DATE: 9/20/93

TO: Neil Saling

FAX #: 797-1796

PAGES: (4) Four

CB

COMMERCIAL

FROM: BRAD PIHAS

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COMMENT: Financial Analysis of the Metro. Family Services Proposal.

CB COMMERCIAL REAL ESTATE GROUP, I

Form fax 8003 Rev 4/91

Metropolitan Family Services:

Proposed Deal:

Yrs.	Rental Rate		Per Year	Total	
1-5	$12.00	$12.75 Effective	$108,624.00	$543,120.00	
6-10	$13.50		$122,202.00	$611,010.00	

Based on 9,052 sq.ft. (10% load) × — Total Consideration: $1,154,130.00
Based on 8,230 sq.ft. (0% load)

Counter Offer:

1-5	$13.75	$14.00 effective
6-10	$14.25	

Based on 8,230 sq.ft. (no load factor)

	Per Year	Total
1-5	$113,162.50	$565,812.50
6-10	$121,393.00	$606,965.00
		$1,172,777.50

Cost of T.I.'s $123,450.00 — $15/sf × 8230 sf
Cost of R.E. Fee $ 48,721.60
$172,171.60

Income (Less: Expenses) — $7.75 x 8,230 s.f. = $63,782.50 x 5 = $318,912.50
$8.25 x 8,230 s.f. = $67,897.50 x 5 = $339,487.50

$6/sf (Incl Taxes)

$658,400.00

Metro Lease Expiration:

June 30, 1996	$24,230.00/month
44,646 s.f. w/o load	$6.51/s.f.p.y.
Expenses estimate	$6.00/s.f.p.y.
Total Cost	$12.51/s.f.p.y.

$13.75 - $12.51 = $1.24 x 8,230 s.f. = $10,205.20 x 5 years = $51,026.00

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	Remaining Term %	Income	% of Income	T.I. & Fees
120 Month Term:				
30 months (Metro)	25%	$159,456.00	24%	$41,322.00
90 months (Meier)	75%	$498,944.00	76%	130,850.00
Totals:	100%	$658,400.00	100%	$172,172.00

Metro Analysis:

Obligation $6.51 on 8,230 s.f. = $4,465/month *Lease Payment*

$4,465.00 x 30 mos. = $133,950.00

Income $7.75 on 8,230 s.f. = $5,315.20/month

$5,315.20 x 30 mos. = $159,456.00

Income	$159,456.00	
Less: Metro's Rent Obligation	<133,950.00>	*30 months*
	$25,506.00	
Costs to Metro *(TI + Fees)*	<41,322.00>	
Loss to Metro	< 15,816.00 >	

Meier's Analysis:

Guaranteed Income	$133,950.00
Out of Pocket Expenses	0.00
	$133,950.00

2. Metropolitan Family Services:

Additional Income (Net)	~~$519,518.75~~ *2*	*498,944.00*
Less: Expenses (T.I. & R.E. Fee)	~~<130,850.00>~~	*<130,850.00>*
	~~$388,668.75~~	*368,094.00*
Plus: Metro Income	~~133,950.00~~	*133,950.00*
Net	~~$522,618.75~~	*502,044.00*

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Meier Analysis: (Cont.)

	5 Year	10 Year	
@ $7.50 Net	$308,625.00	$617,250.00	
T.I.s @ $15.00/s.f.	<123,450.00>	<123,450.00>	
	$185,175.00	$493,800.00	
Real Estate Fees	<29,116.00>	<49,500.00>	
Net	$156,000.00	$444,302.00	vs. $502,044

Five Year Payback to Metro:

Metro Income @			
8,230 s.f. x $7.75	$318,912.50		
8,230 s.f. x $6.51	<267,886.50>	Lease	
Gain to Metro	$51,026.00		60 months
Less: (T.I. & R.E. Fee)	<[redacted]>	TI	
Potential Profit to Metro	$9,704.00		

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