	(59,823,312)	(51,810,364)	(40,204,566)

COMPOSITION OF AFTER TAX NPV:						
Land Contributions	(7,121,775)		-13.39%			
Cash Contributions	(46,063,786)		-86.61%			
Investment	(53,185,561)		-100.00%			
Cash Flow From Operations	57,985,523		109.02%			
Taxes/Benefits From Operations	(8,231,043)		-15.48%			
Cash Flow On Sale	56,555,249		106.34%			
Taxes/Benefits On Sale	(9,572,597)		-18.00%			

TOTAL AFTER TAX NPV @ 8.00% 43,551,571 81.89%

TAX VALUE OF MIXED USE:						
After Tax Cash Flow - As A Whole	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	8,012,948	11,605,798
After Tax Cash Flow - Components	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	7,247,038	10,160,832

VALUE OF MIXED USE NPV = 673,702 0 0 0 0 765,910 1,444,965

BEFORE TAX CASH FLOW:						
Condos	(2,592,297)	(1,066,297)	(3,600,560)	0	10,340,344	8,447,956
Hotel	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	7,223,361	614,891
Office	(3,566,993)	(1,271,170)	(3,911,055)	0	(10,547,714)	352,155
Retail	(726,797)	(239,094)	(3,125,184)	(355,737)	(930,713)	7,890
Garage	(960,155)	(1,052,589)	(4,833,327)	0	2,755,077	2,619,800
Marina	(44,418)	(48,694)	(223,594)	0	736,421	384,618
TOTAL BEFORE TAX CASH FLOW	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	9,576,775	12,427,311

TAXABLE INCOME:						
Condos	(6,569)	(13,402)	(182,601)	(397,020)	6,077,011	4,951,576
Hotel	(11,737)	(23,944)	(165,460)	(360,510)	182,253	(3,111,566)
Office	(7,832)	(15,977)	(222,886)	(486,220)	(855,515)	(787,289)
Retail	(1,596)	(3,255)	(22,769)	(49,635)	(143,234)	(229,617)
Garage	(6,485)	(13,229)	(169,705)	(369,959)	1,412,084	1,209,230
Marina	(300)	(612)	(7,835)	(17,066)	352,080	314,847
TOTAL TAXABLE INCOME	(34,519)	(70,418)	(771,256)	(1,680,409)	7,024,679	2,347,181
Income Taxes/Benefits	0.35 12,082	24,646	269,939	588,143	(2,458,638)	(821,513)
Benefits Disallowed	(12,082)	(24,646)	(269,939)	(588,143)	(0)	(0)
Benefits From Prior Years	0	0	0	0	894,811	0
Benefits To Be Carried	12,082	36,728	306,667	894,811	0	0

ORDINARY TAXES/BENEFITS 0 0 0 0 (1,563,827) (821,513)

Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0

INCOME TAXES/BENEFITS FROM OPERATIONS 0 0 0 0 (1,563,827) (821,513)

PIER 4 Boston, Massachusetts							
8-7-86	PHASE I PERFORMANCE						TOTAL
YEAR	1	2	3	4	5	6	
SALE PROCEEDS:	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED	
Condos							
Hotel							
Office							
Retail							
Garage							
Marina							
TOTAL SALE PROCEEDS	0	0	0	0	0	0	0
GAIN ON SALE:							
Condos							
Hotel							
Office							
Retail							
Garage							
Marina							
TOTAL GAIN ON SALE	0	0	0	0	0	0	0
TAX / BENEFIT @ 35.00%	0	0	0	0	0	0	0
Before Tax Cash Flow From Oper.	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	9,576,775	12,427,311	
Taxes/Benefits From Oper.	0	0	0	0	(1,563,827)	(821,513)	
Cash Flow On Sale	0	0	0	0	0	0	
Taxes/Benefits On Sale	0	0	0	0	0	0	
AFTER TAX CASH FLOW	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	8,012,948	11,605,798	
Land Equity Available	7,121,775	0					
Land Equity Contributed	7,121,775	0	0	0	0	0	
CASH CONTRIBUTION REQUIRED	5,110,806	5,436,432	38,670,087	3,484,212	0	0	
AFTER TAX CASH FLOW BY COMPONENT:							
Condos	(2,592,297)	(1,066,297)	(3,600,560)	0	8,423,247	6,714,905	
Hotel	(4,341,921)	(1,758,588)	(22,976,367)	(3,128,475)	7,223,361	614,891	
Office	(3,566,993)	(1,271,170)	(3,911,055)	0	(10,547,714)	352,155	
Retail	(726,797)	(239,094)	(3,125,184)	(355,737)	(930,713)	7,890	
Garage	(960,155)	(1,052,589)	(4,833,327)	0	2,456,630	2,196,570	
Marina	(44,418)	(48,694)	(223,594)	0	622,227	274,421	
TOTAL AFTER TAX BY COMPONENT	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	7,247,038	10,160,832	

PIER 4
Boston, Massachusetts

PHASE 1 PERFORMANCE

7	8	9	10	11	12	13	14	15	TOTAL
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
								0	70,902,324
									54,113,267
									6,642,004
									32,851,334
									1,604,787
0	0	0	0	0	0	0	0	0	166,113,717
									(0)
									43,678,204
									0
									35,570,111
									20,291,186
									(746,083)
									23,655,347
									1,562,495
0	0	0	0	0	0	0	0	0	80,333,056
0	0	0	0	0	0	0	0	0	(28,116,570)
10,512,128 (721,758)	7,285,868 0	8,597,554 (492,214)	8,166,684 (1,267,244)	9,497,181 (2,061,099)	11,024,824 (2,376,706)	12,257,450 (2,583,931)	12,763,438 (2,801,661)	178,433,428 (3,341,013)	166,113,717
0	0	0	0	0	0	0	0	0	(28,116,570)
9,790,370	7,285,868	8,105,340	6,899,441	7,436,082	8,648,118	9,673,519	9,961,777	313,089,562	
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
3,162,905	0	0	0	0	0	0	0	0	(0)
1,675,011	2,811,990	4,030,279	4,365,667	4,714,471	4,296,355	4,106,459	4,344,905	63,044,679	
2,000,099	2,496,493	2,420,599	1,591,361	2,166,852	2,593,746	3,189,459	3,117,001	48,921,394	
222,638	295,015	295,175	182,258	264,849	373,846	455,401	455,595	7,236,524	
1,902,978	1,364,782	1,461,968	1,556,713	1,647,947	1,758,202	1,872,395	1,990,635	26,684,995	
171,725	61,567	66,163	70,742	75,275	80,457	85,826	91,388	1,155,061	
9,135,356	7,029,847	8,274,184	7,766,743	8,869,392	9,102,607	9,709,540	9,999,524	147,042,653	

PIER 4
Boston, Massachusetts

8-7-85 DEVELOPMENT ASSUMPTIONS - PHASE I

SITE:	ACRES	SQ. FEET	PERCENT	DEBT:		AFFORDABLE HOUSING	
Total	8.9	385,994	100.0%	Construction Loan	10.00%	Linkage Fee	6.00
Pier 4 Restaurant	0.9	39,204	10.2%	Construction Points	1.00%	Linkage Ex.	100,000
Remainder	8.0	346,790	89.8%	Construction Term	30	Inclus. Hous.	0.00%
Built	3.8	166,230	43.1%	Permanent Loan	10.00%	ALLOCATION OF FOUNDATION TO	
Open	5.0	219,764	56.9%	Permanent Points	1.00%	NONGARAGE USES 25.00%	
Total buildout		1,649,812		Permanent Term	30	ALLOCATION OF BREAKWATER TO	
Floor Area Ratio			4.27			NONMARINA USES 100.00%	
TAXATION:				DISCOUNT RATE FOR NPV	8.00%	RETURN ASSUMED ON UNINVESTED	
Ordinary Rate		35.00%		EQUITY	20.00%	EQUITY FUNDS 0.00%	
Capital Gains		35.00%		PHASE I AS PERCENT		PHASE I COSTS	
Deprec. Life (Bldg. & FF&E)		30	5	OF TOTAL BUILDOUT	44.73%	UNESCALATED 179,130,492	
ITC on Hotel FF&E		0.00%	(@ 85.00%)				
Losses Disallowed		100.00%					
Loss Carryforward		100.00%					

PIER 4
Boston, Massachusetts

8-7-85 DEVELOPMENT ASSUMPTIONS - PHASE I

PROGRAM:	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
Land	3.56 acres							155,112
Above ground	737,928	167,820	269,831	249,450	50,827			
Below ground	613,604					560,104		53,500
Water	178,200						178,200	
Efficiency Factors		81%	100%	85%	70%	100.00%	100.00%	
Rentable/Salable	653,377	135,934	269,831	212,033	35,579	560,104	178,200	
UNITS:								
Condominiums	100	100						
Hotel rooms	290		290					
Hotel bays	339		339					
Cars	1,400					1,400		
Marina slips	100						100	
CONSTRUCTION PERIOD (MONTHS)	30	30	30	30	30	30	30	30
ANNUAL ESCALATION:								
Hard costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Soft costs		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Sales		4.00%				4.00%	4.00%	
Rents and rates			4.00%	4.00%	4.00%	4.00%	4.00%	
Operating costs			4.00%	4.00%	4.00%	4.00%	4.00%	
FINANCIAL ASSUMPTIONS:								
Debt Coverage Ratio		110.00%	110.00%	110.00%	110.00%	125.00%	125.00%	
Loan To Value		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	
Capitalization Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Commission On Sale		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

PIER 4
Boston, Massachusetts
8-7-86
DEVELOPMENT ASSUMPTIONS - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
BUILDING COSTS PER SQ. FOOT		122.50	108.50	91.50	91.50	61.75	6.73	61.75
BUILDING COSTS - LUMP SUM:								
Marina						1,200,000		
Breakwater								1,200,000
Site & Util.								12,000,000
BUILDING COSTS PER UNIT:								
Land per acre								2,000,000
Condominium per unit		205,580						
Hotel bay - FF&E			25,000					
Hotel room - hard			100,954					
Hotel room - FF&E			29,224					
Parking per car						24,705		
Marina per slip							12,000	
REVENUES PER SQ. FOOT:								
Sales per rsf		375.00						
Rents per rsf				35.00	20.00			
Retail sales per rsf					200.00			
Retail % rent 5.00%					10.00			
REVENUES PER UNIT:								
Unit sales 1,359 ssf		509,753				35,000.00	30,000.00	
Monthly rent						275.00	225.00	
Daily rent			158.00			10.50	10.50	
Hotel daily other 38.44%			60.74					
SALE, LEASE, RENT TERMS:								
Presale		25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
Prelease		0.00%	50.00%	25.00%	25.00%	25.00%	25.00%	
Absorption		18	48	18	18	18	18	
SALE, LEASE, RENT ALLOCATION:								
Sales		100.00%				25.00%	50.00%	
Lease - years 5				100.00%	100.00%			
Rent - monthly						25.00%	25.00%	
Rent - daily			100.00%			50.00%	25.00%	
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
COMMISSION:								
Sales		3.00%				4.00%	4.00%	
Leases				5.00%	5.00%			
VACANCY			29.00%	10.00%	10.00%			
TURNOVER:								
Turnover - stay				75.00%	50.00%			
Turnover - leave				25.00%	50.00%			
OPERATING COSTS:								
Oper. exp. w/Man. & RET			137.60	8.00	10.00	2.00	0.25	
Replacement reserve			3.00%	1.00%	1.00%	1.00%	1.00%	
Turnover refurb. - stay				2.00	2.00			
Turnover refurb.- leave				7.00	7.00			

PIER 4
Boston, Massachusetts

8-7-85 PROJECT COSTS - UNESCALATED - PHASE I

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0

LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534			

HARD COSTS:								
Component specific	116,400,006	20,557,950	29,276,664	22,824,675	4,650,671	34,586,422	1,200,000	3,303,625
Hotel FF&E	8,475,000		8,475,000					
Foundation @ 25%	0	1,966,416	3,161,721	2,922,908	595,561	(8,646,606)		
Garage service area	0	751,312	1,208,005	1,116,761	227,547			(3,303,625)
Breakwater	1,200,000	272,905	438,792	405,649	82,654		0	
Site & Utilities	12,000,000	2,729,047	4,387,924	4,056,493	826,536			

HARD COST SUBTOTAL	138,075,006	26,277,630	46,948,105	31,326,487	6,382,968	25,939,817	1,200,000	0
Contingency	(6,903,750)	(1,313,881)	(2,347,405)	(1,566,324)	(319,148)	(1,296,991)	(60,000)	0

TOTAL HARD COSTS	131,171,256	24,963,748	44,600,700	29,760,162	6,063,820	24,642,826	1,140,000	0

SOFT COSTS:								
Envir. Imp. Report	490,000	93,254	166,609	111,171	22,652	92,055		4,259
Permitting/Licens.	100,000	19,931	34,002	22,688	4,623	18,787		869
Building Permits	30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
A/E Fees	30 4.5%	6,213,375	1,182,493	2,112,665	1,409,692	287,234	1,167,292	54,000
Design Consultants	30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Development Fee	30 2.0%	2,761,500	525,553	958,962	626,530	127,659	518,796	24,000
Mtg. Brokerage Fee	30 1.0%	1,104,600	210,221	375,585	250,612	51,064	207,519	9,600
Market Research Fe	30	100,000	19,031	34,002	22,688	4,623	18,787	869
Legal/Accounting	30 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Linkage	12	2,820,648		1,335,007	1,234,171	251,470		
Insurance	10 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
RE Taxes	10 0.5%	690,375	131,388	234,741	156,632	31,915	129,699	6,000
Marketing/PR	5 1.0%	1,380,750	262,776	469,481	313,265	63,830	259,398	12,000
Brokerage on Lease	5	2,033,179			1,855,284	177,895		

Soft Cost SUBTOTAL	23,217,428	3,494,853	7,578,978	7,255,793	1,278,282	3,449,925	159,597	
Construc. Loan Pt.	1.0%	1,235,109	227,669	417,437	296,128	58,737	224,742	10,397
Constr. Int.	15	15,438,968	2,845,860	5,217,968	3,701,596	734,210	2,909,275	129,760
Permanent Loan Pt.	1.0%	946,057	0	417,437	296,128	58,737	168,557	5,198

TOTAL SOFT COSTS	40,837,462	6,568,382	13,631,820	11,549,644	2,129,966	6,652,499	305,152	

COSTS Before INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	131,171,256	24,963,748	44,600,700	29,760,162	6,063,820	24,642,826	1,140,000	
SOFT COSTS	40,837,462	6,568,382	13,631,820	11,549,644	2,129,966	6,652,499	305,152	

TOTAL PROJECT COSTS	179,130,492	33,151,768	60,836,671	43,717,259	8,684,319	31,295,324	1,445,152	

COSTS After INCLUSIONARY HOUSING:								
LAND COSTS	7,121,775	1,619,638	2,604,150	2,407,453	490,534	0	0	
HARD COSTS	131,171,256	24,963,748	44,600,700	29,760,162	6,063,820	24,642,826	1,140,000	
SOFT COSTS	40,837,462	6,568,382	13,631,820	11,549,644	2,129,966	6,652,499	305,152	

TOTAL PROJECT COSTS	179,130,492	33,151,768	60,836,671	43,717,259	8,684,319	31,295,324	1,445,152	

PERCENT OF USE:								
Land Costs	3.98%	4.89%	4.28%	5.51%	5.65%	0.00%	0.00%	
Hard Costs	73.23%	75.30%	73.31%	68.07%	69.82%	78.74%	78.88%	
Soft Costs	22.80%	19.81%	22.41%	26.42%	24.53%	21.26%	21.12%	

Total Project Costs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

PERCENT OF PROJECT BY COST:								
Land Costs	100.00%	22.74%	36.57%	35.80%	6.89%	0.00%	0.00%	
Hard Costs	100.00%	19.03%	34.00%	22.69%	4.62%	18.79%	0.87%	
Soft Costs	100.00%	16.08%	33.38%	28.28%	5.22%	16.29%	0.75%	

Total Project Costs	100.00%	18.51%	33.96%	24.41%	4.85%	17.47%	0.81%	

PIER 4
Boston, Massachusetts

8-7-86 STABILIZED YEAR INCOME & EXPENSE PROJECTION - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
GROSS SALES	50,975,325	50,975,325				12,250,000	1,500,000	
Less Basis	(41,698,175)	(33,151,768)				(7,823,831)	(722,576)	
Less Commissions	(2,079,260)	(1,529,260)				(490,000)	(60,000)	
Gain on Sale	20,947,890	16,294,297				3,936,169	717,424	
TAX on Sale 35.0%	(7,331,762)	(5,703,004)				(1,377,659)	(251,098)	
NET SALES PROCEEDS	55,314,304	43,743,061				10,382,341	1,188,902	
GROSS REVENUE:								
Base leases 5	8,132,716			7,421,138	711,578			
Base rents	20,725,363		16,724,300			3,837,750	163,313	
Other income	3,784,610		6,428,821		355,789			
TOTAL GROSS REVENUES	35,642,689		23,153,121	7,421,138	1,067,367	3,837,750	163,313	
Less VACANCY	(7,563,256)		(6,714,405)	(742,114)	(106,737)			
NET REVENUES	28,079,432		16,438,716	6,679,024	960,630	3,837,750	163,313	
OPERATING EXPENSES:								
Base operating expenses	(13,050,397)		(10,341,122)	(1,526,634)	(320,210)	(840,156)	(22,275)	
Replacement reserve	(609,569)		(493,161)	(66,790)	(9,606)	(38,378)	(1,633)	
TOTAL OPERATING EXPENSES	(13,659,965)		(10,834,283)	(1,593,424)	(329,816)	(878,534)	(23,908)	
NET OPERATING INCOME	14,419,467		5,604,433	5,085,600	630,814	2,959,217	139,404	
GROSS MARGIN ON SALES BEFORE TAX	50.24%	49.15%				50.31%	99.29%	
RETURN ON ASSETS BY USE	10.49%		9.21%	11.63%	7.26%	12.61%	19.29%	
OVERALL ROA WITH AFTER TAX SALES SUBSIDY	20.40%							

8-7-86 COSTS, INCOME & EXPENSES PER NET RENTABLE/SALABLE SF - UNESCALATED - PHASE 1

	TOTAL	CONDO	HOTEL	OFFICE	RETAIL	GARAGE	MARINA	MISC.
GROSS SQUARE FEET	737,928	167,820	269,831	249,450	50,827	560,104	178,200	53,500
NET RENTABLE/SALABLE SF	653,377	135,934	269,831	212,033	35,579	560,104	178,200	0
Hard Costs (Component Specific)		151.23	108.50	107.65	130.71	61.75	6.73	
Land Costs	10.90	11.91	9.65	11.35	13.79	0.00	0.00	
Hard Costs (Total)	200.76	183.65	165.29	140.36	170.43	44.00	6.40	
Soft Costs	62.50	48.32	50.52	54.47	59.87	11.88	1.71	
TOTAL DEVELOPMENT COSTS	274.16	243.88	225.46	206.18	244.09	55.87	8.11	
Gross Sales		375.00				87.48	16.84	
Less Basis, Commissions, Taxes		(297.09)				(69.21)	(11.60)	
AFTER TAX GAIN ON SALES		77.91				18.27	5.23	
Gross Revenues		0.00	85.81	35.00	30.00	9.14	0.92	
Less Vacancy		0.00	(24.88)	(3.50)	(3.00)	0.00	0.00	
Net Revenues		0.00	60.92	31.50	27.00	9.14	0.92	
Operating Expenses (Before deducting Linkage or Turns)		0.00	(40.15)	(7.52)	(9.27)	(2.09)	(0.27)	
NET OPERATING INCOME		0.00	20.77	23.99	17.73	7.04	0.65	

PIER 4 Boston, Massachusetts						
8-7-86	CASH FLOW SCHEDULES - PHASE 1					CONDOS
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	6,652,671	4,060,375	2,994,078	0	0	
EQUITY INVESTED	2,592,297	1,066,297	2,994,078	0	0	
=====						
BUILDING COSTS:						
Land	(1,619,638)					
Hard Costs			(10,800,316)	(11,232,329)	(5,840,811)	
Soft Costs Before Financing	(972,659)	(1,066,297)	(525,654)	(785,478)	(420,175)	
Mortgage Points (Approx.)			(266,107)			
BUILDING COSTS BEFORE INTEREST	(2,592,297)	(1,066,297)	(11,592,077)	(12,017,807)	(6,260,986)	

CONSTRUCTION LOAN:						
Interest	0	0	(429,900)	(1,503,680)	(2,567,988)	(1,568,918)
Takedown	0	0	(9,027,899)	(13,521,487)	(8,828,974)	(1,568,918)
Retirements - Sales					15,689,180	17,258,098
Retirements - Takeout					0	0
Balance	0	0	(9,027,899)	(22,549,386)	(15,689,180)	0
PERMANENT MORTGAGE:						
Payment						0
Interest						0
Amortization						0
Balance					(0)	0
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(2,592,297)	(1,066,297)	(12,021,977)	(13,521,487)	(8,828,974)	(1,568,918)
Construction Loan	(0)	(0)	9,027,899	13,521,487	(6,860,206)	(15,689,180)
Permanent Loan	0	0	0	0	0	0
COST & DEBT FLOWS	(2,592,297)	(1,066,297)	(2,994,078)	0	(15,689,180)	(17,258,098)
=====						
GROSS SALES					29,816,960	31,009,639
Less Commissions					(894,509)	(930,289)
PRETAX SALES PROCEEDS					28,922,451	30,079,349
=====						
GROSS REVENUES:						
Leases					0	0
Rents					0	0
Other income					0	0
TOTAL GROSS REVENUES					0	0
Less VACANCY					0	0
NET REVENUES					0	0

OPERATING EXPENSES:						
Operating Expenses					0	0
Replacement Reserve					0	0
TOTAL OPERATING EXPENSES					0	0

NET OPERATING INCOME					0	0
=====						

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 CONDOS

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:
 Gross Proceeds - Year 16 NOI
 Capitalized @ 10.00%
 Less Commission @ 3.00%

AFTER TAX SALES PROCEEDS

COST & DEBT FLOWS (Exc. Perm. Amort.)	(2,592,297)	(1,066,297)	(2,994,078)	0	(15,689,180)	(17,258,098)
PRETAX SALES PROCEEDS	0	0	0	0	28,922,451	30,079,349
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	0	0
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	0

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(2,592,297)	(1,066,297)	(2,994,078)	0	13,233,271	12,821,251
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Before Tax Cash Flow	(2,592,297)	(1,066,297)	(2,994,078)	0	13,233,271	12,821,251
Income Tax./Ben. From Operations	0	0	0	0	(2,877,317)	(3,039,784)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(2,592,297)	(1,066,297)	(2,994,078)	0	10,355,954	9,781,467
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(2,592,297)	(1,066,297)	(2,994,078)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	13,233,271	12,821,251
Taxes/Benefits From Operations	0	0	0	0	(2,877,317)	(3,039,784)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(2,592,297)	(1,066,297)	(2,994,078)	0	10,355,954	9,781,467
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CUMULATIVE AFTER TAX CASH FLOW	(2,592,297)	(3,658,594)	(6,652,671)	(6,652,671)	3,703,283	13,484,750
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Breakeven						0.00%
Debt Coverage Ratio						0.00%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(6,146,548)	-100.00%	(45.22)
Cash Flow From Operations	18,452,777	300.21%	135.75
Taxes /Benefits From Operations	(4,183,740)	-68.07%	(30.78)
Cash Flow On Sale	0	0.00%	0.00
Taxes / Benefits From Sale	(0)	.00%	(.00)

TOTAL AFTER TAX NPV @ 8.00%	8,122,490	132.15%	59.75
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		PIER 4 Boston, Massachusetts					
8-7-85		CASH FLOW SCHEDULES - PHASE I				HOTEL	
YEAR		1	2	3	4	5	6
		DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 50.00%		29,496,467	25,154,546	23,395,958	2,570,838	0	
EQUITY INVESTED		4,341,921	1,758,588	20,825,119	2,570,838	0	
=====							
BUILDING COSTS:							
Land		(2,604,150)					
Hard Costs				(19,296,047)	(20,067,889)	(10,435,302)	
Soft Costs Before Financing		(1,737,771)	(1,758,588)	(939,143)	(1,403,350)	(750,693)	
Mortgage Points (Approx.)				(589,929)			
BUILDING COSTS BEFORE INTEREST		(4,341,921)	(1,758,588)	(20,825,119)	(21,471,239)	(11,185,995)	
=====							
CONSTRUCTION LOAN:							
Interest		0	0	0	(945,020)	(2,543,842)	0
Takedown		0	0	0	(19,845,420)	(13,729,837)	0
Retirements - Sales						0	0
Retirements - Takeout						33,575,258	0
Balance		0	0	0	(19,845,420)	0	0
PERMANENT MORTGAGE:							
Payment							(4,667,487)
Interest							(4,400,000)
Amortization							(267,487)
Balance						(44,000,000)	(43,732,513)
SUMMARY OF COST & DEBT FLOWS:							
Construction Costs (Inc. Interest)		(4,341,921)	(1,758,588)	(20,825,119)	(22,416,259)	(13,729,837)	0
Construction Loan		(0)	(0)	(0)	19,845,420	(19,845,420)	(0)
Permanent Loan		0	0	0	0	44,000,000	(267,487)
COST & DEBT FLOWS		(4,341,921)	(1,758,588)	(20,825,119)	(2,570,838)	10,424,742	(267,487)
=====							
GROSS SALES							
Less Commissions						0	0
PRETAX SALES PROCEEDS						0	0
=====							
GROSS REVENUES:							
Leases						0	0
Rents						11,005,349	13,989,022
Other income						4,230,456	5,377,380
TOTAL GROSS REVENUES						15,235,806	19,366,402
Less VACANCY						(4,418,384)	(5,616,257)
NET REVENUES						10,817,422	13,750,145
=====							
OPERATING EXPENSES:							
Operating Expenses						(6,804,928)	(8,649,819)
Replacement Reserve						324,523	412,504
TOTAL OPERATING EXPENSES						(6,480,405)	(8,237,315)
=====							
NET OPERATING INCOME						4,337,017	5,512,830
=====							

PIER 4
Boston, Massachusetts

8-7-96 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 HOTEL

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI	118,695,787
Capitalized @ 10.00%	(3,560,874)
Less Commission @ 3.00%	
PRETAX SALE PROCEEDS	115,134,914
Less Mortgage Balance	(39,738,947)
Less Taxes / Plus Benefits	(17,310,664)

AFTER TAX SALES PROCEEDS 58,087,303

COST & DEBT FLOWS (Exc. Perm. Amort.)	(4,341,921)	(1,758,588)	(20,825,119)	(2,570,838)	10,424,742	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	4,337,017	5,512,830
LINKAGE					(111,251)	(111,251)
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(4,667,487)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW (4,341,921) (1,758,588) (20,825,119) (2,570,838) 14,650,508 734,093

Before Tax Cash Flow	(4,341,921)	(1,758,588)	(20,825,119)	(2,570,838)	14,650,508	734,093
Income Tax./Ben. From Operations	0	0	0	0	(85,354)	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (4,341,921) (1,758,588) (20,825,119) (2,570,838) 14,565,155 734,093

COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(4,341,921)	(1,758,588)	(20,825,119)	(2,570,838)	(0)	(0)
Cash Flow From Operations	0	0	0	0	14,650,508	734,093
Taxes/Benefits From Operations	0	0	0	0	(85,354)	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (4,341,921) (1,758,588) (20,825,119) (2,570,838) 14,565,155 734,093

CUMULATIVE AFTER TAX CASH FLOW (4,341,921) (6,100,509) (26,925,628) (29,496,467) (14,931,312) (14,197,219)

Breakeven Debt Coverage Ratio 67.21%
115.73%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(25,865,241)	-100.00%	(95.86)
Cash Flow From Operations	30,512,901	117.97%	113.08
Taxes / Benefits From Operations	(2,911,093)	-11.25%	(10.79)
Cash Flow On Sale	25,670,070	99.25%	95.13
Taxes / Benefits From Sale	(5,893,607)	-22.79%	(21.84)

TOTAL AFTER TAX NPV @ 8.00% 21,513,031 83.17% 79.73

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1 OFFICE						
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	8,026,209	4,459,215	3,188,045	0	0	0
EQUITY INVESTED	3,566,993	1,271,170	3,188,045	0	0	0
=====						
BUILDING COSTS:						
Land	(2,407,453)					
Hard Costs			(12,875,437)	(13,390,454)	(6,963,036)	
Soft Costs Before Financing	(1,159,541)	(1,271,170)	(626,651)	(936,396)	(500,906)	
Mortgage Points (Approx.)			(642,097)			
BUILDING COSTS BEFORE INTEREST	(3,566,993)	(1,271,170)	(14,144,184)	(14,326,850)	(7,463,942)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(547,807)	(1,866,737)	(3,142,950)	(0)
Takedown	0	0	(11,503,946)	(16,193,587)	(10,606,893)	(0)
Retirements - Sales					0	0
Retirements - Takeout					38,304,426	0
Balance	0	0	(11,503,946)	(27,697,533)	(0)	0
PERMANENT MORTGAGE:						
Payment						(4,243,170)
Interest						(4,000,000)
Amortization						(243,170)
Balance					(40,000,000)	(39,756,830)
=====						
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (inc. Interest)	(3,566,993)	(1,271,170)	(14,691,991)	(16,193,587)	(10,606,893)	(0)
Construction Loan	(0)	(0)	11,503,946	16,193,587	(27,697,533)	(0)
Permanent Loan	0	0	0	0	40,000,000	(243,170)
COST & DEBT FLOWS	(3,566,993)	(1,271,170)	(3,188,045)	0	1,695,574	(243,170)
=====						
GROSS SALES						
Less Commissions					0	0
PRETAX SALES PROCEEDS					0	0
=====						
GROSS REVENUES:						
Leases					4,340,841	8,855,315
Rents					0	0
Other income					0	0
TOTAL GROSS REVENUES					4,340,841	8,855,315
Less VACANCY					(434,084)	(885,531)
NET REVENUES					3,906,757	7,969,783
=====						
OPERATING EXPENSES:						
Operating Expenses					(892,973)	(1,857,384)
Replacement Reserve					39,068	79,698
TOTAL OPERATING EXPENSES					(853,905)	(1,777,686)
=====						
NET OPERATING INCOME					3,052,851	6,192,098
=====						

PIER 4
Boston, Massachusetts

8-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 OFFICE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI	
Capitalized @ 10.00%	91,658,170
Less Commission @ 3.00%	(2,749,745)

PRETAX SALE PROCEEDS	88,908,424
Less Mortgage Balance	(36,124,498)
Less Taxes / Plus Benefits	(11,176,868)

AFTER TAX SALES PROCEEDS 41,607,059

COST & DEBT FLOWS (Exc. Perm. Amort.)	(3,566,993)	(1,271,170)	(3,188,045)	0	1,695,574	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	3,052,851	6,192,098
LINKAGE					(102,848)	(102,848)
TURNING COSTS:						
Brokerage Fees					(1,085,210)	(1,128,619)
Tenant Refurbishment					(344,553)	(344,553)
DEBT SERVICE					0	(4,243,170)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,188,045)	0	3,215,815	372,909
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Before Tax Cash Flow	(3,566,993)	(1,271,170)	(3,188,045)	0	3,215,815	372,909
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,188,045)	0	3,215,815	372,909
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(3,566,993)	(1,271,170)	(3,188,045)	(0)	(0)	(0)
Cash Flow From Operations	0	0	(0)	0	3,215,815	372,909
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(3,566,993)	(1,271,170)	(3,188,045)	0	3,215,815	372,909
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CUMULATIVE AFTER TAX CASH FLOW	(3,566,993)	(4,838,164)	(8,026,209)	(8,026,209)	(4,810,394)	(4,437,485)
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Breakeven						85.79%
Debt Coverage Ratio						108.79%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(7,477,238)	-100.00%	(35.26)
Cash Flow From Operations	10,869,948	145.37%	51.27
Taxes /Benefits From Operations	(619,975)	-8.29%	(2.92)
Cash Flow On Sale	17,970,871	240.34%	84.76
Taxes / Benefits From Sale	(3,805,288)	-50.89%	(17.95)

TOTAL AFTER TAX NPV @ 8.00%	16,938,318	226.53%	79.89
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PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						RETAIL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 50.00%	4,078,518	3,351,721	3,112,627	279,922	0	0
EQUITY INVESTED	726,797	239,094	2,832,705	279,922	0	0
BUILDING COSTS:						
Land	(490,534)					
Hard Costs			(2,623,451)	(2,728,389)	(1,418,762)	
Soft Costs Before Financing	(236,264)	(239,094)	(127,684)	(190,797)	(102,063)	
Mortgage Points (Approx.)			(81,570)			
BUILDING COSTS BEFORE INTEREST	(726,797)	(239,094)	(2,832,705)	(2,919,186)	(1,520,825)	
CONSTRUCTION LOAN:						
Interest	0	0	0	(131,963)	(353,164)	0
Take-down	0	0	0	(2,771,227)	(1,873,989)	0
Retirements - Sales					0	0
Retirements - Takeout					4,645,216	0
Balance	0	0	0	(2,771,227)	0	0
PERMANENT MORTGAGE:						
Payment						(530,396)
Interest						(500,000)
Amortization						(30,396)
Balance					(5,000,000)	(4,969,604)
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(726,797)	(239,094)	(2,832,705)	(3,051,149)	(1,873,989)	0
Construction Loan	(0)	(0)	(0)	2,771,227	(2,771,227)	(0)
Permanent Loan	0	0	0	0	5,000,000	(30,396)
COST & DEBT FLOWS	(726,797)	(239,094)	(2,832,705)	(279,922)	354,784	(30,396)
GROSS SALES						
Less Commissions					0	0
PRETAX SALES PROCEEDS					0	0
GROSS REVENUES:						
Leases					416,223	849,095
Rents					0	0
Other income					208,111	432,872
TOTAL GROSS REVENUES					624,334	1,281,966
Less VACANCY					(62,433)	(128,197)
NET REVENUES					561,901	1,153,770
OPERATING EXPENSES:						
Operating Expenses					(187,300)	(389,585)
Replacement Reserve					5,619	11,538
TOTAL OPERATING EXPENSES					(181,681)	(378,047)
NET OPERATING INCOME					380,220	775,723

PIER 4
Boston, Massachusetts

9-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 RETAIL

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:

Gross Proceeds - Year 16 NOI	
Capitalized @ 10.00%	11,482,592
Less Commission @ 3.00%	(344,478)

PRETAX SALE PROCEEDS	11,138,114
Less Mortgage Balance	(4,515,562)
Less Taxes / Plus Benefits	(314,657)

AFTER TAX SALES PROCEEDS 6,307,895

COST & DEBT FLOWS (Exc. Perna. Amort.)	(726,797)	(239,094)	(2,832,705)	(279,922)	354,784	(0)
PRETAX SALES PROCEEDS	0	0	0	0	0	0
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	380,220	775,723
LINKAGE					(20,956)	(20,956)
TURNING COSTS:						
Brokerage Fees					(104,056)	(108,218)
Tenant Refurbishment					(80,053)	(80,053)
DEBT SERVICE					0	(530,396)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(726,797)	(239,094)	(2,832,705)	(279,922)	529,940	36,100
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Before Tax Cash Flow	(726,797)	(239,094)	(2,832,705)	(279,922)	529,940	36,100
Income Tax./Ben. From Operations	0	0	0	0	0	0
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(726,797)	(239,094)	(2,832,705)	(279,922)	529,940	36,100
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COMPOSITION OF AFTER TAX CASH FLOW:

Investment	(726,797)	(239,094)	(2,832,705)	(279,922)	(0)	(0)
Cash Flow From Operations	0	0	0	0	529,940	36,100
Taxes/Benefits From Operations	0	0	0	0	0	0
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW	(726,797)	(239,094)	(2,832,705)	(279,922)	529,940	36,100
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CUMULATIVE AFTER TAX CASH FLOW	(726,797)	(965,891)	(3,798,596)	(4,078,518)	(3,548,579)	(3,512,478)
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Breakeven						87.18%
Debt Coverage Ratio						106.81%

COMPOSITION OF AFTER TAX NPV:		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
Investment	(3,598,980)	-100.00%	(101.15)
Cash Flow From Operations	1,499,113	41.65%	42.13
Taxes /Benefits From Operations	0	0.00%	0.00
Cash Flow On Sale	2,254,721	62.65%	63.37
Taxes / Benefits From Sale	(107,128)	-2.98%	(3.01)

TOTAL AFTER TAX NPV @ 8.00%	47,726	1.33%	1.34
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PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						GARAGE
YEAR	1 DESIGN	2 DESIGN	3 CONSTRUCT	4 CONSTRUCT	5 LEASE-UP	6 STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	6,247,394	5,287,230	4,234,640	0	0	
EQUITY INVESTED	960,155	1,052,589	4,234,640	0	0	
=====						
BUILDING COSTS:						
Land	(0)					
Hard Costs			(10,661,472)	(11,087,931)	(5,765,724)	
Soft Costs Before Financing	(960,155)	(1,052,589)	(518,896)	(775,380)	(414,774)	
Mortgage Points (Approx.)			(437,317)			
BUILDING COSTS BEFORE INTEREST	(960,155)	(1,052,589)	(11,617,685)	(11,863,311)	(6,180,498)	
=====						
CONSTRUCTION LOAN:						
Interest	0	0	(369,152)	(1,368,385)	(2,407,414)	(369,648)
Takedown	0	0	(7,752,197)	(13,231,697)	(8,587,912)	(369,648)
Retirements - Sales					3,696,476	4,066,123
Retirements - Takeout					22,178,855	0
Balance	0	0	(7,752,197)	(20,983,894)	(3,696,476)	0
=====						
PERMANENT MORTGAGE:						
Payment						(2,970,219)
Interest						(2,800,000)
Amortization						(170,219)
Balance					(28,000,000)	(27,829,781)
=====						
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(960,155)	(1,052,589)	(11,986,838)	(13,231,697)	(8,587,912)	(369,648)
Construction Loan	(0)	(0)	7,752,197	13,231,697	(17,287,418)	(3,696,476)
Permanent Loan	0	0	0	0	28,000,000	(170,219)
COST & DEBT FLOWS	(960,155)	(1,052,589)	(4,234,640)	0	2,124,670	(4,236,342)
=====						
GROSS SALES						
Less Commissions					7,165,384	7,451,999
					(286,615)	(298,080)
PRETAX SALES PROCEEDS					6,878,768	7,153,919
=====						
GROSS REVENUES:						
Leases					0	0
Rents					2,244,812	4,669,210
Other income					0	0
TOTAL GROSS REVENUES					2,244,812	4,669,210
Less VACANCY					0	0
NET REVENUES					2,244,812	4,669,210
=====						
OPERATING EXPENSES:						
Operating Expenses					(471,775)	(981,291)
Replacement Reserve					22,448	46,692
TOTAL OPERATING EXPENSES					(449,326)	(934,599)
NET OPERATING INCOME					1,795,486	3,734,611
=====						

PIER 4
Boston, Massachusetts

9-7-86 PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1 GARAGE

YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES

PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%			55,281,361			
Less Commission @ 3.00%			(1,658,441)			
PRETAX SALE PROCEEDS			53,622,920			
Less Mortgage Balance			(25,287,148)			
Less Taxes / Plus Benefits			(9,254,590)			

AFTER TAX SALES PROCEEDS 19,081,182

COST & DEBT FLOWS (Exc. Perm. Amort.)	(960,155)	(1,052,589)	(4,234,640)	0	2,124,670	(4,066,123)
PRETAX SALES PROCEEDS	0	0	0	0	6,878,768	7,153,919
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	1,795,486	3,734,611
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(2,970,219)

PROJECT SALE PROCEEDS

BEFORE TAX CASH FLOW	(960,155)	(1,052,589)	(4,234,640)	0	10,798,924	3,852,187
Before Tax Cash Flow	(960,155)	(1,052,589)	(4,234,640)	0	10,798,924	3,852,187
Income Tax./Ben. From Operations	0	0	0	0	(684,347)	(891,759)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (960,155) (1,052,589) (4,234,640) 0 10,114,577 2,960,428

COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(960,155)	(1,052,589)	(4,234,640)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	10,798,924	3,852,187
Taxes/Benefits From Operations	0	0	0	0	(684,347)	(891,759)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0

AFTER TAX CASH FLOW (960,155) (1,052,589) (4,234,640) 0 10,114,577 2,960,428

CUMULATIVE AFTER TAX CASH FLOW (960,155) (2,012,744) (6,247,384) (6,247,384) 3,867,193 6,827,621

Breakeven Debt Coverage Ratio 83.63% 125.74%

		NPV Components As % Of Investment	NPV Components Per Rentable/Salable SF
COMPOSITION OF AFTER TAX NPV:			
Investment	(5,565,296)	-100.00%	(9.94)
Cash Flow From Operations	14,962,970	304.80%	30.29
Taxes /Benefits From Operations	(2,318,348)	-41.66%	(4.14)
Cash Flow On Sale	9,647,226	173.35%	17.22
Taxes / Benefits From Sale	(3,150,827)	-56.62%	(5.63)

TOTAL AFTER TAX NPV @ 8.00% 15,575,725 279.87% 27.81

PIER 4 Boston, Massachusetts						
CASH FLOW SCHEDULES - PHASE 1						MARINA
9-7-86	1	2	3	4	5	6
YEAR	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
EQUITY AVAILABLE @ 20.00%	289,010	244,592	195,898	0	0	
EQUITY INVESTED	44,418	48,694	195,898	0	0	
=====						
BUILDING COSTS:						
Land	(0)					
Hard Costs			(493,210)	(512,938)	(266,728)	
Soft Costs Before Financing	(44,418)	(48,694)	(24,005)	(35,870)	(19,188)	
Mortgage Points (Approx.)			(17,341)			
BUILDING COSTS BEFORE INTEREST	(44,418)	(48,694)	(534,555)	(548,808)	(285,916)	

CONSTRUCTION LOAN:						
Interest	0	0	(16,933)	(62,999)	(111,035)	(34,109)
Takedown	0	0	(355,589)	(611,807)	(396,951)	(34,109)
Retirements - Sales					341,087	375,196
Retirements - Takeout					682,174	0
Balance	0	0	(355,589)	(967,396)	(341,087)	0
PERMANENT MORTGAGE:						
Payment						(106,079)
Interest						(100,000)
Amortization						(6,079)
Balance					(1,000,000)	(993,921)
SUMMARY OF COST & DEBT FLOWS:						
Construction Costs (Inc. Interest)	(44,418)	(48,694)	(551,488)	(611,807)	(396,951)	(34,109)
Construction Loan	(0)	(0)	355,589	611,807	(626,310)	(341,087)
Permanent Loan	0	0	0	0	1,000,000	(6,079)
COST & DEBT FLOWS	(44,418)	(48,694)	(195,898)	0	(23,261)	(381,275)
=====						
GROSS SALES						
Less Commissions					877,394	912,490
					(33,096)	(36,500)
PRETAX SALES PROCEEDS					842,298	875,990
=====						
GROSS REVENUES:						
Leases					0	0
Rents					95,526	198,695
Other income					0	0
TOTAL GROSS REVENUES					95,526	198,695
Less VACANCY					0	0
NET REVENUES					95,526	198,695

OPERATING EXPENSES:						
Operating Expenses					(12,508)	(26,017)
Replacement Reserve					955	1,987
TOTAL OPERATING EXPENSES					(11,553)	(24,030)

NET OPERATING INCOME					83,973	174,665
=====						

PIER 4 Boston, Massachusetts						
PROJECT SALE, CASH FLOW AND PERFORMANCE SUMMARIES - PHASE 1						
8-7-86	MARINA					
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED & SALES
PROJECT SALE PROCEEDS:						
Gross Proceeds - Year 16 NOI						
Capitalized @ 10.00%		2,585,464				
Less Commission @ 3.00%		(77,564)				

PRETAX SALE PROCEEDS		2,507,900				
Less Mortgage Balance		(903,112)				
Less Taxes / Plus Benefits		(580,469)				

AFTER TAX SALES PROCEEDS		1,024,319				
COST & DEBT FLOWS (Exc. Perm. Amort.)						
	(44,418)	(48,694)	(195,898)	0	(23,261)	(375,196)
PRETAX SALES PROCEEDS	0	0	0	0	842,298	875,990
NET OPERATING INCOME (Before Linkage Or Turning Costs)	0	0	0	0	83,973	174,665
LINKAGE					0	0
TURNING COSTS:						
Brokerage Fees					0	0
Tenant Refurbishment					0	0
DEBT SERVICE					0	(106,079)
PROJECT SALE PROCEEDS						
BEFORE TAX CASH FLOW	(44,418)	(48,694)	(195,898)	0	903,011	569,380
Before Tax Cash Flow	(44,418)	(48,694)	(195,898)	0	903,011	569,380
Income Tax./Ben. From Operations	0	0	0	0	(151,466)	(174,752)
Income Tax./Ben. From Project Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(44,418)	(48,694)	(195,898)	0	751,545	394,628
COMPOSITION OF AFTER TAX CASH FLOW:						
Investment	(44,418)	(48,694)	(195,898)	(0)	(0)	(0)
Cash Flow From Operations	0	0	0	0	903,011	569,380
Taxes/Benefits From Operations	0	0	0	0	(151,466)	(174,752)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits From Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(44,418)	(48,694)	(195,898)	0	751,545	394,628
CUMULATIVE AFTER TAX CASH FLOW	(44,418)	(93,111)	(289,010)	(289,010)	462,535	857,163
Breakeven						65.48%
Debt Coverage Ratio						164.65%
COMPOSITION OF AFTER TAX NPV:						
Investment		(257,456)				(1.44)
Cash Flow From Operations		1,490,347				8.36
Taxes /Benefits From Operations		(360,757)				(2.02)
Cash Flow On Sale		546,368				3.07
Taxes / Benefits From Sale		(197,627)				(1.11)
TOTAL AFTER TAX NPV @ 8.00%		1,220,876		474.21%		6.85

PIER 4 Boston, Massachusetts						
9-7-85	PHASE I PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
COMPOSITION OF AFTER TAX CASH FLOW:						
Land Contributions	(7,121,775)	(0)	(0)	(0)	(0)	(0)
Cash Contributions	(5,110,806)	(5,436,432)	(34,270,486)	(2,850,760)	(0)	(0)
Investment	(12,232,581)	(5,436,432)	(34,270,486)	(2,850,760)	0	0
Cash Flow From Operations	0	0	0	0	43,331,469	18,385,920
Taxes/Benefits From Operations	0	0	0	0	(3,472,766)	(2,988,071)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(12,232,581)	(5,436,432)	(34,270,486)	(2,850,760)	39,858,703	15,397,849
CUMULATIVE AFTER TAX CASH FLOW	(12,232,581)	(17,669,013)	(51,939,499)	(54,790,259)	(14,931,556)	466,294
COMPOSITION OF AFTER TAX NPV:						
Land Contributions	(7,121,775)					
Cash Contributions	(41,788,983)					
Investment	(48,910,758)					
Cash Flow From Operations	79,788,057					
Taxes/Benefits From Operations	(9,994,567)					
Cash Flow On Sale	56,089,256					
Taxes/Benefits On Sale	(13,154,477)					
TOTAL AFTER TAX NPV @ 8.00%	63,817,510		130.48%			
TAX VALUE OF MIXED USE:						
After Tax Cash Flow - As A Whole	(12,232,581)	(5,436,432)	(34,270,486)	(2,850,760)	39,858,703	15,397,849
After Tax Cash Flow - Components	(12,232,581)	(5,436,432)	(34,270,486)	(2,850,760)	39,532,986	14,279,625
VALUE OF MIXED USE NPV = 399,344	0	0	0	0	325,717	1,118,225
BEFORE TAX CASH FLOW:						
Condos	(2,592,297)	(1,066,297)	(2,994,078)	0	13,233,271	12,821,251
Hotel	(4,341,921)	(1,758,588)	(20,825,119)	(2,570,838)	14,650,508	734,093
Office	(3,566,993)	(1,271,170)	(3,188,045)	0	3,215,815	372,909
Retail	(726,797)	(239,094)	(2,832,705)	(279,922)	529,940	36,100
Garage	(960,155)	(1,052,589)	(4,234,640)	0	10,798,924	3,852,187
Marina	(44,418)	(48,694)	(195,898)	0	903,011	569,380
TOTAL BEFORE TAX CASH FLOW	(12,232,581)	(5,436,432)	(34,270,486)	(2,850,760)	43,331,469	18,385,920
TAXABLE INCOME:						
Condos	(6,569)	(13,402)	(169,940)	(372,036)	8,782,352	8,685,097
Hotel	(11,737)	(23,944)	(154,624)	(341,544)	775,716	(2,767,043)
Office	(7,832)	(15,977)	(207,647)	(455,987)	(120,541)	(292,937)
Retail	(1,596)	(3,255)	(21,295)	(47,057)	(49,432)	(134,948)
Garage	(6,485)	(13,229)	(157,117)	(345,018)	2,477,125	2,547,883
Marina	(300)	(612)	(7,254)	(15,916)	456,842	499,293
TOTAL TAXABLE INCOME	(34,519)	(70,418)	(717,877)	(1,577,559)	12,322,561	8,537,345
Income Taxes/Benefits	12,082	24,646	251,257	552,145	(4,312,896)	(2,988,071)
Benefits Disallowed	(12,082)	(24,646)	(251,257)	(552,145)	(0)	(0)
Benefits From Prior Years	0	0	0	0	840,130	0
Benefits To Be Carried	12,082	36,728	287,985	840,130	0	0
ORDINARY TAXES/BENEFITS	0	0	0	0	(3,472,766)	(2,988,071)
Potential Investment Tax Credits On FF&E					0	0
INVESTMENT TAX CREDIT USED					0	0
Investment Tax Credit Carryover					0	0
INCOME TAXES/BENEFITS FROM OPERATIONS	0	0	0	0	(3,472,766)	(2,988,071)

PIER 4
Boston, Massachusetts

PHASE I PERFORMANCE

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	0	0	0	0	0	0	0
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	11,273,953
0	0	0	(742,579)	(2,046,058)	(2,258,093)	(2,481,036)	(2,715,565)	(3,339,402)
0	0	0	0	0	0	0	0	164,745,004
0	0	0	0	0	0	0	0	(38,637,247)
4,982,691	6,423,366	7,401,288	6,177,319	6,261,709	8,469,364	8,756,317	9,052,080	134,042,308
5,448,985	11,872,351	19,273,639	25,450,959	31,712,668	40,182,032	48,938,350	57,990,430	192,032,738

INTERNAL RATE OF RETURN

21.82%

4,982,691	6,423,366	7,401,288	6,177,319	6,261,709	8,469,364	8,756,317	9,052,080	134,042,308
4,929,702	6,304,773	7,214,059	6,654,682	7,161,339	8,713,820	8,784,329	9,082,236	134,107,805
52,989	118,593	187,229	(477,362)	(899,630)	(244,456)	(28,011)	(30,156)	(65,496)

0	0	0	0	0	0	0	0	0
1,997,032	3,352,186	4,241,167	4,601,963	4,977,191	5,367,428	5,773,275	6,195,355	82,032,285
1,771,785	1,694,518	1,614,160	720,585	1,469,926	3,097,224	3,003,217	2,905,449	54,676,854
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,881,439
913,776	1,069,136	1,230,710	1,398,747	1,573,506	1,755,255	1,944,274	2,140,854	30,681,068
75,572	82,838	90,395	98,254	106,427	114,927	123,768	132,961	1,747,310
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	176,018,957
0	0	0	0	0	0	0	0	0
(1,465,148)	(67,876)	866,673	2,165,495	3,532,149	3,965,465	4,418,699	4,892,905	5,389,207
(334,770)	(376,818)	(418,943)	374,350	1,233,107	1,181,878	1,130,950	1,080,569	2,013,891
(130,093)	(124,861)	(119,220)	(30,071)	69,365	74,450	80,032	86,160	187,133
95,635	274,979	462,621	676,074	919,167	1,128,330	1,347,504	1,577,255	1,818,186
55,762	63,859	72,320	81,690	92,092	101,572	111,489	121,867	132,732
(1,778,615)	(230,718)	863,451	3,267,537	5,845,880	6,451,695	7,088,673	7,758,756	9,541,148
622,515	80,751	(302,208)	(1,143,638)	(2,046,058)	(2,258,093)	(2,481,036)	(2,715,565)	(3,339,402)
(622,515)	(80,751)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	0	302,208	401,059	0	0	0	0	0
622,515	703,267	401,059	0	0	0	0	0	0
0	0	0	(742,579)	(2,046,058)	(2,258,093)	(2,481,036)	(2,715,565)	(3,339,402)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	(742,579)	(2,046,058)	(2,258,093)	(2,481,036)	(2,715,565)	(3,339,402)

PIER 4 Boston, Massachusetts						
8-7-96	PHASE 1 PERFORMANCE					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
=====						
SALE PROCEEDS:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL SALE PROCEEDS	0	0	0	0	0	0

GAIN ON SALE:						
Condos						
Hotel						
Office						
Retail						
Garage						
Marina						
TOTAL GAIN ON SALE	0	0	0	0	0	0
TAX / BENEFIT @ 35.00%	0	0	0	0	0	0

Before Tax Cash Flow From Oper.	(12,232,581)	(5,436,432)	(34,270,486)	(2,850,760)	43,331,469	18,385,920
Taxes/Benefits From Oper.	0	0	0	0	(3,472,766)	(2,988,071)
Cash Flow On Sale	0	0	0	0	0	0
Taxes/Benefits On Sale	0	0	0	0	0	0
AFTER TAX CASH FLOW	(12,232,581)	(5,436,432)	(34,270,486)	(2,850,760)	39,858,703	15,397,849

Land Equity Available	7,121,775	0				
Land Equity Contributed	7,121,775	0	0	0	0	0

CASH CONTRIBUTION REQUIRED	5,110,806	5,436,432	34,270,486	2,850,760	0	0

AFTER TAX CASH FLOW BY COMPONENT:						
Condos	(2,592,297)	(1,066,297)	(2,994,078)	0	10,355,954	9,781,467
Hotel	(4,341,921)	(1,758,589)	(20,825,119)	(2,570,838)	14,565,155	734,093
Office	(3,566,993)	(1,271,170)	(3,188,045)	0	3,215,815	372,909
Retail	(728,797)	(239,094)	(2,832,705)	(279,922)	529,940	36,100
Garage	(960,155)	(1,052,589)	(4,234,640)	0	10,114,577	2,960,428
Marina	(44,418)	(48,694)	(195,898)	0	751,545	394,628
TOTAL AFTER TAX BY COMPONENT	(12,232,581)	(5,436,432)	(34,270,486)	(2,850,760)	39,532,986	14,279,625
=====						

PIER 4
Boston, Massachusetts

PIER 4 Boston, Massachusetts									TOTAL
PHASE I PERFORMANCE									TOTAL
7	8	9	10	11	12	13	14	15	
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE	
								0	
								75,397,966	
								52,783,927	
								6,622,552	
								28,335,772	
								1,604,787	
0	0	0	0	0	0	0	0	164,745,004	
								(0)	
								43,678,204	
								0	
								49,459,039	
								31,933,908	
								899,019	
								26,441,686	
								1,658,482	
0	0	0	0	0	0	0	0	110,392,134	
0	0	0	0	0	0	0	0	(38,637,247)	
4,982,691	6,423,366	7,401,288	6,919,899	8,307,767	10,727,457	11,237,353	11,767,645	176,018,957	
0	0	0	(742,579)	(2,046,058)	(2,258,093)	(2,481,036)	(2,715,565)	(3,339,402)	
0	0	0	0	0	0	0	0	164,745,004	
0	0	0	0	0	0	0	0	(38,637,247)	
4,982,691	6,423,366	7,401,288	6,177,319	6,261,709	8,469,364	8,756,317	9,052,080	298,787,313	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	(0)	
1,997,032	3,352,186	4,241,167	4,601,963	4,184,704	3,979,515	4,226,730	4,482,839	62,835,399	
1,771,785	1,694,518	1,614,160	720,585	1,469,926	2,901,965	2,607,384	2,527,250	42,795,125	
224,527	224,689	224,857	100,350	180,717	392,623	392,820	393,025	6,566,792	
880,304	972,893	1,068,793	1,162,122	1,251,798	1,360,339	1,472,647	1,588,814	20,790,113	
56,055	60,487	65,083	69,662	74,195	79,377	84,746	90,308	1,120,385	
4,929,702	6,304,773	7,214,059	6,654,682	7,161,339	8,713,820	8,784,329	9,082,236	134,107,805	

TABLE 1:
Sensitivity of Year 6
Cumulative Cash Flow
To Selling Prices and Hard Costs

PHASE 1 -- CONDOS

Selling Price per net square foot:

		350	375	400
		=====		
Hard				
Cost	102.5	11,993,878	14,550,622	17,107,367
per	112.5	10,308,054	12,864,798	15,421,543
gross	122.5	8,622,364	11,179,108	13,735,853
square	132.5	6,936,803	9,493,548	12,050,293
foot	142.5	5,251,368	7,808,112	10,364,857

TABLE 2:
Sensitivity of Internal Rate of Return
To Absorption

PHASE 1 -- CONDOS

		Condo IRR
		=====
	0	37.11%
Absorption	12	32.67%
Term	24	29.16%
in	36	26.43%
Months	48	24.22%

TABLE 3:

Sensitivity of Cumulative Cash Flow
From Condo Sales
To Absorption

PHASE 1 -- CONDOS

	Year	6	8
=====			
Absorption	6	11,421,076	11,421,076
Term	18	11,179,108	11,179,108
With 25%	30	5,900,278	10,960,925
Presales	42	3,640,121	10,722,015

TABLE 4:

Sensitivity of Cumulative Cash Flow at Year 6,
Net Present Value and Internal Rate of Return
To Months of Absorption with Presales at 0%

PHASE 2 -- CONDOS

		Cash	NPV	IRR
=====				
	0	19,064,317	10,974,376	29.29%
Months of	12	18,354,207	9,561,204	24.48%
Absorption	24	10,024,633	8,212,515	20.82%
With	36	1,943,274	6,940,430	18.03%
Presales	48	(2,093,090)	5,726,670	15.79%
at 0%	60	(4,513,527)	(2,815,556)	0.65%

TABLE 5:

Sensitivity of Hotel Takeout Needed and Permanent Mortgage
To Equity Percentage

PHASE 1 -- HOTEL

		Takeout	Mortgage	Difference
=====				
	10	69,901,846	(44,000,000)	(25,901,846)
Equity	20	61,478,870	(44,000,000)	(17,478,870)
Percentage	30	53,068,548	(44,000,000)	(9,068,548)
Used	40	44,670,882	(44,000,000)	(670,882)
	50	36,647,209	(44,000,000)	7,352,791

TABLE 6:

Sensitivity of Cumulative Cash FLOW at Year 6
and Net Present Value
To Retail Sales Per Square Foot

PHASE 1 -- RETAIL

		Cash	NPV
=====			
Retail	100	(6,377,597)	(2,116,426)
Sales	200	(4,298,429)	(476,547)
Per	300	(2,219,260)	1,156,845
Square	400	(1,044,545)	2,684,659
Foot	500	1,001,518	4,238,349

TABLE 7:

Sensitivity of Cumulative at Year 6,
Net Present Value and Internal Rate of Return
To Allocation of Foundation To Nongarage Uses

PHASE 1 -- GARAGE

		Cash	NPV	IRR
=====				
Allocation	0%	(8,261,619)	6,388,594	14.22%
of Foundation	25%	3,771,058	13,697,445	31.78%
To Nongarage	50%	15,422,569	20,867,262	73.79%
Uses	75%	27,074,080	28,037,080	ERR
	100%	38,725,591	35,206,897	ERR

TABLE 8:

Sensitivity of Cumulative Cash Flow at Year 6,
Net Present Value and Internal Rate of Return
To Car Spaces

PHASE 1 -- GARAGE

		Cash	NPV	IRR
=====				
Car	1200	(2,825,017)	7,583,909	18.95%
Spaces	1400	3,771,058	13,697,445	31.78%
	1600	10,367,134	19,802,731	46.98%
	1800	16,963,209	25,908,018	61.74%

TABLE 9:

Sensitivity of Cumulative Cash Flow at Year 6,
Net Present Value and Internal Rate of Return
To Allocation of Breakwater to Nonmarina Uses

PHASE 1 -- MARINA

		Cash	NPV	IRR
=====				
Allocation	0%	(825,989)	146,423	10.03%
of	25%	(387,794)	402,963	15.06%
Breakwater	50%	(16,120)	647,493	22.76%
To Nonmarina	75%	355,554	891,681	35.75%
Uses	100%	727,228	1,135,869	56.10%

TABLE 10:

Sensitivity of Cumulative Cash Flow at Year 6,
Net Present Value and Internal Rate of Return
To Number of Marina Slips

PHASE 1 -- MARINA

		Cash	NPV	IRR
=====				
	80	465,219	690,424	43.11%
Number of	90	596,223	913,146	49.99%
Marina	100	727,228	1,135,869	56.10%
Slips	110	858,232	1,358,591	61.65%
	120	1,918,157	1,652,978	ERR

TABLE 11:

Comparison of Takeout Needed
And Permanent Mortgage

PHASE 1 -- ALL USES

	<u>Takeout</u>	<u>Mortgage</u>	<u>Difference</u>
Hotel	36,647,209	44,000,000	7,352,791
Office	41,716,666	40,000,000	(1,716,666)
Retail	5,062,872	5,000,000	(62,872)
Garage	24,292,272	28,000,000	3,707,728
Marina	747,177	1,000,000	252,823
	-----	-----	-----
TOTAL	<u>108,466,196</u>	<u>118,000,000</u>	<u>9,533,804</u>

PIER 4 Boston, Massachusetts						
3-7-95	OVERALL AFTER TAX CASH FLOW					TOTAL
YEAR	1	2	3	4	5	6
	DESIGN	DESIGN	CONSTRUCT	CONSTRUCT	LEASE-UP	STABILIZED
AFTER TAX CASH FLOW - PHASE 1	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
AFTER TAX CASH FLOW - PHASE 2	0	0	0	(6,999,251)	(3,225,713)	(11,940,457)
AFTER TAX CASH FLOW - PHASE 3	0	0	0	0	0	0
ESCALATED ATCF - PHASE 1 - 0 YRS. @ 4.0Z	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
ESCALATED ATCF - PHASE 2 - 3 YRS. @ 4.0Z	0	0	0	(7,873,205)	(3,628,488)	(13,431,390)
ESCALATED ATCF - PHASE 3 - 6 YRS. @ 4.0Z	0	0	0	0	0	0
TOTAL ESCALATED ATCF - ALL PHASES	(12,232,581)	(5,436,432)	(38,670,087)	(11,357,417)	26,410,475	965,607
LAND CONTRIBUTIONS	7,121,775	0	0	4,433,884	0	0
ESCALATED LAND CONTRIBUTIONS	7,121,775	0	0	4,987,516	0	0
SIMPLIFIED FAN PIER GROUND LEASE - CONDOMINIUM SALES:						
Unescalated Land 972,973					NPV @ 8.0Z	8,316,701
CPI Escalation 1,249						
Escalated Land 1,215,243						
Acreage 10.5						
Sales Price 12,760,054						
Balance Outstanding	12,760,054	12,760,054	9,059,639	9,059,639	9,059,639	9,059,639
CASH DOWN PAYMENT 29.00Z		3,700,416				905,964
PRINCIPLE PAYMENTS (Assumed 10Z/Year)						(317,087)
TAXES ON SALE (Assumed 0 Basis, 35Z Rate)		(1,295,146)	0	0	0	905,964
INTEREST (@ 10Z)			905,964	905,964	905,964	905,964
TAXES ON INTEREST (35Z Rate)			(317,087)	(317,087)	(317,087)	(317,087)
ATCF - CONDO SALES BEFORE PARTICIPATION	0	2,405,270	588,877	588,877	588,877	1,177,753
SIMPLIFIED FAN PIER GROUND LEASE - HOTEL, MARINA, & COMMERCIAL LEASES:						
Unescalated Land 972,973					NPV @ 9.0Z	6,911,067
CPI Esc. @ 50Z - 91 1,3129						
Escalated Land 1,277,416						
Acreage 8.0						
Total Land Value 10,219,330						
PRE-NORTHERN AVE. BRIDGE	250,000	250,000				
HOTEL CONSTRUCTION			350,000	350,000		
GROUND LEASE @ 9.0Z BEFORE PARTICIPATION					919,740	938,134
TAXES (35Z Rate)	(87,500)	(87,500)	(122,500)	(122,500)	(321,909)	(328,347)
ATCF - HOTEL, MARINA, & COM. BEFORE PART.	162,500	162,500	227,500	227,500	597,831	609,787
AFTER TAX CASH FLOW SUMMARY:						
Phase 1	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
Phase 2	0	0	0	(7,873,205)	(3,628,488)	(13,431,390)
Phase 3	0	0	0	0	0	0
Land Contributions	7,121,775	0	0	4,987,516	0	0
Ground Lease - Condominium Sales	0	2,405,270	588,877	588,877	588,877	1,177,753
Ground Lease - Other Leases	162,500	162,500	227,500	227,500	597,831	609,787
AFTER TAX CASH FLOW	(4,948,306)	(2,868,662)	(37,853,711)	(5,553,524)	27,597,182	2,753,147
APPROXIMATE CUMULATIVE ATCF	(4,948,306)	(7,816,968)	(45,670,679)	(51,224,203)	(23,627,021)	(20,873,874)

PIER 4
Boston, Massachusetts

OVERALL AFTER TAX CASH FLOW TOTAL

7	8	9	10	11	12	13	14	15
OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	OPERATE	SALE
4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	138,886,857
0	18,137,127	14,577,953	7,098,387	673,321	712,102	698,057	757,368	839,818
(6,510,058)	(2,691,680)	(8,885,939)	(60,498)	12,245,350	8,913,325	2,531,986	2,464,325	2,393,958
4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	138,886,857
0	20,401,801	16,398,215	7,984,720	757,395	801,018	785,219	851,936	944,681
(8,237,300)	(3,405,834)	(11,243,548)	(76,549)	15,494,274	11,278,200	3,203,770	3,118,157	3,029,121
(3,254,609)	23,419,333	12,555,955	14,737,735	22,676,439	20,711,643	12,908,368	13,185,234	142,860,658

4,366,758	ESCALATED ATCF	OPERATE	OPERATE	SALE	OPERATE	OPERATE	SALE
5,525,342	CONTINUED:	16	17	18	19	20	21
	PHASE 1	0	0	0	0	0	0
	PHASE 2	1,031,264	1,084,511	15,624,149	0	0	0
	PHASE 3	1,583,709	2,430,122	4,852,063	4,756,696	4,655,855	78,643,192
		2,614,973	3,514,633	20,476,213	4,756,696	4,655,855	78,643,192

9,153,675	7,247,711	6,341,747	5,435,783	4,529,819	3,623,955	2,717,892	1,811,928	905,964
905,964	905,964	905,964	905,964	905,964	905,964	905,964	905,964	905,964
(317,087)	(317,087)	(317,087)	(317,087)	(317,087)	(317,087)	(317,087)	(317,087)	(317,087)
815,367	724,771	634,175	543,578	452,982	362,386	271,789	181,193	90,596
(285,379)	(253,670)	(221,961)	(190,252)	(158,544)	(126,935)	(95,126)	(63,417)	(31,709)
1,118,865	1,059,978	1,001,090	942,202	883,315	824,427	765,539	706,652	647,764

YR. 16 LEASE
CAP. RATE 10.00Z
SALE PRICE 11,435,807
TAXES (35Z) (4,002,533)
AT PROCEEDS 7,433,275

956,897	976,035	995,556	1,015,467	1,035,776	1,056,492	1,077,622	1,099,174	1,121,158
(334,914)	(341,612)	(348,445)	(355,413)	(362,522)	(369,772)	(377,168)	(384,711)	(392,405)
621,983	634,423	647,111	660,054	673,255	686,720	700,454	714,463	8,162,027

4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	138,886,857
0	20,401,801	16,398,215	7,984,720	757,395	801,018	785,219	851,936	944,681
(8,237,300)	(3,405,834)	(11,243,548)	(76,549)	15,494,274	11,278,200	3,203,770	3,118,157	3,029,121
5,525,342	0	0	0	0	0	0	0	0
1,118,865	1,059,978	1,001,090	942,202	883,315	824,427	765,539	706,652	647,764
621,983	634,423	647,111	660,054	673,255	686,720	700,454	714,463	8,162,027

4,011,582	25,113,734	14,204,157	16,339,991	24,233,008	22,222,790	14,374,361	14,606,349	151,670,449
(15,862,292)	8,251,441	22,455,598	38,795,589	63,028,597	85,251,387	99,625,749	114,232,098	265,902,547

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9-7-95
OVERALL AFTER TAX CASH FLOW
TOTAL

YEAR	1 DESIGN	2 DESIGN	3 CONSTRUCT	4 CONSTRUCT	5 LEASE-UP	6 STABILIZED
AFTER TAX CASH FLOW - PHASE 1	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
AFTER TAX CASH FLOW - PHASE 2	0	0	0	(6,999,251)	(3,225,713)	(11,940,457)
AFTER TAX CASH FLOW - PHASE 3	0	0	0	0	0	0
ESCALATED ATCF - PHASE 1 - 0 YRS. @ 4.0%	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
ESCALATED ATCF - PHASE 2 - 3 YRS. @ 4.0%	0	0	0	(7,873,205)	(3,628,488)	(13,471,390)
ESCALATED ATCF - PHASE 3 - 6 YRS. @ 4.0%	0	0	0	0	0	0
TOTAL ESCALATED ATCF - ALL PHASES	(12,232,581)	(5,436,432)	(38,670,087)	(11,357,417)	26,410,475	965,607

LAND CONTRIBUTIONS	7,121,775	0	0	4,433,884	0	0
ESCALATED LAND CONTRIBUTIONS	7,121,775	0	0	4,987,516	0	0

SIMPLIFIED FAN PIER GROUND LEASE -
CONDOMINIUM SALES:

Unescalated Land	972,973				NPV @ 9.0%	0
CPI Escalation	1,249					0
Escalated Land	1,215,243					0
Acreage	0					0
Sales Price	0					0
Balance Outstanding	0	0	0	0	0	0
CASH DOWN PAYMENT	29.00%	0				0
PRINCIPLE PAYMENTS (Assumed 10%/Year)						0
TAXES ON SALE (Assumed 0 Basis, 35% Rate)		0	0	0	0	0
INTEREST @ 10%			0	0	0	0
TAXES ON INTEREST (35% Rate)			0	0	0	0
ATCF - CONDO SALES BEFORE PARTICIPATION	0	0	0	0	0	0

SIMPLIFIED FAN PIER GROUND LEASE -
HOTEL, MARINA, & COMMERCIAL LEASES:

Unescalated Land	972,973				NPV @ 9.0%	15,078,049
CPI Esc. @ 50% - 91	1,3129					0
Escalated Land	1,277,416					0
Acreage	18.5					0
Total Land Value	23,632,201					0
PRE-NORTHERN AVE. BRIDGE	250,000	250,000				
HOTEL CONSTRUCTION			350,000	350,000		
GROUND LEASE @ 9.0% BEFORE PARTICIPATION					2,126,898	2,169,436
TAXES (35% Rate)	(87,500)	(87,500)	(122,500)	(122,500)	(744,414)	(759,303)
ATCF - HOTEL, MARINA, & COM. BEFORE PART.	162,500	162,500	227,500	227,500	1,382,484	1,410,133

AFTER TAX CASH FLOW SUMMARY:

Phase 1	(12,232,581)	(5,436,432)	(38,670,087)	(3,484,212)	30,038,963	14,396,997
Phase 2	0	0	0	(7,873,205)	(3,628,488)	(13,471,390)
Phase 3	0	0	0	0	0	0
Land Contributions	7,121,775	0	0	4,987,516	0	0
Ground Lease - Condominium Sales	0	0	0	0	0	0
Ground Lease - Other Leases	162,500	162,500	227,500	227,500	1,382,484	1,410,133

AFTER TAX CASH FLOW	(4,948,306)	(5,273,932)	(38,442,587)	(6,142,401)	27,792,958	2,375,740
APPROXIMATE CUMULATIVE ATCF	(4,948,306)	(10,222,238)	(48,664,826)	(54,807,226)	(27,014,268)	(24,638,528)

PIER 4
Boston, Massachusetts

OVERALL AFTER TAX CASH FLOW TOTAL

7 OPERATE	8 OPERATE	9 OPERATE	10 OPERATE	11 OPERATE	12 OPERATE	13 OPERATE	14 OPERATE	15 SALE
4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	138,886,857
0	18,137,127	14,577,953	7,098,387	673,321	712,102	698,057	757,368	839,818
(6,510,058)	(2,691,680)	(8,885,939)	(160,498)	12,245,350	8,913,325	2,531,986	2,464,325	2,393,958
4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	138,886,857
0	20,401,801	16,398,215	7,984,720	757,395	801,018	785,219	851,936	944,681
(8,237,300)	(3,405,834)	(11,243,548)	(76,549)	15,494,274	11,278,200	3,203,770	3,118,157	3,029,121
(3,254,609)	23,419,333	12,555,955	14,737,735	22,676,439	20,711,643	12,908,368	13,185,234	142,860,658

4,366,758 5,525,342	ESCALATED ATCF CONTINUED:	OPERATE 16	OPERATE 17	SALE 18	OPERATE 19	OPERATE 20	SALE 21
	PHASE 1	0	0	0	0	0	0
	PHASE 2	1,031,264	1,084,511	15,624,149	0	0	0
	PHASE 3	1,583,709	2,430,122	4,852,063	4,756,696	4,655,855	78,643,192
		2,614,973	3,514,633	20,476,213	4,756,696	4,655,855	78,643,192

0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

YR. 16 LEASE 2,644,530
CAP. RATE 10.00%
SALE PRICE 26,445,304
TAXES (35%) (9,255,856)
AT PROCEEDS 17,189,448

2,212,825 (774,489)	2,257,081 (789,978)	2,302,223 (805,778)	2,348,267 (821,894)	2,395,233 (838,331)	2,443,137 (855,098)	2,492,000 (872,200)	2,541,840 (889,644)	2,592,677 (907,437)
1,438,336	1,467,103	1,496,445	1,526,374	1,556,901	1,588,039	1,619,800	1,652,196	18,874,688

4,982,691	6,423,366	7,401,288	6,829,564	6,424,770	8,632,426	8,919,379	9,215,141	138,886,857
0	20,401,801	16,398,215	7,984,720	757,395	801,018	785,219	851,936	944,681
(8,237,300)	(3,405,834)	(11,243,548)	(76,549)	15,494,274	11,278,200	3,203,770	3,118,157	3,029,121
5,525,342	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,438,336	1,467,103	1,496,445	1,526,374	1,556,901	1,588,039	1,619,800	1,652,196	18,874,688

3,709,069	24,886,436	14,052,400	16,264,109	24,233,340	22,299,682	14,528,168	14,837,430	161,735,346
(20,929,459)	3,956,977	18,009,377	34,273,486	58,506,826	80,806,509	95,334,677	110,172,107	271,907,453

