

RFP No. 210041

REQUEST FOR PROPOSALS for the
Sale or Lease & Re-Use of the
FLATIRON BUILDING at the OLD CONY HIGH SCHOOL



NOTICE

The City of Augusta, Office of Economic and Community Development, requests proposals from qualified developers for the rehabilitation and adaptive reuse of the historic Cony Flatiron Building at Cony Circle. The Flatiron is a wedge shaped, 3-story, former high school building - 54,700 SF gross - predominantly classrooms with some large spaces that were used as a cafeteria, gym and shops. The third floor has an auditorium complete with proscenium stage, sloped seating and a balcony that was used for assemblies, performances, recitals, etc. Built in 1931, the Flatiron is one of the City's most significant historic buildings and is located at Cony Circle between Cony and Stone Streets with a street address of 110 Cony Street and designated on the City of Augusta Tax Assessor's Map as Map 38 Lot 117.

Sealed proposals for the project, including an original and seven (7) copies, will be submitted to: Purchasing Agent, City Manager's Office, Augusta City Center, 16 Cony Street, Augusta, Maine 04330, until Tuesday, June 1, 2010 at 2:00 PM, at which time they will be publicly opened. Proposals shall be submitted in sealed envelopes plainly marked on the outside, "Adaptive Re-Use of the Flatiron Building**". Proposals that are late and/or submitted via FAX or e-mail shall not be accepted. All proposals shall be held open to acceptance for sixty days from opening.**

Potential developers and their contractors, architects, engineers, etc. are free to view the property by appointment only. To make appointments, please contact Robert Labreck of the City of Augusta, Department of Development Services at 207-626-2365.

All parties entering the above named premises are required to sign a RELEASE AND HOLD HARMLESS form prior to admittance to the Flatiron.

Questions regarding the bid materials and process must be submitted in writing to Michael A. Duguay of the Office of Economic and Community Development. These may be mailed to Mr. Duguay care of the City of Augusta, 16 Cony Street, Augusta, Maine, 04330, hand-delivered, faxed to (207) 626-2338 or e-mailed to mike.duguay@augustamaine.gov and received no later than ten (10) business days prior to the opening date. Questions received after this time will not be addressed. Any interpretation, correction or change of this RFP will be made only by written addenda and will be posted on the City's website. Bidders are held solely responsible for accessing this information and becoming aware of it. The City will not be held responsible for a potential bidder that has not become familiar with addenda or answers to other bidders questions. Changes in any other manner will not be binding on the City. Bidders should not contact City Staff with regard to this RFP unless to obtain general public information as specified in the document.

The reuse of this real estate shall be made on the basis of a negotiated proposal, with the City of Augusta reserving the right to refuse any or all proposals. **All bidders are advised that the property will be sold or leased "as is," and "where is," in its existing condition, with no warranties either expressed or implied.** The City disclaims any and all responsibility for injury to bidders, their agents or others while examining the property or at any other time.

By submitting a response to this request for proposals, the bidder is certifying that he/she has read and understands all conditions concerning the development of the land being offered, as outlined in this RFP, and that the proposal is made in accordance with this RFP.

I. Background

For 75 years through the Spring, 2006, the Flatiron functioned as Augusta's high school, Cony High School. In 2006, a new Cony was built one mile away and ownership of the Flatiron and its rear, unattached 1964 addition were transferred to the City from the school department. Still heated and with functioning utilities, the Flatiron has been empty and relatively unused since this time. The Cony High School addition was recently torn down, the property sold and a new Hannaford grocery store opened to the public in July, 2009. The Flatiron and a small parcel of land (98 parking spaces) behind the building are still owned by the City of Augusta. The Flatiron building is currently listed on the National Register of Historic Places. There is a significant level of historic, architectural and emotional interest and value associated with the Flatiron building.

The Flatiron's most prominent feature is its wedged, "flatiron" shape. The interior and exterior of the building remain relatively unaltered, in good condition with fine architectural detail throughout. There is a six year old boiler and new electric switch gear in the building.

The new Hannaford Brother's grocery store as well as a new CVS Pharmacy at Cony Circle has generated approximately \$1 million dollars of roadway improvements at Cony Circle and the streets that flow into the Circle.

More and more, Augusta is becoming viewed not only as a place to do business but as a place to visit, stay a while, have fun and even settle down. This is especially true in light of the costs of commuting to distant homes and the City's efficient delivery of services to its citizens – education - including a new high school, snow removal, trash collection, road and infrastructure upkeep, police and fire protection. City population has increased several hundred from the low point of 18,650 in the 2000 census. The challenge now faced by the City is to build upon the momentum provided by recent economic successes.

The City of Augusta has many assets that are not well known. First of all is its location on both sides of the mighty Kennebec River and 'in between the ocean and the mountains' in central Maine. The Kennebec River is a jewel at the heart of the downtown, riverfront area. The River is the cleanest it has been in one hundred years and has traditional species of fish and wildlife returning to its waters and the area. The rich history embodied in nearby Old Fort Western, the Kennebec Arsenal, the Maine State Museum and the downtown itself are strong yet not well known assets of the City. The Kennebec River Rail Trail, the Pine Tree State Arboretum, the Nature Education Center and Trail as well as Bond Brook reservation, the Children's Discovery Museum along with the ever-developing Mill Park are part of the Augusta secret that needs to be told. Combine these with the University of Maine, Augusta; sports, cultural and entertainment activities at the Augusta Civic Center; nearby golf courses and ski slopes and you have a vibrant community waiting to be explored.

In the interest to ensure that the Cony Flatiron Building would be preserved, the City commissioned the Cony Flatiron Reuse Committee to study the feasibility of the buildings adaptive reuse. The Committee met for close to three years. During that timeframe, it convened several community workshops and "charrette" style forums so as to receive input from the public on how they would like to see the property reused. Invariably, the public was resoundingly in favor of ensuring that the building was historically preserved but less emphatic on the exact use of the building. In order to move the process forward, the Reuse Committee commissioned a combined reuse and feasibility study on the building. Barba+Wheelock Architects conducted that study on behalf of the City, which included an inspection of the potential reuses that the structure could facilitate and some, albeit brief, analysis of market conditions for those proposed reuses. This study has been included within the "Final Report of the Flatiron Reuse Committee" October 2008 as an appendix, both of which can be accessed at the City of Augusta's website at www.augustamaine.gov, clicking on the hyperlink 'Flatiron Building Reuse Committee' and then clicking on 'Documents'.

As a result of this study, the Reuse Committee recommended that a **Request for Proposals** be created and sent out to potential developers.

1. Condition of the Building. Barba+Wheelock, who conducted the study, concluded that the building is sound but needs external masonry, painting and caulking work. Internally, the building requires wiring and plumbing upgrades. Conceivably, structural upgrades would also be required depending on the proposed uses and changes to the floor plan. In addition, present-day fire codes will require the addition of extensive fire-retardant materials. The extent and degree of fire-retardants will depend upon the various end uses of the building.

2. Parking. There are 98 "designated" parking spaces which abut the rear of the Flatiron and which are on Flatiron property as laid out in the DeLuca – Hoffman site plan dated August 5, 2005. There is a space on the west side of Hannaford property which abuts the Flatiron lot where Hannaford has agreed to 'share not more than 42 parking spaces.' These combine for a total of approximately 140 onsite parking spaces for the Flatiron building. Criteria for the use of this "Shared Parking Area" are detailed in the attached Memorandum of Understanding (Appendix A) between the City of Augusta, Hannaford and Cony, LLC. Depending on the proposed building uses and their acceptance by the City, off-site parking will be considered to the degree that it is in the best interest for the preservation and reuse of the building.

3. Environmental. Phase I and Phase II Environmental Site Assessments have been completed on the building by an independent engineering firm. The Summary, Conclusions and Recommendations from Phase II are attached (Appendix B). The full Phase I and Phase II Assessments are substantial and are available for separate review at the City. In response to one of the recommendations from Phase II, the underground storage tank for heating oil located in the parking lot has already been removed.

As stated in the Notice preamble to this RFP, the building and property is being offered on an "as is" condition, regardless of whether it is sold or leased. To that end, the City does not make any representation, guaranty, or warranty concerning any site or building conditions either identified or not identified in the conducted environmental reviews. Either in a fee simple transaction or lease, the City will bear no responsibility or expense in the removal or treatment of asbestos, lead or other hazardous materials. Respondents shall indemnify and hold the City harmless from claims or damages arising out of or in connection with the presence of or removal of such materials.

4. Land Use Regulations. Any redevelopment of this property will be subject to all applicable codes and regulations, including but not limited to building codes and zoning, site plan, subdivision and historic preservation requirements. Some relevant portions of these regulations are summarized below:

The Flatiron is located in a KBD2 Contract Zone which calls for specific uses eligible in the zone to be reviewed and approved by the Planning Board. This review and approval will be based on the proposed uses being compatible with the City's Comprehensive Plan and the surrounding neighborhood. The property is surrounded by a mixture of densely populated single and multi-family units and larger retail establishments, like the new Hannaford Brother's grocery store and CVS Pharmacy.

Bidders are advised to refer to source documents for further information and are responsible for ensuring that the uses being proposed are allowed under the City's Land Use Ordinance. The City's Land Use Ordinance, which contains a detailed description on the KBD2 zoning district, can be read at the City's webpage at www.augustamaine.gov.

5. Feasibility Analysis. The feasibility analysis conducted by the City's consultant for this project, conducted for Barba+Wheellock, was done primarily for comparative purposes. The consultant used a variety of scenarios of potential uses and tenants to gauge the prospective revenue streams and associated expenses with that particular

programming. This analysis, although not based on actual market conditions or potential financial agreements, assesses the possibility of different financial proformas that may be considered.

The City of Augusta is in no way asserting or inferring that these financial projections are based on real or potential market conditions and is not in anyway responsible for any of this information or its accuracy, either when it was completed or at this time. This information is attached to this RFP as Appendix C.

II. Elements for Consideration

Although there are perhaps multiple reuse scenarios that could be accommodated by the Cony Flatiron Building, the City has established several parameters for this project that must provide the underlying basis for a developers response to this request.

1. Ownership Structure. The City has not prescribed a particular ownership structure for this transaction. More specifically, the City will entertain all potential arrangements proposed by the developer which will allow them to carry out their proposed development plan, such as a fee simple transaction, a long-term operating lease (ground lease), etc. However, the City would prefer a long-term lease arrangement but as mentioned, would consider a sale of property if it was required in the development scenario that was considered to be in the best interest of the City. Developers are also not limited to private entities and could possibly include educational institutions, regional arts groups, an association, non-profit or a combination of any of these should they be able to put together a viable response to this RFP.

However, in any of the proposed arrangements the City does not want to remain an active "partner" in the deal, so to speak, whereby it would have to assist the developer in managing the project or interacting with the tenants. Therefore, all submissions considered to be the most responsive will reduce the involvement of the City to the highest degree possible. In addition, the City will accept any and all financial offers pertaining to this transaction.

2. Historic Preservation. Managing the integrity of the historic status and value of the building is of a major concern to the City. Potential reuses should not affect the buildings existing qualified status to remain on the National Register of Historic Places. The City is more concerned that the developer is able to maintain the integrity of the exterior façade and that the buildings exterior remains in as close a state to its current condition as possible. However, the City does understand that different uses may require the placement and installation of complementing infrastructure to facilitate these uses, such as exterior elevator shafts, entryway foyer, etc. This may be particularly important on the eastside of the building which currently may not have an adequate entrance into the building from the provided parking lot. Such improvements must take into account the architectural integrity of the building and must conform to the design and flow of the existing structure.

As it relates to the interior of the building, the City is interested that developers maintain the significant features of the structure, such as decorative molding, stairways and associated hardware, etc. as close to the existing condition as possible.

Developers must be aware that the City will take whatever actions that are necessary to ensure that the appropriate restrictions are put in place, whether by deed or lease, which protect the historic nature of the building.

Due to the status of the building, it is expected that the State of Maine and the federal Historic Tax Credit program will play a part in the redevelopment of this building. As such, it would be in the bidders best interest to educate himself/herself with these programs and their specific requirements, should these programs not be well known. Information on both the state and the federal programs are available on the internet at the website http://www.state.me.us/mhpc/tax_incentives/index.html.

a. **3rd Floor Auditorium.** It should be noted that local groups have expressed a keen interest in the reuse of the Flatiron and the third floor auditorium space in particular. The Cony Alumni Association has raised funds in the past, and there exists a not-for-profit organization named the Friends of the Flatiron that was formed with an eye towards the successful redevelopment of the building and its performing arts space.

The City feels strongly that Augusta needs and wants an additional venue for the performing arts, and that there is a particular interest in the Flatiron auditorium space serving that purpose. To that end, although it's not a requirement of the transaction that the third floor auditorium be renovated for a cultural or performing arts use, such proposals that are feasible for the developer will be more favorably looked upon by the City and receive higher consideration.

3. Building Uses. As stated earlier, the City is open to at least consider all proposed uses for the Cony Flatiron Building. The City will look more favorably upon proposals with a component that supports the development of the cultural and performing arts as well as projects of a neighborhood scale, such as a mixed-use development.

III. Submission Requirements

For a submission to be complete, the bidder must submit the following information:

A. Qualifications, Experience & Financial Feasibility:

Team Members:

1. The name, address, telephone number, fax number, and e-mail address (if available) of each principal, partner, or co-venturer participating in the entity the bidder proposes to develop the site, and each of the other professional firms identified with the bidder's proposal.
2. The name, address, telephone number, fax number and e-mail address (if available) of the representative authorized to act on behalf of the bidder and who is available to respond to questions for additional information.
3. Identification of any affiliation or other relationship between any of the members of the proposing team responding to this offer and any development company, parent company, or subsidiary.

Qualifications and Experience:

1. A description and brief history of the entity, and or the other firms, that will be part of this development project; Including the principals, partners, and co-venturers participating in this proposal.
2. The individual who will be or whose organization will be the managing principal or partner.
3. The role that each individual or organization will play in this development project.
4. Relevant projects with which the managing principal or partner and the design architect have had primary involvement, including illustrative material of projects that demonstrate each of their abilities, the name and address of each project identified, the name and telephone number of persons familiar with the development who may respond to inquiries from the City, and the principal, partner or design architects role in each project.
5. Illustrative materials that will help the City evaluate the caliber and relevant experience of the architectural team assigned to the project.
6. References for the managing principal or partner, including names, addresses and telephone numbers, for projects of a similar nature. A brief project description, along with project cost, should accompany this information. One of these references should be from a public entity on a competitively bid project.
7. A list of the professionals the bidder will be employing for this project. For each professional firm, the proposal should include a description of the staff capabilities, the resumes of all senior staff who will be working on this project and information on their role on this project, and their past experience that is directly relevant to this project.

Financial Feasibility:

1. A comprehensive development budget showing the project's total development costs, and itemizing the purchase price of the site, construction, architectural, engineering and related fees.
2. A "Sources and Uses" statement describing the expected equity requirements and sources, the anticipated sources of working capital and the anticipated sources of permanent and construction debt financing for the project.
3. For all spaces to be rented out, the submission must include a 20-year operating pro-forma analysis demonstrating the project's operating characteristics including net operating income, debt service requirements and related coverage ratios. The pro-forma must be consistent with a lease-up schedule that conforms to lease-up times and absorption rates for each particular use in the local market. A narrative describing the lease-up schedule and absorption rate, by use, must be provided. Although a market study is not required, any statement should demonstrate the bidders understanding of the larger market issues at work in the community and how the project will be successful within that context.
4. Financial information for the past 3 years for the corporation, partnership or individual(s) submitting a proposal. In those cases where a new entity will be established for the purpose of this development, the principal parties of this new entity must provide financial information that meets this requirement in such a way whereby it is demonstrated that the entity has the ability to successfully develop the project.

B. Financial Offer:

The bidder and all principals having an ownership stake in the development, must submit a letter, signed by all parties, that outlines the financial offer being made to the City in complete detail. Although the City will look upon submittals it feels have the least encumbrances, the letter should clearly state all limiting conditions.

C. Development Program and Concept Plans:

1. Establish the program of development for the project; Provide detail, using a floor plan, as to how much square footage, by floor, will be developed for each use and where each use will be located within the building; For housing, provide details as to the type of occupancy (rental, condominium, townhouse, etc.); number of total units; and a breakdown of this total by number of bedrooms per unit and per unit square footage. For proposals with both commercial and residential uses, separate totals must be given.

In addition to the above submitted floor plan, provide a narrative description of this information as well, ensuring that all proposed uses are adequately identified along with their respective location and that all information illustratively identified on the floor plan is explained in adequate detail.

2. Provide detail as to the quality of development being proposed; For example, Class A, Class B, etc. to identify commercial space and proposed monthly rents and asking price for rental units and condominiums respectively.
3. Provide estimates as to the cost per square footage of construction being proposed with totals broken down by major systems and construction components, a figure provided for site development and features and figures for other ancillary costs shall be provided as well.
4. In the event that the bidder is proposing that additional footprint will be added to the structure, provide a "bird's eye view" sketch of the base level footprint of the building along with the added space.
5. Provide a description of the proposed site improvements that will be made and their location on the property, if applicable, including the number of parking spaces needed for the project.
6. The timeframe as to when proposed activities will occur. For projects being proposed in phases, please provide details as to the month and year as to when specific activities will occur within each phase.

IV. Evaluation Criteria

A qualitative assessment of the responses will be conducted by the City for each proposal based on the following:

A. Qualifications, Experience & Financial Feasibility:

The Qualifications and Experience of the team members as demonstrated by the development team member's prior experience in working with similar historic building redevelopment projects; public/private projects; the ability to raise debt and equity capital for such developments. Proposals will be evaluated on the

respective entities track record for successfully redeveloping similar projects and its demonstrated ability to maintain operations over the long-term.

B. Financial Offer:

The bidder's financial offer will be evaluated on the outright value of the offer, along with the terms and conditions placed on this offer. The offer that is seen to be in the best interest of the City will receive more favorable consideration.

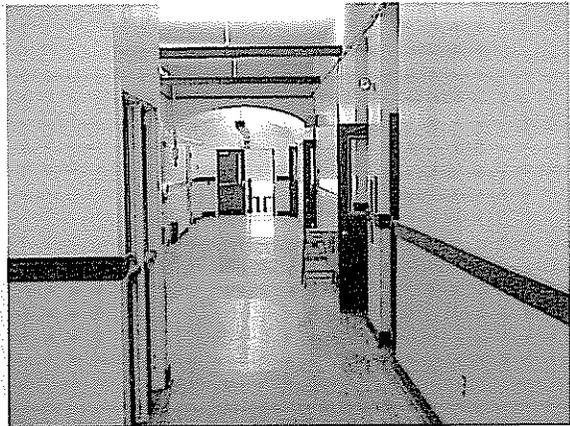
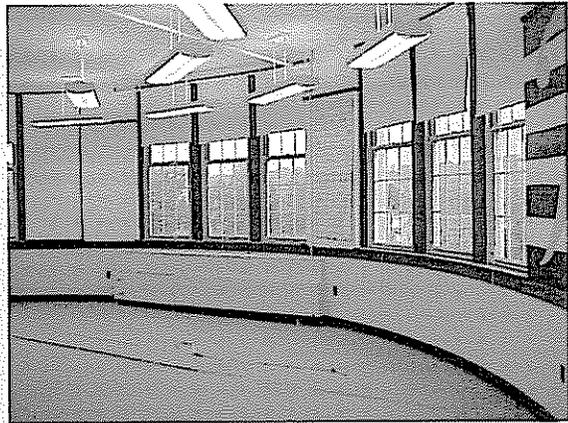
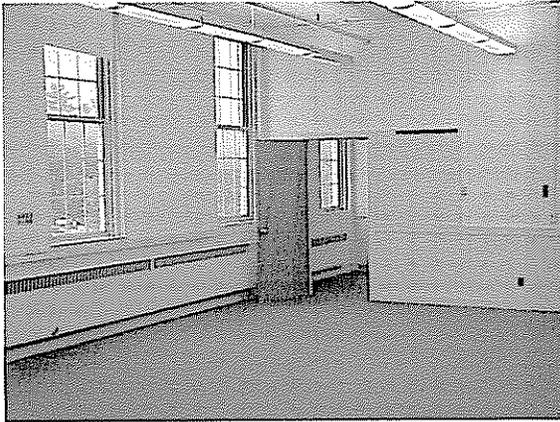
C. Development Program:

Consideration for this category will be given based on the proposed scheme of development and how it best accomplishes the goals of the City to have the property successfully complement the uses and activities that currently exist in the surrounding neighborhood. Proposals receiving a more favorable review will ensure that the exterior of the Flatiron Building is preserved; that the building is utilized to its fullest potential; that the proposed uses do not negatively impact the financial position of the City or at least are financial neutral and that creative consideration for the reuse of the auditorium is explored.

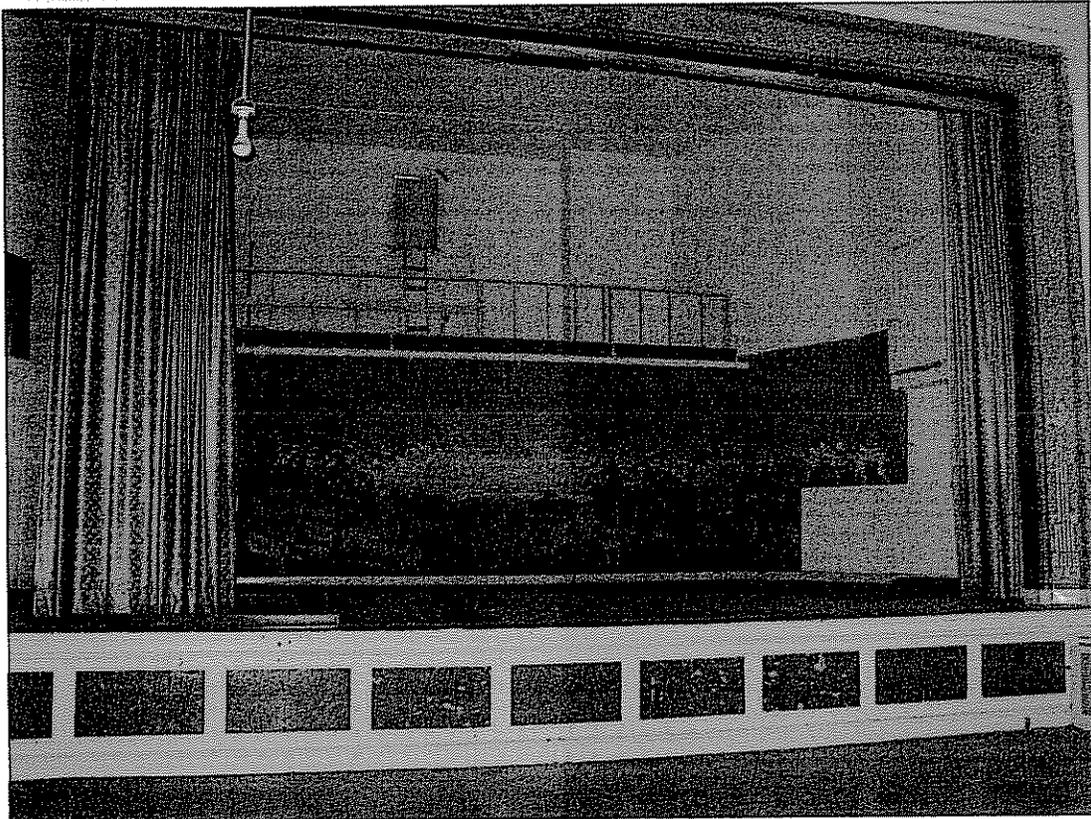
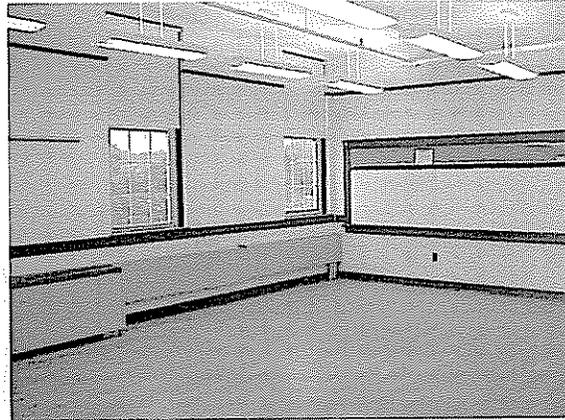
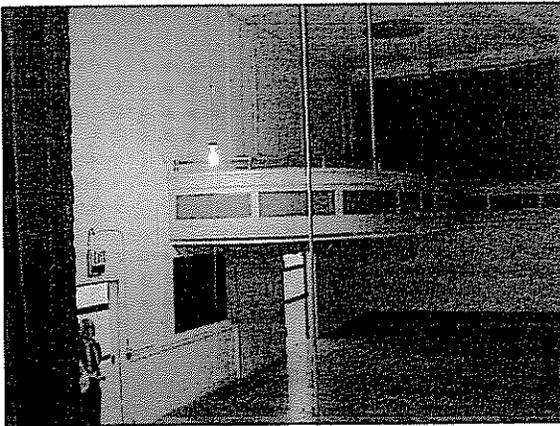
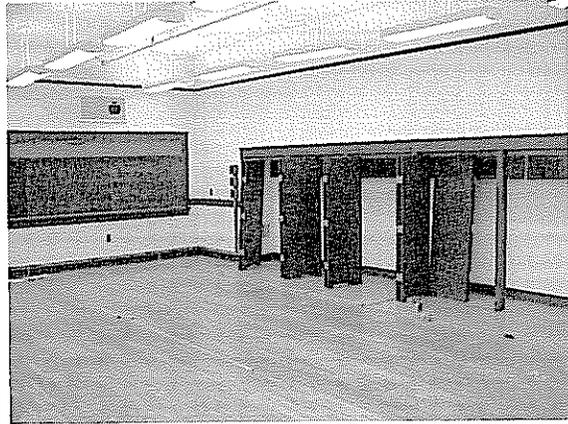
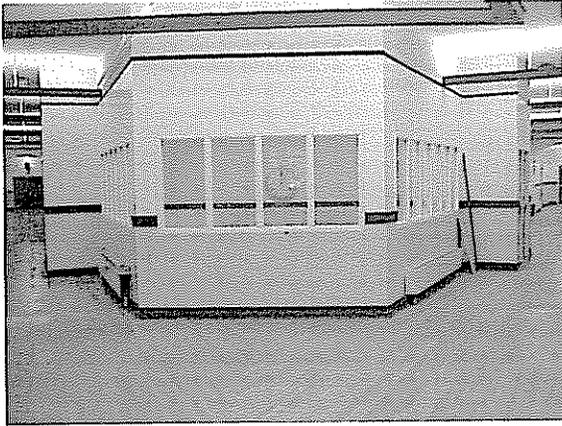
D. Probability for Success:

Proposals receiving favorable consideration in this category will be determined to have the highest feasibility for success. The evaluation will be based on the City's experience in the market place with the particular uses being proposed; the identified phasing of the project; the experience of the parties/entity with similar developments of the same magnitude; vacancy/saturation rates of proposed used; and the level of improvements/renovations needed in relationship to the proposed use(s).

City of Augusta, Maine
Office of Economic and Community Development



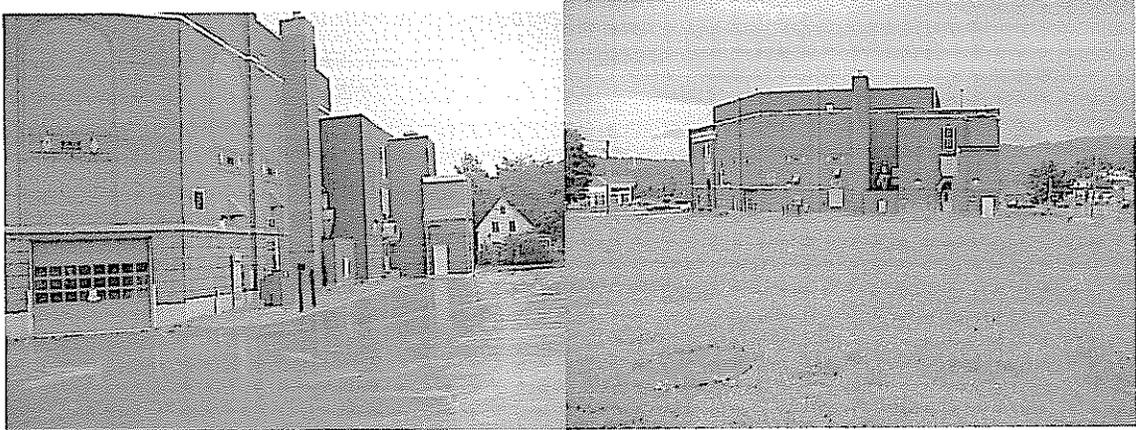
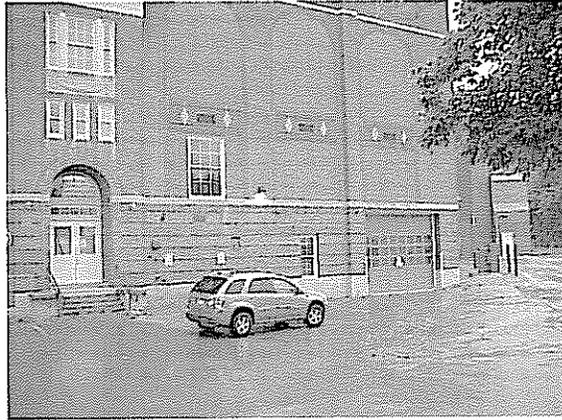
City of Augusta, Maine
Office of Economic and Community Development



*City of Augusta, Maine
Office of Economic and Community Development*



*City of Augusta, Maine
Office of Economic and Community Development*



APPENDIX A

Execution Copy

**MEMORANDUM OF
UNDERSTANDING**

THIS MEMORANDUM OF UNDERSTANDING, effective as of April 7, 2008, is by and among the **CITY OF AUGUSTA**, a municipal corporation formed under the laws of the State of Maine (the "City"), **CONY, LLC**, a Maine limited liability company ("Cony") and **HANNAFORD BROS CO.**, a Maine corporation ("Hannaford").

RECITALS:

A. City owned a parcel of land situated in the City of Augusta consisting of approximately eight acres and identified on the City of Augusta tax records as Lot 117 on Tax Map 38 and Lot 35 on Tax Map 42 and is bounded by Cony Street, Stone Street and Viles Street (the "Entire City Parcel"). The Entire City Parcel is presently improved by two structures. The first structure is commonly known as the "Flat Iron Building". The second structure is the former Cony High School facility.

B. City, as seller and Cony, as purchaser, entered into a Purchase and Sale Agreement with an Effective Date of June 29, 2004, as subsequently amended and extended (such Purchase and Sale Agreement, as amended and extended, is referred to herein as the "Purchase Agreement"), with respect to a portion of the Entire City Parcel, identified in the Purchase Agreement as the "Premises" and more particularly described therein. On or about the date hereof, the City has conveyed the Premises to Cony. The City has retained the remainder of the Entire City Parcel, situated westerly and adjacent to the Premises, identified in the Purchase Agreement as the "Flat Iron Parcel". On or about this date, Cony has entered into a long term Ground Lease with Hannaford, pursuant to which Cony has leased the Premises and other property to Hannaford. Hannaford intends to construct and operate a supermarket upon the Premises.

C. In anticipation of the possible future redevelopment of the Flat Iron Parcel, the City has recognized a potential need for additional parking and the parties have agreed that certain parking on the Premises be made available to the Flat Iron Parcel, to be generally situated adjacent to boundary between the Premises and Flat Iron Parcel, and which is identified on the plan attached hereto as Exhibit A as the "Shared Parking Area". The Shared Parking Area shall not include more than forty two (42) parking spaces and shall be accessible only from the Premises at the location depicted on the attached plan, or at such other location as Cony and Hannaford shall approve.

D. While Hannaford does not presently intend to construct the Shared Parking Area, Hannaford has agreed to either construct or permit the construction of said Shared Parking Area in the future, upon notification by the City, in accordance with the terms set forth herein.

E. Cony's execution of this Memorandum of Understanding is intended to evidence its approval of the terms and conditions contained herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

1. **Plan and Proposed Use.** If the City determines that, in connection with future use of the Flat Iron Parcel, it shall require development of all or a portion of the Shared Parking Area, the City shall provide Hannaford and Cony with a written proposal for the redevelopment of the Flat Iron Parcel, which shall set forth the anticipated use or uses of said Parcel, together with proposed plans for the same, including without limitation traffic and parking plans. Hannaford and Cony shall have the right to review and comment on the proposal and plans.

2. **Obligation to Construct.** Hannaford shall be under no obligation to construct or permit construction of the Shared Parking Area, and Cony shall be under no obligation to convey easement rights for use of the same, unless and until the City affords Hannaford and Cony evidence that all necessary permits and approvals have been obtained for the proposed use and redevelopment of the Flat Iron Parcel, including the Shared Parking Area and access to the Shared Access Area, or, in the alternative, an opinion of counsel indicating that no permits or approvals are necessary for such proposed use and redevelopment. Hannaford, at its sole discretion, shall have the right to elect to either construct the Shared Parking Area or to permit the City, through its developer /contractor, to construct the same upon terms and conditions, and in accordance with plans acceptable to Hannaford.

3. **Cost of Construction.** Cost sharing with respect to construction of the Shared Parking Area shall be dependent upon the proposed use of the Flat Iron Parcel, as follows:

(a) **For Profit Use.** If more than 25% of the square footage of the building(s) situated on the Flat Iron Parcel is to be used and occupied by a "for profit" business or entity ("For Profit Use"), the cost of constructing the Shared Parking Area, including without limitation any amendments to existing permits or approvals, shall be borne by the City, except as set forth in subsection (c) below. If Hannaford elects to construct the Shared Parking Area, as set forth in Section 2 above, it shall submit monthly invoices to the City and the City shall make prompt payment of the same. Until such payment is made in full, the City shall have no right to use the Shared Parking Area.

(b) **Non-Profit Use.** As long as 75% or more of the square footage of the building(s) situated on the Flat Iron Parcel is to be used and occupied by a "not for profit" business or entity ("Non-Profit Use"), the cost of constructing the Shared Parking Area shall be borne by Hannaford, up to a maximum amount of \$80,000.00. Any cost in excess of \$80,000 shall be paid by the City. If Hannaford elects to construct the Shared Parking Area, as set forth in Section 2 above, it shall submit monthly invoices to the City for costs in excess of \$80,000 and the City shall make prompt payment of the same. Until such payment is made in full, the City shall have no right to use the Shared Parking Area. If within ten (10) years from completion of construction of the Shared Parking

Area more than 25% of the square footage of the buildings located on the Flat Iron Parcel is used or occupied by a "for profit" business or entity, the City shall reimburse Hannaford for the pro rata share of the "Depreciated Construction Costs" (as defined below) of said Shared Parking Area at the time such for profit use exceeds 25%, based on the percentage of the square footage of the building occupied by a "for profit" business entity. For purposes of this Agreement, the Depreciated Construction Costs shall mean the original construction cost paid by Hannaford, depreciated on a straight line basis over twenty (20) years, commencing on the date that the Shared Parking Area is placed in service. By way of example only, if the original construction cost is \$80,000 and in year twelve the "for profit" use of the Flat Iron Parcel increases to 40%, the City shall reimburse Hannaford in the amount of \$12,800 (\$80,000 cost, minus \$48,000, the Depreciated Construction Cost, multiplied by 40%, the "for profit" use).

(c) Hannaford Use. Hannaford shall always have the right to use the Shared Parking Area at any time, as long as Hannaford either has paid for the construction of the Shared Parking Area, up to a maximum of \$80,000, in the event such Shared Parking Area was constructed in connection with a "Not For Profit" use under Section 3(b) above, or has reimbursed the City for up to 50% of the cost incurred by the City in constructing the Shared Parking Area, up to a maximum amount of \$40,000.00, in the event that the Shared Parking Area was constructed by the City in connection with a "For Profit" use, as provided in Section (b) above. To obtain such reimbursement, the City shall provide Hannaford with invoices documenting the total cost of construction of the Shared Parking Area to the reasonable satisfaction of Hannaford.

4. Conveyance of Easement Rights. Upon completion of construction of the Shared Parking Area in accordance with the terms and conditions of any pertinent permits and approvals, Cony shall convey to the City by easement deed, the right and easement to use the Shared Parking Area and to access the Shared Parking Area from the Premises at the location depicted on the attached plan, or at such other location as Cony and Hannaford shall approve, and Hannaford shall join in as necessary, which easement shall be in the form attached hereto as Exhibit B. The easement deed shall reflect the terms and conditions set forth herein with respect to use of the Shared Parking Area and, in addition, shall be subject to the following:

(a) The easement deed shall be limited to use and access to the Shared Parking Area such that no overflow parking into other parking areas developed on the Premises shall be permitted.

(b) Use of the Shared Parking Area by the City shall not interfere with traffic circulation throughout the Premises. When events are held at the Flat Iron Parcel, the City shall use its best efforts to avoid any such interference.

(c) The City shall advise all tenants or occupants of the Flat Iron Parcel of the restrictions set forth in subsection (a) and (b) above, and they shall be expressly set forth in any lease agreement for space within any building situated on the Flat Iron Parcel.

5. Maintenance.

(a) During any period of time that the Flat Iron Parcel is owned by the City, the provisions of Section 5(b) shall apply with respect to maintenance. During any period of time that the Flat Iron Parcel is not owned by the City, the provisions of Section 5(c) shall apply with respect to maintenance.

(b) For any period of time that Hannaford is using the Shared Parking Area as provided in Section 3(c) above, Hannaford shall be responsible, at its expense, for snow plowing the Shared Parking Area and the City shall be responsible, at its expense, for all other repair and maintenance. For any period of time that Hannaford is not using the Shared Parking Area as provided in Section 3(c) above, the City shall be solely responsible for the cost to repair and maintain the Shared Parking Area, including without limitation, snow removal, as necessary. As used herein, "repair and maintain" shall mean undertaking the work necessary to preserve and keep the Shared Parking Area in as nearly as possible its condition as when first constructed or as subsequently improved by Hannaford or the City, and consistent with the level of repair and maintenance of the parking fields on Premises.

(c) For any period of time that Hannaford is using the Shared Parking Area as provided in Section 3(c) above, Hannaford and the then owner of the Flat Iron Parcel shall share equally in the cost to repair and maintain the Shared Parking Area, including without limitation, snow removal, as necessary. For any period of time that Hannaford is not using the Shared Parking Area as provided in Section 3(c) above, the then owner of the Flat Iron Parcel shall be solely responsible for the cost to repair and maintain the Shared Parking Area, including without limitation, snow removal, as necessary. Regardless of which party is responsible for the costs, Hannaford shall have the sole right, at its sole discretion, to perform all such repairs and maintenance, and to bill the owner of the Flat Iron Parcel for its share of such costs, calculated as provided in this Section 5(c). As used herein, "repair and maintain" shall mean undertaking the work necessary to preserve and keep the Shared Parking Area in as nearly as possible its condition as when first constructed or as subsequently improved by Hannaford or the City, and consistent with the level of repair and maintenance of the parking fields on Premises.

6. Insurance.

(a) Subject to the provisions of Section 6(b) below, if the Shared Parking Area is constructed, the owner of the Flat Iron Parcel shall maintain liability insurance covering the Shared Parking Area. Such insurance shall be in an amount of not less than THREE MILLION DOLLARS (\$3,000,000.000) and shall name Cony and Hannaford, or their successors and assigns, as additional insureds. Such policies shall contain a provision that such insurance shall not be invalidated against Cony or Hannaford as a result of any act or negligence of any other insured or any person acting by or through such other party. Such policies may not be cancelled nor may such

coverage be substantially changed without giving at least ten (10) days' prior written notice to all insureds and each holder of the first mortgage listed as a holder of such first mortgage in such policy. The owner of the Flat Iron Parcel shall provide evidence of such insurance to Cony and Hannaford upon request.

(b) Notwithstanding the provisions of Section 6(a) above, so long as the owner of the Flat Iron Parcel is the City, the City shall not be obligated to satisfy the requirements of Section 6(a); provided, however, that the City shall obligate its tenants to comply with the provisions of said Section. Cony and Hannaford shall have the right to deny use of the Shared Parking Area to any tenant of the Flat Iron Parcel that has not satisfied the obligations under Section 6(a) and provide evidence of such insurance to Grantor and Hannaford upon request.

7. Use Restrictions.

(a) Notwithstanding anything contained herein to the contrary, except as provided in Section 7(b) below, if any portion of the Flat Iron Parcel is to include or incorporate any one or more of the "Excluded Uses" (as defined below), Hannaford shall be under no obligation to construct or to permit the construction of the Shared Parking Area and the City, and its successors and assigns shall have no rights or easements hereunder. If following completion of the Shared Parking Area, all or any portion of the Flat Iron Parcel is used for any one of the Excluded Uses, the City, its successors and assigns, and their employees, tenants, guests, licensees and invitees shall have no right to use the Shared Parking Area. The term "Excluded Uses" shall include any one or more of the following uses, whether as a separate store or structure or within a larger store or structure, except as provided in subsection (b) below: (i) the operation of a supermarket, warehouse supermarket, combination food and drugstore, combination food and department or general merchandise store, so-called "supercenter", or wholesale club, food store or grocery store, bakery or delicatessen; (ii) the sale of food or food products (whether fresh, refrigerated, frozen, processed or prepared) intended for consumption away from the premises on which they are sold, including, without limitation, canned goods, groceries, fruit, vegetables, produce, seafood, meat, poultry, dairy products, bakery products, prepared meals, soups and salads, grocery items, or any one or combination of the foregoing, (iii) the operation of a convenience store, (iv) the operation of a pet food store, (v) the operation of a drugstore, a pharmacy or a store primarily engaged in the sale of health and beauty aids (for the purposes hereof, a "pharmacy" shall mean any store, or department or counter within a store, which sells prescription medicines or drugs or any items requiring the presence of a registered pharmacist); or (vi) any combination of the foregoing. :

(b) Notwithstanding the foregoing, the following shall not be "Excluded Uses" for purpose of this Section:

(i) incidental amounts of soft drinks, fruit drinks, milk in single service containers, ice cream in single service containers, candy, cookies, confections, potato and corn chips and similar snacks may be sold on any portion

of the Flat Iron Parcel, provided such items are sold as incidental to the principal business conducted at said Flat Iron Parcel; and

(ii) incidental amounts of sales of food and food products that are intermittent and are by or for the benefit of non-profit organizations; provided such items are sold as incidental to the principal business conducted at said Flat Iron Parcel. By way of illustration only, the incidental and intermittent sale of girl scout cookies for the benefit of Girls Scouts of America, or a local chapter would be allowed and would not be deemed to be an "Excluded Use"; and

(iii) incidental amounts of sale of food and drink "to go" in conjunction with an on-site sit down restaurant; provided that such items are sold as incidental to the principal business of such restaurant.

8. Notices. All notices and other communications required or permitted shall be in writing and shall be given by Certified Mail or nationally recognized overnight delivery service. Any such notice shall be deemed to be delivered, whether actually received or not, upon the earlier of (a) actual receipt or (b) deposit in a regularly maintained receptacle for United States mail, postage prepaid, or with a nationally recognized overnight delivery service, postage prepaid or billed to shipper, addressed as follows:

If intended to the City:

City Manager
City of Augusta
City Center
16 Cony Street
Augusta, Maine 04330

If intended to Cony:

c/o The Boulos Company
One Canal Plaza
Portland, Maine 04101
Attn: C. Anthony McDonald

If intended to Hannaford:

Hannaford Bros. Co.
145 Pleasant Hill Road
Scarborough, Maine 04074
Attn: Real Estate Department
(If sent by overnight mail)

Hannaford Bros. Co.
P.O. Box 1000
Portland, Maine 04101
Attn: Real Estate Department
(If sent by U.S. Mail)

Either party shall have the right to change the address to which its future notices are sent by giving notice to the other parties as provided above, which notice shall be effective only upon actual receipt.

9. Miscellaneous.

(a) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

(b) The Exhibits attached are hereby incorporated herein by reference.

(c) This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maine.

(d) Either party may record this Memorandum of Understanding in the Kennebec County Registry of Deeds.

(e) This Agreement may be executed in one or more counterpart signature pages, which when taken together shall constitute one complete original instrument.

[Signatures follow on the next page]

IN WITNESS WHEREOF, the undersigned have each caused this Memorandum of Understanding to be executed by its respective duly authorized representative, as of the date set forth across from their respective signature, to be effective for all purposes as of the date set forth in the introductory paragraph above.

CITY OF AUGUSTA

Date: April 7, 2008

By: [Signature]
Its: City Mayor
Name: William BRIDGEMAN

HANNAFORD BROS. CO.

Date: April 8, 2008

By: [Signature]
Its: Vice President
Name: Ken R. Miller

CONY, LLC

Date: _____, 2008

By: _____
Its: _____
Name: _____

IN WITNESS WHEREOF, the undersigned have each caused this Memorandum of Understanding to be executed by its respective duly authorized representative, as of the date set forth across from their respective signature, to be effective for all purposes as of the date set forth in the introductory paragraph above.

CITY OF AUGUSTA

Date: _____, 2008

By: _____
Its: _____
Name: _____

HANNAFORD BROS. CO.

Date: _____, 2008

By: _____
Its: _____
Name: _____

CONY, LLC

Date: April 4, 2008

By: 
Its: Member
Name: Anthony McDonald

APPENDIX B

10.0 SUMMARY AND CONCLUSIONS

The scope of work for this project followed the approved QAPP prepared to evaluate a variety of RECs that were presented from the Phase I ESA conducted in May 2007. The characterization efforts were performed during several days of environmental sampling, including direct-push sub-surface soil borings, groundwater sampling and visual review. The sampling was conducted during the winter of 2007-08 and included work identified in the approved QAPP.

According to information provided by Robert Labreck of the City of Augusta Facilities Management Bureau, the Flatiron Building was constructed in 1926 and utilized as a high school for area residents (Cony High School). In 1984 the original building underwent extensive interior renovations; however, the basic structure/footprint of the original building was not modified. In 2006, when the new Cony High School was constructed, the building on the subject property was vacated with the exception of some surplus school-related supplies and materials

Historical use of the site as a high school with auto repair/metals shop, coal storage area and underground storage tank has resulted in low-level impacts to groundwater (metals, DRO, VOC) and soil (DRO, metals, SVOCs).

MEDEP has established three "action levels" for petroleum sites to guide cleanup of contaminated sites in Maine: Stringent, Intermediate, and Baseline. Final site classification is made by the MEDEP. Based on the information available at this time, Weston & Sampson has made a preliminary evaluation as to the likely classification for the Flatiron site. The Flatiron building and surrounding properties are located in a commercial/residential area of Augusta that is served by public water and the site is not located over a MGS mapped Significant Sand and Gravel Aquifer. A well survey to determine if there are any private wells located within 2,000 ft of the site has not been performed. Although a well survey and possibly other information might be needed by the MEDEP to make a final decision on site classification, we have preliminary classified the site as Baseline 2 (BL2) for the purpose of comparing petroleum impacts to MEDEP cleanup goals.

This report summarizes work related to the assessment of a variety of environmental conditions throughout the Site as they relate to potential releases from the identified RECs. Samples were collected from soils and groundwater.

The Site characterization activities included field techniques to evaluate total volatiles in soil using a PID. Laboratory testing of soils included methods for VOCs, SVOCs, metals, PCBs and DRO. Laboratory testing of groundwater included methods for VOCs, SVOCs, metals, PCBs, DROs.

Six groundwater monitoring wells were installed. The Site also contained one existing monitoring well that was also included in fieldwork activities. Depth to groundwater from the ground surface was found to range from 3.53' to 4.27'. Groundwater contours illustrate a westerly groundwater gradient.

VOCs were not detected at levels above applicable standards in any of the sampled media at the site, which included soils and groundwater (Table 2).

Metals were not detected in exceedance of applicable standards in groundwater or soil (Tables 1 and 2).

DRO was detected in soil samples at or above Baseline-2 standards. Some of the contamination may be associated with seepage (e.g., through cracks or seams) into soil and groundwater from the former auto repair/metals shop subsurface structures (e.g., trenches). DRO detected in the area of the UST is suspect as the location immediately downgradient (SB-6) did not contain petroleum related compounds above the laboratory method detection limit. However, DRO was detected in two of the borings (SB-2 and SB-5) in close proximity to the UST. The low level petroleum impacts to soil and groundwater in the area of the UST could be from off-site (up gradient) migration, or fill materials used in the area of the UST. The existing UST was reportedly placed in the same location as the old No. 2 fuel oil UST, which existed on-site between 1964 and 1991. It is possible that the heavy end petroleum impacts inconsistently detected in soil and groundwater near the existing UST could be from historical releases.

SVOCs were identified in the samples from SB-7, which was located in the area of the former coal pile. SVOCs detected in these samples are below applicable standards (Table 1).

PCBs were not detected in samples collected at the Site (Table 1).

Several contaminants were found to have exceeded regulatory standards that were described in Section 6.0 (Risk Characterization). Recommendations are offered in the following section to address the risk identified at the Site.

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11.0 RECOMMENDATIONS

Based on the data obtained from this investigation, Weston & Sampson/MAI offers the following recommendations for consideration. These recommendations will serve as the basis for discussion between the interested parties for this Brownfield project.

11.1 MEDEP Site Classification

In cooperation with the MEDEP, Weston & Sampson recommends that a final site classification be determined through the MEDEP decision tree contained in *Procedural Guidelines for Establishing Action Levels and Remediation Goals for the Remediation of Oil Contaminated Soil and Groundwater in Maine*. This would involve completion of the MEDEP decision tree, a water well survey within 2,000 feet of the site, and possibly other determinations as requested by the MEDEP regarding the site geology and land use of surrounding areas. In addition, we recommend that if future site use is determined to be residential, then the Remedial Action Guidelines (RAGs) for Residential Direct Contact should be used as the standard for comparing site contaminants.

11.2 DRO in Groundwater and Soil

DRO (petroleum) impacts were identified in several areas at the site. The highest concentrations are located in the vicinity of the former auto repair shop trenches and cross- and up-gradient of the UST area. Based on the concentrations detected, however, Weston & Sampson does not recommend remediation of soil and/or groundwater for DRO. A thorough cleanup of oil storage areas in the former auto repair shop to remove any remaining liquids or solids is recommended to ensure no additional contribution of oil/petroleum materials to soil or groundwater.

11.3 VOCs in Groundwater

VOC contamination was not widespread across the Site. VOCs were primarily detected in samples from MW-1 and MW-2 (wells located cross- and up-gradient of the UST), below MEG standards. Weston & Sampson does not recommend remediation of groundwater for VOCs, pending additional monitoring at the Site. The location of MW-1 and MW-2 suggest that contamination may be entering groundwater from off-Site, since these wells are cross- or up-gradient from the UST and in close proximity to the Site boundary.

11.4 Investigation of Adjacent Building

Both petroleum-based (DRO) and volatile (VOC) contamination was detected in hydraulically cross- and up-gradient boring and well locations, including MW-1, MW/SB-2 and SB-5, while petroleum related compounds were not detected SB-6, which is downgradient of the UST. The potential for contaminant impacts from the abutting property, the building directly adjacent and upgradient of the Site (Cony High School annex), should also be considered. Based on Weston & Sampson's preliminary evaluation of the site's classification with regard to MEDEP cleanup goals (BL2), we do not recommend additional investigation of groundwater quality unless the site's classification is upgraded to Stringent by the MEDEP, which would trigger cleanup goals for dissolved phase contaminants in groundwater.

11.5 Removal of Underground Storage Tank

Based on the low levels of DRO in the area of the UST, Weston & Sampson recommends removal of the UST in accordance with MEDEP Chapter 691, Section 11, "*Rules for Underground Oil Storage Facilities: Regulations for Closure of Underground Oil Storage Facilities*" to prevent future environmental impacts to soil and groundwater.

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APPENDIX C

**CONY FLATIRON
BUILDING REUSE**

MODIFIED

GROUND LEVEL

Gross 20,000 sf +/-
Less Circulation 3,800 sf +/-
Remaining 16,200 sf +/-

SECOND LEVEL

Gross 20,000 sf +/-
Less Circulation 4,000 sf +/-
Remaining 16,000 sf +/-

THIRD LEVEL

Gross 20,000 sf +/-
Less Circulation 3,700 sf +/-
Exist. Auditorium 7,000 sf +/-
Remaining 9,300 sf +/-

SUGGESTED USES OPTIONS:

ART RELATED USES:

TYPE A: PERFORMANCE/AUDITORIUM
TYPE B: CLASSROOMS FOR PRACTICES/LESSONS
TYPE C: SMALL ARTS MOVIE THEATER

COMMERCIAL USES:

TYPE A: OFFICE
TYPE B: RETAIL, ANTIQUE MALL
TYPE C: NON PROFIT/ART COMMUNITY OFFICES

BARBARA WHEELER LOCK
ARCHITECTURE, PRESERVATION + DESIGN

SCENARIO "A"	SCENARIO "B"	SCENARIO "C"
City Retains Ownership or a Non-Profit working under the City	City Sells to Private Developer	City Sells to Private Developer
MAX ARTS	MIX	MAX REVENUE
COMMERCIAL TYPE A/ B Retail 8,000 sf +/- Antique Mall 8,000 sf +/-	COMMERCIAL TYPE A 6 Offices @ average 2,600 sf +/-	COMMERCIAL TYPE A 6 Offices @ average 2,600 sf +/-
EDUCATION TYPE B Max 16 Classrooms @1,000 sf +/-	COMMERCIAL TYPE A 5 Offices @ average 2,800 sf +/-	COMMERCIAL TYPE A 5 Offices @ average 2,800 sf +/-
ART RELATED TYPE A/ B Exist. Auditorium 7,000 sf +/- Max 9 Classrooms @1,000 sf +/-	COMM. TYPE C & ART RELATED C Exist. Auditorium 7,000 sf +/-	ART RELATED C Exist. Auditorium 7,000 sf +/-
NOT TAX CREDITS	NOT TAX CREDITS	TAX CREDITS
		SCENARIO C' - Condo the entire building, if feasible

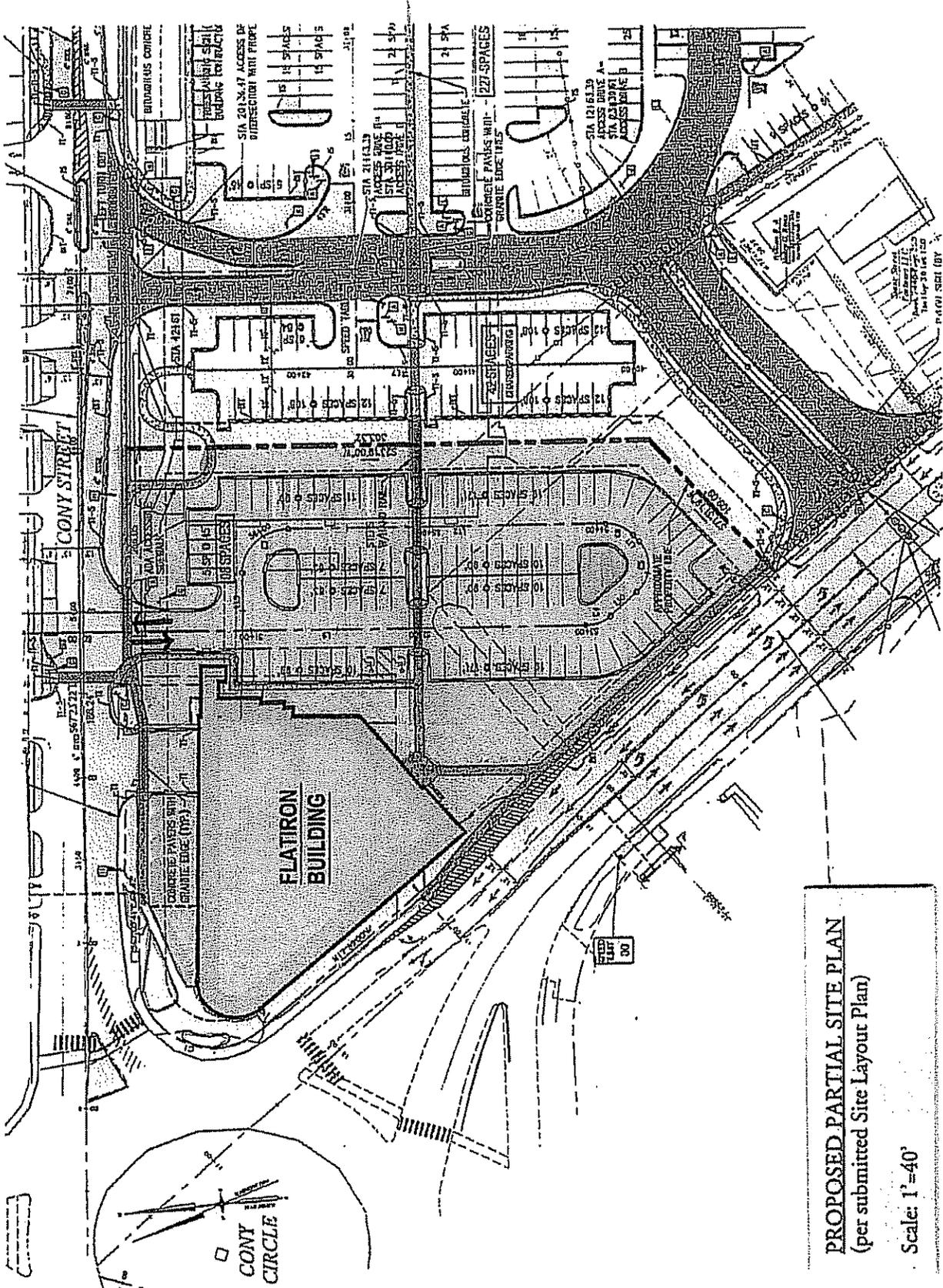
EDUCATIONAL USES:

TYPE A: CLASSROOMS, FACULTY OFFICES
TYPE B: DORMITORIES
TYPE C: EFFICIENCY STUDENT APARTMENTS

HOUSING:

TYPE A: LIVE/WORK SPACES
TYPE B: CONDOMINIUMS

6/20/2007

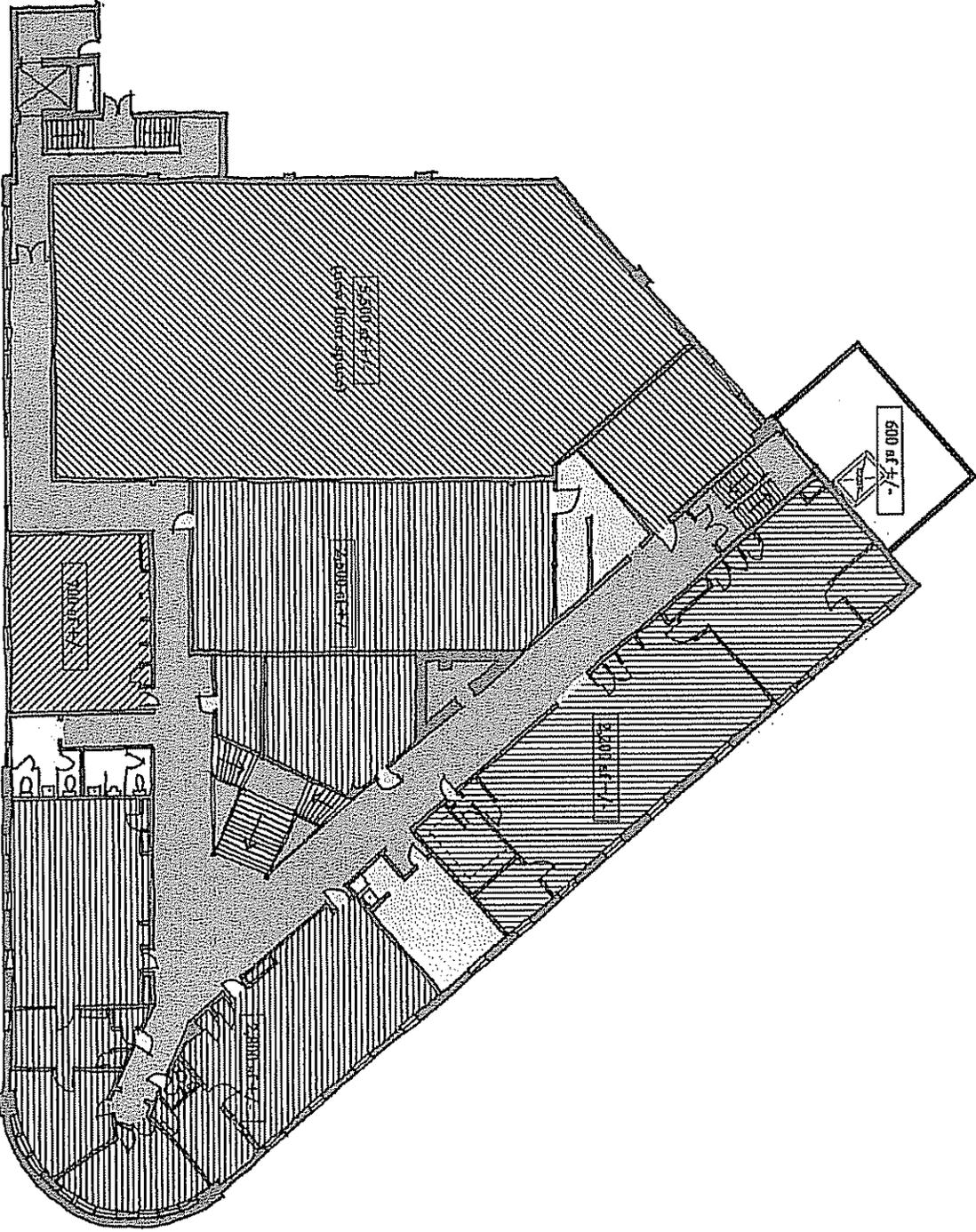


PROPOSED PARTIAL SITE PLAN
 (per submitted Site Layout Plan)
 Scale: 1"=40'

DAVID STELLIX
Architect/Designer

GROSS CIRCULATION 20,000 +/- sf
REMAINING 4,000 +/- sf
16,000 +/- sf

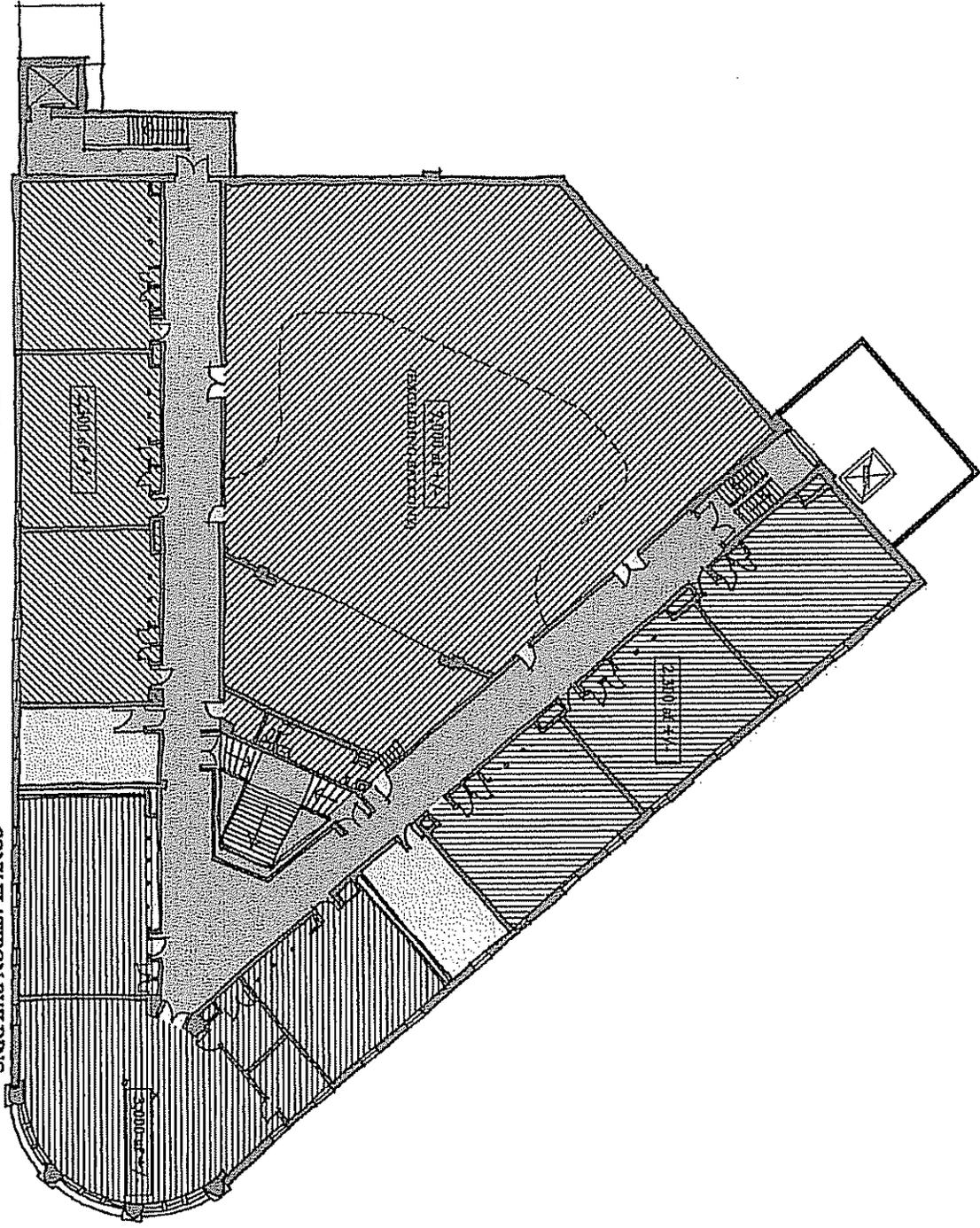
CONY FLATIRON BUILDING
Augusta, Maine
SECOND LEVEL



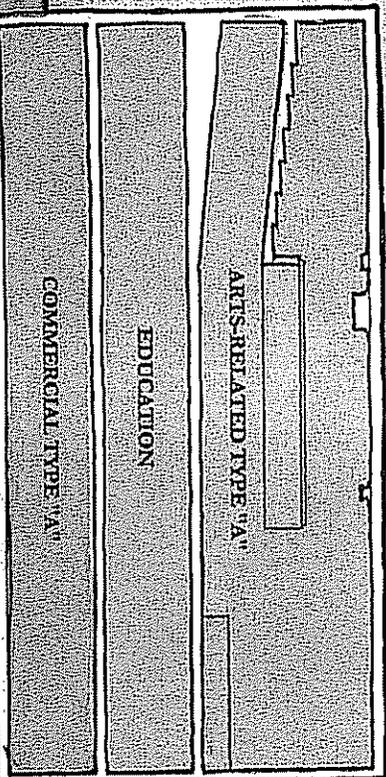
AREA - 11121200
Augusta, Maine
Augusta, Maine
Augusta, Maine

GROSS 20,000sf +/-
CIRCULATION 3,700sf +/-
AUDITORIUM 7,000sf +/-
REMAINING 16,200sf +/-

CONY FLATIRON BUILDING
Augusta, Maine
THIRD LEVEL

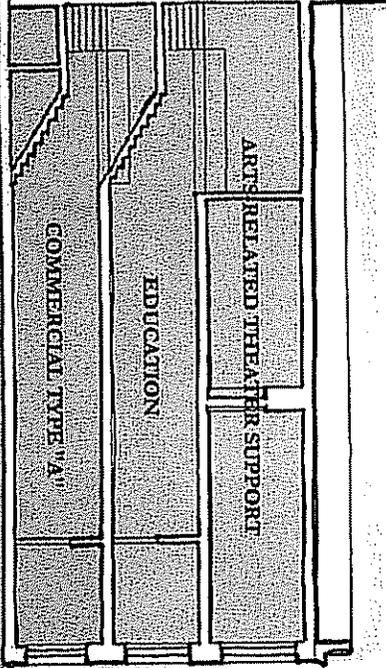


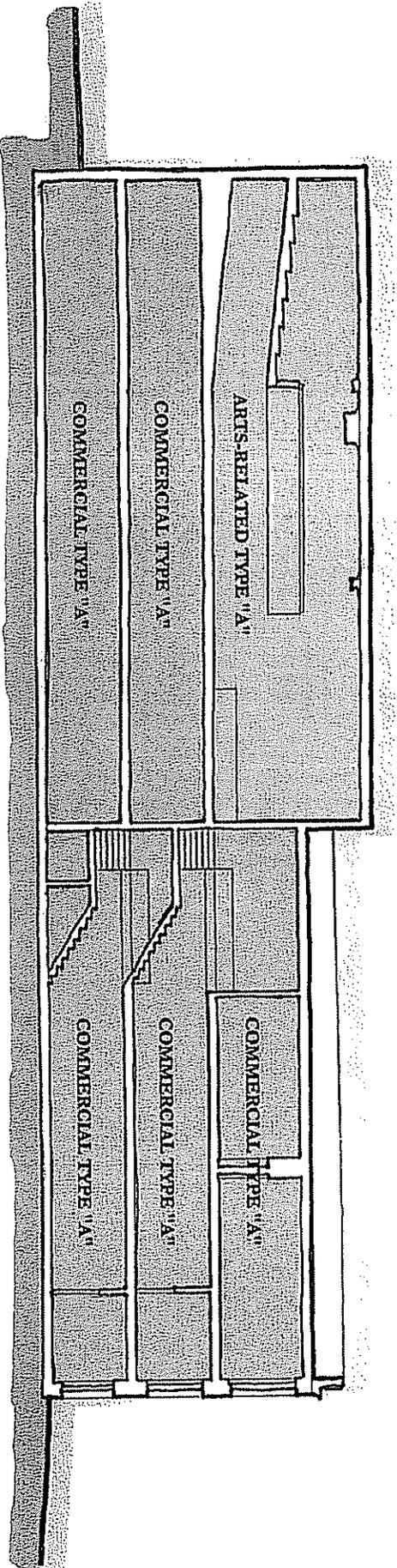
MANAGEMENT
ARTS-RELATED TYPE "A"



"CONY DEVELOPMENT"
PROGRAM OPTION

A



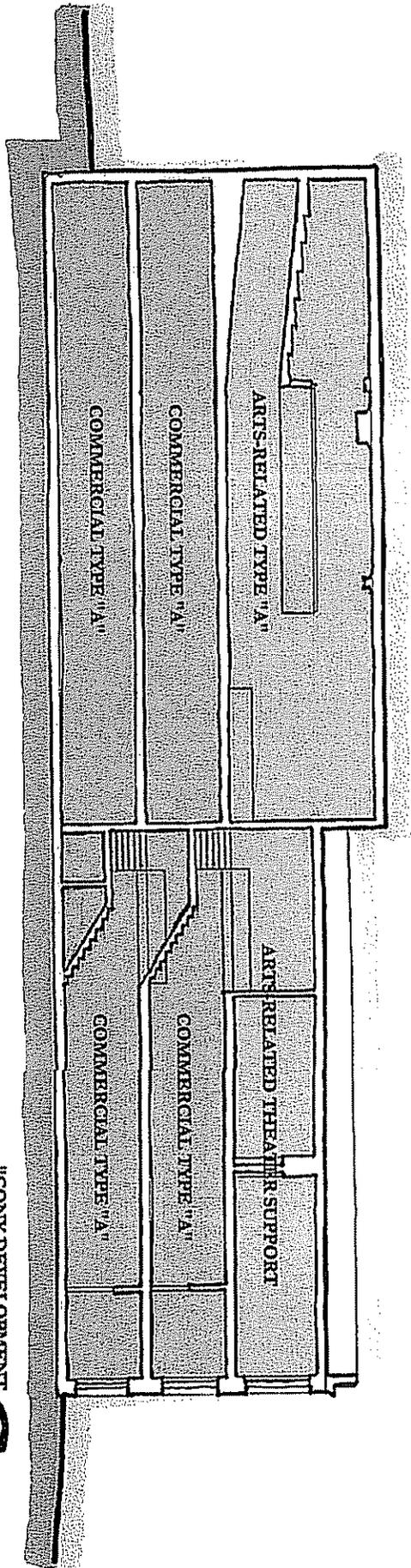


KARLA VERDELLI
Architectural Services - Design

"CONY DEVELOPMENT
PROGRAM OPTION

B

MARK & PHILLOCK
Architectural Firm, Inc. - 1964



"CONY DEVELOPMENT
PROGRAM OPTION



Cost Information Introduction

A few notes to be aware of related to the Sample Proforma that follows:

- In the rent roll for each scenario common areas are listed separately and carry their own rent factor. I have shown it this way for simplicity, but in a lease the loss factor would simply be added to each leases space. Example: loss in the floor is 10%, each useable SF lease would have 10% added to arrive at the rentable SF number.
- Leases are shown here as NNN or modified gross. CAM is estimated in the 10 year proforma and would be adjusted and recouped; all costs are passed through to tenant.
- Scenario A and B assumes no Developer is involved, development would be completely managed by the city.
- Scenario A and B have no taxes and Scenario C has a fairly aggressive TIF implied.
- Scenario C implies a rent guarantee from the City.
- Scenario C assumes the Developer would pay for the building. (Long term lease to accommodate tax credit structure or sale)
- Scenario C is a very modest developer fee.

CONY HIGH SCHOOL SOURCES AND USES

SCENARIO A

SOURCES		NOTES
Conventional Loan	3,094,167	1
City Contribution	7,999,307	
TOTAL SOURCES	11,093,474	
<hr/> USES		
Construction	9,094,474	
Professional & Other Fees	510,000	
Finance	559,000	
Other Soft Costs	530,000	
Acquisition Cost	0	
Development Fees	400,000	
TOTAL USES	11,093,474	
EXCESS SOURCES OVER USES	0	

Notes: 1) 30 year fixed mortgage at 5%

CONY HIGH SCHOOL USES OF FUNDS

	TOTAL	S/SF	%	HISTORIC ELIGIBLE BASIS
CONSTRUCTION				
1 Construction - Ground	2,261,000	31.62	20.4%	2,261,000
2 Construction - Second	2,280,000	31.89	20.6%	2,280,000
3 Construction - Third	1,586,500	22.19	14.3%	1,586,500
4 Construction - Auditorium Up Fit	1,120,000	15.66	10.1%	1,120,000
6 Construction	0	0.00	0.0%	0
7 Construction -	0	0.00	0.0%	0
8 Construction -	0	0.00	0.0%	0
9 Construction - Site Work	450,000	6.29	4.1%	0
10 LBP/Asbestos clean-up	200,000	2.80	1.8%	200,000
11 Construction Management Fee	472,224	6.60	4.3%	472,224
12 Construction/ Owner's Contingency	<u>724,750</u>	<u>10.14</u>	<u>6.5%</u>	<u>724,750</u>
	9,094,474	127.20	82.0%	8,644,474
PROFESSIONAL & OTHER FEES				
13 Architecture & Engineering	450,000	6.29	4.1%	450,000
14 Permits and Impact Fees (Mortgagor Other Fees)	25,000	0.35	0.2%	25,000
15 Environmental/Geo Test (Other Fees)	25,000	0.35	0.2%	25,000
16 Consultants	<u>10,000</u>	<u>0.14</u>	<u>0.1%</u>	<u>10,000</u>
	510,000	7.13	4.6%	510,000
FINANCE				
17 Construction Interest, day placed in service	500,000	6.99	4.5%	500,000
18 MIP	12,000	0.17	0.1%	0
19 Loan Exam Fee	5,000	0.07	0.0%	0
20 Appraisal and Inspection Fees	12,000	0.17	0.1%	0
21 Financing & Loan Placement (1.125%)	20,000	0.28	0.2%	37,176
22 Legal	<u>10,000</u>	<u>0.14</u>	<u>0.1%</u>	<u>0</u>
	659,000	7.82	5.0%	537,176
OTHER SOFT COSTS				
23 Legal - Other	10,000	0.14	0.1%	7,800
24 Accounting & Cost Certification	10,000	0.14	0.1%	7,500
25 Builders Risk/Liability Insurance	35,000	0.49	0.3%	35,000
26 Insurance	25,000	0.35	0.2%	25,000
27 Real Estate Taxes (taxes during construction)	0	0.00	0.0%	0
28 Title & Recording	3,000	0.04	0.0%	1,740
29 Market Study & Appraisal	8,000	0.11	0.1%	8,000
30 Organization, Travel, etc.	20,000	0.28	0.2%	9,200
31 Marketing & Rent-up/Preleasing	6,000	0.08	0.1%	6,000
32 Consulting Costs	3,000	0.04	0.0%	3,000
33 Leasing Commissions	20,000	0.28	0.2%	0
34 Furnishings	45,000	0.63	0.4%	0
35 Operating Accruals	50,000	0.70	0.5%	0
36 Operating Deficit Reserve Escrow Acct.	200,000	2.80	1.8%	0
37 Development Finance Costs	30,000	0.42	0.3%	22,500
38 Project Security Costs	10,000	0.14	0.1%	10,000
39 Bridge loan Interest	5,000	0.07	0.0%	0
40 Miscellaneous	10,000	0.14	0.1%	10,000
41 Other Soft Cost Contingency	<u>40,000</u>	<u>0.56</u>	<u>0.4%</u>	<u>10,000</u>
	530,000	7.41	4.8%	155,740
ACQUISITION COST				
	0	0.00	0.0%	0
DEVELOPMENT FEES				
	<u>400,000</u>	<u>5.59</u>	<u>3.6%</u>	<u>400,000</u>
TOTAL CASH ITEMS	11,093,474	155.15	100.0%	10,247,390
DEFERRED DEVELOPMENT FEES				
	0	0.00	0.0%	0
TOTAL INCLUDING NONCASH ITEMS	11,093,474	155.15	100.0%	10,247,390

INCOME SCHEDULE
Office/Commercial

8/4/2007

CONY HIGH SCHOOL

Floor	Number of Units	Square Feet per Unit							Retail	Rent per SF	Total Monthly Rent	Total Annual Rent
		Auditorium	Conference	Classroom	Arts	Auditorium Support	Office	Classroom				
Ground Level												
Gross Area	1							20,000	9.00	\$15,000	\$180,000	
Common Area	1							3,800	9.00	\$2,850	\$34,200	
Building Total								23,800	9.00		\$214,200	
								SF Total:				
Second Level												
Gross Area						20,000						
Common Area						4,000						
Building Total								24,000	0.76		\$18,300	
								SF Total:				
Third Level												
Gross Area	1								0.00	\$0	\$0	
Common Area	1								0.00	\$0	\$0	
Auditorium	1								3.10	\$1,808	\$21,700	
Building Total								23,700	0.92		\$21,700	
								SF Total:				

INCOME SCHEDULE CONT 8/1/2007 CONY HIGH SCHOOL
 Apartments/Office/Commercial

Seven Building Total 47,800
 Office/Commercial SF 0
 Storage SF 0
 Residential SF 47,800
 Total SF 0.44
 Rent per SF \$21,183
 Monthly Rent \$254,200
 Annual Rent

Other Income

	Parking SF	Number of Spaces	Monthly Cost per Space	Monthly Rent	Annual Parking Rent
Controlled Access Parking	0	0	0	\$0	\$0
Hannford Shared Lot	0	0	0	\$0	\$0
Parking Total					

Laundry
 All Residential Buildings
 Laundry Total

Monthly Income	\$0	\$0
Annual Income	\$0	\$0

Other Income Total

Monthly Income	\$0
Annual Income	\$0

Project Income Summary

	<u>Monthly Rent</u>	<u>Annual Rent</u>		<u>Ground</u>	<u>Second</u>	<u>Third</u>
Office/Commercial/Storage	\$21,183	\$254,200	100%	\$214,200	\$18,300	\$21,700
Other Income	\$0	\$0	0%	\$0	\$0	\$0
Project Total	\$21,183	\$254,200	100%	\$214,200	\$18,300	\$21,700
Nonresidential Income %			100%	100%	100%	100%

INCOME SCHEDULE Office/Commercial CON'T 8/4/2007 CONY HIGH SCHOOL

	May '09	Jun '09	July '09	Aug '09	Sept '09	Oct '09	Nov '09	Dec '09	2009	2010
Delivery Schedule										
Parking Spaces	0	0	0	0	0	0	0	0	0	0
Office-Comm SF	17,100	23,700	0	0	0	0	0	0	0	0
Storage (SF)	0	0	0	0	0	0	0	0	0	0
Lease-up/Absorption										
Office/Commercial SF	5,000	5,000	10,000	5,000	10,000	5,000	5,000	2,800		
Office SF Rent Producing	5,000	10,000	20,000	25,000	35,000	40,000	45,000	47,800		
Storage	0	0	0	0	0	0	0	0		
Storage Rent Producing SF	0	0	0	0	0	0	0	0		
Parking	0	0	0	0	0	0	0	0		
Income Build-up										
Commercial/Office	2,216	4,432	8,863	11,079	15,511	17,727	19,942	21,183	\$100,953	\$254,200
Storage	0	0	0	0	0	0	0	0	\$0	\$0
Parking	0	0	0	0	0	0	0	0	\$0	\$0
Other Income(Laundry)	0	0	0	0	0	0	0	0	\$0	\$0

CONY HIGH SCHOOL SOURCES AND USES

SCENARIO B

SOURCES		NOTES
Conventional Loan	7,876,844	1
City Contribution	3,091,630	
TOTAL SOURCES	10,968,474	
USES		
Construction	9,369,474	
Professional & Other Fees	510,000	
Finance	559,000	
Other Soft Costs	530,000	
Acquisition Cost	0	
Development Fees	0	
TOTAL USES	10,968,474	
EXCESS SOURCES OVER USES	0	

Notes: 1) 30 year fixed mortgage at 6%

CONY HIGH SCHOOL USES OF FUNDS

	<u>TOTAL</u>	<u>S/SF</u>	<u>%</u>	<u>HISTORIC ELIGIBLE BASIS</u>
CONSTRUCTION				
1 Construction - Ground	2,818,000	38.66	23.9%	2,618,000
2 Construction - Second	2,244,000	33.05	20.5%	2,244,000
3 Construction - Third	1,503,000	22.14	13.7%	1,503,000
4 Construction - Auditorium Up Fit	1,120,000	16.49	10.2%	1,120,000
6 Construction	0	0.00	0.0%	0
7 Construction -	0	0.00	0.0%	0
8 Construction -	0	0.00	0.0%	0
9 Construction - Site Work	450,000	6.63	4.1%	0
10 LBP/Asbestos clean-up	200,000	2.95	1.8%	200,000
11 Construction Management Fee	485,974	7.18	4.4%	485,974
12 Construction/ Owner's Contingency	<u>748,500</u>	<u>11.02</u>	<u>6.8%</u>	<u>748,500</u>
	9,369,474	137.99	86.4%	8,919,474
PROFESSIONAL & OTHER FEES				
13 Architecture & Engineering	450,000	6.63	4.1%	450,000
14 Permits and Impact Fees (Mortgagor Other Fees)	25,000	0.37	0.2%	25,000
15 Environmental/Geo Test (Other Fees)	25,000	0.37	0.2%	25,000
16 Consultants	<u>10,000</u>	<u>0.15</u>	<u>0.1%</u>	<u>10,000</u>
	510,000	7.51	4.8%	510,000
FINANCE				
17 Construction Interest, day placed in service	500,000	7.36	4.8%	500,000
18 MIP	12,000	0.18	0.1%	0
19 Loan Exam Fee	5,000	0.07	0.0%	0
20 Appraisal and Inspection Fees	12,000	0.18	0.1%	0
21 Financing & Loan Placement (1.125%)	20,000	0.29	0.2%	37,176
22 Legal	<u>10,000</u>	<u>0.15</u>	<u>0.1%</u>	<u>0</u>
	559,000	8.23	5.1%	537,176
OTHER SOFT COSTS				
23 Legal - Other	10,000	0.15	0.1%	7,800
24 Accounting & Cost Certification	10,000	0.15	0.1%	7,500
25 Builders Risk/Liability Insurance	35,000	0.52	0.3%	35,000
26 Insurance	25,000	0.37	0.2%	25,000
27 Real Estate Taxes (taxes during construction)	0	0.00	0.0%	0
28 Title & Recording	3,000	0.04	0.0%	1,740
29 Market Study & Appraisal	8,000	0.12	0.1%	8,000
30 Organization, Travel, etc.	20,000	0.29	0.2%	9,200
31 Marketing & Rent-up/Preleasing	5,000	0.09	0.1%	6,000
32 Consulting Costs	3,000	0.04	0.0%	3,000
33 Leasing Commissions	20,000	0.29	0.2%	0
34 Furnishings	45,000	0.66	0.4%	0
35 Operating Accruals	50,000	0.74	0.5%	0
36 Operating Deficit Reserve Escrow Accl.	200,000	2.95	1.8%	0
37 Development Finance Costs	30,000	0.44	0.3%	22,500
38 Project Security Costs	10,000	0.15	0.1%	10,000
39 Bridge loan Interest	5,000	0.07	0.0%	0
40 Miscellaneous	10,000	0.15	0.1%	10,000
41 Other Soft Cost Contingency	<u>40,000</u>	<u>0.59</u>	<u>0.4%</u>	<u>10,000</u>
	630,000	7.81	4.8%	155,740
ACQUISITION COST	0	0.00	0.0%	0
DEVELOPMENT FEES	0	0.00	0.0%	0
TOTAL CASH ITEMS	10,968,474	161.54	100.0%	10,122,390
DEFERRED DEVELOPMENT FEES	0	0.00	0.0%	0
TOTAL INCLUDING NONCASH ITEMS	10,968,474	161.54	100.0%	10,122,390

CONY HIGH SCHOOL

10 Year Statement of Revenue, Expenses, and Cash Flow

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Totals
RECEIPTS:											
TICAM CHARGES	S 4.00	191,200	196,936	202,844	208,929	215,197	221,653	228,303	235,152	242,206	1,542,421
Potential Rents Commercial		643,100	652,393	662,265	702,733	723,815	745,529	767,895	790,932	814,660	6,533,321
TOTAL POTENTIAL RENTS		446,601	834,300	865,109	911,662	939,012	967,182	995,198	1,026,084	1,056,866	8,475,742
NET RENT COLLECTED		446,601	834,300	865,109	911,662	939,012	967,182	995,198	1,026,084	1,056,866	8,475,742
Other receipts	0.0%	0	0	0	0	0	0	0	0	0	0
TOTAL RECEIPTS		446,601	834,300	865,109	911,662	939,012	967,182	995,198	1,026,084	1,056,866	8,475,742
OPERATING EXPENSES (Commercial):											
Administrative Expenses	2.4%	20,000	20,400	21,224	21,649	22,082	22,523	22,974	23,433	23,902	196,594
Operating Expenses	12.3%	100,000	102,000	104,040	106,121	110,408	112,616	114,869	117,166	119,509	994,972
Maintenance	7.3%	50,000	51,200	52,424	53,672	56,245	57,578	58,921	60,300	61,705	586,983
Replacement Reserves	1.2%	10,000	10,200	10,404	10,612	11,041	11,262	11,487	11,717	11,951	98,497
Real Estate Taxes	0.0%	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	23.2%	190,000	193,800	197,676	201,630	209,775	213,971	218,250	222,615	227,058	1,890,447
NET OPERATING INCOME		256,601	640,500	667,433	706,000	729,237	753,212	777,948	803,468	829,799	6,585,295
Less: Total Debt Service		512,400	512,400	512,400	512,400	512,400	512,400	512,400	512,400	512,400	4,611,600
Operating Cash Flow		(255,799)	128,100	149,253	171,079	193,600	240,812	265,548	291,068	317,399	1,973,695
REMAINING CASH		(255,799)	128,100	149,253	171,079	193,600	240,812	265,548	291,068	317,399	1,973,695
		(255,799)	128,100	149,253	171,079	193,600	240,812	265,548	291,068	317,399	1,717,897
Debt Coverage Ratio (NOI/debt service)		50%	125%	129%	133%	138%	142%	147%	152%	157%	162%

Assumptions and supporting schedules:

- CAM 3.00%
- Commercial rent increases 3.00%
- Other income increases 1.00%
- Expense inflation factor 2.00%
- Project total square footage 47,800

INCOME SCHEDULE
Office/Commercial

8/1/2007

CONY HIGH SCHOOL

Floor	Number of Units	Square Feet per Unit							Retail	Rent per SF	Total Monthly Rent	Total Annual Rent
		Auditorium	Conference	Classroom	Arts	Auditorium Support Space	Office	Common Area				
Ground Level	1							20,000	13.00	\$21,667	\$260,000	
Gross Area								3,800	13.00	\$4,117	\$49,400	
Common Area	1											
Building Total								23,800	13.00		\$309,400	
Second Level	1							20,000	13.00	\$21,667	\$260,000	
Gross Area								4,000	13.00	\$4,333	\$52,000	
Common Area	1											
Building Total								24,000	13.00		\$312,000	
Third Level	1								0.00	\$0	\$0	
Gross Area									0.00	\$0	\$0	
Common Area	1								3.10	\$1,808	\$21,700	
Auditorium	1	7,000										
Building Total								23,700	0.92		\$21,700	

CONY HIGH SCHOOL

8/4/2007

INCOME SCHEDULE CONT
Apartments/Office/Commercial

Seven Building Total
Office/Commercial SF 47,800
Storage SF 0
Residential SF 0
Total SF 47,800
Rent per SF 1.12
Monthly Rent \$53,592
Annual Rent \$643,100

Other Income

Controlled Access Parking	Parking SF	Number of Spaces	Monthly Cost per Space	Monthly Parking Rent	Annual Parking Rent
Hannaford Shared Lot	0	0	0	\$0	\$0
Parking Total	0	0	0	\$0	\$0

Laundry	Monthly Income	Annual Income
All Residential Buildings	\$0	\$0
Laundry Total	\$0	\$0

Other Income Total	Monthly Income	Annual Income
	\$0	\$0

Project Income Summary

	<u>Monthly Rent</u>	<u>Annual Rent</u>		<u>Ground</u>	<u>Second</u>	<u>Third</u>
Office/Commercial/Storage	\$53,592	\$643,100	100%	\$309,400	\$312,000	\$21,700
Other Income	<u>\$0</u>	<u>\$0</u>	0%	\$0	\$0	\$0
Project Total	\$53,592	\$643,100	100%	\$309,400	\$312,000	\$21,700

Nonresidential Income %

100% 100% 100%

INCOME SCHEDULE
Office/Commercial

CON'T

8/4/2007

CONY HIGH SCHOOL

	May '09	Jun '09	July '09	Aug '09	Sept '09	Oct '09	Nov '09	Dec '09	2009	2010
Delivery Schedule										
Parking Spaces	0	0	0	0	0	0	0	0	0	0
Office-Comm SF	17,100	23,700	0	0	0	0	0	0	0	0
Storage (SF)	0	0	0	0	0	0	0	0	0	0
Lease-up/Absorption										
Office/Commercial SF	5,000	5,000	10,000	5,000	10,000	5000	5000	2800	\$255,401	\$643,100
Office SF Rent Producing	5,000	10,000	20,000	25,000	35,000	40,000	45,000	47,800	\$0	\$0
Storage	0	0	0	0	0	0	0	0	\$0	\$0
Storage Rent Producing SF	0	0	0	0	0	0	0	0	\$0	\$0
Parking	0	0	0	0	0	0	0	0	\$0	\$0
Income Build-up										
Commercial/Office	5,606	11,212	22,423	28,029	39,241	44,847	50,452	53,592	\$255,401	\$643,100
Storage	0	0	0	0	0	0	0	0	\$0	\$0
Parking	0	0	0	0	0	0	0	0	\$0	\$0
Other Income(Laundry)	0	0	0	0	0	0	0	0	\$0	\$0

CONY HIGH SCHOOL SOURCES AND USES

SCENARIO C

SOURCES		NOTES
Conventional Loan	8,054,957	1
Federal Historic Tax Credit Equity	2,573,913	
State Historic Tax Credit Equity	1,762,081	
Deferred Development Fees	1,630,513	
TOTAL SOURCES	14,021,464	
USES		
Construction	10,092,053	
Professional & Other Fees	510,000	
Finance	659,000	
Other Soft Costs	530,000	
Acquisition Cost	200,000	
Development Fees	2,030,411	
TOTAL USES	14,021,464	
EXCESS SOURCES OVER USES	0	

Notes: 1) 30 year fixed mortgage at 7%

CONY HIGH SCHOOL USES OF FUNDS

	TOTAL	\$/SF	%	HISTORIC ELIGIBLE BASIS
CONSTRUCTION				
1 Construction - Ground	2,618,000	36.62	18.7%	2,618,000
2 Construction - Second	2,640,000	36.92	18.8%	2,640,000
3 Construction - Third	1,586,500	22.19	11.3%	1,586,500
4 Construction - Auditorium Up Fit	1,260,000	17.62	9.0%	1,260,000
6 Construction	0	0.00	0.0%	0
7 Construction -	0	0.00	0.0%	0
8 Construction -	0	0.00	0.0%	0
9 Construction - Site Work	450,000	6.29	3.2%	0
10 LBP/Asbestos clean-up	200,000	2.80	1.4%	200,000
11 Construction Management Fee	527,103	7.37	3.8%	527,103
12 Construction/ Owner's Contingency	<u>810,460</u>	<u>11.33</u>	<u>6.8%</u>	<u>810,460</u>
	10,092,053	141.15	72.0%	9,642,053
PROFESSIONAL & OTHER FEES				
13 Architecture & Engineering	450,000	6.29	3.2%	450,000
14 Permits and Impact Fees (Mortgagor Other Fees)	25,000	0.35	0.2%	25,000
15 Environmental/Geo Test (Other Fees)	25,000	0.35	0.2%	25,000
16 Consultants	<u>10,000</u>	<u>0.14</u>	<u>0.1%</u>	<u>10,000</u>
	510,000	7.13	3.6%	510,000
FINANCE				
17 Construction Interest, day placed in service	600,000	8.39	4.3%	600,000
18 MIP	12,000	0.17	0.1%	0
19 Loan Exam Fee	5,000	0.07	0.0%	0
20 Appraisal and Inspection Fees	12,000	0.17	0.1%	0
21 Financing & Loan Placement (1.125%)	20,000	0.28	0.1%	37,176
22 Legal	<u>10,000</u>	<u>0.14</u>	<u>0.1%</u>	<u>0</u>
	659,000	9.22	4.7%	637,176
OTHER SOFT COSTS				
23 Legal - Other	10,000	0.14	0.1%	7,800
24 Accounting & Cost Certification	10,000	0.14	0.1%	7,500
25 Builders Risk/Liability Insurance	35,000	0.49	0.2%	35,000
26 Insurance	25,000	0.35	0.2%	25,000
27 Real Estate Taxes (taxes during construction)	0	0.00	0.0%	0
28 Title & Recording	3,000	0.04	0.0%	1,740
29 Market Study & Appraisal	8,000	0.11	0.1%	8,000
30 Organization, Travel, etc.	20,000	0.28	0.1%	9,200
31 Marketing & Rent-up/Preleasing	6,000	0.08	0.0%	6,000
32 Consulting Costs	3,000	0.04	0.0%	3,000
33 Leasing Commissions	20,000	0.28	0.1%	0
34 Furnishings	45,000	0.63	0.3%	0
35 Operating Accruals	50,000	0.70	0.4%	0
36 Operating Deficit Reserve Escrow Acct.	200,000	2.80	1.4%	0
37 Development Finance Costs	30,000	0.42	0.2%	22,500
38 Project Security Costs	10,000	0.14	0.1%	10,000
39 Bridge loan Interest	5,000	0.07	0.0%	0
40 Miscellaneous	10,000	0.14	0.1%	10,000
41 Other Soft Cost Contingency	<u>40,000</u>	<u>0.56</u>	<u>0.3%</u>	<u>10,000</u>
	530,000	7.41	3.8%	155,740
ACQUISITION COST				
	200,000	2.80	1.4%	0
DEVELOPMENT FEES				
	<u>399,898</u>	<u>5.59</u>	<u>2.9%</u>	<u>399,898</u>
TOTAL CASH ITEMS	12,390,951	173.30	88.4%	11,344,867
DEFERRED DEVELOPMENT FEES				
	<u>1,830,613</u>	<u>22.80</u>	<u>11.8%</u>	<u>913,987</u>
TOTAL INCLUDING NONCASH ITEMS	14,021,464	186.10	100.0%	12,257,854

CONY HIGH SCHOOL

10 Year Statement of Revenue, Expenses, and Cash Flow

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Totals
RECEIPTS:											
TICAM CHARGES	191,200	191,200	196,935	202,844	208,929	215,197	221,653	228,303	235,152	242,206	1,942,421
Patubiall Rents Commercial	325,050	318,500	843,055	868,347	894,397	921,229	948,866	977,332	1,006,652	1,036,851	8,315,228
TOTAL POTENTIAL RENTS	516,250	1,009,700	1,039,991	1,071,191	1,103,326	1,136,426	1,170,519	1,205,635	1,241,804	1,279,058	10,257,649
NET RENT COLLECTED	516,260	1,009,700	1,039,991	1,071,191	1,103,326	1,136,426	1,170,519	1,205,635	1,241,804	1,279,058	10,257,649
Other receipts	0.0%										
TOTAL RECEIPTS	516,260	1,009,700	1,039,991	1,071,191	1,103,326	1,136,426	1,170,519	1,205,635	1,241,804	1,279,058	10,257,649
OPERATING EXPENSES (Commercial):											
Administrative Expenses	15,000	15,300	15,606	15,918	16,236	16,551	16,892	17,230	17,575	17,925	149,246
Operating Expenses	90,000	91,800	93,636	95,509	97,419	99,367	101,355	103,382	105,449	107,558	885,475
Maintenance	50,000	51,000	52,020	53,060	54,122	55,204	56,308	57,434	58,583	59,755	487,486
Replacement Reserves	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	99,497
Real Estate Taxes	25,000	30,000	30,000	45,000	45,900	46,818	47,754	48,709	49,684	50,677	384,543
TOTAL OPERATING EXPENSES	190,000	198,300	201,666	220,099	224,501	228,991	233,571	238,243	243,007	247,868	2,036,247
NET OPERATING INCOME	326,260	811,400	838,325	851,091	878,825	907,435	936,948	967,392	998,796	1,031,190	8,221,403
Less: Total Debt Service	649,120	649,120	649,120	649,120	649,120	649,120	649,120	649,120	649,120	649,120	5,842,080
Operating Cash Flow	(322,860)	162,280	189,205	201,971	229,705	258,315	287,828	318,272	349,676	382,070	2,379,323
REMAINING CASH	(322,860)	162,280	189,205	201,971	229,705	258,315	287,828	318,272	349,676	382,070	2,379,323

Debt Coverage Ratio (NOI/debt service) 50% 125% 129% 131% 135% 140% 144% 149% 154% 159%

- Assumptions and supporting schedules:
- CAM 3.00%
 - Commercial rent increases 3.00%
 - Other Income increases 1.00%
 - Expense inflation factor 2.00%
 - Project total square footage 47,800

INCOME SCHEDULE
Office/Commercial

9/1/2007

COMY HIGH SCHOOL

Floor	Number of Units	Square Feet per Unit						Retail	Rent per SF	Total Monthly Rent	Total Annual Rent
		Auditorium	Conference	Classroom	Arts	Auditorium Support	Office				
Ground Level	1										
Gross Area							20,000	15.00	\$25,000	\$300,000	
Common Area	1						3,800	15.00	\$4,750	\$57,000	
Building Total							23,800	15.00		\$357,000	
Second Level											
Gross Area						20,000		15.00	\$25,000	\$300,000	
Common Area						4,000		15.00	\$5,000	\$60,000	
Building Total							24,000	15.00		\$360,000	
Third Level											
Gross Area	1					20,000		0.00	\$0	\$0	
Common Area	1					3,700		0.00	\$0	\$0	
Auditorium	1					7,000		14.50	\$8,458	\$101,500	
Building Total							30,700	3.31		\$101,500	

INCOME SCHEDULE CONT
Apartments/Office/Commercial

9/1/2007

CONY HIGH SCHOOL

Seven Building Total 47,800
 Office/Commercial SF 0
 Storage SF 0
 Residential SF 47,800
 Total SF 1.43
 Rent per SF \$66,208
 Monthly Rent \$818,500
 Annual Rent

Other Income

	Parking SF	Number of Spaces	Monthly Cost per Space	Monthly Rent	Annual Parking Rent
Controlled Access Parking	0	0	0	\$0	\$0
Hannaford Shared Lot	0	0	0	\$0	\$0
Parking Total					

	Monthly Income	Annual Income
Laundry	\$0	\$0
All Residential Buildings	\$0	\$0
Laundry Total		

	Monthly Income	Annual Income
Other Income Total	\$0	\$0

Project Income Summary

	<u>Monthly Rent</u>	<u>Annual Rent</u>		<u>Ground</u>	<u>Second</u>	<u>Third</u>
Office/Commercial/Storage	\$68,208	\$818,500	100%	\$357,000	\$360,000	\$101,500
Other Income	\$0	\$0	0%	\$0	\$0	\$0
Project Total	\$68,208	\$818,500	100%	\$357,000	\$360,000	\$101,500
Nonresidential Income %			100%	100%	100%	100%

INCOME SCHEDULE
Office/Commercial

CONT 9/4/2007

CONY HIGH SCHOOL

	May '09	Jun '09	July '09	Aug '09	Sept '09	Oct '09	Nov '09	Dec '09	2009	2010
Delivery Schedule										
Parking Spaces	0	0	0	0	0	0	0	0	0	0
Office-Comm SF	17,100	30,700	0	0	0	0	0	0	0	0
Storage (SF)	0	0	0	0	0	0	0	0	0	0
Lease-up/Absorption										
Office/Commercial SF	5,000	5,000	10,000	5,000	10,000	5,000	5,000	2,800		
Office SF Rent Producing	5,000	10,000	20,000	25,000	35,000	40,000	45,000	47,800		
Storage	0	0	0	0	0	0	0	0		
Storage Rent Producing SF	0	0	0	0	0	0	0	0		
Parking	0	0	0	0	0	0	0	0		
Income Build-up										
Commercial/Office	7,135	14,270	28,539	35,674	49,943	57,078	64,213	68,208	\$325,060	\$818,500
Storage	0	0	0	0	0	0	0	0	\$0	\$0
Parking	0	0	0	0	0	0	0	0	\$0	\$0
Other Income(Laundry)	0	0	0	0	0	0	0	0	\$0	\$0