

MICHAEL V. O'BRIEN
CITY MANAGER



CITY OF WORCESTER

June 13, 2006

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

The City Administration has successfully concluded negotiations with Berkeley (hereinafter "Developer") to produce the legal documents enabling the CitySquare Project to proceed forward. CitySquare (hereinafter "Project") revitalizes 20.2 acres in the heart of our Downtown and transforms a monolithic, sprawling mall complex and monolithic use into a vibrant, pedestrian-friendly, transit-oriented mixed-use urban center that reconnects our City. These documents include: the General Development Agreement, the Land Lease for the Public Parking Garage, an Operation and Allocation Agreement Governing the Public Parking Garage, and Easements and other property conveyances associated with this dynamic Project. These documents are contained with the attached binder.

I can report that the texts of these critical documents have been fully agreed upon by the City and the Developer as to form and content and are ready, upon proper legal authorization, for signature by both parties and implementation after long and sometimes challenging good-faith negotiations. The General Development Agreement (hereinafter "GDA") and related legal documents maintain the spirit and the intent of the Memorandum of Agreement (hereinafter "MOA"). On all key points, they elaborate and articulate the "measured risk" principles of the MOA in legally binding detail.

This memorandum highlights the terms and the conditions of these legal agreements as further developed and elaborated upon from the Memorandum of Agreement executed by and between the Developer and the City last May. The report also describes the further actions necessary by the City Council, State Legislature, State Agencies and State Officials to proceed.

City Investment:

The total amount of City and State funds allocated to this Project remains at the levels as presented and approved at the culmination of the MOA process (\$89.085M). The overall Project budgets for the Direct and Delegated Public Elements have been adjusted to reflect the receipt of federal grants, increases in net project revenues and increases in the Developer's financial commitments to the project. The Public Elements referenced are the design and the construction of the new public underground garage, the new streets/ streetscape and related infrastructure improvements. The Delegated Public Elements are those public DIF improvements the City will have the Developer undertake on behalf of the City (by and through the Special Legislation). The Direct Elements are those public DIF improvements the City will undertake directly. Other important points are as follows:

- The City's Contingency for the Delegated Elements has increased from the MOA amount of \$8.05M to \$10.05M.
- Specific, but limited, areas of road construction, previously detailed in the MOA as Delegated Elements, have been shifted to Direct Elements to be undertaken by the City.
- The increase in the Contingency and the shift to Direct Elements are offset by additional Federal Grant funds now factored into the proforma. Much credit for the flexibility in the negotiations to address these items must be credited to Congressman James P. McGovern and Senators Kennedy and Kerry for the nearly \$7M in Federal Funding made available for this Project.

Developer Investment:

The Developer's investment in the Delegated Elements has increased and the timing of the Developer's investment is now advanced in the timetable of the Project:

- The Developer's Contingencies are to be secured by Letters of Credit, the equivalent of cash.
- The Developer's Contingency for the Public Delegated Work has also increased by \$2M to \$10.05M to match the City's Contingency.
- The Developer will post a \$3M Letter of Credit available as a Contingency in the early stages of this Project to address potential cost over-runs on the demolition and the utility work associated with the former mall and garages.
- The Developer will post a \$2M Letter of Credit available for Debt Service and Revenue Shortfalls, in essence mitigating some of the risk for Project delays to ensure the City is in a position to make payments due on the City issued DIF bonds.

Disbursement of Funds

The disbursement of City funds into the Project maintains the measured risk approach found in the MOA and fundamental to any District Improvement Financing Plan. At the same time, the General Development Agreement and related legal documents recognize the complexities of the timing of the design, the engineering and the financing of the public and the private project elements, many of which will share a common foundation within the Public Parking Garage.

Initial Disbursement. The Initial Disbursement of City Funds remains limited to the MOA designated amount of up to \$10M. Per the MOA, this GDA step includes the eminent domain takings of the easements for the new urban-scale street pattern within the former mall property (they become final), transfers the deed of the Vacuum Cleaner Parcel on Washington Square to the City, and relieves the City of the former obligations to construct a skywalk over Worcester Center Boulevard connecting the Union Station Bus Ports with the old-mall parking garage. This Initial Disbursement will pay for DIF eligible project expenses made by the Developer on the City's behalf prior to enactment of the Special Legislation and signing of the General Development Agreement (estimated to be approximately \$6.5M). These expenses are eligible under the DIF Program and all requests for payment will be verified as eligible by Tishman, the City's Construction Manager. The balance of this Disbursement (estimated to be approximately \$3.5 M) will be applied to finance the furtherance of the design and engineering plans for the Public Parking Garage and the Public Street Construction. Payment for this design work will be made when, and as, this work is performed and these designs and related costs are verified by Tishman. This advancement of the design and engineering is key to timing of the project. The design of the garage needs to occur first in a complex construction program where most of the private elements are built upon the underground Public Garage.

Second Disbursement - Written Commitments. The Second Disbursement of City Funds will occur when the Developer demonstrates to the City that it has secured end-user/occupant commitments and debt and equity financing to enable at least two of three "Trigger" buildings to proceed to construction. The Trigger Buildings (See Attached Plan) are Project Building H (medical office), Building J (commercial office) and Building F (residential-condominium). This Second Disbursement of City Funds will provide for the demolition of a large portion of the former mall property (to include large portions of the above ground garages) and for the site

preparation of the property for the construction of the new Public Parking Garage and the new streets and streetscape. The City's obligation for this Disbursement is the first \$18.5M for this scope with the Developer obligated to advance up to \$3M in Contingency by and through a Letter of Credit to address cost overruns beyond that prescribed amount. Tishman, as the City's Construction Manager, will monitor this work and will verify/ confirm each and every payment request for this work as it proceeds. Under this step, the Developer will continue to further the design and the engineering for the Public Underground Garage and the streets and streetscapes and continue to further the design and the engineering for the trigger buildings at the Developers expense. Also, with and upon the release of City funds, the Developer will post a \$1M Letter of Credit to provide the City with a secure source of funds to repay the bonds drawn upon for the Second Disbursement should the Project not proceed to the Third Disbursement and not produce sufficient property tax revenue after 24 months to cover the debt service obligated on this Second Disbursement.

Another facet of the Second Disbursement is the ability of the Developer to place advance orders for the structural steel and sitework packages for the Public Parking Garage. This will likely be necessary because of the long lead times required for the forging of structural steel and will enable the timetable for the Public Garage to be advanced to meet the timetables established by the end-user/occupants then-committed to the Trigger Buildings. The City would incur a liability risk not to exceed \$750,000 in the extraordinary event that the structural steel order would need to be cancelled before delivery. The Developer also incurs this same liability risk for they will also place their structural steel order at the same time (economies of scale). The MOA's Second Disbursement was the balance of the Delegated Element Costs (estimated then at \$69M) distributed by payments over the life of the construction of the Delegated Project Elements (with and upon Tishman's verification and approval). The GDA's Second Disbursement reflects additional checks and balances/ "measured risk" to facilitate and move the Project forward while the final designs and the final costs are achieved for both the Public Delegated Elements and the Developer's Trigger Buildings to ensure budget compliance and to reflect real estate market realities.

Third Disbursement – Garage Construction. The Third Disbursement of City Funds will provide for the construction of the Public Parking Garage and will be disbursed in monthly installments for work complete (as verified by Tishman). This Disbursement will occur only when the

Developer has completed the full extent of design and engineering for at least one commercial Trigger Building (Building H or Building J), has achieved a guaranteed maximum price for the construction of this Building, and has secured the final sign off of the build-to-suit owner or lease tenant (the cost of construction fully covered). The Developer will also have to verify they have advanced the second Trigger Building (most likely Building F, the Condominium Building) through Design Development. Also, the Developer must complete the design and the engineering of the Public Parking Garage and must achieve a guaranteed maximum price for the construction of this Delegated Element that is within prescribed budget and has verified the necessary funds remain to address the estimated costs of the Delegated streets and streetscapes. At the time of the Third Disbursement, the Developer will post a \$1-2M Letter of Credit which will provide the City with a source of funds should the expected (“target”) revenues fall short of the tax levy projections for the Phase One Buildings (Building H or Building J/ and Building F) if the same were built per schedule as set forth in the proforma financials for the Project. Finally, the Developer will post the balance of the unused \$10.05M of its Contingency in the form of a Letter of Credit.

Fourth Disbursement – Street Construction. The Fourth Disbursement of City Funds will provide for the construction of the new surface streets and new public sidewalks/ streetscape. The Fourth Disbursement would occur (in monthly installments for work completed as verified by Tishman) once the Developer has the design and the engineering scopes for this work complete, along with an acceptable guaranteed maximum price for the costs of these new streets and streetscapes that is within the Project budget.

Parking Garage

The construction and the maintenance of a first-class underground public parking garage are critical to the success of this Project, to the Buildings above and to the revitalization of our Downtown. The most significant change from the MOA occurs in the financing and the operation of the Public Parking Garage. The Developer’s requirements for the operational controls and the first-class maintenance standards (to meet tenant expectations) for the Public Parking Garage, upon which much of the private development will be built, exceeded the limitations of Federal Tax Law on the issuance of tax-exempt municipal bonds. The nature of

these controls now granted to the Developer will require the City to issue taxable debt for the Garage. The MOA terms and conditions remain to operate the new Public Parking Garage jointly with the remaining portion of the Developer's "Blue" Garage. However, the joint Operation and Allocation Agreement has increased the City's share of this joint operating revenue from 53% to 60% in order to compensate the City for the higher interest costs attendant to taxable bonds for the Public Garage portion of the Project.

Permit Fee Reduction Ordinance

The MOA provision that limited the permit fees charged to the Developer to \$2M remains intact, however, the schedule for the payment of that amount has changed from two equal installments of \$1M each (January 2006 and January 2007) to the following schedule:

- \$250,000 on 1st GDA disbursement
- \$750,000 on earlier of 6/15/08 or start of Enabling Work
- \$1M on earlier of 1/15/09 or start of construction of the Public Parking Garage.

In addition, the General Development Agreement now provides that pre-paid permit fees may be reimbursed to the Developer if there is an early termination of the project.

Updated Costs and Financial Projections

The following Sources and Uses Tables, as prepared by John P. Prankevicius, Chief Financial Officer, exhibit the major financial terms and conditions of this Project. The obvious factors having a favorable impact on the financial projections are the receipt of federal grant funds (as referenced previously), the projected receipt of the \$25M State commitment early and the 7% increase of the shared parking garage revenue (from the MOA 53% to 60%). The increase in interest rates (due to both the rising interest rate trend and to the change to taxable bonds for the Public Parking Garage) and the decrease in commercial tax rates (since the MOA proforma was approved) are the two factors that counter-balance these increases in project revenue estimates. The net end result is that the financial projections exhibit that the Project could require an appropriation of \$300K per year from the General Fund in the Fiscal Years of 2021 through 2026 (See Attached MOA and GDA Financial Projection Chart)

- USES TABLE

CitySquare General Development Agreement

Schedule of Uses

Delegated Public Elements

New Underground Garage	\$	38,550,000
Enabling Work		18,160,000
Streets/Streetscape/Garage Green Roof		8,580,000
Tenant Relocations		6,000,000
Architecture/Insurance/Other		5,440,000
Balance of City Contingency*		4,470,000
Delegated Costs	\$	81,200,000

Direct Public Elements

Capitalized Interest	\$	4,272,000
Worcester Center Boulevard Renovation		3,500,000
Project and Construction Management		2,000,000
Bond Issuance and Legal Oversight		1,685,000
Deposit to Reserve and Other		1,503,000
Direct Costs	\$	12,960,000
Total	\$	94,160,000

*contingency adjusted for rounding to nearest ten thousand

- SOURCES TABLE

CitySquare General Development Agreement

Schedule of Sources

DIF Bonds	\$	61,085,000
State Funding		25,000,000
Federal Funding		3,500,000
Permit Fees		2,000,000
Federal Development Grant		1,750,000
Loan Premiums		825,000
Total Funding Sources	\$	94,160,000

I believe that this potential exposure to the General Fund is again “measured risk” for these are conservative financial projections that factor only the Phase One project revenues. It does not include the net new property taxes and related parking garage revenues generated by the third Trigger Building and Phases Two and Three (Building K – and Building C2, both residential). It also excludes any enhancements to the development plan such as Building I and Building L.

Action Items:

- Special Legislation to be adopted by Legislature and Signed by Governor
- City Council hearing/action on revised DIF Program
- City Council action on modified Permit Fee Reduction Ordinance
- City Council action on an amendment to the Loan Authorization for the Project
- EACC vote on revised DIF Program
- GDA Executed

As you are aware, the Special Legislation is pending enactment in the Senate. I have asked our Delegation to make the necessary changes and to ensure that it is finally enacted by the Legislature and forwarded to the Governor for his signature forthwith. Procedurally, the DIF law requires that a public hearing be held *before* any DIF amendments can be submitted to a City Council for formal action. This was a concern at the commencement of the City Council DIF approval process last year. To address that concern, I am submitting this report to the City Council to initiate the review of these changes and to respectfully request that the City Council conduct the required public hearing by and through a joint meeting the Standing Committees on Commerce and Development and Public Works. I will ensure this hearing is conducted in accordance with DIF law requirements for a DIF public hearing (14 days public notice and transcribed by a stenographer). Upon successful completion of this step, I will respectfully submit to the City Council the formal request for the approval the DIF application amendment to conform with the GDA. At that time I will also respectfully submit a formal request that the \$2M Permit Fee Ordinance be amended (as noted above) to conform to the GDA schedule and an amendment to the Loan Authorization for the Project to reflect the Uses Statement contained with the GDA.

CitySquare is a tremendous project for the City and I am pleased the negotiations are now complete and the legal documents are now set for execution. The achievement of this milestone represents another major step forward in the revitalization of the heart of our great City. I wish to express my gratitude to Young Park, President of Berkeley Investments for the good faith negotiations and for his commitment and efforts to complete this milestone. I also wish to

express my gratitude to the City Council and this community for their patience and their support as we worked to achieve this landmark deal.

This step forward was not simple and this project is not risk-free, but rather is marked by measured risk balanced by achievable goals, all founded on the ideal that new tax property tax and garage revenues created by the Project's private investment will finance the complete cost of the public improvements and produce a far greater and immeasurable result on the vitality and success of our Downtown.

Respectfully Submitted,

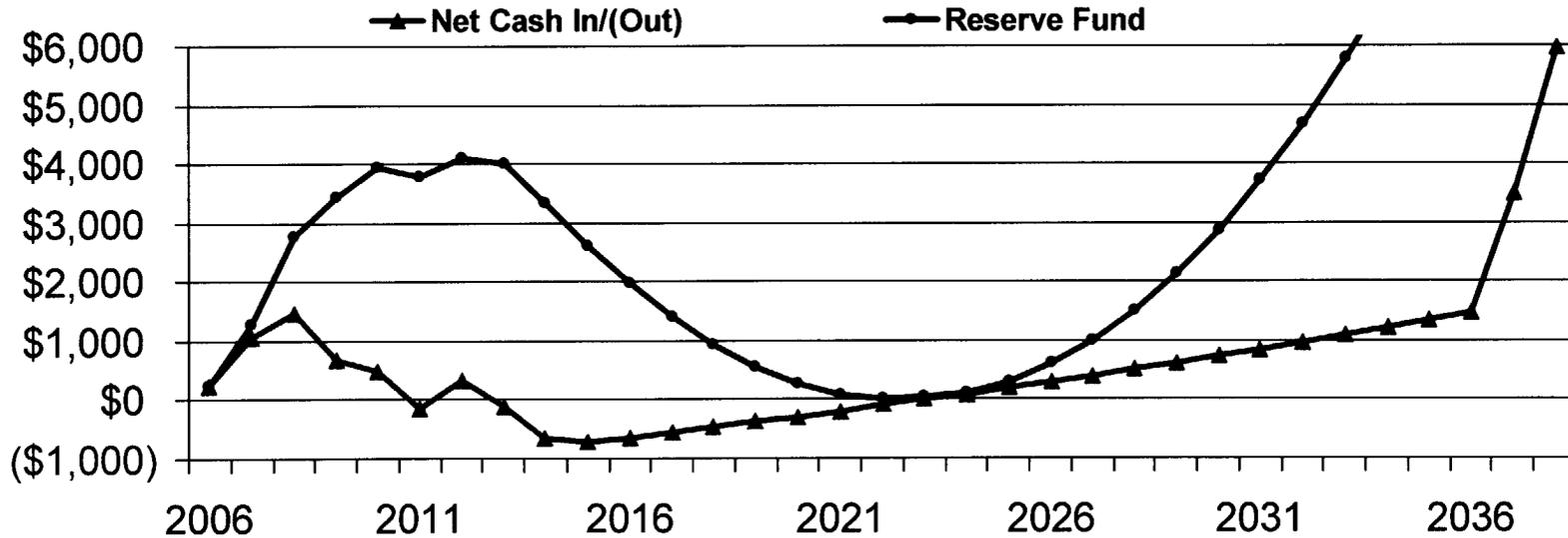
A handwritten signature in black ink, appearing to read "M. O'Brien", followed by a long horizontal line extending to the right.

Michael V. O'Brien
City Manager

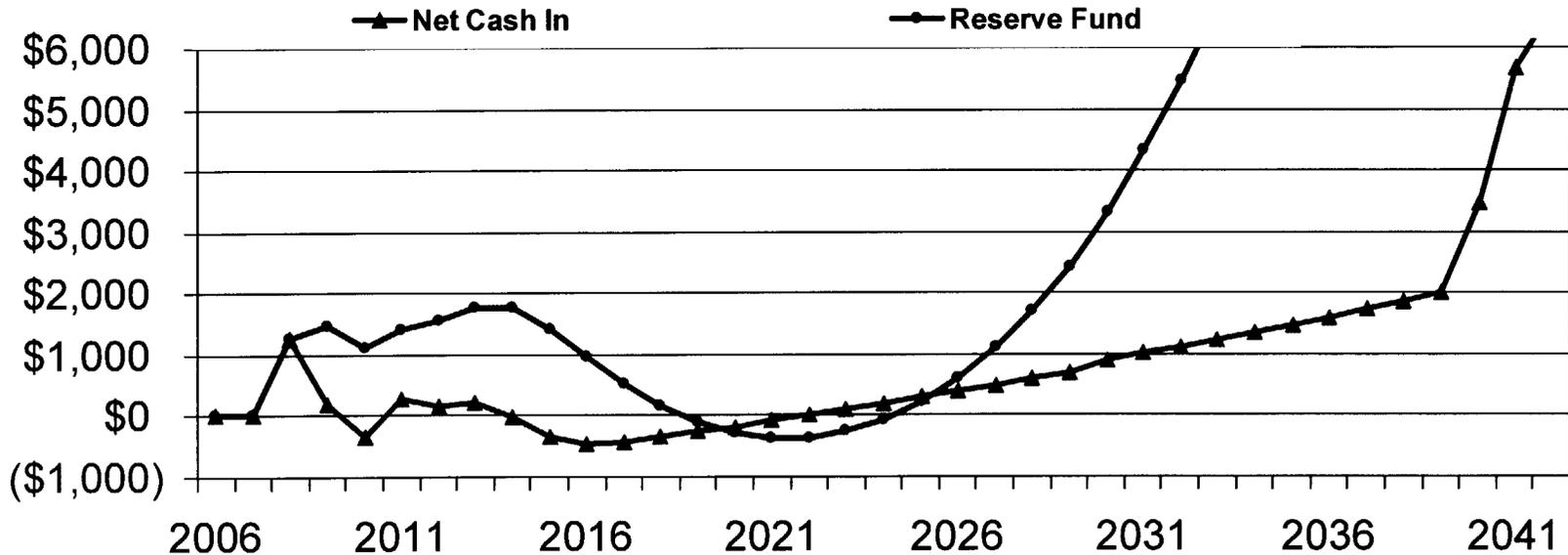
DIF Bond Reserve Fund: MOU vs. GDA Comparison

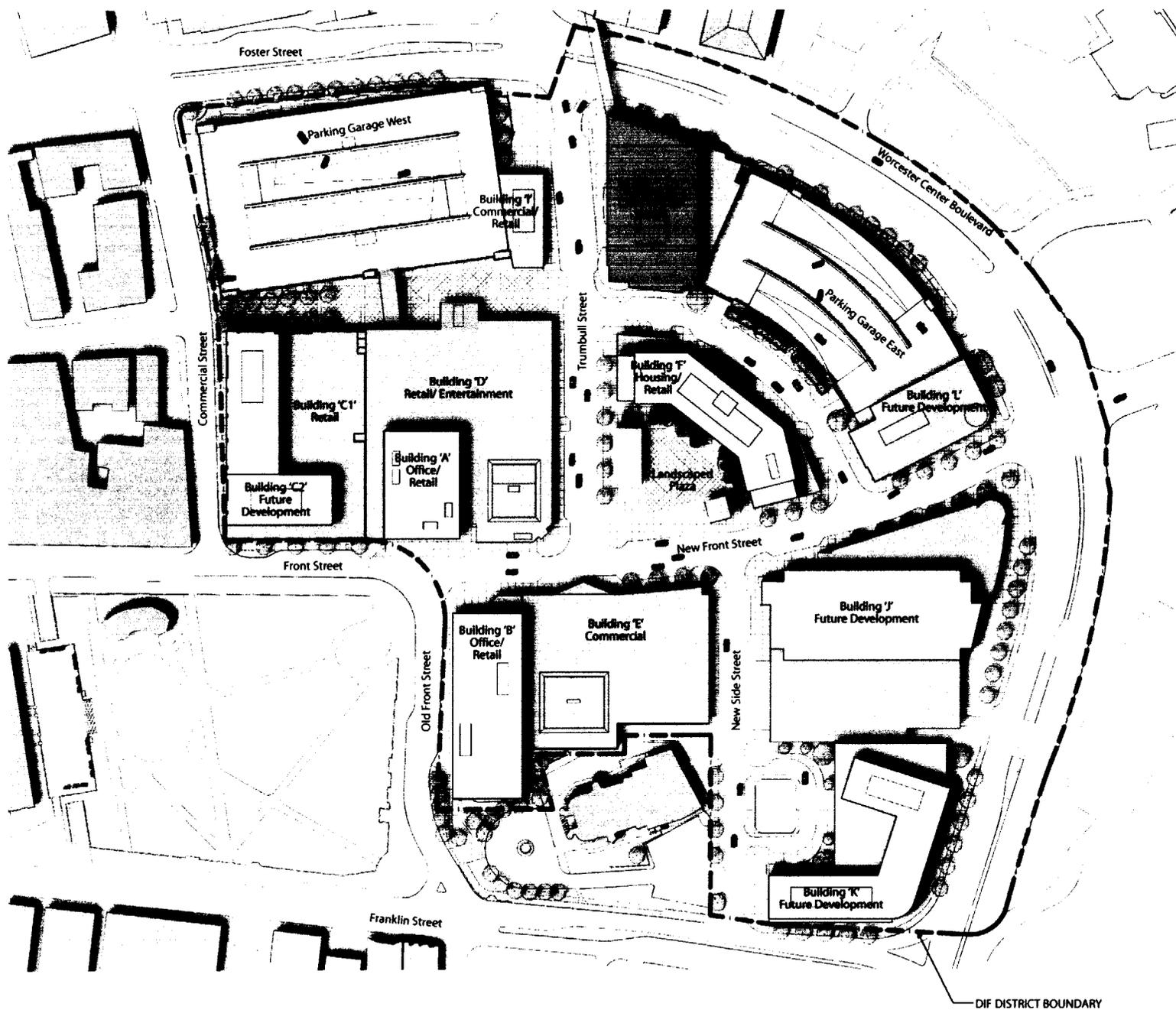
Amounts Expressed in Thousands

Graph 1.A Memorandum of Understanding DIF Bond Reserve Schedule



Graph 1.B General Development Agreement DIF Bond Reserve Schedule





City of Worcester, Massachusetts
Amendment to DIF Development Program

City of Worcester

Ordered that, pursuant to Chapter 40Q, Section 2(b) of the General Laws, the City of Worcester hereby amends the financial plan previously provided by the City to the State's Economic Assistance Coordinating Council ("EACC"), as part of the City's development plan submission to the EACC for approval of the CitySquare Development District, by substituting therefor the revised financial plan for the CitySquare Development District which is attached hereto as Exhibit A.

Further Ordered that, pursuant to Chapter 40Q, Section 2(b) of the General Laws, the City of Worcester hereby supplements the development program documents previously filed by the City with the EACC as part of the City's submission to the EACC for approval of the CitySquare Development District, by adding to the use restrictions on private property within the CitySquare Development District that are attached hereto as Exhibit B, in addition to the property use restrictions described in the development program documents previously submitted to the EACC in connection with the EACC's approval of the CitySquare Development District.

Further Ordered that, pursuant to Chapter 40Q, Section 2(b) of the General Laws, the City of Worcester hereby supplements the development program documents previously filed by the City with the EACC as part of the City's submission to the EACC for approval of the CitySquare Development District, by substituting the legal description of the CitySquare Development District included as Exhibit N in such documents, with the legal description of the CitySquare Development District attached hereto as Exhibit C, thereby conforming the legal description of the CitySquare Development District in such documents with the maps and other documents previously provided by the City to EACC.

Exhibit A

Revised Financial Plan

Schedule A attachments to the CitySquare DIF application amendment

The following financial proforma of the CitySquare project and supplemental schedules used to support the revenue and expenditure assumptions incorporated in this financial mode associated with the recently finalized General Development Agreement are described hereunder as follows.

1) Summary Page One: These two line graphs illustrate the relationship between the designated reserve fund and associated revenues for both the original Memorandum of Understanding (**Graph 1A**) and the final General Development Agreement (**Graph 1B**). The graph demonstrates the point as to whether the project is self financed. This is demonstrated when the line for the DIF reserve fund is lower than the project Cash In/Out a supplemental funding requirement would be required during that period. As Graph 1B suggests due to rising interest rates (due to both the rising interest rates and to the change in issuing taxable bonds for the Public Parking Garage) and a decline in commercial and residential tax rates (since the MOA proforma was approved) a decrease in the overall net project revenue is forecasted in comparison to the original financial models. The new GDA model developed from the information presented within the GDA indicates that the CitySquare DIF bonds could require incremental appropriations to support the project that would not exceed \$306,000 in any given year from the General Fund during the periods beginning in Fiscal Years 2018 through 2022 (**Graph 1B**).

2) The CitySquare GDA Financial Proforma includes relevant details regarding the development project tax revenues, garage revenues, DIF bond payments, and its cumulative annual net revenues/expenses through Fiscal Year 2006 - 2042. The upper half of the chart illustrates the real estate tax revenues for each of the various buildings in the CitySquare project, with revenues shown per year in millions of dollars. Personal property taxes are then added to reach Gross Tax Revenue for each year. An allowance for Tax Increment Financing (TIF) agreements is estimated and subtracted from tax revenues, as is the yearly Existing Base Year Tax Revenue that would have been collected had the project area not been redeveloped. The result after is Net Tax Revenue. An estimate of net operating revenue generated from the Underground Garage Revenue is then added to net new tax revenues to arrive at Total Project Revenues. Garage revenue estimates remain grounded from the conclusions derived in the Financial Assessment of the CitySquare Parking Program, prepared by Desman Associates, the City of Worcester's parking consultant on this project. The garage revenue estimates will require further updating as rates are established, standard of care definitions are developed, and garage management agreements are formulated with the garage operator. Yearly bond payments are identified that take into account the State's accelerated contribution to the CitySquare project as well as the issuance of a mix of taxable/tax-exempt debt for the public elements of this project. These bond payments are then subtracted from net revenues to reach Revenue after Bond. Certain portion of the project's Building Permit Fees are then added for Fiscal Years 2007 and 2008 to increase the overall DIF reserve fund to arrive at Revenues after Permit Fees as shown. The cumulative for net revenue from this project is found in the last row of the **GDA Financial Proforma**. All Tax Revenues and garage revenues from the project are assumed to rise by 2% per annum from FY 2008 forward. This 2% assumption is consistent with the previous DIF application financial proforma presented to the EACC. More detailed information about the yearly bond payments by the city through 2042 can be found in **Supporting Schedule 2 Revenues/Expenses**, which also displays Total Project Revenues.

Highlighted in the first shaded box on the **GDA Financial Proforma** are the Base Year (FY06), and the first full year of the DIF program which is FY 07. Valuations and tax rates have not been finalized for FY 07. As a result the proforma does not recognize any net new revenues to be forecasted at this time, a conservative approach to this project. Actual net new tax revenues will likely change once new values are assigned to the buildings and new real estate tax rates are set by the City in November 2006. The individual real estate tax revenues shown in the Base Year box are shown in more detail on the top chart of **Supporting Schedule 1- Property Tax Assessments**, named Current Year Worcester Center Tax Assessment. The second gray box depicts the projected real estate tax revenues to be generated by this development project in Fiscal Years 2008-2010. These figures are also shown in more detail on **Property Tax Assessments**, but in the second chart named Phase I CitySquare Tax Assessment.

Supporting Schedules

3) **Schedule 1 Property Tax Assessments** provides an illustration of the real estate tax revenues of the base years (FY 06-07) and first three years of the CitySquare project (FY 08-10). Both charts show the square footage of each building, the total assessment of each space, the value per square foot, the total real estate tax revenue for each space, and the dollars of tax revenue per square foot for each space. The grand totals are shown at the bottom of each chart. The two shaded boxes beside each chart provide a larger sample of the **GDA Financial Proforma** first five fiscal years (also shaded in grey), with real estate tax proceeds from each building shown in millions of dollars. After FY 10, all of the projected real estate tax revenues from the CitySquare Phase I project are shown on the Master Schedule to rise by 2% per annum.

The following Schedules were developed by Unibank Financial Advisory Services, the City's financial bond advisors.

4) **Schedule 2 Revenues/Expenses** illustrates the short term debt payments, long term debt payments, capitalized interest, total debt expenses, net new revenues inclusive of taxes, garage revenues, permit fees, as well as the funding levels of the designated reserve fund.

5) **Schedule 3 Quarterly Bond Anticipation Notes (BAN)** details the city, state, and federal obligations associated with quarterly BANS associated with the CitySquare financing plan, including the total financing required, the taxable and tax exempt amounts borrowed, interest due, and total issuances costs for the quarterly BANs spanning 7/15/2006 through 6/15/2010.

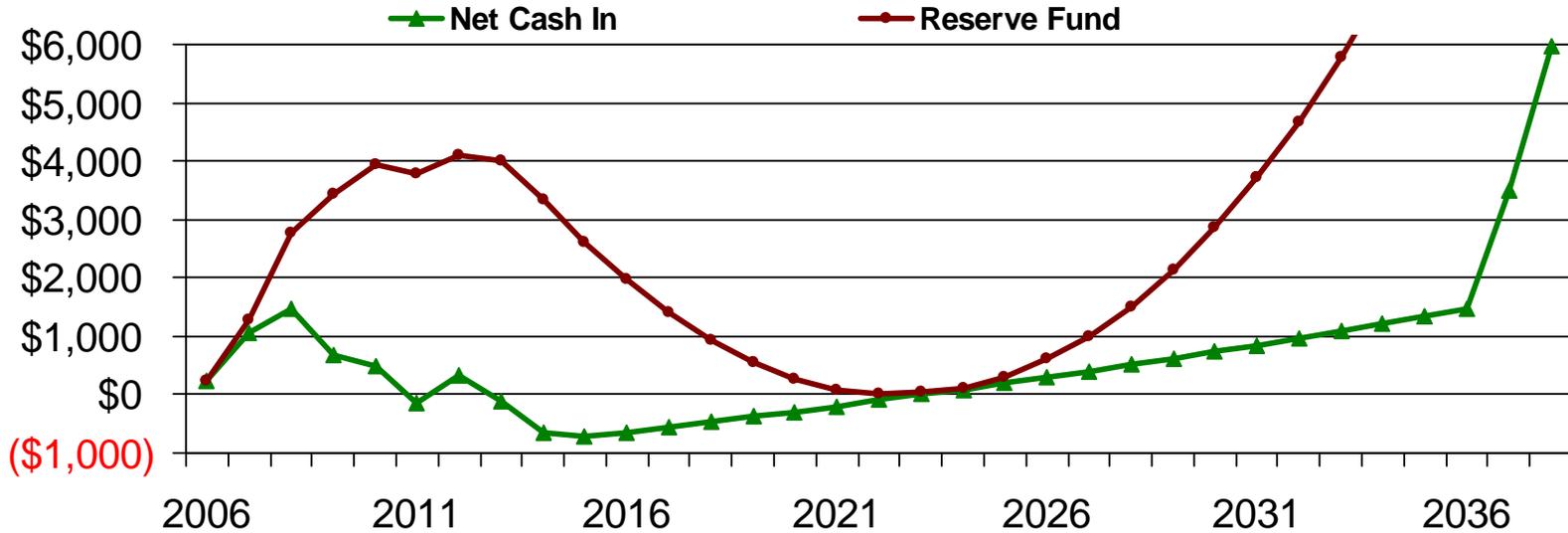
6) **Schedule 4 Capitalized Interest and Bond Issuance Costs** shows details regarding the anticipated note issuance for City borrowing and includes interest rate, interest due, capitalized interest, issuance costs, and state and federal funds received for each of the indicated years of the financing plan through the end of 2012.

7) **Schedule 5 Principal Repayment Schedule** is a combined bond debt statement summary showing a debt service schedule projection through the end of 2042. The summary shows outstanding principal, principal payments, and interest payments as well as an inclusive total debt due calculation for all years of the plan.

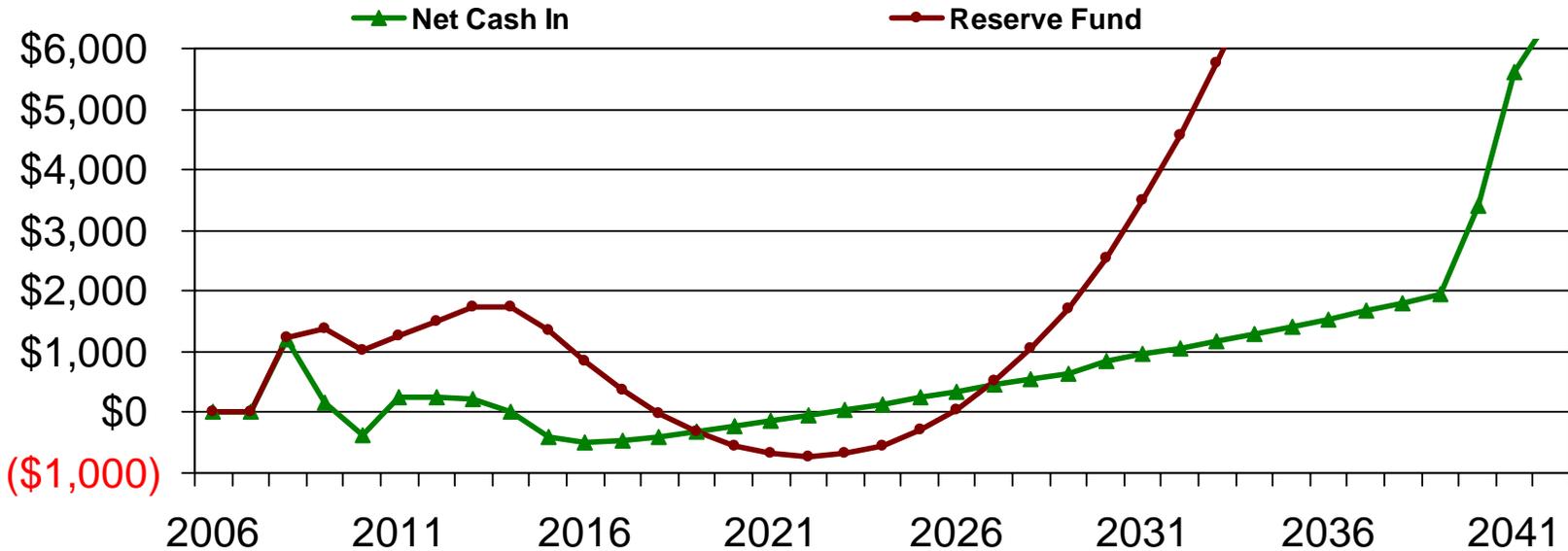
City of Worcester
CitySquare Project
Summary Page One

Amounts Expressed in Thousands

Graph 1.A Memorandum of Understanding DIF Bond Reserve Schedule



Graph 1.B General Development Agreement DIF Bond Reserve Schedule



City of Worcester
CitySquare Project
GDA Financial Proforma

CitySquare
GDA Financial Proforma

				DIF Bond Debt Service Analysis - \$56.95 Million Bond plus \$7.135 Million Capitalized Interest																			
				BASE YEARS		PHASE I																	
Year	Bldg	Year Calender Fiscal	Total (30 yrs)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
				2005 2006	2006 2007	2007 2008	2008 2009	2009 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	2015 2016	2016 2017	2017 2018	2018 2019	2019 2020	2020 2021	2021 2022	2022 2023	2023 2024	
Assessment																							
2005	A	Office	\$ 29.41	\$ 0.41	\$ 0.41	\$ 0.69	\$ 0.71	\$ 0.72	\$ 0.74	\$ 0.75	\$ 0.77	\$ 0.78	\$ 0.80	\$ 0.81	\$ 0.83	\$ 0.85	\$ 0.86	\$ 0.88	\$ 0.90	\$ 0.92	\$ 0.93	\$ 0.95	
2005		Retail	\$ 1.50	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	
2005	B	Office	\$ 20.18	\$0.27	\$0.27	\$ 0.48	\$ 0.49	\$ 0.50	\$ 0.51	\$ 0.52	\$ 0.53	\$ 0.54	\$ 0.55	\$ 0.56	\$ 0.57	\$ 0.58	\$ 0.59	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.64	\$ 0.65	
2005		Retail	\$ 0.85	\$0.01	\$0.01	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	
2005	C1	Retail	\$ 8.00	\$0.05	\$0.05	\$ 0.04	\$ 0.10	\$ 0.16	\$ 0.21	\$ 0.21	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24	\$ 0.24	\$ 0.25	\$ 0.25	\$ 0.26	\$ 0.26	\$ 0.27	
2007	D	Retail	\$ 8.83			\$0.06	\$0.06	\$0.06	\$0.14	\$0.24	\$ 0.25	\$ 0.25	\$ 0.26	\$ 0.26	\$ 0.27	\$ 0.27	\$ 0.28	\$ 0.28	\$ 0.29	\$ 0.29	\$ 0.30	\$ 0.31	
2007		Entertainment	\$ 2.26			\$0.05	\$ 0.05	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	
2010	E	Commercial	\$ 8.73					\$ 0.07	\$ 0.23	\$ 0.24	\$ 0.24	\$ 0.25	\$ 0.25	\$ 0.26	\$ 0.26	\$ 0.27	\$ 0.27	\$ 0.28	\$ 0.28	\$ 0.29	\$ 0.30	\$ 0.30	
2008	F	Retail	\$ 2.39					\$ 0.03	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	
2008		Housing	\$ 13.58					\$ 0.18	\$ 0.36	\$ 0.37	\$ 0.38	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42	\$ 0.42	\$ 0.43	\$ 0.44	\$ 0.45	\$ 0.46	\$ 0.47	
2008	H or J	Commercial	\$ 26.61					\$ 0.42	\$ 0.71	\$ 0.72	\$ 0.74	\$ 0.75	\$ 0.77	\$ 0.78	\$ 0.80	\$ 0.81	\$ 0.83	\$ 0.84	\$ 0.86	\$ 0.88	\$ 0.90	\$ 0.91	
2008		Retail	\$ 2.09					\$ 0.03	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	
2008	I	Commercial/Retail	\$ 1.97					\$ 0.02	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	
PHASE I																							
		Personal Property		\$0.04	\$0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	
		Residential	\$14			\$ -	\$ -	\$ 0.18	\$ 0.36	\$ 0.37	\$ 0.38	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42	\$ 0.42	\$ 0.43	\$ 0.44	\$ 0.45	\$ 0.46	\$ 0.47	
		Non-Residential	\$113			\$ 1.38	\$ 1.46	\$ 2.12	\$ 2.82	\$ 2.97	\$ 3.03	\$ 3.09	\$ 3.15	\$ 3.22	\$ 3.28	\$ 3.35	\$ 3.41	\$ 3.48	\$ 3.55	\$ 3.62	\$ 3.70	\$ 3.77	
		Gross Tax Revenue	\$128	\$0.80	\$0.80	\$ 1.42	\$ 1.50	\$ 2.34	\$ 3.23	\$ 3.38	\$ 3.45	\$ 3.52	\$ 3.59	\$ 3.66	\$ 3.74	\$ 3.81	\$ 3.89	\$ 3.96	\$ 4.04	\$ 4.12	\$ 4.21	\$ 4.29	
		Less - TIF Increment on Project	(\$1)			\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ (0.05)	\$ (0.06)													
		Less - EXIST. Tax	(\$34)	\$ (0.80)	\$ (0.80)	\$ (0.80)	\$ (0.82)	\$ (0.83)	\$ (0.85)	\$ (0.87)	\$ (0.88)	\$ (0.90)	\$ (0.92)	\$ (0.94)	\$ (0.96)	\$ (0.98)	\$ (0.99)	\$ (1.01)	\$ (1.03)	\$ (1.06)	\$ (1.08)	\$ (1.10)	
		Net Tax Revenue	\$93	\$0.00	\$0.00	\$ 0.62	\$ 0.69	\$ 1.48	\$ 2.33	\$ 2.47	\$ 2.52	\$ 2.57	\$ 2.62	\$ 2.67	\$ 2.72	\$ 2.78	\$ 2.83	\$ 2.89	\$ 2.95	\$ 3.01	\$ 3.07	\$ 3.13	
		Underground Garage Revenue	\$46				\$ 0.03	\$ 0.03	\$ 0.95	\$ 1.26	\$ 1.29	\$ 1.31	\$ 1.34	\$ 1.36	\$ 1.39	\$ 1.42	\$ 1.45	\$ 1.48	\$ 1.51	\$ 1.54	\$ 1.57	\$ 1.60	
		Total Project Revenues	\$138	\$0	\$0	\$ 0.62	\$ 0.69	\$ 1.50	\$ 3.27	\$ 3.73	\$ 3.80	\$ 3.88	\$ 3.95	\$ 4.03	\$ 4.11	\$ 4.20	\$ 4.28	\$ 4.37	\$ 4.45	\$ 4.54	\$ 4.63	\$ 4.73	
Interest various	Bond 61.15	Bond Payment	\$ (130.29)		(\$0.22)	\$ (0.15)	\$ (0.53)	\$ (1.89)	\$ (3.03)	\$ (3.46)	\$ (3.57)	\$ (3.88)	\$ (4.35)	\$ (4.53)	\$ (4.59)	\$ (4.60)	\$ (4.59)	\$ (4.60)	\$ (4.58)	\$ (4.59)	\$ (4.59)	\$ (4.58)	
State up-front payment		Revenue After Bond	\$12.49		(\$0.22)	\$ 0.47	\$ 0.15	\$ (0.38)	\$ 0.24	\$ 0.26	\$ 0.23	\$ 0.00	\$ (0.39)	\$ (0.50)	\$ (0.48)	\$ (0.40)	\$ (0.31)	\$ (0.23)	\$ (0.13)	\$ (0.05)	\$ 0.05	\$ 0.14	
		Building Permit Fees	\$1.00		\$0.25	\$ 0.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Revenue After Permit Fees	\$ 13.49		\$ 0.03	\$ 1.22	\$ 0.15	\$ (0.38)	\$ 0.24	\$ 0.26	\$ 0.23	\$ 0.00	\$ (0.39)	\$ (0.50)	\$ (0.48)	\$ (0.40)	\$ (0.31)	\$ (0.23)	\$ (0.13)	\$ (0.05)	\$ 0.05	\$ 0.14	
		cumulative		\$ 0.03		\$ 1.24	\$ 1.40	\$ 1.01	\$ 1.25	\$ 1.51	\$ 1.75	\$ 1.75	\$ 1.36	\$ 0.86	\$ 0.38	\$ (0.02)	\$ (0.33)	\$ (0.56)	\$ (0.68)	\$ (0.73)	\$ (0.68)	\$ (0.54)	

CitySquare
GDA Financial Proforma

Year	Bldg	Year Calender Fiscal	Total (30 yrs)	20 2024	21 2025	22 2026	23 2027	24 2028	25 2029	26 2030	27 2031	28 2032	29 2033	30 2034	31 2035	32 2036	33 2037	34 2038	35 2039	36 2040	37 2041
Assessment																					
2005	A	Office	\$ 29.41	\$ 0.97	\$ 0.99	\$ 1.01	\$ 1.03	\$ 1.05	\$ 1.07	\$ 1.09	\$ 1.12	\$ 1.14	\$ 1.16	\$ 1.18	\$ 1.21	\$ 1.23	\$ 1.26	\$ 1.28	\$ 1.31	\$ 1.33	\$ 1.36
2005		Retail	\$ 1.50	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
2005	B	Office	\$ 20.18	\$ 0.67	\$ 0.68	\$ 0.69	\$ 0.71	\$ 0.72	\$ 0.74	\$ 0.75	\$ 0.77	\$ 0.78	\$ 0.80	\$ 0.81	\$ 0.83	\$ 0.85	\$ 0.86	\$ 0.88	\$ 0.90	\$ 0.92	\$ 0.93
2005		Retail	\$ 0.85	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
2005	C1	Retail	\$ 8.00	\$ 0.27	\$ 0.28	\$ 0.29	\$ 0.29	\$ 0.30	\$ 0.30	\$ 0.31	\$ 0.32	\$ 0.32	\$ 0.33	\$ 0.33	\$ 0.34	\$ 0.35	\$ 0.35	\$ 0.36	\$ 0.37	\$ 0.38	\$ 0.38
2007	D	Retail	\$ 8.83	\$ 0.31	\$ 0.32	\$ 0.32	\$ 0.33	\$ 0.34	\$ 0.34	\$ 0.35	\$ 0.36	\$ 0.37	\$ 0.37	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.40	\$ 0.41	\$ 0.42	\$ 0.43	\$ 0.44
2007		Entertainment	\$ 2.26	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
2010	E	Commercial	\$ 8.73	\$ 0.31	\$ 0.31	\$ 0.32	\$ 0.33	\$ 0.33	\$ 0.34	\$ 0.35	\$ 0.35	\$ 0.36	\$ 0.37	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.41	\$ 0.42	\$ 0.42	\$ 0.43
2008	F	Retail	\$ 2.39	\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.12
2008		Housing	\$ 13.58	\$ 0.48	\$ 0.49	\$ 0.50	\$ 0.51	\$ 0.52	\$ 0.53	\$ 0.54	\$ 0.55	\$ 0.56	\$ 0.57	\$ 0.58	\$ 0.59	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.64	\$ 0.65	\$ 0.67
2008	H or J	Commercial	\$ 26.61	\$ 0.93	\$ 0.95	\$ 0.97	\$ 0.99	\$ 1.01	\$ 1.03	\$ 1.05	\$ 1.07	\$ 1.09	\$ 1.11	\$ 1.14	\$ 1.16	\$ 1.18	\$ 1.21	\$ 1.23	\$ 1.26	\$ 1.28	\$ 1.31
2008		Retail	\$ 2.09	\$ 0.07	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
2008	I	Commercial/Retail	\$ 1.97	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.10	\$ 0.10
PHASE 1																					
		Personal Property	\$ 0.05	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.08
		Residential	\$ 14	\$ 0.48	\$ 0.49	\$ 0.50	\$ 0.51	\$ 0.52	\$ 0.53	\$ 0.54	\$ 0.55	\$ 0.56	\$ 0.57	\$ 0.58	\$ 0.59	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.64	\$ 0.65	\$ 0.67
		Non-Residential	\$ 113	\$ 3.84	\$ 3.92	\$ 4.00	\$ 4.08	\$ 4.16	\$ 4.25	\$ 4.33	\$ 4.42	\$ 4.51	\$ 4.60	\$ 4.69	\$ 4.78	\$ 4.88	\$ 4.97	\$ 5.07	\$ 5.17	\$ 5.28	\$ 5.38
		Gross Tax Revenue	\$ 128	\$ 4.38	\$ 4.46	\$ 4.55	\$ 4.64	\$ 4.74	\$ 4.83	\$ 4.93	\$ 5.03	\$ 5.13	\$ 5.23	\$ 5.33	\$ 5.44	\$ 5.55	\$ 5.66	\$ 5.77	\$ 5.89	\$ 6.01	\$ 6.13
		Less - TIF Increment on Project	(\$1)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)	\$ (0.07)
		Less - EXIST. Tax	(\$34)	\$ (1.12)	\$ (1.14)	\$ (1.17)	\$ (1.19)	\$ (1.21)	\$ (1.24)	\$ (1.26)	\$ (1.29)	\$ (1.31)	\$ (1.34)	\$ (1.37)	\$ (1.39)	\$ (1.42)	\$ (1.45)	\$ (1.48)	\$ (1.51)	\$ (1.54)	\$ (1.57)
		Net Tax Revenue	\$ 93	\$ 3.19	\$ 3.25	\$ 3.32	\$ 3.39	\$ 3.45	\$ 3.60	\$ 3.67	\$ 3.74	\$ 3.82	\$ 3.89	\$ 3.97	\$ 4.05	\$ 4.13	\$ 4.21	\$ 4.30	\$ 4.38	\$ 4.47	\$ 4.56
		Underground Garage Revenue	\$ 46	\$ 1.63	\$ 1.66	\$ 1.70	\$ 1.73	\$ 1.76	\$ 1.80	\$ 1.84	\$ 1.87	\$ 1.91	\$ 1.95	\$ 1.99	\$ 2.03	\$ 2.07	\$ 2.11	\$ 2.15	\$ 2.19	\$ 2.24	\$ 2.28
		Total Project Revenues	\$ 138	\$ 4.82	\$ 4.92	\$ 5.02	\$ 5.12	\$ 5.22	\$ 5.39	\$ 5.50	\$ 5.61	\$ 5.72	\$ 5.84	\$ 5.96	\$ 6.08	\$ 6.20	\$ 6.32	\$ 6.45	\$ 6.58	\$ 6.71	\$ 6.84
Interest various	Bond 61.15	Bond Payment	\$ (130.29)	\$ (4.57)	\$ (4.57)	\$ (4.57)	\$ (4.57)	\$ (4.57)	\$ (4.56)	\$ (4.55)	\$ (4.54)	\$ (4.54)	\$ (4.54)	\$ (4.54)	\$ (4.53)	\$ (4.52)	\$ (4.51)	\$ (4.51)	\$ (3.16)	\$ (1.09)	\$ (0.26)
State up-front payment		Revenue After Bond	\$ 12.49	\$ 0.25	\$ 0.34	\$ 0.45	\$ 0.55	\$ 0.65	\$ 0.84	\$ 0.96	\$ 1.07	\$ 1.18	\$ 1.30	\$ 1.42	\$ 1.54	\$ 1.67	\$ 1.81	\$ 1.94	\$ 3.41	\$ 5.62	\$ 6.58
		Building Permit Fees	\$ 1.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Revenue After Permit Fees	\$ 13.49	\$ 0.25	\$ 0.34	\$ 0.45	\$ 0.55	\$ 0.65	\$ 0.84	\$ 0.96	\$ 1.07	\$ 1.18	\$ 1.30	\$ 1.42	\$ 1.54	\$ 1.67	\$ 1.81	\$ 1.94	\$ 3.41	\$ 5.62	\$ 6.58
		cumulative	\$ (0.29)	\$ 0.06	\$ 0.51	\$ 1.05	\$ 1.70	\$ 2.54	\$ 3.50	\$ 4.57	\$ 5.75	\$ 7.05	\$ 8.46	\$ 10.00	\$ 11.68	\$ 13.49	\$ 15.43	\$ 18.84	\$ 24.45	\$ 31.03	

City of Worcester
CitySquare Project
Supporting Schedules

<u>Schedule #</u>	<u>Description</u>
1)	Property Tax Assessments
2)	Project Revenues and Expenses
3)	Quarterly Bond Anticipation Notes (BAN)
4)	Capitalized Interest and Bond Issuance Costs
5)	Principal Repayment Schedule

**CitySquare Project
Property Tax Assessments
Supporting Schedule 1
CURRENT YEAR WORCESTER CENTER TAX ASSESSMENT**

BASE YEAR

Bldg	Use	Building SF by Use	Assessment	\$/SF	RE Taxes FY 06/07	\$/SF
A	Office	275,381	\$16,293,200.00	\$59.00	\$410,589.00	\$1.49
A	Retail	14000	\$870,300.00	\$62.00	\$21,932.00	\$1.57
B	Office	188978	\$10,666,400.00	\$56.00	\$268,793.00	\$1.42
B	Retail	8000	\$360,500.00	\$45.00	\$9,085.00	\$1.14
C	Retail	75000	\$2,160,100.00	\$29.00	\$54,435.00	\$0.73
	Total	561,359	\$30,350,500.00	\$50.20	\$764,834.00	\$1.27

Real Estate Taxes (in millions)	
FY 06	FY 07
\$0.41	\$0.41
\$0.02	\$0.02
\$0.27	\$0.27
\$0.01	\$0.01
	\$0.00
\$0.05	\$0.05
\$0.76	\$0.76

PHASE I CITY SQUARE TAX ASSESSMENT

Bldg	Use	Building SF by Use	Assessment	\$/SF	RE Taxes	\$/SF
A	Office	275,381	\$27,538,100.00	100	\$693,960.12	\$ 2.52
	Retail	14,000	\$1,400,000.00	100	\$35,280.00	\$ 2.52
B	Office	188,978	\$18,897,800.00	100	\$476,224.56	\$ 2.52
	Retail	8,000	\$800,000.00	100	\$20,160.00	\$ 2.52
C	Retail/CC	75,000	\$8,250,000.00	110	\$207,900.00	\$ 2.77
D	Retail	87,000	\$9,570,000.00	110	\$241,164.00	\$ 2.77
	Live Theater	24,000	\$2,160,000.00	90	\$54,432.00	\$ 2.27
E	Retail/Ent	84,300	\$9,273,000.00	110	\$233,679.60	\$ 2.77
F	Retail/Restaurant	23,000	\$2,530,000.00	110	\$63,756.00	\$ 2.77
	Housing	165,000	\$28,875,000.00	175	\$361,515.00	\$ 2.19
H or J	Office / Medical	255,000	\$28,050,000.00	110	\$706,860.00	\$ 2.77
	Retail	20,000	\$2,200,000.00	110	\$55,440.00	\$ 2.77
I	Retail/Restaurant	19,000	\$2,090,000.00	110	\$52,668.00	\$ 2.77
PHASE I	Residential	165,000	\$28,875,000.00	175	\$361,515.00	2.19
	Non-Residential	1,073,659	\$112,758,900.00	105	\$2,841,524.28	2.65
	Total	1,238,659	\$141,633,900.00	\$110	\$3,203,039.28	\$ 2.59

PHASE I Real Estate Taxes (in millions)		
FY 08	FY 09	FY 10
\$0.69	\$0.71	\$0.72
\$0.04	\$0.04	\$0.04
\$0.48	\$0.49	\$0.50
\$0.02	\$0.02	\$0.02
\$0.04	\$0.10	\$0.16
\$0.06	\$0.06	\$0.06
\$0.05	\$0.05	\$0.06
		\$0.07
		\$0.03
		\$0.18
		\$0.42
		\$0.02
		\$0.02
\$1.38	\$1.47	\$2.12
\$0.00	\$0.00	\$0.18
\$1.38	\$1.47	\$2.30

Project Revenues and Expenses Supporting Schedule 2

Fiscal Year	Short-Term Debt Payment	Long-Term Debt Payment	Capitalized Interest of State Paid	Total Debt Expenses	Net New Tax	Net Garage	Permit Fees	Total Project Revenues	Net Cash In/(Out)	Reserve Fund
2006	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2007	\$224,588.18	\$0.00	\$0.00	\$224,588.18	\$0.00	\$0.00	\$250,000.00	\$250,000.00	\$25,411.82	\$25,411.82
2008	\$148,315.29	\$0.00	\$0.00	\$148,315.29	\$616,017.40	\$0.00	\$750,000.00	\$1,366,017.40	\$1,217,702.11	\$1,243,113.94
2009	\$1,221,362.15	\$534,588.01	\$1,221,362.15	\$534,588.01	\$687,678.15	\$0.00	\$0.00	\$687,678.15	\$153,090.14	\$1,396,204.08
2010	\$1,740,458.59	\$1,887,089.62	\$1,740,458.59	\$1,887,089.62	\$1,479,763.95	\$25,200.00	\$0.00	\$1,504,963.95	-\$382,125.67	\$1,014,078.41
2011	\$1,054,846.18	\$3,032,342.47	\$1,054,846.18	\$3,032,342.47	\$2,326,320.18	\$945,000.00	\$0.00	\$3,271,320.18	\$238,977.71	\$1,253,056.12
2012	\$255,263.70	\$3,464,605.75	\$255,263.70	\$3,464,605.75	\$2,466,418.21	\$1,260,000.00	\$0.00	\$3,726,418.21	\$261,812.46	\$1,514,868.58
2013		\$3,569,529.78		\$3,569,529.78	\$2,515,746.57	\$1,285,200.00	\$0.00	\$3,800,946.57	\$231,416.79	\$1,746,285.37
2014		\$3,876,003.42		\$3,876,003.42	\$2,566,061.51	\$1,310,904.00	\$0.00	\$3,876,965.51	\$962.09	\$1,747,247.46
2015		\$4,345,132.01		\$4,345,132.01	\$2,617,382.74	\$1,337,122.00	\$0.00	\$3,954,504.74	-\$390,627.27	\$1,356,620.19
2016		\$4,532,817.74		\$4,532,817.74	\$2,669,730.39	\$1,363,865.00	\$0.00	\$4,033,595.39	-\$499,222.35	\$857,397.84
2017		\$4,592,264.22		\$4,592,264.22	\$2,723,125.00	\$1,391,142.00	\$0.00	\$4,114,267.00	-\$477,997.22	\$379,400.62
2018		\$4,596,275.00		\$4,596,275.00	\$2,777,587.50	\$1,418,965.00	\$0.00	\$4,196,552.50	-\$399,722.50	-\$20,321.88
2019		\$4,586,025.00		\$4,586,025.00	\$2,833,139.25	\$1,447,344.00	\$0.00	\$4,280,483.25	-\$305,541.75	-\$325,863.63
2020		\$4,596,250.00		\$4,596,250.00	\$2,889,802.03	\$1,476,291.00	\$0.00	\$4,366,093.03	-\$230,156.97	-\$556,020.60
2021		\$4,581,793.75		\$4,581,793.75	\$2,947,598.07	\$1,505,817.00	\$0.00	\$4,453,415.07	-\$128,378.68	-\$684,399.28
2022		\$4,587,500.00		\$4,587,500.00	\$3,006,550.04	\$1,535,933.00	\$0.00	\$4,542,483.04	-\$45,016.96	-\$729,416.24
2023		\$4,587,643.75		\$4,587,643.75	\$3,066,681.04	\$1,566,652.00	\$0.00	\$4,633,333.04	\$45,689.29	-\$683,726.95
2024		\$4,582,243.75		\$4,582,243.75	\$3,128,014.66	\$1,597,985.00	\$0.00	\$4,725,999.66	\$143,755.91	-\$539,971.04
2025		\$4,566,456.25		\$4,566,456.25	\$3,190,574.95	\$1,629,944.00	\$0.00	\$4,820,518.95	\$254,062.70	-\$285,908.34
2026		\$4,574,518.75		\$4,574,518.75	\$3,254,386.45	\$1,662,543.00	\$0.00	\$4,916,929.45	\$342,410.70	\$56,502.36
2027		\$4,565,825.00		\$4,565,825.00	\$3,319,474.18	\$1,695,794.00	\$0.00	\$5,015,268.18	\$449,443.18	\$505,945.54
2028		\$4,570,118.75		\$4,570,118.75	\$3,385,863.66	\$1,729,710.00	\$0.00	\$5,115,573.66	\$545,454.91	\$1,051,400.45
2029		\$4,566,812.50		\$4,566,812.50	\$3,453,580.94	\$1,764,304.00	\$0.00	\$5,217,884.94	\$651,072.44	\$1,702,472.89
2030		\$4,555,868.75		\$4,555,868.75	\$3,595,200.26	\$1,799,590.00	\$0.00	\$5,394,790.26	\$838,921.51	\$2,541,394.40
2031		\$4,547,012.50		\$4,547,012.50	\$3,667,104.27	\$1,835,582.00	\$0.00	\$5,502,686.27	\$955,673.77	\$3,497,068.17
2032		\$4,544,518.75		\$4,544,518.75	\$3,740,446.36	\$1,872,294.00	\$0.00	\$5,612,740.36	\$1,068,221.61	\$4,565,289.78
2033		\$4,542,643.75		\$4,542,643.75	\$3,815,255.28	\$1,909,740.00	\$0.00	\$5,724,995.28	\$1,182,351.53	\$5,747,641.31
2034		\$4,540,800.00		\$4,540,800.00	\$3,891,560.39	\$1,947,934.00	\$0.00	\$5,839,494.39	\$1,298,694.39	\$7,046,335.70
2035		\$4,538,400.00		\$4,538,400.00	\$3,969,391.60	\$1,986,893.00	\$0.00	\$5,956,284.60	\$1,417,884.60	\$8,464,220.30
2036		\$4,534,856.25		\$4,534,856.25	\$4,048,779.43	\$2,026,631.00	\$0.00	\$6,075,410.43	\$1,540,554.18	\$10,004,774.48
2037		\$4,524,718.75		\$4,524,718.75	\$4,129,755.02	\$2,067,164.00	\$0.00	\$6,196,919.02	\$1,672,200.27	\$11,676,974.75
2038		\$4,512,537.50		\$4,512,537.50	\$4,212,350.12	\$2,108,507.00	\$0.00	\$6,320,857.12	\$1,808,319.62	\$13,485,294.37
2039		\$4,507,450.00		\$4,507,450.00	\$4,296,597.12	\$2,150,677.00	\$0.00	\$6,447,274.12	\$1,939,824.12	\$15,425,118.49
2040		\$3,163,787.50		\$3,163,787.50	\$4,382,529.06	\$2,193,690.00	\$0.00	\$6,576,219.06	\$3,412,431.56	\$18,837,550.05
2041		\$1,090,481.25		\$1,090,481.25	\$4,470,179.64	\$2,237,564.00	\$0.00	\$6,707,743.64	\$5,617,262.39	\$24,454,812.44
2042		\$262,462.50		\$262,462.50	\$4,559,583.24	\$2,282,316.00	\$0.00	\$6,841,899.24	\$6,579,436.74	\$31,034,249.18
	\$4,644,834.09	\$134,661,373.02	\$4,271,930.62	\$135,034,276.48	\$110,700,228.66	\$54,368,297.00	\$1,000,000.00	\$166,068,525.66		

Quarterly Bond Anticipation Notes (BAN) Supporting Schdeule 3

Dated Dated	Amount Required	Due Date	City Portion										State and Federal Portion														
			Taxable Amount		Taxable Interest		Tax-Exempt Amount		Tax-Exempt Interest		Total Interest		Issuance Costs	Dated Dated	Amount Required	Due Date	Taxable Amount		Taxable Interest		Tax-Exempt Amount		Tax-Exempt Interest		Total Interest		Issuance Costs
			Borrowed	Rate	Due	FY	Borrowed	Rate	Due	FY	Due	FY					Borrowed	Rate	Due	FY	Borrowed	Rate	Due	FY	Due	FY	
7/15/2006	\$7,930,000.00	7/15/2008	\$0.00	5.75%	\$0.00	fy 09	\$3,965,000.00	4.50%	\$356,850.00	\$356,850.00	fy 09	\$9,912.50	7/15/2006	\$3,965,000.00	12/15/2006	\$0.00	5.75%	\$0.00	\$3,965,000.00	4.25%	\$70,213.54	\$70,213.54	fy 07	\$9,912.50			
11/15/2006	\$10,845,138.00	7/15/2008	\$0.00	5.75%	\$0.00	fy 09	\$5,422,569.00	4.50%	\$406,692.68	\$406,692.68	fy 09	\$13,556.42	11/15/2006	\$5,422,569.00	3/15/2007	\$0.00	5.75%	\$0.00	\$5,422,569.00	4.25%	\$76,819.73	\$76,819.73	fy 07	\$13,556.42			
2/15/2007	\$10,948,929.00	7/15/2008	\$0.00	5.75%	\$0.00	fy 09	\$5,474,465.00	4.50%	\$348,997.14	\$348,997.14	fy 09	\$13,686.16	2/15/2007	\$5,474,464.00	6/15/2007	\$0.00	5.75%	\$0.00	\$5,474,464.00	4.25%	\$77,554.91	\$77,554.91	fy 07	\$224,588.18	\$13,686.16		
6/15/2007	\$4,464,505.00	7/15/2008	\$0.00	5.75%	\$0.00	fy 09	\$2,232,253.00	4.50%	\$108,822.33	\$108,822.33	fy 09	\$1,221,362.15	6/15/2007	\$2,232,252.00	9/15/2007	\$0.00	5.75%	\$0.00	\$2,232,252.00	4.25%	\$23,717.68	\$23,717.68	fy 08	\$5,580.63			
7/15/2007	\$7,115,282.00	7/15/2009	\$0.00	5.75%	\$0.00	fy 10	\$3,557,641.00	4.50%	\$320,187.69	\$320,187.69	fy 10	\$8,894.10	7/15/2007	\$3,557,641.00	12/15/2007	\$0.00	5.75%	\$0.00	\$3,557,641.00	4.25%	\$62,999.89	\$62,999.89	fy 08	\$8,894.10			
11/15/2007	\$10,520,127.00	7/15/2009	\$0.00	5.75%	\$0.00	fy 10	\$6,172,053.00	4.50%	\$462,903.98	\$462,903.98	fy 10	\$15,430.13	11/15/2007	\$4,348,074.00	3/15/2008	\$0.00	5.75%	\$0.00	\$4,348,074.00	4.25%	\$61,597.72	\$61,597.72	fy 08	\$148,315.29	\$10,870.19		
2/15/2008	\$10,028,567.00	7/15/2009	\$0.00	5.75%	\$0.00	fy 10	\$10,028,567.00	4.50%	\$639,321.15	\$639,321.15	fy 10	\$25,071.42	2/15/2008	\$0.00	\$0.00	\$0.00	\$0.00	4.25%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6/15/2008	\$6,524,016.00	7/15/2009	\$0.00	5.75%	\$0.00	fy 10	\$6,524,016.00	4.50%	\$318,045.78	\$318,045.78	fy 10	\$1,740,458.59	6/15/2008	\$0.00	\$0.00	\$0.00	\$0.00	4.25%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
7/15/2008	\$3,489,774.00	7/15/2010	\$1,570,398.30	5.75%	\$180,595.80	fy 11	\$1,919,375.70	4.50%	\$172,743.81	\$353,339.62	fy 11	\$8,724.44	7/15/2008	\$0.00	\$0.00	\$0.00	\$0.00	4.25%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
11/15/2008	\$4,457,255.00	7/15/2010	\$2,005,764.75	5.75%	\$192,219.12	fy 11	\$1,451,490.25	4.50%	\$108,861.77	\$301,080.89	fy 11	\$8,643.14	11/15/2008	\$1,000,000.00	7/15/2010	\$0.00	5.75%	\$0.00	\$1,000,000.00	4.25%	\$70,833.33	\$70,833.33	fy 11	\$2,500.00			
2/15/2009	\$2,958,953.00	7/15/2010	\$1,331,528.85	5.75%	\$108,464.12	fy 11	\$627,424.15	4.50%	\$39,998.29	\$148,462.41	fy 11	\$4,897.38	2/15/2009	\$1,000,000.00	7/15/2010	\$0.00	5.75%	\$0.00	\$1,000,000.00	4.25%	\$60,208.33	\$60,208.33	fy 11	\$2,500.00			
6/15/2009	\$2,254,221.00	7/15/2010	\$1,014,399.45	5.75%	\$63,188.63	fy 11	\$239,821.55	4.50%	\$11,691.30	\$74,879.93	fy 11	\$877,762.85	6/15/2009	\$1,000,000.00	7/15/2010	\$0.00	5.75%	\$0.00	\$1,000,000.00	4.25%	\$46,041.67	\$46,041.67	fy 11	\$177,083.33	\$2,500.00		
7/15/2009	\$662,659.00	7/15/2011	\$298,196.55	5.75%	\$34,292.60	fy 12	\$364,462.45	4.50%	\$32,801.62	\$67,094.22	fy 12	\$1,656.65	7/15/2009	\$0.00	\$0.00	\$0.00	\$0.00	4.25%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
11/15/2009	\$1,479,630.00	7/15/2011	\$665,833.50	5.75%	\$63,809.04	fy 12	\$813,796.50	4.50%	\$61,034.74	\$124,843.78	fy 12	\$3,699.08	11/15/2009	\$0.00	\$0.00	\$0.00	\$0.00	4.25%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
2/15/2010	\$330,569.00	7/15/2011	\$0.00	5.75%	\$0.00	fy 12	\$330,569.00	4.50%	\$21,073.77	\$21,073.77	fy 12	\$826.42	2/15/2010	\$0.00	\$0.00	\$0.00	\$0.00	4.25%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
6/15/2010	\$866,706.00	7/15/2011	\$0.00	5.75%	\$0.00	fy 12	\$866,706.00	4.50%	\$42,251.92	\$42,251.92	fy 12	\$255,263.70	6/15/2010	\$0.00	\$0.00	\$0.00	\$0.00	4.25%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
	\$84,876,331.00		\$6,886,121.40		\$642,569.33		\$49,990,209.60		\$3,452,277.96	\$4,094,847.29		\$4,094,847.29	\$142,190.83		\$28,000,000.00		\$0.00		\$0.00	\$28,000,000.00		\$549,986.79	\$549,986.79	\$549,986.79	\$70,000.00		

Capitalized Interest and Bond Issuance Costs Supporting Schedule 4

Fiscal Year	Amount Borrowed	City Borrowing			State & Federal Contribution	
		Interest Rate	Interest Due	Capitalized Interest	Issuance Costs	Amount Received
2007	\$17,094,287.00	4.50%	\$224,588.18	\$0.00	\$85,471.43	\$14,862,033.00
2008	\$26,282,277.00	4.50%	\$148,315.29	\$0.00	\$83,434.64	\$10,137,967.00
2009	\$10,160,203.00	4.50%	\$1,221,362.15	\$1,221,362.15	\$82,622.11	\$0.00
2010	\$3,339,564.00	4.50%	\$1,740,458.59	\$1,740,458.59	\$8,348.91	\$0.00
2011	\$0.00	0.00%	\$1,054,846.18	\$1,054,846.18	\$0.00	\$3,000,000.00
2012	\$0.00	0.00%	\$255,263.70	\$255,263.70	\$0.00	\$0.00
	<u>\$56,876,331.00</u>		<u>\$4,644,834.09</u>	<u>\$4,271,930.62</u>	<u>\$212,190.83</u>	<u>\$28,000,000.00</u>
Bond Issuance			Taxable	Tax-Exempt		
2009	\$18,315,649.15	5.5%/6.25%	\$8,242,042.12	\$10,073,607.03	\$183,156.49	
2010	\$28,022,735.59	5.5%/6.25%	\$12,610,231.02	\$15,412,504.58	\$280,227.36	
2011	\$11,215,049.18	5.5%/6.25%	\$5,046,772.13	\$6,168,277.05	\$112,150.49	
2012	\$3,594,827.70	5.5%/6.25%	\$1,617,672.46	\$1,977,155.23	\$35,948.28	
	<u>\$61,148,261.62</u>		<u>\$27,516,717.73</u>	<u>\$33,631,543.89</u>	<u>\$611,482.62</u>	

Assumptions:

Issuance Costs - Notes are 1/4 of 1% Bonds are 1% due at time of issuance

Recommend covering all issuance costs by premiums rather than DIF contributions

State Grant received 50% of each City payment assuming bills submitted quarterly and paid end of next quarter

Federal Grant received in Fiscal 2011 to retire \$3,000,000 in grant anticipation notes

Interest on State grant borrowings calculated at 4.25% for shorter maturities and not capitalized but paid from project revenues in the fiscal year incurred

Taxable Notes at 5.75% and Bonds at 6.25% and Tax-Exempt Notes at 4.5% and Bonds at 5.50%

BAN's issued quarterly to mature in July of the second fiscal year following the fiscal year in which the BAN's are issued

Fiscal 2007 BANs bonded in Fiscal 2009

Fiscal 2008 BANs bonded in Fiscal 2010

Fiscal 2009 BANs bonded in Fiscal 2011

Fiscal 2010 BANs bonded in Fiscal 2012

Bonds issued using level payments with 5 year delay of principal payments each issue maturing over 30 years

Principal Repayment Schedule Supporting Schedule 5

Fiscal Year	Principal Outstanding	Principal Payments	Interest Payments	Total Debt Due
2009	\$61,148,261.62	\$0.00	\$534,588.01	\$534,588.01
2010	\$61,148,261.62	\$0.00	\$1,887,089.62	\$1,887,089.62
2011	\$61,148,261.62	\$0.00	\$3,032,342.47	\$3,032,342.47
2012	\$61,148,261.62	\$0.00	\$3,464,605.75	\$3,464,605.75
2013	\$61,148,261.62	\$0.00	\$3,569,529.78	\$3,569,529.78
2014	\$61,148,261.62	\$315,649.15	\$3,560,354.27	\$3,876,003.42
2015	\$60,832,612.47	\$817,735.60	\$3,527,396.41	\$4,345,132.01
2016	\$60,014,876.87	\$1,060,049.18	\$3,472,768.56	\$4,532,817.74
2017	\$58,954,827.69	\$1,184,827.69	\$3,407,436.53	\$4,592,264.22
2018	\$57,770,000.00	\$1,260,000.00	\$3,336,275.00	\$4,596,275.00
2019	\$56,510,000.00	\$1,325,000.00	\$3,261,025.00	\$4,586,025.00
2020	\$55,185,000.00	\$1,415,000.00	\$3,181,250.00	\$4,596,250.00
2021	\$53,770,000.00	\$1,485,000.00	\$3,096,793.75	\$4,581,793.75
2022	\$52,285,000.00	\$1,580,000.00	\$3,007,500.00	\$4,587,500.00
2023	\$50,705,000.00	\$1,675,000.00	\$2,912,643.75	\$4,587,643.75
2024	\$49,030,000.00	\$1,770,000.00	\$2,812,243.75	\$4,582,243.75
2025	\$47,260,000.00	\$1,860,000.00	\$2,706,456.25	\$4,566,456.25
2026	\$45,400,000.00	\$1,980,000.00	\$2,594,518.75	\$4,574,518.75
2027	\$43,420,000.00	\$2,090,000.00	\$2,475,825.00	\$4,565,825.00
2028	\$41,330,000.00	\$2,220,000.00	\$2,350,118.75	\$4,570,118.75
2029	\$39,110,000.00	\$2,350,000.00	\$2,216,812.50	\$4,566,812.50
2030	\$36,760,000.00	\$2,480,000.00	\$2,075,868.75	\$4,555,868.75
2031	\$34,280,000.00	\$2,620,000.00	\$1,927,012.50	\$4,547,012.50
2032	\$31,660,000.00	\$2,775,000.00	\$1,769,518.75	\$4,544,518.75
2033	\$28,885,000.00	\$2,940,000.00	\$1,602,643.75	\$4,542,643.75
2034	\$25,945,000.00	\$3,115,000.00	\$1,425,800.00	\$4,540,800.00
2035	\$22,830,000.00	\$3,300,000.00	\$1,238,400.00	\$4,538,400.00
2036	\$19,530,000.00	\$3,495,000.00	\$1,039,856.25	\$4,534,856.25
2037	\$16,035,000.00	\$3,695,000.00	\$829,718.75	\$4,524,718.75
2038	\$12,340,000.00	\$3,905,000.00	\$607,537.50	\$4,512,537.50
2039	\$8,435,000.00	\$4,135,000.00	\$372,450.00	\$4,507,450.00
2040	\$4,300,000.00	\$3,000,000.00	\$163,787.50	\$3,163,787.50
2041	\$1,300,000.00	\$1,045,000.00	\$45,481.25	\$1,090,481.25
2042	\$255,000.00	\$255,000.00	\$7,462.50	\$262,462.50
		\$61,148,261.62	\$73,513,111.40	\$134,661,373.02

Exhibit B

Supplemental Private Property Use Restrictions

EXHIBIT B

Amendment to Development Program for the
Worcester City Square Development District
with respect to the use of Private Property

The private property in the District is to be used and made subject to the use restrictions set forth in the chart below. The chart indicates the relevant parcel as shown on the map of the District attached hereto as Exhibit B-1 and the applicable use(s) permitted on such parcel. A use restriction is to be recorded with respect to each of such parcels limiting the use of such parcels to the permitted uses set forth below subject to the limitations on such restrictions described below the chart.

<u>Parcels</u>	<u>Use(s)</u>
C	Retail
D	Retail/Entertainment
F	Housing/Accessory Retail.
H	Commercial/Accessory Retail
I	Retail/Restaurants/Commercial
E	Entertainment and Retail/Commercial
J (Phase I)	Office/Accessory Retail/Housing/Commercial
J (Phase II)	Housing/Accessory Retail/Commercial
K (Phase III)	Housing/Commercial/Accessory Retail (no big box discount)
L (Phase III)	Retail/Housing/Hotel
C (Future) (Phase III)	Housing/Accessory Retail/Hotel/Commercial

As the tower parcels (A and B) in the District already contain commercial office buildings no further use restriction is being imposed with respect to such parcels. With respect to parcels C and D, use restrictions as set forth in the chart above will be imposed but the existing mortgage on parcel C and D will not be subordinated to such use restrictions. Any refinancing of such mortgage shall be required to be made subject and subordinate to the use restrictions on C and D. Further, any mortgages on any of the other parcels (excluding parcels A and B) will be expressly required to be made subject and subordinate to the applicable use restrictions. The use restrictions listed on the above chart shall remain in effect for a period of thirty years from the date that such restrictions are recorded at the applicable registry of deeds. However, if the Development Agreement for the District shall terminate prior to the commencement of the construction of the contemplated parking garage, then, upon such event all of the use restrictions shall terminate and be no longer of any force or effect. Finally, if any of the parcels listed under Phase II or Phase III are transferred to a third party in compliance with the terms of

the Development Agreement, such parcels shall thereupon no longer be subject to the use restrictions.

EXHIBIT B-1

PARCEL PLAN FOR USE RESTRICTIONS
prepared by Arrowsstreet and dated December 1, 2005

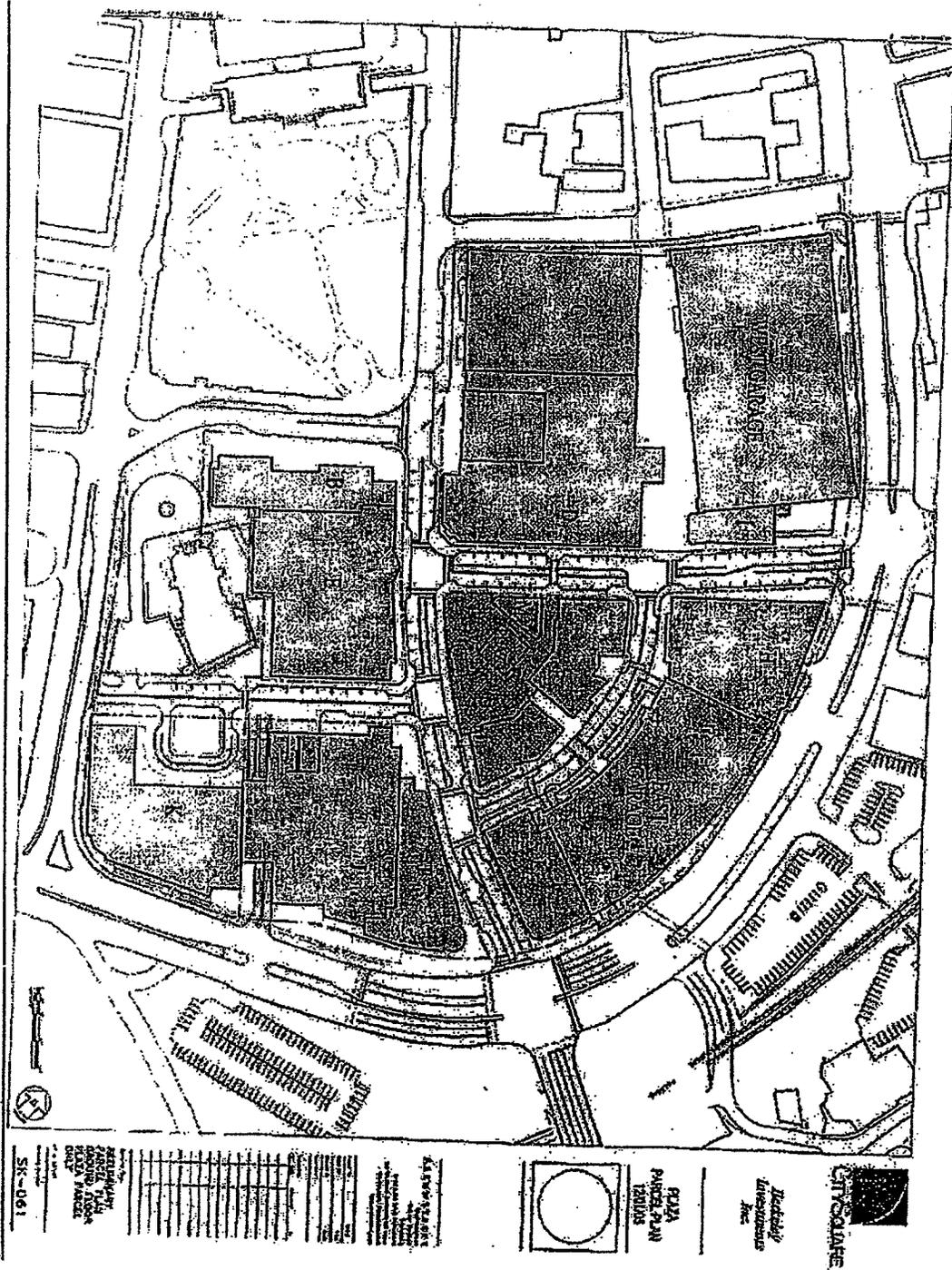


Exhibit C

Revised Legal Description

THE LAND IN SAID CITY AND COUNTY OF WORCESTER SHOWN AS PARCELS GA, C, A, GB, T, O, M, F1 AND F-2 ON A PLAN BY THOMPSON-LISTON ASSOCIATES, INC., CIVIL ENGINEERS-LAND SURVEYORS, AND ENTITLED "SUBDIVISION PLAN OF PROPERTIES IN WORCESTER, MASS. OWNED BY WORCESTER REDEVELOPMENT AUTHORITY AND TO BE TRANSFERRED TO WORCESTER CENTER ASSOCIATES WITH THE EXCEPTIONS OF PARCELS 5, 6 AND PARCELS LABELED W.R.A.", AND DATED OCTOBER 21, 1988, AND BEARING A MOST CURRENT REVISION DATE OF DECEMBER 3, 1989, WHICH SAID PLAN IS RECORDED IN PLAN BOOK 332, PLAN 101, WORCESTER DISTRICT REGISTRY OF DEEDS, AND

THE LAND IN SAID CITY AND COUNTY OF WORCESTER SHOWN AS PARCEL 6-A ON PLAN ENTITLED "LAND IN WORCESTER, MASSACHUSETTS, OWNED BY WORCESTER REDEVELOPMENT AUTHORITY" DATED APRIL 30, 1976, PREPARED BY RENEY BROTHERS, INC., REGISTERED ENGINEERS AND SURVEYORS, WORCESTER, MASSACHUSETTS, RECORDED IN PLAN BOOK 343, PLAN 69;

BOUNDED AND DESCRIBED AS FOLLOWS

BEGINNING AT A POINT AT THE SOUTHEASTERLY CORNER OF COMMERCIAL STREET AND THE NORTHERLY SIDE OF FRONT STREET AT A POINT; THENCE RUNNING

N 24° 39' 45" E A DISTANCE OF 251.39' FEET ALONG THE SIDELINE OF COMMERCIAL STREET TO A POINT OF CURVATURE; THENCE RUNNING

NORTHERLY ON A CURVE TO THE LEFT HAVING A RADIUS OF 828.00' FEET A LENGTH OF 148.84' FEET ALONG SAID SIDELINE TO A POINT OF TANGENCY; THENCE RUNNING

N 14° 30' 05" E A DISTANCE OF 182.25' FEET TO A POINT OF CURVATURE AT FOSTER STREET; THENCE RUNNING

NORTHERLY AND EASTERLY ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 12.00' FEET A LENGTH OF 20.12' FEET TO A POINT OF TANGENCY; THENCE RUNNING

S 69° 26' 13" E A DISTANCE OF 295.09' FEET ALONG THE SIDELINE OF FOSTER STREET TO A POINT OF CURVATURE; THENCE RUNNING

SOUTHEASTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 856.00' FEET A LENGTH OF 17.51' FEET ALONG THE SIDELINE OF FOSTER STREET TO A POINT AT THE END OF FOSTER STREET AND THE BEGINNING OF WORCESTER CENTER BOULEVARD; THENCE CONTINUING

SOUTHEASTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 856.00' FEET A LENGTH OF 100.29' FEET ALONG THE SIDELINE OF WORCESTER CENTER BOULEVARD TO A POINT OF NON-TANGENCY; THENCE RUNNING

S 18° 16' 41" W A DISTANCE OF 12.19' FEET TO A POINT OF NON-TANGENCY; THENCE RUNNING

SOUTHEASTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 844.00' FEET A LENGTH OF 298.80' FEET ALONG THE SIDELINE OF SAID WORCESTER CENTER BOULEVARD TO A POINT OF COMPOUND CURVATURE; THENCE RUNNING

SOUTHEASTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 1444.00' FEET A LENGTH OF 109.43' FEET ALONG THE SIDELINE OF SAID WORCESTER CENTER BOULEVARD TO A POINT OF COMPOUND CURVATURE; THENCE RUNNING

SOUTHEASTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00' FEET A LENGTH OF 41.81' FEET ALONG THE SIDELINE OF SAID WORCESTER CENTER BOULEVARD TO A POINT OF COMPOUND CURVATURE; THENCE RUNNING

SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 771.58' FEET A LENGTH OF 158.83' FEET ALONG THE SIDELINE OF SAID WORCESTER CENTER BOULEVARD TO A POINT OF TANGENCY; THENCE RUNNING

S 19° 28' 00" E A DISTANCE OF 54.85' FEET ALONG THE SIDELINE OF SAID WORCESTER CENTER BOULEVARD TO A POINT OF CURVATURE; THENCE RUNNING

SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 412.00' FEET A LENGTH OF 44.49' FEET ALONG THE SIDELINE OF SAID WORCESTER CENTER BOULEVARD TO A POINT OF NON-TANGENCY AT PARCEL G-1 NOW OR FORMERLY OF THE WORCESTER REDEVELOPMENT AUTHORITY; THENCE RUNNING

S 82° 21' 23" W A DISTANCE OF 8.83' FEET ALONG SAID AUTHORITY PARCEL TO A POINT OF NON-TANGENCY; THENCE RUNNING

SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 510.83' FEET A LENGTH OF 51.29' FEET ALONG SAID AUTHORITY PARCEL TO A POINT OF NON-TANGENCY; THENCE RUNNING

N 07° 30' 47" E A DISTANCE OF 1.72' FEET ALONG SAID AUTHORITY LAND TO A POINT OF CURVATURE; THENCE RUNNING

SOUTHEASTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 17.33' FEET A LENGTH OF 12.64' FEET TO A POINT OF NON-TANGENCY; THENCE RUNNING

SOUTHWESTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 412.00' FEET A LENGTH OF 339.82' FEET TO A POINT ON THE CURVE AT PARCEL G-2 NOW OR FORMERLY OF THE WORCESTER REDEVELOPMENT AUTHORITY; THENCE RUNNING

N 60° 20' 13" W A DISTANCE OF 4.88' FEET ALONG SAID AUTHORITY LAND TO A POINT OF NON-TANGENCY; THENCE RUNNING

SOUTHWESTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 510.83' FEET A LENGTH OF 27.04' FEET ALONG SAID PARCEL G-2 TO A POINT; THENCE RUNNING

S 50° 20' 13" E A DISTANCE OF 2.14' FEET ALONG SAID AUTHORITY LAND TO A POINT AT WORCESTER CENTER BOULEVARD; THENCE RUNNING

S 42° 08' 32" W A DISTANCE OF 50.13' FEET ALONG THE SIDELINE OF WORCESTER CENTER BOULEVARD TO A POINT OF CURVATURE; THENCE RUNNING

SOUTHWESTERLY ON A CURVE TO THE LEFT HAVING A RADIUS OF 308.00' FEET A LENGTH OF 81.18' FEET ALONG THE SIDELINE OF WORCESTER CENTER BOULEVARD TO A POINT OF TANGENCY; THENCE RUNNING

S 27° 02' 41" W A DISTANCE OF 35.55' FEET ALONG THE SIDELINE OF WORCESTER CENTER BOULEVARD TO A POINT OF CURVATURE; THENCE RUNNING

SOUTHWESTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 292.00' FEET A LENGTH OF 86.41' FEET ALONG THE SIDELINE OF WORCESTER CENTER BOULEVARD TO A POINT OF TANGENCY; THENCE RUNNING

S 44° 00' 00" W A DISTANCE OF 137.89' FEET ALONG WORCESTER CENTER BOULEVARD TO ITS END AT A POINT OF CURVATURE AT FRANKLIN STREET; THENCE RUNNING

SOUTHWESTERLY, WESTERLY AND NORTHWESTERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 84.88' FEET A LENGTH OF 114.47' FEET ALONG THE SIDELINE OF FRANKLIN STREET TO A POINT OF TANGENCY; THENCE RUNNING

N60° 20' 22" W A DISTANCE OF 140.07' FEET ALONG THE SIDELINE OF FRANKLIN STREET TO AN ANGLE POINT; THENCE RUNNING

N 55° 04' 42" W A DISTANCE OF 84.88' FEET ALONG THE SIDELINE OF FRANKLIN STREET TO A CORNER POINT AT LAND OF THE ROMAN CATHOLIC BISHOP OF WORCESTER; THENCE RUNNING

N 26° 17' 05" E A DISTANCE OF 244.52' FEET ALONG SAID ROMAN CATHOLIC BISHOP OF WORCESTER TO A CORNER POINT; THENCE RUNNING

N 63° 42' 55" W A DISTANCE OF 119.05' FEET ALONG SAID ROMAN CATHOLIC BISHOP OF WORCESTER TO A CORNER POINT; THENCE RUNNING

S 26° 17' 05" W A DISTANCE OF 25.00' FEET ALONG SAID ROMAN CATHOLIC BISHOP OF WORCESTER TO A CORNER POINT; THENCE RUNNING

N 63° 42' 55" W A DISTANCE OF 119.10' FEET ALONG SAID ROMAN CATHOLIC BISHOP OF WORCESTER TO A CORNER POINT; THENCE RUNNING

S 10° 57' 15" W A DISTANCE OF 77.77' FEET ALONG SAID ROMAN CATHOLIC BISHOP OF WORCESTER TO A CORNER POINT; THENCE RUNNING

N 63° 42' 55" W A DISTANCE OF 169.19' FEET ALONG SAID ROMAN CATHOLIC BISHOP OF WORCESTER AND LAND OF THE CITY OF WORCESTER TO A CORNER POINT AT FRONT STREET; THENCE RUNNING

N 28° 53' 39" E A DISTANCE OF 253.25' FEET ALONG THE SIDELINE OF FRONT STREET TO A POINT OF CURVATURE; THENCE RUNNING

NORTHEASTERLY, NORTHERLY AND NORTHWESTERLY ON A CURVE TO THE LEFT HAVING A RADIUS OF 110.00' FEET A LENGTH OF 177.80' FEET ALONG THE SIDELINE OF FRONT STREET TO A POINT OF TANGENCY; THENCE RUNNING

N 63° 42' 55" W A DISTANCE OF 193.92' FEET ALONG THE SIDELINE OF FRONT STREET TO THE POINT AND PLACE OF BEGINNING.

INCLUDING A PORTION OF WORCESTER CENTER BOULEVARD, AS SHOWN ON THE SITE PLAN

CITY OF WORCESTER, MASSACHUSETTS

LOAN ORDER

CITY SQUARE DISTRICT IMPROVEMENT FINANCING

ORDERED: That the Loan Order of this Council adopted on July 19, 2005 which authorized the borrowing of \$89,085,000.00 for the purpose of paying the City's cost of participating in CitySquare Redevelopment Project, so-called, is hereby amended in its entirety to read as follows:

ORDERED: That the sum of Eighty-One Million Two Hundred Thousand Dollars (\$81,200,000.00) be and hereby is appropriated to Account 04C750, CitySquare Delegated Project Elements, and the sum of Seven Million Eight Hundred Eighty-Five Thousand Dollars (\$7,885,000.00) be and hereby is appropriated to Account 04C751, CitySquare Direct Project Elements; provided, however, that the City Manager shall be authorized to allocate funds between the two aforesaid accounts if such allocation shall be necessary in his judgment to meet the City's obligations as set forth in the General Development Agreement between the City and Worcester Renaissance, LLC which agreement governs the City's participation in the CitySquare Redevelopment Project; that the funds appropriated by this Order shall be used to (i) design and construct an underground parking garage, (ii) design and construct the plaza parcel improvements above a portion of the garage, (iii) acquire various interests in land associated with the City's participation in the CitySquare Redevelopment Project, (iv) design, construct and/or reconstruct streets, sidewalks and associated spaces within the CitySquare Redevelopment Project area, (v) capitalize interest with respect to bonds or notes of the City issue pursuant to this order, and (vi) to pay any and all other costs incidental and related to the City's participation in the CitySquare Redevelopment Project, and that to meet this appropriation, the City Treasurer, with the approval of the City Manager, is authorized to borrow the sum of Eighty-Nine Million Eighty-Five Thousand Dollars (\$89,085,000.00) under and pursuant to Chapter 40Q of the General Laws (the District Improvement Financing Act), or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor.

In City Council

June __, 2006

Permit Fees Reduction Ordinance

AN ORDINANCE RELATIVE TO CERTAIN PERMIT AND INSPECTION FEES FOR THE CITY SQUARE PROJECT

Be it Ordained by the City Council of the City of Worcester, as follows:

Section 1. Chapter two of the Revised Ordinances of 1996 is hereby amended by inserting a new section twenty-nine B as follows:

§ 29B. CitySquare Project Permit Fees

(a) The city council hereby finds and declares that Worcester Renaissance, LLC, is prepared to invest \$470 million into downtown Worcester for the reconstruction of the former Worcester Center (a.k.a. Worcester Common Outlets) Mall property ("CitySquare Project") by demolishing large portions of the existing buildings, reestablishing the locations of public ways and spaces on and through the Project Property (as hereinafter defined), constructing 1.5 million square feet of new building space consisting of housing, commercial office, medical/clinical space, limited retail space and entertainment venues and renovating portions of the two existing office buildings and the remaining portions of the existing retail space and the existing parking garages (collectively, the "Private Project Elements").

(b) Notwithstanding the provisions of any ordinance, rule or regulation to the contrary, the fees for construction, building or utility permits issued by the City of Worcester or any department, agency, board or commission thereof, (hereinafter collectively referred to as "permits"), necessary for construction of the development program as stated in the attachment to a certain Memorandum of Agreement dated April 30, 2005 by and between the City of Worcester and Worcester Renaissance, LLC, and Worcester Towers, LLC, shall be aggregated and reduced to two million dollars.

(c) Except as otherwise provided herein, the fee established by this ordinance shall be paid by or on behalf of Worcester Renaissance, LLC, as follows:

(i) Worcester Renaissance, LLC shall make an initial fee payment of \$250,000 on the date that the First Disbursement is paid by the City under and pursuant to the Development Agreement between the City and Worcester Renaissance, LLC for the CitySquare Project (the "General Development Agreement"). Defined terms used in this section (c) shall have the meanings given such terms in the General Development Agreement.

(ii) Worcester Renaissance, LLC shall make a second fee payment of \$750,000 on the earlier of June 15, 2008 or upon the Commencement of the Enabling Work.

(iii) Worcester Renaissance, LLC shall make a third fee payment of \$1,000,000 on the earlier of June 15, 2009, or upon the Commencement of the Parking Garage.

Notwithstanding the foregoing, Worcester Renaissance, LLC shall not be obligated to make the fee payments set forth in Section (c)(ii) and (c)(iii) hereof, if, on or before the date such

payment or payments are due, it has given a termination notice to the City in accordance with Section 4.18 of the General Development Agreement. If as a result of such a termination, the Enabling Work does not Commence, the City shall refund to Worcester Renaissance, LLC any payments made in accordance with Sections (c)(i) and (c)(ii) hereof, which refund shall be made not later than thirty (30) days after receipt of written notice from Worcester Renaissance, LLC (i) that the Enabling Work will not Commence and (ii) of termination of the General Development Agreement pursuant to Section 4.18 thereof; provided, however, that the City may deduct from the initial permit fee payment made pursuant to Section (c)(i) hereof, the actual costs incurred by the City for direct personnel expenses, excluding legal expenses.

The provisions of this ordinance shall apply to the Construction of the Private Project Elements and the Delegated Public Project Elements.

(d) Fee payments under this ordinance shall be made to the city manager, who shall issue appropriate documentation confirming payment of the fee. Any permit granting department, agency, board or commission of the city shall, upon presentation of such documentation by an applicant seeking a permit relative to the CitySquare Project, process the permit application without payment of additional fees and shall indicate on the permit application the following: "Fee paid pursuant to § 29B, c. 2, R.O. 1996."

(e) Anticipating that Worcester Renaissance, LLC, shall construct and complete the Private Project Elements in phases and that the tenants of Worcester Renaissance, LLC, shall thereafter finish construction of each tenantable space within the CitySquare Project, this permit fee reduction shall apply to any permits necessary for such tenant fit-out but shall expire upon the date of issuance of the first permit for use and occupancy for each such portion of the Project Property (as defined in the General Development Agreement). Notwithstanding the previous sentence, this ordinance shall expire on June 30, 2016 and the fees otherwise then in effect shall apply to any permits issued after such date.