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6
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8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **LOS ANGELES DIVISION**

11 In re) Case No. 2:12-bk-48563-BB
12 501 GRANT STREET PARTNERS, LLC,)
13 Debtor and Debtor in Possession.) Chapter 11
14) **DEBTOR’S FIRST AMENDED**
15) **DISCLOSURE STATEMENT**
16) **DESCRIBING DEBTOR’S CHAPTER 11**
17) **PLAN OF REORGANIZATION (DATED**
18) **MARCH 15, 2013)**
19) Disclosure Statement Hearing:
20) Date: April 9, 2013
21) Time: 11:00 a.m.
22) Place: 255 E. Temple Street
23) Courtroom “1475”
24) Los Angeles, CA 90012
25) Plan Confirmation Hearing:
26) Date: To be set
27) Time: To be set
28) Place: 255 E. Temple Street
Courtroom “1475”
Los Angeles, CA 90012

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1 **INTRODUCTION**

2 501 Grant Street Partners, LLC (the “Debtor” or the “Plan Proponent”) is the debtor and
3 debtor in possession in the above captioned Chapter 11 case. On November 14, 2012, an
4 involuntary Chapter 11 petition was filed against the Debtor under the United States Bankruptcy
5 Code (“Bankruptcy Code”), 11 U.S.C. § 101 et seq. An order for relief was entered on
6 December 13, 2012. The Debtor is a single asset real estate company that owns and operates
7 certain real property located at 501 Grant Street, Pittsburgh, Pennsylvania (the “Property”).
8 Chapter 11 allows the Debtor, the creditors and others parties in interest to propose a plan of
9 reorganization. A plan of reorganization may provide for the Debtor to reorganize by continuing
10 to operate, to liquidate by selling assets of the estate, or a combination of both. The Debtor is
11 the party proposing the Debtor’s Plan of Reorganization (the “Plan”).

12 THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT
13 DESCRIBING THE PLAN.

14 The Plan is a reorganizing plan. In summary, the Plan provides that one hundred percent
15 (100%) of the equity in the Debtor will be sold to a special purpose entity to be formed by
16 Clarity Realty Partners LLC, a third-party investor (the “Investor”). The Investor has agreed to
17 invest \$18.23 million (the “Contribution”) to be used to fund certain payments under the Plan, as
18 well as a significant amount of capital expenditures and tenant improvements to significantly
19 increase the value of the Property and the amount of rental revenue to be generated by the
20 Property in the short term. Upon the confirmation of the Plan, the Debtor’s membership interests
21 will be transferred to the Investor.

22 Upon funding of the Plan, (a) the Debtor’s secured obligation to SA Challenger, Inc.
23 (the “Lender”), which is disputed, shall be reduced to the current value of the Property,
24 restructured and repaid over time at market terms; (b) the Debtor’s secured tax obligation will
25 be paid in full following the Effective Date of the plan; (c) the Debtor’s alleged mechanics lien
26 holder(s) will either be paid in full with interest, if the lien is valid, or otherwise receive the
27 same treatment as the Debtor’s non-insider general unsecured creditors; (d) the Debtor’s priority
28 tax claim will be paid in full on the Effective Date of the Plan; and (e) the Debtor’s unsecured

1 creditors, including the Lender's deficiency claim, shall receive each creditor's pro rata share of
2 \$3,150,000 payable in thirteen (13) quarterly payments after the Effective Date of the Plan. If
3 the Lender makes an election to treat its entire claim as secured pursuant to Section 1111(b) of
4 the Bankruptcy Code, the repayment term of the restructured note described above will be
5 extended until such time as the claim amount (estimated to be approx. \$45 million) is paid. The
6 funds allocated to unsecured creditors will then be paid until claims are paid in full and the
7 remainder will be available for the reorganized Debtor for reserves and other needs of operation.

8 The Effective Date of the Plan (the "Effective Date") will be first day of the first full
9 calendar month which is at least 15 days after the entry of the Court's order confirming the
10 Plan, assuming there has been no appeal from, or order staying the effectiveness of, the Plan
11 confirmation order. The term of the Plan will be ten (10) years, unless the Lender makes a
12 Section 1111(b) election, in which case the term will be extended to allow for such treatment.

13 **A. Purpose of This Document**

14 This Disclosure Statement summarizes what is in the Plan, and tells you certain
15 information relating to the Plan and the process the Court follows in determining whether or not
16 to confirm the Plan.

17 **READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO
KNOW ABOUT:**

- 18 (1) **WHO CAN VOTE OR OBJECT,**
19 (2) **WHAT THE TREATMENT OF YOUR CLAIM IS (i.e., what you will**
20 **receive on behalf of your claim if the Plan is confirmed), AND HOW THIS TREATMENT**
21 **COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN LIQUIDATION,**
22 (3) **THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS**
23 **DURING THE BANKRUPTCY,**
24 (4) **WHAT THINGS THE COURT WILL LOOK AT TO DECIDE**
25 **WHETHER OR NOT TO CONFIRM THE PLAN,**
26 (5) **WHAT IS THE EFFECT OF CONFIRMATION, AND**
27 (6) **WHETHER THE PLAN IS FEASIBLE.**

1 This Disclosure Statement cannot tell you everything about your rights. You should
2 consider consulting your own lawyer to obtain more specific advice on how the Plan will affect
3 you and what is the best course of action for you.

4 Be sure to read the Plan as well as this Disclosure Statement. If there are any
5 inconsistencies between the Plan and this Disclosure Statement, the Plan provisions will govern.

6 The Bankruptcy Code requires a Disclosure Statement to contain “adequate
7 information” concerning the Plan. The Bankruptcy Court (“Court”) has approved this
8 document as an adequate Disclosure Statement, containing enough information to enable parties
9 affected by the Plan to make an informed judgment about the Plan.

10 **B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

11 THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS
12 DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT
13 YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER CONFIRMS THE
14 PLAN, THEN THE PLAN WILL BE BINDING ON THE DEBTOR AND ON ALL
15 CREDITORS AND INTEREST HOLDERS IN THIS CASE.

16 **1. Time and Place of the Confirmation Hearing**

17 The hearing where the Court will determine whether or not to confirm the Plan will take
18 place on _____, 2013 at Courtroom “1475”, located at 255 E. Temple Street, Los
19 Angeles, California 90012.

20 **2. Deadline For Voting For or Against the Plan**

21 If you are entitled to vote, it is in your best interest to timely vote by executing the
22 enclosed ballot and returning the executed ballot in the enclosed envelope to:

23 Levene, Neale, Bender, Yoo & Brill L.L.P.
24 10250 Constellation Avenue, Suite 1700
25 Los Angeles, California 90067
26 Facsimile: (310) 229-1244
27 Attention: David B. Golubchik, Esq. and
28 Gwendolen D. Long, Esq.

Your ballot must be received by _____, 2013 or it will not be counted.

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1 **3. Deadline for Objecting to the Confirmation of the Plan**

2 Objections to the confirmation of the Plan must be filed with the Court and served upon
3 counsel for the Debtor at the address listed in the upper left-hand corner of the first page of this
4 Disclosure Statement by _____, 2013.

5 **4. Identity of Person to Contact for More Information Regarding the Plan**

6 Any interested party desiring further information about the Plan should contact
7 Gwendolen D. Long, Esq. of Levene, Neale, Bender, Yoo & Brill L.L.P., 10250 Constellation
8 Avenue, Suite 1700, Los Angeles, California 90067, Telephone: (310) 229-1234.

9 **C. Disclaimer**

10 The financial data relied upon in formulating the Plan is based on the Debtor's books
11 and records which, unless otherwise indicated, are unaudited. The information contained in this
12 Disclosure Statement is provided solely by the Debtor, but may have been obtained by third
13 parties. The Debtor represents that everything stated in this Disclosure Statement is true to the
14 Debtor's best knowledge. The Court has not yet determined whether or not the Plan is
15 confirmable and makes no recommendation as to whether or not you should support or oppose
16 the Plan.

17 **II. BACKGROUND**

18 **A. Description and History of the Debtor's Business**

19 1. The Debtor owns and operates the Property located at 501 Grant Street in
20 downtown Pittsburgh, Pennsylvania commonly known as the "Union Trust Building" that has
21 been appraised by the Lender to be worth \$22,600,000. The Property is a Flemish-Gothic mixed
22 office and retail building built by Henry Frick in the beginning of the twentieth century and is
listed in the National Registry of Historic Places.

23 2. The Property is one of many joint acquisitions by Gerson Fox and Michael
24 Kamen, who together held a portfolio of rental properties. Through early 2011, Michael Kamen
25 handled the day-to-day operations of the Debtor through his property management company,
26 Mika Realty Group. However, through a letter agreement between Gerson Fox and Michael

1 Kamen dated February 9, 2011, Gerson Fox was designated as the sole Managing Member of
2 the Debtor, having the sole right to carry out the Debtor's business.

3 3. The Property is presently in a state of disrepair due to a lack of capital resulting
4 from prepetition litigation and inactivity by prepetition receivers (discussed below), which has
5 lead to significantly below market leasing rates and lack of rental revenue. However, the
6 Property sits on the corner of a central square in downtown Pittsburgh, where neighboring
7 buildings have vacancy rates of six to seven percent and it is difficult to find an entire floor of
8 office space for lease. Accordingly, the Debtor is confident that with the capital improvements
9 anticipated to be made from the Contribution by the Investor and the increased rental revenue
10 from the resulting increase in tenants, the Property will be returned to its original grandeur.

11 4. The Lender has alleged that pursuant to the Debtor's operating agreement in
12 order to take any actions in its Chapter 11 case, the Debtor is required to receive unanimous
13 consent from its twelve (12) members. The Debtor disputes this position and anticipates the
14 Court resolving this issue in its favor concurrent with the approval of this Disclosure Statement.

15 **B. Events Leading Up to Chapter 11 Filing**

16 5. On or about January 25, 2008, the Debtor and California National Bank ("CNB")
17 entered into that certain loan agreement (the "Loan Agreement"), pursuant to which a loan in the
18 aggregate original principal amount of \$34,580,000.00 (the "Loan") was made to the Debtor for
19 the acquisition of and improvements to that certain real property located at 501 Grant Street,
20 Pittsburgh, Pennsylvania, commonly known as the "Union Trust Building" (the "Property").
21 The maturity date of the Loan was March 1, 2010 (the "Maturity Date"). The Loan is further
22 secured by that certain Assignment of Leases and Rents, dated as of January 25, 2008 (as
23 amended the "Assignment of Leases and Rents" and together with the Loan Agreement and any
24 other associated documents the "Loan Documents").

25 6. Between May and September 2009, the Debtor and CNB were engaged in
26 litigation before the Court of Common Pleas of Allegheny County, Pennsylvania (the "Common
27 Pleas Court") concerning CNB's refusal to comply with the terms and conditions of the Loan
28 Documents and its attempts to foreclose on the Property. Ultimately, after a two-day evidentiary

1 hearing, the Debtor and CNB resolved their differences by entering into and funding a Second
2 Amendment to Mortgage (the "Second Amendment"). The Second Amendment provided for,
3 among other things, conditional extensions of the Maturity Date. Those conditions were not
4 fully satisfied. Because the Debtor was unable to satisfy all of the conditions agreed to by the
5 parties, there was no further extension of the Maturity Date.

6 7. On or about October 30, 2009, the Federal Deposit Insurance Corporation
7 ("FDIC") placed CNB into receivership. U.S. Bank ("USB") became the successor-in-interest to
8 CNB by virtue of an assignment from the FDIC as Receiver for CNB with respect to the loans
9 and security described herein. USB asserted that the Debtor was in default under the terms and
10 conditions of the Loan Documents on or about March 1, 2010, because, inter alia, the Loan
11 matured on March 1, 2010, and the Debtor failed to pay the balance of all unpaid principal and
12 interest due on or before the Maturity Date.

13 8. The Debtor attempted to work with USB to establish a mutually-agreeable third
14 amendment to the Loan Documents. However, such an agreement could not be reached.
15 Accordingly, because the Loan matured and USB alleged that the Debtor was unable to satisfy
16 all of the conditions of the Second Amendment, USB initiated a foreclosure action in the
17 Common Pleas Court, bearing Case No. GD-11-018352. On or about May 16, 2012, the
18 Common Pleas Court, per the Honorable Christine A. Ward, entered an amended judgment in
19 mortgage foreclosure in favor of USB and against the Debtor in the amount of \$41,437,381.01,
20 plus additional interest and legal and other professional fees and all other applicable charges
21 accrued or incurred in the future under the Loan Documents from and after May 16, 2012, until
22 the judgment is paid in full (the "Judgment"). The Judgment, the Loan Documents and other
23 interests of USB as successor to CNB were assigned to the Lender in or about July 2012.

24 9. The Debtor's income is derived from the rents it receives from tenants of the
25 Property. The ability to receive a steady flow of rental income has been disturbed in no small
26 part due to the Debtor's ongoing litigation with Siemens Corporation ("Siemens"), its largest
27 tenant, in a case filed in the Common Pleas Court (Case No. GD-10-009309). In that dispute,
28 initiated by Siemens, Siemens' erroneously alleged that the Debtor defaulted under the lease by,

1 among other things, failing to reimburse Siemens for improvements to the Property and failing
2 to compensate Siemens for rent owed (\$4.9 million) under its prior lease. The Debtor
3 successfully argued before the trial court that a binding letter of intent (“LOI”) governed the
4 relationship between the parties, and that the terms and conditions of that LOI precluded
5 Siemens’ claims.

6 10. The Lender sought to execute on the Judgment by scheduling a sheriff sale for
7 August 6, 2012. In response to this action, and in order to allow it to restructure in a better and
8 more comprehensive manner, the Debtor filed a voluntary Chapter 11 bankruptcy petition on
9 August 3, 2012, in the United States Bankruptcy Court for the Western District of Pennsylvania.

10 11. Based on its view that the Debtor’s operating agreement required unanimous
11 consent to authorize the voluntary bankruptcy filing, the Office of the United States Trustee
12 filed a motion to dismiss the bankruptcy case. The case eventually was dismissed without
13 prejudice to re-filing.

14 12. After dismissal of the initial case, the Lender proceeded with its foreclosure
15 efforts and scheduled a foreclosure sale of the Property which would deprive the estate and its
16 creditors of any recovery. In addition, shortly prior to the commencement of this case, the
17 Lender obtained an order appointing Jeffery Ackerman of CBRE, Inc. (“CBRE”) as receiver
18 over the Property.

19 **C. Significant Events During the Debtor’s Chapter 11 Case**

20 13. Subsequent to the appointment of the receiver, but prior to the receiver’s taking
21 possession of the Property, in order to preserve and maximize the value of the primary asset of
22 this estate (i.e., the Property), on November 14, 2012 (the “Petition Date”), various unsecured
23 creditors filed an involuntary petition against the Debtor under Chapter 11 of the Bankruptcy
24 Code.

25 a) Operational Issues

26 14. After the Petition Date, CBRE took action to gain possession of the Property. As
27 set forth below, in connection with the Lender’s RFS Motion, CBRE was allowed to remain in
28 possession of the Property pending an agreement between the Lender and the Debtor regarding a

1 replacement receiver. Effective as of February 5, 2013, Jones Lang LaSalle Americas, Inc. (the
2 “Receiver”) was named as replacement receiver pursuant to a stipulated order entered in the
3 State Court Action, as filed with the Court by the Lender attached to the *Notice of Entry of*
4 *Order Re Substitution of Receiver* [Docket No. 112] on February 7, 2013. The Receiver
5 presently remains in possession of the Property.

6 b) Administrative Matters

7 15. The Debtor was required to address the various administrative matters attendant
8 to the commencement of its bankruptcy case. These matters included the preparation of detailed
9 Schedules of Assets and Liabilities and a Statement of Financial Affairs, and the preparation of
10 the materials required by the Office of the United States Trustee, including, without limitation,
11 the 7-Day Package and the monthly operating reports and interim statements. The Debtor also
12 attended the debtor’s initial interview with the Office of the United States Trustee, and the
13 meeting of creditors required under 11 U.S.C. § 341(a).

14 16. At certain status conferences held before the Court, the following deadlines were
15 set in the Debtor’s case:

- 16 (i) April 19, 2013 - bar date for filing proofs of claim against the Debtor;
17 (ii) March 15, 2013 - deadline to file and amended Plan and Disclosure Statement; and
18 (iii) April 9, 2013 - hearing on the adequacy of the Disclosure Statement.

19 c) Employment of Professionals

20 17. At the outset of the case, the Debtor chose to employ Levene, Neale, Bender,
21 Yoo & Brill L.L.P. (“LNBYB”) as its bankruptcy counsel. Accordingly, on December 27, 2012,
22 the Debtor filed that certain *Application to Employ Levene, Neale, Bender, Yoo & Brill L.L.P. as*
Bankruptcy Counsel [Docket No. 58] (the “LNBYB Application”).

23 18. The Lender filed an objection to the LNBYB Application [Docket No. 69] on
24 January 8, 2013, asserting certain alleged issues with the source of the retainer. On January 22,
25 2013, the Debtor filed a *Declaration of David B. Golubchik in Response to United States*
26 *Trustee’s Objection to Application of Debtor and Debtor in Possession to Employ Levene,*
27 *Neale, Bender, Yoo & Brill L.L.P. as Bankruptcy Counsel* [Docket No. 76], clarifying the issues

1 raised in the Lender's opposition. A hearing was held on the LNBYB Application on February
2 6, 2013, where the Court approved the LNBYB Application conditioned on a declaration from
3 the Debtor's authorized agent. In satisfaction of the Court's condition, on February 7, 2013, the
4 Debtor filed its *Declaration of David M. Frank in Support of Application of Debtor and Debtor*
5 *in Possession to Employ Levene, Neale, Bender, Yoo & Brill L.L.P. as Bankruptcy Counsel*
6 [Docket No. 114].

7 19. Thereafter, the LNBYB Application was approved by order of the Court on
8 February 15, 2013 [Docket No. 122].

9 d) Significant Filings During the Debtor's Case

10 20. On November 28, 2012, during the involuntary gap period, the Lender filed
11 *Omnibus Motion to Dismiss, Abstain, or Transfer* [Docket No. 11] (the "Motion to Dismiss")
12 challenging the involuntary petition, seeking dismissal, and abstention or transfer of the case as
13 well as a *Motion for Relief from the Automatic Stay* [Docket No. 13] (the "RFS Motion"),
14 seeking relief from the automatic stay to pursue state court remedies.

15 21. On December 4, 2012, the Debtor filed its *Emergency Motion to Dismiss or Deny*
16 *(1) Omnibus Motion to Dismiss, Abstain, or Transfer; and (2) Motion for Relief from the*
17 *Automatic Stay and Retention of Receiver* [Docket No. 19] (the "Emergency Motion"), seeking
18 to deny the Motion to Dismiss and RFS Motion on the basis that the pleadings were filed in
19 advance of the entry of the order for relief. The Court denied the Emergency Motion the
20 following day, without prejudice to the Debtor's ability to include the issues raised therein in the
21 Debtor's substantive responses to the Motion to Dismiss and RFS Motion.

22 22. Thereafter, on December 5, 2012, the Debtor filed its oppositions to both the
23 Motion to Dismiss and RFS Motion, which were docketed by the clerk of the Court as Docket
24 Nos. 22 and 23, respectively.

25 23. Also on December 5, 2012, the Debtor filed its *Disclosure Statement* [Docket No.
26 25] (the "Superceded Disclosure Statement"), which describes the Debtor's *Chapter 11 Plan of*
27 *Reorganization* [Docket No. 24] ("Superceded Plan") as revised herein.
28

1 24. On December 12, 2012, the Lender filed its reply regarding the Motion to
2 Dismiss and RFS Motion.

3 25. An order for relief was entered by the Court on December 13, 2012.

4 26. On December 14, 2012, the Debtor filed its *Emergency Motion for Entry of an*
5 *Order (I) Authorizing Debtor to Use Cash Collateral, (II) Authorizing Debtor to Enter into*
6 *Unsecured Financing Agreement, and (III) Directing Tenants Leasing Space Within the*
7 *Property to Pay All Rent Directly to the Debtor* [Docket No. 35] (the “Financing/Collateral
8 Motion”).

9 27. On December 18, 2012, the Lender filed an opposition to the
10 Financing/Collateral Motion [Docket No. 44], alleging that the Debtor lacked corporate
11 authority to enter into the financing agreement and that the cash collateral sought to be used was
12 not property of the estate.

13 28. On December 18, 2012, the Debtor filed a *Declaration of Malhar S. Pagay*
14 *Regarding Position of Chapter 7 Trustee for Michael J. Kamen* [Docket No. 46], reflecting the
15 intent of the Chapter 7 trustee appointed in the bankruptcy case of Michael J. Kamen not to
16 interfere with the reorganization efforts of the Debtor.

17 29. At a hearing held on December 19, 2012, the Court granted the RFS Motion in
18 part, allowing CBRE to remain in possession, and continued the remainder of the relief
19 requested in the RFS Motion and the Financing/Collateral Motion.

20 30. Also at the December 19, 2012 hearing, as a result of certain conflicts between
21 Gerson Fox and Michael Kamen with respect to the management of properties in other related
22 Chapter 11 bankruptcies, the Court issued an *Order to Show Cause re: Appointment of a Trustee*
23 [Docket No. 51] (the “OSC”). On January 23, 2013, the Lender filed a *Memorandum of Points*
24 *and Authorities in Support of the Appointment of a Chapter 11 Trustee* [Docket No. 81],
25 supported by a declaration of Michael Kamen. On January 30, 2013, the Debtor filed its
26 response to the OSC [Docket No. 96] supported by a declaration of Gerson Fox [Docket No.
27 94].
28

1 31. On January 5, 2013, the Office for the United States Trustee (the “UST”) filed
2 *Motion to Dismiss or Convert or Appoint a Chapter 11 Trustee With an Order Directing*
3 *Payment of Quarterly Fees and for Judgment Thereon* [Docket No. 64] (the “UST Motion”),
4 asserting various issues with the Debtor’s compliance documents. On January 30, 2013, the
5 Debtor filed its response to the UST Motion [Docket No. 95], verifying the Debtor’s position
6 that certain outstanding compliance issues had been satisfied.

7 32. On February 1, 2013, the Lender filed its *Motion for Entry of Order Pursuant to*
8 *Rule 3014 of the FRBP Extending Time to Make an Election Pursuant to 11 U.S.C. Section*
9 *1111(B)* [Docket No. 105] (the “1111(b) Motion”).

10 33. On February 11, 2013, the Debtor filed its *Ex Parte Motion to Strike Declaration*
11 *of Michael Kamen in Connction with Hearing to Consider Order to Show Cause Regarding*
12 *Appointment of Trustee* [Docket No. 119] (the “Motion to Strike”). The Court granted the
13 Motion to Strike pursuant to an order entered on February 20, 2013 [Docket No. 132].

14 34. The Court granted the Financing/Collateral Motion in part on February 11, 2013
15 [Docket No. 120], allowing the Debtor to borrow funds for the payment of legal fees associated
16 with the Chapter 11 case.

17 35. The UST Motion, the RFS Motion, the OSC, the 1111(b) Motion and a hearing
18 on the adequacy of this Disclosure Statement are scheduled to be heard on April 9, 2013.

19 **D. Current and Historical Financial Conditions**

20 36. The Debtor’s only significant physical asset consists of the Property. Based on
21 an appraisal submitted by the Lender, the Debtor estimates that the Property is presently worth
22 approximately \$22.6 million. A copy of the appraisal was submitted by the Lender as Exhibit K
23 to its Motion to Dismiss filed on November 28, 2012.

24 37. The Debtor’s ten-year projected cash flow, covering the time period of the Plan is
25 attached hereto as Exhibit A. The projected cash flow is based in part upon the Debtor’s
26 historical performance, but largely upon the Debtor’s projected future performance with the
27 application of the Contribution toward necessary capital expenditures, tenant improvements, and
28 broker commissions. The projected rental revenue is based upon the current market in

1 downtown Pittsburgh and a conservative but consistent increase in rental revenue to reflect
2 market demand.

3 38. Attached hereto as Exhibit B is a summary of the Debtor's financial conditions
4 for the calendar years 2010 and 2011. At that time the Property was managed by CBRE and the
5 financial information included therein is derived from monthly reporting received by the Debtor
6 from CBRE. The Debtor believes that the historic projections provide a basis for the short term
7 rental revenue, but do not adequately reflect the anticipated future revenue given the lack of
8 leasing efforts by the state court receivers and the present state of the Property.

9 **E. Postconfirmation Management and Operations**

10 39. As reflected above, pursuant to the Plan one hundred percent (100%) of the
11 equity in the Debtor will be sold to the Investor, who has agreed to invest \$18.23 million to be
12 used to fund certain payments under the Plan, as well as a significant amount of capital
13 expenditures and tenant improvements to significantly increase the value of the Property and the
14 amount of rental revenue to be generated by the Property in the short term. Upon the
15 confirmation of the Plan, the Debtor's membership interests will be transferred to the Investor.
16 Attached hereto as Exhibit C is a true and correct copy of the *Revised Letter of Intent* dated
17 March 12, 2013 (the "Revised LOI"), reflecting the terms of the Debtor's agreement with the
18 Lender.

19 40. The following chart reflects the use of the specific use of the \$8,180,000
20 allocated in the Revised LOI toward capital expenditures:

| Description of Expenditure | Cost of Improvement |
|---|---------------------|
| Elevator Modernization | \$2,000,000 |
| Mansard Drain Cleaning and Patching | \$125,000 |
| Broken Glass Repair Canopies | \$6,000 |
| Cracked Rain Conductor Pipe | \$9,000 |
| Peeling Paint and Plaster Repair | \$70,000 |
| Peeling Plaster Around Decorative Windows | \$275,000 |

| | | |
|----|---|--------------------|
| 1 | Building Automation System | \$400,000 |
| 2 | Water Leaks from Sidewalks | \$225,000 |
| 3 | VAV Box Controls | \$720,000 |
| 4 | Parking Garage Completion | \$250,000 |
| 5 | Store Front Construction Clean Up | \$15,000 |
| 6 | Atrium Window and Pit Roof Repair | \$50,000 |
| 7 | Fire Alarm and Testing | \$14,045 |
| 8 | Mellon Walk Foundation Repair | \$7,000 |
| 9 | Revolving Door Maintenance | \$14,700 |
| 10 | HVAC Fan Blade – Variable Frequency Drives | \$250,000 |
| 11 | New Chilled Water Plant | \$2,200,000 |
| 12 | Installation of Transformer – Chilled Water Plant | \$800,000 |
| 13 | New Hot Water Boilers | \$750,000 |
| 14 | Total | \$8,180,000 |

15 41. The Debtor presently contracts with the owner of a neighboring property, BNY
 16 Mellon, for the use of its chilled water plant. The chilled water contract is set to expire at the end
 17 of May 2013, however the Receiver is presently in discussions regarding the renewal of the
 18 contract. The Debtor and BNY Mellon anticipate that certain steps would be taken in the short
 19 term to isolate the chilled water loop in the building from the generating chiller at the cost of
 20 around \$200,000. Eventually, however, the parties anticipate that the Debtor would install its
 21 own chiller and transformers to be operational over the next five years. The total costs for these
 22 capital improvements are reflected in the above chart. The Debtor will continue to work with the
 23 Receiver and BNY Mellon to finalize a renewed chilled water agreement.

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III. SUMMARY OF PLAN

A. What Creditors and Interest Holders Will Receive Under the Plan

As required by the Bankruptcy Code, the Plan classifies claims and interests in various classes according to their right to priority. The Plan states whether each class of claims or interests is impaired or unimpaired. The Plan provides the treatment each class will receive.

B. Unclassified Claims

Certain types of claims are not placed into voting classes; instead they are unclassified. They are not considered impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Debtor has not placed the following claims in a class:

1. Administrative Expenses

Administrative expenses are claims for costs or expenses of administering the Case that are allowed under Bankruptcy Code Section 507(a)(1). The Bankruptcy Code requires that all administrative claims be paid on the Effective Date unless a particular claimant agrees to a different treatment.

The following chart lists all of the Debtor's § 507(a)(1) administrative claims and their treatment under the Plan:

| <u>Name</u> | <u>Amount Owed</u> | <u>Treatment</u> |
|---|---------------------------|---|
| Clerk's Office Fees | \$0 (estimated) | Paid in full on the Effective Date. |
| Office of the U.S. Trustee Fees | \$0 (estimated) | Paid in full on the Effective Date. |
| Levene, Neale, Bender, Yoo & Brill L.L.P. (" <u>LNBYB</u> "), the Debtor's bankruptcy counsel | \$100,000 (estimated) | Paid in full on the later of (1) Effective Date; and (2) date of entry of order allowing the fees and costs |
| Post-Petition Trade Payables | \$0 (estimated) | Paid in full on the Effective Date. |
| TOTAL | \$100,000 (estimated) | |

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Court Approval of Attorneys' Fees Required:

The Court must rule on the fees of LNBYB listed in the foregoing chart before the fees will be owed. LNBYB must file and serve a properly noticed fee application, and the Court must rule on the application. Only the amount of fees allowed by the Court will be owed and required to be paid under the Plan.

As indicated above, the Debtor estimates that it will need to pay approximately \$100,000 worth of administrative claims on the Effective Date unless the claimant has agreed to be paid later or the Court has not yet ruled on the claim. This amount is only an estimate and actual claims may be higher or lower than estimated herein. The Debtor anticipates that it will have sufficient funds on hand to pay the administrative fees.

2. Priority Tax Claims

Priority tax claims are certain unsecured income, employment and other taxes described by Bankruptcy Code Section 507(a)(8). The Bankruptcy Code requires that each holder of such a Section 507(a)(8) priority tax claim receive the present value of such claim in deferred cash payments, over a period not exceeding six years from the date of the assessment of such tax.

The following chart identifies the Plan's treatment of the class containing the Debtor's priority unsecured claim:

| <u>DESCRIPTION</u> | <u>TREATMENT</u> |
|---|---|
| <u>Priority tax claim filed by:</u> Commonwealth of Pennsylvania Dept. of Revenue <u>Amount alleged to be owed</u> = approx. \$28,701 | In full and complete satisfaction of the priority claim, the Debtor shall make a \$28,701 lump sum payment on the Effective Date. |
| <u>Priority tax claim filed by:</u> Pittsburgh Downtown Partnership <u>Amount alleged to be owed</u> = approx. \$22,636 | In full and complete satisfaction of the priority claim, the Debtor shall make a \$22,636 lump sum payment on the Effective Date. |

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C. Classified Claims and Interests

1. Class of Secured Claims

Secured claims are secured by liens on property of the estate. The following chart lists the class containing the Debtor's secured pre-petition claims and their treatment under the Plan:

| <u>CLASS #</u> | <u>DESCRIPTION</u> | <u>INSIDER (Y/N)</u> | <u>IMPAIRED (Y/N)</u> | <u>TREATMENT</u> |
|----------------|--|----------------------|---|---|
| 1 | <p><u>Secured claim of:</u> Commonwealth of Pennsylvania Dept. of Revenue</p> <p><u>Collateral =</u> Property</p> <p><u>Collateral value =</u> \$22,600,000</p> <p><u>Priority =</u> statutory first priority</p> <p><u>Taxes owed =</u> approx. \$1.6 million</p> | N | N (Creditor in this class is not entitled to vote on the Plan) | <p>Class 1 claim shall be treated as follows:</p> <p>1. On the Effective Date, Claimant shall receive a cash payment of 100% of the allowed amount of its claim, to be applied to reduce the claim amount.</p> <p>2. The treatment herein shall be in full and complete satisfaction of all Class 1 claims.</p> |

| <u>CLASS #</u> | <u>DESCRIPTION</u> | <u>INSIDER (Y/N)</u> | <u>IMPAIRED (Y/N)</u> | <u>TREATMENT</u> |
|----------------|--|----------------------|--|---|
| 2 | <p><u>Secured claim of:</u> SA Challenger</p> <p><u>Collateral =</u> Property</p> <p><u>Collateral value =</u> \$22,600,000</p> <p><u>Priority of security =</u> first priority lien</p> <p><u>Amount alleged to be owed =</u> \$45,785,598.47</p> | N | Y (Creditor in this class is entitled to vote on the Plan provided that creditor holds an allowed claim.) | <p>Class 2 claim shall be treated as follows:</p> <p>1. On the Effective Date, Claimant shall receive a note in the amount of the secured amount of its claim estimated to be approximately \$21.1 million, secured by the Property improved as described herein, as well as the rental revenue of the Property to the same extent and validity as the Lender's prepetition lien and security</p> |

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| <u>CLASS #</u> | <u>DESCRIPTION</u> | <u>INSIDER (Y/N)</u> | <u>IMPAIRED (Y/N)</u> | <u>TREATMENT</u> |
|----------------|---|----------------------|-----------------------|--|
| | The Lender is undersecured and the treatment of the Lender's deficiency claim is set forth herein | | | <p>interest.</p> <p>2. Commencing on the Effective Date and continuing for a period of 120 months, claimant shall receive principal and interest payments amortized over thirty (30) years at market rate to be determined at the plan confirmation hearing (which the Debtor believes is 5.5% per annum).</p> <p>3. On the 121st month following the Effective Date, the balance of the claim will be due and payable in full.</p> <p><u>Payment Interval</u> = 1st day of each month commencing on the Effective Date.</p> <p><u>Interest rate</u> = Market interest rate to be determined by Court at Plan confirmation hearing. Debtor believes that current market interest rate is 5.5% per annum.</p> <p><u>Est. payment amount</u> = \$119,803.48</p> <p><u>Additional Terms:</u></p> <p>A. No pre-payment penalty. B. Liens shall remain on the Property until the obligation is satisfied C. The treatment herein shall be in full and complete satisfaction of the secured portion of the Class 2 claim.</p> |

| <u>CLASS #</u> | <u>DESCRIPTION</u> | <u>INSIDERS</u> <u>(Y/N)</u> | <u>IMPAIRED</u> <u>(Y/N)</u> | <u>TREATMENT</u> |
|----------------|--|---------------------------------|---|---|
| 3 | <p><u>Disputed Mechanics Liens:</u> DAS Construction and International Construction</p> <p><u>Collateral =</u> Property</p> <p><u>Collateral value =</u> approx. \$22,600,000</p> <p><u>Amount alleged to be owed =</u> \$77,185.91 and \$118,386.61, respectively</p> | N | Y (Creditor in this class is entitled to vote on the Plan) | <p>Treatment of the Class 3 claim as a secured claim under the Plan will be dependent upon whether the disputed mechanic lien claim is secured by a valid, properly perfected and enforceable mechanic lien against the Property.</p> <p>If either of the disputed mechanic liens is found to be a valid secured claim, Class 3 claims will receive thirty-six (36) equal monthly payments, commencing on the first day of the first full calendar month after the Effective Date; <u>otherwise</u> Class 3 will receive the same treatment as the Class 4 claims since it will be deemed to be a general unsecured claim</p> |

2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in Bankruptcy Code Sections 507(a)(3), (4), (5), (6), and (7) are required to be placed in classes. These types of claims are entitled to priority treatment as follows: the Bankruptcy Code requires that each holder of such a claim receive cash on the Effective Date equal to the allowed amount of such claim. However, a class of unsecured priority claim holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claims. To the best of Debtor's knowledge, no such claims exist.

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3. Class of General Unsecured Claims

General unsecured claims are unsecured claims not entitled to priority under Bankruptcy Code Section 507(a). The following charts identify the Plan’s treatment of the classes containing the Debtor’s general unsecured claims:

| <u>CLASS #</u> | <u>DESCRIPTION</u> | <u>INSIDERS (Y/N)</u> | <u>IMPAIRED (Y/N)</u> | <u>TREATMENT</u> |
|----------------|---|-----------------------|--|---|
| 4 | <p>Allowed general unsecured claims, including deficiency claim of the Lender</p> <p><u>Total amount of claims</u> = approx. \$2.46 million¹ (subject to increase by approx. \$195,000 if the Class 3 claims are determined not to hold a valid security interest, but are otherwise allowed claims)</p> | N | <p>Y</p> <p>(Creditors in this class are entitled to vote on the Plan)</p> | <p>Class 4 allowed claims shall be treated as follows:</p> <p>1. On the later of the Effective Date or the date such claim is allowed, Claimants shall receive their pro rata share of \$3,150,000 payable over thirteen quarters.</p> <p>2. If the Lender makes an election to treat its entire claim as secured pursuant to Section 1111(b) of the Bankruptcy Code, unsecured creditors will then be paid in full with the remaining balance available to remain with Debtor for operations.</p> <p><u>Percentage Payout</u> = at least 12% up to 100%</p> <p>The foregoing treatment shall be in full and complete satisfaction of all Class 4 claims.</p> |

¹ Siemens Corporation asserts a claim in the amount of approximately \$8 million that is presently subject to appeal in state court. Siemens is a prepetition tenant of the Property and the Debtor anticipates that any resolution of the Siemens claim will be paid by offset in future rent owing. Accordingly, the amount of the Siemens claim is not included herein.

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4. Class of Interest Holders

Interest holders are the parties who hold an ownership interest (i.e., equity interest) in the Debtor. The Debtor is a limited liability company, thus entities holding member interests in the Debtor are interest holders. The following chart identifies the Plan’s treatment of the class of interest holders:

| <u>CLASS #</u> | <u>DESCRIPTION</u> | <u>IMPAIRED (Y/N)</u> | <u>TREATMENT</u> |
|----------------|--------------------|-----------------------|--|
| 5 | Interest holders | N | On the Effective Date, all class 5 interests will be deemed cancelled, terminated and extinguished and of no further force and effect and will no longer constitute an equity interest in the Reorganized Debtor without the need for either the Reorganized Debtor or the class 5 interest holders to take any further action. Membership interests the Reorganized Debtor shall be transferred to the Investor as further set forth herein. |

D. Means of Effectuating the Plan

1. Funding for the Plan

The Plan will be funded by the Contribution in the amount of \$18.23 million from the Investor. All cash payments to be made on or near the Effective Date will be funded from the Contribution. The remainder of the Contribution will be used to make certain capital expenditures related to deferred maintenance on the Property in the amount of approximately \$8.18 million, necessary tenant improvements in the amount of approximately \$4.5 million, and leasing commissions to lease the improved areas of the Property in the amount of approximately \$600,000. As a result of the Contribution, the Debtor anticipates an immediate increase in the

1 value of the Property related to the capital expenditures, as well as an increase in rental revenue
2 to be generated. Any payments to be made over time will be funded from the cash flow
3 generated by the Property, including the increase in rental revenue. Upon the maturity of the
4 obligation owing to the Lender, the Debtor will owe a lump sum payment to the Lender, which
5 the Reorganized Debtor will fund either from the sale or refinancing of the Property, as
6 improved. Upon confirmation of the Plan and the occurrence of the Effective Date, the Debtor
7 anticipates that the Property will generate cash flow, after servicing the debt service. See
8 Exhibit A for cash flow projections over the life of the Plan.

9 **2. Composition of Reorganized Debtor and Post-Confirmation Management**

10 On the Effective Date, all of the membership interests in the Reorganized Debtor will be
11 issued to the Investor. The Reorganized Debtor shall its prepetition status as a limited liability
12 company. Within fourteen (14) days of the date of the confirmation hearing, the Debtor shall file
13 a list of any managers of the Reorganized Debtor.

14 **3. Disbursing Agent**

15 The Reorganized Debtor shall act as the Disbursing Agent for purposes of making all
16 distributions provided for under the Plan. The Disbursing Agent shall serve without bond and
17 shall receive no compensation for distribution services rendered and expenses incurred pursuant
18 to the Plan.

19 **4. Objections to Claims**

20 The Debtor or the Reorganized Debtor, as the case may be, will file objections to all
21 claims that are inconsistent with the Debtor's books and records unless the Debtor deems the
22 inconsistency to be insignificant. The Debtor or the Reorganized Debtor will have the authority,
23 in their sole discretion, in the reasonable exercise of their business judgment, to settle or
24 compromise any claim without further notice or Court approval. As provided by Section 502(c)
25 of the Bankruptcy Code, the Court may estimate any contingent or unliquidated disputed claim
26 for purposes of confirmation of the Plan. The Debtor or the Reorganized Debtor, as the case
27 may be, will have the authority to file such objections to claims following the confirmation of

1 the Plan, and the Court shall retain jurisdiction over the Debtor, the Reorganized Debtor and the
2 Case to resolve such objections to claims following the confirmation of the Plan.

3 **E. Other Provisions of the Plan**

4 **1. Executory Contracts and Unexpired Leases**

5 On the Effective Date, all of the Debtor's remaining executory contracts and unexpired
6 leases which have not previously been assumed or rejected by the Debtor shall be deemed to be
7 assumed by the Debtor and to become valid and binding executory contracts and unexpired
8 leases of the Reorganized Debtor (the "Debtor's Assumed Contracts and Leases"). By 5:00 p.m.
9 PST on the day prior to the date of the Plan confirmation hearing, the Debtor shall file a
10 pleading with the Court identifying all of the Debtor's Assumed Contracts and Leases. At this
11 time the Debtor believes that such contracts to be assumed will include all unexpired leases with
12 the tenants of the Property.

13 The balance of the Debtor's executory contracts and unexpired leases, if any, which have
14 not previously been assumed or rejected by the Debtor and which are not included among the
15 Debtor's Assumed Contracts and Leases, including those discussed above, shall be deemed
16 rejected effective as of 11:59 PST on the Effective Date.

17 **THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM**
18 **ARISING FROM THE REJECTION OF AN EXECUTORY CONTRACT OR**
19 **UNEXPIRED LEASE WILL BE 30 DAYS AFTER A CREDITOR IS SERVED WITH**
20 **NOTICE FROM THE DEBTOR THAT THE DEBTOR INTENDS FOR A CREDITOR'S**
21 **UNEXPIRED LEASE OR EXECUTORY CONTRACT TO BE REJECTED.**

22 Any claim based on the rejection of an executory contract or unexpired lease will be
23 barred if the proof of claim is not timely filed, unless the Court orders otherwise.

24 **2. Changes in Rates Subject to Regulatory Commission Approval**

25 The Debtor is not subject to governmental regulatory commission approval of its rates.
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1 **3. Retention of Jurisdiction.**

2 After confirmation of the Plan and occurrence of the Effective Date, in addition to
3 jurisdiction which exists in any other court, the Bankruptcy Court will retain such jurisdiction as
4 is legally permissible including for the following purposes:

5 a. To resolve any and all disputes regarding the operation and interpretation of the
6 Plan and the Confirmation Order;

7 b. To determine the allowability, classification, or priority of claims and interests
8 upon objection by the Debtor, the Reorganized Debtor, or by other parties in interest with
9 standing to bring such objection or proceeding;

10 c. To determine the extent, validity and priority of any lien asserted against property
11 of the Debtor or property of the Debtor's estate.

12 d. To construe and take any action to enforce the Plan, the Confirmation Order, and
13 any other order of the Court, issue such orders as may be necessary for the implementation,
14 execution, performance, and consummation of the Plan, the Confirmation Order, and all matters
15 referred to in the Plan, the Confirmation Order, and to determine all matters that may be pending
16 before the Court in this case on or before the Effective Date with respect to any person or entity
17 related thereto;

18 e. To determine (to the extent necessary) any and all applications for allowance of
19 compensation and reimbursement of expenses of professionals for the period on or before the
20 Effective Date;

21 f. To determine any request for payment of administrative expenses;

22 g. To determine motions for the rejection, assumption, or assignment of executory
23 contracts or unexpired leases filed before the Effective Date and the allowance of any claims
24 resulting therefrom;

25 h. To determine all applications, motions, adversary proceedings, contested matters,
26 and any other litigated matters instituted during the pendency of this case whether before, on, or
27 after the Effective Date;

1 i. To determine such other matters and for such other purposes as may be provided
2 in the Confirmation Order.

3 j. To modify the Plan under Section 1127 of the Bankruptcy Code in order to
4 remedy any apparent defect or omission in the Plan or to reconcile any inconsistency in the Plan
5 so as to carry out its intent and purpose;

6 k. Except as otherwise provided in the Plan or the Confirmation Order, to issue
7 injunctions to take such other actions or make such other orders as may be necessary or
8 appropriate to restrain interference with the Plan or the Confirmation Order, or the execution or
9 implementation by any person or entity of the Plan or the Confirmation Order;

10 l. To issue such orders in aid of consummation of the Plan or the Confirmation
11 Order, notwithstanding any otherwise applicable nonbankruptcy law, with respect to any person
12 or entity, to the fullest extent authorized by the Bankruptcy Code or Bankruptcy Rules; and

13 k. To enter a final decree closing this Chapter 11 case.

14 **F. Tax Consequences of Plan**

15 The following discussion summarizes certain federal income tax consequences of the
16 Plan to the Debtor. This summary does not address the federal income tax consequences to
17 creditors or interest holders. This summary does not address foreign, state or local income tax
18 consequences, estate or gift tax consequences of the Plan.

19 This summary is based on the Internal Revenue Code of 1986, as amended (the “IRC”),
20 the Treasury Regulations promulgated and proposed thereunder (the “Regulations”), judicial
21 decisions, and published administrative rulings and pronouncements of the Internal Revenue
22 Service (the “IRS”) currently in effect. These authorities are all subject to change, possibly
23 with retroactive effect, and any such change could alter or modify the federal income tax
24 consequences described below.

25 THE TAX CONSEQUENCES TO CREDITORS OR INTEREST HOLDERS MAY
26 VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH SUCH HOLDER.
27 CREDITORS MAY RECOGNIZE INCOME OR LOSS AS A RESULT OF THE PLAN.

1 THIS DISCUSSION DOES NOT CONSTITUTE TAX ADVICE OR A TAX OPINION
2 CONCERNING THE MATTERS DESCRIBED. THERE CAN BE NO ASSURANCE THAT
3 THE INTERNAL REVENUE SERVICE WILL NOT CHALLENGE ANY OR ALL OF THE
4 TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF
5 ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH CREDITOR IS
6 STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE
7 FEDERAL, STATE, LOCAL, FOREIGN OR OTHER TAX CONSEQUENCES OF THE
8 PLAN.

9 In general, the Debtor does not expect to incur any substantial tax liability as a result of
10 implementation of the Plan.

11 The IRC provides that a debtor in a Chapter 11 bankruptcy case must reduce certain of
12 its tax attributes by the amount of any cancellation of indebtedness (“COD”) income that is
13 realized as a result of the bankruptcy plan, instead of recognizing the income. COD income is
14 the excess of the amount of a taxpayer's indebtedness that is discharged over the amount or
15 value of the consideration exchanged therefor. As a result of the discharge and satisfaction of
16 Claims pursuant to the Plan, the Debtor will realize some COD income, and, accordingly, the
17 Debtor will reduce certain tax attributes by the amount of unrecognized COD income.

18 Tax attributes that are subject to reduction include net operating losses, capital losses,
19 loss carryovers, certain tax credits and, subject to certain limitations, and the tax basis of
20 property. The reduction of tax attributes occurs after the determination of the Debtor's tax for
21 the taxable year in which the COD income is realized.

22 Payments of interest, dividends, and certain other payments are generally subject to
23 withholding unless the payee of such payment furnishes such payee's correct taxpayer
24 identification number (social security number or employer identification number) to the payor.
25 The Debtor may be required to withhold the applicable percentage of any payments made to a
26 holder who does not provide its taxpayer identification number. Backup withholding is not an
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1 additional tax, but an advance payment that may be refunded to the extent it results in an
2 overpayment of tax.

3 THE FOREGOING IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN
4 UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS
5 NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL.
6 THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES OF
7 THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH
8 CONSEQUENCES MAY ALSO VARY BASED ON THE INDIVIDUAL
9 CIRCUMSTANCES OF EACH CREDITOR OR INTEREST HOLDER. ACCORDINGLY,
10 EACH CREDITOR IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN
11 TAX ADVISOR REGARDING THE FEDERAL, STATE AND LOCAL INCOME AND
12 OTHER TAX CONSEQUENCES UNDER THE PLAN.

13 IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

14 PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OR THE PLAN
15 SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON
16 CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following
17 discussion is intended solely for the purpose of alerting readers about basic confirmation issues,
18 which they may wish to consider, as well as certain deadlines for filing claims. The Debtor
19 CANNOT and DOES NOT represent that the discussion contained below is a complete
20 summary of the law on this topic.

21 Many requirements must be met before the Court can confirm the Plan. Some of the
22 requirements include that the Plan must be proposed in good faith, acceptance of the Plan,
23 whether the Plan pays creditors at least as much as creditors would receive in Chapter 7
24 liquidation, and whether the Plan is feasible. These requirements are not the only requirements
25 for confirmation.

1 **A. Who May Vote or Object**

2 1. Who May Object to Confirmation of the Plan

3 Any party in interest may object to the confirmation of the Plan, but, as explained below,
4 not everyone is entitled to vote to accept or reject the Plan.

5 2. Who May Vote to Accept/Reject the Plan

6 A creditor or interest holder has a right to vote for or against the Plan if that creditor or
7 interest holder has a claim which is both (1) allowed or allowed for voting purposes and (2)
8 classified in an impaired class.

9 a) What Is an Allowed Claim/Interest

10 As noted above, a creditor or interest holder must first have an allowed claim or interest
11 to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a
12 party in interest brings a motion objecting to the claim. When an objection to a claim or interest
13 is filed, the creditor or interest holder holding the claim or interest cannot vote unless the Court,
14 after notice and hearing, either overrules the objection or allows the claim or interest for voting
15 purposes.

16 THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE IS APRIL 19,
17 2013. A claim is deemed allowed if (1) it is scheduled on the Debtor's schedules and such
18 claim is not scheduled as disputed, contingent, or unliquidated, and (2) no party in interest has
19 objected to the claim. An interest is deemed allowed if it is scheduled and no party in interest
20 has objected to the interest. Consult the exhibits hereto to see how the Debtor has characterized
21 your claim or interest.

22 b) What Is an Impaired Claim/Interest

23 As noted above, an allowed claim or interest only has the right to vote if it is in a class
24 that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or
25 contractual rights of the members of that class. For example, a class comprised of general
26 unsecured claims is impaired if the Plan fails to pay the members of that class 100% of what
27 they are owed.

1 In this case, the Debtor believes that classes 2, 3, and 4 are impaired and that holders of
2 claims in both of those classes are therefore entitled to vote to accept or reject the Plan. Parties
3 who dispute the Debtor's characterization of their claim or interest as being impaired or
4 unimpaired may file an objection to the Plan contending that the Debtor has incorrectly
5 characterized the class.

6 3. Who is Not Entitled to Vote

7 The following four types of claims are not entitled to vote: (1) claims that have been
8 disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to
9 Bankruptcy Code Sections 507(a)(1), (a)(2), and (a)(8); and (4) claims in classes that do not
10 receive or retain any value under the Plan. Claims in unimpaired classes are not entitled to vote
11 because such classes are deemed to have accepted the Plan. The Debtor believes that class 2 is
12 unimpaired and therefore deemed to have accepted the Plan. Claims entitled to priority
13 pursuant to Bankruptcy Code Sections 507(a)(1), (a)(2), and (a)(7) are not entitled to vote
14 because such claims are not placed in classes and they are required to receive certain treatment
15 specified by the Bankruptcy Code. Claims in classes that do not receive or retain any value
16 under the Plan do not vote because such classes are deemed to have rejected the Plan. EVEN IF
17 YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A
18 RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.

19 4. Who Can Vote in More Than One Class

20 A creditor whose claim has been allowed in part as a secured claim and in part as an
21 unsecured claim is entitled to accept or reject the Plan in both capacities by casting one ballot
22 for the secured part of the claim and another ballot for the unsecured claim.

23 5. Votes Necessary to Confirm the Plan

24 If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one
25 impaired class has accepted the Plan without counting the votes of any insiders within that class,
26 and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be
27 confirmed by "cramdown" on non-accepting classes, as discussed later in Section IV.A.8.

1 6. Votes Necessary for a Class to Accept the Plan

2 A class of claims is considered to have accepted the Plan when more than one-half (1/2)
3 in number and at least two-thirds (2/3) in dollar amount of the claims which actually voted,
4 voted in favor of the Plan. A class of interests is considered to have accepted the Plan when at
5 least two-thirds (2/3) in amount of the interest-holders of such class which actually voted, voted
6 to accept the Plan.

7 7. Treatment of Nonaccepting Classes

8 As noted above, even if all impaired classes do not accept the Plan, the Court may
9 nonetheless confirm the Plan if the nonaccepting classes are treated in the manner required by
10 the Bankruptcy Code. The process by which nonaccepting classes are forced to be bound by the
11 terms of the Plan is commonly referred to as “cramdown.” The Bankruptcy Code allows the
12 Plan to be “crammed down” on nonaccepting classes of claims or interests if it meets all
13 consensual requirements except the voting requirements of 1129(a)(8) and if the Plan does not
14 “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted
15 to accept the Plan as referred to in 11 U.S.C. § 1129(b) and applicable case law.

16 8. Request for Confirmation Despite Nonacceptance by Impaired Class(es)

17 The Debtor will ask the Court to confirm the Plan by cramdown on impaired classes if
18 such classes do not vote to accept the Plan.

19 **B. Liquidation Analysis**

20 Another confirmation requirement is the “Best Interest Test”, which requires a
21 liquidation analysis. Under the Best Interest Test, if a claimant or interest holder is in an
22 impaired class and that claimant or interest holder does not vote to accept the Plan, then that
23 claimant or interest holder must receive or retain under the Plan property of a value not less than
24 the amount that such holder would receive or retain if the Debtor were liquidated under Chapter
25 7 of the Bankruptcy Code.

26 In a Chapter 7 case, the Debtor’s assets are usually sold by a Chapter 7 trustee. Secured
27 creditors are paid first from the sales proceeds of properties on which the secured creditor has a

1 lien. Administrative claims are paid next. Next, unsecured creditors are paid from any
2 remaining sales proceeds, according to their rights to priority. Unsecured creditors with the
3 same priority share in proportion to the amount of their allowed claim in relationship to the
4 amount of total allowed unsecured claims. Finally, interest holders receive the balance that
5 remains after all creditors are paid, if any.

6 For the Court to be able to confirm the Plan, the Court must find that all creditors and
7 interest holders who do not accept the Plan will receive at least as much under the Plan as such
8 holders would receive under Chapter 7 liquidation. The Debtor maintains that this requirement
9 is clearly met here.

10 Below is a demonstration, in balance sheet format, that all creditors and interest holders
11 will receive at least as much under the Plan as such creditor or interest holder would receive
12 under Chapter 7 liquidation.

13 **ASSETS AT LIQUIDATION VALUES:**

| | | |
|----|---|----------------------|
| 14 | CURRENT ASSETS | |
| 14 | a. Cash on hand | \$ 0 |
| 15 | b. Accounts receivable | \$ 0 |
| 15 | c. Inventories | \$ 0 |
| 16 | d. Equipment | \$ 0 |
| 17 | TOTAL CURRENT ASSETS | \$ 0 |
| 18 | REAL PROPERTIES | |
| 19 | a. Property (10% liquidation discount & net of 8% cost of sale) | \$ 18,750,000 |
| 20 | TOTAL ASSETS AT LIQUIDATION VALUE | \$ 18,750,000 |
| 21 | Less: | |
| 22 | Secured creditors' recovery | |
| 23 | Secured Tax Claim (Class 1) | \$1,600,000 |
| 23 | SA Challenger (Class 2) | \$45,800,000 |
| 24 | Disputed Mechanic Liens (Class 3) | \$195,000 |
| 24 | Total | \$47,595,000 |
| 25 | Less: | |
| 26 | Chapter 7 trustee fees | \$ 100,000 |
| 26 | Chapter 7 trustee' professionals' fees and expenses | \$ 50,000 |
| 27 | Chapter 11 administrative expenses | \$ 100,000 |

| | | |
|---|--|-----------|
| 1 | | ===== |
| 2 | (1) Balance for unsecured claims | \$0 |
| 3 | (2) Total amt of unsecured claims | \$230,000 |
| 4 | Total Available For Unsecured Creditors Under Plan | 12-100% |

C. Feasibility

Another requirement for confirmation involves the feasibility of the Plan, which means that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether the Debtor will have enough cash on hand on the Effective Date to pay all the claims and expenses which are entitled to be paid on such date. The payments to be made on the Effective Date will be funded by the Contribution, which must be funded not later than 14 days before the Plan confirmation hearing. As a result, this aspect of feasibility is satisfied.

The second aspect considers whether the Debtor will have enough cash over the life of the Plan to make the required Plan payments. Attached hereto as Exhibit A are the Debtor's projections for the life of the Plan, reflecting the Debtor's cash flow projections generated by the Property and proposed distributions creditors. The projections are based on the Debtor's historical performance and projected future performance. As a result, the Debtor believes that such projections are reasonable and accurate. The Debtor believes that the foregoing projections satisfy the second prong of the feasibility analysis.

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III. EFFECT OF CONFIRMATION OF PLAN

A. Discharge

Subject to the provision below, confirmation shall bind the Debtor, all creditors, and other parties in interest to the provisions of the Plan whether or not the claim of such creditor is impaired under the Plan and whether or not such creditor has accepted the Plan.

Except as otherwise provided herein or in the Plan Confirmation Order, on the Effective Date, to the extent applicable, the Debtor will be discharged from any debt that arose before confirmation of the Plan, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code whether or not a proof of claim based on such debt was filed or deemed filed under Section 501 of the Bankruptcy Code, such claim was allowed under Section 502 of the Bankruptcy Code or the holder of such claim accepted the Plan.

Subject to the provision below, nothing contained herein shall limit the effect of confirmation as described in Sections 524 and/or 1141 of the Bankruptcy Code, and on the Effective Date, the Debtor shall be deemed discharged and released to the fullest extent permitted by Section 1141 of the Bankruptcy Code.

Subject to the provision below, on or after the Effective Date, all parties that have held, currently hold, or may hold a claim discharged pursuant to the terms of the Plan shall be permanently enjoined by Section 524 of the Bankruptcy Code from taking any of the following actions on account of any such discharged claim: (a) commencing or continuing in any manner any action or other proceeding against the Reorganized Debtor, (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Reorganized Debtor, provided, however, that the foregoing injunction shall not apply to bar any claim of recoupment or setoff, (c) creating, perfecting, or enforcing any lien or encumbrance against the Reorganized Debtor, and (d) commencing or continuing any action, in any manner, in any place, that does not comply with or is inconsistent with the provisions of the Plan or the Plan Confirmation Order. Any person violating such injunction may be liable for actual damage, including costs and attorneys' fees and, in appropriate circumstances, punitive damages.

1 **B. Revesting of Property in the Reorganized Debtor**

2 Except as provided elsewhere herein, the confirmation of the Plan reverts all of the
3 property of the estate in the Reorganized Debtor. In addition, on the Effective Date, all of the
4 claims against and/or interests in third parties that constitute property of the estate shall be
5 revested in the Reorganized Debtor. Following the Effective Date, the Reorganized Debtor shall
6 have absolute authority to prosecute, waive, adjust or settle any claims without the need for
7 approval by the Court. Following the Effective Date, the Reorganized Debtor shall have the
8 authority to employ such professionals as it deems necessary to prosecute or defend such claims
9 asserted without the need for Court approval.

10 **C. Default**

11 Except as otherwise provided herein or in the Plan Confirmation Order, in the event that
12 the Reorganized Debtor defaults in the performance of any of its obligations under the Plan and
13 shall not have cured such a default within thirty (30) days after receipt of written notice of
14 default from the creditor to whom the performance is due, then the entity or individual to whom
15 the performance is due may pursue such remedies as are available at law or in equity. An event
16 of default occurring with respect to one claim shall not be any event of default with respect to
17 any other claim.

18 **D. Modification of Plan**

19 The Debtor may modify the Plan at any time before confirmation. However, the Court
20 may require a new disclosure statement and/or re-voting on the Plan. The Debtor may also seek
21 to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially
22 consummated and (2) the Court authorizes the proposed modifications after notice and a
23 hearing.

24 **E. Post-Confirmation Status Report**

25 Within 120 days following the entry of the Plan Confirmation Order, the Reorganized
26 Debtor shall file a status report with the Court explaining what progress has been made toward
27 consummation of the confirmed Plan. The status report shall be served on the United States
28

1 Trustee, the twenty largest unsecured creditors, and those parties who have requested special
2 notice after the Effective Date. Further status reports shall be filed every 120 days and served
3 on the same entities.

4 **F. Post-Confirmation Conversion/Dismissal**

5 A creditor or party in interest may bring a motion to convert or dismiss the Case under §
6 1112(b) after the Plan is confirmed if there is a default in performing the Plan. If the Court
7 orders the Case converted to Chapter 7 after the Plan is confirmed, then all property that had
8 been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will
9 re-vest in the Chapter 7 estate. The automatic stay will be re-imposed upon the re-vested
10 property, but only to the extent that the Court did not previously authorize relief from stay
11 during the Case. The Plan Confirmation Order may also be revoked under very limited
12 circumstances. The Court may revoke the Plan Confirmation Order if the Plan Confirmation
13 Order was procured by fraud and if the party in interest brings an adversary proceeding to
14 revoke confirmation within 180 days after the entry of the Plan Confirmation Order.

15 **G. Post-Confirmation U.S. Trustee Fees**

16 The Reorganized Debtor shall be responsible for the timely payment of all fees incurred
17 after the Effective Date pursuant to 28 U.S.C. § 1930(a)(6).

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1 **H. Final Decree**

2 Once this estate has been fully administered as referred to in Bankruptcy Rule 3022, the
3 Reorganized Debtor or other party as the Court shall designate in the Plan Confirmation Order
4 shall file a motion with the Court to obtain a final decree to close the Case.

5 Dated: March 15, 2013

501 GRANT STREET PARTNERS, LLC,

7 By: 

8 David Frank, acting in the capacity of
9 Bankruptcy Representative pursuant to
a 501 Grant Street Partners, LLC Certificate of
Resolution

11 Presented By:

12 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

14 By: /s/ David B. Golubchik

15 DAVID B. GOLUBCHIK
16 GWENDOLEN D. LONG
Attorneys for Chapter 11 Debtor
and Plan Proponent

EXHIBIT A

Property Name: UNION TRUST BUILDING
 Property Code: 057M
 Property Address: 501 Grant Street Pottsville, PA
 Square Footage: 517,376
 Budget Period: From 1/13 To 12/13

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | TOTAL |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|
| THE MERRILL GRP OF COMPANIES | | | | | | | | | | | | | |
| BEGINNING CASH | | | | | | | | | | | | | |
| CONTRIBUTION | | | | | | | | | | | | | |
| Rental Income | 343,266.40 | 343,266.40 | 343,266.40 | 343,266.40 | 343,266.40 | 343,266.40 | 373,888.57 | 373,888.57 | 459,490.57 | 459,490.57 | 459,490.57 | 547,248.57 | 4,732,656.82 |
| TOTAL | 343,266.40 | 448,404.58 | 613,822.72 | 466,632.68 | 482,078.04 | 18,715,172.20 | 18,514,152.53 | 18,238,482.14 | 14,236,667.15 | 12,377,738.78 | 11,686,518.17 | 9,840,668.02 | 4,732,656.82 |
| RECOVERABLE REVENUE | | | | | | | | | | | | | |
| Common Area Maintenance | 14,888.27 | 14,888.27 | 14,888.27 | 14,888.27 | 14,888.27 | 14,888.27 | 20,411.53 | 20,411.53 | 20,411.53 | 20,411.53 | 30,717.71 | 30,717.71 | 244,399.18 |
| Property Tax Reimb | 552.49 | 552.49 | 552.49 | 552.49 | 552.49 | 552.49 | 1,653.83 | 1,653.83 | 1,653.83 | 1,653.83 | 5,086.88 | 5,086.88 | 6,086.89 |
| Utility Reimbursement | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 15,000.00 |
| TOTAL RECOVER REVENUE | 16,689.76 | 16,689.76 | 16,689.76 | 16,689.76 | 16,689.76 | 16,689.76 | 23,315.18 | 23,315.18 | 23,315.18 | 23,315.18 | 44,056.40 | 44,056.40 | 291,506.00 |
| TOTAL INCOME | 359,956.16 | 465,094.34 | 630,512.48 | 483,322.44 | 498,767.80 | 18,731,861.96 | 18,537,467.71 | 18,261,897.32 | 14,260,182.31 | 12,401,053.96 | 11,730,574.57 | 9,885,024.42 | 5,014,162.82 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | |
| Electricity House Meters | 27,500.00 | 26,800.00 | 30,250.00 | 30,250.00 | 28,900.00 | 28,800.00 | 28,800.00 | 28,800.00 | 30,250.00 | 30,250.00 | 30,250.00 | 30,250.00 | 353,500.00 |
| Steam / Chilled Water | 22,500.00 | 29,500.00 | 32,200.00 | 32,200.00 | 32,200.00 | 26,500.00 | 26,500.00 | 26,500.00 | 25,200.00 | 25,200.00 | 29,400.00 | 31,200.00 | 339,500.00 |
| Water / Sewer | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,350.00 | 3,350.00 | 3,350.00 | 3,350.00 | 38,000.00 |
| TOTAL UTILITIES | 53,000.00 | 59,300.00 | 65,450.00 | 65,450.00 | 64,250.00 | 60,550.00 | 58,250.00 | 57,250.00 | 58,800.00 | 58,800.00 | 63,000.00 | 64,800.00 | 731,000.00 |
| CONTRACT SERVICES | | | | | | | | | | | | | |
| Elevator Services | | | 33,135.00 | | | | | | | | 33,135.00 | | 66,270.00 |
| Pest Control | 301.00 | 301.00 | 301.00 | 301.00 | 301.00 | 301.00 | 301.00 | 301.00 | 301.00 | 301.00 | 301.00 | 301.00 | 3,612.00 |
| Security Contract | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 180,000.00 |
| Fire Safety - Bldg | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 2,000.00 | 14,500.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 35,300.00 |
| Custodial / Janitorial | 27,500.00 | 27,500.00 | 27,500.00 | 27,500.00 | 30,200.00 | 30,200.00 | 30,200.00 | 30,200.00 | 32,500.00 | 32,500.00 | 32,500.00 | 32,500.00 | 389,800.00 |
| Trash Removal | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 14,800.00 |
| Management Fee | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 192,000.00 |
| TOTAL CONTRACT SERVICES | 81,601.00 | 61,601.00 | 64,736.00 | 61,601.00 | 64,501.00 | 64,501.00 | 64,701.00 | 77,201.00 | 100,438.00 | 67,301.00 | 67,301.00 | 67,301.00 | 852,782.00 |
| ADMINISTRATIVE | | | | | | | | | | | | | |
| Office Supplies | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 6,000.00 |
| Postage Delivery Service | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 1,950.00 |
| Telephone | 751.00 | 751.00 | 751.00 | 751.00 | 751.00 | 751.00 | 751.00 | 751.00 | 751.00 | 751.00 | 751.00 | 751.00 | 9,012.00 |
| Equipment Lease - Copier | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 3,000.00 |
| Onsite Manager | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 42,000.00 |
| Maintenance Salary | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 11,200.00 | 134,400.00 |
| Uniforms | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 1,800.00 |
| Payroll Tax / Benefits | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 11,300.00 | 135,600.00 |
| State / Federal Taxes | 7,500.00 | | | | | | | | | | | | 7,500.00 |
| TOTAL ADMINISTRATIVE | 35,276.00 | 27,778.00 | 27,778.00 | 27,778.00 | 27,778.00 | 27,778.00 | 27,851.00 | 27,851.00 | 27,851.00 | 27,851.00 | 27,851.00 | 27,851.00 | 341,282.00 |
| COMMON AREA | | | | | | | | | | | | | |
| Property Insurance | 9,850.00 | 9,850.00 | 9,850.00 | 9,850.00 | 9,800.00 | 9,800.00 | 9,800.00 | 9,800.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 117,800.00 |
| Property Tax - County | | | 105,000.00 | | | | | | | | | | 105,000.00 |
| Property Tax - City/School | | | | 147,833.00 | | 147,834.00 | | | | | | | 443,500.00 |
| Property Tax - BID | | | 24,500.00 | | | | | | | | | | 24,500.00 |
| Elevator Repair / Maint | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 700.00 | 700.00 | 700.00 | 700.00 | 700.00 | 700.00 | 8,100.00 |
| Window Washing | | | | | 10,500.00 | | | | 10,500.00 | | | | 21,000.00 |
| Plumbing | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 12,600.00 |
| Janitorial Supplies | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 2,100.00 | 25,200.00 |
| Interior R & M | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 250.00 | 250.00 | 250.00 | 250.00 | 2,400.00 |
| Maintenance Supplies | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 21,000.00 |
| Lighting | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 18,000.00 |
| Repair & Maintenance | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 31,600.00 |
| TOTAL COMMON AREA EXPENSES | 19,350.00 | 19,350.00 | 296,883.00 | 167,183.00 | 177,834.00 | 19,900.00 | 16,900.00 | 19,900.00 | 20,100.00 | 20,100.00 | 20,100.00 | 20,100.00 | 839,600.00 |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | |
| Other Admin Expenses | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 |
| Legal Fee | 75,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 185,000.00 |
| Tenant Improvements - Office | | | | | | | | 1,170,300.00 | 1,170,300.00 | | 1,186,700.00 | 1,186,700.00 | 4,734,000.00 |
| Tenant Improvements - Retail | | | | | | | 398,550.00 | 398,550.00 | | | | | 793,100.00 |
| Leasing Commissions - Office | | | | | | | | 308,959.20 | 205,972.80 | | 315,928.80 | 210,818.20 | 1,041,480.00 |
| Leasing Commissions - Retail | | | | | | | 109,447.80 | 72,985.20 | | | | | 182,413.00 |
| Asset Mgmt Fee | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.00 |
| Miscellaneous | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 |
| TOTAL NON-RECOVERABLE EXP | 87,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 419,950.00 | 528,487.80 | 1,574,724.40 | 1,398,772.80 | 22,500.00 | 1,835,128.80 | 1,428,818.20 | 7,085,963.00 |
| TOTAL OPERATING EXPENSE | 256,727.00 | 192,627.00 | 507,145.00 | 344,510.00 | 356,881.00 | 501,377.00 | 689,198.80 | 1,759,926.40 | 1,816,458.80 | 198,552.00 | 1,713,389.80 | 1,809,871.20 | 9,841,637.00 |
| NET OPERATING INCOME | 103,229.16 | 270,556.34 | 123,367.48 | 138,811.64 | 141,905.80 | 18,140,483.96 | 17,838,268.95 | 14,502,850.90 | 12,643,722.51 | 12,204,501.92 | 10,019,193.77 | 8,275,153.22 | (4,827,475.18) |
| PLANNED PAYMENTS | | | | | | | | | | | | | |
| Class 1 - Secured Tax Claim | | | | | | | 1,806,060.00 | | | | | | 1,806,060.00 |
| Class 2 - Mfg Interest | | | | | | | 119,803.48 | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 718,820.88 |
| Class 3 - Mechanics Lien | | | | | | | 5,670.84 | | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 34,025.04 |
| Class 4 - General Unsecured Creditors | | | | | | | 250,000.00 | | 250,000.00 | 250,000.00 | 250,000.00 | 250,000.00 | 500,000.00 |
| TOTAL PLANNED PAYMENTS | | | | | | | 1,975,474.32 | | 125,474.32 | 125,474.32 | 375,474.32 | 125,474.32 | 2,862,845.62 |
| Capital Expenditures | | | | | | | 600,000.00 | | 600,000.00 | 600,000.00 | 600,000.00 | 600,000.00 | 3,000,000.00 |
| TOTAL NON OPERATING EXPENSES | | | | | | | 1,975,474.32 | | 725,474.32 | 725,474.32 | 975,474.32 | 725 | |

| THE MERRILL GRP OF COMPANIES | | | | | | | | | | | | | TOTAL |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|--------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | |
| BEGINNING CASH CONTRIBUTION | 7,549,678.90 | 7,077,039.55 | 6,871,164.29 | 6,236,689.03 | 5,569,897.57 | 4,328,716.14 | 4,293,409.71 | 2,592,880.10 | 2,368,542.48 | 2,305,115.68 | 29,973.96 | 30,267.44 | |
| Rental Income | 547,248.57 | 634,711.40 | 634,711.40 | 634,711.40 | 702,330.23 | 702,330.23 | 702,330.23 | 702,330.23 | 702,330.23 | 702,330.23 | 702,330.23 | 717,060.40 | 8,085,384.71 |
| TOTAL | 8,096,927.47 | 7,711,750.95 | 7,505,875.69 | 6,871,400.43 | 6,272,227.80 | 5,031,046.37 | 4,995,739.94 | 3,295,210.33 | 3,070,872.72 | 3,007,445.91 | 732,304.19 | 747,967.84 | 8,085,384.71 |
| RECOVERABLE REVENUE | | | | | | | | | | | | | |
| Common Area Maintenance | 36,717.71 | 53,710.85 | 53,710.85 | 53,710.85 | 53,710.85 | 53,710.85 | 70,646.84 | 70,646.84 | 70,646.84 | 83,086.19 | 83,086.19 | 83,086.19 | 769,171.00 |
| Property Tax Reimb | 6,088.99 | 10,368.81 | 10,368.81 | 10,368.81 | 10,368.81 | 10,368.81 | 14,690.44 | 14,690.44 | 14,690.44 | 18,071.38 | 18,071.38 | 18,071.38 | 156,353.20 |
| Utility Reimbursement | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 15,000.00 |
| TOTAL RECOVER REVENUE | 44,056.40 | 65,337.66 | 65,337.66 | 65,337.66 | 65,337.66 | 65,337.66 | 86,587.28 | 86,587.28 | 86,587.28 | 103,307.57 | 103,307.57 | 103,307.57 | 940,524.20 |
| TOTAL INCOME | 8,140,983.87 | 7,777,088.61 | 7,571,213.35 | 6,936,738.09 | 6,337,565.46 | 5,096,404.03 | 5,082,327.22 | 3,381,797.61 | 3,157,460.00 | 3,110,753.48 | 835,611.76 | 851,265.41 | 9,025,914.00 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | |
| Electricity House Meters | 32,500.00 | 32,500.00 | 32,500.00 | 32,500.00 | 34,200.00 | 33,500.00 | 33,500.00 | 33,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 406,700.00 |
| Steam / Chilled Water | 59,950.00 | 58,450.00 | 57,800.00 | 57,800.00 | 55,500.00 | 55,500.00 | 55,500.00 | 55,500.00 | 55,500.00 | 55,500.00 | 55,500.00 | 55,500.00 | 673,700.00 |
| Water / Sewer | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 54,000.00 |
| TOTAL UTILITIES | 96,950.00 | 95,450.00 | 94,800.00 | 94,800.00 | 94,200.00 | 93,500.00 | 93,500.00 | 93,500.00 | 95,500.00 | 95,500.00 | 95,500.00 | 95,500.00 | 1,134,400.00 |
| CONTRACT SERVICES | | | | | | | | | | | | | |
| Elevator Services | | | 34,500.00 | | | | | | 34,500.00 | | | | 69,000.00 |
| Pest Control | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 8,000.00 |
| Security Contract | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 16,500.00 | 198,000.00 |
| Fire Safety - Bldg | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 |
| Custodial / Janitorial | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 35,500.00 | 426,000.00 |
| Trash Removal | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 1,850.00 | 22,200.00 |
| Management Fee | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 192,000.00 |
| TOTAL CONTRACT SERVICES | 72,850.00 | 72,850.00 | 107,350.00 | 72,850.00 | 72,850.00 | 72,850.00 | 72,850.00 | 72,850.00 | 107,350.00 | 72,850.00 | 72,850.00 | 72,850.00 | 943,200.00 |
| ADMINISTRATIVE | | | | | | | | | | | | | |
| Office Supplies | 750.00 | 750.00 | 750.00 | 750.00 | 750.00 | 750.00 | 750.00 | 750.00 | 750.00 | 750.00 | 750.00 | 750.00 | 9,000.00 |
| Postage Delivery Services | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 3,600.00 |
| Telephone | 850.00 | 850.00 | 850.00 | 850.00 | 850.00 | 850.00 | 850.00 | 850.00 | 850.00 | 850.00 | 850.00 | 850.00 | 10,200.00 |
| Equipment Lease - Copier | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 4,200.00 |
| Onsite Manager | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 66,000.00 |
| Maintenance Salary | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 162,000.00 |
| Uniforms | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 3,000.00 |
| Payroll Tax / Benefits | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 14,500.00 | 174,000.00 |
| State / Federal Taxes | 10,500.00 | | | | | | | | | | | | 10,500.00 |
| TOTAL ADMINISTRATIVE | 46,500.00 | 36,000.00 | 38,000.00 | 36,000.00 | 36,000.00 | 36,000.00 | 36,000.00 | 36,000.00 | 36,000.00 | 36,000.00 | 36,000.00 | 36,000.00 | 442,500.00 |
| COMMON AREA | | | | | | | | | | | | | |
| Property Insurance | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 10,500.00 | 126,000.00 |
| Property Tax - County | | | 126,500.00 | | | | | | | | | | 126,500.00 |
| Property Tax - City/School | | | 445,150.00 | | | | | | | | | | 445,150.00 |
| Property Tax - BID | | | 25,100.00 | | | | | | | | | | 25,100.00 |
| Elevator Repair / Maint | 800.00 | 800.00 | 800.00 | 800.00 | 800.00 | 800.00 | 800.00 | 800.00 | 800.00 | 800.00 | 800.00 | 800.00 | 9,600.00 |
| Window Washing | | | | | 12,500.00 | | | | 12,500.00 | | | | 25,000.00 |
| Plumbing | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 14,400.00 |
| Janitorial Supplies | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 | 28,200.00 |
| Interior R & M | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 1,800.00 |
| Maintenance Supplies | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 24,000.00 |
| Lighting | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 18,000.00 |
| Repair & Maintenance | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,600.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 31,500.00 |
| TOTAL COMMON AREA EXPENSES | 21,000.00 | 21,000.00 | 816,750.00 | 21,000.00 | 33,600.00 | 21,000.00 | 21,350.00 | 21,350.00 | 33,850.00 | 21,350.00 | 21,350.00 | 21,350.00 | 874,850.00 |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | |
| Other Adm Expenses | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 |
| Legal Fee | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 120,000.00 |
| Tenant Improvements - Office | | | | | 1,192,676.00 | | | 1,192,676.00 | | 1,844,150.00 | | | 4,229,502.00 |
| Tenant Improvements - Retail | | | | | | | | | | | | | |
| Leasing Commissions - Office | | | | 314,880.20 | | | 243,427.90 | 208,910.80 | | 181,285.20 | | | 949,494.10 |
| Leasing Commissions - Retail | | | | | | | | | | | | | |
| Asset Mgmt Fee | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.00 |
| Miscellaneous | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 |
| TOTAL NON-RECOVERABLE EXP | 22,500.00 | 22,500.00 | 22,500.00 | 337,366.20 | 1,215,176.00 | 22,500.00 | 1,458,603.90 | 232,410.80 | 22,500.00 | 2,047,935.20 | 22,500.00 | 22,500.00 | 5,448,990.10 |
| TOTAL OPERATING EXPENSE | 266,800.00 | 248,800.00 | 877,400.00 | 559,716.20 | 1,451,726.00 | 245,850.00 | 1,682,302.90 | 458,110.80 | 295,200.00 | 2,273,835.20 | 248,200.00 | 248,200.00 | 8,843,940.10 |
| NET OPERATING INCOME | 7,884,183.87 | 7,528,288.61 | 6,703,813.35 | 6,377,021.89 | 4,885,839.46 | 4,850,554.03 | 3,400,024.42 | 2,925,686.81 | 2,862,260.00 | 837,118.28 | 587,411.76 | 603,065.41 | 181,974.90 |
| PLANNED PAYMENTS | | | | | | | | | | | | | |
| Class 2 - Mgt Interest | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.76 |
| Class 3 - Mechanic Lien | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 68,050.08 |
| Class 4 - General Unsecured Creditors | 250,000.00 | | | 250,000.00 | | | 250,000.00 | | 250,000.00 | | | | 1,030,000.00 |
| TOTAL PLANNED PAYMENTS | 375,474.32 | 125,474.32 | 125,474.32 | 375,474.32 | 125,474.32 | 125,474.32 | 375,474.32 | 125,474.32 | 125,474.32 | 375,474.32 | 125,474.32 | 125,474.32 | 2,505,891.16 |
| Capital Expenditures | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 431,670.00 | 5,180,000.00 |
| TOTAL NON-OPERATING EXP | 807,144.32 | 557,144.32 | 557,144.32 | 807,144.32 | 557,144.32 | 557,144.32 | 807,144.32 | 657,144.32 | 657,144.32 | 807,144.32 | 557,144.32 | 557,144.32 | |

| UNION TRUST BUILDING | | | | | | | | | | | | | TOTAL | |
|---------------------------------------|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| Property Name: | UNION TRUST BUILDING | | | | | | | | | | | | | |
| Property Code: | 857M | | | | | | | | | | | | | |
| Property Address: | 601 Grant Street, Pittsburgh, PA | | | | | | | | | | | | | |
| Square Footage: | 517,376 | | | | | | | | | | | | | |
| Budget Period: | From | 1/15 | To | 12/15 | | | | | | | | | | |
| THE MERRILL GRP OF COMPANIES | | | | | | | | | | | | | TOTAL | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | | |
| BEGINNING CASH | 45,961.09 | 187,320.74 | 591,190.39 | 354,790.04 | 508,649.69 | 900,009.34 | 1,303,868.99 | 1,457,728.64 | 961,374.69 | 1,002,001.19 | 1,245,627.69 | 533,196.35 | | |
| CONTRIBUTION | | | | | | | | | | | | | | |
| Rental Income | 717,626.40 | 717,626.40 | 717,626.40 | 717,626.40 | 717,626.40 | 717,626.40 | 717,626.40 | 717,626.40 | 793,060.73 | 793,060.73 | 793,060.73 | 793,060.73 | 8,913,254.1 | |
| TOTAL | 763,587.49 | 904,947.14 | 1,308,816.79 | 1,072,416.44 | 1,226,276.09 | 1,617,635.74 | 2,021,495.39 | 2,175,355.04 | 1,354,435.42 | 1,795,061.92 | 2,038,688.42 | 1,326,257.08 | 8,913,254.1 | |
| RECOVERABLE REVENUE | | | | | | | | | | | | | | |
| Common Area Maintenance | 83,966.19 | 83,966.19 | 83,966.19 | 83,966.19 | 83,966.19 | 83,966.19 | 83,966.19 | 83,966.19 | 96,318.71 | 96,318.71 | 96,318.71 | 96,318.71 | 1,065,164.3 | |
| Property Tax Reimb | 18,971.38 | 18,971.38 | 18,971.38 | 18,971.38 | 18,971.38 | 18,971.38 | 18,971.38 | 18,971.38 | 18,071.38 | 18,071.38 | 18,071.38 | 18,071.38 | 224,125.6 | |
| Utility Reimbursement | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 16,200.0 | |
| TOTAL RECOVER REVENUE | 103,407.57 | 103,407.57 | 103,407.57 | 103,407.57 | 103,407.57 | 103,407.57 | 103,407.57 | 103,407.57 | 117,740.09 | 117,740.09 | 117,740.09 | 117,740.09 | 1,305,490.0 | |
| TOTAL INCOME | 866,995.06 | 1,008,354.71 | 1,412,224.36 | 1,175,824.01 | 1,329,683.66 | 1,721,043.31 | 2,124,902.96 | 2,278,762.61 | 1,472,175.51 | 1,912,802.01 | 2,160,668.07 | 1,447,631.73 | 10,218,744.1 | |
| OPERATING EXPENSES | | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | | |
| Electricity House Meters | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 45,850.00 | 550,200.0 | |
| Steam / Chilled Water | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 69,250.00 | 831,000.0 | |
| Water / Sewer | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 4,950.00 | 59,400.0 | |
| TOTAL UTILITIES | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 120,050.00 | 1,440,600.0 | |
| CONTRACT SERVICES | | | | | | | | | | | | | | |
| Elevator Services | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 650.00 | 81,000.0 | |
| Fire Control | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 19,200.00 | 230,400.0 | |
| Security Contract | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 36,000.0 | |
| Fire Safety - Bldg | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 40,500.00 | 486,000.0 | |
| Custodial / Janitorial | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 2,150.00 | 26,800.0 | |
| Trash Removal | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 192,000.0 | |
| Management Fee | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 1,056,000.0 | |
| TOTAL CONTRACT SERVICES | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 81,500.00 | 1,056,000.0 | |
| ADMINISTRATIVE | | | | | | | | | | | | | | |
| Office Supplies | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 11,400.0 | |
| Postage Delivery Services | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 5,700.0 | |
| Telephones | 675.00 | 675.00 | 675.00 | 675.00 | 675.00 | 675.00 | 675.00 | 675.00 | 675.00 | 675.00 | 675.00 | 675.00 | 8,100.0 | |
| Equipment Lease - Copier | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 6,600.0 | |
| Cracks Management | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 5,500.00 | 66,000.0 | |
| Maintenance Salary | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 222,000.0 | |
| Uniforms | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 3,000.0 | |
| Payroll Tax / Benefits | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 15,800.00 | 190,800.0 | |
| State / Federal Taxes | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 12,500.00 | 150,000.0 | |
| TOTAL ADMINISTRATIVE | 55,300.00 | 42,800.00 | 42,800.00 | 42,800.00 | 42,800.00 | 42,800.00 | 42,800.00 | 42,800.00 | 42,800.00 | 42,800.00 | 42,800.00 | 42,800.00 | 526,100.0 | |
| COMMON AREA | | | | | | | | | | | | | | |
| Property Insurance | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 11,500.00 | 138,000.0 | |
| Property Tax - County | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 126,900.00 | 1,522,800.0 | |
| Property Tax - City/School | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 448,850.00 | 5,386,200.0 | |
| Property Tax - BID | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 26,900.00 | 322,800.0 | |
| Elevator Repair / Maint | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 11,400.0 | |
| Window Washing | | | | | 12,500.00 | | | | | 12,500.00 | | | 150,000.0 | |
| Plumbing | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 21,000.0 | |
| Janitorial Supplies | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 33,000.0 | |
| Interior R & M | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 3,000.0 | |
| Maintenance Supplies | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 33,000.0 | |
| Lighting | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 21,000.0 | |
| Repair & Maintenance | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 37,800.0 | |
| TOTAL COMMON AREA EXPENSES | 24,850.00 | 24,850.00 | 624,600.00 | 24,850.00 | 37,350.00 | 24,850.00 | 24,850.00 | 24,850.00 | 24,850.00 | 37,350.00 | 24,850.00 | 24,850.00 | 922,950.0 | |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | | |
| Other Admin Expenses | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.0 | |
| Legal Fee | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 120,000.0 | |
| Tenant Improvements - Office | | | | | | | | 1,028,650.00 | | | 1,028,650.00 | | 2,057,300.0 | |
| Tenant Improvements - Retail | | | | | | | | | | | 181,042.40 | | 452,606.0 | |
| Leasing Commissions - Office | | | | | | | | 271,563.60 | | | | | 339,454.5 | |
| Leasing Commissions - Retail | | | | | | | | | | | | | 42,147.0 | |
| Asset Mgmt Fee | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.0 | |
| Miscellaneous | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.0 | |
| TOTAL NON-RECOVERABLE EXP | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 1,322,713.60 | 22,500.00 | 22,500.00 | 1,232,192.40 | 22,500.00 | 2,779,906.0 | |
| TOTAL OPERATING EXPENSE | 304,200.00 | 291,700.00 | 931,950.00 | 291,700.00 | 304,200.00 | 291,700.00 | 291,700.00 | 1,591,913.60 | 344,700.00 | 291,700.00 | 1,501,392.40 | 291,700.00 | 8,728,556.0 | |
| NET OPERATING INCOME | 562,795.06 | 716,634.71 | 480,264.36 | 884,124.01 | 1,025,483.66 | 1,429,343.31 | 1,833,202.96 | 886,849.61 | 1,127,475.51 | 1,621,102.01 | 668,879.67 | 1,155,931.73 | 3,490,196.0 | |
| PLANNED PAYMENTS | | | | | | | | | | | | | | |
| Class 2 - Mfg Interest | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.0 | |
| Class 3 - Mechanic Lien | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 68,052.0 | |
| Class 4 - General Unsecured Creditors | 2 | | | | | | | | | | | | | |

| Property Name: UNION TRUST BUILDING | | | | | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--|
| Property Code: 637N | | | | | | | | | | | | | | | |
| Property Address: 501 Grant Street, Pittsburg, PA | | | | | | | | | | | | | | | |
| Source Footage: 517.378 | | | | | | | | | | | | | | | |
| Budget Period: | | From | 1/16 | To | 12/18 | | | | | | | | | | |
| THE MERRILL GRP OF COMPANIES | | | | | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | TOTAL | | |
| BEGINNING CASH | 1,030,457.41 | 1,273,949.63 | 1,780,341.85 | 1,642,964.07 | 1,899,376.29 | 2,121,504.91 | 1,462,847.13 | 1,904,676.35 | 2,317,477.15 | 1,718,678.75 | 2,334,526.35 | 2,852,375.95 | | | |
| CONTRIBUTION | | | | | | | | | | | | | | | |
| Rental Income | 808,356.89 | 808,356.89 | 808,356.89 | 808,356.89 | 808,356.89 | 808,356.89 | 893,793.86 | 893,793.89 | 893,793.89 | 893,793.89 | 883,793.89 | 893,793.89 | 10,212,904.5 | | |
| TOTAL | 1,838,814.30 | 2,082,306.52 | 2,588,698.74 | 2,451,340.96 | 2,707,733.18 | 2,929,861.80 | 2,356,641.02 | 2,798,470.24 | 3,211,271.04 | 2,610,470.64 | 3,228,320.24 | 3,846,169.84 | 10,212,904.5 | | |
| RECOVERABLE REVENUE | | | | | | | | | | | | | | | |
| Common Area Maintenance | 98,318.71 | 98,318.71 | 98,318.71 | 98,318.71 | 98,318.71 | 98,318.71 | 98,318.71 | 114,551.74 | 114,551.74 | 114,551.74 | 114,551.74 | 114,551.74 | 1,260,896.6 | | |
| Property Tax Reimb | 21,705.94 | 21,705.94 | 21,705.94 | 21,705.94 | 21,705.94 | 21,705.94 | 21,705.94 | 25,822.45 | 25,822.45 | 25,822.45 | 25,822.45 | 25,822.45 | 281,053.6 | | |
| Utility Reimbursement | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 1,350.00 | 15,200.0 | | |
| TOTAL RECOVERABLE REVENUE | 121,374.65 | 121,374.65 | 121,374.65 | 121,374.65 | 121,374.65 | 121,374.65 | 121,374.65 | 141,724.19 | 141,724.19 | 141,724.19 | 141,724.19 | 141,724.19 | 1,558,243.5 | | |
| TOTAL INCOME | 1,960,188.95 | 2,203,681.17 | 2,710,073.38 | 2,572,715.61 | 2,829,107.83 | 3,051,236.45 | 2,478,015.67 | 2,940,194.43 | 3,352,995.23 | 2,752,194.83 | 3,370,044.43 | 3,987,894.03 | 11,771,148.1 | | |
| OPERATING EXPENSES | | | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | | | |
| Electricity House Meters | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 47,300.00 | 567,800.0 | | |
| Steam / Chilled Water | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 70,150.00 | 841,800.0 | | |
| Water / Sewer | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 60,000.0 | | |
| TOTAL UTILITIES | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 122,450.00 | 1,469,400.0 | | |
| CONTRACT SERVICES | | | | | | | | | | | | | | | |
| Elevator Services | | | 40,900.00 | | | | | | 40,900.00 | | | | 81,800.0 | | |
| Pest Control | 875.00 | 875.00 | 875.00 | 875.00 | 875.00 | 875.00 | 875.00 | 875.00 | 875.00 | 875.00 | 875.00 | 875.00 | 8,100.0 | | |
| Security Contract | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 237,000.0 | | |
| Fire Safety - Bldg | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 37,500.0 | | |
| Custodial / Janitorial | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 40,900.00 | 490,800.0 | | |
| Trash Removal | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 2,290.00 | 27,480.0 | | |
| Management Fee | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 192,000.0 | | |
| TOTAL CONTRACT SERVICES | 82,740.00 | 82,740.00 | 123,840.00 | 82,740.00 | 82,740.00 | 82,740.00 | 82,740.00 | 82,740.00 | 123,840.00 | 82,740.00 | 82,740.00 | 82,740.00 | 1,074,980.0 | | |
| ADMINISTRATIVE | | | | | | | | | | | | | | | |
| Office Supplies | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 11,760.0 | | |
| Postage Delivery Services | 495.00 | 495.00 | 495.00 | 495.00 | 495.00 | 495.00 | 495.00 | 495.00 | 495.00 | 495.00 | 495.00 | 495.00 | 5,940.0 | | |
| Telephone | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 11,760.0 | | |
| Equipment Lease - Copier | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 6,600.0 | | |
| Onsite Manager | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 5,890.00 | 68,160.0 | | |
| Maintenance Safety | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 18,950.00 | 227,400.0 | | |
| Uniforms | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 3,000.0 | | |
| Payroll Tax / Benefits | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 16,900.00 | 202,800.0 | | |
| State / Federal Taxes | 12,900.00 | | | | | | | | | | | | 12,900.0 | | |
| TOTAL ADMINISTRATIVE | 57,685.00 | 44,785.00 | 44,785.00 | 44,785.00 | 44,785.00 | 44,785.00 | 44,785.00 | 44,785.00 | 44,785.00 | 44,785.00 | 44,785.00 | 44,785.00 | 550,320.0 | | |
| COMMON AREA | | | | | | | | | | | | | | | |
| Property Insurance | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 11,900.00 | 142,600.0 | | |
| Property Tax - County | | | 127,000.00 | | | | | | | | | | 127,000.0 | | |
| Property Tax - City/School | | | 448,350.00 | | | | | | | | | | 448,350.0 | | |
| Property Tax - Bldg | | | 26,500.00 | | | | | | | | | | 26,500.0 | | |
| Elevator Repair / Maint | 960.00 | 960.00 | 960.00 | 960.00 | 960.00 | 960.00 | 960.00 | 960.00 | 960.00 | 960.00 | 960.00 | 960.00 | 11,520.0 | | |
| Window Washing | | | | | 12,700.00 | | | | 12,700.00 | | | | 25,400.0 | | |
| Plumbing | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 1,790.00 | 21,120.0 | | |
| Janitorial Supplies | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 2,790.00 | 33,480.0 | | |
| Interior R & M | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 3,000.0 | | |
| Maintenance Supplies | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 2,770.00 | 33,240.0 | | |
| Lighting | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 1,770.00 | 21,240.0 | | |
| Repair & Maintenance | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 3,190.00 | 38,280.0 | | |
| TOTAL COMMON AREA EXPENSES | 25,360.00 | 25,360.00 | 628,240.00 | 25,360.00 | 38,060.00 | 25,360.00 | 25,360.00 | 25,360.00 | 38,060.00 | 25,360.00 | 25,360.00 | 25,360.00 | 832,830.0 | | |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | | | |
| Other Admin Expenses | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.0 | | |
| Legal Fee | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 120,000.0 | | |
| Tenant Improvements - Office | | | | | | 1,165,050.00 | | | 1,165,050.00 | | | | 2,330,100.0 | | |
| Tenant Improvements - Retail | | | | | | | | | | | | | | | |
| Leasing Commissions - Office | | | | | | | | 235,048.80 | | | | | 470,097.6 | | |
| Leasing Commissions - Retail | | | | | | | | | | | | | | | |
| Asset Mgmt Fee | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.0 | | |
| Miscellaneous | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.0 | | |
| TOTAL NON-RECOVERABLE EXP | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 294,063.60 | 1,187,550.00 | 22,500.00 | 227,548.80 | 1,187,550.00 | 22,500.00 | 22,500.00 | 22,500.00 | 3,078,742.4 | | |
| TOTAL OPERATING EXPENSE | 310,785.00 | 297,865.00 | 941,615.00 | 297,865.00 | 582,128.60 | 1,482,918.00 | 297,865.00 | 502,913.80 | 1,518,515.00 | 297,865.00 | 297,865.00 | 297,865.00 | 7,104,042.4 | | |
| NET OPERATING INCOME | 1,649,423.95 | 1,905,816.17 | 1,768,458.38 | 2,274,850.61 | 2,246,979.23 | 1,568,321.45 | 2,180,150.67 | 2,437,280.63 | 1,836,480.23 | 2,454,329.83 | 3,072,179.43 | 3,690,029.03 | 4,667,105.7 | | |
| PLANNED PAYMENTS | | | | | | | | | | | | | | | |
| Class 2 - Mtg Interest | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.7 | | |
| Class 3 - Mechanic Lien | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 5,670.84 | 39,695.6 | | |
| Class 4 - General Unsecured Creditors | 250,000.00 | | | | | | | | | | | | 650,000.0 | | |
| TOTAL PLANNED PAYMENTS | 375,474.32 | 125,474.32 | 125,474.32 | 375,474.32 | 125,474.32 | 125,474.32 | 275,474.32 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 2,127,337.6 | | |
| END CASH BALANCE | 1,273,949.63 | 1,780,341.85 | 1,842,964.07 | 1,899,376.29 | 2,121,504.91 | 1,462,847.13 | 1,904,676.35 | 2,317,477.15 | 1,718,678.75 | 2,334,526.35 | 2,952,375.95 | 3,570,226.55 | | | |

| Property Name: UNION TRUST BUILDING Property Code: 057M Property Address: 501 Grant Street, Pittsburg, PA Square Footage: 517,378 Bucket Period: From 1/18 To 12/18 | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | TOTAL |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|-------|
| THE MERRILL GRP OF COMPANIES | | | | | | | | | | | | | | |
| BEGINNING CASH | | 6,819,165.09 | 8,898,826.40 | 7,191,967.71 | 8,734,419.02 | 7,027,500.33 | 7,307,801.84 | 8,000,742.95 | 8,693,884.28 | 9,387,025.57 | 10,025,816.88 | 10,718,958.19 | 11,412,089.50 | |
| CONTRIBUTION | | | | | | | | | | | | | | |
| Rental Income | | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 11,486,792.6 | |
| TOTAL | | 7,576,417.81 | 7,856,059.12 | 8,149,200.43 | 7,691,651.74 | 7,984,733.05 | 8,264,834.36 | 8,957,975.67 | 9,651,116.98 | 10,344,258.29 | 10,983,049.80 | 11,676,190.91 | 12,369,332.22 | |
| RECOVERABLE REVENUE | | | | | | | | | | | | | | |
| Common Area Maintenance | | 128,605.12 | 128,605.12 | 128,605.12 | 128,605.12 | 128,605.12 | 128,605.12 | 128,605.12 | 128,605.12 | 128,605.12 | 128,605.12 | 128,605.12 | 1,519,261.4 | |
| Property Tax Reimb | | 31,766.95 | 31,766.95 | 31,766.95 | 31,766.95 | 31,766.95 | 31,766.95 | 31,766.95 | 31,766.95 | 31,766.95 | 31,766.95 | 31,766.95 | 381,203.4 | |
| Utility Reimbursemt | | 1,375.00 | 1,375.00 | 1,375.00 | 1,375.00 | 1,375.00 | 1,375.00 | 1,375.00 | 1,375.00 | 1,375.00 | 1,375.00 | 1,375.00 | 16,500.0 | |
| TOTAL RECOVER REVENUE | | 159,747.07 | 159,747.07 | 159,747.07 | 159,747.07 | 159,747.07 | 159,747.07 | 159,747.07 | 159,747.07 | 159,747.07 | 159,747.07 | 159,747.07 | 1,818,964.8 | |
| TOTAL INCOME | | 7,736,164.88 | 8,015,806.19 | 8,308,947.50 | 7,851,398.81 | 8,144,540.12 | 8,424,581.43 | 9,117,722.74 | 9,810,864.05 | 10,504,005.36 | 11,142,765.67 | 11,835,937.98 | 12,629,078.29 | |
| OPERATING EXPENSES | | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | | |
| Electricity House Motors | | 48,500.00 | 48,500.00 | 48,500.00 | 48,500.00 | 48,500.00 | 48,500.00 | 48,500.00 | 48,500.00 | 48,500.00 | 48,500.00 | 48,500.00 | 582,000.0 | |
| Steam / Chilled Water | | 71,750.00 | 71,750.00 | 71,750.00 | 71,750.00 | 71,750.00 | 71,750.00 | 71,750.00 | 71,750.00 | 71,750.00 | 71,750.00 | 71,750.00 | 861,000.0 | |
| Water / Sewer | | 5,850.00 | 5,850.00 | 5,850.00 | 5,850.00 | 5,850.00 | 5,850.00 | 5,850.00 | 5,850.00 | 5,850.00 | 5,850.00 | 5,850.00 | 67,800.0 | |
| TOTAL UTILITIES | | 125,900.00 | 125,900.00 | 125,900.00 | 125,900.00 | 125,900.00 | 125,900.00 | 125,900.00 | 125,900.00 | 125,900.00 | 125,900.00 | 125,900.00 | 1,510,800.0 | |
| CONTRACT SERVICES | | | | | | | | | | | | | | |
| Elevator Services | | | | 41,250.00 | | | | | | | 41,250.00 | | 82,500.0 | |
| Pest Control | | 690.00 | 690.00 | 690.00 | 690.00 | 690.00 | 690.00 | 690.00 | 690.00 | 690.00 | 690.00 | 690.00 | 8,280.0 | |
| Security Contract | | 20,050.00 | 20,050.00 | 20,050.00 | 20,050.00 | 20,050.00 | 20,050.00 | 20,050.00 | 20,050.00 | 20,050.00 | 20,050.00 | 20,050.00 | 240,600.0 | |
| Fire Safety - Bldg | | 3,200.00 | 3,200.00 | 3,200.00 | 3,200.00 | 3,200.00 | 3,200.00 | 3,200.00 | 3,200.00 | 3,200.00 | 3,200.00 | 3,200.00 | 38,400.0 | |
| Custodial / Janitorial | | 41,200.00 | 41,200.00 | 41,200.00 | 41,200.00 | 41,200.00 | 41,200.00 | 41,200.00 | 41,200.00 | 41,200.00 | 41,200.00 | 41,200.00 | 494,400.0 | |
| Trash Removal | | 2,575.00 | 2,575.00 | 2,575.00 | 2,575.00 | 2,575.00 | 2,575.00 | 2,575.00 | 2,575.00 | 2,575.00 | 2,575.00 | 2,575.00 | 30,900.0 | |
| Management Fee | | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 216,000.0 | |
| TOTAL CONTRACT SERVICES | | 83,715.00 | 83,715.00 | 124,965.00 | 83,715.00 | 83,715.00 | 83,715.00 | 83,715.00 | 83,715.00 | 124,965.00 | 83,715.00 | 83,715.00 | 1,067,080.0 | |
| ADMINISTRATIVE | | | | | | | | | | | | | | |
| Office Supplies | | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 11,760.0 | |
| Postage / Delivery Services | | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 6,000.0 | |
| Telephone | | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 11,940.0 | |
| Equipment Leases - Copier | | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 6,600.0 | |
| Onsite Manager | | 5,825.00 | 5,825.00 | 5,825.00 | 5,825.00 | 5,825.00 | 5,825.00 | 5,825.00 | 5,825.00 | 5,825.00 | 5,825.00 | 5,825.00 | 69,900.0 | |
| Maintenance Salary | | 19,350.00 | 19,350.00 | 19,350.00 | 19,350.00 | 19,350.00 | 19,350.00 | 19,350.00 | 19,350.00 | 19,350.00 | 19,350.00 | 19,350.00 | 232,200.0 | |
| Uniforms | | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 3,600.0 | |
| Payroll Tax / Benefits | | 17,500.00 | 17,500.00 | 17,500.00 | 17,500.00 | 17,500.00 | 17,500.00 | 17,500.00 | 17,500.00 | 17,500.00 | 17,500.00 | 17,500.00 | 210,000.0 | |
| State / Federal Taxes | | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 13,500.00 | 162,000.0 | |
| TOTAL ADMINISTRATIVE | | 59,500.00 | 48,000.00 | 48,000.00 | 48,000.00 | 48,000.00 | 48,000.00 | 48,000.00 | 48,000.00 | 48,000.00 | 48,000.00 | 48,000.00 | 595,900.0 | |
| COMMON AREA | | | | | | | | | | | | | | |
| Property Insurance | | 11,975.00 | 11,975.00 | 11,975.00 | 11,975.00 | 11,975.00 | 11,975.00 | 11,975.00 | 11,975.00 | 11,975.00 | 11,975.00 | 11,975.00 | 143,700.0 | |
| Property Tax - County | | | | 128,300.00 | | | | | | | | | 128,300.0 | |
| Property Tax - City/School | | | | 583,790.00 | | | | | | | | | 583,790.0 | |
| Property Tax - BID | | | | 27,350.00 | | | | | | | | | 27,350.0 | |
| Elevator Repair / Maint | | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 11,940.0 | |
| Window Washing | | | | | | 13,100.00 | | | | | | | 157,200.0 | |
| Plumbing | | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 21,900.0 | |
| Janitorial Supplies | | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 34,920.0 | |
| Interior R & M | | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 3,000.0 | |
| Maintenance Supplies | | 2,890.00 | 2,890.00 | 2,890.00 | 2,890.00 | 2,890.00 | 2,890.00 | 2,890.00 | 2,890.00 | 2,890.00 | 2,890.00 | 2,890.00 | 34,680.0 | |
| Lighting | | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 1,825.00 | 21,900.0 | |
| Repair & Maintenance | | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 39,000.0 | |
| TOTAL COMMON AREA EXPENSES | | 25,820.00 | 25,920.00 | 735,360.00 | 25,920.00 | 38,020.00 | 25,920.00 | 25,920.00 | 38,020.00 | 38,020.00 | 25,920.00 | 25,920.00 | 1,048,980.0 | |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | | |
| Other Adm'n Expenses | | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.0 | |
| Legal Fee | | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 120,000.0 | |
| Tenant Improvements - Office | | | | | | | | | | | | | | |
| Tenant Improvements - Retail | | | | | | | | | | | | | | |
| Leasing Commissions - Office | | | | | | | | | | | | | | |
| Leasing Commissions - Retail | | | | | | | | | | | | | | |
| Asset Mgmt Fee | | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.0 | |
| Miscellaneous | | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.0 | |
| TOTAL NON-RECOVERABLE EXP | | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 270,000.0 | |
| TOTAL OPERATING EXPENSE | | 317,535.00 | 304,035.00 | 1,054,725.00 | 304,035.00 | 317,135.00 | 304,035.00 | 304,035.00 | 304,035.00 | 358,385.00 | 304,035.00 | 304,035.00 | 4,480,060.0 | |
| NET OPERATING INCOME | | 7,418,629.88 | 7,711,771.19 | 7,254,222.50 | 7,547,363.81 | 7,627,405.12 | 8,120,548.43 | 8,813,887.74 | 9,506,829.05 | 10,145,620.36 | 10,838,781.07 | 11,531,902.88 | 12,225,044.29 | |
| PLANNED PAYMENTS | | | | | | | | | | | | | | |
| Class 2 Mgt Interest | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.7 | |
| TOTAL PLANNED PAYMENTS | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.7 | |
| Capital Expenditure | | | | | | | | | | | | | | |
| Capital Expenditure | | 400,000.00 | 400,000.00 | 400,000.00 | 400,000.00 | 400,000.00 | | | | | | | 2,000,000.0 | |
| TOTAL PLANNED PMTSCAP EXP | | 519,803.48 | 519,803.48 | 519,803.48 | 519,803.48 | 519,803.48 | 400,000.00 | | | | | | 3,437,841.7 | |
| END CASH BALANCE | | 8,898,826.40 | 7,191,967.71 | 8,734,419.02 | 7,027,500.33 | 7,307,801.84 | 8,000,742.95 | 8,693,884.28 | 9,387,025.57 | 10,025,816.88 | 10,718,958.19 | 11,412,089.50 | 12,105,240.81 | |

| Property Name: UNION TRUST BUILDING Property Code: 067M Property Address: 601 Grant Street, Pittsburgh, PA Square Footage: 517,378 Budget Period: From 1/19 To 12/19 | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | TOTAL |
|--|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| THE MERRILL GRP OF COMPANIES | | | | | | | | | | | | | | |
| BEGINNING CASH CONTRIBUTION | | 12,105,240.81 | 12,783,627.56 | 13,475,914.31 | 13,414,401.06 | 14,106,487.81 | 14,785,474.56 | 15,477,561.31 | 16,169,648.06 | 16,861,734.81 | 17,499,171.56 | 18,191,258.31 | 18,883,345.06 | |
| Rental Income | | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 957,332.72 | 11,487,992.6 |
| TOTAL | | 13,062,573.53 | 13,741,160.28 | 14,433,247.03 | 14,371,733.78 | 15,063,820.53 | 15,742,807.28 | 16,434,894.03 | 17,126,980.78 | 17,819,067.53 | 18,456,504.28 | 19,148,591.03 | 19,840,677.78 | 11,487,992.6 |
| RECOVERABLE REVENUE | | | | | | | | | | | | | | |
| Common Area Maintenance | | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 129,137.22 | 1,549,646.6 |
| Property Tax Reimb | | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 33,355.29 | 400,263.4 |
| Utility Reimbursement | | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 17,760.0 |
| TOTAL RECOVERABLE REVENUE | | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 163,972.51 | 1,967,670.1 |
| TOTAL INCOME | | 13,226,546.04 | 13,905,132.79 | 14,597,219.54 | 14,535,706.29 | 15,227,793.04 | 15,906,779.79 | 16,608,866.54 | 17,290,953.29 | 17,983,040.04 | 18,620,476.79 | 19,312,563.54 | 20,004,650.29 | 13,456,662.7 |
| OPERATING EXPENSES | | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | | |
| Electricity House Meters | | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 49,125.00 | 589,500.0 |
| Steam / Chilled Water | | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 72,600.00 | 871,200.0 |
| Water / Sewer | | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 5,830.00 | 69,960.0 |
| TOTAL UTILITIES | | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 127,555.00 | 1,530,660.0 |
| CONTRACT SERVICES | | | | | | | | | | | | | | |
| Elevator Services | | | | 41,550.00 | | | | | | 41,550.00 | | | | 83,100.0 |
| Pest Control | | 710.00 | 710.00 | 710.00 | 710.00 | 710.00 | 710.00 | 710.00 | 710.00 | 710.00 | 710.00 | 710.00 | 710.00 | 8,520.0 |
| Security Contract | | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 258,000.0 |
| Fire Safety - Bldg | | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 3,250.00 | 39,000.0 |
| Condo / Janitorial | | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 41,975.00 | 503,700.0 |
| Trash Removal | | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 2,590.00 | 31,080.0 |
| Management Fee | | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 192,000.0 |
| TOTAL CONTRACT SERVICES | | 86,025.00 | 86,025.00 | 127,575.00 | 86,025.00 | 86,025.00 | 86,025.00 | 86,025.00 | 86,025.00 | 127,575.00 | 86,025.00 | 86,025.00 | 86,025.00 | 1,115,400.0 |
| ADMINISTRATIVE | | | | | | | | | | | | | | |
| Office Supplies | | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 11,880.0 |
| Postage Delivery Services | | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 6,000.0 |
| Telephone | | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 11,940.0 |
| Equipment Lease - Copier | | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 6,600.0 |
| Onsite Manager | | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 5,920.00 | 71,040.0 |
| Maintenance Salary | | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 19,750.00 | 237,000.0 |
| Uniforms | | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 3,900.0 |
| Payroll Tax / Benefits | | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 17,950.00 | 215,400.0 |
| State / Federal Taxes | | 13,500.00 | | | | | | | | | | | | 13,500.0 |
| TOTAL ADMINISTRATIVE | | 80,480.00 | 48,980.00 | 48,980.00 | 48,980.00 | 48,980.00 | 48,980.00 | 48,980.00 | 48,980.00 | 48,980.00 | 48,980.00 | 48,980.00 | 48,980.00 | 577,260.0 |
| COMMON AREA | | | | | | | | | | | | | | |
| Property Insurance | | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 12,050.00 | 144,600.0 |
| Property Tax - County | | | | 126,950.00 | | | | | | | | | | 126,950.0 |
| Property Tax - City/School | | | | 556,175.00 | | | | | | | | | | 556,175.0 |
| Property Tax - DC | | | | 27,925.00 | | | | | | | | | | 27,925.0 |
| Elevator Repair / Maint | | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 11,940.0 |
| Window Washing | | | | | | 13,100.00 | | | | 13,100.00 | | | | 26,200.0 |
| Plumbing | | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 1,830.00 | 21,960.0 |
| Janitorial Supplies | | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 2,910.00 | 34,320.0 |
| Interior R & M | | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 3,000.0 |
| Maintenance Supplies | | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 3,025.00 | 36,300.0 |
| Lighting | | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 1,970.00 | 23,640.0 |
| Repair & Maintenance | | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 39,900.0 |
| TOTAL COMMON AREA EXPENSES | | 28,355.00 | 28,355.00 | 736,405.00 | 28,355.00 | 39,465.00 | 28,355.00 | 28,355.00 | 28,355.00 | 39,465.00 | 28,355.00 | 28,355.00 | 28,355.00 | 1,054,510.0 |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | | |
| Other Admin Expenses | | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.0 |
| Legal Fee | | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 120,000.0 |
| Tenant Improvements - Office | | | | | | | | | | | | | | |
| Tenant Improvements - Retail | | | | | | | | | | | | | | |
| Leasing Commissions - Office | | | | | | | | | | | | | | |
| Leasing Commissions - Retail | | | | | | | | | | | | | | |
| Asset Mgmt Fee | | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.0 |
| Miscellaneous | | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.0 |
| TOTAL NON-RECOVERABLE EXP | | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 270,000.0 |
| TOTAL OPERATING EXPENSE | | 322,915.00 | 309,415.00 | 1,063,015.00 | 309,415.00 | 322,915.00 | 309,415.00 | 309,415.00 | 309,415.00 | 364,065.00 | 309,415.00 | 309,415.00 | 309,415.00 | 4,547,830.0 |
| NET OPERATING INCOME | | 12,903,631.04 | 13,595,717.79 | 13,534,204.54 | 14,226,291.29 | 14,905,278.04 | 15,597,364.79 | 16,289,451.54 | 16,981,538.29 | 17,619,975.04 | 18,311,061.79 | 19,003,148.54 | 19,695,235.29 | 8,907,832.0 |
| PLANNED PAYMENTS | | | | | | | | | | | | | | |
| Class 2 - Mtg Interest | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,641.0 |
| TOTAL PLANNED PAYMENTS | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,641.0 |
| Capital Expenditures | | | | | | | | | | | | | | |
| TOTAL PLANNED PMTS/CAP EXP | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,641.0 |
| END CASH BALANCE | | 12,783,627.56 | | | | | | | | | | | | |

| Property Name: | | Main Document Page 49 of 69 | | | | | | | | | | | | | | |
|------------------------------|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|--|
| Property Code: | | | | | | | | | | | | | | | | |
| Property Address: | | | | | | | | | | | | | | | | |
| Service Footnote: | | | | | | | | | | | | | | | | |
| Budget Period: | | From | 1/20 | To | 12/20 | | | | | | | | | | | |
| THE MERRILL GRP OF COMPANIES | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | TOTAL | | |
| BEGINNING CASH | | 18,875,431.81 | 20,285,540.51 | 20,955,849.21 | 20,873,407.81 | 21,583,518.81 | 22,240,225.31 | 22,930,334.01 | 23,820,442.71 | 24,310,551.41 | 24,945,010.11 | 25,635,118.81 | 26,325,227.51 | | | |
| CONTRIBUTION | | | | | | | | | | | | | | | | |
| Rental Income | | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 11,486,792.16 | | |
| TOTAL | | 20,532,664.53 | 21,222,773.23 | 21,912,881.93 | 21,830,640.53 | 22,520,749.33 | 23,197,458.03 | 23,887,566.73 | 24,577,675.43 | 25,267,784.13 | 25,902,242.83 | 26,592,351.63 | 27,282,460.23 | 11,486,792.16 | | |
| RECOVERABLE REVENUE | | | | | | | | | | | | | | | | |
| Common Area Maintenance | | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 131,719.96 | 1,580,639.52 | | |
| Property Tax Reimb | | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 34,689.50 | 416,274.00 | | |
| Utility Reimbursement | | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 1,480.00 | 17,750.00 | | |
| TOTAL RECOVER REVENUE | | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 167,889.46 | 2,014,673.52 | | |
| TOTAL INCOME | | 20,700,553.99 | 21,390,662.69 | 22,080,771.39 | 21,998,530.09 | 22,688,638.79 | 23,365,347.49 | 24,055,456.19 | 24,745,564.89 | 25,435,673.59 | 26,070,132.29 | 26,760,240.99 | 27,450,349.69 | 13,501,466.16 | | |
| OPERATING EXPENSES | | | | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | | | | |
| Electricity House Meters | | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 49,950.00 | 589,400.00 | | |
| Steam / Chilled Water | | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 73,150.00 | 877,900.00 | | |
| Water / Sewer | | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 72,000.00 | | |
| TOTAL UTILITIES | | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 129,100.00 | 1,549,200.00 | | |
| CONTRACT SERVICES | | | | | | | | | | | | | | | | |
| Elevator Service | | | | 42,260.00 | | | | | | | | 42,260.00 | | 84,520.00 | | |
| Pest Control | | 795.00 | 795.00 | 795.00 | 795.00 | 795.00 | 795.00 | 795.00 | 795.00 | 795.00 | 795.00 | 795.00 | 795.00 | 8,540.00 | | |
| Security Contract | | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 21,950.00 | 263,400.00 | | |
| Fire Safety - Bldg | | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 38,720.00 | | |
| Custodial / Janitorial | | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 42,100.00 | 505,200.00 | | |
| Trash Removal | | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 2,750.00 | 33,000.00 | | |
| Management Fee | | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 182,000.00 | | |
| TOTAL CONTRACT SERVICES | | 88,905.00 | 88,905.00 | 129,155.00 | 88,905.00 | 88,905.00 | 88,905.00 | 88,905.00 | 88,905.00 | 88,905.00 | 88,905.00 | 88,905.00 | 88,905.00 | 1,127,960.00 | | |
| ADMINISTRATIVE | | | | | | | | | | | | | | | | |
| Office Supplies | | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 990.00 | 11,880.00 | | |
| Postage Delivery Services | | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 6,000.00 | | |
| Telephone | | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 11,940.00 | | |
| Equipment Lease - Copier | | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 6,900.00 | | |
| Onsite Manager | | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 | 72,000.00 | | |
| Maintenance Salary | | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 240,000.00 | | |
| Uniforms | | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 325.00 | 3,900.00 | | |
| Payroll Tax / Benefits | | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 19,550.00 | 234,500.00 | | |
| State / Federal Taxes | | 14,500.00 | | | | | | | | | | | | 14,500.00 | | |
| TOTAL ADMINISTRATIVE | | 48,935.00 | 48,935.00 | 63,435.00 | 48,935.00 | 48,935.00 | 48,935.00 | 48,935.00 | 48,935.00 | 48,935.00 | 48,935.00 | 48,935.00 | 48,935.00 | 601,720.00 | | |
| COMMON AREA | | | | | | | | | | | | | | | | |
| Property Insurance | | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 13,190.00 | 158,280.00 | | |
| Property Tax - County | | | | 129,750.00 | | | | | | | | | | 129,750.00 | | |
| Property Tax - City/School | | | | 586,850.00 | | | | | | | | | | 586,850.00 | | |
| Property Tax - BID | | | | 29,200.00 | | | | | | | | | | 29,200.00 | | |
| Elevator Repair / Maint | | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 11,940.00 | | |
| Window Washing | | | | | | 13,400.00 | | | | | | 13,400.00 | | 26,800.00 | | |
| Plumbing | | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 1,950.00 | 23,400.00 | | |
| Janitorial Supplies | | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 36,060.00 | | |
| Interior R & M | | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 | 3,300.00 | | |
| Maintenance Supplies | | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 36,600.00 | | |
| Lighting | | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 23,760.00 | | |
| Repair & Maintenance | | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 3,325.00 | 39,900.00 | | |
| TOTAL COMMON AREA EXPENSES | | 27,770.00 | 27,770.00 | 743,370.00 | 27,770.00 | 41,170.00 | 27,770.00 | 27,770.00 | 27,770.00 | 27,770.00 | 27,770.00 | 27,770.00 | 27,770.00 | 1,075,640.00 | | |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | | | | |
| Other Admin Expenses | | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 | | |
| Legal Fee | | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 120,000.00 | | |
| Tenant Improvements - Office | | | | | | | | | | | | | | | | |
| Tenant Improvements - Retail | | | | | | | | | | | | | | | | |
| Leasing Commissions - Office | | | | | | | | | | | | | | | | |
| Leasing Commissions - Retail | | | | | | | | | | | | | | | | |
| Asset Mgmt Fee | | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.00 | | |
| Miscellaneous | | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 | | |
| TOTAL NON-RECOVERABLE EXP | | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 270,000.00 | | |
| TOTAL OPERATING EXPENSE | | 315,210.00 | 315,210.00 | 1,087,580.00 | 315,210.00 | 328,810.00 | 315,210.00 | 315,210.00 | 315,210.00 | 315,210.00 | 315,210.00 | 315,210.00 | 315,210.00 | 4,623,620.00 | | |
| NET OPERATING INCOME | | 20,385,343.99 | 21,075,452.99 | 20,993,211.39 | 21,683,320.99 | 22,360,028.79 | 23,050,137.49 | 23,740,246.19 | 24,430,354.89 | 25,094,813.59 | 25,754,922.29 | 26,445,030.99 | 27,135,139.69 | 8,877,546.16 | | |
| PLANNED PAYMENTS | | | | | | | | | | | | | | | | |
| Class 2 - Mfg Interest | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,641.76 | | |
| TOTAL PLANNED PAYMENTS | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,641.76 | | |
| Capital Expenditure | | | | | | | | | | | | | | | | |
| TOTAL PLANNED PMTS/CAP EXP | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,641.76 | | |
| END CASH BALANCE | | 20,265,540.51 | 20,955,849.21 | 20,873,407.81 | 21,583,518.81 | 22, | | | | | | | | | | |

| | |
|-------------------|----------------------------------|
| Property Name: | UNION TRUST BUILDING |
| Property Code: | 857M |
| Property Address: | 801 Grant Street, Pittsburgh, PA |
| Square Footage: | 517,375 |
| Budget Period: | From 1/21 To 12/21 |

THE MERRILL GRP OF COMPANIES

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | TOTAL |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| BEGINNING CASH | 27,015,386.21 | 27,705,474.06 | 28,365,813.75 | 28,309,877.52 | 28,999,810.29 | 29,670,055.09 | 30,366,193.83 | 31,056,332.60 | 31,746,471.37 | 32,379,960.14 | 33,070,098.91 | 33,760,237.68 | 11,466,732.04 |
| CONTRIBUTION | | | | | | | | | | | | | |
| Rental Income | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 957,232.72 | 11,466,732.04 |
| TOTAL | 27,972,618.93 | 28,662,707.70 | 29,352,846.47 | 29,266,910.24 | 29,957,049.01 | 30,639,287.78 | 31,323,426.55 | 32,013,565.32 | 32,703,704.09 | 33,337,192.86 | 34,027,331.63 | 34,717,470.40 | 11,466,732.04 |
| RECOVERABLE REVENUE | | | | | | | | | | | | | |
| Common Area Maintenance | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 134,354.35 | 1,612,252.20 |
| Property Tax Rebate | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 35,730.18 | 428,762.16 |
| Utility Reimbursement | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 18,000.00 |
| TOTAL RECOVER REVENUE | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 171,584.53 | 2,059,014.36 |
| TOTAL INCOME | 28,144,153.46 | 28,834,292.23 | 29,524,431.00 | 29,438,494.77 | 30,128,633.54 | 30,804,972.31 | 31,495,011.06 | 32,185,149.85 | 32,875,288.62 | 33,508,777.36 | 34,198,916.16 | 34,889,054.93 | 13,545,807.00 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | |
| Electricity House Meters | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 50,100.00 | 601,200.00 |
| Steam / Chilled Water | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 73,575.00 | 882,900.00 |
| Water / Sewer | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 6,050.00 | 72,600.00 |
| TOTAL UTILITIES | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 129,725.00 | 1,556,700.00 |
| CONTRACT SERVICES | | | | | | | | | | | | | |
| Elevator Services | | | 42,750.00 | | | | | | | 42,750.00 | | | 85,500.00 |
| Pest Control | 810.00 | 810.00 | 810.00 | 810.00 | 810.00 | 810.00 | 810.00 | 810.00 | 810.00 | 810.00 | 810.00 | 810.00 | 9,720.00 |
| Security Contract | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 22,050.00 | 264,600.00 |
| Fire Safety - Bldg | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 39,720.00 |
| Custodial / Janitorial | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 42,750.00 | 513,000.00 |
| Trash Removal | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 2,810.00 | 33,720.00 |
| Management Fee | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | 192,000.00 |
| TOTAL CONTRACT SERVICES | 87,730.00 | 87,730.00 | 130,480.00 | 87,730.00 | 87,730.00 | 87,730.00 | 87,730.00 | 87,730.00 | 130,480.00 | 87,730.00 | 87,730.00 | 87,730.00 | 1,138,260.00 |
| ADMINISTRATIVE | | | | | | | | | | | | | |
| Office Supplies | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 980.00 | 11,880.00 |
| Postage / Delivery Services | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 6,000.00 |
| Telephone | 985.00 | 985.00 | 985.00 | 985.00 | 985.00 | 985.00 | 985.00 | 985.00 | 985.00 | 985.00 | 985.00 | 985.00 | 11,840.00 |
| Equipment Lease - Copier | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 575.00 | 6,900.00 |
| Onsite Manager | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 8,150.00 | 97,800.00 |
| Maintenance Salary | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 21,250.00 | 255,000.00 |
| Uniforms | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 4,200.00 |
| Payroll Tax / Benefits | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 19,985.00 | 239,820.00 |
| State / Federal Taxes | 14,500.00 | | 14,500.00 | | | | | | | | | | 14,500.00 |
| TOTAL ADMINISTRATIVE | 50,805.00 | 50,805.00 | 85,305.00 | 50,805.00 | 50,805.00 | 50,805.00 | 50,805.00 | 50,805.00 | 50,805.00 | 50,805.00 | 50,805.00 | 50,805.00 | 624,160.00 |
| COMMON AREA | | | | | | | | | | | | | |
| Property Insurance | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 13,250.00 | 159,000.00 |
| Property Tax - County | | | 130,800.00 | | | | | | | | | | 130,800.00 |
| Property Tax - City/School | | | 557,875.00 | | | | | | | | | | 557,875.00 |
| Property Tax - BKD | | | 28,960.00 | | | | | | | | | | 28,960.00 |
| Elevator Repair / Maint | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 12,600.00 |
| Window Washing | | | | | 13,900.00 | | | | | 13,900.00 | | | 27,800.00 |
| Plumbing | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 24,600.00 |
| Janitorial Supplies | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 36,060.00 |
| Interior R & M | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 3,360.00 |
| Maintenance Supplies | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 3,050.00 | 36,600.00 |
| Lighting | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 23,760.00 |
| Repair & Maintenance | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 3,450.00 | 41,400.00 |
| TOTAL COMMON AREA EXPENSES | 28,115.00 | 28,115.00 | 746,940.00 | 28,115.00 | 42,015.00 | 28,115.00 | 28,115.00 | 28,115.00 | 42,015.00 | 28,115.00 | 28,115.00 | 28,115.00 | 1,064,005.00 |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | |
| Other Admin Expenses | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 |
| Legal Fee | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 120,000.00 |
| Tenant Improvements - Office | | | | | | | | | | | | | |
| Tenant Improvements - Retail | | | | | | | | | | | | | |
| Leasing Commissions - Office | | | | | | | | | | | | | |
| Leasing Commissions - Retail | | | | | | | | | | | | | |
| Asset Mgmt Fee | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.00 |
| Miscellaneous | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 |
| TOTAL NON-RECOVERABLE EXP | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 22,500.00 | 270,000.00 |
| TOTAL OPERATING EXPENSE | 318,875.00 | 318,875.00 | 1,094,950.00 | 318,875.00 | 332,775.00 | 318,875.00 | 318,875.00 | 318,875.00 | 375,525.00 | 318,875.00 | 318,875.00 | 318,875.00 | 4,873,125.00 |
| NET OPERATING INCOME | 27,825,278.46 | 28,515,417.23 | 28,429,481.00 | 29,119,619.77 | 29,795,858.54 | 30,485,097.31 | 31,178,136.08 | 31,869,274.85 | 32,496,763.62 | 33,180,902.39 | 33,860,041.16 | 34,570,179.93 | 8,872,862.00 |
| PLANNED PAYMENTS | | | | | | | | | | | | | |
| Class 2- Mtg Interest | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.76 |
| TOTAL PLANNED PAYMENTS | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.76 |
| Capital Expenditure | | | | | | | | | | | | | |
| TOTAL NON-OPERATING EXP | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.76 |
| END CASH BALANCE | 27,705,474.98 | 28,385,513.75 | 28,308,877.52 | 28,999,810.29 | 29,670,055.09 | 30,366,193.83 | 31,056,332.60 | 31,746,471.37 | 32,379,960.14 | 33,070,098.91 | 33,760,237.68 | 34,450,376.45 | |

| Property Name: UNION TRUST BUILDING | | | | | | | | | | | | | | | |
|--|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| Property Code: 657M | | | | | | | | | | | | | | | |
| Property Address: 501 Grant Street, Pittsburgh, PA | | | | | | | | | | | | | | | |
| Square Footage: 617,375 | | | | | | | | | | | | | | | |
| Budget Period: From 1/22 To 12/22 | | | | | | | | | | | | | | | |
| THE MERRILL GRP OF COMPANIES | | | | | | | | | | | | | | | |
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | TOTAL | |
| BEGINNING CASH | | 34,450,378.46 | 35,138,418.37 | 35,826,460.29 | 35,734,147.21 | 36,422,189.13 | 37,098,331.05 | 37,784,372.97 | 38,472,414.89 | 39,160,456.81 | 39,791,698.73 | 40,479,740.65 | 41,167,782.57 | | |
| CONTRIBUTION | | | | | | | | | | | | | | | |
| Rental Income | | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 957,231.89 | 11,486,782.06 | |
| TOTAL | | 35,407,608.34 | 36,095,650.26 | 36,783,692.18 | 36,691,379.10 | 37,379,421.02 | 38,055,562.94 | 38,741,604.86 | 39,429,646.78 | 40,117,688.70 | 40,748,930.62 | 41,436,972.54 | 42,125,014.46 | 11,486,782.06 | |
| RECOVERABLE REVENUE | | | | | | | | | | | | | | | |
| Common Area Maintenance | | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 137,041.43 | 1,644,497.71 | |
| Property Tax Reimb | | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 36,802.08 | 441,624.86 | |
| Utility Reimbursement | | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 18,000.00 | |
| TOTAL RECOVER REVENUE | | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 175,343.51 | 2,104,122.57 | |
| TOTAL INCOME | | 35,582,951.85 | 36,270,993.77 | 36,959,035.69 | 36,866,722.61 | 37,554,764.53 | 38,228,906.45 | 38,916,948.37 | 39,604,988.29 | 40,293,032.21 | 40,924,274.13 | 41,612,316.05 | 42,300,357.97 | 13,560,904.63 | |
| OPERATING EXPENSES | | | | | | | | | | | | | | | |
| UTILITIES | | | | | | | | | | | | | | | |
| Electricity House Meters | | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 50,900.00 | 610,800.00 | |
| Steam / Chilled Water | | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 74,950.00 | 899,400.00 | |
| Water / Sewer | | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 8,110.00 | 97,320.00 | |
| TOTAL UTILITIES | | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 133,960.00 | 1,607,520.00 | |
| CONTRACT SERVICES | | | | | | | | | | | | | | | |
| Elevator Services | | | | 42,900.00 | | | | | | 42,900.00 | | | | 85,800.00 | |
| Pest Control | | 905.00 | 905.30 | 905.00 | 905.00 | 905.00 | 905.00 | 905.00 | 905.00 | 905.00 | 905.00 | 905.00 | 905.00 | 10,860.00 | |
| Security Contract | | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 22,900.00 | 274,800.00 | |
| Fire Safety - Bldg | | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 3,310.00 | 39,720.00 | |
| Custodial / Janitorial | | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 42,875.00 | 515,700.00 | |
| Trash Removal | | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 36,060.00 | |
| Management Fee | | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 89,095.00 | 1,062,000.00 | |
| TOTAL CONTRACT SERVICES | | 138,080.00 | 138,090.30 | 138,080.00 | 138,080.00 | 138,080.00 | 138,080.00 | 138,080.00 | 138,080.00 | 138,080.00 | 138,080.00 | 138,080.00 | 138,080.00 | 1,640,980.00 | |
| ADMINISTRATIVE | | | | | | | | | | | | | | | |
| Office Supplies | | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 12,000.00 | |
| Postage / Delivery Services | | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 6,000.00 | |
| Telephone | | 995.00 | 995.30 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 995.00 | 11,940.00 | |
| Equipment Lease - Copier | | 590.00 | 590.00 | 590.00 | 590.00 | 590.00 | 590.00 | 590.00 | 590.00 | 590.00 | 590.00 | 590.00 | 590.00 | 7,080.00 | |
| Onsite Manager | | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 8,210.00 | 98,520.00 | |
| Maintenance Salary | | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 21,925.00 | 263,100.00 | |
| Uniforms | | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 | 4,200.00 | |
| Payroll Tax / Benefits | | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 20,150.00 | 241,800.00 | |
| State / Federal Taxes | | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 15,100.00 | 181,200.00 | |
| TOTAL ADMINISTRATIVE | | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 51,720.00 | 620,740.00 | |
| COMMON AREA | | | | | | | | | | | | | | | |
| Property Insurance | | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 13,390.00 | 160,680.00 | |
| Property Tax - County | | | | 131,150.00 | | | | | | | | | | 131,150.00 | |
| Property Tax - City/School | | | | 600,930.00 | | | | | | | | | | 600,930.00 | |
| Property Tax - BID | | | | 30,275.00 | | | | | | | | | | 30,275.00 | |
| Elevator Repair / Maint | | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 12,600.00 | |
| Window Washing | | | | | 13,800.00 | | | | | 13,800.00 | | | | 26,600.00 | |
| Plumbing | | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,050.00 | 24,600.00 | |
| Janitorial Supplies | | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 3,005.00 | 36,060.00 | |
| Interior R & M | | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 3,360.00 | |
| Maintenance Supplies | | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 3,125.00 | 37,500.00 | |
| Lighting | | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 1,980.00 | 23,760.00 | |
| Repair & Maintenance | | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 42,900.00 | |
| TOTAL COMMON AREA EXPENSES | | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 28,455.00 | 341,160.00 | |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | | | |
| Other Adm Expenses | | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 42,000.00 | |
| Legal Fee | | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 120,000.00 | |
| Tenant Improvements - Office | | | | | | | | | | | | | | | |
| Tenant Improvements - Retail | | | | | | | | | | | | | | | |
| Leasing Commissions - Office | | | | | | | | | | | | | | | |
| Leasing Commissions - Retail | | | | | | | | | | | | | | | |
| Asset Mgmt Fee | | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 | 90,000.00 | |
| Miscellaneous | | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 30,000.00 | |
| TOTAL NON-RECOVERABLE EXP | | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 23,500.00 | 282,000.00 | |
| TOTAL OPERATING EXPENSE | | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 324,730.00 | 3,962,720.00 | |
| NET OPERATING INCOME | | 35,258,221.85 | 35,946,263.77 | 36,634,585.69 | 36,542,292.61 | 37,230,334.53 | 37,899,176.45 | 38,568,218.37 | 39,256,258.29 | 39,911,602.21 | 40,544,844.13 | 41,233,636.05 | 41,921,627.97 | 12,578,184.63 | |
| TOTAL PLANNED PAYMENTS | | | | | | | | | | | | | | | |
| Class 2 - Mgt Interest | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.76 | |
| TOTAL PLANNED PAYMENTS | | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 119,803.48 | 1,437,841.76 | |
| Capital Expenses | | | | | | | | | | | | | | | |
| TOTAL PLANNED PMTS/CAP EXP | | | | | | | | | | | | | | | |

LOAN AMORTIZATION AND INTEREST CALCULATION

Inputs

| | |
|---------------------|--------------|
| Initial Loan Amount | \$21,100,000 |
| Interest Rate | 5.500% |
| Term | 10 |
| Amortization | 30 |

Results

Monthly Payment \$119,803.48

Current Loan Balance:

of mthly. payments to date (input) 120

Current Loan Balance \$17,416,149

Loan Balance at end of term if interest calculated as 365/360:

\$17,616,075.94

Monthly Payments (Interest based on 365/360):

\$120,816.70

| Year | Loan Balance | Principal Pmt. | Interest Pmt. | Total Annual Pmt. | Month | Interest | Total Monthly Payment |
|---------------|--------------|-----------------------|-----------------------|-----------------------|---------------------|----------------------|-----------------------|
| 0 | \$21,100,000 | | | | | | |
| 1 | \$20,815,764 | (\$284,236) | (\$1,153,406) | (\$1,437,642) | | | |
| 2 | \$20,515,495 | (\$300,269) | (\$1,137,373) | (\$1,437,642) | | | |
| 3 | \$20,198,289 | (\$317,207) | (\$1,120,435) | (\$1,437,642) | | | |
| 4 | \$19,863,189 | (\$335,099) | (\$1,102,542) | (\$1,437,642) | | | |
| 5 | \$19,509,187 | (\$354,002) | (\$1,083,640) | (\$1,437,642) | 1 | (\$96,708) | (\$119,803.48) |
| 6 | \$19,135,217 | (\$373,970) | (\$1,063,672) | (\$1,437,642) | 2 | (\$96,602) | (\$119,803.48) |
| 7 | \$18,740,152 | (\$395,065) | (\$1,042,577) | (\$1,437,642) | 3 | (\$96,496) | (\$119,803.48) |
| 8 | \$18,322,802 | (\$417,350) | (\$1,020,292) | (\$1,437,642) | 4 | (\$96,389) | (\$119,803.48) |
| 9 | \$17,881,911 | (\$440,892) | (\$996,750) | (\$1,437,642) | 5 | (\$96,282) | (\$119,803.48) |
| 10 | \$17,416,149 | (\$465,761) | (\$971,880) | (\$1,437,642) | 6 | (\$96,174) | (\$119,803.48) |
| 11 | \$16,924,115 | (\$492,034) | (\$945,608) | (\$1,437,642) | 7 | (\$96,066) | (\$119,803.48) |
| 12 | \$16,404,326 | (\$519,789) | (\$917,853) | (\$1,437,642) | 8 | (\$95,957) | (\$119,803.48) |
| 13 | \$15,855,218 | (\$549,109) | (\$888,533) | (\$1,437,642) | 9 | (\$95,848) | (\$119,803.48) |
| 14 | \$15,275,135 | (\$580,083) | (\$857,559) | (\$1,437,642) | 10 | (\$95,738) | (\$119,803.48) |
| 15 | \$14,662,331 | (\$612,804) | (\$824,838) | (\$1,437,642) | 11 | (\$95,628) | (\$119,803.48) |
| 16 | \$14,014,960 | (\$647,371) | (\$790,271) | (\$1,437,642) | 12 | (\$95,517) | (\$119,803.48) |
| 17 | \$13,331,072 | (\$683,888) | (\$753,754) | (\$1,437,642) | Year 1 Total | (\$1,153,406) | (\$1,437,642) |
| 18 | \$12,608,607 | (\$722,464) | (\$715,177) | (\$1,437,642) | | | |
| 19 | \$11,845,390 | (\$763,217) | (\$674,425) | (\$1,437,642) | | | |
| 20 | \$11,039,122 | (\$806,269) | (\$631,373) | (\$1,437,642) | | | |
| 21 | \$10,187,373 | (\$851,748) | (\$585,893) | (\$1,437,642) | | | |
| 22 | \$9,287,579 | (\$899,794) | (\$537,848) | (\$1,437,642) | | | |
| 23 | \$8,337,030 | (\$950,549) | (\$487,093) | (\$1,437,642) | | | |
| 24 | \$7,332,862 | (\$1,004,168) | (\$433,474) | (\$1,437,642) | | | |
| 25 | \$6,272,052 | (\$1,060,811) | (\$376,831) | (\$1,437,642) | | | |
| 26 | \$5,151,403 | (\$1,120,649) | (\$316,993) | (\$1,437,642) | | | |
| 27 | \$3,967,541 | (\$1,183,862) | (\$253,780) | (\$1,437,642) | | | |
| 28 | \$2,716,900 | (\$1,250,641) | (\$187,001) | (\$1,437,642) | | | |
| 29 | \$1,395,713 | (\$1,321,187) | (\$116,455) | (\$1,437,642) | | | |
| 30 | (\$0) | (\$1,395,713) | (\$41,929) | (\$1,437,642) | | | |
| TOTALS | | (\$21,100,000) | (\$22,029,253) | (\$43,129,253) | | | |

EXHIBIT B

| | | | | | | |
|-------------------------|--|--------------------------------------|----------|--------------------|------------------------------------|----------|
| Database: CBRE STANDARC | Comparative Income Statement DETAIL INCOME STATEMENT CBRE STANDARD | | | | Page: 1 | |
| | | | | | Date: 1/13/2011 | |
| | | | | | Time: 01:21 PM | |
| Cash | Report includes an open period. Entries are not final. | | | | | |
| Thru: | Actual Dec 2010 | Current Period Budget Dec 2010 | Variance | Actual Dec 2010 | Year-To-Date Budget Dec 2010 | Variance |

REVENUE

| | | | | | | | | |
|--------------------------|------------|------------|------------|----------|--------------|--------------|-------------|----------|
| RENTAL OPERATIONS | | | | | | | | |
| TENANT RENTS | 614,408.00 | 323,913.00 | 290,495.00 | 89.68% | 3,841,710.25 | 3,685,969.00 | 155,741.25 | 4.23% |
| TOTAL RENTAL OPERATIONS | 614,408.00 | 323,913.00 | 290,495.00 | 89.68% | 3,841,710.25 | 3,685,969.00 | 155,741.25 | 4.23% |
| EXPENSE RECOVERIES | | | | | | | | |
| OPERATING EXP RECOVERIES | 0.00 | 2,468.00 | (2,468.00) | -100.00% | 0.00 | 29,621.00 | (29,621.00) | -100.00% |
| PROP TAX RECOVERIES | 0.00 | 630.00 | (630.00) | -100.00% | 0.00 | 7,565.00 | (7,565.00) | -100.00% |
| INSURANCE RECOVERIES | 0.00 | 47.00 | (47.00) | -100.00% | 0.00 | 564.00 | (564.00) | -100.00% |
| UTILITIES RECOVERIES | 54.34 | 3,700.00 | (3,645.66) | -98.53% | 4,617.36 | 44,400.00 | (39,782.64) | -89.60% |
| OTHER RECOVERIES | 0.00 | 750.00 | (750.00) | -100.00% | 0.00 | 6,340.00 | (6,340.00) | -100.00% |
| TOTAL EXPENSE RECOVERIES | 54.34 | 7,595.00 | (7,540.66) | -99.28% | 4,617.36 | 88,490.00 | (83,872.64) | -94.78% |
| TOTAL REVENUES | 614,462.34 | 331,508.00 | 282,954.34 | 85.35% | 3,846,327.61 | 3,774,459.00 | 71,868.61 | 1.90% |

OPERATING EXPENSES

| | | | | | | | | |
|--------------------------|------------|-----------|-------------|----------|------------|------------|--------------|---------|
| UTILITIES | | | | | | | | |
| ELECTRIC | 86,904.97 | 34,000.00 | (52,904.97) | -155.60% | 343,741.07 | 346,000.00 | 2,258.93 | 0.65% |
| WATER AND SEWER | 2,292.94 | 5,474.00 | 3,181.06 | 58.11% | 37,227.55 | 65,688.00 | 28,460.45 | 43.33% |
| TELEPHONE | 364.00 | 1,165.00 | 801.00 | 68.76% | 2,891.58 | 13,980.00 | 11,088.42 | 79.32% |
| STEAM | 19,547.79 | 22,400.00 | 2,852.21 | 12.73% | 383,768.96 | 272,427.00 | (111,341.96) | -40.87% |
| UTILITIES-OTHER | 0.00 | 2,500.00 | 2,500.00 | 100.00% | 106,960.86 | 171,500.00 | 64,539.14 | 37.63% |
| REIMB-UTILITIES | 7.00 | 0.00 | (7.00) | 0.00% | 0.00 | 0.00 | 0.00 | 0.00% |
| TOTAL UTILITIES | 109,116.70 | 65,539.00 | (43,577.70) | -66.49% | 874,590.02 | 869,595.00 | (4,995.02) | -0.57% |
| JANITORIAL | | | | | | | | |
| CONTRACT SERV-JANITORIAL | 86,159.36 | 34,000.00 | (52,159.36) | -153.41% | 345,054.43 | 328,280.00 | (16,774.43) | -5.11% |
| SUPPLIES-JANITORIAL | 2,007.96 | 2,500.00 | 492.04 | 19.68% | 21,802.07 | 19,900.00 | (1,902.07) | -9.56% |
| WINDOW WASH- EXTERIOR | 0.00 | 0.00 | 0.00 | 0.00% | 8,742.00 | 40,000.00 | 31,258.00 | 78.15% |
| TOTAL JANITORIAL | 88,167.32 | 36,500.00 | (51,667.32) | -141.55% | 375,598.50 | 388,180.00 | 12,581.50 | 3.24% |

| Database: CBRE STANDARI | | Comparative Income Statement DETAIL INCOME STATEMENT CBRE STANDARD | | | | | Page: 2 | |
|--|--------------------|--|--------------------|-----------------|--------------------|--------------------|---------------------|----------------|
| Cash | | | | | | | Date: 1/13/2011 | |
| | | | | | | | Time: 01:21 PM | |
| Report includes an open period. Entries are not final. | | | | | | | | |
| Thru: | Current Period | | | | Year-To-Date | | | |
| | Actual Dec 2010 | Budget Dec 2010 | Variance | | Actual Dec 2010 | Budget Dec 2010 | Variance | |
| ELEVATOR | | | | | | | | |
| CONTRACT SERV - ELEVATOR | 435.00 | 0.00 | (435.00) | 0.00% | 87,615.50 | 64,000.00 | (23,615.50) | -36.90% |
| REPAIRS-ELEVATOR | 0.00 | 750.00 | 750.00 | 100.00% | 8,330.60 | 9,000.00 | 669.40 | 7.44% |
| ELEVATOR-OTHER | 0.00 | 0.00 | 0.00 | 0.00% | 3,019.00 | 1,000.00 | (2,019.00) | -201.90% |
| TOTAL ELEVATOR | 435.00 | 750.00 | 315.00 | 42.00% | 98,965.10 | 74,000.00 | (24,965.10) | -33.74% |
| HVAC | | | | | | | | |
| CONTRACT SERVICES-HVAC | 0.00 | 1,200.00 | 1,200.00 | 100.00% | 0.00 | 12,600.00 | 12,600.00 | 100.00% |
| SUPPLIES-HVAC | 113.90 | 2,500.00 | 2,386.10 | 95.44% | 6,657.01 | 45,500.00 | 38,842.99 | 85.37% |
| REPAIRS-HVAC | 13,542.24 | 500.00 | (13,042.24) | 2608.45% | 27,812.34 | 6,000.00 | (21,812.34) | -363.54% |
| HVAC-OTHER | 0.00 | 500.00 | 500.00 | 100.00% | 0.00 | 4,440.00 | 4,440.00 | 100.00% |
| TOTAL HVAC | 13,656.14 | 4,700.00 | (8,956.14) | -190.56% | 34,469.35 | 68,540.00 | 34,070.65 | 49.71% |
| REPAIRS AND MAINTENANCE | | | | | | | | |
| REPAIRS AND MAINTENANCE | 546.85 | 2,000.00 | 1,453.15 | 72.66% | 11,931.02 | 22,500.00 | 10,568.98 | 46.97% |
| ROOF REPAIRS | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 7,000.00 | 7,000.00 | 100.00% |
| ELECTRICAL REPAIRS | 962.39 | 1,570.00 | 607.61 | 38.70% | 15,928.37 | 30,440.00 | 14,511.63 | 47.67% |
| ELECTRICAL SUPPLIES | 0.00 | 900.00 | 900.00 | 100.00% | 8,092.66 | 10,000.00 | 1,907.34 | 19.07% |
| PLUMBING REPAIRS | (311.67) | 1,200.00 | 1,511.67 | 125.97% | 4,043.03 | 10,800.00 | 6,756.97 | 62.56% |
| PLUMBING SUPPLIES | 502.63 | 0.00 | (502.63) | 0.00% | 98.16 | 0.00 | (98.16) | 0.00% |
| INT. REPAIR AND MAINT | 0.00 | 0.00 | 0.00 | 0.00% | 2,468.55 | 0.00 | (2,468.55) | 0.00% |
| MAINT BLDG SUPPLIES | 632.02 | 1,625.00 | 992.98 | 61.11% | 17,873.00 | 19,500.00 | 1,627.00 | 8.34% |
| R & M - SALARY | 41,892.38 | 11,200.00 | (30,692.38) | -274.04% | 242,053.95 | 132,800.00 | (109,253.95) | -82.27% |
| UNIFORMS | 86.28 | 60.00 | (26.28) | -43.80% | 983.28 | 720.00 | (263.28) | -36.57% |
| FIRE AND SAFETY | 183.34 | 545.00 | 361.66 | 66.36% | 85,500.67 | 30,995.00 | (54,505.67) | -175.85% |
| KEYS & LOCKS | 0.00 | 0.00 | 0.00 | 0.00% | (466.40) | 0.00 | 466.40 | 0.00% |
| TOTAL REPAIRS AND MAINTENANCE | 44,494.22 | 19,100.00 | (25,394.22) | -132.95% | 388,506.29 | 264,755.00 | (123,751.29) | -46.74% |
| LOT AND LANDSCAPE | | | | | | | | |
| PEST CONTROL | 738.30 | 175.00 | (563.30) | -321.89% | 3,488.01 | 2,100.00 | (1,388.01) | -66.10% |
| TRASH REMOVAL | 653.81 | 2,000.00 | 1,346.19 | 67.31% | 8,336.53 | 17,010.00 | 8,673.47 | 50.99% |
| INTERIOR LANDSCAPING | 91.42 | 0.00 | (91.42) | 0.00% | 594.23 | 0.00 | (594.23) | 0.00% |

| Database: CBRE STANDARD | | Comparative Income Statement DETAIL INCOME STATEMENT CBRE STANDARD | | | | Page: 3 Date: 1/13/2011 Time: 01:21 PM | | | |
|--|--------------------|--|-------------|----------|--------------------|--|-------------|----------|--|
| Cash | | | | | | | | | |
| Report includes an open period. Entries are not final. | | | | | | | | | |
| Thru: | Current Period | | | | Year-To-Date | | | | |
| | Actual Dec 2010 | Budget Dec 2010 | Variance | | Actual Dec 2010 | Budget Dec 2010 | Variance | | |
| SNOW REMOVAL | 0.00 | 350.00 | 350.00 | 100.00% | 1,071.30 | 3,600.00 | 2,528.70 | 70.24% | |
| SIGNAGE | 0.00 | 300.00 | 300.00 | 100.00% | 78.81 | 3,600.00 | 3,521.19 | 97.81% | |
| TOTAL LOT AND LANDSCAPE | 1,483.53 | 2,825.00 | 1,341.47 | 47.49% | 13,568.88 | 26,310.00 | 12,741.12 | 48.43% | |
| SECURITY | | | | | | | | | |
| CONTRACT SERV - SECURITY | 40,669.73 | 13,550.00 | (27,119.73) | -200.15% | 200,558.19 | 147,300.00 | (53,258.19) | -36.16% | |
| SECURITY-OTHER | 0.00 | 100.00 | 100.00 | 100.00% | 5,646.47 | 1,200.00 | (4,446.47) | -370.54% | |
| TOTAL SECURITY | 40,669.73 | 13,650.00 | (27,019.73) | -197.95% | 206,204.66 | 148,500.00 | (57,704.66) | -38.86% | |
| MANAGEMENT FEE | | | | | | | | | |
| MANAGEMENT FEE | 10,000.00 | 6,800.00 | (3,200.00) | -47.06% | 70,000.00 | 81,000.00 | 11,000.00 | 13.58% | |
| MANAGEMENT FEES OTHER | 2,843.75 | 0.00 | (2,843.75) | 0.00% | 63,875.00 | 0.00 | (63,875.00) | 0.00% | |
| ONSITE OFFICE EXPENSES | 3,330.37 | 830.00 | (2,500.37) | -301.25% | 23,635.13 | 9,960.00 | (13,675.13) | -137.30% | |
| MGMT OFC - POSTAGE | 10.47 | 236.00 | 225.53 | 95.56% | 1,600.95 | 2,832.00 | 1,231.05 | 43.47% | |
| ONSITE WAGES & BENEFITS | 13,715.00 | 13,715.00 | 0.00 | 0.00% | 164,580.00 | 164,580.00 | 0.00 | 0.00% | |
| ONSITE COSTS-OTHER | 563.52 | 604.00 | 40.48 | 6.70% | 2,210.54 | 9,248.00 | 7,037.46 | 76.10% | |
| REIMB-OFFICE EXP./MGMT. | 0.00 | 0.00 | 0.00 | 0.00% | 2,439.74 | 0.00 | (2,439.74) | 0.00% | |
| TOTAL MANAGEMENT FEES | 30,463.11 | 22,185.00 | (8,278.11) | -37.31% | 328,341.36 | 267,620.00 | (60,721.36) | -22.69% | |
| PROPERTY TAXES | | | | | | | | | |
| PROPERTY TAXES | 0.00 | 55,670.00 | 55,670.00 | 100.00% | 0.00 | 668,040.00 | 668,040.00 | 100.00% | |
| TOTAL PROPERTY TAXES | 0.00 | 55,670.00 | 55,670.00 | 100.00% | 0.00 | 668,040.00 | 668,040.00 | 100.00% | |
| INSURANCE | | | | | | | | | |
| PROP DAMAGE AND LIAB | 0.00 | 4,250.00 | 4,250.00 | 100.00% | 79,959.97 | 51,000.00 | (28,959.97) | -56.78% | |
| TOTAL INSURANCE | 0.00 | 4,250.00 | 4,250.00 | 100.00% | 79,959.97 | 51,000.00 | (28,959.97) | -56.78% | |
| OTHER DIRECT EXPENSES | | | | | | | | | |
| REIMB-OTHER | 0.00 | 7,500.00 | 7,500.00 | 100.00% | 0.00 | 15,000.00 | 15,000.00 | 100.00% | |
| TOTAL OTHER DIRECT EXPENSES | 0.00 | 7,500.00 | 7,500.00 | 100.00% | 0.00 | 15,000.00 | 15,000.00 | 100.00% | |

| | | | | | | |
|--|--|--------------------------------------|----------|--------------------|------------------------------------|----------|
| Database: CBRE STANDARI | Comparative Income Statement DETAIL INCOME STATEMENT CBRE STANDARD | | | | Page: 4 | |
| | | | | | Date: 1/13/2011 | |
| | | | | | Time: 01:21 PM | |
| Cash | | | | | | |
| Report includes an open period. Entries are not final. | | | | | | |
| Thru: | Actual Dec 2010 | Current Period Budget Dec 2010 | Variance | Actual Dec 2010 | Year-To-Date Budget Dec 2010 | Variance |

| | | | | | | | | |
|----------------------------------|------------|------------|-------------|----------|--------------|--------------|--------------|-----------|
| TOTAL OPERATING EXPENSES | 328,485.75 | 232,669.00 | (95,816.75) | -41.18% | 2,400,204.13 | 2,841,540.00 | 441,335.87 | 15.53% |
| NET OPERATING INCOME | 285,976.59 | 98,839.00 | 187,137.59 | 189.34% | 1,446,123.48 | 932,919.00 | 513,204.48 | 55.01% |
| GENERAL AND ADMINISTRATIVE | | | | | | | | |
| ACCOUNTING FEES | 0.00 | 450.00 | 450.00 | 100.00% | 23.00 | 5,400.00 | 5,377.00 | 99.57% |
| AUDIT FEES | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 5,000.00 | 5,000.00 | 100.00% |
| LEGAL FEES | 0.00 | 0.00 | 0.00 | 0.00% | 187,948.46 | 3,000.00 | (184,948.46) | -6164.95% |
| STATE AND LOCAL TAXES | 20,280.38 | 1,644.00 | (18,636.38) | 1133.60% | 21,220.88 | 19,728.00 | (1,492.88) | -7.57% |
| TOTAL GENERAL AND ADMINISTRATIVE | 20,280.38 | 2,094.00 | (18,186.38) | -868.50% | 209,192.34 | 33,128.00 | (176,064.34) | -531.47% |
| NET INCOME | 265,696.21 | 96,745.00 | 168,951.21 | 174.64% | 1,236,931.14 | 899,791.00 | 337,140.14 | 37.47% |

| Database: CBRESTANDARE | | Comparative Income Statement DETAIL INCOME STATEMENT CBRE STANDARD | | | | | Page: 1 | |
|--------------------------|--------------------|--|-------------|---------|--------------------|------------------------------------|-----------------------------------|----------|
| Cash | | | | | | | Date: 1/13/2012 Time: 01:31 PM | |
| Thru: | Actual Dec 2011 | Current Period Budget Dec 2011 | Variance | | Actual Dec 2011 | Year-To-Date Budget Dec 2011 | Variance | |
| REVENUE | | | | | | | | |
| RENTAL OPERATIONS | | | | | | | | |
| TENANT RENTS | 266,981.04 | 330,931.00 | (63,949.96) | -19.32% | 3,750,073.88 | 3,837,146.00 | (87,072.12) | -2.27% |
| TOTAL RENTAL OPERATIONS | 266,981.04 | 330,931.00 | (63,949.96) | -19.32% | 3,750,073.88 | 3,837,146.00 | (87,072.12) | -2.27% |
| EXPENSE RECOVERIES | | | | | | | | |
| PROP TAX RECOVERIES | 148.28 | 148.00 | 0.28 | 0.19% | 1,779.36 | 1,776.00 | 3.36 | 0.19% |
| PRIOR YR. PROP TAX RECOV | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 2,836.00 | (2,836.00) | -100.00% |
| CAM REVENUE CHARGES | 1,805.07 | 15,183.00 | (13,377.93) | -88.11% | 21,660.84 | 182,196.00 | (160,535.16) | -88.11% |
| PRIOR YR. CAM ADJUSTMENT | 0.00 | 0.00 | 0.00 | 0.00% | 20,279.32 | 27,835.00 | (7,555.68) | -27.14% |
| UTILITIES RECOVERIES | 0.00 | 0.00 | 0.00 | 0.00% | 296.14 | 0.00 | 296.14 | 0.00% |
| TOTAL EXPENSE RECOVERIES | 1,953.35 | 15,331.00 | (13,377.65) | -87.26% | 44,015.66 | 214,643.00 | (170,627.34) | -79.49% |
| OTHER REVENUE | | | | | | | | |
| OTHER NON-RENTAL INCOME | 21,000.00 | 0.00 | 21,000.00 | 0.00% | 62,500.00 | 0.00 | 62,500.00 | 0.00% |
| TOTAL OTHER REVENUE | 21,000.00 | 0.00 | 21,000.00 | | 62,500.00 | 0.00 | 62,500.00 | |
| TOTAL REVENUES | 289,934.39 | 346,262.00 | (56,327.61) | -16.27% | 3,856,589.54 | 4,051,789.00 | (195,199.46) | -4.82% |
| OPERATING EXPENSES | | | | | | | | |
| UTILITIES | | | | | | | | |
| ELECTRIC | 20,373.58 | 25,800.00 | 5,426.42 | 21.03% | 352,205.33 | 318,900.00 | (33,305.33) | -10.44% |
| WATER AND SEWER | 1,733.51 | 2,650.00 | 916.49 | 34.58% | 31,414.05 | 31,800.00 | 385.95 | 1.21% |
| TELEPHONE | 0.00 | 250.00 | 250.00 | 100.00% | 3,985.24 | 3,000.00 | (985.24) | -32.84% |
| STEAM | 23,502.65 | 45,000.00 | 21,497.35 | 47.77% | 530,231.36 | 442,900.00 | (87,331.36) | -19.72% |
| UTILITIES-OTHER | 0.00 | 0.00 | 0.00 | 0.00% | 17,922.80 | 0.00 | (17,922.80) | 0.00% |
| REIMB-UTILITIES | 0.00 | 50.00 | 50.00 | 100.00% | (47.34) | 600.00 | 647.34 | 107.89% |
| TOTAL UTILITIES | 45,609.74 | 73,750.00 | 28,140.26 | 38.16% | 935,711.44 | 797,200.00 | (138,511.44) | -17.37% |

| Database: CBRE STANDARC | | Comparative Income Statement DETAIL INCOME STATEMENT CBRE STANDARD | | | | | Page: 2 Date: 1/13/2012 Time: 01:31 PM | | |
|--------------------------------------|--------------------|--|--------------------|------------------|--------------------|------------------------------------|--|---------------|--|
| Cash | | | | | | | | | |
| Thru: | Actual Dec 2011 | Current Period Budget Dec 2011 | Variance | | Actual Dec 2011 | Year-To-Date Budget Dec 2011 | Variance | | |
| JANITORIAL | | | | | | | | | |
| CONTRACT SERV-JANITORIAL | 19,277.81 | 21,700.00 | 2,422.19 | 11.16% | 249,786.73 | 260,400.00 | 10,613.27 | 4.08% | |
| SUPPLIES-JANITORIAL | 0.00 | 1,800.00 | 1,800.00 | 100.00% | 9,943.42 | 21,600.00 | 11,656.58 | 53.97% | |
| WINDOW WASH- EXTERIOR | 0.00 | 0.00 | 0.00 | 0.00% | 2,230.80 | 17,600.00 | 15,369.20 | 87.33% | |
| TOTAL JANITORIAL | 19,277.81 | 23,500.00 | 4,222.19 | 17.97% | 261,960.95 | 299,600.00 | 37,639.05 | 12.56% | |
| ELEVATOR | | | | | | | | | |
| CONTRACT SERV - ELEVATOR | 11,640.36 | 0.00 | (11,640.36) | 0.00% | 68,056.79 | 65,000.00 | (3,056.79) | -4.70% | |
| REPAIRS-ELEVATOR | 0.00 | 500.00 | 500.00 | 100.00% | 8,610.00 | 10,780.00 | 2,170.00 | 20.13% | |
| ELEVATOR-OTHER | 875.00 | 0.00 | (875.00) | 0.00% | 3,277.00 | 1,880.00 | (1,397.00) | -74.31% | |
| TOTAL ELEVATOR | 12,515.36 | 500.00 | (12,015.36) | -2403.07% | 79,943.79 | 77,660.00 | (2,283.79) | -2.94% | |
| HVAC | | | | | | | | | |
| SUPPLIES-HVAC | 2,138.01 | 3,449.00 | 1,310.99 | 38.01% | 7,517.25 | 54,690.00 | 47,172.75 | 86.25% | |
| REPAIRS-HVAC | 0.00 | 2,176.00 | 2,176.00 | 100.00% | 3,011.03 | 26,112.00 | 23,100.97 | 88.47% | |
| TOTAL HVAC | 2,138.01 | 5,625.00 | 3,486.99 | 61.99% | 10,528.28 | 80,802.00 | 70,273.72 | 86.97% | |
| REPAIRS AND MAINTENANCE | | | | | | | | | |
| REPAIRS AND MAINTENANCE | 264.00 | 1,000.00 | 736.00 | 73.60% | 831.68 | 12,000.00 | 11,168.32 | 93.07% | |
| ROOF REPAIRS | 0.00 | 1,000.00 | 1,000.00 | 100.00% | 685.00 | 12,000.00 | 11,315.00 | 94.29% | |
| ELECTRICAL REPAIRS | 3,500.00 | 3,251.00 | (249.00) | -7.66% | 35,926.62 | 38,961.00 | 3,034.38 | 7.79% | |
| ELECTRICAL SUPPLIES | 0.00 | 812.00 | 812.00 | 100.00% | 3,906.58 | 9,744.00 | 5,837.42 | 59.91% | |
| PLUMBING REPAIRS | 0.00 | 1,306.00 | 1,306.00 | 100.00% | 11,625.31 | 25,572.00 | 13,946.69 | 54.54% | |
| PLUMBING SUPPLIES | 0.00 | 431.00 | 431.00 | 100.00% | 3,655.40 | 5,172.00 | 1,516.60 | 29.32% | |
| EXT. REPAIR AND MAINT | 0.00 | 1,725.00 | 1,725.00 | 100.00% | 1,154.00 | 20,700.00 | 19,546.00 | 94.43% | |
| INT. REPAIR AND MAINT | 0.00 | 2,206.00 | 2,206.00 | 100.00% | 1,200.75 | 26,472.00 | 25,271.25 | 95.46% | |
| MAINT BLDG SUPPLIES | 1,097.04 | 812.00 | (285.04) | -35.10% | 3,634.78 | 9,744.00 | 6,109.22 | 62.70% | |
| R & M - SALARY | 0.00 | 19,194.00 | 19,194.00 | 100.00% | 264,175.54 | 233,213.00 | (30,962.54) | -13.28% | |
| UNIFORMS | 110.44 | 70.00 | (40.44) | -57.77% | 782.55 | 840.00 | 57.45 | 6.84% | |
| FIRE AND SAFETY | 2,549.67 | 1,171.00 | (1,378.67) | -117.73% | 31,670.22 | 27,666.00 | (4,004.22) | -14.47% | |
| KEYS & LOCKS | 0.00 | 435.00 | 435.00 | 100.00% | 0.00 | 5,220.00 | 5,220.00 | 100.00% | |
| TOTAL REPAIRS AND MAINTENANCE | 7,521.15 | 33,413.00 | 25,891.85 | 77.49% | 359,248.43 | 427,304.00 | 68,055.57 | 15.93% | |

| Database: CBRESTANDARI | | Comparative Income Statement DETAIL INCOME STATEMENT CBRE STANDARD | | | | Page: 3 | | Date: 1/13/2012 | Time: 01:31 PM |
|--------------------------|-------|--|--------------------------------------|-------------|---------|--------------------|------------------------------------|-----------------|----------------|
| Cash | | | | | | | | | |
| | Thru: | Actual Dec 2011 | Current Period Budget Dec 2011 | Variance | | Actual Dec 2011 | Year-To-Date Budget Dec 2011 | Variance | |
| LOT AND LANDSCAPE | | | | | | | | | |
| PEST CONTROL | | 300.67 | 400.00 | 99.33 | 24.83% | 3,425.07 | 4,800.00 | 1,374.93 | 28.64% |
| TRASH REMOVAL | | 601.07 | 650.00 | 48.93 | 7.53% | 7,392.32 | 7,800.00 | 407.68 | 5.23% |
| INTERIOR LANDSCAPING | | 45.71 | 2,500.00 | 2,454.29 | 98.17% | 502.81 | 2,995.00 | 2,492.19 | 83.21% |
| SNOW REMOVAL | | 0.00 | 435.00 | 435.00 | 100.00% | 2,924.33 | 1,740.00 | (1,184.33) | -68.06% |
| TOTAL LOT AND LANDSCAPE | | 947.45 | 3,985.00 | 3,037.55 | 76.22% | 14,244.53 | 17,335.00 | 3,090.47 | 17.83% |
| SECURITY | | | | | | | | | |
| CONTRACT SERV - SECURITY | | 12,818.91 | 14,500.00 | 1,681.09 | 11.59% | 170,155.79 | 174,000.00 | 3,844.21 | 2.21% |
| SECURITY-OTHER | | 0.00 | 0.00 | 0.00 | 0.00% | 655.37 | 0.00 | (655.37) | 0.00% |
| TOTAL SECURITY | | 12,818.91 | 14,500.00 | 1,681.09 | 11.59% | 170,811.16 | 174,000.00 | 3,188.84 | 1.83% |
| MANAGEMENT FEE | | | | | | | | | |
| MANAGEMENT FEE | | 5,000.00 | 5,000.00 | 0.00 | 0.00% | 60,000.00 | 60,000.00 | 0.00 | 0.00% |
| MANAGEMENT FEES OTHER | | 2,100.00 | 5,650.00 | 3,550.00 | 62.83% | 39,399.23 | 67,800.00 | 28,400.77 | 41.89% |
| ONSITE OFFICE EXPENSES | | 1,115.05 | 1,430.00 | 314.95 | 22.02% | 11,625.61 | 17,160.00 | 5,534.39 | 32.25% |
| MGMT OFC - POSTAGE | | 11.14 | 91.00 | 79.86 | 87.76% | 458.37 | 1,092.00 | 633.63 | 58.02% |
| ONSITE WAGES & BENEFITS | | 13,715.00 | 13,715.00 | 0.00 | 0.00% | 178,295.00 | 164,580.00 | (13,715.00) | -8.33% |
| ONSITE COSTS-OTHER | | 245.02 | 390.00 | 144.98 | 37.17% | 3,169.06 | 4,680.00 | 1,510.94 | 32.29% |
| TOTAL MANAGEMENT FEES | | 22,186.21 | 26,276.00 | 4,089.79 | 15.56% | 292,947.27 | 315,312.00 | 22,364.73 | 7.09% |
| PROPERTY TAXES | | | | | | | | | |
| PROPERTY TAXES | | 50,000.00 | 0.00 | (50,000.00) | 0.00% | 350,030.00 | 654,430.00 | 304,400.00 | 46.51% |
| PROPERTY TAXES-OTHER | | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 20,280.00 | 20,280.00 | 100.00% |
| TOTAL PROPERTY TAXES | | 50,000.00 | 0.00 | (50,000.00) | | 350,030.00 | 674,710.00 | 324,680.00 | 48.12% |
| INSURANCE | | | | | | | | | |
| PROP DAMAGE AND LIAB | | 0.00 | 0.00 | 0.00 | 0.00% | 144,374.00 | 111,000.00 | (33,374.00) | -30.07% |
| TOTAL INSURANCE | | 0.00 | 0.00 | 0.00 | | 144,374.00 | 111,000.00 | (33,374.00) | -30.07% |

| | | | | | | | |
|-----------------------|--|----------------|----------|--|----------|--------------|-----------------|
| Database: CBRESTANDAR | Comparative Income Statement DETAIL INCOME STATEMENT CBRE STANDARD | | | | | | Page: 4 |
| | | | | | | | Date: 1/13/2012 |
| | | | | | | | Time: 01:31 PM |
| Cash | | | | | | | |
| | | Current Period | | | | Year-To-Date | |
| | Actual | Budget | | | Actual | Budget | |
| Thru: | Dec 2011 | Dec 2011 | Variance | | Dec 2011 | Dec 2011 | Variance |

| | | | | | | | | |
|----------------------------------|------------|------------|-------------|---------|--------------|--------------|--------------|---------|
| TOTAL OPERATING EXPENSES | 173,014.64 | 181,549.00 | 8,534.36 | 4.70% | 2,619,799.85 | 2,974,923.00 | 355,123.15 | 11.94% |
| NET OPERATING INCOME | 116,919.75 | 164,713.00 | (47,793.25) | -29.02% | 1,236,789.69 | 1,076,866.00 | 159,923.69 | 14.85% |
| GENERAL AND ADMINISTRATIVE | | | | | | | | |
| ACCOUNTING FEES | 0.00 | 5.00 | 5.00 | 100.00% | 17.00 | 60.00 | 43.00 | 71.67% |
| LEGAL FEES | 0.00 | 55,000.00 | 55,000.00 | 100.00% | 371,512.71 | 660,000.00 | 288,487.29 | 43.71% |
| ASSET MGMT FEES | 7,500.00 | 7,500.00 | 0.00 | 0.00% | 37,500.00 | 52,500.00 | 15,000.00 | 28.57% |
| PROFESSIONAL FEES-OTHER | 0.00 | 0.00 | 0.00 | 0.00% | 39,318.75 | 0.00 | (39,318.75) | 0.00% |
| TENANT RELATIONS | 0.00 | 500.00 | 500.00 | 100.00% | 0.00 | 1,500.00 | 1,500.00 | 100.00% |
| TOTAL GENERAL AND ADMINISTRATIVE | 7,500.00 | 63,005.00 | 55,505.00 | 88.10% | 448,348.46 | 714,060.00 | 265,711.54 | 37.21% |
| OTHER INCOME AND EXPENSES | | | | | | | | |
| INTEREST EXPENSE | 0.00 | 0.00 | 0.00 | 0.00% | 110,000.00 | 0.00 | (110,000.00) | 0.00% |
| TOTAL OTHER INCOME AND EXPENSES | 0.00 | 0.00 | 0.00 | | 110,000.00 | 0.00 | (110,000.00) | |
| NET INCOME | 109,419.75 | 101,708.00 | 7,711.75 | 7.58% | 678,441.23 | 362,806.00 | 315,635.23 | 87.00% |

EXHIBIT C

**CLARITY REALTY PARTNERS
100 NORTH CRESCENT DRIVE
BEVERLY HILLS, CA 90210**

March 12, 2013

REVISED LETTER OF INTENT

501 Grant Street Partners, LLC
c/o Gerson Fox
22817 Ventura Boulevard, Suite 310
Woodland Hills, CA 91364

Re: Letter of Intent to Capitalize and Invest in 501 Grant Street Partners. LLC

Dear Mr. Fox:

The below shall be considered a revised Letter of Intent from our December 4, 2012 letter. We are submitting this revised Letter of Intent based upon recent negotiations and discussions to invest pursuant to the Debtor's bankruptcy plan through a new entity to be formed for purposes of this transaction. Information about the investors in that entity and their financial wherewithal to complete the proposed transaction appears below after a summary description of the terms.

CAPITAL SPONSOR:

A newly formed special purpose entity to be majority funded and controlled by Clarity Realty Partners LLC.

DEBTOR:

501 Grant Street Partners, LLC.

INVESTMENT:

\$18,230,000.00.

USE OF FUNDS:

Administrative expenses - \$200,000
Property taxes - \$1,600,000
Capital Improvements - \$8,180,000
Tenant improvements - \$4,500,000
Lease commissions - \$600,000
US Bank deficiency (unsecured) - \$3,000,000
General unsecured creditors - \$150,000
Total - \$18,230,000

SECURED DEBT RESTRUCTURING:

Secured claim - \$21.1 million, 10 year term, 30 yr. Amortization. Interest on loan – market terms as may be determined by the Bankruptcy Court, but estimated to be 5.5% per annum. If US Bank does not make the 11 U.S.C. § 1111(b) election to treat its entire claim as secured, the secured claim in the amount of \$21,100,000 will be amortized over 30 years with a balloon payment due in 10 years. Pending balloon payment, P & I will be paid. The balance of US Bank's unsecured deficiency claim will receive \$3,000,000 on the effective date of the Plan in full and complete satisfaction of such deficiency. If US Bank makes the 11 U.S.C. § 1111(b) election to treat its entire claim as secured (approx. \$45 million), payments will be the same as above until such time as the claim amount (estimated to be \$45 million) is paid. The \$3 million allocated to the unsecured deficiency claim will remain with the reorganized debtor for operating reserves and other needs of operation.

CONSIDERATION:

Assignment of 100% membership interest in Reorganized Debtor upon confirmation of a plan of reorganization.

RIGHT TO ALLOCATION AND PRE-PAYMENT:

For purposes of investing into the Reorganized Debtor's LLC, plan sponsor shall have the right to allocate and reallocate membership interests in the Debtor, provided that the terms of the plan are complied with.

In addition, the approved plan shall provide that there will be no prepayment penalty provided that, in the event that Lender makes the 11 U.S.C. § 1111(b) election, it is our understanding that the prepayment will require the payment of the balance of the claim.

DEPOSIT MONEY:

\$1,000,000.00 to be deposited into escrow upon approval of the Disclosure Statement which described the Debtor's plan of reorganization which incorporates the terms set forth herein.

CONDITIONS:

Bankruptcy Plan confirmed and approved by the Court.

BACKGROUND ON OWNERSHIP:

As mentioned, the newly formed entity will be established by, majority funded and controlled by Clarity Realty Partners or its affiliates ("Clarity Realty"), Clarity Realty will be the lead investor in the transaction and will contribute a minimum of 50% of the equity. We have the financial wherewithal to do this without additional partners, but believe the group we have assembled is a "value added" group that will improve the likelihood of success of this iconic asset over time. We should stress, however, that Clarity Realty and/or the three individuals who are owners of Clarity Realty are prepared to commit 100% of the equity to the transaction, and we are willing to "backstop" these other individuals, who prefer not to publicly disclose their participation until the plan is approved by the Court.

Clarity Realty is an entity equally owned by three individuals who have been longtime business partners-Barry Porter, David Lee and Stephen Rader. Clarity Realty recently completed the sale of its headquarters office building in Beverly Hills California to the Illinois State Board of Investment. The purchase price was \$79.75 million. We are looking to reinvest a portion of those proceeds in other real estate assets, and 501 Grant is the type of asset of interest to us. By way of further background, Messrs. Porter and Lee were co-founders of large telecommunications company Global Crossing in the 1990s. Mr. Rader, during a similar time frame, was the architect of a transaction that acquired and then grew Univision, the leading Spanish language television broadcast company in the United States. The three of us were co-founders of Clarity Partners, a media and telecommunications private equity business, and with other partners we were also co-founders of KAILAI Investments, a private equity fund with offices in Beijing and Shanghai that makes investments in the greater China region, including significant real estate investments, including an interest in a large office building on one of the major streets in Shanghai. All three of us have diversified business and real estate investments. We are all reasonably well known in Los Angeles also through involvement with a variety of educational and philanthropic activities. Dr. Lee was recently named the new Chairman of CalTech. Mr. Rader is a graduate of USC and is involved with that institution. Mr. Porter is heavily involved with two local charities-the Independent School Alliance and International Medical Corps. We maintain good relationships with a number of major banks, including Goldman Sachs, Merrill Lynch, UBS, JPMorgan, Credit Suisse and other institutions where much of our liquid assets are personal funds to be invested in the special purpose entity we will establish for the transaction.

Although premature in disclosing the specific names of the other value added investors who will be part of the entity, we think a profile will be useful in demonstrating the seriousness of our intent and the expertise we can bring to ensure that US Bank's restructured debt will be paid in full and that the building is run in a manner that befits its historic importance and still current prominence within the central business district of Pittsburgh. One such individual, who has visited the property on behalf of our group, is the founder, Chairman and CEO of a NYSE listed office REIT. He has over twenty five years of experience in the industry. His REIT has a different geographic focus and therefore he is free to invest in this transaction. Another investor is a prominent Southern California based diversified real estate investor with interests in a variety of sub-asset classes within the real estate industry as well as financing expertise in the real estate industry. Yet another potential investor is a board member of one of the leading global real estate brokerage and advisory firms.

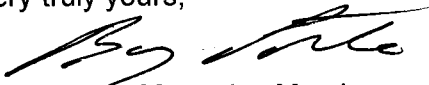
This letter is not intended to be, and does not constitute, a binding agreement by either party, nor an agreement by either party to enter into a binding agreement unless and until the Court has approved the Bankruptcy plan as approved by Capital Sponsor and the Court. Neither party may claim any legal rights against the other by reason of the signing of this letter of intent or by taking any action in reliance hereon, and each party fully understands that neither party will have any legal obligations to the other, or with respect to the proposed transaction, unless and until all terms and conditions of the proposed transaction have been agreed to by the Parties and affirmed by the Court in an approved Bankruptcy plan.

This offer to purchase the Property may be accepted by 501 Grant Street Partners, LLC only by delivery of an executed copy of this letter to Capital Sponsor on or before 5:00 p.m. P.S.T. on

March 31, 2013; otherwise, this offer shall automatically expire and be held. We would be happy to provide bank references that can demonstrate that our investment in the Plan can be quickly and easily financed with of no force or effect.

Thank you for your consideration.

Very truly yours,



Barry Porter Managing Member
Clarity Realty Partners

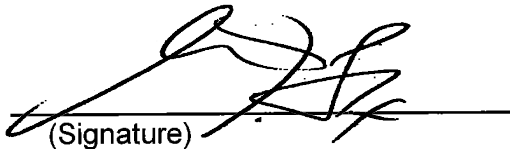
cc: Greg Bouwer; Koransky, Bouwer & Poracky

By signing below, 501 Grant Street Partners, LLC agrees to the terms and conditions contained in this letter, subject to the Bankruptcy Court approving the aforementioned plan.

Agreed to on March 15th, 2013

501 GRANT STREET PARTNERS, LLC:

By:


(Signature)

Name & title: **GERSON FOX**

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90017.

A true and correct copy of the foregoing document entitled (*specify*) **DEBTOR'S FIRST AMENDED DISCLOSURE STATEMENT DESCRIBING DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION (DATED MARCH 15, 2013)**; will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **March 15, 2013**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Ashleigh A Danker on behalf of Interested Party Courtesy NEF
adanker@dankerlawfirm.com

David B Golubchik on behalf of Debtor 501 Grant Street Partners LLC
dbg@lnbrb.com, dbg@ecf.inforuptcy.com

Richard H Lee on behalf of Interested Party Salisian Lee LLP
richard.lee@salisianlee.com,
han.pai@salisianlee.com;Christina.cordero@salisianlee.com;jay.lichter@salisianlee.com

Gwendolen D Long on behalf of Debtor 501 Grant Street Partners LLC
gdl@lnbyb.com

Jessica Mickelsen on behalf of Interested Party Courtesy NEF
jessica.mickelsen@kattenlaw.com,
adelle.shafer@kattenlaw.com;carole.levine@kattenlaw.com;ecf.lax.docket@kattenlaw.com

Queenie K Ng on behalf of U.S. Trustee United States Trustee (LA)
queenie.k.ng@usdoj.gov

Malhar S Pagay on behalf of Creditor Cost Company LP
mpagay@pszjlaw.com, mpagay@pszjlaw.com

Melanie C Scott on behalf of U.S. Trustee United States Trustee (LA)
Melanie.Scott@usdoj.gov

United States Trustee (LA)
ustpregion16.la.ecf@usdoj.gov

Joshua D Wayser on behalf of Interested Party Courtesy NEF
joshua.wayser@kattenlaw.com, kim.johnson@kattenlaw.com,ecf.lax.docket@kattenlaw.com

2. SERVED BY UNITED STATES MAIL: On **March 15, 2013**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

VIA U.S. MAIL (OR NEF IF MARKED *)

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **March 15, 2013**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA ATTORNEY SERVICE

Hon. Sheri Bluebond
255 E. Temple Street, Suite 1482 / Courtroom 1475
Los Angeles, CA 90012

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

March 15, 2013

Marla L. Fuentes

/s/ Marla L. Fuentes

Date

Printed Name

Signature

Case 1:12-bk-20066-AA
Debtor 501 Grant Street Partners, LLC

VIA U.S. MAIL OR NEF IF MARKED *

Counsel to SA Challenger, Inc. a Minnesota Corp.
Katten Muchin Rosenman, LP*
Joshua D. Wayser/ Jessica M. Mickelsen
2029 Century Park East, Suite 2600
Los Angeles, CA 90067-3012

Debtor
501 Grant Street Partners, LLC
22817 Ventura Blvd., Suite 310
Woodland Hills, CA 91364-1202

United States Trustee (LA)
725 South Figueroa St.
26th Floor, Ste. 2600
Los Angeles, CA, 90012

Counsel to Allied Barton Security Services,
MSA Systems Int., Gertrude Fox and Cost
Company, LP *
Malhar S Pagay
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd 13th Flr
Los Angeles, CA 90067