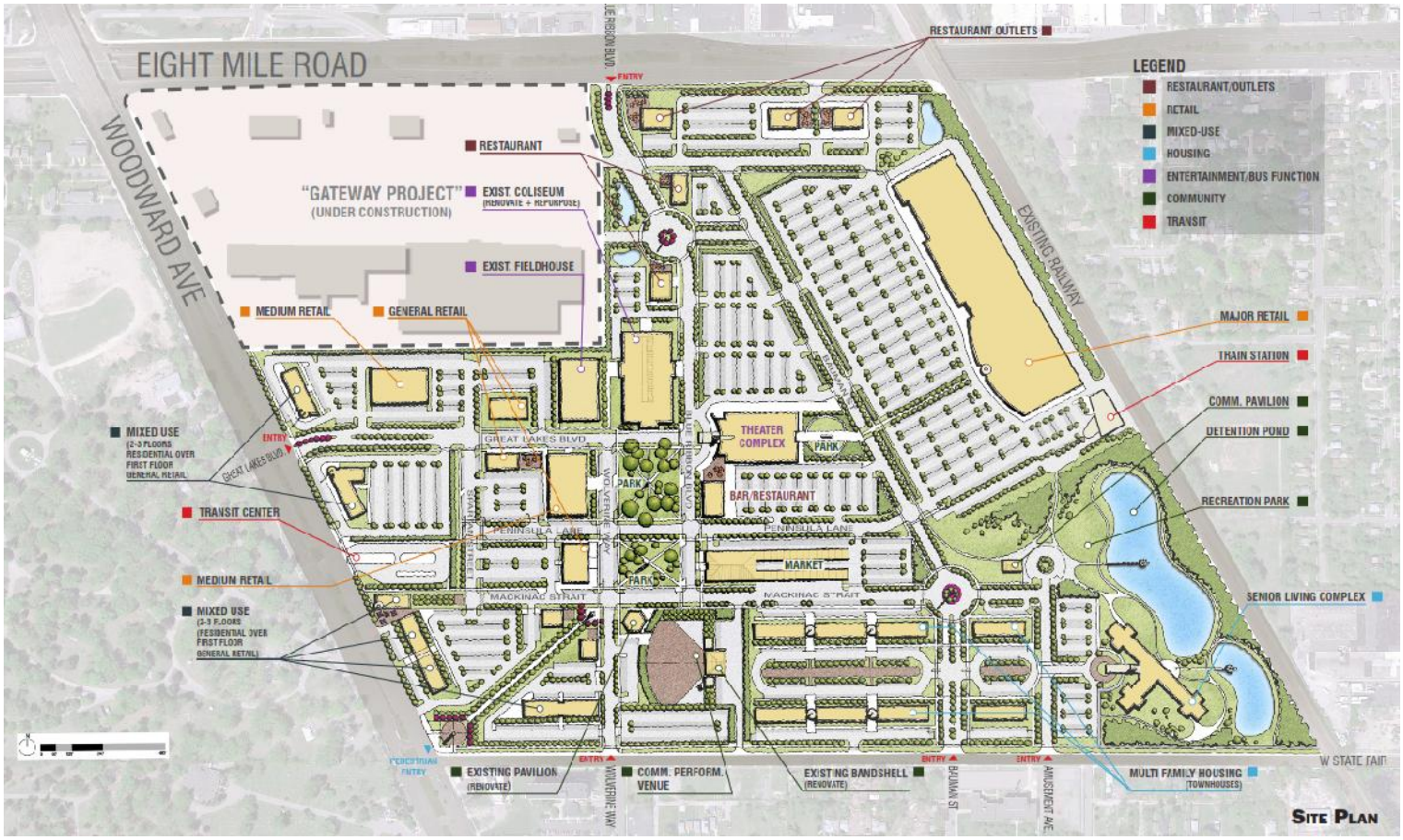
Michigan State Fairgrounds Redevelopment
Detroit, Michigan



Amended Business Plan
November 18, 2012

REDICO®

TABLE OF CONTENTS

1. Executive Summary
2. Project Management Assignment
3. Phase I – Eight Mile Retail, Restaurants & Theater
4. Phase II – Multi-Family Residential
5. Phase III – Woodward Mixed-Use
6. Phase IV – Senior Living
7. Incentives
8. Leasing and Marketing
9. Project Status

Exhibit A – Site Plans
Exhibit B – Demographics
Exhibit C – Project Schedules
Exhibit D – Project Budgets and Cash Flow Models
Exhibit E – REDICO Overview
Exhibit F – Residential Market Overview
Exhibit G – Senior Living Market Overview

EXECUTIVE SUMMARY

Introduction

The original business plan (the "Plan") dated October 22, 2012 has been amended as presented herein based on a meeting held on November 7, 2012 with representatives of the Michigan Land Bank Fast Track Authority (the "Land Bank") to address concerns related to the projected financial returns to the state upon the mixed-use redevelopment of the State Fairgrounds property in Detroit, Michigan (the "Project") and to ensure that the proceeds from the proposed tax-increment financing mechanism be utilized only for horizontal site improvements and related infrastructure. Specifically, the following modifications to the Plan have been made:

TIF Proceeds

- Phase III – The projected TIF proceeds were reduced by approximately $1 million. The $1 million allocated for the renovation of the Coliseum was removed from the program to offset the reduced TIF proceeds. REDICO will be evaluating the use of historic tax credits for the renovation of the Coliseum.
- Phase IV – The projected TIF proceeds were reduced by approximately $2.3 million. Programmed rents were increased from mid-range to slightly optimistic and the investor return was lowered slightly though still providing an appropriate risk-adjusted return to accommodate the reduction in TIF proceeds.

Returns to State

In addition to the payments to the state of 1% of revenues the following promote structure has been incorporated.

- After an 8% cumulative preferred return to the Owner, the state receives 10% of the remaining cash flows from operations.
- On a sale or refinance, once the Owner has achieved a 15% IRR the state receives 10% of any remaining distributable proceeds.

REDICO Management, Inc. ("REDICO") has been engaged by Magic Plus, LLC ("Magic") to act as the Project Manager for the Project. The Project is proposed to consist of various retail, restaurant, multi-family, senior living, and entertainment uses totaling 1,021,000 square feet of new construction on approximately 163 acres of land located off of Eight Mile Road and Woodward Avenues in Detroit, Michigan (the "Property").

The first phase of REDICO's assignment consisted of generating this Plan which assesses the current viability of the Project and outlines the necessary sources of funds that will ensure the ability to proceed with the Project. Specifically, a detailed sources and uses of funds for a phased Project has been developed along with pro forma for the individual Project phases. The viability of the Project moving forward rests with the ability to adequately execute on the sources of funds identified.

The second phase of REDICO's assignment will be the finalization of Plan elements leading to implementation. Note that the thirty days allotted for the preparation of this Plan has resulted

in a strategy for moving this Project forward but there are a number of issues that need to be resolved prior to final implementation. These would include more precisely resolving the value of the various sources of Project funding to balance against uses of funds.

Project Overview

The Project is designed as a mixed-use retail, entertainment and living destination with excellent signage, visibility, access and parking. The current site plan is provided as Exhibit A.

The Project is estimated to generate over 800 construction related jobs over a 3 ½ year period and over 2,000 full and part-time jobs following completion. More specifics regarding job creation will be generated as part of developing financing packages for each of the four phases.

The demographic attributes of the Project and this underserved market are very strong supporting additional retail uses in this location building on the success of the adjacent Gateway Marketplace. Current reports show a population of 166,500 within a three mile radius, a population of 460,000 within a five mile radius, and average and median household incomes of $54,000 and $42,000 respectively (see Exhibit B).

Furthermore, the Project is located along two of the busiest primary roads in Detroit, Woodward Avenue and Eight Mile Road. Traffic counts on these two arteries are 38,877 and 78,300 cars per day, respectively.

Program Summary

The Project is currently programmed to include the following uses:

Development	SF Total	Units
Retail	442,000	
Restaurants	57,000	
Multi-Family Residential	96,000	64
Residential (Woodward)	124,000	132
Entertainment	160,000	
Market	52,000	
Senior Living	90,000	84
TOTAL	1,021,000	

Project Phases/Schedule

It is proposed that the Project will be phased with a multi-year property take-down and development schedule. The schedule is based on the negotiation and execution of a Purchase and Sale Agreement and Development Agreement with the State of Michigan Land Bank Fast Track Authority (the “Land Bank”) by January 1, 2013.

Phase I – Eight Mile Restaurants, Retail and Theater

- Financing (Incentives, Debt, Equity) Jan ‘13 – Mar ‘14
- Pre-Leasing Mar ‘13 – Mar ‘14
- Take-Down Land Feb ‘14
- Construction Feb ‘14 – May ‘15

Phase II – Multi-Family Residential

- Financing — Jul ‘13 – Mar ‘14
- Take-Down Land — Mar ‘14
- Construction — Mar ‘14 – May ‘15

Phase III – Woodward Mixed-Use

- Financing — Jan ‘14 – Mar ‘15
- Pre-Leasing — Mar ‘14 – Mar ‘15
- Take-Down Land — Mar ‘15
- Construction — Mar ‘15 – May ‘16

Phase IV – Senior Living

- Financing — Jul ‘14 – ‘Mar 15
- Take-Down Land — Mar ‘15
- Construction — Mar ‘15 – Mar ‘16

An overall Project Schedule and Project Schedules for each phase have been provided in Exhibit C – Project Schedules. The key to proceeding with Phase I – Eight Mile Restaurants, Retail and Theater will be obtaining a commitment from a theater operator/owner and an anchor retail tenant.

The timing of the phases could change due to market conditions.

Project Costs

The overall Project investment by Magic for all phases is projected to be $119 million. This is exclusive of the vertical construction of the major anchor, multi-family residential, market and Eight Mile Road outlots. The total investment at the Fairgrounds is estimated to be approximately $160 million. This Project Budgets for the individual phases are detailed in Exhibit D – Project Budgets.

Sources and Uses of Funds

The Sources and Uses of Funds for the overall Project is detailed below. Note that the state and county have not been approached as of the submission of this report regarding their support of any of the grants that are indicated as potential sources for gap financing. Individual Phase Sources and Uses are included in their respective sections of the Business Plan.

Sources of Funds			
Equity Requirement			19,592,956.21
Financing Proceeds			58,580,142.29
TIF Loan Proceeds			21,333,768.32
NMTC Proceeds (Net)			16,945,918
Community Block Grant			850,000
Michigan Strategic Fund - Grant			2,000,000.00
Total Sources of Funds		$	119,302,784.96
Uses of Funds			
Land and Predevelopment Costs		$	(2,826,750.00)
Soft Costs			19,414,271.11
Hard Construction Costs			84,772,085.99
Financing Costs			11,983,860.00
Contingency	5.00%		5,209,317.86
Lease Up Reserve			750,000.00
Distribution			-
Total Uses of Funds		$	119,302,784.96

Summary – Next Steps

The Project has tremendous potential but Phase I specifically will require a concerted and significant pre-leasing effort.

In the detailed Plan included herein, every aspect of the Project has been evaluated and recommendations are made that REDICO believes will allow the Project to proceed.

In order to move the Project forward the following steps will be required.

- Presentation of Business Plan to the Land Bank
- Negotiation of Purchase and Sale Agreement and Development Agreement with the Land Bank
- Establishment of Corridor Improvement District to allow for tax-increment financing
- Commitment of Michigan Strategic Fund for gap financing
- Pre-Commitment from Community Development Entities for New Markets Tax Credits Allocation

PROJECT MANAGEMENT ASSIGNMENT

Engagement of REDICO as Project Manager

By Project Management Agreement dated October 17, 2012, REDICO Management, Inc. was engaged by Magic Plus, LLC to create a Business Plan with analysis and recommendations regarding the redevelopment of the State Fairgrounds property. This Agreement also defines REDICO's role through the development of Phase I of the Project.

REDICO has a long history of successfully working within the City of Detroit on complex real estate developments. These include the 360,000 square foot Gateway Marketplace retail center currently under construction adjacent to the State Fairgrounds property, the 250,000 square foot One Kennedy Square office building in downtown Detroit and the 160,000 square foot Orchestra Place office building in the New Center area of Detroit. In addition to having successfully partnered with the City of Detroit, REDICO has developed over 2 million square feet of similar retail projects in the past seven years in southeast Michigan including Independence Marketplace in Allen Park, Green Oak Village Place in Brighton, and Waterside Marketplace in Chesterfield Township. REDICO is also a partner in American House – the pre-eminent senior living company in Michigan with over 3,000 units and a significant pipeline of pending acquisitions and new ground-up developments. REDICO's working relationship with the City of Detroit, extensive local retail development and senior living experience and familiarity with the Project made REDICO the ideal candidate for partnering with Magic Plus and developing and implementing a Business Plan for this mixed use Project.

An overview of REDICO's capabilities is provided in Exhibit E.

PHASE I – RETAIL, RESTAURANTS & THEATER

Program Summary

This first phase of the Project is poised to capitalize on the success of the adjacent Gateway Marketplace center which is currently under construction and scheduled to open in the late spring of 2013. A site plan indicating the proposed phasing of the development is included in Exhibit A. Encompassing 61 acres of the entire State Fairgrounds property and fronting on Eight Mile Road, Phase I is programmed to contain a total of 379,000 square feet of gross leasable area (GLA). This consists of one major anchor of approximately 130,000 square feet, five mid-size retail stores of 10,000 to 40,000 square feet totaling 102,000 square feet, 39,360 square feet of in-line small-format retail space and a 2,000 seat feet multi-plex theater. Included in these totals are six outlots that would be marketed to mid-market full-service restaurant tenants, financial services tenants and other appropriate users.

REDICO believes strongly in the ability to bring an appropriate mix of users to this phase of the project that will reflect the needs and desires of the surrounding neighborhoods and communities. There are several retailers who could not be accommodated at Gateway Marketplace due to either their size or the economics associated with the center due to the basis in the land. It is anticipated that these retailers will locate at Phase I. As noted in the Leasing and Marketing section of the Business Plan, upon endorsement of the Plan REDICO will immediately commence the development of a merchandising plan for Phase I. At this time, REDICO will also commence negotiations with the theater owner/operator.

The projected investment by Magic in Phase I is $44.2 million exclusive of the construction of the major anchor and out lot buildings. The following is the Sources and Uses for Phase I. The Phase I Project Budget and 10-Year Cash Flow Model are included in Exhibit D.

Sources of Funds			
Equity Requirement			4,565,848.33
Construction Loan Proceeds			19,048,563.63
TIF Loan Proceeds			10,900,000.00
NMTC Projected Proceeds			9,692,893.88
Total Sources of Funds		$	44,207,306
Uses of Funds			
Land and Predevelopment Costs			(965,750.00)
Soft Costs			8,900,968.23
Hard Construction Costs			29,089,903.99
Financing Costs			5,282,640.00
Contingency	5.0%		1,899,543.61
Distribution			-
Total Uses of Funds		$	44,207,306

REDICO has a solid track record in raising equity for projects of this nature and believes that the forecast 19.8% IRR for this phase is appropriate given the risk profile and adequate to interest a deep pool of investors with a history of investing in REDICO sponsored projects. Given the anticipated availability of both New Markets Tax Credits and a stream of TIF-generated revenue, the resulting required construction loan is a low 43% loan-to-cost with adequate debt service coverage. Huntington Bank has expressed interest in providing construction and permanent financing for the Project.

Due diligence, pre-leasing and financing efforts for Phase I of the Project will commence following execution of a Purchase and Sale Agreement and/or Development Agreement between Magic and the Land Bank. Assuming this occurs on or about January 1, 2013, construction of Phase I is anticipated to commence in February 2014 with a grand opening projected for June 2015. A detailed preliminary development schedule for Phase I is included in Exhibit C.

PHASE II – MULTI-FAMILY RESIDENTIAL

Program Summary

Phase II of the Project is programmed for multi-family residential adjacent and to the south of Phase I. Phase II is indicated on the phased site plan included in Exhibit A. Encompassing 30 acres, this phase is programmed to consist of 64 market rate units averaging 1,500 square feet and a 52,000 square foot market.

REDICO and Magic believe it is important to have a residential component to the development to both meet a need for newer residential product in the city and to contribute to the vibrancy of the Project. It is Magic's intent to undertake the infrastructure improvements necessary to improve the Phase II site and then sell the residential portion to a multi-family developer and to ground lease the market pad to an appropriate user.

The projected investment by Magic in Phase II is $3.5 million. The following is the Sources and Uses for Phase II. The Phase II Project Budget and 10-Year Cash Flow Model are included in Exhibit D.

Sources of Funds			
Equity Requirement			461,489.45
Construction Loan Proceeds			-
TIF Loan Proceeds			1,200,000.00
Community Development Block Grant			850,000.00
Michigan Strategic Fund - Grant			1,000,000.00
Total Sources of Funds		$	3,511,489
Uses of Funds			
Land and Predevelopment Costs			(1,861,000.00)
Soft Costs			1,069,885.62
Hard Construction Costs			4,046,771.00
Financing Costs			-
Contingency	5.0%		255,832.83
Distribution			-
Total Uses of Funds		$	3,511,489

Phase II has a relatively minor equity requirement and a forecast IRR of 11.8% which is commensurate with the lower risk associated with this land development effort. As outlined in the Incentives section of the Business Plan, Magic will be seeking a Community Development Block Grant in the amount of $850,000 and a Michigan Strategic Fund grant in the amount of $1,000,000 to offset costs associated with the demolition of existing facilities on the site, renovation of the band shell for use as a community amenity, and to off-set some of the infrastructure costs associated with this phase. The New Markets Tax Credit program is not a viable source of gap funding due to the primarily residential nature of this phase of the Project.

Due diligence and financing efforts for Phase II of the Project are programmed to commence on July 1, 2013. Magic would close on the land associated with Phase II in March 2014 and commence

infrastructure improvements with the intent of selling the residential land in July 2014. The multi-family units and market are anticipated to be completed in May 2015. A detailed preliminary development schedule for Phase II is included in Exhibit C.

PHASE III – WOODWARD MIXED-USE

Program Summary

Phase III is a mixed-use retail, residential and entertainment phase of the Project. Encompassing 42 acres of the State Fairgrounds property and fronting on Woodward Avenue, Phase III is programmed to contain a total of 127,035 square feet of retail GLA, 132 market rate apartments totaling 124,000 square feet, the existing Joe Dumars Fieldhouse and the renovated Coliseum which is planned for adaptive re-use.

As noted in Phase II, REDICO and Magic believe in the importance of including residential components in the overall redevelopment of the Fairgrounds. Given the strong retail and entertainment focus of the Project, leasing of the apartments at above current market rents should be achievable. There is little new product in the market and the demand from younger renters should be strong given the proximity to Ferndale, Royal Oak, a resurging Midtown and downtown Detroit. Some preliminary market information is provided in Exhibit F. REDICO will undertake a more focused residential market study prior to commencement of this phase of the Project.

The continued lease and utilization of the Joe Dumars Fieldhouse will provide an otherwise unfilled sports component to the Project and a renovation of the existing Coliseum will provide a venue for larger entertainment and conference type events, business incubator space and other uses.

The projected investment by Magic in Phase I is $53.4 million. The following is the Sources and Uses for Phase I. The Phase I Project Budget and 10-Year Cash Flow Model are included in Exhibit D.

Sources of Funds			
Equity Requirement			10,747,210.46
Construction Loan Proceeds			26,751,578.67
TIF Loan Proceeds			8,673,768.32
NMTC Projected Proceeds			7,253,024.26
Michigan Strategic Fund Grant			-
Total Sources of Funds		$	53,425,582
Uses of Funds			
Land and Predevelopment Costs			-
Soft Costs			7,247,047.77
Hard Construction Costs			38,485,411.00
Financing Costs			5,406,500.00
Contingency	5.0%		2,286,622.94
Distribution			-
Total Uses of Funds		$	53,425,582

The utilization of a TIF loan and New Markets Tax Credits results in an equity requirement of 20% and a construction loan-to-cost of 49%. The resulting IRR for Phase III is 14.6%. REDICO will be evaluating the use of historic tax credits for the renovation of the Coliseum.

Due diligence, pre-leasing and financing efforts for Phase III of the Project are programmed to commence in January 2014. Magic anticipates closing on the property associated with this phase in March 2015 with a grand opening projected for June 2016. A detailed preliminary development schedule for Phase III is included in Exhibit C.

PHASE IV – SENIOR LIVING

Program Summary

Phase IV of the Project is programmed for a senior living facility adjacent and to the east of the multi-family on Phase II. Phase IV is indicated on the phased site plan included in Exhibit A. To be constructed on five acres, the senior living facility is currently programmed to consist of 56 assisted living and 28 memory care units spread between two buildings totaling approximately 90,000 square feet. The balance of the property associated with this phase is planned for an 18 acre community park.

American House Senior Living is a sister company to REDICO and owns and/or manages 29 senior living facilities in southeast Michigan making it the largest privately held senior living company in Michigan and the 10th largest in the country. American House has been interested in developing a senior living project in the city for a number of years and believes that this is an appropriate location for a facility of this nature. Some preliminary market information is provided in Exhibit G. REDICO will undertake a focused senior living market study prior to commencement of this phase of the Project.

Magic and American House's total investment in Phase IV of the Project is projected to be $18.2 million. The following is the Sources and Uses for this phase. The Phase IV Project Budget and 10-Year Cash Flow Model are included in Exhibit D.

Sources of Funds			
Equity Requirement			3,818,407.98
Financing Proceeds			12,780,000.00
TIF Loan Proceeds			560,000
Michigan Strategic Fund - Grant			1,000,000.00
Total Sources of Funds		$	18,158,407.98
Uses of Funds			
Land and Predevelopment Costs		$	-
Soft Costs			2,196,369.50
Hard Construction Costs			13,150,000.00
Financing Costs			1,294,720.00
Contingency	5.00%		767,318.48
Lease Up Reserve			750,000.00
Distribution			-
Total Uses of Funds		$	18,158,407.98

Phase IV has an equity requirement of $3.8 million and a forecast IRR of 15.8%. REDICO has a number of existing equity sources for American House senior living projects. As outlined in the Incentives section of the Business Plan, Magic will be seeking a Michigan Strategic Fund grant in the amount of $1 million to offset costs associated with the demolition of existing facilities on the site and costs associated with the development of the community park. The New Markets Tax Credit program is not a viable source of gap funding due to the primarily residential nature of this phase of the Project.

Due diligence and financing efforts for Phase IV of the Project are programmed to commence on January 1, 2014. Magic would close on the land associated with Phase IV in February 2015 with a subsequent transfer of the American House parcel and commencement of infrastructure improvements. The senior living facility is projected to open in April 2016. A detailed preliminary development schedule for Phase IV is included in Exhibit C.

INCENTIVES

During the development of this Business Plan, REDICO has identified the use of tax-increment financing (TIF), New Markets Tax Credits (NMTCs), Michigan Strategic Fund (MSF) direct grants and Community Development Block Grants (CDGB) from the city and county as potential sources of gap funding for the Project.

	Amount	Notes
Tax-Increment Financing (TIF)	$21,300,000	REDICO has projected a $21,300,000 value for the tax-increment financing (TIF) for the Project based on the incremental increase in taxable value of the Project upon completion of all four phases. TIF proceeds are being carried as a source of financing in each of the four phases of the Project. The fact that the Property is currently in the Michigan Land Bank resets the tax basis of the Property to zero thus maximizing the value of the TIF. Regarding the monetization of the TIF, on the Gateway Marketplace project the Detroit Economic Growth Corporation (DEGC) stated that the City of Detroit can not guarantee bonds sold based on a TIF revenue stream. Therefore, REDICO will be seeking TIF loans from financing source at favorable terms. It is anticipated that a Corridor Improvement District will be established for the Project and the capture of taxes in support of the TIF.
New Markets Tax Credits (NMTCs)	$16,900,000	REDICO is currently estimating approximately $76.8 million in NMTC eligible development costs for Phases I and III of the Project resulting in a NMTC benefit of approximately $16.9 million, net of fees. Due to the complexity of structuring a NMTC program for the Project, REDICO is recommending retaining the services of Baker Tilly, a national accounting firm with experience in similar NMTC programs including the recently closed NMTC financing structure for Gateway Marketplace. They have indicated that the Project will be an excellent candidate for participating in the program. REDICO will immediately commence working with Baker Tilly to solicit the interest of appropriate Community Development Entities.
Michigan Strategic Fund	$2,000,000	The Michigan Community Revitalization Program (MCRP) is a new incentive program from the Michigan Strategic Fund (MSF) designed to promote community revitalization. To be eligible, the property upon which a project is planned must meet one or more of the following conditions: facility (environmentally impacted), historic resource, blighted, or functionally obsolete. This State Fairgrounds property meets the eligibility requirement based on its being a facility, blighted and functionally obsolete. Eligible investment to an eligible property means one or more of the following: any alteration, construction, improvement, demolition or rehabilitation of building; site improvement; addition of machinery, equipment or fixtures; and architectural, engineering, surveying and similar professional fees for a project (but not certain soft costs) as determined by the MSF. The MSF's support will not exceed 25% of the total eligible investment for a single project, and in no event exceed a total of $10,000,000 for loan agreements or $1,000,000 for grant agreements, or $10,000,000 for a combination of support. REDICO will be requesting a grant of $1 million for each of Phase II and IV of the Project. These funds will primarily be used for renovation of the existing Band Shell in Phase II and the construction of the public park in Phase IV of the Project.
Community Development Block Grant	$850,000	The Community Development Block Grant (CDBG) program is a Federal grant program operated by the U.S. Department of Housing and Urban Development. This program provides entitlement grants to local government for community development activities. CDBG funds may be used for a variety of activities including home rehabilitation, construction and rehabilitation of community facilities, demolition of blighted buildings, and acquisition, relocation and preparation of property for new development. REDICO will be seeking CDBG funds from both the city and county for to fund demolition of existing structures, renovation of structures that are to remain and infrastructure improvements for the two residential phases of the Project.
Total Projected Incentives	**$ 41,050,000**	

LEASING AND MARKETING

REDICO strongly believes in the viability of this location for the retail, entertainment and residential development envisioned for the Project given the demographics as indicated in Exhibit B included herein. Specifically regarding the primarily retail Phase I of the Project from our experience on the Gateway Marketplace project, we are concerned that a number of the retailers will ignore the positive demographics and traffic counts on Woodward Avenue and Eight Mile Road and instead point to the location within the City of Detroit limits as a negotiating tool to demand sub-market rents and other concessions. As with Gateway Marketplace, REDICO will continue the process of educating the retailers as to the positive aspects of this location.

Merchandising Plan

REDICO's primary Phase I leasing objectives moving forward focus on creating long-term value for the Project. The following is an overview of key leasing objectives:

- Lease to credit tenants with strong regional or national reputations that appeal to a mid-level consumer;
- Ten-year minimum lease terms will be sought from anchor tenants and five-year minimum terms will be sought from in-line tenants;
- Option terms will be limited to the same duration as the primary term;
- Attempt to eliminate any "kick-out" provisions that result in a potential term of less than five years.

Anchor Tenant Base:

REDICO will be seeking a minimum of three anchor tenants of greater than 10,000 square feet. REDICO had been approached by several large retailers that could not be accommodated at Gateway Marketplace due to both their size and the economics required due to the cost basis at that center. REDICO will immediately commence discussions with those retailers.

In-line Medium/Small Format Tenant Base:

Gateway Marketplace is currently 86% pre-leased. Given the high level of interest at this retail center which is located adjacent to Phase I of the Project, REDICO is confident that a viable merchandising plan can be developed and implemented to lease the in-line medium and small format spaces to tenants that will be complementary to the anchor tenants and the existing retailers at Gateway Marketplace. REDICO will focus on in-line retailers primarily from the soft goods and home categories.

Out-parcel Ground Lease / Stand-alone Tenant Base:

REDICO will be focusing primarily on financial and mid-market full-service restaurants and users for the stand alone out-parcels.

REDICO will be producing a detailed Merchandising Plan based on these objectives.

General Marketing Initiatives

In addition to this focused leasing strategy for Phase I of the Project, REDICO will initiate a more general marketing effort for the overall Project. The REDICO name offers instant brand equity to the Project, based on the on-going success of REDICO's current retail developments including the adjacent Gateway Marketplace. We envision a detailed public relations, communication and positive social media strategy emphasizing the stakeholders' commitment to this Project and thus improving its perception by the public, area businesses, and residents. As one of the largest mixed-use developments in the City's history which is located on a site of historic cultural importance to the citizens of the entire state, the Project will garner national attention. One of REDICO's goals will be to create enough public activity surrounding the announcement of the selection of Magic Plus, LLC as the Master Developer for the State Fairgrounds to create confidence not only by the local community, but more importantly by the national retail community.

PROJECT STATUS

Project Status – 10/22/12

REDICO initiated the development of the Business Plan by reviewing all available documentation pertaining to the Project. This included relevant partnership, due diligence, and programmatic documents. Additionally, REDICO integrated market research on other topics not previously covered.

Based on this research and review, which is summarized herein, REDICO was able to generate the Business Plan and all requisite analysis.

Partnership Structure

The current partnership structure is documented as follows:

- Operating Agreement of Magic Plus, LLC, a Michigan Limited Liability Company dated March 30, 2011

The Members of Magic and their respective ownership interests are identified in the Operating Agreement as:

- Joel I. Ferguson (45%);
- Ervin Johnson (45%);
- Marvin Beatty (10%).

It is anticipated that REDICO will become a member of Magic Plus, LLC.

Primary Land Parcel

On April 9, 2012, Gov. Rick Snyder signed legislation (Public Act 74 & 75 of 2012) allowing the transfer of the former Michigan State Fairgrounds to the State of Michigan Land Bank Fast Track Authority to return the land to productive use. The Property was officially transferred to the State of Michigan Land Bank Fast Track Authority on April 24, 2012.

Per a survey provided by the Michigan Land Bank and dated December 12, 2000 the Property upon which the Project will be developed consists of 163.25 acres bounded generally by West State Fair Avenue on the south, Woodward Avenue and Ralston Street on the west, the Gateway Marketplace retail center and Eight Mile Road on the north, and an active Canadian Nation Railway line on the east. There are 33 structures on the Property totaling approximately 512,000 square feet. These structures are in various conditions from extremely poor to good. It is proposed to retain and re-purpose the Coliseum and the Agriculture Building with the balance of the structures to be demolished.

The following summarizes REDICO's preliminary review of available due diligence documents pertaining to the Property. A complete due diligence process will be initiated upon the execution of a Purchase

and Sale Agreement and/or Development Agreement between Magic and the Land Bank.

Zoning: According to documents provided by the Land Bank, the majority of the Property is currently zoned B-4, General Business District, while those portions on the east side of the Grand Trunk Western Railroad corridor and the south side of State Fair Avenue are currently zoned M-4, Intensive Industrial. The City of Detroit's Zoning Ordinance describes the B-4 District as follows: "The B-4 General Business District provides for business and commercial uses of a thoroughfare-oriented nature. In addition to these uses, other businesses, which may benefit by drawing part of their clientele from passing traffic are permitted. Additional uses, which may be successfully blended with permitted by-right uses, are conditional." The Zoning Ordinance describes the M-4 District as follows: "This district will permit uses which are usually objectionable and, therefore, the district is rarely, if ever, located adjacent to residential districts. A broad range of uses is permitted in this district. New residences are prohibited with the exception of loft conversions of existing buildings and of residential uses combined in structures with permitted commercial uses. These requirements are to protect residences from an undesirable environment and to ensure reservation of adequate areas for industrial development."

The enabling legislation for the transfer of the Property to the Land Bank prohibits the following uses: horse racing track, auto racing track, casino, railroad freight yard, jail, or prison.

It is anticipated that the programmed uses will fall within either the permitted or conditional uses under the B-4 General Business District zoning. As part of the formal due diligence process, a detailed zoning review will be completed.

Title/Survey Review: An initial review of title and survey documents provided by the Land Bank does not indicate any encumbrances that will materially impact the Project.

The Agriculture Building and the Michigan Mall East are currently encumbered by a lease to Fieldhouse, LLC commonly known as Joe Dumar's Fieldhouse which provides child development sports programs, basketball camps, court rentals and leagues. The lease including option terms extends through September 30, 2024 at a rent of $50,000 per year. Given the lease termination fee ranging from $3.5 million declining to $900,000 based on the lease year in which the termination notice is delivered to Fieldhouse, LLC, there is no intent to terminate the lease The Dumar's Fieldhouse is considered an important and positive presence within the overall redevelopment plan.

As part of the formal due diligence process, an Owner's title policy will be ordered, a complete ALTA survey will be ordered, and a legal review of title and survey will be completed.

Environmental: The Michigan State Fairgrounds Leaking Underground Storage Tank Closure Report provided by the Land Bank and dated July 17, 2012 provides the following summary of prior investigations performed on behalf of the State of Michigan:

The Michigan Department of Environmental Quality (MDEQ) was contacted in early May 2003 regarding the release of petroleum products from two USTs located at the Michigan State Fairgrounds.

MDEQ conducted a site visit on May 6, 2003, and found evidence of petroleum products on the ground surface. The Detroit Fire Department and Haz-Mat Level 1 were called to the site to abate the immediate hazard. Approximately 2,400 gallons of gasoline were removed from the USTs on May 6, 2003, as documented in a March 5, 2004 Status Report from the MDEQ. A confirmed release was reported to MDEQ on May 9, 2003. The leaking USTs were removed on July 23, 2004. Approximately 2,857 gallons of fluid were removed prior to tank removal. A total of 522.6 tons of contaminated soils were removed and disposed at Woodland Meadows Landfill in Van Buren, Michigan.

The Initial Assessment Report and Final Assessment Report were not submitted for this site.

The Underground Storage Tank Removal Project Completion Report was submitted to MDEQ on November 10, 2003 by RC Engineering.

A Phase I Environmental Site Assessment (ESA) was conducted in May 2009 by Materials Testing Consultants, Inc. (MTC) and the Phase II ESA was conducted by MTC in July 2009 at eight locations with recognized environmental conditions (RECs). The Phase III ESA, which included additional soil sampling, was conducted by MTC in June 2012 at four RECs.

All of the RECs identified during the Phase I and II ESAs were investigated in Phase III and soil sample results indicate that the soils have been remediated to below the applicable Non-Residential Cleanup Criteria under Part 201 and Tier 1 Risk-Based Screening Levels under Part 213. Based on the results of these investigation, the site meets the requirement for No Further Action Status under Part 201/Part 213.

Despite the proceeding summary and due to the programmed residential uses for portions of the Property, a thorough review of existing environmental reports will be conducted during the due diligence process in preparation for the submittal of a Baseline Environmental Assessment (BEA) prior to conveyance of the Property in part or in total.

An asbestos and limited lead paint survey was performed by MTC in April 2009 as documented in a report provided by the Land Bank and dated May 15, 2009. Asbestos containing materials were identified in a number of buildings that would be demolished as part of the Project. The total estimated pre-demolition abatement cost for all buildings in 2009 was $447,779. Abatement costs for 2014 are estimated to be approximately $650,000.

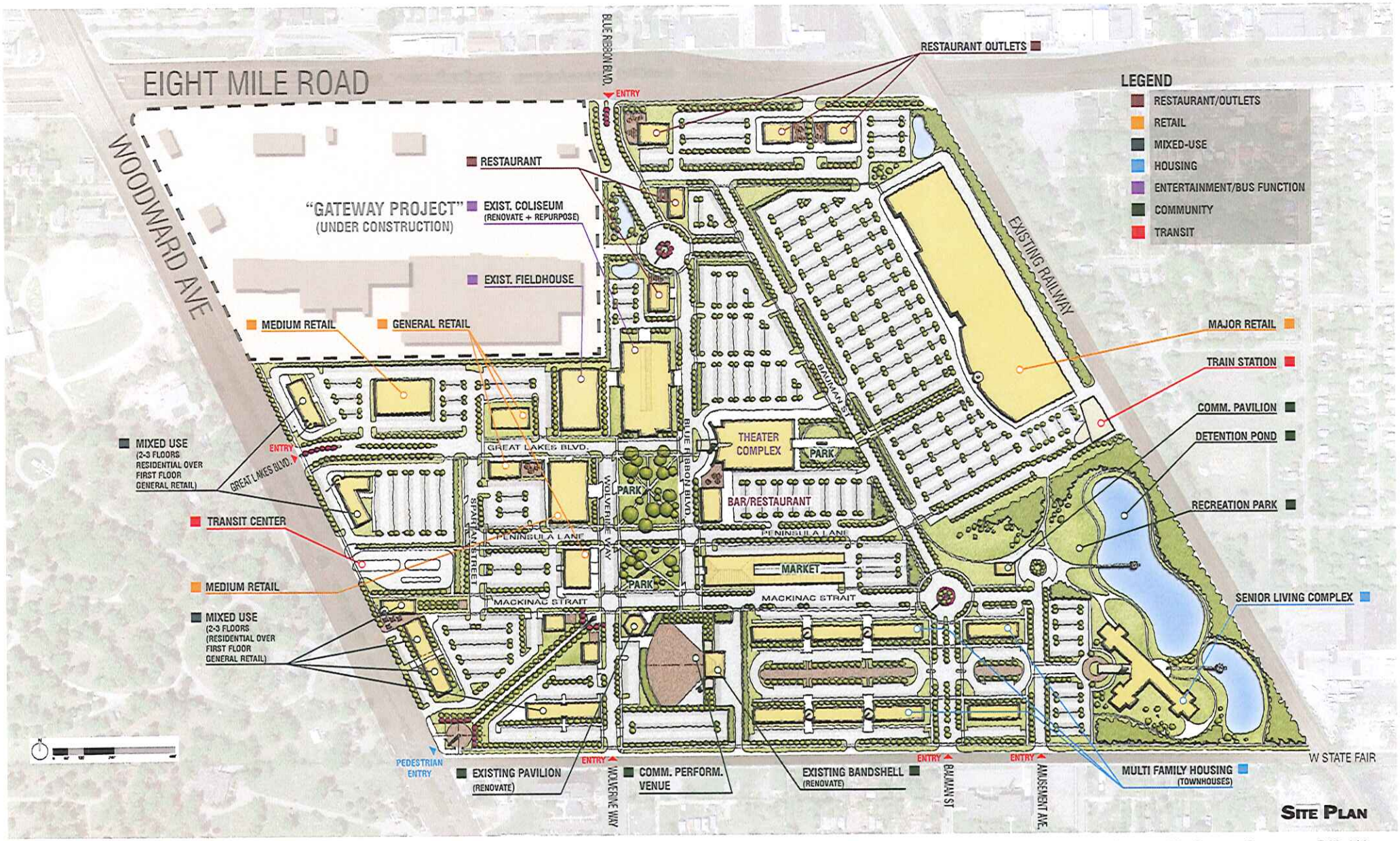
Impact from lead containing materials at the Property will likely result from the demolition or renovation of walls and ceilings covered with lead-based paint. To obtain a quantification of the lead content of paints within the Property, MTC inspectors collected samples of paints on walls and ceilings throughout the buildings. An effort was made to collect at least one sample representative of each separate paint color. The results of laboratory analysis indicated lead paint in 14 of the buildings. MTC recommends that all painted surfaces on buildings on the Property be assumed to contain lead. Thus, building demolition operations must comply with the Michigan Lead Exposure in Construction Statute.

Geotechnical Evaluation: No geotechnical survey results have been provided to date. Given our knowledge of conditions on the adjacent Gateway Marketplace development it is anticipated that soil conditions will be suitable for the proposed Project. A limited geotechnical survey will be performed as part of the formal due diligence process.

National Registry of Historic Place: A National Register of Historic Places Inventory – Nomination Form provided by the Land Bank indicated historical significance to the Coliseum, Agricultural Building and Dairy Cattle Building and nominated these facilities for inclusion in the National Register. Further research will be performed during the formal due diligence process to determine any impact on the Project.

As part of the pre-development process, REDICO would recommend that any unsatisfied due diligence issues be resolved prior to the conveyance of the Property in part or in total. The cost for these activities has been included in the Phase I Project pro forma.

EXHIBIT A



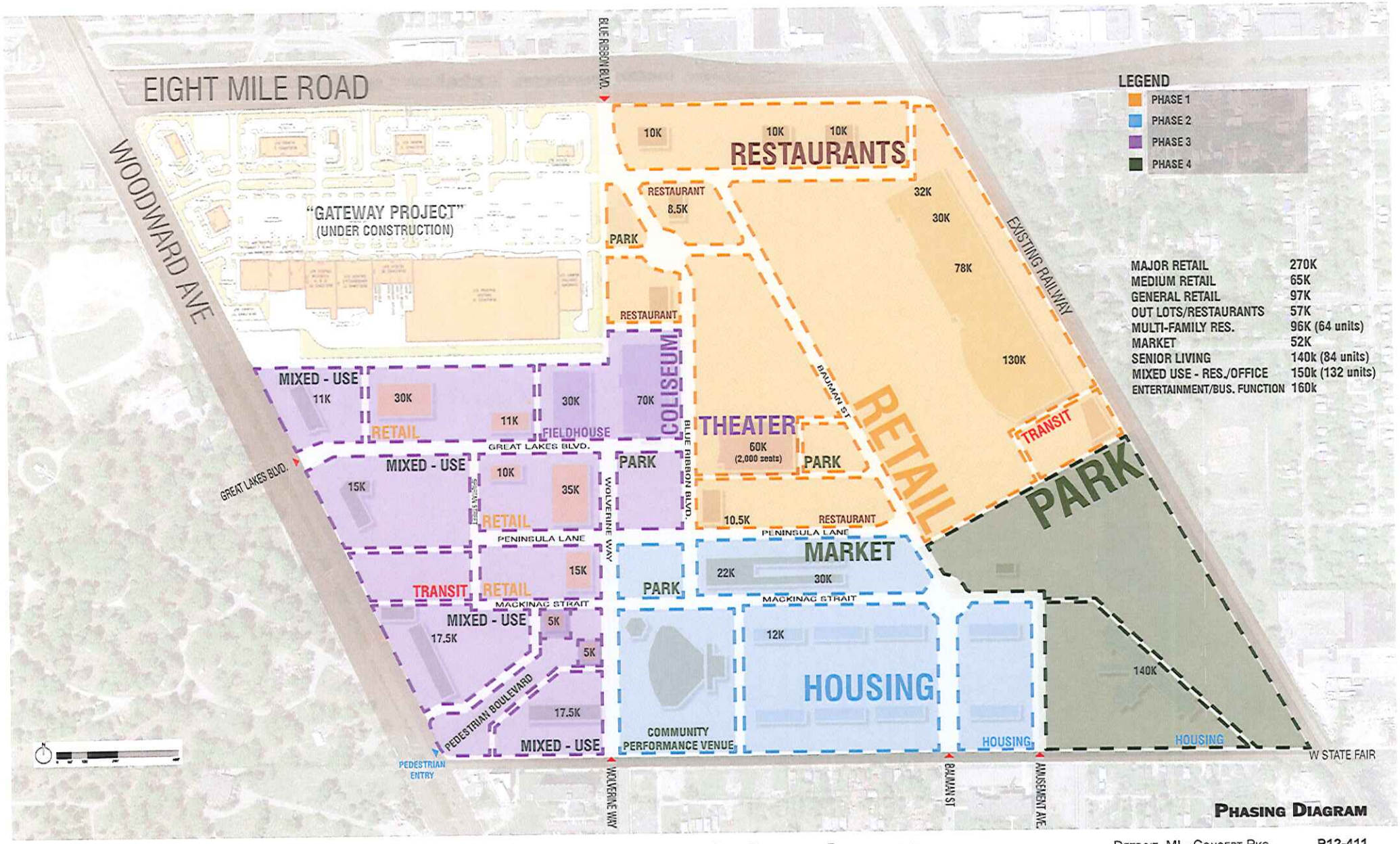
HOBBS + BLACK ARCHITECTS

© 2012 Hobbs + Black Architects, Inc. DATE PRINTED: 10/11/12 FILE NAME: P:\2012\P12411\Dwgs\Bldg\Bldg\20120706 - SITE\20120717_Site Plan.dwg

MAGIC PLUS - MICHIGAN STATE FAIRGROUNDS REDEVELOPMENT

DETROIT, MI - CONCEPT PKG.

P12-411



HOBBS + BLACK ARCHITECTS

© 2012 Hobbs + Black Architects, Inc. Date printed: 10/11/12 File name: P:\2012\P12411\Dwgs\3d\Stills\20120709 - SITE\20120717_Site Planned

Magic Plus - Michigan State Fairgrounds Redevelopment

Detroit, MI - Concept Pkg.

P12-411

EXHIBIT B

Pop-Facts: Demographic Quick Facts 2010 Report

Radius 1: WOODWARD AVE AT 8 MILE RD, FERNDALE, MI 48220, aggregate
Radius 2: WOODWARD AVE AT 8 MILE RD, FERNDALE, MI 48220, aggregate
Radius 3: WOODWARD AVE AT 8 MILE RD, FERNDALE, MI 48220, aggregate

Description	0.00 - 1.00 miles *Radius 1*	%	0.00 - 3.00 miles *Radius 2*	%	0.00 - 5.00 miles *Radius 3*	%
Population						
2015 Projection	13,066		166,516		460,150	
2010 Estimate	13,563		173,850		480,125	
2000 Census	14,239		184,971		510,792	
1990 Census	16,354		201,036		547,491	
Growth 1990 - 2000	-12.93%		-7.99%		-6.70%	
Households						
2015 Projection	5,661		65,857		177,971	
2010 Estimate	5,809		68,329		185,071	
2000 Census	5,976		72,002		196,032	
1990 Census	6,213		74,266		204,447	
Growth 1990 - 2000	-3.81%		-3.05%		-4.12%	
2010 Est. Population by Single Classification Race	13,563		173,850		480,125	
White Alone	8,103	59.74	66,087	38.01	167,379	34.86
Black or African American Alone	4,663	34.38	98,286	56.53	281,769	58.69
American Indian and Alaska Native Alone	64	0.47	663	0.38	1,737	0.36
Asian Alone	121	0.89	1,907	1.10	11,124	2.32
Native Hawaiian and Other Pacific Islander Alone	6	0.04	41	0.02	176	0.04
Some Other Race Alone	81	0.60	1,028	0.59	2,493	0.52
Two or More Races	525	3.87	5,837	3.36	15,445	3.22
2010 Est. Population Hispanic or Latino	13,563		173,850		480,125	
Hispanic or Latino	309	2.28	3,062	1.76	7,306	1.52
Not Hispanic or Latino	13,254	97.72	170,787	98.24	472,818	98.48
2010 Tenure of Occupied Housing Units	5,809		68,329		185,071	
Owner Occupied	3,964	68.24	46,837	68.55	123,044	66.48
Renter Occupied	1,845	31.76	21,492	31.45	62,027	33.52
2010 Average Household Size	2.33		2.52		2.56	

© 2010 The Nielsen Company. All rights reserved.

Pop-Facts: Demographic Quick Facts 2010 Report

Radius 1: WOODWARD AVE AT 8 MILE RD, FERNDALE, MI 48220, aggregate
Radius 2: WOODWARD AVE AT 8 MILE RD, FERNDALE, MI 48220, aggregate
Radius 3: WOODWARD AVE AT 8 MILE RD, FERNDALE, MI 48220, aggregate

Description	0.00 - 1.00 miles *Radius 1*	%	0.00 - 3.00 miles *Radius 2*	%	0.00 - 5.00 miles *Radius 3*	%
2010 Est. Households by Household Income	5,809		68,329		185,071	
Income Less than $15,000	740	12.74	11,849	17.34	34,612	18.70
Income $15,000 - $24,999	535	9.21	8,918	13.05	24,112	13.03
Income $25,000 - $34,999	568	9.78	8,478	12.41	22,855	12.35
Income $35,000 - $49,999	925	15.92	10,731	15.70	29,143	15.75
Income $50,000 - $74,999	1,264	21.76	12,788	18.72	34,400	18.59
Income $75,000 - $99,999	728	12.53	7,273	10.64	18,883	10.20
Income $100,000 - $124,999	447	7.69	4,031	5.90	10,377	5.61
Income $125,000 - $149,999	249	4.29	1,851	2.71	4,723	2.55
Income $150,000 - $199,999	208	3.58	1,321	1.93	3,143	1.70
Income $200,000 - $499,999	132	2.27	992	1.45	2,554	1.38
Income $500,000 and over	13	0.22	98	0.14	268	0.14
2010 Est. Average Household Income	$65,805		$54,020		$52,487	
2010 Est. Median Household Income	$52,708		$41,877		$40,639	
2010 Est. Per Capita Income	$28,241		$21,391		$20,423	
2010 Median HH Inc by Single Race Class or Ethn						
White Alone	49,969		47,616		47,679	
Black or African American Alone	63,147		36,493		35,262	
American Indian and Alaska Native Alone	47,000		45,333		46,786	
Asian Alone	62,500		57,205		43,434	
Native Hawaiian and Other Pacific Islander Alone	121,250		53,750		47,857	
Some Other Race Alone	23,000		39,239		42,428	
Two or More Races	40,769		35,923		34,836	
Hispanic or Latino	39,688		44,314		43,171	
Not Hispanic or Latino	53,067		41,842		40,602	

© 2010 The Nielsen Company. All rights reserved.

Pop-Facts: Demographic Quick Facts 2010 Report

Appendix: Area Listing

Area Name:

Type: Radius 1 | Reporting Detail: Aggregate | Reporting Level: Block Group

Radius Definition:

WOODWARD AVE AT 8 MILE RD
FERNDALE, MI 48220

Latitude/Longitude 42.446612 -83.124979
Radius 0.00 - 1.00

Area Name:

Type: Radius 2 | Reporting Detail: Aggregate | Reporting Level: Block Group

Radius Definition:

WOODWARD AVE AT 8 MILE RD
FERNDALE, MI 48220

Latitude/Longitude 42.446612 -83.124979
Radius 0.00 - 3.00

Area Name:

Type: Radius 3 | Reporting Detail: Aggregate | Reporting Level: Block Group

Radius Definition:

WOODWARD AVE AT 8 MILE RD
FERNDALE, MI 48220

Latitude/Longitude 42.446612 -83.124979
Radius 0.00 - 5.00

Project Information:

Site: 1

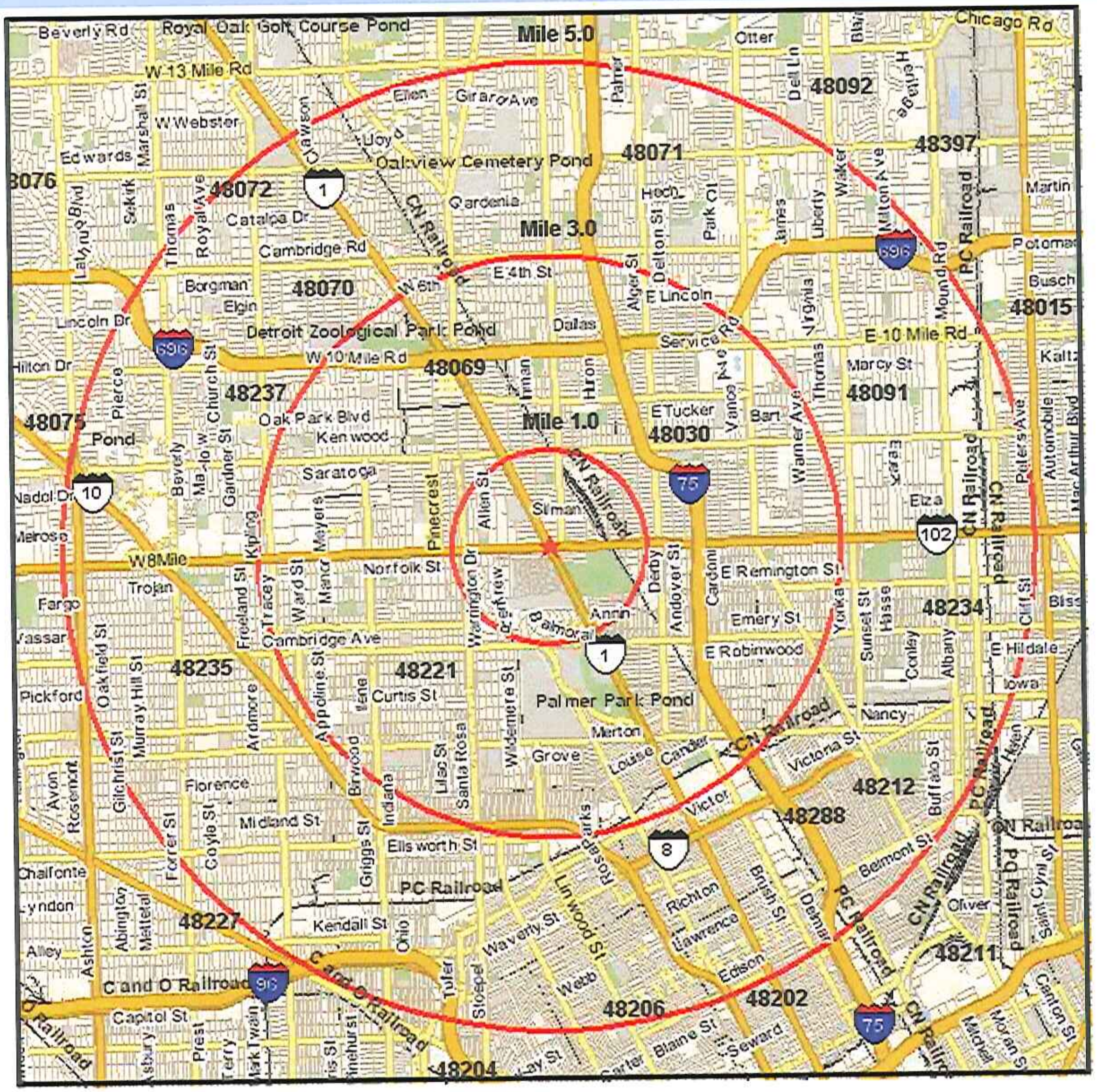
Order Number: 969235322

© 2010 The Nielsen Company. All rights reserved.

Area Map

Prepared For:

Order #: 969235322
Site: 01



WOODWARD AVE AT 8 MILE RD
FERNDALE,MI 48220
Coord: 42.446612, -83.124979
Radius - See Appendix for Details

- Point
- Interstate Highways
- US Highways
- State Highways
- Major Highways
- Major Roads
- Roads
- Railroads
- Landmarks
- Parks
- Hydrography
- Airports
- Zip Code
- State
- Ocean

0 miles 1.11 2.21

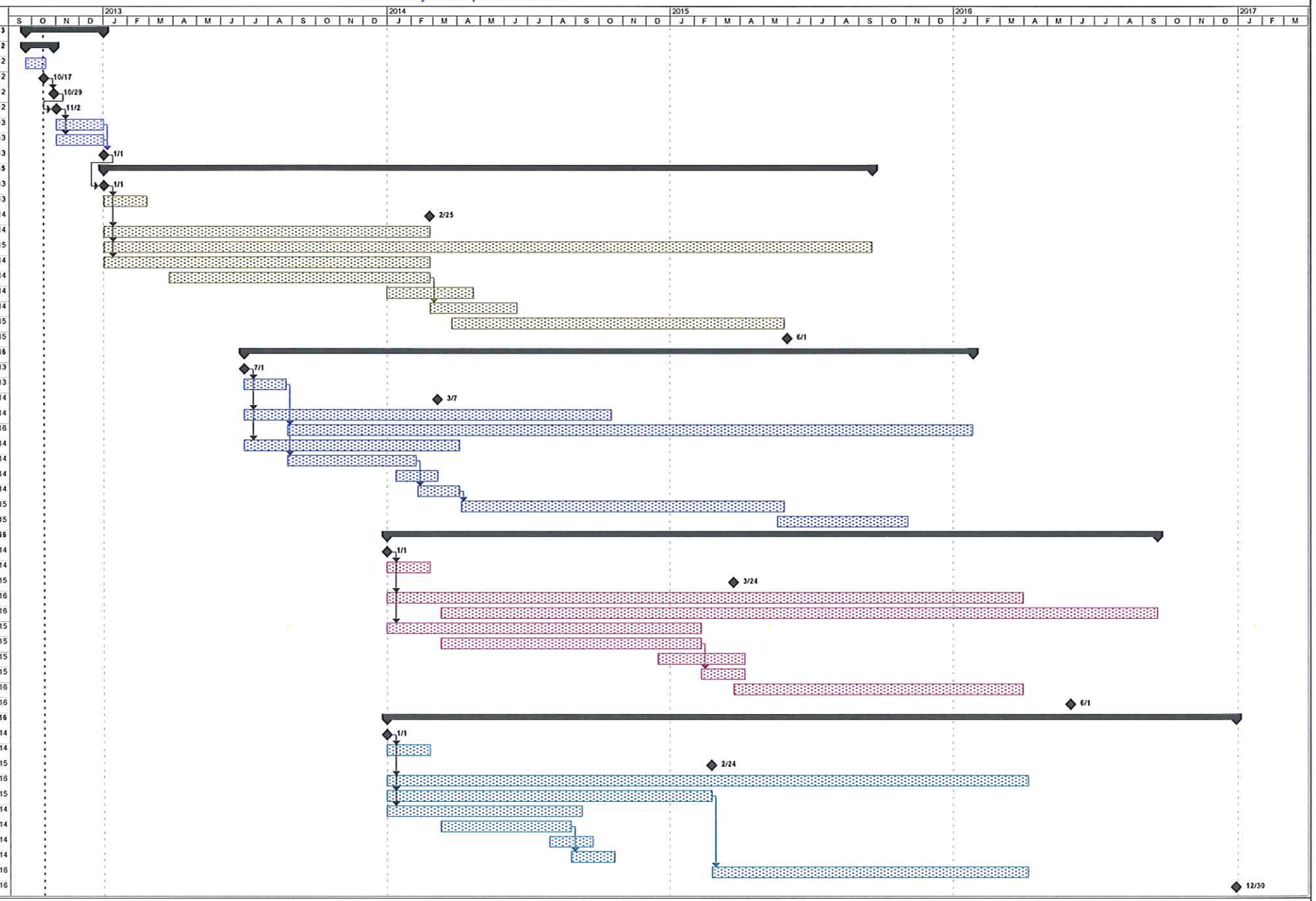
N W E S

© 2010 The Nielsen Company. All rights reserve

EXHIBIT C

State Fairground Multi-Phase Mixed-Use
Preliminary Development Schedule

ID	Task Name	Duration	Start	Finish
1	**Administrative**	**72 days?**	**Mon 9/24/12**	**Tue 1/1/13**
2	**Business Plan**	**26 days?**	**Mon 9/24/12**	**Mon 10/29/12**
3	Develop Business Plan	20 days?	Mon 9/24/12	Fri 10/19/12
4	Advisory Board Meeting	0 days	Wed 10/17/12	Wed 10/17/12
5	Present Business Plan	0 days	Mon 10/29/12	Mon 10/29/12
6	Selection of Magic Plus, LLC	0 days	Fri 11/2/12	Fri 11/2/12
7	Negotiate Development Agreement	43 days	Fri 11/2/12	Tue 1/1/13
8	Negotiate Purchase and Sale Agreement	43 days	Fri 11/2/12	Tue 1/1/13
9	Execute DA and PSA	0 days	Tue 1/1/13	Tue 1/1/13
10	**Phase I Retail, Theater and Restaurants**	**703 days**	**Tue 1/1/13**	**Fri 9/18/15**
11	DA Phase I Commencement Date	0 days	Tue 1/1/13	Tue 1/1/13
12	Due Diligence	40 days	Wed 1/2/13	Tue 2/26/13
13	Property Closing	0 days	Tue 2/25/14	Tue 2/25/14
14	Leasing	300 days	Wed 1/2/13	Tue 2/25/14
15	Project Financing (Const & Perm)	708 days	Wed 1/2/13	Fri 9/18/15
16	Zoning Approvals	300 days	Wed 1/2/13	Tue 2/25/14
17	Design	240 days	Wed 3/27/13	Tue 2/25/14
18	Bid & Award	60 days	Wed 1/1/14	Tue 4/22/14
19	Permitting	60 days	Wed 2/26/14	Tue 6/17/14
20	Construction	307 days	Wed 3/26/14	Thu 5/28/15
21	Stabilized Occupancy	0 days	Mon 6/1/15	Mon 6/1/15
22	**Phase II Multi-Family Residential & Market**	**672 days**	**Mon 7/1/13**	**Tue 1/26/16**
23	DA Phase II Commencement Date	0 days	Mon 7/1/13	Mon 7/1/13
24	Due Diligence	40 days	Mon 7/1/13	Fri 8/23/13
25	Property Closing	0 days	Fri 3/7/14	Fri 3/7/14
26	Leasing	340 days	Mon 7/1/13	Fri 10/17/14
27	Project Financing	632 days	Mon 8/26/13	Tue 1/26/16
28	Zoning/Approvals	200 days	Mon 7/1/13	Fri 4/4/14
29	Design	120 days	Mon 8/26/13	Fri 2/7/14
30	Bid & Award	40 days	Mon 1/13/14	Fri 3/7/14
31	Permitting	40 days	Mon 2/10/14	Fri 4/4/14
32	Construction	299 days	Mon 4/7/14	Thu 5/28/15
33	Stabilized Occupancy	6 mons	Wed 5/20/15	Tue 11/3/15
34	**Phase III Woodward Mixed-Use**	**710 days**	**Wed 1/1/14**	**Tue 9/20/16**
35	DA Phase III Commencement Date	0 days	Wed 1/1/14	Wed 1/1/14
36	Due Diligence	40 days	Wed 1/1/14	Tue 2/25/14
37	Property Closing	0 days	Tue 3/24/15	Tue 3/24/15
38	Leasing	587 days	Wed 1/1/14	Thu 3/31/16
39	Project Financing	660 days	Wed 3/12/14	Tue 9/20/16
40	Zoning/Approvals	290 days	Wed 1/1/14	Tue 2/10/15
41	Design	240 days	Wed 3/12/14	Tue 2/10/15
42	Bid & Award	60 days	Wed 12/17/14	Tue 4/7/15
43	Permitting	40 days	Wed 2/11/15	Tue 4/7/15
44	Construction	287 days	Wed 3/25/15	Thu 3/31/16
45	Stabilized Occupancy	0 days	Wed 6/1/16	Wed 6/1/16
46	**Phase IV Senior Living**	**782 days**	**Wed 1/1/14**	**Fri 12/30/16**
47	DA Phase IV Commencement Date	0 days	Wed 1/1/14	Wed 1/1/14
48	Due Diligence	40 days	Wed 1/1/14	Tue 2/25/14
49	Property Closing	0 days	Tue 2/24/15	Tue 2/24/15
50	Leasing	592 days	Wed 1/1/14	Thu 4/7/16
51	Project Financing	300 days	Wed 1/1/14	Tue 2/24/15
52	Zoning/Approvals	180 days	Wed 1/1/14	Tue 9/9/14
53	Design	120 days	Wed 3/12/14	Tue 8/26/14
54	Bid & Award	40 days	Wed 7/30/14	Tue 9/23/14
55	Permitting	40 days	Wed 8/27/14	Tue 10/21/14
56	Construction	292 days	Wed 2/25/15	Thu 4/7/16
57	Stabilized Occupancy	0 days	Fri 12/30/16	Fri 12/30/16

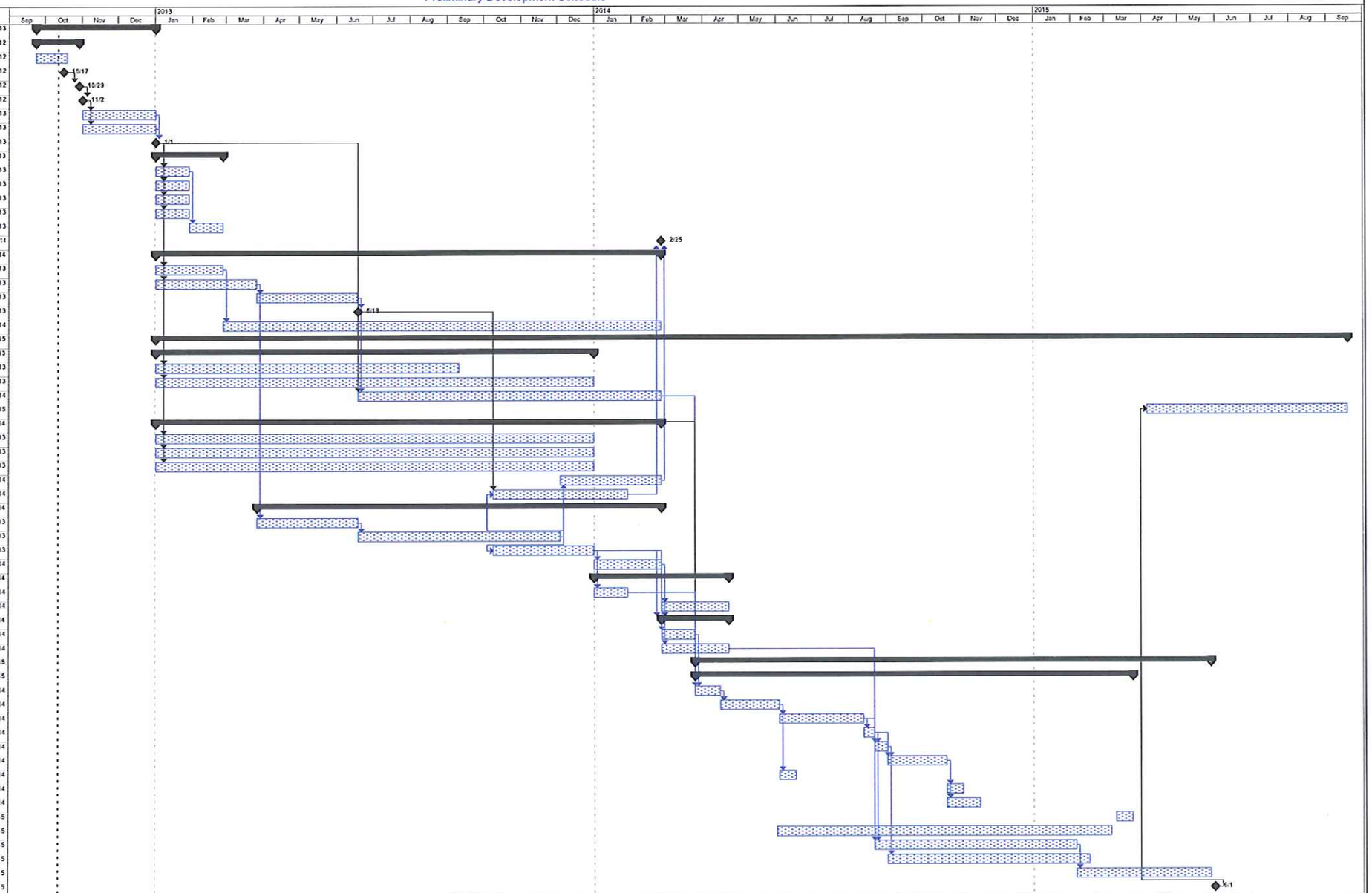


Project: Fairground Overall Preliminar
Date: Mon 10/15/12

Task | Split | Progress | Milestone | Summary | Project Summary | External Tasks | External Milestone | Deadline

State Fairground Phase I
Retail, Theater and Restaurants
Preliminary Development Schedule

ID	Task Name	Duration	Start	Finish
1	Administrative	72 days?	Mon 9/24/12	Tue 1/1/13
2	Business Plan	26 days?	Mon 9/24/12	Mon 10/29/12
3	Develop Business Plan	20 days?	Mon 9/24/12	Fri 10/19/12
4	Advisory Board Meeting	0 days	Wed 10/17/12	Wed 10/17/12
5	Present Business Plan	0 days	Mon 10/29/12	Mon 10/29/12
6	Selection of Magic Plus, LLC	0 days	Fri 11/2/12	Fri 11/2/12
7	Negotiate Development Agreement	43 days	Fri 11/2/12	Tue 1/1/13
8	Negotiate Purchase and Sale Agreement	43 days	Fri 11/2/12	Tue 1/1/13
9	Execute DA and PSA	0 days	Tue 1/1/13	Tue 1/1/13
10	Due Diligence	40 days	Wed 1/2/13	Tue 2/26/13
11	Survey	1 mon	Wed 1/2/13	Tue 1/29/13
12	Environmental	1 mon	Wed 1/2/13	Tue 1/29/13
13	Geotechnical	1 mon	Wed 1/2/13	Tue 1/29/13
14	Historic	1 mon	Wed 1/2/13	Tue 1/29/13
15	Title Survey Review	1 mon	Wed 1/30/13	Tue 2/26/13
16	Property Closing	0 days	Tue 2/25/14	Tue 2/25/14
17	Leasing	300 days	Wed 1/2/13	Tue 2/25/14
18	Merchandising Plan	2 mons	Wed 1/2/13	Tue 2/26/13
19	Identify Anchor	3 mons	Wed 1/2/13	Tue 3/26/13
20	Negotiate PSA w/Anchor	3 mons	Wed 3/27/13	Tue 6/18/13
21	Execute PSA w/Anchor	0 days	Tue 6/18/13	Tue 6/18/13
22	Pre-Leasing	13 mons	Wed 2/27/13	Tue 2/25/14
23	Project Financing	708 days	Wed 1/2/13	Fri 9/18/15
24	Incentives	260 days	Wed 1/2/13	Tue 12/31/13
25	New Markets Tax Credits	9 mons	Wed 1/2/13	Tue 9/10/13
26	TIF	13 mons	Wed 1/2/13	Tue 12/31/13
27	Construction Loan	9 mons	Wed 6/19/13	Tue 2/25/14
28	Permanent Financing	6 mons	Mon 4/6/15	Fri 9/18/15
29	Zoning/Approvals	300 days	Wed 1/2/13	Tue 2/25/14
30	Vacations	13 mons	Wed 1/2/13	Tue 12/31/13
31	SMARTand DDOT Approval	13 mons	Wed 1/2/13	Tue 12/31/13
32	MDOT Approval	13 mons	Wed 1/2/13	Tue 12/31/13
33	Final Site Plan Approval	3 mons	Wed 12/4/13	Tue 2/25/14
34	Condo Documents	4 mons	Wed 10/9/13	Tue 1/28/14
35	Design	240 days	Wed 3/27/13	Tue 2/25/14
36	Preliminary Site Plan	3 mons	Wed 3/27/13	Tue 6/18/13
37	Final Site Plan	6 mons	Wed 6/19/13	Tue 12/3/13
38	Civil Design	3 mons	Wed 10/9/13	Tue 12/31/13
39	Retail Shell Construction Drawings	2 mons	Wed 1/1/14	Tue 2/25/14
40	Bid & Award	80 days	Wed 1/1/14	Tue 4/22/14
41	Bid & Award Civil Drawings	1 mon	Wed 1/1/14	Tue 1/28/14
42	Bid & Award Arch. & Structural Trades	2 mons	Wed 2/26/14	Tue 4/22/14
43	Permitting	40 days	Wed 2/26/14	Tue 4/22/14
44	Civil Permitting	1 mon	Wed 2/26/14	Tue 3/25/14
45	Retail Shell Permitting	2 mons	Wed 2/26/14	Tue 4/22/14
46	Construction	307 days?	Wed 3/26/14	Thu 5/28/15
47	Site Construction	260 days?	Wed 3/26/14	Tue 3/24/15
48	Demolition	15 days	Wed 3/26/14	Tue 4/15/14
49	Earthwork	35 days	Wed 4/16/14	Tue 6/3/14
50	Sanitary, Storm & Water	50 days	Wed 6/4/14	Tue 8/12/14
51	Building Pads In-line	7 days?	Wed 8/13/14	Thu 8/21/14
52	Building Pads Outlots	7 days?	Fri 8/22/14	Mon 9/1/14
53	Site Electric & Lighting	35 days?	Tue 9/2/14	Mon 10/20/14
54	Off-Site Improvements	10 days?	Wed 6/4/14	Tue 6/17/14
55	Parking Lot Base Asphalt Course	10 days?	Tue 10/21/14	Mon 11/3/14
56	Irrigation & Landscaping	20 days	Tue 10/21/14	Mon 11/17/14
57	Wearing Course and Striping	10 days?	Wed 3/11/15	Tue 3/24/15
58	Anchor Construction	10 mons	Mon 6/2/14	Fri 3/6/15
59	Retail Buildings Vertical Construction	6 mons	Fri 8/22/14	Thu 2/5/15
60	Retail Outlot Buildings	6 mons	Tue 9/2/14	Mon 2/15/15
61	Tenant Construction	4 mons	Fri 2/6/15	Thu 5/28/15
62	Stabilized Occupancy	0 days	Mon 6/1/15	Mon 6/1/15

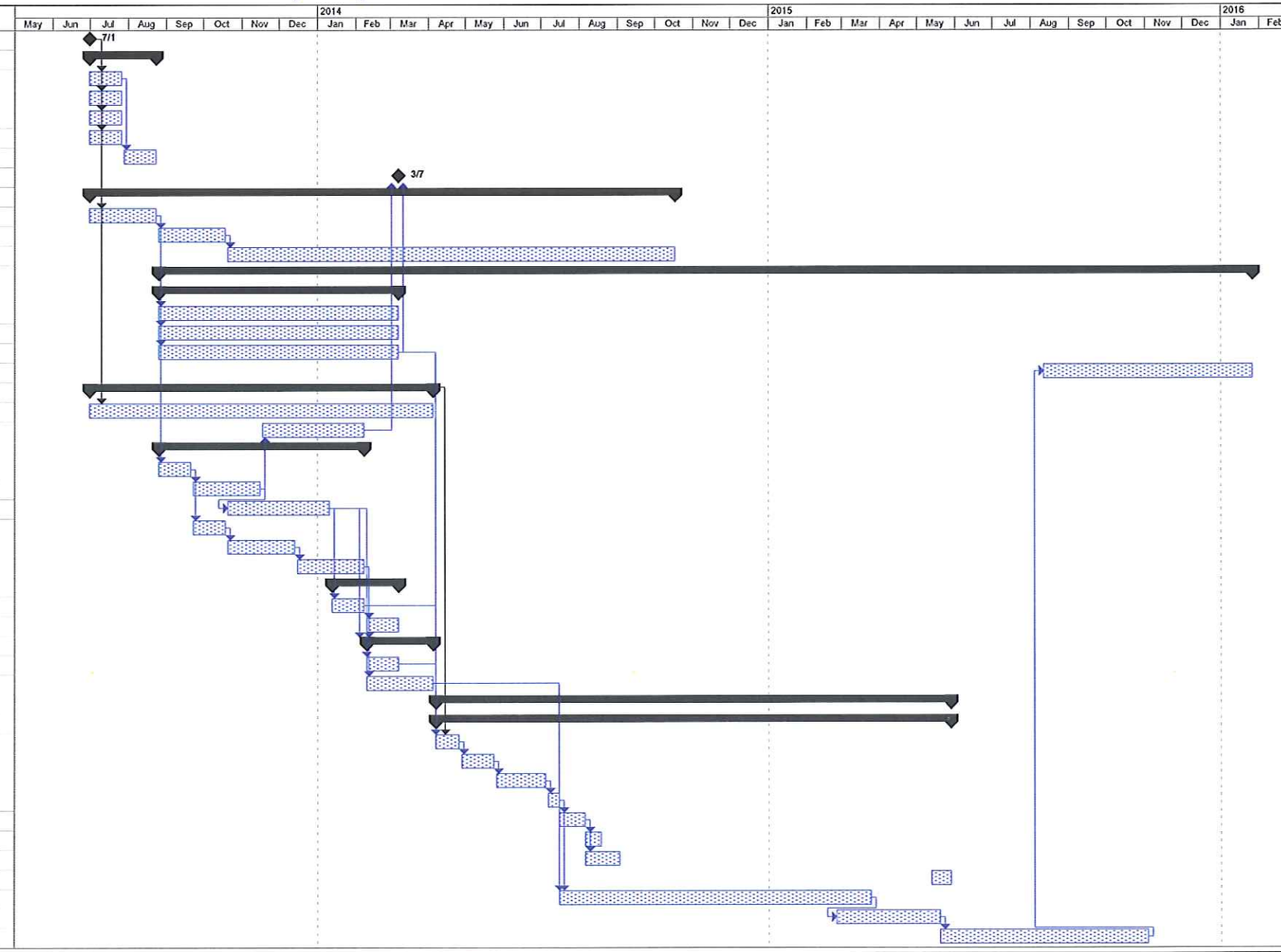


Project: Fairground Phase I Preliminar
Date: Fri 10/12/12

Task | Split | Progress | Milestone | Summary | Project Summary | External Tasks | External Milestone | Deadline

State Fairground Phase II
Multi-Family Residential & Market
Preliminary Development Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
1	**DA Phase IV Commencement Date**	0 days	Mon 7/1/13	Mon 7/1/13	
2	**Due Diligence**	**40 days**	**Mon 7/1/13**	**Fri 8/23/13**	
3	Survey	1 mon	Mon 7/1/13	Fri 7/26/13	1
4	Environmental	1 mon	Mon 7/1/13	Fri 7/26/13	1
5	Geotechnical	1 mon	Mon 7/1/13	Fri 7/26/13	1
6	Historic	1 mon	Mon 7/1/13	Fri 7/26/13	1
7	Title/Survey Review	1 mon	Mon 7/29/13	Fri 8/23/13	3
8	Property Closing	0 days	Fri 3/7/14	Fri 3/7/14	17,21
9	**Leasing**	**340 days**	**Mon 7/1/13**	**Fri 10/17/14**	
10	Multi-Family Market Study	2 mons	Mon 7/1/13	Fri 8/23/13	1
11	Multi-Family Marketing Plan	2 mons	Mon 8/26/13	Fri 10/18/13	10
12	Multi-Family Pre-Leasing	13 mons	Mon 10/21/13	Fri 10/17/14	11
13	**Project Financing**	**632 days**	**Mon 8/26/13**	**Tue 1/26/16**	
14	**Incentives**	**140 days**	**Mon 8/26/13**	**Fri 3/7/14**	
15	Community Development Block Grant	7 mons	Mon 8/26/13	Fri 3/7/14	10
16	Michigan Strategic Fund Grant	7 mons	Mon 8/26/13	Fri 3/7/14	10
17	Construction Loan	7 mons	Mon 8/26/13	Fri 3/7/14	10
18	Permanent Financing	6 mons	Wed 8/12/15	Tue 1/26/16	47FS-3 mons
19	**Zoning/Approvals**	**200 days**	**Mon 7/1/13**	**Fri 4/4/14**	
20	Vacations	10 mons	Mon 7/1/13	Fri 4/4/14	1
21	Final Site Plan Approval	3 mons	Mon 11/18/13	Fri 2/7/14	24
22	**Design**	**120 days**	**Mon 8/26/13**	**Fri 2/7/14**	
23	Preliminary Site Plan	1 mon	Mon 8/26/13	Fri 9/20/13	10
24	Final Site Plan	2 mons	Mon 9/23/13	Fri 11/15/13	23
25	Civil Design	3 mons	Mon 10/21/13	Fri 1/10/14	24FS-1 mon
26	Multi-Family Schematic Design	1 mon	Mon 9/23/13	Fri 10/18/13	23
27	Multi-Family Design Development	2 mons	Mon 10/21/13	Fri 12/13/13	26
28	Multi-Family Construction Drawings	2 mons	Mon 12/16/13	Fri 2/7/14	27
29	**Bid & Award**	**40 days**	**Mon 1/13/14**	**Fri 3/7/14**	
30	Bid & Award Civil	1 mon	Mon 1/13/14	Fri 2/7/14	25
31	Bid & Award Architectural	1 mon	Mon 2/10/14	Fri 3/7/14	28
32	**Permitting**	**40 days**	**Mon 2/10/14**	**Fri 4/4/14**	**28,25**
33	Civil Permitting	1 mon	Mon 2/10/14	Fri 3/7/14	25
34	Architectural Permitting	2 mons	Mon 2/10/14	Fri 4/4/14	28
35	**Construction**	**299 days**	**Mon 4/7/14**	**Thu 5/28/15**	
36	**Site Construction**	**299 days**	**Mon 4/7/14**	**Thu 5/28/15**	
37	Demolition	15 days	Mon 4/7/14	Fri 4/25/14	30,33,19,17
38	Earthwork	20 days	Mon 4/28/14	Fri 5/23/14	37
39	Sanitary, Storm & Water	30 days	Mon 5/26/14	Fri 7/4/14	38
40	Building Pads	7 days	Mon 7/7/14	Tue 7/15/14	39
41	Site Electric & Lighting	15 days	Wed 7/16/14	Tue 8/5/14	40
42	Parking Lot Base Asphalt Course	9 days	Wed 8/6/14	Mon 8/18/14	41
43	Irrigation & Landscaping	20 days	Wed 8/6/14	Tue 9/2/14	41
44	Wearing Course and Striping	12 days	Wed 5/13/15	Thu 5/28/15	
45	Multi-Family Vertical Construction	9 mons	Wed 7/16/14	Tue 3/24/15	40,34
46	Multi-Family Interior Improvements	3 mons	Wed 2/25/15	Tue 5/19/15	45FS-1 mon
47	Stabilized Occupancy	6 mons	Wed 5/20/15	Tue 11/3/15	46

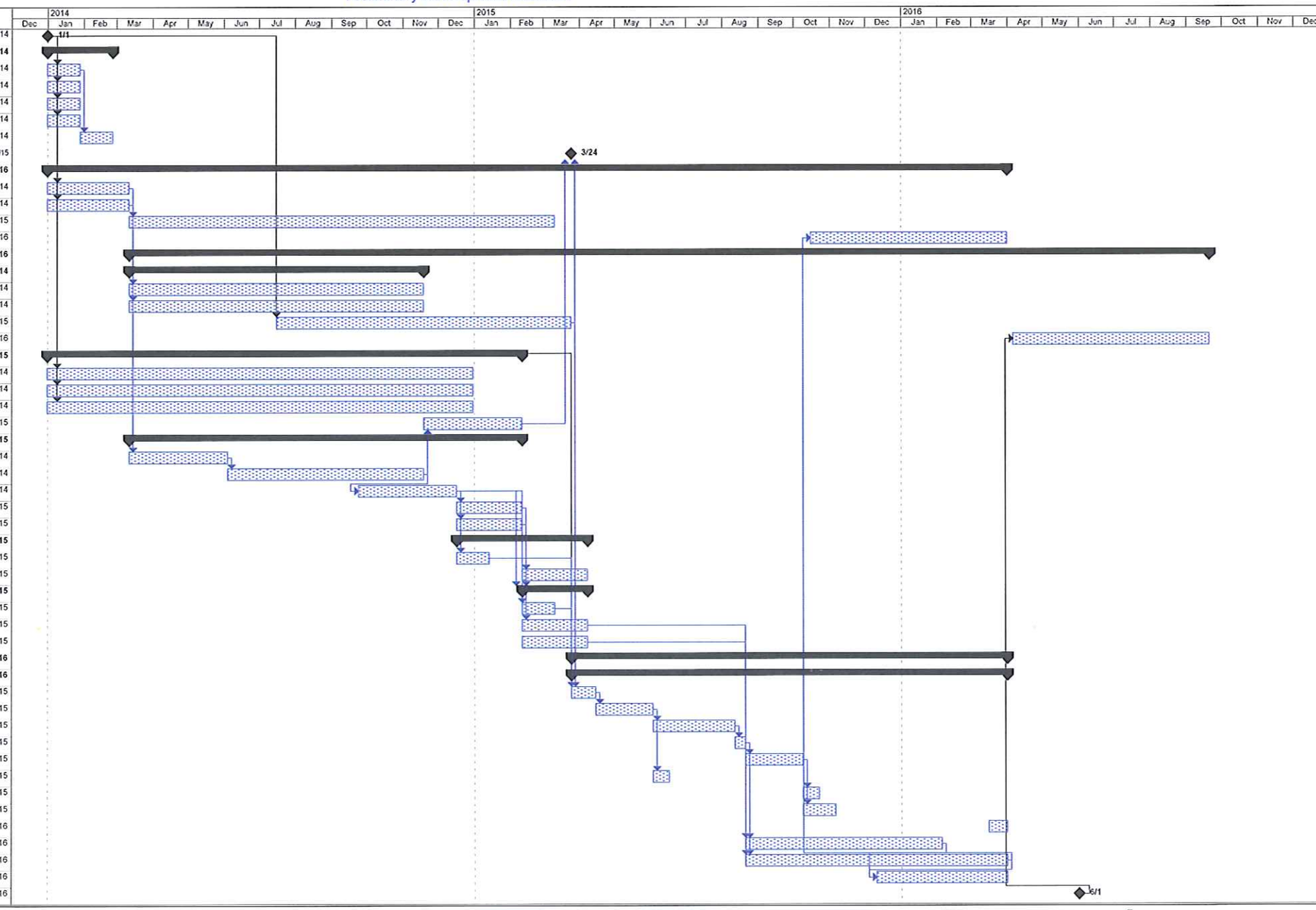


Project: Fairground Phase II Prelimina
Date: Sun 10/14/12

Task | Split | Progress | Milestone | Summary | Project Summary | External Tasks | External Milestone | Deadline

State Fairground Phase III
Woodward Mixed-Use
Preliminary Development Schedule

ID	Task Name	Duration	Start	Finish
1	**DA Phase III Commencement Date**	0 days	Wed 1/1/14	Wed 1/1/14
2	**Due Diligence**	**40 days**	**Wed 1/1/14**	**Tue 2/25/14**
3	Survey	1 mon	Wed 1/1/14	Tue 1/28/14
4	Environmental	1 mon	Wed 1/1/14	Tue 1/28/14
5	Geotechnical	1 mon	Wed 1/1/14	Tue 1/28/14
6	Historic	1 mon	Wed 1/1/14	Tue 1/28/14
7	Title/Survey Review	1 mon	Wed 1/29/14	Tue 2/25/14
8	Property Closing	0 days	Tue 3/24/15	Tue 3/24/15
9	**Leasing**	**587 days**	**Wed 1/1/14**	**Thu 3/31/16**
10	Retail Merchandising Plan	2.5 mons	Wed 1/1/14	Tue 3/11/14
11	Residential Marketing Plan	2.5 mons	Wed 1/1/14	Tue 3/11/14
12	Retail Pre-Leasing	13 mons	Wed 3/12/14	Tue 3/10/15
13	Residential Pre-Leasing	6 mons	Fri 10/16/15	Thu 3/31/16
14	**Project Financing**	**660 days**	**Wed 3/12/14**	**Tue 9/20/16**
15	**Incentives**	**180 days**	**Wed 3/12/14**	**Tue 11/18/14**
16	New Markets Tax Credits	9 mons	Wed 3/12/14	Tue 11/18/14
17	Community Development Block Grant	9 mons	Wed 3/12/14	Tue 11/18/14
18	Construction Loan	9 mons	Wed 7/16/14	Tue 3/24/15
19	Permanent Financing	6 mons	Wed 4/6/16	Tue 9/20/16
20	**Zoning/Approvals**	**290 days**	**Wed 1/1/14**	**Tue 2/10/15**
21	Vacations	13 mons	Wed 1/1/14	Tue 12/30/14
22	SMARTand DDOT Approval	13 mons	Wed 1/1/14	Tue 12/30/14
23	MDOT Approval	13 mons	Wed 1/1/14	Tue 12/30/14
24	Final Site Plan Approval	3 mons	Wed 11/19/14	Tue 2/10/15
25	**Design**	**240 days**	**Wed 3/12/14**	**Tue 2/10/15**
26	Preliminary Site Plan	3 mons	Wed 3/12/14	Tue 6/3/14
27	Final Site Plan	6 mons	Wed 6/4/14	Tue 11/18/14
28	Civil Design	3 mons	Wed 9/24/14	Tue 12/16/14
29	Retail Shell Construction Drawings	2 mons	Wed 12/17/14	Tue 2/10/15
30	Retail/Apt Shell Construction Drawings	2 mons	Wed 12/17/14	Tue 2/10/15
31	**Bid & Award**	**80 days**	**Wed 12/17/14**	**Tue 4/7/15**
32	Bid & Award Civil Drawings	1 mon	Wed 12/17/14	Tue 1/13/15
33	Bid & Award Arch & Structural Trades	2 mons	Wed 2/11/15	Tue 4/7/15
34	**Permitting**	**40 days**	**Wed 2/11/15**	**Tue 4/7/15**
35	Civil Permitting	1 mon	Wed 2/11/15	Tue 3/10/15
36	Retail Shell Permitting	2 mons	Wed 2/11/15	Tue 4/7/15
37	Retail/Apt Shell Permitting	2 mons	Wed 2/11/15	Tue 4/7/15
38	**Construction**	**267 days?**	**Wed 3/25/15**	**Thu 3/31/16**
39	**Site Construction**	**267 days?**	**Wed 3/25/15**	**Thu 3/31/16**
40	Demolition	15 days	Wed 3/25/15	Tue 4/14/15
41	Earthwork	35 days	Wed 4/15/15	Tue 6/2/15
42	Sanitary, Storm & Water	50 days	Wed 6/3/15	Tue 8/11/15
43	Building Pads	7 days?	Wed 8/12/15	Thu 8/20/15
44	Site Electric & Lighting	35 days?	Fri 8/21/15	Thu 10/8/15
45	Off-Site Improvements	10 days?	Wed 6/3/15	Tue 6/16/15
46	Parking Lot Base Asphalt Course	10 days?	Fri 10/9/15	Thu 10/22/15
47	Irrigation & Landscaping	20 days	Fri 10/9/15	Thu 11/5/15
48	Wearing Course and Striping	12 days	Wed 3/16/16	Thu 3/31/16
49	Retail Buildings Vertical Construction	6 mons	Fri 8/21/15	Thu 2/4/16
50	Retail/Apt Buildings Vertical Construction	8 mons	Fri 8/21/15	Thu 3/31/16
51	Retail Tenant Construction	4 mons	Fri 12/11/15	Thu 3/31/16
52	Stabilized Occupancy	0 days	Wed 6/1/16	Wed 6/1/16

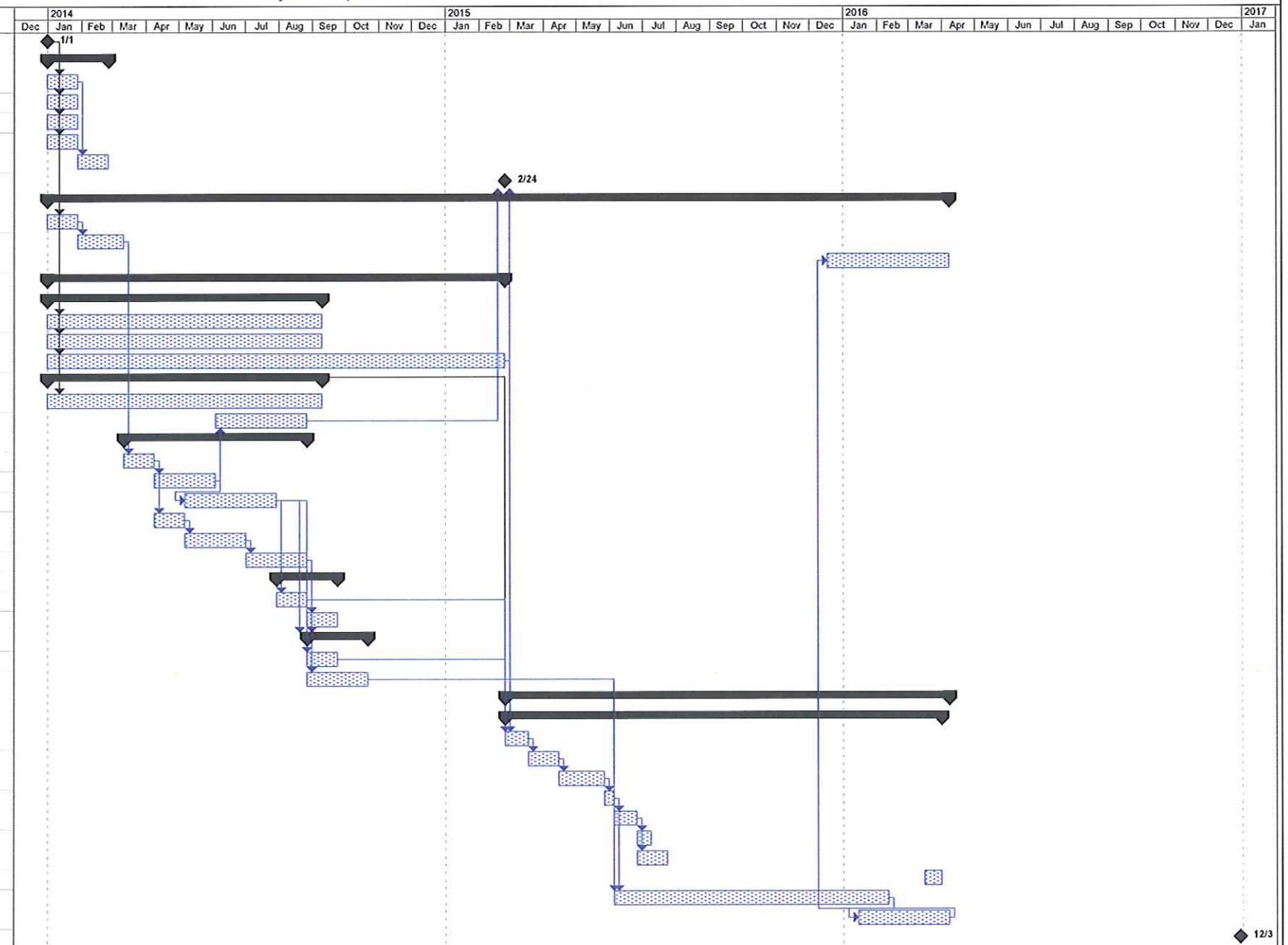


Project: Fairground Phase III Prelimina
Date: Fri 10/12/12

Task | Split | Progress | Milestone | Summary | Project Summary | External Tasks | External Milestone | Deadline

State Fairground Phase IV
Senior Living
Preliminary Development Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
1	**DA Phase IV Commencement Date**	0 days	Wed 1/1/14	Wed 1/1/14	
2	**Due Diligence**	**40 days**	**Wed 1/1/14**	**Tue 2/25/14**	
3	Survey	1 mon	Wed 1/1/14	Tue 1/28/14	1
4	Environmental	1 mon	Wed 1/1/14	Tue 1/28/14	1
5	Geotechnical	1 mon	Wed 1/1/14	Tue 1/28/14	1
6	Historic	1 mon	Wed 1/1/14	Tue 1/28/14	1
7	Title/Survey Review	1 mon	Wed 1/29/14	Tue 2/25/14	3
8	**Property Closing**	0 days	Tue 2/24/15	Tue 2/24/15	17,20
9	**Leasing**	**592 days**	**Wed 1/1/14**	**Thu 4/7/16**	
10	Senior Living Market Study	1 mon	Wed 1/1/14	Tue 1/28/14	1
11	Senior Living Marketing Plan	1.5 mons	Wed 1/29/14	Tue 3/11/14	10
12	Senior Living Pre-Leasing	4 mons	Fri 12/18/15	Thu 4/7/16	45FS-4 mons
13	**Project Financing**	**300 days**	**Wed 1/1/14**	**Tue 2/24/15**	
14	**Incentives**	**180 days**	**Wed 1/1/14**	**Tue 9/9/14**	
15	Community Development Block Grant	9 mons	Wed 1/1/14	Tue 9/9/14	1
16	Michigan Strategic Fund Grant	9 mons	Wed 1/1/14	Tue 9/9/14	1
17	HUD Construction Loan/Permanent Financing	15 mons	Wed 1/1/14	Tue 2/24/15	1
18	**Zoning/Approvals**	**180 days**	**Wed 1/1/14**	**Tue 9/9/14**	
19	Vacations	9 mons	Wed 1/1/14	Tue 9/9/14	1
20	Final Site Plan Approval	3 mons	Wed 6/4/14	Tue 8/26/14	23
21	**Design**	**120 days**	**Wed 3/12/14**	**Tue 8/26/14**	
22	Preliminary Site Plan	1 mon	Wed 3/12/14	Tue 4/8/14	11
23	Final Site Plan	2 mons	Wed 4/9/14	Tue 6/3/14	22
24	Civil Design	3 mons	Wed 5/7/14	Tue 7/29/14	23FS-1 mon
25	Senior Living Schematic Design	1 mon	Wed 4/9/14	Tue 5/6/14	22
26	Senior Living Design Development	2 mons	Wed 5/7/14	Tue 7/1/14	25
27	Senior Living Construction Drawings	2 mons	Wed 7/2/14	Tue 8/26/14	26
28	**Bid & Award**	**40 days**	**Wed 7/30/14**	**Tue 9/23/14**	
29	Bid & Award Civil	1 mon	Wed 7/30/14	Tue 8/26/14	24
30	Bid & Award Architectural	1 mon	Wed 8/27/14	Tue 9/23/14	27
31	**Permitting**	**40 days**	**Wed 8/27/14**	**Tue 10/21/14**	**27,24**
32	Civil Permitting	1 mon	Wed 8/27/14	Tue 9/23/14	24
33	Architectural Permitting	2 mons	Wed 8/27/14	Tue 10/21/14	27
34	**Construction**	**292 days**	**Wed 2/25/15**	**Thu 4/7/16**	
35	**Site Construction**	**287 days**	**Wed 2/25/15**	**Thu 3/31/16**	
36	Demolition	15 days	Wed 2/25/15	Tue 3/17/15	29,32,18,17
37	Earthwork	20 days	Wed 3/18/15	Tue 4/14/15	36
38	Sanitary, Storm & Water	30 days	Wed 4/15/15	Tue 5/26/15	37
39	Building Pads	7 days	Wed 5/27/15	Thu 6/4/15	38
40	Site Electric & Lighting	15 days	Fri 6/5/15	Thu 6/25/15	39
41	Parking Lot Base Asphalt Course	9 days	Fri 6/26/15	Wed 7/8/15	40
42	Irrigation & Landscaping	20 days	Fri 6/26/15	Thu 7/23/15	40
43	Wearing Course and Striping	12 days	Wed 3/16/16	Thu 3/31/16	
44	Senior Living Vertical Construction	9 mons	Fri 6/5/15	Thu 2/11/16	39,33
45	Senior Living Interior Improvements	3 mons	Fri 1/15/16	Thu 4/7/16	44FS-1 mon
46	Stabilized Occupancy	0 days	Fri 12/30/16	Fri 12/30/16	



Project: Fairground Phase IV Pretimina
Date: Sun 10/14/12

Task | Split | Progress | Milestone | Summary | Project Summary | External Tasks | External Milestone | Deadline

EXHIBIT D

State Fairgrounds - Consolidated Cash Flow Model

	Initial Investment	Construction	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Revenues	-	-	4,608,295	14,111,485	15,228,905	15,533,483	15,844,152	16,161,035	16,484,256	16,813,941	17,150,220
Total Expenses	-	-	(3,270,023)	(7,252,809)	(7,977,650)	(8,137,203)	(8,299,948)	(8,465,946)	(8,635,265)	(8,807,971)	(8,984,130)
Net Operating Income	-	-	1,338,273	6,858,676	7,251,254	7,396,279	7,544,205	7,695,089	7,848,991	8,005,971	8,166,090
Capital Expenses	-	-	(213,414)	(213,414)	(217,682)	(222,036)	(226,477)	(231,006)	(235,626)	(240,339)	(245,146)
Cash Flow Before Debt Service	-	-	1,124,859	6,645,262	7,033,572	7,174,243	7,317,728	7,464,083	7,613,364	7,765,632	7,920,944
Annual Debt Service											
Annual Interest Payments	-	-	-	(3,233,920)	(3,176,671)	(3,116,038)	(3,051,817)	(2,983,792)	(2,911,736)	(2,835,408)	(2,754,549)
Annual Principal Payments	-	-	-	(986,211)	(1,043,459)	(1,104,093)	(1,168,314)	(1,236,339)	(1,308,394)	(1,384,723)	(1,465,582)
NMTC Annual Costs	-	-	-	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	-	-	-
Total Debt Service	-	-	-	(4,620,131)	(4,620,131)	(4,620,131)	(4,620,131)	(4,620,131)	(4,220,131)	(4,220,131)	(4,220,131)
Development Costs											
Land & Predevelopment Costs	2,826,750	-	-	-	-	-	-	-	-	-	-
Soft Costs	(19,414,271)	-	-	-	-	-	-	-	-	-	-
Hard Construction Costs	(84,772,086)	-	-	-	-	-	-	-	-	-	-
Financing Costs	(11,983,860)	-	-	-	-	-	-	-	-	-	-
Contingency	(5,209,318)	-	-	-	-	-	-	-	-	-	-
Operating Reserve	(750,000)	-	-	-	-	-	-	-	-	-	-
Total Development Costs	(119,302,785)	-	-	-	-	-	-	-	-	-	-
Annual Cash Flow	$ (119,302,785)	$ -	$ 1,124,859	$ 2,025,131	$ 2,413,441	$ 2,554,112	$ 2,697,597	$ 2,843,952	$ 3,393,234	$ 3,545,501	$ 3,700,814
Investment Sources & Uses											
Financing Proceeds	58,580,142	-	-	-	-	-	-	-	-	-	-
NMTC Proceeds	16,945,918	-	-	-	-	-	-	-	-	-	-
TIF Proceeds	21,333,768	-	-	-	-	-	-	-	-	-	-
Grants	2,850,000	-	-	-	-	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	96,041,450
Ending Debt Balance	-	-	-	-	-	-	-	-	-	-	(48,883,026)
*State Participation	-	-	-	-	-	(27,393)	(77,729)	(103,976)	(182,580)	(197,806)	(1,138,505)
Net Cash Flow	$ (19,592,956)	$ -	$ 1,124,859	$ 2,025,131	$ 2,413,441	$ 2,526,719	$ 2,619,869	$ 2,739,976	$ 3,210,654	$ 3,347,694	$ 49,720,733

IRR	**16.19%**

***Once the owner has received an 8% cumulative preferred return on their investment, the State receives 10% of remaining cash flows.**

***Upon a sale or refinance, the state receives 10% of remaining sale proceeds once the owner has achieved a 15% IRR.**

State Revenue Summary												
Payment to State (1% of Revenues)	-	-	46,083	141,115	152,289	155,335	158,442	161,610	164,843	168,139	171,502
*State Participation	-	-	-	-	-	27,393	77,729	103,976	182,580	197,806	1,138,505
Total	$ -	$ -	$ 46,083	$ 141,115	$ 152,289	$ 182,728	$ 236,170	$ 265,586	$ 347,422	$ 365,946	$ 1,310,007

State Fairgrounds Consolidated

SOURCES AND USES OF FUNDS - CONSOLIDATED					
Sources of Funds					
Equity Requirement			19,592,956.21		16.42%
Financing Proceeds			58,580,142.29		See below for assumptions/calculations
TIF Loan Proceeds			21,333,768.32		See below for assumptions/calculations
NMTC Proceeds (Net)			16,945,918		
Community Block Grant			850,000		
Michigan Strategic Fund - Grant			2,000,000.00		
Total Sources of Funds		$	119,302,784.96		
Uses of Funds					
Land and Predevelopment Costs		$	(2,826,750.00)		
Soft Costs			19,414,271.11		
Hard Construction Costs			84,772,085.99		
Financing Costs			11,983,860.00		
Contingency	5.00%		5,209,317.86	1-801	In Hard and Soft Cost Line Items
Lease Up Reserve			750,000.00	1-802	
Distribution			-		
Total Uses of Funds		$	119,302,784.96		

CONSOLIDATED YEARLY CASH FLOW				
NOI		$	7,260,466.59	
Payment to State	1%	$	(148,922.21)	Contribute 1% of Lease Revenues to State of Michigan
Capital Reserve		$	(213,414.00)	
Debt Service			($4,267,513.01)	Based upon construction loan financing
Net Cash Flow		**$**	**2,630,617.37**	
			13.43%	Stabilized cash on cash return
			8.82%	Unleveraged cash on cash return (total costs less grant & TIF)

State Fairgrounds - Phase I Retail (Cash Flow & Return Schedule)

	Initial Investment	Construction	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues											
Base Rent	-	-	872,124	2,907,080	2,965,222	3,024,526	3,085,017	3,146,717	3,209,651	3,273,844	3,339,321
Electric Recovery (Net)	-	-	30,000	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869
CAM Reimbursement	-	-	538,969	1,796,563	1,832,494	1,869,144	1,906,526	1,944,657	1,983,550	2,023,221	2,063,686
Vacancy / Collection Loss (8%)	-	-	(115,287)	(384,291)	(391,977)	(399,817)	(407,813)	(415,969)	(424,289)	(432,775)	(441,430)
Total Rental Revenue	**-**	**-**	**1,325,805**	**4,419,351**	**4,507,738**	**4,597,893**	**4,689,851**	**4,783,648**	**4,879,321**	**4,976,907**	**5,076,445**
Operating Expenses											
CAM Expenses	-	-	(246,510)	(821,700)	(838,134)	(854,897)	(871,995)	(889,435)	(907,223)	(925,368)	(943,875)
Property Taxes	-	-	(937,513)	(937,513)	(956,263)	(975,388)	(994,896)	(1,014,794)	(1,035,090)	(1,055,791)	(1,076,907)
Management Fee (5%)		-	(66,290)	(220,968)	(225,387)	(229,895)	(234,493)	(239,182)	(243,966)	(248,845)	(253,822)
Payment to State (1% of Revenues)	-	-	(13,258)	(44,194)	(45,077)	(45,979)	(46,899)	(47,836)	(48,793)	(49,769)	(50,764)
Total Expenses	**-**	**-**	**(1,263,571)**	**(2,024,374)**	**(2,064,861)**	**(2,106,158)**	**(2,148,281)**	**(2,191,247)**	**(2,235,072)**	**(2,279,773)**	**(2,325,369)**
Net Operating Income	**-**	**-**	**62,235**	**2,394,978**	**2,442,877**	**2,491,735**	**2,541,569**	**2,592,401**	**2,644,249**	**2,697,134**	**2,751,076**
Capital Expenses		**-**	**(99,600)**	**(99,600)**	**(101,592)**	**(103,624)**	**(105,696)**	**(107,810)**	**(109,966)**	**(112,166)**	**(114,409)**
Cash Flow Before Debt Service	**-**	**-**	**(37,365)**	**2,295,378**	**2,341,285**	**2,388,111**	**2,435,873**	**2,484,590**	**2,534,282**	**2,584,968**	**2,636,667**
Annual Debt Service											
Annual Interest Payments	-	-	-	(1,133,690)	(1,112,777)	(1,090,574)	(1,067,001)	(1,041,975)	(1,015,405)	(987,196)	(957,247)
Annual Principal Payments	-	-	-	(339,072)	(359,985)	(382,188)	(405,761)	(430,787)	(457,357)	(485,566)	(515,515)
*NMTC Annual Costs	-	-	-	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	-	-	-
Total Debt Service	**-**	**-**	**-**	**(1,672,762)**	**(1,672,762)**	**(1,672,762)**	**(1,672,762)**	**(1,672,762)**	**(1,472,762)**	**(1,472,762)**	**(1,472,762)**
Development Costs											
Land & Predevelopment Costs	965,750	-	-	-	-	-	-	-	-	-	-
Soft Costs	(8,900,968)	-	-	-	-	-	-	-	-	-	-
Hard Construction Costs	(29,089,904)	-	-	-	-	-	-	-	-	-	-
Financing Costs	(5,282,640)	-	-	-	-	-	-	-	-	-	-
Contingency	(1,899,544)	-	-	-	-	-	-	-	-	-	-
Total Development Costs	**(44,207,306)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Annual Cash Flow	**$ (44,207,306)**	**$ -**	**$ (37,365)**	**$ 622,616**	**$ 668,523**	**$ 715,349**	**$ 763,111**	**$ 811,829**	**$ 1,061,520**	**$ 1,112,206**	**$ 1,163,905**
Investment Sources & Uses											
Financing Proceeds	19,048,564	-	-	-	-	-	-	-	-	-	-
NMTC Proceeds	9,692,894	-	-	-	-	-	-	-	-	-	-
TIF Proceeds	10,900,000	-	-	-	-	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	31,969,591
Ending Debt Balance	-	-	-	-	-	-	-	-	-	-	(15,672,333)
*State Participation	-	-	-	-	-	-	(36,936)	(44,656)	(69,625)	(74,694)	(917,994)
Net Cash Flow	**$ (4,565,848)**	**$ -**	**$ (37,365)**	**$ 622,616**	**$ 668,523**	**$ 715,349**	**$ 726,176**	**$ 767,172**	**$ 991,895**	**$ 1,037,512**	**$ 16,543,169**

IRR	**19.81%**

***Once the owner has received an 8% cumulative preferred return on their investment, the State receives 10% of remaining cash flows.**

***Upon a sale or refinance, the state receives 10% of remaining sale proceeds once the owner has achieved a 15% IRR.**

State Revenue Summary											
Payment to State (1% of Revenues)	-	-	13,258	44,194	45,077	45,979	46,899	47,836	48,793	49,769	50,764
*State Participation	-	-	-	-	-	-	36,936	44,656	69,625	74,694	917,994
Total	**$ -**	**$ -**	**$ 13,258**	**$ 44,194**	**$ 45,077**	**$ 45,979**	**$ 83,834**	**$ 92,493**	**$ 118,418**	**$ 124,463**	**$ 968,758**

FAIRGROUNDS PHASE I

BUDGET

14-Nov-12

		Total Budget	Reallocation & Change Orders	Adjusted Budget	Previous Request	Current Request	Request To Date	Available To Complete
	Hard Costs							
	GC Site Improvements	15,290,000	-	15,290,000	-	-	-	15,290,000
	Site Improvement Reimbursement	(2,500,000)	-	(2,500,000)	-	-	-	(2,500,000)
2-005	GC Building Construction	13,554,904	-	13,554,904	-	-	-	13,554,904
	Subtotal Hard Costs	26,344,904	-	26,344,904	-	-	-	26,344,904
	Soft Costs				-			
1-331	A/E Fees	2,095,070	-	2,095,070	-	-	-	2,095,070
1-332	Traffic Consultant	10,000	-	10,000	-	-	-	10,000
	Security	50,000	-	50,000	-	-	-	50,000
1-720	Legal & Professional Fees	2,500,000	-	2,500,000	-	-	-	2,500,000
1-730	Marketing Costs	25,000	-	25,000	-	-	-	25,000
	Travel	-	-	-		-	-	
1-800	Contingency	1,899,544	-	1,899,544	-	-	-	1,899,544
1-805	Land Purchase Price	-	-	-	-	-	-	-
1-805	Land Sales	(1,500,000)	-	(1,500,000)	-	-	-	(1,500,000)
1-810	Environmental	20,000	-	20,000	-	-	-	20,000
1-815	Appraisal Fee	12,000	-	12,000	-	-	-	12,000
1-825	Closing Costs	75,000	-	75,000	-	-	-	75,000
1-826	Title Policy Fees- Constr	75,000	-	75,000	-	-	-	75,000
1-840	Real Estate Taxes & Insurance	270,000	-	270,000	-	-	-	270,000
1-841	Builders Risk Insurance	34,685	-	34,685	-	-	-	34,685
1-844	Financing Fee	282,640	-	282,640	-	-	-	282,640
1-845	Construction Loan Fees	500,000	-	500,000	-	-	-	500,000
1-847	Permanent Loan Fees	-	-	-	-	-	-	-
1-848	NMTC Fees & Reserves	1,500,000	-	1,500,000	-	-	-	1,500,000
1-855	Constr/Dev Fees	2,525,463	-	2,525,463	-	-	-	2,525,463
1-865	Sales Commissions	-		-	-	-	-	-
1-870	Tap Fees	-		-	-	-	-	-
1-065	Permits	-	-	-	-	-	-	-
	Subtotal Soft Costs	10,374,402	-	10,374,402	-	-	-	10,374,402
	Other Costs							
20-900	General TI Allowance	2,745,000	-	2,745,000	-	-	-	2,745,000
1-820	Leasing Commissions	1,743,000	-	1,743,000	-	-	-	1,743,000
	Interest Reserve	3,000,000		3,000,000				3,000,000
	Subtotal Other Costs	7,488,000	-	7,488,000	-	-	-	7,488,000
	Total Development Budget	44,207,306	-	44,207,306	-	-	-	44,207,306

Project Name:	FAIRGROUNDS PHASE I
Location:	DETROIT, MICHIGAN
Analysis Type:	RETAIL
Worksheet:	**PROJECT OVERVIEW**

PROJECT OVERVIEW

Location:	Detroit, Michigan Eight Mile Retail, Theater and Restaurants
Owner/Seller:	
Development Type:	Retail
Property Definition:	
Size:	379,000
Acres	61.16
Land SF	
Development SF	
Zoning	
Environmental	
Wetlands	
Condition	
Other	
Suggested Timing:	
Due Diligence	
Approvals	
Closing	
Ownership items	
Purchase Type	
Partners	
Partner Split	
Investment Analysis:	
Purchase Price	
Price/acre	
Price/sf land	
Market Comps	
Market:	
Demographics	
Income	
Access	
Visibility	
Competition	

Project Name:	FAIRGROUNDS PHASE I
Location:	DETROIT, MICHIGAN
Analysis Type:	RETAIL
Worksheet:	**FINANCIAL SUMMARY**

Gross Area:	-	
Net Rentable Area:	379,000	sf
Usable Area:	379,000	sf
NRA (w/o sale):	249,000	sf
NRA (w/o sale & outparcels):	155,000	sf
Number of cars:	TBD	cars
Total Site Area:	61.16	acres

SOURCES AND USES OF FUNDS

Sources of Funds					
Equity Requirement			4,565,848.33		10.33%
Construction Loan Proceeds			19,048,563.63		See below for assumptions/calculations
TIF Loan Proceeds			10,900,000.00		TIF Calculation enclosed, assumes monetization upfront
NMTC Projected Proceeds			9,692,893.88		Estimated
Total Sources of Funds		$	44,207,306		
Uses of Funds					
Land and Predevelopment Costs			(965,750.00)		
Soft Costs			8,900,968.23		
Hard Construction Costs			29,089,903.99		
Financing Costs			5,282,640.00		TIF & Construction Loan Reserves, Loan Fees, NMTC Fees
Contingency	5.0%		1,899,543.61	1-801	See below, included in Hard Construction Costs
Distribution			-		
Total Uses of Funds		$	44,207,306		

YEARLY CASH FLOW

NOI		$	2,444,038.60	
Payment to State	1%	$	(44,273.51)	Contribute 1% of Lease Revenues to State of Michigan
Capital Reserve	$ 0.15		(37,350.00)	
LC/TI Reserve	$ 0.25		(62,250.00)	
Debt Service			($1,490,106.62)	Use Permanent Loan Calculations from Argus
Net Cash Flow		**$**	**810,058.47**	
			17.74%	Stabilized cash on cash return
			9.74%	Unleveraged cash on cash return (total costs exclude incentives)

VALUATION

Income Capitalization				
Net Operating Income		$	2,344,438.60	
Cap Rate	**8.00%**	**$**	**29,305,482.50**	
Construction Loan Calculations				
Loan to Value	65.0%	$	19,048,563.63	
Loan to Cost	60.0%		26,524,383.50	
Construction Loan Amount		$	19,048,563.63	**Lesser of 60% LTC or 65% LTV**
Debt Service based on selected debt above			($1,490,106.62)	-
Interest Rate	6.00%			
Amortization	25			

Project Name:	FAIRGROUNDS PHASE I
Location:	DETROIT, MICHIGAN
Analysis Type:	RETAIL
Worksheet:	**AREA CALCS**

Gross Area:		
Net Rentable Area:	379,000	sf
Usable Area:	379,000	sf
NRA (without Meijer):	379,000	sf
Number of cars:	TBD	cars
Total Site Area:	61.16	acres

	Square Footage	%
Signed	0	0.0%
Under Negotiation / LOI	0	0.0%
Prospects	0	0.0%
Available	379,000	100.0%
	379,000	100.0%

AREA CALCULATIONS

				Construction Costs						Rental Rates	
			Total Size	Base Cost/sf	Total Cost	White Box Cost / SF	Total Cost	Allowances Cost/sf	Total Cost	/sf	yearly
Building A	Major Anchor		130,000	-	0	-	0	-	0	-	0
Building B	Speculative In-Line	4,600		60.00	276,000	30.00	138,000	20.00	92,000	22.00	101,200
Building B	Speculative In-Line	4,500		60.00	270,000	30.00	135,000	20.00	90,000	22.00	99,000
Building B	Speculative In-Line	3,800		60.00	228,000	30.00	114,000	20.00	76,000	22.00	83,600
Building B	Speculative In-Line	4,200		60.00	252,000	30.00	126,000	20.00	84,000	22.00	92,400
Building B	Speculative In-Line	4,000		60.00	240,000	30.00	120,000	20.00	80,000	22.00	88,000
Building B	Speculative In-Line	3,260		60.00	195,600	30.00	97,800	20.00	65,200	22.00	71,720
Total			24,360								
Building C	Mid-Anchor		40,000	55.00	2,200,000	25.00	1,000,000	12.00	480,000	8.00	320,000
Building D	Mid-Anchor		22,000	55.00	1,210,000	25.00	550,000	15.00	330,000	11.00	242,000
Building E	Speculative		10,000	60.00	600,000	30.00	300,000	20.00	200,000	15.00	150,000
Building F	Speculative	15,000		55.00	825,000	30.00	450,000	20.00	300,000	12.50	187,500
	Speculative	15,000		55.00	825,000	30.00	450,000	20.00	300,000	12.50	187,500
Total			30,000								
Building G	Speculative Inline		13,640	60.00	818,400	30.00	409,200	20.00	272,800	19.00	259,160
Building H	Theater		60,000	-	0	-	0	-	0	3.00	180,000
Outlot J	Speculative	4,400		60.00	264,000	30.00	132,000	25.00	110,000	24.00	105,600
Outlot J	Speculative	1,400		60.00	84,000	30.00	42,000	25.00	35,000	24.00	33,600
Outlot J	Speculative	1,300		60.00	78,000	30.00	39,000	25.00	32,500	24.00	31,200
Outlot J	Speculative	2,400		60.00	144,000	30.00	72,000	25.00	60,000	24.00	57,600
Outlot J	Speculative	2,000		60.00	120,000	30.00	60,000	25.00	50,000	24.00	48,000
Outlot J	Speculative	3,500		60.00	210,000	30.00	105,000	25.00	87,500	24.00	84,000
Total			15,000								
Outlot K	Restaurant		3,000	-	0	-	0	-	0		60,000
Outlot L	Restaurant		5,000	-	0	-	0	-	0		75,000
Outlot M	Financial		5,000	-	0	-	0	-	0		75,000
Outlot N	Restaurant		3,000	-	0	-	0	-	0		60,000
Outlot O	Restaurant		3,500	-	0	-	0	-	0		65,000
Outlot P	Pharmacy		14,500	-	0	-	0	-	0		150,000
Total Size			**379,000**		**8,840,000**		**4,340,000**		**2,745,000**		**2,907,080**
Total Square footage			379,000								
Total			**379,000**								

Project Name: FAIRGROUNDS PHASE I
Location: DETROIT, MICHIGAN
Analysis Type: RETAIL
Worksheet: **LAND AND PREDEVELOPMENT**

Gross Area:	-	
Net Rentable Area:	379,000	sf
Usable Area:	379,000	sf
NRA (w/o sale):	249,000	sf
NRA (w/o sale & outparcels):	155,000	sf
Number of cars:	TBD	cars
Total Site Area:	61.16	acres

Land and Predevelopment Costs	$	(965,750.00)
Site Development Costs		-
Soft Costs		8,900,968.23
Hard Construction Costs		29,089,903.99
Contingency		1,899,543.61
Financing Costs		5,282,640.00
Total Development Costs	**$**	**44,207,305.83**

LAND AND PREDEVELOPMENT COSTS

Land								
Phase I	61.16	x	$ -	/acre		$0.00	1-806	
Closing / Due Diligence Costs		x	1.00%			$0.00	1-825	
Sales Commissions		x	0.00%			-	1-865	
Land Sales	10.00	x	$ 150,000	/acre		($1,500,000.00)		Net of 1% to the State of Michigan
Sale Commissions			5%			75,000.00	2-010	
Total Site & Land Costs					**$**	**(1,425,000.00)**		
Pre-Development Costs - Applicable to entire Project								
Architectural / Engineering	379,000	x	$ 0.50	/sf	$	189,500.00	1-331	
Engineering	379,000	x	$ 0.25	/sf	$	94,750.00	1-331	
Survey					$	20,000.00	1-331	
Soils Testing					$	50,000.00	1-331	
Traffic Studies					$	10,000.00	1-332	
Environmental					$	20,000.00	1-810	
Security					$	50,000.00		
Marketing Materials/Community Fees/Signs					$	25,000.00	1-730	
Contingency 0.00%						-		
Total Pre-Development Costs					**$**	**459,250.00**		
TOTAL LAND AND PREDEVELOPMENT COSTS					**$**	**(965,750.00)**		

NOTES

Land Sales	**Acres**		**Cost Per Acre**		**Sale Price**
Major Retail User	10.00	X	$ 150,000	$	1,500,000.00

Project Name: FAIRGROUNDS PHASE I
Location: DETROIT, MICHIGAN
Analysis Type: RETAIL
Worksheet: **SOFT COSTS**

Gross Area:	-	
Net Rentable Area:	379,000	sf
Usable Area:	379,000	sf
NRA (w/o sale):	249,000	sf
NRA (w/o sale & outparcels):	155,000	sf
Number of cars:	TBD	cars
Total Site Area:	61.16	acres

Land and Predevelopment Costs	$	(965,750.00)
Site Development Costs		-
Soft Costs		8,900,968.23
Hard Construction Costs		29,089,903.99
Contingency		1,899,543.61
Financing Costs		5,282,640.00
Total Development Costs	**$**	**44,207,305.83**

SOFT COSTS

Misc. Soft Costs									
Architectural / Engineering		249,000	x	$ 6.50	/sf	$	1,618,500.00	1-331	
Landscaping		61.16	x	$ 2,000	/acre		122,320.00	1-331	
Testing		249,000	x	$ -	/sf		-		
Environmental							-		In Pre-Development Costs
Security							-		In Pre-Development Costs
As Built/Topo Survey							-	1-331	In Pre-Development Costs
Constr/Dev Fees	$	36,078,040	x	7.00%			2,525,462.83	1-855	
Leasing Commissions		249,000	x	$ 7.00	/sf		1,743,000.00	1-820	
Appraisal							12,000.00	1-815	
Real Estate Taxes/Ins.	$	180,000	x	1.50	yrs		270,000.00	1-840	
Builders Risk Insurance	$	29,089,904	x	0.12%			34,685.40	1-841	
Title Policy Write-downs	$	29,089,904	x	0.26%			75,000.00	1-826	
Legal & Professional Fees		379,000	x	$ 6.60	/sf		2,500,000.00	1-720	Due to the NMTC structure
Legal - Major Anchor							-		
Soft Cost Contingency		%		0%			-		
Total Misc. Soft Costs						**$**	**8,900,968.23**		
Marketing Costs									
Model							-		
Marketing							-	1-730	
Travel							-		
Contingency 0.00%							-		
Total Marketing Costs						**$**	**-**		In Pre-Development Costs
TOTAL SOFT COSTS						**$**	**8,900,968.23**		

NOTES

Development Fee Basis

Land and Predevelopment	$	-	
Contingency		423,381	
Soft Costs		6,564,755	excludes development fee and real estate taxes
Hard Construction		29,089,904	
Total Fee Basis	$	36,078,040	

Project Name: FAIRGROUNDS PHASE I
Location: DETROIT, MICHIGAN
Analysis Type: RETAIL
Worksheet: **HARD CONSTRUCTION COSTS**

Gross Area:	-	
Net Rentable Area:	379,000	sf
Usable Area:	379,000	sf
NRA (w/o sale):	249,000	sf
NRA (w/o sale & outparcels):	155,000	sf
Number of cars:	TBD	cars
Total Site Area:	61.16	acres

Land and Predevelopment Costs	$	(965,750.00)
Site Development Costs		-
Soft Costs		8,900,968.23
Hard Construction Costs		29,089,903.99
Contingency		1,899,543.61
Financing Costs		5,282,640.00
Total Development Costs	**$**	**44,207,305.83**

HARD CONSTRUCTION COSTS

Shell Building Costs									
Site Development		61.16	x	$	250,000	/acre		15,290,000.00	2-005	
Site Development Reimbursement		(10.00)	x	$	250,000	/acre		(2,500,000.00)	2-006	Assume tenant reimburses proportionate share of site work.
Hard Construction Core & Shell		249,000	x	$	35.50	/sf		8,840,000.00	2-005	See Area Calculations for detail
Hard Construction - White Box		249,000		$	17.43			4,340,000.00		See Area Calculations for detail
Demolition & Abatement Costs		161,744	x	$	2.32			374,903.99		See Area Calculations for detail
Contingency			x		0%			-		
Total Building Costs							**$**	**26,344,903.99**		
Tenant Improvements										
Tenant Improvements (New)		249,000	x	$	11.02	/sf	$	2,745,000.00	20-900	See Area Calculations for detail
Contingency		0.00%						-		
Total Tenant Improvement Costs							**$**	**2,745,000.00**		
Misc. Hard Costs										
General Conditions		249,000	x	$	-	/sf		-		Included above
Monument Sign								-		Included above
Sewer REU Fees			x			/sf		-	1-870	Included above
Water REU Fees			x			/REU		-	1-870	Included above
Utilities - Gas		249,000	x	$	-	/sf		-		Included above
Utilities - Electrical		249,000	x	$	-	/sf		-		Included above
Utilities - Phone		249,000	x	$	-	/sf		-		Included above
Performance Bond	$	26,344,904	x		0.00%			-		Included above
Permits	$	29,089,904	x		0.00%			-	1-065	Included above
Contractor Fee	$	29,089,904	x		0.00%			-		Included above
Contingency		0.00%						-		Included above
Total Misc. Hard Costs							**$**	**-**		
TOTAL HARD CONSTRUCTION COSTS						**$116.83**	**$**	**29,089,903.99**		

NOTES

Project Name:	FAIRGROUNDS PHASE I
Location:	DETROIT, MICHIGAN
Analysis Type:	RETAIL
Worksheet:	**FINANCING COSTS**

Gross Area:	-	
Net Rentable Area:	379,000	sf
Usable Area:	379,000	sf
NRA (w/o sale):	249,000	sf
NRA (w/o sale & outparcels):	155,000	sf
Number of cars:	TBD	cars
Total Site Area:	61.16	acres

Land and Predevelopment Costs	$	(965,750.00)
Site Development Costs		-
Soft Costs		8,900,968.23
Hard Construction Costs		29,089,903.99
Contingency		1,899,543.61
Financing Costs		5,282,640.00
Total Development Costs	**$**	**44,207,305.83**

FINANCING COSTS

		Total		
Loan Fees - Lender	$	500,000	1-845	
Financing Fee	$	282,640		
NMTC Fees and Reserves	$	1,500,000		
	$	2,282,640		
Interest Reserve		3,000,000		
	$	3,000,000.00		
Total	**$**	**5,282,640.00**		**-**

NOTES

Financing / Equity Fee		
New Equity		4,565,848
New Debt		19,048,564
Total		**23,614,412**
Financing Fee	**1%**	**236,144**

Project Name:	FAIRGROUNDS PHASE I
Location:	DETROIT, MICHIGAN
Analysis Type:	RETAIL
Worksheet:	**INCOME PROJECTIONS**

Gross Area:	-	
Net Rentable Area:	379,000	sf
Usable Area:	379,000	sf
NRA (w/o sale):	249,000	sf
NRA (w/o sale & outparcels):	155,000	
Number of cars:	TBD	cars
Total Site Area:	61.16	acres

INCOME PROJECTIONS

Revenues and Expenses

Land Leases

						-	
Total Land Lease	-					-	
Income	sf NRA		Rent NNN/sf	Occup.		Total Rent	
Rental Income	249,000		$ 2,907,080	92.00%	$	2,674,514	
Electric Reimbursement	249,000	x			$	100,000	Estimated Net Benefit
Total Income	249,000		$ 2,907,080		$	2,774,514	
Reimbursements	sf NRA		Reimb/sf	Avg Occup.		Total Reimbursements	
Admin	249,000	x	$ 0.15	92.00%	$	34,362	
CAM	249,000	x	$ 3.00	92.00%		687,240	
Insurance	249,000	x	$ 0.30	92.00%		68,724	
Real Estate Taxes	249,000	x	$ 3.77	92.00%		862,512	
Total Reimbursement			$ 7.22		$	1,652,838	
GROSS POTENTIAL REVENUE					**$**	**4,427,351**	
Expenses	sf NRA		Opex/sf	Expense Ratio		Total Opex	
Management Fee	249,000	x	$ 0.90	100.00%		224,100	
CAM	249,000	x	$ 3.00	100.00%		747,000	
Insurance	249,000	x	$ 0.30	100.00%		74,700	
Taxes	249,000	x	$ 3.77	100.00%		937,513	
Reserve	249,000	x	$ -	100.00%		-	
Total Expenses			$ 7.97		**$**	**1,983,313**	
NET OPERATING INCOME					**$**	**2,444,039**	

NOTES

Real Estate Taxes

Real Estate Tax Rate	83.8	per	$1,000
Assessment Ratio	50.00%		
BID	0.00%		

	Assessed	SEV	Rate		Taxes
Completed Value	22,375,000	11,187,500	83.8	$	937,513
				$	937,513

TIF Revenue Projections

Projected Tax Capture	SF	Value per SF	New Assessed Value	Ratio	New Taxable Value	Base Value	Incremental Increase	Millage Rate	TIF Capture
Major Anchor	130,000	$ 40.00	5,200,000	50%	2,600,000	-	2,600,000	62.5000	162,500
Building B - Inliine	24,360	$ 100.00	2,436,000	50%	1,218,000	-	1,218,000	62.5000	76,125
Building C - Mid Anchor	40,000	$ 75.00	3,000,000	50%	1,500,000	-	1,500,000	62.5000	93,750
Building D - Mid Anchor	22,000	$ 75.00	1,650,000	50%	825,000	-	825,000	62.5000	51,563
Building E	10,000	$ 100.00	1,000,000	50%	500,000	-	500,000	62.5000	31,250
Building F	30,000	$ 100.00	3,000,000	50%	1,500,000	-	1,500,000	62.5000	93,750
Building G	13,640	$ 100.00	1,364,000	50%	682,000	-	682,000	62.5000	42,625
Building H - Theatre	60,000	$ 70.00	4,200,000	50%	2,100,000	-	2,100,000	62.5000	131,250
Outlot J - In-Line	15,000	$ 90.00	1,350,000	50%	675,000	-	675,000	62.5000	42,188
Outlot K - Restaurant	3,000	$ 150.00	450,000	50%	225,000	-	225,000	62.5000	14,063
Outlot L - Restaurant	5,000	$ 150.00	750,000	50%	375,000	-	375,000	62.5000	23,438
Outlot M - Financial	5,000	$ 150.00	750,000	50%	375,000	-	375,000	62.5000	23,438
Outlot N - Restaurant	3,000	$ 150.00	450,000	50%	225,000	-	225,000	62.5000	14,063
Outlot O - Restaurant	3,500	$ 150.00	525,000	50%	262,500	-	262,500	62.5000	16,406
Outlot P - Pharmacy	14,500	$ 100.00	1,450,000	50%	725,000	-	725,000	62.5000	45,313
Total Real Property Taxes	**379,000**		**$ 27,575,000**		**13,787,500**	**-**	**13,787,500**		**$ 861,719**
Estimated Personal Taxes					**3,500,000**	**-**	**3,500,000**	**62.50**	**218,750**
Less Admin Fee									**(100,000)**
Total									**$ 980,469**

Assumed TIF Loan Terms	
Interest Rate	6.0%
Amortization	30
DSCR	1.25
Corresponding Loan	**$10,900,000**

State Fairgrounds - Phase II Market & Residential

	Initial Investment	Construction	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues											
Base Rent - Retail & Entertainment	-	-	15,600	52,000	53,040	54,101	55,183	56,286	57,412	58,560	59,732
CAM Reimbursement	-	-	-	-	-	-	-	-	-	-	-
Vacancy / Collection Loss	-	-	-	-	-	-	-	-	-	-	-
Total Rental Revenue	**-**	**-**	**15,600**	**52,000**	**53,040**	**54,101**	**55,183**	**56,286**	**57,412**	**58,560**	**59,732**
Operating Expenses											
CAM Expenses	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Payment to State (1% of Revenues)	-	-	(156)	(520)	(530)	(541)	(552)	(563)	(574)	(586)	(597)
Management Fee (0%)	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	**-**	**-**	**(156)**	**(520)**	**(530)**	**(541)**	**(552)**	**(563)**	**(574)**	**(586)**	**(597)**
Net Operating Income	**-**	**-**	**15,444**	**51,480**	**52,510**	**53,560**	**54,631**	**55,724**	**56,838**	**57,975**	**59,134**
Capital Expenses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash Flow Before Debt Service	**-**	**-**	**15,444**	**51,480**	**52,510**	**53,560**	**54,631**	**55,724**	**56,838**	**57,975**	**59,134**
Annual Debt Service											
Annual Interest Payments	-	-	-	-	-	-	-	-	-	-	-
Annual Principal Payments	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Development Costs											
Land & Predevelopment Costs	1,861,000	-	-	-	-	-	-	-	-	-	-
Soft Costs	(1,069,886)	-	-	-	-	-	-	-	-	-	-
Hard Construction Costs	(4,046,771)	-	-	-	-	-	-	-	-	-	-
Financing Costs	-	-	-	-	-	-	-	-	-	-	-
Contingency	(255,833)	-	-	-	-	-	-	-	-	-	-
Total Development Costs	**(3,511,489)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Annual Cash Flow	**$ (3,511,489)**	**$ -**	**$ 15,444**	**$ 51,480**	**$ 52,510**	**$ 53,560**	**$ 54,631**	**$ 55,724**	**$ 56,838**	**$ 57,975**	**$ 59,134**
Investment Sources & Uses											
Financing Proceeds	-	-	-	-	-	-	-	-	-	-	-
TIF Proceeds	1,200,000	-	-	-	-	-	-	-	-	-	-
Grants	1,850,000	-	-	-	-	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	717,004
Ending Debt Balance	-	-	-	-	-	-	-	-	-	-	-
*State Participation	-	-	-	-	-	-	-	(665)	(1,992)	(2,106)	(2,222)
Net Cash Flow	**$ (461,489)**	**$ -**	**$ 15,444**	**$ 51,480**	**$ 52,510**	**$ 53,560**	**$ 54,631**	**$ 55,058**	**$ 54,846**	**$ 55,869**	**$ 773,917**

IRR	**11.85%**

***Once the owner has received an 8% cumulative preferred return on their investment, the State receives 10% of remaining cash flows.**

***Upon a sale or refinance, the state receives 10% of remaining sale proceeds once the owner has achieved a 15% IRR.**

State Revenue Summary											
Payment to State (1% of Revenues)	-	-	156	520	530	541	552	563	574	586	597
*State Participation	-	-	-	-	-	-	-	665	1,992	2,106	2,222
Total	**$ -**	**$ -**	**$ 156**	**$ 520**	**$ 530**	**$ 541**	**$ 552**	**$ 1,228**	**$ 2,566**	**$ 2,691**	**$ 2,819**

FAIRGROUNDS PHASE II (Market & Residential)

BUDGET

14-Nov-12

		Total Budget	Reallocation & Change Orders	Adjusted Budget	Previous Request	Current Request	Request To Date	Available To Complete
	Hard Costs							
	GC Site Improvements	3,044,000	-	3,044,000	-	-	-	3,044,000
	Site Improvement Reimbursement	-	-	-	-	-	-	-
2-005	GC Building Construction	1,002,771	-	1,002,771	-	-	-	1,002,771
	Subtotal Hard Costs	4,046,771	-	4,046,771	-	-	-	4,046,771
	Soft Costs				-			
1-331	A/E Fees	307,880	-	307,880	-	-	-	307,880
1-332	Traffic Consultant	-	-	-	-	-	-	-
	Security	-	-	-	-	-	-	-
1-720	Legal & Professional Fees	10,000	-	10,000	-	-	-	10,000
1-730	Marketing Costs	-	-	-	-	-	-	-
	Travel	-	-	-		-	-	
1-800	Contingency	255,833	-	255,833	-	-	-	255,833
1-805	Land Purchase Price	-	-	-	-	-	-	-
1-805	Land Sales	(2,000,000)	-	(2,000,000)	-	-	-	(2,000,000)
1-810	Environmental	-	-	-	-	-	-	-
1-815	Appraisal Fee	12,000	-	12,000	-	-	-	12,000
1-825	Closing Costs	100,000	-	100,000	-	-	-	100,000
1-826	Title Policy Fees- Constr	75,000	-	75,000	-	-	-	75,000
1-840	Real Estate Taxes & Insurance	270,000	-	270,000	-	-	-	270,000
1-841	Builders Risk Insurance	34,685	-	34,685	-	-	-	34,685
1-844	Financing Fee	-	-	-	-	-	-	-
1-845	Construction Loan Fees	-	-	-	-	-	-	-
1-847	Permanent Loan Fees	-	-	-	-	-	-	-
1-848	NMTC Fees & Reserves	-	-	-	-	-	-	-
1-855	Constr/Dev Fees	347,320	-	347,320	-	-	-	347,320
1-865	Sales Commissions	-		-	-	-	-	-
1-870	Tap Fees	-		-	-	-	-	-
1-065	Permits	-	-	-	-	-	-	-
	Subtotal Soft Costs	(587,282)	-	(587,282)	-	-	-	(587,282)
	Other Costs							
20-900	General TI Allowance	-	-	-	-	-	-	-
1-820	Leasing Commissions	52,000	-	52,000	-	-	-	52,000
	Interest Reserve	-		-				-
	Subtotal Other Costs	52,000	-	52,000	-	-	-	52,000
	Total Development Budget	3,511,489	-	3,511,489	-	-	-	3,511,489

Project Name:	FAIRGROUNDS PHASE II
Location:	DETROIT, MICHIGAN
Analysis Type:	Residential & Market
Worksheet:	**PROJECT OVERVIEW**

PROJECT OVERVIEW

Location:	Detroit, Michigan Eight Mile & Woodward
Owner/Seller:	
Development Type:	Mixed Use Development (Retail & Multi-family)
Property Definition:	
Size:	52,000
Acres	30.44
Land SF	
Development SF	
Zoning	
Environmental	
Wetlands	
Condition	
Other	
Suggested Timing:	
Due Diligence	
Approvals	
Closing	
Ownership items	
Purchase Type	
Partners	
Partner Split	
Investment Analysis:	
Purchase Price	
Price/acre	
Price/sf land	
Market Comps	
Market:	
Demographics	
Income	
Access	
Visibility	
Competition	

Project Name:	FAIRGROUNDS PHASE II
Location:	DETROIT, MICHIGAN
Analysis Type:	Residential & Market
Worksheet:	**FINANCIAL SUMMARY**

Gross Area:	-	
Net Rentable Area:	52,000	sf
Usable Area:	52,000	sf
Number of cars:	TBD	cars
Total Site Area:	30	acres

SOURCES AND USES OF FUNDS

Sources of Funds					
Equity Requirement			461,489.45		13.14%
Construction Loan Proceeds			-		See below for assumptions/calculations
TIF Loan Proceeds			1,200,000.00		TIF Calculation enclosed, assumes monetization upfront
Community Development Block Grant			850,000.00		For Rehab of Band Shell
Michigan Strategic Fund - Grant			1,000,000.00		Estimated
Total Sources of Funds		$	3,511,489		
Uses of Funds					
Land and Predevelopment Costs			(1,861,000.00)		
Soft Costs			1,069,885.62		
Hard Construction Costs			4,046,771.00		
Financing Costs			-		TIF & Construction Loan Reserves, Loan Fees, NMTC Fees
Contingency	5.0%		255,832.83	1-801	See below, included in Hard Construction Costs
Distribution			-		
Total Uses of Funds		$	3,511,489		

YEARLY CASH FLOW

NOI			$	52,000.00	
Payment to State		1%	$	(520.00)	Contribute 1% of Lease Revenues to State of Michigan
Capital Reserve	$	-		-	
LC/TI Reserve	$	-		-	
Debt Service				$0.00	Use Permanent Loan Calculations from Argus
Net Cash Flow			**$**	**51,480.00**	
				11.16%	Stabilized cash on cash return
				11.16%	Unleveraged cash on cash return (total costs exclude incentives)

VALUATION

Income Capitalization				
Net Operating Income		$	52,000.00	
Cap Rate	**8.50%**	**$**	**611,764.71**	
Construction Loan Calculations				
Loan to Value	0.0%	$	-	
Loan to Cost	0.0%		0.00	
Construction Loan Amount		$	-	**No Debt Assumed**
Debt Service based on selected debt above			$0.00	**#DIV/0!**
Interest Rate	6.00%			
Amortization	25			

Project Name:	FAIRGROUNDS PHASE II
Location:	DETROIT, MICHIGAN
Analysis Type:	Residential & Market
Worksheet:	**AREA CALCS**

				Square Footage	%
Gross Area:	-		Signed	0	0.0%
Net Rentable Area:	52,000	sf	Under Negotiation / LOI	0	0.0%
Usable Area:	52,000	sf	Prospects	0	0.0%
Number of cars:	TBD	cars	Available	52,000	100.0%
Total Site Area:	30.44	acres		52,000	100.0%

AREA CALCULATIONS

			Construction Costs						Rental Rates	
		Total Size	Base Cost/sf	Total Cost	White Box Cost / SF	Total Cost	Allowances Cost/sf	Total Cost	/sf	yearly
Retail	Market - Ground Lease	52,000	-	0	-	0	-	0	1.00	52,000
Total Size		**52,000**		**0**		**0**		**0**		**52,000**

Project Name:	FAIRGROUNDS PHASE II
Location:	DETROIT, MICHIGAN
Analysis Type:	Residential & Market
Worksheet:	**LAND AND PREDEVELOPMENT**

Gross Area:	-	
Net Rentable Area:	52,000	sf
Usable Area:	52,000	sf
Number of cars:	TBD	cars
Total Site Area:	30	acres

Land and Predevelopment Costs	$	(1,861,000.00)
Site Development Costs		-
Soft Costs		1,069,885.62
Hard Construction Costs		4,046,771.00
Contingency		255,832.83
Financing Costs		-
Total Development Costs	**$**	**3,511,489.45**

LAND AND PREDEVELOPMENT COSTS

Land									
Phase I	30.44	x	$	-	/acre		$0.00	1-806	
Closing / Due Diligence Costs		x		1.00%			$0.00	1-825	
Sales Commissions		x		0.00%			-	1-865	
Land Sales	20.00	x	$	100,000	/acre		($2,000,000.00)		Net of 1% to the State of Michigan
Sale Commissions				5%			100,000.00	2-010	
Total Site & Land Costs						**$**	**(1,900,000.00)**		
Pre-Development Costs - Applicable to entire Project									
Architectural / Engineering	52,000	x	$	0.50	/sf	$	26,000.00	1-331	
Engineering	52,000	x	$	0.25	/sf	$	13,000.00	1-331	
Survey						$	-	1-331	
Soils Testing						$	-	1-331	
Traffic Studies						$	-	1-332	
Environmental						$	-	1-810	
Security						$	-		
Marketing Materials/Community Fees/Signs						$	-	1-730	
Contingency 0.00%							-		
Total Pre-Development Costs						**$**	**39,000.00**		
TOTAL LAND AND PREDEVELOPMENT COSTS						**$**	**(1,861,000.00)**		

NOTES

Land Sales	**Acres**		**Cost per Acre**		**Sale Price**
Residential Developer	20.00	X	$ 100,000	$	2,000,000.00

Project Name:	FAIRGROUNDS PHASE II
Location:	DETROIT, MICHIGAN
Analysis Type:	Residential & Market
Worksheet:	**SOFT COSTS**

Gross Area:	-	
Net Rentable Area:	52,000	sf
Usable Area:	52,000	sf
Number of cars:	TBD	cars
Total Site Area:	30.44	acres

Land and Predevelopment Costs	$	(1,861,000.00)
Site Development Costs		-
Soft Costs		1,069,885.62
Hard Construction Costs		4,046,771.00
Contingency		255,832.83
Financing Costs		-
Total Development Costs	**$**	**3,511,489.45**

SOFT COSTS

Misc. Soft Costs									
Architectural / Engineering		52,000	x	$ 4.00	/sf	$	208,000.00	1-331	
Landscaping		30.44	x	$ 2,000	/acre		60,880.00	1-331	
Testing		52,000	x	$ -	/sf		-		
Environmental							-		In Pre-Development Costs
Security							-		In Pre-Development Costs
As Built/Topo Survey							-	1-331	In Pre-Development Costs
Constr/Dev Fees	$	4,961,717	x	7.00%			347,320.22	1-855	
Leasing Commissions		52,000	x	$ 1.00	/sf		52,000.00	1-820	
Appraisal							12,000.00	1-815	
Real Estate Taxes/Ins.	$	180,000	x	1.50	yrs		270,000.00	1-840	
Builders Risk Insurance	$	4,046,771	x	0.86%			34,685.40	1-841	
Title Policy Write-downs	$	4,046,771	x	1.85%			75,000.00	1-826	
Legal & Professional Fees		379,000	x	$ 0.03	/sf		10,000.00	1-720	
Legal - Major Anchor							-		
Soft Cost Contingency		%		0%			-		
Total Misc. Soft Costs						**$**	**1,069,885.62**		
Marketing Costs									
Model							-		
Marketing							-	1-730	
Travel							-		
Contingency 0.00%							-		
Total Marketing Costs						**$**	**-**		In Pre-Development Costs
TOTAL SOFT COSTS						**$**	**1,069,885.62**		

NOTES

Development Fee Basis			
Land and Predevelopment	$	-	
Contingency		423,381	
Soft Costs		491,565	excludes development fee and real estate taxes
Hard Construction		4,046,771	
Total Fee Basis	$	4,961,717	

Project Name:	FAIRGROUNDS PHASE II
Location:	DETROIT, MICHIGAN
Analysis Type:	Residential & Market
Worksheet:	**HARD CONSTRUCTION COSTS**

Gross Area:	-	
Net Rentable Area:	52,000	sf
Usable Area:	52,000	sf
Number of cars:	TBD	cars
Total Site Area:	30	acres

Land and Predevelopment Costs	$	(1,861,000.00)
Site Development Costs		-
Soft Costs		1,069,885.62
Hard Construction Costs		4,046,771.00
Contingency		255,832.83
Financing Costs		-
Total Development Costs	**$**	**3,511,489.45**

HARD CONSTRUCTION COSTS

Shell Building Costs									
Site Development		30.44	x	$	100,000	/acre	3,044,000.00	2-005	
Site Development Reimbursement		-20.00	x	$	-	/acre	-	2-006	No reimbursement assumed
Hard Construction Core & Shell		52,000	x	$	-	/sf	-	2-005	
Hard Construction - White Box		52,000		$	-		-		
Band Shell Rehab		52,000		$	16.35		850,000.00		
Demolition & Abatement Costs		26,701	x	$	5.72		152,771.00		
Contingency			x		0%		-		
Total Building Costs							**$ 4,046,771.00**		
Tenant Improvements									
Tenant Improvements (New)		#REF!	x		#REF!	/sf	$ -	20-900	See Area Calculations for detail
Contingency		0.00%					-		
Total Tenant Improvement Costs							**$ -**		
Misc. Hard Costs									
General Conditions		52,000	x	$	-	/sf	-		Included above
Monument Sign							-		Included above
Sewer REU Fees			x			/sf	-	1-870	Included above
Water REU Fees			x			/REU	-	1-870	Included above
Utilities - Gas		52,000	x	$	-	/sf	-		Included above
Utilities - Electrical		52,000	x	$	-	/sf	-		Included above
Utilities - Phone		52,000	x	$	-	/sf	-		Included above
Performance Bond	$	4,046,771	x		0.00%		-		Included above
Permits	$	4,046,771	x		0.00%		-	1-065	Included above
Contractor Fee	$	4,046,771	x		0.00%		-		Included above
Contingency		0.00%					-		Included above
Total Misc. Hard Costs							**$ -**		
TOTAL HARD CONSTRUCTION COSTS						**$77.82**	**$ 4,046,771.00**		

NOTES

Project Name:	FAIRGROUNDS PHASE II
Location:	DETROIT, MICHIGAN
Analysis Type:	Residential & Market
Worksheet:	**FINANCING COSTS**

Gross Area:	-	
Net Rentable Area:	52,000	sf
Usable Area:	52,000	sf
Number of cars:	TBD	cars
Total Site Area:	30.44	acres

Land and Predevelopment Costs	$	(1,861,000.00)
Site Development Costs		-
Soft Costs		1,069,885.62
Hard Construction Costs		4,046,771.00
Contingency		255,832.83
Financing Costs		-
Total Development Costs	**$**	**3,511,489.45**

FINANCING COSTS

		Total		
Loan Fees - Lender	$	-	1-845	
Financing Fee	$	-		
NMTC Fees and Reserves	$	-		
	$	-		
Interest Reserve		-		
	$	-		
Total	**$**	**-**		**-**

NOTES

Financing Fee		
New Debt Proceeds		461,489
TIF Proceeds		0
NMTC Proceeds		1,200,000
Total		**1,661,489**
Financing Fee	**1%**	**16,615**

Project Name:	FAIRGROUNDS PHASE II
Location:	DETROIT, MICHIGAN
Analysis Type:	Residential & Market
Worksheet:	**INCOME PROJECTIONS**

Gross Area:	-	
Net Rentable Area:	52,000	sf
Usable Area:	52,000	sf
Number of cars:	TBD	cars
Total Site Area:	30.44	acres

INCOME PROJECTIONS

Revenues and Expenses

Income	sf NRA		Rent NNN/sf	Occup.	Total Rent
Rental Income - Retail	52,000		$ 52,000	100.00%	$ 52,000
Total Income	52,000		$ 52,000	100.00%	$ 52,000

***Reimbursements**	sf NRA		Monthly Reimb/sf	Avg Occup.	Total Reimbursements
Admin	52,000	x	$ -	100.00%	$ -
CAM	52,000	x	$ -	100.00%	-
Insurance	52,000	x	$ -	100.00%	-
Real Estate Taxes	52,000	x	$ -	100.00%	-
Total Reimbursement			$ -		**$ -**

GROSS POTENTIAL REVENUE (Excluding Multi-Family)	**$ 52,000**

***Expenses**	sf NRA		Opex/sf	Expense Ratio	Total Opex
Management Fee	52,000	x	$ -	100.00%	-
CAM	52,000	x	$ -	100.00%	-
Insurance	52,000	x	$ -	100.00%	-
Taxes	52,000	x	$ -	100.00%	-
Reserve					-
Total Expenses					**$ -**

NET OPERATING INCOME	**$ 52,000**

***Assume market handles operating expenses directly**

NOTES

Real Estate Taxes

Real Estate Tax Rate	83.8	per	$1,000
Assessment Ratio	50.00%		
BID	0.00%		

	Assessed	SEV	Rate	Taxes
Completed Value	#REF!	#REF!	83.8	#REF!
				#REF!

TIF Revenue Projections

Projected Tax Capture	SF	Value Per SF	New Assessed Value	Ratio	New Taxable Value	Base Value	Incremental Increase	Millage Rate	TIF Capture
	52,000	$ 70.00	3,640,000	50%	1,820,000	-	1,820,000	62.5000	113,750
Total Real Property Taxes	**52,000**		**$ 3,640,000**		**1,820,000**	**-**	**1,820,000**		**$ 113,750**

Assumed TIF Loan Terms	
Interest Rate	6.0%
Amortization	30
DSCR	1.25
Corresponding Loan	**$1,200,000**

State Fairgrounds - Phase III Mixed Use (Cash Flow & Return Schedule)

	Initial Investment	Construction	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues											
Base Rent - Retail & Entertainment	-	-	749,352	2,497,839	2,547,796	2,598,752	2,650,727	2,703,742	2,757,816	2,812,973	2,869,232
Multi-Family Income	-	-	594,000	1,980,000	2,019,600	2,059,992	2,101,192	2,143,216	2,186,080	2,229,802	2,274,398
CAM Reimbursement	-	-	507,423	1,691,411	1,725,239	1,759,744	1,794,939	1,830,837	1,867,454	1,904,803	1,942,899
Vacancy / Collection Loss (5%)	-	-	(83,285)	(277,616)	(314,632)	(320,924)	(327,343)	(333,890)	(340,568)	(347,379)	(354,326)
Total Rental Revenue	**-**	**-**	**1,767,490**	**5,891,634**	**5,978,003**	**6,097,563**	**6,219,515**	**6,343,905**	**6,470,783**	**6,600,199**	**6,732,203**
Operating Expenses											
CAM Expenses	-	-	(224,765)	(749,216)	(764,200)	(779,484)	(795,073)	(810,975)	(827,194)	(843,738)	(860,613)
Property Taxes	-	-	(272,442)	(908,140)	(926,303)	(944,829)	(963,725)	(983,000)	(1,002,660)	(1,022,713)	(1,043,167)
Management Fee (5%)	-	-	(88,375)	(294,582)	(298,900)	(304,878)	(310,976)	(317,195)	(323,539)	(330,010)	(336,610)
Multi-Family Expenses	-	-	(169,290)	(564,300)	(575,586)	(587,098)	(598,840)	(610,816)	(623,033)	(635,493)	(648,203)
Payment to State (1% of Revenues)	-	-	(17,675)	(58,916)	(59,780)	(60,976)	(62,195)	(63,439)	(64,708)	(66,002)	(67,322)
Total Expenses	**-**	**-**	**(772,546)**	**(2,575,154)**	**(2,624,769)**	**(2,677,264)**	**(2,730,809)**	**(2,785,426)**	**(2,841,134)**	**(2,897,957)**	**(2,955,916)**
Net Operating Income	**-**	**-**	**994,944**	**3,316,480**	**3,353,234**	**3,420,299**	**3,488,705**	**3,558,479**	**3,629,649**	**3,702,242**	**3,776,287**
Capital Expenses		**-**	**(50,814)**	**(50,814)**	**(51,830)**	**(52,867)**	**(53,924)**	**(55,003)**	**(56,103)**	**(57,225)**	**(58,369)**
Cash Flow Before Debt Service	**-**	**-**	**944,130**	**3,265,666**	**3,301,404**	**3,367,432**	**3,434,781**	**3,503,477**	**3,573,546**	**3,645,017**	**3,717,917**
Annual Debt Service											
Annual Interest Payments	-	-	-	(1,592,141)	(1,562,771)	(1,531,589)	(1,498,484)	(1,463,337)	(1,426,023)	(1,386,407)	(1,344,347)
Annual Principal Payments	-	-	-	(476,189)	(505,559)	(536,741)	(569,846)	(604,992)	(642,307)	(681,923)	(723,983)
NMTC Annual Costs	-	-	-	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	-	-	-
Total Debt Service	**-**	**-**	**-**	**(2,268,330)**	**(2,268,330)**	**(2,268,330)**	**(2,268,330)**	**(2,268,330)**	**(2,068,330)**	**(2,068,330)**	**(2,068,330)**
Development Costs											
Land & Predevelopment Costs	-	-	-	-	-	-	-	-	-	-	-
Soft Costs	(7,247,048)	-	-	-	-	-	-	-	-	-	-
Hard Construction Costs	(38,485,411)	-	-	-	-	-	-	-	-	-	-
Financing Costs	(5,406,500)	-	-	-	-	-	-	-	-	-	-
Contingency	(2,286,623)	-	-	-	-	-	-	-	-	-	-
Total Development Costs	**(53,425,582)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Annual Cash Flow	**$ (53,425,582)**	**$ -**	**$ 944,130**	**$ 997,337**	**$ 1,033,075**	**$ 1,099,103**	**$ 1,166,451**	**$ 1,235,147**	**$ 1,505,217**	**$ 1,576,687**	**$ 1,649,588**
Investment Sources & Uses											
Financing Proceeds	26,751,579	-	-	-	-	-	-	-	-	-	-
NMTC Proceeds	7,253,024	-	-	-	-	-	-	-	-	-	-
TIF Proceeds	8,673,768	-	-	-	-	-	-	-	-	-	-
Incentives	-	-	-	-	-	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	45,079,748
Ending Debt Balance	-	-	-	-	-	-	-	-	-	-	(22,010,040)
State Participation	-	-	-	-	-	-	-	(15,077)	(64,544)	(71,691)	(78,981)
Net Cash Flow	**$ (10,747,210)**	**$ -**	**$ 944,130**	**$ 997,337**	**$ 1,033,075**	**$ 1,099,103**	**$ 1,166,451**	**$ 1,220,070**	**$ 1,440,673**	**$ 1,504,996**	**$ 24,640,314**
IRR	**14.61%**										

***Once the owner has received an 8% cumulative preferred return on their investment, the State receives 10% of remaining cash flows.**

***Upon a sale or refinance, the state receives 10% of remaining sale proceeds once the owner has achieved a 15% IRR.**

State Revenue Summary											
Payment to State (1% of Revenues)	-	-	17,675	58,916	59,780	60,976	62,195	63,439	64,708	66,002	67,322
*State Participation	-	-	-	-	-	-	-	15,077	64,544	71,691	78,981
Total	**$ -**	**$ -**	**$ 17,675**	**$ 58,916**	**$ 59,780**	**$ 60,976**	**$ 62,195**	**$ 78,516**	**$ 129,252**	**$ 137,693**	**$ 146,303**

FAIRGROUNDS PHASE III (Mixed Use)

BUDGET

17-Oct-12

		Total Budget	Reallocation & Change Orders	Adjusted Budget	Previous Request	Current Request	Request To Date	Available To Complete
	Hard Costs							
	GC Site Improvements	6,280,500	-	6,280,500	-	-	-	6,280,500
2-005	GC Building Construction	29,989,211	-	29,989,211	-	-	-	29,989,211
	Subtotal Hard Costs	36,269,711	-	36,269,711	-	-	-	36,269,711
	Soft Costs				-			
1-331	A/E Fees	1,464,240	-	1,464,240	-	-	-	1,464,240
1-332	Traffic Consultant	-	-	-	-	-	-	-
	Security	-	-	-	-	-	-	-
1-720	Legal & Professional Fees	1,500,000	-	1,500,000	-	-	-	1,500,000
1-730	Marketing Costs	-	-	-	-	-	-	-
	Travel	-	-	-		-	-	
1-800	Contingency	2,286,623	-	2,286,623	-	-	-	2,286,623
1-805	Land Purchase Price	-	-	-	-	-	-	-
1-805	Land Sales	-	-	-	-	-	-	-
1-810	Environmental	-	-	-	-	-	-	-
1-815	Appraisal Fee	12,000	-	12,000	-	-	-	12,000
1-825	Closing Costs	-	-	-	-	-	-	-
1-826	Title Policy Fees- Constr	75,000	-	75,000	-	-	-	75,000
1-840	Real Estate Taxes & Insurance	270,000	-	270,000	-	-	-	270,000
1-841	Builders Risk Insurance	34,685	-	34,685	-	-	-	34,685
1-844	Financing Fee	406,500	-	406,500	-	-	-	406,500
1-845	Construction Loan Fees	500,000	-	500,000	-	-	-	500,000
1-847	Permanent Loan Fees	-	-	-	-	-	-	-
1-848	NMTC Fees & Reserves	1,500,000	-	1,500,000	-	-	-	1,500,000
1-855	Constr/Dev Fees	3,001,877	-	3,001,877	-	-	-	3,001,877
1-865	Sales Commissions	-		-	-	-	-	-
1-870	Tap Fees	-		-	-	-	-	-
1-065	Permits	-	-	-	-	-	-	-
	Subtotal Soft Costs	11,050,926	-	11,050,926	-	-	-	11,050,926
	Other Costs							
20-900	General TI Allowance	2,215,700	-	2,215,700	-	-	-	2,215,700
1-820	Leasing Commissions	889,245	-	889,245	-	-	-	889,245
	Interest Reserve	3,000,000		3,000,000				3,000,000
	Subtotal Other Costs	6,104,945	-	6,104,945	-	-	-	6,104,945
	Total Development Budget	53,425,582	-	53,425,582	-	-	-	53,425,582

Project Name:	FAIRGROUNDS PHASE III
Location:	DETROIT, MICHIGAN
Analysis Type:	MIXED USE
Worksheet:	**PROJECT OVERVIEW**

PROJECT OVERVIEW

Location:	Detroit, Michigan Eight Mile & Woodward
Owner/Seller:	
Development Type:	Mixed Use Development (Retail & Multi-family)
Property Definition:	
Size:	351,000
Acres	41.87
Land SF	
Development SF	
Zoning	
Environmental	
Wetlands	
Condition	
Other	
Suggested Timing:	
Due Diligence	
Approvals	
Closing	
Ownership items	
Purchase Type	
Partners	
Partner Split	
Investment Analysis:	
Purchase Price	
Price/acre	
Price/sf land	
Market Comps	
Market:	
Demographics	
Income	
Access	
Visibility	
Competition	

Project Name:	FAIRGROUNDS PHASE III
Location:	DETROIT, MICHIGAN
Analysis Type:	MIXED USE
Worksheet:	**FINANCIAL SUMMARY**

Gross Area:	-	
Net Rentable Area:	351,000	sf
Usable Area:	351,000	sf
Retail SF Only	127,035	sf
Multi-Family SF	123,965	
Entertainment SF	100,000	sf
Number of cars:	TBD	cars
Total Site Area:	41.87	acres

SOURCES AND USES OF FUNDS

Sources of Funds					
Equity Requirement			10,747,210.46		20.12%
Construction Loan Proceeds			26,751,578.67		See below for assumptions/calculations
TIF Loan Proceeds			8,673,768.32		Limited to eligible Site Improvement Costs
NMTC Projected Proceeds			7,253,024.26		Estimated
Michigan Strategic Fund Grant			-		
Total Sources of Funds		$	53,425,582		
Uses of Funds					
Land and Predevelopment Costs			-		
Soft Costs			7,247,047.77		
Hard Construction Costs			38,485,411.00		
Financing Costs			5,406,500.00		TIF & Construction Loan Reserves, Loan Fees, NMTC Fees
Contingency	5.0%		2,286,622.94	1-801	See below, included in Hard Construction Costs
Distribution			-		
Total Uses of Funds		$	53,425,582		

YEARLY CASH FLOW

NOI			$	3,343,315.99	
Payment to State		1%	$	(58,147.10)	Contribute 1% of Lease Revenues to State of Michigan
Capital Reserve	$	0.15		(19,055.25)	
LC/TI Reserve	$	0.25		(31,758.75)	
Debt Service				($2,092,688.21)	Use Permanent Loan Calculations from Argus
Net Cash Flow			**$**	**1,141,666.68**	
				10.62%	Stabilized cash on cash return
				8.63%	Unleveraged cash on cash return (total costs exclude incentives)

VALUATION

Income Capitalization				
Net Operating Income		$	3,292,501.99	
Cap Rate	**8.00%**	**$**	**41,156,274.88**	
Construction Loan Calculations				
Loan to Value	65.0%	$	26,751,578.67	
Loan to Cost	60.0%		32,055,349.02	
Construction Loan Amount		$	26,751,578.67	**Lesser of 60% LTC or 65% LTV**
Debt Service based on selected debt above			($2,092,688.21)	-
Interest Rate	6.00%			
Amortization	25			

Project Name:	FAIRGROUNDS PHASE III
Location:	DETROIT, MICHIGAN
Analysis Type:	MIXED USE
Worksheet:	**AREA CALCS**

Gross Area:	-	
Net Rentable Area:	351,000	sf
Usable Area:	351,000	sf
Retail SF Only	127,035	sf
Multi-Family SF	123,965	
Entertainment SF	100,000	sf
Number of cars:	TBD	cars
Total Site Area:	41.87	acres

	Square Footage	%
Signed	0	0.0%
Under Negotiation / LOI	0	0.0%
Prospects	0	0.0%
Available	351,000	100.0%
	351,000	100.0%

AREA CALCULATIONS

			Construction Costs						Rental Rates	
		Total Size	Base Cost/sf	Total Cost	White Box Cost / SF	Total Cost	Allowances Cost/sf	Total Cost	/sf	yearly
Retail	Medium Retail	65,000	60.00	3,900,000	30.00	1,950,000	15.00	975,000	15.00	975,000
Retail	General Retail	36,000	60.00	2,160,000	30.00	1,080,000	20.00	720,000	18.00	648,000
Retail	Mixed Use Retail (1st Floor)	26,035	60.00	1,800,000	30.00	900,000	20.00	520,700	24.00	624,840
Fieldhouse	Fieldhouse	30,000	-	0	-	0	-	0	1.67	50,000
Coliseum	Coliseum	70,000	-	0	-	0	-	0	2.86	200,000
Multi-Family	Apartments	123,965	135.00	16,735,275	-	0	-	0	15.97	1,980,000
Total Size		**351,000**		**24,595,275**		**3,930,000**		**2,215,700**		**4,477,839**

Square Footage By Use		
Retail	127,035	2,247,840
Fieldhouse	30,000	50,000
Coliseum	70,000	200,000
Mult-Family	123,965	1,980,000
Total Square footage	**351,000**	**4,477,839**

Project Name:	FAIRGROUNDS PHASE III
Location:	DETROIT, MICHIGAN
Analysis Type:	MIXED USE
Worksheet:	**LAND AND PREDEVELOPMENT**

Gross Area:	-	
Net Rentable Area:	351,000	sf
Usable Area:	351,000	sf
Retail SF Only	127,035	sf
Multi-Family SF	123,965	
Entertainment SF	100,000	sf
Number of cars:	TBD	cars
Total Site Area:	41.87	acres

Land and Predevelopment Costs	$	-
Site Development Costs		-
Soft Costs		7,247,047.77
Hard Construction Costs		38,485,411.00
Contingency		2,286,622.94
Financing Costs		5,406,500.00
Total Development Costs	**$**	**53,425,581.71**

LAND AND PREDEVELOPMENT COSTS

Land								
Phase I	41.87	x	$	-	/acre		$0.00	1-806
Closing / Due Diligence Costs		x		1.00%			$0.00	1-825
Sales Commissions		x		0.00%			-	1-865
Land Sales	0.00	x	$	-	/acre		$0.00	
Sale Commissions				5%			-	2-010
Total Site & Land Costs						**$**	**-**	
Pre-Development Costs - Applicable to entire Project								
Architectural / Engineering	251,000	x	$	0.50	/sf	$	-	1-331
Engineering	251,000	x	$	0.25	/sf	$	-	1-331
Survey						$	-	1-331
Soils Testing						$	-	1-331
Traffic Studies						$	-	1-332
Environmental						$	-	1-810
Security						$	-	
Marketing Materials/Community Fees/Signs						$	-	1-730
Contingency 0.00%							-	
Total Pre-Development Costs						**$**	**-**	
TOTAL LAND AND PREDEVELOPMENT COSTS						**$**	**-**	

NOTES

Project Name:	FAIRGROUNDS PHASE III
Location:	DETROIT, MICHIGAN
Analysis Type:	MIXED USE
Worksheet:	**SOFT COSTS**

Gross Area:	-	
Net Rentable Area:	351,000	sf
Usable Area:	351,000	sf
Retail SF Only	127,035	sf
Multi-Family SF	123,965	
Entertainment SF	100,000	sf
Number of cars:	TBD	cars
Total Site Area:	41.87	acres

Land and Predevelopment Costs	$	-
Site Development Costs		-
Soft Costs		7,247,047.77
Hard Construction Costs		38,485,411.00
Contingency		2,286,622.94
Financing Costs		5,406,500.00
Total Development Costs	**$**	**53,425,581.71**

SOFT COSTS

Misc. Soft Costs									
Architectural / Engineering		251,000	x	$	5.50	/sf	$ 1,380,500.00	1-331	
Landscaping		41.87	x	$	2,000	/acre	83,740.00	1-331	
Testing		251,000	x	$	-	/sf	-		
Environmental							-		In Pre-Development Costs
Security							-		In Pre-Development Costs
As Built/Topo Survey							-	1-331	In Pre-Development Costs
Constr/Dev Fees	$	42,883,962	x		7.00%		3,001,877.37	1-855	
Leasing Commissions		127,035	x	$	7.00	/sf	889,245.00	1-820	
Appraisal							12,000.00	1-815	
Real Estate Taxes/Ins.	$	180,000	x		1.50	yrs	270,000.00	1-840	
Builders Risk Insurance	$	38,485,411	x		0.09%		34,685.40	1-841	
Title Policy Write-downs	$	38,485,411	x		0.19%		75,000.00	1-826	
Legal & Professional Fees		379,000	x	$	3.96	/sf	1,500,000.00	1-720	
Legal - Major Anchor							-		
Soft Cost Contingency		%			0%		-		
Total Misc. Soft Costs							**$ 7,247,047.77**		
Marketing Costs									
Model							-		
Marketing							-	1-730	
Travel							-		
Contingency 0.00%							-		
Total Marketing Costs							**$ -**		In Pre-Development Costs
TOTAL SOFT COSTS							**$ 7,247,047.77**		

NOTES

Development Fee Basis

Land and Predevelopment	$	-	
Contingency		423,381	
Soft Costs		3,975,170	excludes development fee and real estate taxes
Hard Construction		38,485,411	
Total Fee Basis	$	42,883,962	

Project Name:	FAIRGROUNDS PHASE III
Location:	DETROIT, MICHIGAN
Analysis Type:	MIXED USE
Worksheet:	**HARD CONSTRUCTION COSTS**

Gross Area:	-	
Net Rentable Area:	351,000	sf
Usable Area:	351,000	sf
Retail SF Only	127,035	sf
Multi-Family SF	123,965	
Entertainment SF	100,000	sf
Number of cars:	TBD	cars
Total Site Area:	41.87	acres

Land and Predevelopment Costs	$	-
Site Development Costs		-
Soft Costs		7,247,047.77
Hard Construction Costs		38,485,411.00
Contingency		2,286,622.94
Financing Costs		5,406,500.00
Total Development Costs	**$**	**53,425,581.71**

HARD CONSTRUCTION COSTS

Shell Building Costs									
Site Development	41.87	x	$	150,000	/acre		6,280,500.00	2-005	
Hard Construction Core & Shell	351,000	x	$	70.07	/sf		24,595,275.00	2-005	See Area Calculations for detail
Hard Construction - White Box	351,000		$	11.20			3,930,000.00		See Area Calculations for detail
Demolition & Abatement Costs	347,106	x	$	4.22			1,463,936.00		See Area Calculations for detail
Contingency		x		0%			-		
Total Building Costs						**$**	**36,269,711.00**		
Tenant Improvements									
Tenant Improvements (New)	127,035	x	$	17.44	/sf	$	2,215,700.00	20-900	See Area Calculations for detail
Contingency	0.00%						-		
Total Tenant Improvement Costs						**$**	**2,215,700.00**		
Misc. Hard Costs									
General Conditions	351,000	x	$	-	/sf		-		Included above
Monument Sign							-		Included above
Sewer REU Fees		x			/sf		-	1-870	Included above
Water REU Fees		x			/REU		-	1-870	Included above
Utilities - Gas	351,000	x	$	-	/sf		-		Included above
Utilities - Electrical	351,000	x	$	-	/sf		-		Included above
Utilities - Phone	351,000	x	$	-	/sf		-		Included above
Performance Bond	$ 36,269,711	x		0.00%			-		Included above
Permits	$ 38,485,411	x		0.00%			-	1-065	Included above
Contractor Fee	$ 38,485,411	x		0.00%			-		Included above
Contingency	0.00%						-		Included above
Total Misc. Hard Costs						**$**	**-**		
TOTAL HARD CONSTRUCTION COSTS					**$109.65**	**$**	**38,485,411.00**		

NOTES

Eligible TIF Costs			
Site Development		6,280,500	
Demolition & Abatement Costs		1,463,936	
Dev Fee	**7%**	542,111	Portion attributable to Site Development Costs
Contingency	**5%**	387,221.80	Portion attributable to Site Development Costs
Eligible Costs		**$ 8,673,768**	

Project Name:	FAIRGROUNDS PHASE III
Location:	DETROIT, MICHIGAN
Analysis Type:	MIXED USE
Worksheet:	**FINANCING COSTS**

Gross Area:	-	
Net Rentable Area:	351,000	sf
Usable Area:	351,000	sf
Retail SF Only	127,035	sf
Multi-Family SF	123,965	
Entertainment SF	100,000	sf
Number of cars:	TBD	cars
Total Site Area:	41.87	acres

Land and Predevelopment Costs	$	-
Site Development Costs		-
Soft Costs		7,247,047.77
Hard Construction Costs		38,485,411.00
Contingency		2,286,622.94
Financing Costs		5,406,500.00
Total Development Costs	**$**	**53,425,581.71**

FINANCING COSTS

		Total		
Loan Fees - Lender	$	500,000	1-845	
Financing Fee	$	406,500		
NMTC Fees and Reserves	$	1,500,000		
	$	2,406,500		
Interest Reserve		3,000,000		
	$	3,000,000.00		
Total	**$**	**5,406,500.00**		**-**

NOTES

Financing Fee		
New Debt Proceeds		26,751,579
Equity		10,747,210
Total		**37,498,789**
Financing Fee	**1%**	**374,988**

Project Name:	FAIRGROUNDS PHASE III
Location:	DETROIT, MICHIGAN
Analysis Type:	MIXED USE
Worksheet:	**INCOME PROJECTIONS**

Gross Area:	-	
Net Rentable Area:	351,000	sf
Usable Area:	351,000	sf
Retail SF Only	127,035	sf
Multi-Family SF	123,965	
Entertainment SF	100,000	sf
Number of cars:	TBD	cars
Total Site Area:	41.87	acres

INCOME PROJECTIONS

Revenues and Expenses

Income	sf NRA		Rent NNN/sf	Occup.	Total Rent
Rental Income - Retail	127,035		$ 2,247,840	92.00%	$ 2,068,013
Rental Income - Entertainment	100,000	x	$ 249,999	100.00%	$ 249,999
Total Income	227,035		$ 2,497,839	95.52%	$ 2,318,012

Multi-Family Revenue	units		Monthly Rent Per Unit	Occup.	Total Rent
Apartment Units	132	x	$ 1,250	95.00%	$ 1,881,000
Total Rental Income	132		$ -		**$ 1,881,000**

Reimbursements	sf NRA		Reimb/sf	Avg Occup.	Total Reimbursements
Admin	227,035	x	$ 0.15	95.52%	$ 32,531
CAM	227,035	x	$ 3.00	95.52%	650,617
Insurance	227,035	x	$ 0.30	95.52%	65,062
Real Estate Taxes	227,035	x	$ 4.00	95.52%	867,489
Total Reimbursement			$ 7.45		**$ 1,615,698**

GROSS POTENTIAL REVENUE (Excluding Multi-Family)	**$ 5,814,710**

Expenses	sf NRA		Opex/sf	Expense Ratio	Total Opex	
Management Fee	227,035	x	$ 1.10	100.00%	249,739	
CAM	227,035	x	$ 3.00	100.00%	681,105	
Insurance	227,035	x	$ 0.30	100.00%	68,111	
Taxes	227,035	x	$ 4.00	100.00%	908,140	
Multi - Family Expenses					564,300	30% of Projected Mult-Family Revenues
Reserve					-	
Total Expenses					**$ 2,471,394**	
NET OPERATING INCOME					**$ 3,343,316**	

NOTES

Real Estate Taxes

Real Estate Tax Rate	83.8	per	$1,000
Assessment Ratio	50.00%		
BID	0.00%		

	Assessed	SEV	Rate	Taxes
Completed Value	#REF!	#REF!	83.8	#REF!
				#REF!

TIF Revenue Projections

Projected Tax Capture	SF	Value Per SF	New Assessed Value	Ratio	New Taxable Value	Base Value	Incremental Increase	Millage Rate	TIF Capture
	351,000	$ 80.00	28,080,000	50%	14,040,000	-	14,040,000	62.5000	877,500
Total Real Property Taxes	**351,000**		**$ 28,080,000**		**14,040,000**	**-**	**14,040,000**		**$ 877,500**

Assumed TIF Loan Terms	
Interest Rate	6.0%
Amortization	30
DSCR	1.25
Corresponding Loan	**$9,700,000**

State Fairgrounds - Phase IV Senior Living (Cash Flow & Return Schedule)

	Initial Investment	Construction	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues											
Multi-Family Income	-	-	4,998,000	4,998,000	5,097,960	5,199,919	5,303,918	5,409,996	5,518,196	5,628,560	5,741,131
Vacancy / Collection Loss	-	-	(3,498,600)	(1,249,500)	(407,837)	(415,994)	(424,313)	(432,800)	(441,456)	(450,285)	(459,290)
Total Rental Revenue	**-**	**-**	**1,499,400**	**3,748,500**	**4,690,123**	**4,783,926**	**4,879,604**	**4,977,196**	**5,076,740**	**5,178,275**	**5,281,840**
Operating Expenses											
Property Taxes	-	-	(105,210)	(350,700)	(357,714)	(364,868)	(372,166)	(379,609)	(387,201)	(394,945)	(402,844)
Management Fee (5%)	-	-	(74,970)	(187,425)	(234,506)	(239,196)	(243,980)	(248,860)	(253,837)	(258,914)	(264,092)
Multi-Family Expenses	-	-	(1,038,576)	(2,077,152)	(2,648,369)	(2,701,336)	(2,755,363)	(2,810,470)	(2,866,680)	(2,924,013)	(2,982,493)
Payment to State (1% of Revenues)	-	-	(14,994)	(37,485)	(46,901)	(47,839)	(48,796)	(49,772)	(50,767)	(51,783)	(52,818)
Total Expenses	**-**	**-**	**(1,233,750)**	**(2,652,762)**	**(3,287,490)**	**(3,353,240)**	**(3,420,305)**	**(3,488,711)**	**(3,558,485)**	**(3,629,655)**	**(3,702,248)**
Net Operating Income	**-**	**-**	**265,650**	**1,095,738**	**1,402,633**	**1,430,686**	**1,459,299**	**1,488,485**	**1,518,255**	**1,548,620**	**1,579,593**
Capital Reserve		**-**	**(63,000)**	**(63,000)**	**(64,260)**	**(65,545)**	**(66,856)**	**(68,193)**	**(69,557)**	**(70,948)**	**(72,367)**
Cash Flow Before Debt Service	**-**	**-**	**202,650**	**1,032,738**	**1,338,373**	**1,365,140**	**1,392,443**	**1,420,292**	**1,448,698**	**1,477,672**	**1,507,225**
Annual Debt Service											
Annual Interest Payments	-	-	-	(508,088)	(501,124)	(493,875)	(486,331)	(478,480)	(470,309)	(461,805)	(452,954)
Annual Principal Payments	-	-	-	(170,951)	(177,916)	(185,164)	(192,708)	(200,559)	(208,730)	(217,234)	(226,085)
Total Debt Service	**-**	**-**	**-**	**(679,039)**	**(679,039)**	**(679,039)**	**(679,039)**	**(679,039)**	**(679,039)**	**(679,039)**	**(679,039)**
Development Costs											
Land & Predevelopment Costs	-	-	-	-	-	-	-	-	-	-	-
Soft Costs	(2,196,370)	-	-	-	-	-	-	-	-	-	-
Hard Construction Costs	(13,150,000)	-	-	-	-	-	-	-	-	-	-
Financing Costs	(1,294,720)	-	-	-	-	-	-	-	-	-	-
Contingency	(767,318)										
Operating Reserve	(750,000)	-	-	-	-	-	-	-	-	-	-
Total Development Costs	**(18,158,408)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Annual Cash Flow	**$ (18,158,408)**	**$ -**	**$ 202,650**	**$ 353,699**	**$ 659,334**	**$ 686,101**	**$ 713,404**	**$ 741,253**	**$ 769,659**	**$ 798,633**	**$ 828,186**
Investment Sources & Uses											
Financing Proceeds	12,780,000	-	-	-	-	-	-	-	-	-	-
TIF Proceeds	560,000	-	-	-	-	-	-	-	-	-	-
Incentives	1,000,000	-	-	-	-	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	18,275,108
Ending Debt Balance	-	-	-	-	-	-	-	-	-	-	(11,200,652)
State Participation	-	-	-	-	-	(27,393)	(40,793)	(43,578)	(46,419)	(49,316)	(139,308)
Net Cash Flow	**$ (3,818,408)**	**$ -**	**$ 202,650**	**$ 353,699**	**$ 659,334**	**$ 658,708**	**$ 672,611**	**$ 697,675**	**$ 723,240**	**$ 749,317**	**$ 7,763,333**
IRR	**15.75%**										

***Once the owner has received an 8% cumulative preferred return on their investment, the State receives 10% of remaining cash flows.**

***Upon a sale or refinance, the state receives 10% of remaining sale proceeds once the owner has achieved a 15% IRR.**

State Revenue Summary											
Payment to State (1% of Revenues)	-	-	14,994	37,485	46,901	47,839	48,796	49,772	50,767	51,783	52,818
*State Participation	-	-	-	-	-	27,393	40,793	43,578	46,419	49,316	139,308
Total	**$ -**	**$ -**	**$ 14,994**	**$ 37,485**	**$ 46,901**	**$ 75,232**	**$ 89,589**	**$ 93,350**	**$ 97,186**	**$ 101,099**	**$ 192,127**

State Fairgrounds Phase IV

BUDGET - SENIOR HOUSING DEVELOPMENT

DATED: November 14, 2012

		Total Budget	Reallocation & Change Orders	Adjusted Budget	Previous Request	Current Request	Request To Date	Available To Complete
	Hard Costs							
	GC Site Improvements	500,000	-	500,000	-	-	-	500,000
2-005	GC Building Construction	12,650,000	-	12,650,000	-	-	-	12,650,000
					-			
	Subtotal Hard Costs	13,150,000	-	13,150,000	-	-	-	13,150,000
	Soft Costs				-			
1-331	A/E Fees	743,550	-	743,550	-	-	-	743,550
1-332	Traffic Consultant	-	-	-	-	-	-	-
1-720	Legal / Organizational Costs	150,000	-	150,000	-	-	-	150,000
1-730	Marketing Costs	75,000	-	75,000	-	-	-	75,000
	Travel	-		-				5,000
1-801	Contingency	767,318	-	767,318	-	-	-	767,318
1-805	Land & Predevelopment Costs	-	-	-	-	-	-	-
1-810	Environmental	-	-	-	-	-	-	-
1-815	Appraisal Fee	25,000	-	25,000	-	-	-	25,000
1-825	Closing Costs	-	-	-	-	-	-	-
1-826	Title Policy Fees- Constr	35,000	-	35,000	-	-	-	35,000
1-840	Real Estate Taxes & Insurance	150,000	-	150,000	-	-	-	150,000
1-841	Builders Risk Insurance	25,300	-	25,300	-	-	-	25,300
1-844	Financing Fee	142,500	-	142,500	-	-	-	142,500
1-845	Construction Loan Fees	402,220	-	402,220	-	-	-	402,220
1-847	Permanent Loan Fees	-	-	-	-	-	-	-
1-848	Inspection Fees	-	-	-	-	-	-	-
1-850	Construction Interest Reserve	-	-	-	-	-	-	-
1-855	Constr/Dev Fees	992,520	-	992,520	-	-	-	992,520
1-860	Reserve	-		-				
1-065	Permits	-	-	-	-	-	-	-
	Subtotal Soft Costs	3,508,408	-	3,508,408	-	-	-	3,508,408
	Total Funds Requested	16,658,408	-	16,658,408	-	-	-	16,658,408
	Other Costs							
	Initial Operating Deficit	750,000		750,000				750,000
	Financing Costs	750,000		750,000				750,000
	Total Other Costs	1,500,000	-	1,500,000	-	-	-	1,500,000
	Total Development Budget	18,158,408	-	18,158,408	-	-	-	18,158,408

Project Name:	AH Detroit
Location:	Detroit, MI
Analysis Type:	Senior Living (Assisted Living & Memory Care)
Worksheet:	**PROJECT OVERVIEW**

PROJECT OVERVIEW

Location:	Detroit, MI
Owner/Seller:	American House
Development Type:	Senior Housing
Property Definition:	
Size:	
Acres	22.71
SF	90,000
Units	84
Zoning	TBD
Environmental	TBD
Wetlands	NA
Condition	
Other	
Suggested Timing:	
Due Diligence	TBD
Approvals	TBD
Closing	TBD
Ownership items	
Purchase Type	REDICO
Partners	TBD
Partner Split	TBD
Investment Analysis:	
Purchase Price	$0
Price/acre	$0
Market Comps	TBD
Market:	
Demographics	
Income	
Access	
Visibility	
Competition	

Project Name:	AH Detroit
Location:	Detroit, MI
Analysis Type:	Senior Living (Assisted Living & Memory Care)
Worksheet:	**FINANCIAL SUMMARY**

Gross Area:	90,000	
Total Units	84	units
Total Site Area:	22.71	acres

SOURCES AND USES OF FUNDS

Sources of Funds					
Equity Requirement			3,818,407.98		21.03%
Financing Proceeds			12,780,000.00		See below for assumptions/calculations
TIF Loan Proceeds			560,000		Limited to eligible Site Improvement Costs
Michigan Strategic Fund - Grant			1,000,000.00		
Total Sources of Funds		$	18,158,407.98		
Uses of Funds					
Land and Predevelopment Costs		$	-		
Soft Costs			2,196,369.50		
Hard Construction Costs			13,150,000.00		
Financing Costs			1,294,720.00		
Contingency	5.00%		767,318.48	1-801	In Hard and Soft Cost Line Items
Lease Up Reserve			750,000.00	1-802	
Distribution			-		
Total Uses of Funds		$	18,158,407.98		

YEARLY CASH FLOW

NOI		$	1,421,112.00	
Payment to State	1%	$	(45,981.60)	Contribute 1% of Lease Revenues to State of Michigan
Capital Reserve	$ 750.00		(63,000.00)	
Debt Service			($684,718.18)	Based upon construction loan financing
Net Cash Flow		**$**	**627,412.22**	
			16.43%	Stabilized cash on cash return
			7.91%	Unleveraged cash on cash return (total costs less grant & TIF)

VALUATION

Income Capitalization					
Net Operating Income		$	1,358,112.00		
Cap Rate	**8.50%**	**$**	**15,977,788.24**		
Loan Proceeds					
Loan to Value	80.0%	$	12,780,000.00		**Selected Loan Amount**
DSCR	1.45		17,630,000.00		
LTC	80%	$	14,530,000.00		
Construction Loan Amount		$	12,780,000.00		**Lesser of 80% LTV, 1.3 DSCR or 60% LTC**
Debt Service based on selected debt above			($684,718.18)		**(2.08)**
Interest Rate	4.00%				
Amortization	35				

Project Name:	AH Detroit
Location:	Detroit, MI
Analysis Type:	Senior Living (Assisted Living & Memory Care)
Worksheet:	**LAND AND PREDEVELOPMENT**

Gross Area:	90,000	
Net Rentable Area:	84	units
Total Site Area:	22.71	acres

Land and Predevelopment Costs	$	-
Soft Costs		2,196,369.50
Hard Construction Costs		13,150,000.00
Contingency		767,318.48
Lease Up Reserve		750,000.00
Financing Costs		1,294,720.00
Total Development Costs	**$**	**18,158,407.98**

LAND AND PREDEVELOPMENT COSTS

Land									
Project Purchase Price							$0.00	1-805	Land only
Title, Closing Costs		x	5.00%				-	1-825	Costs closing, misc. items
Predevelopment Costs							-	2-010	
Total Site & Land Costs						**$**	**-**		
Pre-Development Costs - Applicable to entire project									
Architectural	90,000	x	$	1.00	/sf	$	-	1-331	
Engineering	90,000	x	$	0.50	/sf	$	-	1-331	
Survey						$	-	1-331	
Soils Testing						$	-	1-331	
Traffic Studies						$	-	1-332	
Environmental						$	-	1-810	inc. in soft costs
Feasibility Studies						$	-		
Marketing Materials/Community Fees/Signs						$	-	1-730	
Contingency	0.00%						-		
Total Pre-Development Costs						**$**	**-**		
TOTAL LAND AND PREDEVELOPMENT COSTS						**$**	**-**		

NOTES

Project Name:	AH Detroit
Location:	Detroit, MI
Analysis Type:	Senior Living (Assisted Living & Memory Care)
Worksheet:	**SOFT COSTS**

Gross Area:	90,000	
Net Rentable Area:	84	unit
Total Site Area:	22.71	acres

Land and Predevelopment Costs	$	-
Soft Costs		2,196,369.50
Hard Construction Costs		13,150,000.00
Contingency		767,318.48
Lease Up Reserve		750,000.00
Financing Costs		1,294,720.00
Total Development Costs	**$**	**18,158,407.98**

SOFT COSTS

Misc. Soft Costs									
Architectural		90,000	x	$	5.00	/sf	$ 450,000.00	1-331	All A&E fees, including approval
Engineering		90,000	x	$	2.00	/sf	$ 180,000.00	1-331	Included above
Landscaping		22.7	x	$	5,000	/acre	113,550.00	1-331	
Testing		90,000	x	$	-	/unit	-		Included in construction
Impact Fees							-		
As Built/Topo Survey							-	1-331	
Constr/Dev Fees	$	14,178,850	x		7.00%		992,519.50	1-855	
Appraisal / Market Study	$	-	x				25,000.00	1-856	
Real Estate Taxes/Ins.	$	100,000	x		1.50	yrs	150,000.00	1-840	
Builders Risk Insurance	$	12,650,000	x		0.20%		25,300.00	1-841	
Title Policy Write-downs	$	12,650,000	x		0.28%		35,000.00	1-826	
Legal / Organizational Costs							150,000.00	1-720	
Soft Cost Contingency		0.00%					-		
Total Misc. Soft Costs							**$ 2,121,369.50**		
Marketing Costs									
Model							-		
Marketing							75,000.00	1-730	Allowance
Travel							-		
Contingency 0.00%							-		
Total Marketing Costs							**$ 75,000.00**		
TOTAL SOFT COSTS							**$ 2,196,369.50**		

NOTES

Development Fee Basis

Land and Predevelopment	$	-
Soft Costs		1,028,850
Hard Construction		13,150,000
Total Fee Basis	$	14,178,850

Project Name:	AH Detroit
Location:	Detroit, MI
Analysis Type:	Senior Living (Assisted Living & Memory Care)
Worksheet:	**HARD CONSTRUCTION COSTS**

Gross Area:	90,000	
Net Rentable Area:	84	unit
Total Site Area:	22.71	acres

Land and Predevelopment Costs	$	-
Soft Costs		2,196,369.50
Hard Construction Costs		13,150,000.00
Contingency		767,318.48
Lease Up Reserve		750,000.00
Financing Costs		1,294,720.00
Total Development Costs	**$**	**18,158,407.98**

HARD CONSTRUCTION COSTS

Shell Building Costs									
Site Development		5.00	**x**	$ 100,000	/acre	$	500,000.00	2-005	
AL - Construction		90,000	**x**	$ 135	/sf		12,150,000.00		
IL - Construction		0	**x**	$ 105	/sf		-		
Garage		0	**x**	$ 75	/sf		-		
Contingency		0.00%					-		
Total Building Costs				$ 141		**$**	**12,650,000.00**		
Misc. Hard Costs									
General Conditions		90,000	x	$ -	/sf		-		
Equipments & Furnishings		90,000	x	$ -	/sf		500,000.00		
Utilities - Gas		84	x	$ -	/unit		-		
Utilities - Electrical		84	x	$ -	/unit		-		
Utilities - Phone		84	x	$ -	/unit		-		
Lease Up Reserve		75	x	$ 10,500.00	/unit		-		
Performance Bond	$	12,650,000	x	0.00%			-		May be required by City
Permits	$	12,650,000	x	0.50%			-	1-065	Included in Construction Costs
Contractor Fee	$	12,650,000	x	0.00%			-		Included in Construction Costs
Contingency		0.00%					-		
Total Misc. Hard Costs						**$**	**500,000.00**		
TOTAL HARD CONSTRUCTION COSTS					**$146**	**$**	**13,150,000.00**		

NOTES

Eligible TIF Costs			
Site Development		500,000	
Dev Fee	**7%**	35,000	Portion attributable to Site Development Costs
Contingency	**5%**	25,000.00	Portion attributable to Site Development Costs
Eligible Costs		**$ 560,000**	

Project Name: AH Detroit
Location: Detroit, MI
Analysis Type: Senior Living (Assisted Living & Memory Care)
Worksheet: **FINANCING COSTS**

Gross Area:	90,000	
Net Rentable Area:	84	unit
Total Site Area:	22.71	acres

Land and Predevelopment Costs	$	-
Soft Costs		2,196,369.50
Hard Construction Costs		13,150,000.00
Contingency		767,318.48
Lease Up Reserve		750,000.00
Financing Costs		1,294,720.00
Total Development Costs	**$**	**18,158,407.98**

FINANCING COSTS

Interest Rate 4.00%

		Amount	Monthly Rate	Monthly Duration	Ratio		Total		
Construction Fees - Lender	$	11,050,000			250	$	276,250	1-845	Increase for HUD related costs
Initial MIP	$	11,050,000			114	$	125,970	1-846	Financing / Equity Fee
Financing / Equity Fee	$	14,250,000			100	$	142,500		
Permanent Fees	$	11,050,000			0	$	-	1-847	
						$	544,720		
Land and Predevelopment	$	-	0.33%	18.00	1	$	-	1-850	
Soft Costs		1,976,733	0.33%	18.00	1	$	78,279	1-850	
Hard Construction		11,835,000	0.33%	15.00	1	$	390,555	1-850	
Contingency		-	0.33%	14.00	1		281,166		
	$	13,811,733				$	750,000.00		
						$	**1,294,720.00**		**-**

NOTES

Financing Equity Fee

Debt Proceeds	11,050,000
Equity	3,200,000
Total	**14,250,000**

Project Name:	AH Detroit
Location:	Detroit, MI
Analysis Type:	Senior Living (Assisted Living & Memory Care)
Worksheet:	**INCOME PROJECTIONS**

Gross Area:	90,000	
Net Rentable Area:	84	units
Total Site Area:	22.71	acres

INCOME PROJECTIONS

Revenues and Expenses

Income	units		Rent Per Unit	Occup.	Total Rent
AL Studio	42		$ 4,500	92.00%	$ 2,086,560
AL 1 Bedroom	14	x	$ 5,000	92.00%	$ 772,800
Memory Care - Studio	21		$ 5,500	92.00%	$ 1,275,120
MC - 1 Bedroom	7	x	$ 6,000	92.00%	$ 463,680
Total Rental Income	84		$ -		**$ 4,598,160**
Total Income			**$ 54,740.00**		**$ 4,598,160**

Expenses	units		Opex/unit	Total Opex	
Management Fee	84	x	$ 2,737	229,908	
Administration	84	x	$ 4,250	357,000	
Utilities	84	x	$ 3,050	256,200	
Operating & Maintenance	84	x	$ 2,000	168,000	
Services	84	x	$ 7,750	651,000	
Assisted Living	84	x	$ 12,500	1,050,000	
Insurance	84	x	$ 560	47,040	
Taxes	84	x	$ 4,175	350,700	
Other (Employee Bens/Wcor	84	x	$ 800	67,200	
Replacement Reserve	84	x	$ -	-	covered in financial summary
Total Expenses			$ 37,822.00	**$ 3,177,048**	
NET OPERATING INCOME				**$ 1,421,112**	

NOTES

Real Estate Taxes

Real Estate Tax Rate	83.50	per	$1,000
Assessment Ratio	50.00%		
BID	0.00%		

	Assessed	SEV	Rate	Taxes
Completed Value	8,400,000	4,200,000	83.50	$ 350,700
				$ 350,700

TIF Revenue Projections

Projected Tax Capture	Units	Value Per Unit	New Assessed Value	Ratio	New Taxable Value	Base Value	Incremental Increase	Millage Rate	TIF Capture
Senior Living Development	84	$ 100,000	8,400,000	50%	4,200,000	-	4,200,000	62.5000	262,500
Total Real Property Taxes	**84**		**$ 8,400,000**		**4,200,000**	**-**	**4,200,000**		**$ 262,500**

Assumed TIF Loan Terms	
Interest Rate	6.0%
Amortization	30
DSCR	1.25
Corresponding Loan	**$2,900,000**

EXHIBIT E

Services & Expertise

REDICO has longstanding in-house expertise in blending all of the critical skills required for commercial real estate development, investment and management, from concept to construction and throughout the life of the property. Specifically, REDICO provides customers with a range of integrated or stand-alone consulting services in disciplines including:

Property Management
Land Development
Engineering
Investment
Construction
Supervision
Legal
Space Planning
Facility Services
Zoning
Interior Design
Maintenance
Environmental
Government Approval
Architectural
Marketing
Leasing
Risk management
Upgrade & Repair
Redevelopment
Acquisition & Sale

REDICO
COMPANY OVERVIEW

REDICO is a diversified, dynamic national real estate development, construction and property management leader. Employing bold vision and meticulous planning to deliver consistent success, REDICO has grown to include diversified activities in development, capital partnering, design, construction, leasing, property management, consulting, and other endeavors... in the office, medical, retail, residential, public works, and entertainment venue real estate arenas across the Americas.

Founded nearly four decades ago by the late Robert Sosnick and expanding vigorously since 2002 under the leadership of CEO Dale Watchowski, REDICO is building new and innovative real estate success stories nationwide upon a foundation of established experience, expertise, and integrity. REDICO's nationwide real estate portfolio now exceeds $2 billion in value and encompasses over 16 million sq. ft. of diverse space.

REDICO serves customers and business partners with capabilities along the entire continuum of the real estate field, from effective concepts for optimal land development and investment funding... through project planning, design, and construction... and beyond, with property management, leasing, facility services, property sale, and other professional capabilities. Customers and constituencies across the United States are served from REDICO's main offices in Michigan, Florida, California, and Hawaii and through its affiliated partners headquartered in Florida and the Republic of Panama.

REDICO®

PARTNERS / AFFILIATES

In the pursuit of diverse new capabilities that will benefit our customers, investors, and business partners, REDICO has continued to build relationships with select affiliates who share our philosophy and vision. These affiliations include:

Welcome Home American House Senior Living Residences

Further expanding REDICO's asset diversification into the growing senior housing market, American House independent living facilities combine affordability with a high quality of life. In addition to comfortable, well-appointed residence units, American House communities provide social and lifestyle elements such as dining, salons, libraries, walking gardens, visiting physicians, and more, all under the guidance of seasoned on-site management.

DEVELOPMENT

REDICO has developed tens of million of square feet of diversified properties across the United States, from the most envied Class A office buildings... to leading-edge retail and "lifestyle" centers... to multi-family residential high-rises... to sports/entertainment venues... to many other types of commercial, medical, industrial, residential, and public works properties.

Today's REDICO has the in-house talent and expertise to skillfully handle all aspects of the development process, including critical competencies in the legal, financial, risk management, and regulatory aspects of the process. Combined with a sensitivity to the needs of the marketplace and a dedication to collaborative, open and honest relationships with our business partners, REDICO is able to deliver shared success time and time again.

Our approach is built on a foundation of in-depth market analysis, site evaluation, and feasibility studies. From that base, a development becomes reality through the prudent and expert application of resources to the project. Each project is guided from concept to completion by a Development Team comprised of financial, architectural, engineering, construction, leasing, and property management, complemented by industry experts in interior design and space/environment planning. REDICO is also dedicated to pursuing ENERGY STAR® and LEED® certifications, merging design and sustainability for optimum results. As a member of the U.S. Green Building Council (USGBC), REDICO is creating properties that are healthy places to live and work. Success is also judged on the developer's ability to deliver on time and within budget, and REDICO's unyielding attention to detail and relentless pursuit of excellence can be seen in every phase of each project's development and management.

Through almost four decades of real estate development and management experience, REDICO has established a reputation for recognizing high-potential development sites and molding them into world-class projects that reflect unparalleled quality and style.

DESIGN / CONSTRUCTION

REDICO's Design/Construction capabilities encompass the entire process of designing and building world-class properties, including architectural, engineering, general contracting, construction, space planning, and interior design. Our formula for enduring results has been perfected over decades, on projects such as high-rise office buildings, industrial facilities, retail centers, entertainment venues, and a variety of other endeavors.

The ongoing success of REDICO-built properties results from an optimal blend of unwavering commitment to quality, sound planning based on project objectives, the application of the ideal internal and external resources, and execution against the project's benchmarks for tenant needs, efficiency, world-class quality, budget parameters, and scheduling. Our expertise in the art of Value Engineering – crafting the ideal balance of cost, quality, and functionality – combined with our robust purchasing power delivers maximum value.

Each Project Construction Team is a well-orchestrated unit comprised of REDICO staff, experienced contractors, subcontractors, and suppliers who are committed to the REDICO mission. Together the team seamlessly integrates the heating, ventilation/air conditioning, structural, plumbing, electrical, elevators, security, life safety, and other systems to produce the best possible result. The role of General Contractor is either fulfilled by REDICO or is commissioned to a qualified subcontractor, based on the particular nature of each project. In all cases, REDICO specialists closely supervise all construction aspects to ensure the incomparable quality for which the REDICO name has become known.

These same skills are evident in the design and completion of Tenant Improvements, from flexible space planning that increases utility while reducing costs, to interior design consulting, to the highly professional completion of tenant modifications.

REDICO provides several build-to-suit options in order to provide maximum flexibility to its customers, with services including land acquisition and financing. Whether retaining ownership and leasing the site or relinquishing title after construction is completed, REDICO has the capabilities to work within the customer's economic and operational framework.

Further, through our Owner's Representation services, this diverse arsenal of knowledge and expertise is often applied in whole or in part, spanning the entire development, construction and move management spectrum… allowing current or prospective property owners to engage and leverage the elements of REDICO's success to ensure sound real estate outcomes.

PROPERTY MANAGEMENT
EXPERTISE

Proud Recipient of the 2006 and 2007 CEL National Real Estate “A List” Award for Service Excellence

"I want to be in a REDICO building..." These are the words that truly sum up the result of our unrelenting focus on customer satisfaction. Our continual reinvestment in the maintenance and enhancement of our properties and our expertise in state-of-the-art building systems – combined with our customers’ one-on-one relationships with REDICO’s seasoned, professional Property Managers – has led a large and growing community of tenants and prospective tenants in our markets to say these words we strive to hear. In fact, REDICO was awarded the esteemed BOMA/CEL National Real Estate "A List" Award for Service Excellence in 2006 and 2007, both for individual properties and across our portfolio as a whole, recognizing "those who truly provide a superior level of service."

Both for properties we own and as a professional third-party partner, REDICO provides investment/asset management; branding, leasing and marketing services; tenant relations and administration; and industry-leading facility services (including the operation and maintenance of building systems as well as ongoing engineering, structural, and architectural improvement) to ensure that each property continues to meet REDICO and client standards.

REDICO serves you with a resourceful, highly trained multi-disciplinary team. We understand the unique requirements of each development, its market, and its tenants. We’re proud to have attracted some of the finest talent in the industry to serve our customers; our experienced, professional, and customer relationship-focused Property Managers, Building Engineers, Facilities Services Technicians and other key staff personify the REDICO commitment to superior performance and customer satisfaction.

Our state-of-the-art building systems ensure efficiency, customer comfort and convenience 24 hours a day, 7 days a week through features such as electronically monitored heating, air and ventilation systems, web-enabled tenant work-order communications, surveillance/security systems, computerized after-hours access systems, electronic directories, and computerized life safety and public address systems. The REDICO customer experience is further enhanced with our world-class building management systems and preventative maintenance systems. REDICO’s level of excellence has earned numerous accolades, such as ENERGY STAR® recognition for energy efficiency performance, various Urban Land Institute awards, and numerous BOMA "Building of the Year" honors.

LEASING

The consummation of the development process, leasing must always be the developer's ongoing focus. From a project's earliest conceptual stages, REDICO concentrates on providing the services, amenities, appointments and other features that best attract and retain tenants over the long term... delivering consistent, dependable benefits to our tenant customers, investors, and the brokerage community alike.

Our Leasing Team strives to secure the most positive and mutually-beneficial tenant relationships, providing comprehensive leasing services that include: Evaluation of tenants' requirements... Complete and clear projection of lease rates, terms, building allowances, renewal options, and other important elements... Flexible space planning that is not only responsive to customers' changing needs, but also increases utility while reducing costs... Professional interior design consulting... and the timely, professional completion of tenant improvements and modifications in a way that takes a complex task and makes it a satisfyingly simple experience for our customers.

Other key REDICO Leasing-related services and activities include project market analysis; development of marketing strategies including advertising and public relations; comprehensive space planning and design counseling services; comprehensive lease negotiation and administration; and the advantages of REDICO's well-connected networking within and between the brokerage community, current and prospective end-users, investors, and other constituencies.

Consistently superior performance in Leasing is the key to creating, retaining, and growing value for all stakeholders, and REDICO has built a well-earned reputation for maximizing the blend of revenue and customer satisfaction that creates sustainable value. From the founding of our company nearly four decades ago, REDICO has always placed paramount importance on ensuring the highest level of customer satisfaction on an ongoing basis... yielding today's prevalent sentiment among current and prospective tenants that "I want to be in a REDICO building."

EXHIBIT F

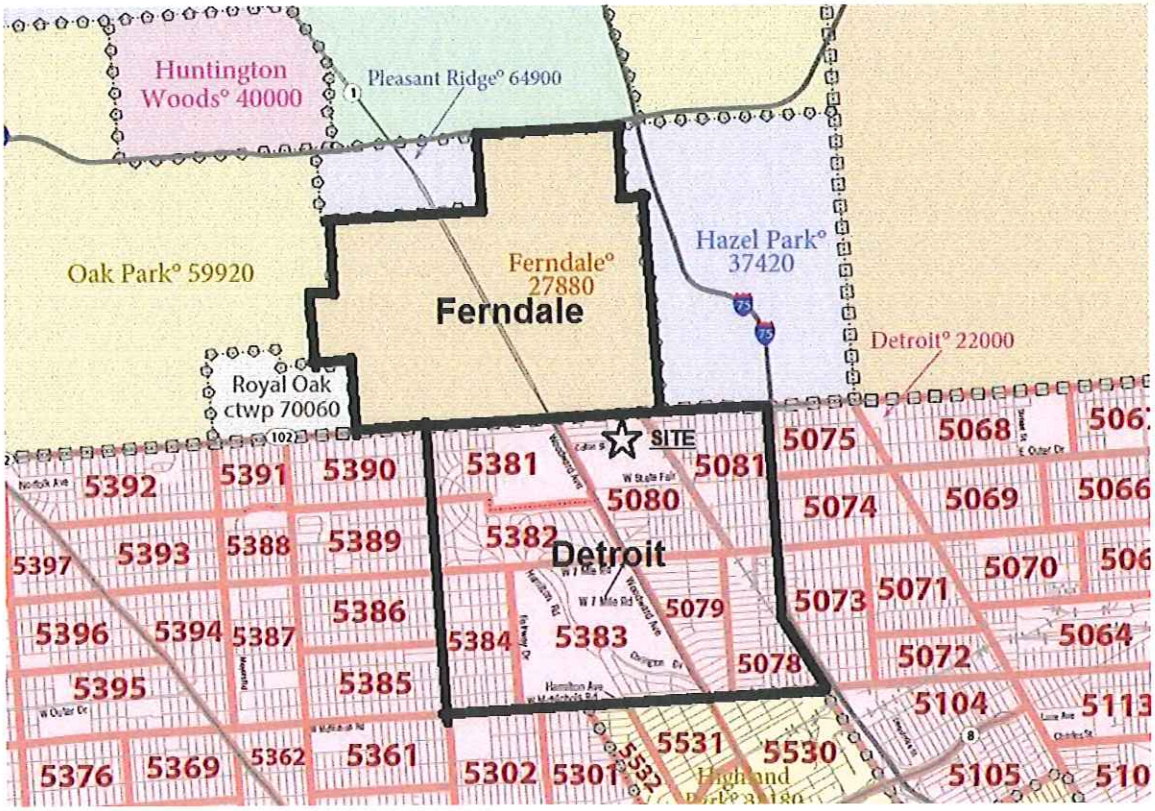
Market Survey: Characteristics of Multifamily Housing in the Vicinity of the Michigan State Fairgrounds Property

3 October 2012

Overview

This survey considers the characteristics of multifamily housing in the vicinity of the Michigan State Fairgrounds property in two parts. In the first part, data from the American Community Survey provides a general overview of the local multifamily housing market. In the second part, a sample of 43 multifamily properties taken from within a four mile radius of the property forms a competitive set of market asking rents.

1) American Community Survey Data: Ferndale, MI and selected Detroit Census Tracts



Ferndale

- 10,982 total housing units
  - 90.4% total occupancy
  - 78.3% of units are detached single family homes
  - 6.8% of units are multifamily buildings with >10 residences
- 27.3% of occupied units are renter households
  - 93.1% occupancy rate for all rental properties
  - Median rent is $801 / mo (gross)
  - Median renter spends 30 – 35% of income on rent
- Median age of all housing units is between 1940 - 1949

Detroit

- 8 census tracts: #s 5078, 5079, 5080, 5081, 5381, 5382, 5383, 5384
- 10,713 total housing units
  - 74.5% total occupancy
  - 63.4% of units are detached single family homes
  - 19.6% of units are multifamily buildings with >10 residences
- 42.8% of occupied units are renter households
  - 85.9% occupancy rate for all rental properties
  - Median rent between $500 - $750 / mo (gross)
  - Median renter household spends >35% of income on rent
- Median age of all housing units is roughly 1940

2) Analysis of Competitive Set Survey

The survey includes 43 multifamily properties in a four mile radius of the State Fairgrounds, including properties located in the cities of:

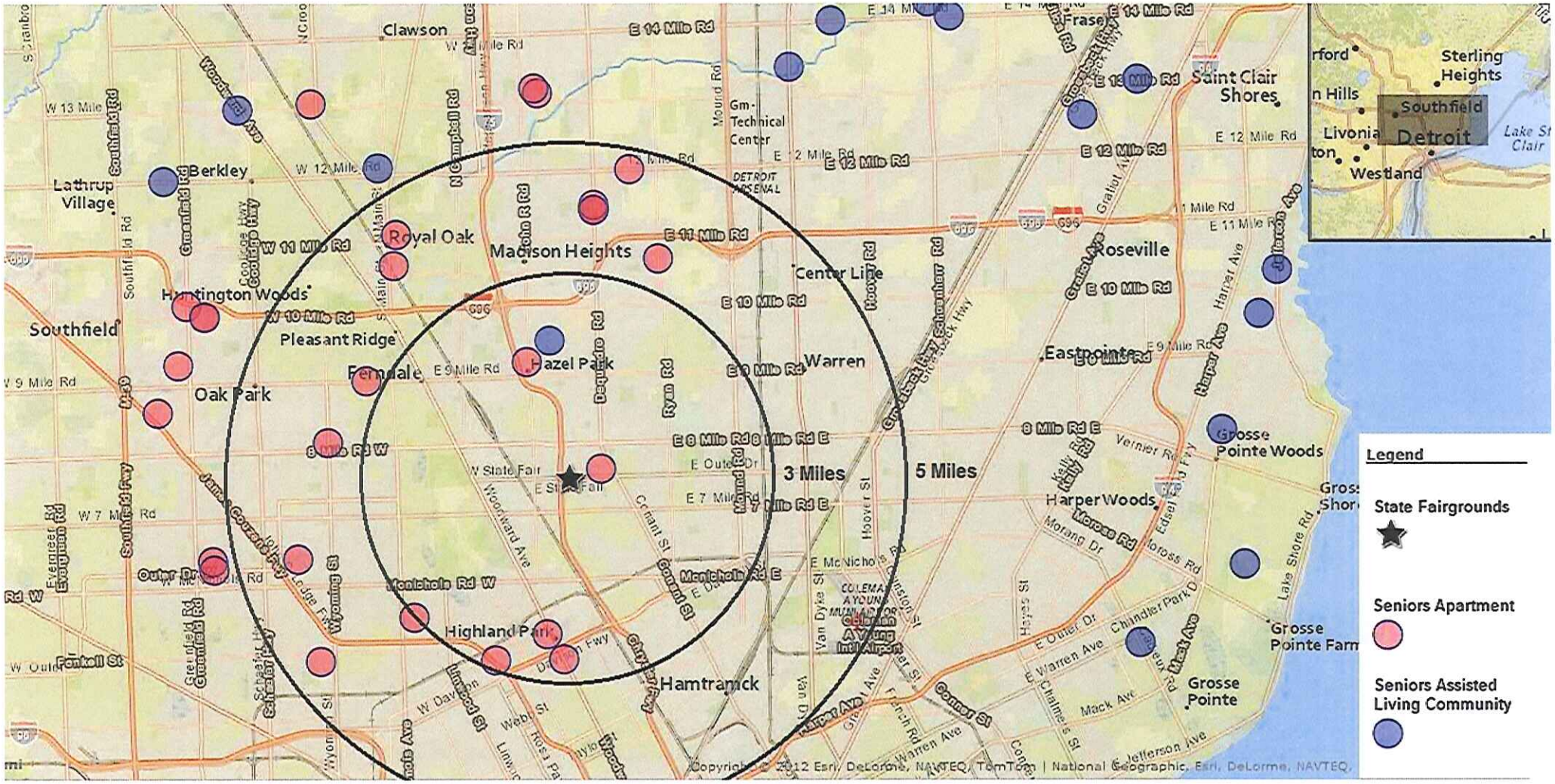
- Detroit
- Warren
- Highland Park
- Ferndale
- Hazel Park
- Oak Park
- Royal Oak
- Madison Heights

The survey estimates that:

- Multifamily occupancy is +/- 95%*
- Most multifamily housing was built between 1950 - 1970
- Average base asking rent are $0.85 per sf / mo ($10.20 per sf / yr)
- Median one bedroom rent is approximately $580 per mo
- Median one bedroom apartment size is approximately 700 sf
- High rent: $1.61 - $1.70 per sf / mo (Amber Crossing Townhomes and Lofts)
- Low rent: +/- $0.50 per sf / mo (various Detroit properties)
-

*Note that these data are selectively reported by property managers and are not considered reliable.

EXHIBIT G


3 Miles
5 Miles
Legend
State Fairgrounds
Seniors Apartment
Seniors Assisted Living Community
Clawson
Berkley
Lathrup Village
Royal Oak
Madison Heights
Huntington Woods
Southfield
Pleasant Ridge
Ferndale
Hazel Park
Oak Park
Center Line
Warren
Roseville
Eastpointe
Saint Clair Shores
Grosse Pointe Woods
Harper Woods
Highland Park
Hamtramck
Grosse Pointe Farms
Grosse Pointe
Gm-Technical Center
Detroit Arsenal
Coleman A Young Intl Airport
Sterling Heights
Southfield
Detroit
Livonia
Westland
Copyright © 2012 Esri, DeLorme, NAVTEQ, TomTom | National Geographic, Esri, DeLorme, NAVTEQ,