

April 26, 2012

City of Chelsea DDA
City of Chelsea
305 S. Main Street
City of Chelsea, MI 48118
Phone (734) 475-1771

RE: City of Chelsea DDA "Former Longworth Plating Site Project"

To whom it may concern:

The developers, Michael R. Prochaska and Ernest Zachary would like to submit a proposal in response to the RFP for Former Longworth Plating Site Project issued by City of Chelsea DDA. As developers we are committed to principles of sustainability. With attention to detail we have produced high-quality work on mid-sized to large residential and commercial projects. As partners we bring experience and expertise in residential and commercial construction through both new build and adaptive reuse projects. Included please find our proposal for the developments of the Former Longworth Plating Site Project and all deliverables.

Respectfully,



Michael R. Prochaska

CITY OF CHELSEA DDA
"FORMER LONGWORTH PLATING SITE PROJECT"

April 26, 2012

To:

City of Chelsea DDA
City of Chelsea
305 S. Main Street
City of Chelsea, MI 48118
Phone (734) 475-1771

From:

Michael R. Prochaska
76. East Forest
Suite 8
Detroit, MI 48201
Phone: (313) 831-8708
Fax: (313) 831-1029
Cell: (313) 300-1748

Attachments

Attachment 1. Project Description/Plans

Attachment 2. Development Time-Line

Attachment 3. Financial Information: Including recent financial statements for the past three years.

Attachment 4. Project Financials

Attachment 5. Organizational Summary

Attachment 6. Professional Qualifications & Experience

Attachment 7. Proposed Structure of Development Entity

Attachment 8. Letter of Intent

Attachment 9. Resumes

Project Description

Project Description

The Former Longworth Plating Site Project entails the historic rehabilitation to an adapted mixed use residential and commercial structure. The initial design of the buildings combined will feature 20 loft style apartment units. A new geothermal heat and air conditioning, solar electric and solar thermal systems will be installed to provide sustainable development.

It is envisioned that the rehabilitation of the Former Longworth Plating Site Project and its inclusion of sustainable energy solutions will help bring immediate economic advocacy to the surrounding neighborhood by providing an attractive location for residence in the vicinity, close to the central district of Chelsea. This infusion of professionals, environmentally conscious people and students into the area will increase the amount of value seen from the location. Furthermore, because of the current vacant and underserved condition of the Former Longworth Plating Site Project, this structure's redevelopment and new construction will provide an anchor for the area's future redevelopment.

Design will reflect the historic nature of the buildings and its immediate environment. Both the Livery Building and Mack Building will house 20 units with individually distinctive layouts. The front Longworth Showroom will feature commercial availability targeted to the regional market. With the goal of preserving the historic nature of the building, the exterior will remain the same but only be renovated to its original condition. Interior residential units will return the modern amenities that will attract tenants seeking new and valued living.

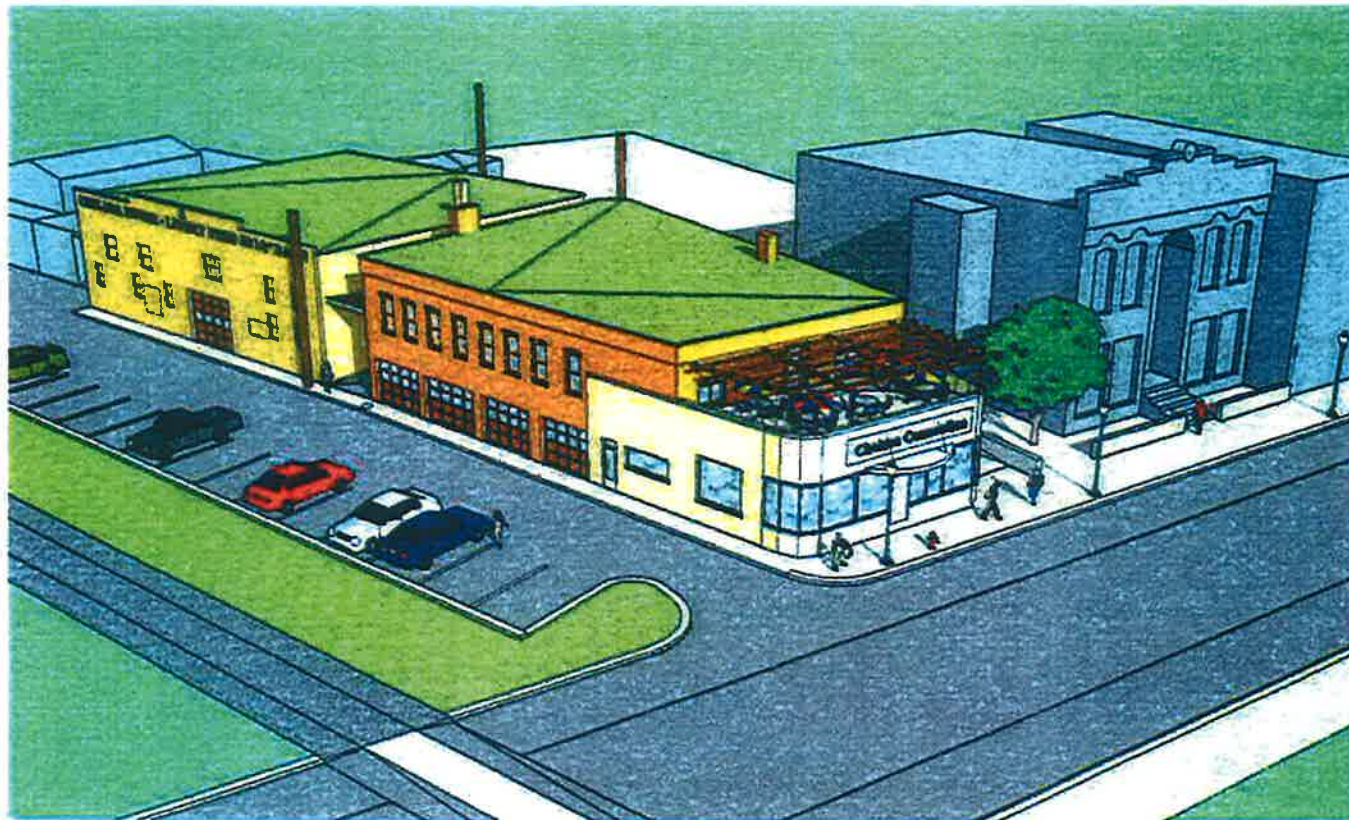
Aside from the increased tax revenue to be realized from new residents living in this area, the sustainable energy and construction methods that will be implemented during the buildings' assembly will provide precedence for future developments in the area in the areas of sustainable development, and rehabilitation of older structures. The benefits of reduced energy costs and savings set the tone for the triple bottom line for both future developers and future residents. In addition these sustainable technologies have proven to increase the standard of living within the buildings that use them from savings to overall comfort to environmental impact.

Plans

Complete Plans to be professionally designed by:

Elisabeth Knibbe
Principal at Quinn Evans I Architects
219 ½ N. Main Street
Ann Arbor, MI 48104
(734) 663-5888

Renderings and site plans to be continued upon notice



Perspective from the north west - Chelsea Connection

Dangerous Architects PC Feb. 2010

LONGWORTH RE-USE/PRESERVATION OPPORTUNITY

DEARDORFF DESIGN RESOURCES w/ Lincoln Polley Architect, Midwestern Consulting, and Colliers International

2. Development Time-Line

Project Schedule

Former Longworth Plating Site Project Redevelopment

Date: Upon Approval

Due Diligence will begin

Financial Structuring
Environmental
Engineering Process will begin according
Obtain all permits required for construction
Financing put in place

Month 9-12

Pre Construction

Place dumpster on site

Deconstruction

Deconstruction will begin of dilapidated interior structure will begin salvaging all useable materials for design reuse
Site and immediate surrounding areas will be cleared according to environmental and construction preparation
Deconstruction completed
Safely contain, secure and prep site for construction

Month 9-12

Begin Construction: Historic Renovation of Livery Building, Mack Building and Daniels Showroom

**Renovations will begin on the same date for the goal of fastest completion.*

Place dumpster on site

Renovation and New Construction

Renovation and interior reconstruction will be conducted according to the engineers and architects specs

Geothermal

Geothermal well drilling: Vertical Wells According to Detroit Geothermal Engineer

Removal of windows and deemed to be repaired and reglazed off site at MEP Construction Bellevue wood shop

Secure and weather lock areas where windows were removed/damaged

Repair roof and seal to engineer specifications

Removal of all rotten wood deck, fascia and tailboards to be replaced and recreated off site at Bellevue

Inspect with architect condition of sub-deck

Replace any damaged/rotten deck, subdeck and structure

Construction- Month 4

Begin foundation Repairs

Geothermal well drilling complete

Continue renovations and all materials reconstruction at MEP Construction Bellevue wood shop

Sustainable Energy

Geothermal HVAC Installations (Mechanical Room)

Solar energy retrofits

New Structural construction continues

Construction- Month 6

Historic Ficade improvements

Continue interior and exterior renovations

Construction- Month 8

Begin new interior framing

Continue Construction

Build Temporary parking lot for 6465 Sterling Residents while new construction continues

Window installations

Interior build out

Construction- Month 10

Installations of Geothermal Heat pumps and Engineering

Electrical and fiber optic cable installation

Dry wall

Kitchen Installations

Month 12

Appliance installations

Interior Finish work begins

Month 13 New Construction Complete One month construction contingency will be in effect

Upon completion building will begin to be filled with tenants as Certificates of Occupancy is granted

**Marketing for leasing will be conducted throughout construction and pre leasing will be available*

3. Financial Information including recent financial statements for the past three years.

Please note that this provided development entity (71 Garfield) has not been in operation for three years.

Additional personal financial information upon request

12:09 PM
04/25/12
Accrual Basis

71 Garfield MT, LLC
Profit & Loss
January through December 2010

10

	<u>Jan - Dec 10</u>
Ordinary Income/Expense	
Income	
40100 · Tenant Application Fee Income	150.00
Total Income	<u>150.00</u>
Expense	
63300 · Insurance Expense	1,058.84
63401 · Bank Charge	55.00
66800 · Property Management Fees	2,716.00
67101 · Master Lease Expense	6,000.00
68000 · Taxes - Property	1,905.19
68100 · Telephone Expense	145.11
68600 · Utilities	1,205.34
Total Expense	<u>13,085.48</u>
Net Ordinary Income	<u>-12,935.48</u>
Net Income	<u><u>-12,935.48</u></u>

12:07 PM
04/25/12
Accrual Basis

71 Garfield MT, LLC
Profit & Loss
January through December 2011

11

	Jan - Dec 11
Ordinary Income/Expense	
Income	
40100 · Tenant Application Fee Income	506.00
40101 · Rental Income	158,641.23
40102 · Late Fee Income	145.00
40103 · C.A.M. Fee Income	2,567.16
40104 · Pet Fee Income	425.00
Total Income	162,284.39
Expense	
60100 · Alarm Monitoring	750.00
60250 · Building Supplies	19,120.07
61000 · Business Licenses and Permits	25.00
61400 · Charitable Contributions	100.00
62500 · Dues and Subscriptions	79.50
63300 · Insurance Expense	
63310 · General Liability Insurance	13,326.50
63320 · Health Insurance	3,687.43
Total 63300 · Insurance Expense	17,013.93
63401 · Bank Charge	110.00
63500 · Janitorial Expense	18,048.00
63700 · Landscaping and Groundskeeping	3,322.69
64300 · Meals and Entertainment	233.04
64700 · Miscellaneous Expense	1,884.10
64900 · Office Supplies	1,088.60
65000 · Other Supplies	963.50
66500 · Postage and Delivery	82.65
66700 · Professional Fees	15,839.73
66800 · Property Management Fees	43,741.73
67101 · Master Lease Expense	25,000.00
67200 · Repairs and Maintenance	5,027.88
67300 · Security Expense	28.80
67800 · Small Tools and Equipment	443.99
68000 · Taxes - Property	9,377.89
68100 · Telephone Expense	3,595.51
68600 · Utilities	22,345.70
68700 · Waste Disposal	2,149.40
Total Expense	190,371.71
Net Ordinary Income	-28,087.32
Net Income	-28,087.32

71 Garfield MT, LLC
Balance Sheet
As of December 31, 2010

	<u>Dec 31, 10</u>
ASSETS	
Current Assets	
Checking/Savings	
71 Garfield MT, LLC	85,366.80
Total Checking/Savings	85,366.80
Other Current Assets	
11050 · Other Receivable	150.00
Total Other Current Assets	150.00
Total Current Assets	85,516.80
Other Assets	
18000 · Investment 71 Garfield, LLC	249,535.20
Total Other Assets	249,535.20
TOTAL ASSETS	<u>335,052.00</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	7,350.45
Total Accounts Payable	7,350.45
Other Current Liabilities	
20100 · Accrued Property Taxes	1,905.19
20201 · Accrued Insurance	1,058.84
Total Other Current Liabilities	2,964.03
Total Current Liabilities	10,314.48
Total Liabilities	10,314.48
Equity	
30701 · 71 Garfield Managing Member, LL	50.00
30702 · NGM Insurance Company	337,623.00
Net Income	-12,935.48
Total Equity	324,737.52
TOTAL LIABILITIES & EQUITY	<u>335,052.00</u>

71 Garfield MT, LLC
Balance Sheet
As of December 31, 2011

	<u>Dec 31, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
71 Garfield MT - Escrow	22,603.00
71 Garfield MT, LLC	72,253.19
Total Checking/Savings	<u>94,856.19</u>
Accounts Receivable	
11000 · Accounts Receivable	2,307.50
Total Accounts Receivable	<u>2,307.50</u>
Other Current Assets	
10100 · Administration Fee Receivable	31,200.00
11050 · Other Receivable	150.00
11070 · Loan to Detroit GeoThermal	2,262.24
11075 · Loan to GREP	38,835.00
11077 · Loan to MEP	8,910.86
11080 · Loan to Newberry Hall	5,460.97
12000 · Undeposited Funds	-3,408.00
Total Other Current Assets	<u>83,411.07</u>
Total Current Assets	<u>180,574.76</u>
Other Assets	
18000 · Investment 71 Garfield, LLC	1,258,106.30
Total Other Assets	<u>1,258,106.30</u>
TOTAL ASSETS	<u>1,438,681.06</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	19,096.50
Total Accounts Payable	<u>19,096.50</u>
Other Current Liabilities	
20100 · Accrued Property Taxes	9,377.89
20122 · Accrued Master Lease Payable	3,218.65
24800 · Tenant Security Deposits Held	21,603.00
24805 · Tenant PET Security Deposit	400.00
24810 · Tenant Wall Security Deposit	600.00
Total Other Current Liabilities	<u>35,199.54</u>
Total Current Liabilities	<u>54,296.04</u>
Total Liabilities	<u>54,296.04</u>
Equity	
30701 · 71 Garfield Managing Member, LL	50.00
30702 · NGM Insurance Company	1,425,357.82
32000 · Members Equity	-12,935.48
Net Income	-28,087.32
Total Equity	<u>1,384,385.02</u>
TOTAL LIABILITIES & EQUITY	<u>1,438,681.06</u>

4. Project Financials

Longworth Project Sources and Uses 27-Apr-12			
Sources		Total Construction	Total Permanent
Equity/Grant			
Michigan Community Revitalization Program		\$ 1,000,000	\$ 1,000,000
Federal Solar Tax Credit			\$ 26,013
Federal Geothermal Tax Credit			\$ 17,249
Federal Low Income Housing Tax Credits			\$ 491,403
Home Funds@ 60000/unit	60000		\$ 480,000
Federal Historic			\$ 570,892
Deferred Developer Fee		\$ 634,848	\$ 634,848
Financing			
Construction Loan	5.50%	\$ 1,585,557	
Conventional Loan	5.50%	\$ 618,681	\$ 618,681
Owners Equity			
Total		\$ 3,839,086	\$ 3,839,086
Surplus/Shortfall		\$ (0)	\$ 0
Uses			
Acquisition of Property		\$ 1	\$ 1
Residential Construction 17000 sf.			
Construction		\$ 1,949,725	\$ 1,949,725
Geothermal Wells		\$ 69,443	\$ 69,443
Geothermal HVAC		\$ 90,275	\$ 90,275
Solar Panels		\$ 79,300	\$ 79,300
General Requirements / Conditions	6.00%	\$ 116,983	\$ 116,983
Builder's Overhead	2.00%	\$ 38,994	\$ 38,994
Builder's Profit	2.75%	\$ 53,637	\$ 53,637
Builder's Risk Insurance		\$ 23,148	\$ 23,148
Payment and Performance Bond		\$ 46,295	\$ 46,295
Cost Certification		\$ 9,259	\$ 9,259
Permits and Fees		\$ 24,598	\$ 24,598
Construction Contingency	10.00%	\$ 218,874	\$ 218,874
Commercial Construction 760 sf.			
Construction		\$ 38,000	\$ 38,000
Geothermal Wells		\$ 5,555	\$ 5,555
Geothermal HVAC		\$ 7,222	\$ 7,222
Solar Panels		\$ 7,410	\$ 7,410
General Requirements / Conditions	6.00%	\$ 2,280	\$ 2,280
Builder's Overhead	2.00%	\$ 760	\$ 760
Builder's Profit	2.75%	\$ 1,045	\$ 1,045
Builder's Risk Insurance		\$ 1,852	\$ 1,852
Payment and Performance Bond		\$ 3,704	\$ 3,704
Cost Certificate		\$ 741	\$ 741
Permits and Fees		\$ 8,490	\$ 8,490
Construction Contingency	10.00%	\$ 5,819	\$ 5,819
Financing Costs			
Title Policy / Recording Survey		\$ 15,000	\$ 15,000
Construction Period Interest - Construction Loan	5.50%	\$ 52,323	\$ 52,323
Construction Period Interest - Conventional Loan	5.50%	\$ 20,416	\$ 20,416
Financing Fee - Construction Loan	1.00%	\$ 6,187	\$ 6,187
Financing Fee - Conventional Loan	1.00%	\$ 6,187	\$ 6,187
HUD / Underwriter Working Capital - Escrow		\$ 15,000	\$ 15,000
Architectural and Cost Review - Underwriter		\$ 14,500	\$ 14,500
Professional Fees			
Legal (Construction Loan)			
Architecture and Engineering	7.00%	\$ 145,966	\$ 145,966
Economic Consultant		\$ 20,000	\$ 20,000
Survey - ALTA		\$ 2,000	\$ 2,000
Phase I Environmental		\$ 3,000	\$ 3,000
Final Appraisal		\$ 5,250	\$ 5,250
Additional Soft Costs			
Construction Period Property Taxes & Utilities		\$ 10,000	\$ 10,000
Construction Period Insurance		\$ 25,000	\$ 25,000
Soft Cost Contingency		\$ 30,000	\$ 30,000
Project / Developer Reserve		\$ 30,000	\$ 30,000
Developer Fee		\$ 634,848	\$ 634,848
Miscellaneous			
Total		\$ 3,839,086	\$ 3,839,086

Longworth Project
Construction Loan
Amortization Schedule
27-Apr-12

Loan \$ 1,585,557
Interest Rate 5.500%
Term 40
Annual Payment \$ (98,812)

Year	Int Paymt	Prin Paymt	Total Payment	Balance
1	\$ (87,206)	\$ (11,607)	\$ (98,812)	\$ 1,573,950
2	\$ (86,567)	\$ (12,245)	\$ (98,812)	\$ 1,561,705
3	\$ (85,894)	\$ (12,919)	\$ (98,812)	\$ 1,548,786
4	\$ (85,183)	\$ (13,629)	\$ (98,812)	\$ 1,535,157
5	\$ (84,434)	\$ (14,379)	\$ (98,812)	\$ 1,520,778
6	\$ (83,643)	\$ (15,170)	\$ (98,812)	\$ 1,505,609
7	\$ (82,808)	\$ (16,004)	\$ (98,812)	\$ 1,489,605
8	\$ (81,928)	\$ (16,884)	\$ (98,812)	\$ 1,472,720
9	\$ (81,000)	\$ (17,813)	\$ (98,812)	\$ 1,454,908
10	\$ (80,020)	\$ (18,793)	\$ (98,812)	\$ 1,436,115
11	\$ (78,986)	\$ (19,826)	\$ (98,812)	\$ 1,416,289
12	\$ (77,896)	\$ (20,917)	\$ (98,812)	\$ 1,395,372
13	\$ (76,745)	\$ (22,067)	\$ (98,812)	\$ 1,373,305
14	\$ (75,532)	\$ (23,281)	\$ (98,812)	\$ 1,350,025
15	\$ (74,251)	\$ (24,561)	\$ (98,812)	\$ 1,325,464
16	\$ (72,901)	\$ (25,912)	\$ (98,812)	\$ 1,299,552
17	\$ (71,475)	\$ (27,337)	\$ (98,812)	\$ 1,272,215
18	\$ (69,972)	\$ (28,841)	\$ (98,812)	\$ 1,243,374
19	\$ (68,386)	\$ (30,427)	\$ (98,812)	\$ 1,212,947
20	\$ (66,712)	\$ (32,100)	\$ (98,812)	\$ 1,180,847
21	\$ (64,947)	\$ (33,866)	\$ (98,812)	\$ 1,146,981
22	\$ (63,084)	\$ (35,729)	\$ (98,812)	\$ 1,111,252
23	\$ (61,119)	\$ (37,694)	\$ (98,812)	\$ 1,073,559
24	\$ (59,046)	\$ (39,767)	\$ (98,812)	\$ 1,033,792
25	\$ (56,859)	\$ (41,954)	\$ (98,812)	\$ 991,838
26	\$ (54,551)	\$ (44,261)	\$ (98,812)	\$ 947,577
27	\$ (52,117)	\$ (46,696)	\$ (98,812)	\$ 900,881
28	\$ (49,548)	\$ (49,264)	\$ (98,812)	\$ 851,617
29	\$ (46,839)	\$ (51,974)	\$ (98,812)	\$ 799,643
30	\$ (43,980)	\$ (54,832)	\$ (98,812)	\$ 744,811
31	\$ (40,965)	\$ (57,848)	\$ (98,812)	\$ 686,963
32	\$ (37,783)	\$ (61,029)	\$ (98,812)	\$ 625,934
33	\$ (34,426)	\$ (64,386)	\$ (98,812)	\$ 561,548
34	\$ (30,885)	\$ (67,927)	\$ (98,812)	\$ 493,621
35	\$ (27,149)	\$ (71,663)	\$ (98,812)	\$ 421,957
36	\$ (23,208)	\$ (75,605)	\$ (98,812)	\$ 346,352
37	\$ (19,049)	\$ (79,763)	\$ (98,812)	\$ 266,589
38	\$ (14,662)	\$ (84,150)	\$ (98,812)	\$ 182,439
39	\$ (10,034)	\$ (88,778)	\$ (98,812)	\$ 93,661
40	\$ (5,151)	\$ (93,661)	\$ (98,812)	\$ (0)

Longworth Project
Conventional Loan
Amortization Schedule
27-Apr-12

Loan \$ 618,681
Interest Rate 5.500%
Term 40
Annual Payment \$ 571,277

Year	Int Paymt	Prin Paymt	Total Payment	Balance
1	(\$34,027.46)	(\$4,528.96)	(\$38,556.41)	\$ 614,152
2	(\$33,778.36)	(\$4,778.05)	(\$38,556.41)	\$ 609,374
3	(\$33,515.57)	(\$5,040.84)	(\$38,556.41)	\$ 604,333
4	(\$33,238.32)	(\$5,318.09)	(\$38,556.41)	\$ 599,015
5	(\$32,945.53)	(\$5,610.58)	(\$38,556.41)	\$ 593,404
6	(\$32,637.25)	(\$5,919.17)	(\$38,556.41)	\$ 587,485
7	(\$32,311.69)	(\$6,244.72)	(\$38,556.41)	\$ 581,241
8	(\$31,968.23)	(\$6,588.18)	(\$38,556.41)	\$ 574,652
9	(\$31,605.88)	(\$6,950.53)	(\$38,556.41)	\$ 567,702
10	(\$31,223.60)	(\$7,332.81)	(\$38,556.41)	\$ 560,369
11	(\$30,820.30)	(\$7,736.11)	(\$38,556.41)	\$ 552,633
12	(\$30,394.81)	(\$8,161.60)	(\$38,556.41)	\$ 544,471
13	(\$29,945.92)	(\$8,610.49)	(\$38,556.41)	\$ 535,861
14	(\$29,472.35)	(\$9,084.06)	(\$38,556.41)	\$ 526,777
15	(\$28,972.72)	(\$9,583.69)	(\$38,556.41)	\$ 517,193
16	(\$28,445.62)	(\$10,110.79)	(\$38,556.41)	\$ 507,082
17	(\$27,889.53)	(\$10,666.88)	(\$38,556.41)	\$ 496,415
18	(\$27,302.85)	(\$11,253.56)	(\$38,556.41)	\$ 485,162
19	(\$26,683.90)	(\$11,872.51)	(\$38,556.41)	\$ 473,289
20	(\$26,030.92)	(\$12,525.50)	(\$38,556.41)	\$ 460,764
21	(\$25,342.01)	(\$13,214.40)	(\$38,556.41)	\$ 447,549
22	(\$24,615.22)	(\$13,941.19)	(\$38,556.41)	\$ 433,608
23	(\$23,848.46)	(\$14,707.96)	(\$38,556.41)	\$ 418,900
24	(\$23,039.52)	(\$15,516.89)	(\$38,556.41)	\$ 403,383
25	(\$22,186.09)	(\$16,370.32)	(\$38,556.41)	\$ 387,013
26	(\$21,285.72)	(\$17,270.69)	(\$38,556.41)	\$ 369,742
27	(\$20,335.83)	(\$18,220.58)	(\$38,556.41)	\$ 351,522
28	(\$19,333.70)	(\$19,222.71)	(\$38,556.41)	\$ 332,299
29	(\$18,276.45)	(\$20,279.96)	(\$38,556.41)	\$ 312,019
30	(\$17,161.05)	(\$21,395.36)	(\$38,556.41)	\$ 290,624
31	(\$15,984.31)	(\$22,572.10)	(\$38,556.41)	\$ 268,052
32	(\$14,742.84)	(\$23,813.57)	(\$38,556.41)	\$ 244,238
33	(\$13,433.10)	(\$25,123.31)	(\$38,556.41)	\$ 219,115
34	(\$12,051.32)	(\$26,505.10)	(\$38,556.41)	\$ 192,610
35	(\$10,593.53)	(\$27,962.88)	(\$38,556.41)	\$ 164,647
36	(\$9,055.58)	(\$29,500.84)	(\$38,556.41)	\$ 135,146
37	(\$7,433.03)	(\$31,123.38)	(\$38,556.41)	\$ 104,023
38	(\$5,721.24)	(\$32,835.17)	(\$38,556.41)	\$ 71,187
39	(\$3,915.31)	(\$34,641.10)	(\$38,556.41)	\$ 36,546
40	(\$2,010.05)	(\$36,546.36)	(\$38,556.41)	\$ -

Longworth Project Projection of Income, Expenses and Cash Flow 27-Apr-12											
	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
Residential Revenue											
Residential Gross Income	\$ 234,463	\$ 241,497	\$ 248,742	\$ 256,204	\$ 263,890	\$ 271,807	\$ 279,961	\$ 288,360	\$ 297,011	\$ 305,921	
Occupancy	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	
Total Effective Gross Income	\$ 215,706	\$ 222,177	\$ 228,843	\$ 235,708	\$ 242,779	\$ 250,063	\$ 257,564	\$ 265,291	\$ 273,250	\$ 281,448	
Operating Expenses²											
Management - 5%	\$ 10,785	\$ 11,109	\$ 11,442	\$ 11,785	\$ 12,139	\$ 12,503	\$ 12,878	\$ 13,265	\$ 13,663	\$ 14,072	
Other Administrative	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	
Utilities	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 23,185	\$ 23,881	\$ 24,597	\$ 25,335	\$ 26,095	
Repairs	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	
Insurance	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 23,185	\$ 23,881	\$ 24,597	\$ 25,335	\$ 26,095	
Real Estate Taxes	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572	
Misc.	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048	
Total Expenses	\$ 95,785	\$ 98,659	\$ 101,619	\$ 104,667	\$ 107,807	\$ 111,041	\$ 114,373	\$ 117,804	\$ 121,338	\$ 124,978	
Net Operating Income	\$ 119,921	\$ 123,518	\$ 127,224	\$ 131,041	\$ 134,972	\$ 139,021	\$ 143,192	\$ 147,488	\$ 151,912	\$ 156,469	
First Mortgage Debt Service											
40-Year FHA 221 Loan Debt Service	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	
Total FHA Debt Service	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	\$ 98,812	
Net Cash Flow after FHA Debt Service	\$ 21,108	\$ 24,706	\$ 28,412	\$ 32,228	\$ 36,160	\$ 40,209	\$ 44,379	\$ 48,675	\$ 53,100	\$ 57,657	
1st Mortgage Debt Service Ratio	1.21	1.25	1.29	1.33	1.37	1.41	1.45	1.49	1.54	1.58	

Organizational Summary

Located in the City of Detroit the developers Michael R. Prochaska and Ernest Zachary have developed projects together for over 20 years. In addition, they own and operate MEP construction LLC and Detroit Geothermal. Both entities were created within the last five years and are a part of the construction process. Zachary and Associates, Inc is owned by Ernest Zachary and traditionally serves as a resource in the development process. The developers in their entities employ a total of eleven full time persons and hire or contract additional staff as needed.

Together Michael R. Prochaska and Ernest Zachary have developed:

Sugar Hill Arts District

Garfield Development Group, LLC, Midtown Detroit, Michigan; 2002 - Present

The Sugar Hill National Historic District is comprised of three blocks in Detroit's Cultural Center. Zachary & Associates, Inc. researched the history of the area and completed a National Register of Historic Places nomination. The district has important ties to Detroit's African-American community through its association with jazz music (1920 to 1960), and contribution to the social history of Detroit in relation to new settlement patterns for African-Americans. During the jazz era, this district was one of Detroit's only socially integrated neighborhoods in which black and white musicians and patrons co-mingled. The community was lost during urban renewal and remained in severe disrepair until the mid-2000s. Today the properties listed in the Sugar Hill Historic District are eligible for federal historic tax credits as a direct result of its nomination to the National Register of Historic Places.

While, in 2002, the district was in danger of being lost to demolition, Zachary and Associates built on the district's successful national historic nomination, and envisioned the area as a vibrant, walkable, mixed-use arts community within Midtown. To date, working independently and in conjunction with other developers, the firm has facilitated the redevelopment of 71 Garfield, a mixed-use residential building featuring geothermal and solar panel technologies. The firm has also assisted with the financing of the G.R. N'Namdi Contemporary Gallery, a mixed use space consisting of a restaurant, gallery, and movement center. Connection and programming with the well known, Museum of Contemporary Art Detroit (MOCAD) has also been integral as the MOCAD serves as a southern existing anchor for the district. University Cultural Center Association (UCCA) has also played an integral role as a partner leading

redevelopment of Midtown. Prospective projects include the Sugar Hill Building, a mixed-use residential and commercial building with an attached parking structure to service the residents, customers of the districts, and Medical Center Employees, and 74 and 80 Garfield, a mixed- used residential and commercial building.

Newberry Hall Historic Redevelopment

Detroit, Michigan, 2007-2011

Originally constructed in 1898, the Helen Newberry Nurses Home was a blighted and abandoned historic former residential building near the Medical Center in Midtown, Detroit. In 2011, the redevelopment was completed, and included 28 residential units. As an historic rehabilitation project, the redeveloped building retained many of the historic features, including the original lobby and leaded glass throughout the structure. The funding package for the project included a HUD loan, private sector contributions, Community Development Block Grants, New Economy Initiative funding, Michigan Brownfield Tax Credits, Federal Historic Tax Credits, Michigan Historic Tax, and Geothermal Tax Credits.

71 Garfield Building Redevelopment

Detroit, Michigan, 2006-2010

Built in 1922, 71 Garfield was an abandoned historic former residential building in the Sugar Hill Arts District in Midtown, Detroit. As part of their Sugar Hill Arts District redevelopment plan, Zachary and Associates, Inc. assembled a development team to redevelop the building. The firm conducted the economic structuring and all aspects of financing for the project. The structure was redeveloped into 22 live-work residential and commercial units, and was completed in 2010. Though the project restored many of the building's historic features, it also incorporated the latest in sustainable technology, including photo-voltaic solar, solar water heating, geothermal heating and cooling, a reflective roof, and rooftop water collection. The funding package included a HUD Section 108 Loan, a City of Detroit Community Development Block Grant, New Economy Initiative funding, Michigan Brownfield Tax Credits, Federal Historic Tax Credits, Michigan Historic Tax Credits, Solar Energy Tax Credits, and Geothermal Tax Credits.

Garfield Lofts at 4600 Woodward

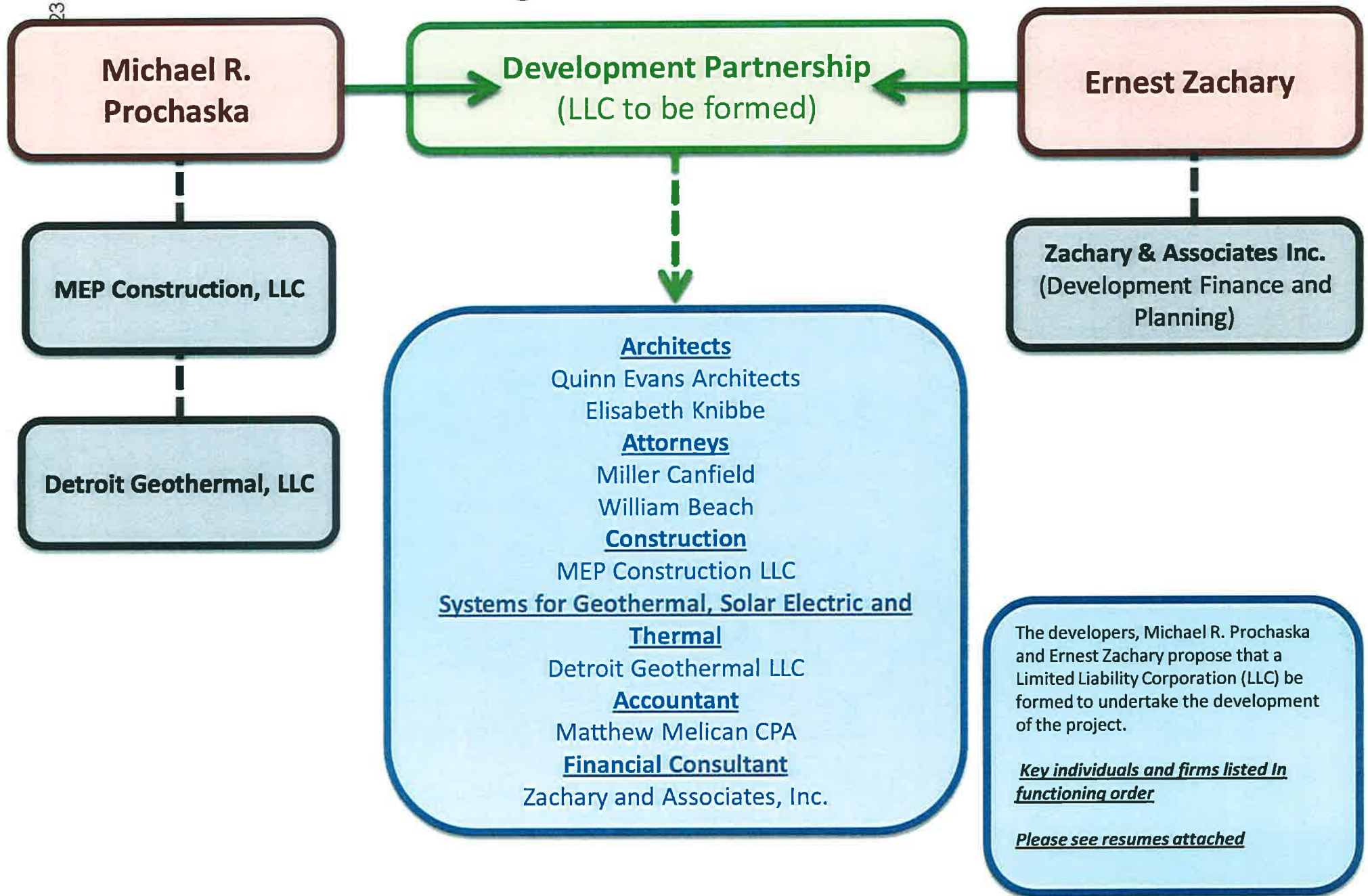
Detroit, Michigan, 2000-2006

Built in 1906, 4600 Woodward building was a once neglected commercial

part manufacturing plant. Now this historic rehabilitation of 60,000 SF. is consisting of 56 moderate and affordable residential loft units and 12,000 sf. of retail.

6. Professional Qualifications & Experience

Former Longworth Plating Site Project



Professional Qualifications & Experience

Key individuals and firms listed below

Please see resumes attached

Developers

Michael R. Prochaska

Ernest Zachary

The partnership of Michael R. Prochaska and Ernest Zachary have recently successfully completed historic Newberry Hall and 71 Garfield Redevelopment Project. 71 Garfield was independently marketed and 100% leased in 90 days. Mr. Prochaska and Mr. Zachary also manage the property. The Newberry Building which was recently complete began leasing January 15, 2012 to primarily medical professionals and students at this date, the project is 75% leased and is expected to be 100% occupied by the end of April.

Architects

Quinn Evans I Architects

Elisabeth Knibbe

Elisabeth Knibbe is a Principle at Quinn Evans Architects specializing in the adaptive use of historic and other older buildings. Projects include the Inn on Ferry Avenue in Detroit, Michigan; Armory Arts Lofts in Jackson, Michigan; Historic 71 Garfield and Newberry in Detroit, Michigan; HallAccident Fund Headquarters in the Ottawa Street Station in Lansing, Michigan; Pilgrim Baptist Church in Chicago, Illinois; and Cross Street Village in Ypsilanti, Michigan. Lis also consults with developers and architects to qualify projects for state and federal historic preservation tax credits.

Attorneys

Miller Canfield

William Beach

William Beach has been a part of every development effort undertaken by the

developers and has served in the same capacity on many other major Detroit based projects.

Construction

MEP Construction LLC

MEP Construction LLC is a Detroit based contracting firm. Most work recently done on 71 Garfield and the Newberry Building rehabilitations

Systems for geothermal, solar electric and thermal

Detroit Geothermal LLC

Detroit Geothermal LLC is a new firm that was formed with the encouragement of HUD and the City of Detroit to provide sustainable construction services to projects primarily in Detroit. It has installed the energy systems for 71 Garfield, 76 East Forest and the Newberry Building.

Accountant

Matthew Melican CPA

Mr. Melican has served as accountant on all the projects undertaken by the developers. He has performed cost certifications for HUD/FHA programs, Federal and state historic and Brownfield credits.

Financial Consultant

Zachary and Associates, Inc.

Zachary and Associates, Inc. has been the financial consultant on all projects undertaken by the developer. The firm structures the financing for projects, secures financing including Federal Historic tax credits, New Market Tax Credits and Low Income Housing Tax Credits. In the past the firm succeeded in securing funds from Detroit's HOME, the section 108 and the Community Development Block Grant programs. In recent years, the firm has secured financing from HUD / FHA, invest Detroit, Detroit development Fund and Traditional bank financing.

7. Proposed Structure of the Development Entity

Proposed Structure of the Development Entity

The developers, Michael R. Prochaska and Ernest Zachary propose that a Limited Liability Corporation (LLC) be formed to undertake the development of the project. If it serves community interests or if there is significant participation, financially or in other ways, the development partners would welcome the community non-profit organizations into the LLC structure. The developers have extensive experience working with non-profit community organizations. Development of 71 Garfield LLC has formed an LLC with the non-profit Midtown Detroit INC. (Former UCCA) they function as a minority member.

Letter of Intent

We are currently discussing financials with lenders by way of USDA Rural Development Commercial Loan Guarantees. Please see our business contact information included below.

Bobbie Morrison | Business Specialist
Rural Development
U.S. Department of Agriculture
3001 Coolidge Road, Ste. 200
East Lansing, MI 48823
Phone: 517 324-5222 | Fax: 517 324-5225
www.rurdev.usda.gov



WASHINGTON, DC
ANN ARBOR, MI
DETROIT, MI
MADISON, WI

WWW.QUINNEVANS.COM

ELISABETH KNIBBE, FAIA, LEED AP

PRINCIPAL

Elisabeth Knibbe, AIA, is a Principal in Quinn Evans Architects' Ann Arbor office and has over 30 years experience in architecture and historic preservation. She has served as architect on a wide range of adaptive use projects to facilitate the rehabilitation and expansion of historic buildings to meet contemporary needs, including projects that create residential, office and hotel spaces in under-utilized or vacant buildings. She has special expertise and experience in historic tax credit programs and has assisted developers and architects in designing projects that meet state and federal historic preservation standards while accommodating significant alterations to meet program requirements.



PRINCIPAL

Joined QEA in 2004

REGISTRATION

Michigan, Ohio

PROFESSIONAL AFFILIATIONS

American Institute of Architects
Michigan Historic Preservation Network
National Trust for Historic Preservation
Preservation Wayne

HONORS

College of Fellows, American Institute of Architects, 2009
2004 Construction Woman of the Year Award, National Association of Women in Construction, Detroit Chapter

VOLUNTEER EXPERIENCE

AIA Michigan Fellows Committee
2010-present
State of Michigan Board of Architects
2004-present
State Historic Review Board, State of Michigan Historic Preservation Office,
1998-present
Detroit Urban Design Charette:
Univ. of Michigan 2001, 2006
Co-Chair, Bond Steering Committee,
Ypsilanti Public Schools, 1995-96
Blue Ribbon Facilities Committee,
Ypsilanti Public Schools, 1993-94
Subarea Plan Advisory committee, Superior Township Planning Commission 1992
Chairperson, Citizen's Design Review Board, Superior Township, MI, 1989-90
Downtown Development Authority,
Ypsilanti, MI, 1984-87
Historic District Commission, Ypsilanti, MI, 1980-83

EDUCATION

Master of Architecture
Master of Urban Planning, 1978,
University of Michigan

SELECTED RELEVANT EXPERIENCE

FERRY STREET INN, DETROIT, MICHIGAN

Principal-in-Charge of renovation and conversion of five historic houses and a carriage barn into a 42-room bed-and-breakfast style inn (while head of Elisabeth Knibbe Architects (EKA). The project respects the buildings' historic character while providing the amenities expected by today's traveler. 2002 National Preservation Award, National Trust for Historic Preservation.

ACCIDENT FUND HEAD QUARTERS, LANSING, MICHIGAN

Principal-in-Charge of the documentation for the exterior restoration of the historic Board of Water and Light Ottawa Street Power Station into a national corporate headquarters. Project includes development of a computer model using laser survey technology, evaluation of historic features and documentation of exterior restoration. Assisted the client in qualifying the project for state and federal historic preservation tax credits.

CAILLES BROTHERS BUILDING, DETROIT, MICHIGAN

Principal-in-Charge of historic preservation tax credit consulting on conversion of a former industrial building into 48 loft apartments. Project includes preparation of necessary applications, facilitation of review by state and federal authorities, and design consulting with the project architects.

FORT SHELBY HOTEL, DETROIT, MICHIGAN

Provided historic preservation consulting for the adaptive of the vacant hotel to create a 204 room hotel and 67 apartments. Assisted project developer and architect to recapture lost historic details within a limited budget and to qualify the project for historic preservation tax credits.

ARMORY ARTS VILLAGE, JACKSON, MICHIGAN

Principal-in-Charge of the adaptive use of a National Guard Armory and former state prison for conversion to an artist live/work complex that features apartments on the upper floors and a combination of galleries, studios, restaurant and retail shops.

Michael R. Prochaska

Mr. Michael R. Prochaska has used his collective experience to work in development projects in a variety of capacities. As a senior vice-president at Frankel Associates, Mr. Prochaska acted as coordinator for Somerset north and the Somerset Collection. As an executive vice-president at Metroworld, Mr. Prochaska led the development of 750 acres near Metro Airport. Also, as Director of Economic Development for Wayne County he oversaw the Northville Development, Pinnacle Aeropark project, Ford Field, and Comerica Park.

- Northville Development, Northville MI
 - 900 acre development (old State/County hospital property)
 - Coordinated \$5,000,000 environmental clean-up
 - Oversight of upscale housing development
- Pinnacle Aeropark Project, Romulus MI
 - Assembled over 800 acres of land
 - Prepared and coordinated with consultants overall Master Plan
 - Land assembly was outright purchase and condemnation
- Ford Field and Comerica Park, Detroit MI
 - Coordinated historical analysis of area
 - Reviewed all contracts
 - Construction oversight for Wayne County

Mr. Prochaska has also acted as a co-developer on several successful projects in recent years and has contributed to the successful implementation of a number of projects.

- Mexicantown International Welcome Center and Mercado, Detroit MI – Owner's Rep
 - New construction of two buildings and public plaza
 - HUD Section 108 Loan Guarantee, Federal EDA funds, NMTC, TIF
- Fort Shelby, Detroit MI – Owner's Rep
 - Rehabilitation of historic building for hotel, apartments, and restaurants
 - HUD Section 108 Loan Guarantee
- The Lofts at Garfield, Detroit MI – Part Owner
 - Rehab of historic building, ground floor commercial and 56 apartments
 - Section 108 Loan Guarantee, City of Detroit HOME funds, historic tax credits
- 1442 Brush, Detroit MI – Part Owner
 - Rehab of historic building, commercial use
- 71 Garfield, Detroit MI – Part Owner, Principal of MEP Construction Company LLC, the project contractor (under construction)
 - Rehab of historic building, apartments and artist work spaces
 - Section 108 Loan Guarantee, historic tax credits

Personal Biographies

Ernest Zachary President

Ernest Zachary, founder and president of Zachary and Associates, Inc., has over thirty five years experience in development financing, community and economic planning, strategic planning, residential development planning, research and market analysis, and project management. He has served as an economic consultant for a variety of public and private development projects, community development organizations, non-profit entities, municipalities and universities.

From 1970 to 1984, Mr. Zachary was employed by the City of Detroit as Head of the Finance Division of the Community and Economic Development Department. In this capacity he was responsible for securing and coordinating the financing for most of the major projects, including Harbortown, Riverfront, Millender Center and Joe Louis Arena.

Following his tenure with the City, Mr. Zachary formed his own firm to specialize consulting primarily in key areas of the city of Detroit and region. Initially utilizing UDAG, CDBG and EDA resources, Ernest secured over \$50 million for projects totaling over \$300 million. Later specializing in utilizing tax credits and Section 108 financing, another \$100 million in development was achieved, assisting numerous NGO and for profit developers with redevelopment efforts.

Mr. Zachary has been a key participant in numerous prominent planning efforts including New Center and Midtown redevelopment, the Pinnacle Aeropark, and the Wayne County Ways of Life Project. Known for undertaking challenging rehabilitation projects, he has rescued several historic properties including the Garfield Building, 71 Garfield, and Newberry Hall in the Sugar Hill district.

These experiences have given Mr. Zachary the ability to understand the problems and perspectives of both the private and public sectors in consulting with developers and governmental entities. His ability to develop plans, programs, marketing studies and strategies fully reflect the realities and potentials surrounding the development of commercial, residential and industrial areas.

Mr. Zachary graduated from Wayne State University with a Bachelor of Arts Degree in Economics and earned a Masters Degree in Economics from that same institution. He is on the faculty of the University Detroit Mercy teaching Urban Economics for the Community Economic Development Masters Program and is a speaker for local, state and national conferences on the same subject.

FIRM DESCRIPTION

Merz & Associates offers a wide range of professional services which include: architectural design, construction documentation/field observation, adaptive reuse/historic preservation, programming, site and urban planning, development strategies/feasibility studies, recreation planning, park/urban design, community planning, interior design/space planning, signage and graphic design, restaurants and commercial retail work. While the bulk of the Merz & Associates work has been in housing, education and historic structures its portfolio as well.

The firm's resume includes extensive housing experience including the Sugar Hill development, which adds 44 artist apartments, retail & restaurant space and a 116 car parking deck to the arts district that is anchored by MOCAD, Artists Market and N'Namdi Galleries. The Michigan Veterans Foundation project includes a 150 bed facility for the training, housing and feeding of previously homeless men to enable them to re-enter society in a productive manner. The historic Lofts at Rivertown converted the Stern's pharmaceutical complex into 177 luxury Loft Apartments with amenities including a pool, community room and roof decks with panoramic views of Belle Isle and Canada. Grayhaven Marina Village pioneered the new housing built on the island where unlimited hydroplane racing was invented. It includes apartment buildings and town houses centered along canal boat docks and environmentally sensitive wetlands that were preserved. And it includes Eco-Village, a master plan that converts a 23.3 acre urban site into 120 green housing units over 3 phases located close to the Medical Center and Eastern Market.

Merz & Associates has also been involved with extensive educational design, which includes a \$45,000,000 addition/renovation of historic Central High School and the programming of Medicine Bear Academy, an ethnocentric school built around American Indian Culture. The firms' religious work includes projects for the Archdiocese of Detroit and Ebenezer Baptist Church as well as St. Mary Antiochian Orthodox Church. However, it is epitomized by the renovation to St. Conrad's Church in Melvindale where craftsman made elements were incorporated with found elements, manufactured roof trusses and parishioner donated labor to deliver a uniquely beautiful worship space. Medical projects include the Dearborn Orthopedic Clinic and the Sports Medical Clinic. The firm has also managed the competitions and the construction of two major monumental sculptures, the Michigan Vietnam Monument in Lansing, Michigan and the Labor Legacy Project in Detroit, Michigan.

Charles Merz is managing partner of Merz & Associates with a long career of designing significant area projects. He has been elevated to membership in the American Institute of Architects College of Fellows. Mr. Merz was involved in the acquisition of the 100 year-old McGregor Carriage House and its renovation for use at his previous firm's architectural offices, allowing the preservation of the unique structure and its character. The award winning renovation has been published in *Remaking America* (a nationally published book by Barbara-lee Diamonstein), the *Detroit Free Press*, *Sunday's Detroit Magazine*, (the national magazine of the American Institute of Architects) *Architecture* and numerous newspaper articles. Other historic work includes the redevelopment of Harmonie Park, a locally designated historic district in the City of Detroit. The rich character of the area was restored including the adaptive reuse of the Randolph Center Building, the restoration of the Tobin Building (both including residential, retail and entertainment elements) and Music Hall Theatre, which are all designated historic structures. Today the area is a thriving loft and restaurant zone serving the Detroit Opera House and Comerica Park.

The firm and Mr. Merz's efforts have been cited with over 40 design awards from AIA Detroit, AIA Michigan, the Michigan Chapter of the American Society of Landscape Architects (MSLA), the American Society of Interior Designers (ASID), the Michigan Society of Planning Officials (MSPO), and the Construction Association of Michigan. The Harmonie Park redevelopment plan won a National ASLA Urban Design Award. Among other award winners were the Linked Riverfront Parks Project - Chene, St. Aubin and Mt. Elliot Parks all of which have been moving forces in the development of Detroit's East Riverfront.

William B. Beach

SERVICE AREAS

Governments + Nonprofits

- Economic Development
- Intergovernmental Cooperation Agreements
- Public Law - Powers, Open Meetings + FOIA
- Public/Private Partnerships
- Zoning + Planning

EDUCATION

- Wayne State University Law School, J.D.
- Bowdoin College, B.A.

BAR ADMISSIONS

- Florida
- Michigan

LANGUAGES

- Spanish



Senior Counsel

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beach@millercanfield.com

William B. Beach's practice comprises all aspects of real estate, intergovernmental agreements, state and federal financing incentives and tax credits. He also specializes in general governmental corporate law covering development and redevelopment of land through public and private partnerships, municipal boundary changes, and international government trade and business.

EXPERIENCE

Bill currently serves as city attorney for the cities of Rockwood and Milan, and has been special assistant city attorney to Royal Oak, Muskegon, Troy, Lansing, Grosse Pointe and many other municipalities across the state. He has represented Oakland County in condemnation work and was a special assistant attorney general for the state of Michigan in the same area. He was formerly city attorney for Southfield and supervising assistant corporation counsel in charge of financing and development for the Detroit Law Department. A frequent lecturer on municipal law, he has published numerous articles on that subject. He wrote the chapter on incorporation, annexation and other boundary changes in the Local Government Law and Practice in Michigan.

REPRESENTATIVE MATTERS

- Domestic Telecommunications Projects
Domestic telecommunications projects including TCI, Bresnan Communications, cities of Rockwood, Seattle, Pontiac, Mattawan, Southfield, and Detroit
- Incorporation of Cities, Annexation, Detachment, and Intergovernmental Boundary Agreements under Act 7 and Act 425



William B. Beach

Incorporation of cities, annexation, detachment, and intergovernmental boundary agreements under Act 7 and Act 425 for the cities of Milan, Williamston, Harbor Springs, Tecumseh, Richmond, Hancock, Eaton Rapids, Adrian, Clinton, Roscommon, and Alpena, Chelsea, Dexter, Durand, Monroe, Clare, Roscommon, Gaylord, Cass City, Caseville, Caro, Sebawaing, among others.

- **Public-private Redevelopment Projects**
Public-private redevelopment projects including Cobo Hall, Joe Louis Arena, Riverfront Apartments, Millender Center, Tiger Stadium, Royal Oak/I-96 Woodward Project, Prudential Town Center, Lansing International Transportation Center, Eastland and Northland Shopping Centers, Poletown G.M. Plant, Johnson Controls Rockwood Plant, Brose North American and Behr plants in Auburn Hills, Garfield Building, MexicanTown Welcome Center, East Village, Iodent Building, Southwest Detroit Business Association Headquarters

PROFESSIONAL ACTIVITIES

- American Bar Association
- State Bar of Michigan, Public Corporation Section, Vice President, 2007-2008; Secretary, 2006-2007
- The Florida Bar
- Oakland County Bar Association
- Michigan Association of Defense Attorneys
- National Institute of Municipal Law Officers
- Michigan Association of Municipal Attorneys, President, 2003-05
- Michigan Municipal League Defense Fund, Chairman, 2003-05
- Business Association of Mexican Americans

HONORS + AWARDS

- University of Miami, Latin American International Law Studies
- Bowdoin College, Robert B. Miller Leadership Award
- Michigan Super Lawyers, Government/Cities/Municipalities 2006-present

CIVIC, CULTURAL + SOCIAL ACTIVITIES

- World Trade Club of Detroit
 - Detroit Regional Chamber
-



William B. Beach

- Detroit Institute of Art Founder's Society
- U.S.-Mexico Chamber of Commerce, Chief Executive Officer, Great Lakes Chapter, Elected 2001; President, 1999; Past Vice President of Programming and Secretary of the Board
- Michigan Municipal League, Attorney for the Legislative and Urban Affairs Committee
- Detroit Economic Club
- Detroit Athletic Club

RELIGIOUS ACTIVITIES

- Grosse Pointe Memorial Church

PUBLICATIONS

Author of chapter on "Municipal Boundaries," in Local Government Law and Practice in Michigan, published jointly by the Michigan Municipal League and the Michigan Association of Municipal Attorneys, 2000

Frequent contributor to Public Corporation Law Quarterly, Michigan Association of Municipal Attorneys Quarterly, National Institute of Municipal Law Officers; Institute of Continuing Legal Education

Author of annexation chapter in most recent Michigan Municipal Law Treatise, published by ICLE

Laches, Oakland County Bar Association

SPEECHES

Presenter, "Leveraging Government Loans (108, CDBG, EDI, EDA) with New Market Tax Credits," New Market Tax Credit Investors Conference, Chicago, Illinois, October 19-21, 2005

Presenter, "The New Contract Zoning Legislation in Michigan: Is Your Community Ready?" Seminar sponsored by McKenna Associates and Miller Canfield, Grand Valley State University, L.V. Eberhard Center, Grand Rapids, Michigan, August 2005

Presenter, "The New Contract Zoning Legislation in Michigan: Is Your Community Ready?" Seminar sponsored by McKenna Associates and Miller Canfield, Walsh College-Novici Campus, May 2005

Frequent speaker at:



William B. Beach

Michigan Municipal League

Michigan Association of Municipal Attorneys

Public Corporations Section of the State Bar of Michigan

Michigan Municipal Finance Association

Institute of Continuing Legal Education

Michigan Jobs Commission, International Section

The University of Michigan Graduate School of Business

Lorman

National Business Institute

Professional Education Systems

NEWS

- Miller Canfield Attorney William Beach Appointed Chair of State Bar Public Corporations Law Section



Headquartered in Detroit, **MEP Construction** provides a full range of services which include general contracting, construction management, renewable energy, energy efficiency, design/build and owner's representative services. The partners are experienced in both residential and commercial construction.

The company is uniquely qualified to specialize in small to mid-sized projects located in urban areas.

MEP Construction has expertise in a number of areas, including previously-used sites, adaptive reuse of buildings, and workforce requirements for government-funded projects. The company is highly respected for its efficient, well-run job sites and its project organization.

The company self-performs all demolition, masonry, carpentry, plumbing and HVAC work.

MEP Construction maintains excellent relationships with its subcontractors, including many minority and Detroit-based businesses.

Melican and Associates, P.C.

Certified Public Accountants/Consultants

*787 Berkshire
Grosse Pointe Park, Michigan 48230
Telephone (313) 824-9095
Fax. (313) 824-9098*

March 31, 2012

To: Mr. Ernest Zachary, Mr. Michael R. Prochaska
From: Matt Melican, C.P.A.

Re: Melican and Associates, P.C. – Qualifications

Matthew T. Melican is a certified public accountant and founding partner of Melican and Associates, P.C. He holds a Bachelors Degree in Business Administration from Michigan State University. He has vast experience working with varying types of clients, which includes extensive knowledge of real estate development. Select real estate development projects are indicated below:

1) Rebert Building, LLC – a federal historic tax credit development with the investor of National City Bank. Melican and Associates, P.C. prepared a report that we certified the project costs and the eligible basis, consulted on the deal structure, prepared the necessary tax returns and financial statements. The recapture period for this project has expired and the investor has been purchased by the developer.

2) Southwest Detroit Land for Redevelopment, LLC – a federal historic tax credit development, Michigan Single Business Brownfield credit and New Markets Tax Credit development with the investor of National City Bank. Melican and Associates, P.C. prepared a report that we certified the project costs and the eligible basis, consulted on the deal structure, prepared the necessary tax returns and financial statements.

3) New Amsterdam Activation I, LLC – a federal historic tax credit development, Michigan Single Business Brownfield credit with the investor of Comerica bank. Melican and Associates, P.C. prepared a report that we certified the project costs and the eligible basis and consulted on the deal structure.

4) East Forest Art Project, LLC – a federal historic tax credit development, Michigan Single Business Brownfield credit and New Markets tax credit with the investor of National City Bank. Melican and Associates, P.C. will prepare a report that we certified the project costs and the eligible basis and consulted on the deal structure.

5) 2233 Park – a federal historic tax credit development, Michigan Single Business Brownfield credit with the investor of Comerica Bank. Melican and Associates, P.C. prepared a report that we certified that projects costs incurred and the eligible basis and on the projected amounts to complete and prepared the necessary tax forms.

6) Charlotte Street Limited Partners – a federal historic tax credit development, state historic tax credit development and Michigan Brownfield credit with the investor of National City Bank. Melican and Associates, P.C. prepared a report that we certified that the project costs incurred and the eligible basis.

7) Woodward SA – PK, L.L.C. – a federal New Markets tax credit development project and Michigan Brownfield credit project with the investor of National City Bank. Melican and Associates, P.C. assisted in the structure of the development project and provided tax consulting. Melican and Associates, P.C. is currently working as the project Certified Public Accountant.

8) Woodward Place, LLC – a Michigan Brownfield credit project with the investor of Aldi, Inc. Melican and Associates reviewed the project costs to determine what is qualified for Michigan Brownfield tax and prepared the necessary paperwork for the project to receive a certificate of completion from the MEDC as well as the assignment of the credits to the investor.

9) New Amsterdam Activation II, LLC – a federal historic tax credit development, Michigan Brownfield credit with the investor of Comerica bank. Melican and Associates, P.C. prepared a report that we certified the project costs and the eligible basis and consulted on the deal structure. In addition, Melican and Associates, P.C. prepared the necessary paper work for the project to receive a certificate of completion from the MEDC as well as the assignment of the credits to the investor.

These are just some of the projects that Melican and Associates, P.C. worked on.

If you have any comments or questions, please feel free to contact my office.

Very Truly Yours,
Melican and Associates, P.C.

Matthew T. Melican, C.P.A.