

588/ Mission Center Sale:

The Mission Center sale closed on March 11, 2020. The sale price for the property was \$24,000,000. The purchaser paid \$8,250,000 and a 10-year mortgage of \$15,750,000 payable in installments over 10 years.

The net proceeds to the Mission Center owners from the \$8,250,000 after deductions for environmental remediation, taxes, fees and removal of abandoned property was \$7,046,699. The net cash to ABCUSA was \$2,474,067 at closing.

The remaining balance will be paid to the sellers in annual installments of \$600K for 10 years beginning in 2021 to 2030. ABCUSA will receive \$210K annually from the \$600K. The final payment of \$9.75M will be paid in 2030, of which ABCUSA will receive \$3.412M.

ABCUSA will receive total proceeds of \$7,986,567.92 from the sale. The proceeds will be added to ABCUSA's "Building Sale Proceeds Endowment."

ABCUSA contributed in additional capital \$1,106,000 to the Mission Center property since 2009 when the Property was sold to the partners.

2009	\$ 84,000.00
2011	87,500.00
2012	77,000.00
2014	192,500.00
2017	70,000.00
2018	175,000.00
2019	420,000.00
Total	<u>1,106,000.00</u>

I am working with the Mission Center management company to finalize any outstanding activities. We should be able to wrap up all activities within a couple of months.

ABCUSA owns the land surrounding the Mission Center property, which is leased to Brandywine Company. The lease matures in 2034. The leaseholder will probably start negotiating renewal of the lease in less than ten years.

588 Sale Analysis

Mission Center Sale Proceeds

3/11/2020

		35%	35%	25%	5%
YEAR	AMOUNT	ABCUSA	ABHMS	MMBB	IM
Net at Closing					
Mar-20	7,046,699.54	2,474,067.92	2,465,071.39	1,773,934.26	333,625.98
Mar-21	600,000	210,000	210,000	150,000	30,000
Mar-22	600,000	210,000	210,000	150,000	30,000
Mar-23	600,000	210,000	210,000	150,000	30,000
Mar-24	600,000	210,000	210,000	150,000	30,000
Mar-25	600,000	210,000	210,000	150,000	30,000
Mar-26	600,000	210,000	210,000	150,000	30,000
Mar-27	600,000	210,000	210,000	150,000	30,000
Mar-28	600,000	210,000	210,000	150,000	30,000
Mar-29	600,000	210,000	210,000	150,000	30,000
Mar-30	600,000	210,000	210,000	150,000	30,000
Total	13,046,699.54	4,574,067.92	4,565,071.39	3,273,934.26	633,625.98
Final Installment					
Mar-30	\$ 9,750,000	\$ 3,412,500	\$ 3,412,500	\$ 2,437,500	\$ 487,500
Net Cash to TIC	22,796,699.54	7,986,567.92	7,977,571.39	5,711,434.26	1,121,125.98

250,000 Add back deduction for maximum credit for environmental remediation (credit at closing)

366,000 Add back deduction for balance paid to CSG (credit at closing)

240,000 Add back deduction for Seller's portion of transfer tax (credit at closing)

84,200 Add back deduction for Seller's Abandoned Property Removal Cost (credit at closing)

300,000 Add back extension deposits

(36,900) Less prepaid tax credits

\$ 24,000,000 Total Purchase Price

Robert A. Roblee Building - 1015 W. 9th Avenue

I am happy to report that the building systems are working very well. We are very pleased with the building. I have only heard positive things about our new offices from staff. Everyone seems to love the new offices. The contractors have addressed all items on the punch list.

Installing shades in the windows is the only major project that is still pending. Shades are needed to block out excess sunlight, as well as provide privacy at night for staff working late, especially during winter when it gets dark early.

We need landscaping work around the building where we currently have mulch only. Mulch is fine for now, but adding plants will improve the curb appeal.

ABCUSA held an Open House in February for all the staff of the other boards who were not able to attend the Dedication in November due to limited space accommodations. The Open House went very well and was well attended.