A Mixed-Use Student Housing Development
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
• **901-1007 South State Street highlights:**
  - 28-story, 445,947 sf mixed-use property complex
  - 35,000 sf of retail space
  - 324 student residential units
  - 154 parking spaces

• **Project financials:**
  - Total cost of $102.6MM
  - 4-year hold period
  - 21.3% levered IRR
Site Description

- Subject Property is a rectangular 38,778 sf parcel under City of Chicago ownership located at the intersection of 9th & State Streets

- Site is currently a surface parking lot and is otherwise vacant except for a 4-story brick building located at southern boundary
Site Location within Chicago’s South Loop
South Loop Submarket & Demographics

- Population within 1-mile radius of site is 16,388
- Expected growth over next 5 years is 20%
- Median household income is $67,198
- Overall student population of Loop & South Loop is 52,000
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
Market Due Diligence Process

- MCP explored various development alternatives in order to determine our recommendation for the Property’s highest and best use.

- From a market feasibility standpoint, the site must:
  - Address the projected rollout of planned residential units
  - Adhere to demand for retail and parking generated from a mixed-income neighborhood
  - Generate a sufficient return to be attractive to investors
  - Complement and add value to the community

- We reviewed a series of options as part of our due diligence:
  - Condos
  - Apartments
  - Affordable housing
  - Office
  - Student housing
  - Retail, restaurant and leisure (cinema, bowling alley, etc.)
  - Parking
Several potential uses were considered for the 9+S site that were ultimately deemed inferior to the proposed concept mix.

<table>
<thead>
<tr>
<th>Option</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments</td>
<td>• High construction costs offset higher rents</td>
</tr>
<tr>
<td></td>
<td>• Low margins to developers due to above plus substantial operating costs and real estate taxes</td>
</tr>
<tr>
<td></td>
<td>• Stringent parking requirements</td>
</tr>
<tr>
<td>Condominiums</td>
<td>• Over-saturation of market?</td>
</tr>
<tr>
<td></td>
<td>• Need to provide a distinct product in a premier location to compete; S+9 site is sub prime</td>
</tr>
<tr>
<td></td>
<td>• Difficult to finance given lender worries about take-up</td>
</tr>
<tr>
<td></td>
<td>• Timing may be too late to capture value in overcrowded market</td>
</tr>
<tr>
<td></td>
<td>• Stringent parking requirements</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>• Stigma related to tenants</td>
</tr>
<tr>
<td></td>
<td>• Community buy-in?</td>
</tr>
<tr>
<td></td>
<td>• Complex financing package</td>
</tr>
<tr>
<td></td>
<td>• Requires significant know-how of regulations</td>
</tr>
<tr>
<td>Office</td>
<td>• Low demand; significant vacancy in the area</td>
</tr>
<tr>
<td></td>
<td>• Sub-prime location for this use according to brokers</td>
</tr>
</tbody>
</table>
Student Housing Environment

- Student housing represents a relatively new, remarkable opportunity for real estate development in the South Loop.

- Loop and South Loop contain 25 institutes of higher education.

- Neighborhood is the largest college town in the state.

- Historically, local colleges attracted commuters, but today they draw larger percentages from outside of the City.
Local University and College Locations
Columbia College – Key Driver of Student Housing Demand

- Campus is spread across 16 buildings
- Core campus building will be constructed at 8th and Wabash less than 2 blocks from the 9+S site
- Enrollment currently more than 11,000 students
- School’s population to reach approximately 13,000 students by 2015
- Since 2003, on-campus Columbia students has increased from 500 to 2,300
- School’s housing space is fully occupied, and between 50 to 100 students are on a waiting list

- Columbia College has experienced particularly impressive growth over the last decade
- Overall, Columbia estimates it could absorb an additional 1,200 beds by 2010
Other Educational Institutions

- Students of other downtown educational institutions are also demanding additional housing.

- Roosevelt University may be seeking to add at least 200 beds, although some may be on a temporary basis.

- Robert Morris College has indicated that it will need 50 to 100 more beds in the next few years.

- Other potential target schools include:
  - School of the Art Institute of Chicago
  - DePaul’s downtown campus
  - National Louis Academy
  - Flashpoint Academy
South Loop Student Housing Locations

1. 59 E. Van Buren
   - David Dewey, Developer
   - 445 luxury beds
   - Columbia Master Lease
   - Fall 2007 opening

2. 626 South Clark
   - Smithfield Properties
   - 750 beds
   - Average $1,000 per bed
   - TBC for Fall 2008

3. University Center of Chicago
   - Co-owned by schools
   - 1700 beds
   - $963 to 1,184 per bed

4. College Park - 2 East 8th
   - GMH owner/manager
   - 770 beds (Columbia & RM)
   - $790 to $863 per bed

5. 425 S Wabash
   - Herman Crown Center
   - 200 beds (Columbia & Roosevelt)
   - To be demolished in 2 years
   - $595 to $805 per bed

6. The Chicago Building
   - School of the Art Institute
   - 200 beds
   - $915 to $1,120 per bed

9+S Project
   - 969 beds
   - $875 to $1,250 per bed
   - TBC for Fall 2009

University Center of Chicago
   - Co-owned by schools
   - 1700 beds
   - $963 to 1,184 per bed
Student Housing Overview

- Based on this market data, MCP envisions a unique prospect for using the 9+S site to address the present and future lack of supply

- 9+S is better located than other Columbia College housing facilities

- Project could take advantage of Roosevelt’s need to accommodate its displaced students

- Students complain about existing accommodations and pricing at 2 East 8th Street and University Center

- 9+S units will be more attractive to tenants due to newness, comparable pricing and amenities
Retail Market

- Demand for retail in the South Loop is driven by the population boom
- A wide range of available retail space is vacant, so developers must be careful not to overbuild

- Approximately 60,000 sf of retail space available in the South Loop, the majority of which is not well located to attract pedestrian traffic
- Several significant retail projects are underway in the South Loop
- Retail space in the area is typically offered between $20 to $30 psf
- Tenants of ground-floor retail space in the South Loop are typically convenience retailers
- Area typically does not support clothing, shoes and other comparison goods stores
South Loop Retail Locations

1. South Loop Shops
   - 60,000 sf of retail space
   - South Block Real Estate
   - TBC December 2007

2. Roosevelt Collection
   - 425,000 sf of retail space
   - 50 retailers plus a 16-screen theatre complex
   - Built by Centrum Properties

3. South Loop Commons
   - 225,000 sf of retail space
   - Built by Site Solutions & Equibase
   - TBC Spring 2009

4. Best Buy Anchored Project
   - 60,000+ sf of retail space
   - Built by Joffco Devl. LLC
   - TBC early 2008

5. Southgate Market
   - Wholes Foods, DSW, Linens & Things, etc.
   - TBC early 2008

6. Central Station
   - Huge mixed-use complex spanning 14 million sf
   - Fogelson & Forest City Enterprises plus veteran Chicago developers
   - Retail elements are ancillary
S+9 Retail Components

• At 9+S, we have allocated 35,000 sf of retail space to accompany the residential

  • Potential tenants include:
    – Coldstone Creamery
    – Starbucks or Cosi
    – Jamba Juice
    – Lou Malnati’s Pizza
    – Eckerd Drugs
    – Convenience store
    – Financial services such as Bank of America
    – Small bowling alley or pool hall operator
    – Sit-down restaurant/pub
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
Building Program

- 28-story, 445,947 sf mixed-use complex with sky-rise tower
- Retail encompasses ground floor with residual on 2nd Floor
- 154 stalls of car parking across Floors 2 through 4
- Residential units on Floors 4 to 28 with approximately 14 apartments per floor
- Amenities include:
  - 7,000 sf food court
  - 2,000 sf lounge
  - 4,000 sf gym on top floor
  - Laundry facilities on a per-floor basis
• **Building design consists of:**
  – Steel structure
  – Recycled steel content
  – Concrete slabs with fly ash content
  – Thermally broken window wall exterior system

• **Parking garage:**
  – Clad in cast-in place concrete
  – Board-formed finish on the State Street and 9th Street façades

• **First floor retail:**
  – Capped with a precast concrete overhang
• Access to the ground floor retail situated primarily along State Street with entrances to two units on 9th Street

• Entrance to restaurant / pub located on the second level is via the elevator and stairs off of 9th Street

• Parking garage entrance is located on State St

• Service vehicles will access the building via 9th Street entry
• Efforts made to reduce the acoustic impact from the elevated train tracks
  – Residential portion begins on 4th Floor approximately 45 feet above ground level
  – Building is situated to the far west side of the site
  – Laminated glass to be used on the first 5 floors of the residential windows on the east façade

• Residential will be accessible via an entry vestibule located off of 9th Street; vestibule will share access to the 2nd floor destination-based retail space
• Building is able to achieve LEED Certification due to:
  − Construction waste recycling
  − Close proximity to public transportation
  − Accommodation for bicycle storage and changing rooms
  − Green roofs impact on both the quantity and quality of storm water

• Landscape for 9+S adheres to City of Chicago landscaping requirements
  − Incorporates water efficient landscaping
  − Rainwater will be harvested
Green Build & Energy Efficiency Elements

- Construction materials sourced from manufacturers located within 500 miles from site
- Low-emitting materials to be used
- Interior surfaces incorporate low-emitting VOC materials to improve air quality
- Mechanical system designed to be 30% more efficient than a standard ASHRAE 90.1 system to reduce operating costs for tenants
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
Master Lease Agreement Structure

• MCP anticipates entering into Master Lease Agreements with nearby universities ideally prior to closing

• Pre-agreed number of units will be leased to schools
  – Students pay rent through university’s tuition payment system
  – University obligated to meet monthly payments

• Several schools expressed interest
  – Partially relieves schools’ housing problems
  – Provides schools with a privately-financed facility

• Contracts could be in place for at least 500 beds prior to breaking ground
Business Plan Overview

RFP mandate: MCP & Equity Partner

1. Due Diligence: 90 Days
   - Negotiate pre-leases with universities and firm up interest from retail tenants
   - Organize construction contracts, delivery & timing
   - Procure debt financing

2. Close on Site

3. Obtain Construction Permits

4. Site Preparation, Foundation & Infrastructure Work

5. Begin general construction
   - Appoint a broker to pre-let the retail space to tenants
   - Work with universities to design a marketing plan.

6. Finish build-out within 18 months
   - Sale to institutional holders
   - 4-year hold period
   - Project exit in 2011

Finish build-out within 18 months
Marketing Strategy

• Marketing to be carried out via affiliated universities

• Sales proposition will emphasize several key points:
  – Benefits of the neighborhood
  – Proximity to nearby campus facilities
  – Quality and amenities of the building
  – Other aspects like security, management, etc.

• Geared towards students wishing to trade up from lesser quality, older buildings

• For retail, MCP will hire a broker to market space

• MCP will design a project website, marketing materials

• One MCP employee devoted to leasing activities

• Project will require a slightly less intense marketing approach than typical residential structures
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
The Project will require a total of $102.6MM of financing to cover project costs.

### Sources and Uses of Funds

#### Sources of Funds

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>USD</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity partner</td>
<td>25,251,415</td>
<td>24.6%</td>
</tr>
<tr>
<td>MCP equity</td>
<td>500,000</td>
<td>0.5%</td>
</tr>
<tr>
<td>Debt financing</td>
<td>76,866,009</td>
<td>74.9%</td>
</tr>
<tr>
<td><strong>Total Projected Sources of Funds</strong></td>
<td><strong>102,617,424</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

#### Uses of Funds

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>USD</th>
<th>%</th>
<th>Per Net Build SF</th>
<th>Per Gross Build SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land purchase price</td>
<td>6,204,480</td>
<td>6.0%</td>
<td>17.7</td>
<td>13.9</td>
</tr>
<tr>
<td>Site preparation and permitting work</td>
<td>455,112</td>
<td>0.4%</td>
<td>1.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Construction costs</td>
<td>69,493,684</td>
<td>67.7%</td>
<td>198.4</td>
<td>155.8</td>
</tr>
<tr>
<td>FF&amp;E costs</td>
<td>1,622,270</td>
<td>1.6%</td>
<td>4.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Additional green build costs</td>
<td>1,422,319</td>
<td>1.4%</td>
<td>4.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Architectural</td>
<td>2,127,480</td>
<td>2.1%</td>
<td>6.1</td>
<td>4.8</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,300,000</td>
<td>1.3%</td>
<td>3.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Contingency</td>
<td>5,731,565</td>
<td>5.6%</td>
<td>16.4</td>
<td>12.9</td>
</tr>
<tr>
<td>Miscellaneous soft costs</td>
<td>1,679,691</td>
<td>1.6%</td>
<td>4.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Loan origination fee</td>
<td>542,764</td>
<td>0.5%</td>
<td>1.5</td>
<td>1.2</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>12,038,059</td>
<td>11.7%</td>
<td>34.4</td>
<td>27.0</td>
</tr>
<tr>
<td><strong>Total Projected Uses of Funds</strong></td>
<td><strong>102,617,424</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>293.0</strong></td>
<td><strong>230.1</strong></td>
</tr>
</tbody>
</table>
• MCP has estimated basic build costs to be circa $69.5MM or:
  – $168 psf for the student residential
  – $160 psf for common space
  – $160 psf for retail
  – $25,000 per space for parking

• Additionally, we have allowed for a budget of:
  – $1.4MM for green build expenses
  – $1.6MM for FF&E costs
  – A contingency amount of $5.7MM, or 7.5% of all above costs
  – $1.3 for engineering work
  – $2.1 for architectural fees
  – Plus a relatively negligible amount for site preparation and permitting

• Overall, total projected construction costs for the Project equate to $82.2MM
The assumptions for revenues from the various uses are based on the market research undertaken for this proposal.

These estimates are reasonable and perhaps slightly conservative in order to mitigate our downside exposure.

- Gross rents based on the comparable annualized monthly rents
- Student housing is typically 98% occupied during the academic year
- However, units are mostly vacant in summer, so we incorporated a 60% vacancy rate during this period

### 9&S Unit Pricing Assumptions

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Units</th>
<th>%</th>
<th>Size (SF)</th>
<th>Total SF</th>
<th>Rental Price per Month (Annualized)</th>
<th>Price per Person per Month</th>
<th>Rental Price per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-person studio</td>
<td>11</td>
<td>2.0%</td>
<td>525</td>
<td>5,705</td>
<td>1,100</td>
<td>1,100</td>
<td>2.10</td>
</tr>
<tr>
<td>1-person, 1BR</td>
<td>3</td>
<td>0.7%</td>
<td>630</td>
<td>2,054</td>
<td>1,250</td>
<td>1,250</td>
<td>1.98</td>
</tr>
<tr>
<td>2-person, 1BR</td>
<td>51</td>
<td>11.4%</td>
<td>630</td>
<td>32,174</td>
<td>1,750</td>
<td>875</td>
<td>2.78</td>
</tr>
<tr>
<td>2-person, 2BR</td>
<td>92</td>
<td>26.1%</td>
<td>800</td>
<td>73,888</td>
<td>2,025</td>
<td>1,013</td>
<td>2.53</td>
</tr>
<tr>
<td>4-person, 2BR</td>
<td>130</td>
<td>43.7%</td>
<td>950</td>
<td>123,871</td>
<td>3,400</td>
<td>850</td>
<td>3.58</td>
</tr>
<tr>
<td>4-person, 4BR</td>
<td>37</td>
<td>16.1%</td>
<td>1,250</td>
<td>45,637</td>
<td>3,800</td>
<td>950</td>
<td>3.04</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>324</strong></td>
<td><strong>100%</strong></td>
<td><strong>283,327</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The assumptions for revenues from the various uses are based on the market research undertaken for this proposal.

We believe that these estimates are reasonable and perhaps slightly conservative in order to mitigate our downside exposure.

### Retail & Parking Revenues

#### Non-Residential Revenue Assumptions

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>%</th>
<th>Size (SF)</th>
<th>Total SF</th>
<th>Monthly Rent per SF</th>
<th>Annual Rent per SF</th>
<th>Total per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shops</td>
<td>3</td>
<td>42.9%</td>
<td>5,000</td>
<td>15,000</td>
<td>$2.50</td>
<td>$30</td>
<td>$450,000</td>
</tr>
<tr>
<td>Restaurants</td>
<td>2</td>
<td>28.6%</td>
<td>5,000</td>
<td>10,000</td>
<td>$2.33</td>
<td>$28</td>
<td>$280,000</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>28.6%</td>
<td>5,000</td>
<td>10,000</td>
<td>$1.25</td>
<td>$15</td>
<td>$150,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7</td>
<td></td>
<td>35,000</td>
<td></td>
<td></td>
<td></td>
<td>$880,000</td>
</tr>
</tbody>
</table>

Stabilized vacancy rate 15%

Vacancy allowance

Net yearly revenue $(132,000)

**Total** $748,000

<table>
<thead>
<tr>
<th></th>
<th>Spaces</th>
<th>Gross SF per Space</th>
<th>Net SF per Space</th>
<th>Total Gross SF</th>
<th>Monthly Rent per Space</th>
<th>Annual Rent per Space</th>
<th>Total per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parking</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly parking</td>
<td>49</td>
<td>324</td>
<td>162</td>
<td>15,768</td>
<td>$230</td>
<td>$2,760</td>
<td>$134,324</td>
</tr>
<tr>
<td>Retail &amp; daily parking</td>
<td>105</td>
<td>324</td>
<td>162</td>
<td>34,020</td>
<td>$360</td>
<td>$4,320</td>
<td>$453,600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>154</td>
<td>49,788</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$587,924</td>
</tr>
</tbody>
</table>

Stabilized vacancy rate 10%

Vacancy allowance

Net yearly revenue $(58,792)

**Total** $529,132

<table>
<thead>
<tr>
<th></th>
<th>Total SF</th>
<th>Monthly Rent per SF</th>
<th>Annual Rent per SF</th>
<th>Total per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Court</td>
<td>7,000</td>
<td>$1.50</td>
<td>$18</td>
<td>$126,000</td>
</tr>
</tbody>
</table>
Operating Expenses

- We have allowed for a 35% operating expense budget (calculated as a percentage of gross rental revenues) throughout the leasing period to cover a number of items:

- Management of the Property will be outsourced to at least two firms
  - One to oversee the student residential portion
  - Another to manage the retail and parking elements.
  - Overall management fee of 4.0% to cover these agreements

- We have allocated 15% towards real estate taxes

- Projected retail leasing commissions of approximately 5.5% (or less than 1% of the total project revenues)

- Other general cost items including utilities, administrative costs, service contracts (rubbish removal, security, janitorial, snow removal, repairs, etc.), replacement expenses and insurance
Debt Financing

The project will require several levels of financing. The primary source of capital will be a 75% revolving loan-to-cost construction loan.

- Project will be financed primarily with a four-year construction loan.
- Bank would provide a minimum 75% LTC commitment.
- Bank may require some guarantee of completion from the JV equity partners (who would, in turn, seek to obtain a guarantee from the General Contractor).
- Interest based on floating rate commensurate with the 3-month LIBOR (currently 5.4%) plus around 175 basis points.
- Origination fee of circa 70 basis points of total loan amount.
• The project will require approximately $25.8MM in total of equity financing to be divided between MCP and a private equity partner

• MCP is currently in discussions with a private equity partner

• Equity commitment will be split 98%/2% with the Fund contributing $25.3MM and MCP contributing $500,000

• MCP will serve as co-investor as well as development partner

• All equity will be invested pari passu, with MCP receiving a pre-agreed, success-based carried interest out of proceeds for project management services
• Carried interest will be an upwardly ratcheted structure commensurate on the equity investors achieving certain hurdles

- Preferred Return
  - 10% IRR, 1.15x

- Tier I Hurdle
  - 15% IRR, 1.25x

- Tier II Hurdle
  - 20% IRR, 1.50x

- Tier III Hurdle
  - 25% IRR, 1.75x

- Thereafter

- Equity Investors: 100%

- Investors MCP: 70%
  - 30%

- Investors MCP: 75%
  - 25%

- Investors MCP: 80%
  - 20%

- Investors MCP: 90%
  - 10%

- Investors MCP: 100%
Exit Strategy

• MCP expects to exit the investment within 4 years of closing

• Expect to exit this project within a 4-year time horizon
  – Two years to develop the site
  – Two more years to lease-up to stabilization

• Likely sale to a REIT, pension fund, or private investor seeking an investment with stabilized yields and a long term income generating perspective
  – American Invesco
  – Crescent Heights
  – Archstone
  – Avalon Bay
  – Etc.
• Based on our base case pro forma model, the project provides a levered IRR of 21.2% to the pari passu equity partners

• MCP will receive a promote amount of $3.1MM for its role in project management over the period of investment

---

**Deal Returns Overview**

<table>
<thead>
<tr>
<th>Deal</th>
<th>Equity Partner</th>
<th>MCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>25,751,415</td>
<td>Investment 500,000</td>
</tr>
<tr>
<td>ROE</td>
<td>28,652,007</td>
<td>Pre-tax ROE 496,100</td>
</tr>
<tr>
<td>Pre-tax IRR</td>
<td>23.2%</td>
<td>Promote 3,101,460</td>
</tr>
<tr>
<td>Pre-tax multiple</td>
<td>2.11x</td>
<td>Total return 3,597,560</td>
</tr>
<tr>
<td>Yield on cost</td>
<td>27.9%</td>
<td>Post-tax ROE 2,338,414</td>
</tr>
<tr>
<td></td>
<td>Post-tax IRR</td>
<td>Post-tax IRR 61.9%</td>
</tr>
<tr>
<td></td>
<td>Post-tax multiple</td>
<td>Post-tax multiple 5.39x</td>
</tr>
</tbody>
</table>
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
The 9&S site provides a unique opportunity due to several key factors. However, we also considered the potential challenges of the Project and the ways in which we shall attempt to mitigate them.

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Risks &amp; Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premier South Loop location</td>
<td>Market risk</td>
</tr>
<tr>
<td>Entitlements already in place</td>
<td>Ability to enter into pre-closing lease</td>
</tr>
<tr>
<td>Possibility to organize pre-contracts with</td>
<td>agreements</td>
</tr>
<tr>
<td>universities to mitigate take-up exposure</td>
<td>Development cost overruns</td>
</tr>
<tr>
<td>Positive benefits to the community</td>
<td>Timing of project completion</td>
</tr>
<tr>
<td>Potential to meet investment return hurdles</td>
<td>Flexibility of development</td>
</tr>
<tr>
<td>with minimal downside</td>
<td>Community buy-in</td>
</tr>
<tr>
<td></td>
<td>Environmental risk</td>
</tr>
</tbody>
</table>
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
## Acknowledgements

- MCP would also like to thank the following individuals who graciously provided support on this Project

<table>
<thead>
<tr>
<th>City of Chicago</th>
<th>Brokers/Leasing Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alderman's office</td>
<td>Cushman &amp; Wakefield</td>
</tr>
<tr>
<td>Dept. of Planning and Devlp.</td>
<td>Jones Lang LaSalle</td>
</tr>
<tr>
<td>Local residents</td>
<td>Colliers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Developers and Investors</th>
<th>Market Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>D2 Realty</td>
<td>Marcus &amp; Millichap</td>
</tr>
<tr>
<td>The Belgravia Group</td>
<td>Appraisal Research Counselors</td>
</tr>
<tr>
<td>Smithfield Properties</td>
<td>Claritas</td>
</tr>
<tr>
<td>Transwestern Group</td>
<td>Lake City Realty</td>
</tr>
<tr>
<td>Greenhawk Partners</td>
<td></td>
</tr>
<tr>
<td>Cherokee Investment Partners</td>
<td></td>
</tr>
<tr>
<td>Urban Innovations</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Architects</th>
<th>Potential Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gensler</td>
<td>Columbia College</td>
</tr>
<tr>
<td></td>
<td>Roosevelt University</td>
</tr>
<tr>
<td></td>
<td>Robert Morris University</td>
</tr>
<tr>
<td></td>
<td>DePaul University</td>
</tr>
<tr>
<td></td>
<td>AMC Theatres</td>
</tr>
<tr>
<td></td>
<td>Starbucks</td>
</tr>
<tr>
<td></td>
<td>Coldstone Creamery</td>
</tr>
<tr>
<td></td>
<td>Eckerd</td>
</tr>
<tr>
<td></td>
<td>Aramark</td>
</tr>
<tr>
<td></td>
<td>Jamba Juice</td>
</tr>
<tr>
<td></td>
<td>Lou Malnati’s Pizza</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Institutions</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>LaSalle Bank</td>
<td>Bovis Lend Lease</td>
</tr>
<tr>
<td>Corus Bank</td>
<td></td>
</tr>
<tr>
<td>Morgan Stanley Real Estate</td>
<td></td>
</tr>
</tbody>
</table>
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
I. Introduction & Site Overview
II. Market Review and Redevelopment Options
III. Project Proposal & Design
IV. Business Plan & Timeline
V. Project Financials
VI. Summary
VII. Acknowledgements
VIII. Q & A
IX. Additional Exhibits
Site Zoning Status

• Property is currently zoned as a Downtown Mixed-Use District (DX-12) such that it may accommodate a combination of any commercial, retail, public, institutional and residential development.

• District promotes vertical mixed-use projects with active ground uses.
• No maximum height restriction exists.
• No front or side setback is required.
• Rear setbacks are required for floors containing dwelling units.
• Gross residential floor area divided by the number of dwelling units must equal at least 500 sf.
• Any development containing dwelling units must provide at least 36 sf of open space per dwelling unit.
• Open space must have a minimum dimension of:
  – At least 5 feet on any side if private
  – 15 feet on any side if common open space.
South Loop Condominium Comparables

• The South Loop has experienced a tremendous amount of condo construction activity recently

Summary of New South Loop Construction Condo Inventory by PSF
Source: Appraisal Research Counselors 4Q 2006 Downtown Chicago Residential Benchmark Report, p 87

<table>
<thead>
<tr>
<th>Name</th>
<th>4Q 2006 Total Units</th>
<th>4Q 2006 Unsold Units</th>
<th>4Q 2006 Average PSF</th>
<th>4Q 2006 Unit Size (SF)</th>
<th>4Q 2006 Fin./Under Constr.</th>
<th>Exp. Occupancy</th>
<th>Percentage Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$500 - $699 PSF</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Museum Park</td>
<td>289</td>
<td>260</td>
<td>29</td>
<td>$681</td>
<td>1960</td>
<td>Yes</td>
<td>90%</td>
</tr>
<tr>
<td>One Museum Park West</td>
<td>298</td>
<td>153</td>
<td>145</td>
<td>$522</td>
<td>1727</td>
<td>No</td>
<td>2009 51%</td>
</tr>
<tr>
<td>Park 1000</td>
<td>346</td>
<td>60</td>
<td>286</td>
<td>$520</td>
<td>1419</td>
<td>No</td>
<td>2009 17%</td>
</tr>
<tr>
<td>X/0</td>
<td>275</td>
<td>130</td>
<td>145</td>
<td>$500</td>
<td>1171</td>
<td>No</td>
<td>2009 47%</td>
</tr>
<tr>
<td></td>
<td>1208</td>
<td>603</td>
<td>605</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$400 - $499 PSF</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Columbian</td>
<td>220</td>
<td>140</td>
<td>80</td>
<td>$466</td>
<td>1521</td>
<td>Yes</td>
<td>2007 64%</td>
</tr>
<tr>
<td>Astoria Tower</td>
<td>248</td>
<td>178</td>
<td>70</td>
<td>$441</td>
<td>900</td>
<td>Yes</td>
<td>2006 72%</td>
</tr>
<tr>
<td>The Lofts at Roosevelt Collection</td>
<td>342</td>
<td>58</td>
<td>274</td>
<td>$420</td>
<td>910</td>
<td>No</td>
<td>2009 20%</td>
</tr>
<tr>
<td>Michigan Avenue Tower II</td>
<td>267</td>
<td>228</td>
<td>39</td>
<td>$408</td>
<td>904</td>
<td>No</td>
<td>2009 85%</td>
</tr>
<tr>
<td></td>
<td>1077</td>
<td>614</td>
<td>463</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$300 - $399 PSF</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aristocrat Tower</td>
<td>146</td>
<td>38</td>
<td>108</td>
<td>$397</td>
<td>957</td>
<td>No</td>
<td>2009 26%</td>
</tr>
<tr>
<td>Vetro</td>
<td>232</td>
<td>88</td>
<td>144</td>
<td>$385</td>
<td>1061</td>
<td>Yes</td>
<td>2008 38%</td>
</tr>
<tr>
<td>One Place</td>
<td>96</td>
<td>82</td>
<td>14</td>
<td>$380</td>
<td>770</td>
<td>Yes</td>
<td>2008 85%</td>
</tr>
<tr>
<td>Prairie Pointe (Prairie Tower)</td>
<td>162</td>
<td>133</td>
<td>29</td>
<td>$369</td>
<td>1328</td>
<td>Yes</td>
<td>2006 82%</td>
</tr>
<tr>
<td>Museum Park Tower 4</td>
<td>286</td>
<td>278</td>
<td>207</td>
<td>$366</td>
<td>1274</td>
<td>Yes</td>
<td>2006 97%</td>
</tr>
<tr>
<td>1600 Museum Park</td>
<td>268</td>
<td>125</td>
<td>143</td>
<td>$366</td>
<td>1279</td>
<td>Yes</td>
<td>2009 47%</td>
</tr>
<tr>
<td>Printers Corner</td>
<td>88</td>
<td>46</td>
<td>42</td>
<td>$363</td>
<td>956</td>
<td>Yes</td>
<td>2008 52%</td>
</tr>
<tr>
<td>Museum Park Place South</td>
<td>296</td>
<td>89</td>
<td>207</td>
<td>$360</td>
<td>1172</td>
<td>No</td>
<td>2009 30%</td>
</tr>
<tr>
<td>Museum Park Place South</td>
<td>194</td>
<td>184</td>
<td>10</td>
<td>$356</td>
<td>1266</td>
<td>Yes</td>
<td>2009 95%</td>
</tr>
<tr>
<td>Lexington Park</td>
<td>333</td>
<td>140</td>
<td>193</td>
<td>$354</td>
<td>978</td>
<td>No</td>
<td>2009 42%</td>
</tr>
<tr>
<td>1349 S Wabash Private Apartments</td>
<td>78</td>
<td>35</td>
<td>43</td>
<td>$347</td>
<td>866</td>
<td>Yes</td>
<td>2009 45%</td>
</tr>
<tr>
<td>Vision on State</td>
<td>254</td>
<td>192</td>
<td>62</td>
<td>$344</td>
<td>850</td>
<td>Yes</td>
<td>2007 76%</td>
</tr>
<tr>
<td>Azure</td>
<td>130</td>
<td>13</td>
<td>117</td>
<td>$340</td>
<td>1023</td>
<td>No</td>
<td>2009 10%</td>
</tr>
<tr>
<td>Burnham Pointe</td>
<td>298</td>
<td>127</td>
<td>171</td>
<td>$336</td>
<td>1010</td>
<td>Yes</td>
<td>2009 43%</td>
</tr>
<tr>
<td>Marquee Tower</td>
<td>210</td>
<td>178</td>
<td>32</td>
<td>$335</td>
<td>1000</td>
<td>Yes</td>
<td>2008 85%</td>
</tr>
<tr>
<td>1555 S Wabash</td>
<td>176</td>
<td>67</td>
<td>109</td>
<td>$335</td>
<td>1007</td>
<td>No</td>
<td>2008 38%</td>
</tr>
<tr>
<td>Library Tower</td>
<td>184</td>
<td>112</td>
<td>72</td>
<td>$327</td>
<td>1307</td>
<td>Yes</td>
<td>2008 61%</td>
</tr>
<tr>
<td>Lakeside Lofts</td>
<td>96</td>
<td>53</td>
<td>43</td>
<td>$325</td>
<td>917</td>
<td>Yes</td>
<td>2007 55%</td>
</tr>
<tr>
<td>1819 S Michigan</td>
<td>94</td>
<td>90</td>
<td>4</td>
<td>$323</td>
<td>959</td>
<td>Yes</td>
<td>2005 96%</td>
</tr>
<tr>
<td>1720 S Michigan</td>
<td>498</td>
<td>399</td>
<td>99</td>
<td>$322</td>
<td>868</td>
<td>Yes</td>
<td>2008 80%</td>
</tr>
<tr>
<td>1400 Museum Park</td>
<td>260</td>
<td>210</td>
<td>50</td>
<td>$321</td>
<td>1309</td>
<td>Yes</td>
<td>2008 81%</td>
</tr>
<tr>
<td>Motor Row</td>
<td>94</td>
<td>23</td>
<td>71</td>
<td>$315</td>
<td>963</td>
<td>No</td>
<td>2008 24%</td>
</tr>
<tr>
<td>Prairie 21</td>
<td>87</td>
<td>28</td>
<td>59</td>
<td>$313</td>
<td>1024</td>
<td>No</td>
<td>2008 32%</td>
</tr>
<tr>
<td>1620 S Michigan</td>
<td>249</td>
<td>243</td>
<td>6</td>
<td>$310</td>
<td>877</td>
<td>Yes</td>
<td>2006 98%</td>
</tr>
<tr>
<td></td>
<td>4809</td>
<td>2973</td>
<td>1536</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$200 - $299 PSF</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pointe 1900 Phase 2</td>
<td>72</td>
<td>63</td>
<td>9</td>
<td>$294</td>
<td>973</td>
<td>Yes</td>
<td>2007 88%</td>
</tr>
</tbody>
</table>
South Loop Apartment Rental Prices

- Class A multifamily product increased in rental rates from an average of $2.15 to $2.20 psf, or a 2.3% growth rate between the first and fourth quarters 2006.

- Class B average rental rates increased by 6.7% from $1.79 psf recorded at year-end 2005 to $1.91 psf at YE 2006.

### Chicago Effective Rent Trends

![Rent PSF Graph]

### Current South Loop Rental Market Trends

<table>
<thead>
<tr>
<th>Project</th>
<th>Class</th>
<th>Units</th>
<th>Average Size</th>
<th>Occupancy</th>
<th>Eff $ PSF</th>
<th>Concessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1255 S. Michigan (Sky 55)</td>
<td>A</td>
<td>326</td>
<td>1,079</td>
<td>54.9%</td>
<td>2.21</td>
<td>0%</td>
</tr>
<tr>
<td>343 S. Dearborn (The Fisher Building)</td>
<td>B</td>
<td>184</td>
<td>794</td>
<td>94.0%</td>
<td>2.09</td>
<td>0%</td>
</tr>
<tr>
<td>1130 S. Michigan</td>
<td>B</td>
<td>656</td>
<td>740</td>
<td>94.1%</td>
<td>1.97</td>
<td>0%</td>
</tr>
<tr>
<td>1212 S. Michigan</td>
<td>B</td>
<td>344</td>
<td>678</td>
<td>91.9%</td>
<td>2.06</td>
<td>0%</td>
</tr>
</tbody>
</table>
### Student Housing Comparables

**Student Housing in the South Loop Area**  
*Source: Independent Market Research by MCP, 2007*

<table>
<thead>
<tr>
<th>Building name</th>
<th>Address</th>
<th># Beds</th>
<th>SF</th>
<th>Per Person Monthly Cost for 2006/07 Academic Year</th>
<th>Primary Schools Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>9+S</td>
<td>901 S. State St.</td>
<td>969</td>
<td>525</td>
<td>1-person studio: $1,100</td>
<td>Columbia</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>630</td>
<td>1-person, 1br: $1,250</td>
<td>Roosevelt</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>630</td>
<td>2-people, 1br: $875</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>800</td>
<td>2-people, 2br: $1,012</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>950</td>
<td>4-people, 2br: $850</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,250</td>
<td>4-people, 4br: $950</td>
<td></td>
</tr>
<tr>
<td>University Center</td>
<td>525 S. State St.</td>
<td>1,720</td>
<td>365</td>
<td>1-person, 1br (no kitchen): $1,184</td>
<td>DePaul</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>730</td>
<td>4-person, 2br: $963-$1,011</td>
<td>Columbia</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,200</td>
<td>4-person, 4br: $1,121-$1,168</td>
<td>Roosevelt</td>
</tr>
<tr>
<td>College Park at State</td>
<td>2 E. 8th St.</td>
<td>800</td>
<td>2-people, 1br apt: $790-$863</td>
<td>Columbia</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4-people, 2br apt: $830-$863</td>
<td>Robert Morris</td>
<td></td>
</tr>
<tr>
<td>Baumhart Hall</td>
<td>26 E. Pearson St.</td>
<td>627</td>
<td>4-person room: $829</td>
<td>Loyola</td>
<td></td>
</tr>
<tr>
<td></td>
<td>162 N. State St.</td>
<td>500</td>
<td>1-person room: $1,120</td>
<td>School of the Art Institute</td>
<td></td>
</tr>
<tr>
<td></td>
<td>731 S. Plymouth Ct.</td>
<td>350</td>
<td>2-person room: $860</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>320 N. Michigan Ave.</td>
<td>250</td>
<td>3-person room: $695</td>
<td>Columbia</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,200</td>
<td>4-people, 2br apt: $774</td>
<td>Robert Morris</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>675</td>
<td>3-person studio: $750</td>
<td>Kendall</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>500</td>
<td>2-person jr. apt: $900</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>700</td>
<td>3-person apt: $900</td>
<td></td>
</tr>
<tr>
<td>The Chicago Building</td>
<td>7 W. Madison St.</td>
<td>200</td>
<td>350-430</td>
<td>1-person room: $915-$1,120</td>
<td>School of the Art Institute</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>350</td>
<td>2-person room: $860</td>
<td></td>
</tr>
<tr>
<td>Herman Crown Center</td>
<td>425 S. Wabash St.</td>
<td>200</td>
<td>2-person room: $595-$645</td>
<td>Columbia</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1-person room: $805</td>
<td>Roosevelt</td>
<td></td>
</tr>
<tr>
<td></td>
<td>18 E. Congress Pkwy.</td>
<td>109</td>
<td>4-person, 2br apt: $767</td>
<td>Columbia</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,150</td>
<td>4-person, 4br apt: $874</td>
<td></td>
</tr>
<tr>
<td>Planned Development</td>
<td>626 S. Clark St.</td>
<td>650</td>
<td>TBD</td>
<td>TBD</td>
<td>TBC by 2008</td>
</tr>
<tr>
<td>Planned Development</td>
<td>59 E. Van Buren St.</td>
<td>444</td>
<td>TBD</td>
<td>TBD</td>
<td>TBC by 2007</td>
</tr>
</tbody>
</table>
LEED Project Checklist

Sustainable Sites

- Construction Activity Pollution Prevention
- Site Stabilization
- Development Density & Community Connectivity
- Stormwater Design, Quantity Control
- Site Development, Mitigate Stormwater
- Stormwater Design, Quality Control
- Roof Island Effect
- Light Pollution Reduction

Water Efficiency

- Water Efficient Landscaping, Reduce by 50%
- Water Efficient Landscaping, No Refrigerated Use or Irrigation
- Innovative Water Conservation Technologies
- Water Use Reduction, 20% Reduction

Energy & Atmosphere

- Fundamental Commissioning of the Building Energy Systems
- Minimum Energy Performance
- Optimize Energy Performance
- Enhanced Commissioning
- Enhanced Refrigerant Management
- Measurement & Verification
- Green Power

Materials & Resources

- Storage & Collection of Recyclables
- Building Block, Maintain 75% of Existing Walls, Floors & Roof
- Glazing Outside, Maintain 50% of Interior Glazed Elements
- Construction Waste Management, Clutter 50% from Disposal
- Construction Waste Management, Clutter 75% from Disposal
- Materials Reserve
- Recycled Content, 10% (post-consumer + pre-consumer)
- Recycled Content, 25% (post-consumer + pre-consumer)
- Regional Materials, 10% (Certified, Processed & Manufactured Regional)
- Regional Materials, 20% (Certified, Processed & Manufactured Regional)
- Recycled Certified Wood

Indoor Environmental Quality

- Indoor Air Quality Performance
- Environmental Tobacco Smoke (ETS) Control
- Outdoor Air Delivery Monitoring
- Ventilation
- Construction ASHRAE Management Plan, Before Occupancy
- ASHRAE Management Plan, During Construction
- Low-Emitting Materials, Adhesives & Sealants
- Low-Emitting Materials, Finishes & Coatings
- Low-Emitting Materials, Countertops
- Low-Emitting Materials, Composite Wood & Agri Products
- Indoor Chemical & Pollutant Source Control
- Controllability of Lighting
- Controllability of Systems, Thermal Comfort
- Thermal Comfort, Design
- Thermal Comfort, Verification
- Daylight & Views, Daylight 50% of Space
- Daylight & Views, Views for 20% of Space

Innovation & Design Process

- Innovation in Design
- Innovation in Design
- Innovation in Design
- LEED® Accredited Professional

Project Totals (pre-certification estimate)

Certified 30-39 points, Silver 30-39 points, Gold 30-39 points, Platinum 32-60 points
Land Purchase Comparables

Based on the current assumptions, we are prepared to offer $6.2MM for the land, equating to $160 per land sf or approximately $17 per net buildable sf.

This amount falls within range of the nearby comparable transactions accounting for location and inflation.

<table>
<thead>
<tr>
<th>Address</th>
<th>Submarket</th>
<th>Zoning</th>
<th>Proposed Use</th>
<th>SF</th>
<th>Sale Price</th>
<th>Price/SF</th>
<th>Sale Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>108 N State St</td>
<td>East Loop</td>
<td>B6-7</td>
<td>Retail/office</td>
<td>120,961</td>
<td>12,300,000</td>
<td>101.69</td>
<td>11/9/2005</td>
</tr>
<tr>
<td>1611-1617 S Wabash Ave</td>
<td>South Chicago</td>
<td>C3-4</td>
<td>Hold for development</td>
<td>13,390</td>
<td>2,300,000</td>
<td>171.77</td>
<td>9/21/2006</td>
</tr>
<tr>
<td>30 N Wells St</td>
<td>Central Loop</td>
<td>DC-16</td>
<td>Unknown</td>
<td>6,459</td>
<td>3,200,000</td>
<td>495.43</td>
<td>1/25/2007</td>
</tr>
<tr>
<td>217-241 W Van Buren St</td>
<td>West Loop</td>
<td>DC-16</td>
<td>Hold for development</td>
<td>18,090</td>
<td>4,750,000</td>
<td>262.58</td>
<td>11/1/2005</td>
</tr>
<tr>
<td>104 S LaSalle St</td>
<td>Central Loop</td>
<td>DC-16</td>
<td>Hold for development</td>
<td>139,204</td>
<td>10,000,000</td>
<td>71.84</td>
<td>1/24/2005</td>
</tr>
<tr>
<td>215-219 W Washington St</td>
<td>West Loop</td>
<td>DC-16</td>
<td>Unknown</td>
<td>21,938</td>
<td>11,200,000</td>
<td>510.53</td>
<td>1/31/2007</td>
</tr>
<tr>
<td>550 W 14th Place</td>
<td>South Chicago</td>
<td>DS-3</td>
<td>Commercial/industrial</td>
<td>66,647</td>
<td>2,350,000</td>
<td>35.26</td>
<td>6/29/2006</td>
</tr>
<tr>
<td>532 W Roosevelt Road</td>
<td>South Loop</td>
<td>DS-3</td>
<td>Bank</td>
<td>20,303</td>
<td>2,725,000</td>
<td>134.22</td>
<td>2/17/2006</td>
</tr>
<tr>
<td>1122 Wabash Ave</td>
<td>South Loop</td>
<td>DX-12</td>
<td>TBD</td>
<td>8,712</td>
<td>1,650,000</td>
<td>189.39</td>
<td>5/16/2006</td>
</tr>
<tr>
<td>720-740 S Clark St</td>
<td>South Loop</td>
<td>DX-12</td>
<td>Apartment units - condo</td>
<td>37,801</td>
<td>4,600,000</td>
<td>121.69</td>
<td>1/14/2005</td>
</tr>
<tr>
<td>601-637 S Wells St</td>
<td>South Loop</td>
<td>DX-12</td>
<td>Retail</td>
<td>24,175</td>
<td>7,100,000</td>
<td>293.69</td>
<td>8/10/2005</td>
</tr>
<tr>
<td>812 E 9th St</td>
<td>South Loop</td>
<td>DX-12</td>
<td>Apartment units - condo</td>
<td>55,169</td>
<td>9,715,000</td>
<td>176.00</td>
<td>7/31/2005</td>
</tr>
<tr>
<td>830 S Michigan Ave</td>
<td>South Loop</td>
<td>DX-12</td>
<td>Apartment units - condo</td>
<td>36,002</td>
<td>13,015,000</td>
<td>361.51</td>
<td>4/27/2006</td>
</tr>
<tr>
<td>212 S State St</td>
<td>Central Loop</td>
<td>DX-16</td>
<td>Hold for development</td>
<td>4,399</td>
<td>1,670,000</td>
<td>379.63</td>
<td>12/7/2005</td>
</tr>
<tr>
<td>212 S State St</td>
<td>Central Loop</td>
<td>DX-16</td>
<td>Hold for development</td>
<td>4,399</td>
<td>2,150,000</td>
<td>488.75</td>
<td>7/14/2006</td>
</tr>
<tr>
<td>1818 S Wabash Ave</td>
<td>South Chicago</td>
<td>DX-5</td>
<td>Hold for development</td>
<td>18,187</td>
<td>4,305,000</td>
<td>228.78</td>
<td>10/3/2006</td>
</tr>
<tr>
<td>1472 S Michigan Ave</td>
<td>South Chicago</td>
<td>DX-7</td>
<td>Hold for development</td>
<td>8,084</td>
<td>1,350,000</td>
<td>167.00</td>
<td>7/14/2005</td>
</tr>
<tr>
<td>1337 S Michigan Ave</td>
<td>South Chicago</td>
<td>DX-7</td>
<td>Apartment units - condo</td>
<td>24,180</td>
<td>6,000,000</td>
<td>248.14</td>
<td>9/9/2005</td>
</tr>
<tr>
<td>1160 S Michigan Ave</td>
<td>South Loop</td>
<td>DX-7</td>
<td>Apartment units - condo</td>
<td>16,417</td>
<td>6,005,000</td>
<td>365.78</td>
<td>9/27/2005</td>
</tr>
<tr>
<td>600 S Wells St</td>
<td>South Loop</td>
<td>DX-7</td>
<td>Apartment units - condo</td>
<td>71,481</td>
<td>8,600,000</td>
<td>120.31</td>
<td>8/31/2005</td>
</tr>
<tr>
<td>139 W Polk St</td>
<td>South Loop</td>
<td>DX-7</td>
<td>Hold for development</td>
<td>203,891</td>
<td>13,343,000</td>
<td>65.44</td>
<td>12/28/2005</td>
</tr>
<tr>
<td>900 S Clark St</td>
<td>South Loop</td>
<td>PD-523</td>
<td>Apartment units - condo</td>
<td>95,832</td>
<td>8,900,000</td>
<td>92.87</td>
<td>10/5/2006</td>
</tr>
<tr>
<td>1000 S Michigan Ave</td>
<td>South Loop</td>
<td>PD-523</td>
<td>Apartment units</td>
<td>109,989</td>
<td>10,396,000</td>
<td>94.52</td>
<td>8/21/2006</td>
</tr>
<tr>
<td>Clark St</td>
<td>South Loop</td>
<td>PD-904</td>
<td>Retail</td>
<td>2,700,720</td>
<td>130,000,000</td>
<td>48.14</td>
<td>11/1/2005</td>
</tr>
<tr>
<td>518 S State St</td>
<td>South Loop</td>
<td>PD-908</td>
<td>Apartment units - condo</td>
<td>5,009</td>
<td>1,603,500</td>
<td>320.12</td>
<td>4/28/2006</td>
</tr>
<tr>
<td>520-548 S State St</td>
<td>South Loop</td>
<td>PD-908</td>
<td>Apartment units - condo</td>
<td>18,988</td>
<td>6,328,000</td>
<td>318.02</td>
<td>4/28/2006</td>
</tr>
<tr>
<td>555 W Roosevelt Rd</td>
<td>South Chicago</td>
<td>PD-823</td>
<td>Retail</td>
<td>262,340</td>
<td>16,350,000</td>
<td>62.32</td>
<td>9/13/2005</td>
</tr>
<tr>
<td>1000 S Michigan Ave</td>
<td>South Loop</td>
<td>PD-932</td>
<td>Apartment units - condo</td>
<td>69,696</td>
<td>43,800,000</td>
<td>628.44</td>
<td>12/7/2005</td>
</tr>
<tr>
<td>635-641 S Wabash Ave</td>
<td>South Loop</td>
<td>TBD</td>
<td>Hotel</td>
<td>6,096</td>
<td>3,000,000</td>
<td>491.96</td>
<td>11/30/2006</td>
</tr>
<tr>
<td>1211 S Indiana Ave</td>
<td>South Chicago</td>
<td>TBD</td>
<td>Unknown</td>
<td>Unknown</td>
<td>15,000,000</td>
<td>TBD</td>
<td>1/17/2007</td>
</tr>
</tbody>
</table>
## Project Summary

### Highlights
- **Premier South Loop location**
  - Property is well situated in the State Street regeneration corridor
  - Demand exists in the area for a mix of retail, student apartments and parking
  - Site is particularly attractive for university housing given its position in the center of Columbia’s campus and proximity to other institutions
- **Entitlements already in place**
  - Site is already appropriately zoned for the uses proposed
  - Property has relatively few restrictions and can be built to high density
- **Possibility to organize pre-contracts with universities to mitigate take-up exposure**
  - Discussions with key principals have indicated that it is likely that we will be able to negotiate lease agreements prior to major capital outlays
- **Positive benefits to the community**
  - Retail space and ancillary functions will create approximately 119 new full time positions.
  - 9+S will raise $1,040,000 in taxes annually, not including income and payroll taxes
- **Potential to meet investment return hurdles with minimal downside**

### Risks & Challenges
- **Market risk**
  - Upward movement of cap rates
  - Increasing activity in student housing development create competition
  - Semi-soft retail market in the vicinity
- **Ability to enter into pre-closing lease agreements**
  - May prove difficult to obtain university Board approval in a timely fashion prior to closing
- **Development cost overruns**
  - Capacity to obtain indemnities and risk sharing agreements from the GC?
- **Timing of project completion**
  - Must be able to deliver finished product by August 2009
- **Flexibility of development**
  - Student housing floor plans may limit exit options
- **Community buy-in**
  - To date, the local residents have not been formally consulted about their preferences for the Property
- **Environmental risk**
  - Site’s location within a former industrial district could mean that there is contamination beneath the slab