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- 1) Des Plaines Oasis Closure**
 - 2) Oases Parking Lot Rebuild**

September 26, 2013

Des Plaines Oasis Closure

Background

- ❑ Tollway has 25-year lease with master leaseholder SFI (through 2027)
- ❑ Demolition required for the I-90 Rebuilding and Widening Project by April 2014 and needed to complete the Elgin O'Hare Western Access Project
- ❑ Oasis recapture mechanics stated in lease (six months advance notice)
- ❑ SFI's lease contains "compensation formula" (Sec.15.1) for paying to close an oasis
- ❑ Dealings with oasis tenants (sub-lessees of SFI) are SFI's responsibility

Des Plaines Oasis Closure

Valuation Mechanics Agreed With SFI

- ❑ Sec. 15.1 calls for straight-line depreciation of improvements (using 39-year life under IRS rules)
- ❑ “Agreed value” of improvements = \$83,200,000 (ties back to original construction loan for oases build-outs)
- ❑ $\$83,200,000 \div 7$ (# of oases) = \$11,885,714.29 (used as original value of the Des Plaines Oasis)
- ❑ \$11,885,714.29 depreciated (monthly at \$25,435.43 per IRS rule) through April 2014 = \$9,316,735.20
- ❑ \$500,000 paid from SFI’s Renewal and Replacement Account and \$8,816,735.20 balance paid by Tollway approximately March 1, 2014

Oases Parking Lots Rebuild

Background

- ❑ SFI currently “maintains” the Tollway oases parking lots, but is not required to reconstruct
- ❑ Decades-old parking lots are beginning to show structural concerns – Tollway and SFI agree reconstruction is sensible at this time
- ❑ Engineering estimate/budget \$16,850,103 (11 total lots, Des Plaines not included)

Oases Parking Lots Rebuild

Cost Sharing Terms

- ❑ Six oases lots to be rebuilt
- ❑ Tollway leads the procurement, design and construction responsibilities
- ❑ SFI agrees to contribute \$8.5 million
 - New money (approximately \$6.6 million)
 - SFI Renewal and Replacement Account (\$500,000)
 - 7-Eleven Renewal and Replacement Account (\$1.44 million)
- ❑ As the Notices to Proceed are issued for each lot, SFI will contribute its pro rata share (1/11th per lot) of its financial commitment

Oases Parking Lots Rebuild

Maintenance

- ❑ Reconstruction will begin in 2014 and proceed as quickly as reasonable construction practices allow
- ❑ SFI will retain maintenance responsibilities for each lot until the earlier of (i) the issuance of the Notice to Proceed with the reconstruction of the respective oasis parking lot or (ii) December 31, 2015
- ❑ Upon acceptance of each reconstructed parking lot, the Tollway will assume structural maintenance responsibility for the balance of the lease term
- ❑ SFI will retain non-structural parking lot maintenance responsibilities – striping, sweeping and snow plowing