

METRO CENTER OPTIONS

	#1 Buy Out	#2 Mothball	#3 Mothball except Current Tenants	#4 Temporarily House MFS	#5 Temp. House MFS and Other Prospects
<b>FY 1993-94:</b>					
<b>July 1-December 31, 1993</b>					
Sublease Income	\$28,545	\$28,545	\$28,545	\$28,545	\$28,545
Expenses					
Rent to AMCO	\$145,380	\$145,380	\$145,380	\$145,380	\$145,380
Operating Costs	\$52,516	\$52,516	\$52,516	\$52,516	\$52,516
Space Design/Other Lease-up Costs	\$17,675	\$17,675	\$17,675	\$17,675	\$17,675
<b>Subtotal</b>	<b>(\$187,026)</b>	<b>(\$187,026)</b>	<b>(\$187,026)</b>	<b>(\$187,026)</b>	<b>(\$187,026)</b>
<b>January 1-June 30, 1994</b>					
Sublease Income	\$4,096	\$10,240	\$24,575	\$24,575	\$24,575
Expenses					
Rent Paid to AMCO	\$1,124,230	\$145,380	\$145,380	\$145,380	\$145,380
Tenant Improvements/Space Planning	\$0	\$0	\$0	\$0	\$0
Fire and Life Safety	\$0	\$0	\$0	\$70,000	\$70,000
ADA Improvements	\$0	\$0	\$0	\$15,000	\$15,000
Brokers Fee	\$0	\$0	\$0	\$0	\$0
Potential Legal Liabilities	\$50,000	\$150,000	\$150,000	\$125,000	\$120,000
Operating Expenses (Metro Projection)	\$8,566	\$40,432	\$51,396	\$63,816	\$78,816
Credits From AMCO For:					
Tenant Improvements	\$0	\$0	\$0	\$0	\$0
Free Rent	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>(\$1,178,700)</b>	<b>(\$325,572)</b>	<b>(\$322,201)</b>	<b>(\$394,621)</b>	<b>(\$404,621)</b>
<b>FY 1993-94 Net Profit (Loss)</b>	<b>(\$1,365,726)</b>	<b>(\$512,598)</b>	<b>(\$509,227)</b>	<b>(\$581,647)</b>	<b>(\$591,647)</b>
<b>Balance of Lease</b>	N/A	(24 months)	(24 months)	(24 months)	(24 months)
Sublease Income	\$0	\$0	\$0	\$0	\$0
Expenses					
Rent Paid to AMCO	\$0	\$581,520	\$581,520	\$581,520	\$581,520
Operating Expenses	\$0	\$130,392	\$130,392	\$130,392	\$130,392
Interest on Interfund Loan	\$127,411	\$55,995	\$55,421	\$67,722	\$69,421
<b>Lease Balance Net Profit (Loss)</b>	<b>(\$127,411)</b>	<b>(\$767,907)</b>	<b>(\$767,333)</b>	<b>(\$779,634)</b>	<b>(\$781,333)</b>
<b>Total Net Profit (Loss)</b>	<b>(\$1,493,137)</b>	<b>(\$1,280,505)</b>	<b>(\$1,276,560)</b>	<b>(\$1,361,281)</b>	<b>(\$1,372,980)</b>



	#6 Non-Appropriation	#7 Proceed w/ Negotiated Leases	#8 Developer Lease Assumption	#9 "As-Is" Leases For 30 Months
<b>FY 1993-94:</b>				
<b>July 1-December 31, 1993</b>				
Sublease Income	\$28,545	\$28,545	\$28,545	\$28,545
Expenses				
Rent to AMCO	\$145,380	\$145,380	\$145,380	\$145,380
Operating Costs	\$52,516	\$52,516	\$52,516	\$52,516
Space Design/Other Lease-up Costs	\$17,675	\$17,675	\$17,675	\$17,675
<b>Subtotal</b>	<b>(\$187,026)</b>	<b>(\$187,026)</b>	<b>(\$187,026)</b>	<b>(\$187,026)</b>
<b>January 1-June 30, 1994</b>				
Sublease Income	\$24,575	\$12,288	\$12,288	\$39,908
Expenses				
Rent Paid to AMCO	\$145,380	\$145,380	\$145,380	\$145,380
Tenant Improvements/Space Planning	\$0	\$569,754	\$569,754	\$57,760
Fire and Life Safety	\$0	\$70,000	\$70,000	\$70,000
ADA Improvements	\$0	\$15,000	\$15,000	\$15,000
Brokers Fee	\$0	\$130,800	\$130,800	\$20,494
Operating Expenses (Metro Projection)	\$51,396	\$93,681	\$93,681	\$59,132
Potential Legal Liabilities	\$150,000	\$0	\$0	\$50,000
Credits From AMCO For:				
Tenant Improvements	\$0	\$295,335	\$0	\$0
Free Rent	\$0	\$122,862	\$0	\$0
<b>Subtotal</b>	<b>(\$322,201)</b>	<b>(\$594,130)</b>	<b>(\$1,012,327)</b>	<b>(\$377,858)</b>
<b>FY 1993-94 Net Profit (Loss)</b>	<b>(\$509,227)</b>	<b>(\$781,156)</b>	<b>(\$1,199,353)</b>	<b>(\$564,884)</b>
<b>Balance of Lease</b>	N/A	(60 months)	(3 months)	(24 months)
Sublease Income	\$0	\$2,616,010	\$26,824	\$492,860
Expenses				
Rent Paid to AMCO	\$25,000	\$1,453,800	\$72,690	\$581,520
Operating Expenses	\$0	\$1,359,653	\$68,168	\$397,200
Interest on Interfund Loan	\$8,890	\$46,120	\$113,390	\$41,538
<b>Lease Balance Net Profit (Loss)</b>	<b>(\$33,890)</b>	<b>(\$243,563)</b>	<b>(\$227,424)</b>	<b>(\$527,398)</b>
<b>Total Net Profit (Loss)</b>	<b>(\$543,117)</b>	<b>(\$1,024,719)</b>	<b>(\$1,426,777)</b>	<b>(\$1,092,282)</b>

**METRO CENTER  
ALTERNATIVE ASSUMPTIONS**

#1--Buy Out

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Two existing tenants sublease July 1, 1993 to January 31, 1994 at current rents.
- Rent to AMCO July 1, 1993 to January 31, 1994 at \$24,230/month plus \$1,100,000 (proposal by AMCO).
- Operating costs are five months actual plus two months estimated costs.
- Space design is actual cost to date.
- Potential legal liabilities (or settlements) are assumed at \$50,000.
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan balance		4% interest		Bond savings		End. balance
FY 95	\$1,073,836	+	42,953	-	246,101	=	870,668
FY 96	870,688	+	34,827	-	214,779	=	690,736
FY 97	690,736	+	27,629	-	168,296	=	550,069
FY 98	550,069	+	22,002	-	127,304	=	444,767
			127,411				

Balance from transfers or other unidentified sources.

#2--Mothball

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Two existing tenants sublease July 1, 1993 to March 15, 1994 (60 days' notice required) at current rents.
- Continue paying rent to AMCO at \$24,230/month through end of lease.
- Operating costs at current rates (\$8,566/month) through March 15, 1994 and then at reduced rate (\$5,433/month) for empty building.
- Space design is actual cost to date.
- Potential legal liabilities (or settlements) are assumed at \$150,000.
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan balance		4% interest		Bond savings		New req.		Ending balance
FY 95	220,708	+	8,828	-	246,101	+	355,956	=	339,391
FY 96	339,391	+	13,576	-	214,779	+	355,956	=	494,144
FY 97	494,144	+	19,766	-	168,296			=	345,614
FY 98	345,614	+	13,825	-	127,304			=	232,135
			55,995						

Balance from transfers or other unidentified sources.



**METRO CENTER  
ALTERNATIVE ASSUMPTIONS**

#3--Mothball except current tenants

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Two existing tenants sublease July 1, 1993 to June 30, 1994 at current rents. (It's assumed that they will not want to stay in an empty building long term.) Mothball beginning July 1, 1994.
- Continue paying rent to AMCO at \$24,230/month through end of lease.
- Operating costs at current rates (\$8,566/month) through June 30, 1994, then at reduced rate (\$5,433/month) for empty building.
- Space design is actual cost to date.
- Potential legal liabilities (or settlements) are assumed at \$150,000.
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan balance		4% interest		Bond savings		New req.		Ending balance
FY 95	217,337	+	8,693	-	246,101	+	355,956	=	335,885
FY 96	335,885	+	13,435	-	214,779	+	355,956	=	490,497
FY 97	490,497	+	19,620	-	168,296			=	341,821
FY 98	341,821	+	13,673	-	127,304			=	228,190
			55,421						

Balance from transfers or other unidentified sources.

#4--Mothball except current tenants plus temporary housing of Metropolitan Family Service

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Two existing tenants sublease July 1, 1993 to June 30, 1994 at current rents. (It's assumed that they will not want to stay in an empty building long term.) Metropolitan Family Service ("MFS") moves in temporarily with no improvements provided by Metro and no rent received. Mothball beginning July 1, 1994.
- Continue paying rent to AMCO at \$24,230/month through end of lease.
- Operating costs at current rates (\$8,566/month) through January 31, 1994; at higher rate to provide for MFS (\$11,050/month) February 1, 1994 to June 30, 1994; then at reduced rate (\$5,433/month) for empty building.
- Space design is actual cost to date.
- Potential legal liabilities (or settlements) are assumed at \$125,000.
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan balance		4% interest		Bond savings		New req.		Ending balance
FY 95	289,757	+	11,590	-	246,101	+	355,956	=	411,202
FY 96	411,202	+	16,448	-	214,779	+	355,956	=	568,827
FY 97	568,827	+	22,753	-	168,296			=	423,284
FY 98	423,284	+	16,931	-	127,304			=	312,911
			67,722						

Balance from transfers or other unidentified sources.

**METRO CENTER  
ALTERNATIVE ASSUMPTIONS**

#5--Mothball except current tenants plus temporary housing of MFS, Morrison Center, Solus Systems, and Parametrix

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Two existing tenants sublease July 1, 1993 to June 30, 1994 at current rents. (It's assumed that they will not want to stay in an empty building long term.) MFS and other tenants with signed agreements move in temporarily with no improvements provided by Metro and no rent received. Mothball beginning July 1, 1994.
- Continue paying rent to AMCO at \$24,230/month through end of lease.
- Operating costs at current rates (\$8,566/month) through January 31, 1994; at higher rate to provide for temporary tenants (\$14,050/month) February 1, 1994 to June 30, 1994; then at reduced rate (\$5,433/month) for empty building.
- Space design is actual cost to date.
- Potential legal liabilities (or settlements) are assumed at \$120,000.
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan balance		4% interest		Bond savings		New req.		Ending balance
FY 95	299,757	+	11,990	-	246,101	+	355,956	=	421,602
FY 96	421,602	+	16,864	-	214,779	+	355,956	=	579,643
FY 97	579,643	+	23,186	-	168,296			=	434,533
FY 98	434,533	+	17,381	-	127,304			=	324,610
			69,421						

Balance from transfers or other unidentified sources.

#6--Nonappropriation

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Same as #3 for Fiscal Year 1994.
- Exercise "non-appropriation" clause and pay \$25,000 one time fee to be released from lease.
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan balance		4% interest		Bond savings		New req.		Ending balance
FY 95	217,337	+	8,693	-	246,101	+	25,000	=	4,929
FY 96	4,929	+	197	-	5,126	+		=	0
			8,890						

**METRO CENTER  
ALTERNATIVE ASSUMPTIONS**

#7--Proceed with Negotiated Leases

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Complete lease negotiations by January 15, 1994 and complete improvements for move-in on April 1, 1994 for tenants totaling 83% of the building space.
- Two existing tenants continue at current rents July 1, 1993 to March 31, 1994.
- Tenant details as follows:

	<u>Lease Term</u>	<u>Free Rent</u>	<u>Rent/SF</u>	<u>Square Feet</u>
Pacific Fisheries	63	4	\$13.90	3,058
Moskowitz & Thomas	63	3	14.87	1,512
Metropolitan Family Service	63	6	13.75	8,980
Parametrix	63	6	14.96	7,452
Downstream Editorial	63	6	15.95	8,822
Morrison Center	63	6	13.75	2,300
Solus Systems	63	3	13.80	1,725
Newton Bard	63	4	14.85	<u>3,300</u>
				37,149

- Sublease revenues:

		<u>FY 95</u>	<u>FY 96 &amp; Beyond</u>
Pacific Fisheries	(11)	\$38,964	(12) \$42,506
Moskowitz & Thomas	(12)	22,483	(12) 22,483
Metropolitan Family Service	(9)	92,606	(12) 123,475
Parametrix	(9)	83,611	(12) 111,482
Downstream Editorial	(9)	105,533	(12) 140,711
Morrison Center	(9)	23,719	(12) 31,625
Solus Systems	(12)	23,805	(12) 23,805
Newton Bard	(11)	<u>44,921</u>	(12) <u>49,005</u>
		\$435,642	\$545,092

- Tenant improvements at \$15/sf for 37,129 square feet, and space planning at \$0.75/sf for four leases totaling 16,692 square feet.
- Brokers fee is 5% of new sublease income.
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan bal. (\$)		4% interest (\$)		Sublease (\$)		Expenses (\$)		Bond savings (\$)		End. balance (\$)
FY 95	489,266	+	19,570	-	435,642	+	562,690	-	246,101	=	389,783
FY 96	389,783	+	15,591	-	545,092	+	562,690	-	214,779	=	208,193
FY 97	208,193	+	8,327	-	545,092	+	562,690	-	168,296	=	65,822
FY 98	65,822	+	<u>2,632</u>	-	545,092	+	562,690	-	86,052	=	86,052
			<u>46,120</u>								

- Operating expenses are figured at \$7.34/occupied square foot from April 1, 1994 through balance of lease.
- AMCO share of tenant improvements is 53% per oral agreement.
- AMCO share of free rent is 50% per oral agreement.



## METRO CENTER ALTERNATIVE ASSUMPTIONS

### #8--Developer Lease Assumption

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Per written proposal from developer.
- Same lease-up/build-out schedule as Option #7.
- Developer assumes responsibility on October 1; therefore, rent and operating costs continue through September 30, 1994.
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan bal. (\$)		4% interest (\$)		Sublease (\$)		Expenses (\$)		Bond savings (\$)		End. balance (\$)
FY 95	907,463	+	36,298	-	26,824	+	140,858	-	246,101	=	811,694
FY 96	811,694	+	32,467	-		+		-	214,779	=	629,382
FY 97	629,382	+	25,175	-		+		-	168,296	=	486,261
FY 98	486,261	+	19,450	-		+		-	127,304	=	378,407
			<u>113,390</u>								

Balance from transfers or unidentified sources.

### #9--"As Is" Leases for 30 Months

- July 1 - December 31, 1993 sublease income is actual receipts including one-time revenue from parking.
- Two existing tenants sublease for entire period at current rates.
- Remaining space is leased up to 75% occupancy as follows:

5,000 sf	on	March 1, 1994	@	\$6/sf	(non-profits)
2,000 sf	on	March 1, 1994	@	\$8/sf	
10,000 sf	on	July 1, 1994	@	\$8/sf	
11,880 sf	on	July 1, 1994	@	\$6/sf	(non-profits)

- Sublease Revenues:

		Jan.-Jul. 94	FY 95 & 96
Pacific Fisheries/Moskowitz & Thomas		24,575	98,300
March 1 Non-profits	(4)	10,000	60,000
March 1 Other	(4)	5,333	32,000
July 1 Non-profits		0	142,560
July 1 Other		<u>0</u>	<u>160,000</u>
		39,908	492,860

- Continue paying rent to AMCO at \$24,230 per month through end of lease.
- Tenant improvements at \$2/sf for all new tenants (28,880 sf) with no additional space design.
- Brokers fee of 5% for new tenants:

March 1	28	x	8/12	x	2,000	x	.05	=	1,866
March 1	28	x	6/12	x	5,000	x	.05	=	3,500
July 1	24	x	8/12	x	10,000	x	.05	=	8,000
July 1	24	x	6/12	x	11,880	x	.05	=	<u>7,128</u>
									<u>20,494</u>

**METRO CENTER  
ALTERNATIVE ASSUMPTIONS**

- Operating costs at current rates (\$8,566/month) through February 28, 1994; at higher rate to provide for more tenants beginning March 1, 1994 (\$10,500/month); then at an even higher rate to provide for new tenants beginning July 1, 1994 (\$16,550/month).
- Savings on bond refinance of \$295,860 will be used to partially cover FY 93-94 loss.
- Interfund loan at 4% interest per following schedule:

	Beg. loan bal. (\$)		4% interest (\$)		Sublease (\$)		Expenses (\$)		Bond savings (\$)	=	End. balance (\$)
FY 95	272,994	+	10,920	-	246,430	+	489,360	-	246,101	=	280,743
FY 96	280,743	+	11,229	-	246,430	+	489,360	-	214,779	=	320,123
FY 97	320,123	+	12,804	-		+		-	168,296	=	164,631
FY 98	164,631	+	6,585	-		+		-	127,304	=	43,912
			41,538								

Balance from transfers or unidentified sources.