

CITY OF MILWAUKEE, WISCONSIN
(A HUD APPROVED ENTITLEMENT COMMUNITY)
PABST SENIOR LIVING (ILF/ALF)
PRESUBMISSION AND CITIZENS PARTICIPATION REQUIREMENTS
PROPOSED APPLICATION FOR SECTION 108 LOAN GUARANTEE
JULY, 2011

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CDGA

CITY OF MILWAUKEE, WISCONSIN
PABST SENIOR LIVING
PRESUBMISSION AND CITIZENS PARTICIPATION REQUIREMENTS:
PROPOSED APPLICATION FOR SECTION 108 LOAN GUARANTEE

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NOTICE OF PUBLIC HEARINGS

The City of Milwaukee, Wisconsin, a HUD approved entitlement public entity, is preparing a Section 108 application to request guaranteed loan funds from HUD to assist in the land/building acquisition and rehabilitation construction of a 124 unit Pabst Senior Living Facility (ILF/ALF) located at Buildings 24, 25, Pabst Brewery Complex, Milwaukee, Wisconsin. Citizens, with particular emphasis on those low and moderate income persons who reside in the areas where guaranteed loan funds are to be used, are encouraged to actively take part in the planning, examination and review of the proposed Section 108 application.

Two City of Milwaukee public hearings are scheduled at the following dates, times and location:

July 11, 2011	10:00 A.M.	Hillside Terrace Management Office 1419 N. 8 th Street Milwaukee, WI 53203 (414) 286-8857
July 18, 2011	9:00 A.M.	Community & Economic Development Committee City Hall, 200 E. Wells Street Milwaukee, WI 53202

Copies of the proposed application (presubmission) and the HUD application with final statement of community development objectives and projected use of funds, as well as additional information about the proposed activities to be carried out with the guaranteed loan funds, may be obtained at the following location between the hours of 8:00 AM and 5:00PM, Monday through Friday

City of Milwaukee
City Clerk's Office, City Hall, Room 205
200 E. Wells Street
Milwaukee, WI 53202
(414) 286-2221

In order to provide affected citizens an opportunity to submit views and comments on community development and housing needs, interested citizens, representatives of neighborhood groups, churches, organizations and local radio stations will be provided, on request, with notices of all public hearings, including times, dates, place, along with the schedule and estimated time frames for the remaining Section 108 application processes. All interested citizens may be heard at the public hearing and/or may enter their views or comments in writing with the City before the date and time of the hearing. In accordance with the Americans with Disabilities Act, persons needing a special accommodation or an interpreter to participate in these proceedings should contact the Milwaukee City Clerk's office, ADA Coordinator (414) 286-2998 at least three (3) days prior to the date of the hearing.

CITY OF MILWAUKEE, WISCONSIN

Notice of the availability of the proposed application has been published community-wide and copies of the proposed application, and additional information about the proposed activities to be carried out with guaranteed loan funds, may be obtained at the following location:

City of Milwaukee, Wisconsin
City Clerk's Office, City Hall, Room 205
200 E. Wells Street
Milwaukee, WI 53202
(414) 286-2221

Timely citizen's examination and review of the proposed application's contents with suggestions, opinions, comments, appraisals and views are encouraged, particularly by low and moderate income persons who reside in the areas where guaranteed loan funds are proposed to be used. Such community participation will allow citizens to determine the degree to which they will be affected.

Proposed Application Processing Contacts

Steven L. Mahan, Director
Community Development Grants Administration
Milwaukee, Wisconsin
200 E. Wells Street, Room 606
Milwaukee, WI 53202
(414) 286-3842

CITY OF MILWAUKEE, WISCONSIN
(A HUD APPROVED ENTITLEMENT COMMUNITY)
PABST SENIOR LIVING
SECTION 108 APPLICATION PROCESS

<u>DATE</u>	<u>EVENT</u>
July 1, 2011	Public notice of hearings and availability of presubmission Section 108 Application
July 11, 2011	Public hearing to review Section 108 Application, obtain citizens input and address community development and housing needs
July 18, 2011	Public hearing to review presubmission Section 108 Application, obtain citizens input and address community development and housing needs
July 20, 2011	Submission to Milwaukee HUD office of Section 108 Loan Application with final statement of community development objectives and projected use of funds for compliance review
August 15, 2011	Submission of compliance approved Section 108 Loan Application to HUD Central/Washington D.C. for final approval
September 15, 2011	HUD approval of Section 108 Loan Application

THE CITY OF MILWAUKEE, WISCONSIN
STANDARD OMB FORM 424-FEDERAL ASSISTANCE

THE CITY OF MILWAUKEE, WISCONSIN
SECTION 108 LOAN PROJECT
SUMMARY

	<u>Section 108 Project</u>	<u>Section 108 Loan Amount</u>
1.	Pabst Senior Living (ILF/ALF)	\$12,341,200

**APPLICATION FOR
FEDERAL ASSISTANCE**

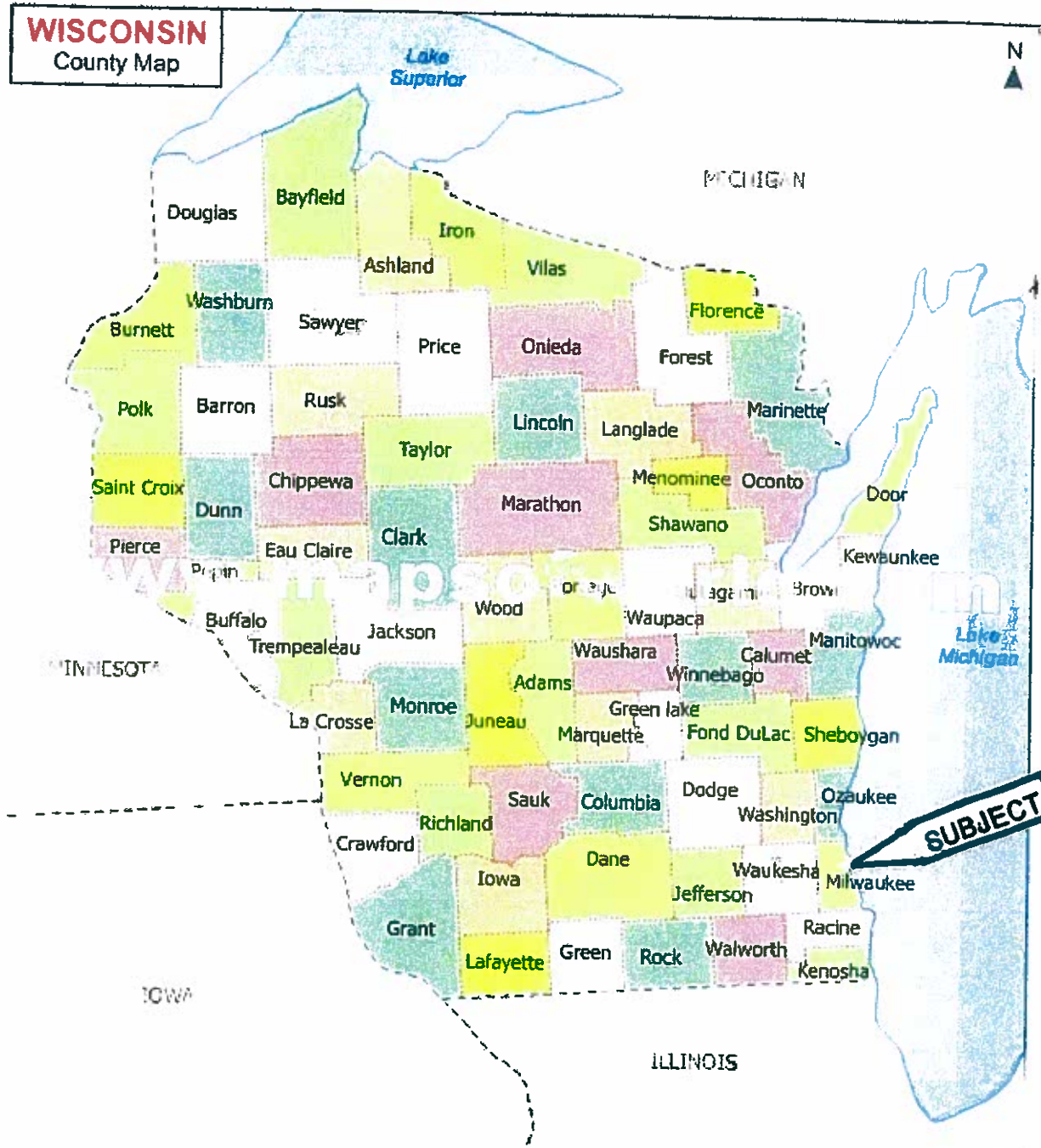
OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED	Applicant Identifier	
<input checked="" type="checkbox"/> Construction	<input type="checkbox"/> Pre-application	3. DATE RECEIVED BY STATE	State Application Identifier	
<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier	
<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Non-Construction	5. APPLICANT INFORMATION		
Legal Name: CITY OF MILWAUKEE, WISCONSIN		Organizational Unit: Department:		
Organizational DUNS:		Division:		
Address: Street: 200 E. WELLS STREET, ROOM 205		Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: MILWAUKEE		Prefix:	First Name: TOM	
County: MILWAUKEE		Middle Name		
State: WISCONSIN	Zip Code 53202	Last Name BARRETT		
Country: USA		Suffix:		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): □□-□□□□□□		Phone Number (give area code) (414) 286-3191		Fax Number (give area code)
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		7. TYPE OF APPLICANT: (See back of form for Application Types) HUD APPROVED ENTITLEMENT COMMUNITY Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): SECTION 108 LOAN GUARANTEE		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Pabst Senior Living (City of Milwaukee, WI) Land Acquisition, ILF/ALF Senior Living Rehabilitation/Construction Interest, Interest Reserve, Financing Costs/Section 108 Compliance Costs		
13. PROPOSED PROJECT Start Date: 9/2011		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 4 TH		
Ending Date: 9/2012		b. Project 4 TH		
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal SECTION 108	\$ 12,341,200.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON		
b. Applicant EQUITY	\$ 10,154,600.00	DATE:		
c. State	\$.00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
d. Local	\$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
e. Other	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
f. Program Income	\$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
g. TOTAL	\$ 22,495,800.00			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.				
a. Authorized Representative				
Prefix	First Name TOM	Middle Name		
Last Name BARRETT	Suffix			
b. Title MAYOR - CITY OF MILWAUKEE	c. Telephone Number (give area code) (414) 286-3191			
d. Signature of Authorized Representative	e. Date Signed			

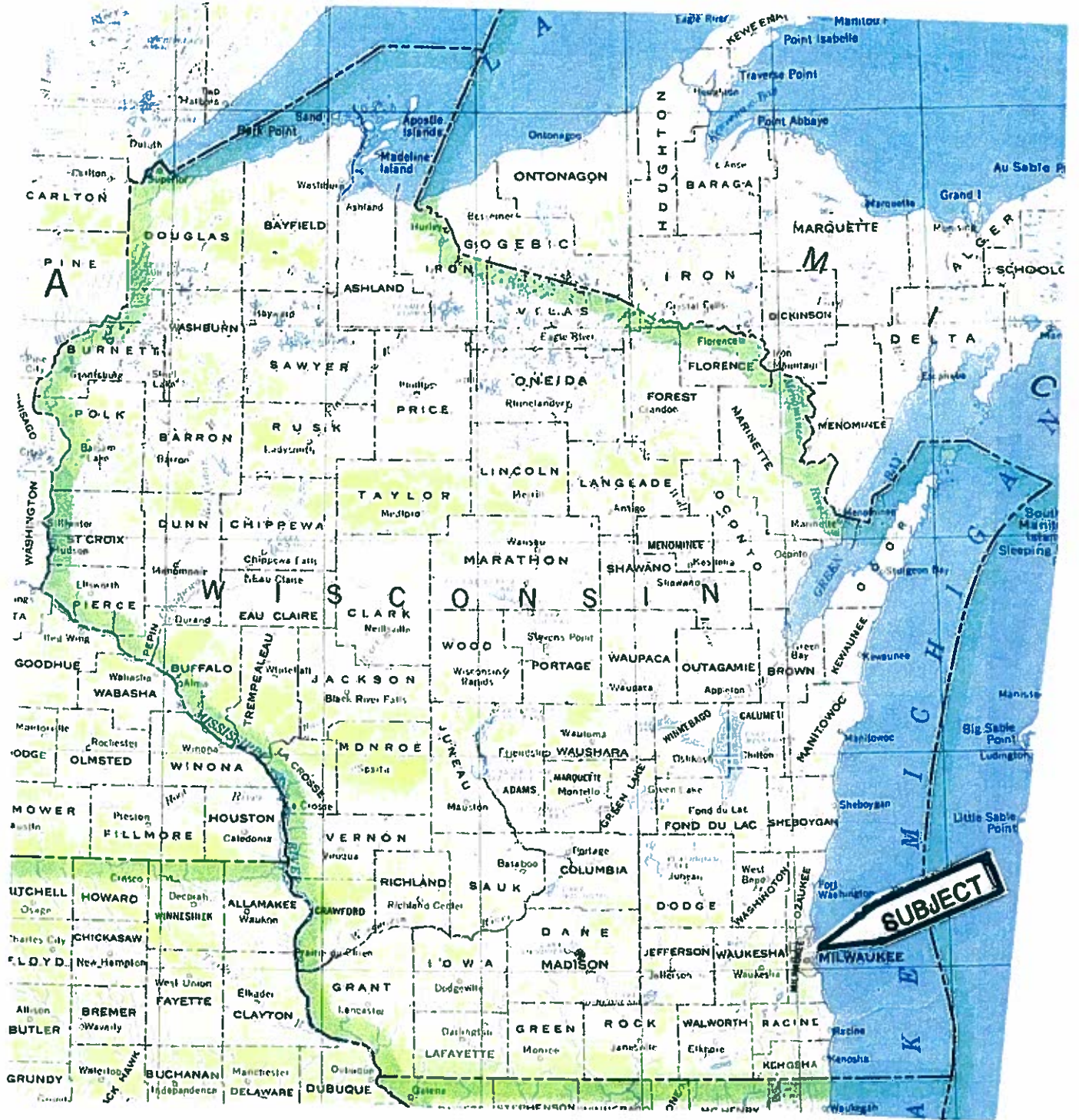
THE CITY OF MILWAUKEE, WISCONSIN
PROJECT/COMMUNITY DEVELOPMENT ACTIVITIES LOCATION MAP
AREA ENVIRONS

WISCONSIN
County Map



PABST SENIOR LIVING
MILWAUKEE, WISCONSIN

Project Vicinity



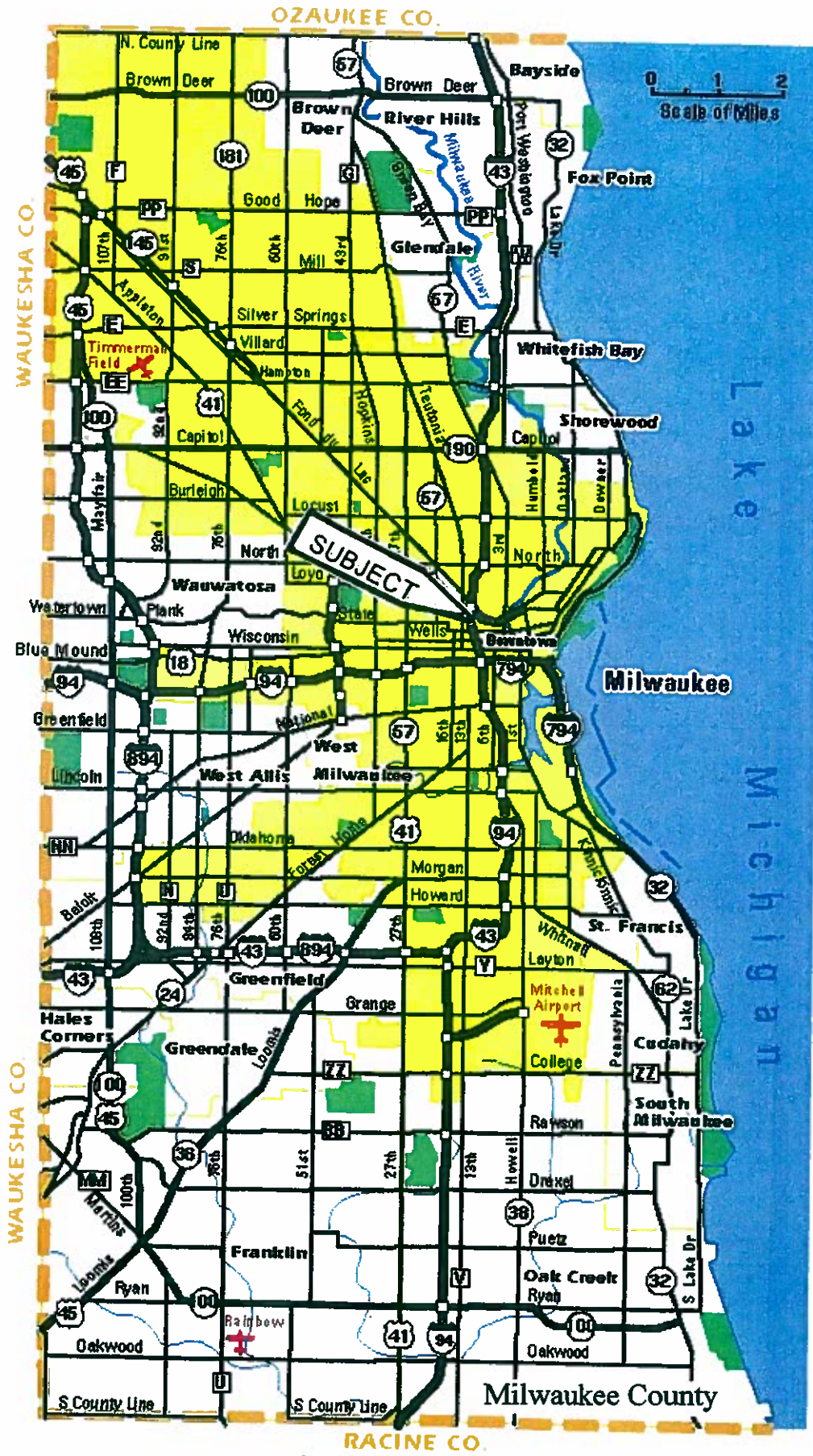
**PABST SENIOR LIVING
MILWAUKEE, WISCONSIN**

Project Vicinity



THE CITY OF MILWAUKEE, WISCONSIN ENVIRONS

The 96 square mile city of Milwaukee, with a current population of 594,800 is located in the lower southeast portion of the State of Wisconsin and bordered to the east by Lake Michigan. Milwaukee is the county seat of Milwaukee County and is the largest city in the State of Wisconsin. Median age is 31 years old and 10.9% of its population are persons 65 years or older, and median family income is \$71,100. The city is the main cultural and economic center of the Milwaukee SMA with a combined population of 1,751,300. Milwaukee has a mayor-council form of government with a strong - mayor who oversees a Common Council of elected members, each representing one of 15 districts in the City. Milwaukee County has a current population of 959,500 and its 241.5 square miles surrounds the city of Milwaukee. The county has 11.4% of its population age 65 years and older. The first Europeans to pass through and settle in the area were french missionaries and fur traders in the early 1800's and the city of Milwaukee was incorporated in 1846. Large numbers of german and other immigrants increased the city's population during the 1840's including polish, italian, greek and other immigrants. Once known almost exclusively as a brewing and manufacturing powerhouse, Milwaukee's image has changed with the decline of industry in the region. In the past decade, major new additions to the city include the Milwaukee Riverwalk, the Frontier Airlines Center, Miller Park, an internationally renowned addition to the Milwaukee Art Museum, and Pier Wisconsin, as well as major renovations to the U.S. Cellular Arena. In addition, many new skyscrapers, condos, lofts and apartments have been constructed in neighborhoods on and near the lakefront and riverbanks. The Milwaukee area has 17 universities and colleges and 323 public schools with an enrollment of over 90,000 students. Service and management jobs are the fastest growing segments of the Milwaukee economy, and health care alone makes up 27% of the jobs in the city. 22% of Milwaukee's workforce is involved in manufacturing. Milwaukee and its suburbs are the home to the international headquarters of 14 Fortune 1000 companies, and the Milwaukee metro area ranks 5th in the U.S. in terms of the number of Fortune 500 company headquarters as a share of population. Because of its direct access to Lake Michigan and other waterways, Milwaukee has historically been home to manufacturing, stockyards, shipping and other heavy industry, and at one time, was the largest shipper of wheat in the world, which led to grain elevators being built, breweries constructed and processing of barley and hops. Milwaukee became synonymous with germans and beer beginning in the 1850's when they set up breweries when they arrived in Milwaukee. The city was once the home to four of the world's largest breweries (Schlitz, Blatz, Pabst and Miller), and was the number one beer producing city in the world for many years. Today, its one remaining major brewery, Miller Brewing Company, is the second-largest beer-maker in the U.S. and employs over 2,200 city workers. Healthcare facilities are provided by the Milwaukee Regional Medical Complex (including 2 hospitals, a blood center, rehabilitation facility and medical college; the Aurora Healthcare (4 medical centers); and four other hospitals. Milwaukee is served by two airports with General Mitchell International Airport the largest in the state; Amtrak Rail, and Greyhound Lines and Jefferson Lines providing intercity bus transportation. I-94 highway comes north from Chicago to Milwaukee and continues west to Madison. I-43 enters the city from the southwest and continues north to Green Bay.



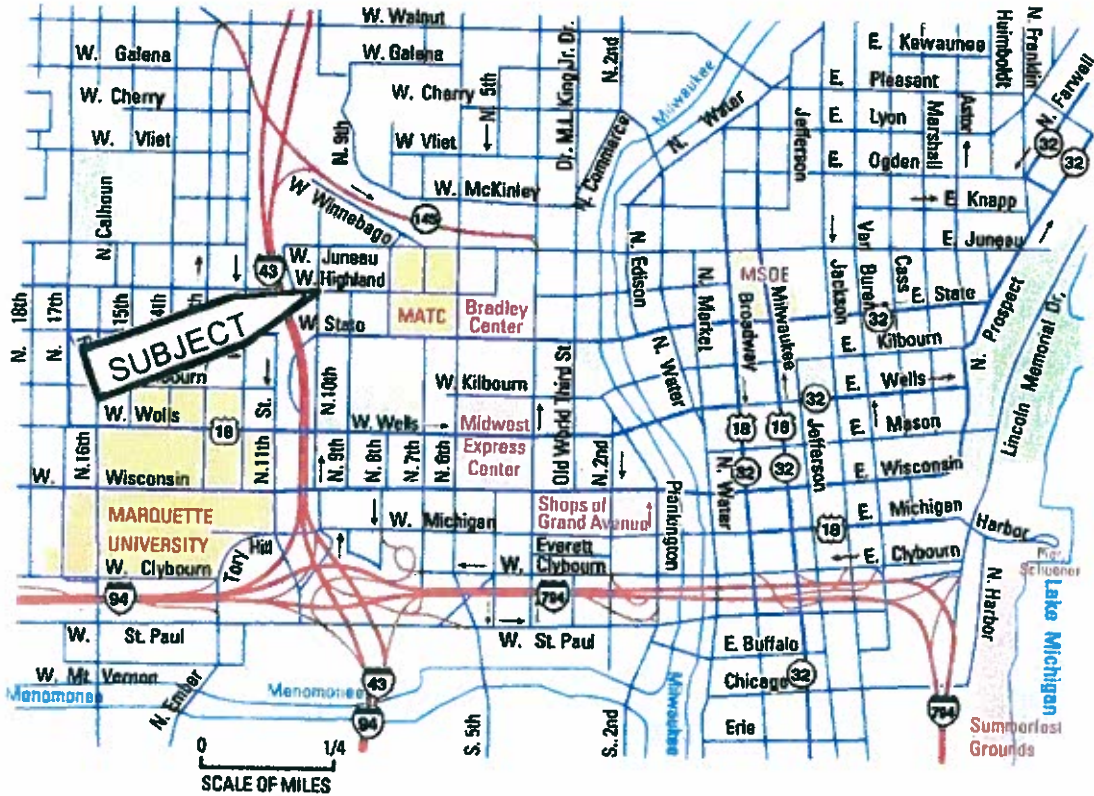
Project Vicinity

MILWAUKEE PABST SENIOR LIVING

PROJECT LOCATION

The proposed 124 unit, Pabst Senior Living Facility (72 units independent living (ILF) and 52 units Assisted Living (ALF), is located in the southwest/center portion of the 21 acre historic Pabst Brewery complex (formerly an abandoned manufacturing complex, now known as The Brewery, and being transformed into a mixed use neighborhood) in the southeast quadrant of the I-43/Rte. 145 intersection in downtown Milwaukee, Wisconsin. The project will be developed in adaptive reuse of the historic, 7-story, 138,000 sq. ft. Pabst Brewery Complex - Building #25 (the Malt House) located between North 10th street and North 11th street with West Highland street to the south and West Juneau Ave to the north. The subject property is generally bounded by Rte. 145 to the North, the Milwaukee River to the east; I-94/Rte. 794 to the south, and I-43 to the west. The adjoining and attached, 7 story Bldg. # 24 is included in the acquisition and was constructed in 1891 as the original Malt bins/silos storage facilities with two rows of seven tile silos. Bldg. # 24 will not be renovated for ILF/ALF uses and will remain as-is for historical purposes.

Map of Downtown Milwaukee, Wisconsin

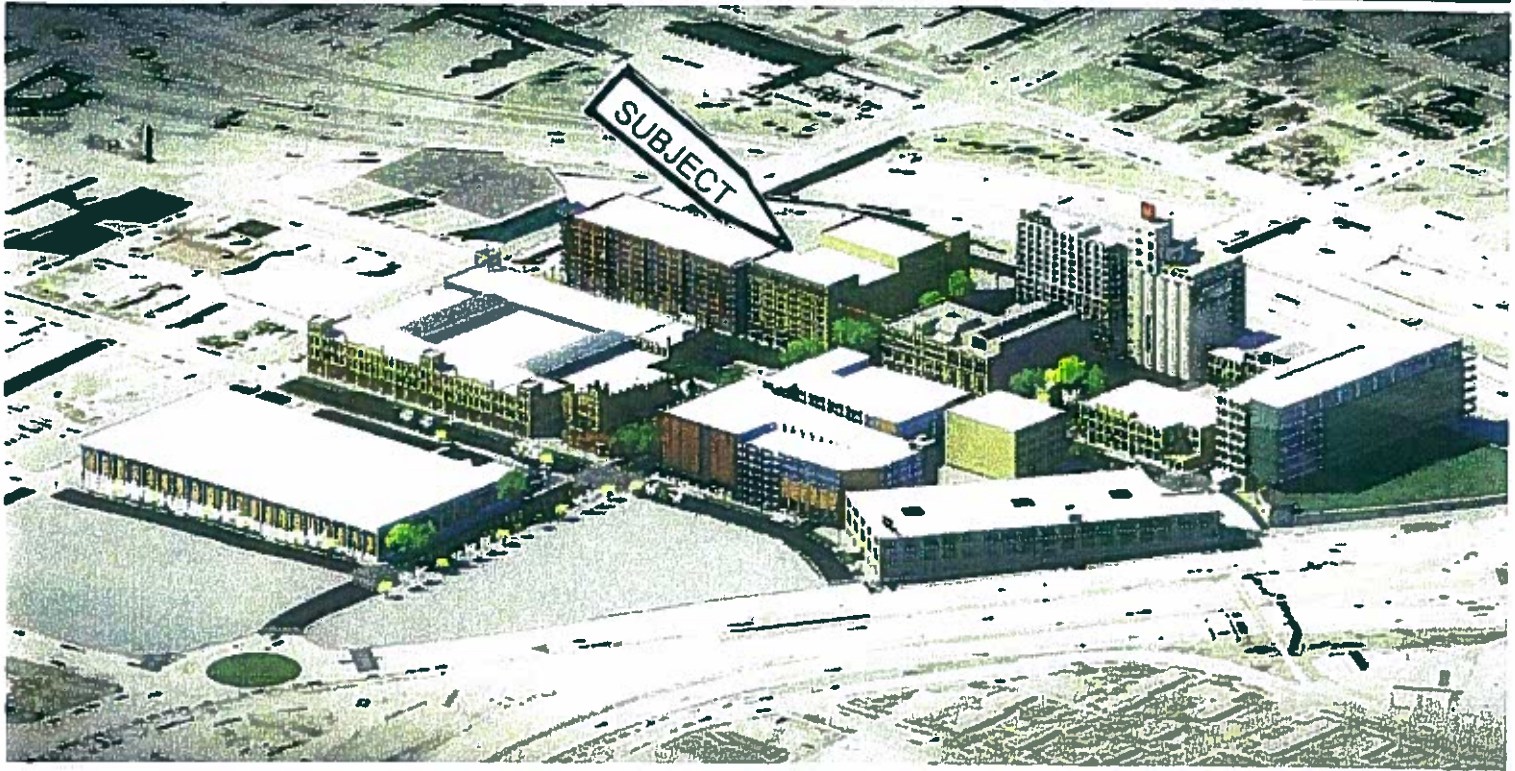


**PABST SENIOR LIVING
MILWAUKEE, WISCONSIN**

Project Vicinity



THE CITY OF MILWAUKEE, WISCONSIN
NARRATIVE DESCRIPTION OF PROPOSED DEVELOPMENT/PROGRAM PLAN
WITH RANGE OF COMMUNITY DEVELOPMENT ACTIVITIES TO BE CARRIED OUT
WITH GUARANTEED LOAN FUNDS; PROJECT DEVELOPER QUALIFICATIONS
TAX INCREMENT FINANCING PROGRAM
FISCAL AND ADMINISTRATIVE CAPACITY TO IMPLEMENT
SECTION 108 LOAN PROGRAM



The Evolution of an Icon...Welcome to The Brewery

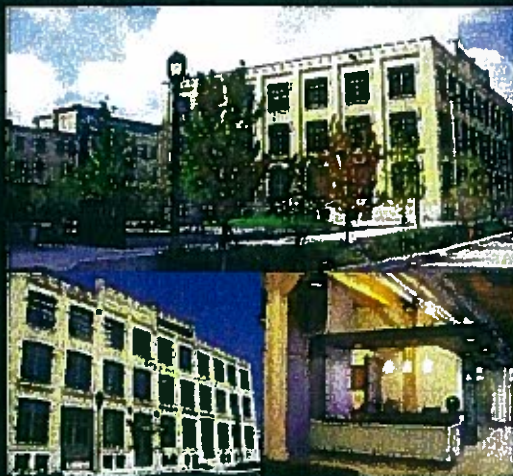
THE BREWERY

A Joseph J. Zilber Historic Redevelopment

The results of over two years of redevelopment efforts are showing with people working, living and learning at The Brewery. Situated on the site that once housed the Pabst Brewery Company, The Brewery has become Milwaukee's newest, sustainable Downtown neighborhood.

Located immediately east of Interstate 43, The Brewery offers a rare mix of historic character, high visibility and superb access.

- Buildings and land site available for purchase
- Master planned neighborhood
- Residential, office and retail opportunities
- Historic Tax Credits and more
- LEED ND sustainable neighborhood
- Accessibility via freeway, city street system and public transportation



All buildings will be delivered to purchasers fully abated, free of all equipment and with all interiors cleared to the lease shell or any otherwise agreed upon specification.

PABST SENIOR LIVING (ILF/ALF)
PROPOSED DEVELOPMENT PLAN
MILWAUKEE PABST SENIOR HOUSING LP (MPSH-PROJECT OWNER)

Project Development Plan Overview

Milwaukee Pabst Senior Housing LP (MPSH - a for-profit managing general partner and a Delaware Limited Partnership) was established for the acquisition and development in an adaptive reuse of the historic, 7-story, 138,000 sq. ft. Pabst Brewery Complex-Building #25 (the Malt House), into a 124 unit Pabst Senior Living (ILF/ALF) facility. The subject property is located in the southeast quadrant of the I-43/Rte. I45 intersection in downtown Milwaukee, Wisconsin.

A) **Pabst Senior Living (ILF/ALF)** - involves the site and building property acquisition of The Brewery building #25 (138,000 sq. ft.), rehabilitation, and installation of infrastructure improvements for the construction of a \$22.4 million, 124 unit senior independent living and assisted living facility, designed for use in providing decent housing and a suitable living environment for persons having special needs (seniors), which will benefit a limited clientele - senior/elderly and/or handicapped persons who are generally presumed by HUD to be principally low and moderate income persons (HUD FY 2011 L/M income limits Milwaukee MSA \$40,500 - \$57,850). MPSH will borrow Section 108 first mortgage funds to acquire and rehabilitate the 138,000 sq. ft. Brewery building #25. MPSH also will provide extensive senior ILF/ALF construction experience, financing, marketing, labor/project management, and the real estate development skills and expertise necessary for the land/project acquisition and installation of infrastructure improvements and to provide ILF/ALF building rehabilitation and construction oversight, cost controls and construction program monitoring skills. The Pabst Senior residential housing improvements will be used for an activity which benefits are limited to a specific group of people i.e. senior citizens, at least 51% of whom are L/M income persons. Also, the Fair Housing Act (FHACT) was amended in 1988 to prohibit discrimination on the basis of disability and familial status. However, housing specifically designed to meet the needs of senior citizens is exempt from the law's familial status requirement provided that it meets the FHACT definition of Housing for older persons.

- (1) Houses at least one person who is 55 years of age or older in at least 80% of the occupied units (or no more than 20% of all residents under the age of 55), and adheres to a policy that demonstrates intent to house persons who are 55 or older, or
- (2) Occupied 100% by persons who are 62 or older.

Exceptions are made by HUD regulations for renters who are under the minimum age if they are handicapped. The proposed 124 unit Pabst Senior Living Facility will allocate 80% of the occupied units (99) for rental with at least one person 55 years of age or older, with age exceptions for handicapped renters. The Section 108 loan program requires that 51% of the total 124 units (63) be offered at monthly rental rates affordable by low and moderate income persons - no more than 80% of the community's median family income (\$72,300). L/M income levels are based on the current annual HUD income limits published for the local community and current L/M income limits for the Milwaukee SMA are \$40,500 - \$57,850, or an average monthly base rental range of \$1012.50 - \$1446.25 with additional amounts charged for added services.

PABST SENIOR LIVING (ILF/ALF)
PROPOSED DEVELOPMENT PLAN

Description of Senior Living Housing and Care (ILF/ALF)

1. **Independent Living Residential Care (ILF)** - Independent living is a living arrangement that maximizes independence and self-determination, especially for disabled persons living in a community instead of a medical facility, and asserting that people with disabilities should have the same civil rights and life choices as people without disabilities. In the context of senior elder care, independent living is a step in the continuum of care, with assisted living being the next step. Independent living means that people want the same choices and control in their every-day lives that other non-disabled people take for granted - the need to feel included, recognized, loved, and having opportunities to make decisions that affect one's life, and to be able to pursue activities of one's own choosing, and having the freedom to fail, and to learn from one's failures.
2. **Assisted Living Residential Care (ALF)** - Assisted living is the largest growing type of housing and provides a special combination of residential housing, personalized supportive services and health care designed for the individual needs of those requiring help with activities of daily living (dressing, bathing, grooming etc.), and who do not require skilled medical care provided in a nursing home. Generally, services and level of care provided includes assistance with daily activities, meals, laundry and housekeeping.

Pabst Senior Living (ILF/ALF) - The 138,000 sq. ft., 7 story, rehabilitated total \$22,495,700 cost building #25, containing 124 units for senior independent living (ILF) and assisted living (ALF) residences, will be rehabilitated over a 12 month construction period, and managed by nationally recognized Life Care Services LLC (LCS), a leader in the planning, development and management of senior living communities, with over 23,000 residents. LCS senior communities provide convenience, celebration, service and security where residents can enjoy their lives to the fullest. The state of art ILF/ALF designed facility will provide affordable senior L/M income rental independent/assisted living in an apartment style setting (average size 650 - 1075 sq. ft.), with common areas and private/semi-private large and small studios, complete with kitchenette, walk in shower, full bath and wall to wall carpeting. Daily supportive service and specially trained professional ILF/ALF staff members will provide residents help with daily activities, meals, laundry, housekeeping and a full activity schedule. Pabst Senior Living is conveniently located close to nearby downtown restaurants, shopping malls, entertainment, cultural events and a variety of area quality health care and medical providers and facilities.

Affordable Senior Living ILF/ALF Rental Housing Market

Aging has become an issue of national concern as life expectancies increase, boosting the number of people who tap into resources such as Social Security and Medicare and who require access to health care services. The baby boomers born between 1946 and 1964 will start turning 65 in 2011, and the number of older people will increase dramatically in the coming decades. The senior population is projected to be twice as large in 2030 as in 2000, growing from 35 million to 71.5 million and representing nearly 20 percent of the U.S. population. Therefore, affordable senior living ILF/ALF apartments are and will be in high demand and short supply. In fact, in the combined City of Milwaukee and Milwaukee County there are over 174,200 persons aged 65 years or older.

Bldg. # 25
Pabst Senior Living (ILF/ALF)

Floor	Bldg. Sq. Ft.	ILF Sq. Ft.	No. Units	ALF Sq. Ft.	No. Units	WIM Sq. Ft.	Office Support Sq. Ft.
1	19,714					15,000	4,714
2	19,714	19,714					
3	19,714	19,714					
4	19,714	19,714					
5	19,714	16,561		3,153			
6	19,714			19,714			
7	19,716			19,716			
Total	138,000	75,703	72	42,583	52	15,000	4,714

Property Description - The 138,000 sq. ft., existing 7-story vacant and historic building #25 (the Malt House) is being purchased from the south/center portion of the Pabst Brewery Complex and now known as (The Brewery) and is bounded by West Highland Avenue to the south, North 10th Street to the east, North 10th Street to the west, and West Juneau Avenue to the north. Situated on the 21 acre historic site that once housed the Pabst Brewery Company, The Brewery, located immediately east of Interstate 43, has become, after four years of redevelopment efforts, one of Milwaukee's newest, sustainable downtown neighborhoods and is preserving one of Milwaukee's most historic areas, which has been listed on the National Register of Historic Places. The 21 acre master planned, mixed-use neighborhood offers residential, office and retail land uses, existing buildings and land for sale, historic tax credits, LEED ND sustainable neighborhoods and convenient accessibility to nearby freeways, city street systems and public transportation networks. Storm drainage systems are in place along with available public water/sewer services, electric, gas, telephone/cable, fire and police services provided by local government and utility companies. The Malt House (building #25) is eligible for federal and state historic rehabilitation tax credits and is located in and eligible new market tax credit census tract. Included in the purchase of Bldg. #25 (the Malt House) is the adjoining and attached 7 story Bldg. # 24 (constructed in 1891 as the original Malt bins/silos storage facility); with two rows of seven tile silos). The building will not be renovated and will remain as-is for historical purposes.

THE BREWERY

In August 2006 Joseph J. Zilber, a successful business man and philanthropist, closed on the purchased of the former Pabst Brewery complex in downtown Milwaukee, WI. Pabst corporate leadership had closed and virtually abandoned their original brewery complex in 1996. The complex is located at the gateway to downtown Milwaukee and has great historic value. Mr. Zilber vision was to redevelopment this historic but severely deteriorated 6 ½ block (21 acre) area into downtown Milwaukee's next great neighborhood built around the themes of historic preservation and sustainability. By the end of calendar 2006 the Zilber owned entity Brewery Project LLC had entered into the largest public-private partnership in the City of Milwaukee history and also had rezoned the property from manufacturing to mixed use. Beginning in January 2007 the massive site preparation work was underway which has led to significant development even during some of the most trying of financial times experienced since the great depression.

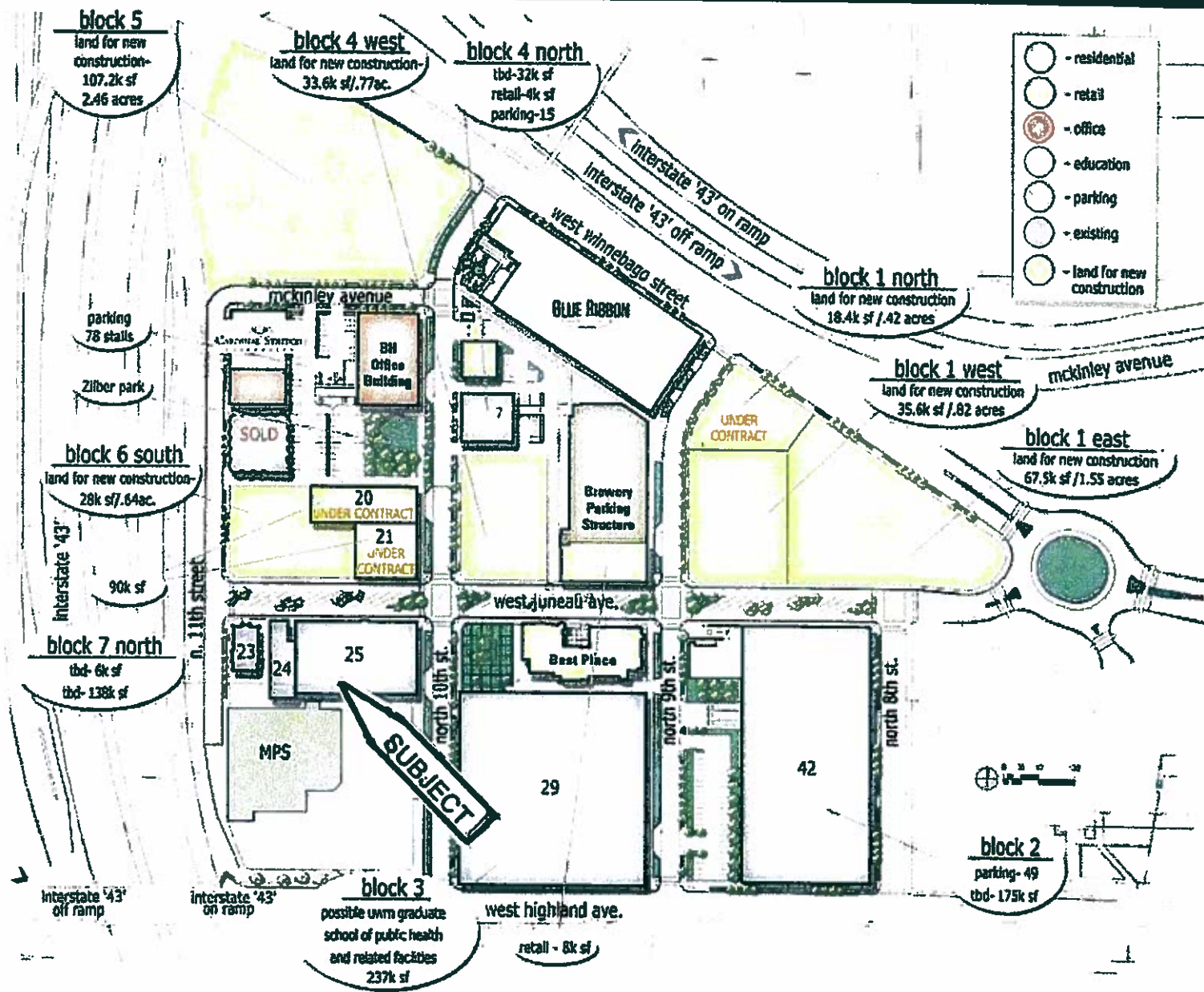
The redevelopment of the former Pabst Brewery complex in downtown Milwaukee represents one of the largest public-private partnerships in the City of Milwaukee and State of Wisconsin's history. The City of Milwaukee through a Tax Incremental Financing (TIF) Program and with the approval of the Mayor and Common Council entered into a Development Agreement with Brewery Project LLC in which the City committed \$28.242 million in financial support of this redevelopment project. Those funds were used for site infrastructure, environmental remediation and selected demolition activities. The State of Wisconsin's Department of Commerce also contributed \$800,000 to assist in addressing the extensive demolition costs including asbestos abatement and removal of environmentally impacted soils that were found on this manufacturing site that dates back to 1844. This grant which was approved by the Secretary of the Department of Commerce was one of the largest in the State of Wisconsin's history.

The land use and other zoning criteria for The Brewery is based on a mixed use concept and uses the city of Milwaukee's Development Incentive Zone overlay district technique that provides for a wide ranges of permitted uses along with requiring time tested urban design principles and the use of high quality building materials. Mr. Zilber leadership can be seen on the Brewery's unprecedented commitment to sustainability reflected in a 180 page sustainability Guideline and its designation as a Platinum LEED Neighborhood Development (Pre-Review).

Since initial work began to transform the former Pabst Brewery into downtown Milwaukee's next great neighborhood over \$80 million has been invested in The Brewery. This investment came from multiple sources including funds from the Master Developer (Brewery Project LLC), other private developers who purchased historic building or land sites and redeveloped them (using United States Federal Tax Credits), the City of Milwaukee and State of Wisconsin. The results include a successful apartment complex, a fully leased office building, the new home of Cardinal Stritch University's School of Education and Leadership and the University of Wisconsin – Milwaukee's

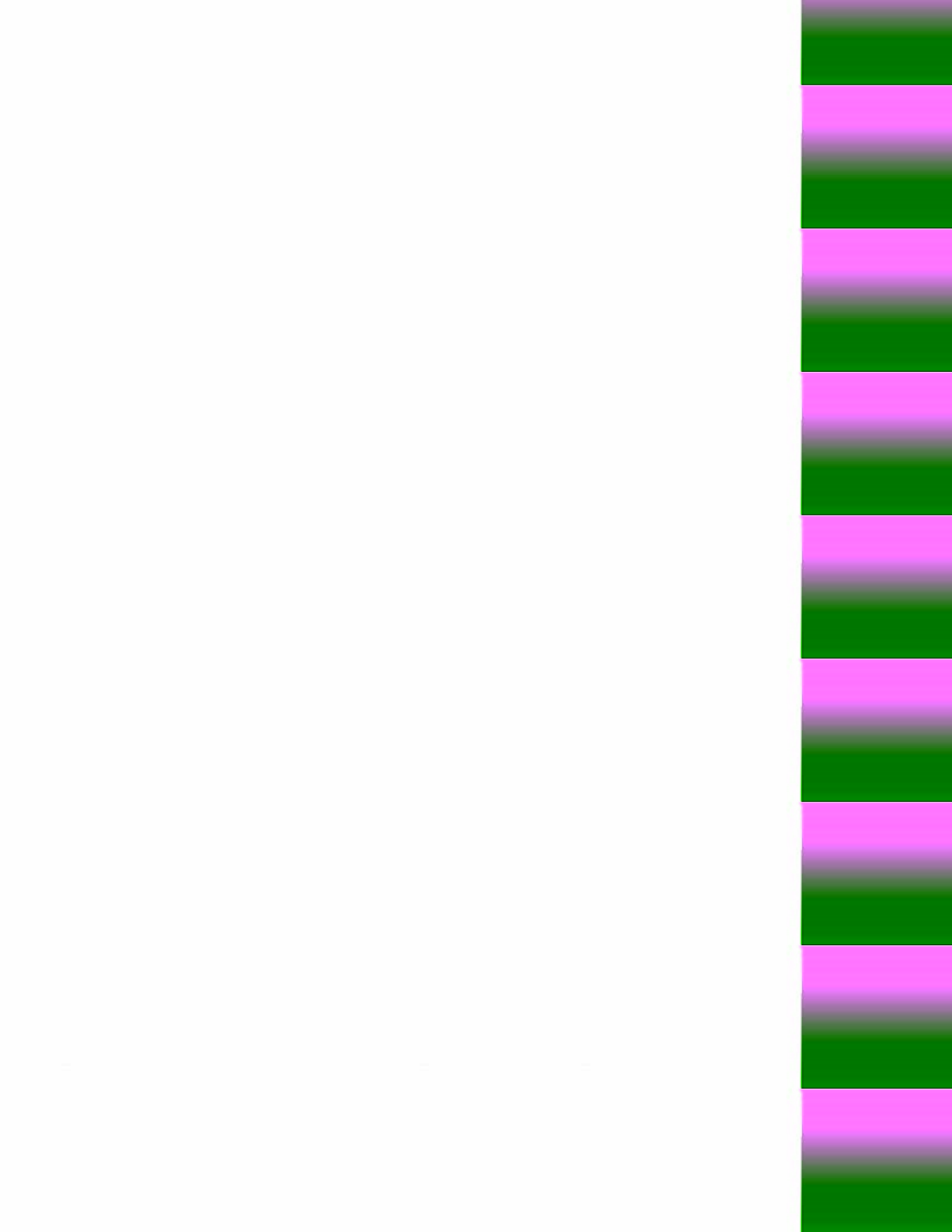
School of Public Health (opening summer 2012). Also 2 private parking assets have been developed including a 78 stall surface parking lot and a 908 stall, 8 level LEED Gold Parking Structure. We expect that during 2011 and 2012 that this investment number will continue to grow at a substantial pace.

Conceptual Site Plan



THE BREWERY

A Joseph J. Zilber Historic Redevelopment



Bridge (structure): ca. 1891

(Contributing)

This metal bridge spans Jumeau Avenue and connects the mill house (building #25) to the engine, mill and refrigeration machines building (building #21). Affixed to the east face of this bridge is illuminated

GREEN BUILDING DESIGN - PABST SENIOR LIVING

In response to current environmental issues and opportunities, the Developer (MPSH) working with Whitestone Realty Capital ("WRC") has now developed a Green Energy Program that provides the resources to evaluate all available green development options; estimate annual reductions in energy usage; and determine program ROI profiles. From technology assessment, to development feasibility and project management, the WRC Green Team is dedicated to achieving LEED certification for the proposed Pabst Senior Living and, in doing so, contribute to a healthier, more sustainable environment. The project will be developed on a geothermal platform which will enable the proposed project to capture significant cost avoidance (savings) in energy usage. In addition to using atoms, water, natural gas, sun and wind for alternative/renewable energy production, the earth's constant temperature is yet another way to tap nature's power for our benefit. Geothermal energy is clean, reliable and renewable. Virtually anywhere in the U.S., the upper 10 feet of Earth's surface maintains a nearly constant temperature between 50 and 60°F. A geothermal heat pump consists of pipes buried in the shallow ground, a heat exchanger, and ductwork into the building. In winter, heat from the relatively warmer ground goes through the heat exchanger into the structure. In summer, hot air from the building is pulled through the heat exchanger into the relatively cooler ground. As a bonus, heat removed during the summer can be used as no-cost energy to also heat water. The WRC Green Team is experienced in the commercial application of geothermal systems which can lower energy cost by more than 40%. Further evaluation will be made as to the application of solar thermal technology to reduce energy costs in heating water and roof top solar photovoltaics (PV) for the additional generation of renewable energy. In addition to renewable generation systems, WRC will develop the project with a full complement of energy efficiency systems to drive cost savings on the utilization of energy. Using green building design, the project location will create more energy each year than it consumes.

PABST SENIOR LIVING
PERMANENT JOB CREATION BENEFITS

It is estimated that when completed and operating Pabst Senior Living (ILF/ALF) will provide 110 jobs including 100 full time permanent job positions to City residents within two years after completion of the project.

PABST SENIOR LIVING (ILF/ALF)
LISTING BY JOB TITLE OF THE PROSPECTIVE PERMANENT
JOBS TO BE CREATED

JOB TITLE/POSITION	TOTAL NO. JOBS TO BE CREATED	NO. PERMANENT JOBS TO BE CREATED
A. Management, Directors, Administration		
1. Ex. Dir, Assistant	2	2
2. Res. Services, Comm. Life, Human Resources	2	2
3. Business office Sales/Marketing	6	6
4. Food Services/Hospitality	1	1
5. Health Services	1	1
6. Housekeeping/Laundry	1	1
7. Health Services, Program Director	2	2
B. Accounting		
1. Payroll, Billing	2	2
C. Community Life/Activity		
1. Event Planner/Assist. Recreation	4	4
D. Dining/Food Service		
1. Manager	2	2
2. Host/Hostess	2	2
3. Cooks/Prep, Utility/Delivery	6	6
4. Bartenders, Waiter/Waitress, Banquet	20	15
E. Home health		
1. Director, Nursing Assistants	8	8
F. Housekeeping		
1. Housekeepers, Porters/Laundry	9	9
G. Maintenance		
1. Maint. Tech, Security	6	6
H. IL/AL		
1. Med Aids, Nursing/Activities Asst.	27	22
I. Transportation	5	5
J. Spa/Beauty Salon, technologies	4	4
TOTAL, EMPLOYMENT	<u>110</u>	<u>100</u>

FY 2011 HUD low and moderate income limits for the Milwaukee MSA are from \$40,500 - \$57,850. The project developer reasonable expects to the best of its knowledge and belief, that the actual employment estimates will occur, however, there can be no assurance that it will in the exact scenario provided because it is impossible for job creation or retention estimates to be 100% accurate. A "permanent job" means any full-time job position in the City reasonable expected to exist for a period of more than one (1) year from the date such position is created and first becomes available to prospective employees (as distinguished from a job position of a known, short term duration, such as a construction job expected to exist only for one year or less) and employees means any person employed by the project.

RANGE OF COMMUNITY DEVELOPMENT ACTIVITIES TO BE CARRIED OUT WITH GUARANTEED LOAN FUNDS

The total project development costs for the land/ building acquisition and rehabilitation of the 124 unit Pabst Senior Living ILF/ALF Project is \$22,495,800. Included in this total is \$10,154,600 in developer equity and historic tax credits, and a City of Milwaukee \$12,341,200 Section 108 loan guarantee first mortgage. Construction work is expected to begin in the fall of 2011, and to be completed in 12 months. The \$12,341,200 in Section 108 eligible activities include \$2,350,000 land/building acquisition/closing costs 570.703(a); \$7,916,608 residential housing rehabilitation 570.703(h)/570.202(b)(1); \$1,480,944 Section 108 construction interest and interest reserves 570.703(c); \$493,648 private sector Section 108 financing costs 570.703(g); and \$100,000 Section 108 compliance/management of assisted activities 570.703(g). The Section 108 loan funds arranged by the City of Milwaukee will be a financial obligation of the Project and will be paid back, over a mutually agreed period of time, out of the Project revenues and reserves set aside for debt service obligations. To the extent practical, the developer will use local contractors with priority emphasis on minority firms, workers, subs and suppliers for project construction, materials, equipment, fixtures, etc.

PABST SENIOR LIVING
SECTION 108 ELIGIBLE ACTIVITIES

Development Item	Amount	Eligible Activity	National Objective
1. Land/Property Acquisition, Closing, Legal, Title, Accounting	\$2,350,000	570.703(a)	Activities Benefitting L/M Income Persons - Housing 570.208(a)(3)
2. Rehabilitation Senior Living Residential Housing ILF/ALF	7,916,608	570.703(h)/570.202(b)(1)	L/M Housing
3. Construction Interest	493,648	570.703(c)	L/M Housing
4. Section 108 Interest Reserve - 2 years	987,296	Payment of Interest on Section 108 Loan 570.703(c)	L/M Housing
5. Private Sector Section 108 Financing Cost	493,648	Payment of 108 Issuance Costs. 570.703(g)	L/M Housing
6. Section 108 Compliance/Management of Assisted Activities	100,000	570.703(g)	L/M Housing
TOTAL, SECTION 108 LOAN	\$12,341,200		

PROJECT DEVELOPER QUALIFICATIONS

DEVELOPER QUALIFICATIONS

- A. **Pabst Senior Living Borrowing Entity -**
Milwaukee Pabst Senior Housing LP - a Delaware Limited Partnership
 - 1. **General Partners**
 - A. **Whitestone Pabst Senior Housing Associates, LLC**
A Delaware Limited Liability Company (comprised of the managing directors of Whitestone Realty Capital LLC)
 - B. **R & R Capital LLC** (Robert Lubin, Esq.)

Whitestone Realty Capital LLC (www.whitstonerealty.com)

Established in 2001, WRC concentrates on establishing a project-specific, performance-driven culture providing value-added construction management services throughout the development process. WRC's construction management expertise focuses on all aspects of large-scale projects, including Independent Living Facilities, hotels shopping centers, senior housing, mixed-use retail/office/hospitality/residential projects, build and renovate-to-suit office buildings, residential complexes, and related entertainment facilities and condominiums.

WRC's vision of the hospitality financing and development sector is focused on achieving the primary objectives for each client and each project: market feasibility; product positioning; successful market penetration through seasoned management; and, where appropriate, property sales.

Acting as a contract developer or principal in select engagements, WRC consistently keeps long-range project goals in mind while assisting our clients at any point from project initiation to completion by:

- Determining feasibility
- Conceptualizing and developing project positioning and design
- Providing project and construction management oversight
- Raising equity capital and debt
- Identifying and structuring joint venture partnerships and strategic alliances
- Sourcing management companies, developers, hotel companies and bringing value engineering to the development process
- Marketing and sales of the project's various real estate components.

Whether WRC acts as the project developer, co-developer or as a member of the development team, thoroughly understanding the long-term objectives allows WRC to be more effective in every aspect of project development.

WRC Project Management & Advisory Services

The WRC team assists clients in achieving their goals through every phase of the real estate market and property cycles, and across a complete spectrum of activities including: developing real estate strategies, evaluating acquisitions, divestitures and development activities, and strategizing financing options. In regard to the subject transaction, four WRC Directors will be Members of the owning LLC and bring their expertise to every phase of the Project from initial redevelopment/repositioning through Project completion and stabilization. Two WRC team members will be specifically involved in the ILF program, coordinating their activities with the management company.

WRC Current Project Summary

WRC is presently providing financing and development services as Exclusive Advisor, Developer and/or Co-developer of the following projects:

Residential Urban Developments:

- 72-unit apartment project with retail in Williamsburg, Brooklyn, NY at 53 Broadway to be built with Federal Tax Credits and Grants to be financed by HUD Section 220 in a 9-story building.
- 108-unit in Evanston, IL AL in an 8-story building to be financed by HUD 232
- 130-unit with 7,300 sq ft Historic Tax Credit deal in Kansas City, MO to be financed by HUD 221 (d) (4) in an 8-story building.
- 332-unit with 41,925 sq ft Historic Tax Credit Deal market rate and affordable units in Chicago, IL to be financed by HUD 221 (d) (4) in a 4-story building.
- 160-unit with 17,000 sq ft of retail Historic Tax Credit Deal in Cincinnati Ohio financed by HUD 221 (D)(4) in a 9-story building.
- 75-unit with 10,776 sq ft of retail Historic Tax Credits deal be financed by HUD in Rochester, NY financed by HUD 221 (D)(4) in a 6-story building.
- 120-unit Historic with 10,500 sq ft of retail and 170-car parking garage Historic Tax Credit Federal Tax Credits and Grants in a mixed-use building to be financed by HUD in Albany, NY to be financed by HUD Section 220 in a 7-story building.
- 72-unit loft apartment project with 12,000 sq ft of retail and a garage in Miami with retail to be built with Federal Tax Credits and Grants and potentially to be financed by HUD section 220 in a 7-story building
- 54,000 sq ft Historic mixed use building: Historic Tax Credits and Federal Tax Credits and Grants, Schenectady, NY in a 3-story building.

- 139-unit apartment building in Bremerton WA in a 12-story building, first phase of a 467-unit project in four buildings financed by HUD 221 (D)(4),

Affordable Housing Projects:

- 21-unit Senior Housing Project with 5,800 sq ft of retail: Low Income Housing Tax Credits, Schenectady, NY in a 3-story building
- 96-unit Senior Housing Project: Low Income Housing Tax Credits, Amsterdam, NY in a 3-story building
- 150-unit affordable project with Historic Tax Credits and Low Income Tax Credit in Hartford, CT in a 5-story building
- 98-unit affordable project with Low Income Tax Credit in Bremerton, WA in a 5-story building

Senior Housing Developments:

- 100-unit AL, located in Ocala, FL, to be financed by HUD pursuant to Section 232, 500 units of multi-family all to be financed by HUD, 500 work force housing and when time permits market rate housing, potentially hotels, retail and office to be funded by HUD 108 financing.
- 100-unit AL, located in St. Augustine, FL, and a 120-unit IL to be HUD financed under section 232 and a 100-unit IL to be HUD financed under section 231 and 283 single family units of work force housing to be funded by HUD 108 financing.
- 100-unit, located in Windermere, GA, AL and a 120-unit IL to be HUD financed under section 232 and a 120-unit IL to be HUD financed under section 231.
- 38-unit senior housing, located in Rockford, IL, to be financed by HUD to be HUD financed under section 231.

Single family

- 154-unit single family project, located in Ronceverte, WVA, proximate to The Greenbrier Resort, initially affordable houses for sale.

The majority of the above projects will be developed utilizing renewable / alternative energy technologies including geothermal energy, solar hot water heating, roof top photovoltaics enabling each to achieve LEED Silver or Gold certification. Several will be sponsoring Project-specific Whitestone Institutes to advance local and regional economic development and workforce creation.

Michael Zukerman is CEO and Founder of Whitestone Realty Capital LLC. Mr. Zukerman has been a practicing attorney specializing in real estate and securities since 1967; he was Managing Partner of the New York office of Baskin & Sears from 1979-1985; and is presently "of counsel" to Warshaw Burstein Cohen Schlesinger and Kuh LLP specializing in real estate finance, structured finance and real estate development. He is an adjunct professor at NYU Schack Real Estate Institute where he teaches a graduate course entitled "The Development Process". Mr. Zukerman has conducted seminars at the Crittenden National Conference for ten years entitled "Mezzanine versus Equity". The last two years the seminar was changed to "How to Survive as a Developer in the Present Economic Environment. He has taught seminars on mezzanine financing to graduate students at the Newman Real Estate Institute at the Bernard Baruch School of Business of the City University of New York. Some more noteworthy transactions Mr. Zukerman has been involved in include arranging the first \$140,000,000 securitized mortgage-backed financing ever completed without credit enhancement in 1991 together with a "follow on" transaction for the same company of similar size in 1993; closing the first \$127,000,000 conduit financing ever completed in 1992; acting as financial advisor to a REIT in 1993 (\$90 million of equity); coordinating the merger of a shopping center owner operator into a mortgage REIT and creating a large equity REIT that had a capitalization of over \$700,000,000 when it was sold; and arranging \$200,000,000 financing for an acquirer of environmentally distressed assets in 1997. He presently is lawyer and consultant on the development of a \$300 million 4 ½ star hotel and condo project on a historic premier building in Manhattan for the initial roll out of a new hotel brand.

Martin Zukerman is a Managing Director of Whitestone Realty Capital and the general partner of a 248-unit condo conversion in Long Beach, N .Y. which has returned its investors in excess of three times their initial investment. He was the Managing General Partner of a 768-unit multi-family complex which sold and delivered \$5,300,000 to the partners. He retains an interest in a large historic office building re-development in Buffalo, N .Y. which he completed in conjunction with a local developer and has been a partner in various developments and responsible for financial structuring. For the last 30 years, Mr. Zukerman has been a mortgage broker and financier specializing in mezzanine debt and equity financing client transactions throughout the U.S.

Notable development projects that Michael and Martin Zukerman have been involved with include the following:

- 754 apartments built under HUD Section 220 in Rockaway Park, NY;
- Construction and lease of three discount department stores, including two Govco Department Stores in Indianapolis, IN, and a Bargain Town in Hempstead, NY;
- Lead developers of the 365-acre Shank Airport in Indianapolis, IN, including 150 residential apartments (conventionally financed), three auto dealerships and a Govco Department Store before the project was sold;
- Martin is the general partner in the rehab/repositioning of apartments to condominiums of a 250-unit development located at 520 Shore Road, Long Beach, NY;
- Martin was a general partner of rehab and eventual sale of the 210,00-square foot Brisbane Building, Buffalo, NY;
- Martin has been the general partner of the following projects, all of which were sold at a profit:

- 250,000-square foot Hills Plaza Shopping Center, Johnstown, PA;
 - 150-unit Bear Road Apartments, Syracuse NY;
 - 125,000-square foot Airport Plaza, Buffalo, NY
- Martin has managed a 50-unit apartment building located at 39th Street and Lexington Avenue, New York City, NY.
- Michael was a 25% owner and co-managing partner in a shopping center portfolio, which owned 6 shopping centers, approximately 1,000,000 SF located in Frankfort, KY; Rockford, IL; two in Kansas City Metropolitan Area; Bloomington, IN; and West Hartford, CT.
- Michael was a 16% owner in a 5 shopping center portfolio, totaling approximately 750,000 SF, in Florida.

Roger Rosen is the Managing Director of Whitestone Realty Capital LLC's Construction & Project Management sector. With over 30 years of experience with general contractors, construction management and project management firms, Mr. Rosen provides WRC clients with in-depth estimating expertise in all 16 divisions within conceptual estimating, hard bid and lump sum bidding on commercial design/build hospitality, multifamily residential, office buildings and educational facilities. Mr. Rosen has established strong client relationships by providing project management, contract administration and project marketing expertise resulting in new business strategies that have dramatically improved business profits.

Notable projects Mr. Rosen has been involved with prior to his affiliation with WRC include the following:

- Cayo Largo Hotel, a \$270 million luxury Hotel/condo, golf course & marina development;
- Marco Island Marriott, Marco Island, FL, a \$205 million 14-story development;
- InterContinental Hotel, Rio de Janeiro, a \$122 million, 34-story property;
- Technology Square & Hotel, Georgia Tech, Atlanta, GA, a \$105 million, 18-story development;
- InterContinental Hotel, New York, NY, an \$80 million, 28-story renovation;
- Doubletree World Arena, Colorado Springs, CO, a \$78 million 18-story development;
- Marquette Hotel, Minneapolis, MN, a \$70 million, 26-story development;
- InterContinental Chicago, Chicago, IL, a \$70 million development;
- Executive Plaza Hotel, Chicago, IL, a \$70 million, 22-story development;
- Metropolitan Hotel, New York, NY, a \$53 million, 26-story development;
- Plaza Resort & Spa, Daytona, FL, a 52 million, 14-story development;
- Crowne Plaza Hotel (Williams St.), New York, NY, a \$50 million development;
- Crowne Plaza Hotel (United Nations), New York, NY, a \$45 million development;
- Cheyenne Mountain Resort, Colorado Springs, CO, a \$45 million development;
- Marriott Hotel, Colorado Springs, CO, a \$45 million development;
- Wyndham Hotel Peaks, Telluride, CO, a \$45 million development;
- Lacosta Resort & Spa, Carlsbad, CA, a \$38 million renovation

Peter A. Griffith is a Managing Director of Whitestone Realty Capital LLC. During his 35-year career in the hospitality industry, he has developed a unique industry perspective and related expertise as a result of his diverse experience in operations, consulting and project development and finance. From 1974 through 1978, Mr. Griffith held both

national and property-level management positions in sales and marketing with both Hyatt and Marriott Hotel Corporations. During Mr. Griffith's consulting career, he was a Principal with Pannell, Kerr, Forster and Senior Principal with Laventhol & Horwath where he was responsible for overall business development and management of each firm's Northeast Regional Management Advisory Services divisions. During his development career, Mr. Griffith served as Senior Vice President of Mariner Hotel Corporation from 1980-1985 during which time he initiated the development and acquisition of hotel properties valued in excess of \$300 million. Mr. Griffith also served as Senior Vice President of Guest Quarters Suites Hotels.

Notable projects Mr. Griffith has been involved with prior to WRC include the following:

- 292-room Marriott Hotel San Antonio Northwest, San Antonio, TX;
- 300-room Miami Marriott Dadeland Hotel, Miami, FL;
- 288-room Huntsville Marriott Hotel, Space & Rocket Center, Huntsville, AL;
- 3-hotel property acquisition from the Great American Mortgage and Investment (GAMI) portfolio

Mr. Griffith is also the Managing Member and Founder of Global Renewable Energies, LLC and a Director of the GRE Sustainability Institute which is the planning and execution model for the proposed Whitestone Institutes which will be established in many WRC projects in order to expand each project's overall economic impact and required job creation. Mr. Griffith is a Graduate of Distinction from Cornell University's School of Hotel Administration.

Gary Levine is a Managing Director of Whitestone Realty Capital. He was Vice President and Division Head, Commercial Real Estate Division, of K Hovnanian Companies and guided a staff of thirty-five managers and administrators. During his tenure, he developed approximately 2,000,000 square feet of real estate and additionally managed 1,200,000 million square feet. The properties included retail, office, apartments, flex buildings and self storage facilities. For his own account he successfully developed a 224-unit townhouse community in Mahwah, New Jersey and a 20-unit planned development comprised of 16 luxury townhouses and four single family homes in Hawthorne, New Jersey. He was a Senior Vice President real estate analyst responsible for all real estate and real estate investment trust research for Josephthal & Co where he initiated coverage of fifteen REITs and published numerous reports and opinions on these companies and the industry. Mr. Levine was also Vice President – Real Estate Direct Investments at Prudential Bache Securities and was responsible for negotiating and structuring tax and income oriented real estate partnerships.

WRC Current Project Summary:

WRC is presently Developer and/or Co-developer of the following projects:

Senior Housing:

- 125 unit, \$17.8 million Assisted Living project, in Ocala, FL, to be followed by market rate housing, single family, hospitality, retail and office uses.

- 108-unit Assisted Living and a 100-unit Independent Living, \$33.1 million project to be developed in St. Augustine, FL.
- 120-unit Assisted Living and an 60-unit Independent Living, \$30.6 million project to be developed in Cummings, GA.
- 100-unit Independent Living and 108-unit Assisted Living, \$48.5 million redevelopment of an existing 240,000 SF building, located on the site of the historic Pabst Brewery, Milwaukee, WI, Investors, Federal and State Historic Tax Credits, and NMTCS.
- 150-unit Senior Housing, \$24.9 million project to be developed on a site bordering Lake Geneva, WI.
- 80 Unit Independent Living and 50 Unit Assisted Unit Project in Orlando, FL.
- 119-unit Independent Living and 41-unit Assisted Living, \$14.77 million development located in Peachtree City, GA.
- 90-unit Independent Living and retail, \$22.6 million project to be developed in Kent, WA.
- 130 Unit Senior Housing \$21 million project including 80 Units of IL and 50 Units of AL.

Urban Residential Developments:

- 130-unit, 8-story, 7,300 SF retail, \$27.1 million historic redevelopment located in Kansas City, MO.
- 150-room Staybridge Suites Hotel, 141 residential units, 20,000 SF of retail and 230-car parking garage within a \$57.4 million, 240,000 SF mixed-use development located opposite the entrance of Coors Field in downtown Denver, CO.
- 332-unit, 4-story, \$81.1 million redevelopment of the historic 1929 Rosenwald Apartment complex located in Chicago, IL.
- 160-unit, 9-story, \$29.8 million redevelopment of the historic Cincinnati Enquirer building, including 17,000 SF of retail, located in downtown Cincinnati OH.
- 75-unit, 6-story, \$14.3 million redevelopment of the historic Cox Building, including 10,776 SF of retail, located in Rochester, NY.

- 139-unit, 17-story, \$28.5 million apartment building to be developed in Bremerton, WA representing Phase I of an overall 467-unit, 4-tower development.

Hotels:

- 106-room, \$12.3 million Hilton2 Suites hotel to be developed in Bloomington, IN.
- 200-room, \$43.8 million Embassy Suites hotel redevelopment of the historic DeWitt Clinton hotel in downtown Albany, NY financed with significant TIF/Grant subsidies.
- 162-room, \$41.9 million redevelopment of the 224,000 SF historic 1910 Cleveland Athletic Club building located in downtown Cleveland, OH. This project will include the restoration of the 500-member Cleveland Athletic Club and the development of the 165-seat Trader Vic's Island Bar and Grill. Financing will include significant TIF/Grant subsidies.

The majority of the above projects will be developed utilizing renewable / alternative energy technologies including geothermal energy, solar/thermal heating, solar rooftop photovoltaic (PV) enabling each to achieve LEED Silver or Gold certification.

Robert Lubin is the founder of Robert Lubin and Associates, P.C., an immigration law firm in the Washington, DC Metro area since 1988. He practice is limited to the niche areas including the immigration of physicians, scientists, businesspeople and engineers worldwide. He has also developed a strong practice in combining immigration with business investments, especially in the EB-5, immigrant investor category, since 1991. He has lectured worldwide on immigration topics and is represented throughout Asia, Mexico, South America and the Middle East. He earned his Bachelor of Commerce (Finance) with Honors at McGill University (1979), J.D. at the University of Miami (1982) and LL.M. (Taxation) at the University of Miami. His EB-5 projects have been funded by overseas networks he has developed over 20 years and include projects such as Holiday Inns in Murfreesboro, TN and Trinidad CO, the Eola Hotel in Natchez, MS, rural assisted living center financing in Alabama in a venture with Great Oaks Management, two rural hospitals in Luverne, AL and another in Clayton, GA, a Fairfield and Courtyard (Marriott products) in Columbus, MS, a resort project in Lake Geneva, WI, Independent and Assisted Living Center in Peachtree City, GA

Mr Lubin is co-developer and the arranger of equity funding from his overseas network for the following Whitestone Projects

- 125 unit, \$17.8 million Assisted Living project, in Ocala, FL, to be followed by market rate housing, single family, hospitality, retail and office uses.
- 108-unit Assisted Living and a 100-unit Independent Living, \$33.1 million project to be developed in St. Augustine, FL.
- 120-unit Assisted Living and an 60-unit Independent Living, \$30.6 million project to be developed in Cummings, GA.
- 100-unit Independent Living and 108-unit Assisted Living, \$48.5 million redevelopment of an existing 240,000 SF building, located on the site of the historic Pabst Brewery, Milwaukee, WI, Investors, Federal and State Historic Tax Credits, and NMTCS.
- 150-unit Senior Housing, \$24.9 million project to be developed on a site bordering Lake Geneva, WI.
- 80 Unit Independent Living and 50 Unit Assisted Unit Project in Orlando, FL.
- 150-room Staybridge Suites Hotel, 141 residential units, 20,000 SF of retail and 230-car parking garage within a \$57.4 million, 240,000 SF mixed-use development located opposite the entrance of Coors Field in downtown Denver, CO.
- 332-unit, 4-story, \$81.1 million redevelopment of the historic 1929 Rosenwald Apartment complex located in Chicago, IL.
- 160-unit, 9-story, \$29.8 million redevelopment of the historic Cincinnati Enquirer building, including 17,000 SF of retail, located in downtown Cincinnati OH.

Whitestone Institute

The developer, Whitestone Realty Capital (www.whitstonerealty.com), has developed the Whitestone Institute program in collaboration with Global Renewable Energies, LLC (www.gre-global.com). GRE has developed the GRE Sustainability Institute program which will, among other projects, serve as the economic/ workforce development program partner for a major and recently awarded, multi-million dollar PACE (Property Assessed Clean Energy) program in the District of Columbia. Additional GRE Sustainability Institutes will be actively involved in the recently awarded off-shore Great Lakes Wind Energy development and several private biomass-to-energy and alternative energy

developments being launched in economically challenged communities from Maine to Louisiana.

Vince Kasten

The GRE Sustainability Institute and program collaborations such as the Whitestone Institute are directed by Vince Kasten, Managing Director, GRE, a senior executive with a global track record of technology and business innovation. He has performed technology R&D with Bell Laboratories, Bell Communications Research and Lucent Technologies, and has been a management consulting Managing Director and Managing Partner at Bearingpoint and Unisys. Vince is the co-author of the books *Get It Done! A Blueprint for Business Execution* (Wiley, 2006) and *The Jericho Principle: Using Collaboration to Break down Company Walls* (Wiley, 2003), giving tools, technologies and case studies on enterprise transformation, including transformation of global supply chains, central to the new challenges posed by SEC requirements for disclosure of enterprise carbon footprint. More recently, Mr. Kasten has developed proprietary expertise in the technological and transformation challenges of sustainability. He and Mr. Griffith created the GRE Sustainability Institute that focuses on current and emerging energy efficiency and conservation initiatives.

PABST SENIOR HOUSING - TAX INCREMENT FINANCING PROGRAM

In 2006, Joseph Zilber acquired the abandoned and vacant 21 acre Pabst Brewery Complex, located in the City of Milwaukee immediately east of Interstate 43 and listed on the National Register of Historic places (Circa 1840's). After 4 years of redevelopment efforts and now known as The Brewery, the mixed use commercial-residential project is preserving one of Milwaukee's most historic areas under a comprehensive revitalization plan, and has become the city's newest sustainable downtown neighborhoods, securing LEED ND platinum (pre-review approval) status. Public commitment and support for the project has been substantial. In 2006, the City of Milwaukee established a tax increment financing program for The Brewery and approved a development agreement that has committed over \$28 million to the project and in addition, the State of Wisconsin has provided a \$880,000 brownsfield grant for the project, and the Milwaukee Metropolitan Sewer District provided a \$370,000 storm water management "best practices" grant for the development.

In addition, since work began to transform the former Pabst Brewery into downtown Milwaukee's next great neighborhood, over \$80 million has been invested by private developer and public sources in The Brewery. This investment came from multiple sources including funds from the Master Developer (Brewery Project LLC), other private developers who purchased historic buildings or land sites and redeveloped them (using United States Federal Tax Credits), the City of Milwaukee and State of Wisconsin. The results include a successful apartment complex, a fully leased office building, the new home of Cardinal Stritch University's School of Education and Leadership and University of Wisconsin - Milwaukee's School of Public health (opening summer 2012). Also 2 private parking assets have been developed including a 78 stall surface parking lot and a 908 stall, 8 level LEED Gold Parking Structure. During 2011 and 2012 this investment number will continue to grow at a substantial pace.

THE CITY OF MILWAUKEE, WISCONSIN
FISCAL AND ADMINISTRATIVE CAPACITY TO IMPLEMENT
SECTION 108 LOAN PROGRAM

PABST SENIOR LIVING

This is to certify and acknowledge that the City of Milwaukee, Wisconsin has consistently administered its financial obligations in an effective and efficient manner, and has the fiscal and administrative capacity to implement the Section 108 loan for the private land/property acquisition and rehabilitation building construction improvements for the proposed 124 unit Pabst Senior Living, pursuant to the requirements of 24 CFR Part 570 and all other appropriate federal and state statutes and regulations.

1. City of Milwaukee, Wisconsin

Signature of Authorized Representative

Date

THE CITY OF MILWAUKEE, WISCONSIN
PROPOSED STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES TO BE
PURSUED WITH GUARANTEED LOAN FUNDS; SECTION 108 ELIGIBLE
ACTIVITIES, NATIONAL OBJECTIVE COMPLIANCE

CITY OF MILWAUKEE, WISCONSIN
(A HUD APPROVED ENTITLEMENT COMMUNITY)
PROPOSED STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES TO BE
PURSUED WITH GUARANTEED LOAN FUNDS
PABST SENIOR HOUSING

SECTION 108 PROGRAM

Section 108 (24 CFR part 570 Community Development Block Grant, subpart m) is a program of community development loan guarantees for the notes and other obligations issued by eligible public entities.

PROGRAM PURPOSE

The primary purposes of the program are to reaffirm the Federal Government's commitment to assist local governments in their efforts in stimulating economic and community development activities needed to combat severe economic distress; to help in promoting economic development activities needed to aid in economic recovery; and to promote revitalization/development projects that principally benefit low and moderate income persons, prevent or eliminate slums or blight and meet urgent community development needs.

PROGRAM OBJECTIVES

Section 108 primary objectives are:

1. The development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities, principally for low and moderate income persons. Not less than 70 percent of the funds guaranteed under Section 108 during the initial program year will be used for the support of activities that benefit persons of low and moderate income.

PROPOSED STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES
TO BE PURSUED WITH GUARANTEED LOAN FUNDS

The Public (City of Milwaukee, Wisconsin)/private (for-profit Milwaukee Pabst Senior Housing LP (MPSH) limited partnership), formed for the privately owned building/property acquisition, renovation and rehabilitation of the existing 7 story, 138,000 sq. ft. building # 25 into a new 124 unit Pabst Senior Living ILF/ALF apartment community, located in the City of Milwaukee, Wisconsin (using a \$12,341,200 City of Milwaukee Section 108 loan guarantee first mortgage for the privately owned building/property acquisition; rehabilitation of the existing 7 story, 138,000 sq. ft. building # 25; and into a new 124 unit senior living ILF/ALF apartment community; Section 108 construction interest and interest reserve, private sector financing, issuance fees/Section 108 compliance costs), has as its primary community development objective the development of a viable urban community by providing decent housing, a suitable living environment and expanding economic opportunities principally for the benefit of L/M income persons. In the City of Milwaukee MSA, low and moderate income levels are from \$40,500 to \$57,850. The City of Milwaukee's assistance to MPSH, a private for profit corporation, as a general partner in a limited partnership, for the land/property acquisition, building rehab/construction improvements, construction interest/interest reserve, private sector financing/Section 108 compliance costs for the Pabst Senior Living ILF/ALF residential rental senior living apartments meet the criteria for National Objectives of activities benefitting L/M income persons - Housing activities CFR 570.208(a)(3) (acquisition/rehab of 138,000 sq. ft. building for residential rental ILF/ALF units, with 51% of the units occupied by L/M income persons; and L/M income limited clientele activities CFR 570.208(a)(2) benefiting a specific limited group of people at least 51% of whom are L/M income persons, and who are generally presumed by HUD to be principally L/M income persons (elderly and handicapped persons).

Note: Included in the purchase of Bldg. # 25 is the adjoining and attached 7 story Bldg. # 24, constructed in 1891 as the original Malt bins/silos storage facility with two rows of seven tile silos - Malt elevator. This building will not be renovated for ILF/ALF uses and will remain as-is for historical purposes.

NATIONAL OBJECTIVE COMPLIANCE - Benefitting Low and Moderate Income Persons

- A) **124 Unit ILF/ALF Senior Residential Rental Building (CFR 570.208(a)(3) - Housing Activities**
An eligible activity carried out for the purpose of improving permanent residential structures which, upon completion, at least 51% of the units must be rented and occupied by low and moderate income persons.
- B) **CFR 570.201 Basic Eligible Activities (c) Public Facilities and Improvements** - facilities designed for use in providing shelter for persons having special needs (ILF/ALF) are considered public facilities and are not subject to the prohibition of new housing construction.
- C) **Limited Clientele**
CFR 570.208 Criteria for National Objectives (a) activities benefitting low and moderate income persons (2) limited clientele activities (i) an activity which benefits a limited clientele at least 51% of whom are low or moderate income persons (A) benefit a clientele who are generally presumed to be principally low and moderate income persons - elderly persons, handicapped persons. The Section 108 loan guarantee eligible activities (land/building acquisition, rehabilitation/construction of senior living ILF/ALF rental apartment building facilities, construction interest/interest reserve, private sector financing and Section 108 loan compliance) will be implemented to address and meet the CDBG National Objective of benefitting low and moderate income persons - Limited Clientele activities benefitting a specific limited group of people, at least 51% of whom are L/M persons, and who are generally presumed by HUD to be principally L/M income persons (elderly and handicapped persons). The senior ILF/ALF living apartments (providing for the special needs of senior/elderly persons) qualifies under the L/M income Limited Clientele criteria, and will maintain records and documentation that the Limited Clientele activity is being used by a segment of the population presumed by HUD to be L/M income persons i.e. senior/elderly and handicapped.

PABST SENIOR LIVING
SECTION 108 ELIGIBLE ACTIVITIES

Development Item	Amount	Eligible Activity	National Objective
1. Land/Property Acquisition, Closing, Legal, Title, Accounting	\$2,350,000	570.703(a)	Activities Benefitting L/M Income Persons - Housing 570.208(a)(3)
2. Rehabilitation Senior Living Residential Housing ILF/ALF	7,916,608	570.703(h)/570.202(b)(1)	L/M Housing
3. Construction Interest	493,648	570.703(c)	L/M Housing
4. Section 108 Interest Reserve - 2 years	981,296	Payment of Interest on Section 108 Loan 570.703(c)	L/M Housing
5. Private Sector Section 108 Financing Cost	493,648	Payment of 108 Issuance Costs. 570.703(g)	L/M Housing
6. Section 108 Compliance/Management of Assisted Activities	100,000	570.703(g)	L/M Housing
TOTAL, SECTION 108 LOAN	\$12,341,200		

PABST SENIOR LIVING
SECTION 108 ELIGIBLE ACTIVITIES

Development Item	Amount	Eligible Activity	National Objective
1. Land/Property Acquisition, Closing, Legal, Title, Accounting	\$2,350,000	570.703(a)	Activities Benefitting L/M Income Persons - Housing 570.208(a)(3)
2. Rehabilitation Senior Living Residential Housing ILF/ALF	7,916,608	570.703(h)/570.202(b)(1)	L/M Housing
3. Construction Interest	493,648	570.703(c)	L/M Housing
4. Section 108 Interest Reserve - 2 years	987,296	Payment of Interest on Section 108 Loan 570.703(c)	L/M Housing
5. Private Sector Section 108 Financing Cost	493,648	Payment of 108 Issuance Costs. 570.703(g)	L/M Housing
6. Section 108 Compliance/Management of Assisted Activities	100,000	570.703(g)	L/M Housing
TOTAL, SECTION 108 LOAN	\$12,341,200		

THE CITY OF MILWAUKEE, WISCONSIN
PROJECTED USE OF FUNDS WITH LOCATION AND DETAILED DESCRIPTION OF EACH
PROPOSED COMMUNITY DEVELOPMENT ACTIVITY TO BE CARRIED OUT WITH
GUARANTEED LOAN FUNDS, INCLUDING THE ACTIVITY'S SPECIFIC ELIGIBILITY
PROVISIONS; HOW IT MEETS THE CRITERIA IN COMPLYING WITH ONE OF THE
NATIONAL OBJECTIVES; THE AMOUNT OF GUARANTEED LOAN FUNDS TO BE USED;
THE AMOUNT OF ANY EXPECTED PROGRAM INCOME; SECTION 108 COMPLIANCE
ADMINISTRATION

THE CITY OF MILWAUKEE, WISCONSIN
SECTION 108 LOAN PROJECT
SUMMARY

	<u>Section 108 Project</u>	<u>Section 108 Loan Amount</u>
1.	Pabst Senior Living (ILF/ALF)	\$12,341,200

PABST SENIOR LIVING
PROJECTED USE OF FUNDS

A. PROJECTED USE OF FUNDS: PABST SENIOR LIVING

1. City of Milwaukee (A HUD Approved Entitlement Community) Section 108 Loan

The \$12,341,200 Section 108 loan guarantee provided by the City of Milwaukee will be a first mortgage to be used as follows:

		<u>Eligible Activity</u>
A. Land/Bldg. Acquisition, Closing, Legal	\$2,350,000	570.703(a)
B. Rehab Bldg. Senior Living Residential ILF/ALF, Taxes, Insur, A & E	7,916,608	570.703(h)/ 570.202(b)(1)
C. Construction Interest	493,648	570.703(c)
D. Section 108 Interest Reserve (2 yr.)	987,296	570.703(c)
E. Private Sector Section 108 Financing Costs	493,648	570.703(g)
F. Management of Assisted Activities/Section 108 Compliance	<u>100,000</u>	570.203(g)
TOTAL, SECTION 108 LOAN	\$12,341,200	

2. Source and Use of Funds

PABST SENIOR LIVING
DEVELOPMENT COSTS

A. Land/Bldg. Acquisition/Closing Costs, Title, Legal, Survey etc.	\$ 2,350,000
B. Bldg.Rehabilitation ILF/ALF, Permits, Taxes, Contingency, A & E	15,329,064
C. Equipment, Supplies, Systems, FF & E (ILF/ALF)	672,000
D. Development Fees, Operating Deficit/Reserve	2,070,144
E. 1 st Mgt. Construction Interest	493,648
F. Section 108 Interest Reserve, 2 yrs.	987,296
G. Private Sector Section 108 Financing Costs	493,648
H. Management of Assisted Activities/Section 108 Compliance	100,000
TOTAL, DEVELOPMENT COSTS	\$ 22,495,800

NOTE: Construction costs include current Davis Bacon wage rates and cost estimates

SOURCE OF FINANCING

A. City of Milwaukee Section 108 Loan Guarantee 1 st Mortgage	\$12,341,200
B. Project Equity, Historic Tax Credits	<u>10,154,600</u>
TOTAL	\$22,495,800

Current net operating income estimates (year 3 at \$2,823,480), show positive cash flows beginning year 2 with initial annual debt coverage ratios at acceptable and normal industry levels. Allowing three operating years for the project to achieve a stabilized rate of occupancy, the estimated completed value of the project is \$33,217,411 (capitalizing the net operating income at 8.5% before debt service), and the overall loan to value ratio is 37%.

Total, 1 st mortgage	\$12,341,200	= 37%
Total, project value	\$33,217,411	

PABST SENIOR LIVING (ILF/ALF)
MILWAUKEE, WISCONSIN

	TOTAL COST	SECTION 108	EQUITY/FED/ STATE HISTORIC TAX CREDITS
1. Land Acquisition	\$2,000,000	\$2,000,000	---
2. Legal, Closing, Accounting, Title	350,000	350,000	---
3. ILF/ALF Construction., Rehabilitation	13,300,000	6,896,608	6,403,392
4. FF & E (ILF/ALF)	672,000	---	672,000
5. Taxes, Insurance, Misc.	220,000	220,000	---
6. Design, Permitting, Impact Fees	800,000	800,000	---
7. Contingency	1,009,064		1,009,064
8. Developer Fee	899,831	---	899,831
9. Initial Operating Deficit/Operating Reserve	1,170,313	---	1,170,313
10. Construction Interest @ 4%, 12 Months	493,648	493,648	---
11. Section 108 Interest Reserve @4%, 2 Yr	987,296	987,296	---
12. Section 108 Private Sector Financing @4 %	493,648	493,648	---
13. Section 108 Compliance (City of Milwaukee , Wisconsin)	100,000	100,000	---
TOTAL	<u>\$22,495,800</u>	<u>\$12,341,200</u>	<u>\$10,154,600</u>

**DESCRIPTION OF ELIGIBLE ACTIVITY TO BE CARRIED OUT WITH
GUARANTEED LOAN FUNDS (INCLUDING PROVISION OF CFR 570.703 UNDER
WHICH IT IS ELIGIBLE) AND DESCRIPTION OF HOW EACH ACTIVITY MEETS
ONE OF THE CRITERIA FOR NATIONAL OBJECTIVES**

1. City of Milwaukee (a HUD Approved Entitlement Community)
Section 108 loan guarantee - \$12,341,200 first mortgage loan:
Pabst Senior Living (ILF/ALF)

- A. Land/bldg. acquisition, rehab/construction, Section 108 construction interest, interest reserve, private sector Section 109 financing costs, Section 108 compliance costs (\$12,341,200).

Eligible CFR 570.703 Section 108 activities include land/bldg. acquisition 570.703(a); residential building rehabilitation 570.703(h)/570.202(b)(i); Section 108 construction interest/interest reserve 570.703(c); private sector Section 108 financing costs 570.703(g); and Section 108 compliance costs 570.703(g). When completed, the rehabilitated 138,000 sq. ft. residential building will provide a total of 124 affordable ILF/ALF rental units, 51% of which will be occupied by L/M income persons. These eligible activities meet the national objective of benefitting low and moderate (L/M) income persons - housing (acquisition/rehab of 124 unit residential ILF/ALF rental building and L/M income limited clientele activities - for a specific limited group of ILF/ALF people (seniors/elderly) at least 51% of whom are L/M income persons and who are generally presumed by HUD to be primarily L/M income persons (seniors/elderly and handicapped persons).

- B. Section 108 loan guarantee repayment schedule

The City of Milwaukee \$12,341,200 Section 108 first mortgage will be a 20 year term at 4% with principal and interest payments based on interest only 7 years, and the balance of 23 years amortized over 30 years.

Annual Debt Service

Year 1 - 7	Interest only @ 4%	\$ 493,648
Year 8 - 20	Principal and Interest Payments Based on 30 year amortization @ 4% (Interest payable semi-annually Feb. 1, Aug. 1; Principal payable August 1)	\$ 707,025

NOTE: Interest rates charged on interim borrowing from Bank of New York - Mellon (HUD fiscal agent) between HUD Section 108 notes public offerings are priced at 3-month London Interbank offered (LIBO) rate plus 20 basis points, and interest payments will be made on a quarterly basis, (February 1, May 1, August 1, November 1). The City of Milwaukee Section 108 first mortgage payments will be paid out of the Pabst senior living project revenues and debt service reserves generated by normal operations.

PROGRAM INCOME

All payments of principal and interest made by the Pabst Senior Living project entity on the Section 108 first mortgage loan to City of Milwaukee are considered program income once they are received.

SECTION 108 COMPLIANCE ADMINISTRATION

Included in the \$12,341,200 Section 108 first Mortgage is \$100,000 for the City of Milwaukee costs for HUD Section 108 loan compliance administration, loan portfolio monitoring, management, communication and accounting working with a local financial institution (member of Federal Reserve System) who will be the trustee of custodial accounts for Section 108 loan funds and the loan repayment account.

PABST SENIOR LIVING
SECTION 108 ELIGIBLE ACTIVITIES

Development Item	Amount	Eligible Activity	National Objective
1. Land/Property Acquisition, Closing, Legal, Title, Accounting	\$2,350,000	570.703(a)	Activities Benefitting L/M Income Persons - Housing 570.208(a)(3)
2. Rehabilitation Senior Living Residential Housing ILF/ALF	7,916,608	570.703(h)/570.202(b)(1)	L/M Housing
3. Construction Interest	493,648	570.703(c)	L/M Housing
4. Section 108 Interest Reserve - 2 years	987,296	Payment of Interest on Section 108 Loan 570.703(c)	L/M Housing
5. Private Sector Section 108 Financing Cost	493,648	Payment of 108 Issuance Costs. 570.703(g)	L/M Housing
6. Section 108 Compliance/Management of Assisted Activities	100,000	570.703(g)	L/M Housing
TOTAL, SECTION 108 LOAN	\$12,341,200		

THE CITY OF MILWAUKEE, WISCONSIN
FINANCIAL FEASIBILITY ANALYSIS INCLUDING MAXIMUM LOAN GUARANTEE
AMOUNT, SCHEDULE FOR REPAYMENT OF THE LOAN IDENTIFYING THE SOURCES OF
REPAYMENT; SECTION 108 LOAN COLLATERAL, ADDITIONAL SECURITY
REQUIREMENTS; REQUEST FOR INTERIM FINANCING PRIOR TO NEXT PUBLIC
OFFERING; FINANCIAL STATEMENTS; MARKETING PLAN AND APPRAISAL

THE CITY OF MILWAUKEE, WISCONSIN
(A HUD APPROVED ENTITLEMENT COMMUNITY)
PABST SENIOR LIVING
\$12,341,200 SECTION 108 LOAN GUARANTEE

1. Section 108 Loan Guarantee Repayment Schedule/Sources of Repayment

The City of Milwaukee, Wisconsin \$12,341,200 Section 108 first mortgage will be a 20 year term, with interest only for years 1-7 @ 4%, and years 8-20 (13 year term) with a 30 year amortization schedule @ 4%.

Annual Debt Service

<u>Year</u>	<u>Section 108</u>	<u>Repayment Amounts</u>
Year 1 - 7	Interest only @ 4%	\$ 493,648
Year 8 - 20	Principal and interest payments based on 30 year amortization @ 4% interest payable semi-annually Feb. 1, Aug. 1; principal payable August 1	\$ 707,025

The normal Pabst Senior Living operation and revenue stream will establish, provide for and fund on a cumulative monthly basis a 1st mortgage Section 108 debt service budget fund to pay all required Section 108 debt service obligations when due.

PABST SENIOR LIVING
20 YEAR OPERATING PROFORMA

Following is a cash flow proforma with project revenues, expenses, net operating income, and repayment of the Section 108 1st mortgage with annual interest and debt service and debt service coverage ratios. The project is subject to final Pricewaterhouse/HUD underwriting criteria review.

THE CITY OF MILWAUKEE, WISCONSIN
PABST SENIOR LIVING APARTMENTS

The following summary is a 20-year cash flow proforma with projected revenues, expenses, net operating income, Section 108 1st mortgage annual debt service (20-year term with a 30-year amortization schedule based on an annual interest rate of 4%), with principal and interest payments based on interest only for seven (7) years as required by the New Market Tax Credit leverage requirements, and the balance over 13 years, with a 30 year amortization @ 4%. The Project is subject to final Price Waterhouse Coopers HUD underwriting criteria review.

PABST SENIOR LIVING
YEARS 1 - 20 OPERATING PROFORMA

YEAR	1	2	3	4	5	6	7	10	15	20
Net Operating Income	—	2,250,960	2,823,480	3,223,488	3,320,193	3,419,798	3,522,391	3,849,012	4,462,060	5,172,751
Section 108 Debt Service		493,648	493,648	493,648	493,648	493,648	493,648	707,025	707,025	707,025
Net Cash Flow	—	1,751,312	2,329,832	2,729,840	2,825,545	2,926,150	3,028,743	3,141,987	3,755,035	4,465,726
Debt Coverage Ratio	—	4.55	5.71	6.52	6.72	6.92	7.13	5.44	6.31	7.31

NOTES:

1. During the construction period (Year 1), interest only will be paid on the mortgage out of the Section 108 construction interest budget.
2. A 2 year \$987,296 Section 108 annual interest reserve will be established at the Section 108 loan closing. In addition, the Project will establish and fund, on a cumulative monthly basis, a 1st mortgage (Section 108) debt service budget fund sufficient to pay all required debt service obligations when due.

PABST SENIOR LIVING
LOAN REPAYMENT SCHEDULE

\$12,341,200 Section 108 1st Mortgage @ 4%, 20 Year Term.
(Years 1 - 7 Interest Only: Years 8 - 20 Thirty Year Amortization)

Loan Summary

Principal:	\$12341200
Interest Rate:	4%
Loan Term:	30 years
Number of Payments:	360
Monthly Payment:	\$58,918.78
Total Principal Paid:	\$12,341,200.00
Total Interest Paid:	\$8,869,559.52
Total Paid:	\$21,210,759.52

2.3% 15-Year Refinance 15-Year-Refinance.Mortgage...
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Yearly Amortization Schedule

Payments	Yearly Total	Principal Paid	Interest Paid	Balance
Year 1 (1-12)	\$707,025.32	\$217,333.00	\$489,692.00	\$12,123,866.97
Year 2 (13-24)	\$707,025.32	\$226,188.00	\$480,838.00	\$11,897,679.46
Year 3 (25-36)	\$707,025.32	\$235,403.00	\$471,623.00	\$11,662,276.72
Year 4 (37-48)	\$707,025.32	\$244,993.00	\$462,032.00	\$11,417,283.31
Year 5 (49-60)	\$707,025.32	\$254,975.00	\$452,050.00	\$11,162,308.49
Year 6 (61-72)	\$707,025.32	\$265,363.00	\$441,662.00	\$10,896,945.60
Year 7 (73-84)	\$707,025.32	\$276,174.00	\$430,851.00	\$10,620,771.42
Year 8 (85-96)	\$707,025.32	\$287,426.00	\$419,599.00	\$10,333,345.48
Year 9 (97-108)	\$707,025.32	\$299,136.00	\$407,889.00	\$10,034,209.36
Year 10 (109-120)	\$707,025.32	\$311,323.00	\$395,702.00	\$9,722,885.97
Year 11 (121-132)	\$707,025.32	\$324,007.00	\$383,018.00	\$9,398,878.79
Year 12 (133-144)	\$707,025.32	\$337,208.00	\$369,818.00	\$9,061,671.06
Year 13 (145-156)	\$707,025.32	\$350,946.00	\$356,079.00	\$8,710,724.96
Year 14 (157-168)	\$707,025.32	\$365,244.00	\$341,781.00	\$8,345,480.78
Year 15 (169-180)	\$707,025.32	\$380,125.00	\$326,901.00	\$7,965,355.98
Year 16 (181-192)	\$707,025.32	\$395,612.00	\$311,414.00	\$7,569,744.32
Year 17 (193-204)	\$707,025.32	\$411,729.00	\$295,296.00	\$7,158,014.82
Year 18 (205-216)	\$707,025.32	\$428,504.00	\$278,521.00	\$6,729,510.83
Year 19 (217-228)	\$707,025.32	\$445,962.00	\$261,063.00	\$6,283,548.93
Year 20 (229-240)	\$707,025.32	\$464,131.00	\$242,894.00	\$5,819,417.85
Year 21 (241-252)	\$707,025.32	\$483,040.00	\$223,985.00	\$5,336,377.36
Year 22 (253-264)	\$707,025.32	\$502,720.00	\$204,305.00	\$4,833,657.05
Year 23 (265-276)	\$707,025.32	\$523,202.00	\$183,823.00	\$4,310,455.13
Year 24 (277-288)	\$707,025.32	\$544,518.00	\$162,507.00	\$3,765,937.17
Year 25 (289-300)	\$707,025.32	\$566,702.00	\$140,323.00	\$3,199,234.70
Year 26 (301-312)	\$707,025.32	\$589,791.00	\$117,235.00	\$2,609,443.90
Year 27 (313-324)	\$707,025.32	\$613,820.00	\$93,206.00	\$1,995,624.11
Year 28 (325-336)	\$707,025.32	\$638,828.00	\$68,198.00	\$1,356,796.36
Year 29 (337-348)	\$707,025.32	\$664,855.00	\$42,171.00	\$691,941.78
Year 30 (349-360)	\$707,025.32	\$691,942.00	\$15,084.00	\$0.00
Totals	\$21,210,759.52	\$12,341,200.00	\$8,869,559.52	

THE CITY OF MILWAUKEE, WISCONSIN
(A HUD APPROVED ENTITLEMENT COMMUNITY)
PABST SENIOR LIVING

SECTION 108 LOAN COLLATERAL, ADDITIONAL SECURITY REQUIREMENTS

The code of federal regulations require that the primary security for a Section 108 loan is the pledge of the local government's CDBG funds. However, HUD has always required additional security for Section 108 projects with repayment periods of ten (10) years or longer. In addition to contributing a total of \$10,154,600 in project equity and historic tax credits the project developer has agreed to provide other such forms of additional collateral, as the parties may agree upon, in the form of security interest/mortgage liens in the Project's real estate, operating business, revenue stream, personal property/equipment; and establishment of an initial \$987,296 two year Section 108 interest reserve. Also, the Project's net operating income will fund, on a cumulative monthly basis, a 1st mortgage Section 108 debt service fund sufficient to pay all required debt service obligations when due. Additional collateral to further reduce the risk to the City's pledged CDBG allocations will be in the form of the Developer's guarantee of Project completion with performance and completion bonds and absorption of cost overruns and cash shortfalls. The City of Milwaukee \$12,341,200 Section 108 will be an executed and recorded 1st mortgage with a primary lien against and with a security interest in the 124 ILF/ALF \$22.4 million Pabst Senior Living residential rental units apartments, the operating business, and all assets and personal property that occupy the property. The completed value estimate for the Project is \$33,217,411, or a 37% operational year 3 stabilized loan-to-value ratio. The City will also have executed and recorded security agreements/Uniform Commercial Code (UCC) filings as a specific lien on all personal property and assets pledged as collateral. Specific Section 108 loan terms, repayment conditions, security, collateral, Section 108 interest reserves, etc., between the Project Developer and the City of Milwaukee will be negotiated and finalized with a Development Agreement, approved by the City, the Developer, and HUD. The City and the Developer have up to one (1) year from the date of issuance of the HUD Section 108 loan approval commitment to finalize the respective legal contracts, development agreements and draw down the funds for the Project.

Finally, HUD's underwriting guidelines, developed by Pricewaterhouse Coopers, categorizes the proposed Section 108 project development as a low risk project with a loan-to-cost ratio for pledged collateral not exceeding 75% (e.g., Project will represent a 54% loan-to-cost ratio) and a debt service coverage ratio (DCR) (allowing three (3) years for the Project to achieve a stabilized occupancy) of at least 1.25 to 1 (e.g., Project will achieve a projected DCR of 4.55 in operational year 2 and increase to 5.71 DCR in stabilized operational year 3). The Project qualifies under both of these guidelines.

FINANCIAL ANALYSIS

The total Project costs were evaluated in relation to the requested Section 108 loan guarantee portion for the real estate project, and verification was made to determine the source of 1st mortgage funds, terms and conditions and Developer Project equity, historic tax credits and Federal New Market Tax Credits. According to Pricewaterhouse Coopers HUD underwriting criteria, the projected 20-year proforma indicates normal and acceptable debt service coverage ratios well above current industry standards.

REASON FOR NEED FOR SECTION 108 LOAN GUARANTEE ASSISTANCE TO COMPLETE PROJECT - PABST SENIOR LIVING (ILF/ALF)

Milwaukee Pabst Senior Housing LLP (MPSH) will contribute \$10,154,600 in equity and historic tax credits necessary to complete the \$22,495,800 Project, leaving a gap of \$12,341,200. The Section 108 loan guarantee fills the gap. The Section 108 loan funds will be the financial obligation of the Project's operation and will be paid back over a 20-year period from the Project's net operating income and project revenue reserves set aside for debt service obligations. The City of Milwaukee will provide a Section 108 1st mortgage loan guarantee to MPSH for the site/building acquisition and rehabilitation of the Project. The total \$12,341,200 Section 108 loan guarantee enables the City to assist a for-profit entity and provide city senior residents with 124 new and rehabilitated ILF/ALF rental units created by the project. The Section 108 loan will be the sole financial obligation and responsibility of the Project. City of Milwaukee is not required to pledge its full faith and credit for the repayment of the Section 108 loan, and the loan is not a general obligation of the City, and will not effect its bond ratings or bond capacity.

HUD/PRICEWATERHOUSE COOPERS UNDERWRITING GUIDELINES

Pricewaterhouse Coopers LLP was engaged by HUD to develop underwriting guidelines for use by communities in financing community and economic development activities under the Section 108 loan guarantee program. Under this program, HUD may guarantee notes issued by eligible public entities to obtain funds with which to assist for-profit developers seeking financing for commercial, hotel, retail, office, industrial, warehousing and senior housing special needs residential projects etc. Using the Pricewaterhouse underwriting guidelines Pabst Senior Living is categorized as a Tier 1 (low risk project) with a debt coverage ratio or at least 1.25 to 1 (allowing three years for the Project to achieve a stabilized rate of occupancy - operational year two 4.55 DCR). In addition, the Tier 1 project provides adequate benefits to the developers (total 30% annual cash on cash return), and a loan to value ratio for pledged collateral not exceeding 75% (project 37% LTV). Finally, the Project's ownership entity guarantees the completion of construction and absorption of cost overruns and cash shortfalls.

REQUEST FOR FUNDS PRIOR TO NEXT HUD SECTION 108 PUBLIC OFFERING

HUD Section 108 funding approval is expected by Fall 2011 and construction work is expected to begin immediately after finalization of a City of Milwaukee, Project owner, and HUD Section 108 Development Agreement. The construction period is 12 months. Given this time schedule, the Project Developer is requesting funding which may be prior to the next public offering of Section 108 obligations through an interim lending facility established by HUD (Bank of New York - Mellon) and requests instructions from HUD for obtaining interim financing.

FINANCIAL STATEMENTS

Current developer financial statements will be submitted to the City for review under separate cover.

MARKET PLAN AND APPRAISAL REQUIREMENT

If required, prior to finalization of a Section 108 Development Agreement between the City of Milwaukee and the Project Developer, a market study and appraisal to determine fair market value and fee simple ownership, by a state certified appraiser and with professional affiliations such as SRA or MAI and conforming to FIRREA standards, will be obtained by the Project Developer on behalf of and provided to the City of Milwaukee for final review and approval.

PABST SENIOR LIVING
SUMMARY - SOURCES OF SECTION 108 LOAN COLLATERAL, SECURITY

	<u>Section 108</u>
1. <u>Average 10 Year Annual Operations, Net Revenue Stream</u>	\$2,464,132
2. <u>Section 108 Interest Reserve (Two Years)</u>	\$ 987,296
3. <u>Developer Equity/Historic Tax Credits</u>	\$10,154,600
4. <u>Section 108 First Mortgage</u> - an executed and recorded specific lien on real property/assets pledged as collateral for the loan (a security interest in a \$33.2 million project with a 1 st mortgage loan to value ratio of 37%).	
5. <u>Security Agreement/Uniform Commercial Code (UCC) Filing</u> - a specific lien executed and recorded on personal property/assets pledged as collateral. Require annual reviews of corporate/project tax returns and audited financial statements to ensure minimum debt coverage ratios are maintained.	
6. <u>Developers/Contractor Guarantee</u> to complete project construction with performance/completion bonds and absorption of costs over runs, cash short falls.	
7. <u>Loan to Value Ratio - 37% - Low Risk</u>	
8. <u>The Pabst Brewery Tax Increment Finance Program</u> - Tax increment financing for the project's activities whereby project property assessments over the projects base year amount may be used, if required, for Section 108 debt service payments. The City of Milwaukee previously committed \$28.2 million in TIF financial support for the redevelopment of The Brewery project.	
9. <u>City of Milwaukee CDBG Entitlement Pledge</u>	

MILWAUKEE PABST SENIOR HOUSING, LP
ARTICLES OF INCORPORATION

**1. Pabst Senior Living Borrowing Entity -
Milwaukee Pabst Senior Housing LP - a Delaware Limited Partnership**

A. General Partners

1. Whitestone Pabst Senior Housing Associates, LLC
A Delaware Limited Liability Company
2. R & R Capital LLC

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF LIMITED PARTNERSHIP OF "MILWAUKEE PABST SENIOR HOUSING LP", FILED IN THIS OFFICE ON THE FIFTH DAY OF JANUARY, A.D. 2011, AT 1:38 O'CLOCK P.M.



4923008 8100

110013244

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 8473818

DATE: 01-05-11

CERTIFICATE OF LIMITED PARTNERSHIP

OF

MILWAUKEE PABST SENIOR HOUSING LP

The Undersigned, desiring to form a limited partnership pursuant to the Delaware Revised Uniform Limited Partnership Act, 6 Delaware Code, Chapter 17, do hereby certify as follows:

First: The name of the limited partnership is: MILWAUKEE PABST SENIOR HOUSING LP.

Second: The address of its registered office in the State of Delaware is in the city of 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808. The name of the Registered Agent at such address is: Corporation Service Company.

Third: The names and mailing addresses of the general partners of the limited partnership are as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
Whitestone Pabst Senior Housing Associates LLC	C/o Michael Zukerman 555 Fifth Avenue, 11 th Floor New York, NY 10017
R&R Capital LLC	c/o Robert Lubin, Esq 505 Huntmar Park Drive Suite 315 Herndon VA, 20170

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Limited Partnership of MILWAUKEE PABST SENIOR HOUSING LP, as of January 5, 2011.

By its general partners,

Whitestone Pabst Senior Associates LLC

By: /s/ Michael Zukerman

Name: Michael Zukerman

Title: Managing Director

R&R Capital LLC

By: /s/ Robert Lubin

Name: Robert Lubin

Title: Authorized Person

Date of this notice: 01-12-2011

Employer Identification Number:
27-4523302

Form: SS-4

Number of this notice: CP 575 B

For assistance you may call us at:
1-800-829-4933

MILWAUKEE PABST SENIOR HOUSING LP
* WHITESTONE PABST SENIOR HOUSING A
555 5TH AVE FL 11
NEW YORK, NY 10017

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 27-4523302. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

04/15/2012

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "WHITESTONE PABST SENIOR HOUSING ASSOCIATES LLC", FILED IN THIS OFFICE ON THE FIFTH DAY OF JANUARY, A.D. 2011, AT 1:26 O'CLOCK P.M.

4922994 8100

110013169

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 8473815

DATE: 01-05-11

CERTIFICATE OF FORMATION

OF

WHITESTONE PABST SENIOR HOUSING ASSOCIATES LLC


The undersigned, an authorized natural person, for the purpose of forming a limited liability company under the provisions and subject to the requirements of the Delaware Limited Liability Company Act (the "*Act*"), hereby certifies that:

1. The name of the limited liability company is WHITESTONE PABST SENIOR HOUSING ASSOCIATES LLC (hereinafter referred to as the "*LLC*").

2. The address of the registered office of the LLC is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, DE 19808, County of New Castle. The name of the registered agent at that address for purposes of service of process, as required by Section 18-104 of the Act, is: Corporation Service Company.

Dated: January 5, 2011

/s/ Kyle A. Taylor
Kyle A. Taylor
Authorized Person

 **DEPARTMENT OF THE TREASURY**
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 01-12-2011

Employer Identification Number:
27-4523186

Form: SS-4

Number of this notice: CP 575 B

WHITESTONE PABST SENIOR HOUSING
ASSOCIATES LLC
MICHAEL ZUKERMAN MBR
555 5TH AVE FL 11
NEW YORK, NY 10017

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 27-4523186. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

04/15/2011

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

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To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

**DESCRIPTION OF THE PLEDGE OF CDBG GRANTS OR FOR WHICH
THE PUBLIC ENTITY MAY BECOME ELIGIBLE**

THE CITY OF MILWAUKEE, WISCONSIN
DESCRIPTION OF THE PLEDGE OF
COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)
MADE, OR FOR WHICH THE PUBLIC ENTITY MAY BECOME ELIGIBLE

BACKGROUND

The Department of Housing and Urban Development (HUD) is an executive department of the United States of America, established in 1965 by the Department of Housing and Urban Development Act. The Department administers the principal federal government programs that provide assistance for housing and for community development.

HUD provides annual Community Development Block Grants (CDBG) to units of general local government (entitlement public entities) that meet the eligibility requirements - generally, the cities with populations of 50,000 or more and urban counties with populations of 200,000 or more. The amount of grants for each entitlement community is determined by a statutory formula which, besides population, uses several objective measures of community need, including the extent of poverty, housing overcrowding, age of housing, and population growth lag in relation to all metropolitan statistical areas.

HUD also provides grants to States that elect to administer the CDBG program in nonentitlement areas, and, in turn, award grants to units of general local government (nonentitlement public entities).

DESCRIPTION OF THE PLEDGE OF CDBG GRANTS

The City of Milwaukee, Wisconsin has been receiving Community Development Block Grants and its current FY 2011 CDBG allocation is \$ 15,281,392. The principal security for the Section 108 loan guarantee is a pledge to HUD by the City of Milwaukee of its current and future CDBG grants for the repayment of the loan. The local government is not required to pledge its full faith and credit for repayment of a Section 108 guaranteed loan, and the loan is not a general obligation of the local government. Therefore, Section 108 loans do not encumber the local government's general tax revenue and have no effect on the community's bond rating, or the amount of general obligation bonds it may issue.

DETAILED CITIZENS' PARTICIPATION PLAN

**SECTION 108 LOAN GUARANTEES
ENTITLEMENT PUBLIC ENTITY CERTIFICATIONS**

In accordance with section 108 of the Housing and Community Development Act of 1974, as amended, (the "Act") and with 24 CFR §570.704(b) the public entity certifies that:

(i) It possesses the legal authority to submit the application for assistance under 24 CFR Part 570, Subpart M ("Subpart M") and to use the guaranteed loan funds in accordance with the requirements of Subpart M.

(ii) Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the person identified as the official representative of the public entity to submit the application and amendments thereto and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the public entity to act in connection with the application to provide such additional information as may be required.

(iii) Before submission of its application to HUD, the public entity has:

(A) Furnished citizens with information required by §570.704(a)(2)(i);

(B) Held at least one public hearing to obtain the views of citizens on community development and housing needs; and

(C) Prepared its application in accordance with §570.704(a)(1)(iv) and made the application available to the public.

(iv) It is following a detailed citizen participation plan which meets the requirements described in §570.704(a)(2).

(v) The public entity will affirmatively further fair housing, and the guaranteed loan funds will be administered in compliance with:

(A) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000d *et seq.*); and

(B) The Fair Housing Act (42 U.S.C. 3601-20).

(vi) In the aggregate, at least 70 percent of all CDBG funds, as defined at §570.3(e), to be expended during the one, two, or three consecutive years specified by the public entity for its CDBG program will be for activities which benefit low and moderate income persons, as described in criteria at §570.208(a).

(vii) It will comply with the requirements governing displacement, relocation, real property acquisition, and the replacement of low and moderate income housing described in §570.606.

(viii) It will comply with the requirements of §570.200(c)(2) with regard to the use of special assessments to recover the capital costs of activities assisted with guaranteed loan funds.

(ix) It will comply with the other provisions of the Act and with other applicable laws.

(x) (Where applicable, the public entity may also include the following additional certification.) It lacks sufficient resources from funds provided under Subpart M or program income to allow it to comply with the provisions of §570.200(c)(2), and it must therefore assess properties owned and occupied by moderate income persons, to recover the guaranteed loan funded portion of the capital cost without paying such assessments in their behalf from guaranteed loan funds.

Signature of Authorized Representative

Date

CERTIFICATION OF LEGAL AUTHORITY TO PLEDGE GRANTS

SECTION 108 LOAN GUARANTEES
Certification of Legal Authority to Pledge Grants

The public entity hereby certifies and assures with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it possesses the legal authority to make the pledge of grants required under 24 CFR §570.705(b)(2).

Signature of Authorized Representative

Date

CERTIFICATION OF EFFORTS TO OBTAIN OTHER FINANCING

SECTION 108 LOAN GUARANTEES
Certification of Efforts to Obtain Other Financing

The city of Milwaukee, Wisconsin hereby assures and certifies with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it has made efforts to obtain financing for the activities described herein without the use of such guarantee, it will maintain documentation of such efforts for the term of the loan guarantee, and it cannot complete such financing consistent with the timely execution of the project without such guarantee.

1. City of Milwaukee, Wisconsin

Signature of Authorized Representative

Date

CERTIFICATION FOR A DRUG-FREE WORKPLACE

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

THE CITY OF MILWAUKEE, WISCONSIN

Program/Activity Receiving Federal Grant Funding

SECTION 108 LOAN GUARANTEE FOR PABST SENIOR LIVING

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

- (1) The dangers of drug abuse in the workplace;
- (2) The Applicant's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

CITY OF MILWAUKEE
200 E. WELLS STREET
MILWAUKEE, WISCONSIN 53202

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date

X

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

Certification Regarding Debarment and Suspension

U.S. Department of Housing
and Urban Development

Certification A: Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief that its principals;

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal debarment or agency;

b. Have not within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (A)

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of these regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines this eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph (6) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

Certification B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (B)

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of these regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph (5) of these instructions, if a participant in a lower covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies including suspension and/or debarment.

Applicant City of Milwaukee, Wisconsin	Date
Signature of Authorized Certifying Official	Title

STATEMENT REGARDING LOBBYING

**SECTION 108 LOAN GUARANTEES
STATEMENT REGARDING LOBBYING**

THE UNDERSIGNED STATES, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THAT:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature of Authorized Representative

Date

APPLICANT/RECIPIENT, DISCLOSURE/UPDATE REPORT

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 9/30/2013)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): City of Milwaukee, WI, 200 E. Wells Street, Milwaukee, WI 53202		2. Social Security Number or Employer ID Number:
3. HUD Program Name SECTION 108 LOAN GUARANTEE PROGRAM		4. Amount of HUD Assistance Requested/Received
5. State the name and location (street address, City and State) of the project or activity: Pabst Senior Living, The Brewery, Bldg. # 24/# 25, West Juneau Avenue, Downtown Milwaukee, WI		

Part I Threshold Determinations

- | | |
|--|---|
| 1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3).
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No. |
|--|---|

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
MILWAUKEE PABST SENIOR HOUSING, LP	274-52-3302	DEVELOPER/OWNER	100%

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature:	Date: (mm/dd/yyyy)
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X

CITY OF MILWAUKEE, WISCONSIN

Certification of Consistency with the Consolidated Plan

U.S. Department of Housing
and Urban Development

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Consolidated Plan.
(Type or clearly print the following information:)

Applicant Name: **CITY OF MILWAUKEE, WISCONSIN**

Project Name: **PABST SENIOR HOUSING (ILF/ALF)**

Location of the Project: **The Brewery, Bldg. # 24, 25, bounded on the north by West Juneau,
to the east by North 10th Street, to the south by West Highland Ave,
and to the west by N. 11th Street/I-43, City of Milwaukee, WI**

Name of the Federal
Program to which the
applicant is applying: **SECTION 108 LOAN GUARANTEE PROGRAM**

Name of
Certifying Jurisdiction: **CITY OF MILWAUKEE, WISCONSIN**

Certifying Official
of the Jurisdiction
Name:

Title:

Signature:

Date:

**CERTIFICATION OF PAYMENTS TO INFLUENCE
FEDERAL TRANSACTIONS**

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name

CITY OF MILWAUKEE, WISCONSIN

Program/Activity Receiving Federal Grant Funding

SECTION 108 LOAN GUARANTEE - PABST SENIOR LIVING

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date (mm/dd/yyyy)

**ENVIRONMENTAL REVIEW PROCESS AND
ENVIRONMENTAL ASSESSMENT (EA)**

ENVIRONMENTAL REVIEW PROCESS AND
ENVIRONMENTAL ASSESSMENT (EA)
SECTION 108 LOAN GUARANTEE

ENVIRONMENTAL REVIEW PROCESS - The HUD environmental review procedures for CDBG programs have developed two standard checklists (the statutory checklist and the environmental assessment checklist) to ensure that all issues are considered and to provide a concise and convenient record of environmental review activities.

The **Statutory Checklist** provides a format for documenting consideration and compliance with applicable Federal laws, statutes and regulations. Appropriate references are listed, and space is also provided for the addition of State or local laws and requirements applicable in a specific community.

The **Environmental Assessment Checklist** serves to identify and document potential adverse and beneficial impact in any of thirty-six listed categories in seven major impact areas. Space is also provided to obtain information, data and determinations for the preparation of the EA.

ENVIRONMENTAL ASSESSMENT (EA) - If no impact areas are identified which require further study, full documentation attached to these two checklists will be sufficient to proceed directly to a finding of no significant impact (EONSI).

In other cases, the two checklists will help to identify specific impact categories which require more detailed assessment. Once completed this more detailed assessment may result in a FONSI or in the requirement for an EIS. In each case, the completed checklists, consultation references, data sources, and assessment findings all become part of the **Environmental Review Record (ERR)**.

Based on the conclusions of the environmental assessment, a determination will be made as to whether or not the request of funds for the project will constitute an action significantly affecting the quality of the human environment.

If there is a finding of no significant impact (FONSI), the public will be given an opportunity to review and comment on this decision before funds for the project are released by HUD. The public entity will then issue a **Notice of intent to request the release of funds (NOI-RROF)**, and after seven days submit the actual request to HUD with a certification that it has complied with all related laws and authorities.

**RESOLUTION APPROVING AND AUTHORIZING SUBMISSION OF
SECTION 108 APPLICATION TO HUD**

CITY OF MILWAUKEE, WISCONSIN

RESOLUTION NO. _____

A RESOLUTION APPROVING AND AUTHORIZING SUBMISSION OF AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR SECTION 108 LOAN GUARANTEE ASSISTANCE TO PROVIDE FINANCING AND ENHANCED SECURITY FOR THE LAND/BUILDING # 24 & 25 (THE BREWERY) ACQUISITION, INFRASTRUCTURE, BUILDING REHABILITATION/ CONSTRUCTION IMPROVEMENTS FOR THE 124 UNIT PABST SENIOR LIVING (ILF/ALF) FACILITY IN THE CITY OF MILWAUKEE, WISCONSIN AND SERVING ILF/ALF RESIDENTS IN MILWAUKEE, WISCONSIN;

AUTHORIZING EXECUTION AND FILING THEREOF ON BEHALF OF THE CITY OF MILWAUKEE, WISCONSIN BY THE MAYOR, COMMON COUNCIL, CITY OF MILWAUKEE, WISCONSIN AND PROVIDING EFFECTIVE DATE.

WHEREAS, Section 108 of the Community Development Block Grant Program of the U.S. Department of Housing and Urban Development provides a source of financing for entitlement communities (guaranteed by the public entity's pledge of future block grants) to for-profit/non-profit entities that undertake acquisition and development of real property which benefits low and moderate income persons, promotes economic development and affordable housing; and

WHEREAS, the City of Milwaukee (a HUD approved Entitlement Community), desires to submit an application to the U.S. Department of Housing and Urban Development for Section 108 Loan Guarantee funds in the amount of \$ 12,341,200 to be loaned for land/building acquisition, infrastructure and rehabilitation and building construction improvements for the 124 unit Pabst Senior Living (ILF/ALF) facility located in the City of Milwaukee, Wisconsin; and

WHEREAS, two public hearings were conducted on behalf of the City of Milwaukee, WI on July 11, 2011 and July 18, 2011 in order to provide all parties of interest with information on the application and use of HUD Section 108 loan and guarantee funds, and

WHEREAS, such submission is in furtherance of municipal purposes to which the City of Milwaukee has heretofore committed itself.

NOW, THEREFORE BE IT RESOLVED BY THE LOCAL GOVERNMENT OF THE CITY OF MILWAUKEE, WISCONSIN

Section 1. That the submission of a Section 108 loan guarantee assistance application to the U.S. Department of Housing and Urban Development, copies of which will be attached hereto and by reference made a part hereof, are hereby authorized and approved.

Section 2. That the Mayor, Common Council, City of Milwaukee, WI or his/her designee, are authorized and empowered to execute the loan application and associated documents and file with the U.S. Department of Housing and Urban Development on behalf of the City of Milwaukee, Wisconsin

Section 3. That the proper officers of the City of Milwaukee, Wisconsin are authorized and directed to do all things necessary and proper in order to carry out the terms and conditions of said application.

Section 4. That this Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY THE COMMON COUNCIL, CITY OF MILWAUKEE, WISCONSIN ON THIS

_____ day of _____, 2011.

MAYOR

ATTEST: _____