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Doc#: 0701945037 Fee: \$62.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 01/19/2007 11:27 AM Pg: 1 of 20

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This agreement was prepared by and after recording return to:
Scott D. Fehlan, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

FIRST AMENDMENT
TO BLACKSTONE HOTEL DEVELOPER LLC AND
URBAN HERITAGE CHICAGO BLACKSTONE HOTEL LLC
REDEVELOPMENT AGREEMENT

This First Amendment to Blackstone Hotel Developer LLC and Urban Heritage Chicago Blackstone Hotel LLC Redevelopment Agreement (this "**Amendment**") is made as of this 19th day of January, 2007, the date that the conditions described in Article IV of this Amendment have been complied with to the City's satisfaction (the "**Effective Date**") by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), acting by and through its Department of Planning and Development ("**DPD**"), Blackstone Hotel Developer LLC, a Delaware limited liability company ("**BHD**"), Urban Heritage Chicago Blackstone Hotel LLC, a Delaware limited liability company ("**UHC**") and Sage Blackstone, Inc., a Colorado corporation ("**SBI**") (collectively, BHD, UHC and SBI shall be referred to herein as the "**Developer**").

RECITALS

A. **Constitutional Authority:** As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "**State**"), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. **Statutory Authority:** The City is authorized under the provisions of the **Tax Increment Allocation Redevelopment Act**, 65 ILCS 5/11-74.4-1 et seq., as amended from time

to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. **City Council Authority:** To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on November 28, 1990: (1) An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Central Station Redevelopment Project Area; (2) An Ordinance of the City of Chicago, Illinois Designating the Central Station Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act; and (3) An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Central Station Redevelopment Project Area (the "**TIF Adoption Ordinances**"). To expand the redevelopment area pursuant to the Act, the City Council adopted the following ordinances on August 3, 1994: (1) An Ordinance of the City of Chicago, Illinois for Approval and Adoption of a Redevelopment Project and Plan for the Near South Redevelopment Project Area; (2) An Ordinance of the City of Chicago, Illinois for Designation of the Near South Redevelopment Project Area as a Tax Increment Financing District Redevelopment Area; and (3) An Ordinance of the City of Chicago, Illinois for Adoption of Tax Increment Financing for the Near South Redevelopment Project Area (the "**TIF Expansion Ordinances**"). The TIF redevelopment project and plan were further amended by: (1) An Ordinance for the Approval of Amendment Number 2 to the Expanded Near South Tax Increment Financing Redevelopment Project and Plan on May 12, 1999 and (2) An Ordinance for the Approval of Amendment Number 3 to Near South Tax Increment Financing Redevelopment Project and Plan (the "**TIF Amendment Ordinances**", collectively referred to herein with the TIF Adoption Ordinances and the TIF Expansion Ordinances, as the "**TIF Ordinances**"). The redevelopment plan referred to above shall be known herein as the "**Redevelopment Plan**". The redevelopment project area referred to above shall be known herein as the "**Redevelopment Area**".

D. **The Agreement:** Pursuant to an ordinance adopted by the City Council on November 1, 2005 (the "**Project Ordinance**"), the City entered into that certain Blackstone Hotel Developer LLC and Urban Heritage Chicago Blackstone Hotel LLC Redevelopment Agreement dated as of December 20, 2005 and recorded on December 22, 2005 as Document Number 0535627033 in the Office of the Cook County Recorder of Deeds (the "**Agreement**") with UHD and BHD.

E. **The Project:** Pursuant to and as contemplated by the Agreement, UHC has purchased (the "**Acquisition**") certain property located within the Redevelopment Area at 636 South Michigan Avenue, Chicago, Illinois 60605 and legally described on **Exhibit B** to the Agreement and hereto (the "**Property**"), commonly known as the Blackstone Hotel, designated a Chicago Landmark on April 29, 1998, and, within the time frames set forth in the Agreement, the Developer shall commence and complete rehabilitation of an approximately 291,000 square foot Marriott Renaissance Hotel (as further described in the Agreement, the "**Facility**") thereon. The Facility and related improvements were referred to in the Agreement and shall be referred to herein as the "**Project**."

F. **Amendment to Agreement; Consent.** In connection with obtaining New Markets Tax Credits and Lender Financing, BHD, UHC and SBI have requested that (a) the Agreement be amended to add SBI as a Developer, and (b) the City consent to the execution and recording of New Mortgages against the Property. BHD, UHC and SBI also have requested that the Agreement be amended to reflect an updated Project Budget and updated MBE/WBE Budget.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. RECITALS

The foregoing recitals are hereby incorporated into this Amendment by reference and made a contractual part hereof.

ARTICLE II. DEFINITIONS

All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Agreement.

ARTICLE III. AMENDMENTS TO AGREEMENT

A. **Project Budget; MBE/WBE Budget.**

1. **Exhibit G-1** to the Agreement, Project Budget, and **Exhibit G-2** to the Agreement, MBE/WBE Budget, are deleted in their entirety and replaced by **Exhibits G-1** and **G-2**, respectively, to this Amendment.

2. **Section 4** of the Agreement is amended by deleting in its entirety **Section 4.01** and replacing it with the following:

4.01 Total Project Cost and Sources of Funds The cost of the Project is estimated to be \$121,037,732, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.03(b) and 4.06) [includes Project Equity of \$1,100,000, Marriott payment of \$2,000,000 pursuant to the Franchise Agreement, New Markets Tax Credits of \$9,300,000 and Historic Tax Credits of \$12,223,087]	\$ 24,623,087
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Lender Financing [includes Prudential Permanent Loans of \$28,199,628, CDE Loan of \$30,400,000 and Mezzanine Loan of	\$ 78,414,645
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\$19,364,042 (see Note 1)]

Estimated City Funds (subject to Section 4.03)

Construction Phase Assistance	\$ 12,000,000
City Note (see Note 2)	\$ 6,000,000

ESTIMATED TOTAL **\$121,037,732**

Notes:

(1) The Mezzanine Loan shall be in such amount which, together with the Construction Phase Assistance and the Lender Financing and Equity described above, shall be sufficient to complete the Project.

(2) The issuance of the City Note will not occur until the Certificate is issued and the conditions described elsewhere in this Agreement have been satisfied.

3. Section 4.03(e) of the Agreement is amended by deleting in the first sentence and third sentence the phrase “the Project Budget” and inserting in its stead the phrase “\$112,255,766”.

B. Addition of SBI as a Developer.

1. The first paragraph of the Agreement is amended by deleting in its entirety the phrase “Blackstone Hotel Developer LLC, a Delaware limited liability company (“**BHD**”) and Urban Heritage Chicago Blackstone Hotel LLC, a Delaware limited liability company (“**UHC**”)(collectively, BHD and UHC shall be referred to herein as the “**Developer**”)” and replacing it with the following:

Blackstone Hotel Developer LLC, a Delaware limited liability company (“**BHD**”), Urban Heritage Chicago Blackstone Hotel LLC, a Delaware limited liability company (“**UHC**”) and Sage Blackstone, Inc., a Colorado corporation (“**SBI**”)(collectively, BHD, UHC and SBI shall be referred to herein as the “**Developer**”)

2. Section 2 of the Agreement is amended by deleting in its entirety the definitions of “City Funds,” “City Note” and “Mezzanine Loans” and replacing them with the following:

“City Funds” shall mean (a) with respect to the Construction Phase Assistance, the funds described in Section 4.03(b) hereof and (b) with respect to the City Note, the funds paid to BHD or, if the SBI Conditions have been satisfied, to SBI, pursuant to the City Note.

“City Note” shall mean the City of Chicago Tax Increment Allocation Revenue Note (Blackstone Hotel Redevelopment Project), Taxable Series A, to be in the form attached hereto as Exhibit L, in the maximum principal amount of the lesser of \$6,000,000 or 5.345% of \$112,255,766.00, subject to adjustment as provided in Section 4.03, issued by the City to BHD or, if the SBI Conditions have been satisfied, to SBI.

The City Note shall bear interest at the Interest Rate and shall not provide for accrued, but unpaid, interest to bear interest at the same annual rate.

“Mezzanine Loan” shall mean the loan from Blackstone Mezzanine Lender, LLC to BHD in the approximate principal amount of \$19,364,042 or such other amount which, together with the Construction Phase Assistance, Lender Financing and Equity described in **Section 4.01** hereof, shall be sufficient to complete the Project, such loan having a term of 10 years and secured by a Mortgage, Security Agreement and Fixture Filing.

3. **Sections 2 and 16** of the Agreement are amended by adding the following defined terms:

“CDE Loan” shall mean the loan from Hospitality Fund II, LLC to BHD in the maximum principal amount of \$30,400,000, such loan having a term of eight years and secured by a Mortgage, Security Agreement and Fixture Filing.

“Construction Contract Amendment” shall mean an amendment to the Construction Contract adding SBI as a party to the Construction Contract with an effective date on or before the date the General Contractor begins to perform any work constituting TIF-Funded Improvements for which SBI may seek reimbursement from the City.

“New Mortgages” shall mean mortgages securing the CDE Loan, the Prudential Permanent Loans, the New Prudential Bridge Loan and the Mezzanine Loan.

“New Prudential Bridge Loan” shall mean the loan from Prudential to BHD in the approximate amount of 48,950,724 with a maturity date of July 1, 2008, guaranteed by SBI and one or more additional guarantors.

“Prudential Permanent Loans” shall mean (a) the loan from Prudential to UHD in the maximum principal amount of \$11,581,628 and (b) the loan from Prudential to BHD in the maximum principal amount of \$16,618,000, each such loan having a term of eight years, each such loan secured by a Mortgage, Security Agreement and Fixture Filing and each such loan guaranteed by one or more guarantors.

“SBI Conditions” shall mean the delivery to the City not later than June 1, 2007 of a copy of the fully-signed and certified Construction Contract Amendment.

4. **Section 4.03(b)** of the Agreement is amended by deleting in its entirety clause (ii) and replacing it with the following:

(ii) *Second Payment*: 33 1/3% of the Construction Phase Assistance will be paid to BHD or, if the SBI Conditions have been satisfied, to SBI upon the issuance of a Certificate;

5. **Section 4.03(c)** of the Agreement is amended by deleting in its entirety the first sentence thereof and replacing it with the following:

Subject to the terms and conditions of this Agreement, including but not limited to this **Section 4.03** and **Section 5** hereof, the City hereby agrees to issue the City Note to BHD or, if the SBI Conditions have been satisfied, to SBI upon the issuance of a Certificate.

6. **Section 7.01** of the Agreement is amended by adding the following sentence directly after the sentence ending with "...the consent decree described in **Section 8.23**" and directly before the sentence starting with "DPD shall respond to the Developer's written request...":

Prior to or simultaneous with the issuance of a Certificate, the Developer and Blackstone Mezzanine Lender, LLC shall have executed the loan documents associated with the Mezzanine Loan (in forms substantially similar to those previously approved by the City), including, but not limited to, the Loan Agreement, the Mortgage, Security Agreement and Fixture Filing and a Note, and Developer shall have delivered copies of the same Loan Agreement, Mortgage, Security Agreement and Fixture Filing and Note to the City.

7. **Section 8.01** of the Agreement is amended by deleting in its entirety **Section 8.01(a)** and replacing it with the following:

(a) Developer, except for SBI, is a Delaware limited liability company, and SBI is a Colorado corporation, each duly organized or incorporated, validly existing, qualified to do business in its state of organization or incorporation and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

ARTICLE IV CONDITIONS TO EFFECTIVENESS

As used in this Article IV, the "**Agreement**" means the Agreement as amended by this Amendment.

A. **Financing.** The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in **Section 4.01** of the Agreement to complete the Project and satisfy its obligations under the Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Effective Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with other sources set forth in **Section 4.01**) to complete the Project. The Developer has delivered to DPD a copy of the Escrow Agreement, if such Escrow Agreement has been entered into on or before the Effective Date.

B. **Evidence of Clean Title.** SBI, at its own expense, has provided the City with searches under SBI's name as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against SBI, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

C. Opinion of Developer's Counsel. On the Effective Date, Developer has furnished the City with an opinion of counsel, substantially in the form attached to the Agreement as Exhibit I, with such changes as required by or acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit I to the Agreement, such opinions were obtained by Developer from its general corporate counsel.

D. Financial Statements. SBI has provided Financial Statements to DPD for its three most recent fiscal years and audited or unaudited interim financial statements, or evidence of its recent formation.

E. Corporate Documents; Economic Disclosure Statement. SBI has provided a copy of its Articles of Incorporation containing the original certification of the Secretary of State of the State of Colorado; certificates of good standing from the Secretary of State of the State of Colorado and all other states in which SBI is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation; a certified copy of the Amended and Restated Operating Agreement of BHD, and such other corporate documentation as the City has requested. SBI has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

F. Other Documents. SBI has provided such other documents, agreements, instruments, certificates and affidavits as the City may require pursuant to all federal, state or local statutes, laws, regulations, ordinances, executive orders, codes, rules, orders, licenses, judgments, decrees or requirements. If required by DPD, DPD has received results of scofflaw and child support searches with respect to applicable principals of SBI indicating that no debts are owed.

G. Litigation. SBI has provided to Corporation Counsel and DPD, a description of all pending or, to the best of SBI's knowledge, threatened litigation or administrative proceedings involving SBI, specifying, in each case, the amount of each claim, an estimate of

probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

ARTICLE V CONSENT

A. Use of Loan Proceeds. UHD, BHD and SBI represent, warrant and covenant that the proceeds of the New Prudential Bridge Loan, the Prudential Permanent Loans, the Mezzanine Loan and the CDE Loan will be used solely to fund the costs to complete the Project.

B. Consent. Pursuant to **Section 16** of the Agreement, the City hereby consents to the making of the New Mortgages and such New Mortgages shall be deemed to be Permitted Mortgages as that term is used in the Agreement.

ARTICLE VI. MISCELLANEOUS

A. Acknowledgement. By executing this Amendment, SBI hereby joins in the Agreement as amended by this Amendment and assumes and agrees to perform all of the duties, obligations, terms, covenants, and conditions of a Developer and of SBI under the Agreement as amended by this Amendment, whether pursuant to applicable law or otherwise, and arising from and after the Effective Date.

B. Extent of Amendment. Except as amended hereby, the Agreement remains in full force and effect.

C. Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

D. Counterparts; Recording. This Amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement. The Developer shall cause one original counterpart of this Amendment, including all Exhibits, to be recorded and filed immediately following the Effective Date in the conveyance and real property records of Cook County, Illinois. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Amendment showing the date and recording number of record.

E. Severability. If any provision in this Amendment, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Amendment shall be construed as if such invalid part were never included herein and the remainder of this Amendment shall be and remain valid and enforceable to the fullest extent permitted by law.

F. Conflict. In the event of a conflict between any provisions of this Amendment and the Agreement, this Amendment shall prevail and control.

G. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

H. Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

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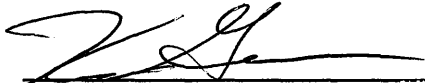
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first above written.

URBAN HERITAGE CHICAGO BLACKSTONE HOTEL LLC, a Delaware limited liability company

By: Sage Chicago, LLC, a Colorado limited liability company, its managing member

By: Sage Hexagon Holdings, LLC, a Colorado limited liability company, its manager

By: Sage Investment Holdings, LLC, a Delaware limited liability company, its manager


By: 
Name: Kenneth J. Geist
Title: Executive Vice President

BLACKSTONE HOTEL DEVELOPER LLC, a Delaware limited liability company

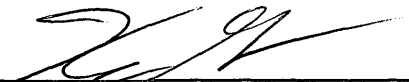
By: Sage Chicago, LLC, a Colorado limited liability company, its manager

By: Sage Hexagon Holdings, LLC, a Colorado limited liability company, its manager

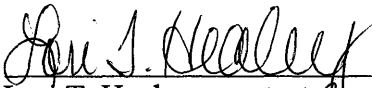
By: Sage Investment Holdings, LLC, a Delaware limited liability company, its manager

By: 
Name: Kenneth J. Geist
Title: Executive Vice President

SAGE BLACKSTONE, INC., a Colorado corporation

By: 
Name: Kenneth J. Geist
Title: Executive Vice President

**CITY OF CHICAGO, acting by and through its Department of
Planning and Development**

By: 
Name: Lori T. Healey *RL by SA*
Title: Commissioner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the Undersigned, a notary public in and for the said County, in the State aforesaid, DO
HEREBY CERTIFY that Kenneth J. Geist, personally known to me to be the Executive Vice-
President of Sage Investment Holdings, LLC, which is the manager of Sage Hexagon Holdings,
LLC, which is the manager of Sage Chicago, LLC, which is the manager of **Blackstone Hotel
Developer LLC**, a Delaware limited liability company ("BHD"), and personally known to me to
be the same person whose name is subscribed to the foregoing instrument, appeared before me
this day in person and acknowledged that he signed, sealed, and delivered said instrument,
pursuant to the authority given to him by the Members of BHD, as his free and voluntary act and
as the free and voluntary act of BHD, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 19th day of January, 2007.



[Handwritten Signature]

Notary Public

My Commission Expires 10.23.10

(SEAL)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the Undersigned, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Kenneth J. Geist, personally known to me to be the Executive Vice-President of Sage Investment Holdings, LLC, which is the manager of Sage Hexagon Holdings, LLC, which is the manager of Sage Chicago, LLC, which is the managing member of **Urban Heritage Chicago Blackstone Hotel LLC**, a Delaware limited liability company ("UHC"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Members of UHC, as his free and voluntary act and as the free and voluntary act of UHC, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 19th day of January, 2007.



[Handwritten Signature]

Notary Public

My Commission Expires 10.23.10

(SEAL)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the Undersigned, a notary public in and for the said County, in the State aforesaid, DO
HEREBY CERTIFY that Kenneth J. Geist, personally known to me to be the Executive Vice-
President of **Sage Blackstone, Inc.**, a Colorado corporation ("SBI), and personally known to me
to be the same person whose name is subscribed to the foregoing instrument, appeared before me
this day in person and acknowledged that he signed, sealed, and delivered said instrument,
pursuant to the authority given to him by board of directors of SBI, as his free and voluntary act
and as the free and voluntary act of SBI, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 19th day of January, 2007.



[Handwritten Signature]

Notary Public

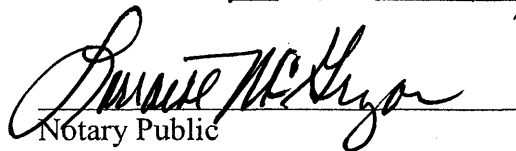
My Commission Expires 10.23.10

(SEAL)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, LORRAINE MCGREGOR, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Lori T. Healey, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 16 day of JANUARY, 2006.



Notary Public

My Commission Expires 12-29-07

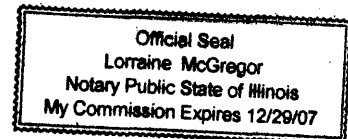


EXHIBIT B

The Property

Lot 9 in Block 13 in Fractional Section 15, Township 39 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

Property Index Number: 17-15-301-013

Commonly known as 636 South Michigan Avenue

EXHIBIT G-1
PROJECT BUDGET

Attached.

The Blackstone, A Renaissance Hotel

	Budgeted Cost
LAND / BUILDING COST	
Land/Building	\$18,050,000
Due Diligence	55,387
Acquisition Closing Costs	100,000
Total Land & Building	\$18,205,387
PROJECT SOFT COSTS	
Architectural & Engineering	\$6,063,500
Interior Design Development	645,000
Consultants Services Fees	615,000
Environmental Investigation Reports	110,000
Project Devt. Related Legal Fees	1,100,000
Subtotal Design & Pre-Developmt.	\$8,533,500
Project Accounting	\$300,000
Franchise Development Review Fee	66,400
Building Operations	500,000
TIF Fee	200,000
Developer's G&A Expenses	1,050,000
JPMorgan Const. Monitoring Fee	150,000
Subtotal Project Overhead	\$2,266,400
Total Project Soft Costs	\$10,799,900
CONSTRUCTION COSTS	
Direct Construction Hard Costs	HC \$46,055,000
Exterior Façade Restoration / Roof Repairs	HC 10,800,000
Environmental Remediation	HC 810,000
Building Permits and Fees	545,000
Construction Cost Contingency	2,723,000
General Contractor's Total	\$60,933,000
Sitework & Utilities Onsite Servicing	\$0
Tap/Utility Fees	300,000
Insurance & Bonds	250,000
Construction Materials Testing Costs	75,000
Bldg. Signage, Interior & Exterior	150,000
Developer's Total	\$775,000
Total Construction Costs	\$61,708,000
FINANCING COSTS	
FEES Construction	\$727,789
FEES Permanent	53,000
Lender Market Study & Appraisal	25,000
Loan Financing Legal Fees	400,000
Title Policy	75,000
Construction Period Interest	3,384,507
Equity Bridge Loan Interest	1,522,982
Total Financing Costs	\$6,188,279
FURNITURE, FIXTURE & EQUIPMT.	
Furniture & Fixtures	\$6,616,399
Phone & TV Equipment	1,978,500
Kitchen Equipment	250,000
Total FF&E Costs	\$8,844,899
PRE-OPENING EXPENSES	
Advertising & Promotion	\$705,735
Operating Equipment	1,665,552
Franchise Fees	150,000
Pre-Opening Operations & Supplies	1,165,725
Working Capital Investment	400,000
Total Pre-Opening Costs	\$4,087,012
TOTAL DEVELOPMENT COSTS	\$109,833,477
Development Fee	\$4,400,914
General Project Contingency	\$4,617,624
TOTAL PROJECT COSTS BEFORE INTEREST RESERVE	\$118,852,015
Interest Reserve	\$2,185,717
TOTAL PROJECT COSTS	\$121,037,732

EXHIBIT G-2

MBE/WBE BUDGET

Attached.

MBE/WBE Eligible Costs

HARD COSTS

Environmental Remediation	200,000
Demolition	2,500,000
Sitework	225,000
Structural Infill	2,775,000
Façade Restoration and Terra Cotta	1,000,000
Framing and Rough Carpentry	825,000
Special Roofing and Thermal Protection	1,200,000
Windows and Glazing	1,880,000
Doors and Hardware	425,000
Interior Historic Restoration	500,000
Drywall	4,250,000
Interior Finishes	5,349,000
Elevators	1,855,000
Plumbing	3,600,000
Fire Protection	1,000,000
HVAC and Temperature Controls	4,500,000
Electrical	5,720,000
General Contractor Fee	-
General Conditions	3,500,000
Insurance/Permits/Bonds/Tap Fees	-
Contractor Contingency	-
Subtotal	41,304,000

PROJECT SOFT COSTS

Architectural & Engineering	2,300,000
Arch/Engineering Reimbursables	-
Interior Design Development	-
Consultants Services Fees	-
Environmental Investigation Reports	-
Project Devt. Related Legal Fees	-
Project Accounting & Tax Structuring	-
Franchise Development Review Fee	-
Building Operations	-
Developer's G&A Expenses	-
JPMorgan Const. Monitoring Fee	-
Subtotal	2,300,000

Total 43,604,000

Note:

MBE participation shall be 24% of \$43,604,000 (i.e. \$10,464,960) and WBE participation shall be 4% of \$43,604,000 (i.e. \$1,744,160).