

THE METROPOLIS ON STATE LIMITED PARTNERSHIP
An Illinois limited partnership
a Chicago development
as of May 2004

Metropolis will be a new development of 169 residential condominiums, limited office space and parking in the very heart of the Loop. The Metropolis on State Limited Partnership, an Illinois limited partnership formed by PC Home Investors, Inc. provided \$3,500,000 of equity capital to a joint venture which has acquired the existing 19-story office building at 36 South State Street in Chicago. The site is in the heart of Chicago's Loop on the northwest corner of State and Monroe. Conversion of this building to condominium residences began in July 2004. The sales office, which is on the first floor of the building opened in July 2004. This sales



center at 8 W. Monroe is immediately adjacent to the Shubert Theater and will become the entrance lobby for the residences. The venture partner includes William Warman, the principal of WOW Development LLC, a Chicago based builder and Keith Giles one of the principals of Frankel & Giles, a highly regarded South Loop marketing company. Mr. Warman is a licensed architect and has seventeen years experience in developing successful Chicago residential properties. Keith Giles has also been involved in numerous successful South Loop developments. Partnerships formed by PC Home Investors have previously invested in five developments with Mr. Warman and one with Mr. Giles.

The residential component will become a mix of eleven typical styles of condominium plans ranging in size from 700 to 1,329 square feet at prices ranging from \$191,800 to \$441,800. Initial base prices average \$295 per square foot – a highly competitive price point in the Loop and the smaller unit sizes keep the total price of each unit affordable. The 65 parking spaces are priced at \$47,500 each. This adaptive reuse development will have very limited

direct competition as the only nearby competing new project in the Loop is at a considerably higher price point (\$200 per square foot more). The Partnership anticipates that all 169 condominiums will be sold and closed during the fourth quarter 2006 so the Venture should be completed within 32 months.

To fund its investment, the Partnership raised \$3,600,000 of capital, of which \$1,350,000 was from the sale of Class A Partnership Promissory Notes, \$600,000 from the sale of Class B Promissory Notes, \$1,150,000 from interim bank debt and \$500,000 of equity invested by the Limited and General Partners. Affiliates of the General Partner have acquired the \$600,000 of Class B Notes which are junior to the Class A Notes.