

## STARTUP COSTS

| Category  |             | Cost    | Description                                  |
|-----------|-------------|---------|--|
| Base Rent | Rt 495      | \$15.00 | Per Sq Ft Per Year - Add Expenses            |
| Base Rent | Rt 128      | \$20.00 | Per Sq Ft Per Year - Add Expenses            |
| Base Rent | Boston Area | \$40.00 | Per Sq Ft Per Year - Add Expenses            |
| Expenses  | All Areas   | \$6.00  | \$1 electric \$2 HVAC \$1 CAM \$1 Prop Taxes |
| Cleaning  | All Areas   | \$1.25  | Per Sq Ft Per Year                           |

|                  |  |  |  |
|------------------|--|--|--|
| Space needs      | You'll need 200 Sq Ft (cramped) to 300 Sq Ft (generous) per person. 250 sq ft is a good compromise.  |  |  |
| Lease Terms      | Today's rental market is hot so 5 years is the standard lease term. You'll just have to do it. If you do need to move out down the road (either to expand or contract), you'll probably be able to sublet it to someone else so be sure to get sublet rights.  |  |  |
| Buildout         | \$5 per sq ft will covers new carpet/tile and painting, no demolition or new walls. \$10 per sq ft is a decent allowance and will allow you to add SOME new walls. If cash is tight, you'll want this allowance included in your base rent, so add \$1.25 per sq ft per year to the base rent for each \$5 per sq ft in buildout assuming you have a 5 year lease. The extra \$.25 covers the interest on the money. |  |  |
| Cubicles         | \$1,250 to \$2,000 per cube, used but refurbished stuff - installed  |  |  |
| Office Furniture | \$500 for complete setup (USED). Includes steelcase desk (\$250), file cabinet (\$125), bookcase (\$75)  |  |  |
| Chairs           | \$150 for used el cheepo. \$300 for decent new. I recommend you buy good chairs  |  |  |
| Computers        | \$2,000 per staff non-engineering employee.  |  |  |
| Phones           | \$350 per person. \$250 for the phone handset and \$100 for the stuff that goes in the telco closet.   |  |  |
| Data Cabling     | \$200 per setup (includes 2 cat 5 for data and 2 cat 3 for voice)  |  |  |
| FAX              | \$1,500 for a pretty decent one  |  |  |
| Copier           | A decent machine is \$5,000, a fast 20-sorter unit is \$15,000. You can lease a decent machine for \$300 per month.  |  |  |
| Recruiting       | 20% is the going rate, we have paid 25% for hard to fill positions   |  |  |
| Globe Ads        | \$5K to \$10K per run: one-sixth to one-quarter page   |  |  |

#### OTHER MONTHLY EXPENSES

|            |  |
|------------|--|
| Phones     | \$100 per person per month (PP/PM) for long distance                                 |
| Postage    | \$20 PP/PM   |
| Supplies   | \$100 PP/PM (includes paper, pens, etc)  |
| Literature | Hard to tell - we spend over \$20K per month   |
| Travel     | \$3,000 to \$4,000 PP/PM for those people who travel extensively                     |
| Legal      | \$150 to \$350 per hour. It can add up. Probably \$2,000 to \$3,000 per month is OK. |
| Accounting | \$7,500 per YEAR for first year, then \$15,000, then \$25,000, etc..                 |