1098

TLG 634 N GRAND LLC
319 N 4TH ST SUITE 1000
SAINT LOUIS, MO 63102

DATE 9/18/15

70-680-812

PAY TO THE ORDER OF U.S. DEPARTMENT OF HOMELAND SECURITY $ 6,230

SIX THOUSAND TWO HUNDRED THIRTY 00/XX DOLLARS

Security Features Included. Details on Back.

PEOPLES NATIONAL BANK peoplesnationalbank.com ST. LOUIS, MISSOURI

FOR FILING FEE

⑈001098⑈ ⑆081206807⑆ ⑈0030138051⑈

Notice of Entry of Appearance as Attorney or Accredited Representative

Department of Homeland Security

DHS Form G-28
OMB No. 1615-0105
Expires 03/31/2018

Part 1. Information About Attorney or Accredited Representative

1. USCIS ELIS Account Number *(if any)*

Name and Address of Attorney or Accredited Representative

2.a. Family Name *(Last Name)*: LUNDY

2.b. Given Name *(First Name)*: DANIEL

2.c. Middle Name:

3.a. Street Number and Name: 1601 MARKET STREET

3.b. Apt. ☐ Ste. ☒ Flr. ☐ 2600

3.c. City or Town: PHILADELPHIA

3.d. State: PA 3.e. ZIP Code: 19103

3.f. Province:

3.g. Postal Code:

3.h. Country: USA

4. Daytime Telephone Number: 2158258600

5. Fax Number: 2158258699

6. E-Mail Address *(if any)*: DLUNDY@KLASKOLAW.COM

7. Mobile Telephone Number *(if any)*:

Part 2. Notice of Appearance as Attorney or Accredited Representative

This appearance relates to immigration matters before *(Select **only one** box)*:

1.a. ☒ USCIS

1.b. List the form numbers: I-924

2.a. ☐ ICE

2.b. List the specific matter in which appearance is entered:

3.a. ☐ CBP

3.b. List the specific matter in which appearance is entered:

I enter my appearance as attorney or accredited representative at the request of:

4. Select **only one** box:

☒ Applicant ☐ Petitioner ☐ Requestor

☐ Respondent (ICE, CBP)

Information About Applicant, Petitioner, Requestor, or Respondent

5.a. Family Name *(Last Name)*: Sweeney

5.b. Given Name *(First Name)*: Sheila

5.c. Middle Name:

6. Name of Company or Organization *(if applicable)*: Gateway to the Midwest Invest

Part 2. Notice of Appearance as Attorney or Accredited Representative *(continued)*

Information About Applicant, Petitioner, Requestor, or Respondent (continued)

7. USCIS ELIS Account Number *(if any)*
▶

8. Alien Registration Number (A-Number) or Receipt Number

9. Daytime Telephone Number

10. Mobile Telephone Number *(if any)*

11. E-Mail Address *(if any)*

Mailing Address of Applicant, Petitioner, Requestor, or Respondent

NOTE: Provide the mailing address of the applicant, petitioner, requestor, or respondent. If the applicant, petitioner, requestor, or respondent has used a safe mailing address on the application, petition, or request being filed with this Form G-28, provide it in these spaces.

12.a. Street Number and Name: 7733 Forsyth Blvd

12.b. Apt. ☐ Ste. ☒ Flr. ☐ 2200

12.c. City or Town: St Louis

12.d. State: MO **12.e.** ZIP Code: 63105

12.f. Province

12.g. Postal Code

12.h. Country: USA

Part 3. Eligibility Information for Attorney or Accredited Representative

Select **all applicable** items.

1.a. ☒ I am an attorney eligible to practice law in, and a member in good standing of, the bar of the highest courts of the following states, possessions, territories, commonwealths, or the District of Columbia. *(If you need additional space, use **Part 6.**)*

Licensing Authority: NEW YORK

1.b. Bar Number *(if applicable)*: 4479747

1.c. Name of Law Firm: KLASKO IMMIGRATION LAW PARTNER

1.d. I *(choose one)* ☒ ***am not*** ☐ ***am*** subject to any order of any court or administrative agency disbarring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law. If you are subject to any orders, explain in the space below. *(If you need additional space, use **Part 6.**)*

2.a. ☐ I am an accredited representative of the following qualified nonprofit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals, in accordance with 8 CFR 292.2. Provide the name of the organization and the expiration date of accreditation.

2.b. Name of Recognized Organization

2.c. Date accreditation expires *(mm/dd/yyyy)* ▶

Part 3. Eligibility Information for Attorney or Accredited Representative *(continued)*

3. ☐ I am associated with

[ ],

the attorney or accredited representative of record who previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request.

NOTE: If you select this item, also complete **Item Numbers 1.a. - 1.b. or Item Numbers 2.a. - 2.c.** in **Part 3.** *(whichever is appropriate).*

4.a. ☐ I am a law student or law graduate working under the direct supervision of the attorney or accredited representative of record on this form in accordance with the requirements in 8 CFR 292.1(a)(2)(iv).

4.b. Name of Law Student or Law Graduate

[ ]

Part 4. Applicant, Petitioner, Requestor, or Respondent Consent to Representation, Contact Information, and Signature

Consent to Representation and Release of Information

1. I have requested the representation of and consented to being represented by the attorney or accredited representative named in **Part 1.** of this form. According to the Privacy Act of 1974 and DHS policy, I also consent to the disclosure to the named attorney or accredited representative of any record pertaining to me that appears in any system of records of USCIS, ICE or CBP.

When you (the applicant, petitioner, requestor, or respondent) are represented, DHS will send notices to both you and your attorney or accredited representative either through mail or electronic delivery.

DHS will also send the Form I-94, Arrival Departure Record, to you **unless** you select **Item Number 2.a.** in **Part 4.** All secure identity documents and Travel Documents will be sent to you (the applicant, petitioner, requestor, or respondent) unless you ask us to send those documents to your attorney of record or accredited representative.

If you do not want to receive original notices or secure identity documents directly, but would rather have such notices and documents sent to your attorney of record or accredited representative, please select **all applicable** boxes below:

2.a ☒ I request DHS send any notice (including Form I-94) on an application, petition, or request to the business address of my attorney of record or accredited representative as listed in this form. I understand that I may change this election at any future date through written notice to DHS.

2.b. ☒ I request that DHS send any secure identity document, such as a Permanent Resident Card, Employment Authorization Document, or Travel Document, that I am approved to receive and authorized to possess, to the business address of my attorney of record or accredited representative as listed in this form. I consent to having my secure identity document sent to my attorney of record or accredited representative and understand that I may request, at any future date and through written notice to DHS, that DHS send any secure identity document to me directly.

3.a. Signature of Applicant, Petitioner, Requestor, or Respondent

[ ]

3.b. Date of Signature *(mm/dd/yyyy)*▶ 09-22-2015

Part 5. Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

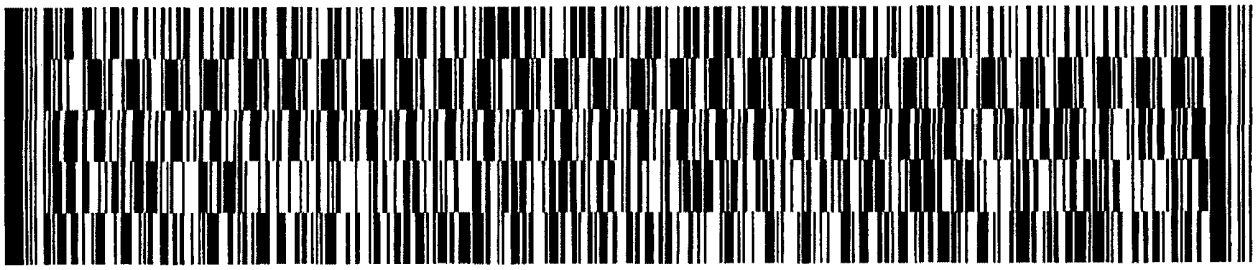
1. Signature of Attorney or Accredited Representative

[ ]

2. Signature of Law Student or Law Graduate

[ ]

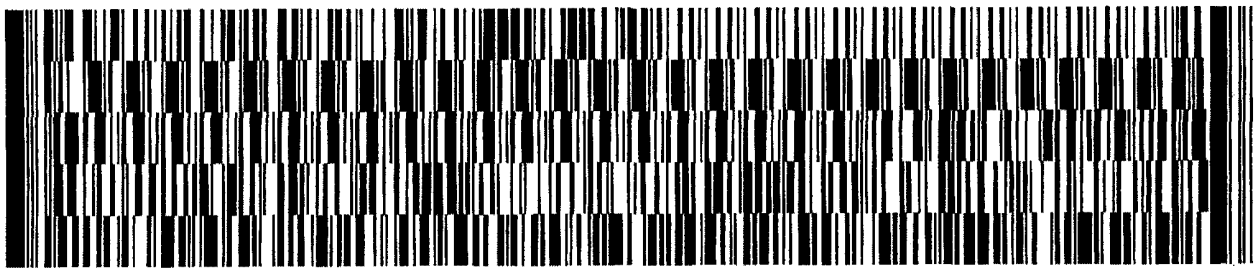
3. Date of Signature *(mm/dd/yyyy)*▶ 9/28/15



Part 6. Additional Information

Use the space below to provide additional information pertaining to **Part 3., Item Numbers 1.a. - 1.d.**

Item 6: The full name of the Company is Gateway to the Midwest Investment Center, Inc.



Part 3. Information About the Regional Center (Continued)

B. Name of Managing Company/Agency: N/A

Street Address/P.O. Box:

City:	State:	Zip Code:
Web site address:	Fax Number (include area code):	Telephone Number (include area code):

C. Name of Other Agent:

Street Address/P.O. Box:

City:	State:	Zip Code:
Web site address:	Fax Number (include area code):	Telephone Number (include area code):

D. Continuation, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

Please refer to Exhibit 4: Letter of Steven Stenger, Executive of Saint Louis County, advising of the management change for the Gateway to the Midwest Investment Center, Inc. (August 12, 2015.

Part 3. Information About the Regional Center (Continued)

Note: If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1a. Describe the structure, ownership and control of the regional center entity.

No change from previously approved application.

b. Date the Regional Center was established(mm/dd/yyyy): _____

c. Organization Structure for the Regional Center:

- ☐ **1.** Agency of a U.S. State or Territory (identify) _____
- ☒ **2.** Corporation
- ☐ **3.** Partnership (including Limited Partnership)
- ☐ **4.** Limited Liability Company (LLC)
- ☐ **5.** Other (Explain) _____

2. Has this regional center's designation ever been formally terminated by USCIS, or has the regional center ever filed a Form I-924 or regional center proposal or amendment that was denied?

☒ No ☐ Yes - Attach a copy of the adverse decision, with an explanation, the date of decision, and case number, if any.

3. Describe the geographic area of the regional center. **Note:** This area must be contiguous. Provide a map of the geographic area.

No change from previously approved application.

4. Describe the regional center's administration, oversight, and management functions that are or will be in place to monitor all EB-5 capital investment activities and the allocation of the resulting jobs created or maintained under the sponsorship of the regional center.

No change from previously approved application.

Part 3. Information About the Regional Center (Continued)

5. Describe the past, current, and future promotional activities for the regional center. Include a description of the budget for this activity, along with evidence of the funds committed to the regional center for promotional activities. Submit a plan of operation for the regional center that addresses how EB-5 investors will be recruited, the methods by which the capital investment opportunities will be offered to the investors, and how they will subscribe or commit to the investment interest.

No change from previously approved application.

6. Describe whether and how the regional center is engaged in supporting a due diligence screening of its alien investor's lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital. Also, describe the regional center's prospective plans in this regard if they differ from past practice.

No change from previously approved application.

7. Identify each industry that has or will be the focus of EB-5 capital investments sponsored through the regional center.

Industry Category Title: NonResidential Building Construction NAICS Code for the Industry Category: 2 3 6 2	Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category? ☐ No - Attach an explanation ☒ Yes
Industry Category Title: NAICS Code for the Industry Category:	Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category? ☐ No - Attach an explanation ☐ Yes
Industry Category Title: NAICS Code for the Industry Category:	Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category? ☐ No - Attach an explanation ☐ Yes

Part 3. Information About the Regional Center (Continued)

8a. Describe and document the current and/or prospective structure of ownership and control of the commercial entities in which the EB-5 alien investors have or will make their capital investments.

Each EB-5 investor will make a qualifying investment of $500,000 into Missouri Theatre Lenders, LLC ("LLC"). The proceeds of each investor's qualifying investment will be used to loan $16.0 million to TLG 634 Managing Member, LLC ("Manager"). The Manager will then use the $16.0 million of EB-5 proceeds to make a capital contribution to TLG 634 N Grand, LLC ("Developer"). The Developer will use these proceeds to finance the costs of developing the Project. See Attached.

b. Date commercial enterprise established, if any (mm/dd/yyyy): 05/11/2012

c. Organization Structure for commercial enterprise:

- ☐ **1.** Corporation
- ☐ **2.** Partnership (including Limited Partnership)
- ☒ **3.** Limited Liability Company (LLC)
- ☐ **4.** Other (Explain) _____

d. Has or will the Regional Center or any of its principals or agents have an equity stake in the commercial enterprise?

☐ No ☒ Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid.

e. Has or will the Regional Center or any of its principals or agents receive fees, profits, surcharges, or other like remittances through EB-5 capital investment activities from this commercial enterprise, beyond the minimum capital investment threshold required of the EB-5 alien entrepreneurs?

☐ No ☒ Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid.

Part 4. Applicant Signature

Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete **Part 5**.

I certify, under penalty of perjury under the laws of the United States of America, that this form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant	**Daytime Phone Number** (Area/Country Codes)	**Date** (mm/dd/yyyy)
Sheila M. Sweeney	(314) 461-5766	09/21/2015
Printed Name of Applicant	**E-Mail Address**	
Sheila Sweeney	ssweeney@stlouispartnership.com	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.)		
Interim CEO		

Part 5. Signature of Person Preparing This Form, If Other Than Above (Sign Below)

I declare that I prepared this application using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? ☐ No ☒ Yes

Signature of Preparer	**Printed Name of Preparer**	**Date** (mm/dd/yyyy)
	Daniel B. Lundy, Esq.	9/28/15

Firm Name and Address
Klasko Immigration Law Partners, LLP 1601 Market Street, Suite 2600 Philadelphia, PA 19130

Daytime Phone Number (Area/Country Codes)	**Fax Number** (Area/ Country Codes)	**E-Mail Address**
(215) 825-8600	(215) 825-8699	dlundy@klaskolaw.com

Klasko Immigration Law Partners, LLP
Practice Limited to Immigration and Nationality Law

PHILADELPHIA • NEW YORK • CHICAGO

KLASKO
Immigration and Nationality Law

September 29, 2015

Via FedEx

U.S. Citizenship & Immigration Services
California Service Center
ATTN: EB-5 Processing Unit
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

RE: Gateway to the Midwest Investment Center, Inc., Regional Center
Missouri Theatre Lenders, LLC, New Commercial Enterprise
Application to Amend Regional Center Designation (Form I-924)
Exemplar I-526 Petition

Dear Sir/Madam:

We are the attorneys for The Gateway to the Midwest Investment Center, Inc. ("**Gateway**"). We hereby submit the attached I-924 Application to Amend Regional Center Designation on its behalf. Gateway is submitting this application, in conjunction with an Exemplar I-526 Petition, in order to amend its designation to include an approved project, the renovation of the existing Missouri Theatre into the new Missouri Theatre Luxury Hotel, a full-service boutique lodging facility in St. Louis, Missouri (the "**Project**").

In support of this application, please find the following attached:

- Filing fee of $6,230;
- Form G-28;
- Form I-924;
- A detailed Index of Exhibits;
- Supporting documentation; and
- A sample I-526 petition.

Gateway was organized under the laws of the State of Missouri on September 27, 2010 for the purposes of engaging in economic development activity. *See* **Exhibit 2**. Gateway was designated as a USCIS approved Regional Center pursuant to Section 203(b)(5) of the Immigration & Nationality Act and Section 610 of the Appropriations Act of 1993 on March 28, 2013. *See* **Exhibit 1**.

Pursuant to 8 CFR 204.6(m), each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the Assistant Commissioner for Adjudications, which:

> "(i) Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through increased export sales, improved regional productivity, job creation, and increased domestic capital investment;

1601 Market Street, Suite 2600
Philadelphia, PA 19103
Telephone: 215.825.8600 Facsimile: 215.825.8699
www.klaskolaw.com

(ii) Provides in verifiable detail how jobs will be created indirectly through increased exports;

(iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;

(iv) Contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center; and

(v) Is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and/or multiplier tables."

Gateway intends to offer EB-5-compliant capital investment opportunities within the territory for which it was approved. The offered investments will promote economic growth in the region through improved regional productivity, job creation, and increased domestic capital investment, and will benefit both the regional and national economies. Specifically, with this application, Gateway seeks to amend its regional center designation to include the Project as an approved Regional Center project. Gateway intends to sponsor the Project under the program pursuant to a Project Agreement. *See* **Exhibit 3**.

I. Geographic Area of the Regional Center

Gateway is approved to offer EB-5 investment opportunities within a geographic territory that includes the City of St. Louis, Missouri and the Missouri counties of St. Louis and St. Charles. *See* **Exhibit 1**. As the Project is located in St. Louis, no amendment is currently sought with regard to the geographic territory.

II. Industry Focus

Gateway was approved for the following target industry clusters:

1. The Residential Building Construction (NAICS 2361);
2. The Nonresidential Building Construction (NAICS 2362);
3. The Furniture Merchant Wholesalers (NAICS 423210); and,
4. The Traveler Accommodation (NAICS 7211).

These industry clusters fall within the proposed activities of the Project, which includes the renovation of the existing Missouri Theatre into the new Missouri Theatre Luxury Hotel in St. Louis, Missouri. The inclusion of these industry clusters is supported by the attached comprehensive business plan and economic study. *See* **Exhibits 5, 6**. No amendment is currently sought with regard to the approved target industry clusters.

III. Regional Center Structure and Operations

Please note that Dennis G. Coleman has stepped down as Chief Executive Officer of the Regional Center. The St. Louis County Office of the Executive has appointed Sheila M. Sweeney as Interim Chief Executive Officer. *See* **Exhibit 4**.

IV. Project Details

A. Project Overview

The Project consists of the renovation of the existing Missouri Theatre into the new Missouri Theatre Luxury Hotel, a full-service boutique lodging facility in St. Louis, Missouri. The redevelopment will comprise 139 rooms consisting of roughly 150,000 square feet of space across twelve floors. The Project will also include a fitness center, restaurant and lounge, business center, market pantry, and outdoor pool. *See* **Exhibit 5**.

The Project site is located at 634 North Grand, St. Louis, Missouri. The Missouri Theatre was built in 1920 as a 4,000-seat movie and performance theater. The Theatre was originally home to the Missouri Rocket Girls, who later moved to New York City and became the Rockettes. After part of the original structure was demolished in 1959, the remaining building was used as office space for a time before becoming vacant. As part of the EB-5 Project, the exterior of the building, including the ornate white-stone façade, will be restored and preserved while the interior will be renovated and remodeled. The ground floor will feature leased retail spaces, as well as the hotel lobby. The second and third floors will be developed as office space, while floors four through twelve contain the subject hotel, including a twelfth floor lobby and rooftop terrace.

The room mix will include 116 standard guest rooms, 20 junior suites, 2 executive suites, and 1 presidential suite. The meeting room space will total 3,000 to 4,000 square feet. *See* **Exhibits 5, 15, 16, 19.**

Development of the Project requires funds totaling $53.78 million. The EB-5 Project will be financed by up to $16.00 million of EB-5 capital combined with $3.08 million of developer-contributed equity and $14.70 million in tax credit. The remaining $20.00 million will be provided through a commercial construction loan in a senior position. In the event that the funds raised from immigrant investors exceeds or falls short of the $16.00 million goal, the difference will be carried through to the construction loan. *See* **Exhibits 5, 12-14, 17**.

The existing Missouri Theatre was purchased in 2013 and construction will begin in February 2016 with restoration and preservation of the exterior of the structure. Simultaneously, the theater's interior is scheduled to be renovated and remodeled from February 2016 to January 2017. Build-out will take place from February 2016 through January 2017, when construction is completed. *See* **Exhibit 5, 6, 18, 20**.

B. Project Investment Structure

Each EB-5 investor will make a qualifying investment of $500,000 into Missouri Theatre Lenders, LLC (the "**Company**"). Missouri Theatre Lender Manager, LLC is the manager of the

Company ("**Manager**").[1] One hundred percent of the proceeds of each investor's qualifying investment will be used to fund the Company's loan of $16 million ("**EB-5 Loan**") to TLG 634 N Grand LLC (the "**Borrower**"), through the Developer, TLG 634 Managing Member LLC. The proceeds of the EB-5 Loan will be used by Borrower to finance the costs of developing the Project. *See* **Exhibits 5, 7- 10, 12, 22.**

The EB-5 Loan will accrue interest at the rate of 4.5% per annum on a non-compounded basis for the first five years. Interest will accrue and be payable from Borrower's surplus cash flow, not from funds received through the EB-5 Loan. The EB-5 Loan is payable no later than five (5) years from the EB-5 Loan close, subject to two (2) one year extensions to be executed by the Owner no later than 90 days prior to the end of the initial term, and, if applicable, the first renewal term (the "**Maturity Date**"). **Exhibits 12, 22.**

The primary EB-5 Loan repayment strategy is anticipated to be the repayment of the EB-5 Loan either through the rental and leasing operation of the residential and retail portion of the Project and/or the refinancing and/or sale of the Project in whole or in part. **Exhibits 12, 22.**

Notwithstanding the foregoing, following the Maturity Date, the EB-5 Loan may be repaid even if all EB-5 investors have not received final adjudication of their respective I-829 Petitions; provided, that the Manager, on behalf of the Company, will have the right to reinvest the remaining EB-5 capital contribution in alternate investments that qualify under the EB-5 Program for the purpose of preserving the EB-5 investors' "at risk" investment and eligibility for removal of conditional lawful permanent resident ("**CLPR**") status. *See* **Exhibit 22.**

V. Economic Impact

A. Economic Model

8 C.F.R. § 204.6(m)(3)(v) provides that an application for regional center designation must be "supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and/or multiplier tables." 8 C.F.R. § 204.6(m)(7)(ii) provides that:

> "To show that 10 or more jobs are actually created indirectly by the business, reasonable methodologies may be used. Such methodologies may include multiplier tables, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and other economically or statistically valid forecasting devices which indicate the likelihood that the business will result in increased employment."

An economic study was prepared to analyze the economic impact and job creation that will result from the construction of this Project (the "**Economic Study**"). The Economic Study was prepared by Economic & Policy Resources, Inc. ("**EPR**") using the REDYN model, which has

[1] The Manager is affiliated with the Regional Center and will administer the Company. The Manager and Regional Center are not affiliated with the Developer. *See* **Exhibit** 22.

Gateway to the Midwest Investment Center, Inc., Regional Center
Missouri Theatre Lenders, LLC, New Commercial Enterprise
Index of Exhibits

Forms and Fees (Preceding this Index)

- Attorney Cover Letter;
- Form G-28;
- Form I-924;
- Filing Fee of $6,230.

Part I: Regional Center Documents

Exhibit 1: USCIS Regional Center Designation Letter.

Exhibit 2: Articles of Incorporation of Gateway to the Midwest Investment Center, Inc. (September 27, 2010)

Exhibit 3: Project Agreement between Gateway to the Midwest Investment Center, Inc. and TLG 634 Managing Member, LLC

Part II: Project Documents

Exhibit 4: Letter of Steven Stenger, Executive of Saint Louis County, advising of the management change for the Gateway to the Midwest Investment Center, Inc. (August 12, 2015)

Exhibit 5: Comprehensive Business Plan

Exhibit 6: Economic Study (August 28, 2015)

Exhibit 7: Missouri Articles of Organization of Missouri Theatre Lenders, LLC (May 11, 2012)

Exhibit 8: TLG 634 N. Grand, LLC

Exhibit 9: TLG 634 Managing Member, LLC

Exhibit 10: Missouri Theatre Lenders Manager, LLC

Exhibit 11: TEA designation letter

Exhibit 12: Term Sheet for EB-5 Financing of Missouri Theatre Building

Exhibit 13: Term Sheet for Construction Loan from Eagle Bank and Trust Company of Missouri (September 15, 2015)

Exhibit 14: Missouri Department of Economic Development Historic Preservation Tax Credit Program Initial Approval (January 22, 2014)

14.1 Missouri Department of Economic Development Remediation Tax Credit Eligibility Letter (August 7, 2014)

Exhibit 15: Historic Preservation Certification Application (February 22, 2013).

Exhibit 16: Architectural Drawings; Site Survey; Exterior View

Exhibit 17: Paric Cost Opinion (2015)

17.1 Paric Letter (August 11, 2015)

Exhibit 18: Special Warranty Deed (December 3, 2013)

Exhibit 19: HVS Market Study (April 2015)

Exhibit 20: Missouri Theatre Luxury Hotel Permitting letter (September 14, 2015)

Part III: Offering Documents

Exhibit 21: Operating Agreement of Missouri Theatre Lenders, LLC

Exhibit 22: Confidential Private Offering Memorandum

Exhibit 23: Subscription Agreement

Exhibit 24: Draft Escrow Agreement

Exhibit 25: Sample I-526 Petition

Exhibit 1

U.S. Department of Homeland Security
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

U.S. Citizenship and Immigration Services

Date: MAR 28 2013

Dennis Coleman
C/O Gateway to the Midwest Investment Center, Inc.
121 Meramec Ave, Suite 900
St. Louis, MO 63105

Application:	Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program
Applicant:	Dennis Coleman
Re:	Initial Regional Center Designation Gateway to the Midwest Investment Center, Inc. RCW1105350166 / ID 1105350166

*** Corrected Notice ***

This notice is in reference to the Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on February 22, 2011. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

I. Executive Summary of Adjudication

1. Effective the date of this notice, USCIS approves the Form I-924 request to designate Gateway to the Midwest Investment Center, Inc. as a qualifying participant in the Immigrant Investor Program.

II. Regional Center Designation

USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:

A. Geographic Area

State	Counties/Cities
Missouri	City of St. Louis

	Counties of St. Louis and St. Charles

Note: An amendment request is required if investment opportunities arise outside approved geographic area.

B. Industry Categories

NAICS	Industry Category
2361	Residential Building Construction
2362	Nonresidential Building Construction
423210	Furniture Merchant Wholesalers
7211	Traveler Accommodation

Note: An amendment request is required if investment opportunities arise outside approved industry categories.

III. Job Creation

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this regional center proposal. The job creation methodology presented in the economic impact analysis and underlying business plan is found to be reasonable based on the following inputs, when applying the REDYN economic model:

Activity	NAICS	Input	REDYN Implied Multiplier	Total Jobs
Construction	2361, 2362*	$27.5 million	9.09	250**
Hotel Operation	7211	24 direct jobs	1.50	36

*The output of the REDYN model does not provide results that are itemized by NAICS code.

**Indirect and induced jobs only

The approval of this Form I-924 application is based upon the economically and statistically valid assumptions and estimates provided in the business plan for job creation. Please refer to the input and multiplier analysis table above.

This hypothetical project does not have the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998), and therefore, USCIS's approval of the hypothetical job creation estimates presented in the Form I-924 will not be accorded deference and may not be relied upon by an individual investor when filing the Form I-526. The business plan and job creation estimates will receive a de novo review by USCIS when an individual investor files Form I-526. Once an actual project is adjudicated upon the filing of the initial Form I-526 related to the I-924 hypothetical project approval, USCIS will give deference to subsequent Forms I-526 when the critical assumptions remain materially unchanged from the initially-approved Form I-526.

When filing Form I-526, it will be the responsibility of the individual investor to submit a comprehensive, detailed and credible business plan, showing by a preponderance of the evidence that his or her investment in the new commercial enterprise will create not fewer than 10 full-time positions. If prior to filing a form I-829, the job creation estimated in the business plan submitted by the individual investor materially

changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

V. Guidelines for Filing Form I-526 Petitions

Each individual petition, in order to demonstrate that it is affiliated with the Gateway to the Midwest Investment Center, Inc. in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).

2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.

3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).

4. Legally executed organizational documents of the commercial enterprise. USCIS has reviewed the following organizational document for the hypothetical project and has found it to be EB-5 compliant in principle and may be submitted with an I-526 petition:

   a. Confidential Private Placement Memorandum (Draft submitted February 22, 2011)

   It is noted that the memorandum was submitted without Exhibits A-D so these documents have not been reviewed by USCIS.

VI. Designee's Responsibilities in the Operations of the Regional Center

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at www.uscis.gov.

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

The regional center designation is non-transferable, as any changes in management of the regional center will require the approval of an amendment to the approved regional center designation.

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at USCIS.ImmigrantInvestorProgram@uscis.dhs.gov.

Sincerely,

Donna P. Campagnolo
Acting Director
California Service Center

cc: H. Ronald Klasko, Esq.

Exhibit 2

File Number:
N01087938
Date Filed: 09/27/2010
Robin Carnahan
Secretary of State

ARTICLES OF INCORPORATION

OF

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

We, the undersigned, being one or more natural person(s) of the age of eighteen years or more and citizens of the United States, for the purpose of forming a corporation under the "Missouri Nonprofit Corporation Act," Chapter 355 of the Revised Statutes of Missouri, as amended, and any successor provision thereto (the "Act"), do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the Corporation is Gateway to the Midwest Investment Center, Inc.

ARTICLE II

The Corporation is a mutual benefit corporation within the meaning of Section 355.881 of the Act.

ARTICLE III

The address of the initial Registered Office of the Corporation in the State of Missouri is; 121 S. Meramec Avenue, Suite 1117, St. Louis, Missouri 63105, and the name of its initial Registered Agent at said address is Andrew C. Ruben.

ARTICLE IV

The Corporation will not have members within the meaning of Section 355.066 of the Act; however, the Bylaws of the Corporation may establish such class or classes of non-

State of Missouri
Creation - NonProfit 7 Page(s)

T1027019018

social improvements. The purposes for which the Corporation is organized include, but are not limited to:

(a) Serving as an approved U.S. Citizen and Immigration Service EB-5 Regional Center to facilitate foreign direct investment in the St. Louis, Missouri region; and

(b) Creating increased permanent employment within the City of St. Louis, Missouri and the Missouri Counties of St. Louis and St. Charles by promoting and sponsoring the creation of sustainable business projects.

Nothing herein shall be construed to give the Corporation any purpose that is not permitted under section 501(c)(4) of the Internal Revenue Code of 1986, as amended. In furtherance of its permitted purposes, the Corporation may exercise any, all and every lawful power or activity which a corporation organized under the Act may exercise or transact.

ARTICLE VIII

The Corporation is not organized or operated for profit and no part of the net earnings of the Corporation will inure to the benefit of any private shareholder or individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above.

ARTICLE IX

Upon dissolution of the Corporation (after payment of or after provision has been made for the payment of all liabilities of the Corporation), the Board of Directors shall distribute the assets of the Corporation exclusively for the purposes of the Corporation or to such organization or organizations organized and operated exclusively for such purposes. Any such

reason of the fact that such person is or was serving in such capacity; provided, however, that no such person shall be entitled to any indemnification pursuant to this subsection 2 on account of conduct which is finally adjudged to have been knowingly fraudulent or deliberately dishonest or to have constituted willful misconduct.

3. This Corporation may, to the extent that the Board of Directors deems appropriate, make advances of expenses, including attorneys' fees, incurred prior to the final disposition of a civil, criminal, administrative or investigative action, suit, proceeding or claim (including an action by or in the right of the Corporation or a subsidiary) to any person to whom indemnification is or may be available under this Article; provided, however, that prior to making any advances, the Corporation shall receive a written undertaking by or on behalf of such person to repay such amounts advanced in the event that it shall be ultimately determined that such person is not entitled to such indemnification.

4. The indemnification and other rights provided by this Article shall not be deemed exclusive of any other rights to which a person to whom indemnification is or may be otherwise available under these Articles of Incorporation, the Bylaws or any agreement, vote of shareholders or disinterested directors or otherwise, may be entitled. This Corporation is authorized to purchase and maintain insurance on behalf of the Corporation or any person to whom indemnification is or may be available against any liability asserted against such person in, or arising out of, such person's status as director, officer, employee or agent of this Corporation, any of its subsidiaries or another corporation, partnership, joint venture, trust or other enterprise (including an employee benefit plan) which such person is serving at the request of the Corporation.

5. Each person to whom indemnification is granted under subsection 1 of this Article is entitled to rely upon the indemnification and other rights granted hereby as a contract with this Corporation and such person and such person's legal representatives, heirs, executors, administrators and estate shall be entitled to enforce against this Corporation all indemnification and other rights granted to such person by subsections 1 and 3 and this subsection 5 of this Article. The indemnification and other rights granted by subsections 1 and 3 and this subsection 5 of this Article shall survive amendment, modification or repeal of this Article, and no such amendment, modification or repeal shall act to reduce, terminate or otherwise adversely affect the rights to indemnification granted hereby, with respect to any expenses, judgments, fines and amounts paid in settlement incurred by a person to whom indemnification is granted under subsection 1 of this Article with respect to an action, suit, proceeding or claim that arises out of acts or omissions of such person that occurred prior to the effective date of such amendment, modification or repeal.

Any indemnification granted by the Board of Directors pursuant to subsection 2 of this Article shall inure to the person to whom the indemnification is granted, and such person's legal representatives, heirs, executors, administrators and estate; provided, however, that such indemnification may be changed, modified or repealed. at any time or from time to time, at the discretion of the Board of Directors and the survival of such indemnification shall be in accordance with terms determined by the Board of Directors.

6. For the purposes of this Article, "subsidiary" shall mean any corporation, partnership, joint venture, trust or other enterprise of which a majority of the equity or ownership interest is directly or indirectly owned by this Corporation.

ARTICLE XI

These Articles of Incorporation shall be effective as of the date of their filing with the Secretary of State of the State of Missouri.

ARTICLE XII

The name and address of the sole incorporator is Andrew C. Ruben, Economic Council of St. Louis County, 121 S. Meramec, Suite 900, St. Louis, Missouri 63105,

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040 RSMo)

Must be signed by all Incorporator(s):

9/15/10

Andrew C. Ruben Date signed

Name and address to return filed document:

Andrew C. Ruben
Economic Council of St. Louis County
121 S. Meramec, Suite 900
St. Louis, MO 63105

State of Missouri

Robin Carnahan
Secretary of State

CERTIFICATE OF INCORPORATION
MISSOURI NONPROFIT

WHEREAS, Articles of Incorporation of

Gateway to the Midwest Investment Center, Inc.
N01087938

have been received and filed in the Office of the Secretary of State, which Articles, in all respects, comply with the requirements of Missouri Nonprofit Corporation Law;

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of the State of Missouri do by virtue of the authority vested in me by law, do hereby certify and declare this entity a body corporate, duly organized this date and that it is entitled to all rights and privileges granted corporations organized under the Missouri Nonprofit Corporation Law

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 27th day of September, 2010.

Robin Carnahan

Secretary of State

ROBIN CARNAHAN
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

CORPORATIONS
(573) 751-4153

Dear Non-Profit Corporation:

Congratulations! We wish you every success in your new business enterprise. The following information will assist you in maintaining your corporation's good standing status in Missouri.

Your first Registration Report is due by August 31 of the year following the calendar year of incorporation. A reminder notice will be mailed to your corporation's registered agent approximately June 1 of next year. As required by law, all annual report information is mailed to your registered agent's physical address. Any change in registered agent or registered agent address must be filed immediately with our office. Please be sure to file your report on time; **failure to file this report will result in administrative dissolution of your corporation.**

You may file your Registration Report online 24 hours a day on our website at: www.sos.mo.gov. If online filing is not an option, you may print your Registration Report from our website at www.sos.mo.gov or you may call toll free (866) 223-6535 and request a form be sent to you.

	Online Filing Fee	Filing Fee By Mail Or In Person
Annually:		
On or Before August 31	$10	$15
After August 31	$15	$20
Biennially (every two years):		
On or Before August 31	$20	$30
After August 31	$30	$40

Questions regarding any corporate information should be directed to (866) 223-6535. Best wishes on your new business venture!

Sincerely,

Robin Carnahan
Secretary of State

PO BOX 778 • JEFFERSON CITY, MISSOURI • 65102
www.sos.mo.gov

Exhibit 3

PROJECT AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made and entered into this 24th day of September, 2015 (the "**Effective Date**") by and between TLG 634 Managing Member, LLC, a Missouri limited liability company (hereinafter referred to as the "Owner" or "**Developer**") and Gateway to the Midwest Investment Center, Inc., a Missouri nonprofit corporation (hereinafter referred to as "**RC**" or "**Regional Center**"), an approved United States Citizenship and Immigration Services ("**USCIS**") Regional Center.

WHEREAS, the Developer wishes to engage RC to present its business plan with respect to the project identified in Exhibit A attached hereto (the "**Project**"), and apply on its behalf to the USCIS for approval under the EB-5 Immigrant Investor Pilot Program (the "**Program**"). The RC agrees to provide these services for the compensation described below and otherwise in accordance with the terms and conditions contained in this Agreement; and

WHEREAS, the Regional Center has formed Missouri Theatre Lenders, LLC, a Missouri limited liability company, that will serve as the entity to provide EB-5 funding (herein referred to as the "**Company**") to the Project.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, accepted and agreed to, the Developer and RC, intending to be legally bound, agree to the terms set forth below.

a. TERM. The term of this Agreement (the "**Term**") will commence as of the Effective Date, and shall terminate automatically and without further action by any party on the earlier to occur of:

a. adjudication of all I-829 petitions relating to the project and full re-payment of the Loan, or

b. termination of the Regional Center's designation as a regional center by USCIS.

b. DUTIES AND SERVICES. The Developer will provide the RC the following documentation necessary to enable the RC to review the Program eligibility of the Project, at the expense of the Developer:

a. Regional Center Application and Fee
b. Executive Summary;
c. Comprehensive Matter of Ho Business Plan;
d. Economic Impact Report;
e. Marketing Plan;
f. Real Estate Title Information on the Project;
g. TEA Designation Letter
h. Term Sheet for EB-5 Loan Agreement (the "Loan Agreement")
i. Term Sheet from Senior Lender
j. Construction Budget

k. Construction Schedule
l. Construction Drawings/Plans
m. Applicable Permits
n. Any other appraisals, feasibility, studies, market plans or material agreements affecting the Project.

In addition, the due diligence list set forth in Exhibit C shall also be provided to the extent applicable (collectively, all documents provided to the RC are hereinafter referred to as the "**Application**").

Once the Application package has been completed and approved by the RC, the Developer may utilize the form I-526 petition template (the "**Template**") prepared by an immigration attorney for utilization by the potential investors. If the form I-924 (Amendment to the Regional Center) is applicable, the RC will make the submission to USCIS at the sole cost and expense of the Developer. During the form I-924 approval process, RC will respond to any requests from USCIS for additional information or request for evidence on an expedited basis at the sole cost and expense of the Developer. Upon approval from the USCIS and/ or the RC, the Developer will maintain all records required by the USCIS Program.

c. **REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER**. The Developer represents and warrants to the RC that (a) Developer is duly organized and existing under the laws of the State of Missouri, (b) Developer has full right, power and authority to execute and perform this Agreement, (c) the execution and performance of this Agreement does not and will not violate any law, rule, regulation, order, writ, injunction or decree of any court or government, domestic or foreign, or any commission, bureau or administrative agency, or any agreement or instrument by which the Developer is bound, and (d) upon its execution, this Agreement will constitute the binding obligation of the Developer enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally or by limitations on the availability of equitable remedies.

a. The RC will not be involved in the affairs of the Developer except as necessary to obtain periodic Project and job creation information to effect the RC's required reporting to the USCIS, as is more specifically detailed in paragraph b below. Similarly, the Developer will not be involved in the affairs of the RC other than as necessary to comply with USCIS requirements.

b. The Developer understands the RC is responsible before the USCIS and other federal regulatory bodies to maintain its status as a RC and to comply with the USCIS and other legal requirements imposed on USCIS approved regional centers. The Developer therefore agrees to provide the RC with, at a minimum, semi-annual financials on the Project and semi-annual job creation reports on the Project. The Developer further agrees to cooperate with the RC at all times in connection with any information the RC may request or seek from the Developer in connection with the Project, and to provide such information to the RC on an expedited basis.

The Developer further agrees to make its principals available upon reasonable notice to review and explain Project status and the books and records it is required to maintain to comply with the EB-5 program, which may include but is not limited to, conformance to the business plan regarding construction costs and schedule, project employees, operational revenues and expenses, and any communication with the USCIS regarding the Project compliance and the status of any foreign investor's conditional or permanent green card petition.

c. The Developer agrees to provide the RC with a copy of any proposed contract with any third party finder or broker engaged to obtain EB-5 investors for the Project, in order to ensure such engagement complies with applicable securities and other applicable laws.

d. In the event a third party finder or broker is engaged, the Developer will participate, collaborate, and cooperate in the investigation and vetting of any potential EB-5 investor seeking to invest in the Project.

d. PAYMENTS BY DEVELOPER. The Developer agrees to pay the RC reasonable fees in order for the RC to pay its professionals to undertake the work necessary for the Project inclusion in the RC, estimated in an amount not to exceed $25,000. These fees are based on the following assumptions:

a. The Developer agrees to provide the RC with financials and projections relating to the Project which the RC deems acceptable for purposes of completing the Template;

b. The Developer agrees to provide the RC with a business plan relating to the Project which the RC reasonably deems acceptable for purposes of completing the Application;

c. The Developer agrees to provide the RC with sufficient documentation that includes a private placement memorandum, subscription agreement, investor questionnaire, company documents, organizational charts, company structure, and other legal and business documents and information related to the Project which the RC reasonably requires for purposes of completing the Template; and

d. The Developer agrees to provide the RC with project renderings, analyses and descriptions which the RC deems acceptable for purposes of completing the Template.

e. DUTIES OF THE RC.

a. In order to maintain compliance with USCIS regulations, the Regional Center's administration, oversight, and management of its regional center will be devised so as to identify projects that offer the best opportunities for meeting established EB-5 program criteria for promoting new

economic growth through improved productivity, job creation, and increased capital investment. Regional Center management will actively and closely monitor all investment activities under the sponsorship of the program, and will maintain records, data and information on a quarterly basis in order to report to USCIS annually through the form I-924A process and/or upon request for each Federal fiscal year, commencing with the current year according to the process as described below.

b. After designation, the Regional Center (or through its Agents) will manage and oversee all operations and project activity to ensure compliance with all USCIS requirements through the design and execution of a database and reporting system designed to provide the following information on an annual basis to the USCIS:

1. Current Principal Point of Contact: Maintain a current listing of the principal official and point of contact for the management and administration of the Regional Center.

2. Approved Job Count Methodologies: Maintain a current list of approved methodologies used to evaluate and track job creation that resulted from an approved business enterprise of each specific foreign investor's investment capital.

3. Inventory of I-526 Petition Filers: Maintain an inventory of the name, date of birth, and alien registration number of each alien investor who makes an investment and files an EB-5 I-526 petition with USCIS, specifying whether the petition was approved, denied, or withdrawn by the petitioner.

4. List of Nationality for EB-5 Investors: The country of nationality of each alien investor who makes an investment and files an I-526 Petition with USCIS.

5. Current List of EB-5 Investors by State of Residence: Maintain a current list by U.S. municipality and state of residence of each alien investor who makes an investment and files an EB-5 I-526 petition with USCIS.

6. Current list EB-5 Investment by Approved Activity: Maintain a listing of the categories of approved business activity within the geographic boundaries of the Regional Center that have received the alien investors' capital, and in what amount.

7. Current List of EB-5 Projects: The names and locations of each of the job creating commercial enterprises located within the geographical boundaries if the Regional Center has received alien investor capital.

8. Sources of Capital by Type: Report the amounts of alien investor capital and the amounts of other domestic capital that have been invested together in each job creating commercial enterprise specified in item 6 above, distinguishing the separate totals for each.

9. EB-5 Investor Count With Conditional Residency: Report the total aggregate number of approved EB-5 alien investor I-526 petitions per Federal Fiscal Year to date made through the Regional Center.

10. EB-5 Investor Count with Permanent Residency: Report the total aggregate number of approved EB-5 alien investor I-829 petitions per Federal Fiscal Year to date through the Regional Center.

11. Total EB-5 Capital Invested: Report the total aggregate of EB-5 alien capital invested through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

12. Total EB-5 Eligible Jobs Created: Provide the combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

13. Total EB-5 Eligible Jobs Preserved: If applicable, the total aggregate of "preserved" jobs by EB-5 alien investors into troubled businesses through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

14. Inactivity Report: If for any given Federal Fiscal Year the Regional Center does not have investors to report, then provide an explanation for the inactivity along with a specific plan which details timelines and steps to actively promote the Regional Center program, and recruit legitimate and viable alien investors.

15. Notification of "Material Changes": Notification to USCIS within 30 days of the occurrence any material change in the structure, operation, administration, focus, or activities relating to the Regional Center's basis for its most recent designation and/or reaffirmation by the USCIS.

c. In order to monitor this data for the Project and facilitate the reporting of data to USCIS on Form I-924A, the Regional Center will maintain a database of alien investors subscribed to the project, along with files for each investor to capture and store relevant data. The database will capture:

- Subscription dates of alien investors;

- Complete contact information for investors [including names, dates of birth, country of citizenship, passport number, foreign address, and U.S. address, along with names and dates of birth of dependent family members];
- Immigration milestone dates [including Form I-526 receipt date/priority date, I-526 approval date, conditional permanent resident approval date, I-829 filing window for the investor, I-829 receipt date, and I-829 approval date, along with any relevant dates for aging out children of the principal investors]; and
- Investment milestone dates (including the date money was received in escrow and the date of actual capital contribution to the new commercial enterprise).

d. In addition to the investor database, the Regional Center will maintain an electronic file on each investor containing the following documents: a copy of the alien investor's passport biographic page and the passport biographic pages of dependent family members, a copy of the I-526 receipt notice and approval notice, a copy of Form I-551 issued to the investor and dependent family members, copies of I-829 receipts and approval notices, a copy of the subscription agreement and accredited investor questionnaire signed by the investor, and copies of the Schedule K-1 tax filings for the investor.

e. Additionally, the Regional Center will monitor the Project's progress and maintain records in support of the alien investor's I-829 petitions. The Regional Center will receive copies of all project updates and investor communications in order to monitor the progress of the EB-5 compliant business plan. The Regional Center will also receive copies of independent auditor reports prepared for the Project to monitor the job creation resulting from the Project. The Regional Center will monitor and store this information for both USCIS reporting purposes and in furtherance of I-829 petition support.

f. LOAN PROGRAM. The Developer will be using a loan based formula with their Immigrant Investor's capital contribution. The Developer will pay an interest rate to be determined by the Loan Agreement. The RC will receive a percentage of those interest loan payments as set forth in the compensation schedule attached hereto as Exhibit B.

g. CONFLICT OF INTEREST. As a disclosure of potential conflicts of interest, RC represents other Developers. Some of the RC's existing or future clients may operate or seek to operate in your geographical area and/or engage in similar projects. These circumstances create a theoretical conflict of interest for RC. However, RC believes it can properly represent your interest notwithstanding these potential conflicting circumstances. By signing this Agreement, Developer and any and all of its members and representatives agree to RC's representation notwithstanding its conflict and confirm that you have had a full opportunity to carefully consider the effect of RC's theoretical conflict in respect to Developer. Additionally,

the Developer and the RC waive any conflict or claims that may arise due to potential conflicts of interest among legal counsel who are dually representing the RC and the Developer.

h. NO GUARANTEES. This Agreement DOES NOT GUARANTEE OR PREDICT a specific outcome for an approved USCIS Developer designation. This Agreement DOES NOT GUARANTEE OR PREDICT RC's ability to find and place investors in the Developer. Any legal documents provided by RC should be reviewed by your Counsel. Your application will be promptly and efficiently filed, however, processing delays may occur that are beyond the control of RC.

i. CONFIDENTIAL INFORMATION AND PUBLCITY. The RC and the Developer acknowledge that each may receive certain confidential and/or proprietary information and material which is not publicly known concerning the business and affairs of the other (including without limitation the terms of this Agreement, market plans, customer lists, financial plans and organization structure -- collectively "Confidential Information") in connection with this Agreement, and agree that each of them has a proprietary interest in their respective Confidential Information. All disclosures of Confidential Information to a party, its agents, employees and sublicensees shall be held in strict confidence by such party, its agents, employees and sublicensees, and such party may disclose the Confidential Information only to those of its agents, employees and sublicensees to whom it is necessary in order to properly carry out their duties hereunder. Neither party shall use the Confidential Information of the other after termination or expiration of this Agreement and shall return all copies of the Confidential Information (other than this Agreement) to the other as soon as practicable after the date of such termination or expiration.

Notwithstanding the above, Developer expressly acknowledges that RC is staffed by the St. Louis Economic Development Partnership (the "Partnership"), which is subject to Missouri's Sunshine Act, Section 610.010 of the Revised Statutes of Missouri. If the Partnership is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information of Developer, the Partnership will provide Developer with prompt notice of such request(s) so that Developer may seek an appropriate protective order and/or waive compliance with the provisions of this Agreement. In either event, Developer will advise the Partnership in time for the Partnership to respond to its disclosure deadline. To the extent that Developer elects to assert a legal privilege under Missouri's Sunshine Act, specifically including, but not limited to, the assertion that any Confidential Information constitutes a 'closed record' pursuant to the meaning of Section 610.021 of the Revised Statutes of Missouri, Developer shall so notify the Partnership and the Partnership shall cause its Custodian of Records to cooperate with Developer to assert any such privilege on Developer's behalf, provided that Developer will defend the Partnership and/or its Custodian of Records in the event of any suit or action initiated by the requesting party or the Missouri Attorney General as a result. Developer will be responsible for all of its own legal fees incurred in such process, and should Developer object to disclosure, and such objection is ultimately determined to be in error, then Developer shall also indemnify and hold harmless the Partnership (and/or the Partnership's Custodian of Records) against all claims, liabilities, damages, losses, and costs of whatsoever kind or nature, including attorney's fees and court costs, arising out of or resulting from said erroneous objection to disclosure.

All dissemination of information with respect to this Agreement or the transactions contemplated hereby including, without limiting the generality of the foregoing, releases to the news media generally and advertising, shall be in such form as the parties may mutually agree upon as to the content thereof and neither party shall disseminate any information with respect to this Agreement or the transactions contemplated hereby at any time without the prior written consent of the other except as may be required by law.

j. INDEMNITY. Developer shall defend, indemnify and hold the Partnership and RC (including its officers and directors), and its agents and employees, harmless from and against any and all claims, damages, losses, liabilities and expenses, including without limitation attorneys fees, arising out of or resulting from Developer's failure to comply with the terms or provisions of the Agreement, to the extent in whole or in part caused by any willful or negligent acts or omissions of Developer or anyone for whose acts Developer may be liable. RC shall defend, indemnify and hold the Developer (including its officers and directors), and its agents and employees, harmless from and against any and all claims, damages, losses, liabilities and expenses, including without limitation attorneys fees, arising out of or resulting from RC's failure to comply with the terms or provisions of the Agreement, to the extent in whole or in part caused by any willful or negligent acts or omissions of the RC or anyone for whose acts RC may be liable.

k. GENERAL PROVISIONS.

a. Entire Agreement. This Agreement sets forth the entire understanding and agreement between and among the parties hereto with reference to the subject matter hereof, and may not be modified or terminated orally, nor shall any oral waiver be binding.

b. Benefits. This Agreement shall be binding upon and inure to the benefit of all of the parties hereto and their respective heirs, legal representatives, successors and assigns hereunder.

c. Severability. In the event that any one or more provisions of this Agreement shall be deemed to be illegal or unenforceable, such illegality or unenforceability shall not affect any of the remaining legal and enforceable provisions hereof which shall be construed as if such illegal or unenforceable provisions had not been inserted.

d. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed, certified or registered mail, return receipt requested, with postage prepaid, to the address of each of the parties set forth below or to such other person and place as any party shall furnish to the other party in writing.

If to the Regional Center:

Gateway to the Midwest Investment Center, Inc.
c/o Laura M. Hughes, Project Manager

7733 Forsyth, suite 2300
St. Louis, MO 63105
Telephone: (314) 615-7663
Email: lhughes@worldtradecenter-stl.com

If to the Developer:

Lawrence Group, LLC
c/o Pete Sebelski
319 North 4th Street, Suite 100
St. Louis, MO 63102
Telephone: (314) 231-5700
pete.sebelski@thelawrencegroup.com

With a copy to:

Lawrence Group, LLC
c/o Legal Department
319 North 4th Street, Suite 100
St. Louis, MO 63102
Telephone: (314) 231-5700
amanda.auer@thelawrencegroup.com

e. Litigation. In the event that any of the parties to this Agreement institutes suit against any other party or parties to this Agreement to enforce any of their rights hereunder or under any document executed or delivered in connection herewith, the prevailing party in such action shall be entitled to recover from the other party or parties all reasonable costs thereof, including, without limitation, reasonable attorneys' fees and costs (including appeals).

f. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile executions of this Agreement shall constitute a legal and binding signature.

g. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri, with venue for any action to be in the applicable state or federal court in St. Louis, Missouri.

h. Dispute Resolution. Any dispute arising between the parties out of or in connection with this Agreement will be finally resolved by binding and non-appealable arbitration in Missouri pursuant to the Commercial

Arbitration Rules of the American Arbitration Association. Notwithstanding the foregoing, this paragraph will not prohibit either party from seeking injunctive relief against the other party to enjoin a breach of any provision of this Agreement pending the resolution of a dispute by arbitration. Each party consents to personal jurisdiction in the federal courts of the State of Missouri for the limited purposes of this paragraph, and agrees that personal jurisdiction in any such court will be deemed proper. The parties shall each select an arbitrator and the two selected arbitrators shall select a third arbitrator, and the three arbitrators shall rule the dispute. The parties shall utilize an expedited process where discovery is limited to one hundred and twenty (120) days and the arbitrator must have a hearing within thirty (30) days after completion of discovery and issue his or her ruling within three (3) weeks thereafter. The arbitration selection process shall not take more than thirty (30) days.

i. Costs. In the event of any arbitration and/or litigation to enforce this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and other costs, as assessed by the arbitrator or the court.

j. Interpretation. This Agreement shall be deemed to have been prepared with the input of all parties hereto, and any ambiguity related hereto shall not be construed against any party to this Agreement.

k. Further Assurances. From time to time, as and when reasonably requested by either party or their successors or assigns, the other party shall execute and deliver, or cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably necessary to carry out the purposes set forth herein.

l. Assignment. This Agreement shall inure to the benefit of and be binding on the successors and assigns of each of the parties. This Agreement may not be assigned by either party without the prior written consent of the other party.

m. Amendment. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by both parties.

n. Time is of the Essence. Time is of the essence on all matters related to this Agreement.

o. Covenant to Deal in Good Faith. The parties hereto agree to deal in good faith in all matters pertaining to the transactions contemplated in this agreement.

p. Approvals. To the extent of any approvals required hereunder, same shall not be unreasonably withheld, conditioned or delayed.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year first written above.

The Regional Center:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC., a Missouri nonprofit corporation

By: _____
Sheila M. Sweeney, Interim CEO

The Developer:

TLG 634 MANAGING MEMBER, LLC, a Missouri limited liability company

By: _____
Stephen A. Smith, Manager

EXHIBIT A

The proposed EB-5 Project involves the redevelopment of an existing building, the Missouri Theatre, into an approximately 150,000-square-foot, full-service boutique hotel. While the exterior of the building will be preserved and restored as part of the planned redevelopment, the interior of the building will be reconfigured and remodeled. The ground floor will feature leased retail spaces, as well as a street-front entrance and elevator lobby for the hotel. The second and third floors will be developed into office space; floors four through twelve will be redeveloped into 139 hotel rooms and culminate in a twelfth floor lobby and rooftop terrace. The total budget for the EB-5 Project is $53.78 million, including property acquisition costs, hard costs of construction, and soft costs.

EXHIBIT B

The Developer will pay the RC the following consideration.

1. Application Fee. There is a fee to initiate the required due diligence. Along with a signed copy of this letter, we require a non-refundable $5,000 application fee to offset our cost of completing the analysis and engaging economists and specialists to review your project. RC acknowledges receipt of the Application Fee.

2. Administrative Fee. $20,000 in consideration for RC placing the Developer in the RC, which amount shall be funded upon the execution of this Agreement or at such later time as the due diligence approval is obtained from the RC.

3. Annual Administrative Fee. Upon approval of the initial I-526 Petition for the Developer, the RC shall be entitled to an amount equal to 1/2% of the outstanding amount of the EB-5 loan to the Project, which shall accrue annually as interest and be payable from Developer's surplus cash flow pursuant to the EB-5 loan documents.

4. A one-time administration fee of $ 5,000 per EB-5 investor in the Project, payable on a proportionate basis as the EB-5 Expense Amount funds are released from escrow (the "**Escrow Release Conditions**") which are as follows:

   a. The Initial Condition having been met (meaning that the minimum number of two (2) Investing Members have subscribed for Membership Interests; and

   b. The filing of the I-526 Petition for the applicable Subscriber (or I-526 Approval) once the Initial Condition has been satisfied.

   c. This administrative fee shall be paid entirely from the Expense Amount charged in connection with the EB-5 offering and not from the Investor's capital account.

5. Additionally, if an I-924 amendment is necessary, an additional fee of $6,230 will be paid to USCIS by the Developer at the time of submission.

EXHIBIT C

Due Diligence Requirements

During the due diligence process, the RC will review the Project and document each key attribute and assumption. The following is a list of information and documents that are typically required during due diligence, but additional information may be requested as necessary:

- ☐ Comprehensive Matter of Ho Business Plan and Pro-forma Financial Statements
- ☐ Third Party Market Study which Validates Financial Assumptions
- ☐ Completed Economic Model Questionnaire
- ☐ Project Organization Chart
- ☐ Source and Uses of Funds Documents
- ☐ Copy of Any Other Loan / Equity Agreements and Term Sheets with the Developer and Other Sources of Funds in the Capital Stack Each of Which Should Acknowledge EB-5 Financing
- ☐ Copy of Any Land Use Agreements, Title Commitments or related Real Estate Documents
- ☐ Proof of Collateral Ownership and Related Appraisals
- ☐ Copy of Any Lease Agreements, Term Sheets, or LOI Signed with the Tenants
- ☐ Copy of any Signed Agreements or Term Sheets with General Contractors and the Construction Company; Construction Timeline
- ☐ Copies of Applicable Permits
- ☐ Copy of Agreements with Municipalities, etc. for Financing, Zoning, PILOT and Similar Arrangements
- ☐ Copy of the Agreements with Operators Such as Management Companies, Together with Background on Their Experience, Other Operations, etc.
- ☐ Architectural Renderings, Images, Logo Graphics of the Project, Other Investors/Financing Sources, Developers, Key Service Providers, and Principles
- ☐ Developer History and Financials, Including Up-to-Date Resumes
- ☐ Signed Term Sheet

Gathering and providing this information to the RC will be Developer's responsibility and any costs Developer incurs to do so will be Developer's responsibility as well.

Exhibit 4

OFFICE OF THE COUNTY EXECUTIVE
SAINT LOUIS COUNTY
41 SOUTH CENTRAL AVENUE
SAINT LOUIS, MISSOURI 63105

STEVEN V. STENGER
COUNTY EXECUTIVE

(314) 615-7016

August 12, 2015

Ms. Sheila M. Sweeney
Interim CEO
St. Louis Economic Development Partnership
7733 Forsyth Blvd., Suite 2300
St. Louis, MO 63105

Re: GMIC Board

Dear Ms. Sweeney,

Please be advised that, pursuant to the bylaws of the Gateway to the Midwest Investment Center, Inc., I am appointing you, Sheila M. Sweeney, Interim CEO of the St. Louis Economic Development Partnership and Joyce Steiger, CFO of the St. Louis Economic Development Partnership to the Board of Directors of the Gateway to the Midwest Investment Center, Inc., for a two year term. These appointments shall replace Dennis G. Coleman and Jacqueline Wellington on the Gateway to the Midwest Investment Center Board.

St. Louis County is proud to be represented on this board and is supportive of its goals to facilitate foreign direct investment and increase employment in the region.

Very truly yours,

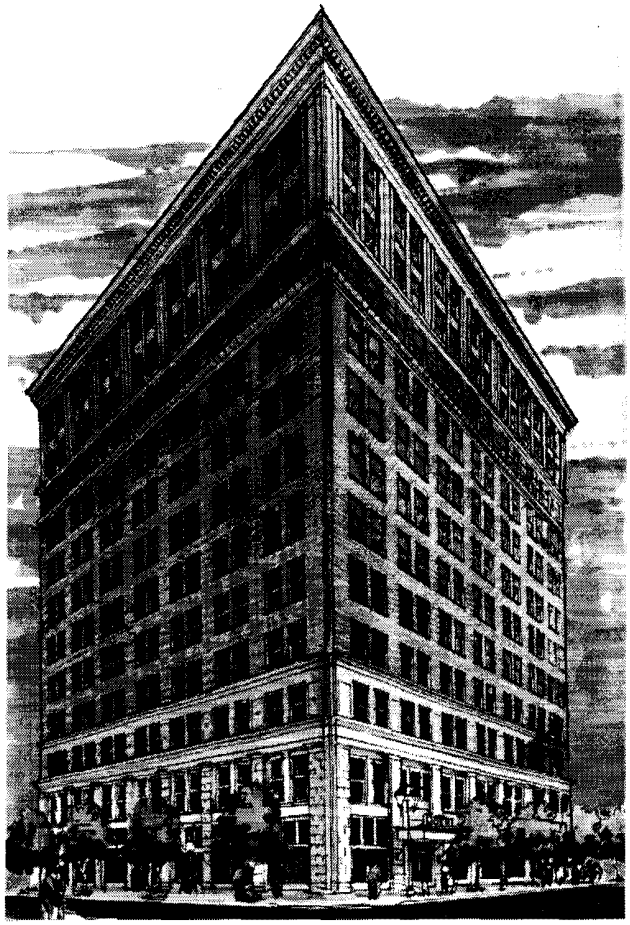
Steven V. Stenger
County Executive

Exhibit 5

Missouri Theatre Luxury Hotel EB-5 Project Business Plan

I-526 Immigrant Investor Petition

September 3, 2015



PREPARED FOR:

LAWRENCE GROUP

PREPARED BY:

EPR
ECONOMIC & POLICY RESOURCES

This document contains confidential and proprietary information belonging exclusively to: TLG 634 Managing Member, LLC. This is a business plan. It does not imply an offering of securities.

Table of Contents

Section 1. Contacts 1

Section 2. Introduction 2
2.1 Purpose 2
2.2 Business Plan Scope 2
2.3 EB-5 Project Summary 3
2.4 Anticipated Capital Raised from Immigrant Investors 3
2.5 Gateway to the Midwest Investment Center 4

Section 3. EB-5 Project Details 6
3.1 Detailed Description 6
3.2 Development Timeline 7
3.3 Required Permits 7
3.4 Statement of Sources and Uses of Funds 8
3.5 Operating Budget Details 9
3.6 Marketing Strategy 10
3.7 Staffing 11
3.8 Key Contracts 15

Section 4. Market Analysis 17
4.1 Introduction 17
4.2 Site Description 17
4.3 Target Market Area 17
4.4 Supply and Demand 18
4.4.1 Demand Generators 18
4.4.2 Historical Supply and Demand Trends 19
4.5 Competitor Analysis 22
4.6 Subject Performance Projection 23

Section 5. EB-5 Framework 24
5.1 Summary of the Business Relationships 24
5.2 Industry Focus 24
5.3 Economic Impact Study 25
5.4 EB-5 Timeline 26

Section 6. Professional Team 28
6.1 EB-5 Project Team 28
6.2 Consulting Professionals 30

List of Appendices 32

Section 1. Contacts

Sponsor Company:

Pete Sebelski
The Lawrence Group
319 North Fourth Street, Suite 1000
St. Louis, MO 63102
Telephone:
Email: pete.sebelski@thelawrencegroup.com
Website: www.thelawrencegroup.com

Regional Center:

Laura H. Hughes
GMIC, World Trade Center St. Louis
7733 Forsyth Boulevard, Suite 2200
St. Louis, MO 63105
Telephone: (314) 615-8141
Email: lughes@worldtradecenter-stl.com
Website: www.stlouiseb5.com

Economic Impact Study:

Jeffrey B. Carr
Economic & Policy Resources, Inc.
400 Cornerstone Drive, Suite 310
P.O. Box 1660
Williston, VT 05495-1660
Telephone: (802) 878-0346
Email: jbc@epreconomics.com
Website: www.epreconomics.com

Business Plan Development:

Jeffrey B. Carr
Economic & Policy Resources, Inc.
400 Cornerstone Drive, Suite 310
P.O. Box 1660
Williston, VT 05495-1660
Telephone: (802) 878-0346
Email: jbc@epreconomics.com
Website: www.epreconomics.com

Securities Counsel:

Ronald R. Fieldstone
Arnstein & Lehr LLP
200 S. Biscayne Blvd. Suite 3600
Miami, FL 33131
Telephone: (305) 428-4500
Email: rrfieldstone@arnstein.com
Website: www.arnstein.com

Immigration Counsel:

Daniel B. Lundy
Klasko Immigration Law Partners, LLP
31 West 34th Street, 8th Floor
New York, NY 10001
Telephone: (215) 825-8615
Email: dlundy@klaskolaw.com
Website: www.klaskolaw.com

Section 2. Introduction

2.1 Purpose

This EB-5 project business plan is being submitted as part of the evidence in support of immigrant investor Form I-526 petitions to the United States Citizenship and Immigration Services ("USCIS"). These petitions are submitted for consideration under the Immigrant Investor Program ("EB-5 Program"), consistent with the regulations at *8 C.F.R. §204.6*. The petitions seek Form I-526 approval for immigrant investors in Missouri Theatre Lenders, LLC, a new commercial enterprise which will provide financing to the job creating entity, TLG 634 N Grand, LLC, facilitating the development of the Missouri Theatre Luxury Hotel EB-5 Project (the "EB-5 Project). The EB-5 Project consists of the renovation of the existing Missouri Theatre into the new Missouri Theatre Luxury Hotel, a full-service boutique lodging facility in St. Louis, Missouri. The redevelopment will comprise 139 rooms consisting of roughly 150,000 square feet of space across twelve floors. The Missouri Theatre Luxury Hotel EB-5 Project will also include a fitness center, restaurant and lounge, business center, market pantry, and outdoor pool.

2.2 Business Plan Scope

The May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS provides guidance to applicants regarding the USCIS review standards for an EB-5 project business plan that *"is more likely than not...comprehensive and credible."* An EB-5 project business plan must satisfy these review standards in order to adequately support the job creation claims made therein. These standards are based on those articulated within the Matter of Ho decision issued by the Administrative Appeals Office ("AAO"). Therefore, this document and its supporting appendices have been prepared to meet the Matter of Ho standards as they are understood by the petitioner.[1] In addition to providing a thorough description of the activities that constitute the Missouri Theatre Luxury Hotel EB-5 Project, this document, together with the market study prepared by HVS Consulting and Valuation Services ("HVS"), addresses the elements listed within the AAO decision as follows:

- **Description of the Business:** Please refer to *Section 3.1 Detailed Description* for a thorough description of the new business and its activities, including a timeline with major development milestones in *Section 3.2 Development Timeline.*
- **Required Permits:** Please refer to *Section 3.3 Required Permits* for a list of the necessary permits for the EB-5 Project. The project developers are familiar with all permits that are required and will obtain all necessary permits as needed to continue the construction and operations of the EB-5 Project according to the development timeline.
- **Sales, Cost, and Income Projections:** Please refer to *Section 3.5 Operating Budget Details* for detail on the projected revenues, costs, and income, as well as the assumptions used in projecting the operating performance of the EB-5 Project.
- **Marketing Strategy:** Please refer to *Section 3.6 Marketing Strategy* for a review of the marketing strategy of the EB-5 Project.
- **Staffing Projections and Position Descriptions:** Please refer to *Section 3.7 Staffing* for a summary of the staffing requirements for the EB-5 Project, including a list of the departments, job titles, and description of each expected new position.

[1] The Matter of Ho standards as laid out in Matter of Ho, 22 I&N Dec. and the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS have been used as a reference by the petitioner in preparing this EB-5 project business plan. Please refer to pages 212-213 of Matter of Ho, 22 I&N Dec. and pages 19-20 of the May 30, 2013 EB-5 Adjudications Policy Memorandum.

- **Contracts:** Please refer to *Section 3.8 Key Contracts* for a list of key contractors for the construction and operations phases of the EB-5 Project. The key contractors for the EB-5 Project will subcontract with suppliers as appropriate for the services they are providing.
- **Market Analysis:** The market study, Proposed Missouri Theater Boutique Hotel dated August 15, 2015, was conducted by HVS Consulting and Valuation Services. Please refer to *Section 4 Market Analysis* for a summary of the HVS market study.
- **Organizational Structure and Professional Team:** Please refer to *Section 5.1 Summary of the Business Relationships* for information pertaining to the business relationships within the EB-5 Project. For information about the professional team for the EB-5 Project, including consulting professionals, please refer to *Section 6 Professional Team.*
- **Description of the Manufacturing or Production Process:** This criterion is not applicable to the EB-5 Project given the nature of its activities.

Additionally, while not specifically addressed in the Matter of Ho guidance provided in the May 30, 2013 EB-5 Adjudications Policy Memorandum, this EB-5 project business plan also provides information supporting the capital expenditures and development timeline for the EB-5 Project. Please refer to *Section 3.4 Statement of Sources and Uses of Funds* for a summary of the sources and uses of funds for the EB-5 Project. Additional detail on the uses of funds in provided in *Appendix 1 Detailed Uses of Funds. Appendix 3 Construction Support Letter* to this EB-5 project business plan includes a letter from PARIC Corporation, in which it is opined that the development expenditures and construction period are consistent with industry standards in St. Louis based on the firm's extensive experience working on construction projects in the St. Louis area.

This EB-5 project business plan, taken together with the economic impact study, required securities documents, and other required information found elsewhere in this filing, is intended to provide the level of "verifiable detail" required for a positive determination regarding the immigrant investor Form I-526 petitions.

2.3 EB-5 Project Summary

The proposed EB-5 Project involves the redevelopment of an existing building, the Missouri Theatre, into an approximately 150,000-square-foot, full-service boutique hotel. While the exterior of the building will be preserved and restored as part of the planned redevelopment, the interior of the building will be reconfigured and remodeled. The ground floor will feature leased retail spaces, as well as a street-front entrance and elevator lobby for the hotel. The second and third floors will be developed with office space; floors four through twelve will be redeveloped into 139 hotel rooms and culminate in a twelfth floor lobby and rooftop terrace. Please refer to *Section 3.1 Detailed Description* for more information about the EB-5 Project.

The total budget for the EB-5 Project is $53.78 million, including property acquisition costs, hard costs of construction, and soft costs. Please refer to *Section 3.4 Statement of Sources and Uses of Funds* and *Appendix I Detailed Uses of Funds* for more information on the project expenditures.

2.4 Anticipated Capital Raised from Immigrant Investors

Through the EB-5 Program, the new commercial enterprise, Missouri Theatre Lenders, LLC, intends to raise up to $16.0 million in capital from immigrant investors to fund the construction and operations of

the Missouri Theatre Luxury Hotel EB-5 Project in St. Louis, Missouri. The capital raised through the EB-5 Program will be contributed by up to 32 immigrant investors.

The EB-5 Project is located within a targeted employment area ("TEA"), as certified by the Missouri Department of Economic Development in a letter dated June 30, 2015. TEA designation allows immigrant investors to invest in the EB-5 Project with a minimum of $500,000 of at-risk capital as opposed to a minimum of $1.0 million of at-risk capital.[2] Please refer to *Appendix 2 TEA Certification Letter* for a copy of the TEA letter.

2.5 Gateway to the Midwest Investment Center

The Gateway to the Midwest Investment Center, Inc. [RCW1105350166] (the "Regional Center") is a USCIS-designated regional center which has been operating as an official regional center since its initial approval on March 28, 2013. The geographic scope of its economic development activities includes the City of St. Louis and the counties of St. Louis and St. Charles in Missouri. Please refer to *Table 1 Gateway to the Midwest Investment Center Geographic Scope* and *Figure 2 Map of the Gateway to the Midwest Investment Center* for further detail on the geographic scope of the regional center.

Table 1: Gateway to the Midwest Investment Center Geographic Scope

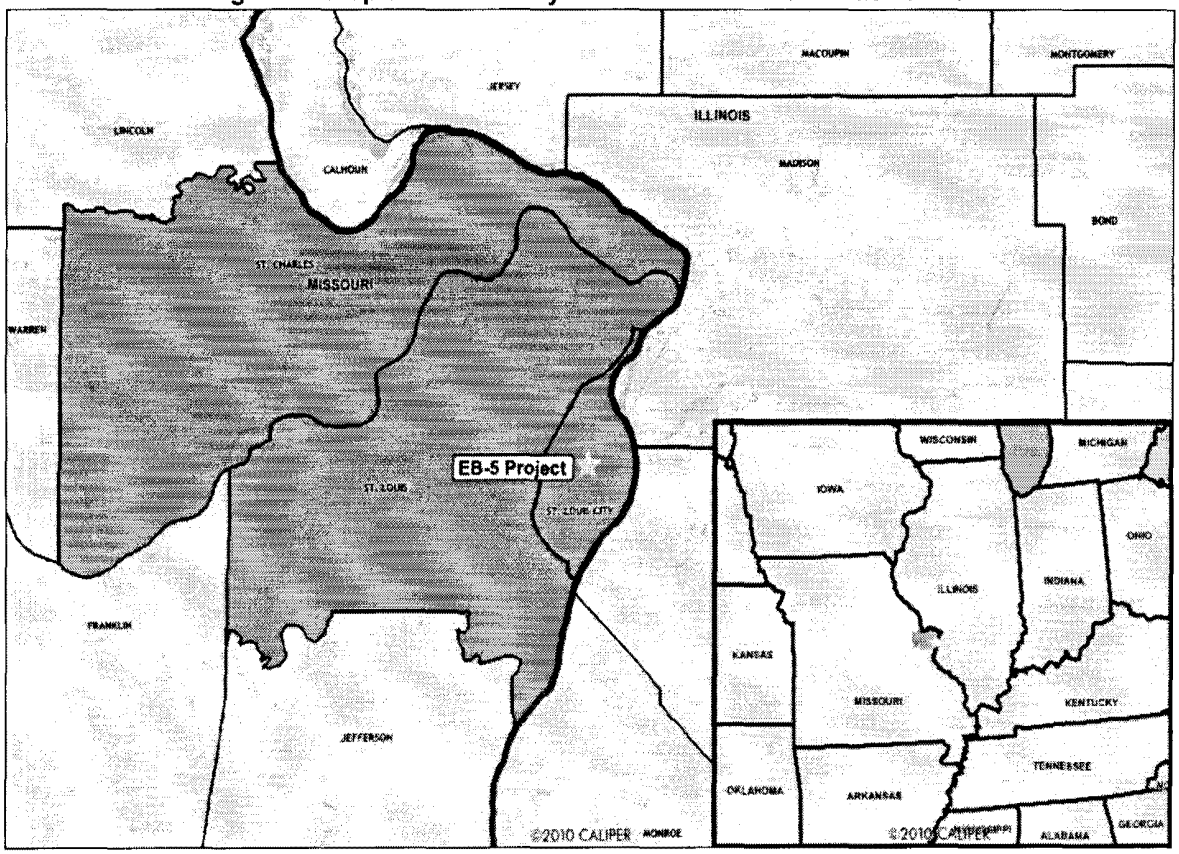
State	Subdivision	
Missouri	City of St. Louis	St. Louis County
	St. Charles County	
	Prepared by Economic & Policy Resources, Inc.	

The Regional Center is approved for capital investment opportunities in the following North American Industry Classification System ("NAICS") categories:

- The Residential Building Construction (NAICS 2361) industry group;
- The Nonresidential Building Construction (NAICS 2362) industry group;
- The Furniture Merchant Wholesalers (NAICS 423210) U.S. industry group; and
- The Traveler Accommodation (NAICS 7211) industry group.

[2] The petitioner understands that a current TEA certification will need to be submitted with each immigrant investor's Form I-526 petition. Therefore, an update of the certification will be obtained, if necessary, based on the timing of each immigrant investor's petition filing date and the availability of local unemployment data.

Figure 1: Map of the Gateway to the Midwest Investment Center



Section 3. EB-5 Project Details

3.1 Detailed Description

The Missouri Theatre Luxury Hotel EB-5 Project consists of the construction and operations of a full-service, boutique hotel in St. Louis, Missouri. The EB-5 Project will include the renovation of an existing 150,000-square-foot building occupying a 1.73-acre site, which was once the Missouri Theatre. The new proposed hotel will feature 139 rooms, a restaurant and lounge, a fitness room, a business center, a market pantry, back-of-house space, and an outdoor swimming pool. The project site is located at 634 North Grand, St. Louis, Missouri.

Figure 2: Building Exterior

The Missouri Theatre was built in 1920 as a 4,000-seat movie and performance theater. The Theatre was originally home to the Missouri Rocket Girls, who later moved to New York City and became the Rockettes. After part of the original structure was demolished in 1959, the remaining building was used as office space for a time before becoming vacant. As part of the EB-5 Project, the exterior of the building, including the ornate white-stone façade, will be restored and preserved while the interior will be renovated and remodeled. The ground floor will feature leased retail spaces, as well as the hotel lobby. The second and third floors will be developed as office space, while floors four through twelve contain the subject hotel, including a twelfth floor lobby and rooftop terrace.

The room mix will include 116 standard guest rooms, 20 junior suites, 2 executive suites, and 1 presidential suite. The meeting room space will total 3,000 to 4,000 square feet.

3.2 Development Timeline

Table 2 Development Timeline below shows a summary of the EB-5 Project development timeline. The existing Missouri Theatre was purchased in 2013 and construction will begin in February 2016 with restoration and preservation of the exterior of the structure. Simultaneously, the theater's interior is scheduled to be renovated and remodeled from February 2016 to January 2017. Build-out will take place from February 2016 through January 2017, when construction is completed. Year 1 of the EB-5 Project is defined as February 2016 through January 2017; Year 2 as February 2017 through January 2018; Year 3 as February 2018 through January 2019; etc.

Table 2: Development Timeline

Development Milestone	Actual/Expected Date of Occurrence
Missouri Theatre Purchased	2013
Permit Acquisition	December 2015
Construction Begins	February 2016
Exterior	*February 2016 - May 2016*
Vertical Interior	*February 2016 - July 2016*
Build Out	*February 2016 - January 2017*
Construction End	January 2017
Operation Begin	March 2017

Compiled by: Economic & Policy Resources, Inc.

3.3 Required Permits

The project developers are familiar with the complexity of the permitting process in St. Louis City; in addition, St. Louis has a 'one-stop-shop' process for permit acquisition. Since April 1999, the City Building Division of St. Louis has implemented a full-scale effort to streamline the building permit process with the creation of the Business Assistance Center (BAC) Project Steward Program. The goal was to significantly increase the number of same-day permits and reduce the time frame for reviewing, approving, and issuing other building permits to between 3-5 working days after the building permit application has been made. Presently, same-day permits make up about 84% of all building permits issued.

Table 3: Required Permits

Permit	Anticipated Acquisition Date
City of St. Louis Building Permit Core, Shell, and Hotel	January 1, 2016
Metropolitan Sewer District	January 1, 2016
Tenant A Interior Building Permit	September 1, 2016
Tenant C Interior Building Permit	September 1, 2016

Prepared by Economic & Policy Resources, Inc.

PARIC Corporation, the general contractor, will subcontract with other firms, as necessary, who will acquire any other permits necessary to complete the construction and to begin operations.

3.4 Statement of Sources and Uses of Funds

Development of the Missouri Theatre Luxury Hotel EB-5 Project requires funds totaling $53.78 million. The EB-5 Project will be financed by up to $16.00 million of EB-5 capital combined with $3.08 million of developer-contributed equity and $14.70 million in tax credit. The remaining $20.00 million will be provided through a commercial construction loan in a senior position. In the event that the funds raised from immigrant investors exceeds or falls short of the $16.00 million goal, the difference will be carried through to the construction loan.

The uses of funds include $9.21 million of pre-EB-5 costs, $29.98 million of hard costs, $4.87 million of miscellaneous development costs, and $9.71 million of soft costs and financing costs. Pre-EB-5 costs comprise expenditures that take place prior to the start the EB-5 timeline, including land and building acquisition, environmental cleanup, architecture and engineering, legal and accounting, interior design, professional services, financing costs, insurance, and management fees. The soft costs and financing costs include expenditures concerning architecture and engineering, legal and accounting, interior design, financing costs, permit acquisition, insurance, taxes, management fees, contingency, and working capital. Please refer to *Table 4 Statement of Sources and Uses of Funds* and *Appendix I Detailed Uses of Funds* for more information the uses of funds for the EB-5 Project.

Table 4: Statement of Sources and Uses of Funds

Sources of Funds ($ Millions)		Total
EB-5 Capital	$	16.00
Debt	$	20.00
Equity	$	3.08
Tax Credit	$	14.70
Total Sources of Funds	**$**	**53.78**
Uses of Funds ($ Millions)		**Total**
Pre-EB-5 Costs		
Land Acquisition	$	3.03
Other Pre-EB-5 Costs	$	6.19
Hard Costs		
Building Construction	$	26.29
Owner FF & E	$	3.43
Construction Contingency	$	0.27
Miscellaneous Development Costs	$	4.87
Soft Costs		
Architecture & Engineering	$	0.27
Legal & Accounting	$	0.29
Interior Design	$	0.13
Financing Costs	$	3.33
Permit Acquisition	$	0.28
Insurance	$	0.08
Taxes	$	0.07
Management Fees	$	1.45
Contingency	$	2.16
Working Capital	$	1.65
Total Uses of Funds	**$**	**53.78**

Prepared by Economic & Policy Resources, Inc.

3.5 Operating Budget Details

Table 4 Projected Income Statement below presents the details of the overall pro-forma income statement for the Missouri Theatre Luxury Hotel EB-5 Project, starting March 3, 2017 following the project construction period. The financial model was developed by the project development team based on their experience in the St. Louis real estate market.

Table 4: Projected Income Statement

	February 1, 2017 to January, 2018	February 1, 2018 to January, 2019	February 1, 2019 to January, 2020	February 1, 2020 to January, 2021	February 1, 2021 to January, 2022
Assumptions					
Days of Operation	334	365	365	366	365
Number of Rooms	139	139	139	139	139
Occupancy	60%	66%	69%	70%	70%
ADR	$ 150	$ 163	$ 177	$ 182	$ 188
RevPAR	$ 90	$ 108	$ 122	$ 127	$ 131
Occupied Rooms	27,856	33,485	35,007	35,515	35,515

	February 1, 2017 to January, 2018	February 1, 2018 to January, 2019	February 1, 2019 to January, 2020	February 1, 2020 to January, 2021	February 1, 2021 to January, 2022
Departmental Revenues [1]					
Rooms	$ 4,167	$ 5,459	$ 6,188	$ 6,466	$ 6,660
Food & Beverage	$ 3,600	$ 4,350	$ 5,100	$ 5,202	$ 5,306
Other	$ 145	$ 173	$ 200	$ 207	$ 214
Total Revenues	**$ 7,912**	**$ 9,982**	**$ 11,488**	**$ 11,875**	**$ 12,180**
Departmental Expenses					
Rooms	$ 1,250	$ 1,458	$ 1,528	$ 1,578	$ 1,632
Food & Beverage	$ 3,096	$ 3,741	$ 4,386	$ 4,474	$ 4,563
Other	$ 127	$ 136	$ 145	$ 149	$ 154
Total Departmental Expenses	**$ 4,473**	**$ 5,335**	**$ 6,059**	**$ 6,200**	**$ 6,349**
DEPARTMENTAL INCOME	**$ 3,439**	**$ 4,648**	**$ 5,428**	**$ 5,674**	**$ 5,831**
Undistributed Operating Expenses					
Administrative and General	$ 548	$ 597	$ 613	$ 634	$ 653
Sales and Marketing	$ 367	$ 377	$ 390	$ 400	$ 412
Utilities	$ 246	$ 282	$ 287	$ 300	$ 309
Maintenance	$ 164	$ 225	$ 275	$ 287	$ 296
Total Undistributed Operating Expenses	**$ 1,324**	**$ 1,481**	**$ 1,565**	**$ 1,621**	**$ 1,670**
GROSS OPERATING PROFIT	**$ 2,115**	**$ 3,166**	**$ 3,863**	**$ 4,053**	**$ 4,161**
Fixed Charges					
Management Fee	$ 129	$ 169	$ 192	$ 200	$ 206
RE Tax	$ -	$ -	$ -	$ -	$ -
Insurance	$ 56	$ 62	$ 57	$ 60	$ 62
Cap Reserves	$ 86	$ 169	$ 256	$ 267	$ 275
Net Operation Income	**$ 1,843**	**$ 2,766**	**$ 3,359**	**$ 3,526**	**$ 3,618**

[1] All numbers are in thousands.

Prepared by: Economic & Policy Resources, Inc.

3.6 Marketing Strategy

The EB-5 Project will be centrally located within the Grand Center District of St. Louis and will attract many individuals and groups who wish to immerse themselves in the arts and entertainment of the city. Within the immediate area are the concert hall St. Louis Symphony, Saint Louis University, John Cochran Veteran's Administration Hospital, and many other museums, galleries, restaurants, and entertainment venues. Despite the level of business and entertainment activity, most of the competing hotels are located in downtown St. Louis, 3 miles away. The only comparable hotel in the area is the 51-room Hotel Ignacio which regularly sells out, demonstrating the depth of demand for hotel rooms in the area.

Based on the developer's experience at the neighboring Hotel Ignacio, the hotel will advertise through contract agreements with numerous digital travel agency sites (Expedia, Bookings.com, etc.), will obtain a membership in Historic Hotels of America and/or other boutique hotel associations, will have on-site sales staff to market local university, business, and institutional users; and will offer group and package deals with food, event, and hospitality business combined.

3.7 Staffing

Table 5 Projected Staffing below represents the projected staffing levels for the Missouri Theatre Luxury Hotel EB-5 Project. Please see below for descriptions of the job positions that will be created by the Missouri Theatre Luxury Hotel EB-5 Project.

Table 5: Projected Staffing

Department/Position	Full-Time Positions	Department/Position	Full-Time Positions
Senior Management		**Game Parlor/Boiler Bar**	
VP Hotel Management	1	**Front of House**	
Hotel Controller	1	Assistant Manager	1
Human Resources Officer	1	Bartender	2
Director of Hotel Operations	1	Waiter/Waitress	3
Director of Food and Beverage	1	Busser	2
Hotel Staff		**Rooftop**	
Housekeeping Management	1	**Front of House**	
Housekeeping Staff	8	Assistant Manager	2
Front Desk Management	1	Bartender	3
Front Desk Staff	6	Hostess	2
Director of Sales	1	Waiter/Waitress	3
Sales Staff	2	Busser	2
Event Coordinator	2		
Maintenance Management	1	**Back of House**	
Maintenance Staff	2	Sous Chef	1
		Life Cook	2
Restaurant		Dishwasher	2
Front of House			
General Management	1	**Pool and Event Space**	
Assistant Manager	2	**Front of House**	
Hostess	4	Assistant Manager	1
Bartender	3	Hostess	2
Waiter/Waitress	10	Waiter/Waitress	3
Busser	6	Busser	2
		Dishwasher	1
Back of House			
Chef	1	**Coffee Shop Staff**	
Sous Chef	2	Assistant Manager	1
Line Cook	3	Barista	5
Dishwasher	2		
		Total Full-Time Positions	103

Prepared by: Economic & Policy Resources

Senior Management

- **VP Hotel Manager:** The VP hotel manager is ultimately responsible for all operations of the hotel. The hotel manager has final approval on all matters related to staffing, revenue management, quality control, purchasing, and maintenance of the hotel brand standards.
- **Hotel Controller:** The hotel controller is responsible for the production of periodic financial reports, maintaining an adequate system of accounting records, and a comprehensive set of controls and budgets designed to mitigate risk. He/she is ultimately responsible for ensuring the financial success of the hotel.
- **Human Resources Officer:** The human resources officer is responsible for developing and implementing policies related to the effective use of personnel within the hotel. His/her goal is to ensure that the hotel employs the right balance of staff in terms of skills and experience, and that training and development opportunities are available to employees to enhance their performance and that of the hotel.
- **Director of Hotel Operations:** The director of hotel operation is responsible for overseeing all aspects of day-to-day operation including supervising the work staff and communicating with guests to resolve any questions or concerns.
- **Director of Food and Beverages:** The director of food and beverages is responsible for managing the day-to-day operation of the hotel restaurant, rooftop lounge, game parlor, boiler bar, coffee shop, and the pool and event space. Additionally, the director of food and beverages is responsible for creating and maintaining menus that satisfy guest expectations, manage food costs, uphold menu standards, and control inventory.

Hotel Staff

- **Housekeeping Manager:** The housekeeping manager is responsible for the day-to-day management of the housekeeping staff, including hiring, scheduling, and discipline of the staff. He/she is also responsible for purchasing and receiving supplies for use by the housekeeping staff. He/she is ultimately responsible for ensuring that the guest rooms are clean and ready on time for guest arrivals.
- **Housekeeping Staff:** The housekeeping staff are responsible for maintaining the cleanliness of the hotel and insuring the guests have a comfortable stay.
- **Front Desk Manager:** The front desk manager is responsible for the day-to-day management of the front deck staff, including hiring, scheduling, and discipline of the staff. The front desk manager is ultimately responsible for ensuring that the guests have a smooth check-in and checkout process, along with general guest satisfaction.
- **Front Desk Staff:** The front desk staff as responsible for welcoming guests to the hotel. Duties include greeting guests, answering phones, handling company inquiries, and ensuring a pleasant arrival and departure for guests.
- **Director of Sales:** The director of sales is responsible for the promotion efforts of the hotel, negotiating contracts with local businesses, and attending community functions to represent and promote the hotel.
- **Sales Staff:** The sales staff assist the director of sales by providing clerical and technical support as well as planning meetings, following up on sales or promotional leads, and analyzing sales reports.
- **Event Coordinators:** The event coordinators are responsible for coordinating events, including planning menus, booking musicians and other entertainment, putting up decorations, and ensuring the event runs smoothly.

- **Maintenance Manager:** The maintenance manager is responsible for maintaining and repairing the hotel property. The maintenance manager will perform regular preventative maintenance to ensure that the property is functioning properly.
- **Maintenance Staff:** The maintenance staff are responsible for undertaking the maintenance and repairs to the hotel property designated by the maintenance manager.

Restaurant

Front of House

- **General Manager:** The general manager of the restaurant is responsible for the day-to-day management of the restaurant staff, including hiring, scheduling, and discipline of the staff. The general manager is also responsible for purchasing and receiving supplies for use by the restaurant and for ensuring the general satisfaction of the patrons of the hotel restaurant.
- **Assistant Managers:** The assistant managers report to the general manager and ensure that the restaurant operates smoothly and that front-of-house and back-of-house staff communicate effectively.
- **Hostesses:** The hostesses greet patrons when they arrive at the restaurant, escort them to their table, and bid farewell when they depart.
- **Bartenders:** The bartenders communicate cordially with patrons and prepare alcoholic and non-alcoholic beverages.
- **Waiters/Waitresses:** The waiters/waitresses answer questions related to the menu, take orders from the patrons, serve food to the patrons, and prepare the check for the patrons.
- **Bussers:** The bussers remove dirty dishes from the table and clean tables after the patrons leave.

Back of House

- **Chef:** The chef oversees the daily food preparation tasks in the hotel kitchen. The cook checks the freshness of the food and ingredients, develops recipes, plans menus, and monitors sanitation practices. The chef is ultimately responsible for the quality of the food prepared and served by the restaurant and the satisfaction of the patrons.
- **Sous Chefs:** The sous chefs are responsible for planning and directing food preparation in a kitchen. This involves a large degree of supervising other kitchen staff, as well as keeping an eye out for problems that arise in the kitchen.
- **Line Cooks:** The line cooks are responsible for preparing ingredients, cooking the meals, and assembling the dishes while maintaining the utmost hygiene standards.
- **Dishwashers:** The dishwashers are responsible for maintaining cleanliness and sanitation standards for china, glassware, tableware, cooking utensils, etc., using machine and manual cleaning methods. This position also ensures the dishwashing area is maintained as a clean, safe and sanitary facility.

Game Parlor/Boiler Bar

Front of House

- **Assistant Manager:** The assistant managers report to the general manager and ensure that the game parlor and boiler bar operates smoothly and that front-of-house staff communicate effectively.

- **Bartenders:** The bartenders communicate cordially with patrons and prepare alcoholic and non-alcoholic beverages.
- **Waiters/Waitresses:** The waiters/waitresses answer questions related to the menu, take orders from the patrons, serve food and drink to the patrons, and prepare the check for the patrons.
- **Bussers:** The bussers remove dirty dishes from the table and clean tables after the patrons leave.

Rooftop Lounge

Front of House

- **Assistant Managers:** The assistant managers report to the general manager and ensure that the rooftop lounge operates smoothly and that front-of-house and back-of-house staff communicate effectively.
- **Hostesses:** The hostesses greet patrons when they arrive at the restaurant, escort them to their table, and bid farewell when they depart.
- **Bartenders:** The bartenders communicate cordially with patrons and prepare alcoholic and non-alcoholic beverages.
- **Waiters/Waitresses:** The waiters/waitresses answer questions related to the menu, take orders from the patrons, serve food and drink to the patrons, and prepare the check for the patrons.
- **Bussers:** The bussers remove dirty dishes from the table and clean tables after the patrons leave.

Back of House

- **Sous Chefs:** The sous chefs are responsible for planning and directing food preparation in a kitchen. This involves a large degree of supervising other kitchen staff, as well as keeping an eye out for problems that arise in the kitchen.
- **Line Cooks:** The line cooks are responsible for preparing ingredients, cooking the meals, and assembling the dishes while maintaining the utmost hygiene standards.
- **Dishwashers:** The dishwashers are responsible for maintaining cleanliness and sanitation standards for china, glassware, tableware, cooking utensils, etc., using machine and manual cleaning methods. This position also ensures the dishwashing area is maintained as a clean, safe and sanitary facility.

Pool and Event Space

Front of House

- **Assistant Manager:** The assistant managers report to the general manager and ensure that the pool and event space has a comfortable and inviting environment and that front-of-house staff communicate effectively.
- **Hostesses:** The hostesses greet patrons when they arrive at the restaurant, escort them to their table, and bid farewell when they depart.
- **Bartenders:** The bartenders communicate cordially with patrons and prepare alcoholic and non-alcoholic beverages.
- **Waiters/Waitresses:** The waiters/waitresses answer questions related to the menu, take orders from the patrons, serve food to the patrons, and prepare the check for the patrons.
- **Bussers:** The bussers remove dirty dishes from the table and clean tables after the patrons leave.

Coffee Shop

- **Assistant Manager:** The assistant manager reports to the general manager and ensure that the coffee shop operates smoothly and that both hotel patrons and other customers. He/she is also responsible for purchasing and receiving supplies for use by the coffee shop staff.
- **Baristas:** The Baristas are responsible for preparing and serving hot and cold beverages, such as coffee, espresso drinks, blended coffees, and teas, as well as maintaining a clean workspace.

3.8 Key Contracts

Project developers will contract with a general contractor in order to complete the EB-5 Project. Please see below for the biography of the general contractor, PARIC Corporation; the architectural contractor, Lawrence Group; the civil engineering contractor; Civil Design, Inc.; and the structural engineer, KPFF Consulting Engineers.

General Contractor
PARIC Corporation—St. Louis, MO

PARIC Corporation, founded in 1979 and based in St. Louis, Missouri, is one of the largest privately held companies in the Midwest. PARIC prides itself on being St. Louis' premier general contractor, construction manager, and design-build firm. The company specializes in senior living, healthcare, historic renovation in the City of St. Louis, hospitality and multi-family residential, both public and academic, as well as interior specialty projects. PARIC manages construction projects for long-term and repeat clients ranging from universities and banks to hotels, restaurants, warehouses, and trade centers.

Capitalizing on the continued success PARIC enjoyed during the first decade of the new century under Joe McKee's leadership, the company began looking ahead. In 2012, PARIC embarked on a leadership transition that included the ascension of Keith Wolkoff to President and a move into a new headquarters location in St. Louis County. 2012 also brought the culmination of a thorough evaluation of the PARIC brand that led to an evolution of the brand strategy and recommitment to the company's Core Values. The rebranding resulted in a complete redesign of visual identity, codification of PARIC's brand attributes and the subsequent slogan, Experience Excellence™.

Architectural Contractor
Lawrence Group—St. Louis, MO

Lawrence Group was founded as an architecture company in 1983 by a trio of young design school graduates of The University of Kansas at Lawrence, Kansas (and thus the name, Lawrence Group). Steve Smith, David Ohlemeyer, and Paul Doerner established Lawrence Group with the goal of becoming an all-in-one design-and-construction firm. The addition of interior design services headed by Linda Loewenstein in 1984 was their next step towards realizing that goal. Today, the company has over 160 employees in four offices: Austin, Texas; Charlotte, North Carolina; New York, New York; and its corporate headquarters in St. Louis, Missouri.

Civil Engineering Contractor
Civil Design, Inc.—St. Louis

The Civil Design, Inc. (CDI) team has the expertise necessary to handle a wide variety of projects for private or public clients, large or small. They collaborate with their clients as needed, from inception to completion, through planning, design, and construction. This approach helps assure that each project is safe, cost-effective, and on-schedule. Their staff utilizes the latest software to help deliver the most efficient product to their clients.

Civil Design, Inc. ("CDI") was founded in 1996 as a sole proprietorship and since then have grown to a 44-member team in four locations: St. Louis, MO; Collinsville, IL; Louisville, KY; and Effingham, IL. In 2014, CDI founded Civil Giving, a 501(c)3 non-profit dedicated to fostering education in underserved communities, providing basic human needs (food, water, clothing, etc.) and national and international aid.

Structural Engineer
KPFF Consulting Engineers—Seattle, WA

Founding in 1960 in Seattle, WA, KPFF Consulting Engineers ("KPFF") has since expanded to over 15 locations from San Diego, CA to New York City, NY. Today, they are a multi-office, multi-discipline engineering firm with an international presence. Their unique history has led us to establish a culture that focuses their energy and their passion on their clients, their projects, and their staff.

Structural building design is a cornerstone of KPFF's practice. Engineering for buildings includes all aspects of new building design and existing building retrofit. Additionally, they can design a wide variety of structural components and structural subsystems depending on the project needs. They are involved from preliminary structural systems selection through on-site construction administration, and their goal is to develop economical and constructible structures that meet the functional and aesthetic vision of each project.

Section 4. Market Analysis

4.1 Introduction

The project developers retained HVS Consulting and Valuation Services to complete a market study pertaining to the proposed EB-5 Project.[3] The market study contain a description of the site and neighborhood, market area analysis, supply and demand analysis, a description of the proposed project, a projection of occupancy and average rate, and a projection of income and expense. The market study has been summarized below.

4.2 Site Description[4]

The project site is located in the Grand Center cultural district in the city of St. Louis, Missouri. The main entrance of the proposed project will front on North Grand Boulevard, and parking entrance will be available from Samuel Shepard Drive and Washington Avenue. The site is easily accessible from a variety of local and state roads, as well as state and interstate highways. The proposed hotel will be served by the Lambert St. Louis International Airport, which is located about ten miles northwest of the site.

The neighborhood surrounding the proposed site is in the heart of the city of St. Louis in the arts and entertainment district. This district contains a significant concentration of museums, theaters, and art galleries, including: The Fabulous Fox Theater; Powell Symphony Hall; Contemporary Arts Museum of St. Louis; Pulitzer Arts Foundation; and, The Sheldon Concert Hall and Art Galleries. The neighborhood is strongly influenced by the presence of St. Louis University to the south.

4.3 Target Market Area[5]

The project site is located in the city of St. Louis in the state of Missouri. St. Louis has a long history as a regional center for commerce and transportation due to its location near the Missouri and Mississippi Rivers. Today, the area is an economic hub for the Midwest and home to 21 of the Fortune 1000 companies.

The proposed project's market area is the Combined Statistical Area of St. Louis-St. Charles-Farmington, MO-IL ("St. Louis CSA"). The St. Louis CSA had a population of 2.76 million in 2000 and grew to 2.90 million in 2013. Between 2013 and 2020, the population is predicted to grow annually by 0.3% to 2.97 million by 2020. This growth rate is slightly slower than for the state of Missouri (0.6% annually between 2013 and 2020) and the United States (1.0% annually between 2013 and 2020).

The per-capita personal income in the St. Louis CSA was $38,238 in 2013, and is expected to grow by 1.5% annually between 2013 and 2020. The state of Missouri's per-capita personal income in 2013 was $33,929, and the United States' was $36,907. Between 2013 and 2020, the state of Missouri and the United States are expected to experience an annual increase in per-capital personal income of 1.3% and 1.2%, respectively.

[3] HVS Consulting and Valuation Services. Summary Market Study: Proposed Missouri Theatre Boutique Hotel. August 15, 2015.
[4] Ibid, pages 10 to 16.
[5] Ibid, pages 17 to 34.

Within the city of St. Louis, approximately 1.30 million people are employed. Of these employed individuals, 30% are categorized as office employees while 14% are categorized as industrial employees. In 2013, the city of St. Louis had an unemployment rate of 9.1%, compared to a 6.5% unemployment rate in the state of Missouri and a 7.4% unemployment rate in the United States.

The ten largest employers in St. Louis are BJC HealthCare (25,200 employees), Boeing (15,129), Washington University in St. Louis (14,248), Scott Air Force Base (13,002), Mercy Health (12,489), SSM Health Care (11,898), Wal-Mart Stores, Inc. (11,600), Schnucks (10,919), the Archdiocese of St. Louis (9,826), and McDonald's (9,455). The financial services, high-tech, and energy sectors are also strong and well-represented in the St. Louis market, and include such notable names as Wells Fargo Advisors, Peabody Energy, and Unisys Corporation. Several higher education institutions and major medical campuses are located in St. Louis, including Saint Louis University, Harris-Stowe State University, Washington University, Barnes-Jewish Hospital, St. Louis Children's Hospital, Cardinal Glennon Children's Medical Center, John Cochran VA Medical Center, and Saint Louis University Hospital.

4.4 Supply and Demand[6]

4.4.1 Demand Generators

Lodging demand indicators include office activity, convention center activity, airport traffic, and tourist attraction activity.

Office Activity

Office space statistics are typically a reliable indicator of lodging demand due to commercial visitors. The greater St. Louis office market comprises a total of 45.4 million square feet of office space. In the 3rd Quarter of 2014, the market reported a vacancy rate of 17.6% and an average asking rent of $20.81 per square foot. The St. Louis City submarket, where the project is located, contains 2.16 million square feet of office space and has a vacancy rate of 13.3% and an average asking lease rate of $16.26 per square foot.

Convention Activity

Convention center activity also serves to gauge visitation tends. America's Center, which includes the St. Louis Executive Conference Center and the Edward Jones Dome, is the area's primary convention center venue. America's Center contains over 500,000 square feet of exhibit space. The Edward Jones Dome seats over 64,000 people. The St. Louis Executive Conference Center is located on the third floor of America's Center.

In 2013, there were 31 conventions and 239,570 room nights booked as result of the conventions. In 2012, there were 32 conventions and 243,819 room nights. The number of conventions has been trending downward since 2007, when there were 55 conventions and 253,324 room nights.

Airport Traffic

Airport traffic and passenger counts are important indicators of lodging demand, as a significant percentage of arriving passengers may require hotel accommodations. The major airport serving the St.

[6] Ibid, pages 35 to 45.

Louis area is the Lambert St. Louis International Airport. In 2014, passenger traffic was recorded at 12.38 million, a 1.5% decrease from the year before (12.57 million passengers in 2013).

Tourist Attraction Activity

The lodging market benefits from a number of tourist and leisure attractions in the St. Louis area, including theaters and museums, the attractions and institutions of Forest Park, the Gateway Arch, and the Mississippi Riverfront. The Gateway Arch grounds are in the midst of a $380 million renovation.

4.4.2 Historical Supply and Demand Trends

In the lodging industry, supply is measured by the number of guestrooms available and demand by the number of rooms occupied. Smith Travel Research ("STR") has been utilized by HVS for data on the lodging industry including market-wide occupancy, average rate, and room revenue per available room ("RevPAR").

In 2014, the average daily room count in the target market supply was 1,318 rooms. The available room nights totaled 481,176, with 344,994 occupied room nights. The market-wide annual occupancy rate was 71.7%. The average rate was $133.62 with RevPAR of $95.80.

Table 6: Historical Supply and Demand Trends[7]

Year	Average Daily Room Count	Available Room Nights	Occupied Room Nights	Occupancy	Average Rate	RevPAR
2008	1,196	436,429	263,403	60.4%	$122.17	$73.73
2009	1,317	480,770	260,281	54.1%	$115.12	$62.33
2010	1,310	478,119	293,866	61.5%	$114.46	$70.35
2011	1,349	492,274	292,989	59.5%	$122.36	$72.82
2012	1,424	519,760	330,766	63.6%	$123.21	$78.41
2013	1,394	508,658	350,334	68.9%	$126.94	$87.43
2014	1,318	481,176	344,994	71.7%	$133.62	$95.80

Hotels Included in Sample	Number of Rooms	Year Opened
Omni Majestic	91	1913
Preferred Chase Park Plaza	338	1922
Cheshire Inn	108	1964
Magnolia Hotel St. Louis	182	1990
Courtyard St. Louis Downtown	151	1990
Holiday Inn Express St. Louis	64	1999
Residence Inn St. Louis Downtown	188	2006
Hampton Inn Suites Forest Park	126	2006
Moonrise Hotel	125	2009
Hotel Ignacio	51	2011

Source: STR Global, HVS Market Study *Prepared by: Economic & Policy Resources, Inc.*

[7] Ibid, page 36.

The primary competitors of the proposed project include Cheshire Inn, Hotel Ignacio, Moonrise Hotel, Omni Majestic, and Magnolia Hotel. Secondary competitors include Chase Park Plaza Hotel, Courtyard by Marriott St. Louis Downtown, Hampton Inn & Suites St. Louis at Forest Park, Holiday Inn Express St. Louis, and Residence Inn by Marriott St. Louis Downtown. Please refer to *Section 4.5 Competitor Analysis* for more information of the potential competitors.

For the purposes of demand analysis, demand is segmented into three major groups: commercial; meeting and group; and leisure. Within the primary competitor market, commercial demand (business travelers) accounts for 49% of the accommodated demand, or 129,586 room nights in 2014. The meeting and group segment is 23% of the total accommodated demand, accounting for 60,552 room nights. The leisure segment is 27% of the total accommodated demand, accounting for 71,852 room nights. In 2014, the total accommodated demand in terms of room nights was 261,960 within the primary competitor market.

Unaccommodated demand, which refers to individuals who are unable to secure accommodations due to all the local hotels being filled, was estimated as equivalent to 9.7% of the base year demand (261,960 room nights), equaling 25,397 room nights. In 2015, the commercial segment will have an unaccommodated demand of 12,981 room nights, the meeting and group segment's unaccommodated demand will equal 3,376 room nights, and the leisure segment's unaccommodated demand will equal 9,594. The growth rate of total demand (base demand plus unaccommodated demand) will equal 6.4% in 2015, 3.3% in 2016, 5.4% in 2017, 1.0% in 2018, and 0.5% in 2019.

The proposed EB-5 Project will add an additional 139 rooms to the existing hotel supply in 2017 after reaching full operations activity. In 2017, the market-wide annual occupancy rate is projected to be 66.6%. In 2018, the occupancy rate is estimated to be 67.2%; in 2019, 67.6%. Please refer to *Table 6 Forecast of Market Occupancy* on the following page.

Table 7: Forecast of Market Occupancy[8]

	2015	2016	2017	2018	2019
Commercial					
Base Demand	131,530	132,845	134,173	135,515	136,193
Unaccommodated Demand	12,981	13,111	13,242	13,375	13,441
Total Demand	**144,511**	**145,956**	**148,890**	**148,890**	**149,634**
Growth Rate	*11.5%*	*1.0%*	*1.0%*	*1.0%*	*0.5%*
Meeting and Group					
Base Demand	62,035	63,586	64,221	64,543	64,865
Unaccommodated Demand	3,376	3,460	3,495	3,512	3,530
Total Demand	**65,410**	**67,045**	**67,716**	**68,055**	**68,395**
Growth Rate	*8.1%*	*2.5%*	*1.0%*	*0.5%*	*0.5%*
Leisure					
Base Demand	74,008	76,228	78,134	79,306	79,702
Unaccommodated Demand	9,594	9,882	10,129	10,281	10,332
Total Demand	**83,602**	**86,110**	**88,263**	**89,587**	**90,034**
Growth Rate	*16.4%*	*3.0%*	*2.5%*	*1.5%*	*0.5%*

	2015	2016	2017	2018	2019
Totals					
Base Demand	267,572	272,658	276,528	279,363	280,760
Unaccommodated Demand	25,951	26,453	26,865	27,167	27,303
Total Demand	293,523	299,111	303,394	306,531	308,063
less: Residual Demand	14,741	11,238	-	-	-
Total Accommodated Demand	**278,782**	**287,873**	**303,394**	**306,531**	**308,063**
Overall Demand Growth	*6.4%*	*3.3%*	*5.4%*	*1.0%*	*0.5%*
Market Mix					
Commerical	49.2%	48.8%	48.6%	48.6%	48.6%
Meeting and Group	22.3%	22.4%	22.3%	22.2%	22.2%
Leisure	28.5%	28.8%	29.1%	29.2%	29.2%
Existing Hotel Supply	1,110	1,110	1,110	1,110	1,110
Proposed Missouri Theater Hotel[1]		35	139	139	139
Available Rooms per Night	405,095	417,883	455,830	455,830	455,830
Nights per Year	365	365	365	365	365
Total Supply	1,110	1,145	1,249	1,249	1,249
Rooms Supply Growth	*10.5%*	*3.2%*	*9.1%*	*0.0%*	*0.0%*
Marketwide Occupancy	**68.8%**	**68.9%**	**66.6%**	**67.2%**	**67.6%**

[1] *Opening in October of 2016*

Source: HVS Market Study *Prepared by: Economic & Policy Resources, Inc.*

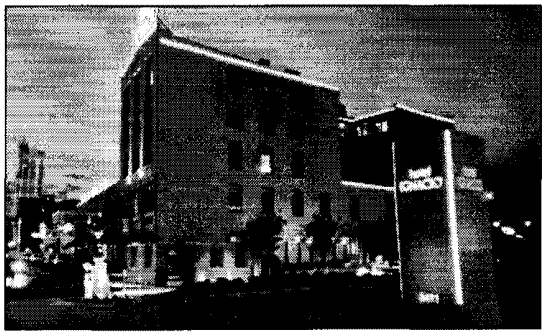
[8] Ibid, page 45.

4.5 Competitor Analysis

The market study identifies five hotels that serve as the primary competitor group and five hotels that serve as the secondary competitor group. The primary competitors are most likely to directly compete with the proposed Missouri Theatre Luxury Hotel EB-5 Project due to their market positioning. The primary competitors include The Cheshire, Hotel Ignacio, Moonrise Hotel, Omni Majestic Hotel, and Magnolia Hotel. The secondary competitors include Chase Park Plaza Hotel, Courtyard by Marriott St. Louis Downtown, Hampton Inn & Suites St. Louis at Forest Park, Holiday Inn Express St. Louis, and Residence Inn by Marriott St. Louis Downtown.

The Cheshire:

- Opened in 1964
- 108 guestrooms & suites
- Multiple food & beverage venues including *The Restaurant at the Cheshire, Basso* (an Italian gastro pub), and *Fox & Hounds Tavern* (an English-style pub)
- Outdoor pool, fitness center, business center

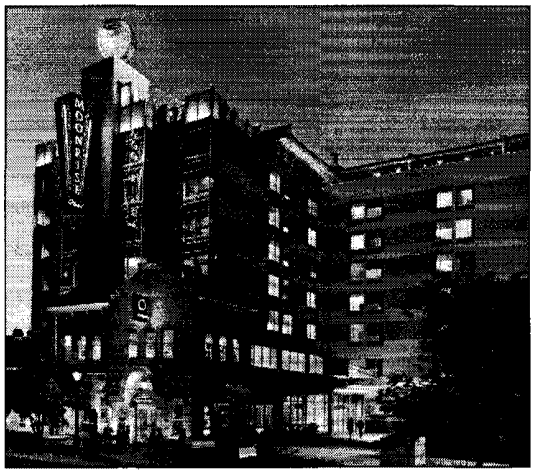


Hotel Ignacio:

- Opened in 2011
- 51 guestrooms & suites
- Two restaurants: *Baiku Sushi Lounge* and *Triumph Grill*
- Art gallery, business center, exercise room

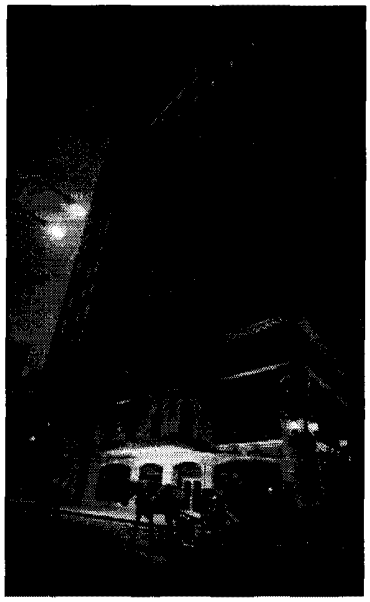
Moonrise Hotel:

- Opened in 2009
- 125 guestrooms & suites
- Eclipse Restaurant (modern American cuisine), Rooftop Terrace Bar, New Moon Room (cocktails and small plates)
- Meeting space, fitness center



Omni Majestic Hotel:

- Opened in 1913
- 91 guestrooms & suites
- Mahogany Grille (classic pub fare)
- Meeting space, fitness center



Magnolia Hotel:

- Opened in 1990
- 182 guestrooms & suites
- Robies Restaurant and Lounge (contemporary American cuisine)
- Meeting and event space including conference center and 4,000-square-foot ballroom

4.6 Subject Performance Projection[9]

The proposed project is projected to achieve an occupancy rate of 62.0% in 2017, its first full calendar year of operations after opening in October of 2016. The forecasted average room rate at the proposed project is $167.84 in 2017. The area-wide market is expected to have an average occupancy rate of 66.8% in 2017 and an average room rate of $154.82. By 2019, the project's occupancy rate is forecasted to reach 70.0% with an average room rate of $178.06, compared to the area-wide market's forecasted occupancy rate of 67.8% and average room rate of $164.24. The project is expected to capture more than its fair share of the market, with an average annual penetration rate of 108.4% between 2016 and 2019. The new proposed hotel will capture more than its fair share of the market due to its high quality furnishings and finishes, ideal location, unique design including the rooftop terrace and skyline views, and position as a new hotel.

Within the ramp-up period, a discount rate of 10.0% in the first year of operations and 5.0% in the second year of operations is projected. A discount rate takes into consideration the need for a new hotel to establish its reputation and client base within the market. In the first project year of operations (2016-2017) the average rate after the 10.0% discount is projected to be $149.59, with a RevPAR of $89.76. In the second year of operations (2017-2018), the average rate after the 5.0% discount is projected to be $163.03, with a RevPAR of $107.60.

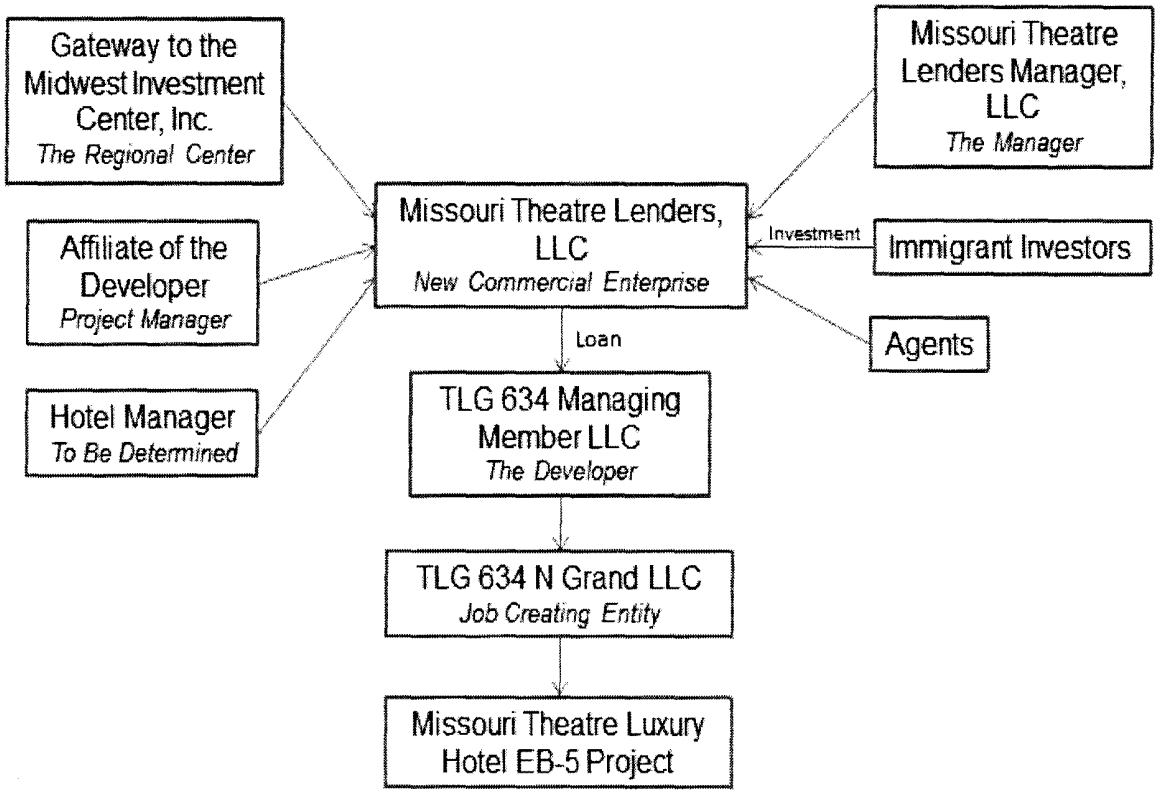
[9] Ibid, pages 50 to 54.

Section 5. EB-5 Framework

5.1 Summary of the Business Relationships

Through the EB-5 Program, immigrant investors will invest funds into Missouri Theatre Lenders, LLC, a new commercial enterprise. These funds will be loaded to the job creating entity, TLG 634 N Grand LLC, through the Developer, TLG 634 Managing Member LLC, in order to undertake the construction of the Missouri Theatre Luxury Hotel EB-5 Project. Gateway to the Midwest Investment Center, Inc. will serve as the Regional Center and a subsidiary of the Regional Center, Missouri Theatre Lenders Manager, LLC, will serve as the Manager. The Hotel Manager will be non-flag and has yet to be determined.

Figure 3: Business Structure Chart



5.2 Industry Focus

As discussed in *Section 2.5 Gateway to the Midwest Investment Center* above, the Gateway to the Midwest Investment Center is approved for capital investment in a variety of NAICS categories. The approved NAICS categories of the Regional Center may encompass categories associated with other EB-5 projects. Therefore, it is important to note the NAICS categories that are included in the economic impact study for each sponsored project. The Missouri Theatre Luxury Hotel EB-5 Project activities included in the economic impact study are classified into the following NAICS category:[10]

- The **Nonresidential Building Construction (NAICS 2362)** industry group comprises establishments primarily responsible for the construction (including new work, additions,

[10] All NAICS category descriptions are paraphrased from materials distributed by the United States Census Bureau, see (www.census.gov/eos/www/naics/index.html).

alterations, maintenance, and repairs) of nonresidential buildings. This industry group includes nonresidential general contractors, nonresidential for-sale builders, nonresidential design-build firms, and nonresidential project construction management firms.

5.3 Economic Impact Study

The Economic Impact of the Missouri Theatre Luxury Hotel EB-5 Project report was prepared by Economic & Policy Resources, Inc. ("EPR"). EPR has considerable experience in evaluating projects within the context of Form I-924 applications for new and expanding regional centers, immigrant investor Form I-526 petitions for approval of conditional residency, and Form I-829 petitions for the removal of conditions submitted to the USCIS under the EB-5 Program. EPR's economic impact studies demonstrate the economic impacts, including job creation, of a project within the geographic scope of a regional center and within the United States as a whole, in accordance with *8 C.F.R. §204.6(m)*. The impact study of the Missouri Theatre Luxury Hotel EB-5 Project was completed using the REDYN model, which has been previously recognized as a reasonable methodology for use by economic analysts measuring impacts of projects for consideration under the EB-5 Program.

For each NAICS activity included in the modeling, *Table 7 Summary of Model Specifications and Jobs Attributable to the Regional Center* below summarizes the following: 1) the construction expenditures in millions of dollars by year; 2) the total job creation within the United States by year; and 3) the jobs requested to be attributed to the U.S. Business Regional Center Inc. under the EB-5 Program. The request to attribute jobs to the Regional Center totals 699 new jobs. This total includes 699 indirect only jobs created in the United States as a result of construction activities.

Table 8: Summary of Model Specifications and Jobs Attributable to the Regional Center

Project Component	NAICS Activity Code	Model Inputs (Millions)	Total United States Job Creation	Indirect Job Creation Attributable to the Regional Center
Non-Residential Construction	NAICS 2362	Year 1: $26.29	Year 1: 898	699
Total Job Creation Attributable to the Regional Center (Construction):				699
Prepared by: Economic & Policy Resources, Inc.				

Based on the EB-5 Program rules and regulations, the petitioner is requesting that 699 new jobs be attributed to the Regional Center under the EB-5 Program. These jobs are a subset of the total job creation that is estimated to result from the construction activities associated with the EB-5 Project.

- The subset of jobs being requested as new jobs attributable to the Regional Center was determined from the total expected job creation based upon the following EB-5 Program rules and regulations:
    - The EB-5 Program allows indirect jobs created outside the geographic scope of the Regional Center to be attributed to the Regional Center.[11]
    - The EB-5 Program requires that the requested jobs occur within a reasonable time, which is generally considered to be within two years and six months of the adjudication of the immigrant investors' Form I-526 petitions.[12]
- All requested jobs arising from construction activities, are expected to be created within two years and six months of the adjudication of immigrant investors' Form I-526 petitions.

[11] Ibid., page 18.
[12] Ibid., pages 19 and 22.

Please refer to *Section 4.3 Request for Jobs Attributable to the Regional Center* of the Economic Impact of the Missouri Theatre Luxury Hotel EB-5 Project report for further discussion on how the EB-5 Program requirements were applied to the job creation expected to result from the construction activities of the EB-5 Project to determine which jobs may be requested as attributable to the regional center.

5.4 EB-5 Timeline

Figure 3 Immigrant Investor and Project Development Timelines below has been compiled to show how the immigrant investor petitions and project development timelines associated with the Missouri Theatre Luxury Hotel EB-5 Project align. It should be noted that variations in immigrant investor timelines due to the adjudication and processing of the Form I-526, the change of status (Form I-485) or consular process, and each immigrant investor's establishment of conditional permanent residency in the United States are expected and are outside the control of the EB-5 Project team. The timeline shown in *Figure 3* therefore tries to account for these differences by presenting two alternative timeline scenarios, "Investor A" and "Investor B." These can be thought of as end caps on a range of possible adjudication and processing experiences investors are likely to face.

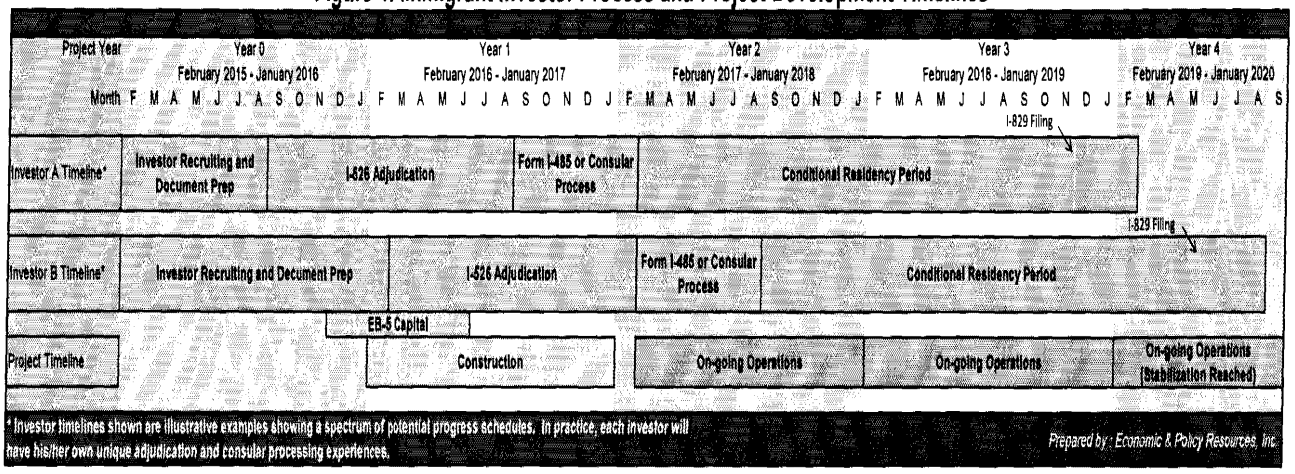
Using the Investor A timeline as an example, we assume that Investor A submits a Form I-526 petition to the USCIS in September of 2015, or the eighth month of Year 0. The Form I-526 approval is assumed to be issued in September of 2016, based on the assumption of a 12-month adjudication period.[13] The timeline adopts a six-month time period for Investor A to complete the Form I-485 or consular process. This assumption is inherent in the two year and six month timeline requirement described in the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS.[14] The official establishment of conditional permanent residency is followed by the two-year conditional residency period, which ends in February of 2019, or the first month of Year 4 of the EB-5 Project. An allowance of six months of delay is reflected in the Investor B timeline.

Based on current EB-5 Program processing times, as reported by the USCIS on its website, it is important to recognize that the Form I-526 adjudication process and/or the time period needed to establish residency in the United States may take longer than the periods assumed for each step in the investor timeline examples presented herein. As such, these investor timelines should be considered conservative in nature when being used to determine whether or not the jobs requested for attribution to the Gateway to the Midwest Investment Center, Inc. will occur prior to the end of the conditional residency period and the removal of conditions for the immigrant investors.

[13] The assumed Form-I-526 adjudication time is believed to be reasonable based on previous experiences of the legal team advising the project developers and is conservatively early relative to the times reported by the USCIS for the Immigrant Investor Program Office (https://egov.uscis.gov/cris/processingTimesDisplay.do). As retrieved at the time of this writing, the March 31, 2015 report shows that the average Form I-526 processing timeframe is 14 months.

[14] Op. Cit., page 19.

Figure 4: Immigrant Investor Process and Project Development Timelines



Section 6. Professional Team

6.1 EB-5 Project Team

Owner/Operator: The Lawrence Group

Steve Smith
Co-founder and CEO
Lawrence Group

Under Mr. Smith's leadership, Lawrence Group has grown from a four-person boutique design firm located in the attic of a Lafayette Square townhome, into a national multi-disciplinary real estate services firm with clients throughout the United States. Over the past 30+ years, Steve has led the expansion of Lawrence Group from its roots as an architectural and interior design practice serving everyone from individual homeowners to Fortune 500 companies, into a fully integrated services company which designs, builds, develops, owns, and operates real estate.

Committed to the redevelopment of St. Louis and its neighborhoods, Steve was honored as one of the "100 St. Louisans You Should Know" by St. Louis Small Business Monthly magazine.

Steve is a registered architect and is a graduate of the University of Kansas, School of Architecture.

LEADERSHIP IN ST. LOUIS

- Led over $250 million in St. Louis redevelopment projects
- Chair Elect, Downtown St. Louis, Inc.
- Board Member, St. Louis Regional Chamber
- Board Chairman, St. Joseph Health Center Foundation

ST. LOUIS REDEVELOPMENTS

- Park Pacific | $109 million redevelopment of historic Missouri Pacific Railroad headquarters into office, residential and commercial uses
- The Marquette Building | $57 million redevelopment into condo/apartment, office and retail mixed-use
- Beaux Arts Building | $23 million historic renovation of the Grand Center Arts Academy
- Security Building | $18 million office historic renovation
- Hotel Ignacio | $15 million, 51-room boutique hotel in partnership with Saint Louis University
- Sun Theater | $10.5 million historic renovation of performing arts center
- Southside Tower | $8.7 million redevelopment into condominiums
- Moto Complex | $7.8 million museum, Restaurant and International Photography Hall of Fame

Project Principal: The Hon. Angad Paul

The Hon. Angad Paul
Chief Executive Officer
Caparo Group

The Hon. Angad Paul joined Caparo in 1992. In 1993, he launched Caparo in India, and in 1999 chaired the company's engineering division becoming Chief Executive of Caparo in 2002.

Under his tenure, Caparo has grown from $450m sales to $1.5bn, moving from the manufacture of steel and engineering products to value added components, energy and financial services. He has also expanded the group into the Middle East and Poland, adding to the UK, North America and India.

Angad has also been involved in creating companies in various fields including branded furniture and artificial intelligence software. Additionally, he is an acclaimed film producer and has produced films including Guy Ritchie's hits 'Lock, Stock and Two Smoking Barrels' and 'Snatch' and Neil Marshall's 'Dog Soldiers'. He also Co-Founded the exclusive London clubs, Chinawhite and Aura.

He has previously served as a Non-Executive Director on the Board of the Imperial College Healthcare, the NHS Trust comprising North West London hospitals. He is a member of the Trilantic Advisory Council. Aside from his business interests, Angad is a Trustee of the Ambika Paul Foundation and a Patron of the SHINE Education Trust.

He graduated from MIT (Massachusetts Institute of Technology) in Boston, USA where he received a BSc in Economics.

Caparo Career History

1992 - Joined Caparo.
1993 - Launched Caparo India, presently turning over in excess of $350 million and growing fast.
1999 - Chaired Caparo Engineering Division, now the core of Caparo Materials Engineering, the largest Caparo division of companies in the UK.
2002 - Appointed Chief Executive of Caparo Industries.
2003 - Created Caparo Innovation Centre (CIC) in partnership with the University of Wolverhampton.
2004 - Led the acquisition of 12 units in UK steel conversion and distribution.
2005 - Initiated Caparo presence in Dubai, today Caparo Middle East.
2006 - Started trading in China and also led the acquisition of 22 UK companies and the launch of the Caparo T1.
2007 - Launched Caparo Vehicle Components Inc. in North America which expanded into Mexico in 2008.
2011 - Opened the Ayatti Cultural Centre near Greater Noida, India.

6.2 Consulting Professionals

Immigration Counsel:

Klasko Immigration Law Partners, LLP
Philadelphia, PA

Daniel B. Lundy is a Partner and a member of the Firm's EB-5 practice. Mr. Lundy has successfully represented numerous immigrant investors in their EB-5 petitions and applications, including investors seeking permanent residence through investment in their own businesses and investors seeking permanent residence through investments into USCIS approved Regional Centers. Mr. Lundy also represents developers and others who seek to use foreign investment funds under the EB-5 program to fund their projects, either through the formation of a Regional Center or by joining with an existing Regional Center. Mr. Lundy works with various securities lawyers, economists, business plan writers and other professionals in the preparation and filing of Regional Center designation and Regional Center amendment applications. Mr. Lundy is experienced in reviewing Regional Center and project business plans, economic reports, securities offering documents, and corporate documents for compliance with the EB-5 program requirements, and in consulting and advising clients on the specific immigration requirements of the EB-5 program.

Mr. Lundy is admitted to the bar in the State of New York, the U.S. Courts of Appeals for the First, Second, Third, Fourth, Fifth, Seventh and Eleventh Circuits, and the U.S. District Courts for the Southern and Eastern Districts of New York.

Mr. Lundy is a graduate of Hunter College (B.A., 2000) and Fordham University School of Law (J.D. 2006). He is a member of the New York County Lawyer's Association and American Immigration Lawyers Association (AILA).

Securities Counsel:

Ronald R. Fieldstone is a partner in the Miami office of Arnstein & Lehr LLP, specializing in corporate/securities and taxation law.

Mr. Fieldstone has published numerous articles and has been a lecturer in the fields of real estate, corporate/securities, tax law, and franchise law for the past 40 years. He currently practices primarily in the areas of corporate/securities and taxation law. He graduated from the Wharton School, University of Pennsylvania in 1971 (magna cum laude) and received joint M.B.A./J.D. degrees from the Wharton School and the University of Pennsylvania Law School in 1974.

Since 2009, Mr. Fieldstone has actively been involved in serving as corporate/securities counsel for multifaceted industries involving immigrant investor visa offerings under the EB-5 Program representing both developers and regional centers involving in excess of 150 projects and a combined capital raise of in excess of $2.0 billion. His corporate/securities work includes the preparation of private placement memoranda and related documents. Mr. Fieldstone actively lectures and publishes in the EB-5 Program corporate/securities fields for numerous government sponsored and industry trade organizations and professionals. Mr. Fieldstone recently served as a committee member of the IIUSA's Best Practices Committee.

Mr. Fieldstone was a principal in a Blockbuster Video franchise that operated 25 stores in 8 states from 1987 until October 1995. He is a principal of a multi-state lithotripsy company and was also a principal of Barnie's Coffee and Tea, Inc., the owner of the Barnie's operating system with approximately 80 corporate units and 20 franchised units from 2001 until 2004. Mr. Fieldstone has extensive real estate holdings in the state of Florida and served as a managing partner of Landmark Residential from 1999 until 2008, which has served as the sponsor and manager of approximately 20,000 multifamily units in the states of Florida, Alabama, Georgia, Texas, and North Carolina that were liquidated over a period of 12 years for in excess of $1.0 billion.

Economic Impact Study and Business Plan Preparation:

Economic & Policy Resources, Inc.
Williston, VT

Since the founding of EPR in 1983, the professionals at EPR have been providing clients with objective research, analysis, forecasting, and advisory services in multiple aspects of economics, finance, public policy, and strategic planning. The firm has completed successful projects for government, business, and institutional clients, allowing clients to move forward decisively to embrace their opportunities and/or address their problems.

The team of professionals at EPR has experience that includes a wide range of assignments. Completed projects range from performing economic impact studies for clients who need to understand how their industry or project will affect a community, state, regional, or national economy to developing solutions and implementation strategies for dealing with the most complex economic, financial, public policy, or strategic planning problems. The firm also evaluates and drafts business plans for the EB-5 Program.

Jeffrey B. Carr, President and Senior Economist, has more than 30 years of experience in economic analysis, economic forecasting, fiscal impact analysis, economic impact analysis (including studies for the EB-5 Program), financial analysis, economic-tax revenue forecasting, and preparing and presenting state economic-fiscal data to Wall Street bond rating agencies. In addition to more than 200 completed economic impact studies in his consulting practice, Mr. Carr has served as the consulting State Economist and Principal Tax Revenues Analyst-Forecaster for the past five governors of the State of Vermont, including 4 years for the current Governor Peter Shumlin, 8 years for former Governor James Douglas, and 12 years for former Governor Howard Dean. He has been the State Economic Forecast Manager for Vermont for the past 20 years for the New England Economic Partnership ("NEEP").

List of Appendices

Appendix 1: Detailed Uses of Funds

Appendix 2: TEA Certification Letter

Appendix 3: Construction Support Letter

Appendix 1: Detailed Uses of Funds

		Year 1 (February 2016 - January 2017)												Year 1 Totals	
	Pre-EB-5 Expenses	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb 2016 to Jan 2017	Total
Acquisition	$ 3,025.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$3,025.00
Hard Costs															
Hard Costs (Building Construction)	$ -	$ 1,606.91	$ 2,678.21	$ 3,130.06	$ 2,104.44	$ 1,901.68	$ 1,677.01	$ 1,641.17	$ 1,736.16	$ 2,563.62	$ 2,625.29	$ 2,325.10	$ 2,060.44	$ 26,290.29	$26,290.29
Owner FF & E	$ -	$ 249.09	$ 249.09	$ 249.09	$ 249.09	$ 249.09	$ 249.09	$ 249.09	$ 249.09	$ 249.09	$ 249.09	$ 249.09	$ 885.00	$ 3,423.00	$3,423.00
Environmental Cleanup	$ 2,500.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$2,500.00
Construction Contingency		$ 267.64	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 267.64	$267.64
Miscellaneous Development Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,968.43	$ 4,968.43	$4,968.43
Soft Costs and Financing Costs															
Architecture & Engineering	$ 1,864.98	$ 19.273	$ 19.27	$ 19.27	$ 19.27	$ 19.27	$ 19.27	$ 19.27	$ 19.27	$ 19.27	$ 19.27	$ 19.27	$ 53.00	$ 295.00	$2,159.98
Legal & Accounting	$ 65.00	$ 23.64	$ 23.64	$ 23.64	$ 23.64	$ 23.64	$ 23.64	$ 23.64	$ 23.64	$ 23.64	$ 23.64	$ 23.64	$ 30.00	$ 290.00	$355.00
Interior Design	$ 280.00	$ 9.74	$ 9.74	$ 9.74	$ 9.74	$ 9.74	$ 9.74	$ 9.74	$ 9.74	$ 9.74	$ 9.74	$ 9.74	$ 26.77	$ 133.87	$413.87
Professional Services	$ 29.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$29.00
Financing Costs	$ 974.56	$ 215.33	$ 215.33	$ 215.33	$ 215.33	$ 215.33	$ 215.33	$ 215.33	$ 215.33	$ 215.33	$ 215.33	$ 215.33	$ 962.36	$ 3,330.98	$4,305.54
Permit Acquisition	$ -	$ 267.64	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3.25	$ 2.92	$ 3.46	$ 4.83	$ 282.10	$282.10
Insurance	$ 25.00	$ 38.72	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 5.88	$ 5.51	$ 6.11	$ 5.36	$ 77.48	$102.48
Taxes	$ -	$ 4.95	$ 4.95	$ 4.95	$ 4.95	$ 4.95	$ 4.95	$ 4.95	$ 4.95	$ 9.83	$ 9.15	$ 8.78	$ 8.16	$ 71.18	$71.18
Management Fees	$ 450.00	$ 107.98	$ 107.98	$ 107.98	$ 107.98	$ 107.98	$ 107.98	$ 107.98	$ 107.98	$ 134.93	$ 130.50	$ 134.98	$ 183.55	$ 1,447.81	$1,897.81
Contingency	$ -	$ 58.97	$ 58.97	$ 58.97	$ 58.97	$ 58.97	$ 58.97	$ 58.97	$ 58.97	$ 58.97	$ 58.97	$ 58.97	$ 1,613.54	$ 2,162.35	$2,162.35
Working Capital	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,650.00	$ 1,650.00	$1,650.00
Total Uses of Funds (in thousands)	$ 9,213.54	$ 2,869.87	$ 3,587.45	$ 3,821.32	$ 2,795.68	$ 2,592.91	$ 2,368.25	$ 2,372.41	$ 2,429.38	$ 3,292.45	$ 3,348.41	$ 3,064.44	$ 12,040.38	$ 44,382.12	$ 53,775.66

Prepared by: Economic & Policy Resources, Inc.

Appendix 2: TEA Certification Letter

Appendix 3: Construction Support Letter

Exhibit 6

EPR
ECONOMIC & POLICY RESOURCES

Letter of Transmittal

August 28, 2015

Pete Sebelski, The Lawrence Group
c/o Gateway to the Midwest Investment Center
319 North 4th St.
Suite 1000
St. Louis, MO 63102

Dear Mr. Sebelski:

Attached with this letter is a report outlining the economic and job impacts of the proposed Missouri Theatre Luxury Hotel EB-5 Project, which our firm prepared at your request. The report is intended to accompany an application to be filed with the United States Citizenship and Immigration Services ("USCIS") for approval of an exemplar Form I-526 under the Immigrant Investor Program ("EB-5 Program") consistent with the regulations at 8 C.F.R. §204.6.

We have prepared our analysis using assumptions and estimates from the project developers, third party data sources, including authoritative federal government sources, and research and knowledge of the NAICS activities and region from our many years of applied economic practice. Where we have used information from the project developers and third party data, we have assumed that information to be correct. In completing our analysis, we have performed a number of tests and cross checks to verify the internal consistency of the results and find them to be reasonable.

The study on the economic and job creation impacts of the proposed Missouri Theatre Luxury Hotel EB-5 Project concludes that the EB-5 project will result in the creation of a significant number of new jobs for workers in the United States, consistent with the intent of Congress when creating the EB-5 Program. Therefore, approval of the Missouri Theatre Luxury Hotel EB-5 Project by the USCIS would be consistent with the stated purpose of the EB-5 Program, which is *"to promote the immigration of people who can help create jobs for U.S. workers through their investment of capital into the U.S. economy."*

400 Cornerstone Drive, Suite 310 | P.O. Box 1660 | Williston, VT 05495-1660
(802) 878-0346 | (800) 765-1377 | info@epreconomics.com | www.epreconomics.com

Thank you for the opportunity to work with you and your EB-5 project team on this assignment.

Sincerely,

Jeffrey B. Carr
President and Senior Economist
Economic & Policy Resources, Inc.

The Economic Impact of the Missouri Theatre Luxury Hotel EB-5 Project

August 28, 2015

PREPARED BY:

400 Cornerstone Drive, Suite 310 | P.O. Box 1660 | Williston, VT 05495-1660
(802) 878-0346 | (800) 765-1377 | info@epreconomics.com | www.epreconomics.com

ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

Table of Contents

Section 1: Introduction 1
1.1 Purpose of the Study 1
1.2 Study Highlights 1

Section 2. Methods of Analysis 3
2.1 Input-Output Modeling 3

Section 3. Description of the Regional Center and EB-5 Project 5
3.1 The Gateway to the Midwest Investment Center, Inc. 5
3.2 The Missouri Theatre Luxury Hotel EB-5 Project 5
3.2.1 Overview of the EB-5 Project 5
3.2.2 Use of Funds 6

Section 4. Economic Impact Analysis 8
4.1 Model Assumptions and Inputs 8
4.1.1 Geographic Scope 8
4.1.2 Model Inputs 10
4.2 Overview of Project Impacts 11
4.2.2 Direct and Indirect Jobs 13
4.3 Request for Jobs Attributable to the Regional Center 14

Section 5. Conclusion 17

Appendix 1. Required Reporting of Impacts in Select NAICS Categories 18

Appendix 2. About Economic & Policy Resources, Inc. 21

Appendix 3. Limitations and Contingent Conditions 22

Appendix 4. The REDYN Model 23

List of Tables and Figures

Table 1: Summary of Model Specifications and Jobs Attributable to the Regional Center 2
Table 2: Use of Funds Detail 7
Table 3: Inputs 10
Table 4: Summary of the Total Project Impacts 12
Table 5: Direct and Indirect Jobs 13
Table 6: Model Simulation Direct and Indirect Jobs Calculations 14
Table 7: Summary of Model Specifications and Jobs Attributable to the Regional Center 15

Figure 1: Map of the Gateway to the Midwest Investment Center 5
Figure 2: Building Exterior 6

Section 1: Introduction

1.1 Purpose of the Study

This study is intended to assist the United States Citizenship and Immigration Services ("USCIS") in their evaluation of the proposed Missouri Theatre Luxury Hotel EB-5 Project (the "Project") in conjunction with immigrant investor Form I-526 petitions under the Immigrant Investor Program ("EB-5 Program"). In compliance with guidance issued by the USCIS, this study sets forth the likely economic impacts, including the new job creation associated with the Project, which is located in St. Louis, Missouri in the Gateway to the Midwest Investment Regional Center. Changes in the number of jobs, output, labor income, and household earnings that the Project is expected to generate are identified for the following regions: 1) within the geographic scope of the Gateway to the Midwest Investment Center, Inc. (the "Regional Center"); 2) the remainder of the United States outside the geography of the Regional Center; and 3) the United States as a whole.[1] This study therefore demonstrates how the Project will promote economic growth within the geographic scope of the Regional Center through job creation and increased capital investment consistent with *8 C.F.R. §204.6*, assuming the USCIS approves the Project as proposed.[2]

1.2 Study Highlights

- Input-output modeling for the Missouri Theatre Luxury Hotel EB-5 Project was performed utilizing the REDYN model. Please refer to *Section 2.1 Input-Output Modeling* for further discussion on input-output methodologies for modeling the economic impacts of a project.
- The Project is an actual EB-5 project sponsored by the Gateway to the Midwest Investment Center, Inc. Please refer to *Section 3.1 The Gateway to the Midwest Investment Center, LLC* for more detail on the Regional Center, including a map of its geographic scope.
- The Project, which is located in St. Louis, Missouri, consists of the construction of a boutique hotel, which will be built in the Missouri Theatre building at 634 N. Grand Blvd. in Downtown St. Louis, and will feature 139 guest rooms, event space, and other guest services amenities. Additionally, the project includes the construction of retail and office space within the building. Please refer to *Section 3.2 The Missouri Theatre Luxury Hotel EB-5 Project* for additional information pertaining to the Project.
- Three geographic regions were defined in the model simulations for the Project. These three regions allow for the reporting of new economic impacts within the geographic boundaries of the Regional Center, in the remainder of the United States outside the Regional Center, and, consequently, for the United States as a whole. Please refer to *Section 4.1.1 Geographic Scope* for more detail on how the geographic regions that were defined in the modeling were determined.
- Model simulation inputs were derived from information provided by the project developers, checked for internal consistency, and adjusted to exclude those expenditures that are not appropriate for inclusion in the modeling, such as permitting and builder's insurance, as well as other items that were expected to have relatively minor economic impacts. Please refer to *Section 4.1.2 Model Inputs* for more detail on the inputs to the model simulations.

[1] As stated in *8 C.F.R. §204.6(e)*, a regional center is an *"economic unit, public or private, which is involved with the promotion of economic growth..."* Such an entity must further conform to the rule laid out in *8 C.F.R. §204.6(m)(3)(i)*, which requires that a regional center focus on promoting growth within a geographical region of the United States. Accordingly, when referring to the economic entity, *The Gateway to the Midwest Investment Center, LLC*, this report uses the term "Regional Center" and when referring to the geographic focus area of that entity uses terms such as "geographic scope," "geographic boundaries," and "geography."

[2] This economic impact study, taken together with the Missouri Theatre Luxury Hotel EB-5 Project Business Plan, presents the specific details of how the Project will result in new economic growth within the geographic scope of the Regional Center, the remainder of the United States outside the geographic scope of the Regional Center, and correspondingly, the United States as a whole.

- Please refer to *Section 4.2 Overview of Project Impacts* for detail on the total economic impacts of the Project, including detail on the number of direct and indirect jobs.[3]
- Based on the EB-5 Program rules and regulations, the petitioner is requesting that 699 new jobs be attributed to the Regional Center under the EB-5 Program. These jobs are a subset of the total job creation that is estimated to result from the construction activities associated with the Project. The request for jobs attributable to the Regional Center is summarized in *Table 1 Summary of Model Specifications and Jobs Attributable to the Regional Center* below.
    - The subset of jobs being requested as new jobs attributable to the Regional Center was determined from the total expected job creation based upon the following EB-5 Program rules and regulations:
        - The EB-5 Program requires that direct jobs persist for at least two years.[4]
        - The EB-5 Program allows indirect jobs created outside the geographic scope of the Regional Center to be attributed to the Regional Center.[5]
        - The EB-5 Program requires that the requested jobs occur within a reasonable time, which is generally considered to be within two years and six months of the adjudication of the immigrant investors' Form I-526 petitions.[6]
    - The requested jobs arising from construction activities are comprised of indirect jobs.[7]
        - The requested indirect jobs include those that are estimated to be created both inside and outside the geographic scope of the Regional Center (i.e., throughout the entire United States).
    - All requested jobs arising from construction activities are expected to be created within two years and six months of the adjudication of immigrant investors' Form I-526 petitions.
    - Please refer to *Section 4.3 Request for Jobs Attributable to the Regional Center* for further discussion on how the EB-5 Program requirements were applied to the job creation expected to result from the construction of the EB-5 Project and the request for jobs attributable to the Regional Center.

Table 1: Summary of Model Specifications and Jobs Attributable to the Regional Center

Project Component	NAICS Activity Code	Model Inputs (Millions)	Total United States Job Creation	Indirect Job Creation Attributable to the Regional Center
Non-Residential Construction	NAICS 2362	Year 1: $26.29	Year 1: 898	699
Total Job Creation Attributable to the Regional Center (Construction):				699
Prepared by: Economic & Policy Resources, Inc.				

[3] Direct jobs are defined herein as those that are created as a direct result of the incremental change in final demand for a given project (e.g., the developer hires a construction management firm). Indirect jobs are created as materials and other inputs to production are supplied to the project (e.g., the supplier of steel to the construction firm hires additional staff). It should be noted that induced jobs, which are a subset of indirect jobs, are created when the new workers occupying the direct and indirect jobs spend their new income resulting from the project at other businesses (e.g., the workers patronize restaurants and retail stores).

[4] May 30, 2013 EB-5 Adjudications Policy Memorandum, page 17.

[5] Ibid., page 18.

[6] Ibid., pages 19 and 22.

[7] Please refer to *Section 4.2.2 Direct and Indirect Jobs* for information pertaining to the method in which the REDYN model calculates direct and indirect jobs.

Section 2. Methods of Analysis

2.1 Input-Output Modeling

In contrast to proving the direct job count of an EB-5 project through the provision of payroll records to the USCIS, regional centers can provide evidence based on "reasonable methodologies" to demonstrate that they satisfy the job creation requirements of the EB-5 Program.[8] Regional centers have some latitude under the "reasonable methodologies" requirement. The most common of the reasonable methodologies is to provide economic impact estimates developed through the use of input-output ("I-O") tools or models.

Even though the approaches used in various I-O tools and models differ in complexity and structure, the general approach to the estimating process is essentially the same for all of those tools and models that have been previously recognized as reasonable by the USCIS. All of the I-O tools and models use calculated coefficients based on detailed federal data, including data from the United States Bureau of Economic Analysis ("BEA"), the United States Bureau of Labor Statistics ("BLS"), and the United States Census Bureau. Compilation of these data series, which are updated each year to varying degrees, involves assembling and updating data regarding how much input is used for producing a given amount of output.

Dynamic I-O models, such as Regional Dynamics ("REDYN") and Regional Economic Models, Inc. ("REMI"), simulate the economic relationships between sectors of an economy on several geographic levels through time. Linkages exist between sectors and regions because their economies use outputs from other sectors and regions. I-O models are founded on these linkages and allow analysts to see how changes in final demand in individual or multiple sectors in a regional economy ripple throughout the system and geography simultaneously. For example, effects of a new investment are felt in linked sectors and regions as increased employment, output, labor income, and household earnings. IMPLAN Group, LLC, the owner of the Impact Analysis for Planning ("IMPLAN") tool, describes I-O analysis in another way as "*...a means of examining relationships within an economy, both between businesses and between businesses and final customers. It captures all monetary market transactions for consumption in a given time period. The result mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy.*"[9]

In that way, the I-O process depicts the so called "ripple effect" of the impacts caused by an economic change in a region. In the long run, a project is shown to materially alter the regional and national economies through a significant amount of new investment and related business development activities. Therefore, it is expected that the regional economy of the area included in the geographic scope of the Gateway to the Midwest Investment Center, Inc., the economy of the remainder of the United States outside the geographic scope of the Regional Center, and, consequently, the economy of the United States as a whole will all have a correspondingly higher level of investment, employment, output, labor income, and household earnings than would otherwise be the case in the absence of the Missouri Theatre Luxury Hotel EB-5 Project.

[8] On page 18, the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS states that *"for a new commercial enterprise that is located within a regional center, the EB-5 Program provides that the full-time positions can be created either directly or indirectly by the new commercial enterprise. 8 C.F.R. §204.6(j)(4)(iii). Investors investing in a regional center are subject to all the same program requirements except that they may rely on indirect job creation as demonstrated through reasonable methodologies. 8 C.F.R. §204.6(m)(1), (7)."*

[9] IMPLAN Professional: Version 2.0: Social Accounting & Impact Analysis Software, MIG, Inc., page 95.

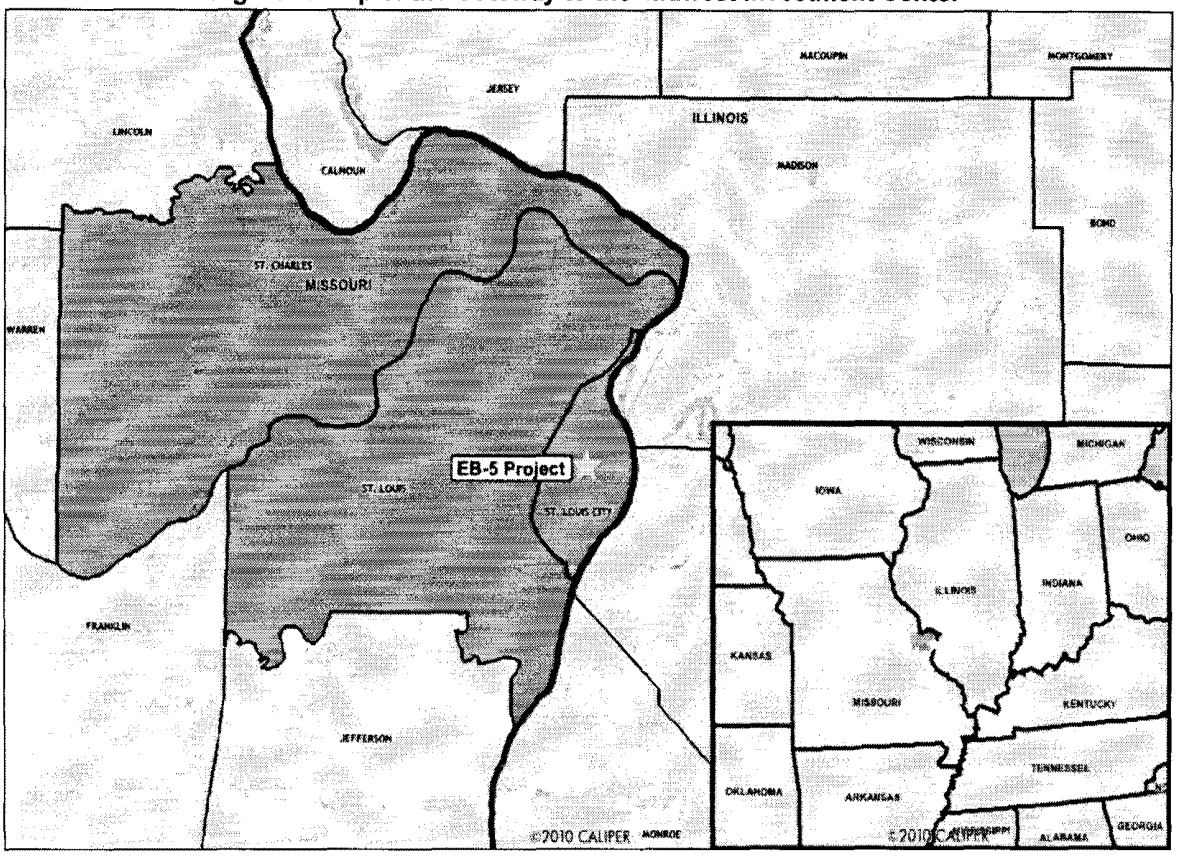
This economic impact study utilized REDYN for the purpose of determining the likely new economic impacts associated with the Project. REDYN has been used to assess the new economic impacts associated with economic development projects, new businesses, certain types of public policy changes, the effectiveness of government and private sector programs, and utility power projects in various states throughout the country in a variety of analytical settings. Economic & Policy Resources, Inc. ("EPR") has used REDYN in more than 175 studies overall, including more than 150 economic impact studies submitted for consideration under the EB-5 Program. REDYN has been previously used in numerous adjudications that have been approved by the USCIS under the EB-5 Program.

Section 3. Description of the Regional Center and EB-5 Project

3.1 The Gateway to the Midwest Investment Center, Inc.

The Gateway to the Midwest Investment Center, Inc. [RCW1105350166] (the "Regional Center") is a USCIS-designated regional center which has been operating as an official regional center since its initial approval on March 28, 2013. The geographic scope of its economic development activities includes the City of St. Louis and the contiguous counties of St. Louis and St. Charles in Missouri, which form the central area of the St. Louis, MO-IL Metropolitan Statistical Area.

Figure 1: Map of the Gateway to the Midwest Investment Center



3.2 The Missouri Theatre Luxury Hotel EB-5 Project

3.2.1 Overview of the EB-5 Project

The Missouri Theatre Luxury Hotel EB-5 Project consists of the construction and operations of a full-service, boutique hotel in St. Louis, Missouri. The EB-5 Project will include the renovation of an existing 150,000-square-foot building occupying a 1.73-acre site, which was once the Missouri Theatre. The new proposed hotel will feature 139 rooms, a restaurant and lounge, a fitness room, a business center, a market pantry, back-of-house space, and an outdoor swimming pool. The project site is located at 634 North Grand, St. Louis, Missouri.

Figure 2: Building Exterior

The Missouri Theatre was built in 1920 as a 4,000-seat movie and performance theater. The Theatre was originally home to the Missouri Rocket Girls, who later moved to New York City and became the Rockettes. After part of the original structure was demolished in 1959, the remaining building was used as office space for a time before becoming vacant. As part of the EB-5 Project, the exterior of the building, including the ornate white-stone façade, will be restored and preserved while the interior will be renovated and remodeled. The ground floor will feature leased retail spaces, as well as the hotel lobby. The second and third floors will be developed as office space, while floors four through twelve contain the subject hotel, including a twelfth floor lobby and rooftop terrace.

The room mix will include 116 standard guest rooms, 20 junior suites, 2 executive suites, and 1 presidential suite. The meeting room space will total 3,000 to 4,000 square feet.

3.2.2 Use of Funds

Development costs for the construction Project total $53.78, including: $9.21 million of pre-EB-5 costs, $29.98 million of hard costs, $4.87 million of miscellaneous development costs, and $9.71 million of soft costs and financing costs. As shown in *Table 2 Use of Funds Detail* on the following page, the construction expenditures are divided into the following major categories: Pre-EB-5 Costs, Hard Costs, Miscellaneous Development Costs, and Soft Costs. Within these categories are detailed line items, each of which is labeled with the code of the NAICS category into which it was classified for the economic modeling; line items that were not included in the economic modeling are indicated as not modeled ("N/M"). In addition, the expenditures associated with each line item are presented on an annual basis.[10,11]

[10] In accordance with the Missouri Theatre Luxury Hotel EB-5 Project Business Plan, expenditures are presented here on a project year basis. In this case, Year 1 corresponds to February 2016 through January 2017; Year 2 corresponds to February 2017 through January 2018; and so on.

[11] This table was adapted from *Appendix I Project Development Budget* of the Missouri Theatre Luxury Hotel EB-5 Project Business Plan.

Table 2: Use of Funds Detail

Uses of Funds ($ Millions)	NAICS	Total
Pre-EB-5 Costs		
Land Acquisition	N/M	$ 3.03
Other Pre-EB-5 Costs	N/M	$ 6.19
Hard Costs		
Building Construction	2362	$ 26.29
Owner FF & E	N/M	$ 3.43
Construction Contingency	N/M	$ 0.27
Miscellaneous Development Costs	N/M	$ 4.87
Soft Costs		
Architecture & Engineering	N/M	$ 0.27
Legal & Accounting	N/M	$ 0.29
Interior Design	N/M	$ 0.13
Financing Costs	N/M	$ 3.33
Permit Acquisition	N/M	$ 0.28
Insurance	N/M	$ 0.08
Taxes	N/M	$ 0.07
Management Fees	N/M	$ 1.45
Contingency	N/M	$ 2.16
Working Capital	N/M	$ 1.65
Total Uses of Funds		**$ 53.78**

Prepared by Economic & Policy Resources, Inc.

Section 4. Economic Impact Analysis

4.1 Model Assumptions and Inputs

4.1.1 Geographic Scope

The use of REDYN provides the analyst with flexibility in examining the impacts of a project by geographic region. REDYN allows the analyst to examine impacts down to the county level, for states as a whole, for custom regions, and for the United States economy overall. Therefore, the first step for the analyst is to determine the regions of importance for conducting the economic impact study based upon the particulars of the project being assessed. There are several key considerations for the analyst to take into account when determining the geographic regions for study, which are as follows: 1) the county in which the project is located; 2) the region where a significant number of the workers occupying the direct jobs created as a result of the project are expected to live; 3) the nature of the supply chain supporting project activities; and 4) geographic regions of importance for reporting results relative to the purpose of the study (e.g., regions that are of importance to an economic development program, such as the EB-5 Program).

The first key consideration for the analyst when specifying the regions of importance for the study is the county in which the project is located. I-O models determine impacts based on linkages between sectors and regions. Counties are the smallest geographic unit for which these data are available in most of the I-O tools and models in common usage. Therefore, the most appropriate geographic unit for determining impacts of a particular project is often the county in which the project is located. The Missouri Theatre Luxury Hotel EB-5 Project is located in the Independent City of St. Louis. Therefore, the Independent City of St. Louis has been included as one of the regions specified in the modeling.

The second key consideration for the analyst when specifying model regions is considering the geographic composition of the regional center to which the job impacts are being attributed. The geography of the regional center encompasses the three central counties within the St. Louis, MO-IL Metropolitan Statistical Area (the "St. Louis MSA"), as defined by the United States Office of Management and Budget ("OMB"). Therefore, the area has been identified as a functional economy by its designation as an EB-5 Regional Center. Given that the Regional Center corresponds to a functional region which includes the county in which the EB-5 Project is located, the geography of the Regional Center is a region of importance for specification in the modeling.

The third key consideration when specifying regions in the model is the nature of the supply chain supporting project activities. Given the nature of their respective economic linkages, certain activities tend to have more geographically extensive or localized economic impacts as they draw inputs to production from other industries. Some examples of activities that tend to have extensive geographic impacts are those in the Construction (NAICS 23) sector and the Manufacturing (NAICS 31-33) sector. Industries in sectors such as these are typically referred to as goods-producing industries. Examples of activities that tend to have more localized economic impacts are those in the Retail Trade (NAICS 44-45) sector and the Accommodation and Food Services (NAICS 72) sector. Industries in sectors like these are typically referred to as service-providing industries.[12]

[12] The examples of sectors within the goods-producing and service-providing classifications were taken from the list of those classified as belonging to those groups provided by BLS on their website (http://www.bls.gov/iag/tgs/iag_index_naics.htm).

Goods-producing industries tend to have more extensive geographic impacts because they require an on-going supply of material inputs to production in order to be carried out. For example, major materials involved in building construction include masonry and concrete, metal and steel, and wood products and lumber. Furthermore, certain geographic areas tend to specialize in the production of the materials used as inputs to production, such as Pittsburgh with steel or Eugene, Oregon with lumber and other wood products. Therefore, projects needing these inputs throughout the country will source the materials from these regions despite the geographic location of the project. This specialization in the production of materials suggests that economic linkages will extend job creation to other regions of the United States.[13]

Another reason why goods-producing industries tend to have more geographically extensive economic impacts is that they and their geographically extensive, goods-producing suppliers tend to have higher average wages than many of the service-providing industries. For example, in the United States in 2014 the weighted average wages in goods-producing industries was $60,256, compared to only $49,381 for the service-providing industries. A similar discrepancy was seen in the State of Missouri, with weighted average wages of $53,722 and $42,852 for the goods-producing and service-providing industries, respectively.[14] The higher wages in goods-producing industries typically lead to greater induced impacts. Therefore, the induced impacts from a project in a goods-producing industry with higher average wages in its broad supply chain would be expected to be more geographically extensive than those from a service-providing industry with lower average wages and fewer material inputs to production.[15]

It should be noted that all of the new construction activity associated with the Project included in the modeling occurs within the Construction (NAICS 23) sector.[16] Therefore, as the Construction (NAICS 23) sector falls under the categorization of goods-producing, which in turn means that the EB-5 Project is likely to have geographically extensive economic impacts, it is important that the analyst specify a region in the model that includes the remainder of the United States outside the geographic scope of the Regional Center.

The fourth key consideration for the analyst when specifying regions in the model is the purpose of the study. In the case of this economic impact study, the purpose is to assess the economic impacts of a project for consideration under the EB-5 Program. As such, regions of importance in the EB-5 Program should be included as regions specified in the model for the reporting of economic impacts. On page 13 of the May 30, 2013 EB-5 Adjudications Policy Memorandum, the USCIS identifies the regions of importance to the EB-5 Program by stating that a regional center must provide "*...a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy.*"[17] Therefore, the two regions of importance for the reporting of economic impacts under the EB-5 Program are the geographic scope of the Regional Center and the United States as a whole.

[13] One way to examine specialization is through the use of location quotients. Location quotients represent the ratio of a sector's employment share in a given geography to the same share in another. Examining the location quotient for the Pittsburgh, Pennsylvania Metropolitan Statistical Area in the Iron and Steel Mills and Ferroalloy Manufacturing (NAICS 3311) industry group for 2014, one finds that the share of employment in that industry group in Pittsburgh was 8.79 times the share of employment in that industry group in the United States. Similarly, the location quotient for the Wood Products Manufacturing (NAICS 321) subsector in the Eugene, Oregon Metropolitan Statistical Area reveals that the share of employment in that subsector in 2014 for Eugene was 9.07 times for that for the nation as a whole. These location quotients indicate that regions do specialize in the production of materials used in goods-producing sectors, as discussed above. Therefore, it stands to reason that other regions would import goods from these specialized areas. [Note: The location quotient data was obtained from the BLS website.]

[14] The wage data was obtained from the Quarterly Census of Employment and Wages data published by BLS.

[15] Additionally, there will be indirect effects associated with the new spending.

[16] All of the $26.29 million in new construction activity associated with the EB-5 Project included in the modeling occurs within the Construction (NAICS 23) sector.

[17] Op. cit., page 13.

The importance of the United States as a region for specification in the modeling is further demonstrated by the following quote from page 15 of the May 30, 2013 EB-5 Adjudications Policy Memorandum:

> *"In developing the EB-5 Program, Congress intended to promote the immigration of people who invest capital into our nation's economy and help create jobs for U.S. workers. Therefore, the creation of jobs for U.S. workers is a critical element of the EB-5 Program."*[18]

Based on these two quotes from the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS, it is important that the analyst specify the regions in the model such that economic impacts can be reported for the geographic scope of the Regional Center and the United States as a whole.

Given the considerations discussed above, the analyst specified a three-region model in order to complete this economic impact study for the Project. The three specified regions were as follows: 1) the Independent City of St. Louis; 2) the remainder of the geographic scope of the Regional Center; and 3) the remainder of the United States. The sum of the impacts in the Independent City of St. Louis (Region 1) and the remainder of the geographic scope of the Regional Center (Region 2) represent the new economic impacts within the geographic scope of the Regional Center. The impacts within the geographic boundaries of the Regional Center plus the impacts in the remainder of the United States (Region 3) sum to the total expected new economic impacts for the United States as a whole. Both the Regional Center and the Total United States are regions of importance for examining economic impacts cited in support of benefits through the EB-5 program. This model structure, when employed with the assumptions listed below and using the specific data inputs specified in *Table 3 Inputs* in *Section 4.1.2 Model Inputs* would enable an analyst to replicate the I-O model simulations employed in this study.

4.1.2 Impact Study Inputs

The relevant information and data used to develop the I-O model inputs for this study of the Missouri Theatre Luxury Hotel EB-5 Project included the amount and timing of the construction expenditures for the Project on a monthly timeline and an income statement projecting revenues and expenses for the first five years of operations activity. The data from the project developers are laid out in a comprehensive and detailed business plan that will be filed along with the other materials in the petition. Using these project parameters, the analyst quantified the new business activity of the Project in each year and assigned it to the proper NAICS activity category, as shown in *Table 3 Inputs* below.

Table 3: Inputs

		Year 1	Year 2	Year 3
		Construction	Operations	
Construction Expenditures (Millions)	**NAICS**			
Non-Residential Construction	2362	$ 26.29	$ -	$ -

Note:
All dollar values are presented in millions of nominal dollars.

Prepared by: Economic & Policy Resources, Inc.

[18] Op. cit., page 15.

Beyond the discussion above, key I-O modeling details and assumptions for the Project are described below:

- In accordance with *Section 3.2 Development Timeline* of the Missouri Theatre Luxury Hotel EB-5 Project Business Plan, modeling was carried out on a project year basis. In this case, Year 1 corresponds to February 2016 through January 2017; Year 2 corresponds to February 2017 through January 2018; and so on.
- The detailed use of funds information contained in *Appendix I Project Development Budget* of the Missouri Theatre Luxury Hotel EB-5 Project Business Plan is the source of the impact study inputs associated with the construction activities for the Project. The table in the business plan appendix was adapted herein as *Table 2 Use of Funds Detail* in *Section 3.2.2 Use of Funds*.
- Construction expenditures total $53.78 million for the Project. Out of the total construction expenditures, only $26.29 million for remodeling construction expenditures were included in the impact study, categorized as Non-Residential Construction [NAICS 2362].
- All project expenditures not detailed in the list above and *Table 3* were excluded from the impact study either because they are not appropriate for inclusion or because they are expected to have relatively insignificant impacts on the economy. The expenditures excluded from the impact study over the 12-month construction period total $27.49 million.
    - Pre-EB-5 Costs totaling $9.21 million were excluded because the associated activity occurs prior to the start of the EB-5 project timeline;
    - Miscellaneous Development Costs totaling $4.89 million;
    - The expenditures that are not appropriate for regional impact modeling are: Construction Contingency totaling $270,000;
    - Soft Costs totaling $9.71 million, including expenditures for: architecture & engineering, legal & accounting, interior design, financing, permit acquisition, insurance, taxes, management fees, contingency, working capital, and taxes;
    - The expenditures that are likely to have an insignificant effect on job creation are Owner FF&E expenditures totaling $3.43 million.
- Operations are expected to commence in Year 2 of the project development timeline. However, job creation arising from the project's operational phase is not used in support of the EB-5 program job benefits request.

4.2 Overview of Project Impacts

REDYN is capable of estimating all measurable linkages associated with the incremental economic activity in the NAICS categories modeled to describe the Missouri Theatre Luxury Hotel EB-5 Project.[19] This incremental activity will create and sustain employment. The EB-5 Project is expected to add new jobs within the geographic scope of the Gateway to the Midwest Investment Center in Year 1, due to the expended business activity related to the Project, an increase in economic activity which has a ripple effect throughout the economy of the United States. As shown in *Table 4 Summary of the Total Project Impacts*, this study finds that, as a result of this new business activity and the subsequent ripple effects stemming from it, the Project will have significant economic impacts on the economy within the

[19] With regard to I-O tools and models, such as the REDYN model, the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS states on page 17 that *"due to the nature of accepted job creation modeling practices, which do not distinguish whether jobs are full- or part-time, USCIS relies upon the reasonable economic models to determine that it is more likely than not that the indirect jobs are created and will not request additional evidence to validate the job creation estimates in the economic models to prove by a greater level of certainty that the indirect jobs created, or to be created, are full-time or permanent."*

geographic boundaries of the Regional Center, the remainder of the United States outside the Regional Center geography, and, consequently, the United States as a whole.[20]

Table 4: Summary of the Total Project Impacts

		Year 1
Regional Center Economy		
Total Jobs		419
Output (Millions)	$	61.9
Labor Income (Millions)	$	32.2
Household Earnings (Millions)	$	22.6
Outside the Regional Center Economy		
Total Jobs		479
Output (Millions)	$	88.9
Labor Income (Millions)	$	31.1
Household Earnings (Millions)	$	33.6
Total United States Economy		
Total Jobs		898
Output (Millions)	$	150.7
Labor Income (Millions)	$	63.2
Household Earnings (Millions)	$	56.2

Note:
All dollar values are presented in millions of 2015 dollars.

Prepared by: Economic & Policy Resources, Inc.

This economic impact study finds that the Project, through construction activity, will result in a new and significant increase in economic activity within the geographic scope of the Regional Center in Year 1 to the magnitude of:

- 419 new jobs;
- $61.9 million in output;
- $32.2 million in labor income.
- $22.6 million in household earnings.

This economic impact study finds that the Project, through construction activity, will result in a new and significant increase in economic activity within the geographic scope of the area outside the Regional Center in Year 1 to the magnitude of:

- 479 new jobs;
- $88.9 million in output.
- $31.1 million in labor income.
- $33.6 million in household earnings.

[20] All values are reported in constant 2015 dollars.

This economic impact study finds that the Project, through construction activity, will result in a new and significant increase in economic activity within the geographic scope of the United States economy as a whole in Year 1 to the magnitude of:

- 898 new jobs;
- $150.7 million in output.
- $63.2 million in labor income.
- $56.2 million in household earnings.

4.2.2 Direct and Indirect Jobs

Table 5 Direct and Indirect Jobs below presents the United States job creation associated with the Missouri Theatre Luxury Hotel EB-5 Project separated into those jobs that are direct and those that are indirect.[21] By definition, all direct jobs are assumed to occur within the Independent City of St. Louis, where the project activity is located. The number of direct and indirect jobs created as a result of the Project was determined using the REDYN model. The number shown in red represents the EB-5 eligible job count arising in the total U.S. from construction-related activity.

Table 5: Direct and Indirect Jobs

	Year 1
NAICS 2362 - Non-Residential Construction	
Direct Jobs	199
Indirect Jobs	699
Total Jobs	898

Prepared by: Economic & Policy Resources, Inc.

Table 6 Model Simulation Direct and Indirect Jobs Calculations on the following page has been included to demonstrate how the REDYN model determines which jobs are direct and which are indirect. *Table 6* shows the REDYN calculations for the model simulation of the Non-Residential hard construction expenditures for the Project in Year 1. The REDYN model calculates direct jobs based on a productivity concept (i.e., based on the average output per employee). As such, the REDYN model divides the change in final demand in the specific NAICS category (Item D) by the average output per employee (Item C) for that NAICS category in the region in which the inputs were modeled in order to determine the number of new direct jobs that will be created (Item E). The number of indirect jobs (Item G) is calculated by subtracting the number of direct jobs (Item E) from the total number of new jobs (Item F). This same method was used for each NAICS category included in the modeling.

[21] Direct jobs are defined herein as those that are created immediately by the incremental change in final demand for a given project (e.g., the developer hires a construction management firm). Indirect jobs are created as materials and other inputs to production are supplied to the project (e.g., the supplier of steel to the construction firm hires additional staff). It should be noted that induced jobs, which are a subset of indirect jobs, are created when the new workers occupying the direct and indirect jobs spend their new income resulting from the project at other businesses (e.g., the workers patronize restaurants and retail stores).

Table 6: Model Simulation Direct and Indirect Jobs Calculations

NAICS 2362 - Non-Residential Construction – Year 1							
NAICS 2362 Baseline Output (Thousands):	$	150,587	[A]	Input Expenditures (Thousands):	$	19,932	[D]
NAICS 2362 Baseline Employment:		1,506	÷ [B]	NAICS 2362 Baseline Output/Employee:	$	100	÷ [C]
NAICS 2362 Baseline Output/Employee:	$	100	= [C]	NAICS 2362 Direct Jobs		199	= [E]
				NAICS 2362 Total United States Jobs:		898	[F]
				NAICS 2362 Direct Jobs:		199	- [E]
				NAICS 2362 Indirect Jobs:		699	= [G]

Notes:
1. All output and expenditure figures are presented in millions of 2015 dollars.
2. The REDYN model baseline output and employment figures are those for the specific NAICS activity listed as calculated by the REDYN model for the Independent City of St. Louis, Missouri.
4. By definition, all direct jobs are assumed to occurr within the region in which the project activity is located. The economic activity for the Missouri Theatre EB-5 Project was modeled in the Independent City of St. Louis, Missouri, where the EB-5 project is located. Therefore, the input-output model assumes that all direct jobs occur within the Independent City of St. Louis, Missouri.
5. Output per employee is a productivity concept. It measures the average output per employee in the specific NAICS activity being analyzed.

Prepared by: Economic & Policy Resources, Inc.

4.3 Request for Jobs Attributable to the Regional Center

It is requested that a subset of the total jobs estimated to be created by the construction activities of the Missouri Theatre Luxury Hotel EB-5 Project be attributed to the Gateway to the Midwest Investment Center. These jobs include indirect jobs arising in the total U.S. economy related to Non-Residential construction expenditures. The rationale behind attributing the requested jobs to the Regional Center is based on the following: 1) the EB-5 Program requirement that direct jobs must last for at least two years; 2) the admissibility of a request to attribute jobs, including jobs both inside and outside the geographic scope of the Regional Center, to the Regional Center; and 3) the EB-5 Program requirement that the requested jobs occur within a reasonable time.

First, EPR would like to address the EB-5 Program requirement that direct jobs must last for at least two years. The following quote from the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS provides guidance:

> *"Direct jobs that are intermittent, temporary, seasonal, or transient in nature do not qualify as full-time jobs for EB-5 purposes. Consistent with prior USCIS interpretation, however, jobs that are expected to last for at least two years generally are not intermittent, temporary, seasonal, or transient in nature."*[22]

In the case of the Project, construction activity lasts for less than two years. Therefore, only indirect jobs for the NAICS activity associated with construction are included in the request for jobs attributable to the Regional Center. The project construction timeline includes 12 months of construction within Year 1, making Year 1 the most appropriate year in which to count the indirect jobs.[23]

Next, EPR would like to address the admissibility of the request that jobs attributable to the Regional Center include jobs both inside and outside the geographic scope of the Regional Center. The following quote from the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS provides guidance:

[22] Op. cit., page 17.

[23] With regard to indirect jobs, the May 30, 2013 EB-5 Adjudications Policy Memorandum states on page 17 as follows: *"Due to the nature of accepted job creation modeling practices, which do not distinguish whether jobs are full- or part-time, USCIS relies upon the reasonable economic models to determine that it is more likely than not that the indirect jobs are created and will not request additional evidence to validate the job creation estimates in the economic models to prove by a greater level of certainty that the indirect jobs created, or to be created, are full-time or permanent."*

> *"Indirect jobs can qualify and be counted as jobs attributable to a regional center, based on reasonable economic methodologies, even if they are located outside of the geographical boundaries of a regional center."*[24]

As previously mentioned in *Section 4.1.1 Geographic Scope*, based on the definition of direct jobs and the fact that the Regional Center encompasses a significant portion of the locations where the workers occupying the new jobs created as a result of the Project are expected to live, all direct jobs are assumed to be located within the geographic scope of the Regional Center. As such, all of the jobs outside the geographic boundaries of the Regional Center are indirect jobs and have been shown to be admissible under the EB-5 Program. Furthermore, it is to be expected that a project component comprised primarily of goods-producing activities would create jobs for workers throughout the economy of the United States.

Finally, EPR would like to address the EB-5 Program requirement that jobs attributable to a regional center occur within a reasonable time. The May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS states as follows:

> *"For purposes of the Form I-526 adjudication and the job creation requirements, the two-year period described in 8 C.F.R. §204.6(j)(4)(i)(B) is deemed to commence six months after the adjudication of the Form I-526. The business plan filed with the Form I-526 should reasonably demonstrate that the requisite number of jobs will be created by the end of this two-year period."*[25]

The jobs the petitioner is requesting be attributed to the Regional Center are estimated to arise in Year 1. Therefore, Year 1 needs to fall within two years and six months of the adjudication of immigrant investor Form I-526 petitions. *Figure 3 Timeline of Immigrant Investor Process and Project Development* in *Section 5.4 EB-5 Timeline* of the Missouri Theatre Luxury Hotel EB-5 Project Business Plan shows how the immigrant investor and project development timelines associated with the EB-5 Project align. As shown in *Figure 3*, the job-generating construction activity occurring during the 12-month construction phase in Year 1 will have been on-going for six months by the time the "early investor" phase of I-526 petition will theoretically be approved, with the remaining construction activities being completed by the end of the construction phase six months later. Consequently, the request for jobs attributable to the Regional Center under the EB-5 Program satisfies the requirement that the jobs occur within a reasonable time.

For each NAICS category included in the modeling, *Table 7 Summary of Model Specifications and Jobs Attributable to the Regional Center* below summarizes the following: 1) the model input specifications by year; 2) the total number of jobs created in the United States by year; and 3) the jobs the petitioner is requesting be attributed to the Regional Center under the EB-5 Program.

Table 7: Summary of Model Specifications and Jobs Attributable to the Regional Center

Project Component	NAICS Activity Code	Model Inputs (Millions)	Total United States Job Creation	Indirect Job Creation Attributable to the Regional Center
Non-Residential Construction	NAICS 2362	Year 1: $26.29	Year 1: 898	699
			Total Job Creation Attributable to the Regional Center (Construction):	699

Prepared by: Economic & Policy Resources, Inc.

[24] Op. cit., page 18.
[25] Op. cit., page 19.

As shown, the request for jobs attributable to the Regional Center totals 699 new jobs. This total consists of indirect jobs arising in the total U.S. economy related to Non-Residential construction expenditures.

Section 5. Conclusion

EPR was commissioned to examine the economic impacts, including job creation, of the Missouri Theatre Luxury Hotel EB-5 Project for the purposes of a petition to the USCIS seeking immigration benefits under the EB-5 Program. Based on information and data supplied by the project developers, and additional research conducted as necessary by the analyst, model simulations of the Project were conducted using the REDYN model. The results of those model simulations showed new and significant economic impacts.

Out of the total economic impacts estimated to result from the Project, it is requested that 699 new jobs be attributed to the Gateway to the Midwest Investment Center. These requested jobs consist entirely of new indirect jobs arising in the total U.S. economy related to Non-Residential construction expenditures created within two years and six months of the first I-526 approval.

The economic impact estimates presented in this study demonstrate specifically how a project consistent with the parameters of the Project will promote economic growth within the economy of the geography of the Regional Center, in the economy of the remainder of the United States outside the geography of the Regional Center, and, consequently, in the economy of the United States as a whole. Therefore, EPR has concluded that approval of the petition containing this impact study by the USCIS under the EB-5 Program will result in the creation of a significant number of new jobs for workers in the United States.

The May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS states as follows on page 15:

> *"In developing the EB-5 Program, Congress intended to promote the immigration of people who invest capital into our nation's economy and help create jobs for U.S. workers. Therefore, the creation of jobs for U.S. workers is a critical element of the EB-5 Program."*[26]

As such, the approval of the petition containing this impact study by the USCIS under the EB-5 Program will result in the creation of a significant number of new jobs for workers in the United States, consistent with the intent of Congress when creating the EB-5 Program.

[26] Op. cit., page 15.

Appendix 1. Required Reporting of Impacts in Select NAICS Categories

The new economic impact totals described in *Section 4.2 Overview of Project Impacts* are comprised of impacts in numerous NAICS categories important to the regional and national economies. The regulations at *8 C.F.R. §204.6(m)(3)(iv)* require that employment and economic output estimates generated by reasonable methodologies be reported for certain NAICS categories. The categories identified in the regulations are as follows: 1) the Utilities (NAICS 221) subsector; 2) the Construction (NAICS 23) sector; 3) the Professional, Scientific and Technical [Business] Services (NAICS 541) subsector; and 4) the Maintenance and Repair (NAICS 811) subsector.[27] To be in compliance with this reporting requirement, detailed predictions of impacts associated with the Missouri Theatre Luxury Hotel EB-5 Project within the identified NAICS categories are reported for the economy within the geography of the Gateway to the Midwest Investment Center, the economy of the remainder of the United States outside the geographic scope of the Regional Center, and the United States economy as a whole.[28]

Within the Regional Center Employment and Output Impacts in Required NAICS Activities

	NAICS Activity	Year 1
Employment Impacts	Utilities (NAICS 221)	0
	Construction (NAICS 23)	208
	Construction of Buildings (NAICS 236)	*202*
	Heavy and Civil Engineering Construction (NAICS 237)	*1*
	Specialty Trade Contractors (NAICS 238)	*5*
	Professional, Scientific, and Technical Services (NAICS 541)	24
	Repair and Maintenance (NAICS 811)	3
	Subtotal	**235**
Output Impacts ($2015, Millions)	Utilities (NAICS 221)	$0.12
	Construction (NAICS 23)	$27.02
	Construction of Buildings (NAICS 236)	*$26.16*
	Heavy and Civil Engineering Construction (NAICS 237)	*$0.13*
	Specialty Trade Contractors (NAICS 238)	*$0.73*
	Professional, Scientific, and Technical Services (NAICS 541)	$3.50
	Repair and Maintenance (NAICS 811)	$0.35
	Subtotal	**$30.99**

The table above describes the employment and output impacts of the Project by required NAICS category for the economy within the geography of the Regional Center. These impacts included increased demand in Year 1 as follows:

- $0.12 million for the Utilities (NAICS 221) subsector.
- $27.02 million for the Construction (NAICS 23) sector.
- $3.50 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.
- $0.35 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within most of the examined NAICS activities.

[27] The EB-5 Program regulations at 8 C.F.R. §204.6(m)(3)(iv) state that the petitioner shall submit a petition which *"contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings,* ***greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center."*** [Emphasis added].

[28] All values are reported in constant 2015 dollars.

Outside the Regional Center Employment and Output Impacts in Required NAICS Activities

	NAICS Activity Name	Year 1
Employment Impacts	Utilities (NAICS 221)	2
	Construction (NAICS 23)	21
	Construction of Buildings (NAICS 236)	*5*
	Heavy and Civil Engineering Construction (NAICS 237)	*3*
	Specialty Trade Contractors (NAICS 238)	*13*
	Professional, Scientific, and Technical Services (NAICS 541)	35
	Repair and Maintenance (NAICS 811)	9
	Subtotal	**67**
Output Impacts ($2015, Millions)	Utilities (NAICS 221)	$1.50
	Construction (NAICS 23)	$2.40
	Construction of Buildings (NAICS 236)	*$0.56*
	Heavy and Civil Engineering Construction (NAICS 237)	*$0.36*
	Specialty Trade Contractors (NAICS 238)	*$1.48*
	Professional, Scientific, and Technical Services (NAICS 541)	$4.98
	Repair and Maintenance (NAICS 811)	$0.92
	Subtotal	**$9.80**

The Project will also have employment and output impacts in the required output NAICS categories in the economy of the remainder of the United States outside the geography of the Regional Center. These impacts included increased demand in Year 1 for the required output NAICS activities as follows:

- $1.50 million for the Utilities (NAICS 221) subsector.
- $2.40 million for the Construction (NAICS 23) sector.
- $4.98 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.
- $0.92 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within most of the examined NAICS activities.

Total United States Employment and Output Impacts in Required NAICS Activities

	NAICS Activity Name	Year 1
Employment Impacts	Utilities (NAICS 221)	2
	Construction (NAICS 23)	229
	Construction of Buildings (NAICS 236)	*207*
	Heavy and Civil Engineering Construction (NAICS 237)	*4*
	Specialty Trade Contractors (NAICS 238)	*18*
	Professional, Scientific, and Technical Services (NAICS 541)	59
	Repair and Maintenance (NAICS 811)	12
	Subtotal	**302**
Output Impacts ($2015, Millions)	Utilities (NAICS 221)	$1.62
	Construction (NAICS 23)	$29.42
	Construction of Buildings (NAICS 236)	*$26.72*
	Heavy and Civil Engineering Construction (NAICS 237)	*$0.49*
	Specialty Trade Contractors (NAICS 238)	*$2.21*
	Professional, Scientific, and Technical Services (NAICS 541)	$8.48
	Repair and Maintenance (NAICS 811)	$1.27
	Subtotal	**$40.79**

The table above describes the employment and output impacts by required output NAICS activity for the United States economy as a whole. These impacts include increased demand in Year 1 for the required output NAICS activities as follows:

- $1.62 million for the Utilities (NAICS 221) subsector.
- $29.42 million for the Construction (NAICS 23) sector.
- $8.48 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.
- $1.27 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within most of the examined NAICS activities.

Appendix 2. About Economic & Policy Resources, Inc.

Economic & Policy Resources, Inc. began providing consulting services to public and private clients in 1983. Our staff is comprised of 10 full-time employees. We deliver economic, financial, planning, and public policy services to support our clients' critical decision-making processes. Our staff of economic, financial, planning, and policy analysts uses state-of-the-art analytical tools and methods to inform and address client issues. EPR has developed and has access to extensive data (including proprietary data) and analytical tools to provide credible, fully considered analyses and results. We have a proven record of accomplishment on a wide-range of studies involving economic, socioeconomic, community and economic development, and public policy topics. Our completed projects list includes over 150 economic impact studies submitted for consideration under the EB-5 Program over the past 10 years.

Appendix 3. Limitations and Contingent Conditions

The results of this economic impact study should be viewed with certain limitations. This analysis is intended to assist the USCIS and interested parties in estimating the economic impact potential associated with the proposed EB-5 Project for the economy within the geographic scope of the Regional Center, the economy for the remainder of the United States outside the geography of the Regional Center, and for the economy of the United States as a whole.

- In undertaking this assignment, we employed accepted practices and assumptions designed to produce conservative estimates for purposes of understanding the potential impacts of the EB-5 Project. Actual results could differ.
- It should also be noted that specific estimates of year-to-year impacts are difficult to make with a high degree of accuracy. The expected impacts of the EB-5 Project in any one year could deviate from those presented in this report due to factors that are beyond the scope of this analysis, such as interest rates and business cycles.
- The authors believe the study is a reasonable and conservative estimate of the likely economic impacts of this development activity under the assumptions employed in this study as of the date of this report.

Data and information utilized in the analysis was obtained from the project developers, various industry sources, (e.g., selected trade associations), and other third party publications (e.g., from authoritative federal government departments and agencies) which are commonly used and relied upon by economic analysts. Information supplied by the project developers has been accepted as correct without further verification, although we conducted routine quality control checks for reasonableness and internal consistency. We express no opinion on the accuracy of the information provided to us by the project developers. The report reflects facts and conditions existing and known as of the date of the report. Subsequent events and additional information may require a review and alteration of the opinions and conclusions presented herein.

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the prior written consent of the client or of EPR and, in any event, not without proper attribution. The opinions expressed herein are valid only for the purposes described herein.

EPR has no present or prospective interest in the entity that is the subject of this report and has no personal interest or bias with respect to the parties involved. EPR is paid an hourly rate for time spent in analyzing and preparing its conclusions and opinions. EPR's fees are not contingent upon the outcome of any event for which this report may be used.

Appendix 4. The REDYN Model

I. Introduction to the REDYN Model

Economic impact modeling to determine the likely economic impacted associated with the EB-5 Project was performed using the REDYN model. The REDYN model has been used to assess the new economic benefits associated with economic development projects, new businesses, certain types of policy changes, and utility power projects in various states throughout the country in a variety of analytical settings. EPR has used the REDYN model in more than 175 studies overall, including more than 150 economic impact studies submitted for consideration under the EB-5 Program.

The REDYN model employed for this economic impact study estimates the impact a specific investment will generate throughout a set of regions, in this case the impact of the EB-5 Project in the economies of the geographic scope of the Regional Center, the remainder of the United States outside the geography of the Regional Center, and the United States as a whole. The I-O model uses a dynamic (or longitudinal) approach that simulates not only the relationships between activities in an economy (e.g., the Construction (NAICS 23) sector is linked to the Architectural, Engineering, and Related Services (NAICS 5413) industry group), but also the interconnectivity of regions (e.g., that goods and services are exchanged between the New York-Jersey City-White Plains, NY-NJ Metropolitan Division and the Newark, NJ-PA Metropolitan Division). The dynamic element of the model has a well-developed impedance database that is able to account for temporal effects due to competitive differences between either geographic regions and/or different economic activities. Over time, these competitive pressures emerge and then tend to bring the regional economy back to equilibrium. The process, in that way, depicts the so called "ripple effect" impact that economic changes have on a region.

The REDYN model has been used previously in adjudications that were approved by the USCIS under the EB-5 Program. The REDYN model is one of four I-O tools and models that have been recognized as accepted methodologies for estimating indirect job creation in the Adjudicator's Field Manual issued by the USCIS, with the others being the RIMS II tool, the IMPLAN tool, and the REMI model. The following sections explain in detail how the REDYN model software works and why it is a valid and preferred approach for determining the economic impacts of EB-5 projects. In addition to this explanation, further detail on the REDYN model can be found in the exhibits appended to the end of this report, which are listed below in the schedule of exhibits.

II. Advantages of the REDYN Model

The internet based REDYN model was principally developed by the late Thomas Tanner, Ph.D., a former model manager at REMI of Amherst, Massachusetts. Dr. Tanner was a former member of the faculty at the University of Georgia, and was most recently employed at the Strom Thurmond Institute of Government and Public Affairs at Clemson University at the time of his death in May of 2009. Dr. Tanner's work experience at REMI gave him the expertise to create an alternative to the REMI model. The result is an integrated I-O model of the counties and cities of the United States which has significant advantages over the existing menu of retail I-O models.

The REDYN model employs a concept known as New Economic Geography, a theory first developed by Nobel Laureate Dr. Paul Krugman while he was at the Massachusetts Institute of Technology (please refer to Exhibit 1). This philosophy employs "fully general equilibrium" models that "derive aggregate behavior from individual maximization." This competitive framework is translated into a model that

makes the assumption that "commodities produced by an industry are truly joint in the production process, as prescribed by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry."

New Economic Geography also focuses on agglomeration economies and the relationships between them in different levels of geographic space.[29] To illustrate this, consider a tight group of commercial establishments configured as a mall, which is an agglomeration of retail establishments. This is the smallest level of an agglomeration economy. It is related to the regional commercial market which is part of the national and world markets. It is the linkages between these levels of economic agglomeration that New Economic Geography seeks to explain and illustrate.

Like all I-O tools and models, the REDYN model calculates the effects of a new final demand stimulus into three general categories. Category 1 includes the direct effects, which measure the change in the NAICS activities where the final demand change was effectuated. Category 2 effects include the indirect effects, which are those changes in inter-sector purchases as they respond to the new final demand change in the directly affected NAICS activities. Category 3 effects include induced effects, which are due to changes in spending from affected workers and their households as labor income either increases or decreases due to the change in final demand. The REDYN I-O model software calculates all three of these effects just like any other I-O tool, but as a dynamic I-O model, like the dynamic REMI model, the REDYN model has the capability through its structure to analyze the impacts over time of the entire EB-5 project and its components as part of a single integrated development scenario.

In its simplest form, the estimation process is comprised of two fundamental steps. These steps are as follows: 1) calculations to determine what are commonly referred to as national coefficients, which are based on production functions;[30] and 2) determinations as to what proportion of those goods and services are purchased within the region. The first calculations estimate how much input is used in any given year to produce a given amount of output in that same year. The second group of calculations referred to above involves calculations of what are referred to as regions purchase coefficients ("RPCs"). These RPCs estimate what proportion of those goods and services are purchased within the region in question.

The REDYN model, like the IMPLAN tool and the REMI model, handles all these calculations within the model software based on the geography and type of stimulus specified by the analyst. The REDYN model is geographically specified so that RPCs are calculated for all involved sectors based on purchases of goods and services from firms within the region. The matrix can be, and usually is, large and complex. RPCs tend to be higher for service-providing sectors and lower for goods-producing sectors. The REDYN model calculates indirect jobs through the I-O simulation process using quantified national relationships from the I-O tables and RPCs as calculated within software algorithms embedded in the REDYN model.

There is a crucial distinction to be made between I-O models, such as the REDYN and REMI models, and tools that use an extracted single number I-O coefficient which measures an impact in a single year, such as the RIMS II tool. The multiplier approach involves simple multiplication where a single number estimate of a change in final demand can be done in a spreadsheet. The REDYN and REMI models do not employ single multiplier calculations, but derive their predictive ability on interconnected matrices of make-and-use tables for specific sectors and specific regions. Therefore, I-O models use a large matrix of

[29] Agglomeration economies refer to circumstances where economic units, although competing, find it mutually advantageous to co-locate or to locate sufficiently close enough to share production resources and/or customers.

[30] This is a process whereby the amount of input (and the corresponding number of jobs and amount of income) required to produce an amount of output of a final product or service is estimated.

multipliers that literally includes hundreds, and sometimes thousands, of multipliers. Impact studies undertaken using the REDYN model can treat a project as a single integrated development scenario and compare the economy under that scenario to a "base case" for the regional economy, with the base case being a scenario in which the project was not undertaken.

III. REDYN Model Data Sources

The REDYN model, like the other recognized I-O tools and models, is based on the concept of a production function, which determines what are called the make-and-use tables. These tables quantify the amount of inputs that are required to produce a unit of output across a number of sectors. The basic data underlying these tables are collected by the United States Department of Commerce, principally through its sub-agency, the BEA. The vast amount of data come from a variety of sources and the data collected are converted into production accounts on a national income basis and I-O accounts basis, called the National Income and Product Accounts ("NIPA"). These accounts are assembled into various tables including transactions tables, which track the economic flows between producers and users of commodities, as well as the commodity taxes, transportation charges, wholesale and retail trade margins between producers and users, and final use tables. These tables are the building blocks for the I-O accounts, from which various multipliers are derived.[31]

Regional I-O models can be constructed using a geographically tailored I-O matrix. Such a matrix takes into account RPCs, which are calculated based on the proportion of goods and services required to produce one unit of output that are produced *within a defined geographical region*. These RPCs for most I-O models are based on subsets of the same national data described above. For the REDYN model, the underlying matrix has all these coefficients embedded in the model, as it is for the REMI model and the IMPLAN tool.

In addition, the REDYN model uses a variety of supplemental data provided by entities of the United States government. The industry structure for the model is the North American Industry Classification System to the five-digit level. This allows the model to provide detail for 713 industries and over 180 commodities for the geographic regions specified in the model (please refer to Exhibit 2). This classification system and level of detail makes the REDYN model's output compatible for comparison to government reported statistics as this is the system used for publishing economic data by the BEA, the BLS, and the Census Bureau.

The REDYN model also employs data from the Census Bureau's County Business Patterns ("CBP"). The Census Bureau's CBP data is the source for wage bill payroll data and employment data used in the REDYN model. The model's developers preferred this approach since it is an annual series that is more complete in its coverage of the workforce than the BLS' Quarterly Census of Employment and Wages ("QCEW") series, as it includes self-employed persons, employees of private households, agricultural production workers, and railroad workers. These workers are not covered by most state unemployment insurance systems and are therefore not reported in the QCEW series.

The CBP data set also is preferred because it provides detail about wages and employment down to the zip code level where concentration of industry is high enough to provide reportable data. The suppression of data due to confidentiality issues is a common problem for all types of wage and

[31] United States Department of Commerce, Bureau of Economic Analysis. Concepts and Methods of the U.S. Input-Output Accounts. September 2006, Updated April 2009.

employment data used in specifying I-O models. The REDYN model has developed a method to fill in the blanks called row-and-column sum ("RAS").

After performing the RAS analytics on the CBP data it is reconciled with Regional Economic Information System ("REIS") data from the BEA to confirm consistency. The REIS data are especially helpful for providing data in the agriculture and governmental sectors. The REIS data are also used to allocate national consumption numbers to the roughly 3,100 counties in the United States that are provided on the aggregate level by the NIPA. The levels of consumption of sectors and households are a key building block in the creation of I-O models (please refer to Exhibit 3).

The I-O tables themselves are created using BEA I-O make-and-use tables (described above). The data in these tables are augmented by the biennial 10-year I-O forecast tables from the BLS. A major difference between the REDYN model and other I-O models is its use of a new distance impedance database supplied by the Oak Ridge National Laboratory (please refer to Exhibit 4). This allows the REDYN model to add elements of trade flow and gravity theory based on distance impedance specific to road, rail, water, air, and proxy transport. The combination of these data sources gives the REDYN model the power to predict the economic impacts of a wide range of economic changes with greater accuracy than ever before.

IV. Schedule of Exhibits

- Exhibit 1: The Business of Regional Dynamics, Inc.: Economic Modeling Redefined.
- Exhibit 2: How the Regional Dynamics Economic Model Works: The REDYN Model in a Nutshell.
- Exhibit 3: REDYN Model Data Sources and Baseline Estimation Process: Where the REDYN Model Gets Data.
- Exhibit 4: The Regional Dynamics Economic Analysis Model: What the REDYN Model Does.

Exhibit 1:
The Business of Regional Dynamics, Inc.:
Economic Modeling Redefined – Source: Regional Dynamics, Inc.

The Business of Regional Dynamics, Inc.
Economic Modeling Redefined

Regional Dynamics is an economic modeling company. We offer the REDYN advanced economic model by web subscription or batch services to consultants, agencies, firms, planners, and analysts (users). REDYN runs on the Internet. Subscriptions include advice to apply and interpret the model. Our model estimates the multi-regional impacts and year-by-year (dynamic) nonlinear effects on industries, consumers, and governments from changes in company sales, jobs, wages, or investments; changes in taxes or personal or government spending; or public policy changes such as energy, environment, school, health, or security measures. The results are called simulation forecasts, or simulations.

Our model is a fundamental re-envisioning of economic theory applied to estimating multi-regional, dynamic effects. It reflects advances in New Economic Geography, especially gravity theory (regional attraction) and trade flow (regional imports/exports), based on a new distance impedance database from Oak Ridge National Laboratories that enables calculating trade flow by commodity by road, rail, water, air, and proxy transport. The breakthrough in design is the commodity production linkage between the trade flow process and an entity-based data structure for the economy. Entities include industries, workers, governments, investors, etc., and commodities are the goods they use and make.

The upshot—users can build and run multiple online custom models on the fly for solid project analysis. These features make REDYN more flexible, complete, and accessible than any other modeling process—in a nutshell: *No sticker shock; better solutions.*

Because our model runs on the Internet for all 3,100+ US counties, it meets the need for multi-regional tools usable by state, regional, Federal, and consulting organizations who share policy or forecasting interests or economic impact interests in the same geographic areas. The model's fresh, efficient design and its Internet accessibility make it ideal for supporting long-term collaborative efforts as well as for doing individual studies.

The model also is ideal for studying effects of sequential regional inputs, or generating a schedule of responses from a large set of alternative inputs, across a very large number of counties. Repetitive changes across many regions may be better handled as an offline batch job following an analytic script rather than as an Internet project. However, the batch approach has an engagement element as follows: After a user calls us, we accept and review the user's study information, set up and run the script, then produce and deliver agreed brief script reports in hard copy or electronic format from the simulation results. Alternatively, users can subscribe online to their simulation results so they can create their own simulation-based script reports at will for open-ended multiple studies.

We offer model subscriptions to consultants, but we're not in the consulting business. We're happy to initiate or partner with consultants if an agency, company, or other group issues a request for proposals (RFP) to do a study involving economic modeling and consulting. However, we'd prefer that the consultants do the modeling and produce the study defined in the RFP, and mention our name and modeling process in the study.

Exhibit 2:
How the Regional Dynamics Economic Model Works:
The REDYN Model in a Nutshell – Source: Regional Dynamics, Inc.

How the Regional Dynamics Economic Model Works

The REDYN Model in a Nutshell

REDYN is a dynamic, nonlinear, endogenous, Input-Output (I-O), computable general equilibrium (CGE) economic and demographic forecasting and analysis engine based on the North American Industrial Classification System (NAICS). REDYN's online model-building edge excels at providing a uniquely complete and consistent Internet tool to configure and access plans, policies, events, and risks fully and very rapidly.

The REDYN model reflects advances in New Economic Geography (NEG) for gravity theory and trade flow to estimate all local and multi-regional trade flow effects by commodity by distance by transport mode by direction in response to any output or demand changes. It does not lock each industry into a straight-line industry transport cost within one implied universal transport distance, mode, and direction between county pairs. In addition, its multi-regional scope always includes the whole regionalized US economy in every forecast and simulation.

REDYN's breakthrough design links three elements into one core activity: its continuous make-and-use commodity transformation production function, its NEG trade flows, and its entity-based data structure for the economy (social accounting matrix). All industries and entities including labor both use and make one or more commodities (goods and services). All commodities use appropriate transport modes, or communications mode if non-material.

The REDYN model moves all commodities including labor both within counties and between all county pairs and the automatic rest-of-US area by five transport modes (road, rail, water, air, and estimated). It uses I-O transport demand and Cobb-Douglas step-wise adjustments (equal proportion changes, i.e., constant elasticity of substitution) to assign commodities to modes, and a detailed Oak Ridge National Laboratory impedance database to account for accessibility (impedance) by mode, distance, and travel direction by commodity (accounting for net elevation difference effects) between all origin-destination pairs.

Users can control access (impedance) either at a mode level, or at a commodity-by-mode level. The Cobb-Douglas shift of commodities toward transport mode(s) with increased accessibility (reduced impedance values) induces changes in delivered prices for all affected commodities including labor. The industries or entities producing or using the affected commodities then adjust their output and thus their need for inputs.

The price-driven output and input adjustment process also applies if a user models a non-transport change or policy, such as an impact, demand, cost, tax, or price scenario. These changes affect local and remote supply and demand for one or more commodities, and thus their delivered prices after they pass through the transportation system. To varying degrees, the process then affects delivered prices, outputs, and inputs for all commodities through the continuous commodity transformation production function applied by every industry and entity wherever located. Expressed over time and distance, this ongoing cycle is the essence of modern CGE-NEG modeling and forecasting defined by REDYN.

Operationally, REDYN's multi-processor Internet server carries active regions for over 3,100 counties, 700 industries, 820 occupations, hundreds of commodities, and a 50-year forecast in a 2-terabyte database. It offers much more power, flexibility, and multi-user access, including consultant and institutional collaboration, than desktop systems offer.

The REDYN model framework takes the traditional economic concept of the circular flow diagram absolutely seriously, and discards the artificial primacy given to the idea of factor inputs to production. The framework views the economy as a comprehensive, continuous process in which industries and entities convert input commodities into output commodities. For example, producers or industries clearly do this, as is seen in the classic I-O table structure based on real-world business behavior.

Labor too can be viewed as an "industry" or entity. It converts consumer goods and services into a wage bill, which is a market commodity behaviorally identical to any other. Similarly, remittance cohorts, defined as the unemployed as well as all individuals such as retired persons and others who receive government payments through transfers, can be seen as entities that convert consumer goods and services into transfer payments.

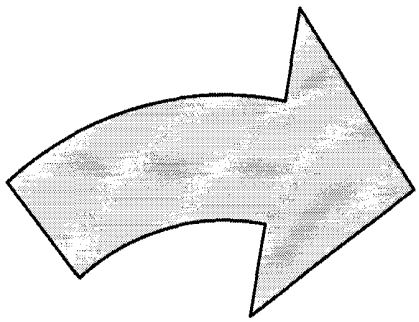
Likewise, governments convert purchases of commodities including industry goods and services and labor's wage bill into government goods and services that are "purchased" primarily through tax revenue. Finally, the model includes "investors" to produce financial capital, "speculators" to produce physical capital, and "land" to anchor each regional economy with its particular attributes so that the regions do not collapse together as would occur if all regions had the same basic labor, farm, water, mineral, and infrastructure resources when multiregional transport costs are considered.

The REDYN model can be visualized as regional entities using, making, and moving commodities in an organized circular process that captures supply (making goods and services), demand (using goods and services), and delivered price (costs for making and moving goods and services) to clear the supply and demand for all commodities in and across all regions.

The charts on the next five pages summarize the model's operation as follows…

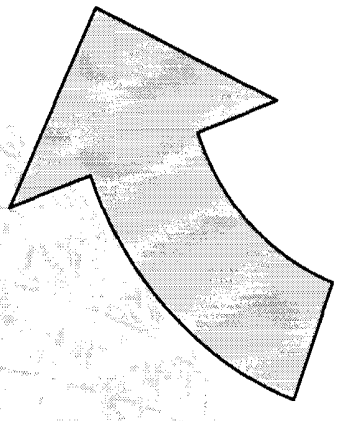
- Circular Flow Economic Entity Process
- Commodity Make Table by Entity
- Commodity Use Table by Entity
- Entity Production Function Form by Region
- Demographics and Migration
- Economic Model Schematic Summary
- Economic Model Production Function and Commodities by Entity
- Economic Model Prices and Trade Flow

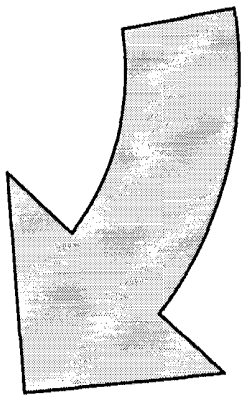
CIRCULAR FLOW ECONOMIC ENTITY PROCESS In & Between All Regions



USE Commodities:
Demand
(Delivered Price = ExWorks Price + Transport Cost)

MAKE Commodities:
Supply
(ExWorks Price, i.e., price at source of good or service)





MOVE Commodities:
Trade Flow
(Transport Cost by Commodity, Distance, Mode, and Direction for all Regional Pairs)
5 Modes: Road, Rail, Water, Air, Other

ENTITIES MAKE:	Producer Goods	Wage Bills	Transfr Pmts	Govt Goods	Fincl Cap (Div-Int-Rent)	Phys Cap (Resid, P&E)	Land
Producers	x						
Labor		x					
Remittance Cohorts			x				
Governments				x			
Financial Capital Providers (Investors)					x		
Physical Capital Makers (Speculators)						x	
Land							x

ENTITIES USE—	Producers	Labor	Remits	Govts	Investors	Spec	Land
Producer Goods&Svcs	x	x	x	x	x	x	
Labor (Wage Bill)	x			x		x	
Transfr Pmts/Taxes				x			
Govt Goods&Svcs	x	x	x	x	x	x	
Fincl Cap (Div-Int-Rent)						x	x
Phys Cap (Resid, P&E)	**P&E**	**Res**	**Res**	**P&E**	**Res**		
Land	x	x	x	x	x	x	

Entity PRODUCTION FUNCTION FORM by Region

Input Demanded					Output (Sales) Supplied			
Commodity	Qty	RPC	Dlvrd Price	Jobs	Commodity	Qty	ExWorks Price	Intl Pct
Land	x	**1.0**	x		Primary	x	x	x
Residential	x	x	x		2nd	x	x	x
Financial	x	x	x		3rd	x	x	x
Plant&Equip	x	x	x		4th	x	x	x
Wage Bill	x	x	x	x	Others/Misc	x	x	x
Goods&Svcs	x	x	x		Scrap	x	x	x

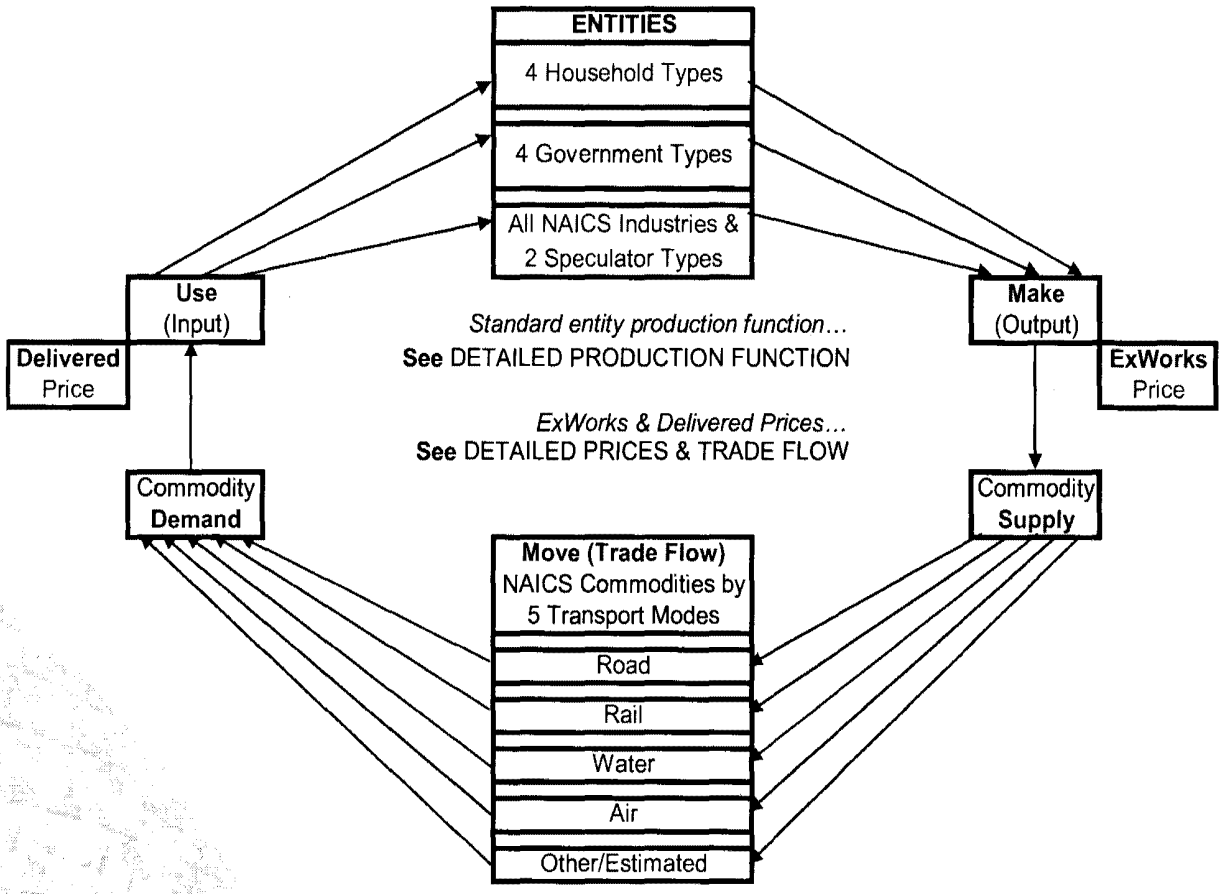
DEMOGRAPHICS: Cohort-survival estimation

- White, non-Hispanic
- Black, non-Hispanic
- Other, non-Hispanic
- Hispanic
- Male or Female
- Ages 0-1, 2-99 by year, 100+ years

MIGRATION: Induced by economic activity

- Intrinsic behavior of economic labor's wage bill commodity (historical relationships by region across wage bill, output, jobs, and people)
- Estimate wage bill and output changes, then scale to jobs and people (rational expectations notion)
- Subject to regional constants by cohort (controls for demographic composition)

REDYN Economic Model Schematic-SUMMARY
1/21/2006



REDYN Economic Model Schematic-DETAILED ENTITY PRODUCTION FUNCTION

1/21/2006

Standard Make & Use Production Function for All Entities

Entities ... Producers, Labor, Remittance Cohorts, Govts, Investors, Speculators

Standard Make & Use Production Function by Entity Group ...

Industries (By NAICS Code); **Speculators** (Capital Goods Makers: Residential, and Nonres Plant & Equip)

Use Commodites: Land, P&E (Indus only), Financial (Spec only), Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Producer Indus (Primary, Others, Misc, Scrap); Spec (Res, P&E) [ExWorks Prices]

Households (Workers; Unemployed & Retired; and Savers)

Use Commodites: Land, Res, Goods&Svcs [Dlvrd Prices]

Make Commodities: Wage Bill, Proprietors Income, Transf Pmts, Div-Int-Rent [ExWorks Prices]

Govts (Fed Mil & Nonmil, and State & Local Educ & Noneduc)

Use Commodites: Land, Transf Pmts/Fees&Taxes, P&E, Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Primary, Others, Misc, Scrap [ExWorks Prices]

Commodites

All NAICS Commodities ... Supplied & Demanded ...

Aggregated by Detailed NAICS Commodity Across All Entities by Region ...

Supplied Categories (Make By)

Land (Fixed by Region)
Residential (Speculators)
Div-Int-Rent (Households)
Plant & Equip (Speculators)
Wage Bill & Prop Income (HH)
Transf Pmt/Fee/Tax (HH/Indus/Spec)
Primary/Others/Misc/Scrap (Producers & Govts)

Demanded Categories (Use By)

Land (HH, Govts, Indus, Spec)
Residential Capital (HH)
Financial/D-I-R Capital (Spec)
Plant & Equip Capital (Govts, Indus)
Labor (Govts, Indus, Spec)
Transf Pmts/Fees&Taxes (Govts)
Goods&Svcs (HH, Govts, Indus, Spec)

REDYN Economic Model Schematic-DETAILED PRICES & TRADE FLOW

1/21/2006

Prices & Trade Flow ...

ExWorks Price by Commodity by Source (Supplying or Output) Region	+	**Transport Cost** by Commodity by Mode, by Distance, & by Direction Within & Between All Regions	=	**Delivered Price** by Commodity by Using (Demanding) Region

Details on Prices & Flows ...

Supplied at ExWorks Price specific in each output region based on delivered prices for the commods to each entity's production function in the region

→ **Transport each commodity** within & between all regions A, B, C, ... by demanded mode at a cost for mode, distance, & direction (elevation cost effect)

→ **Demanded at Delivered Price** from an output region to each specific demanding region (***Note***)

Note on Delivered Price

In any demanding region, the delivered price by commodity is the blend across the supplying output regions ranked by lowest delivered price to the demanding region until the total quantity demanded has been met for the demanding region.

Exhibit 3:
REDYN Model Data Sources and Baseline Estimation Process:
Where the REDYN Model Gets Data – Source: Regional Dynamics, Inc.

REDYN Model Data Sources and Baseline Estimation Process

Where the REDYN Model Gets Data

Regional Dynamics uses several sources to estimate county-level employment and output for its baseline database. The REDYN model applies the North American Industrial Classification System (NAICS) at the five-digit detail level (703 industries), and also uses NAICS to identify all the goods and services (over 180 commodities) consumed and produced by the detailed industries. NAICS is used by the US Government to classify and organize information about all the various industries making up the US economy, such as retail stores, automobile manufacturing, insurance firms, and so forth. NAICS reports five levels of detail. The two-digit level aggregates all activity into 24 broad economic industries, and the five-digit level identifies activity across 703 specific industries.

The primary data sources are the County Business Patterns (CBP) from the Bureau of the Census, and the Regional Economic Information System (REIS) from the Bureau of Economic Analysis (BEA). Wage Bill (payroll) data are derived from the same sources and with the same techniques as the employment data. The CBP reports the total annual payroll for each NAICS code up to the five-digit level of detail for the US as a whole and for every region, state, and county. However, total employment data and total payroll data are subject to data suppressions for privacy. Regional Dynamics developed a sophisticated row-and-column sum (RAS) analytic system to fill all data suppressions by using all information available in the CBP series and guaranteeing internal consistency with unsuppressed wage and employment data. All the furnished and estimated CBP wage bill and employment data are then totaled and scaled to match the wage bill and employment data reported in the BEA's REIS, which includes all county and state wage bill data at three-digit NAICS detail and employment data at two-digit NAICS detail.

The REIS directly provides wage bill and employment data for the government and agriculture sectors, and also disposable personal income data by county. The REIS county income data are used to allocate national consumption to counties from the BEA's National Income and Product Accounts (NIPA).

Annual Input-Output (IO) tables are constructed using BEA IO make-and-use tables, as well as biennial 10-year IO forecast tables from the Bureau of Labor Statistics (BLS). Make tables describe all the commodities made by each economic entity, and use tables describe all the commodities used by each economic entity. The very detailed BEA IO make-and-use tables are extended year-by-year to match the annual changes in make-and-use composition implied by the current 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

Each county's wage bill by industry is used to allocate each industry's national output to counties from the NIPA, and then the regional output by industry is allocated to commodities based on the national IO make table proportions. This assumes that the commodities produced by an industry are truly joint in the production process, as dictated by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry.

Exhibit 4:
The Regional Dynamics Economic Analysis Model:
What the REDYN Model Does – Source: Regional Dynamics, Inc.

The Regional Dynamics Economic Analysis Model

What the REDYN Model Does

Regional Dynamics offers REDYN, a fundamentally new, web-based, massively multi-regional, dynamic, nonlinear New Economic Geography analysis engine with a complete economic database and baseline forecast. After subscribing to the system, users input online changes by region and year: e.g., jobs, wages, output, income, intermediate demand, and final consumption, investment, and government demand. REDYN then estimates detailed, annual, gravity-based trade flows and impacts in all US counties and industries. The model is a live, online Internet service. It's also available to run batch mode jobs to process massively multi-regional tasks (3,100+ regions) for automated or scripted work.

The REDYN model applies a fresh I-O methodology based on very detailed make-and-use tables with social accounting matrix features for all entities, a comprehensive commodity production transformation function, and impedance-based commodity trade flows by five transport modes. Oak Ridge National Laboratories developed the impedance measures.

The model automatically includes an explicit extra region for all US counties outside any given simulation to identify the full US output and trade flow response. The model also automatically seeks the suppliers of suppliers to find the complete US supply chain response by region and industry in any simulation.

REDYN excels at offering a uniquely complete and consistent model-building edge that no other modeling process can replicate for configuring and assessing plans, events, and risks fully and rapidly across regions and years.

Here's how it works. At run time, users apply their subscribed resources as an online tool kit to build and run custom models at will. This design flexibility lets users quickly build models scaled correctly for any studies, event analysis, overlapping or alternative analytic perspectives, or backcast analysis.

The REDYN model estimates employment, output, wages, occupations, income, gross product, demand, self-supply, trade flow, etc. Within a user's subscription, the model generates year-by-year reports by county and year, for all subscribed counties, or for any aggregation into user-defined areas for each study. For easy regional comparison at no extra cost, each report focuses on one concept (jobs, output, wages, and so forth) arranged by region by year on a sheet in a spreadsheet book. Users then can apply full spreadsheet tools for sorting and charting. Online and phone support are included.

The model is available to all users across agency levels. Clients can offer access to other users through user-group web pages with discounts or rebates based on the size of the client's subscription. Clients subscribe to a regional area (one or more counties, states, or groups); to 703 industries (North American Industrial Classification System); and to an analytic type (I-O only, or equilibrium and I-O). The client sets the number and identity of its subscribing users; one user is free. Subsequently added users including consultants or staff can be managed by one or more additional users on an incremental fee basis.

Exhibit 7

State of Missouri

Robin Carnahan, Secretary of State

File Number: 201213280308
LC1227038
Date Filed: 05/11/2012
Robin Carnahan
Secretary of State

Articles of Organization

1. The name of the limited liability company is:

   MISSOURI THEATRE LENDERS, LLC

2. The purpose(s) for which the limited liability company is organized:

   The transaction of any lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act, Chapter 347 RSMo.

3. The name and address of the limited liability company's registered agent in Missouri is:

   JIE FAN — *Name*
   121 S. MERAMEC AVENUE, SUITE 1111, ST. LOUIS MO 63105 — *Address*

4. The management of the limited liability company is: [X] Manager [ ] Member

5. The duration (period of existence) for this limited liability company is:

   Perpetual

6. The name(s) and street address(es) of each organizer:

   Gateway to the Midwest Investment Center, Inc., 121 S. Meramec Ave., Suite 900, St. Louis MO 63105

7. The effective date of this document is:

   05/11/2012

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

Gateway to the Midwest Investment Center, Inc., DENNIS G COLEMAN
(Organizer Name)

State of Missouri

Robin Carnahan
Secretary of State

CERTIFICATE OF ORGANIZATION

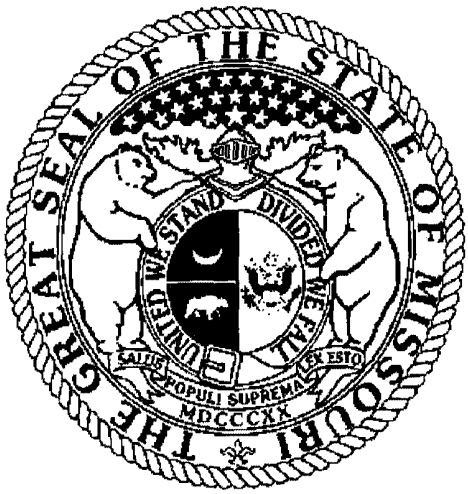
WHEREAS,

MISSOURI THEATRE LENDERS, LLC
LC1227038

filed its Articles of Organization with this office on the May 11, 2012, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the May 11, 2012, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this May 11, 2012.



Robin Carnahan

Secretary of State

Exhibit 8

State of Missouri
Robin Carnahan, Secretary of State

File Number: 201232480248
LC1270112
Date Filed: 11/19/2012
Robin Carnahan
Secretary of State

Articles of Organization

1. The name of the limited liability company is:

   TLG 634 N Grand LLC

2. The purpose(s) for which the limited liability company is organized:

   The transaction of any lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act, Chapter 347 RSMo.

3. The name and address of the limited liability company's registered agent in Missouri is:

   Laura C. Conrad — *Name*
   319 North 4th St., Ste. 1000, St. Louis MO 63102 — *Address*

4. The management of the limited liability company is: [X] Manager [ ] Member

5. The duration (period of existence) for this limited liability company is:

   Perpetual

6. The name(s) and street address(es) of each organizer:

   Stephen A Smith, 319 North 4th Street, Suite 1000, Saint Louis MO 63102

7. The effective date of this document is:

   11/19/2012

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

Stephen A Smith
(Organizer Name)

State of Missouri

Robin Carnahan
Secretary of State

CERTIFICATE OF ORGANIZATION

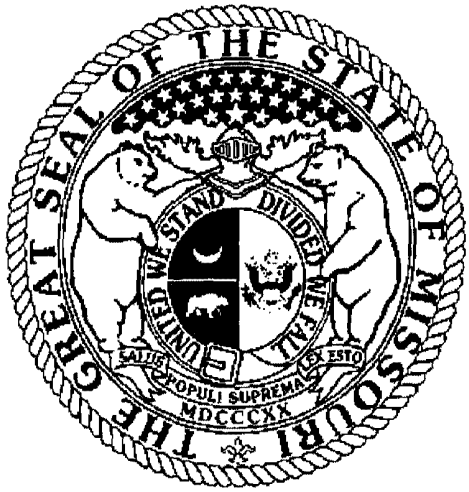
WHEREAS,

TLG 634 N Grand LLC
LC1270112

filed its Articles of Organization with this office on the November 19, 2012, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the November 19, 2012, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this November 19, 2012.



Robin Carnahan

Secretary of State

Exhibit 9

State of Missouri

Jason Kander, Secretary of State

Articles of Organization

1. The name of the limited liability company is:

   TLG 634 Managing Member, LLC

2. The purpose(s) for which the limited liability company is organized:

   The transaction of any lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act, Chapter 347 RSMo.

3. The name and address of the limited liability company's registered agent in Missouri is:

   Laura C. Conrad — *Name*
   319 N. 4th Street, Suite 1000, St. Louis MO 63102 — *Address*

4. The management of the limited liability company is: [X] Manager [ ] Member

5. The duration (period of existence) for this limited liability company is:

   Perpetual

6. The name(s) and street address(es) of each organizer:

   Stephen A. Smith, 319 North 4th Street, Suite 1000, St. Louis MO 63102

7. The effective date of this document is:

   11/25/2013

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

Stephen A. Smith
(Organizer Name)

State of Missouri

Jason Kander
Secretary of State

CERTIFICATE OF ORGANIZATION

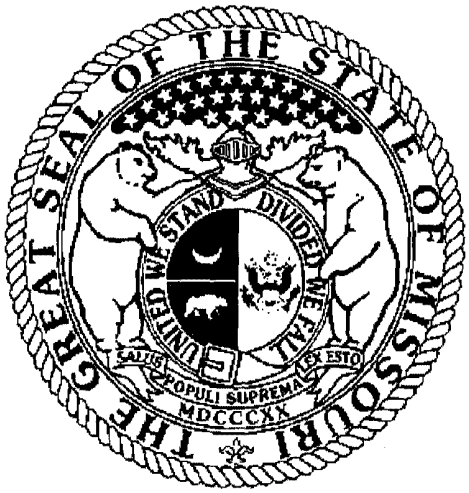
WHEREAS,

TLG 634 Managing Member, LLC

filed its Articles of Organization with this office on the November 25, 2013, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, JASON KANDER, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the November 25, 2013, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this November 25, 2013.



Jason Kander

Secretary of State

Exhibit 10

State of Missouri
Jason Kander, Secretary of State
Corporations Division
PO Box 778 / 600 W. Main St., Rm. 322
Jefferson City, MO 65102

LC001460650
Date Filed: 9/8/2015
Jason Kander
Missouri Secretary of State

Articles of Organization

(Submit with filing fee of $105.00)

1. The name of the limited liability company is
Missouri Theatre Lenders Manager, LLC
(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "L.L.C.," or "LLC")

2. The purpose(s) for which the limited liability company is organized:

The transaction of any lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act, Chapter 347 RSMo.

3. The name and address of the limited liability company's registered agent in Missouri is:

Name	Street Address: May not use PO Box unless street address also provided	City/State/Zip
Andrew Ruben	7733 Forsyth Blvd. Suite 2300	St. Louis MO 63105

4. The management of the limited liability company is vested in: ☒ managers ☐ members *(check one)*

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual
(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer *(PO box may only be used in addition to a physical street address)*:
(Organizer(s) are not required to be member(s), manager(s) or owner(s)

Name	*Address*	*City/State/Zip*
Gateway to the Midwest Investment Center, Inc.	7733 Forsyth Blvd, Suite 2300	St. Louis MO 63105

7. ☐ Series LLC (OPTIONAL) Pursuant to Section 347.186, the limited liability company may establish a designated series in its operating agreement. The names of the series must include the full name of the limited liability company and are the following:

New Series:
☐ The limited liability company gives notice that the series has limited liability.

New Series:
☐ The limited liability company gives notice that the series has limited liability.

New Series:
☐ The limited liability company gives notice that the series has limited liability.

(Each separate series must also file an Attachment Form LLC 1A.)

Name and address to return filed document:

Name: Sarah B Markenson

Address: Email: smarkenson@stlpartnership.com

City, State, and Zip Code:

8. The effective date of this document is the date it is filed by the Secretary of State of Missouri unless a future date is otherwise indicated: ;_____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

All organizers must sign:

Gateway to the Midwest Investment Center, Inc. - Sheila Sweeney	GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC. - SHEILA SWEENEY	09/08/2015
Organizer Signature	*Printed Name*	*Date of Signature*

STATE OF MISSOURI

Jason Kander
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

Missouri Theatre Lenders Manager, LLC
LC001460650

filed its Articles of Organization with this office on the 8th day of September, 2015, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, Jason Kander, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 8th day of September, 2015, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 8th day of September, 2015.

JASON KANDER
Secretary of State

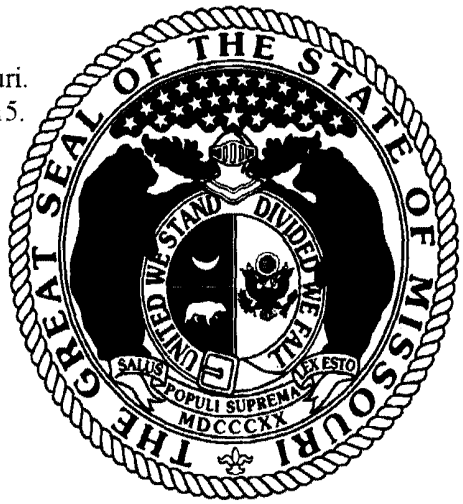


Exhibit 11

Jeremiah W. (Jay) Nixon
Governor

MISSOURI
Department of Economic Development

Mike Downing, CEcD
Director

June 30, 2015

Mr. Peter Sebelski
The Lawrence Group
319 N. 4th Street, Suite 1000
St. Louis, MO 63102

Dear Mr. Sebelski:

This is in reply to your request for Targeted Employment Area (TEA) designation for the project located at 626-636 N. Grand, St. Louis, MO 63103.

This address is located in St. Louis City census tract 1211, and you propose a TEA that includes this tract and contiguous tracts 1111, 1193, 1212, 12741, and 1275.

This combined area has a 2014 annual average unemployment rate of 11.3 percent and qualifies as a TEA.

Please note that these data are updated annually, and that the TEA designation applies to 2015. After the end of 2015, a new TEA designation should be requested.

Please let me know if you have questions or want further information.

Sincerely,

Mike Downing, CEcD
Director

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700

Exhibit 12

MISSOURI THEATRE LENDERS, LLC
c/o Laura Hughes, Project Manager
Investor Relations
Gateway to the Midwest Investment Center, Inc.
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105

September 24, 2015

TERM SHEET

EB-5 Financing of Missouri Theatre Building

The following term sheet ("**Term Sheet**") is an outline of the major terms and conditions of that certain loan pursuant to the above-referenced financing. Capitalized terms that are used but not defined herein shall have the meanings ascribed to such terms in the Private Placement Memorandum prepared by Lender, dated as of the date hereof (the "**Offering Memorandum**").

1. **BORROWER:** **TLG 634 MANAGING MEMBER LLC**, a Missouri limited liability company, (the "**Developer**") which owns 90% of TLG 634 N Grand, LLC, a Missouri limited liability company ("**Owner**").

2. **LENDER:** **MISSOURI THEATRE LENDERS, LLC**, a Missouri limited liability company (the "**Lender**"), which is managed by **MISSOURI THEATRE LENDERS MANAGER, LLC** (the "**Manager**").

3. **EB-5 LOAN:** The Lender is providing financing to the Developer of the Project (defined below) in the form of a construction and permanent loan (the "**Loan**") to Developer in a form and manner allowing for an investment in the Developer to be a qualifying investment under the EB-5 Program. Immediately upon Developer's receipt of the Loan funds, the Developer shall make a capital contribution to the Owner in the amount of the Loan. The term "**Project**" as used herein means the development of the historic Missouri Theatre Building located at 634 North Grand Avenue in midtown Saint Louis, Missouri owned by the Owner.

4. **PRINCIPAL:** The maximum principal amount of the Loan is up to $ 16,000,000.

5. **INTEREST RATE AND PAYMENT:** The Loan will accrue interest at the rate of 4.5% per annum on a non-compounded basis for the first five years. Interest shall accrue and be payable from Owner's surplus cash flow (as described below).

6. **TERM AND MATURITY DATE:** The Loan is payable no later than five (5) years from the Loan close, subject to two (2) one year extensions to be executed by the Borrower no later than 90 days prior to the end of the initial term, and, if applicable, the first renewal term (the "**Maturity Date**").

7. **COLLATERAL:** The Loan will initially be secured by first position, pledge, or lien, of membership interests in the Borrower entity.

The Senior Loan and Tax Credit Bridge Loan (as described below) will take priority on repayment in the event of the liquidation or sale of the Project.

8. LOAN REPAYMENT STRATEGIES: The primary Loan repayment strategy for the Lender is anticipated to be the repayment of Loan either through the rental and leasing operation of the residential and retail portion of the Project and/or the refinancing and/or sale of the Project in whole or in part.

9. SENIOR LOAN: The Project will obtain Senior Loan financing for a portion of the development cost of the Project in order to bridge a portion of the financing required to develop the Project. The amount of the Senior Loan is estimated to equal approximately $20,000,000 for a term of five years. The Senior Loan will have first priority on liquidation of bridge loan/consolidated first mortgage) with interest only for up to 30 months.

10. TAX CREDIT BRIDGE LOAN: The Developer may secure tax credit bridge financing from a third party financial institution (the "**Tax Credit Bridge Loan**"), which such Tax Credit Bridge Loan shall have security in and be repaid from the proceeds of federal and state historic tax credit equity.

11. BRIDGE LOAN: The Developer may secure bridge financing and preferred equity contributions from a third party financial institution and from affiliates of the Developer (the "**Bridge Loan**"), which such Bridge Loan and preferred equity funding may, in part, be replaced, in whole or in part, by the Loan proceeds.

12. SURPLUS CASH FLOW Owner's Surplus Cash Flow shall have the following priority:

a) Administrative and operating expenses

b) Senior Loan debt obligations

c) Tax Credit Bridge Loan debt obligations

d) EB5 Loan Interest (through guaranteed payments of the Owner to Borrower)

(Note that the Project's legal structure includes a Master Tenant lease structure; therefore, Owner's Surplus Cash Flow reflects the Master Lease payment to the Owner as landlord)

13. ADMINISTRATIVE FEES TO REGIONAL CENTER AND MANAGER: The Regional Center and the Manager shall receive separate fees for services rendered, calculated on a percentage of the outstanding loan amount, paid directly by the Developer, or same shall be separately agreed upon.

The foregoing Term Sheet is intended as a general summary of the terms and conditions of the EB-5 financing for the Project.

LENDER:

MISSOURI THEATRE LENDERS, LLC

By: _____
Name: _____
Title: _____

BORROWER:

TLG 634 MANAGING MEMBER, LLC

By: _____
Name: Stephen A Smith
Title: Manager

REGIONAL CENTER:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

By: _____
Name: _____
Title: _____

112629666.2

The foregoing Term Sheet is intended as a general summary of the terms and conditions of the EB-5 financing for the Project.

LENDER:

MISSOURI THEATRE LENDERS, LLC
By: Missouri Theatre Lenders Manager, LLC, its Manager

By: **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.,** its Manager

By: _____
Name: Sheila M. Sweeney
Title: Interim President

BORROWER:

TLG 634 MANAGING MEMBER, LLC

By: _____
Name: _____
Title: _____

REGIONAL CENTER:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

By: _____
Name: Sheila M. Sweeney
Title: Interim President

MISSOURI THEATRE LENDERS, LLC
c/o Laura Hughes, Project Manager
Investor Relations
Gateway to the Midwest Investment Center, Inc.
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105

September 24, 2015

TERM SHEET

EB-5 Financing of Missouri Theatre Building

The following term sheet ("**Term Sheet**") is an outline of the major terms and conditions of that certain loan pursuant to the above-referenced financing. Capitalized terms that are used but not defined herein shall have the meanings ascribed to such terms in the Private Placement Memorandum prepared by Lender, dated as of the date hereof (the "**Offering Memorandum**").

1. **BORROWER:** **TLG 634 MANAGING MEMBER LLC,** a Missouri limited liability company, (the "**Developer**") which owns 90% of TLG 634 N Grand, LLC, a Missouri limited liability company ("**Owner**").

2. **LENDER:** **MISSOURI THEATRE LENDERS, LLC,** a Missouri limited liability company (the "**Lender**"), which is managed by **MISSOURI THEATRE LENDERS MANAGER, LLC** (the "**Manager**").

3. **EB-5 LOAN:** The Lender is providing financing to the Developer of the Project (defined below) in the form of a construction and permanent loan (the "**Loan**") to Developer in a form and manner allowing for an investment in the Developer to be a qualifying investment under the EB-5 Program. Immediately upon Developer's receipt of the Loan funds, the Developer shall make a capital contribution to the Owner in the amount of the Loan. The term "**Project**" as used herein means the development of the historic Missouri Theatre Building located at 634 North Grand Avenue in midtown Saint Louis, Missouri owned by the Owner.

4. **PRINCIPAL:** The maximum principal amount of the Loan is up to $ 16,000,000.

5. **INTEREST RATE AND PAYMENT:** The Loan will accrue interest at the rate of 4.5% per annum on a non-compounded basis for the first five years. Interest shall accrue and be payable from Owner's surplus cash flow (as described below).

6. **TERM AND MATURITY DATE:** The Loan is payable no later than five (5) years from the Loan close, subject to two (2) one year extensions to be executed by the Borrower no later than 90 days prior to the end of the initial term, and, if applicable, the first renewal term (the "**Maturity Date**").

7. **COLLATERAL:** The Loan will initially be secured by first position, pledge, or lien, of membership interests in the Borrower entity.

The Senior Loan and Tax Credit Bridge Loan (as described below) will take priority on repayment in the event of the liquidation or sale of the Project.

8. LOAN REPAYMENT STRATEGIES: The primary Loan repayment strategy for the Lender is anticipated to be the repayment of Loan either through the rental and leasing operation of the residential and retail portion of the Project and/or the refinancing and/or sale of the Project in whole or in part.

9. SENIOR LOAN: The Project will obtain Senior Loan financing for a portion of the development cost of the Project in order to bridge a portion of the financing required to develop the Project. The amount of the Senior Loan is estimated to equal approximately $20,000,000 for a term of five years. The Senior Loan will have first priority on liquidation of bridge loan/consolidated first mortgage) with interest only for up to 30 months.

10. TAX CREDIT BRIDGE LOAN: The Developer may secure tax credit bridge financing from a third party financial institution (the "**Tax Credit Bridge Loan**"), which such Tax Credit Bridge Loan shall have security in and be repaid from the proceeds of federal and state historic tax credit equity.

11. BRIDGE LOAN: The Developer may secure bridge financing and preferred equity contributions from a third party financial institution and from affiliates of the Developer (the "**Bridge Loan**"), which such Bridge Loan and preferred equity funding may, in part, be replaced, in whole or in part, by the Loan proceeds.

12. SURPLUS CASH FLOW Owner's Surplus Cash Flow shall have the following priority:

a) Administrative and operating expenses

b) Senior Loan debt obligations

c) Tax Credit Bridge Loan debt obligations

d) EB5 Loan Interest (through guaranteed payments of the Owner to Borrower)

(Note that the Project's legal structure includes a Master Tenant lease structure; therefore, Owner's Surplus Cash Flow reflects the Master Lease payment to the Owner as landlord)

13. ADMINISTRATIVE FEES TO REGIONAL CENTER AND MANAGER: The Regional Center and the Manager shall receive separate fees for services rendered, calculated on a percentage of the outstanding loan amount, paid directly by the Developer, or same shall be separately agreed upon.

The foregoing Term Sheet is intended as a general summary of the terms and conditions of the EB-5 financing for the Project.

LENDER:

MISSOURI THEATRE LENDERS, LLC

By: _____
Name: _____
Title: _____

BORROWER:

TLG 634 MANAGING MEMBER, LLC

By: _____
Name: Stephen A. Smith
Title: Manager

REGIONAL CENTER:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

By: _____
Name: _____
Title: _____

112629666.2

The foregoing Term Sheet is intended as a general summary of the terms and conditions of the EB-5 financing for the Project.

LENDER:

MISSOURI THEATRE LENDERS, LLC
By: Missouri Theatre Lenders Manager, LLC, its Manager

By: **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.,** its Manager

By: _____
Name: Sheila M. Sweeney
Title: Interim President

BORROWER:

TLG 634 MANAGING MEMBER, LLC

By: _____
Name: _____
Title: _____

REGIONAL CENTER:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

By: _____
Name: Sheila M. Sweeney
Title: Interim President

112629666.2

Exhibit 13

September 15, 2015

Mr. Peter Sebelski
Director of Operations
The Lawrence Group
319 North 4th Street
St. Louis, MO 63102

Re: TLG 634 N Grand, LLC ("Borrower")

Dear Pete:

This letter evidences a preliminary commitment by Eagle Bank and Trust Company of Missouri ("Eagle Bank") to support the Borrower's mixed-use redevelopment of the real property located at 634 N. Grand in the City of St Louis, MO in accordance with the attached proposed terms and conditions.

Please note as Eagle Bank's final commitment remains subject to the satisfactory completion of its customary underwriting and due diligence as well as final credit approval by Eagle Bank's Loan Committee, the proposed term sheet should not be construed as a binding obligation and you should not rely on it as such.

We appreciate the opportunity to work with you and look forward to our continued discussions.

Sincerely,

EAGLE BANK AND TRUST COMPANY OF MISSOURI

By: _____

William A. Springer
Senior Vice President

Eagle Bank and Trust Company of Missouri
5721 S. Lindbergh Blvd
Saint Louis, Missouri 63123

SUMMARY OF PROPOSED TERMS AND CONDITIONS

This Summary of Proposed Terms and Conditions ("Term Sheet") is provided for discussion purposes only to determine whether the Borrower and Eagle Bank are mutually interested in proceeding with the Facilities according to the terms suggested below. This Term Sheet does not constitute a final lending commitment by Eagle Bank nor does it attempt to describe all of the terms and conditions that would pertain to the Facilities. Any final commitment by Eagle Bank would be subject to a number of steps and conditions, including completion of due diligence procedures, credit approval by Eagle Bank's Loan Committee, the satisfactory review and execution of mutually acceptable loan documentation and such other terms and conditions as determined and approved by Eagle Bank in its sole discretion. Note the completion of Eagle Bank's due diligence may result in changes to the proposed terms and conditions outlined in this Term Sheet. This Term Sheet is confidential and the specific terms contained herein should not be disclosed to any third person without the prior written approval of Eagle Bank.

Borrower: TLG 634 N Grand, LLC

Purpose: The Facilities will provide financing for the Borrower's renovation and construction improvements of the real property located at 634 N. Grand Blvd in the City of St. Louis (the "Project").

Facilities:
A) $20,000,000 construction and mini-perm loan(s).
B) $16,000,000 bridge loan(s) to utilize historic tax credits.

Maturity:
A) Five years after closing
B) Eighteen (18) months after closing

Loan Fees: 1.00% of the aggregate Loan commitment payable at closing

Interest Rate: Market Interest rate to be determined 5 days prior to closing. Bank will offer fixed and floating interest rate options. For your reference, todays fixed interest rate approximates 4.25% fixed and the floating interest rate option is Prime + 1%.

Repayment: Interest only for the initial 30 months followed by monthly principal and interest payments based upon a 20-year amortization schedule with a balloon principal payment due at Maturity.

Prepayment Penalty: Standard Prepayment penalties.

Collateral: The Facilities would be cross collateralized and secured by: (a) first DOT and Assignment of Leases and Rents on the Project; (b) collateral assignments of all Project documents; (c) assignment of SHTC purchase agreements with purchasers and on terms and conditions acceptable to Eagle Bank; (d) assignment of FHTC investor's capital contributions and member interests in Borrower and Borrower manager; (e) a pledge and assignment of the proposed TIF proceeds and agreement. Acceptable loan to value of not more than 80%.

Covenants: Once the project reaches stabilization, the project will be required to maintain affirmative and negative convents o be determined.

Guarantors: Stephen Smith individually and as Trustee of his revocable Trust would provide a completion guarantee for the Project as well as a limited financial guarantee. Mr. Smith would be required to provide a spousal waiver acceptable to Eagle Bank.

Conditions:
1. Satisfactory Eagle Bank due diligence review including environmental.
2. Loan(s) approval by Eagle Bank.

3. Signed SHTC purchase agreement with a purchaser and on terms and conditions acceptable to Eagle Bank.

4. FHTC investor acceptable to Eagle Bank.

5. All loan disbursements funded through escrow agent acceptable to Eagle Bank.

6. Execution of loan documents that will be prepared by Thompson Coburn LLP.

7. EB-5 Lender participation in an amount and structure to be determined.

Last Closing Date: January 1, 2016

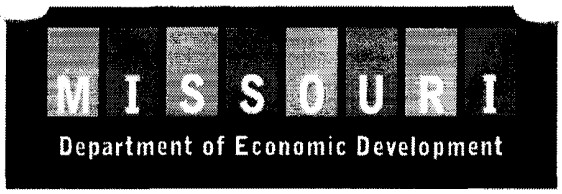
Bank Counsel: Thompson Coburn LLP

Expiration Date: This Term Sheet is valid for 120 business days from the issue date.

ORAL OR UNEXECUED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENTS BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

Exhibit 14

Jeremiah W. (Jay) Nixon
Governor



Mike Downing, CEcD
Director

HISTORIC PRESERVATION TAX CREDIT PROGRAM

January 22, 2014

Joseph Cyr
319 North 4th Street, Suite 1000
St. Louis, MO 63102-1937

Re: LOG **#68465**
634 N. Grand; St. Louis, MO 63103

Dear Joseph:

Your Historic Preservation Tax Credit Program Preliminary Application received approval from the Department of Economic Development (DED) on **1/22/2014**. The maximum amount of tax credits allocated for the rehabilitation at **634 N. Grand** is **$5,454,250.00.**

Attached, please find a Part 1a & 1b SHPO Proposed Rehabilitation Scope of Work Review sheet, reviewed by the Department of Natural Resources' State Historic Preservation Office (SHPO). You may proceed with the work that was proposed in the Historic Preservation Tax Credit Program Preliminary Application Form 1 -- Part 1B or, if you are applying for federal historic tax credits, the Federal Part 2. Any work performed outside this scope of work may not be eligible for tax credits. If for any reason you need to amend the scope of work, you must submit a continuation/amendment sheet describing the proposed revisions for SHPO's review.

Pursuant to Historic Preservation Tax Credit Program Guidelines, hard costs incurred subsequent to DED's receipt of your completed Historic Preservation Tax Credit Program Preliminary Application Form 1 – Part 1A may be considered for eligibility as qualified rehabilitation expenses. Missouri's Historic Preservation statute also requires an applicant to begin physical work on a project and incur no less than ten percent (10%) of the estimated costs of rehabilitation within two (2) years of the date of issuance of this letter.

Please be aware that receipt of SHPO's Scope of Work Review sheet does not necessarily mean that all expenses contemplated by your scope of work are eligible for tax credits. The Department of Economic Development will review all expenditures and accompanying source documentation provided in your final cost certification for eligibility prior to the issuance of any tax credit. Also be aware that under 253.545.3. RSMo., you must comply with all other requirements of law, including all applicable environment laws and building ordinances, in order to receive credits under this program.

In order for us to accomplish a timely review, we strongly recommend that you visit our website at http://www.ded.mo.gov/BCS%20Programs/BCSProgramDetails.aspx?BCSProgramID=44 for more information on qualified expenditures, final application submission, and expenditure submission, or you can give us a call at **573-522-8004**.

Finally, I would like to strongly encourage you to join employers throughout the State who have stepped up and taken the Show Me Heroes pledge. The Show-Me Heroes program challenges employers like you to recognize the sacrifices made by our returning veterans by pledging to interview veterans first for job openings. Since its inception, more than **2,000 Missouri businesses** have joined Missouri's Show-Me Heroes, leading to the hiring of over **1,600 Missouri veterans**. The process is free and easy -- just visit the state's website at MO.gov to register and take the Show-Me Heroes pledge. After you have taken the pledge, your company's name will be displayed prominently in an online database that highlights Veteran-friendly employers across Missouri.

Should you have any questions, I can be reached at (573) 522-8005. If you would like to talk with the State Historic Preservation Office, their phone number is (573) 751-7858.

Sincerely,

Landon Garber
Economic Development Incentive Specialist III

RECEIVED
JAN 17 2014

PART 1a & 1b SHPO PROPOSED REHABILITATION SCOPE OF WORK REVIEW
(FOR OFFICIAL USE ONLY)

The Missouri Department of Natural Resources, State Historic Preservation Office has completed its review, of the proposed rehabilitation scope of work of this project for adherence to the Secretary of the Interior's Standards for Rehabilitation. This SHPO review does not constitute preliminary approval of the project by the Department of Economic Development for tax credits.

Log #: **68465 & 68466**

Name of Property: **634 N. Grand Blvd. St. Louis, MO** Applicant: **Joseph Cyr**

Date transmitted to the Department of Economic Development: _____

The Missouri Department of Natural Resources, State Historic Preservation Office certifies that this property is:

_____ Individually listed in the National Register of Historic Places

__X__ Located in a Historic District that is:

__X__ On the National Register of Historic Places

_____ Designated by the National Park Service as a certified local district

This property __X__ contributes ____ does not contribute to the significance of the district

_____ Not listed in the National Register of Historic Places nor is it located in a certified local district

---

The Missouri Department of Natural Resources, State Historic Preservation Office

__X__ Approves the proposed rehabilitation scope of work as submitted.

If the proposed scope of work changes due to discoveries made during the demolition phase of the project, the Lawrence Group must immediately contact the Missouri Department of Economic Development and the National Park Service in Washington, DC.

_____ Cannot complete its review of the proposed rehabilitation scope of work without the additional information listed below. The review will be ON HOLD until such information is supplied by the applicant.

_____ Rejects the application or proposed rehabilitation scope of work for the following reason(s):

Mark A. Miller — Reviewed by: **Lance Carlson**

Missouri Department of Natural Resources
State Historic Preservation Office

JAN 16 2014
Date

(AFTER CERTIFICATION – RETURN TO DEPARTMENT OF ECONOMIC DEVELOPMENT)

Exhibit 14.1

Jeremiah W. (Jay) Nixon
Governor

MISSOURI
Department of Economic Development

Mike Downing, CEcD
Director

August 7, 2014

Mr. Stephen Smith
TLG 634 N Grand, LLC
319 North 4th St., Ste 1000
St. Louis, MO 63102

Dear Mr. Smith:

Pursuant to the application submitted to the Department of Economic Development (DED), and upon advice from our program staff, I have determined that the project located at 634 North Grand Boulevard in St. Louis is eligible to be included in the Brownfield Redevelopment Program, as authorized by the enabling state statute and our program guidelines.

This project is eligible to receive up to $2,454,318 in remediation tax credits as specified in Section 447.708, RSMo. These credits will be provided for eligible costs as defined in the program guidelines and in Section 447.708, RSMo. Any costs incurred prior to DED's approval are ineligible for tax credits.

While this letter constitutes eligibility to be included in the Brownfield Redevelopment Program, the authorization of tax credits is subject to the following conditions:

1. No remediation activities shall commence until such time as the DED issues a written Notice to Proceed; and

2. Prior to receiving a Notice to Proceed, DED must be in receipt of all firm commitments for sources of funding for the entire project including all redevelopment activities including access to, and a guarantee of, financing to cover any costs not identified in the RAP and any costs required by the RAP not found in the bid documents; and

3. Receipt of an Executed Repayment Agreement for the authorized amount referenced above in excess of $1,000,000 between the State of Missouri and TLG 634 N Grand, LLC, and personally guaranteed by Stephen Smith.

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700

Additionally, as a Missouri enterprise, I would like to strongly encourage you to join employers throughout the State who have stepped up and taken the Show Me Heroes pledge. The Show-Me Heroes program challenges employers like you to recognize the sacrifices made by our returning veterans by pledging to interview veterans first for job openings. Since its inception, more than **4,000 Missouri businesses** have joined Missouri's Show-Me Heroes, leading to the hiring of over **7,000 Missouri veterans**. The process is free and easy – just visit the state's website at MO.gov to register and take the Show-Me Heroes pledge. After you have taken the pledge, your company's name will be displayed prominently in an online database that highlights Veteran-friendly employers across Missouri.

If you have questions or need further information, please contact Nathan Potter at 573-522-8006.

Sincerely,

Mike Downing, CEcD
Director

Exhibit 15

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

RECEIVED
FEB 0 8 2013

OMB Approved
No. 1024-0009
Form 10-168
Rev. 2011

RECEIVED
FEB 22 2013
STATE HISTORIC PRESERVATION OFFICE

RECEIVED
MAR 2 8 2013
NATIONAL PARK SERVICE
TAX INCENTIVE PROGRAM

HISTORIC PRESERVATION CERTIFICATION APPLICATION
PART 2 – DESCRIPTION OF REHABILITATION

2013-028

NPS Project Number 28612

Instructions: This page of the form must appear exactly as below and must bear the owner's original signature. Other sections may be expanded as needed or continued on blank pages. The National Park Service certification decision is based on the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form takes precedence. A copy of this form will be provided to the Internal Revenue Service.

1. **Property Name** Missouri Theater Building
   Street 634 N Grand
   City St. Louis County St. Louis State MO Zip 63103
   Name of Historic District Midtown Historic District
   ☐ Listed individually in the National Register of Historic Places; date of listing
   ☒ Located in a Registered Historic District; name of district Midtown Historic District
   ☒ Part 1 – Evaluation of Significance submitted? Date submitted July 13, 2009 Date of certification August 14, 2009

2. **Data on building and rehabilitation project**
   Date of construction 1920 Cost of rehabilitation (estimated) $23,716,000
   Type of construction Load Bearing Masonry Floor area before / after rehabilitation 156,000 / 156,000
   Start date (estimated) 5/1/2013 Use(s) before / after rehabilitation Offices / Apartments
   Completion date (estimated) 12/31/15 Number of housing units before / after rehabilitation 0 / 99
   This application covers phase number [redacted] of 2 phases Number of low-moderate income housing units before / after rehabilitation 0 / 0

3. **Project Contact (if different from Owner)**
   Name Joseph Cyr
   Street 319 North 4th Street, Suite 1000 City St. Louis
   State MO Zip 63102 Telephone (314) 231-5700

4. **Owner**

I hereby attest that the information I have provided is, to the best of my knowledge, correct and that I own the property described above. I understand that falsification of factual representations in this application is subject to criminal sanctions of up to $10,000 in fines or imprisonment for up to five years pursuant to 18 USC 1001.

Name Stephen A. Smith Signature [signature] Date 2.7.13
Organization TLG 634 N Grand LLC Social Security OR Taxpayer ID Number 46-1411687
Street 319 N 4th Street, Suite 1000 City St. Louis
State MO Zip 63102 Telephone 314 - 231-5700

NPS Official Use Only

The National Park Service has reviewed the Historic Certification Application – Part 2 for the above-named property and has determined that:

☐ the rehabilitation described herein is consistent with the historic character of the property and, where applicable, with the district in which it is located and that the project meets the Secretary of the Interior's Standards for Rehabilitation. This letter is a preliminary determination only, since a formal certification of rehabilitation can be issued only to the owner of a "certified historic structure" after rehabilitation work is complete.

☒ the rehabilitation or proposed rehabilitation as amended (signed 8/27) will meet the Secretary of the Interior's Standards for Rehabilitation if the attached conditions are met.

☐ the rehabilitation described herein is not consistent with the historic character of the property or the district in which it is located and that the project does not meet the Secretary of the Interior's Standards for Rehabilitation.

10/30/13
Date

[signature]
National Park Service Authorized Signature

☒ See Attachments

Form 10-168d
Revised 3/2002

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

CONDITIONS SHEET
Historic Preservation Certification Application

Property name: Missouri Theater

Project Number: 28612

Property address: 634 N Grand Boulevard, St. Louis, MO

The rehabilitation of this property as described in the Historic Preservation Certification Application will meet the Secretary of the Interior's Standards for Rehabilitation provided that the following condition(s) is/are met:

The existing historic wood windows on the second and third floors appear to be in equally repairable condition. They are both within the architectural base of the building on the two street-facing elevations and are sufficiently visible to be important contributors to the historic character of the property. Thus, the third as well as the second-floor windows on these elevations must be retained and repaired. If abatement issues make retention of the existing sash infeasible and information verifying this is presented, matching new replacement sash may be installed within the existing jambs.

Substantial historic material remains as part of the corridor system on floors 4-12. In general those areas with significant integrity should be retained in place. Because the conditions vary floor to floor, and some parts of the corridor plan are proposed to be re-established, there is some flexibility in the treatment of these spaces, but wholesale removal and reconstruction is not consistent with the Standards. An effort must be made to retain some of the corridor material in place, even if some aspects of it have been altered over time. We suggest that you look first at the wider area of the corridors around the elevators as an area to retain in place. While some change to the number and placement of doors should not alter the character of the corridor spaces significantly, substantial changes in the number of doorways should be avoided. Historic doorways, and doors where they survive, should be retained in place, even if they need to be walled over on the apartment side. If structural issues make it infeasible to retain corridor walls in place documentation of that condition must be submitted.

It appears that the new storefront glazing will extend nearly to the top of the first floor space. To be compatible with the character of the building the ceilings immediately behind this glazing must not drop below the top of the new glazing and must be a smooth hard surface such as drywall or plaster for at least ten feet back from the windows. Any lay –in ceilings used further back in the space should be held as high as possible in spaces open to the storefront.

The National Park Service has determined that this project will meet the Secretary of the Interior Standards for Rehabilitation if the condition(s) listed in the box above are met.

10/30/13
Date

National Park Service Signature

202-354-2030
Telephone Number

RECEIVED
SEP 03 2013

RECEIVED
OCT 17 2013
NATIONAL PARK SERVICE
TAX INCENTIVE PROGRAM

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

OMB Approved
No. 1024-0009
Form 10-168
Rev. 2011

HISTORIC PRESERVATION CERTIFICATION APPLICATION AMENDMENT SHEET

Property name Missouri Theater Building NPS Project Number 28612

Property address 634 N Grand

Instructions: This page of the form must appear exactly as below and must bear the owner's original signature.

Amendments: Summarize changes to previously submitted application in the space provided; describe in detail in attachments.

Requests for an advisory determination that a completed phase of a rehabilitation project meets the Secretary of the Interior's Standards for Rehabilitation: List phase number, completion date, and cost, and summarize completed work items. Continue in attachments if necessary.

This sheet ☐ amends Part 1 ☒ amends Part 2 ☐ amends Part 3

☐ requests an advisory determination that phase _____ of _____ phases of this rehabilitation project meets the Secretary of the Interior's Standards for Rehabilitation. Phase completion date: _____

Cost of this phase: _____

1. Phase 1 and 2 are now consolidated as a single phase with a construction period of July 2014 - December 2015.
2. Revise number of units after renovation to 108.
3. Item #1 - Add photo EX-12, add drawings A1.01 and A3.02
4. Item #3 - Revised description of existing feature and revised work and impact.
5. Item #8 - Removed reference to Glass Event Space. Changed to identify existing skylight.
6. Item #10 - Revised description and scope of work. Added photos. Added drawings
7. Item #13 - Revised drawing numbers and work description.
8. Item #14 - Revised description and scope of work. Added photo references.

☐ See Attachments

Project Contact (If different from Owner)

Name Joseph Cyr

Street 319 North 4th Street, Suite 1000 City St. Louis

State MO Zip 63102 Telephone (314) 242-1380

Owner

I hereby attest that the information I have provided is, to the best of my knowledge, correct and that I own the property described above. I understand that falsification of factual representations in this application is subject to criminal sanctions of up to $10,000 in fines or imprisonment for up to five years pursuant to 18 USC 1001.

Name Stephen A. Smith Signature _____ Date 08-27-13

Organization TLG 634 N Grand LLC Social Security OR Taxpayer ID Number 46-1411687

Street 319 N 4th Street, Suite 1000 City St. Louis

State MO Zip 63102 Telephone (314) 231-5700

NPS Official Use Only

The National Park Service has reviewed this amendment to the Historic Preservation Certification Application and has determined that the amendment:

☐ meets the Secretary of the Interior's Standards for Rehabilitation.

☒ will meet the Secretary of the Interior's Standard for Rehabilitation if the attached conditions are met.

☐ does not meet the Secretary of the Interior's Standards for Rehabilitation.

Advisory Determinations:

☐ The National Park Service has determined that the work completed in this phase is consistent with the Secretary of the Interior's Standards for Rehabilitation. This determination is advisory only. A formal certification of rehabilitation can be issued only after all rehabilitation work and any associated site work or new construction have been completed. This approval could be superseded if it is found that the overall rehabilitation does not meet the Secretary's Standards. A copy of this form will be provided to the Internal Revenue Service.

10/30/13 _____

Date National Park Service Authorized Signature

☒ See Attachments

Exhibit 16

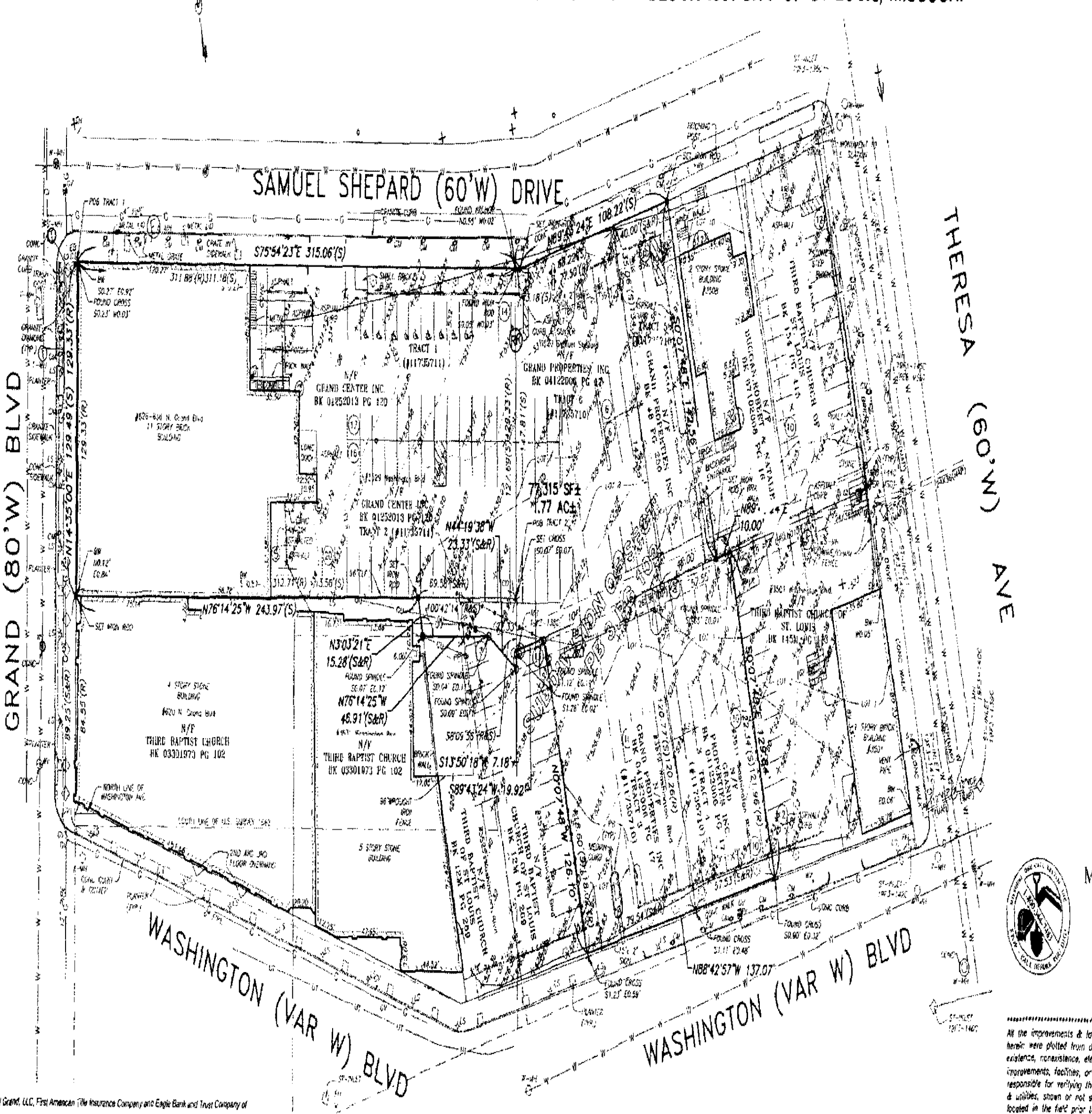
HOTEL

GRAPHIC SCALE

(IN FEET)
1 inch = 30 ft.

TOPOGRAPHIC SURVEY

A TRACT OF LAND BEING IN CITY BLOCK 1061 CITY OF ST LOUIS, MISSOURI



LEGEND:

●	BOLLARD
Ⓢ	SANITARY MANHOLE
•	IRON PIPE
	COTTON PICKER SPINDLE
PP	POWER POLE W/GUY WIRE
PP	POWER POLE
	STREET SIGN
GV	GAS VALVE
GM	GAS METER
WV	WATER VALVE
WM	WATER METER
WF	WATER FAUCET
CO	CLEAN OUT
	TEST HOLE
YD	YARD DRAIN
EB/EM	ELECTRIC BOX OR METER
MB	MAIL BOX
TB	TELEPHONE BOX
LS	LIGHT STANDARD
FH	FIRE HYDRANT
TS	TRAFFIC SIGNAL
EYL	ELECTRIC YARD LIGHT
CM	COIN METER
—OU—	OVERHEAD UTILITY LINE
—G—	GAS LINE
—UT—	UNDERGROUND TELEPHONE
— —	8" SANITARY SEWER
—W—	6" WATER LINE
—X—	FENCE LINE
±	PLUS OR MINUS

ABBREVIATIONS

N	NORTH
S	SOUTH
E	EAST
W	WEST
CONC	CONCRETE
ASPH	ASPHALT
CLF	CHAIN LINK FENCE
W/	DENOTES WITH
PG	PAGE
BK	BOOK
PB	PLAT BOOK
DB	DEED BOOK
BW	BRICK WORK
PB	PIPE BOLLARD
TYP	TYPICAL

Missouri One Call System, Inc.
Call Before You Dig!
1-800-DIG-RITE
(1-800-344-7483)

All the improvements & facilities and utilities, above ground and underground shown herein were plotted from available information and do not necessarily reflect the actual existence, nonexistence, elevation, size, type, number or location of these or other improvements, facilities, or utilities. The General Contractor and/or owner shall be responsible for verifying the actual location & elevation of all improvements, facilities, & utilities, shown or not shown, and said improvements, facilities, & utilities shall be located in the field prior to any grading, excavation or construction of any improvements. These provisions shall in no way absolve any part from complying with the Underground Facility Safety & Damage Prevention Act, Chapter 319, RSMo.

CALL MISSOURI ONE-CALL, 1-800-DIG-RITE.

To: TLG 634 N Grand, LLC, First American Title Insurance Company and Eagle Bank and Trust Company of Missouri

This is to certify that this map or plat and survey, on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 2, 4, 5, 7(a), 8, 9, 11(a), 11(b) and 13 of Table A thereof. The field work was completed on October 25, 2013.

Dated of Plat or Map: October 2013

Massmann Land Services, LLC (d/b/a MASSMANN SURVEYING)

By [signature] 6-23-15
William F. Massmann Jr. PLS - 1702 (agent)

Surveyor Notes:

This survey was also made in accordance with the current Standards for Property Boundary Surveys as established by the Missouri Board for Architects, Professional Engineers, and Professional Land Surveyors and the Missouri Department of Natural Resources, Division of Geology and Land Survey. This survey meets the accuracy standards for an URBAN property as defined in said Standards and was made in a manner consistent with the degree of care and skill ordinarily exercised by members of the land surveying profession currently practicing and in similar circumstances.

Source of Bearing System Used:
"3526 WASHINGTON AVENUE CONDOMINIUM" as recorded in Plat Book 12182008, page 027 of the City of St. Louis Records.

Source of Title Information:
First American Title Insurance Company, Pro Forma Commitment No. NCS-588453-STLO.

Source of Record Information:
Deed to Grand Center, Inc., Book 01252013 page 120 of the City of St. Louis, Missouri, Records

Parking: There are 130 parking spaces within the subject property

Benchmark Information: None

Utilities Note:
The underground utilities shown on this survey were derived by utility maps provided by the various utility companies and surface evidence. The precise location and extent of said underground utilities is not known therefore, not represented on this Plat.

Property Description: (Per Title Commitment)

Tract 1:
A tract of land in Block 1061 of the City of St. Louis, beginning at the intersection of the East line of Grand Boulevard, with the South line of Lucas Avenue; thence Southwardly along the East line of Grand Boulevard 129 feet 4 inches to the Northwest corner of property of Third Baptist Church of St. Louis, Missouri, which corner is distant 89 feet 3 inches North of the South line of U.S. Survey 1662; thence Eastwardly parallel with the South line of U. S. Survey 1662, a distance of 312 feet 8-1/2 inches to the East line of Grand Prairie Common Fields, thence Northwardly along the East line of Grand Prairie Common Fields 129 feet 4 inches to the South line of Lucas Avenue; thence Westwardly along the South line of Lucas Avenue, 311 feet 2-1/8 inches to the point of beginning, according to survey plat executed by Myers, Keller & Eyers Company, Surveyors & Engineers in June 6, 1946.

The above referenced parcel is also described as follows:
A tract of land in Block 1061 of the City of St. Louis, beginning at the intersection of the East line of Grand Boulevard, with the South line of Samuel Shepard Drive (formerly Lucas Avenue); thence Southwardly along the East line of Grand Boulevard 129 feet 4 inches a point which is 89 feet 3 inches North of the South line of U.S. Survey 1662 and being 84.55 feet North of the North line of Washington Boulevard; thence Eastwardly parallel with the South line of U. S. Survey 1662, a distance of 312 feet 8-1/2 inches to the East line of Grand Prairie Common Fields; thence Northwardly along the East line of Grand Prairie Common Fields 129 feet 4 inches to the South line of said Samuel Shepard Drive, thence Westwardly along the South line of Samuel Shepard Drive, 311 feet 2-1/8 inches to the point of beginning.

Tract 2:
A tract of land in Block 1061 of the City of St. Louis, beginning at the East line of Grand Prairie Common Fields at the Southeast corner of the above described Parcel No. 1; thence Southwardly along the East line of Grand Prairie Common Fields, 27 feet 4 inches to the Northeast line of property now or formerly of Lillie M. Patterson; thence Northwestwardly along the Northeast line of said property 23 feet 4 inches to a point distant 15 feet South of the South line of said Parcel No. 1; thence Westwardly and parallel with the said South line and along the North line of properties owned now or formerly by Lille Patterson and by Frederick A. Kehl and Emma L. Kehl, his wife, 46 feet 10-7/8 inches to the Northwest corner of said property of Kehl; thence Northwardly along the East line of property of Third Baptist Church of St. Louis, Missouri 15 feet 3-3/8 inches to the South line of said Parcel No. 1; thence Eastwardly along said South line, 69 feet 7 inches to the point of beginning, according to survey plat executed by Myers, Keller & Eyers Company Surveyors & Engineers in June 1946.

The above referenced parcel is also described as follows:
A tract of land in Block 1061 of the City of St. Louis, beginning at the East line of Grand Prairie Common Fields at the Southeast corner of the above described Parcel No. 1; thence Southwardly along the East line of Grand Prairie Common Fields, 27 feet 4 inches; thence Northwestwardly along a line having a interior angle of 58 degrees 09 minutes 56 seconds to the left from the last mentioned line a distance of 23 feet 4 inches to a point distant 15 feet South of the South line of said Parcel No. 1; thence Westwardly and parallel with the said South line, 46 feet 10-7/8 inches; thence Northwardly along a line having a interior angle of 100 degrees 42 minutes 14 seconds to the left from the last mentioned line a distance of 15 feet 3-3/8 inches to the South line of said Parcel No. 1; thence Eastwardly along said South line, 69 feet 7 inches to the point of beginning.

Tract 3:
The Western 42 feet 6 inches of Lot 4 and the Eastern 37 feet of Lot 5 in Block 13 of the Subdivision of Fractional Section 16 in Township 45 North, Range 7 East and in Block 1061 of the City of St. Louis, together fronting 79 feet 6-1/2 inches on the North line of Washington Boulevard, by a depth Northwardly of 120 feet 3-1/8 inches on its East line and of 118 feet 0-1/4 inches on its West line to an alley. Together with the South 1/2 of vacated East/West alley lying adjacent to the Western portion of Lot 4 and the Eastern portion of Lot 5, vacated by Ordinance No. 60107.

Tract 4:
Lot 3 and the Eastern 7 feet 6 inches of Lot 4 in Block 13 of Subdivision of Section 16 and in Block No. 1061 of the City of St. Louis, fronting 57 feet 6-3/8 inches on the North line of Washington Boulevard, by a depth Northwardly of 121 feet 10-3/8 inches on the East line and 120 feet 3-1/8 inches on the West line to an alley. Together with the South 1/2 of vacated East/West alley adjacent to Lot 3 and the East part of Lot 4, vacated by Ordinance No. 60107.

Tract 5:
The Western 40 feet of Lot 9 in Block 13 of Subdivision of Section 16, and in Block 1061 of the City of St. Louis, fronting 40 feet on the South line of Lucas Avenue, by a depth Southwardly of 134 feet 8 inches to an alley. Together with the North 1/2 of 15 foot alley lying adjacent to the Western portion of Lot 9 vacated by Ordinance No. 60107.

Tract 6:
Lots 7 and 8 in Block 13 of the Subdivision of Fractional Section 16 and in Block No. 1061 of the City of St. Louis, together fronting 71 feet 6 inches, more or less, on the South line of Lucas Avenue, by a depth Southwardly to an alley, on which said Lots have a width of 105 feet 3 inches, more or less; bounded East by Lot 9 and West by the West line if said Section 16; together with the North 1/2 of a 15 foot alley adjacent to Lots 7 and 8, vacated by Ordinance No. 60107.

Schedule B - Section II Notes: (Per Title Commitment)

3.) Covenants and Agreements by and between Missouri Theatre Building Company and Third Baptist Church of St. Louis according to instrument recorded in Book 8034, Page 217, apply and affect subject property but cannot be plotted.

4.) Terms and Provisions of Substation Rental Agreements recorded in Book 5357, Page 479, Book 5460, Page 391 and Book 5674, Page 554, all apply and affect subject property but cannot be plotted.

6.) Redevelopment Plan dated August 2, 2002 and approved November 15, 2002 in Ordinance No. 65703, execution to enter into a Redevelopment Agreement dated April 24, 2003 was authorized on February 25, 2003 in Ordinance No. 65857 and as amended in the First Amendment dated May 23, 2005 executed by Ordinance No. 66431, Second Amendment dated July 11, 2006 executed by Ordinance No. 67059, Third Amendment executed by Ordinance No. 68425 and recorded in Book 04272010, Page 0171, Fourth Amendment executed by Ordinance No. 68532 and recorded in Book 04272010, Page 0172, Fifth Amendment executed by Ordinance No. 68533 and recorded in Book 04272010, Page 0173, Sixth Amendment executed by Ordinance No. 68755 and recorded in Book 02242011, Page 0136, Seventh Amendment executed by Ordinance No. 68857 and recorded in Book 06272011, Page 0504 and by Affidavit recorded to provide documentation for the Redevelopment Agreement dated April 24, 2003, the First Amendment dated May 23, 2005 and the Second Amendment dated July 11, 2006 being recorded July 13, 2011 in Book 07132011, Page 0070, applies and affects subject property but cannot be plotted.

7.) Building line established by instrument recorded in Book 803, Page 395 applies and affects subject property as shown.

8.) Terms and Provisions of Ordinances 58717 and 60107 apply and affect subject property but cannot be plotted.

9.) Building line established by the instrument recorded in Book 658, Page 90, applies and affects subject property as shown.

W:\Land Projects 7 W\07103-04 634 NORTH GRAND\dwg\07103-04-TOPO.dwg 6/23/2015 1:36:34 PM

MASSMANN LAND SERVICES, LLC D/B/A
Massmann
SURVEYING
7751 Carondelet Ave. Suite 502
Clayton, MO 63105
314-862-5577, 314-862-5579 FAX

STATE OF MISSOURI — WILLIAM FRANCIS MASSMANN, JR. — NUMBER PLS-1702 — PROFESSIONAL LAND SURVEYOR

MISSOURI PROFESSIONAL LAND SURVEYING CORPORATION
No. 2002023862
(EXPIRES 12-31-2016)

ILLINOIS DESIGN FIRM
LAND SURVEYOR, LLC REGISTRATION
No. 184-003753
(EXPIRES 04-30-2017)

PROJECT REVISION:

NO:	DATE:	DESCRIPTION:
1	6-23-2015	TOPOGRAPHIC SURVEY UPDATE

TOPOGRAPHIC SURVEY
A TRACT OF LAND BEING IN CITY BLOCK 1061
[illegible]TY OF ST LOUIS, MISSOURI

DATE: 06/09/2015
BOOK NO.: 92
DRAFTED BY: JJH/GWK/SLH
APPROVED BY: WFM
FILE NAME: 07103-04

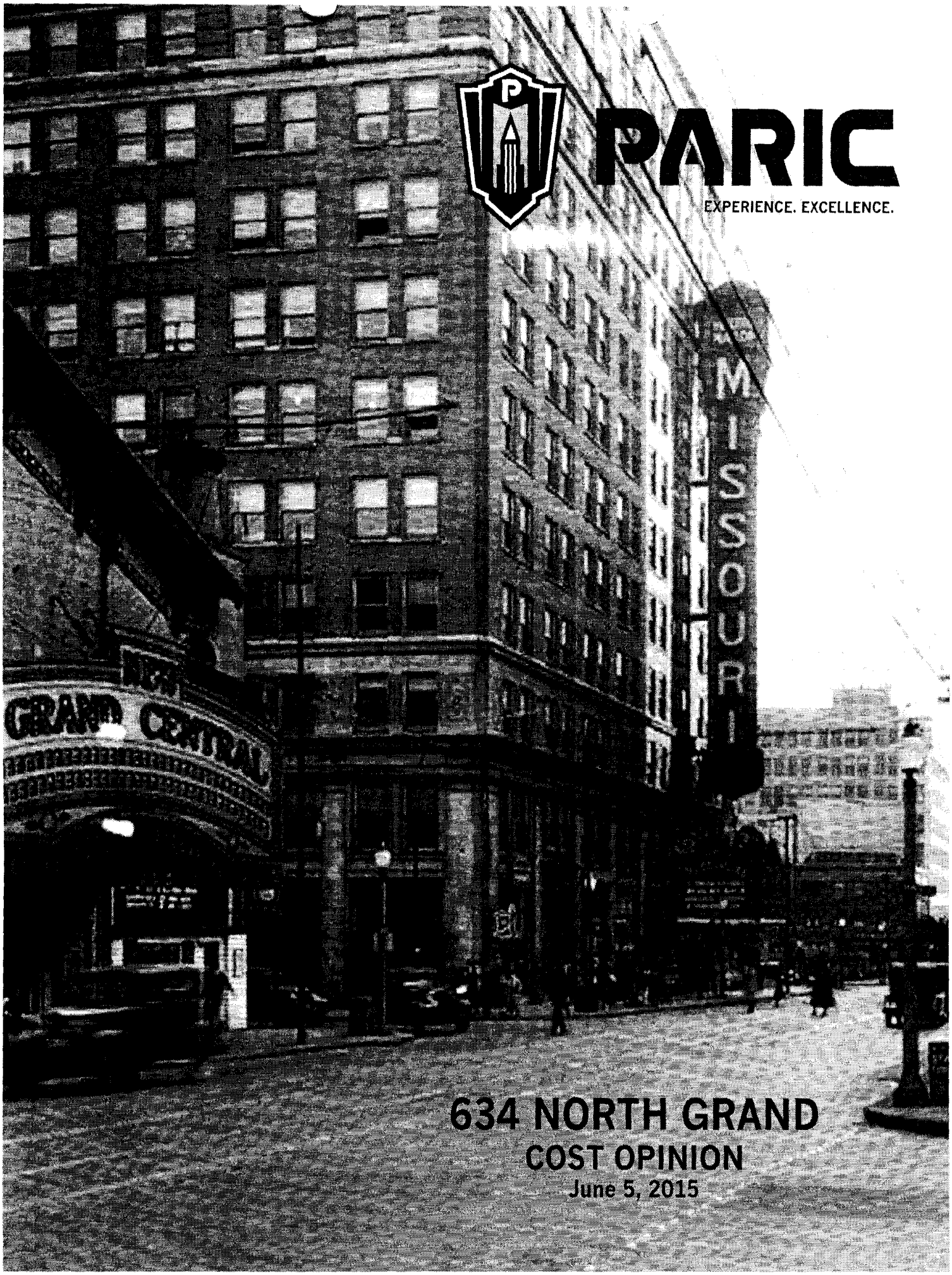
SHEET TITLE:
TOPOGRAPHIC SURVEY

SHEET NUMBER:
SUV-1

SHEET NO: 1 OF 1

PROJECT NO: 07103.04.002

Exhibit 17



PARIC

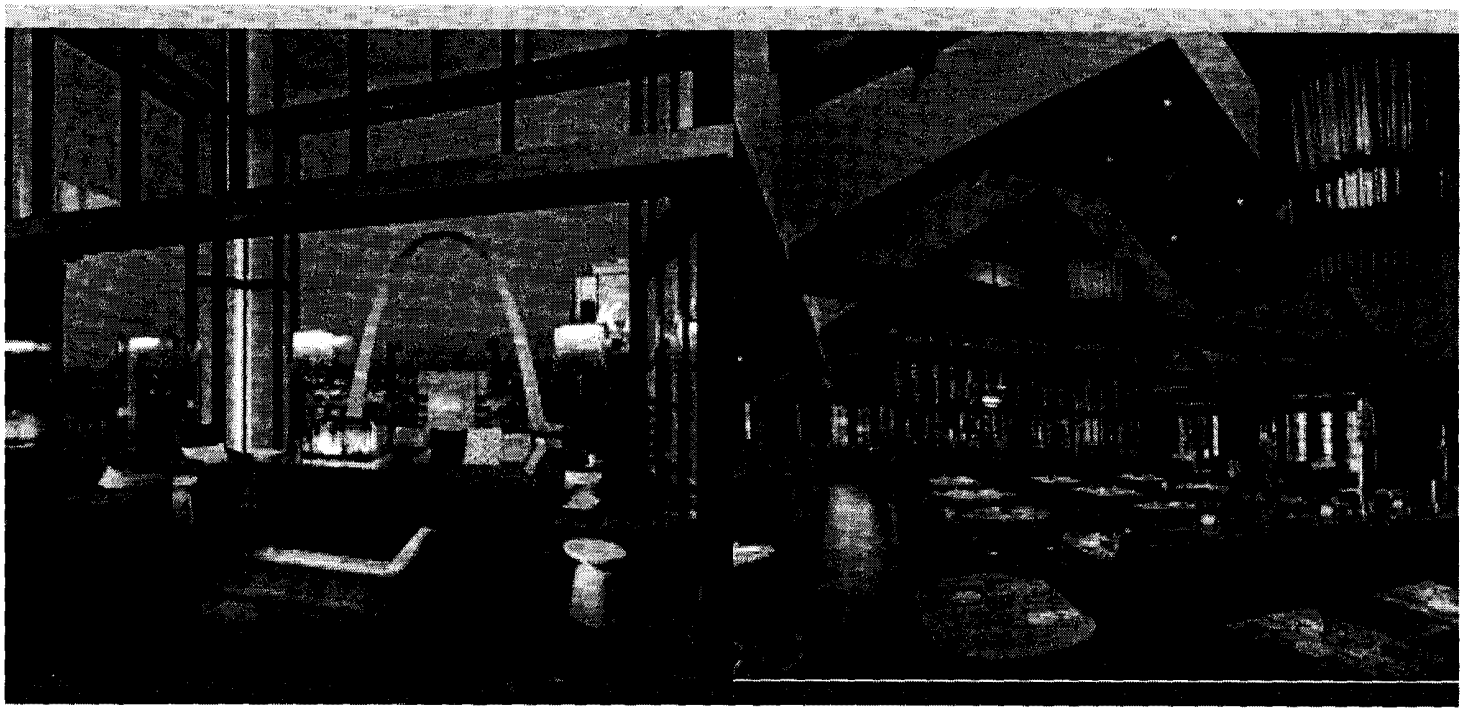
EXPERIENCE. EXCELLENCE.

634 NORTH GRAND

COST OPINION

June 5, 2015

TABLE OF CONTENTS



Section 1
Cost Summary

Section 2
Cost Detail

Section 3
Schedule

Section 4
Outline Specifications

Section 5
Reference Drawings

SECTION 01
COST SUMMARY

PARIC
EXPERIENCE. EXCELLENCE.

01 COST SUMMARY

PARIC
BID DAY SUMMARY

6/5/2015
6:44 AM

PROJECT: 634 GRAND AVE
LOCATION: ST LOUIS, MO
BUILDING DESCRIPTION: 145 ROOMS
DATE:

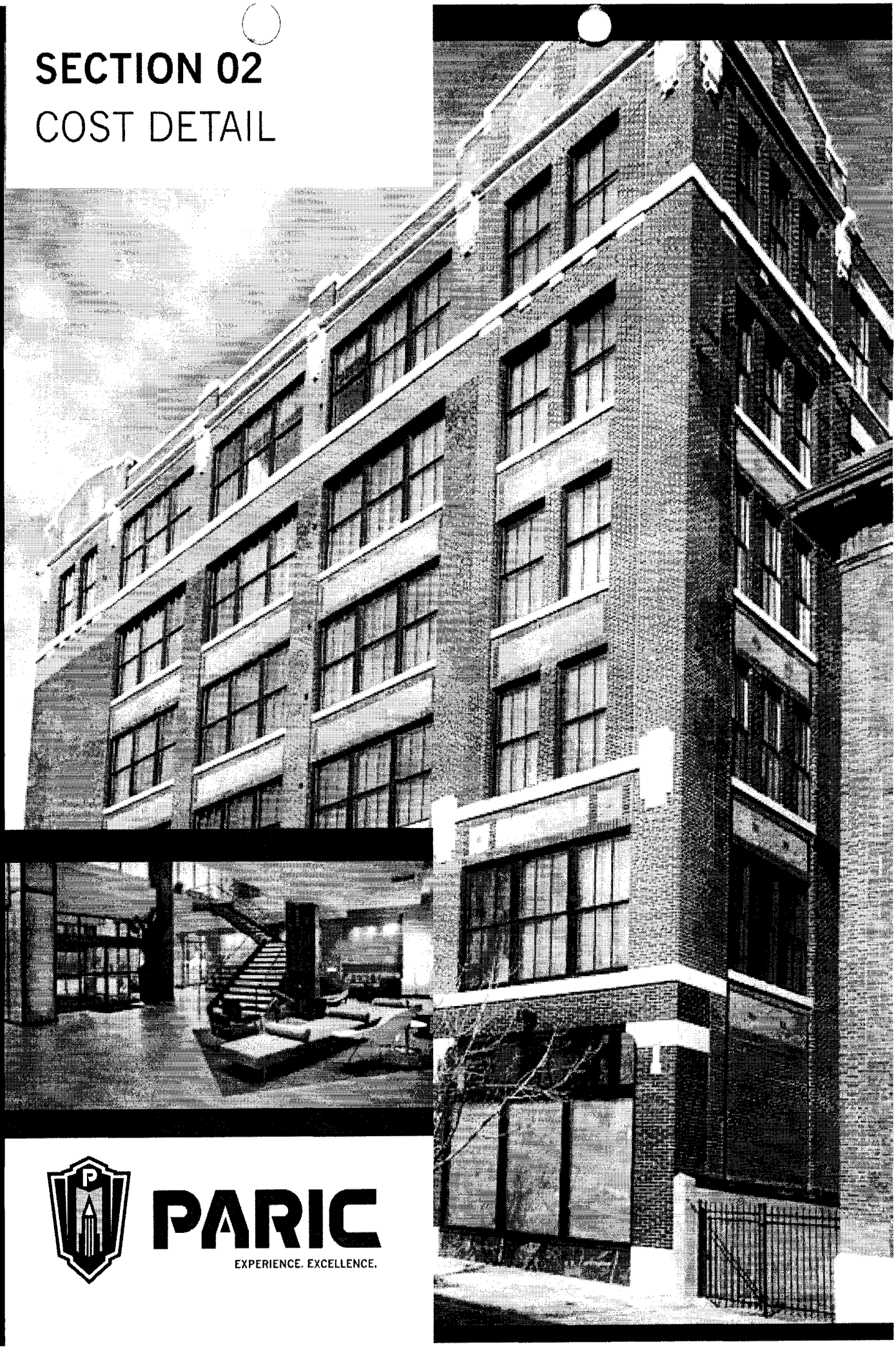
BUILDING GROSS AREA: 150,870
JOB DURATION: 12

ESTIMATE NO.: 15037

CURRENT BID $26,763,526

BID DAY ASSIGNMENT		DESCRIPTION	CSI SPEC	TOTAL	$ / SF	COMMENTS
	1	SELECTIVE DEMOLITION		$ 283,910	1.88	
	2	STRUCTURAL CONCRETE		$ 172,516	1.14	
	3	MASONRY REPAIR		$ 1,756,244	11.64	
	4	STRUCTURAL STEEL FRAMING		$ 899,822	5.96	
	5	ROUGH CARPENTRY COMMERCIAL		$ 384,744	2.55	
	6	CASEWORK AND MILLWORK		$ 429,843	2.85	
	7	DAMPPROOFING & WATERPROOFING		$ 3,189	0.02	
	8	MEMBRANE ROOFING		$ 424,101	2.81	
	9	FLASHING AND SHEET METAL		$ 35,903	0.24	
	10	FIRESTOPPING		$ 19,858	0.13	
	11	JOINT SEALANTS		$ 50,120	0.33	
	12	DOORS, FRAMES AND HARDWARE		$ 403,569	2.67	
	13	SPECIALTY DOORS AND FRAMES		$ 91,884	0.61	
	14	ACCESS DOORS AND PANELS		$ 24,064	0.16	
	15	ENTRANCES, STOREFRONTS AND CURTAIN WALLS		$ 325,516	2.16	
	16	HISTORIC WOOD WINDOWS		$ 1,137,479	7.54	
	17	FINISHES ALLOWANCE		$ 2,092,275	13.87	
	18	DRYWALL		$ 2,094,598	13.88	
	19	CERAMIC TILE		$ 400,148	2.65	
	20	ACOUSTICAL CEILINGS		$ 145,126	0.96	
	21	RESILIENT FLOORING		$ 343,361	2.28	
	22	PAINT & WALL COVERING		$ 596,753	3.96	
	23	SIGNAGE		$ 15,000	0.10	
	24	OPERABLE PARTITIONS		$ 31,620	0.21	
	25	TOILET PART, ACCESSORIES AND SHOWER DOOR		$ 274,793	1.82	
	26	FIRE PROTECTION SPECIALTIES		$ 21,000	0.14	
	27	LOCKERS		$ 2,018	0.01	
	28	POSTAL SPECIALTIES				
	29	WINDOW TREATMENT				
	30	FLAGPOLES				
	31	RESIDENTIAL APPLIANCES		$ 44,858	0.30	
	32	FOOD SERVICE EQUIPMENT		$ 250,000	1.66	
	33	SWIMMING POOLS		$ 175,000	1.16	
	34	ELEVATORS		$ 2,079,629	13.78	
	35	FACILITY CHUTES		$ -	-	
	36	FIRE PROTECTION SYSTEMS		$ 637,850	4.23	
	37	PLUMBING PIPING AND PUMPS		$ 2,322,930	15.40	
	38	HVAC		$ 2,726,932	18.07	
	39	ELECTRICAL		$ 2,989,158	19.81	
	40	ASPHALT PAVING		$ 120,467	0.80	
	41	SITE CONCRETE		$ 19,252	0.13	
	42	FENCES AND GATES		$ 75,938	0.50	
	43	SANITARY SEWERAGE UTILITIES		$ 75,000	0.50	
	44	GENERAL REQUIREMENTS		$ 1,176,073	7.80	
		SUBTOTAL CONSTRUCTION COST		**$25,152,543**	166.72	
		PERMIT ($/1000)	$10.000	$ 267,635	1.77	
		BUILDERS RISK ($/100*M0S)	$0.0114	$ 36,452	0.24	
		RISK MANAGEMENT ($/1000)	$10.000	$ 267,635	1.77	
		SUBTOTAL		**$25,724,266**	170.51	
		FEE	4.00%	$ 1,028,971	6.82	
		STL CITY EARNINGS TAX	1.00%	$ 10,290	0.07	
		SUBTOTAL		**$26,763,526**	177.39	
		PERFORMANCE BOND	BOND	$ -	-	
		TOTAL PROJECT COST		**$26,763,526**	177.39	

SECTION 02
COST DETAIL



PARIC
EXPERIENCE. EXCELLENCE.

02 COST DETAIL

634 GRAND AVE

PARIC CORPORATION
77 Westport Drive, Suite 250
Maryland Heights, MO 63146
Phone: (636) 561-9500 **Fax:** (636) 561-9501

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
SELECTIVE DEMOLITION			
MEP Hole Cutting	150,870.00 SF	0.34	50,541
Remove steel canopy	252.00 SF	3.50	882
Remove storefront and glass doors	2,390.00 SF	7.00	16,730
Remove exterior single door and frame	3.00 EA	95.28	286
Remove Existing Wood Windows	14,490.00 SF	7.00	101,430
Remove Exist Metal Windows	1,766.00 SF	7.00	12,362
Remove elevated slab at Elev, Stairs & Chutes	1,284.00 SF	41.05	52,708
Remove Slab at Exist Elec Vault	1,050.00 SF	23.81	25,000
Sawcut concrete floor at Stairs, Elev & Chutes	536.00 LF	6.00	3,216
Remove Elevator Cabs and Equipment - Passenger	EA	15,000.00	
Remove Elevator Cabs and Equipment - Freight	EA	15,000.00	
Demo Exist Penthouse	1,568.00 SF	10.00	15,680
Remove sidewalks	2,537.00 SF	2.00	5,074
Total SELECTIVE DEMOLITION			**$283,910**
STRUCTURAL CONCRETE			
Hoist Foundation	1.00 LS	7,500.00	7,500
Building Layout	40.00 HR	75.04	3,002
Concrete Cleanup	762.65 HR	63.75	48,621
Concrete @ Pool Deck	3,051.00 SF	5.00	15,255
Infill over metal deck at elevator	564.00 SF	4.00	2,256
Infill over metal deck, complete at Penthouse	4,263.00 SF	4.00	17,052
Slab over metal deck at Elec Vault, complete	1,050.00 SF	4.00	4,200
Foundations allowance for pool	1.00 LS	50,000.01	50,000
Elevator Pit, Slab, and Walls	3.00 LS	8,210.00	24,630
Total STRUCTURAL CONCRETE			**$172,516**
MASONRY REPAIR			
Face brick at Stair Tower	SF	19.71	
Cut & Tooth in brick at new masonry openings	161.00 LF	15.00	2,415
Clean Stone Sills	LF	47.49	
Clean Granite Base	117.00 SF	1.50	176
New Granite Base below Storefronts	199.00 SF	75.84	15,093
Clean & patch marble walls	1,285.00 SF	7.00	8,995
100 %Tuckpointing Brick	64,466.00 SF	16.34	1,053,136
Tuckpoint Terracotta Flat	9,091.00 SF	18.00	163,638
Repair and Restore Terracotta Trim	5,982.00 SF	25.00	149,550
Clean face brick	64,466.00 SF	2.00	128,932
Clean Terracotta	19,934.00 SF	2.00	39,868
Restore & Patch Terracotta	4,861.00 SF	40.00	194,440
Total MASONRY REPAIR			**$1,756,242**
STRUCTURAL STEEL FRAMING			
Structural Steel at Elec Vault	4.00 TN	3,500.00	14,000

PARIC

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
Structural Steel at Penthouse (4,263 x 12lbs/ SF floor and 4,263SF x 10lbs/SF roof)	47.00 TN	5,500.00	258,500
Structural Steel at transfer beam for removed columns	13.05 TN	5,500.00	71,775
Structural steel frame at Cooling Tower	5.00 TN	5,000.00	25,000
Structural steel frame Roof Garden	10.00 TN	5,500.00	55,000
Steel Canopy Complete with all finishes	675.00 SF	100.00	67,500
Ornamental Stair Allowance from 1st to 2nd floor	1.00 AL	50,000.00	50,000
Tubing at main entrance for graphics	1.00 AL	25,000.00	25,000
Corten Steel Fence	510.00 SF	65.00	33,150
Structural Steel at Pool(3051 x 14LBS/SF)	22.00 TN	6,500.00	143,000
Elev Rail Support System	16.00 FLR	3,694.31	59,109
Elev Hoist Beam - renovation work	7.00 EA	2,500.00	17,500
Steel Framing at floor infills for renovation work	564.00 SF	30.00	16,920
Extending Steel Pan Stair With Landing & Rails	2.00 FL	20,000.00	40,000
Elevator Pit Ladder	20.00 LF	63.42	1,268
Steel at Operable Partition	2.00 EA	5,000.00	10,000
Steel railing at Roof Pavers Outdoor Patio	110.00 LF	110.00	12,100
Total STRUCTURAL STEEL FRAMING			**$899,822**
ROUGH CARPENTRY COMMERCIAL			
Protect Finish Work	440.00 HR	66.09	29,077
Protect Finish Work	100.00 HR	80.41	8,041
Guarantee Work	1.00 LS		
Ice Cups and Water	11.00 MO	1,328.00	14,608
Buck Hoist	8.25 MO	9,200.00	75,900
Small Tools & Consumables	1.00 LS	15,000.00	15,000
OSHA Railings, Barricades - Labor	200.00 HR	75.04	15,008
OSHA Railings, Barricades - Matl	2,000.00 LF	2.31	4,623
Sidewalk barricades	500.00 LF	36.40	18,200
Survey & Layout Supplies	12.00 MO	383.33	4,600
General Cleanup	1,525.30 HR	64.83	98,882
Final Clean-Up	150,870.00 SF	0.25	37,718
Int Blocking for Casework 2x4(*Q*)	702.00 LF	6.00	4,212
Int Blocking at Doors 2x4 (*Q*)	7,531.00 LF	6.63	49,935
Int Blocking for Misc Spec 2x4(*Q*)	1,490.00 LF	6.00	8,940
Total ROUGH CARPENTRY COMMERCIAL			**$384,743**
CASEWORK AND MILLWORK			
Base/wall cabinets - Meeting Rm/Dining Area	30.00 LF	306.97	9,209
Base cabinets - Employee Area	15.00 LF	171.45	2,572
Plam Ctr Top W/BS 26"	15.00 LF	64.95	974
Counter Bracket Support - Metal	14.00 EA	91.82	1,286
Granite Countertop at public restrooms	66.00 SF	55.00	3,630
Pool Cabanas	5.00 EA	5,000.00	25,000
Wndw/dr casing	5,075.00 LF	3.97	20,154
Kitchen Wall Hung Cabinets	234.00 LF	39.74	9,299
Kitchen Base Cabinets	234.00 LF	19.87	4,649
Vanity base	657.00 LF	56.65	37,216
Wood Shelf with rod	840.00 LF	20.00	16,800
Granite vanity top	657.00 LF	25.71	16,893
Corian counter top	466.90 LF	100.23	46,797
Kitchen Wall Hung Cabinets	234.00 LF	75.68	17,709
Kitchen Base Cabinets	234.00 LF	69.88	16,351
Vanity base	657.00 LF	113.39	74,500

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
Wood base board	11,830.55 LF	4.06	48,088
Wood base board at corridor	2,088.00 LF	5.68	11,854
Wood base board at corridor historic	807.00 LF	9.00	7,263
Granite vanity top	657.00 LF	90.72	59,600
Total CASEWORK AND MILLWORK			**$429,843**
DAMPPROOFING & WATERPROOFING			
Membrane waterproofing at Elec Vault	1,050.00 SF	3.04	3,189
Total DAMPPROOFING & WATERPROOFING			**$3,189**
MEMBRANE ROOFING			
Demo existing roof and insulation	17,484.00 SF	2.00	34,968
TPO roofing With R-20 Iso Insul at Elev Pnthse	1,080.00 SF	18.00	19,440
TPO roofing With R-20 Iso Insul at High Roof	8,715.00 SF	15.60	135,961
TPO roofing With R-20 Iso Insul at Low Roof	5,733.00 SF	12.00	68,796
TPO roofing With R-20 Iso Insul at Mech Pnthse	1,504.00 SF	18.00	27,072
TPO roofing With R-20 Iso Insul at Stair Towers	452.00 SF	18.00	8,136
Green Roof Allowance (Landscaping, Curbs and Irrigation)	1.00 LS	50,000.00	50,000
Roof Pavers	3,624.00 SF	22.00	79,728
Total MEMBRANE ROOFING			**$424,101**
FLASHING AND SHEET METAL			
Counter Flashing at Termination Bar	1,473.00 LF	20.30	29,903
Downspouts at Penthouse	100.00 LF	25.00	2,500
Gutter at Penthouse	140.00 LF	25.00	3,500
Total FLASHING AND SHEET METAL			**$35,903**
FIRESTOPPING			
Firestopping per SF of Building	150,870.00 SF	0.13	19,854
Total FIRESTOPPING			**$19,854**
JOINT SEALANTS			
Misc Caulking	150,870.00 SF	0.25	38,336
Caulk at Bell Coping	3,928.00 LF	3.00	11,784
Total JOINT SEALANTS			**$50,120**
DOORS, FRAMES AND HARDWARE			
HM Door Public Spaces	109.00 EA	398.25	43,409
HM Frame Single Public Spaces	99.00 EA	203.94	20,190
HM Frames Single Entry Door	145.00 EA	198.57	28,792
HM Frame Double Public Spaces	10.00 EA	251.50	2,515
Coke Door Entrance	1.00 EA	10,000.00	10,000
Barn Door & Hardware	124.00 EA	810.71	100,528
Bedrooom / Bathroom Door	27.00 EA	375.00	10,125
Pocket Door	21.00 EA	400.00	8,400
Closet Bi-Pass Flush 6068	126.00 EA	187.82	23,665
SC Wood Door Birch Veneer	145.00 EA	421.42	61,106
Access Panel 12 x 12 Non-Label	145.00 EA	83.22	12,066
Entry Door Hardware	145.00 EA	196.42	28,481
Guestroom keycard hardware by others	EA		
Public Doors Hardware	109.00 EA	400.00	43,600
Closet Door Hardware	126.00 EA	66.09	8,327
Interior Door Hardware	27.00 EA	87.59	2,365
Total DOORS, FRAMES AND HARDWARE			**$403,568**
SPECIALTY DOORS AND FRAMES			

PARIC

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
Smoke Guard Fire Door System	17.00 EA	5,316.71	90,384
OH Door Commercial Manual Stl 7 x 6	1.00 EA	1,500.00	1,500
Total SPECIALTY DOORS AND FRAMES			**$91,884**
ACCESS DOORS AND PANELS			
Access Panel 12 x 12 UL Label	145.00 EA	165.96	24,064
Total ACCESS DOORS AND PANELS			**$24,064**
ENTRANCES, STOREFRONTS AND CURTAIN WALLS			
Alum Ext Entr Single Medium Style	1.00 EA	2,100.00	2,100
Alum Ext Entr Double Medium Sitle	5.00 EA	3,800.00	19,000
New Exterior Storefront (2,390 + 1003SF)	3,393.00 SF	66.18	224,564
Interior Storefront	330.00 SF	40.00	13,200
Interior Glass Entrance Single	5.00 EA	2,100.00	10,500
Revolving Door	1.00 EA	40,000.00	40,000
Mirror 1/4" Plate Glass Polished Edge at Fitness	420.00 SF	12.00	5,040
Mirror 1/4" Plate Glass Polished Edge	926.00 SF	12.00	11,112
Total ENTRANCES, STOREFRONTS AND CURTAIN WALLS			**$325,516**
HISTORIC WOOD WINDOWS			
New Alum Historic Windows	14,474.00 SF	75.97	1,099,597
Historic Wood Windows 2nd and 3rd floors at north and west elevation caulking and paint only	1,894.00 SF	20.00	37,880
Total HISTORIC WOOD WINDOWS			**$1,137,477**
DIVISION 09 FINISHES			
Finishes Allowance $200/SF - Pool side bar	997.00 SF	200.00	199,400
Finishes allowance $200/SF - Bar 12th floor	2,344.00 SF	200.00	468,800
Finishes allowance $20/SF - Gaming 2nd Floor	3,145.00 SF	20.00	62,900
Finishes allowance $200/SF - Tenant D1	3,185.00 SF	200.00	637,000
Finishes allowance $100/SF - Tenant D2	890.00 SF	100.00	89,000
Finishes allowance $125/SF - Outdoor Lounge 13th floor	1,623.00 SF	125.00	202,875
Finishes allowance $200/SF - Basement Bar	1,725.00 SF	200.00	345,000
Finishes allowance $75/SF - Gaming basement	1,164.00 SF	75.00	87,300
Total DIVISION 09 FINISHES			**$2,092,275**
DRYWALL			
Interior Layout	700.00 HR	75.04	52,526
Drywall Cleanup	1,525.30 HR	64.83	98,882
Patch Plaster Ceilings	86.00 SY	135.00	11,610
5/8" Cement Board - premium	11,319.00 SF	1.98	22,456
Drywall Ceiling at Bath/Kitchen/Foyer	22,352.00 SF	6.00	134,112
Drywall Ceiling at public spaces	10,637.00 SF	6.00	63,822
Combined Fire / Sound Caulk	6,227.75 LF	5.00	31,139
Furring BS, 3-5/8" Stud, 16" OC, 25 Ga, 5/8" Bd	7,568.00 SF	5.50	41,626
Chase BBSSB, 3-5/8" Stud, 16" OC, 25 Ga, 5/8" Bd	2,134.00 SF	8.50	18,138
Furring Col-BC, DW Channel, 5/8" Bd	15,906.00 SF	5.50	87,482
BSB, 3-5/8" Stud, 16" OC, 25 Ga, 5/8" Bd, W/Insul	30,815.40 SF	7.00	215,705
BSB, 3-5/8" Stud, 16" OC, 25 Ga, 5/8" Bd, W/Insul	7,524.00 SF	7.00	52,667
BBSB, 3-5/8" Stud, 16" OC, 25 Ga, 5/8" Bd, W/ Insul	68,505.25 SF	9.76	668,270
BBSB, 3-5/8" Stud, 16" OC, 25 Ga, 5/8" Bd, W/ Insul at public	5,456.00 SF	9.00	49,104
BBSBB, 3-5/8" Stud, 16" OC, 25 Ga, 5/8" Bd, W/ Insul	22,495.00 SF	9.50	213,697
Ext Wall, 8" Stud, 16" OC, 16 Ga, 5/8" Foil Bd, 5/8" Dens Glass, W/ Insul	559.00 SF	13.00	7,267

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
Furring BS, 3-5/8" Stud, 16" OC, 25 Ga, 5/8" Bd, W/ Insul	60,709.00 SF	5.37	326,096
Total DRYWALL			**$2,094,599**
CERAMIC TILE			
Ceramic Wall Tile - Restroom Public	582.00 SF	10.50	6,111
Ceramic Wall Tile - Unit	11,319.00 SF	10.94	123,788
Ceramic Floor Tile - Unit	6,623.00 SF	10.50	69,542
Ceramic Floor Tile - Restroom Public	868.00 SF	10.50	9,114
Flooring at grand entrance	SF	12.65	
Flooring Hotel Lobby	2,024.00 SF	20.00	40,480
Flooring at Elevator Lobby 12th and 13th	2,547.00 SF	16.00	40,752
Flooring at Banquet 12th and 13th	5,724.00 SF	7.25	41,499
Ceramic Base - Unit	4,333.00 LF	8.00	34,664
Ceramic Base - Restroom Public	123.00 LF	13.00	1,599
Quarry Tile	2,679.00 SF	9.00	24,111
Quarry Base	383.00 LF	9.00	3,447
Polish/Repair Terrazzo Floor	720.00 SF	7.00	5,040
Total CERAMIC TILE			**$400,146**
ACOUSTICAL CEILINGS			
ACT - at lobby	4,570.00 SF	7.39	33,786
ACT at public spaces	2,608.00 SF	3.75	9,781
Ceiling upgrades at lobby, Grand and Banquet	1.00 LS	50,000.00	50,000
ACT at kitchen and catering	2,680.00 SF	4.50	12,060
ACT at Grand Entrance	SF	3.40	
ACT at Banquet	5,642.00 SF	3.50	19,753
Cirrus 2x2 Tegular	5,642.00 SF	3.50	19,747
Total ACOUSTICAL CEILINGS			**$145,126**
RESILIENT FLOORING			
VCT 12 x 12 x 3/32	2,467.00 SF	2.50	6,167
Floor Prep	111,020.00 SF	1.00	110,979
VCT 12 x 12 x 3/32 at basement	2,085.00 SF	2.50	5,213
Vinyl Plank Flooring	9,339.00 SF	6.96	64,984
Vinyl Base	5,863.00 LF	1.50	8,794
Vinyl Base	1,867.00 LF	1.28	2,384
Carpet in Corridors	1,110.00 SY	25.00	27,750
Carpet in Units	4,190.00 SY	26.01	108,989
Carpet in basement	252.00 SY	25.02	6,305
Entry Walk-Off Carpet	60.00 SF	30.00	1,800
Total RESILIENT FLOORING			**$343,366**
PAINT & WALL COVERING			
Vinyl wall covering	268,631.00 SF	1.63	437,159
FRP Embossed Surface .090"	SF	4.33	
FRP Embossed Surface .090"	1,190.00 SF	4.50	5,355
Interior granite sill	304.00 LF	34.42	10,464
Paint interior door	26.00 EA	50.00	1,300
Paint interior door	7.00 EA	52.70	369
Paint Texture 2 - Coat Spray Ceiling	79,675.00 SF	0.55	43,821
Paint ceiling	32,989.00 SF	0.89	29,248
Paint HM Frame	99.00 EA	24.24	2,400
Paint HM Frame Double	10.00 EA	50.12	501
Paint Wood Door	48.00 EA	50.32	2,415
Paint Frame and Door - Single	109.00 EA	60.00	6,540

PARIC

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
Paint Base	11,830.00 LF	1.50	17,745
Paint Lintels	514.00 EA	75.00	38,550
Paint Elevator Pit Ladder	7.00 EA	125.00	875
Total PAINT & WALL COVERING			**$596,743**
SIGNAGE			
Signage	1.00 LS	15,000.00	15,000
Total SIGNAGE			**$15,000**
OPERABLE PARTITIONS			
Operable Partition Alum Acoustic	694.00 SF	45.56	31,620
Total OPERABLE PARTITIONS			**$31,620**
TOILET PART, ACCESSORIES AND SHOWER DOORS			
Toilet Part Plam Ceiling Hung	10.00 EA	917.32	9,173
Urinal Screen Plam Wall Hung	2.00 EA	431.79	864
30" grab bar	149.00 EA	100.50	14,974
36" grab bar	149.00 EA	70.93	10,568
Surface mtd single roll TPH	52.00 EA	31.51	1,638
Surface mtd double roll tph	10.00 EA	49.88	499
Napkin vendor	4.00 EA	343.60	1,374
Napkin disposal	4.00 EA	48.30	193
54" ptd/waste combo	4.00 EA	384.05	1,536
Lav mounted soap dispenser	8.00 EA	52.43	419
Toilet seat cover dispenser	8.00 EA	81.07	649
Facial tissue dispenser	149.00 EA	67.88	10,114
Framed Mirror 36 x 42	149.00 EA	360.71	53,746
Surface mtd single roll tph	145.00 EA	194.96	28,269
Towel bar	149.00 EA	142.06	21,167
Towel shelf	149.00 EA	102.32	15,246
Shower door	147.00 EA	650.00	95,550
Soap dish	149.00 EA	43.03	6,412
Robe hook	147.00 EA	16.33	2,401
Total TOILET PART, ACCESSORIES AND SHOWER DOORS			**$274,792**
FIRE PROTECTION SPECIALTIES			
Fire extinguisher	****		
Dry chemical	****		
Class BC 10 lb.	45.00 EA	177.63	7,993
Fire extinguisher cabinet	****		
Recessed Fire Extinguisher Cabinet	45.00 EA	289.02	13,006
Total FIRE PROTECTION SPECIALTIES			**$20,999**
LOCKERS			
Double Tier Locker 18x15x36	10.00 EA	201.82	2,018
Total LOCKERS			**$2,018**
RESIDENTIAL APPLIANCES			
Range GE JBP448W	20.00 EA	639.01	12,780
Hood GE JN327 30"	20.00 EA		
Refrig Frigidaire 15 CF FRT15B3AW	20.00 EA	811.31	16,226
Dishwasher 7 Cyl GSD4200	20.00 EA	311.31	6,226
Microwave	20.00 EA	261.31	5,226
Disposal 1/3 HP With Cord GE GFC325	20.00 EA	90.33	1,807
Delivery / Unloading / Distribute Charge	120.00 EA	20.00	2,400

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report Includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
Range Cord	20.00 EA	9.68	194
Total RESIDENTIAL APPLIANCES			**$44,859**
FOOD SERVICE EQUIPMENT			
Food service equipment allowance	1.00 AL	250,000.00	250,000
Total FOOD SERVICE EQUIPMENT			**$250,000**
SWIMMING POOLS			
Swimming pool	1.00 LS	175,000.00	175,000
Total SWIMMING POOLS			**$175,000**
ELEVATORS			
Erect/Dismantle Material Hoist	1.00 EA	61,400.00	61,400
Hoist Operator (includes overtime and saturdays)	2,066.00 HR	99.15	204,850
Bldg. Elev Extended Warranty	2.00 MO	5,000.00	10,000
Bldg Elevator Operator	347.00 HR	79.13	27,458
Traction psgr elev A - 14 stop	14.00 EA	31,494.43	440,922
Traction psgr elev B - 12 stop	12.00 EA	16,666.67	200,000
Traction psgr elev C- 12 stop	12.00 EA	16,666.67	200,000
Traction psgr elev E - 3 stop	3.00 EA	68,333.33	205,000
Traction psgr elev F - 5 stop	5.00 EA	55,000.00	275,000
Hydraulic freight elev G - 2 stop	2.00 EA	45,000.00	90,000
Traction freight elev D - 14 floor travel - 3 stop	14.00 EA	26,071.43	365,000
Linen chute	LF	279.07	
Total ELEVATORS			**$2,079,630**
FACILITY CHUTES			
Trash chute with intake doors & discharge door labor with mech sub	FL	2,000.00	
Total FACILITY CHUTES			
FIRE PROTECTION SYSTEMS			
Temporary fire protection	50.00 EA	85.00	4,250
Fire Sprinkler System	149,000.00 SF	4.25	633,608
Total FIRE PROTECTION SYSTEMS			**$637,858**
PLUMBING PIPING AND PUMPS			
Temp Water Hook-Up	1.00 LS	500.00	500
Plumbing Subcontractor	150,870.00 SF	15.39	2,322,432
Total PLUMBING PIPING AND PUMPS			**$2,322,932**
HVAC			
Temporary Job Heat Matl	150,870.00 SF	0.12	18,783
Early Cut-On Perm HVAC	3.00 MO	2,500.00	7,500
HVAC Subcontractor	150,870.00 SF	17.90	2,700,648
Total HVAC			**$2,726,932**
ELECTRICAL			
Temp Elec Service Hook-Up	1.00 LS	2,000.00	2,000
Trailer Utility Hook-Up	1.00 LS	2,000.00	2,000
Power for Tower Crane	MO		
Tower Crane Electric Hook-Up	0.00 LS	2,000.00	0
Power for Hoist	8.25 MO	537.50	4,434
Site light pole 30'	11.00 EA	4,000.00	44,000
Electric Subcontractor	150,870.00 SF	17.24	2,601,723
1st Floor Hotel Lobby Lighting Allowance	1.00 LS	30,000.00	30,000
2nd Floor Gaming lighting allowance	1.00 LS	25,000.00	25,000

PARIC

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
12th Floor Lobby Lighting allowance	1.00 LS	30,000.00	30,000
Event space lighting allowance 12th floor	1.00 LS	50,000.00	50,000
Event space lighting allowance 13th floor	1.00 LS	50,000.00	50,000
Exterior lighting allowance	1.00 LS	150,000.00	150,000
Total ELECTRICAL			**$2,989,157**
ASPHALT PAVING			
Asphalt Sealer	53,361.00 SF	1.25	66,701
Light Duty Asphalt 8/3	915.00 SY	23.63	21,617
Asphalt Patching Allowance	1.00 LS	25,000.00	25,000
Parking line striping	6,688.00 LF	1.07	7,148
Total ASPHALT PAVING			**$120,466**
SITE CONCRETE			
Sidewalk Concrete	2,537.00 SF	5.09	12,923
Concrete curb	76.00 LF	14.00	1,064
Granite curb 6x18 straight	117.00 LF	45.00	5,265
Total SITE CONCRETE			**$19,252**
FENCES AND GATES			
Aluminum Fence 6' Tall	1,250.00 LF	60.75	75,938
Total FENCES AND GATES			**$75,938**
SANITARY SEWERAGE UTILITIES			
Storm and Sanitary Allowance	1.00 A:	75,000.00	75,000
Total SANITARY SEWERAGE UTILITIES			**$75,000**
DIVISION GENERAL CONDITIONS			
Project Manager	1,160.00 HR	108.58	125,948
Project Executive	208.00 HR	177.22	36,861
Project Superintendent	2,320.00 HR	88.91	206,261
General Superintendent	320.00 HR	135.10	43,231
Project Superintendent I	1,589.00 HR	86.12	136,852
Sr. Project Engineer	2,080.00 HR	92.08	191,535
Project Assistant	520.00 HR	63.02	32,772
VDC Coordination	1.00 LS	100,000.00	100,000
Printing Cost	1.00 LS	5,000.00	5,000
Preconstruction Services	400.00 HR	140.40	56,160
Accounting Monthly Charge	13.00 MO	973.44	12,655
Progress Photographs/Camera	1.00 LS		
Employee Drug Testing	4.00 EA	43.00	172
Testing Laboratory	1.00 LS	10,750.00	10,750
Quality Control	104.00 HR	112.32	11,681
T1 Monthly Charge	12.00 MO	752.50	9,030
Voice Line Installation (5 Lines)	1.00 LS	537.50	538
Fax Line	12.00 MO	59.13	710
Wiring/IT Setup/Misc.IT & Phone Equipment	1.00 LS	1,935.00	1,935
Electric Consumption	12.00 MO	3,780.00	45,360
Temp Water Consumption	12.00 MO	200.00	2,400
Job Office Trailer 12 x 60	12.00 MO	550.00	6,600
Trailer Utility Cost	12.00 MO	161.25	1,935
Mobilize / Demobilize Trailers	1.00 EA	5,367.72	5,368
Portable Toilet STL Rate	169.00 MO	134.38	22,709
First aid supplies	12.00 MO	25.00	300
Safety supplies	12.00 MO	50.00	600

Sort Sequences:
1. Bid Day Master Format
2. Not Used
3. Not Used
4. Not Used

Estimate File: :634 Grand Ave Conceptual Estimate 060315.est - 634 Grand Ave, St. Louis, M
Estimator: RGM
Primary Project Qty:0 SF
Secondary Project Qty: 0 0000
Estimate UM: Imperial

Report includes Taxes & Insurance.

4:37:36PM 6/4/2015

Description	Quantity	Unit $	Total $
Safety Director	104.00 HR	112.32	11,681
Office supplies	12.00 MO	100.00	1,200
Courier & Postage	12.00 MO	150.00	1,800
Fax/Copier	12.00 MO	400.00	4,800
Pickup truck	12.00 MO	950.00	11,400
Pick-Up Fuel & Oil	12.00 MO	376.25	4,515
Temporary job fence	1,400.00 LF	9.00	12,600
Temp Snow Fence	0.00 LF	6.18	0
Jobsite sign	1.00 EA	2,003.44	2,003
Site Area Clean-Up	238.15 HR	88.75	21,137
Trash Hauling STL Rate	102.00 EA	322.50	32,895
Trash Box Rental	36.00 MO	130.00	4,680
Total DIVISION GENERAL CONDITIONS			**$1,176,073**
ESTIMATE TOTALS			**$25,152,535**

SECTION 03
SCHEDULE

PARIC
EXPERIENCE. EXCELLENCE.

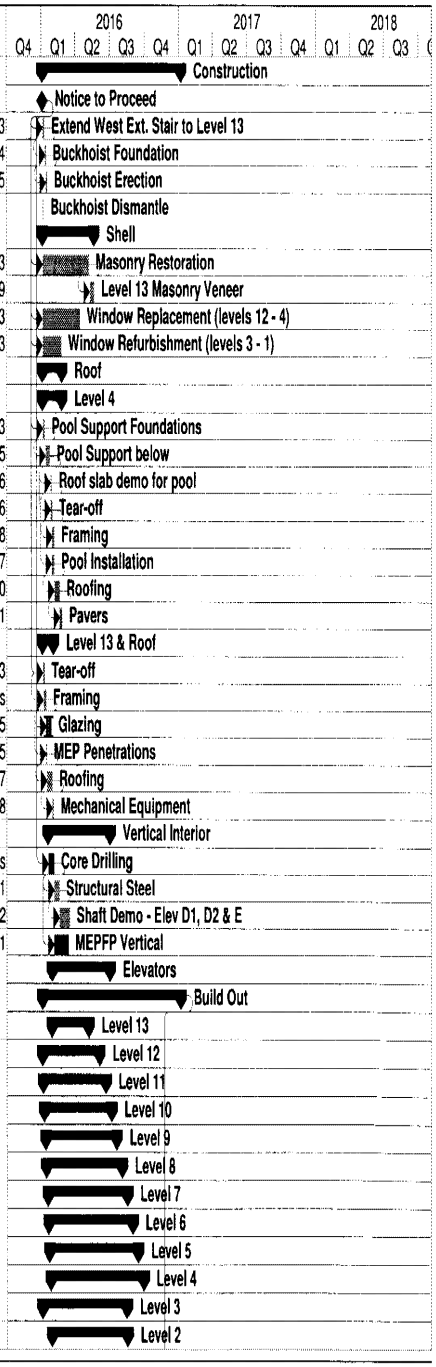
03 SCHEDULE

PARIC
EXPERIENCE. EXCELLENCE.

634 North Grand

LAWRENCE GROUP

ID	Name	Duration	Start	Finish	Predecessors
2	**Construction**	**258 days**	**Mon 1/4/16**	**Fri 1/6/17**	
3	Notice to Proceed	0 days	Mon 1/4/16	Mon 1/4/16	
4	Extend West Ext. Stair to Level 13	5 days	Mon 1/4/16	Fri 1/8/16	3
5	Buckhoist Foundation	2 days	Mon 1/11/16	Tue 1/12/16	4
6	Buckhoist Erection	3 days	Wed 1/13/16	Fri 1/15/16	5
7	Buckhoist Dismantle	3 days	Mon 1/4/16	Wed 1/6/16	
8	**Shell**	**100 days**	**Mon 1/4/16**	**Fri 5/20/16**	
9	Masonry Restoration	90 days	Mon 1/4/16	Fri 5/6/16	3
10	Level 13 Masonry Veneer	10 days	Mon 5/9/16	Fri 5/20/16	9
11	Window Replacement (levels 12 - 4)	72 days	Mon 1/4/16	Tue 4/12/16	3
12	Window Refurbishment (levels 3 - 1)	36 days	Mon 1/4/16	Mon 2/22/16	3
13	**Roof**	**38 days**	**Mon 1/4/16**	**Wed 2/24/16**	
14	**Level 4**	**38 days**	**Mon 1/4/16**	**Wed 2/24/16**	
15	Pool Support Foundations	5 days	Mon 1/4/16	Fri 1/8/16	3
16	Pool Support below	10 days	Mon 1/11/16	Fri 1/22/16	15
17	Roof slab demo for pool	3 days	Mon 1/25/16	Wed 1/27/16	16
18	Tear-off	4 days	Mon 1/25/16	Thu 1/28/16	16
19	Framing	4 days	Fri 1/29/16	Wed 2/3/16	18
20	Pool Installation	5 days	Thu 1/28/16	Wed 2/3/16	17
21	Roofing	10 days	Thu 2/4/16	Wed 2/17/16	20
22	Pavers	5 days	Thu 2/18/16	Wed 2/24/16	21
23	**Level 13 & Roof**	**21 days**	**Mon 1/4/16**	**Mon 2/1/16**	
24	Tear-off	4 days	Mon 1/4/16	Thu 1/7/16	3
25	Framing	5 days	Wed 1/6/16	Tue 1/12/16	24SS+2 days
26	Glazing	10 days	Wed 1/13/16	Tue 1/26/16	25
27	MEP Penetrations	2 days	Wed 1/13/16	Thu 1/14/16	25
28	Roofing	10 days	Fri 1/15/16	Thu 1/28/16	27
29	Mechanical Equipment	2 days	Fri 1/29/16	Mon 2/1/16	28
30	**Vertical Interior**	**119 days**	**Mon 1/18/16**	**Fri 7/1/16**	
31	Core Drilling	12 days	Mon 1/18/16	Tue 2/2/16	3FS+10 days
32	Structural Steel	10 days	Wed 2/3/16	Tue 2/16/16	31
33	Shaft Demo - Elev D1, D2 & E	20 days	Wed 2/17/16	Tue 3/15/16	32
34	MEPFP Vertical	28 days	Wed 2/3/16	Fri 3/11/16	31
35	**Elevators**	**110 days**	**Fri 1/29/16**	**Fri 7/1/16**	
42	**Build Out**	**258 days**	**Mon 1/4/16**	**Fri 1/6/17**	
43	**Level 13**	**70 days**	**Fri 1/29/16**	**Thu 5/5/16**	
63	**Level 12**	**109 days**	**Mon 1/4/16**	**Fri 6/3/16**	
83	**Level 11**	**118 days**	**Wed 1/6/16**	**Mon 6/20/16**	
103	**Level 10**	**126 days**	**Fri 1/8/16**	**Tue 7/5/16**	
123	**Level 9**	**134 days**	**Tue 1/12/16**	**Tue 7/19/16**	
143	**Level 8**	**142 days**	**Thu 1/14/16**	**Tue 8/2/16**	
163	**Level 7**	**150 days**	**Mon 1/18/16**	**Tue 8/16/16**	
183	**Level 6**	**158 days**	**Wed 1/20/16**	**Tue 8/30/16**	
203	**Level 5**	**166 days**	**Fri 1/22/16**	**Wed 9/14/16**	
223	**Level 4**	**174 days**	**Tue 1/26/16**	**Wed 9/28/16**	
243	**Level 3**	**159 days**	**Mon 1/4/16**	**Mon 8/15/16**	
251	**Level 2**	**142 days**	**Fri 1/29/16**	**Wed 8/17/16**	



EXPERIENCE. EXCELLENCE.

03 SCHEDULE

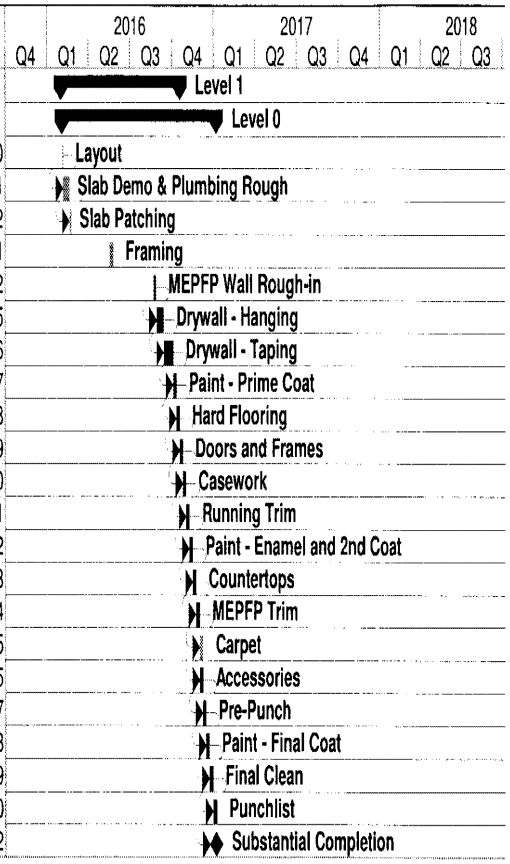
PARIC

EXPERIENCE. EXCELLENCE.

634 North Grand

LAWRENCE GROUP

ID	Name	Duration	Start	Finish	Predecessors
259	**Level 1**	**184 days**	**Mon 2/1/16**	**Tue 10/18/16**	
280	**Level 0**	**236 days**	**Wed 2/3/16**	**Fri 1/6/17**	
281	Layout	2 days	Wed 2/3/16	Thu 2/4/16	260
282	Slab Demo & Plumbing Rough	10 days	Fri 2/5/16	Thu 2/18/16	281
283	Slab Patching	2 days	Fri 2/19/16	Mon 2/22/16	282
284	Framing	7 days	Mon 5/16/16	Tue 5/24/16	261
285	MEPFP Wall Rough-in	5 days	Mon 8/22/16	Fri 8/26/16	262
286	Drywall - Hanging	10 days	Mon 8/29/16	Mon 9/12/16	285
287	Drywall - Taping	15 days	Tue 9/13/16	Mon 10/3/16	286
288	Paint - Prime Coat	5 days	Tue 10/4/16	Mon 10/10/16	287
289	Hard Flooring	5 days	Tue 10/11/16	Mon 10/17/16	288
290	Doors and Frames	5 days	Tue 10/18/16	Mon 10/24/16	289
291	Casework	5 days	Tue 10/25/16	Mon 10/31/16	290
292	Running Trim	5 days	Tue 11/1/16	Mon 11/7/16	291
293	Paint - Enamel and 2nd Coat	5 days	Tue 11/8/16	Tue 11/15/16	292
294	Countertops	5 days	Wed 11/16/16	Tue 11/22/16	293
295	MEPFP Trim	5 days	Wed 11/23/16	Wed 11/30/16	294
296	Carpet	5 days	Thu 12/1/16	Wed 12/7/16	295
297	Accessories	5 days	Thu 12/1/16	Wed 12/7/16	295
298	Pre-Punch	5 days	Thu 12/8/16	Wed 12/14/16	297
299	Paint - Final Coat	5 days	Thu 12/15/16	Wed 12/21/16	298
300	Final Clean	5 days	Thu 12/22/16	Thu 12/29/16	299
301	Punchlist	5 days	Fri 12/30/16	Fri 1/6/17	300
302	Substantial Completion	0 days	Fri 1/6/17	Fri 1/6/17	42



EXPERIENCE. EXCELLENCE.

SECTION 04

OUTLINE SPECIFICATIONS

PARIC

EXPERIENCE. EXCELLENCE.

OUTLINE SPECIFICATIONS

634 North Grand

June 5, 2015

Division 1 – General Requirements

1.1 Summary of Work

A. The work includes the renovation of an existing 12-story building with basement and the addition of a penthouse. Total square footage, approximately 150,870 SF. Exterior work includes a new roof, tuck pointing, windows, and interior renovations. The basement will be used for back of house operations of the hotel. The first floor will be retail, restaurant and the hotel entrance. The hotel lobby is located on the 12th floor. Floors 2nd thru 3rd will be tenant spaces and floors 4 thru 11 will be guest rooms. The 4th floor has a fitness center, outdoor pool and roof top garden. The 12th floor includes a lobby bar and event space. The penthouse level includes another event space and outdoor lounge.

1.2 Applicable codes

A. The work shall be done in accordance with these specifications, the preliminary drawings and all applicable local codes.

B. All work will be completed in accordance with our best knowledge and interpretation of the requirements of the local, state and national codes and will be completed in a manner satisfactory to the building department of St. Louis City.

1.3 Permits and Fees

A. Paric Corporation shall obtain and pay for all permits and inspection fees required for this work.

B. We have not made any provisions for tap fees, as-built fees, connection charges or impact fees.

C. We have not included any utility charges other than building permit.

1.4 Drawings and Specifications

A. Paric Corporation will work with the architect to complete working drawings and specifications. Pricing is based on drawings by The Lawrence Group and included as part of this cost opinion.

1.5 Insurance and Bonds

A. Paric Corporation will carry Comprehensive General Liability Insurance and automobile. All certificates of Insurance shall be submitted to the Owner prior to start of construction.

B. Paric Corporation is to provide Builder's Risk Insurance for the project.

C. Performance or payment bonds are not included.

1.6 General

A. We have not made any provisions for removal or remediation of any environmentally hazardous material.

B. Primary design responsibility shall reside with the Owner through its Architect for architectural design, structural design, civil and site design, including overall coordination of mechanical, plumbing, electrical, and fire protection design documents.

C. General Conditions will be in accordance with the AIA document A201, General Conditions of the Contract for Construction.

D. Contract agreement to be standard AIA 101.

1.7 Guarantee

A. Paric Corporation shall warrant all work for a period of one (1) year from the date of substantial completion. All equipment warranties shall be provided to the Owner, some of which may specifically be greater than the one-year general construction warranty.

1.8 Schedule

A. Paric Corporation shall maintain a bar chart progress schedule and will review progress with the Owner as required.

B. This proposal is based on a 12 month duration.

C. Contract start date will not occur until all documents and permits are complete and received.

1.9 Testing

A. Test cylinders and appropriate slump test shall be made on cast in place concrete.

B. Copies of all test reports shall be provided to the Owner.

C. Testing will be by Paric.

1.10 Surveys

A. The Owner shall provide as-built survey showing the building locations, lot lines, sidewalks and setbacks.

1.11 Owner matrix

RESPONSIBILITY MATRIX

	OFOI	OFCI	CFCI	Comments
Lower Level				
Gaming				
Equipment	x			
Carpet, pad and base			x	
Wall Covering			x	
RPM Bar/Dance				
Bar Equipment			x	
Tile			x	
Carpet, pad and base			x	
Wall Covering			x	
Lighting			x	
Furniture	x			
Hotel Offices				
Furniture	x			
Carpet, pad and base			x	
Wall Covering			x	
Phone Equipment			x	main backbone and to each office
House Keeping/Laundry (delete)				
Laundry Equipment				
Tile				
FIRST FLOOR				

634 North Grand
Outline Specifications
June 5, 2015

Hotel Entrance				
Doors			x	new storefront doors to tenant spaces/hotel
Concierge Desk			x	
Furniture	x			
Tile			x	
Carpet, pad and base			x	
Wall Covering			x	
Restaurant				
Furniture	x			
Tile			x	
Carpet, pad and base			x	
Wall Covering			x	
Kitchen (Tenant D)				
Equipment			x	TBD include in Paric Bid
Freezer/Coolers			x	
Tile			x	
Tenant A,B,C				
Main Electrical to Demised Space			x	main panel in space
Main Mechanical HVAC			x	
Plumbing to Demised Space			x	
SECOND and THIRD FLOOR (Tenant A)				
Main Electrical to Demised Space			x	main panel in space
Main Mechanical HVAC			x	trunk lines return and supply
Plumbing to Demised Space			x	
FOURTH FLOOR				
Boiler Bar				
Bar Equipment			x	

Tile			x	
Carpet, pad and base			x	
Wall Covering			x	
Lighting			x	
Furniture	x			
Pool/Roof Garden				
Furniture	x			
Cabana's			x	
Fitness Center				
Equipment	x			
Carpet, pad and base			x	
Main wall covering			x	
Mirrors			x	
TWELFTH FLOOR				
Hotel Lobby				
Furniture	x			
Reception Desk			x	
Tile			x	
Carpet, pad and base			x	
Wall Covering			x	
Lighting			x	
Lobby Bar				
Bar Equipment			x	
Tile			x	
Carpet, pad and base			x	
Wall Covering			x	
Lighting			x	
Furniture	x			
Event Space				

Furniture	x			
Carpet, pad and base			x	
Wall Covering			x	
Lighting			x	
Video Equipment	x			Third Party Provided and Installed
THIRTEENTH FLOOR				
Outdoor Lounge				
Bar Equipment			x	
Tile			x	
Carpet, pad and base			x	
Wall Covering			x	
Lighting			x	
Furniture	x			
Event				
Furniture	x			
Carpet, pad and base			x	
Wall Covering			x	
Lighting			x	
Video Equipment	x			Third Party Provided and Installed
GUESTROOMS				
Furniture	x			
Cabinetry Extended Stay			x	
Vanities			x	
Toilet Accessories			x	
Shower Doors			x	
China	x			
Faucets			x	
TV's	x			
Carpet, pad and base			x	
Wall Covering			x	
Equipment room fridge, microwave			x	

SIGNAGE				
Guestroom Signage	x			
Public Area Signage	x			
Food and Beverage Signage Package	x			
Pylon			x	
Monument			x	
Building signage	x			
Directional			x	power/footing provided by Paric
CORRIDORS				
Carpet, pad and base			x	
Furniture	x			
Ice Machines	x			utilities provided by Paric
Lighting			x	
BUILDING TECHNOLOGY				
Key System - Hardware, trim and training	x			
MSI PMS and POS System	x			
Phone System	x			main backbone including tenant spaces
Cabling for all systems	x			
ADT Security System	x			
Sound System	x			
Dedicated Internet Switch	x			
Lodgenet Television system	x			
Television installation	x			

Division 2 – Demolition and Site work

2.1 Earthwork

A. Soil Remediation is not included.

2.2 Utilities

A. An allowance is included for both the site sanitary and storm. Allowance assumes two separate services

2.3 Landscaping

A. Landscaping is included as part of the roof top garden allowance.

2.4 Fencing

A. We have included a 6' aluminum picket fence along Sam Shepard drive and a cortin steel plate fence at the building services area.

2.5 Sidewalks, Curbs and Pavement

A. We have included removal and replacement of sidewalk along Shepard. We do not include any walk along Grand Blvd. or the first 40 ft on Shepard. Sidewalks shall be 4" thick concrete with a broom finish.

B. Remove and reset granite curb along straight areas of replaced walk, concrete vertical curb at balance.

C. Includes sealing and stripping of the existing parking lot as well as an allowance of $25,000 to patch existing parking lot. (area where the proposed parking garage would be place)

D. New asphalt and curbs are included at the hotel court area.

2.4 Site Lighting

A. Site lighting allowance of $44,000 is included for 11 site lighting poles

2.5 Structural Demo

A. Cut new opening in existing floors for new elevators.

B. Remove and replace top of existing electrical vault including steel, waterproofing and concrete top.

C. Elevators are assuming to be removed by others.

Division 3 – Concrete

3.1 Foundations

A. We have included an allowance of $50,000 to install new drilled piers, pier caps and grade beams for the pool support structure.

B. Three new elevator pit slabs and walls included.

C. No underpinning of existing structure is included

3.2 Slabs

A. Slab on metal deck over existing electrical vault included.

B. Infill openings at removed elevator.

C. Slab on metal deck at 2nd floor at difference in elevation.

D. Slab on metal deck for the new penthouse

E. Topping slabs are not included.

3.3 Pan Stairs

A. New stair from 12th floor to 13th floor

B. Extend existing fire escape from 12th floor to the 13th floor.

Division 4 – Masonry

4.1 Masonry and Terracotta Repairs

A. Our proposal includes 100% tuck pointing of the building.

B. We have included a chemical cleaning of the building.

C. We have not included replacing the window lintels.

4.2 Stone Restoration

A. Repair of stone window sills is not included.

B. Clean and patch of marble walls in 1st floor historic hallway has been included.

C. Polish and repair terrazzo floor in 1st floor historic hallway has been included.

Division 5 – Metals

5.1 Structural Steel and Miscellaneous Metals

A. We have included new structural steel at the following locations
   a. Structural Steel for new transfer beam at the removed columns at the 12th floor
   b. Structural Steel at Penthouse for the floor and roof. We have assumed 12 lbs/SF for the floor and 10lbs/SF at the roof
   c. Structural Steel at Electrical Vault
   d. Structural steel frame at Cooling Tower
   e. Structural steel frame to reinforced the slab below the roof garden
   f. We have assumed that the canopy will be 65 feet long by 10 feet wide
   g. Structural Steel at Pool
   h. Elevator Rail Support System
   i. Elevator Hoist Beam.
   j. Structural Steel Framing at floor infills
   k. Elevator Pit Ladder
   l. Steel at Operable Partition
   m. Steel railing at Roof Pavers Outdoor Patio.
   n. Tube steel frame for entry signage

Division 6 – Carpentry

6.1 Rough Carpentry

A. Wood blocking shall be provided at interior walls for support of casework and miscellaneous specialties. All miscellaneous blocking shall be fire-retardant lumber.

6.2 Finish Carpentry and Millwork

A. Reception desk is assumed to be part of the furniture.

B. Furnish and install cabinets and quartz tops at the extended stay suites is included.

C. Quartz vanity tops are included at the unit bathrooms.

D. Window sills are not included.

E. Labor and Material included for 6" Wood base at 1st floor corridors, meeting rooms and common areas.

F. Labor and material for kitchen wall cabinets, base cabinets and bathroom vanity cabinets. A material allowance of $1,750 per apartment unit has been included.

G. Wood Shelving w/ closet rod and linen shelving are included.

H. Residential painted 3" wood base is included in units.

I. Frameless polished edge mirrors have been included at units

Division 7 – Thermal and Moisture Protection

7.1 Waterproofing

A. Membrane waterproofing at electric vault.

7.2 Roofing System

A. Our proposal includes TPO roofing with R-20 ISO Insulation.

B. Roof pavers are included at outdoor lounge area.

7.3 Flashing and Sheet Metal

A. Counter flashing at roof termination bar included.

7.4 Firestopping

A. Penetrations through fire-resistance rated floor and roof assemblies.

B. Penetrations through smoke barriers and construction enclosing compartmentalized areas.

7.5 Joint Sealants

A. Perimeter joints of exterior openings.

B. Joint sealant at bell coping.

C. Perimeter joints between interior wall surfaces and frames of interior doors, windows, and elevator entrances.

D. Vanity tops to wall surface.

Division 8 – Doors, Windows and Hardware

8.1 Doors, Frames and Hardware

A. Door hardware is included as an allowance and will be coordinated with the

owner. See below.

1. Unit Entry Hardware - $75/dr
2. Public Door Hardware - $250dr
3. Stairwell, Elevator lobby, and Exterior door - $750/dr
4. Unit Interior - $25/dr

B. Hollow metal doors, frames, and hardware are included at the exterior public doors.

C. Pre-finished rated solid core flush wood red oak 3070 doors in a hollow metal frame are included at the unit entries, public entrances, and public restrooms.

D. Solid core non-rated 3068 doors with HM frames are included at the unit bathrooms and bedrooms.

E. Entry unit hardware and card readers are to be furnished and installed by the owner.

F. New aluminum exterior/interior entrance doors are included. These doors will be a narrow stile door in a standard painted finish with a rim panic, closer, and pivots.

G. We have included two glass double automatic entrance doors at the entry vestibule.

H. Exterior storefront is included at the 1st floor.

I. ¼" Plate glass mirror with a polished edge is included at the exercise room.

J. Labor only is included for wood framed mirror above guestroom vanity.

8.2 Historic Wood and aluminum windows

A. We have included aluminum windows from the 4th floor to the 12th floor on all four facades as well as the 2nd and 3rd floor on the east and south elevations. We have included painting and caulking of historic wood windows at the 2nd and 3rd floor at north and west elevations. No other work is included on these windows.

B. Aluminum storefront windows are included on the first floor.

Division 9 – Finishes

9.1 Interior Partitions/Drywall

A. 5/8" Drywall and grid ceilings are included at the unit ceiling areas. We have assumed between 30 and 40% of the unit area to have drywall ceilings. This includes the drywall ceilings at the bathroom and foyer.

B. 5/8" Drywall and 3-5/8" 25 gauge metal studs are included at the interior, corridor and demising walls.

C. RC channel is included on the corridor walls with insulation.

D. We have included 2 beads on acoustical caulk at the bottom of demising and corridor walls.

E. We have included denshield at the wall tile in the bathrooms

F. 2 ½" 25 gauge stud furring and 1 layer 5/8" drywall at exterior wall has been included.

G. Furring channel and 5/8" drywall has been included at all interior columns.

H. FRP paneling is included in the kitchen.

I. Structural stud walls at new exterior stair tower.

J. Existing Wood Window Trim to be painted.

9.2 Finishes

A. We have included an allowance of $200/SF for both bars at the 4th and 12th floor

9.3 Plaster

A. Plaster patch/repair included on ceilings in1st floor historic hallway only.

B. Plaster texture is a sand finish and color to be white

C. Installation of corner beads as needed

9.4 Flooring

A. Vinyl Plank is included in the kitchen and living room areas of the extended stay units and suites.

B. Carpet at the unit bedrooms and public corridors is included.

C. Flooring at stairs is not included.

D. 4" Rubber base is included.

E. VCT is included at housekeeping areas.

F. Recessed floor mat is included at the entrance vestibule.

9.5 Tile

A. Tile is included at the following areas:
   a. Ceramic Wall Tile at the Public Restrooms
   b. Ceramic Wall Tile – at the shower surrounds within the units
   c. Ceramic Floor Tile - Unit bathrooms
   d. Ceramic Floor Tile – Public restrooms
   e. Flooring Hotel Lobby
   f. Flooring at Elevator Lobby 12th and 13th
   g. Flooring at Banquet 12th and 13th
   h. Ceramic Base - Unit
   i. Ceramic Base – Public restrooms
   j. Quarry Tile at the kitchen and catering spaces
   k. Quarry Base at the kitchen and catering spaces
   l. Polish/Repair Terrazzo Floor at the Grand Entrance

9.6 Painting and Wallcovering - Hotel

A. Vinyl Wallcovering is included at the guestrooms walls, including the bathrooms.

B. Painting of drywall ceilings is included.

C. Painting of all metal doors and frames is included.

D. Painting of lintels is included.

E. Painting of metal access panels is included.

F. Painting of MEP-FP systems in not included.

G. Painting of the elevator pit ladder is included.

H. Intumescent paint is not included.

9.7 Acoustical Treatment - Hotel

A. 2x2 lay-in Armstrong Cortega acoustical ceilings in 15/16" grid are included at the public areas.

B. Washable ceiling tile is included at the kitchen area.

Division 10 – Specialties

10.1 Toilet Accessories

A. Toilet accessory labor only for the unit bathrooms only is included. Labor and material for the public bathrooms is included. Items to be included at the public bathrooms are: robe hooks on the stalls, 36" and 48" grab bars at the ADA stalls, napkin vendors, (1) napkin dispenser, decorative tissue holders, decorative framed mirrors, surface mounted double tph, toilet seat cover dispenser PTD/waste combo, and under-mounted liquid soap dispenser for each sink.

10.2 Toilet Partitions

A. High Pressure Laminate ceiling hung toilet partitions and wall hung urinal screens are included at the public bathrooms.

10.3 Signs

A. Exterior signage material is not included. Interior signage labor is included at hotel only.

B. Code compliant signage is included.

10.4 Fire Extinguishers and Cabinets

A. We have provided 45 recessed fire extinguisher cabinets and 10 pound dry chemical ABC fire extinguisher

10.5 Postal Specialties

A. None included

10.6 Flagpole

A. None included

10.7 Operable partitions

A. Operable partitions are included at the 12th floor bar.

10.8 Lockers

A. Our proposal includes (10) double tier lockers at the staff break room.

Division 11 - Equipment

11.1 Appliances and Equipment

A. Residential Appliances material allowance of $1,750 has been included at the extended stay units. Appliances to include refrigerator, range, dishwasher and microwave. Washer and dryers are not included

Division 12 – Furnishings

12.1 Window Treatment - Hotel

A. Window Treatment is not included.

Division 13 – Special Construction

12.2 Swimming Pool

A. An allowance of $175,000 has been included for the swimming pool.

Division 14 – Conveying Systems

14.1 Elevators

A. 1-14 stop elevator machine room less traction includes 7 front and 9 rear openings, quoted as shell only with all new stainless steel doors and entrances, and vandal resistant fixtures. This is a 4,500# and 350 fpm. Hostway dimension 8'-2" X 10'-9 1/4".

B. Seismic is not required if building is not seismic.

C. 1-5 stop elevator machine room less traction, 5 front openings quoted as shell only with stainless steel doors and entrances, and vandal resistant fixtures. This is a 3,500#capacity and 200fpm. Hostway dimension 8'-4" X 7'-10"

D. 1-3 stop shuttle elevator machine room less traction. This elevator is shell only with stainless steel doors and entrances, vandal resistant fixtures. This is a 3,500#capacity and 500 fpm. Hostway dimension 8'-4" X 7'-10"

E. 1-2 stop Endura MRL machine room less hydraulic elevator. This elevator is shell only with stainless steel doors and entrances, vandal resistant fixtures; this is a 2,500#capacity and 100 fpm. This elevator is holeless and does not need a machine room.

F. Refurbished elevators as noted in the Lemp report:

14.2 Linen Chute - Hotel

A. None included

Division 15 – Mechanical

15.1 PLUMBING

A. Domestic Water System - A new 6" service (beginning 5' outside the building) will be stubbed up and valved in the NE corner of building at the Fire & Water Pump Room. Street pressure w/PRV as required to serve Ground Floor (including retail stub-ins). Apartment Levels, Amenity Floor & Mech Roof areas to be served by Boosted Pressure System via a triplex variable speed booster pump skid package. Individual PRV's will be provided at each guestroom on floors that exceed code PSI maximums. Apartment distribution will be in the slab.

B. Hot Water System – A central hot water loop system is included.

C. Sanitary, Waste and Vent - To be provided as required with (1) sanitary line from all upper floors, (1) sanitary sewer from ground floor retail areas, and (1) sanitary line from retail areas.

D. Storm System – The Amenity Level roof to be provided with (2) Roof drains, mechanical roof areas to be provided with (6) roof drains and the pool area is provided with (4) roof drains all collected and routed to (4) down spouts.

E. Overflow Storm System is not included

F. Condensate Piping – To be furnished & installed under HVAC package w/drain piping risers routed to floor drains at the ground level provided under plumbing package.

G. Future Provisions – 4" sanitary lines and 1½" capped cold water will be stubbed into future retail space.

H. Site Water - A 6" fire/domestic tap will be made to the water main. An 6" flange will be provided for continuation by FPC.

MATERIALS AND METHODS

A. Storm (AboveGrade):Sch 40 PVC DWV Pipe & Fittings.

B. Sanitary/Waste & Vent (AG): Sch 40 PVC DWV Pipe & Fittings.

C. Sanitary Waste/Vent & Storm (Underground): Sch 40 PVC DWV Pipe & Fittings.

D. Garage Drain Piping: Sch 40 PVC DWV Pipe & Fittings.

E. Domestic Water Distribution (AG): CPVC Pipe & Fittings.

F. Domestic Water Guestrooms (Above & Below Slab): Code Approved PEX or CPVC Piping & Fittings.

G. Interior Building Domestic Water (BG): CPVC or PEX.

H. Insulation: Horizontal storm piping and roof drain bodies to be insulated with 1½" fiberglass wrap. CPVC domestic distribution water mains and main riser.

I. PEX or CPVC piping from distribution mains to bathtub, shower and laundry will be located within the slab.

PLUMBING FIXTURES & FOUNDRY (All China Fixtures are white with all faucets & trim finishes chrome, unless stated otherwise. China fixtures are residential grade Models).

TYPICAL GUESTROOMS

Tank Type Water Closets

Lavatory Bowls Integral with top (Top and Vanity by others) w/ 4"centerset faucets

Double Bowl S.S. Kitchen Sink w/Faucet. Garbage Disposal (FBO)
Dishwasher hook-ups

PLUMBING EQUIPMENT

A. Elevator Sump Pump - Little Giant Model #6-CIA or equal, automatic, 110V, 3/10 HP, 1½" discharge, diaphragm switch, or equal.

B. Domestic House Pump – Grundfos Triplex Model w/VFD motors. Skid mounted package w/bladder tank.

PLUMBING STRUCTURES/FOUNDRY/SPECIALTIES

A. Exterior Wall Hydrant – (6) Woodford Model #65C, Freeze proof, Vacuum Breaker.

15.2 Fire Protection

A. We will provide all labor, materials, equipment and services necessary for a complete and operational fire protection system for the building as hereinafter described. Fire sprinkler system to be designed in accordance with NFPA, BR and all local, state and national code requirements.

B. Work shall begin at the 6-inch outlet provided by the plumbing contractor outside the sprinkler room and shall include but not be limited to the following:

1. Wet pipe system throughout all interior spaces.

C. Provide the following interior work:
1. Backflow preventer.
2. Fire department connection.
3. Electrically supervised indicating control valves.
4. Check valve.
5. Pressure gauges.
6. Flow switch.
7. Overhead pipe, fittings, hangers and sprinklers.
8. Inspectors test connection, main drain and auxiliary drains.

D. It is intended that these specifications shall describe and provide for a working installation complete in every detail and all items necessary for such complete installation shall be provided whether or not specifically mentioned herein.

E. Provide fire department standpipe connection as required.

F. Provide all necessary off-sets, raises, or drops in main or branch line piping and auxiliary drains required by building conditions.

G. Sprinkler piping shall not be concealed where it is inaccessible unless inspected by a representative of the authority having jurisdiction.

H. A secondary water supply is not included.

15.3 HVAC SYSTEMS (Fan Coil System)

A. Furnish and install one (1) roof mounted make-up air unit that will serve the corridors on all guestroom corridors.

B. Furnish and install one (1) single cell cooling tower to provide supplemental cooling for the heat pump loop water. One (1) plate and frame heat exchanger will be located in the mechanical room to isolate the heat pump loop water from the cooling tower water. Two (2) pumps will be provided to circulate the water between the tower and the plate and frame heat exchanger. Pumps will operate in lead/lag.

C. Furnish and install two (2) gas fired boilers to provide supplemental heating for the heat pump loop water. Two (2) pumps will be provided to circulate the loop water. Pumps will operate in lead/lag.

D. Furnish and install one (1) FCU in each one of the guestrooms

E. The retail area will be white box with tenant fit-out by future tenant.

F. Furnish and install stair pressurization fans w/vfd's

G. Furnish and install one (1) exhaust fan that will serve the dryer exhaust system.

H. Furnish and install one (1) exhaust fan to serve the guestroom bathrooms.

DESIGN CONDITIONS
The heating, ventilating and air-conditioning systems will be designed and selected to satisfy the following design conditions:

1. Outdoor Design Conditions:
a) Summer: 95°F.DB/78°F.WB
b) Winter: 0°F.DB

2. Indoor Design Conditions (occupied area):
a) Summer: 75°F.DB (+/-2) 50% RH +/-5%
b) Winter: 75°F DB (+/-2)

3. Infiltration: 0.08 CFM/sq. ft.

4. Exhaust: Apartment Bathrooms:
20 CFM per bathroom (constant exhaust)

5. Physical Conditions:
a) Wall Construction.....U = 0.08
b) Glass.....U = .29 SC = .27
c) Roof Construction.....U = 0.08
d) Lights..... = .5 watts/SF
e) Miscellaneous..... = .5 watts/SF
f) People ..... = 2 people per bedroom first, 1 person for additional bedroom
g) Noise Levels..... N/C <40

MATERIALS AND METHODS

HVAC components will be based on the following:

A. Ductwork to be galvanized sheet metal, constructed per latest edition of the HVAC DUCT CONSTRUCTION STANDARDS MANUAL. Traverse joints in medium pressure duct systems to be caulked.Make-up air ductwork within the interstitial space will be insulated.

B. All low voltage control wiring will be plenum rated.

C. Natural gas piping to be Schedule 40 Black Steel with 150# screwed fittings and/or standard weight welded fittings.

D. Condenser water piping to be Schedule 40 Black Steel with standard weight fittings, and welded and/or mechanical joints.

Division 16 – Electrical

16.1 Interior Lighting

A. Common area, stairwell and back of house lighting.

B. Residential corridor lighting with recess fluorescent fixtures above doors.

C. Exit lighting.

D. No lighting included at Retail Space.

16.2 Electric Service and Panel boards

A. (1) Electrical service based on 277/480 Volt 3 phase 4 wire "Tenant" Service

B. (1) Electrical service based on 120/208 Volt 3 phase 4 wire for the Hotel Service

C. (1) Electrical service based on 120/208 Volt 3 phase 4 wire for Future service

D. Diesel Emergency Generator and (1) Automatic Transfer Switch.

E. Emergency Panels & Emergency Riser

F. Feeder lines to be aluminum.

G. Lightning protection system is not included.

H. Empty conduits for Ameren Primary Cables.

16.3 Mechanical System

A. We shall provide the electrical work based upon the mechanical design.

16.4 Fire Alarm/Security Alarm Systems

A. Fire Alarm to be addressable voice system.

B. Security System CCTV – Rough-in only First Floor

C. Security System Card Readers (8) rough in only

16.5 Telephone System

D. We shall provide (1) 4' x 8' plywood main telephone board with (1) dedicated duplex receptacle at main equipment room on the first floor.

E. Empty Conduits for telephone cables (4) 4" PVC.

F. Telephone entrance conduits and floor sleeves.

G. TV wiring coax to telephone closets on each floor.

16.6 Guestrooms

A. Allowance for Lighting Fixtures ($ 1,000.00 each Unit)

B. Receptacles per code.

C. Switches

D. 120 volt smoke detectors near bedrooms

E. System Fire Alarm Speaker in each Unit.

F. Power to and rough-in for Kitchen Equipment

G. TV outlets with wiring to comm. Jbox in unit.

H. Telephone outlets with wiring to comm. Jbox in unit one per unit in kitchen area.

I. Cable TV to the living room and each bedroom.

J. Power to and connect hot water heater.

K. Power to and connect HVAC unit.

Division 17 – Qualifications and Clarifications

17.1 Architects and Engineers to Provide

A. Complete architectural drawings.

B. Complete structural engineering drawings shall be furnished.

C. Complete civil engineering drawings shall be furnished.

D. Design/build subcontractors or owner's engineers shall furnish complete mechanical, electrical, plumbing and fire protection drawings.

E. Geotechnical and topographical investigation and report shall be furnished.

F. Site survey.

G. Civil engineer is responsible for the Storm Water Pollution Prevention Plan. Best Management Practices for this plan are limited to scope shown on the plans.

17.2 Owner to Provide

A. Environmental Site Analysis, Testing and Remediation (if required).

17.4 Document List

A. Our proposal is based on the following documents:
- Drawings provided by the Lawrence group dated May 11, 2015 and those provide in this proposal.

17.5 Contingencies

A. None included

17.6 Items Not Included in Scope

A. Performance and Payment bonds.

B. Traffic impact fees, assessments or other government fees.

C. Relocation, setting, piping or connections to Owner-furnished equipment or furniture.

D. Security systems as well as surveillance and monitoring equipment.

E. Utility relocations or extensions to the site.

F. Utility company charges, other than permit or construction fees.

G. Special fire protection systems such as in-rack sprinklers.

H. Furniture, furnishings, appliances, trash compactor or interior racking systems of any kind.

I. We have not included roof screens.

17.7 Allowances

A.	Site storm and sanitary	$ 75,000
B.	Lighting	
	a. Site Lighting	$ 44,000
	b. 1st Floor Hotel Lobby Lighting Allowance	$ 30,000
	c. 2nd Floor Gaming lighting allowance	$ 25,000
	d. 12th Floor Lobby Lighting allowance	$ 30,000
	e. Event space lighting allowance 12th floor	$ 50,000
	f. Event space lighting allowance 13th floor	$ 50,000
	g. Exterior lighting allowance	$150,000
C.	Asphalt Patching	$ 25,000

D.	Apartment casework	$1,700/unit
E.	Roof Garden (includes curbs, landscaping and irrigation)	$ 50,000
F.	Kitchen Equipment	$250,000
G.	Finishes allowances	
	a. Finishes Allowance $200/SF - Pool side bar	$199,400
	b. Finishes allowance $200/SF - Bar 12th floor	$468,800
	c. Finishes allowance $20/SF - Gaming 2nd Floor	$ 62,900
	d. Finishes allowance $200/SF - Tenant D1	$637,000
	e. Finishes allowance $100/SF - Tenant D2	$ 89,000
	f. Finishes allowance $125/SF - Outdoor Lounge	$202,875
	g. Finishes allowance $200/SF - Basement Bar	$345,000
	h. Finishes allowance $75/SF - Gaming basement	$ 87,300
H.	Doors and Hardware:	
	a. Unit Entry Hardware	$75/dr
	b. Public Door Hardware	$250/dr
	c. Unit Interior	$25/dr
	d. Door entry at basement bar (Coke Door)	$10,000
I.	Operable Partitions at 12th floor bar	$ 31,230
J.	Extended stay appliance material	$1,750/unit
K.	Outdoor Pool	$175,000
L.	Building Lighting	$150,000
M.	Site Lighting	$ 44,000
N.	Operable Partition at Hotel	$ 31,230
O.	Extended stay appliance material	$1,750/unit
P.	Ceramic tile public spaces (material only)	$12/SF
Q.	Ceramic tile guest rooms (material only)	$3.50/SF

This document and all documents referred to herein are confidential and proprietary information intended for the exclusive use of Paric Corporation and the specific recipients. This information shall not be distributed to any other party without express written permission from Paric Corporation.

SECTION 05

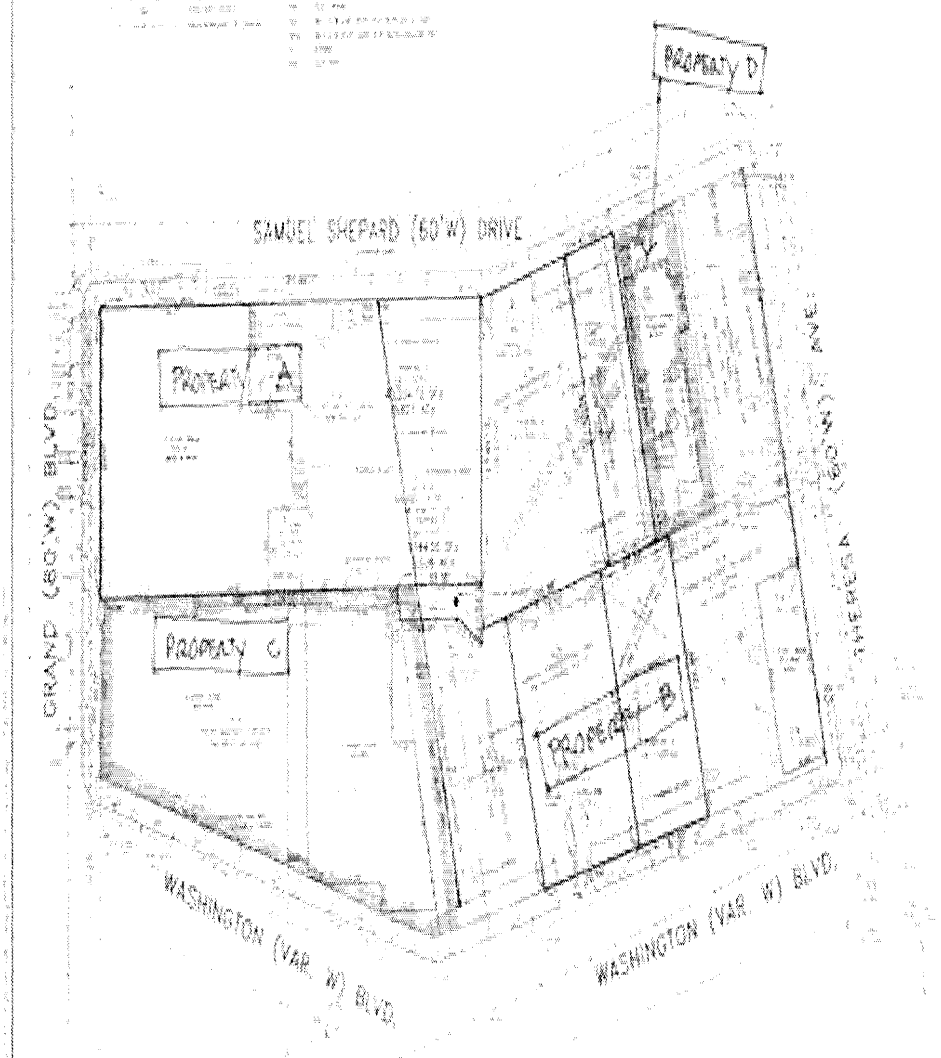
REFERENCE DRAWINGS

PARIC

EXPERIENCE. EXCELLENCE.

PROPERTY BOUNDARY AND IMPROVMENT LOCATION SURVEY

A TRACT OF LAND BEING IN
CITY BLOCK 1801
CITY OF ST. LOUIS, MISSOURI

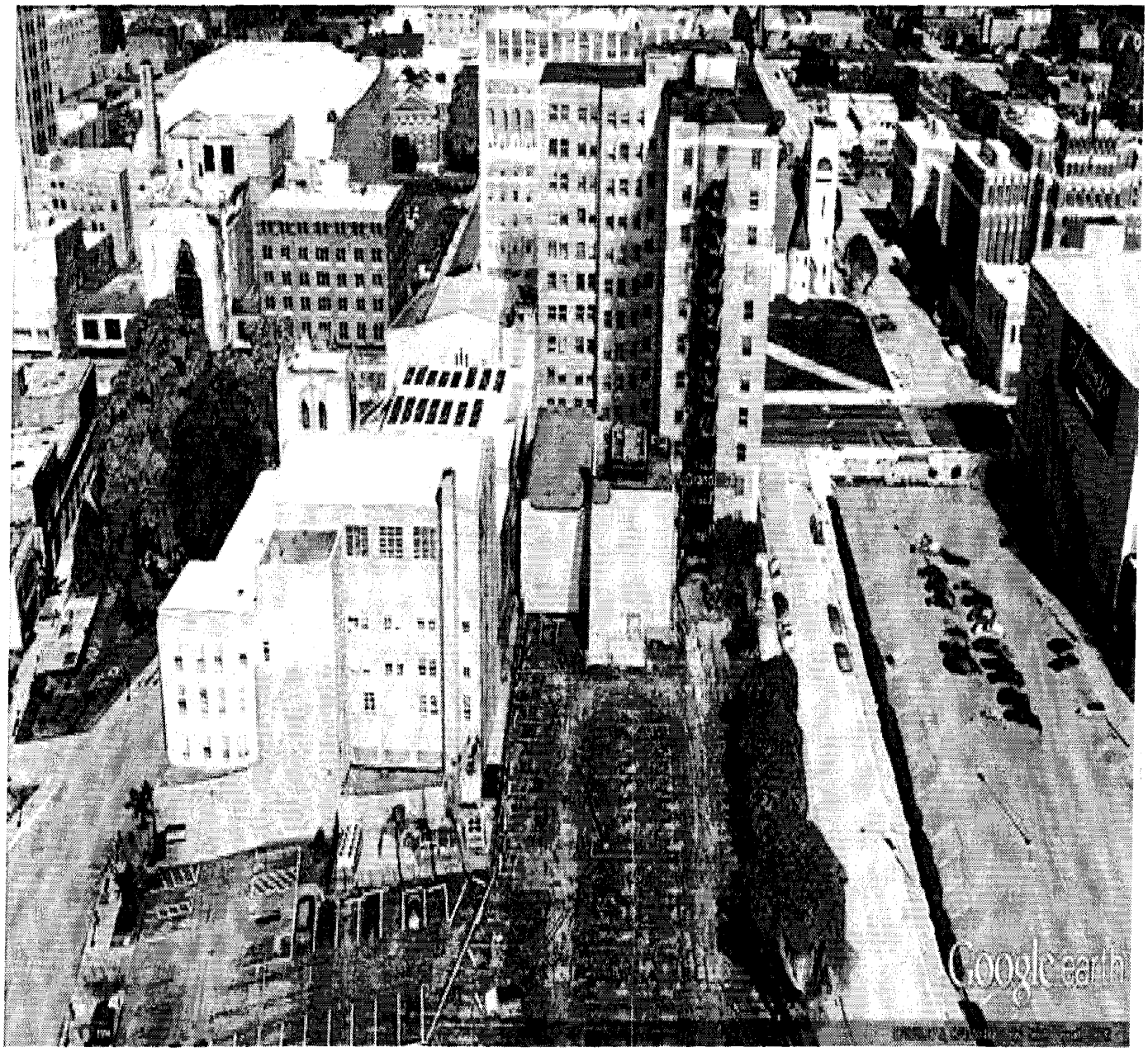


"PRELIMINARY"

PROPERTY BOUNDARY AND IMPROVMENT LOCATION SURVEY

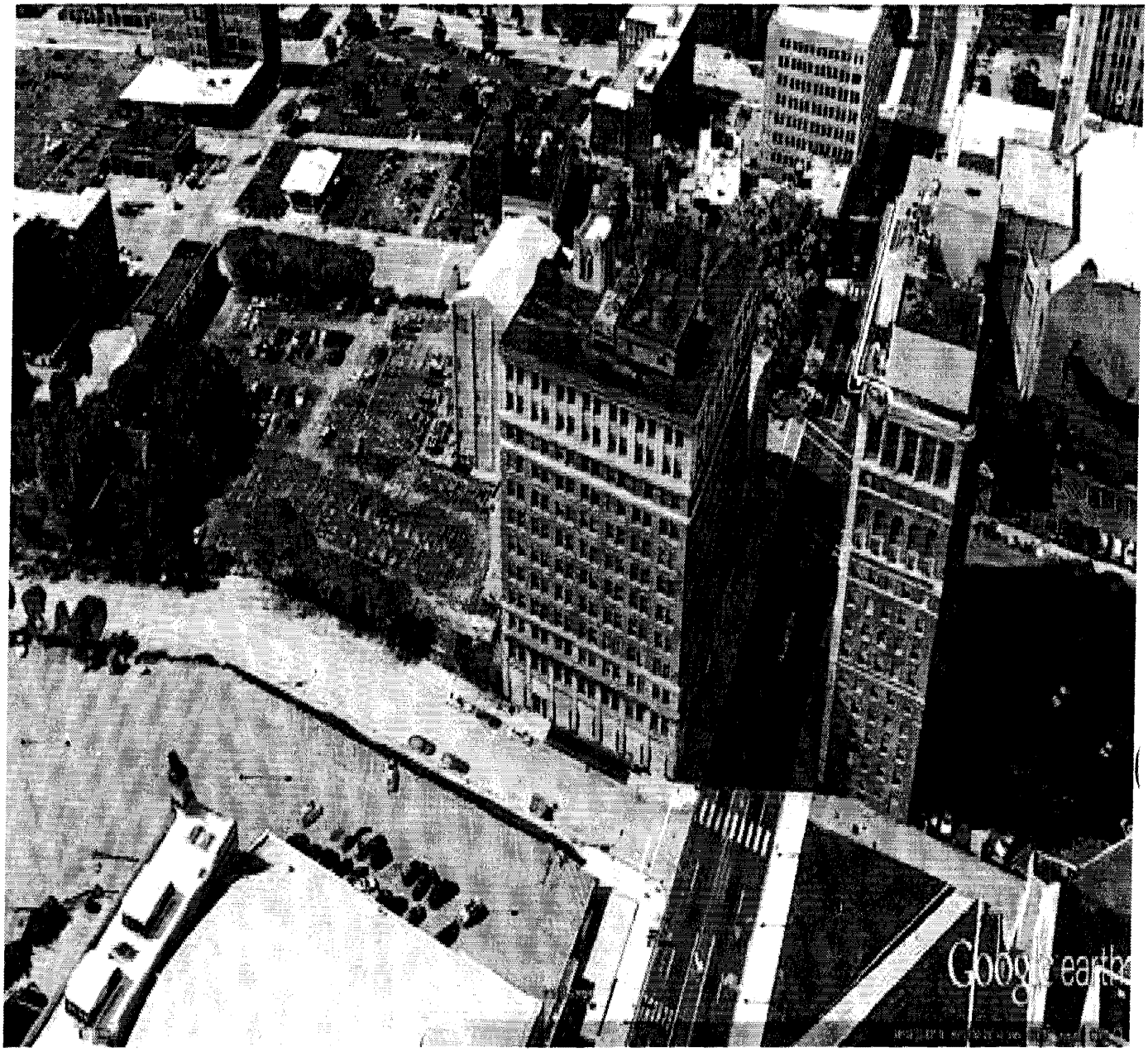
SUV-1

05 REFERENCE DRAWINGS



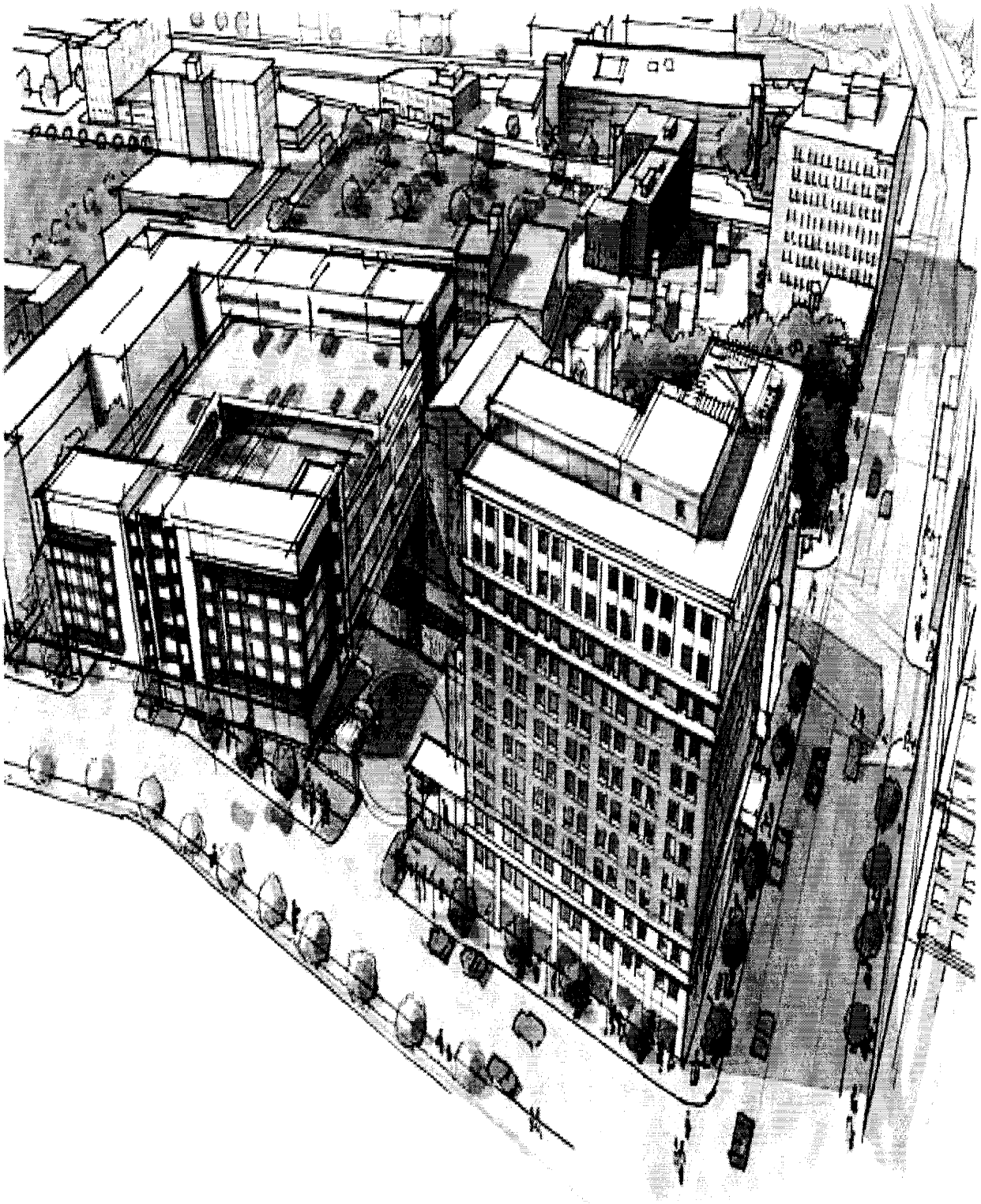
EXPERIENCE. EXCELLENCE.

05 REFERENCE DRAWINGS



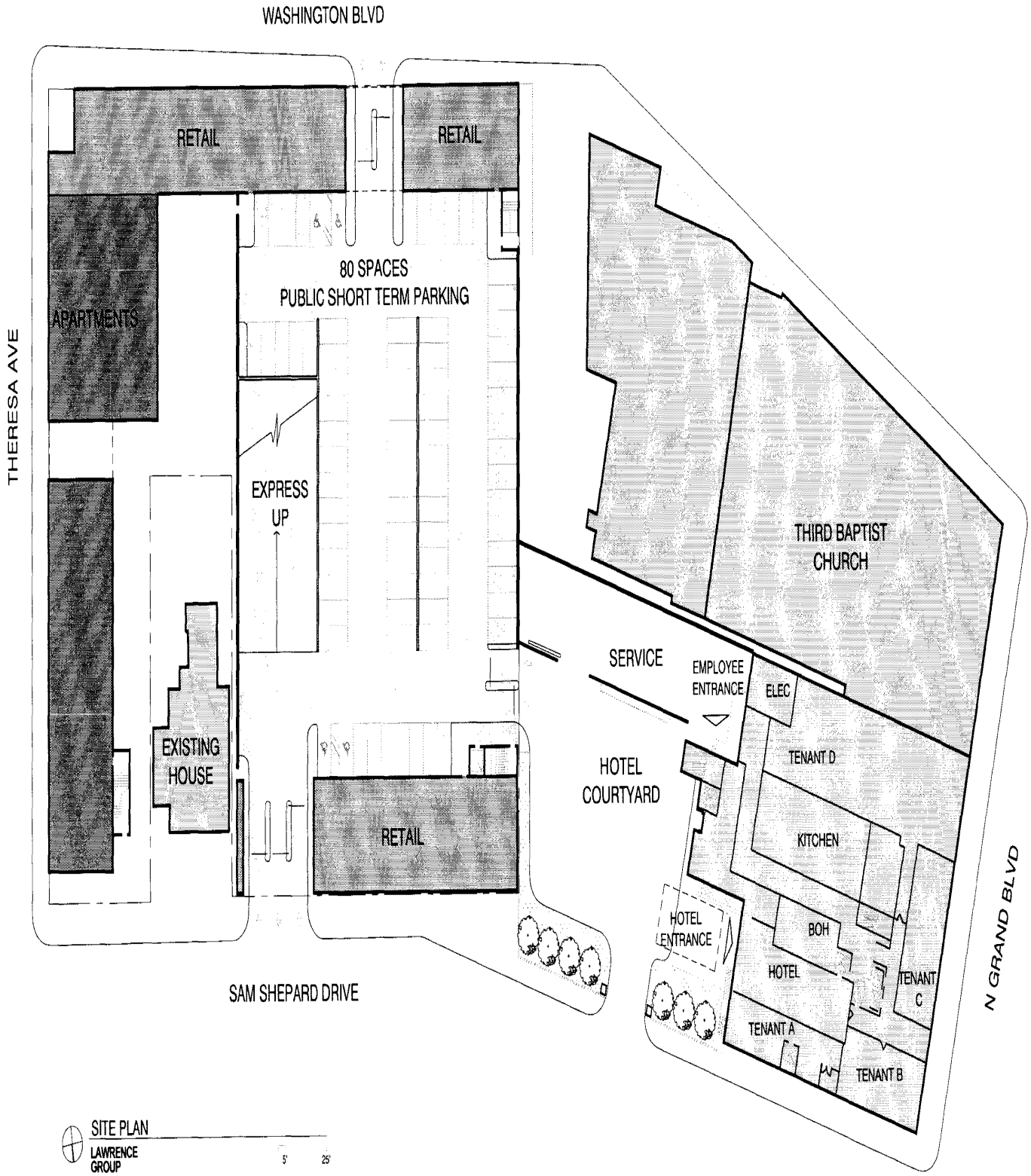
EXPERIENCE. EXCELLENCE.

05 REFERENCE DRAWINGS



EXPERIENCE. EXCELLENCE.

05 REFERENCE DRAWINGS



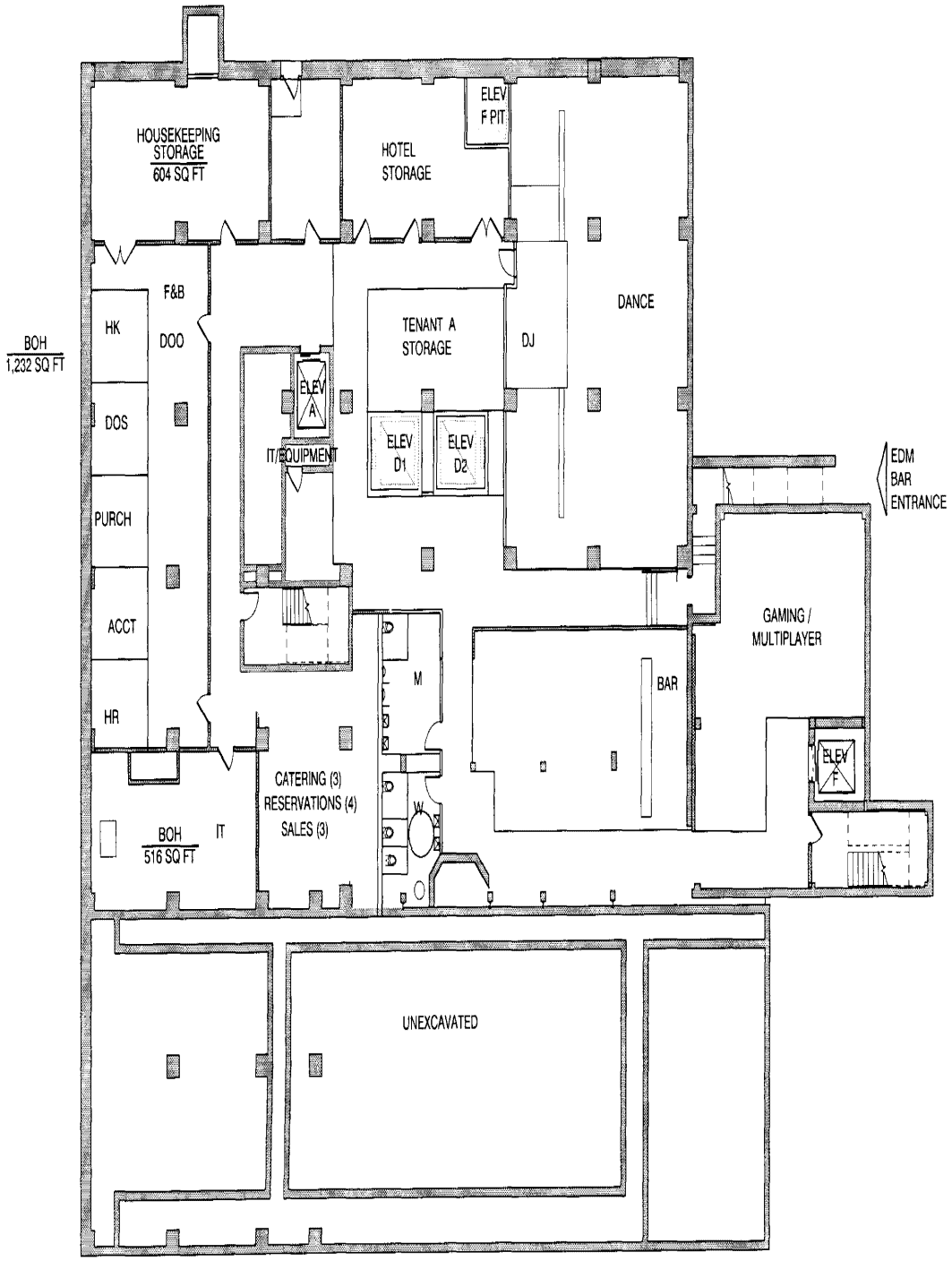
SITE PLAN

LAWRENCE GROUP

5' 25'

EXPERIENCE. EXCELLENCE.

05 REFERENCE DRAWINGS



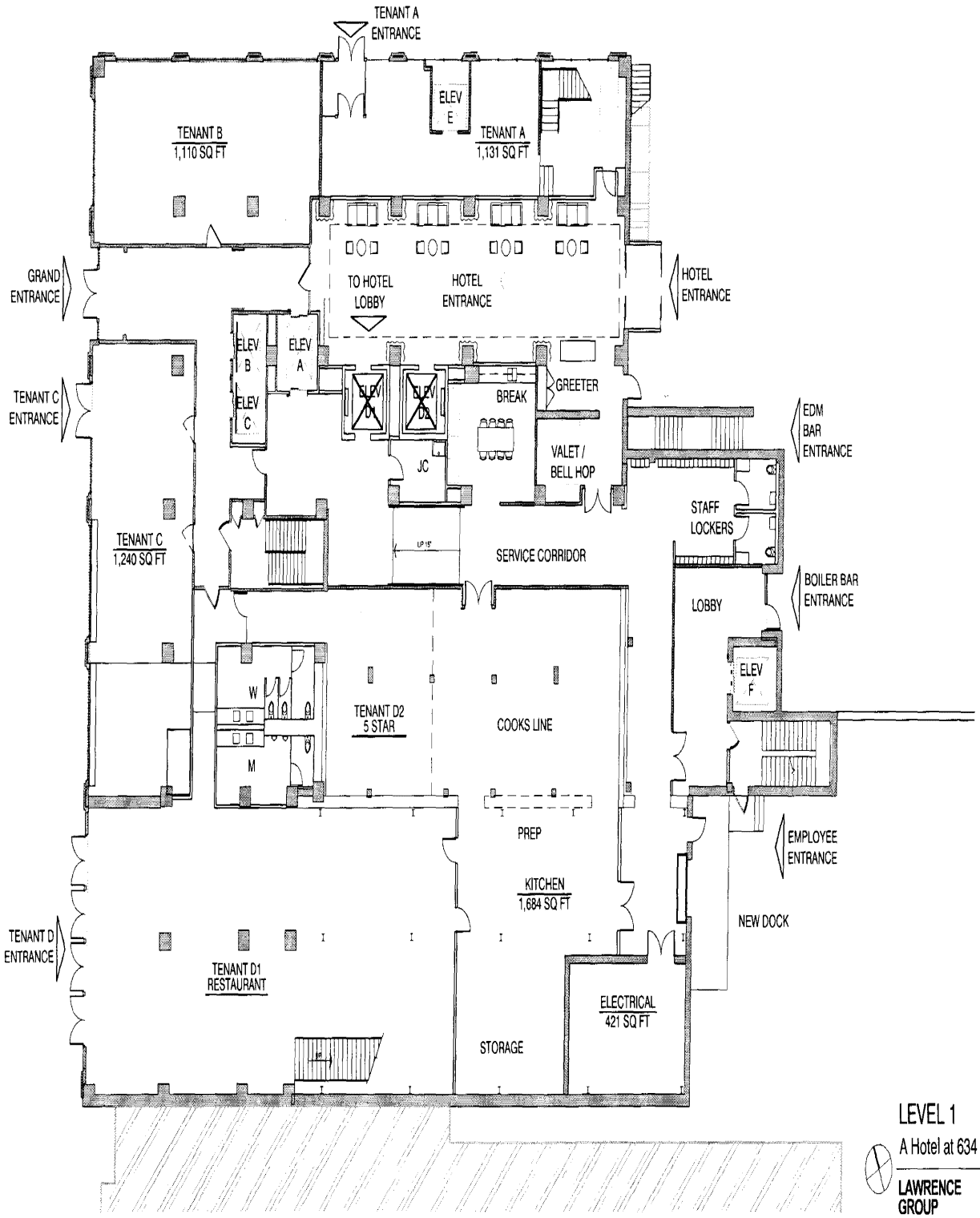
LEVEL 0

A Hotel at 634 N. Grand

LAWRENCE GROUP

EXPERIENCE. EXCELLENCE.

05 REFERENCE DRAWINGS



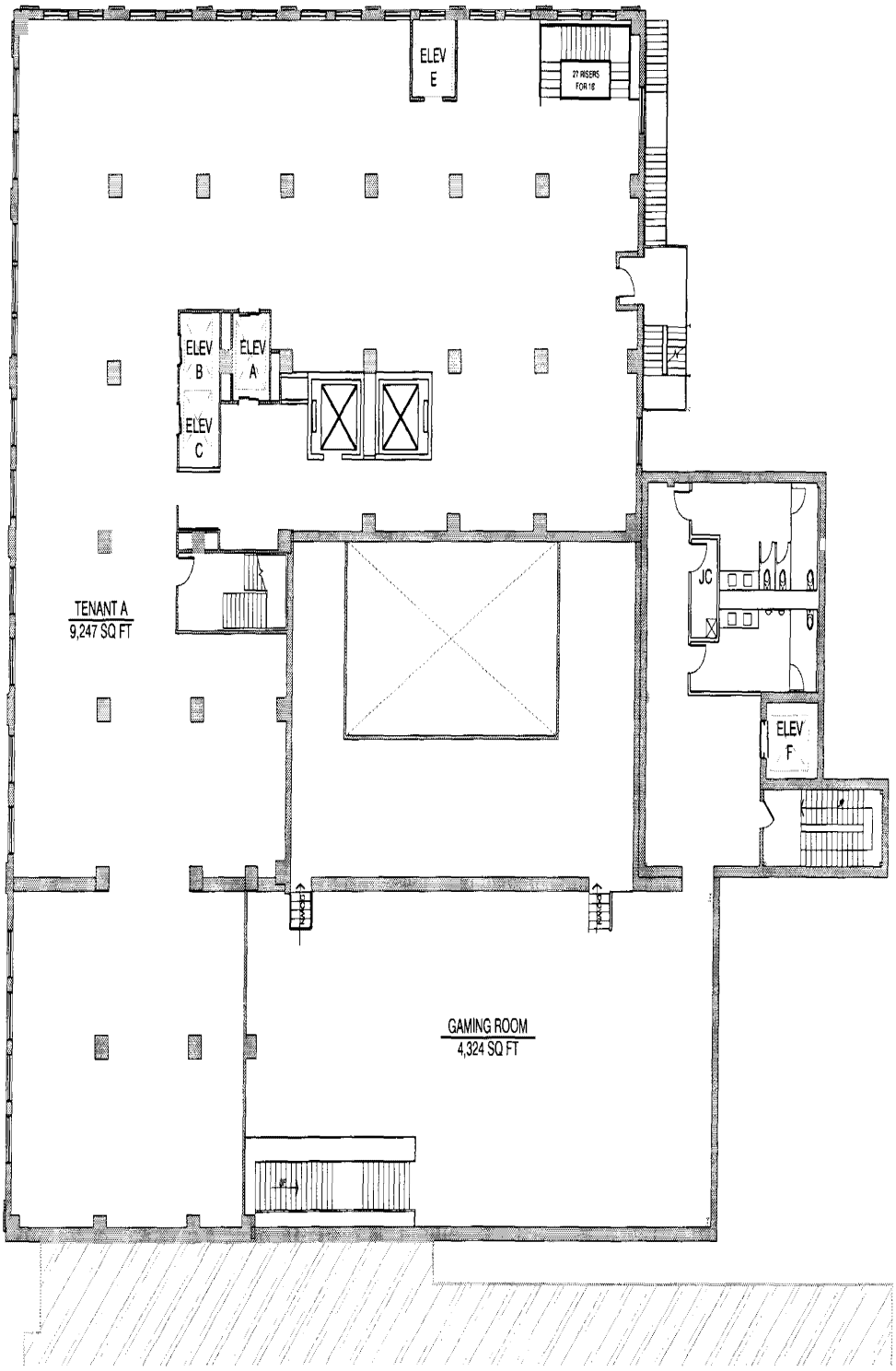
LEVEL 1

A Hotel at 634 N. Grand

LAWRENCE GROUP

EXPERIENCE. EXCELLENCE.

05 REFERENCE DRAWINGS



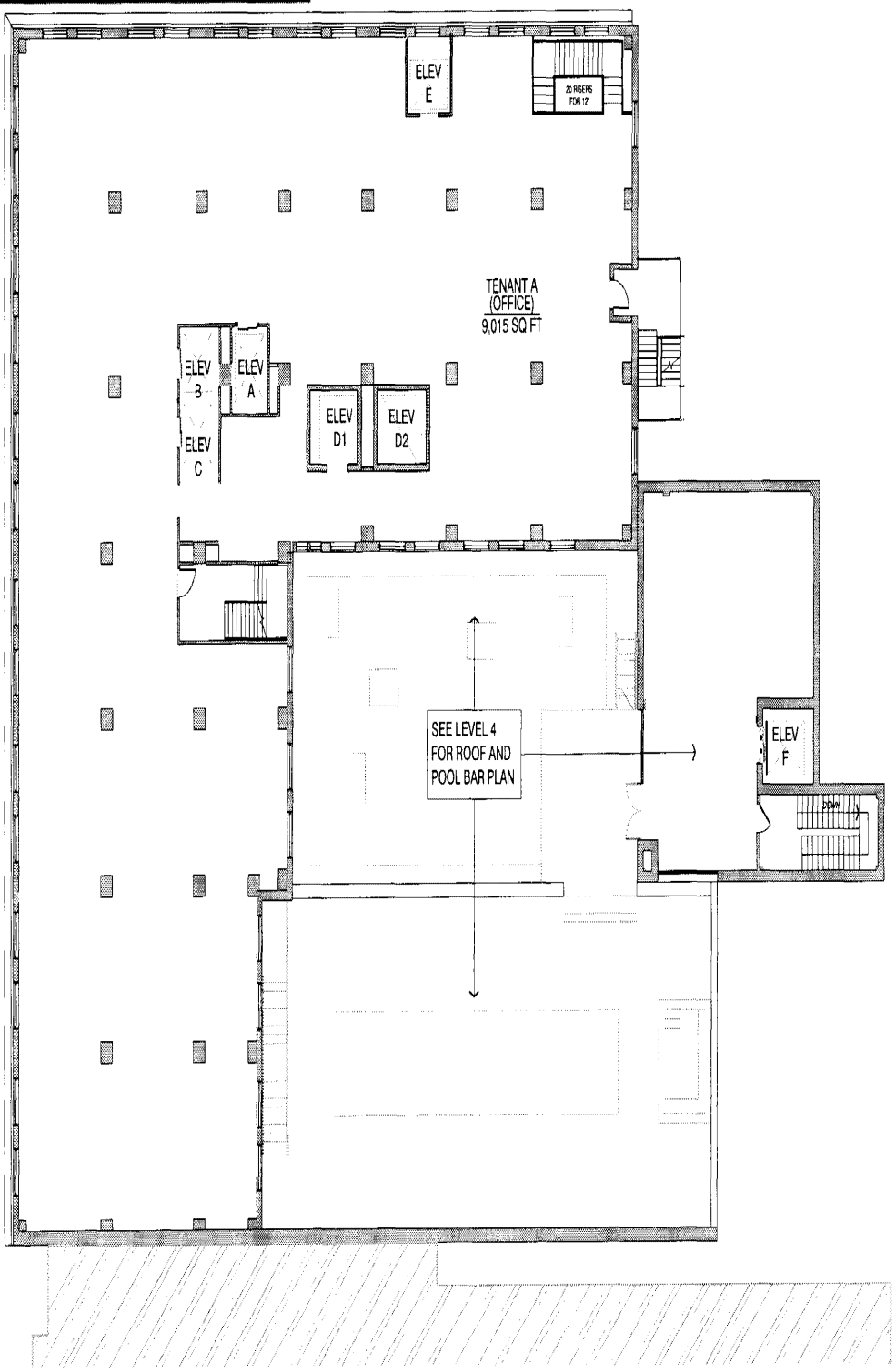
LEVEL 2

A Hotel at 634 N. Grand

LAWRENCE GROUP

EXPERIENCE. EXCELLENCE.

05 REFERENCE DRAWINGS



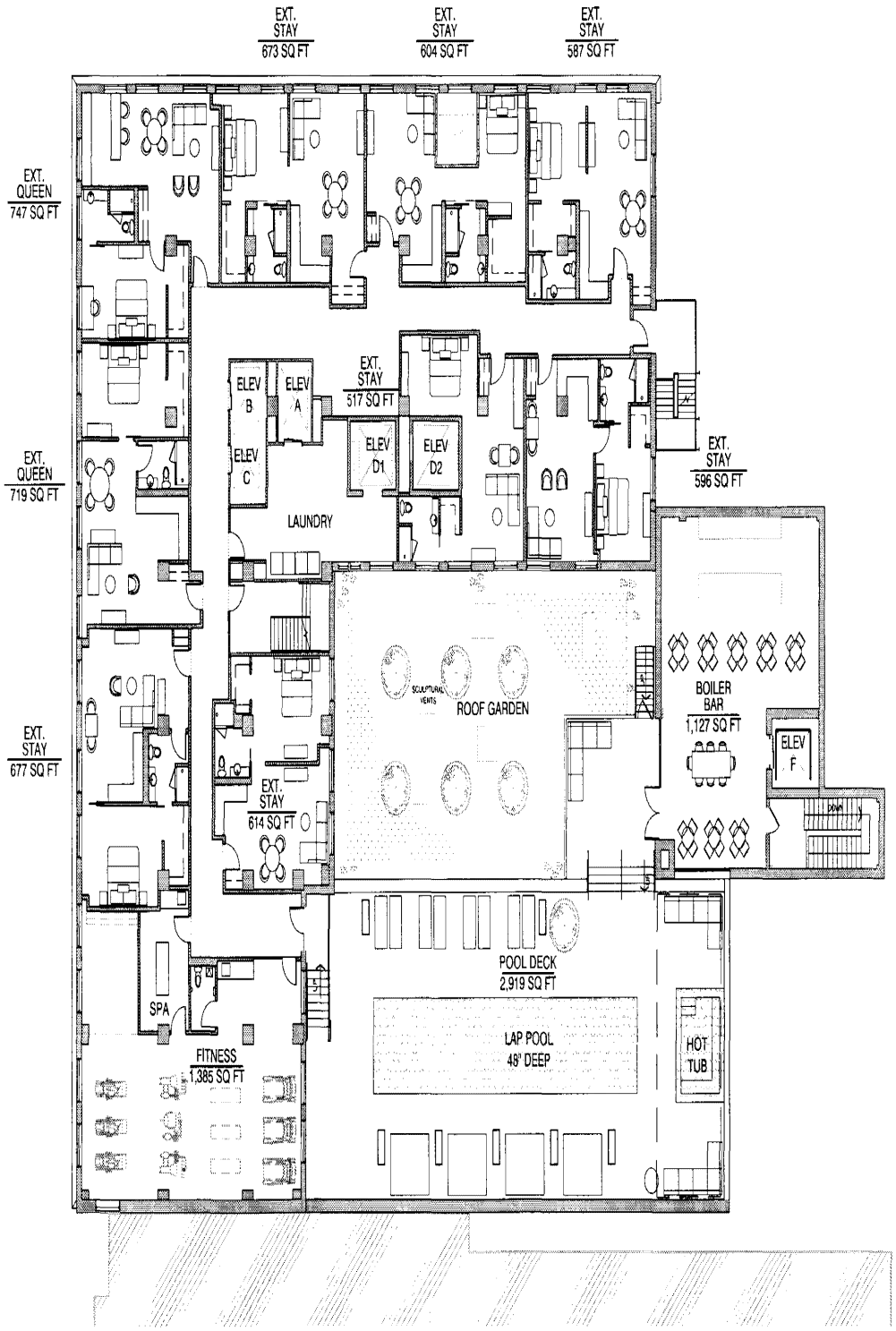
LEVEL 3

A Hotel at 634 N. Grand

LAWRENCE GROUP

EXPERIENCE. EXCELLENCE.

05 REFERENCE DRAWINGS



9 EXTENDED STAY ROOMS

LEVEL 4

A Hotel at 634 N. Grand

LAWRENCE GROUP

EXPERIENCE. EXCELLENCE.

Exhibit 19

SUMMARY MARKET STUDY

Proposed Missouri Theater Boutique Hotel

634 NORTH GRAND
ST. LOUIS, MISSOURI

SUBMITTED TO:

Mr. Joseph Cyr
Lawrence Group
319 North 4th Street, Suite 1000
Saint Louis, Missouri, 63102

+1 (314) 242-1380

PREPARED BY:

HVS Consulting and Valuation Services
Division of TS Worldwide, LLC
8134 Big Bend Boulevard
Webster, Missouri, 63119

+1 (970) 215-0620

HVS ST. LOUIS
8134 Big Bend Boulevard
Webster, Missouri, 63119
+1 (970) 215-0620
+1 (970) 493-2919 FAX
www.hvs.com

Atlanta
Boston
Boulder
Chicago
Dallas
Denver
Houston
Las Vegas
Los Angeles
Mexico City
Miami
Minneapolis
New Orleans
New York
Newport
Philadelphia
San Francisco
St. Louis
Toronto
Vancouver
Washington
Athens
Bahamas
Bangkok
Beijing
Buenos Aires
Dubai
Guangzhou
Hong Kong
Jakarta
London
Milan
New Delhi
Sao Paulo
Shanghai
Singapore

Superior results through unrivaled hospitality intelligence. Everywhere.

August 15, 2015

Mr. Joseph Cyr
Lawrence Group
319 North 4th Street, Suite 1000
Saint Louis, Missouri, 63102

Re: Proposed Missouri Theater Boutique Hotel
St. Louis, Missouri
HVS Reference: 2015020075

Dear Mr. Cyr:

Pursuant to your request, we herewith submit our summary market study pertaining to the above-captioned property. We have inspected the real estate and analyzed the hotel market conditions in the St. Louis, Missouri area. We have studied the proposed project, and the results of our fieldwork and analysis are presented in this report. We have also reviewed the proposed improvements for this site. Our report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), as provided by the Appraisal Foundation.

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Sincerely,
TS Worldwide, LLC

Dan Mulay

Daniel P. McCoy, MAI, Managing Director, Senior Partner
DMcCoy@hvs.com, +1 (970) 215-0620

Table of Contents

SECTION	TITLE	PAGE
1.	Executive Summary	1
2.	Description of the Site and Neighborhood	10
3.	Market Area Analysis	17
4.	Supply and Demand Analysis	35
5.	Description of the Proposed Project	46
6.	Projection of Occupancy and Average Rate	50
7.	Projection of Income and Expense	55
8.	Statement of Assumptions and Limiting Conditions	65
9.	Certification	68
	Addenda	
	Penetration Explanation	i
	Qualifications	

1. Executive Summary

Subject of the Summary Market Study

The subject of the summary market study is an existing +/- 150,000 square-foot building, occupying a 75,179-square-foot (1.73-acre) site, to be redeveloped with a full-service, boutique lodging facility. The hotel is expected to open on October 1, 2016 and will feature 139 rooms, a restaurant and lounge, a fitness room, a business center, and a market pantry. The hotel will also feature all necessary back-of-the-house space. The subject site's location is 634 North Grand, St. Louis, Missouri, 63102.

The proposed subject hotel will be part of the planned redevelopment of the former Missouri Theater building. Originally constructed as a movie palace in 1920 with approximately 4,000 seats, the building was reportedly the third-largest theater in the United States at the time and one of the first in St. Louis to offer air conditioning. The theater was the original home of the Missouri Rocket Girls, a dance troupe that eventually became the famous "Rockettes" after relocating to New York City. The auditorium portion of the original structure was demolished in 1959, while the remaining structure continued to be used as office space. The former office building, which features an ornate white-stone façade, has been largely vacant for a number of years. While the exterior of the building will be preserved and restored as part of the planned redevelopment, the interior of the building will be mostly demolished, reconfigured, and remodeled. The ground floor will feature leased retail spaces, as well as a street-front entrance and elevator lobby for the hotel. The second and third floors will be developed with office space, including a private entrance and vertical transportation. Floors four through twelve will be redeveloped with the subject hotel, including a twelfth floor lobby and a rooftop terrace.

Pertinent Dates

The effective date of the report is August 15, 2015. The existing improvements were inspected by Daniel P. McCoy, MAI on January 21, 2015.

Ownership, Franchise, and Management Assumptions

The developer of the proposed subject hotel is TLG 634 N Grand LLC; the parent company of this owning partnership is The Lawrence Group, which is based in St. Louis. This entity acquired the subject site and existing improvements in 2013 from Grand Center, Inc. for an undisclosed sum. No other transfers of the property have reportedly occurred within the past three years.

Details pertaining to management terms were not yet determined at the time of this report; therefore, our forecast fees represent a blended average of what would

be expected on a base-fee and incentive-fee basis. We have assumed a market-appropriate total management fee of 3.0% of total revenues in our study.

The proposed hotel is not expected to be franchised with a national brand and is planned to remain independently operated throughout the forecast period; therefore, the hotel will not be subject to franchise fees.

Summary of Hotel Market Trends

Local employers and headquarter offices, several higher education and healthcare institutions, and regional leisure destinations represent the primary sources of demand for the selected set of competitive hotels in this St. Louis market. Occupancy levels remained in the high 50s to low 60s from 2003 through 2008, as rising demand levels absorbed significant supply increases with the opening of two new branded hotels and the expansion of the Chase Park Plaza. As economic conditions weakened in 2009, demand dipped a bit while supply increased further with the opening of the Moonrise Hotel. As a result, occupancy levels dropped to the mid 50s; however, as demand rebounded strongly in 2010, occupancy levels fully recovered. In 2011, demand levels remained flat and occupancy declined slightly as the market was impacted by more supply fluctuation with the opening of the Hotel Ignacio and the temporary closure and then reopening of the Cheshire Inn. Demand registered a strong year-over-year increase in 2012, absorbing the most recent supply increase and driving occupancy levels past the prior peak. This strengthening trend continued in 2013 and 2014, with market-wide occupancy reaching new heights and surpassing the 70% mark. However, it should be noted that accommodated demand levels actually declined slightly in 2014, while occupancy was somewhat inflated because of reduced supply levels given the closure of the former Roberts Mayfair Hotel in November of 2013; the property was reopened in August of 2014 as the Magnolia Hotel.

The following table provides a historical perspective on the supply and demand trends for a selected set of hotels, as provided by Smith Travel Research.

FIGURE 1-1 HISTORICAL SUPPLY AND DEMAND TRENDS (STR)

Year	Average Daily Room Count	Available Room Nights	Change	Occupied Room Nights	Change	Occupancy	Average Rate	Change	RevPAR	Change
2003	843	307,695	—	180,988	—	58.8 %	$101.88	—	$59.93	—
2004	843	307,695	0.0 %	186,148	2.9 %	60.5	105.06	3.1 %	63.56	6.1 %
2005	843	307,695	0.0	188,792	1.4	61.4	112.78	7.3	69.20	8.9
2006	1,116	407,185	32.3	243,343	28.9	59.8	111.81	(0.9)	66.82	(3.4)
2007	1,157	422,305	3.7	258,146	6.1	61.1	121.60	8.8	74.33	11.2
2008	1,196	436,429	3.3	263,403	2.0	60.4	122.17	0.5	73.73	(0.8)
2009	1,317	480,770	10.2	260,281	(1.2)	54.1	115.12	(5.8)	62.33	(15.5)
2010	1,310	478,119	(0.6)	293,866	12.9	61.5	114.46	(0.6)	70.35	12.9
2011	1,349	492,274	3.0	292,989	(0.3)	59.5	122.36	6.9	72.82	3.5
2012	1,424	519,760	5.6	330,766	12.9	63.6	123.21	0.7	78.41	7.7
2013	1,394	508,658	(2.1)	350,334	5.9	68.9	126.94	3.0	87.43	11.5
2014	1,318	481,176	(5.4)	344,994	(1.5)	71.7	133.62	5.3	95.80	9.6
Average Annual Compounded Change: 2003-2014			4.1 %		6.0 %			2.5 %		4.4 %

Hotels Included in Sample	Number of Rooms	Year Affiliated	Year Opened
Omni Majestic Hotel	91	Oct 1997	Sep 1913
Preferred Chase Park Plaza Hotel	338	Sep 1999	Jun 1922
Cheshire Inn	108	Aug 2011	Jun 1964
Magnolia Hotel St Louis	182	Aug 2014	Jul 1990
Courtyard St Louis Downtown	151	Jul 1990	Jul 1990
Holiday Inn Express St Louis Downtown	64	Sep 1999	Sep 1999
Residence Inn St Louis Downtown	188	Jan 2006	Jan 2006
Hampton Inn Suites St Louis @ Forest Park	126	May 2006	May 2006
Moonrise Hotel	125	Apr 2009	Apr 2009
Hotel Ignacio	51	Apr 2011	Apr 2011
Total	**1,424**		

Source: STR Global

The following tables reflect our estimates of operating data for hotels on an individual basis. These trends are presented in detail in the Supply and Demand Analysis chapter of this report.

FIGURE 1-2 PRIMARY COMPETITORS – OPERATING PERFORMANCE

		Est. Segmentation			Estimated 2012				Estimated 2013				Estimated 2014						
Property	Number of Rooms	Commercial	Meeting and Group	Leisure	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	RevPAR Change	Occupancy Penetration	Yield Penetration
The Cheshire	108	55 %	20 %	25 %	108	65 %	$120.00	$78.00	108	75 %	$122.00	$91.50	108	78 %	$124.00	$96.72	5.7 %	109.1 %	101.2 %
Hotel Ignacio	51	55	10	35	51	52	150.00	78.00	51	63	148.00	93.24	51	64	165.00	105.60	13.3	89.5	110.5
Moonrise Hotel	125	40	20	40	125	65	148.00	96.20	125	68	150.00	102.00	125	68	155.00	105.40	3.3	95.1	110.3
Omni Majestic	91	60	10	30	91	67	125.00	83.75	91	70	128.00	89.60	91	70	132.00	92.40	3.1	97.9	96.7
Magnolia Hotel	182	40	30	30	182	48	75.00	36.00	152	55	70.00	38.50	76	60	100.00	60.00	55.8	83.9	62.8
Sub-Totals/Averages	**557**	**50 %**	**18 %**	**32 %**	**557**	**58.6 %**	**$118.30**	**$69.30**	**527**	**65.6 %**	**$119.86**	**$78.58**	**451**	**69.0 %**	**$134.87**	**$93.05**	**18.4 %**	**96.5 %**	**97.3 %**
Secondary Competitors	867	49 %	27 %	24 %	553	67.7 %	$125.61	$85.00	553	71.5 %	$129.81	$92.85	553	73.5 %	$132.89	$97.67	5.2 %	102.8 %	102.2 %
Totals/Averages	**1,424**	**49 %**	**23 %**	**27 %**	**1,110**	**63.1 %**	**$122.20**	**$77.12**	**1,079**	**68.6 %**	**$125.17**	**$85.89**	**1,004**	**71.5 %**	**$133.75**	**$95.59**	**11.3 %**	**100.0 %**	**100.0 %**

FIGURE 1-3 SECONDARY COMPETITORS – OPERATING PERFORMANCE

		Est. Segmentation				Estimated 2012				Estimated 2013				Estimated 2014			
Property	Number of Rooms	Commercial	Meeting and Group	Leisure	Total Competitive Level	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR
Chase Park Plaza Hotel	338	30 %	50 %	20 %	60 %	203	57 %	$157.00	$89.49	203	63 %	$158.00	$99.54	203	65 %	$160.00	$104.00
Courtyard by Marriott St Louis Downtown	151	50	25	25	65	98	61	108.00	65.88	98	72	113.00	81.36	98	75	115.00	86.2[illegible]
Hampton Inn & Suites Saint Louis Forest Park	126	65	10	25	65	82	82	124.00	101.68	82	80	126.00	100.80	82	81	134.00	108.54
Holiday Inn Express St. Louis	64	60	5	35	60	38	58	111.00	64.38	38	58	115.00	66.70	38	66	118.00	77.88
Residence Inn by Marriott St Louis Downtown	188	60	15	25	70	132	83	106.00	87.98	132	83	113.00	93.79	132	83	115.00	95.45
Totals/Averages	**867**	**49 %**	**27 %**	**24 %**	**64 %**	**553**	**67.7 %**	**$125.61**	**$85.00**	**553**	**71.5 %**	**$129.81**	**$92.85**	**553**	**73.5 %**	**$132.89**	**$97.67**

Summary of Forecast Occupancy and Average Rate

Based on our analysis presented in the Projection of Occupancy and Average Rate chapter, we have chosen to use a stabilized occupancy level of 70% and a base-year rate position of $145.00 for the proposed subject hotel. The following table reflects a summary of our market-wide and proposed subject hotel occupancy and average rate projections.

FIGURE 1-4 MARKET AND SUBJECT PROPERTY AVERAGE RATE FORECAST

	Area-wide Market (Calendar Year)			Subject Property (Calendar Year)			
Year	Occupancy	Average Rate Growth	Average Rate	Occupancy	Average Rate Growth	Average Rate	Average Rate Penetration
Base Year	71.5 %	—	$133.75	—	—	$145.00	108.4 %
2015	68.8	6.0 %	141.77	—	6.0 %	153.70	108.4
2016	68.9	5.0	148.86	52.0 %	5.0	161.39	108.4
2017	66.6	4.0	154.82	62.0	4.0	167.84	108.4
2018	67.2	3.0	159.46	68.0	3.0	172.88	108.4
2019	67.6	3.0	164.24	70.0	3.0	178.06	108.4

The following table summarizes the proposed subject hotel's forecast, reflecting fiscal years and opening-year rate discounts as applicable.

FIGURE 1-5 FORECAST OF AVERAGE RATE

Year	Occupancy	Average Rate Before Discount	Discount	Average Rate After Discount
2016/17	60 %	$166.21	10.0 %	$149.59
2017/18	66	171.61	5.0	163.03
2018/19	69	176.75	0.0	176.75
2019/20	70	182.06	0.0	182.06

Summary of Forecast Income and Expense Statement

Our positioning of each revenue and expense level is supported by comparable operations or trends specific to this market. Our forecast of income and expense is presented in the following table.

FIGURE 1-6 DETAILED FORECAST OF INCOME AND EXPENSE

	2016/17 Begins October				2017/18				2018/19				Stabilized				2020/21			
Number of Rooms:	139				139				139				139				139			
Occupancy:	60%				66%				69%				70%				70%			
Average Rate:	$149.59				$163.03				$176.75				$182.06				$187.52			
RevPAR:	$89.76				$107.60				$121.96				$127.44				$131.26			
Days Open:	365				365				365				365				365			
Occupied Rooms:	30,441	%Gross	PAR	POR	33,485	%Gross	PAR	POR	35,007	%Gross	PAR	POR	35,515	%Gross	PAR	POR	35,515	%Gross	PAR	POR
REVENUE																				
Rooms	$4,554	79.0 %	$32,763	$149.60	$5,459	77.4 %	$39,273	$163.03	$6,188	75.1 %	$44,518	$176.76	$6,466	75.2 %	$46,518	$182.07	$6,660	75.2 %	$47,914	$187.53
Food	733	12.7	5,275	24.08	917	13.0	6,600	27.40	1,149	13.9	8,267	32.82	1,196	13.9	8,607	33.69	1,232	13.9	8,865	34.70
Beverage	325	5.6	2,338	10.68	501	7.1	3,601	14.95	700	8.5	5,033	19.98	726	8.4	5,226	20.45	748	8.4	5,382	21.07
Other Operated Departments	120	2.1	862	3.93	143	2.0	1,025	4.26	165	2.0	1,189	4.72	171	2.0	1,230	4.81	176	2.0	1,266	4.96
Rentals & Other Income	30	0.5	215	0.98	36	0.5	256	1.06	41	0.5	297	1.18	43	0.5	307	1.20	44	0.5	317	1.24
Total Revenues	5,762	100.0	41,452	189.28	7,055	100.0	50,757	210.70	8,243	100.0	59,303	235.47	8,602	100.0	61,888	242.22	8,860	100.0	63,744	249.49
DEPARTMENTAL EXPENSES *																				
Rooms	1,364	30.0	9,814	44.81	1,456	26.7	10,476	43.49	1,526	24.7	10,979	43.59	1,581	24.4	11,373	44.51	1,628	24.4	11,715	45.85
Food & Beverage	1,054	99.6	7,583	34.63	1,193	84.2	8,586	35.64	1,357	73.4	9,761	38.76	1,404	73.0	10,098	39.52	1,446	73.0	10,401	40.71
Other Operated Departments	131	109.3	942	4.30	140	98.2	1,007	4.18	149	90.3	1,073	4.26	154	90.0	1,107	4.33	158	90.0	1,140	4.46
Total	2,549	44.2	18,338	83.74	2,790	39.5	20,069	83.31	3,032	36.8	21,813	86.61	3,138	36.5	22,578	88.37	3,232	36.5	23,255	91.02
DEPARTMENTAL INCOME	3,213	55.8	23,114	105.54	4,266	60.5	30,688	127.39	5,211	63.2	37,490	148.86	5,464	63.5	39,310	153.85	5,628	63.5	40,489	158.47
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	735	12.7	5,285	24.13	747	10.6	5,376	22.32	793	9.6	5,705	22.65	819	9.5	5,895	23.07	844	9.5	6,072	23.77
Marketing	487	8.5	3,503	15.99	473	6.7	3,401	14.12	502	6.1	3,609	14.33	518	6.0	3,730	14.60	534	6.0	3,842	15.04
Prop. Operations & Maint.	220	3.8	1,582	7.22	285	4.0	2,052	8.52	356	4.3	2,561	10.17	368	4.3	2,647	10.36	379	4.3	2,726	10.67
Utilities	328	5.7	2,363	10.79	351	5.0	2,524	10.48	372	4.5	2,678	10.63	385	4.5	2,767	10.83	396	4.5	2,850	11.16
Total	1,770	30.7	12,732	58.14	1,856	26.3	13,353	55.43	2,023	24.5	14,553	57.79	2,090	24.3	15,039	58.86	2,153	24.3	15,490	60.63
HOUSE PROFIT	1,443	25.1	10,382	47.40	2,410	34.2	17,335	71.96	3,188	38.7	22,937	91.07	3,374	39.2	24,271	94.99	3,475	39.2	24,999	97.84
Management Fee	173	3.0	1,244	5.68	212	3.0	1,523	6.32	247	3.0	1,779	7.06	258	3.0	1,857	7.27	266	3.0	1,912	7.48
INCOME BEFORE FIXED CHARGES	1,270	22.1	9,138	41.73	2,198	31.2	15,812	65.64	2,941	35.7	21,158	84.01	3,116	36.2	22,414	87.73	3,209	36.2	23,087	90.36
FIXED EXPENSES																				
Property Taxes	58	1.0	421	1.92	60	0.8	431	1.79	62	0.7	444	1.76	64	0.7	458	1.79	66	0.7	471	1.84
Insurance	73	1.3	523	2.39	75	1.1	539	2.24	77	0.9	555	2.20	79	0.9	571	2.24	82	0.9	589	2.30
Reserve for Replacement	115	2.0	829	3.79	212	3.0	1,523	6.32	330	4.0	2,372	9.42	344	4.0	2,476	9.69	354	4.0	2,550	9.98
Total	246	4.3	1,773	8.10	346	4.9	2,493	10.35	469	5.6	3,371	13.39	487	5.6	3,505	13.72	502	5.6	3,610	14.13
NET INCOME	$1,024	17.8 %	$7,365	$33.63	$1,851	26.3 %	$13,319	$55.29	$2,472	30.1 %	$17,787	$70.62	$2,628	30.6 %	$18,910	$74.01	$2,707	30.6 %	$19,477	$76.23

*Departmental expenses are expressed as a percentage of departmental revenues.

FIGURE 1-7 TEN-YEAR FORECAST OF INCOME AND EXPENSE

	2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		2024/25		2025/26	
Number of Rooms:	**139**		**139**		**139**		**139**		**139**		**139**		**139**		**139**		**139**		**139**	
Occupied Rooms:	**30,441**		**33,485**		**35,007**		**35,515**		**35,515**		**35,515**		**35,515**		**35,515**		**35,515**		**35,515**	
Occupancy:	**60%**		**66%**		**69%**		**70%**		**70%**		**70%**		**70%**		**70%**		**70%**		**70%**	
Average Rate:	**$149.59**	**% of**	**$163.03**	**% of**	**$176.75**	**% of**	**$182.06**	**% of**	**$187.52**	**% of**	**$193.14**	**% of**	**$198.94**	**% of**	**$204.91**	**% of**	**$211.05**	**% of**	**$217.39**	**% of**
RevPAR:	**$89.76**	**Gross**	**$107.60**	**Gross**	**$121.96**	**Gross**	**$127.44**	**Gross**	**$131.26**	**Gross**	**$135.20**	**Gross**	**$139.26**	**Gross**	**$143.43**	**Gross**	**$147.74**	**Gross**	**$152.17**	**Gross**
REVENUE																				
Rooms	$4,554	79.0 %	$5,459	77.4 %	$6,188	75.1 %	$6,466	75.2 %	$6,660	75.2 %	$6,859	75.2 %	$7,065	75.2 %	$7,277	75.2 %	$7,495	75.2 %	$7,720	75.2 %
Food	733	12.7	917	13.0	1,149	13.9	1,196	13.9	1,232	13.9	1,269	13.9	1,307	13.9	1,347	13.9	1,387	13.9	1,429	13.9
Beverage	325	5.6	501	7.1	700	8.5	726	8.4	748	8.4	771	8.4	794	8.4	818	8.4	842	8.4	867	8.4
Other Operated Departments	120	2.1	143	2.0	165	2.0	171	2.0	176	2.0	181	2.0	187	2.0	192	2.0	198	2.0	204	2.0
Rentals & Other Income	30	0.5	36	0.5	41	0.5	43	0.5	44	0.5	45	0.5	47	0.5	48	0.5	50	0.5	51	0.5
Total	5,762	100.0	7,055	100.0	8,243	100.0	8,602	100.0	8,860	100.0	9,125	100.0	9,399	100.0	9,682	100.0	9,972	100.0	10,271	100.0
DEPARTMENTAL EXPENSES*																				
Rooms	1,364	30.0	1,456	26.7	1,526	24.7	1,581	24.4	1,628	24.4	1,677	24.5	1,728	24.5	1,779	24.5	1,833	24.5	1,888	24.5
Food & Beverage	1,054	99.6	1,193	84.2	1,357	73.4	1,404	73.0	1,446	73.0	1,489	73.0	1,534	73.0	1,580	73.0	1,627	73.0	1,676	73.0
Other Operated Departments	131	109.3	140	98.2	149	90.3	154	90.0	158	90.0	163	90.0	168	90.0	173	90.0	178	90.0	184	90.0
Total	2,549	44.2	2,790	39.5	3,032	36.8	3,138	36.5	3,232	36.5	3,329	36.5	3,429	36.5	3,532	36.5	3,638	36.5	3,747	36.5
DEPARTMENTAL INCOME	3,213	55.8	4,266	60.5	5,211	63.2	5,464	63.5	5,628	63.5	5,796	63.5	5,970	63.5	6,149	63.5	6,333	63.5	6,524	63.5
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	735	12.7	747	10.6	793	9.6	819	9.5	844	9.5	869	9.5	895	9.5	922	9.5	950	9.5	978	9.5
Marketing	487	8.5	473	6.7	502	6.1	518	6.0	534	6.0	550	6.0	566	6.0	583	6.0	601	6.0	619	6.0
Prop. Operations & Maint.	220	3.8	285	4.0	356	4.3	368	4.3	379	4.3	390	4.3	402	4.3	414	4.3	427	4.3	439	4.3
Utilities	328	5.7	351	5.0	372	4.5	385	4.5	396	4.5	408	4.5	420	4.5	433	4.5	446	4.5	459	4.5
Total	1,770	30.7	1,856	26.3	2,023	24.5	2,090	24.3	2,153	24.3	2,218	24.3	2,284	24.3	2,353	24.3	2,423	24.3	2,496	24.3
HOUSE PROFIT	1,443	25.1	2,410	34.2	3,188	38.7	3,374	39.2	3,475	39.2	3,578	39.2	3,686	39.2	3,797	39.2	3,910	39.2	4,028	39.2
Management Fee	173	3.0	212	3.0	247	3.0	258	3.0	266	3.0	274	3.0	282	3.0	290	3.0	299	3.0	308	3.0
INCOME BEFORE FIXED CHARGES	1,270	22.1	2,198	31.2	2,941	35.7	3,116	36.2	3,209	36.2	3,305	36.2	3,404	36.2	3,506	36.2	3,611	36.2	3,719	36.2
FIXED EXPENSES																				
Property Taxes	58	1.0	60	0.8	62	0.7	64	0.7	66	0.7	67	0.7	69	0.7	72	0.7	74	0.7	76	0.7
Insurance	73	1.3	75	1.1	77	0.9	79	0.9	82	0.9	84	0.9	87	0.9	89	0.9	92	0.9	95	0.9
Reserve for Replacement	115	2.0	212	3.0	330	4.0	344	4.0	354	4.0	365	4.0	376	4.0	387	4.0	399	4.0	411	4.0
Total	246	4.3	346	4.9	469	5.6	487	5.6	502	5.6	517	5.6	532	5.6	548	5.6	565	5.6	582	5.6
NET INCOME	$1,024	17.8 %	$1,851	26.3 %	$2,472	30.1 %	$2,628	30.6 %	$2,707	30.6 %	$2,788	30.6 %	$2,872	30.6 %	$2,958	30.6 %	$3,046	30.6 %	$3,138	30.6 %

*Departmental expenses are expressed as a percentage of departmental revenues.

As illustrated, the hotel is expected to stabilize at a profitable level. Please refer to the Forecast of Income and Expense chapter of our report for a detailed explanation of the methodology used in deriving this forecast.

Scope of Work

The methodology used to develop this study is based on the market research and valuation techniques set forth in the textbooks authored by Hospitality Valuation Services for the American Institute of Real Estate Appraisers and the Appraisal Institute, entitled *The Valuation of Hotels and Motels,*[1] *Hotels, Motels and Restaurants: Valuations and Market Studies,*[2] *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations,*[3] *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations,*[4] and *Hotels and Motels – Valuations and Market Studies.*[5]

1. All information was collected and analyzed by the staff of TS Worldwide, LLC. Information was supplied by the client and/or the property's development team.
2. The subject site has been evaluated from the viewpoint of its physical utility for the future operation of a hotel, as well as access, visibility, and other relevant factors.
3. The subject property's proposed improvements have been reviewed for their expected quality of construction, design, and layout efficiency.
4. The surrounding economic environment, on both an area and neighborhood level, has been reviewed to identify specific hostelry-related economic and demographic trends that may have an impact on future demand for hotels.
5. Dividing the market for hotel accommodations into individual segments defines specific market characteristics for the types of travelers expected to utilize the area's hotels. The factors investigated include purpose of visit, average length of stay, facilities and amenities required, seasonality, daily demand fluctuations, and price sensitivity.

---

[1] Stephen Rushmore, *The Valuation of Hotels and Motels.* (Chicago: American Institute of Real Estate Appraisers, 1978).

[2] Stephen Rushmore, *Hotels, Motels and Restaurants: Valuations and Market Studies.* (Chicago: American Institute of Real Estate Appraisers, 1983).

[3] Stephen Rushmore, *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations.* (Chicago: American Institute of Real Estate Appraisers, 1990).

[4] Stephen Rushmore, Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations (Chicago: Appraisal Institute, 1992).

[5] Stephen Rushmore and Erich Baum, *Hotels and Motels – Valuations and Market Studies.* (Chicago: Appraisal Institute, 2001).

6. An analysis of existing and proposed competition provides an indication of the current accommodated demand, along with market penetration and the degree of competitiveness. Unless noted otherwise, we have inspected the competitive lodging facilities summarized in this report.
7. Documentation for an occupancy and average rate projection is derived utilizing the build-up approach based on an analysis of lodging activity.
8. A detailed projection of income and expense made in accordance with the Uniform System of Accounts for the Lodging Industry sets forth the anticipated economic benefits of the subject property.

2. Description of the Site and Neighborhood

The suitability of the land for the operation of a lodging facility is an important consideration affecting the economic viability of a property and its ultimate marketability. Factors such as size, topography, access, visibility, and the availability of utilities have a direct impact on the desirability of a particular site.

The subject site is located in the Grand Center cultural district, in the northeast quadrant of the intersection formed by North Grand Boulevard and Washington Avenue. This site is in the city of St. Louis, Missouri.

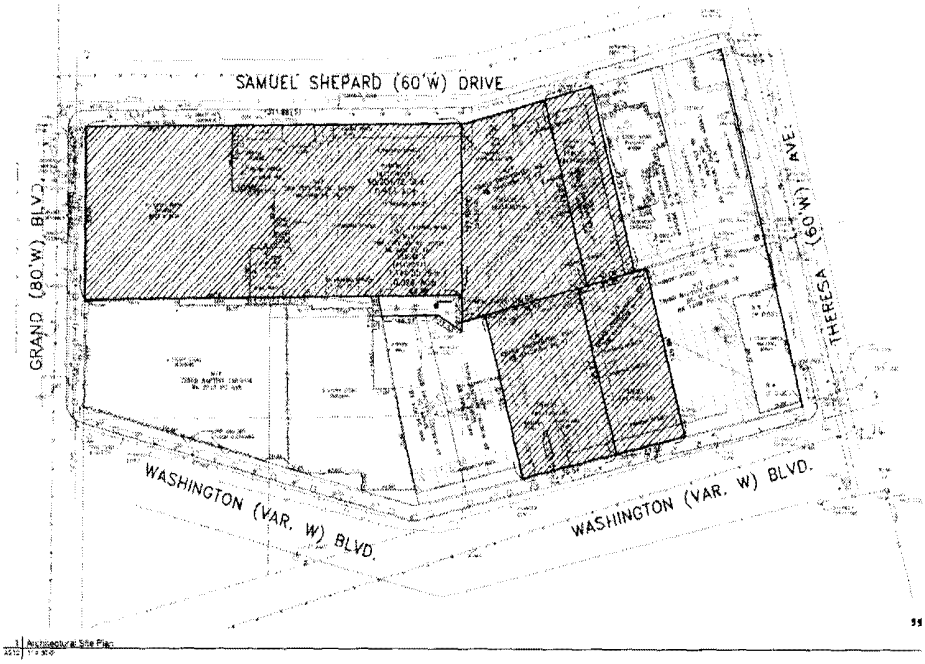
Physical Characteristics

The subject site measures approximately 1.73 acres, or 75,179 square feet. The parcel's adjacent uses are set forth in the following table.

FIGURE 2-1 SUBJECT PARCEL'S ADJACENT USES

Direction	Adjacent Use
North	Samuel Shepard Drive
South	Third Baptist Church, Washington Avenue
East	Residence, Parking
West	North Grand Boulevard

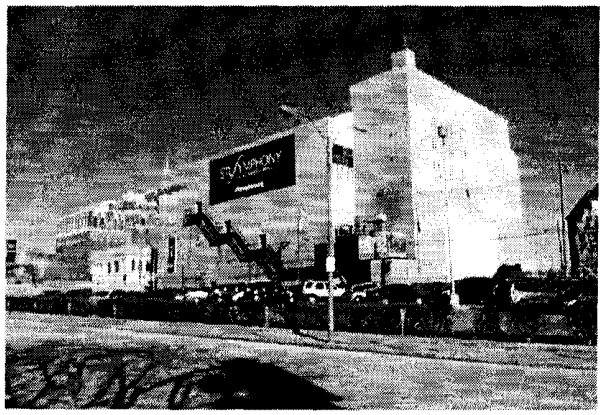
SITE SURVEY



AERIAL PHOTOGRAPH

HVS

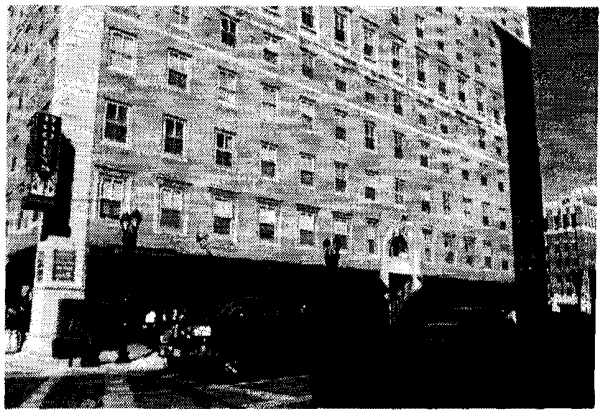
VIEW FROM SITE TO THE NORTH



VIEW FROM SITE TO THE SOUTH

VIEW FROM SITE TO THE EAST

VIEW FROM SITE TO THE WEST



The main entrance to the proposed subject hotel will be face North Grand Boulevard. Vehicular access to the planned parking garage will be available from Samuel Shepard Drive and/or Washington Avenue. The topography of the parcel is generally flat, and the site's shape is irregular.

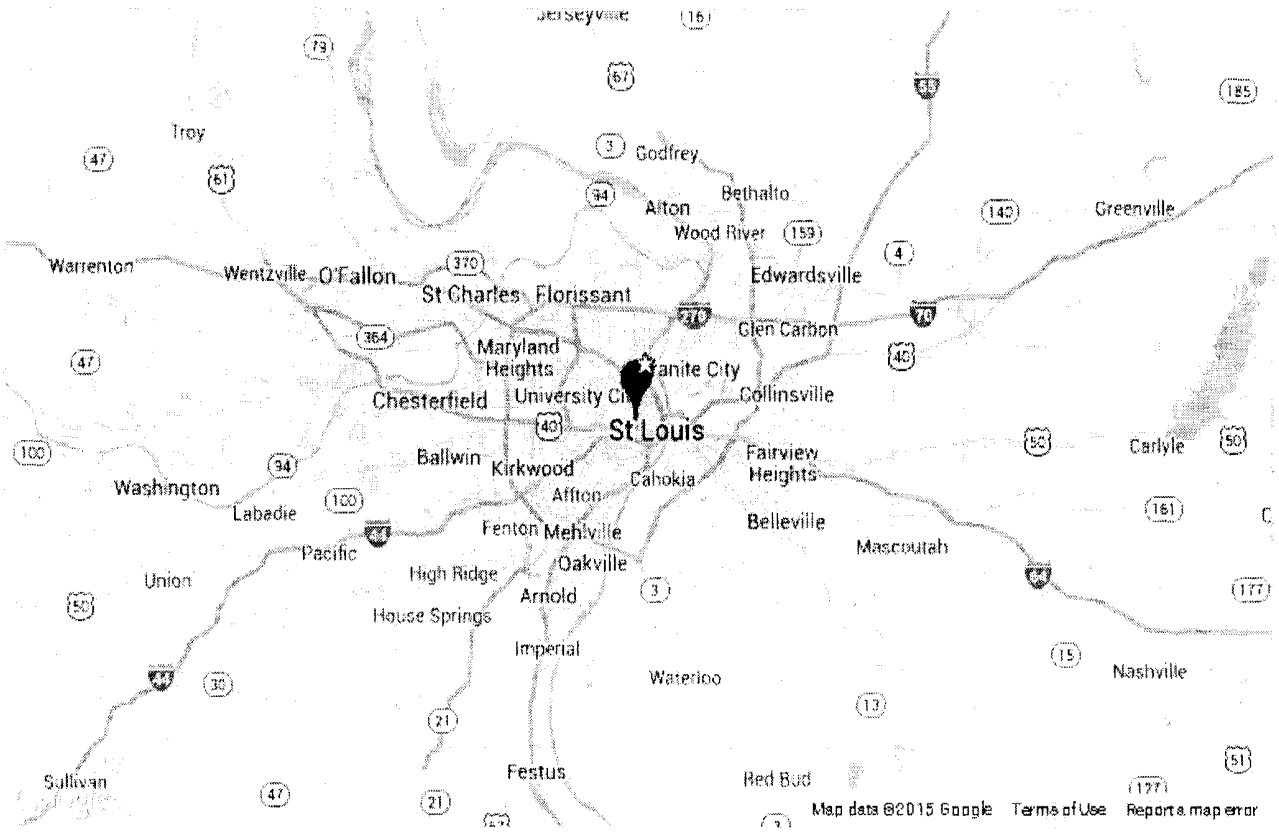
Site Utility

Upon completion of construction, the subject site will not contain any significant portion of undeveloped land that could be sold, entitled, and developed for alternate use. The site is expected to be fully developed with site or building improvements, which will contribute to the overall profitability of the hotel and the complimentary uses within the mixed-use development.

Access and Visibility

It is important to analyze the site in regard to ease of access with respect to regional and local transportation routes and demand generators. The subject site is readily accessible to a variety of local and county roads, as well as state and interstate highways.

MAP OF REGIONAL ACCESS ROUTES



Regional access to/from the city of St. Louis, and the subject site in particular, is considered very good. The subject market is served by a variety of additional local highways, which are illustrated on the map.

The area enjoys a well-developed network of local roadways and highways. Interstate 64, Forrest Park Avenue, and Grand Boulevard facilitate travel between the subject site and the principal concentrations of business activity and population in the region. The subject site is located in the center of a cultural district along a well-traveled thoroughfare; thus, the proposed hotel should benefit from good visibility from within its local neighborhood. Overall, the site's

accessibility attributes are appropriate and deemed adequate, and the proposed hotel is expected to enjoy good visibility attributes.

Airport Access

The proposed subject hotel will be served by the Lambert St. Louis International Airport, which is located approximately ten miles to the northwest of the subject site.

Neighborhood

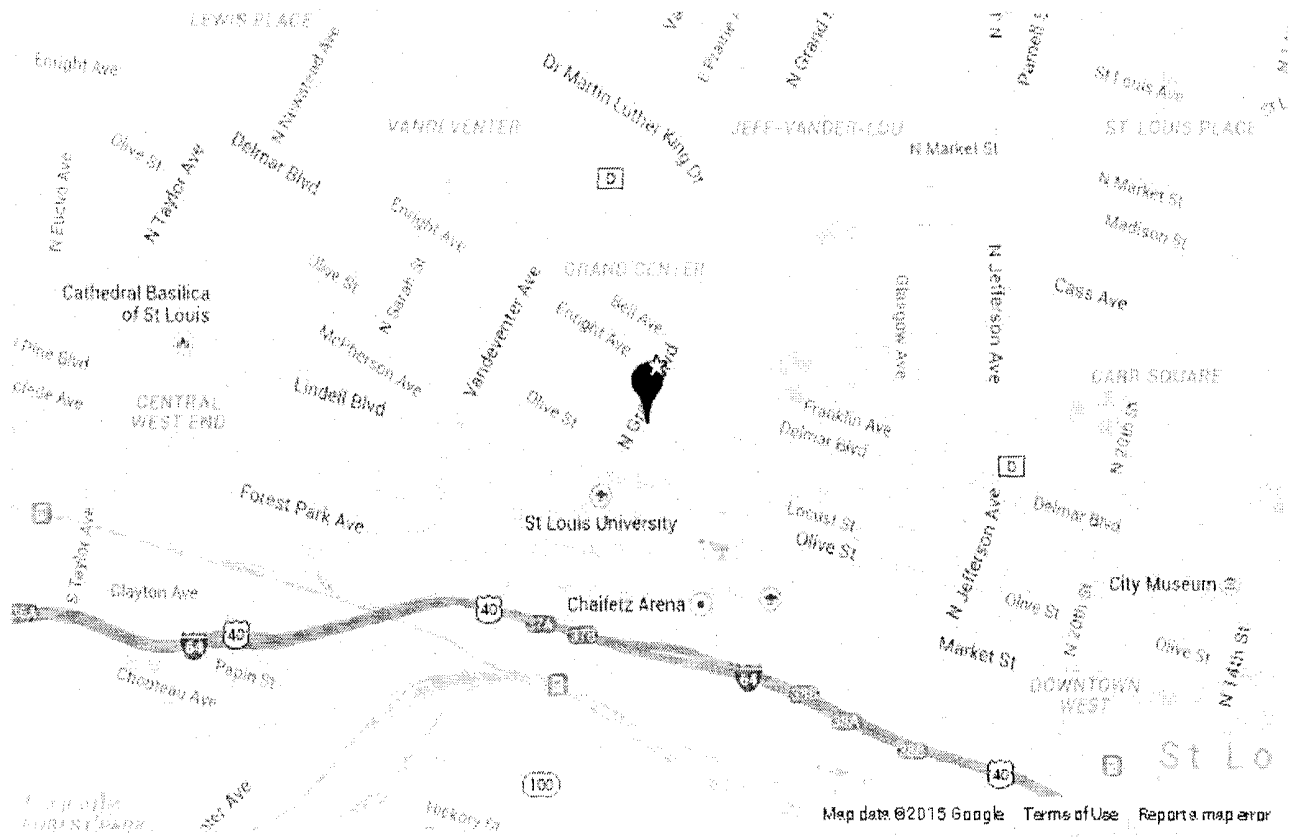
The neighborhood surrounding a lodging facility often has an impact on a hotel's status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section of the report investigates the subject neighborhood and evaluates any pertinent location factors that could affect its future occupancy, average rate, and overall profitability.

The Grand Center neighborhood, located in the heart of the city of St. Louis, is generally defined by Dr. Martin Luther King Drive to the north, Compton Avenue to the east, Lindell Boulevard/Olive Street to the south, and Vandeventer Avenue to the west. This arts and entertainment district is characterized by museums, theaters, and art galleries; specific venues include The Fabulous Fox Theater, Powell Symphony Hall, Contemporary Arts Museum of St. Louis, Pulitzer Arts Foundation, and The Sheldon Concert Hall and Art Galleries. Furthermore, the neighborhood is home to studios for St. Louis Public Radio, St. Louis Public Television, and KDHX independent radio, as well as the John Cochran VA Medical Center. Restaurants within the neighborhood include Sweetie Pie's The Upper Crust, Nadoz Cafe, Urban Chestnut Brewing Company, and Dooley's Beef N Brew House. It is important to note that the neighborhood is strongly influenced by the presence of St. Louis University's main campus immediately to the south.

The Grand Center neighborhood emerged as the cultural center of St. Louis in the early 1900s with the development of several vaudeville and motion picture theaters along Grand Boulevard. At that time, the thoroughfare was known as "The Great White Way," because of all of the neon theater signs. From the 1950s through the 1980s, the neighborhood lost much of its glory and grandeur as urban populations shifted to the suburbs. In the early 1980s, the neighborhood entered its revitalization stage, as a redevelopment corporation was established for the area. This led to the renovation and reopening of several theaters and drew the presence of regional arts institutions and organizations. The establishment of a TIF district in 2002 has led to additional private redevelopment, including new restaurants and residences. Most recently, a new joint facility for St. Louis Public Radio and University of Missouri–St. Louis opened in 2012; a new performance, broadcast, and office facility for KDHX community media opened in 2013; and the Sun Theatre opened in 2014. The planned redevelopment of the former Missouri Theater building, inclusive of the proposed subject hotel and complementary office

and retail uses, should be a positive influence on the area. The hotel will be in character with and will complement surrounding land uses.

MAP OF NEIGHBORHOOD



Utilities

The subject site will reportedly be served by all necessary utilities.

Soil and Subsoil Conditions

Geological and soil reports were not provided to us or made available for our review during the preparation of this report. We are not qualified to evaluate soil conditions other than by a visual inspection of the surface; no extraordinary conditions were apparent.

Nuisances and Hazards

We were not informed of any site-specific nuisances or hazards, and there were no visible signs of toxic ground contaminants at the time of our inspection. Because we are not experts in this field, we do not warrant the absence of hazardous waste and urge the reader to obtain an independent analysis of these factors.

Flood Zone

According to the Federal Emergency Management Agency, the subject site is located in flood zone X. The flood zone definition for the X designation is as follows: areas outside the 500-year flood plain; areas of the 500-year flood; areas of the 100-year flood with average depths of less than one foot or with drainage areas less than one square mile and areas protected by levees from the 100-year flood.

Zoning

According to the local planning office, the subject property is zoned as follows: H - Area Commercial. This zoning designation allows for most commercial uses, including office complexes, retail centers, service industries, and hotels and motels. We assume that all necessary permits and approvals will be secured (including the appropriate liquor license if applicable) and that the subject property will be constructed in accordance with local zoning ordinances, building codes, and all other applicable regulations. Our zoning analysis should be verified before any physical changes are made to the site.

Easements and Encroachments

We are not aware of any easements attached to the property that would significantly affect the utility of the site or marketability of this project.

Conclusion

We have analyzed the issues of size, topography, access, visibility, and the availability of utilities. The subject site is favorably located along a major thoroughfare within a designated cultural district. This location offers adequate regional access and is proximate to tourist attractions and a major university. In general, the site should be well suited for future hotel use, with acceptable access, visibility, and topography for an effective operation.

3. Market Area Analysis

The economic vitality of the market area and neighborhood surrounding the subject site is an important consideration in forecasting lodging demand and future income potential. Economic and demographic trends that reflect the amount of visitation provide a basis from which to project lodging demand. The purpose of the market area analysis is to review available economic and demographic data to determine whether the local market will undergo economic growth, stabilize, or decline. In addition to predicting the direction of the economy, the rate of change must be quantified. These trends are then correlated based on their propensity to reflect variations in lodging demand, with the objective of forecasting the amount of growth or decline in visitation by individual market segment (e.g., commercial, meeting and group, and leisure).

Market Area Definition

The market area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. The subject site is located in the city of St. Louis, and the state of Missouri. Located near the confluence of the Missouri and Mississippi Rivers, St. Louis has long been a regional center for commerce and transportation. The area was originally settled by French fur traders in the mid-1700s, prior to being transferred into Spanish and then American possession. Throughout the 1800s, the area grew and thrived as a major port for steamboats plying the waterways of the Midwest. In 1904, the city hosted the World's Fair, which helped establish it as a major metropolis. Today, the area continues to serve as an economic hub for the Midwest and is home to 21 of the Fortune 1000 companies.

The proposed subject property's market area can be defined by its Combined Statistical Area (CSA): St. Louis-St. Charles-Farmington, MO-IL. The CSA represents adjacent metropolitan and micropolitan statistical areas that have a moderate degree of employment interchange. Micropolitan statistical areas represent urban areas in the United States based around a core city or town with a population of 10,000 to 49,999; the MSA requires the presence of a core city of at least 50,000 people and a total population of at least 100,000 (75,000 in New England). The following exhibit illustrates the market area.

MAP OF MARKET AREA

Economic and Demographic Review

A primary source of economic and demographic statistics used in this analysis is the *Complete Economic and Demographic Data Source* published by Woods & Poole Economics, Inc.—a well-regarded forecasting service based in Washington, D.C. Using a database containing more than 900 variables for each county in the nation, Woods & Poole employs a sophisticated regional model to forecast economic and demographic trends. Historical statistics are based on census data and information published by the Bureau of Economic Analysis. Projections are formulated by Woods & Poole, and all dollar amounts have been adjusted for inflation, thus reflecting real change.

These data are summarized in the following table.

FIGURE 3-1 ECONOMIC AND DEMOGRAPHIC DATA SUMMARY

	2000	2010	2013	2020	Average Annual Compounded Change 2000-10	2010-13	2013-20
Resident Population (Thousands)							
St. Louis (Independent City) County	347.1	319.0	312.6	294.9	(0.8) %	(0.7) %	(0.8) %
St. Louis, MO-IL MSA	2,702.2	2,814.7	2,834.2	2,903.1	0.4	0.2	0.3
St. Louis-St. Charles-Farmington, MO-IL CSA	2,758.0	2,880.2	2,899.9	2,969.4	0.4	0.2	0.3
State of Missouri	5,607.3	5,995.7	6,082.7	6,356.1	0.7	0.5	0.6
United States	282,162.4	309,330.2	317,790.9	340,554.3	0.9	0.9	1.0
Per-Capita Personal Income*							
St. Louis (Independent City) County	$28,181	$32,282	$35,904	$39,591	1.4	3.6	1.4
St. Louis, MO-IL MSA	35,337	37,384	38,569	42,736	0.6	1.0	1.5
St. Louis-St. Charles-Farmington, MO-IL CSA	35,080	37,080	38,238	42,380	0.6	1.0	1.5
State of Missouri	31,046	33,126	33,929	37,188	0.7	0.8	1.3
United States	33,756	35,951	36,907	40,245	0.6	0.9	1.2
W&P Wealth Index							
St. Louis (Independent City) County	82.1	85.6	91.5	92.4	0.4	2.2	0.1
St. Louis, MO-IL MSA	105.0	104.0	104.6	105.9	(0.1)	0.2	0.2
St. Louis-St. Charles-Farmington, MO-IL CSA	104.3	103.2	103.7	105.0	(0.1)	0.2	0.2
State of Missouri	92.8	92.2	91.8	92.0	(0.1)	(0.1)	0.0
United States	100.0	100.0	100.0	100.0	0.0	0.0	0.0
Food and Beverage Sales (Millions)*							
St. Louis (Independent City) County	$738	$727	$773	$776	(0.2)	2.1	0.1
St. Louis, MO-IL MSA	3,645	4,025	4,365	4,691	1.0	2.7	1.0
St. Louis-St. Charles-Farmington, MO-IL CSA	3,704	4,088	4,435	4,766	1.0	2.7	1.0
State of Missouri	6,754	7,569	8,260	9,101	1.1	3.0	1.4
United States	341,369	408,974	453,784	512,773	1.8	3.5	1.8
Total Retail Sales (Millions)*							
St. Louis (Independent City) County	$3,755	$2,807	$2,970	$2,965	(2.9)	1.9	(0.0)
St. Louis, MO-IL MSA	35,947	34,375	37,358	40,424	(0.4)	2.8	1.1
St. Louis-St. Charles-Farmington, MO-IL CSA	36,576	35,033	38,070	41,184	(0.4)	2.8	1.1
State of Missouri	73,721	73,225	80,334	89,091	(0.1)	3.1	1.5
United States	3,612,260	3,796,423	4,219,294	4,803,190	0.5	3.6	1.9

* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

The U.S. population has grown at an average annual compounded rate of 0.9% from 2010 through 2013. The city's population has declined slightly when compared to the nation's population; the average annual growth rate of -0.7% between 2010 and 2013 reflects a relatively stable area. In contrast to this population trend, per-capita personal income increased strongly, at 3.6% on average annually for the city between 2010 and 2013. Local wealth indexes have increased in recent years, registering a relatively modest 91.5 level for the city in 2013.

Food and beverage sales totaled $773 million in the city in 2013, versus $727 million in 2010. This reflects a 2.1% average annual change, which is stronger than the -0.2% pace recorded in the prior decade, the latter years of which were adversely affected by the recession. Over the long term, the pace of growth is forecast to moderate to a more sustainable level of 0.1%, which is forecast through 2020. The retail sales sector demonstrated an annual decline of -2.9% registered in the decade 2000 to 2010, followed by an increase of 1.9% in the period 2010 to 2013. Relative stability is expected in city retail sales through 2020.

Workforce Characteristics

The characteristics of an area's workforce provide an indication of the type and amount of transient visitation likely to be generated by local businesses. Sectors such as finance, insurance, and real estate (FIRE); wholesale trade; and services produce a considerable number of visitors who are not particularly rate-sensitive. The government sector often generates transient room nights, but per-diem reimbursement allowances often limit the accommodations selection to budget and mid-priced lodging facilities. Contributions from manufacturing, construction, transportation, communications, and public utilities (TCPU) employers can also be important, depending on the company type.

The following table sets forth the city workforce distribution by business sector in 2000, 2010, and 2013, as well as a forecast for 2020.

FIGURE 3-2 HISTORICAL AND PROJECTED EMPLOYMENT (000S)

Industry	2000	Percent of Total	2010	Percent of Total	2013	Percent of Total	2020	Percent of Total	Average Annual Compounded Change 2000-2010	2010-2013	2013-2020
Farm	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %	0.0 %	0.0 %	0.0 %
Forestry, Fishing, Related Activities And Other	1.1	0.4	1.2	0.4	1.4	0.5	1.5	0.5	0.7	5.1	0.8
Mining	0.8	0.3	0.9	0.3	0.9	0.3	0.7	0.3	1.6	(0.4)	(3.5)
Utilities	1.6	0.6	1.3	0.5	1.2	0.4	1.1	0.4	(2.5)	(1.8)	(1.2)
Construction	8.3	2.8	7.5	2.8	7.2	2.7	7.7	2.9	(1.0)	(1.5)	1.1
Manufacturing	30.2	10.3	19.9	7.5	19.8	7.4	14.5	5.4	(4.1)	(0.2)	(4.3)
Total Trade	26.0	8.9	19.5	7.4	18.1	6.8	17.4	6.5	(2.8)	(2.6)	(0.5)
Wholesale Trade	13.0	4.4	9.0	3.4	7.5	2.8	6.9	2.6	(3.7)	(5.7)	(1.2)
Retail Trade	13.0	4.4	10.6	4.0	10.6	3.9	10.5	3.9	(2.0)	(0.0)	(0.0)
Transportation And Warehousing	10.7	3.6	7.2	2.7	6.9	2.6	6.4	2.4	(3.8)	(1.6)	(0.9)
Information	7.6	2.6	7.3	2.8	8.9	3.3	9.2	3.4	(0.4)	6.8	0.4
Finance And Insurance	12.4	4.2	15.0	5.7	17.7	6.6	18.7	6.9	2.0	5.6	0.8
Real Estate And Rental And Lease	5.3	1.8	6.7	2.5	6.7	2.5	7.3	2.7	2.3	(0.2)	1.4
Total Services	142.0	48.4	140.2	52.7	140.8	52.6	149.1	55.3	(0.1)	0.2	0.8
Professional And Technical Services	16.3	5.6	19.1	7.2	19.4	7.2	20.4	7.6	1.6	0.6	0.7
Management Of Companies And Enterprises	21.6	7.4	7.7	2.9	6.9	2.6	6.5	2.4	(9.9)	(3.2)	(0.9)
Administrative And Waste Services	16.5	5.6	15.6	5.9	15.2	5.7	15.7	5.8	(0.6)	(0.9)	0.5
Educational Services	15.1	5.2	12.7	4.8	11.8	4.4	12.1	4.5	(1.7)	(2.4)	0.4
Health Care And Social Assistance	35.2	12.0	44.6	16.8	46.0	17.2	52.6	19.5	2.4	1.0	1.9
Arts, Entertainment, And Recreation	6.2	2.1	7.5	2.8	7.9	3.0	8.7	3.2	2.0	1.9	1.3
Accommodation And Food Services	17.7	6.0	19.6	7.4	20.1	7.5	20.1	7.4	1.0	0.9	(0.0)
Other Services, Except Public Administration	13.4	4.6	13.4	5.0	13.4	5.0	13.0	4.8	0.0	(0.1)	(0.4)
Total Government	47.2	16.1	39.1	14.7	38.0	14.2	35.8	13.3	(1.9)	(0.9)	(0.9)
Federal Civilian Government	17.7	6.0	14.9	5.6	14.9	5.6	14.8	5.5	(1.7)	(0.1)	(0.1)
Federal Military	2.2	0.8	1.7	0.6	1.7	0.6	1.7	0.6	(2.6)	0.1	0.1
State And Local Government	27.3	9.3	22.5	8.5	21.5	8.0	19.3	7.1	(1.9)	(1.5)	(1.5)
TOTAL	293.4	100.0 %	265.9	100.0 %	267.6	100.0 %	269.6	100.0 %	(1.0) %	0.2 %	0.1 %
MSA	1,649.7	–	1,648.7	–	1,685.2	–	1,820.3	–	(0.0) %	0.7 %	1.1 %
U.S.	165,370.9	–	173,767.3	–	179,451.2	–	197,077.4	–	0.6	1.1	1.3

Source: Woods & Poole Economics, Inc.

Woods & Poole Economics, Inc. reports that during the period from 2000 to 2010, total employment in the county contracted at an average annual rate of -1.0%. This trend was below the growth rate recorded by the MSA and also lagged the national average. More recently, the pace of total employment growth in the county accelerated to 0.2% on an annual average from 2010 to 2013, reflecting the initial years of the recovery.

Of the primary employment sectors, Finance And Insurance recorded the highest increase in number of employees during the period from 2010 to 2013, increasing by 2,690 people, or 17.9%, and rising from 5.7% to 6.6% of total employment. Of the various service sub-sectors, Health Care And Social Assistance and Accommodation And Food Services were the largest employers. Strong growth was also recorded in the Information sector, which expanded by 21.9% in the period 2010 to 2013. Forecasts developed by Woods & Poole Economics, Inc. anticipate that total employment in the county will change by 0.1% on average annually through 2020. The trend is below the forecast rate of change for the U.S. as a whole during the same period.

Radial Demographic Snapshot

The following table reflects radial demographic trends for our market area measured by three points of distance from the subject site.

HVS

FIGURE 3-3 DEMOGRAPHICS BY RADIUS

	0.00 - 1.00 miles	0.00 - 3.00 miles	0.00 - 5.00 miles
Population			
2019 Projection	17,305	144,718	312,952
2014 Estimate	16,633	143,765	314,141
2010 Census	16,055	143,291	316,185
2000 Census	14,028	154,672	345,902
Growth 2014-2019	4.0%	0.7%	-0.4%
Growth 2010-2014	3.6%	0.3%	-0.7%
Growth 2000-2010	14.5%	-7.4%	-8.6%
Households			
2019 Projection	6,798	67,263	139,500
2014 Estimate	6,421	65,954	138,363
2010 Census	6,083	64,651	137,138
2000 Census	5,687	65,202	142,921
Growth 2014-2019	5.9%	2.0%	0.8%
Growth 2010-2014	5.6%	2.0%	0.9%
Growth 2000-2010	7.0%	-0.8%	-4.1%
Income			
2014 Est. Average Household Income	$32,206	$45,983	$47,110
2014 Est. Median Household Income	20,931	29,517	31,546
2014 Est. Civ Employed Pop 16+ by Occupation	6,255	63,278	141,248
Architect/Engineer	131	1,283	2,132
Arts/Entertain/Sports	124	1,743	3,876
Building Grounds Maint	391	3,048	7,248
Business/Financial Ops	201	3,248	6,455
Community/Soc Svcs	128	1,262	2,961
Computer/Mathematical	152	1,618	3,529
Construction/Extraction	117	1,743	4,608
Edu/Training/Library	324	3,859	9,095
Farm/Fish/Forestry	39	105	199
Food Prep/Serving	720	6,075	13,711
Health Practitioner/Tec	396	4,906	9,748
Healthcare Support	154	2,406	5,174
Maintenance Repair	45	861	2,383
Legal	70	1,208	2,291
Life/Phys/Soc Science	73	790	1,741
Management	449	5,514	11,663
Office/Admin Support	1,068	7,110	16,535
Production	212	2,561	6,902
Protective Svcs	204	1,548	3,600
Sales/Related	642	6,476	14,060
Personal Care/Svc	409	3,078	6,223
Transportation/Moving	206	2,838	7,115

Source: The Nielsen Company

This source reports a population of 314,141 within a five-mile radius of the subject site, and 138,363 households within this same radius. Average household income within a five-mile radius of the subject site is currently reported at $47,110, while the median is $31,546.

The following table illustrates historical and projected employment, households, population and average household income data as provided by REIS for the overall St. Louis market.

FIGURE 3-4 HISTORICAL & PROJECTED EMPLOYMENT, HOUSEHOLDS, POPULATION, AND HOUSEHOLD INCOME STATISTICS

Year	Total Employment	% Chg	Office Employment	% Chg	Industrial Employment	% Chg	Households	% Chg	Population	% Chg	Household Avg. Income	% Chg
2001	1,334,230	–	379,661	–	238,736	–	1,071,230	–	2,741,910	–	$83,762	–
2002	1,333,100	(0.1) %	379,333	(0.1) %	231,591	(3.0) %	1,077,560	0.6 %	2,752,900	0.4 %	86,296	3.0 %
2003	1,319,630	(1.0)	376,822	(0.7)	224,434	(3.1)	1,084,240	0.6	2,764,710	0.4	89,302	3.5
2004	1,330,300	0.8	380,065	0.9	224,065	(0.2)	1,091,980	0.7	2,774,280	0.3	92,296	3.4
2005	1,342,870	0.9	386,289	1.6	222,115	(0.9)	1,100,170	0.8	2,785,810	0.4	96,106	4.1
2006	1,358,500	1.2	394,137	2.0	221,017	(0.5)	1,108,770	0.8	2,799,170	0.5	100,251	4.3
2007	1,367,200	0.6	396,183	0.5	218,684	(1.1)	1,116,170	0.7	2,811,370	0.4	103,911	3.7
2008	1,342,500	(1.8)	392,410	(1.0)	210,069	(3.9)	1,122,320	0.6	2,823,530	0.4	108,423	4.3
2009	1,287,470	(4.1)	382,584	(2.5)	188,067	(10.5)	1,127,630	0.5	2,835,050	0.4	101,755	(6.1)
2010	1,295,970	0.7	387,515	1.3	185,102	(1.6)	1,132,400	0.4	2,842,280	0.3	103,918	2.1
2011	1,306,170	0.8	390,095	0.7	187,671	1.4	1,137,740	0.5	2,844,940	0.1	107,836	3.8
2012	1,309,230	0.2	392,267	0.6	187,536	(0.1)	1,145,440	0.7	2,848,320	0.1	113,100	4.9
2013	1,317,570	0.6	396,886	1.2	188,910	0.7	1,151,420	0.5	2,850,110	0.1	113,503	0.4
Forecasts												
2014	*1,343,370*	*2.0 %*	*403,731*	*1.7 %*	*192,274*	*1.8 %*	*1,157,550*	*0.5 %*	*2,852,380*	*0.1 %*	*$118,365*	*4.3 %*
2015	*1,382,800*	*2.9*	*414,761*	*2.7*	*195,511*	*1.7*	*1,167,000*	*0.8*	*2,856,970*	*0.2*	*124,931*	*5.5*
2016	*1,410,580*	*2.0*	*423,595*	*2.1*	*196,814*	*0.7*	*1,176,420*	*0.8*	*2,862,840*	*0.2*	*130,813*	*4.7*
2017	*1,418,660*	*0.6*	*425,614*	*0.5*	*197,680*	*0.4*	*1,186,430*	*0.9*	*2,869,730*	*0.2*	*135,750*	*3.8*
2018	*1,420,970*	*0.2*	*424,572*	*(0.2)*	*198,089*	*0.2*	*1,195,250*	*0.7*	*2,877,500*	*0.3*	*139,622*	*2.9*
Average Annual Compound Change												
2001 - 2013		(0.1) %		0.4 %		(1.9) %		0.6 %		0.3 %		2.6 %
2001 - 2007		0.4		0.7		(1.5)		0.7		0.4		3.7
2007 - 2010		(1.8)		(0.7)		(5.4)		0.5		0.4		0.0
2010 - 2013		0.6		0.8		0.7		0.6		0.1		3.0
Forecast 2013 - 2018		*1.5 %*		*1.4 %*		*1.0 %*		*0.7 %*		*0.2 %*		*4.2 %*

Source: REIS Report, 3rd Quarter, 2014

For the St. Louis market, of the roughly 1,300,000 persons employed, 30% work in offices and are categorized as office employees, while 14% are categorized as industrial employees. Total employment decreased by an average annual compound rate of -1.8% during the recession of 2007 to 2010, followed by an improvement of 0.6% from 2010 to 2013. By comparison, office employment reflected compound change rates of -0.7% and 0.8%, during same respective periods. Total employment is expected to expand by 2.0% in 2014, while office employment is forecast to expand by 1.7% in 2014. Forecasts for the period 2013 through 2018 anticipate total employment will improve at an average annual compound rate of 1.5%, and office employment is forecast to improve by 1.4% on average annually during the same time frame.

The number of households are forecast to improve by 0.7% on average annually between 2013 and 2018. Population is forecast to expand during this same time frame, at an average annual compounded rate of 0.2%. Household average income is forecast to grow by 4.2% on average annually between 2013 through 2018.

Unemployment Statistics

The following table presents historical unemployment rates for the proposed subject hotel's market area.

FIGURE 3-5 UNEMPLOYMENT STATISTICS

Year	City	MSA	State	U.S.
2004	8.8 %	6.0 %	5.8 %	5.5 %
2005	8.1	5.6	5.4	5.1
2006	6.9	5.1	4.8	4.6
2007	7.0	5.3	5.0	4.6
2008	7.5	6.4	5.9	5.8
2009	11.8	9.9	9.4	9.3
2010	12.8	9.8	9.3	9.6
2011	11.6	8.8	8.5	8.9
2012	9.4	7.7	7.0	8.1
2013	9.1	7.2	6.5	7.4
Recent Month - Nov				
2013	8.1 %	6.6 %	5.7 %	7.0 %
2014	7.4	5.6	5.1	5.8

* Letters shown next to data points (if any) reflect revised population controls and/or model re-estimation implemented by the BLS.

Source: U.S. Bureau of Labor Statistics

The unemployment rate for the U.S. fluctuated within the narrow range of 4.6% to 5.5% in the period spanning from 2004 to 2007. The recession and financial crisis in 2007 and 2008 resulted in heightened unemployment rates, which peaked at 10.0% in October of 2009. Job growth resumed in late 2009; the national unemployment rate has steadily declined since 2010. Total nonfarm payroll employment increased by 252,000 in December of 2014, with gains relatively widespread and particularly strong in the professional and business services, construction, food services and drinking places, health care, and manufacturing categories. The unemployment rate was 5.6% in December of 2014 (down from 5.8% in November). Over the last twelve months, the unemployment rate has declined by 1.1 points and 1.7 million persons. This positive trend reflects steady progress by the U.S. economy.

Locally, the unemployment rate was 9.1% in 2013; for this same area in 2014, the most recent month's unemployment rate was registered at 7.4%, versus 8.1% for the same month in 2013. Unemployment rates in this area fluctuated in the middle of the last decade as some area industries strengthened while others downsized. Concurrent with statewide and national trends, local unemployment rates increased in 2008 and 2009. Local unemployment levels stabilized in 2010 before beginning to decline in 2011. Unemployment levels fell further in 2012 and 2013, and the most recent comparative period illustrates continuing improvement. Local employment has remained strong within the healthcare sector, while many employers in the manufacturing, consumer products, and financial services fields have resumed hiring and training efforts following the recession. Our interviews with economic development officials reflect a positive outlook for the area.

Major Business and Industry

Providing additional context for understanding the nature of the regional economy, the following table presents a list of the major employers in the subject property's market.

HVS

FIGURE 3-6 MAJOR EMPLOYERS

Rank	Firm	Number of Employees
1	BJC HealthCare	25,200
2	Boeing	15,129
3	Washington University in St. Louis	14,248
4	Scott Air Force Base	13,002
5	Mercy Health	12,489
6	SSM Health Care	11,898
7	Wal-Mart Stores, Inc.	11,600
8	Schnucks	10,919
9	Archdiocese of St. Louis	9,826
10	McDonald's	9,455

Source: St. Louis Regional Chamber & Growth Association, June 2013

The St. Louis area benefits from a diverse economy that helped it weather the recent recession relatively well. The central corridor of the city continues to be anchored by strong companies and entities in the financial services, high-tech, and energy sectors. The financial services sector remains strong owing to the presence of Wells Fargo Advisors, U.S. Bank, Stifel Financial Corporation, and the Federal Reserve Bank of St. Louis. Within the energy sector, companies such as Peabody Energy and Foresight Energy continue to grow and expand, despite the current challenges facing the coal industry. The St. Louis area is now emerging as a center for start-ups in the technology sector, anchored by companies such as Unisys Corporation and Hudson's Bay Company, as well as the rapidly expanding T-REX incubator and Cortex innovation community. Furthermore, the Midtown and Central West End areas are home to several higher education institutions and major medical campuses, including Saint Louis University, Harris-Stowe State University, Washington University, Barnes-Jewish Hospital, St. Louis Children's Hospital, Cardinal Glennon Children's Medical Center, John Cochran VA Medical Center, and Saint Louis University Hospital.

Office Space Statistics

Trends in occupied office space are typically among the most reliable indicators of lodging demand, as firms that occupy office space often exhibit a strong propensity to attract commercial visitors. Thus, trends that cause changes in vacancy rates or in the amount of occupied office space may have a proportional impact on commercial lodging demand and a less direct effect on meeting demand. The following table details office space statistics for the pertinent market area.

HVS

FIGURE 3-7 OFFICE SPACE STATISTICS – MARKET OVERVIEW

Submarket	Inventory Buildings	Inventory Square Feet	Occupied Office Space	Vacancy Rate	Average Asking Lease Rate
1 Downtown	72	11,017,000	8,769,500	20.4 %	$17.67
2 St. Louis City	**62**	**2,159,000**	**1,871,900**	**13.3**	**16.26**
3 Clayton	92	6,823,000	6,052,000	11.3	25.22
4 Olive/Westport	131	7,338,000	5,811,700	20.8	20.90
5 Hwy 40 Corridor	154	7,770,000	6,915,300	11.0	24.66
6 South County	91	3,028,000	2,377,000	21.5	20.85
7 North/St. Charles	119	5,905,000	4,552,800	22.9	18.96
8 Illinois	63	1,359,000	1,070,900	21.2	16.82
Totals and Averages	**784**	**45,399,000**	**37,421,100**	**17.6 %**	**$20.81**

Source: REIS Report, 3rd Quarter, 2014

The greater St. Louis market comprises a total of 45.4 million square feet of office space. For the 3rd Quarter of 2014, the market reported a vacancy rate of 17.6% and an average asking rent of $20.81. The subject property is located in the St. Louis City submarket, which houses 2,159,000 square feet of office space. The submarket's vacancy rate of 13.3% is below the overall market average. The average asking lease rate of $16.26 is below the average for the broader market.

The following table illustrates a trend of office space statistics for the overall St. Louis market and the St. Louis City submarket.

FIGURE 3-8 HISTORICAL AND PROJECTED OFFICE SPACE STATISTICS – GREATER MARKET VS. SUBMARKET

	St. Louis Market							St. Louis City Submarket						
Year	Available Office Space	% Chg	Occupied Office Space	% Chg	Vacancy Rate	Asking Lease Rate	% Chg	Available Office Space	% Chg	Occupied Office Space	% Chg	Vacancy Rate	Asking Lease Rate	% Chg
2001	43,429,000	–	37,162,000	–	14.4 %	$20.14	–	1,663,000	–	1,562,000	–	6.1 %	$14.35	–
2002	44,799,000	3.2 %	37,475,000	0.8 %	16.3	20.19	0.2 %	1,665,000	0.1 %	1,535,000	(1.7) %	7.8	14.73	2.6 %
2003	45,355,000	1.2	37,548,000	0.2	17.2	19.80	(1.9)	1,705,000	2.4	1,449,000	(5.6)	15.0	14.59	(1.0)
2004	45,408,000	0.1	37,082,000	(1.2)	18.3	19.56	(1.2)	1,705,000	0.0	1,485,000	2.5	12.9	14.88	2.0
2005	44,979,000	(0.9)	37,562,000	1.3	16.5	19.57	0.1	1,854,000	8.7	1,537,000	3.5	17.1	15.22	2.3
2006	44,984,000	0.0	38,110,000	1.5	15.3	19.48	(0.5)	1,859,000	0.3	1,595,000	3.8	14.2	15.00	(1.4)
2007	44,808,000	(0.4)	38,192,000	0.2	14.8	19.94	2.4	1,871,000	0.6	1,639,000	2.8	12.4	15.36	2.4
2008	45,304,000	1.1	38,244,000	0.1	15.6	20.36	2.1	1,985,000	6.1	1,777,000	8.4	10.5	15.68	2.1
2009	45,365,000	0.1	37,163,000	(2.8)	18.1	20.14	(1.1)	2,099,000	5.7	1,799,000	1.2	14.3	14.92	(4.8)
2010	45,790,000	0.9	37,362,000	0.5	18.4	20.29	0.7	2,099,000	0.0	1,788,000	(0.6)	14.8	14.86	(0.4)
2011	45,402,000	(0.8)	37,102,000	(0.7)	18.3	20.42	0.6	2,159,000	2.9	1,827,000	2.2	15.4	14.89	0.2
2012	45,381,000	(0.0)	37,033,000	(0.2)	18.4	20.48	0.3	2,159,000	0.0	1,852,000	1.4	14.2	15.86	6.5
2013	45,399,000	0.0	37,214,000	0.5	18.0	20.62	0.7	2,159,000	0.0	1,876,000	1.3	13.1	16.00	0.9
Forecasts														
2014	*45,399,000*	*0.0 %*	*37,590,000*	*1.0 %*	*17.2 %*	*20.87*	*1.2 %*	*2,159,000*	*0.0 %*	*1,894,000*	*1.0 %*	*12.3 %*	*$16.32*	*2.0 %*
2015	*45,605,000*	*0.5*	*37,928,000*	*0.9*	*16.8*	*21.28*	*2.0*	*2,159,000*	*0.0*	*1,892,000*	*(0.1)*	*12.4*	*16.63*	*1.9*
2016	*46,459,000*	*1.9*	*38,602,000*	*1.8*	*16.9*	*21.78*	*2.3*	*2,159,000*	*0.0*	*1,882,000*	*(0.5)*	*12.8*	*17.00*	*2.2*
2017	*47,043,000*	*1.3*	*39,490,000*	*2.3*	*16.1*	*22.41*	*2.9*	*2,159,000*	*0.0*	*1,879,000*	*(0.2)*	*13.0*	*17.41*	*2.4*
2018	*47,650,000*	*1.3*	*40,264,000*	*2.0*	*15.5*	*23.11*	*3.1*	*2,159,000*	*0.0*	*1,850,000*	*(1.5)*	*14.3*	*17.77*	*2.1*
Average Annual Compound Change														
2001 - 2013		0.4 %		0.0 %			0.2 %		2.2 %		1.5 %			0.9 %
2001 - 2007		0.5		0.5			(0.2)		2.0		0.8			1.1
2007 - 2010		0.7		(0.7)			0.6		3.9		2.9			(1.1)
2010 - 2013		(0.3)		(0.1)			0.5		0.9		1.6			2.5
Forecast 2013 - 2018		*1.0 %*		*1.6 %*			*2.3 %*		*0.0 %*		*(0.3) %*			*2.1 %*

Source: REIS Report, 3rd Quarter, 2014

The inventory of office space in the St. Louis market increased at an average annual compound rate of 0.4% from 2001 through 2013, while occupied office space remained relatively stable at an average annual rate of 0.0% over the same period. During the period of 2001 through 2007, occupied office space expanded at an average annual compound rate of 0.5%. From 2007 through 2010, occupied office space contracted at an average annual compound rate of -0.7%, reflecting the impact of the recession. A -0.1% average annual change in occupied office space was registered from 2010 to 2013. From 2013 through 2018, the inventory of occupied office space is forecast to increase at an average annual compound rate of 1.6%, with available office space expected to increase 1.0%, thus resulting in an anticipated vacancy rate of 15.5% as of 2018.

Convention Activity

A convention center serves as a gauge of visitation trends to a particular market. Convention centers also generate significant levels of demand for area hotels and serve as a focal point for community activity. Typically, hotels within the closest proximity to a convention center—up to three miles away—will benefit the most. Hotels serving as headquarters for an event benefit the most by way of premium rates and hosting related banquet events. During the largest of conventions, peripheral hotels may benefit from compression within the city as a whole.

The following table illustrates recent use statistics for this facility.

FIGURE 3-9 CONVENTION CENTER STATISTICS

Year	Number of Conventions	Percent Change	Room Nights Booked	Percent Change
2007	55	—	253,324	—
2008	51	(7.3) %	214,825	(15.2) %
2009	40	(21.6)	227,601	5.9
2010	33	(17.5)	201,878	(11.3)
2011	29	(12.1)	204,076	1.1
2012	32	10.3	243,819	19.5
2013	31	(3.1)	239,570	(1.7)

Source: Americas Center Convention Complex

America's Center, which includes the St. Louis Executive Conference Center and the Edward Jones Dome, is the area's primary meeting venue. Originally constructed in 1977 as the Cervantes Convention Center, the center was expanded in 1993 and now provides more than 500,000 square feet of prime exhibit space. The Edward Jones Dome, a convention facility and stadium that was formerly known as the Trans World Dome, seats over 64,000 people; it was constructed in

1995 following the demolition of a Sheraton hotel, which had previously occupied the site. The St. Louis Executive Conference Center is located on the third floor of the America's Center. It is reportedly the only conference center in the U.S. located inside a convention center and certified by the International Association of Conference Centers. In 2010, the Convention & Visitors Commission (CVC) embarked on a $48-million renovation of the convention center. The project was completed in 2012 and included improvements to the roof, escalators, elevators, life-safety systems, HVAC system, kitchens, restrooms, signage, and interior finishes.

After a banner year in 2006, the number of conventions trended downward until 2012. The number of booked room nights generally fluctuated before notably increasing in 2012 as the convention center benefited from demand returning to the market and the completion of its renovation. The total number of events and attendees fell slightly in 2013, but CVC officials noted that the 2014 statistics should show an improvement, once compiled and released. A notable booking that led to this positive trend was the O'Reilly Auto Parts franchise meeting, which came to St. Louis in 2014 from Nashville. The meeting provided the downtown market with nearly 18,000 room nights in February, and CVC officials noted that this event is signed through 2017. Going forward, another major meeting that will positively affect meeting and group business in the downtown area will be the expansion of the annual Herbalife sales meeting. Starting in February of 2015, Herbalife will combine its North American and Latin American conferences at the America's Center. The expanded meeting is expected to bring nearly 25,000 attendees and generate significant room nights for hotels in the downtown and surrounding areas. According to the CVC, the outlook for the convention center is positive, with the event and room-night booking pace showing growth through 2017.

Airport Traffic

Airport passenger counts are important indicators of lodging demand. Depending on the type of service provided by a particular airfield, a sizable percentage of arriving passengers may require hotel accommodations. Trends showing changes in passenger counts also reflect local business activity and the overall economic health of the area.

Lambert-St. Louis International Airport (STL) is the primary airport for St. Louis, Missouri and the surrounding area. Many major commercial airlines service the airport. In the fall of 2006, construction on a new runway was completed. A $70-million modernization program of the airport has been in progress since 2008, including updates to the security checkpoints, restrooms, ticket counters, and concourses. During the first phase of the project, which spanned from the spring of 2008 through 2010, the dome ceiling was treated, a new baggage claim system was installed, and new roadway signage was installed as part of the $1.2-million

Wayfinding Project. In April of 2011, Terminal 1 and Concourse C suffered extensive tornado damage. Operational disruptions were limited, as Concourse C operations were relocated to the previously under-utilized B and D concourses, and Terminal 1 immediately received temporary repairs. By mid-year 2013, the storm damage had been fully repaired; furthermore, all renovations to Concourses A and C, as well as Terminal 1, had been completed. Furthermore, a multimillion-dollar upgrade to the security conveyor system was completed in late 2013.

The following table illustrates recent operating statistics for the Lambert St. Louis International Airport, which is the primary airport facility serving the proposed subject hotel's submarket.

FIGURE 3-10 AIRPORT STATISTICS - LAMBERT ST. LOUIS INTERNATIONAL AIRPORT

Year	Passenger Traffic	Percent Change*	Percent Change**
2005	14,697,263	—	—
2006	15,289,719	4.0 %	4.0 %
2007	15,384,556	0.6	2.3
2008	14,431,471	(6.2)	(0.6)
2009	12,828,006	(11.1)	(3.3)
2010	12,331,436	(3.9)	(3.4)
2011	12,526,150	1.6	(2.6)
2012	12,683,011	1.3	(2.1)
2013	12,570,128	(0.9)	(1.9)
2014	12,384,015	(1.5)	(1.9)

*Annual average compounded percentage change from the previous ye
**Annual average compounded percentage change from first year of da

Source: Lambert St. Louis International Airport

This facility recorded 12,384,015 passengers in 2014. The change in passenger traffic between 2013 and 2014 was -1.5%. The average annual change during the period shown was -1.9%.

Tourist Attractions

The subject market benefits from a variety of tourism and leisure attractions in the area. Leisure demand generators include the various theaters and museums in Grand Center, the attractions and institutions of Forest Park, and the Gateway Arch and Mississippi Riverfront. Special events also play a role during key weekends, such as St. Louis Cardinals baseball games and a variety of festivals and holiday celebrations. No major changes related to these attributes of the market are

expected in the foreseeable future; however, it is important to note that the Gateway Arch grounds are in the midst of a major $380-million renovation.

Conclusion

This section discussed a wide variety of economic indicators for the pertinent market area. St. Louis is experiencing a period of economic strength and expansion, primarily led by the financial services, high-tech, and energy sectors. The significant presence of healthcare entities also supplies consistent economic benefits to the region. Furthermore, many of the corporations or institutions that support this area, such as Wells Fargo Advisors, Stifel Financial Corporation, BJC HealthCare, Nestlé Purina PetCare, Anheuser-Busch InBev, and Peabody Energy, are renowned entities working with a multitude of clients. Overall, the local market appears to be trending similarly to the broader national patterns of economic recovery, as evidenced by a variety of economic indicators including the unemployment rate. The outlook for the market area is positive.

4. Supply and Demand Analysis

In the lodging industry, price varies directly, but not proportionately, with demand and inversely, but not proportionately, with supply. Supply is measured by the number of guestrooms available, and demand is measured by the number of rooms occupied; the net effect of supply and demand toward equilibrium results in a prevailing price, or average rate. The purpose of this section is to investigate current supply and demand trends, as indicated by the current competitive market, and to set forth a basis for the projection of future supply and demand growth.

Historical Supply and Demand Data

Smith Travel Research (STR) is an independent research firm that compiles and publishes data on the lodging industry, routinely used by typical hotel buyers. HVS has ordered and analyzed an STR Trend Report of historical supply and demand data for a group of hotels considered applicable to this analysis for the proposed subject hotel. This information is presented in the following table, along with the market-wide occupancy, average rate, and rooms revenue per available room (RevPAR). RevPAR is calculated by multiplying occupancy by average rate and provides an indication of how well rooms revenue is being maximized.

FIGURE 4-1 HISTORICAL SUPPLY AND DEMAND TRENDS

Year	Average Daily Room Count	Available Room Nights	Change	Occupied Room Nights	Change	Occupancy	Average Rate	Change	RevPAR	Change
2003	843	307,695	–	180,988	–	58.8 %	$101.88	–	$59.93	–
2004	843	307,695	0.0 %	186,148	2.9 %	60.5	105.06	3.1 %	63.56	6.1 %
2005	843	307,695	0.0	188,792	1.4	61.4	112.78	7.3	69.20	8.9
2006	1,116	407,185	32.3	243,343	28.9	59.8	111.81	(0.9)	66.82	(3.4)
2007	1,157	422,305	3.7	258,146	6.1	61.1	121.60	8.8	74.33	11.2
2008	1,196	436,429	3.3	263,403	2.0	60.4	122.17	0.5	73.73	(0.8)
2009	1,317	480,770	10.2	260,281	(1.2)	54.1	115.12	(5.8)	62.33	(15.5)
2010	1,310	478,119	(0.6)	293,866	12.9	61.5	114.46	(0.6)	70.35	12.9
2011	1,349	492,274	3.0	292,989	(0.3)	59.5	122.36	6.9	72.82	3.5
2012	1,424	519,760	5.6	330,766	12.9	63.6	123.21	0.7	78.41	7.7
2013	1,394	508,658	(2.1)	350,334	5.9	68.9	126.94	3.0	87.43	11.5
2014	1,318	481,176	(5.4)	344,994	(1.5)	71.7	133.62	5.3	95.80	9.6
Average Annual Compounded Change:										
2003-2014			4.1 %		6.0 %			2.5 %		4.4 %

Hotels Included in Sample	Number of Rooms	Year Affiliated	Year Opened
Omni Majestic Hotel	91	Oct 1997	Sep 1913
Preferred Chase Park Plaza Hotel	338	Sep 1999	Jun 1922
Cheshire Inn	108	Aug 2011	Jun 1964
Magnolia Hotel St Louis	182	Aug 2014	Jul 1990
Courtyard St Louis Downtown	151	Jul 1990	Jul 1990
Holiday Inn Express St Louis Downtown	64	Sep 1999	Sep 1999
Residence Inn St Louis Downtown	188	Jan 2006	Jan 2006
Hampton Inn Suites St Louis @ Forest Park	126	May 2006	May 2006
Moonrise Hotel	125	Apr 2009	Apr 2009
Hotel Ignacio	51	Apr 2011	Apr 2011
Total	**1,424**		

Source: STR Global

It is important to note some limitations of the STR data. Hotels are occasionally added to or removed from the sample, and not every property reports data in a consistent and timely manner; these factors can influence the overall quality of the information by skewing the results. These inconsistencies may also cause the STR data to differ from the results of our competitive survey. Nonetheless, STR data provide the best indication of aggregate growth or decline in existing supply and demand; thus, these trends have been considered in our analysis. Opening dates, as available, are presented for each reporting hotel in the previous table.

The STR data for the competitive set reflect a market-wide occupancy level of 71.7% in 2014, which compares to 68.9% for 2013. The overall average occupancy level for the calendar years presented equates to 63.3%. Local employers and headquarter offices, several higher education and healthcare institutions, and regional leisure destinations represent the primary sources of demand for the selected set of competitive hotels in this St. Louis market. Occupancy levels remained in the high 50s to low 60s from 2003 through 2008, as rising demand levels absorbed significant supply increases with the opening of two new branded hotels and the expansion of the Chase Park Plaza. As economic conditions weakened in 2009, demand dipped a bit while supply increased further with the opening of the Moonrise Hotel. As a result, occupancy levels dropped to the mid 50s; however, as demand rebounded strongly in 2010, occupancy levels fully recovered. In 2011, demand levels remained flat and occupancy declined slightly as the market was impacted by more supply fluctuation with the opening of the Hotel Ignacio and the temporary closure and then reopening of the Cheshire Inn. Demand registered a strong year-over-year increase in 2012, absorbing the most recent supply increase and driving occupancy levels past the prior peak. This strengthening trend continued in 2013 and 2014, with market-wide occupancy reaching new heights and surpassing the 70% mark. However, it should be noted that accommodated demand levels actually declined slightly in 2014, while occupancy was somewhat inflated because of reduced supply levels given the closure of the former Roberts Mayfair Hotel in November of 2013; the property was reopened in August of 2014 as the Magnolia Hotel.

The STR data for the competitive set reflect a market-wide average rate level of $133.62 in 2014, which compares to $126.94 for 2013. The average across all calendar years presented for average rate equates to $123.20. Average rate in the local market registered an overall positive growth trend mid-decade from 2003 through 2007, although rates slipped slightly in 2006. Average rate remained relatively stable in 2008 before declining in 2009 and 2010 along with the contraction of the national economy; however, the overall drop in average rate was relatively modest. Average rate rebounded in 2011, and rate levels remained flat in 2012 as hoteliers focused on revenue gains through occupancy increases. Healthy rate increases were registered in 2013 and 2014. Significant renovations

to the Cheshire Inn and Magnolia Hotel, as well as the ramp-up of operations at the Moonrise Hotel and Hotel Ignacio, have allowed this market to register a healthy overall rate increase since 2011, while also achieving strong occupancy growth and RevPAR levels well above those that were seen prior to the recession. These occupancy and average rate trends resulted in a RevPAR level of $95.80 in 2014.

SUPPLY

The following tables summarize the important operating characteristics of the future primary competitors and the secondary competitors (if applicable). This information was compiled from personal interviews, inspections, lodging directories, and our in-house library of operating data. The table also sets forth each property's penetration factors; penetration is the ratio between a specific hotel's operating results and the corresponding data for the market. If the penetration factor is greater than 100%, the property is performing better than the market as a whole; conversely, if the penetration is less than 100%, the hotel is performing at a level below the market-wide average. The room count of each secondary competitor has been weighted based on its assumed degree of competitiveness with the subject property.

FIGURE 4-2 COMPETITORS – OPERATING PERFORMANCE

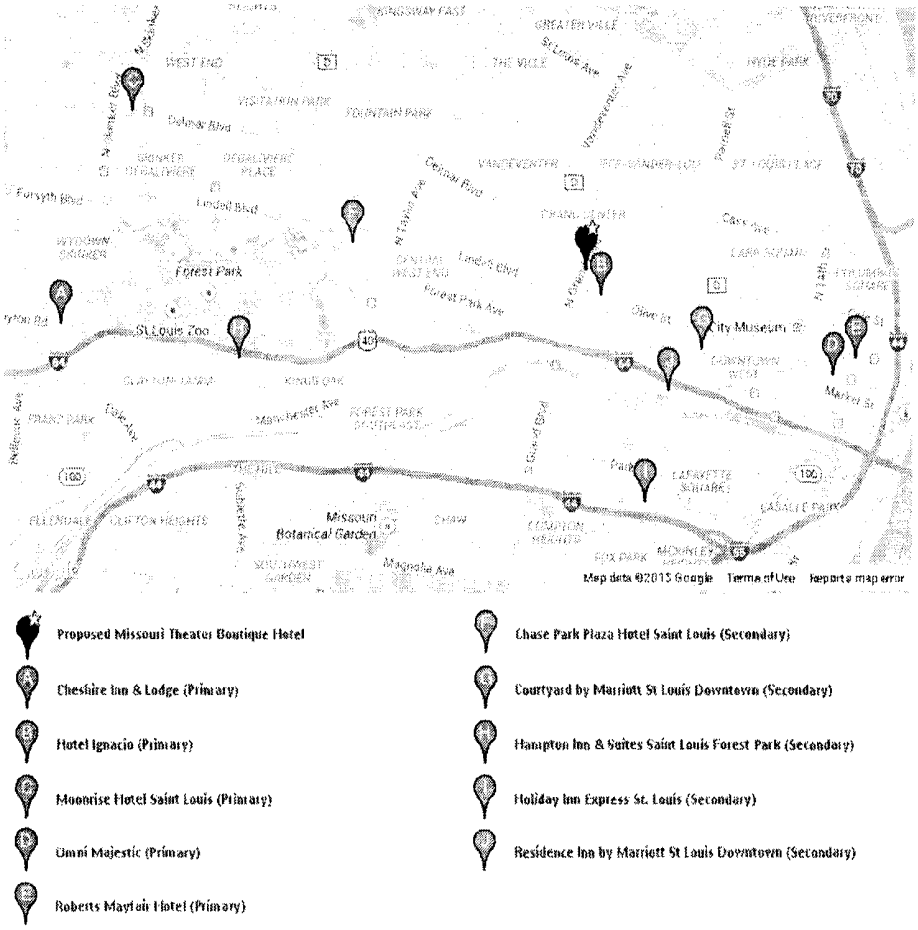
		Est. Segmentation			Estimated 2012				Estimated 2013				Estimated 2014						
Property	Number of Rooms	Commercial	Meeting and Group	Leisure	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	RevPAR Change	Occupancy Penetration	Yield Penetration
The Cheshire	108	55 %	20 %	25 %	108	65 %	$120.00	$78.00	108	75 %	$122.00	$91.50	108	78 %	$124.00	$96.72	5.7 %	109.1 %	101.2 %
Hotel Ignacio	51	55	10	35	51	52	150.00	78.00	51	63	148.00	93.24	51	64	165.00	105.60	13.3	89.5	110.5
Moonrise Hotel	125	40	20	40	125	65	148.00	96.20	125	68	150.00	102.00	125	68	155.00	105.40	3.3	95.1	110.3
Omni Majestic	91	60	10	30	91	67	125.00	83.75	91	70	128.00	89.60	91	70	132.00	92.40	3.1	97.9	96.7
Magnolia Hotel	182	40	30	30	182	48	75.00	36.00	152	55	70.00	38.50	76	60	100.00	60.00	55.8	83.9	62.8
Sub-Totals/Averages	**557**	**50 %**	**18 %**	**32 %**	**557**	**58.6 %**	**$118.30**	**$69.30**	**527**	**65.6 %**	**$119.86**	**$78.58**	**451**	**69.0 %**	**$134.87**	**$93.05**	**18.4 %**	**96.5 %**	**97.3 %**
Secondary Competitors	867	49 %	27 %	24 %	553	67.7 %	$125.61	$85.00	553	71.5 %	$129.81	$92.85	553	73.5 %	$132.89	$97.67	5.2 %	102.8 %	102.2 %
Totals/Averages	**1,424**	**49 %**	**23 %**	**27 %**	**1,110**	**63.1 %**	**$122.20**	**$77.12**	**1,079**	**68.6 %**	**$125.17**	**$85.89**	**1,004**	**71.5 %**	**$133.75**	**$95.59**	**11.3 %**	**100.0 %**	**100.0 %**

FIGURE 4-3 SECONDARY COMPETITOR(S) – OPERATING PERFORMANCE

		Est. Segmentation				Estimated 2012				Estimated 2013				Estimated 2014			
Property	Number of Rooms	Commercial	Meeting and Group	Leisure	Total Competitive Level	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR
Chase Park Plaza Hotel	338	30 %	50 %	20 %	60 %	203	57 %	$157.00	$89.49	203	63 %	$158.00	$99.54	203	65 %	$160.00	$104.00
Courtyard by Marriott St Louis Downtown	151	50	25	25	65	98	61	108.00	65.88	98	72	113.00	81.36	98	75	115.00	86.25
Hampton Inn & Suites Saint Louis Forest Park	126	65	10	25	65	82	82	124.00	101.68	82	80	126.00	100.80	82	81	134.00	108.54
Holiday Inn Express St. Louis	64	60	5	35	60	38	58	111.00	64.38	38	58	115.00	66.70	38	66	118.00	77.88
Residence Inn by Marriott St Louis Downtown	188	60	15	25	70	132	83	106.00	87.98	132	83	113.00	93.79	132	83	115.00	95.45
Totals/Averages	**867**	**49 %**	**27 %**	**24 %**	**64 %**	**553**	**67.7 %**	**$125.61**	**$85.00**	**553**	**71.5 %**	**$129.81**	**$92.85**	**553**	**73.5 %**	**$132.89**	**$97.67**

The following map illustrates the locations of the proposed subject hotel and its future competitors.

MAP OF COMPETITION



Supply Changes

It is important to consider any new hotels that may have an impact on the proposed subject hotel's operating performance. Based upon our research and inspection (as applicable), new supply considered in our analysis is presented in the following table.

FIGURE 4-4 NEW SUPPLY

Proposed Property	Number of Rooms	Total Competitive Level	Weighted Room Count	Estimated Opening Date	Development Stage
Proposed Missouri Theater Boutique Hotel	139	100 %	139	October 1, 2016	Early Development
Totals/Averages	**139**		**139**		

While we have taken reasonable steps to investigate proposed hotel projects and their status, due to the nature of real estate development, it is impossible to determine with certainty every hotel that will be opened in the future, or what their marketing strategies and effect in the market will be. Depending on the outcome of current and future projects, the future operating potential of the proposed subject hotel may be positively or negatively affected. Future improvement in market conditions will raise the risk of increased competition. Our forthcoming forecast of stabilized occupancy and average rate is intended to reflect such risk.

Supply Conclusion

We have identified various properties that are expected to be competitive to some degree with the proposed subject hotel. We have also investigated potential increases in competitive supply in this St. Louis submarket. The Proposed Missouri Theater Boutique Hotel should enter a dynamic market of varying product types and price points. Next, we will present our forecast for demand change, using the historical supply data presented as a starting point.

DEMAND

The following table presents the most recent trends for the subject hotel market as tracked by HVS. These data pertain to the competitors discussed previously in this section; performance results are estimated, rounded for the competition, and in some cases weighted if there are secondary competitors present. In this respect, the information in the table differs from the previously presented STR data and is consistent with the supply and demand analysis developed for this report.

HVS

FIGURE 4-5 HISTORICAL MARKET TRENDS

Year	Accommodated Room Nights	% Change	Room Nights Available	% Change	Market Occupancy	Market ADR	% Change	Market RevPAR	% Change
Est. 2012	255,655	—	405,095	—	63.1 %	$122.20	—	$77.12	—
Est. 2013	270,338	5.7 %	393,993	(2.7) %	68.6	125.17	2.4 %	85.89	11.4 %
Est. 2014	261,960	(3.1)	366,511	(7.0)	71.5	133.75	6.9	95.59	11.3
Avg. Annual Compounded Chg., Est. 2012-Est. 2014:		1.2 %		(4.9) %			4.6 %		11.3 %

Demand Analysis Using Market Segmentation

For the purpose of demand analysis, the overall market is divided into individual segments based on the nature of travel. Based on our fieldwork, area analysis, and knowledge of the local lodging market, we estimate the 2014 distribution of accommodated-room-night demand as follows.

FIGURE 4-6 ACCOMMODATED ROOM NIGHT DEMAND

Market Segment	Marketwide Accommodated Demand	Marketwide Percentage of Total
Commercial	129,586	49 %
Meeting and Group	60,522	23
Leisure	71,852	27
Total	**261,960**	**100 %**

The market's demand mix comprises commercial demand, with this segment representing roughly 49% of the accommodated room nights in this St. Louis submarket. The remaining portion comprises meeting and group at 23%, with the final portion leisure in nature, reflecting 27%.

The purpose of segmenting the lodging market is to define each major type of demand, identify customer characteristics, and estimate future growth trends. Starting with an analysis of the local area, three segments were defined as representing the proposed subject hotel's lodging market. Various types of economic and demographic data were then evaluated to determine their propensity to reflect changes in hotel demand. Based on this procedure, we forecast the following average annual compounded market-segment growth rates.

HVS

FIGURE 4-7 AVERAGE ANNUAL COMPOUNDED MARKET SEGMENT GROWTH RATES

	Annual Growth Rate				
Market Segment	**2015**	**2016**	**2017**	**2018**	**2019**
Commercial	1.5 %	1.0 %	1.0 %	1.0 %	0.5 %
Meeting and Group	2.5	2.5	1.0	0.5	0.5
Leisure	3.0	3.0	2.5	1.5	0.5
Base Demand Growth	**2.1 %**	**1.9 %**	**1.4 %**	**1.0 %**	**0.5 %**

Latent Demand

A table presented earlier in this section illustrated the accommodated-room-night demand in the proposed subject hotel's competitive market. Because this estimate is based on historical occupancy levels, it includes only those hotel rooms that were used by guests. Latent demand reflects potential room-night demand that has not been realized by the existing competitive supply; this type of demand can be divided into unaccommodated demand and induced demand.

Unaccommodated Demand

Unaccommodated demand refers to individuals who are unable to secure accommodations in the market because all the local hotels are filled. These travelers must defer their trips, settle for less desirable accommodations, or stay in properties located outside the market area. Because this demand did not yield occupied room nights, it is not included in the estimate of historical accommodated-room-night demand. If additional lodging facilities are expected to enter the market, it is reasonable to assume that these guests will be able to secure hotel rooms in the future, and it is therefore necessary to quantify this demand.

Unaccommodated demand is further indicated if the market is at all seasonal, with distinct high and low seasons; such seasonality indicates that although year-end occupancy may not average in excess of 70%, the market sells out many nights during the year.

The following table presents our estimate of unaccommodated demand in the subject market.

HVS

FIGURE 4-8 UNACCOMMODATED DEMAND ESTIMATE

Market Segment	Accommodated Room Night Demand	Unaccommodated Demand Percentage	Unaccommodated Room Night Demand
Commercial	129,586	9.9 %	12,789
Meeting and Group	60,522	5.4	3,293
Leisure	71,852	13.0	9,315
Total	**261,960**	**9.7 %**	**25,397**

Accordingly, we have forecast unaccommodated demand equivalent to 9.7% of the base-year demand, resulting from our analysis of monthly and weekly peak demand and sell-out trends.

Induced Demand

Induced demand represents the additional room nights that are expected to be attracted to the market following the introduction of a new demand generator. Situations that can result in induced demand include the opening of a new manufacturing plant, the expansion of a convention center, or the addition of a new hotel with a distinct chain affiliation or unique facilities. Although increases in demand are expected in the local market, we have accounted for this growth in the determination of market-segment growth rates rather than induced demand.

Accommodated Demand and Market-wide Occupancy

Based upon a review of the market dynamics in the proposed subject hotel's competitive environment, we have forecast growth rates for each market segment. Using the calculated potential demand for the market, we have determined market-wide accommodated demand based on the inherent limitations of demand fluctuations and other factors in the market area.

The following table details our projection of lodging demand growth for the subject market, including the total number of occupied room nights and any residual unaccommodated demand in the market.

FIGURE 4-9 FORECAST OF MARKET OCCUPANCY

	2015	2016	2017	2018	2019
Commercial					
Base Demand	131,530	132,845	134,173	135,515	136,193
Unaccommodated Demand	12,981	13,111	13,242	13,375	13,441
Total Demand	144,511	145,956	147,415	148,890	149,634
Growth Rate	11.5 %	1.0 %	1.0 %	1.0 %	0.5 %
Meeting and Group					
Base Demand	62,035	63,586	64,221	64,543	64,865
Unaccommodated Demand	3,376	3,460	3,495	3,512	3,530
Total Demand	65,410	67,045	67,716	68,055	68,395
Growth Rate	8.1 %	2.5 %	1.0 %	0.5 %	0.5 %
Leisure					
Base Demand	74,008	76,228	78,134	79,306	79,702
Unaccommodated Demand	9,594	9,882	10,129	10,281	10,332
Total Demand	83,602	86,110	88,263	89,587	90,034
Growth Rate	16.4 %	3.0 %	2.5 %	1.5 %	0.5 %
Totals					
Base Demand	267,572	272,658	276,528	279,363	280,760
Unaccommodated Demand	25,951	26,453	26,865	27,167	27,303
Total Demand	293,523	299,111	303,394	306,531	308,063
less: Residual Demand	14,741	11,238	0	0	0
Total Accommodated Demand	278,782	287,873	303,394	306,531	308,063
Overall Demand Growth	6.4 %	3.3 %	5.4 %	1.0 %	0.5 %
Market Mix					
Commercial	49.2 %	48.8 %	48.6 %	48.6 %	48.6 %
Meeting and Group	22.3	22.4	22.3	22.2	22.2
Leisure	28.5	28.8	29.1	29.2	29.2
Existing Hotel Supply	1,110	1,110	1,110	1,110	1,110
Proposed Hotels					
Proposed Missouri Theater Boutique Hotel [1]		35	139	139	139
Available Rooms per Night	405,095	417,883	455,830	455,830	455,830
Nights per Year	365	365	365	365	365
Total Supply	1,110	1,145	1,249	1,249	1,249
Rooms Supply Growth	10.5 %	3.2 %	9.1 %	0.0 %	0.0 %
Marketwide Occupancy	**68.8 %**	**68.9 %**	**66.6 %**	**67.2 %**	**67.6 %**

[1] Opening in October 2016 of the 100% competitive, 139-room Proposed Missouri Theater Boutique Hotel

These room-night projections for the market area will be used in forecasting the proposed subject hotel's occupancy and average rate in Chapter 6.

5. Description of the Proposed Improvements

The quality of a lodging facility's physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the subject property's proposed physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

Project Overview

The Proposed Missouri Theater Boutique Hotel will be a full-service, boutique lodging facility containing 135 rentable units. The hotel will open on October 1, 2016. The proposed subject hotel will be part of the planned redevelopment of the former Missouri Theater building. Originally constructed as a movie palace in 1920 with approximately 4,000 seats, the building was reportedly the third-largest theater in the United States at the time and one of the first in St. Louis to offer air conditioning. The theater was the original home of the Missouri Rocket Girls, a dance troupe that eventually became the famous "Rockettes" after relocating to New York City. The auditorium portion of the original structure was demolished in 1959, while the remaining structure continued to be used as office space. The former office building, which features an ornate white-stone façade, has been largely vacant for a number of years. While the exterior of the building will be preserved and restored as part of the planned redevelopment, the interior of the building will be mostly demolished, reconfigured, and remodeled. The ground floor will feature leased retail spaces, as well as a street-front entrance and elevator lobby for the hotel. The second and third floors will be developed with office space, including a private entrance and vertical transportation. Floors four through twelve will be redeveloped with the subject hotel, including a twelfth floor lobby and a rooftop terrace.

The subject property is not affiliated with any recognized brand name.

BUILDING EXTERIOR

Summary of the Facilities

Based on information provided by the proposed subject hotel's development representatives, the following table summarizes the facilities that are expected to be available at the proposed subject hotel.

FIGURE 5-1 PROPOSED FACILITIES SUMMARY

Guestroom Configuration	Number of Units
Standard Room	TBD
Suite	TBD
Total	139

Food & Beverage Facilities
Rooftop Restaurant and Lounge with Terrace

Indoor Meeting & Banquet Facilities	Square Footage
Meeting Room	3,000 - 4,000

Amenities & Services
Fitness Room
Business Center
Market Pantry

Infrastructure	
Parking Spaces	TBD allocation in attached garage
Elevators	2 Guest, 1 Service
Life-Safety Systems	Sprinklers, Smoke Detectors
Construction Details	Steel, Reinforced Concrete

The proposed hotel will occupy floors four through twelve in the twelve-story building. Parking will be provided in a parking garage that is expected to be constructed in place of the current surface parking lot. Other site improvements will be relatively limited, given the property's urban setting. Municipal sidewalks are present along the north and west perimeter of the building. Adequate signage is expected to be placed on the exterior of the building. The hotel's street-front entrance will open to a modest elevator lobby with a hotel attendant, and guests will use one of two elevators to access the twelfth floor lobby. The twelfth floor will house the lobby and meeting space, as well as access to the rooftop restaurant and terrace. Guestrooms are planned to be located on the fourth through eleventh floors. The site and building components are expected to be somewhat unique, yet appropriate, for a boutique hotel and should meet the upscale standards for this urban market.

ADA and Environmental	We assume that the property will be built according to all pertinent codes. Moreover, we assume its development will not create any environmental hazards (such as mold) and that the property will fully comply with the Americans with Disabilities Act.
Capital Expenditures	Our analysis assumes that, after its opening, the hotel will require ongoing upgrades and periodic renovations in order to maintain its competitive level in this market. These costs should be adequately funded by the forecasted reserve for replacement, as long as a successful, ongoing preventive-maintenance program is employed by hotel staff.
Conclusion	Overall, the proposed subject hotel should offer a well-designed, functional layout of support areas and guestrooms. All typical and market-appropriate features and amenities appear to be included in the hotel's design. We assume that the building will be fully open and operational on the stipulated opening date and will meet all local building codes. Furthermore, we assume that the hotel staff will be adequately trained to allow for a successful opening and that pre-marketing efforts will have introduced the product to major local accounts at least six months in advance of the opening date.

6. Projection of Occupancy and Average Rate

Along with average rate results, the occupancy levels achieved by a hotel are the foundation of the property's financial performance and market value. Most of a lodging facility's other revenue sources (such as food, beverages, other operated departments, and rentals and other income) are driven by the number of guests, and many expense levels vary with occupancy. To a certain degree, occupancy attainment can be manipulated by management. For example, hotel operators may choose to lower rates in an effort to maximize occupancy. Our forecasts reflect an operating strategy that we believe would be implemented by a typical, professional hotel management team to achieve an optimal mix of occupancy and average rate.

Forecast of Subject Property's Occupancy

The proposed subject hotel's occupancy forecast is set forth as follows, with the adjusted projected penetration rates used as a basis for calculating the amount of captured market demand.

HVS

FIGURE 6-1 FORECAST OF SUBJECT PROPERTY'S OCCUPANCY

Market Segment	2016	2017	2018	2019
Commercial				
Demand	140,386	147,415	148,890	149,634
Market Share	2.5 %	10.5 %	11.3 %	11.6 %
Capture	3,479	15,473	16,833	17,366
Penetration	82 %	94 %	102 %	104 %
Meeting and Group				
Demand	65,576	67,716	68,055	68,395
Market Share	0.9 %	7.3 %	9.3 %	9.8 %
Capture	589	4,946	6,357	6,728
Penetration	30 %	66 %	84 %	88 %
Leisure				
Demand	81,912	88,263	89,587	90,034
Market Share	3.1 %	12.5 %	12.5 %	12.5 %
Capture	2,570	10,998	11,163	11,218
Penetration	104 %	112 %	112 %	112 %
Total Room Nights Captured	**6,638**	**31,417**	**34,353**	**35,312**
Available Room Nights	12,649	50,735	50,735	50,735
Subject Occupancy	**52 %**	**62 %**	**68 %**	**70 %**
Marketwide Available Room Nights	417,883	455,830	455,830	455,830
Fair Share	**3 %**	**11 %**	**11 %**	**11 %**
Marketwide Occupied Room Nights	287,873	303,394	306,531	308,063
Market Share	**2 %**	**10 %**	**11 %**	**11 %**
Marketwide Occupancy	**69 %**	**67 %**	**67 %**	**68 %**
Total Penetration	**76 %**	**93 %**	**101 %**	**103 %**

Within the commercial segment, the proposed subject hotel's occupancy penetration is positioned slightly above the market-average level and within the range of existing competitors. The projected commercial penetration level is supported by its central location proximate to numerous commercial demand generators, including Saint Louis University (SLU), SLU hospital, the VA medical center, Wells Fargo Advisors, and the Cortex Innovation district. The proposed subject hotel's occupancy penetration in the meeting and group segment is positioned modestly below the market-average level given the proposed hotel's relatively limited room count and adequate, but modest, amount of planned meeting space. We note that the proposed subject property's anticipated strong

performance within the relatively higher-rated commercial and leisure segments should allow management to limit the reliance on comparatively low-rated group business. Within the leisure segment, the proposed subject hotel's occupancy penetration is positioned above the market-average level, largely attributed to its ideal location in the heart of the Grand Center arts district. Furthermore, the location will offer convenient access to other regional attractions including Forest Park, the Missouri Botanical Gardens, Busch Stadium, and the Gateway Arch.

These positioned segment penetration rates result in the following market segmentation forecast.

FIGURE 6-2 MARKET SEGMENTATION FORECAST – SUBJECT PROPERTY

	2016	2017	2018
Commercial	52 %	49 %	49 %
Meeting and Group	9	16	18
Leisure	39	35	33
Total	100 %	100 %	100 %

Based on our analysis of the proposed subject hotel and market area, we have selected a stabilized occupancy level of 70%. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life, given all changes in the life cycle of the hotel. Thus, the stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the proposed subject hotel may operate at occupancies above this stabilized level, we believe it equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability.

Average Rate Analysis

The North American lodging market bottomed out in late 2009, at which time demand rebounded and the supply pipeline diminished. In 2010, occupancy rebounded strongly, and by 2011, average rates in most U.S. markets showed increases. By year-end 2014, occupancy approached the levels realized during the 1994–1996 timeframe, and average rate remained well above the prior 2008 peak. In many primary markets, strong occupancy levels and a lack of new supply are allowing hotel operators to make continued, aggressive average rate gains in 2015. While average rate growth is strong in some secondary and tertiary markets, it may be limited in the near term by the entrance of new supply. With demand now recovered from the correction in 2009, and new supply remaining muted in 2015

and 2016, markets should be able to support continued, healthy average rate gains in the near term.

The following table illustrates the projected average rate and the growth rates assumed. As a context for the average rate growth factors, note that we have applied underlying inflation rates of 2.0%, 2.5%, and 3.0% thereafter for each respective year following the base year of 2013.

FIGURE 6-3 MARKET AND SUBJECT PROPERTY AVERAGE RATE FORECAST

	Area-wide Market (Calendar Year)			Subject Property (Calendar Year)			
Year	Occupancy	Average Rate Growth	Average Rate	Occupancy	Average Rate Growth	Average Rate	Average Rate Penetration
Base Year	71.5 %	—	$133.75	—	—	$145.00	108.4 %
2015	68.8	6.0 %	141.77	—	6.0 %	153.70	108.4
2016	68.9	5.0	148.86	52.0 %	5.0	161.39	108.4
2017	66.6	4.0	154.82	62.0	4.0	167.84	108.4
2018	67.2	3.0	159.46	68.0	3.0	172.88	108.4
2019	67.6	3.0	164.24	70.0	3.0	178.06	108.4

As illustrated above, a 6.0% rate of change is expected for the proposed subject hotel's positioned 2014 room rate in 2015. This is followed by growth rates of 5.0% and 4.0% in 2016 and 2017, respectively. This St. Louis market should experience healthy rate growth through the near term. The proposed subject hotel's rate position should reflect growth similar to market trends. We have positioned the subject property's base-year average rate somewhat above the average of the primary competitors. In selecting the appropriate rate, we have considered the proposed hotel's projected demand segmentation mix, as well as its anticipated high-quality furnishings and finishes, ideal location, and unique design, including a rooftop terrace and scenic views of the city skyline. The proposed subject hotel's penetration rate is forecast to reach 108.4% by the stabilized period.

A new property must establish its reputation and a client base in the market during its ramp-up period; as such, the proposed subject hotel's average rates in the initial operating period have been discounted to reflect this likelihood. We forecast 10.0% and 5.0% discounts to the proposed subject hotel's forecast room rates in the first two operating years, which would be typical for a new operation of this type.

The following occupancies and average rates will be used to project the proposed subject hotel's rooms revenue. This forecast reflects years beginning on October 1, 2016 and corresponds with our financial projections.

FIGURE 6-4 FORECAST OF OCCUPANCY, AVERAGE RATE, AND REVPAR

Year	Occupancy	Average Rate Before Discount	Discount	Average Rate After Discount	RevPAR
2016/17	60 %	$166.21	10.0 %	$149.59	$89.76
2017/18	66	171.61	5.0	163.03	107.60
2018/19	69	176.75	0.0	176.75	121.96
2019/20	70	182.06	0.0	182.06	127.44

7. Projection of Income and Expense

In this chapter of our report, we have compiled a forecast of income and expense for the proposed subject hotel. This forecast is based on the facilities program set forth previously, as well as the occupancy and average rate forecast discussed previously.

Comparable Operating Statements

In order to project future income and expense for the proposed subject hotel, we have included a sample of individual comparable operating statements from our database of hotel statistics. All financial data are presented according to the three most common measures of industry performance: ratio to sales (RTS), amounts per available room (PAR), and amounts per occupied room night (POR). These historical income and expense statements will be used as benchmarks in our forthcoming forecast of income and expense.

HVS

FIGURE 7-1 COMPARABLE OPERATING STATEMENTS: RATIO TO SALES

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized $
Year:	2012/13	2011	2013	2011	2011/12	2013
Number of Rooms:	160 to 210	110 to 140	70 to 90	120 to 160	220 to 280	139
Days Open:	365	365	365	365	365	365
Occupancy:	72%	69%	67%	69%	70%	70%
Average Rate:	$158	$172	$141	$139	$161	$157
RevPAR:	$114	$119	$94	$96	$113	$110
REVENUE						
Rooms	66.0 %	61.4 %	74.1 %	80.2 %	76.4 %	75.2 %
Food & Beverage	28.8	30.8	23.0	14.9	19.5	22.4
Other Operated Departments	4.5	7.8	0.0	4.9	3.7	2.0
Rentals & Other Income	0.7	0.0	2.8	0.0	0.5	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES*						
Rooms	28.5	20.8	23.0	24.9	22.6	24.5
Food & Beverage	72.5	66.8	62.5	95.6	81.9	73.0
Other Operated Departments	84.5	63.6	1,611.1	66.9	107.4	90.0
Total	43.5	38.3	31.8	37.5	37.1	36.5
DEPARTMENTAL INCOME	56.5	61.7	68.2	62.5	62.9	63.5
OPERATING EXPENSES						
Administrative & General	7.6	10.0	10.1	11.8	8.2	9.5
Marketing	5.3	8.2	5.8	5.9	6.7	6.0
Franchise Fee	0.0	1.9	0.0	0.0	0.0	0.0
Property Operations & Maintenance	2.7	4.7	5.2	4.3	3.5	4.3
Utilities	1.6	5.9	4.6	4.7	4.3	4.5
Total	17.3	30.6	25.6	26.7	22.7	24.3
HOUSE PROFIT	39.2	31.1	42.6	35.8	40.2	39.2
Management Fee	2.3	3.0	1.8	2.9	4.0	3.0
INCOME BEFORE FIXED CHARGES	37.0	28.1	40.8	32.8	36.1	36.2

* Departmental expense ratios are expressed as a percentage of departmental revenues

HVS

FIGURE 7-2 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER AVAILABLE ROOM

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized $
Year:	2012/13	2011	2013	2011	2011/12	2013
Number of Rooms:	160 to 210	110 to 140	70 to 90	120 to 160	220 to 280	139
Days Open:	365	365	365	365	365	365
Occupancy:	72%	69%	67%	69%	70%	70%
Average Rate:	$158	$172	$141	$139	$161	$157
RevPAR:	$114	$119	$94	$96	$113	$110
REVENUE						
Rooms	$41,628	$43,336	$34,190	$35,168	$41,297	$40,125
Food & Beverage	18,197	21,696	10,606	6,545	10,528	11,932
Other Operated Departments	2,826	5,496	9	2,133	1,981	1,061
Rentals & Other Income	463	0	1,307	0	276	265
Total	63,114	70,528	46,112	43,846	54,083	53,383
DEPARTMENTAL EXPENSES						
Rooms	11,848	9,016	7,879	8,769	9,337	9,811
Food & Beverage	13,199	14,488	6,624	6,259	8,622	8,710
Other Operated Departments	2,386	3,496	139	1,427	2,127	955
Total	27,434	27,000	14,642	16,455	20,086	19,476
DEPARTMENTAL INCOME	35,680	43,528	31,469	27,392	33,996	33,907
OPERATING EXPENSES						
Administrative & General	4,776	7,056	4,649	5,161	4,423	5,085
Marketing	3,376	5,752	2,654	2,608	3,626	3,217
Franchise Fee	0	1,320	0	0	0	0
Property Operations & Maintenance	1,724	3,304	2,403	1,867	1,911	2,283
Utilities	1,018	4,136	2,115	2,077	2,337	2,387
Total	10,893	21,568	11,820	11,713	12,297	12,973
HOUSE PROFIT	24,787	21,960	19,649	15,679	21,699	20,934
Management Fee	1,455	2,120	850	1,280	2,167	1,602
INCOME BEFORE FIXED CHARGES	23,332	19,840	18,799	14,399	19,533	19,333

HVS

FIGURE 7-3 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER OCCUPIED ROOM

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized $
Year:	2012/13	2011	2013	2011	2011/12	2013
Number of Rooms:	160 to 210	110 to 140	70 to 90	120 to 160	220 to 280	139
Days Open:	365	365	365	365	365	365
Occupancy:	72%	69%	67%	69%	70%	70%
Average Rate:	$158	$172	$141	$139	$161	$157
RevPAR:	$114	$119	$94	$96	$113	$110
REVENUE						
Rooms	$158.04	$172.19	$140.71	$138.99	$160.64	$157.04
Food & Beverage	69.08	86.21	43.65	25.87	40.96	46.70
Other Operated Departments	10.73	21.84	0.04	8.43	7.71	4.15
Rentals & Other Income	1.76	0.00	5.38	0.00	1.08	1.04
Total	239.61	280.24	189.77	173.29	210.38	208.93
DEPARTMENTAL EXPENSES						
Rooms	44.98	35.82	32.43	34.66	36.32	38.40
Food & Beverage	50.11	57.57	27.26	24.74	33.54	34.09
Other Operated Departments	9.06	13.89	0.57	5.64	8.27	3.74
Total	104.15	107.28	60.26	65.03	78.14	76.23
DEPARTMENTAL INCOME	135.46	172.96	129.51	108.26	132.25	132.71
OPERATING EXPENSES						
Administrative & General	18.13	28.04	19.13	20.40	17.20	19.90
Marketing	12.82	22.86	10.92	10.31	14.11	12.59
Franchise Fee	0.00	5.24	0.00	0.00	0.00	0.00
Property Operations & Maintenance	6.54	13.13	9.89	7.38	7.43	8.94
Utilities	3.86	16.43	8.70	8.21	9.09	9.34
Total	41.36	85.70	48.65	46.29	47.83	50.77
HOUSE PROFIT	94.10	87.26	80.87	61.96	84.41	81.93
Management Fee	5.52	8.42	3.50	5.06	8.43	6.27
INCOME BEFORE FIXED CHARGES	88.58	78.83	77.37	56.91	75.98	75.67

The comparables' departmental income ranged from 56.5% to 68.2% of total revenue. The comparable properties achieved a house profit ranging from 31.1% to 42.6% of total revenue.

Inflation Assumption

In consideration of the most recent trends, the projections set forth previously, and our assessment of probable property appreciation levels, we have applied underlying inflation rates of 2.0%, 2.5%, and 3.0% thereafter for each respective year following the base year of 2013. This stabilized inflation rate takes into account normal, recurring inflation cycles. Inflation is likely to fluctuate above and below this level during the projection period. Any exceptions to the application of the assumed underlying inflation rate are discussed in our write-up of individual income and expense items.

Summary of Projections

Based on an analysis that will be detailed throughout this section, we have formulated a forecast of income and expense. The following table presents a detailed forecast through the fifth projection year, including amounts per available room and per occupied room. The second table illustrates our ten-year forecast of income and expense, presented with a lesser degree of detail. The forecasts pertain to years that begin on October 1, 2016, expressed in inflated dollars for each year.

FIGURE 7-4 DETAILED FORECAST OF INCOME AND EXPENSE

	2016/17 Begins October				2017/18				2018/19				Stabilized				2020/21			
Number of Rooms:	139				139				139				139				139			
Occupancy:	60%				66%				69%				70%				70%			
Average Rate:	$149.59				$163.03				$176.75				$182.06				$187.52			
RevPAR:	$89.76				$107.60				$121.96				$127.44				$131.26			
Days Open:	365				365				365				365				365			
Occupied Rooms:	30,441	%Gross	PAR	POR	33,485	%Gross	PAR	POR	35,007	%Gross	PAR	POR	35,515	%Gross	PAR	POR	35,515	%Gross	PAR	POR
REVENUE																				
Rooms	$4,554	79.0 %	$32,763	$149.60	$5,459	77.4 %	$39,273	$163.03	$6,188	75.1 %	$44,518	$176.76	$6,466	75.2 %	$46,518	$182.07	$6,660	75.2 %	$47,914	$187.53
Food	733	12.7	5,275	24.08	917	13.0	6,600	27.40	1,149	13.9	8,267	32.82	1,196	13.9	8,607	33.69	1,232	13.9	8,865	34.70
Beverage	325	5.6	2,338	10.68	501	7.1	3,601	14.95	700	8.5	5,033	19.98	726	8.4	5,226	20.45	748	8.4	5,382	21.07
Other Operated Departments	120	2.1	862	3.93	143	2.0	1,025	4.26	165	2.0	1,189	4.72	171	2.0	1,230	4.81	176	2.0	1,266	4.96
Rentals & Other Income	30	0.5	215	0.98	36	0.5	256	1.06	41	0.5	297	1.18	43	0.5	307	1.20	44	0.5	317	1.24
Total Revenues	5,762	100.0	41,452	189.28	7,055	100.0	50,757	210.70	8,243	100.0	59,303	235.47	8,602	100.0	61,888	242.22	8,860	100.0	63,744	249.49
DEPARTMENTAL EXPENSES *																				
Rooms	1,364	30.0	9,814	44.81	1,456	26.7	10,476	43.49	1,526	24.7	10,979	43.59	1,581	24.4	11,373	44.51	1,628	24.4	11,715	45.85
Food & Beverage	1,054	99.6	7,583	34.63	1,193	84.2	8,586	35.64	1,357	73.4	9,761	38.76	1,404	73.0	10,098	39.52	1,446	73.0	10,401	40.71
Other Operated Departments	131	109.3	942	4.30	140	98.2	1,007	4.18	149	90.3	1,073	4.26	154	90.0	1,107	4.33	158	90.0	1,140	4.46
Total	2,549	44.2	18,338	83.74	2,790	39.5	20,069	83.31	3,032	36.8	21,813	86.61	3,138	36.5	22,578	88.37	3,232	36.5	23,255	91.02
DEPARTMENTAL INCOME	3,213	55.8	23,114	105.54	4,266	60.5	30,688	127.39	5,211	63.2	37,490	148.86	5,464	63.5	39,310	153.85	5,628	63.5	40,489	158.47
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	735	12.7	5,285	24.13	747	10.6	5,376	22.32	793	9.6	5,705	22.65	819	9.5	5,895	23.07	844	9.5	6,072	23.77
Marketing	487	8.5	3,503	15.99	473	6.7	3,401	14.12	502	6.1	3,609	14.33	518	6.0	3,730	14.60	534	6.0	3,842	15.04
Prop. Operations & Maint.	220	3.8	1,582	7.22	285	4.0	2,052	8.52	356	4.3	2,561	10.17	368	4.3	2,647	10.36	379	4.3	2,726	10.67
Utilities	328	5.7	2,363	10.79	351	5.0	2,524	10.48	372	4.5	2,678	10.63	385	4.5	2,767	10.83	396	4.5	2,850	11.16
Total	1,770	30.7	12,732	58.14	1,856	26.3	13,353	55.43	2,023	24.5	14,553	57.79	2,090	24.3	15,039	58.86	2,153	24.3	15,490	60.63
HOUSE PROFIT	1,443	25.1	10,382	47.40	2,410	34.2	17,335	71.96	3,188	38.7	22,937	91.07	3,374	39.2	24,271	94.99	3,475	39.2	24,999	97.84
Management Fee	173	3.0	1,244	5.68	212	3.0	1,523	6.32	247	3.0	1,779	7.06	258	3.0	1,857	7.27	266	3.0	1,912	7.48
INCOME BEFORE FIXED CHARGES	1,270	22.1	9,138	41.73	2,198	31.2	15,812	65.64	2,941	35.7	21,158	84.01	3,116	36.2	22,414	87.73	3,209	36.2	23,087	90.36
FIXED EXPENSES																				
Property Taxes	58	1.0	421	1.92	60	0.8	431	1.79	62	0.7	444	1.76	64	0.7	458	1.79	66	0.7	471	1.84
Insurance	73	1.3	523	2.39	75	1.1	539	2.24	77	0.9	555	2.20	79	0.9	571	2.24	82	0.9	589	2.30
Reserve for Replacement	115	2.0	829	3.79	212	3.0	1,523	6.32	330	4.0	2,372	9.42	344	4.0	2,476	9.69	354	4.0	2,550	9.98
Total	246	4.3	1,773	8.10	346	4.9	2,493	10.35	469	5.6	3,371	13.39	487	5.6	3,505	13.72	502	5.6	3,610	14.13
NET INCOME	$1,024	17.8 %	$7,365	$33.63	$1,851	26.3 %	$13,319	$55.29	$2,472	30.1 %	$17,787	$70.62	$2,628	30.6 %	$18,910	$74.01	$2,707	30.6 %	$19,477	$76.23

*Departmental expenses are expressed as a percentage of departmental revenues.

FIGURE 7-5 TEN-YEAR FORECAST OF INCOME AND EXPENSE

	2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		2024/25		2025/26	
Number of Rooms:	**139**		**139**		**139**		**139**		**139**		**139**		**139**		**139**		**139**		**139**	
Occupied Rooms:	**30,441**		**33,485**		**35,007**		**35,515**		**35,515**		**35,515**		**35,515**		**35,515**		**35,515**		**35,515**	
Occupancy:	**60%**		**66%**		**69%**		**70%**		**70%**		**70%**		**70%**		**70%**		**70%**		**70%**	
Average Rate:	**$149.59**	**% of**	**$163.03**	**% of**	**$176.75**	**% of**	**$182.06**	**% of**	**$187.52**	**% of**	**$193.14**	**% of**	**$198.94**	**% of**	**$204.91**	**% of**	**$211.05**	**% of**	**$217.39**	**% of**
RevPAR:	**$89.76**	**Gross**	**$107.60**	**Gross**	**$121.96**	**Gross**	**$127.44**	**Gross**	**$131.26**	**Gross**	**$135.20**	**Gross**	**$139.26**	**Gross**	**$143.43**	**Gross**	**$147.74**	**Gross**	**$152.17**	**Gross**
REVENUE																				
Rooms	$4,554	79.0 %	$5,459	77.4 %	$6,188	75.1 %	$6,466	75.2 %	$6,660	75.2 %	$6,859	75.2 %	$7,065	75.2 %	$7,277	75.2 %	$7,495	75.2 %	$7,720	75.2 %
Food	733	12.7	917	13.0	1,149	13.9	1,196	13.9	1,232	13.9	1,269	13.9	1,307	13.9	1,347	13.9	1,387	13.9	1,429	13.9
Beverage	325	5.6	501	7.1	700	8.5	726	8.4	748	8.4	771	8.4	794	8.4	818	8.4	842	8.4	867	8.4
Other Operated Departments	120	2.1	143	2.0	165	2.0	171	2.0	176	2.0	181	2.0	187	2.0	192	2.0	198	2.0	204	2.0
Rentals & Other Income	30	0.5	36	0.5	41	0.5	43	0.5	44	0.5	45	0.5	47	0.5	48	0.5	50	0.5	51	0.5
Total	5,762	100.0	7,055	100.0	8,243	100.0	8,602	100.0	8,860	100.0	9,125	100.0	9,399	100.0	9,682	100.0	9,972	100.0	10,271	100.0
DEPARTMENTAL EXPENSES*																				
Rooms	1,364	30.0	1,456	26.7	1,526	24.7	1,581	24.4	1,628	24.4	1,677	24.5	1,728	24.5	1,779	24.5	1,833	24.5	1,888	24.5
Food & Beverage	1,054	99.6	1,193	84.2	1,357	73.4	1,404	73.0	1,446	73.0	1,489	73.0	1,534	73.0	1,580	73.0	1,627	73.0	1,676	73.0
Other Operated Departments	131	109.3	140	98.2	149	90.3	154	90.0	158	90.0	163	90.0	168	90.0	173	90.0	178	90.0	184	90.0
Total	2,549	44.2	2,790	39.5	3,032	36.8	3,138	36.5	3,232	36.5	3,329	36.5	3,429	36.5	3,532	36.5	3,638	36.5	3,747	36.5
DEPARTMENTAL INCOME	3,213	55.8	4,266	60.5	5,211	63.2	5,464	63.5	5,628	63.5	5,796	63.5	5,970	63.5	6,149	63.5	6,333	63.5	6,524	63.5
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	735	12.7	747	10.6	793	9.6	819	9.5	844	9.5	869	9.5	895	9.5	922	9.5	950	9.5	978	9.5
Marketing	487	8.5	473	6.7	502	6.1	518	6.0	534	6.0	550	6.0	566	6.0	583	6.0	601	6.0	619	6.0
Prop. Operations & Maint.	220	3.8	285	4.0	356	4.3	368	4.3	379	4.3	390	4.3	402	4.3	414	4.3	427	4.3	439	4.3
Utilities	328	5.7	351	5.0	372	4.5	385	4.5	396	4.5	408	4.5	420	4.5	433	4.5	446	4.5	459	4.5
Total	1,770	30.7	1,856	26.3	2,023	24.5	2,090	24.3	2,153	24.3	2,218	24.3	2,284	24.3	2,353	24.3	2,423	24.3	2,496	24.3
HOUSE PROFIT	1,443	25.1	2,410	34.2	3,188	38.7	3,374	39.2	3,475	39.2	3,578	39.2	3,686	39.2	3,797	39.2	3,910	39.2	4,028	39.2
Management Fee	173	3.0	212	3.0	247	3.0	258	3.0	266	3.0	274	3.0	282	3.0	290	3.0	299	3.0	308	3.0
INCOME BEFORE FIXED CHARGES	1,270	22.1	2,198	31.2	2,941	35.7	3,116	36.2	3,209	36.2	3,305	36.2	3,404	36.2	3,506	36.2	3,611	36.2	3,719	36.2
FIXED EXPENSES																				
Property Taxes	58	1.0	60	0.8	62	0.7	64	0.7	66	0.7	67	0.7	69	0.7	72	0.7	74	0.7	76	0.7
Insurance	73	1.3	75	1.1	77	0.9	79	0.9	82	0.9	84	0.9	87	0.9	89	0.9	92	0.9	95	0.9
Reserve for Replacement	115	2.0	212	3.0	330	4.0	344	4.0	354	4.0	365	4.0	376	4.0	387	4.0	399	4.0	411	4.0
Total	246	4.3	346	4.9	469	5.6	487	5.6	502	5.6	517	5.6	532	5.6	548	5.6	565	5.6	582	5.6
NET INCOME	$1,024	17.8 %	$1,851	26.3 %	$2,472	30.1 %	$2,628	30.6 %	$2,707	30.6 %	$2,788	30.6 %	$2,872	30.6 %	$2,958	30.6 %	$3,046	30.6 %	$3,138	30.6 %

*Departmental expenses are expressed as a percentage of departmental revenues.

Forecast of Income and Expense

The following description sets forth the basis for the forecast of income and expense. We anticipate that it will take four years for the subject property to reach a stabilized level of operation. Each revenue and expense item has been forecast based upon our review of the proposed subject hotel's operating budget and comparable income and expense statements. The forecast is based upon fiscal years beginning October 1, 2016, expressed in inflated dollars for each year.

Revenues associated with the proposed subject hotel's food and beverage department, other operated departments, and rentals and other income categories have been forecast to reflect the hotel's planned facilities and amenities, including the rooftop restaurant and lounge. Expense levels fall within a range of reasonableness given the provided comparable operating statements; furthermore, management fees are set forth in accordance with our assumptions provided in the Nature of the Assignment chapter.

Property Taxes

Property (or ad valorem) tax is one of the primary revenue sources of municipalities. Based on the concept that the tax burden should be distributed in proportion to the value of all properties within a taxing jurisdiction, a system of assessments is established. Theoretically, the assessed value placed on each parcel bears a definite relationship to market value, so properties with equal market values will have similar assessments and properties with higher and lower values will have proportionately larger and smaller assessments.

Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality.

HVS

FIGURE 7-6 COUNTY-ASSESSED VALUE OF COMPARABLE HOTELS

Hotel	Number of Rooms	Total Assessment Land	Improvements	Personal	Total
Hotel Ignacio	51	$18,600	$1,450,200	$126,538	$1,595,338
Moonrise Hotel	125	59,500	3,385,200	266,170	3,710,870
Omni Majestic	91	65,600	1,468,300	134,065	1,667,965
Assessments per Room					
Hotel Ignacio		$365	$28,435	$2,481	$31,281
Moonrise Hotel		476	27,082	2,129	29,687
Omni Majestic		721	16,135	1,473	18,329
Positioned Subject - Per Room	**139**	**$544**	**$40,000**	**$2,500**	**$43,044**
Positioned Subject - Total		**$75,675**	**$5,560,000**	**$347,500**	**$5,983,175**

Source: St. Louis City Assessor

We have positioned the future assessment levels of the subject site and proposed improvements, as well as the planned personal property, based upon the illustrated comparable data. We have positioned these assessments modestly above the range of competitors given the planned structured parking at the proposed subject property. We note that the subject property is expected to benefit from a property tax abatement extending throughout our forecast period. As such, any increase in the property tax burden due to an increase in the assessed value of the improvements from the historical level will be refunded. For the purposes of this analysis, we have allocated 75% of the historical assessment and tax burden to the proposed hotel within the planned mixed-use development.

Tax rates are based on the city and county budgets, which change annually. The most recent tax rate in this jurisdiction was reported at 4.98950%. The following table shows changes in the tax rate during the last several years.

FIGURE 7-7 COUNTY TAX RATES

Year	Personal Property Effective Tax Rate	Real Property Effective Tax Rate
2014	4.98950	4.98950

Source: St. Louis City Assessor

Based on comparable assessments and the tax rate information, the proposed subject property's projected property tax expense levels are calculated as follows.

FIGURE 7-8 PROJECTED PROPERTY TAX EXPENSE

	Assessed Value								
Year	Allocated Land	Allocated Abated Improvements	Personal	Total	Pers. Prop. Tax Rate	Property Tax Rate	Abated Tax Forecast	Unabated Tax Forecast	Tax Abatement Savings
Positioned	$75,675	$726,075	$347,500	$1,149,250	4.99	4.99	$57,342	$298,530	$241,188
2016/17	$75,675	$726,075	$347,500	$1,149,250	5.09	5.09	$58,489	$304,501	$246,012
2017/18	75,675	726,075	347,500	1,149,250	5.22	5.22	59,951	312,113	252,163
2018/19	75,675	726,075	347,500	1,149,250	5.37	5.37	61,749	321,477	259,727

Conclusion

In conclusion, our analysis reflects a profitable operation, with net income expected to total 30.6% of total revenue by the stabilized year. The stabilized total revenue comprises primarily rooms and food and beverage revenue, with a secondary portion derived from other income sources. On the cost side, departmental expenses total 36.5% of revenue by the stabilized year, while undistributed operating expenses total 24.3% of total revenues; this assumes that the property will be operated competently by a well-known hotel operator. After a 3.0% of total revenues management fee, and 5.6% of total revenues in fixed expenses, a net income ratio of 30.6% is forecast by the stabilized year.

8. Statement of Assumptions and Limiting Conditions

1. This report is set forth as a market study of the proposed subject hotel; this is not an appraisal report.
2. This report is to be used in whole and not in part.
3. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title, which is assumed marketable and free of any deed restrictions and easements. The property is evaluated as though free and clear unless otherwise stated.
4. We assume that there are no hidden or unapparent conditions of the sub-soil or structures, such as underground storage tanks, that would impact the property's development potential. No responsibility is assumed for these conditions or for any engineering that may be required to discover them.
5. We have not considered the presence of potentially hazardous materials or any form of toxic waste on the project site. The consultants are not qualified to detect hazardous substances, and we urge the client to retain an expert in this field if desired.
6. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have assumed the proposed hotel would be designed and constructed to be in full compliance with the ADA.
7. We have made no survey of the site, and we assume no responsibility in connection with such matters. Sketches, photographs, maps, and other exhibits are included to assist the reader in visualizing the property. It is assumed that the use of the described real estate will be within the boundaries of the property described, and that no encroachment will exist.
8. All information, financial operating statements, estimates, and opinions obtained from parties not employed by TS Worldwide, LLC are assumed true and correct. We can assume no liability resulting from misinformation.
9. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
10. The property is assumed to be in full compliance with all applicable federal, state, local, and private codes, laws, consents, licenses, and regulations (including a liquor license where appropriate), and that all

licenses, permits, certificates, franchises, and so forth can be freely renewed or transferred to a purchaser.

11. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.

12. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.

13. We are not required to give testimony or attendance in court because of this analysis without previous arrangements, and shall do so only when our standard per-diem fees and travel costs have been paid prior to the appearance.

14. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.

15. We take no responsibility for any events or circumstances that take place subsequent to the date of our field inspection.

16. The quality of a lodging facility's on-site management has a direct effect on a property's economic viability. The financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.

17. The financial analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease because of market volatility and economic forces outside the control of the hotel's management. We assume that the price of hotel rooms, food, beverages, and other sources of revenue to the hotel will be adjusted to offset any increases or decreases in related costs. We do not warrant that our estimates will be attained, but they have been developed based upon information obtained during the course of our market research and are intended to reflect the expectations of a typical hotel investor as of the stated date of the report.

18. This analysis assumes continuation of all Internal Revenue Service tax code provisions as stated or interpreted on either the date of value or the date of our field inspection, whichever occurs first.

19. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity,

most numbers have been rounded to the nearest tenth of a percent. Thus, these figures may be subject to small rounding errors.

20. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client, and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.

21. Evaluating and comprising financial forecasts for hotels is both a science and an art. Although this analysis employs various mathematical calculations to provide value indications, the final forecasts are subjective and may be influenced by our experience and other factors not specifically set forth in this report.

22. This study was prepared by TS Worldwide, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of TS Worldwide, LLC as employees, rather than as individuals.

9. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved;
4. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. our engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined result or direction in performance that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this study;
7. our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice;
8. Daniel P. McCoy, MAI personally inspected the property described in this report;
9. no one other than the undersigned prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this report; Daniel P. McCoy, MAI has not performed services, as an appraiser or in any other capacity, on the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
10. the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;

11. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives; and

12. as of the date of this report, Daniel P. McCoy, MAI has completed the requirements of the continuing education program of the Appraisal Institute.

Daniel P. McCoy, MAI
Managing Director, Senior Partner

HVS

Penetration Explanation

Let us illustrate the penetration adjustment with an example.

A market has three existing hotels with the following operating statistics:

BASE-YEAR OCCUPANCY AND PENETRATION LEVELS

Property	Number of Rooms	Fair Share	Commercial	Meeting and Group	Leisure	Occupancy	Penetration
Hotel A	100	23.5 %	60 %	20 %	20 %	75.0 %	100.8 %
Hotel B	125	29.4	70	10	20	65.0	87.4
Hotel C	200	47.1	30	60	10	80.0	107.5
Totals/Average	**425**	**100.0 %**	**47 %**	**38 %**	**15 %**	**74.4 %**	**100.0 %**

Based upon each hotel's room count, market segmentation, and annual occupancy, the annual number of room nights accommodated in the market from each market segment can be quantified, as set forth below.

MARKET-WIDE ROOM NIGHT DEMAND

Market Segment	Annual Room Night Demand	Percentage of Total
Commercial	54,704	47.4 %
Meeting and Group	43,481	37.7
Leisure	17,246	14.9
Total	**115,431**	**100.0 %**

The following discussion will be based upon an analysis of the commercial market segment. The same methodology is applied for each market segment to derive an estimate of a hotel's overall occupancy. The table below sets forth the commercial demand accommodated by each hotel. Each hotel's commercial penetration factor is computed by:

1) calculating the hotel's market share % of commercial demand (commercial room nights accommodated by subject hotel divided by total commercial room nights accommodated by all hotels) and

2) dividing the hotel's commercial market share % by the hotel's fair share %.

The following table sets forth each hotel's fair share, commercial market share, and commercial penetration factor.

COMMERCIAL SEGMENT PENETRATION FACTORS

Property	Number of Rooms	Fair Share	Commercial Capture	Commercial Market Share	Commercial Penetration
Hotel A	100	23.5 %	16,425	30.0 %	127.6 %
Hotel B	125	29.4	20,759	37.9	129.0
Hotel C	200	47.1	17,520	32.0	68.1
Totals/Average	**425**	**100.0 %**	**54,704**	**100.0 %**	**100.0 %**

If a new 100-room hotel enters the market, the fair share of each hotel changes because of the new denominator, which has increased by the 100 rooms that have been added to the market.

COMMERCIAL SEGMENT FAIR SHARE

Property	Number of Rooms	Fair Share
Hotel A	100	19.0 %
Hotel B	125	23.8
Hotel C	200	38.1
New Hotel	100	19.0
Total	**525**	**100.0 %**

The new hotel's penetration factor is projected for its first year of operation. It is estimated that the hotel will capture (penetrate) only 85% of its fair share as it establishes itself in the market. The new hotel's market share and room night capture can be calculated based upon the hotel's estimated penetration factor. When the market share of the existing hotels and that of the new hotel are added up, they no longer equal 100% because of the new hotel's entry into the market. The market share of each hotel must be adjusted to reflect the change in the denominator that comprises the sum of each hotel's market share.

This adjustment can be mathematically calculated by dividing each hotel's market share percentages by the new denominator of 97.1%. The resulting calculations reflect each hotel's new adjusted market share. The sum of the adjusted market shares equals 100%, indicating that the adjustment has been successfully completed. Once the market shares have been calculated, the penetration factors can be recalculated (adjusted market share divided by fair share) to derive the adjusted penetration factors based upon the new hotel's entry into the market. Note that each existing hotel's penetration factor actually increases because the new hotel is capturing (penetrating) less than its fair share of demand.

COMMERCIAL SEGMENT PROJECTIONS (YEAR 1)

Property	Number of Rooms	Fair Share	Hist./Proj. Penetration Factor	Hist./Proj. Market Share	Adjusted Market Share	Adjusted Penetration Factor	Projected Capture
Hotel A	100	19.0 %	127.6 %	24.3 %	25.0 %	131.4 %	13,688
Hotel B	125	23.8	129.0	30.7	31.6	132.8	17,299
Hotel C	200	38.1	68.1	25.9	26.7	70.1	14,600
New Hotel	100	19.0	85.0	16.2	16.7	87.5	9,117
Totals/Average	**525**	**100.0 %**		**97.1 %**	**100.0 %**		**54,704**

In its second year of operation, the new hotel is projected to penetrate above its fair share of demand. A penetration rate of 130% has been chosen, as the new hotel is expected to perform at a level commensurate with Hotel A and Hotel B in this market segment. The same calculations are performed to adjust market share and penetration factors. Note that now the penetration factors of the existing hotels decline below their original penetration rates because of the new hotel's above-market penetration. Also, note that after the market share adjustment, the new hotel retains a penetration rate commensurate with Hotel A and Hotel B, though the penetration rates of all three hotels have declined by approximately nine percentage points because of the reapportionment of demand.

Once the market shares of each hotel have been adjusted to reflect the entry of the new hotel into the market, the commercial room nights captured by each hotel may be projected by multiplying the hotel's market share percentage by the total commercial room-night demand. This calculation is shown below.

COMMERCIAL SEGMENT PROJECTIONS (YEAR 2)

Property	Number of Rooms	Fair Share	Hist./Proj. Penetration Factor	Hist./Proj. Market Share	Adjusted Market Share	Adjusted Penetration Factor	Projected Capture
Hotel A	100	19.0 %	131.4 %	25.0 %	23.1 %	121.5 %	12,662
Hotel B	125	23.8	132.8	31.6	29.3	122.9	16,004
Hotel C	200	38.1	70.1	26.7	24.7	64.8	13,507
New Hotel	100	19.0	130.0	24.8	22.9	120.3	12,531
Totals/Average	**525**	**100.0 %**		**108.1 %**	**100.0 %**		**54,704**

HVS

Daniel McCoy, MAI

EMPLOYMENT

2006 to present	HVS CONSULTING AND VALUATION SERVICES St. Louis, Missouri
2006	CONSUMER CREDIT COUNSELING SERVICE OF NORTHERN COLORADO Fort Collins, Colorado
2004 – 2005	ACADIA CORPORATION Bar Harbor, Maine

EDUCATION AND OTHER TRAINING

BS – Truman State University

Other Specialized Training Classes Completed:

Uniform Standards of Professional Appraisal Practice – 15 hours
Basic Appraisal Procedures – 30 hours
Basic Appraisal Principles – 30 hours
General Appraiser Income Approach – 60 hours
General Appraiser Market Analysis and HBU – 30 hours
General Appraiser Site Valuation and Cost Approach – 30 hours
Statistics, Modeling, and Finance – 15 hours
General Appraiser Report Writing and Case Studies – 30 hours
Business Practices and Ethics – 8 hours
General Appraiser Sales Comparison Approach – 30 hours
Advanced Sales Comparison and Cost Approaches – 40 hours
Advanced Income Capitalization – 40 hours
Report Writing and Valuation Analysis – 40 hours
Advanced Applications – 40 hours
Environmental Pollution & Mold – 2 hours
Mortgage Fraud – Protect Yourself – 7 hours

EDUCATION AND OTHER TRAINING (CONTINUED)	Foundations in Sustainability: Greening the RE – 7 hours Land and Site Evaluation – 7 hours General Demonstration Report Writing – 7 hours Fundamentals of Separating Real, Personal Property, and Intangible Business Assets – 15 hours REO and Foreclosure – 5 hours The Evolution of Finance & the Mortgage Market – 4 hours Michigan Law – 2 hours Supervising Class – 4 hours Environmental Issues for Appraisers – 5 hours Risky Business – Ways to Minimize Your Liability – 5 hours Appraisal Applications of Regression Analysis – 7 hours Real Estate Statistics and Valuation Modeling – 15 hours USPAP Updates – 2009, 2010, 2012, 2014
STATE CERTIFICATIONS	Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Mississippi, Missouri, North Carolina, North Dakota, Ohio, Tennessee, Virginia, Wisconsin
PROFESSIONAL AFFILIATIONS	Appraisal Institute – Designated Member (MAI)
PUBLISHED ARTICLES	
HVS Journal	"In Focus: Memphis, Tennessee," September 2014
HVS Journal	"Market Intelligence Report 2013: Nashville," co-authored with Ryan Wall, October 2013
HVS Journal	"Market Intelligence Report 2013: St. Louis," May 2013
HVS Journal	"HVS Market Intelligence Report: Nashville, Tennessee," June 2011
HVS Journal	"Performance Potential of Mid-Scale Hotels: Less May Be More," October 2009
HVS Journal	"Riding out the Economic Storm," June 2009
HVS Journal	"HVS Market Intelligence Report: Kansas City," January 2008
HVS Journal	"HVS Market Intelligence Report: Downtown St. Louis," August 2007

HVS

EXAMPLES OF CORPORATE AND INSTITUTIONAL CLIENTS SERVED

1st Bank
Aareal Bank
AEW Capital Management, LP
AJ Capital Partners
Alliant Credit Union
Angelo Gordon & Co.
Anglo Irish Boston Corporation
Aparium Hotel Group
Apollo Global Management
Archon
Bank of Las Vegas
Bank of Rio Grande
Bank of the Ozarks
Baraboo National Bank
Barclays Capital
Beach Business Bank
Bear Stearns
Big House Investments
BLX
BMC Capital
Boyd & Associates
Breckenridge Manager Corp.
Business Lenders
California Bank & Trust
Capital One
CapitalSource Bank
Cathay Bank
Cecil Bank
CIBC
Ciena Capital
C-III Commercial Mortgage
Citigroup
City of Alton, Illinois
City of Centralia, Illinois
Clarion Partners
Commerce Bank
Community Financial Services
Community South
CoreFirst Bank & Trust
Countrywide
Credit Suisse
CW Capital
Dahlmann Properties
Eagle Bank & Trust
Equis Hospitality Management
Excel National Bank
Extended Stay America
Farmers National Bank
Fidelity Bank
First Cloverleaf Bank
First Community Bank
First Midwest Bank
First National Bank
First National Bank of Omaha
First State Bank
FirstBank
Forestpark Capital
Frost Bank
GE Capital
GE Franchise Finance
Geyser Holdings
Goldman Sachs
Group 369
GS Development LLC
Haven Trust Bank
Heartland Bank
Hermes Group
HFF
High Trust Bank
HK Law (Torchlight)
Holland & Knight
IRSA
JBG
JER Partners
JPMorgan Chase
Kutak Rock LLP
Ladder Capital
Latitude Management Real Estate Investors, Inc.
Lehman Brothers
LNR
Lone Star Funds
Love Funding
Lowe Enterprises
Magna Bank
MainSource Bank
MetLife
Mid-America Hotel Corporation
Midas Hospitality
Mission Oaks Bank
Moody National Companies
Neighbors Credit Union
Neptune Hospitality
Northmarq Capital
NRB of Chicago
Olive Real Estate Group
Oppenheimer
Ozark Mountain Bank
Pacific West Hotels and Resorts
Park National Bank
PMC Trust
Premier Commercial
Prime Finance
Principal Real Estate Advisors
ProHomes, LLC
Provenance Hotels
Prudential
Quorum Hotels
Ranger Properties
RBS
Redwood Mortgage
Regions Bank
RLJ
Rob Gauthier
Robert Morris Private Equity
Rochester Resorts
RockBridge Capital
Silverton Bank
Situs Companies
State Bank of Countryside
Sterling Bank
TD Banknorth
Textron Financial
The Lawrence Group
The Village at Hendrix, LLC
Torchlight
Town of Hayden
U.S. Bank
Valhal Corp.
Valuation Management Group
Value Xpress
Wells Fargo
Western State Bank
Widewaters
Williamsburg Wine
Willow Capital Group
WPM Construction
Wright Investment Properties

HVS

EXAMPLES OF PROPERTIES APPRAISED OR EVALUATED

PORTFOLIO ANALYSIS

Barclays Capital Portfolio of 14, Various Locations
Portfolio of 40 Courtyard by Marriott Properties, Various Locations
CW Capital Portfolio of 6, Various Locations
GE Commercial Portfolio of 41, Various Locations
JPMorgan Chase & Deutsche Bank Portfolio of 15, Various Locations
Prime Finance Portfolio of 5, Various Locations
Rochester Resorts Portfolio of 4 Hotels, Florida
Portfolio of 4 Extended Stay America Hotels, St. Louis
Ladder Capital Portfolio of 21, Various Locations
American Hotel Income Properties REIT Portfolio of 9, Various Locations

ALABAMA

Courtyard by Marriott, Dothan
Hampton Inn & Suites, Dothan

ALASKA

Bristol Bay Lodge, Bristol Bay
Comfort Inn, Kodiak

ARIZONA

Holiday Inn & Suites, Chandler
SpringHill Suites, Flagstaff
Dobson Ranch, Mesa
Hilton Phoenix East, Mesa
Courtyard by Marriott, Page
Kings Ransom Hotel, Sedona
Proposed Summerfield Suites, Tempe

ARKANSAS

Proposed Hotel, Conway
Proposed Comfort Inn & Suites, Jonesboro
Hilton Garden Inn, Little Rock
Holiday Inn Express, North Little Rock
Proposed Comfort Inn & Suites, North Little Rock
Embassy Suites, Rogers
Hyatt Place, Rogers

CALIFORNIA

SLS Hotel, Beverly Hills
Proposed Hilton Garden Inn, Burbank
Residence Inn by Marriott, Burbank
Courtyard by Marriott, Long Beach
Belamar Hotel, Manhattan Beach
Chase Suites, Newark
TownePlace Suites by Marriott, Newark
Residence Inn by Marriott, Oceanside
Holiday Inn Express Otay Mesa, San Diego

COLORADO

Proposed Hotel, Breckenridge
Comfort Inn & Suites, Carbondale
Hyatt House, Colorado Springs
Silverleaf Suites, Eagle
Courtyard by Marriott, Glenwood Springs
Residence Inn by Marriott, Glenwood Springs
Proposed Hotel, Hayden
Courtyard by Marriott, Lakewood
Residence Inn by Marriott, Lakewood
Tyme Square Inn, Limon
Residence Inn, Westminster
Proposed Wolcott Inn, Wolcott

DISTRICT OF COLUMBIA

Courtyard Washington Navy Yard
Marriott Wardman

FLORIDA

Country Inn & Suites, Cape Canaveral
Hyatt Place, Fort Lauderdale
West Wind Inn, Sanibel
SpringHill Suites by Marriott, Sarasota
Hampton Inn, Tampa
Proposed Westin, St. Petersburg

GEORGIA

Meliá, Atlanta
Hotel Indigo Atlanta Airport, College Park
Suburban Extended Stay, Duluth
Hyatt Place, Johns Creek
Embassy Suites, Kennesaw
Courtyard by Marriott, Tifton

ILLINOIS

Proposed Hotel & Conference Center, Alton
Proposed SpringHill Suites and Conference Center, Alton
Super 8, Beardstown
Baymont Inn & Suites, Bloomington
Proposed Hilton Garden Inn, Bolingbrook
Marriott Chicago Southwest, Burr Ridge
Quality Inn (Conversion to Crowne Plaza), Burr Ridge
SpringHill Suites by Marriott, Burr Ridge
Days Inn, Carbondale
Proposed Downtown Hotel, Centralia
Proposed Limited-Service Hotel, Centralia
Allegro, Chicago
Proposed Hampton Inn (Chicago Motor Club Conversion), Chicago
Fairfield Inn by Marriott, Collinsville
Proposed Holiday Inn Express, Edwardsville

Proposed Hotel and Conference Center, Edwardsville
Best Western, Galesburg
Holiday Inn Express, Lansing
Hyatt, Lisle
Hampton Inn, Marion
Holiday Inn, Matteson
Hampton Inn, Mt. Vernon
Carleton Hotel, Oak Park
Settle Inn & Suites, O'Fallon
Crowne Plaza O'Hare, Rosemont
Hyatt, Rosemont
Days Inn, Sheffield
Hyatt House, Warrenville
Hyatt Place, Warrenville

INDIANA

Comfort Suites, Auburn
Hampton Inn, Bloomington
Hotel Indigo, Columbus
Courtyard by Marriott, Evansville
Holiday Inn, Evansville
Proposed Hampton Inn, Fair Oaks
Big Splash Adventure Water Park & Resort, French Lick
Courtyard by Marriott, Goshen
Hilton, Indianapolis
Ramada Inn, Indianapolis
Hampton Inn, Marion
Days Inn, Merrillville

IOWA

Proposed Hilton Garden Inn & Conference Center, Amana
Days Inn, Davenport
Super 8, Webster City

KANSAS

Candlewood Suites, Junction City
Proposed Hotel, Kansas City
Proposed Leavenworth Hotel, Leavenworth
Crowne Plaza, Lenexa
Proposed SpringHill Suites by Marriott, Lenexa
Hampton Inn & Suites, Merriam
Chase Suites, Overland Park
Hilton Garden Inn, Overland Park
Red Roof Inn, Overland Park

KENTUCKY

Hampton Inn, Covington
Proposed Hotel, Covington
Holiday Inn Express, Danville
Hyatt Place Cincinnati Airport, Florence
Comfort Suites, Louisville
Holiday Inn, Louisville
Hyatt Place Louisville East, Louisville
Proposed Fairfield Inn & Suites, Louisville
Proposed Country Inn & Suites, Madisonville
Days Inn, Mount Sterling
Best Western, Paducah
Courtyard by Marriott, Paducah
Econo Lodge, Paducah

LOUISIANA

Quality Inn, Lafayette
Holiday Inn & Suites, Lake Charles
Sleep Inn, Lake Charles
Sheraton, Metairie
Proposed Hotel Indigo, New Orleans

MARYLAND

Comfort Inn, Hunt Valley
Legacy Hotel, Rockville

MICHIGAN

Bell Tower Hotel, Ann Arbor
Campus Inn, Ann Arbor
Hilton Suites, Auburn Hills
Hyatt Place Detroit/Auburn Hills, Auburn Hills
Marriott Airport, Detroit
Marriott Southfield, Detroit
Residence Inn, East Lansing
Courtyard by Marriott, Flint
Days Inn, Flint
Holiday Inn, Flint
Super 8, Flint
Residence Inn, Grand Rapids
Holiday Inn, Kalamazoo
North Country Inn, Kalkaska
Econo Lodge, Lansing
Proposed Hyatt Place, Lansing
Hyatt Place Detroit/Livonia, Livonia
Residence Inn, Livonia
Residence Inn, Madison Heights
Comfort Suites, Southgate
Hilton, Troy
Residence Inn, Troy

MINNESOTA

Windom Family Inn, Windom
Super 8, Worthington

MISSISSIPPI

Hilton Garden Inn, Jackson
Holiday Inn Express Hotel & Suites, Natchez
Holiday Inn Express Hotel & Suites, Winona

MISSOURI

Georgetown Inn, Branson
Hilton Branson Landing, Branson
Hilton Promenade, Branson
Residence Inn, Branson
Crowne Plaza, Bridgeton
Proposed Old Hinderhook Hotel, Camdenton
Hampton Inn & Suites, Chesterfield
Proposed Hyatt Place, Chesterfield
Super 8, Chillicothe
Proposed Indigo Hotel, Clayton
Hampton Inn & Suites Columbia at The University, Columbia
Holiday Inn, Columbia

Tiger Hotel, Columbia
Residence Inn by Marriott, Earth City
Comfort Inn, Hayti
La Quinta Inn, Hazelwood
Holiday Inn (Conversion to DoubleTree), Joplin
Chase Suites, Kansas City
Holiday Inn Aladdin, Kansas City
Proposed Limited-Service Hotel, Kansas City
Proposed Marriott Marquis, Kansas City
Days Inn, Kennett
Holiday Inn Express, Kirksville
Resort at Point Arrowhead, Lake Ozark
Best Western, Mexico
Holiday Inn Express, O'Fallon
Multi-use Commercial Property, O'Fallon
Staybridge Suites, O'Fallon
Proposed Osage Beach Resort, Osage Beach
Holiday Inn, Poplar Bluff
Proposed Hampton Inn, Poplar Bluff
Homewood Suites, Richmond Heights
Restaurant, Springfield
Hampton Inn, St. Charles
Hampton Inn, St. Joseph
Crowne Plaza Downtown, St. Louis
Embassy Suites, St. Louis
Hilton Downtown, St. Louis
Hilton (conversion to Le Meridien), St. Louis
Holiday Inn, St. Louis
Holiday Inn Riverport, St. Louis
La Quinta Inn & Suites, St. Louis
Marriott at the Airport, St. Louis
Millennium Hotel, St. Louis
Proposed Boutique Hotel, St. Louis
Proposed Fairfield Inn & Suites, St. Louis
Proposed Holiday Inn, St. Louis
Proposed Hotel Blackhawk, St. Louis
Proposed Residence Inn/Fairfield Inn, St. Louis
Sheraton City Center, St. Louis
Sheraton Hotel Clayton Plaza, St. Louis
Proposed Holiday Inn Resort, Table Rock Lake
Holiday Inn Express, Warrensburg

MONTANA

Proposed Red Lion Hotel, Polson

NEBRASKA

Hampton Inn Lincoln Airport, Lincoln
Proposed TownePlace Suites by Marriott, Lincoln
Carlisle Hotel, Omaha
Hyatt Place Omaha Downtown Old Market, Omaha

NEW JERSEY

Crowne Plaza, Jamesburg
TownePlace Suites by Marriott, Mount Laurel
Crowne Plaza, Somerset

NEW MEXICO

Hyatt Albuquerque, Albuquerque

NORTH CAROLINA

Clarion Inn Airport, Asheville
Hilton Biltmore Park, Asheville
Holiday Inn Airport, Asheville
Hampton Inn, Cape Hatteras
TownePlace Suites Charlotte Arrowood, Charlotte
Comfort Suites, Huntersville

OHIO

Comfort Inn & Suites, Carbondale
Proposed Residence Inn by Marriott, Dublin
Country Inn & Suites, Fairborn
Hyatt Place Cleveland/Independence, Independence
Hyatt Place Cincinnati Northeast, Mason
Timberlane Inn, Salem
Courtyard by Marriott, Willoughby Hills
Residence Inn by Marriott, Worthington

OKLAHOMA

Crowne Plaza, Oklahoma City

OREGON

Best Inn & Suites, Albany
DoubleTree by Hilton, Bend
DoubleTree by Hilton, Salem
Shilo Inn, Newport

PENNSYLVANIA

Clarion, DuBois
Residence Inn by Marriott Pittsburgh Airport Coraopolis, Pittsburgh

SOUTH CAROLINA

Comfort Suites, Columbia
Fairfield Inn, Orangeburg
Proposed Legacy Suites, Rock Hill

SOUTH DAKOTA

Super 8, Madison
Courtyard by Marriott, Sioux Falls
SpringHill Suites, Sioux Falls

TENNESSEE

Homewood Suites, Brentwood
Hyatt Place Nashville/Brentwood, Brentwood
Country Hearth Inn & Suites, Camden
Fairfield Inn & Suites, Chattanooga
Hilton Garden Inn, Clarksville
Baymont Inn & Suites, Jackson
Hampton Inn & Suites, Memphis

Hampton Inn Thousand Oaks, Memphis
Hyatt Place Memphis Primacy Parkway, Memphis
Memphis Airport Hotel & Conference Center, Memphis
Proposed Holiday Inn, Memphis
DoubleTree by Hilton, Nashville
Hampton Inn Rudy Circle, Nashville
Holiday Inn Express McGavock Pike, Nashville
Hotel Preston, Nashville
Hyatt Place Nashville Opryland, Nashville
Marriott Vanderbilt, Nashville
Proposed Gulch Hotel, Nashville
Proposed Hotel, Nashville
Red Roof Inn, Nashville
Renaissance Hotel, Nashville
Sheraton Music City, Nashville
Parkway Inn & Suites, Goodlettsville
Country Hearth Inn, Union City

TEXAS

Courtyard, Abilene
Holiday Inn, Amarillo
Holiday Inn Express, Brownwood
Courtyard by Marriott, Corpus Christi
Hilton Dallas Lincoln Center, Dallas
Holiday Inn, Fort Worth
Proposed Hilton Garden Inn, Frisco
Candlewood Suites Medical Center, Houston
Residence Inn by Marriott, Houston
Quality Inn & Suites, Irving
Days Inn, Laredo
Red Roof Inn, Laredo
Proposed Extended-Stay Hotel, Midland
Holiday Inn Express, South Padre Island
Courtyard by Marriott, Sugarland
Residence Inn by Marriott, Sugarland
Holiday Inn Express, Sweetwater
Comfort Suites, Tomball
Proposed Extended-Stay Hotel, The Woodlands

VIRGINIA

Alexandria Monaco, Alexandria
Morrison House, Alexandria
Proposed Residence Inn, Falls Church
Proposed Hampton Inn, Springfield
Wedmore Place, Williamsburg

WASHINGTON

DoubleTree, Vancouver
Marcus Whitman Hotel, Walla Walla

WISCONSIN

Aloft, Green Bay
Hilton Inn, Milwaukee

WYOMING

Candlewood Suites, Cheyenne

EXHIBIT 20

LAWRENCE GROUP

319 N. 4th Street
Suite 1000
St. Louis, MO 63102

p 314.231.5700
f 314.231.0816
www.thelawrencegroup.com

September 14, 2015

RE: Missouri Theatre Luxury Hotel Permitting

To Whom It May Concern,

The Missouri Theatre Luxury Hotel building is located in St. Louis City, MO. Since April 1999, the City Building Division of St. Louis City has implemented a full-scale effort to streamline the building permit process with the creation of the Business Assistance Center (BAC) Project Steward Program. As an architectural firm located in St Louis the Lawrence Group is familiar with the program and the personnel who administer the program. Code reviews with the department and project meetings have been completed and currently the BAC is waiting for final construction documents to complete the permitting process. It is anticipated that the permit will be issued 3-5 working days after the building permit application is made.

If you have additional questions or concerns please contact me directly.

Kindest Regards,

Bridget Bogan Keitel

Bridget Bogan Keitel

EXHIBIT 21

OPERATING AGREEMENT

OF

MISSOURI THEATRE LENDERS, LLC

TABLE OF CONTENTS

1. **DEFINITIONS.** 2
2. **FORMATION.** 7
3. **NAME AND PLACE OF BUSINESS.** 7
4. **PURPOSE AND SCOPE OF COMPANY.** 7
5. **TITLE.** 7
6. **COMMENCEMENT, TERM.** 7
7. **CAPITAL CONTRIBUTIONS.** 8
8. **RIGHTS AND DUTIES OF THE MANAGER** 9
9. **FEES, SALARIES AND EXPENSES.** 13
10. **PROFITS, LOSSES, DISTRIBUTIONS AND JOB CREATION ALLOCATION.** 14
11. **SALE, DISSOLUTION AND LIQUIDATION.** 18
12. **INVESTING MEMBERS.** 19
13. **RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS.** 20
14. **MISCELLANEOUS FINANCIAL AND ACCOUNTING MATTERS.** 22
15. **AMENDMENTS.** 23
16. **POWER OF ATTORNEY.** 23
17. **MEETINGS; MEANS OF VOTING.** 24
18. **WITHDRAWALS.** 25
19. **REPRESENTATIONS OF THE MEMBERS.** 25
20. **MISCELLANEOUS.** 30

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, PURSUANT TO APPLICABLE EXEMPTIONS. WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THIS AGREEMENT. HEDGING UNITS MAY NOT BE CONDUCTED EXCEPT IN COMPLAINCE WITH THE SECURITIES ACT AND THIS AGREEMENT.

NO PARTIES EXCEPT THE COMPANY ARE RESPONSIBLE FOR THE CONTENTS OF THE OFFERING MEMORANDUM (DEFINED BELOW), AND NO OTHER PARTY EXCEPT SALES AGENTS AUTHORIZED BY THE COMPANY WILL BE INVOLVED IN THE OFFERING OF UNITS UNDER THE MEMORANDUM OR THE ACCEPTANCE OF SUBSCRIPTIONS FROM INVESTING MEMBERS.

OPERATING AGREEMENT
OF
MISSOURI THEATRE LENDERS, LLC

THIS OPERATING AGREEMENT (this "**Agreement**") of **MISSOURI THEATRE LENDERS, LLC**, a Missouri limited liability company (the "**Company**"), effective as of _____ __, 2015, is by and among **MISSOURI THEATRE LENDERS MANAGER, LLC** (the "**Manager**"), and such persons as hereafter become members (the "**Investing Members**") in accordance with the provisions of this Agreement and the Missouri Limited Liability Company Act, as amended, by executing or causing to be executed a signature page in the form attached hereto.

BACKGROUND INFORMATION

The Investing Members desire to form a limited liability company pursuant to the laws of the State of Missouri for the purpose described below. To that end, the Manager has caused to be prepared, executed and filed with the Missouri Secretary of State a Certificate of Formation and has agreed to issue to the Investing Members units of Membership Interest described herein. Accordingly, in consideration of the mutual promises contained herein, the Manager and the Investing Members agree as follows:

OPERATIVE PROVISIONS

1. **DEFINITIONS.**

Except as otherwise defined herein, the following terms shall have the following meanings ascribed to such terms:

1.1 "**Accountants**" means such firm of independent certified public accountants as may be engaged from time to time by the Manager to provide professional services to the Company.

1.2 "**Adjusted Capital Account Balance**" means, with respect to any Investing Member, the balance, if any, in such Investing Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments.

(a) Increase such balance by any amounts which such Investing Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate (second to last) sentence of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(1)(5); and

(b) Decrease such balance by such Investing Members share of the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The calculation of the Adjusted Capital Account Balance of an Investing Member shall exclude any Section 754 election.

1.3 "**Adjusted Capital Contribution**" means, with respect to any Investing Member, the aggregate amount of such Investing Member's Capital Contributions, as at any given point in time, reduced by the amount of cash (if any) distributed to such Investing Member pursuant to Section 10.6 and Section 10.7. In the event that any Investing Member transfers all or any portion of his or her Membership Interest in accordance with the terms of this Agreement, his or her transferee shall succeed to the Adjusted Capital Contribution of the transferor to the extent it relates to the transferred Membership Interest.

1.4 "**Adjustment of Status**" shall have the meaning set forth in paragraph 5 of the EB-5 Job Allocation Addendum, attached hereto as Schedule 2.

1.5 "**Affiliate**" shall have the meaning set forth in Rule 405 promulgated under the Securities Act, except as otherwise provided herein.

1.6 "**Bankruptcy**" means with respect to a specified Person: (i) the appointment of a receiver, conservator, rehabilitator or similar officer for the specified Person, unless the appointment of such officer shall be challenged in an application filed within thirty (30) days after the appointment and the appointment is vacated and such officer discharged within one hundred twenty (120) days of the appointment; (ii) the taking of possession of, or the assumption of control over, all or any substantial part of the property of the specified Person by any receiver, conservator, rehabilitator or similar officer or by the United States government or any agency thereof, unless such

possession or control is challenged in an application filed within thirty (30) days after such possession or control is taken and property is relinquished within one hundred twenty (120) days of the taking; (iii) the filing of a petition in bankruptcy or the commencement of any proceeding under any present or future federal or state law relating to bankruptcy, insolvency, debt relief or reorganization of debtors by or against the specified Person, provided, if filed against (and not by) the specified Person, such petition or proceeding is not challenged within thirty (30) days after it is filed and if so challenged is not dismissed within one hundred twenty (120) days of the filing of the petition or the commencement of the proceeding; or (iv) the making of an assignment for the benefit of creditors or a private composition, arrangement or adjustment with the creditors of the specified Person.

1.7 "**BSA**" shall have the meaning set forth in Section 19(o) hereof.

1.8 **"Borrower" means TLG 634 Managing Member LLC, a Missouri limited liability company, or its assignee.**

1.9 "**Business**" means the business of the Company of making the Loan pursuant to USCIS guidelines.

1.10 "**Capital Account**" means, with respect to any Investing Member, the sum of his or her paid-in Capital Contribution (a) increased by all profits allocated to such Investing Member; and (b) decreased by (i) the amount of all cash distributions to such Investing Member, and (ii) all losses allocated to such Investing Member. Otherwise, each Investing Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder, including expressly, but not by way of limitation, the adjustments to Capital Accounts permitted by Section 704(b) of the Code and the Treasury Regulations thereunder in the case of an Investing Member who receives the benefit or detriment of any special basis adjustment under Sections 734, 743 and 754 of the Code.

1.11 "**Capital Contributions**" means the total cash contributed to the Company by the Investing Members pursuant to the terms of this Agreement, excluding the Expense Amount. Any reference to the Capital Contribution of an Investing Member shall include the Capital Contribution made by a predecessor holder of the interest of such Investing Member.

1.12 "**Cash Distributions**" means the Cash Flow distributions a set forth in Section 10.6 hereof.

1.13 "**Cash Flow**" means the total cash receipts of the Company, plus any other funds (including amounts designated as reserves by the Manager, where and to the extent it no longer regards such reserves as reasonably necessary to the efficient conduct of the Company's business) deemed available for distribution and designated as Cash Flow (excluding Capital Contributions) by the Manager less (a) any operating expenses of the Company excluding any expense not involving a cash expenditure, such as amounts charged for depreciation; (b) all payments of principal and interest on account of any loans secured by Company property or any other Company obligations or loans; and (c) reserves for working capital and anticipated expenditures in such amounts as may be

determined from time to time by the Manager. Cash Flow shall be determined separately for each fiscal year of the Company.

1.14 "**Certificate of Formation**" means the valid Certificate of Formation, duly filed in its original or any amended form in accordance with (and in all respects sufficient in form and substance under) the laws of the State of Missouri.

1.15 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent laws.

1.16 "**Company**" shall have the meaning set forth in the introductory paragraph hereof.

1.17 "**Developer**" means **TLG 634 MANAGING MEMBER, LLC**, a Missouri limited liability company, or its assignee.

1.18 "**EB-5 Program**" shall have the meaning set forth in Section 8.5(b) hereof.

1.19 "**EB-5 Visa**" shall have the meaning set forth in paragraph 4 of the EB-5 Job Allocation Addendum, attached hereto as Schedule 2.

1.20 "**Escrow Agent**" means **SUNTRUST BANK**, or its successor, appointed as such under the Escrow Agreement.

1.21 "**Escrow Agreement**" means that certain Escrow Agreement between the Escrow Agent, the Company and each Investing Member in the Offering.

1.22 "**Expense Amount**" means the Sixty-TwoThousand Five Hundred Dollar ($62,500) amount funded by each Investing Member upon subscription for a Unit that will be paid directly to the Manager upon subscription to cover certain Offering costs, broker costs, marketing costs, I-526 insurance related costs, and migration services.

1.23 "**Gross Asset Value**" means with respect to any asset of the Company, such asset's adjusted basis for federal income tax purposes.

1.24 "**I-526 Petition**" means a Form I-526 Immigrant Petition for Entrepreneur filed with USCIS on behalf of an Investing Member.

1.25 "**I-829 Petition**" shall have the meaning set forth in Section 10.13 hereof.

1.26 "**Initial Condition**" shall have the meaning set forth in Section 7.5(a) hereof.

1.27 "**Investing Member**" shall have the meaning set forth in the introductory paragraph hereof.

1.28 "**Limited Liability Company Act**" means the Missouri Limited Liability Company Act, as amended.

1.29 "**Loan**" shall have the meaning set forth in Section 4.1(a) hereof.

1.30 "**Loan Agreement**" shall have the meaning set forth in Section 4.1(a) hereof.

1.31 "**Majority in Interest**" means Investing Members owning in the aggregate more than fifty percent (50%) of the Units then outstanding.

1.32 "**Manager**" shall have the meaning set forth in the introductory paragraph hereof.

1.33 "**Manager Parties**" shall have the meaning set forth in Section 8.5 hereof.

1.34 "**Membership Interest**" means the membership interest of each Investing Member in the Company.

1.35 "**OFAC**" shall have the meaning set forth in Section 8.4(b)(8) hereof.

1.36 "**Offering Memorandum**" means the Confidential Private Placement Memorandum of the Company dated September 25, 2015, relating to the offering of the Units through a private placement, as same may be amended or updated from time to time.

1.37 "**Permanent Disability**" or "**Permanently Disabled**," when used with reference to a specified Person, shall mean (i) any mental or physical illness, condition or incapacity which prevents the specified Person from performing his or her duties on behalf of the Company or any of its Affiliates for a period of 180 days during any 365 day period, (ii) a determination by an insurer that has issued a disability insurance policy to the Company or one or more Investing Members or the Manager with respect to a Person that such Person is permanently disabled as defined in such policy, or (iii) the determination by a court of competent jurisdiction that the specified Person is legally incompetent.

1.38 "**Person**" means an individual, a partnership (general, limited or limited liability), a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental, quasi-governmental, judicial or regulatory entity or any department, agency or political subdivision thereof.

1.39 "**Preferred Return**" shall have the meaning set forth in Section 10.6.

1.40 "**Profits**" and "**Losses**" mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, respectively, including gain or loss from Capital Transactions, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulation Section 1.704-l(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(iii) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(iv) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulation Section 1.704-l(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a Distribution other than in complete liquidation of an Investing Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(v) Notwithstanding any other provision of this Section, any items which are specially allocated pursuant to Section 10.11 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Section 10.11 shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (v) above.

1.41 "**Project**" means the redevelopment of the historic Missouri Theatre Building located at 634 North Grand Avenue in downtown Saint Louis, Missouri.

1.42 "**Project Escrow Account**" means the account maintained by the Escrow Agent into which an Investing Member's Capital Contribution shall be deposited upon subscription for a Unit, to be disbursed as set forth in the Escrow Agreement.

1.43 "**Regional Center**" means **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.**, a Missouri corporation.

1.44 "**Securities Act**" means the Securities Act of 1933, as amended.

1.45 "**Securities Laws**" shall have the meaning set forth in Section 19(a) hereof.

1.46 "**Subscription Agreement**" means the Subscription Agreement utilized by the Company to sell Units to Investing Members, including all attachments thereto.

1.47 "**Unit**" means a single unit of an Investing Member's Membership Interest.

1.48 "**USA Freedom Act**" shall have the meaning set forth in Section 19(o) hereof.

1.49 "**USCIS**" means United States Citizenship and Immigration Services.

2. **FORMATION.**

The Manager has formed a limited liability company pursuant to the Limited Liability Company Act and other applicable laws of the State of Missouri.

3. **NAME AND PLACE OF BUSINESS.**

The name of the Company is "**MISSOURI THEATRE LENDERS, LLC**" or such other name as the Manager shall hereafter designate by written notice to the Investing Members. Its principal mailing address shall be c/o Laura Hughes, Project Manager, Gateway to the Midwest Investment Center, Inc., 7733 Forsyth Blvd., Suite 2200, St. Louis, MO 63105, or such other location as the Manager may from time to time designate by notice to the Investing Members.

4. **PURPOSE AND SCOPE OF COMPANY.**

4.1 (a) The Company has been formed for the purpose of making a loan to the Developer (the "**Loan**") in connection with the development of the Project by the Developer, pursuant to the terms of a loan agreement to be entered into between the Company and the Developer (the "**Loan Agreement**").

(b) In furtherance of the foregoing, but in no way limiting the generality of the foregoing, the Company may: (i) enter into, perform and carry out contracts and agreements as may be necessary, appropriate or incidental to the accomplishment of the purposes of the Company; and (ii) do all other acts and things which may be necessary, appropriate or incidental to the carrying out of the business and purposes of the Company.

(c) The Company is specifically prohibited from engaging in the business of investing, reinvesting or trading in securities or in the business of issuing face-amount certificates of the installment type or having any such certificate outstanding.

4.2 Other Business Ventures: The Manager, affiliates of the Manager and any officers, directors, employees, stockholders or other persons holding a legal or beneficial interest in any of the foregoing, may engage or possess an interest in other business ventures of every nature and description, independently or with others, and neither the Company nor any Investing Member shall have any right by virtue of this Agreement in or to such independent ventures or the income or profits derived therefrom.

5. **TITLE.**

Title to any property and to any other assets acquired to carry out the purposes of the Company shall be held in the name of the Company.

6. **COMMENCEMENT, TERM.**

The Company shall be deemed to commence its existence as of the date of this Agreement.

The term of the Company shall continue until terminated in accordance with the provisions of Section 11 hereof, or as otherwise provided by law.

7. CAPITAL CONTRIBUTIONS.

7.1 Investing Members: Each Investing Member shall contribute his or her Capital Contribution to the capital of the Company in the amounts set forth in each Investing Member's respective Subscription Agreement, in return for which they shall receive the applicable Membership Interest. The total amount to be contributed by each Investing Member shall be paid to the Escrow Agent as set forth in the Subscription Agreement. Contributions shall be only in cash via wire transfer.

7.2 No Additional Contributions: The Investing Members are not required to contribute additional capital in excess of his or her Capital Contribution or lend funds to the Company.

7.3 Capital Accounts: The Company shall establish for each Investing Member a Capital Account.

7.4 Withdrawal and Return of Capital: No Investing Member may withdraw any capital from the Company without the consent of the Manager. Under circumstances causing a return of a Capital Contribution, no Investing Member shall have the right to receive property other than cash, except as may otherwise be specifically provided herein, nor to be paid interest on such contributions with respect to the period such contributions are held by the Company.

7.5 Escrow Account.

(a) Pursuant to the Subscription Agreement executed by a Subscriber, up to Five Hundred Sixty-Two Thousand Five Hundred Dollars ($562,500) per Unit (unless invested as set forth herein) is due to be paid to the Escrow Agent upon subscription.

(b) All subscription payments will be held in escrow by the Escrow Agent pursuant to the Escrow Agreement which establishes the Expense Escrow Account and the Project Escrow Account. Each Subscriber's (i) $500,000 Capital Contribution, shall be funded to the Company's general operating account by the Escrow Agent so that the Company can commence operations; and (ii) $62,500 Expense Amount shall be funded to the Manager by the Escrow Agent to cover marketing and other expenses, both upon (1) satisfaction of the Initial Condition; and (2) the Subscriber's signing the Subscription Agreement, funding the Capital Contribution and filing his or her I-526 Petition (collectively, the "**Escrow Release Conditions**").

(c) As a requirement under the Escrow Agreement, the Company will obtain an EB-5 I-526 Protection Insurance Policy (the "**Refund Insurance Policy**") for each Subscriber through NES Financial's partnership with Mark Edward Partners underwritten by ANV/Lloyds of London (the "**Insurer**"), insuring the Subscriber such that (i) the Subscriber will (i) receive a refund of the Subscriber's $500,000 Capital Contribution upon a denial by USCIS of such Subscriber's I-526 Petition, except to the extent such denial is due to fraud by Such Subscriber and certain other exclusions, as more fully set forth in the Refund Insurance Policy; and (ii) assign the Subscriber's Membership Interest in the Company to Insurer (the "**Refund Insurance**"). The Company will pay

the $12,500 per Subscriber premium for the Refund Insurance utilizing $12,500 of each Subscriber's $62,500 Expense Amount. A copy of the Refund Insurance Policy is available upon request.

Notwithstanding the foregoing, any Subscriber's $500,000 Capital Contribution held in escrow with the Escrow Agent shall be released upon approval of a Subscriber's I-526 Petition.

(d) If an Investing Member's I-526 Petition is denied (without appeal or after denial of any appeal, as provided herein),

(i) the Company will submit a claim under the Refund Insurance Policy for the benefit of the denied Subscriber such that the Subscriber will receive a refund of the his or her Capital Contribution, subject to the terms of the Refund Insurance Policy, as referenced above; and

(ii) the Manager shall refund the remaining $50,000 of the Investing Member's Expense Amount (or lessor amount); provided, however, that if such denial is due to a misrepresentation by the Subscriber of information on his or her I-526 Petition or the Subscriber is otherwise at fault for such denial (including, without limitation, lack of sufficient evidence of source of funds), then Forty Thousand Dollars ($40,000) shall be retained by the Manager for costs incurred on behalf of the individual Subscriber.

8. RIGHTS AND DUTIES OF THE MANAGER

8.1 Management of Company Business: The Manager shall have the power and authority to manage and direct all of the Company's business. The Manager may from time to time seek the direction of the Investing Members in making any decisions related to the Business, although it shall not be required to seek such direction. The exercise of any power conferred by this Agreement by the Manager shall constitute the act of and be binding upon the Company. The Company shall follow the terms regarding the Loan set forth in the Offering Memorandum in connection with the making of the Loan. The Manager may make modifications to the Loan Agreement in its sole discretion.

8.2 Specific Rights and Powers of Manager: In addition to any other rights and powers which it may possess under law, but subject to the provisions of Sections 4 and 8.4 hereof, the Manager and/or its designated agents shall have such other rights and powers required for or appropriate to its management of the Company's business, which, by way of illustration but not limitation, shall include the following:

(a) maintaining the Company's compliance with USCIS rules and regulations, including, without limitation, (A) monitoring the Company's actions affecting the Company's compliance with USCIS rules and regulations, (B) acting and responding expeditiously in the execution of any necessary USCIS and related filings, (C) reporting of any information requested by USCIS; and (D) communicating with USCIS on EB-5 compliance matters and other immigration matters affecting the Offering; (E) communications with NES Financial to assist with the EB-5 administration.

(b) to enter into any contract of insurance which Manager may reasonably deem appropriate for the protection or conservation of Company property, or for any other purpose beneficial to the Company;

(c) to employ attorneys, agents, consultants, accountants and other independent contractors to perform services on behalf of the Company, including affiliates of Manager; provided that such services are reasonably necessary or advisable and the compensation therefore is reasonable, except with any matters related to enforcement of the Loan;

(d) to bring or defend legal actions in the name of the Company (provided that the Company has adequate funds to pay for such legal actions), pay, collect, compromise, arbitrate, or otherwise adjust or settle claims or demands of or against the Company or its agents, except with any matters related to enforcement of the Loan;

(e) to establish reasonable reserve funds from income derived from the Loan in connection with its administration, but the Company shall not establish reserves consisting of Capital Contributions of Investing Members prior to repayment of the Loan by the Developer;

(f) to perform or cause to be performed all of the Company's obligations under any agreement to which the Company is a party, except with any matters related to enforcement of the Loan;

(g) to engage the third parties to provide administrative services to the Company;

(h) to identify, evaluate, and apply to other projects capital that Members choose not to be distributed after repayment of the Loan; and

(i) to execute, acknowledge and deliver any and all instruments necessary to effectuate any of the foregoing.

8.3 Specific Rights and Powers of the Manager With Respect to Administering the Loan: The Manager, and/or its designated agents, shall be exclusively responsible for the management and control over the following matters affecting the Company, including the rights set forth in subparagraphs (c), (d) and (f) above, in connection with enforcement of the Loan.

(a) to make the Loan and from time to time modify the conditions of same if reasonably necessary to administer the disbursement of the Loan proceeds;

(b) to enforce the rights of the Company with respect to any loans made by the Company to the Borrower (including the Loan) and any agreement (including any Loan Agreement) made between the Company and the Borrower, including, without limitation, the commencement of foreclosure and legal proceedings, and enforcement of guaranties and other security instruments against the Borrower; provided, however, that notwithstanding anything contained herein, if the Company does not have adequate funds to pay for such enforcement actions, including, but not limited to, funds sufficient to pay legal fees, foreclosure fees, court costs or any other enforcement-related costs and/or expenses, Manager shall have no obligation to pursue such enforcement rights on behalf of the Company or the Members;

(c) to reinvest the Capital Contribution amounts of the Investing Members in alternate investments that qualify under the EB-5 Program for the purpose of preserving the Investing Members' "at risk" investment and eligibility for removal of CLPR status.

(d) to exercise all of the Company's rights and remedies under the Loan Agreement and other Loan documents, including, without limitation, the right to declare a default under the Loan Agreement in order to protect the Company and the interests of the Members, and the right to commence a foreclosure action under the mortgage and other security instruments or enforce an action to enforce any guarantees, and the exercise of any other remedies allowed by law, as Manager deems appropriate, in its discretion; provided, however, that notwithstanding anything contained herein, if the Company does not have adequate funds to pay for such enforcement actions, including, but not limited to, funds sufficient to pay legal fees, foreclosure fees, court costs or any other enforcement-related costs and/or expenses, Manager shall have no obligation to pursue such enforcement rights on behalf of the Company or the Members.

8.4 Limitations on Manager Authority: Notwithstanding anything to the contrary herein contained and subject to the provisions of Section 4, without in each instance receiving the prior written consent of a Majority in Interest of the Investing Members, the Company shall not have the authority to:

(a) lend Company funds to any person other than in connection with the Loan or in the ordinary course of business;

(b) perform any act which would make it impossible to carry on the ordinary business of the Company or which would be in contravention of the express terms of this Agreement;

(c) admit a person as an Investing Member other than as provided herein; or

(d) take any action which would result in the Company being classified other than as a partnership for federal income tax purposes.

8.5 Compliance with EB-5 Restrictions.

(i) The Regional Center has obtained designation from USCIS as an approved "regional center" for a geographic area that includes the Project, authorizing the Company to participate under such approval to facilitate the filing by Investing Members of I-526 Petitions, the approval of which allows the Investing Members then to seek conditional lawful permanent residence in the United States, along with their spouse and unmarried children under age 21, as applicable and as determined by each Investing Member.

(ii) The Manager shall endeavor to operate the Company in compliance with the legal and policy requirements of USCIS's EB-5 Immigrant Investor Program ("**EB-5 Program**") administered by USCIS, as advised by the Regional Center. In particular, the Manager shall cause the Company to:

(a) deploy the Capital Contributions of Investing Members in job creating activity constituting the Project, directly or indirectly, and to keep such funds invested (including by loan) in job creating activity until all Investing Members have received adjudication of removal of conditions from permanent residence;

(b) avoid reserve accounts designed to evade at-risk investment, and avoid agreements for redemption (including return on investment) of Investing Members' Capital Contributions before adjudication of the petitions for removal of conditions on their permanent residence;

(c) redeem any Investing Members' Capital Contributions, if at all, only at fair market rates;

(d) maintain an ongoing business deploying capital to job creating activity;

(e) follow the business plan for the Project as submitted for approval to USCIS, consulting with the Regional Center before implementing any changes that could be considered material;

(f) track, maintain records, and share data and records with the Regional Center concerning the Loan and the underlying Project, including the expenditure of funds, employment of workers, completion of construction, operation of facilities and enterprises;

(g) require the Developer to perform such tracking, documentation, and sharing of information with the Company and the Regional Center as is required to enable the Regional Center to meet its obligations to USCIS and to provide information to Investing Members as needed for them to request removal of conditions from their U.S. permanent residence;

(h) obtain approval from the Office of Foreign Assets Control ("**OFAC**") of the U.S. Treasury Department, or confirmation of no need for approval, before subscribing an Investing Member who is a native or citizen or whose capital derives from a country subject to embargo under regulations administered by OFAC;

(i) cause the Investing Members to participate in making management decisions for the Company to comply with USCIS regulations; and

(j) cause the Company not to sell or otherwise dispose of its interest in the Loan without the consent of all the Investing Members.

8.6 Liability of the Manager to Investing Members and Company; Indemnification: The Manager shall be required to devote only so much time and attention to the business affairs of the Company as is reasonably necessary or advisable to competently oversee such affairs. Except as otherwise specifically set forth herein, neither the Manager nor any of its Affiliates, nor any of their respective officers, directors, employees, agents, representatives, owners or principals, partners and/or members (collectively, the "**Manager Parties**") shall be personally liable to any Investing Member because any taxing authority disallows or adjusts any deduction or credit claimed in a Company income tax return, nor for the repayment of Capital Contributions. The performance of or

the omission to perform any act, the effect of which may cause or result in loss or damage to the Company, if performed or omitted in good faith and in accordance with the terms of this Agreement, shall not subject the Manager Parties to any liability to either the Company or any Investing Members. The Company, its receiver, or its trustee, as applicable, shall indemnify and save harmless the Manager Parties from any claim, loss, expense, liability, action or damage resulting from any such act or omission, including, without limitation, reasonable costs and expenses of litigation and appeal (including reasonable fees and expenses of attorneys engaged by the Manager Parties in defense of each such act or omission); but the Manager Parties shall not be entitled to be indemnified or held harmless to the extent such claim, loss, expense, liability, action or damage results from fraud, bad faith, gross negligence or willful misconduct.

8.7 Special Duties of the Manager: In addition to and without limiting the duties and obligations specified or referenced hereunder, the Manager shall advise and take direction from professional advisors that it may choose to engage, including, without limitation, with respect to (a) performing and complying with the provisions of any agreement affecting Company property or the operation thereof with any independent contractor with or agent of the Company; and (b) causing the Company to file an amended Certificate and such other documents and to perform such acts as shall be required under Missouri law in order to preserve the valid existence of the Company and the limited liability of the Investing Members.

8.8 Removal; Resignation:

(a) A Manager may be removed upon its bankruptcy by a Majority in Interest vote of the Investing Members.

(b) A Manager may resign as an agent of the Company at any time upon written notice to the Company.

(c) Upon removal or resignation of the Manager, the removed/resigned Manager shall immediately cease to have any authority to act as an agent for the Company.

8.9 Election of Successor Manager. Within thirty (30) days after the removal or resignation of the Manager, the Majority in Interest of the Investing Members shall elect a successor Manager.

9. FEES, SALARIES AND EXPENSES.

9.1 Manager and Other Fees: The Developer shall pay to Company and Company shall distribute to Manager, a management fee equal to one-half percent (.5%) of the total Loan amount advanced per annum (*i.e.*, the Management Fee, as defined in the Offering Memorandum). Additionally, Company shall pay a one-time fee (*i.e.*, the Administrative Fee) to Manager equal to $5,000 per Investing Member as consideration for and reimbursement of expenses related to arranging and providing the Loan, as more fully set forth in the Loan Agreement. Neither the Management Fee nor the Loan Origination Fee shall not be paid from the Investing Member's $500,000 Capital Contribution. The Administrative Fee shall be payable from the Expense Amount.

9.2 Expenses: Except as otherwise provided herein, the Manager shall pay out of its Management Fee and/or the Expense Amount all ordinary expenses incurred in connection with maintaining and operating its office and the books and records of the Company. The Company will pay all extraordinary costs and expenses of the Company, including litigation expenses, using cash available to the Company.

9.3 Salaries, Drawings and Interest on Capital Accounts: No Investing Member shall receive any interest on a Capital Contribution or any salary, either with respect to any Capital Contribution, for services rendered on behalf of the Company or otherwise in his or her capacity as Investing Member, except as expressly provided elsewhere in this Agreement.

10. PROFITS, LOSSES, DISTRIBUTIONS AND JOB CREATION ALLOCATION.

10.1 Generally: The following provisions shall apply with respect to the allocation of profits and losses:

(a) Profits and losses for all purposes of this Agreement shall be determined in accordance with the accounting method followed by the Company for federal income tax purposes and otherwise in accordance with generally accepted accounting principles. Every item of income, gain, loss, deduction, credit or tax preference entering into the computation of such profit or loss, or applicable to the period during which such profit or loss was realized, shall be considered allocated to each Investing Member in the same proportion as profits and losses are allocated to such Investing Member below.

(b) Profits and losses shall be allocated to the Investing Members commencing with the fiscal year ending December 31, 2015 and annually thereafter.

(c) Allocation of Profits and Losses. Except with respect to the repayment of indebtedness and the allocation of any built-in gain provided for under Section 704(c) of the Code, all profits and losses of the Company shall be allocated as set forth hereinafter.

10.2 Allocation Following Transfer of Membership Interest: Except as otherwise provided herein, in any year in which an Investing Member transfers all or any portion of a Membership Interest to any person who, during such year, is admitted as a substitute Investing Member, the share of profits, losses and distributable Cash Flow allocated to or attributable to the Membership Interest sold, assigned or transferred, shall be divided between the assignor and the assignee on the basis of the number of days in such year before, and the number of days on or after, the execution by the assignee of this Agreement; provided, however, that the assignor and the assignee may by agreement make special provisions for the allocation of items of income, profit, gain, loss, deduction or credit as may from time to time be permitted under the Code, and for the distribution of Cash Flow, but such agreement shall be binding as to the Company only after it shall have received notice thereof from the assignor and assignee.

10.3 Allocation to the Manager: No profits or losses shall be allocated to the Manager for its serving in such capacity.

10.4 Apportionment of Allocations and Distributions: Except as otherwise provided in this Agreement, allocations and distributions to be made to each Investing Member pursuant to this Section 10 shall be made in the proportion that his or her respective Membership Interest bears to the Membership Interests of all Investing Members, measured as of the last day of the period for which such allocation or distribution is made.

10.5 Allocation of Profits and Losses:

(a) Profits and Losses shall be allocated pro rata to the Investing Members.

(b) Limitation. The Losses allocated to an Investing Member shall not exceed the maximum amount of Losses that can be so allocated without causing any Investing Member to have an Adjusted Capital Account deficit (determined after all cash distributions for the fiscal period) at the end of the fiscal period for which the allocation relates. All Losses in excess of the limitation set forth in the preceding sentence shall be allocated among those Investing Members that will not have an Adjusted Capital Account deficit at the end of the fiscal period in the ratio of their relative Membership Interests, and any excess thereafter shall be allocated to the Investing Member in accordance with their percentage interests.

10.6 Distribution of Cash Flow: The Manager shall have the sole authority to determine when Cash Flow is available for distribution among the Investing Members. Once a determination is made that such a distribution is in order, the same shall be made as follows subject to the other provisions of this Article 10:

(a) All distributions are made to the Investing Members until they receive their cumulative preferred return equal to 0.5% of their capital contributions, less specifically identified Company expense, subject to payments on the Loan being made by the Developer **("Preferred Return")**.

(b) Thereafter, the balance of distributions shall be distributed to the Manager, to be utilized to pay Company operating costs, marketing expenses, Regional Center costs and the balance as a distribution to the Manager.

(c) Upon the sale or refinancing of the Project and the payment of the Loan, when the Manager determines in its sole discretion, and subject to USCIS guidelines, distributions shall be as follows:

(i) First, to the Investing Member in an amount equal to all unpaid Preferred Return;

(ii) Next, to the Investing Member in the amount equal to their capital contributions subject to the Investing Member's I-829 Petition having been finally adjudicated; and

(iii) Thereafter, to the Manager.

Notwithstanding the foregoing, no distributions will be made to any Investing Member prior to the final adjudication of the I-829 Petition of such Investing Member.

The Manager will endeavor to cause the Company to make distributions to Investing Members within ninety (90) days after the close of each calendar year in order to provide funds to Partners to satisfy their federal income tax obligations relating to the Company.

Upon repayment of the Loan in full, an Investing Member may decline the return of its Capital Contribution and thereby request to reinvest such Capital Contribution in the Company in order to participate in a new loan to be identified by the Manager. If the Manager determines that no such loan is available on favorable terms, or if in its sole discretion the Manager determines that the Company should terminate, the Manager may distribute all of the Investing Members' Membership Interests in accordance with this Operating Agreement and terminate the Company.

10.7 Liquidating Distributions: The proceeds resulting from the liquidation of the Company pursuant to Section 11.2 (but subject to the provisions of Section 11.2(3)), shall be distributed and applied in the following order of priority:

(a) To the payment of debts and liabilities of the Company, including all expenses of the Company incident to any such liquidation and all loans or any other debts and liabilities of the Company to the Investing Members or their Affiliates;

(b) To the establishment of any reserves which the Liquidator deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company; and

(c) To the Investing Members in accordance with the provisions of Section 10.6 above.

10.8 Nonrecourse: Each Investing Member shall look solely to the assets of the Company for all distributions from the Company, the repayment of his or her Capital Contributions, and the repayment of any loans previously made to the Company when all such payments are due hereunder, and shall have no recourse, upon dissolution or otherwise, against any Manager or Investing Member.

10.9 Withholding Taxes with Respect to Investing Members. The Company shall comply with any withholding requirements under federal, state, local and foreign law and shall remit any amounts withheld to, and file required forms with, the applicable jurisdiction. All amounts withheld from Company revenues or distributions by or for the Company pursuant to the Code or any provision of any federal, state, local or foreign law, and any taxes, fees or assessments levied upon the Company, shall be treated for purposes of this Section 10.12 as having been distributed to those Investing Members from whom such amounts are withheld, or whose identity or status caused the withholding obligations, taxes, fees or assessments to be incurred. If the amount withheld was not withheld from the affected Investing Member's actual share of cash available for distribution, the Manager on behalf of the Company may, at its opinion (a) require such Investing Member to reimburse the Company for such withholding or (b) reduce any subsequent distributions to which such Investing Member is entitled by the amount of such withholding. Each Investing Member agrees to furnish the Company with such representations and forms as the Manager shall reasonably request to assist it in determining the extent of, and in fulfilling, the Company's withholding obligations, if any. As soon as practicable after becoming aware that any withholding requirement

may apply to an Investing Member, the Manager shall advise the Investing Member of such requirement and the anticipated effect thereof. Each Investing Member shall pay or reimburse to the Company all identifiable costs or expenses of the Company caused by or resulting from withholding taxes with respect to such Investing Member.

10.10 Job Creation Allocation. The allocation to each Investing Member of job creation numbers arising from fulfillment of the Company's business plan will be reported to the Regional Center, avoiding double counting any job. Jobs created by the Project that qualify for approval at the Form I-829 Petition stage shall be allocated to the Investing Members in accordance with the EB-5 Job Allocation Addendum attached hereto as Schedule 2.

10.11 Authority of Manager to Vary Allocations to Preserve and Protect Investing Members' Intent:

(a) It is the intent of the Investing Members that each Investing Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Section 10 to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Section 10, the Manager is authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Section 10 to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Section 10 would cause the determination and allocation of each Investing Member's distributed share of income, gain, loss, deduction or credit (or item thereof) to not be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any new allocation (the "**New Allocation**") made pursuant to this Section 10.11 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Section 10, and no amendment of this Agreement or approval of any Investing Member shall be required.

(b) In making any New Allocation under Section 10.11(1), the Manager is authorized to act only after having been advised by the Accountants that, under Section 704(b) of the Code and the Treasury Regulations thereunder, (i) the New Allocation is necessary, and (ii) the New Allocation is the minimum modification of the allocations otherwise provided for in this Section 10 necessary in order to ensure that, either in the then current year or in any preceding year, each Investing Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Section 10 to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations thereunder.

(c) If the Manager is required by Section 10.11(1) to make any New Allocation in a manner less favorable to the Investing Members than is otherwise provided for in this Section 10, then the Manager is authorized and directed, insofar as it is advised by the Accountants to the Company that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such a manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investing Members as near as possible to the allocations thereof otherwise contemplated by this Section 10. Furthermore, in the event that any New Allocation requires repayment by the Investing Members of any distribution made during any tax year, the Investing Members shall be required to refund to the Company only amounts in

excess of the net tax cost to the Investing Member based upon the original allocation. For example, if an Investing Member's tax rate was twenty percent (20%) and the distribution to such Investing Member was $100.00, the Investing Member would only be required to refund $80.00 of the distribution.

(d) New Allocations made by the Manager under Section 10.11(1) shall be made in reliance upon the advice of the Accountants, and no such allocation shall give rise to any claim or cause of action by any Investing Member.

11. SALE, DISSOLUTION AND LIQUIDATION.

11.1 Dissolution of Company: Subject to the provisions of Section 4, the Company shall be dissolved upon the earlier of:

(a) Following repayment of the Loan, the distribution of the interests of all Investing Members in the event that no Investing Member elects to decline distribution of his or her Capital Contribution pursuant to Section 10.6;

(b) The election of the Manager, in their sole discretion, when the Loan and any subsequent loans made by the Company are not outstanding;

(c) The determination of the Manager to dissolve the Company with the prior written consent of a Majority in Interest of the Investing Members;

(d) The sale or other disposition by the Company of all or substantially all of its property, unless the Company, as part of the consideration for any such sale or other disposition acquires a mortgage or lease on or security interest in all or substantially all of such property, in which case the Company shall be dissolved following the sale or other disposition of its entire interest in such mortgage, lease or security interest; or

(e) Any other event causing the dissolution of the Company under the laws of the State of Missouri.

11.2 Winding Up and Distribution:

(a) Except as otherwise expressly permitted under this Agreement, upon the dissolution of the Company, the Company shall be liquidated by (1) the Manager or, if there is no Manager, a court appointed liquidating trustee, or (2) at the direction of the Manager, the Accountants (the "**Liquidator**"). In carrying out the liquidation of the Company, a liquidating trustee or the Accountants shall have all of the rights and powers of the Manager hereunder.

(b) A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of the Company's liabilities so as to enable the Liquidator to minimize the normal losses attendant to liquidation. The operations of the Company shall continue during such liquidation solely for the purpose of winding up the Company's business. Upon completion of the liquidation each of the Investing Members shall be furnished with a statement setting forth the assets and liabilities of the Company as of the date of complete liquidation. Upon

approval of this statement by a Majority in Interest of the Investing Members, the Liquidator shall cause a certificate of cancellation of the Company to be duly prepared, executed and filed causing the dissolution of the Company under the laws of the State of Missouri. Nothing herein shall be construed as a limitation upon or termination of any of the rights of the Investing Members during or following any liquidation.

(c) The proceeds of any liquidation shall be applied and distributed as set forth in Section 10.7 hereof. It is the intent of the Investing Members that, upon liquidation of the Company, any liquidation proceeds available for distribution to the Investing Members be distributed in accordance with the Investing Members' respective Capital Account balances.

12. **INVESTING MEMBERS.**

12.1 Admission: The Manager is authorized to admit to the Company Investing Members.

12.2 Limitation on Investing Member Liabilities: No Investing Member will be personally liable for the debts or losses of the Company.

12.3 No Control of Business or Right to Act for Company: An Investing Member shall take no part in the management, conduct or control of the business of the Company and shall have no right or authority to act for or to bind the Company, except as otherwise set forth in this Agreement.

12.4 Registered Holders: Upon the admission of an Investing Member, his or her address and Membership Interest shall be registered on the records of the Company maintained at its principal office and inserted in an amended and updated Schedule 1 hereto.

12.5 Other Events: Upon the bankruptcy or insolvency of any Investing Member, the authorized representative of such individual shall have all of the power as such individual possessed to make an assignment of its Membership Interest in accordance with the terms of Section 13 and to join with any assignee in making application to substitute such assignee as an Investing Member.

12.6 Withdrawal of Investing Members: No Investing Member may voluntarily withdraw or resign as an Investing Member of the Company, prior to the dissolution and winding up of the Company, without the Manager's prior written consent.

12.7 Nature of Investing Members' Membership Interest: Membership Interests in the Company shall be personal property for all purposes. No Investing Member or their successor, representative or assign, shall have any right, title or interest in specific Company property.

1. Mandatory Repurchase: If a Member receives an I-526 Petition denial (without certification of the denial to the USCIS Administrative Appeals Office), and if the Investing Member demands return of his or her Capital Contribution, then the Company shall, following such demand, cancel such Investing Member's Unit and return to such Investing Member his or her Capital Contribution pursuant to the terms regarding the Refund Insurance, and possibly refund the Investing Member's Expense Amount, each subject to the procedures and provisions described herein, including, without limitation, the provisions set forth in Section I. – Offering Summary – Escrow Accounts, above. If a Member receives an I-526 Petition denial and elects to appeal that denial at his

or her own expense and the Manager consents to such appeal, the cancellation of such Investing Member's Unit shall be deferred until (i) the appeal is resolved and such Investing Member receives I-526 Petition approval, in which event no cancellation will occur, or (ii) the denial is affirmed, in which event the redemption will proceed. At the sole discretion of the Manager, no additional documents will be necessary to effect such cancellation; it being agreed by the Manager and the Investing Members that the Company's or Insurer's delivery, as appropriate, of a check for such amount to the Investing Member whose Unit was cancelled shall constitute the full and complete redemption of such Investing Member's Unit. The Manager may unilaterally amend Schedule 1 to this Agreement to reflect the deletion of any Investing Member whose Unit is cancelled.

Notwithstanding anything to the contrary in this Section, (i) if the Manager determines, in its sole and absolute discretion, that the repurchase of the Unit of a Member whose I-526 Petition was denied pursuant to this Section would have an adverse effect on the business or immigration objectives of the Company or the ability of other Investing Members to obtain unconditional permanent resident status in the U.S. pursuant to the EB-5 Program, (ii) if the Company is restricted from purchasing any Units under the provisions of the Securities Act or other applicable law or under the terms of any loan agreements with its lenders, or (iii) if the Company does not have the available cash to effect such repurchase of the Units, then the Company's obligation to repurchase the Units and refund the Capital Contribution and Expense Amount, if at all (*See* Section 7.5 herein), shall be suspended until the Manager determines, in its sole and absolute discretion, that such adverse effect will not occur or such condition or restriction does not apply.

12.8 Rights of a Representative: Upon the death, Permanent Disability, determination of legal incompetence or Bankruptcy of an individual who is an Investing Member (including a substituted Investing Member), his or her personal representative, guardian, trustee or Person serving in a similar capacity, as the case may be, shall have all of the rights of an Investing Member for the purpose of settling or managing his or her estate, and such power as the decedent, incompetent, or bankrupt possessed to constitute a successor as an Assignee and to join with such Assignee in making application under this Section 12 to substitute such Assignee as an Investing Member.

13. RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS.

13.1 Conditions Precedent to Transfer: Except with respect to a transfer of Membership Interests to the Insurer (as defined in the Offering Memorandum), no Investing Member shall have the right to sell or assign all or any part of such Member's Interest except by reason of death, unless such assignment is effected by, and in any event not until the Investing Member has received an I-829 Petition approval or an I-829 Petition denial, (a) such assignment is effected by written instrument in form and substance acceptable to counsel for the Company, stating that the assignee intends to be substituted or admitted as an Investing Member and accepts and adopts all of the terms and provisions of this Agreement, as the same may have been amended, and providing for the payment of all reasonable expenses incurred by the Company in connection with such substitution or admission, including but not limited to the cost of preparing the necessary amendment to this Agreement; (b) such assignment is consented to by the Manager, which consent may be granted or denied in the Manager's sole and absolute discretion; and (c) if requested by the Manager, an opinion of acceptable legal counsel is delivered to the Manager stating that the substitution or admission is exempt from registration and qualification under the Securities Act and any applicable state

securities laws. The Manager may not consent to any transfer or assignment of a Membership Interest (i) to a minor or person adjudged incompetent; (ii) under circumstances which would result in the termination of the Company under the Code; or (iii) under circumstances which would result in the denial of any Investing Member's I-526 Petition. If an Investing Member sells any part of his or her Membership Interest representing a Capital Contribution before removal of conditions on his or her permanent residence, the Manager shall give notice to the Regional Center for prompt reporting to USCIS for possible revocation of immigration benefits arising from the initial investment.

13.2 Legend: Any certificate representing a Membership Interest shall bear on the face thereof legends substantially in the following form:

> "THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, EITHER PURSUANT TO APPLICABLE EXEMPTIONS. WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THE COMPANY'S OPERATING AGREEMENT."

13.3 Mechanics of Substitution or Admission: Any substitution or admission of an Investing Member shall become effective as of the last day of the calendar month in which all the conditions of such substitution or admission as specified in Section 13.1 shall have been satisfied. Any person admitted as a substitute or additional Investing Member pursuant to this Section 13 shall (except as herein otherwise expressly provided) be an Investing Member for all purposes of this Agreement to the extent of the Membership Interest acquired by such person.

13.4 Prohibited Assignments: Any purported assignment of a Membership Interest otherwise than in accordance with this Section 13 shall be of no effect as between the Company and the purported assignee and shall be unenforceable as against the Company. The Manager shall not be charged with actual or constructive notice of any such purported assignment and is expressly prohibited from making allocations and distributions hereunder in accordance with any such purported assignment.

14. MISCELLANEOUS FINANCIAL AND ACCOUNTING MATTERS.

14.1 Availability of Financial Records: At all times during the existence of the Company, the Manager shall keep or cause to be kept accurate and complete books of account in accordance with generally accepted accounting principles applied in a consistent manner, which shall reflect all Company transactions (including Capital Contributions, income, expense, gain, loss and distributions) and shall be appropriate and adequate for the Company's business. Such books shall be maintained at the principal place of business of the Company. Any Investing Member or his or her duly authorized representative shall have the right, at his or her expense, to inspect and copy from such books and documents during normal business hours upon reasonable notice.

14.2 Financial Reports: As soon as practicable after the close of the fiscal year of the Company, and in any event within one hundred and twenty (120) days thereafter, the Manager shall deliver to each Investing Member a financial report of the Company for such period, including: (a) a balance sheet, (b) a profit and loss statement, (c) a statement showing the source and amount of distributions made to the Investing Members and the allocation to each Investing Member of Company income, gain, loss, deductions, credits and items of tax preference, and (d) full disclosure of such other matters as may be material to the financial operations of the Company or to an understanding by the Investing Members of such operations. Such statements need not be audited but shall be on a basis consistent with the Company's method of accounting and shall be certified by the Manager as complete and correct, subject to changes resulting from year-end adjustments.

14.3 Accounting Decisions: All decisions as to accounting principles and procedures, except as specifically provided to the contrary herein, shall be made by the Manager in accordance with the recommendations of the Company's Accountants.

14.4 Taxable and Fiscal Year: The Company's taxable and fiscal years shall be selected by the Manager in their sole discretion.

14.5 Income Tax Information: Each Investing Member shall be provided with a copy of the Company's annual income tax return (by electronic delivery), and such additional data as is necessary to adequately disclose each class of income, gain, loss or deduction acquired or incurred by the Company during the preceding taxable year and each Investing Member's distributive share thereof. Such return and data shall be furnished at least one week prior to the due date (including any requested extension) of the filing of such return with the Internal Revenue Service.

14.6 Maintenance of Cash Assets: All cash funds of the Company from whatever source received shall be invested in short term governmental or corporate securities or in cash items such as money market funds or certificates of deposit, or may be deposited and maintained in one or more Company accounts located at the financial institution designated by the Manager. All withdrawals from any such account or sale of any such investment shall be made upon the signature of the Manager, or by such other individual(s) as may be authorized in writing by the Manager.

14.7 Basis Election: Upon the transfer of a Membership Interest, or a distribution of Company property, the Company shall have the right, but not the obligation, to elect pursuant to Section 754 of the Code to adjust the basis of Company property as allowed by Section 734(b)

and 743(b) of the Code; provided, however, that if such an election is made, the Company shall not be required to make (and shall not be obligated to bear the expense of making) any accounting adjustments resulting from such election in the information supplied to any Investing Member.

14.8 Tax Matters Partner. The Manager, based on a majority vote of the Members, shall be designated as the "Tax Matters Partner," and will have considerable authority to make decisions affecting the tax treatment and procedural rights of all Investing Members. In addition, the Tax Matters Partner will have the authority to bind certain Investing Members to settlement agreements and the right on behalf of all investors to extend the statute of limitations relating to the investors' tax liabilities with respect to Company items. The legal and accounting costs incurred in connection with any audit of the Company's tax returns will be paid off by the Company, but each Investing Member will bear the cost of audits of his or her own return.

15. AMENDMENTS.

15.1 Procedure for Amendment: Subject to the terms of this Section and Section 16, this Agreement may be amended only upon the written consent of the Manager and of a Majority in Interest of the Investing Members. The Manager may amend this Agreement without the written consent of a Majority in Interest of the Investing Members: (a) if advised by counsel to the Company that such amendment is required to avoid having the Company treated as an association taxable as a corporation, or (b) for the reasons set forth in Section 15.2 (1), (2), (5) or (6) hereof.

15.2 Reasons for Certain Amendments: In addition to such other circumstances as may be necessary or appropriate, this Agreement shall be amended whenever:

(a) There is a change in the name of the Company;

(b) A Person is substituted or otherwise admitted as an Investing Member (so long as same does not materially change the terms and conditions of the investment of the Investing Members in the Company);

(c) There is a material change in the nature of the Business or purpose of the Company;

(d) There is a change in any right to vote given by this Agreement to an Investing Member on matters affecting the basic nature of the Company;

(e) The Manager may cause this Operating Agreement to be amended to conform with EB-5 regulations; or

(f) The Manager may cause this Operating Agreement to be amended to conform with USCIS regulations in order to comply with the requirements for a Company approval.

16. POWER OF ATTORNEY.

16.1 Description: Each Investing Member hereby irrevocably constitutes and appoints the Manager, with full power of substitution, as his or her true and lawful attorney-in-fact on his or her behalf and in his or her name, place and stead, to make, execute, consent to, swear to, acknowledge, publish, record and/or file the following:

(a) Certificate of Formation, a Fictitious Name Registration and any other certificate or instrument which may be required to be filed by the Company or the Investing Members under the laws of any jurisdiction, to the extent that the Manager may reasonably deem such filing to be appropriate, including any and all amendments or modifications thereto;

(b) Such instruments as may be required to effectuate the dissolution and termination of the Company pursuant to the provisions of this Agreement;

(c) Any and all consents for the admission of Substitute Investing Members, pursuant to the terms of this Agreement; and

(d) Such other instruments as the Manager may reasonably deem appropriate to fully carry out the provisions of this Agreement in accordance with its terms.

16.2 Characteristics of Power: The grant of the foregoing power of attorney is coupled with an interest; shall be irrevocable and binding on any assignee of all or any part of a Membership Interest; shall survive the death, legal incapacity, bankruptcy or insolvency of any Investing Member during the term hereof; and shall survive the delivery of any assignment by any Investing Member of the whole or any portion of his or her Membership Interest; and any assignee of an Investing Member hereby constitutes and appoints each Manager as his or her attorney in the same manner and force and for the same purposes as does the assignor.

16.3 Limitations of Power of Attorney: No document or amendment executed by the Manager pursuant to this Section 16 shall, in the absence of the prior consent of a majority of the Investing Members, (a) reduce the obligations of the Manager, (b) affect the rights or restrictions regarding the assignability of Membership Interests, (c) modify the term of the Company, (d) amend this Section 16, or (e) reduce the rights or interests or enlarge the obligations of the Investing Members. The Manager shall promptly notify the Investing Members of any documents or amendments executed pursuant to this Section 16.

17. MEETINGS; MEANS OF VOTING.

17.1 Meetings: Meetings of the Investing Members shall be called by the Manager at their discretion, or whenever requested in writing to do so by Investing Members owning 25% or more of the Membership Interests (whether or not held by investors affiliated or unaffiliated with the Manager). The notice of such meeting shall state the reason for the meeting. Notice of any such meeting shall be delivered to all Investing Members in the manner prescribed in Section 17.2 not less than ten (10) days or more than sixty (60) days prior to the meeting.

17.2 Record Date: For the purpose of determining the Investing Members entitled to vote at any meeting of the Company, the Manager or the Investing Members requesting such meeting may

fix in advance a record date for any such determination of Investing Members. Such date shall not be more than fifty (50) days nor less than ten (10) days before any such meeting.

17.3 Proxies: An Investing Member may authorize any person to act for him by proxy on all matters in which he is entitled to participate or vote. Every proxy must be signed by the Investing Member or his or her attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Investing Member executing it.

17.4 Conduct of Meetings: Each meeting of the Investing Members shall be conducted by the Manager or such other person(s) as it shall appoint and pursuant to rules of conduct as it shall reasonably deem appropriate.

17.5 Quorum for Meetings: There shall be deemed to be a quorum at any meeting of the Investing Members at which the voting power of the Investing Members attending such meeting plus the voting power exercised by Investing Members who have submitted to the Manager effective proxies or written consents to action at such meeting constitutes a Majority in Interest of such Investing Members.

17.6 Voting Rights. Each Investing Member may take part in the management of the Company by (a) exercising that Investing Member's voting rights as set forth in this Agreement and (b) advising the Manager regarding investment decisions and policy as set forth in this Agreement. Without limiting the generality of the foregoing, the Investing Members will have the right, by a majority vote of the Investing Members, to advise the Manager in connection with the business operations of the Company.

18. WITHDRAWALS.

An Investing Member may not withdraw from the Company unless the Manager consent to such withdrawal, which consent may be withheld in the Manager's sole discretion. All expenses incurred by the Company in connection with such withdrawal shall be paid for by the withdrawing Investing Member. If an Investing Member withdraws any part of his or her Capital Contribution before removal of conditions on his or her permanent residence, the Manager shall give notice to the Regional Center for prompt reporting to USCIS for possible revocation of immigration benefits arising from the initial investment.

19. REPRESENTATIONS OF THE MEMBERS.

By their execution below, each Person as an inducement to be admitted to the Company as an Investing Member represents and warrants to the Company as follows:

(a) The Investing Member understands that the offer and sale of the Units have not been registered under the Securities Act, any state securities or "blue sky" laws, or any rules or regulations promulgated thereunder (collectively, "**Securities Laws**"), pursuant to applicable exemptions. The Investing Member acknowledges the Company is not obligated to register the Unit under the Securities Laws. In addition to restrictions on transferability pursuant to this Operating Agreement, without such registration, such Unit may not be sold, pledged, hypothecated or otherwise transferred

at any time whatsoever, except upon delivery to the Company of an opinion of counsel satisfactory to the Manager and the Company that registration is not required for such transfer or the submission to the Manager of such other evidence as may be satisfactory to the Manager and the Company to the effect that any such transfer will not be in violation of the Securities Laws. Investing Member further understands that any transfer of the Unit may be substantially restricted by the absence of a trading market therefor and none is expected to develop, and that any sale or other disposition of the Unit may result in unfavorable tax consequences to the Investing Member. The Investing Member acknowledges that the restrictions on the transferability of the Unit are substantial and may require the Investing Member to hold the Unit indefinitely.

(b) The Investing Member is acquiring the Unit solely for the account of the Investing Member for investment purposes only and not for distribution or resale to others. The Investing Member will not resell or offer to resell all or a portion of the Unit except in strict compliance with all applicable Securities Laws, including, without limitation, Regulation S (Rules 901 through 905 and Preliminary Statement) under the Securities Act and this Agreement. Investing Member will not engage in any hedging transactions involving the Unit, except in compliance with the Securities Laws and this Agreement.

(c) Investing Member (i) is not a U.S Person, is not a citizen or resident alien of the United States, is not acquiring the Units for the account or benefit of any U.S. Person, did not receive the Offering Memorandum or an offer to purchase the Unit in the United States and did not execute the Subscription Agreement and pay the amounts specified thereunder from within the United States; or (ii) is an "accredited investors," as defined in Rule 501 under the Securities Act and pursuant to Regulation D of the Securities Act, acquiring the Units in a transaction not requiring registration under the Securities Act through Regulation D of the Securities Act. If requested by the Company, Investing Member further agrees to execute and deliver to the Company an executed IRS Form W-8 certifying that he or she is a Non-Resident Alien.

(d) The Investing Member is a bona fide resident of the country set forth in his or her address in the Subscription Agreement, and agrees that if his or her principal residence changes prior to his or her purchase of a Unit, he or she will promptly notify the Manager.

(e) The Investing Member acknowledges that the offer and sale of the Units is not taking place within the United States, but rather in an "offshore transaction," as defined in Rule 902 of Regulation S adopted by the Securities Exchange Commission pursuant to the Securities Act, and that no "directed selling efforts" took place within the United States in compliance with Regulation S, unless the Investing Member is an "accredited investors" as such term is defined in Rule 501(a) under the Securities Act in compliance with Regulation D of the Securities Act. The term "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

(f) The Investing Member's financial condition is such that he or she has no need for liquidity with respect to its investment to satisfy any existing or contemplated undertaking or indebtedness and is able to bear the economic risk of its investment for an indefinite period of time, including the risk of losing all of its investment.

(g) The Investing Member understands that the Project has not yet been developed and it has no operating history. The Project is in its early stages, is not currently generating any revenue, and its future profitability cannot be assured.

(h) The Investing Member understands that: (i) his or her subscription for a Unit is irrevocable until the Offering Period ends without the Company's written consent; (ii) an investment in the Unit is a speculative investment that involves a high degree of risk, including the risk of loss of the entire investment of the Investing Member in the Company; (iii) no federal or state agency has passed upon the adequacy or accuracy of the information made available to the Investing Member, or made any finding or determination as to the fairness for investment, or any recommendation or endorsement of the Unit as an investment; (iv) any anticipated federal and/or state income tax benefits applicable to the Unit may be lost through changes in, or adverse interpretations of, existing laws and regulations; and (vi) there is no assurance that the Company will ever be profitable, or that the Investing Member's investment in the Unit will ever be recoverable.

(i) The Investing Member acknowledges that there is no assurance that his or her I-526 Petition will be granted or, if it is, that Investing Member will ultimately be approved for conditional or unconditional lawful permanent residence in the U.S. or be able to become a U.S. citizen. Neither the Company, Regional Center, Developer, nor the Company's immigration counsel has made any effort to pre-determine Investing Member's personal qualifications and circumstances and whether the Investing Member is likely or not likely to obtain favorable action on its I-526 Petition or EB-5 Visa (defined below), and that there are numerous reasons that will result in the Investing Member being denied residency in the United States, including, without limitation, the Project failing to qualify as an approved project for the EB-5 Program.

(j) The Investing Member (i) has been provided with a copy of the Offering Memorandum, including, as exhibits thereto, this Agreement, the Escrow Agreement, the Subscription Agreement, and has reviewed same; (ii) has been given complete access to all documents, records, contracts and books of or relating to the Company and the Unit, and all other information reasonably requested by the Investing Member; and (iii) has performed a complete examination of all such documents, records, contracts and books to the extent deemed necessary by the Investing Member in reaching the Investing Member's decision to invest in the Company. The Investing Member further acknowledges and confirms that the Investing Member has had an opportunity to ask questions of and receive answers from the Company and the Developer concerning the Unit, the prospective contemplated business and purpose of the Company, and any other matter the Investing Member has deemed relevant, and all such inquiries have been answered to the Investing Member's satisfaction. In addition, Investing Member acknowledges that he or she has had and may have, at any reasonable hour, after reasonable prior notice, access to the financial and other records of the Company which the Company can obtain without unreasonable effort or expense, and further acknowledges that Investing Member has obtained, in Investing Member's judgment, sufficient information from the Company to evaluate the merits and risks of an investment in the Unit.

(k) The Investing Member acknowledges that: (i) the risks inherent to this investment have been fully considered; (ii) the Manager will have substantial and exclusive authority to conduct the operation of the Company; and (iii) an investment in the Unit has neither been approved nor

disapproved by the Securities and Exchange Commission or any other federal, state or local department or agency of any other jurisdiction, and such authorities have not passed upon the adequacy or accuracy of the disclosure provided to investors in connection with an investment in the Unit.

(l) The Investing Member acknowledges that neither the Company, Manager, the Regional Center nor any representative of the Company, the Manager or the Regional Center has made any representations or warranties in respect of the Developer's business or profitability. Without limiting the generality of the foregoing, the Investing Member acknowledges and agrees that information, including any business plan or financial projections or forecasts or other information contained in written materials provided or made available to the undersigned, and any oral, visual or other presentations made by the Company, the Manager or the Regional Center or its representatives to the Investing Member shall not be deemed a representation or warranty in respect of the matters therein. Investing Member acknowledges that the Offering Memorandum contains information that the Company, the Manager and the Regional Center believe is accurate and, as such information relates to the projected revenues and expenses of the Developer, data that the Developer believes is a reasonable forecast of the results that the Developer will achieve; however, as an accredited, experienced and sophisticated investor, Investing Member is aware that there are many foreseeable and unforeseeable events that could cause the assumptions underlying the financial projections to not materialize, and the results of same may cause material adverse consequences to the financial results of the Developer and Company.

(m) In making the decision to purchase the Unit, Investing Member has relied solely upon independent investigations made by Investing Member, and the Investing Member further represents and warrants that the Investing Member is not acquiring the Unit as a result of any advertisement, article, notice or other communication published in any newspaper, magazine or similar media distributed in the United States, any seminar in the United States or any solicitation by a person in the United States not previously known to the Investing Member, and that Investing Member is not aware of any general solicitation within the United States or general advertising within the United States regarding the purchase or sale of the Unit. The Investing Member acknowledges and confirms that he or she is not relying upon any statement, representation or warranty made by the Company or its respective representatives in making a decision to subscribe for the Unit. Investing Member must rely solely on the terms of this Agreement for the terms of Investing Member's participation in the Company and the rights and responsibilities of owning its Unit.

(n) The Investing Member understands that the Company and the Manager will be relying on the accuracy and completeness of all matters set forth in the Subscription Agreement, and the Investing Member represents and warrants to the Company, the Manager and each of its affiliates that the information, representations, warranties, acknowledgments and all other matters set forth in the Subscription Agreement with respect to the Investing Member are complete, true and correct and does not fail to include any material fact necessary to make the facts stated, in light of the circumstances in which they are made, not misleading, and may be relied upon by them in determining whether the offer and sale of a Unit to the Investing Member is exempt from registration under the Securities Laws, and the Investing Member will notify them immediately of any change in any statements made in the Subscription Agreement that occurs prior to the consummation of the purchase of a Unit.

(o) The Investing Member is in compliance with all applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Freedom Act**"), the U.S. Bank Secrecy Act (the "**BSA**") and all other anti-money laundering laws and applicable regulations adopted to implement the provisions of such laws, including policies and procedures that can be reasonably expected to detect and cause the reporting of transactions under Section 5318 of the BSA. The Investing Member is not and shall not be a person: (i) acting, directly or indirectly, on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any of the OFAC lists; (ii) listed on, residing in or having a place of business in a country or territory named on any of such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering (FATF), or whose funds are from or through such a jurisdiction; (iii) that is a "Foreign Shell bank" within the meaning of the USA Freedom Act; or (iv) residing in or organized under the laws of a jurisdiction designated by the U.S. Secretary of the Treasury under Sections 311 or 312 of the USA Freedom Act as warranting special measures due to money-laundering concerns.

(p) The Investing Member (i) has accurately completed the Investor Questionnaire that is an exhibit to the Subscription Agreement; and (ii) is a "sophisticated person" in that Investing Member has such knowledge and experience in financial and business matters that individually and/or with the aid of advisers, it is capable of evaluating the merits and risks of an investment in the Company by making an informed investment decision with respect thereto.

(q) If the Investing Member is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance Period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with certification requirements described in this Section. The "distribution compliance period" means the one-year period following the issue date for the Units.

(r) The Investing Member acknowledges that (i) the Principals (as defined in the Offering Memorandum) together control the Manager, the Developer and their affiliates; and, as a result, (ii) the Manager, the Developer and their affiliates are related parties, which could result in one or more conflicts of interest between the interests of the Investing Members and the Developer, Principals and their affiliates.

(s) The Investing Member acknowledges and agrees to comply with all of his or her obligations set forth in the EB-5 Job Allocation Addendum attached hereto as Schedule 2, and all of the Investing Member's representations, warranties and agreements set forth therein are hereby incorporated herein by reference.

(t) The Investing Member acknowledges and agrees that (i) the Manager, Regional Center and the Developer have not given, and have no authority to give, any investment advice with respect to the purchase of a security; and (ii) a prospective subscriber has not requested or otherwise sought any such investment advice from the Manager, Regional Center and/or the Developer.

20. **MISCELLANEOUS.**

20.1 Copies of Documents: Promptly upon the execution and delivery of this Agreement, the Manager shall deliver to each Investing Member a conformed copy of this Agreement and of the Certificate (in the form in which it has been filed) (by electronic delivery at the option of the Company).

20.2 Notices: Any notice, payment, demand, offer or other communication required or permitted to be given by any provision of this Agreement shall be deemed to have been delivered and given for all purposes (a) if personally delivered, (b) whether or not actually received, if sent by registered or certified mail, postage prepaid, or (c) by electronic delivery, addressed as follows:

(a) if to the Company, then to
Gateway to the Midwest Investment Center, Inc.
c/o Laura Hughes, Project Manager
7733 Forsyth Blvd., Suite 2300
St. Louis, MO 63105
Telephone: (314) 615-8151
Email: lhughes@worldtradecenter-stl.com

(b) if to an Investing Member, then to the address of such Investing Member as set forth in Schedule 1 hereto or such other address as such Investing Member may designate by notice to the Company.

All notices except notices of change of address shall be deemed given when mailed, and notices of change of address shall be deemed given when received.

20.3 Arbitration of Disputes. Any controversy, dispute, or claim between the parties to this Agreement arising out of, in connection with, or in relation to the formation, negotiation, interpretation, performance or breach of this Agreement shall be submitted to JAMS, Inc. (hereafter, the "**Arbitration Service**") and shall be settled exclusively by arbitration, before a three-member arbitration panel, in accordance with this Section 20.3. This agreement to resolve any disputes by binding arbitration shall extend to claims against any parent, subsidiary or Affiliate of each party, and, when acting within such capacity, any officer, director, member, employee or agent of each party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law. Arbitration shall be the exclusive remedy for determining any such dispute, whether in tort, contract or otherwise, regardless of its nature. Arbitration shall be governed by the Comprehensive Arbitration Rules and Procedures and International Arbitration Rules (or similar commercial arbitration rules) of the Arbitration Service. In the event of a conflict between the applicable rules of the Arbitration Service and these procedures, the provisions of these procedures shall govern. To select the three-member arbitration

panel, the parties shall each name one neutral arbitrator, and those two arbitrators shall select a third neutral arbitrator from a list of potential arbitrators jointly prepared by the parties. The arbitration proceeding shall be decided by majority vote of the three-arbitrator panel. Unless mutually agreed by the parties otherwise, any arbitration shall take place in St. Louis, Missouri.

In the event of a dispute subject to this Section 20.3, (a) the parties shall be entitled to reasonable discovery subject to the discretion of the arbitrator, (b) all testimony of witnesses shall be taken under oath, and the admission of evidence shall be governed by the rules of evidence applicable to civil proceedings under applicable law, and (c) a stenographic record shall be kept of all oral hearings. The remedial authority of the arbitrator shall be the same as, but no greater than, would be the remedial power of a court having jurisdiction over the parties and their dispute; provided, however, that the arbitrator shall have no power or authority under this Agreement or otherwise to award or provide for the award of punitive or consequential damages against any party. The arbitrator shall, upon an appropriate motion, dismiss any claim without an evidentiary hearing if the party bringing the motion establishes that he or it would be entitled to summary judgment if the matter had been pursued in court litigation. The parties and the arbitrator shall keep confidential all matters relating to any arbitration hereunder (including without limitation the existence of the dispute and the arbitration).

In interpreting this Agreement, the arbitrator shall be bound by and follow the substantive law of the State of Missouri. To the extent applicable and not inconsistent with this Section, the arbitrator shall apply the Federal Rules of Civil Procedure and the Federal Rules of Evidence.

Any filing or administrative fees shall be borne initially by the party requesting administration by the Arbitration Service. If both parties request such administration, the fees shall be borne initially by the party incurring such fees as provided by the rules of the Arbitration Service. The initial fees and costs of the arbitrator shall be borne equally by the parties. The prevailing party in such arbitration, as determined by the arbitrator, and in any enforcement or other court proceedings, shall be entitled to reimbursement from the other party for all of the prevailing party's costs (including but not limited to the arbitrator's compensation), expenses, and attorneys' fees.

The arbitrator shall render an award and written opinion, and the award shall be final and binding upon the parties. Judgment upon any award rendered by the arbitrators may be entered by any state or federal court having jurisdiction thereof, in accordance with the terms of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

If any of the provisions of this Section are determined to be unlawful or otherwise unenforceable, in whole or in part, such determination shall not affect the validity of the remainder of this Section, and this Section shall be reformed to the extent necessary to carry out its provisions to the greatest extent possible and to insure that the resolution of all conflicts between the parties, including those arising out of statutory claims, shall be resolved by neutral, binding arbitration. If a court should find that the arbitration provisions of this Section are not absolutely binding, then the parties intend any arbitration decision and award to be fully admissible in evidence in any subsequent action, given great weight by any finder of fact, and treated as determinative to the maximum extent permitted by law.

20.4 Remedies: The Company and the Investing Members shall be entitled to all available legal and equitable remedies against each other.

20.5 Severability: Each provision hereof is intended to be severable, and the invalidity or illegality of any portion of this Agreement shall not affect the validity or legality of the remainder hereof.

20.6 Captions: Paragraph captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or extend, or describe the scope of this Agreement or the intent of any provision hereof.

20.7 Person or Gender: The masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the word "person" shall include an individual, corporation, trust, partnership or other form of association.

20.8 Binding Agreement: Subject to the restrictions on assignment herein contained, the terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the successors, assigns, personal representatives, estates, heirs and legatees of the respective Investing Members.

20.9 Governing Law: This Agreement and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided therein or performance thereof shall be governed or interpreted according to the laws of the State of Missouri, without giving effect to the conflict of laws provisions thereof.

20.10 Entire Agreement: This Agreement constitutes the entire agreement of the parties hereto with respect to the matters set forth herein and supersedes any prior understanding or agreement, oral or written, with respect thereto. There are no agreements, understandings, restrictions, representations, or warranties among the parties other than those set forth herein or herein provided for.

20.11 Agreement in Counterparts: This Agreement may be executed in any number of counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatories to the original or the same counterpart.

20.12 Qualification in Other Jurisdictions: In the event the business of the Company is carried on or conducted in one or more states in addition to the State of Missouri, the Company shall exist under the laws of each state in which business is actually conducted by the Company, and the parties will execute such further documents as may be appropriate in order that the Manager may legally qualify the Company in each such state. The power of attorney granted to the Manager by each Investing Member in Section 16, shall constitute the authority of the Manager to perform the ministerial duty of qualifying this Company under the laws of any state in which it is necessary to file documents or instruments of qualification. A Company office or principal place of business in any state may be designated from time to time by the Manager.

20.13 Waiver of Partition: Each of the parties hereto irrevocably waives during the term of the Company any right to maintain any action for partition with respect to any Company property.

20.14 Litigation: Subject to the arbitration provisions set forth in Section 21.3 herein, the Company shall prosecute and defend such actions at law or in equity as may be necessary to enforce or protect the interest of the Company. The Company shall respond to any final decree, judgment or decision of any court, board or authority having jurisdiction in the premises. The Company shall satisfy any such judgment, decree or decision, first out of any insurance proceeds available therefor, and next out of assets of the Company. The cost of defending any actions brought against the Company and/or the Manager with respect to Company matters shall be borne by the Company except as otherwise provided in this Agreement.

20.15 Time: Time is of the essence with respect to this Agreement.

20.16 Remedies Not Exclusive: Any remedies herein contained for a breach of obligation hereunder shall not be deemed to be exclusive, and shall not impair the right of any party to exercise any other right or remedy, whether for damages, injunction or otherwise.

20.17 Legal Counsel: Legal counsel for the Manager or its Affiliates may also represent the Company and/or the Developer in connection with legal work or issues arising in connection with the Company. Each Investing Member recognizes and acknowledges that any such counsel will be acting as legal counsel for the Company, the Manager and/or the Developer with respect to each such matter and shall not be acting as the legal counsel of any individual Investing Member. Each Investing Member further recognizes and accepts that his or her interest with respect to any such matter may be adverse to the interests of the Manager and/or the Developer and the Company. Each Investing Member nevertheless consents to the representation of the Manager, Company and the Developer by such counsel with respect to each such matter and waives for the benefit to such parties of such counsel having any potential or actual conflict of interest between or among such parties. Each Investing Member acknowledges that in the event of any future dispute or litigation between or among the Investing Members and/or between any of the Investing Members and the Company, Manager, and/or the Developer, such counsel may continue to represent the Manager, the Company and the Developer, notwithstanding any such dispute and its prior representation of such parties.

20.18 Advice from Independent Legal Counsel; Voluntary Agreement: Notwithstanding Section 20.17, the Investing Members represent and warrant that (a) each of them has had the opportunity to be represented by legal and tax counsel of his or her choice, (b) each of them has had the opportunity to consult with such counsel regarding this Agreement, and (c) except as set forth herein, each of them has not relied in any way on any representation or other statement made by any other Member or its legal or tax counsel or by any other Person.

20.19 Patent Errors: The Investing Members hereby authorize and direct the Manager to correct patent errors and to fill in any blanks, which blanks shall not be substantive to the terms hereof, in this Agreement or in any exhibit, instrument, document or agreement related hereto and to attach hereto or thereto any exhibits or schedules which are a part hereof or thereof.

20.20 Currency: All references to "dollars" in this Agreement shall mean U.S. Dollars.

20.21 Native Language Translation. Each Investing Member hereby agrees that it is the sole responsibility of Investing Member to ensure proper translation of this Agreement into their native

language if necessary for Investing Member's understanding of the rights and obligations contained herein. Any language translation of this Agreement provided by any of the parties hereto is not a binding legal document, and is being provided solely for the Investing Member's convenience, and shall not in any way be construed as a contract or any part of this Agreement as set forth in English. None of the parties hereto are liable for any inaccuracies in any language translation or for any misunderstandings due to differences in language usage or dialect. In the event of any inconsistencies between this Agreement as set forth in English and any language translation, this Agreement as set forth in English and as executed shall govern. Each Investing Member assumes the responsibility for fully understanding the nature and terms of the rights and obligations under this Agreement.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first above written.

MISSOURI THEATRE LENDERS, LLC

By: Missouri Theatre Lenders Manager, LLC, its Manager

By: Gateway to the Midwest Investment Center, Inc., its Manager

By:_____
Name: _____
Title: _____
Dated:_____

MISSOURI THEATRE LENDERS, LLC
OPERATING AGREEMENT

SIGNATURE PAGE

_____
(Signature)

Print Name:_____

Address:_____

Telephone:_____

Tax I.D. or Social Security #:_____

Number of Units:_____

Email Address:_____

Fax Number :_____

SCHEDULE 1

List of Investing Members

SCHEDULE 2

EB-5 JOB ALLOCATION ADDENDUM

The Company and each Investing Member hereby agree and acknowledge as follows:

1. the Company is a business with an investment opportunity associated with the Regional Center where the Regional Center has been designated by USCIS as a regional center to participate in the EB-5 Program;

2. the Investing Member desires to be one of up to thirty-two (32) limited liability members of the Company, making an investment in the Company to enable the Company to create ten (10) indirect qualifying jobs for each $500,000 investment funded to the Company pursuant to the EB-5 Program;

3. the Investing Member acknowledges that, except as otherwise provided in this Agreement, Investing Member will only become a member of the Company upon the following: (i) the Company's receipt of the Investing Member's initial Capital Contribution and Expense Amount; (ii) the Company's receipt of the Investing Member's fully executed Subscription Agreement, and (iii) and written acknowledgement of the Company's acceptance of the Investing Member's subscription;

4. a member of the Company who receives USCIS' approval of his/her I-526 Petition while outside the United States obtains conditional lawful permanent residency status after filing an application for an immigrant visa with the United States Department of State (the "**EB-5 Visa**"), the processing of the EB-5 Visa at a United States Consulate abroad, and such member's admission to the United States on the EB-5 Visa as a conditional lawful permanent resident;

5. a member of the Company who receives USCIS' approval of his/her I-526 Petition while in the United States on another United States visa may obtain conditional lawful permanent residency status upon USCIS' approval of such member's Form I-485, Application to Register Permanent Residence or Adjust Status ("**Adjustment of Status**");

6. the total number of qualifying jobs created shall be allocated solely to those who have used the establishment of the Company as the basis of a petition on I-526 Petition; and

7. each member of the Company shall be required to demonstrate at the time of filing his/her respective Form I-829 Petition, within the 90-day period preceding the second anniversary of his/her (i) admission to the United States as a conditional lawful permanent resident or (ii) adjustment of status to that of a conditional lawful permanent resident, that ten (10) direct and/or indirect and/or induced full-time equivalent, qualifying positions have been created as a result of his/her investment in the Company.

INTRODUCTION

The Company shall take such action to meet the objective of allocating to each Investing Member a minimum number of ten (10) direct and/or indirect and/or induced full-time equivalent, permanent positions created by the Company on the following basis:

In the event of a shortfall of jobs for all thirty-two (32) Investing Members at the time of the I-526 Petition adjudication, projected jobs to be created by the Company shall be allocated to each Investing Member based on the date of filing the I-526 Petition for the purposes of determining whether sufficient jobs will be created within two and one-half (2½) years from the approval of the Investing Member's I-526 Petition.

At the time of the I-829 Petition adjudication, the assignment of full-time equivalent, permanent positions created by the Company shall be allocated to the Investing Members of the Company based on the sequential order of the date that each Investing Member either (i) entered the United States on an EB-5 Visa or (ii) received USCIS' approval of his/her Adjustment of Status. If the I-829 Petition of any Investing Member is permanently denied, the job creation credit allocated to such Investing Member will be reallocated to the other Investing Members in the manner described above.

ARTICLE I
DUTIES OF INVESTING MEMBER

Prior to Investing Member's entry into the United States on an EB-5 Visa, Investing Member shall notify the Company of Investing Member's intent to enter the United States and provide Company with Investing Member's expected travel dates.

Within thirty (30) days after Investing Member's entry into the United States, based on Investing Member's EB-5 Visa, Investing Member shall provide Company with a copy of the I-551 Stamp in Investing Member's passport.

Within thirty (30) days after Investing Member receives a Form I-797A Notice of Action indicating USCIS' approval of Investing Member's Form I-485, Application for Adjustment of Status, Investing Member shall provide Company with a copy of such Form I-797A Notice of Action.

Within thirty (30) days after Investing Member either (i) entered the United States on an EB-5 Visa or (ii) received USCIS' approval of his/her Adjustment of Status, Investing Member shall provide the Company with Investing Member's electronic-mail address, new physical address, and telephone number where the Company may contact the Investing Member. Should Investing Member's electronic-mail address, physical address, or telephone number change at any point during the two years after Investing Member's entry into the United States on Investing Member's EB-5 Visa or USCIS' approval of Investing Member's Adjustment of Status, Investing Member shall notify Company of such change within thirty (30) days.

Within one hundred and twenty (120) days prior to the second anniversary of the Investing Member's entry into the United States on an EB-5 Visa, or USCIS' approval of the Investing

Member's Adjustment of Status, the Investing Member shall notify the Company of the name and physical address of the attorney retained by Investing Member who shall file the Investing Member's I-829 Petition.

ARTICLE II
DUTIES OF COMPANY

The Company shall maintain a record at its principal place of business that shall state the date that each member of the Company either (i) entered the United States on an EB-5 Visa, or (ii) received USCIS' approval of such member's Adjustment of Status. The Company shall further maintain at its principal place of business a record of the number of direct and/or indirect and/or induced full-time equivalent, qualifying positions created by the Company.

Within one hundred and twenty (120) days after the Investing Member notifies Company that the Investing Member (i) has entered the United States based on the Investing Member's EB-5 Visa, or (ii) received USCIS' approval of the Investing Member's Adjustment of Status, Company shall deliver to the Investing Member a letter indicating the Investing Member's sequential order for job allocation, pursuant to Article I of this Agreement, and the corresponding full-time equivalent positions for qualifying employees to be allocated to the Investing Member for inclusion in Investing Member's I-829 Petition.

Within ninety (90) days preceding the second anniversary of the Investing Member's admission to the United States as a conditional lawful permanent resident, the Company shall provide the Investing Member and/or the Investing Member's attorney with documentation regarding the full-time job creation by the Developer due to the Company's investment in the Developer through the Loan.

ARTICLE III
NO GUARANTEES/INDEMNIFICATION

Investing Member hereby acknowledges, understands, and agrees that the Company has not guaranteed, nor can guarantee, that the EB-5 Program job requirements will be satisfied at the time Investing Member files his/her I-829 Petition. Investing Member further acknowledges and understands, as previously agreed to per the Private Placement Memorandum, that should Investing Member not be able to demonstrate that Investing Member has met the EB-5 Program job requirements at the time of filing his/her I-829, Investing Member will be asked to leave the United States.

Investing Member agrees to hold Company and any agent, director, officer, or employee thereof harmless for (*i.e.*, the Company shall have no liability with respect to) any failure of the Company to create ten (10) direct and/or indirect and/or induced full-time equivalent, qualifying positions for each $500,000 investment in the Company, so long as Company exercised reasonable business judgment in the fulfillment of Company's duties under this Agreement.

EXHIBIT 22

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

MISSOURI THEATRE LENDERS, LLC
(a Missouri Limited Liability Company)

MISSOURI THEATRE LENDERS, LLC, a Missouri limited liability company (the "**Company**") has been organized to provide debt financing to **TLG 634 MANAGING MEMBER, LLC**, a Missouri limited liability company, and its affiliates of St. Louis, Missouri (the "**Developer**") for purpose of utilizing such funds to make a capital contribution to **TLG 634 N GRAND LLC,** a Missouri limited liability company (the "Owner") for the redevelopment of the historic Missouri Theatre Building located at 634 North Grand Avenue in midtown Saint Louis, Missouri (the "**Project**"). The Project will be a complete redevelopment of a 150,000± square foot 12-story building that was previously used for office space and located on 1.73 acres. After renovations, a 139-room hotel will occupy most of the building, together with a fitness room. Also in the building, will be the addition of office space, a restaurant and lounge and a market pantry. The total budgeted Project cost is approximately Fifty-Three Million Seven Hundred Eighty Thousand Dollars ($53,780,000), with the funding to include Sixteen Million Dollars ($16,000,000) of EB-5 loan proceeds, Twenty Million Dollars ($20,000,000) of senior institutional financing, and Fourteen Million Seven Hundred Thousand Dollars ("14,700,000") of historic and brownfield tax credit equity. The Developer equity, including deferred fees, will total approximately $3,080,000, or about five and seven/tenths percent (5.7%) of the total Project cost. When adding in the governmental tax credits and incentives, total equity is estimated to be approximately $17,780,000, or about thirty-three percent (33%) of the total Project cost. To the extent that the Offering proceeds are less than $16,000,000, the senior indebtedness will increase to make up the difference.

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC., a Missouri corporation (the "**Regional Center**" or "**GMIC**"), is the holder of the regional rights to undertake an EB-5 program in the St. Louis, Missouri SMA area (the "**Territory**") with the United States Citizenship and Immigration Service ("**USCIS**") (the "**EB-5 Program**") for purposes of authorizing foreign investors in the Company to include both direct and indirect job creation from investment in participating developers toward qualification for the EB-5 Program, who will grant regional rights to the Developer to participate in the EB-5 Program.

The Regional Center is a non-profit government sponsored regional center sponsored by the City of St. Louis, St. Louis County and St. Charles County, Missouri.

The Company will be managed by its manager, **Missouri Theatre Lenders Manager, LLC,** a Missouri limited liability company, a subsidiary of the Regional Center, (the "**Manager**").

This is an offering (the "**Offering**") of up to 32 units (the "**Units**") with each Unit consisting of a Membership Interest in the Company (the "**Membership Interest**").

Offering Price:*	$500,000 per Unit (Based upon current Targeted Employment Area ("**TEA**") investment amount.
Minimum Offering:	$1,000,000 (2 Units)
Maximum Offering:**	$16,000,000 (32 units)
Minimum Purchase:*	$500,000 (1 Unit)

The offering price (the "**Offering Price**") does not include the amount of up to $62,500 per Unit, payable by a subscriber for Offering costs, broker costs, marketing costs, I-526 Insurance related costs (as defined below), Company costs, and migration services (the "**Expense Amount**").

The Expense Amount may be reduced for a subscriber, as determined by the Manager on a case-by-case basis, which will be documented through an addendum to **Exhibit A**. The Offering Price and Expense Amount must be paid in cash upon subscription for a Unit (unless other terms are agreed to by the Manager).

The Company is offering for purchase to a limited number of individual investors who are not "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act of 1933, as amended (the "**Securities Act**"), on a limited and private basis, a maximum of $16,000,000 (the "**Maximum Offering Amount**") and a minimum of $1,000,000 (the "**Minimum Offering Amount**") of Membership Interest in the Company. Such Membership Interest shall be described in the Operating Agreement of the Company (the "**Operating Agreement**") to be entered into by and among the Company and each subscriber for a Membership Interest (the "**Subscriber**") whose subscriptions are accepted by the Company pursuant to the Subscription Agreement between each Subscriber and the Company (the "**Subscription Agreement**").

The Offering of the Membership Interest is limited to only individual persons (not legal entities) who are generally accredited investors as such term is defined in Rule 501(a) under the Securities Act (the "**Accredited Investors**"). *See* "Entity Structure Overview," "Offering Summary," "Summary of the Subscription Agreement" and the form of the Subscription Agreement attached hereto as **Exhibit A**. Subscribers for Membership Interest must subscribe for $500,000 per Unit of Membership Interest, plus up to the $62,500 Expense Amount per investor to cover Offering costs, broker expenses, marketing costs, I-526 Insurance related costs, Company costs, and migration services. Subscribers for Membership Interest, in the aggregate, will own 100% of the Investing

---

* Excludes the Expense Amount of up to $62,500 per Unit for Offering costs, broker costs, marketing costs, I-526 Insurance related costs, Company costs, and migration services. If immigration legislation changes in the future that results in an increase in the TEA investment amount, the Company reserves the right to increase the Offering Price to an amount that reflects the new TEA guidelines that may become effective with respect to those Subscribers where I-526 petitions are not otherwise grandfathered to limit the investment amount to $500,000.00.

** The Maximum Offering of 32 Investors seeking EB-5 approval is in part based upon the economic report that concludes that in excess of the required 320 jobs will be created with an approximate 118.44% excess job creation forecast. Total United States estimated indirect job count is 699.

Membership Interest in the Company, and each Subscriber shall be issued a Membership Interest that represents a percentage ownership equal to the Capital Contribution to the Company made by the Subscriber in proportion to the Capital Contributions made by all the Subscribers, as more fully described in the Operating Agreement.

An executive summary, a detailed description of the Project, a construction budget and a compiled financial projection for the Project is contained in **Exhibit E**.

MISSOURI THEATRE LENDERS, LLC, a Missouri limited liability company, has been formed to provide funding in connection with the development of the Project through an equity investment in the Company. The terms and conditions of the financing are set forth in this document (the "**Offering Memorandum**").

The Offering has been structured so that each Subscriber, by becoming a Member in the Company (the "**Member**" or "**Investing Member**"), will have made an investment that qualifies as the investment component required for an EB-5 Visa entitling the Subscriber, assuming the Subscriber otherwise satisfies the non-investment criteria for an EB-5 Visa, to seek permanent United States ("**U.S.**") residency and, ultimately, to apply for U.S. citizenship. *See* Section IV Immigration Matters and Section V.F. Immigration Risk Factors. The Company may, at the Subscriber's option, arrange for an immigration attorney to file an I-526 Immigration Petition by Alien Entrepreneur (the "**I-526 Petition**") on behalf of each Subscriber, at each Subscriber's sole cost and expense, which will be done promptly following acceptance of the subscription and admission of the Subscriber. It is anticipated that USCIS will act on each I-526 Petition within approximately 15 months after the completed I-526 Petition is filed. If the Subscriber's I-526 Petition is approved, the Subscriber will remain an Investing Member of the Company. If the I-526 Petition is denied, without appeal or after denial of any appeal, the Company shall attempt to and the Escrow Agent (defined below) shall refund the Subscriber the amounts set forth under Section "I – Offering Summary," subject to the terms under Section V – F.15 – "Risks from Insufficient Subscription or I-526 Petition Approvals" and Section "V- H - Escrow Agreement Factors."

The Offering will end on June 30, 2016, unless extended by the Company until not later than December 31, 2016 (the "**Offering Period**"). Notwithstanding the foregoing, the Company reserves the right, following the end of the Offering Period, to substitute an Investing Member whose I-526 Petition is denied with the next Investing Member who subscribes, places his or her Capital Contribution with the Escrow Agent and files his or her I-526 Petition (the "**Substituting Investing Member**").

The Units are being offered for sale on a "minimum/maximum basis." The Company must sell at least two (2) Units ($1,000,000) (excluding the Expense Amount per Unit). $562,500 of the funds received from Subscribers will be held in Escrow Accounts with SunTrust Bank (the "**Escrow Agent**"), until at least two (2) Units are subscribed for, at which time, the Company may close on such subscriptions. Thereafter, the Company may continue to offer and close on subscriptions for the remaining Units until the Offering Period expires. This Offering will begin on the date below and will continue until the earliest of (i) all of the Units are sold; (ii) until the Offering is terminated by the Company; or (iii) until the total Maximum Offering Amount of $16,000,000 is raised.

The Units will be offered by the Company and its Manager. The Company or the Manager may pay fees to registered broker-dealers and authorized finders. The Units will be sold on a private placement basis generally to "Accredited Investors", as such term is defined in Rule 501 of Regulation D under the Securities Act if the Subscriber is investing under Regulation D, and pursuant to Regulation S under the Securities Act.

These Units have not been registered under the Securities Act or applicable state securities laws. These Units are being sold in reliance on exemptions from such registration requirements and may not be transferred or resold except as permitted under such laws.

Neither the Securities and Exchange Commission nor any state securities regulatory authority has approved or disapproved the offer and sale of these Units or determined if this Confidential Private Placement Memorandum (*i.e.*, the Offering Memorandum) is accurate or complete. Any representation to the contrary is a criminal offense.

These Units involve a high degree of risk and substantial restrictions on transferability. Investing Members should not invest in the Units unless such Investing Members can bear the complete loss of investment. *See* Section V. - Risk Factors.

IN FURNISHING THIS OFFERING MEMORANDUM, THE MANAGER RESERVES THE RIGHT TO SUPPLEMENT, AMEND OR REPLACE THIS OFFERING MEMORANDUM AT ANY TIME, BUT HAS NO OBLIGATION TO PROVIDE THE RECIPIENT WITH ANY SUPPLEMENTAL, AMENDED, REPLACEMENT OR ADDITIONAL INFORMATION.

NO PARTY EXCEPT THE COMPANY IS RESPONSIBLE FOR THE CONTENTS OF THIS OFFERING MEMORANDUM, AND NO OTHER PARTY EXCEPT REGISTERED BROKER DEALERS AND AUTHORIZED SALES AGENTS WILL BE INVOLVED IN THE OFFERING OF UNITS UNDER THIS OFFERING MEMORANDUM OR THE ACCEPTANCE OF SUBSCRIPTIONS FROM SUBSCRIBERS. NEITHER THE DEVELOPER NOR ITS PRINCIPALS ASSUME ANY RESPONSIBILITY FOR THIS OFFERING MEMORANDUM EXCEPT FOR THE INFORMATION PROVIDED BY IT PURSUANT TO THIS OFFERING.

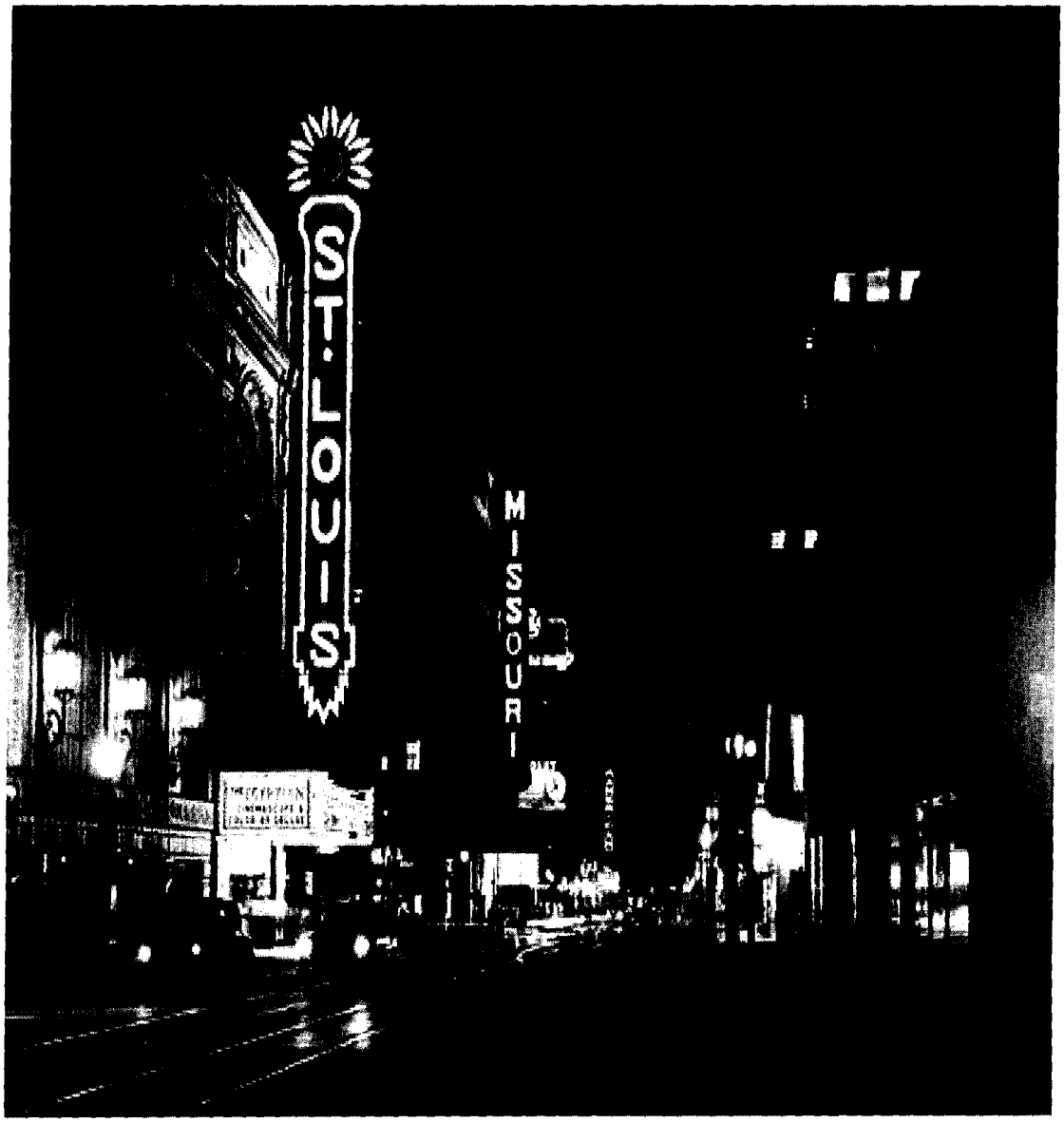
September 25, 2015

634 N. GRAND AVENUE, ST. LOUIS MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT



NOTICES TO INVESTORS

THIS OFFERING MEMORANDUM IS BEING PROVIDED TO EACH PROSPECTIVE INVESTOR ("**PROSPECTIVE INVESTOR**") IN CONNECTION WITH SUCH PROSPECTIVE INVESTOR'S INTEREST IN PURCHASING A UNIT. THE PURPOSE OF THIS OFFERING MEMORANDUM IS TO FURNISH PROSPECTIVE INVESTORS WITH CERTAIN INFORMATION REGARDING A PROSPECTIVE INVESTMENT IN THE UNITS AND THE COMPANY AND CERTAIN OF THE RISKS ATTENDANT THERETO. ALL OF THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM IS BASED ON THE CURRENT, GOOD FAITH INTENTIONS OF THE COMPANY. INFORMATION REGARDING THE COMPANY CONTAINED IN THIS OFFERING MEMORANDUM IS BASED ON INFORMATION AVAILABLE TO THE COMPANY AS OF THE DATE HEREOF AND BELIEVED BY THE COMPANY TO BE ACCURATE. CAPITALIZED TERMS USED IN THIS OFFERING MEMORANDUM, BUT NOT DEFINED HEREIN, SHALL HAVE THE MEANINGS SET FORTH IN THE COMPANY'S SUBSCRIPTION AGREEMENT OR OPERATING AGREEMENT ATTACHED HERETO AS **EXHIBITS A** AND **C**, RESPECTIVELY.

THE UNITS OFFERED HEREBY ARE SPECULATIVE AND AN INVESTMENT IN THE UNITS INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE INFORMATION SET FORTH HEREIN UNDER SECTION V - RISK FACTORS. PROSPECTIVE INVESTORS MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD AND BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT.

THE UNITS ARE RESTRICTED SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE INTERESTS MAY NOT BE SOLD, TRANSFERRED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED. ADDITIONALLY, THE TRANSFER OF UNITS WILL BE RESTRICTED UNDER THE OPERATING AGREEMENT. ACCORDINGLY, INVESTORS WILL BE REQUIRED TO HOLD THE UNITS INDEFINITELY. INVESTORS UNDER REGULATION S SHALL BE SUBJECT TO A ONE YEAR RESTRICTION FOR RESELLING THE UNIT IN THE UNITED STATES (THE "**DISTRIBUTION COMPLIANCE PERIOD**").

NEITHER THE DELIVERY OF THIS OFFERING MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAVE BEEN NO CHANGES IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS OFFERING MEMORANDUM. THIS OFFERING MEMORANDUM SUPERSEDES AND REPLACES ANY AND ALL INFORMATION DELIVERED OR MADE AVAILABLE BY OR ON BEHALF OF THE COMPANY TO THE RECIPIENTS OF THIS OFFERING MEMORANDUM PRIOR TO THE DATE HEREOF.

WITH RESPECT TO THE UNITS OR THIS OFFERING MEMORANDUM, ONLY THE COMPANY HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR GIVE ANY INFORMATION OTHER THAN THOSE CONTAINED HEREIN; AND, IF GIVEN BY THEM, SUCH REPRESENTATIONS AND INFORMATION ARE NOT TO BE RELIED UPON UNLESS GIVEN IN A WRITTEN OFFERING MEMORANDUM FURNISHED BY THE COMPANY. NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHOULD BE RELIED UPON IN CONNECTION WITH THIS OFFERING EXCEPT FOR THIS OFFERING MEMORANDUM, AND ANY OTHER INFORMATION FURNISHED BY THE COMPANY IN RESPONSE TO A PROSPECTIVE INVESTOR'S REQUEST. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION (WHETHER ORAL OR WRITTEN) NOT CONTAINED IN THIS OFFERING MEMORANDUM (WHETHER ORAL OR WRITTEN), AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

THE COMPANY OR ITS AGENT WILL, UPON WRITTEN REQUEST WILL MAKE AVAILABLE TO A PROSPECTIVE INVESTOR AND/OR HIS OR HER ADVISORS ALL DOCUMENTS RELATING TO THIS OFFERING AND ANY ADDITIONAL INFORMATION REGARDING THE COMPANY AND THIS OFFERING TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE. REQUEST FOR SUCH DOCUMENTS OR INFORMATION SHOULD BE MADE IN WRITING TO: **MISSOURI THEATRE LENDERS, LLC, C/O LAURA HUGHES, PROJECT MANAGER, GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC., 7733 FORSYTH BLVD., SUIUTE 2200, ST. LOUIS, MO 63105, TELEPHONE: (314)615-8151, EMAIL:** LHUGHES@WORLDTRADECENTER-STL.COM.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY OR PROFESSIONALS ASSOCIATED WITH THIS OFFERING AS LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN PERSONAL ATTORNEY, ACCOUNTANT AND OTHER ADVISORS, AT HIS OR HER OWN EXPENSE, AS TO THE LEGAL, TAX, ECONOMIC, AND OTHER CONSEQUENCES OF AN INVESTMENT IN THE INTERESTS AND THE INVESTMENT'S SUITABILITY FOR HIM/HER.

THIS OFFERING MEMORANDUM CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DOCUMENTS RELATING TO THIS INVESTMENT AND VARIOUS PROVISIONS OF RELEVANT STATUTES AND APPLICABLE REGULATIONS THEREUNDER; HOWEVER, SAID SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXT OF THE ORIGINAL DOCUMENTS, STATUTES AND REGULATIONS.

EACH PROSPECTIVE INVESTOR WHO SUBSCRIBES TO INVEST WILL BE REQUIRED TO REPRESENT AND WARRANT TO THE COMPANY IN HIS OR HER SUBSCRIPTION AGREEMENT THAT AMONG OTHER THINGS HE/SHE: (i) IS BUYING THE UNITS FOR HIS OR HER OWN ACCOUNT AND NOT WITH ANY VIEW TO THEIR DISTRIBUTION OR RESALE IN THE FORESEEABLE FUTURE; (ii) POSSESSES SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT HE/SHE IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE UNITS; (iii) IS ABLE TO BEAR THE ECONOMIC RISKS OF SUCH AN INVESTMENT; (iv) COULD AFFORD A COMPLETE LOSS OF SUCH AN INVESTMENT; AND (v) UNDERSTANDS THE TERMS, RIGHTS, DUTIES, OBLIGATIONS, AND RESTRICTIONS CONTAINED IN THIS OFFERING MEMORANDUM, THE OPERATING AGREEMENT AND THE SUBSCRIPTION AGREEMENT. A SUBSCRIPTION MAY BE VOID, AT THE OPTION OF THE COMPANY, IF ANY REPRESENTATIONS MADE BY THE PROSPECTIVE INVESTOR IN HIS OR HER SUBSCRIPTION AGREEMENT OR WHICH ARE DELIVERED TO THE COMPANY ARE UNTRUE.

THE MANAGER RETAINS THE RIGHT, IN ITS SOLE DISCRETION, TO ACCEPT OR REJECT ANY SUBSCRIPTION AND TO SELL FRACTIONAL UNITS.

THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON RESIDING IN A JURISDICTION WHERE SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING THE OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO.

FOR ALL NON-U.S. INVESTORS GENERALLY

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE FOR THE PURCHASE OF INTERESTS OFFERED HEREBY TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THE INTERESTS.

NOTICE REGARDING NATIVE LANGUAGE TRANSLATION

PROSPECTIVE INVESTOR HEREBY AGREES THAT IT IS THE SOLE RESPONSIBILITY OF PROSPECTIVE INVESTOR TO ENSURE PROPER TRANSLATION OF THIS AGREEMENT INTO THEIR NATIVE LANGUAGE IF NECESSARY FOR PROSPECTIVE INVESTOR'S UNDERSTANDING OF THE RIGHTS AND OBLIGATIONS CONTAINED HEREIN. ANY LANGUAGE TRANSLATION OF THIS OFFERING MEMORANDUM PROVIDED BY ANY OF THE PARTIES HERETO IS NOT A BINDING LEGAL DOCUMENT, AND IS BEING PROVIDED SOLELY FOR THE PROSPECTIVE INVESTOR'S CONVENIENCE. NONE OF THE PARTIES HERETO ARE LIABLE FOR ANY INACCURACIES IN ANY LANGUAGE TRANSLATION OR FOR ANY MISUNDERSTANDINGS DUE TO DIFFERENCES IN LANGUAGE USAGE OR DIALECT. IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THIS OFFERING

MEMORANDUM AS SET FORTH IN ENGLISH AND ANY LANGUAGE TRANSLATION, THIS OFFERING MEMORANDUM AS SET FORTH IN ENGLISH SHALL GOVERN. THE PROSPECTIVE INVESTOR ASSUMES THE RESPONSIBILITY FOR FULLY UNDERSTANDING THE NATURE AND TERMS OF THE RIGHTS AND OBLIGATIONS UNDER THIS OFFERING MEMORANDUM.

CONFIDENTIALITY AND UNDERTAKINGS

The information contained in this Offering Memorandum is confidential and proprietary to the Company. By accepting delivery of this Offering Memorandum, the Prospective Investor is deemed to have acknowledged and agreed to the following:

- The information contained in this Offering Memorandum will be used by the Prospective Investor solely for the purpose of deciding whether to proceed with a further investigation of the Company;

- This Offering Memorandum or information derived from this Offering Memorandum will be kept in strict confidence by the Prospective Investor and will not, whether, in whole or in part, be released or discussed by the Prospective Investor for any purpose other than an analysis of the merits of an eventual investment in the Company by the Prospective Investor, nor will recipient make any reproductions of such information; and

- Upon the written request of the Company, this Offering Memorandum, and any other documents or information furnished to the Prospective Investor and any and all reproductions thereof and notes relating thereto will be promptly returned to the Company.

FORWARD-LOOKING STATEMENTS - IMPORTANT FACTORS AND ASSOCIATED RISKS

This Offering Memorandum contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, and the Developer intends that such forward-looking statements be subject to the safe harbors created thereby. These forward-looking statements include the plans and objectives of management for future operations, including plans and objectives relating to the future economic performance of the Project. The forward-looking statements and associated risks set forth in this Offering Memorandum include or relate to the successful implementation and operation of the Developer's investment strategies and the Project business plan (the "**Business Plan**").

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on various assumptions regarding the Developer and its proposed operations. Such assumptions involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Developer. Although the Developer believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking information will be realized. In addition, as disclosed elsewhere and under Section V - Risk Factors, the business and operations of the Developer are subject to substantial risks, which increase the uncertainty inherent in such forward-looking statements. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should **not** be regarded as a representation by the Developer, the Manager or any other person that the objectives or plans of the Developer will be achieved.

THE WORDS "ESTIMATE," "PLAN," "INTEND," "EXPECT," "PROPOSED," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE AND ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE (FINANCIAL OR OPERATING) OF THE COMPANY OR ACHIEVEMENTS TO DIFFER MATERIALLY FROM THE OUTCOMES, EXPRESSED OR IMPLIED, BY SUCH FORWARD-LOOKING STATEMENTS OR THE PROJECTIONS SET FORTH HEREIN. PROSPECTIVE INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF. THE COMPANY SPECIFICALLY DISCLAIMS ANY OBLIGATION TO RELEASE ANY REVISIONS TO THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OF CIRCUMSTANCES AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

TABLE OF CONTENTS

I. OFFERING SUMMARY 20
II. THE OFFERING 27
- A. General 27
- B. The I-526 Petition 27
- C. Economic Study 28
- D. The Business Plan 28
- E. The Project 28
- F. The Subscription Procedure 28
- G. Closings 29
- H. Risk Factors 29
- I. Leverage and Loan 29
- J. Payment of Company Expenses and Administration 29
- K. Formation 29
- L. Executive Summary 30
- M. Manager Responsibilities 30
- N. Distributions Under the Operating Agreement 30
- O. Preservation of Eligibility for Removal of CLPR Status 31
- P. Suitability Standards 31
- Q. How to Subscribe 32
- R. Miscellaneous 33
- S. Conflicts of Interest 33

III. DESCRIPTION OF THE PROJECT 35
- A. General 35
- B. Summary of the Facilities 35
- C. Sources and Uses of Proceeds 36
- D. Access and Visibility 37
- E. Summary of Hotel Market Trends 40
- F. Financial Forecasts 41

IV. IMMIGRATION MATTERS 42
- A. Overview 42
- B. The I-526 Petition Process 42
- C. Regional Centers 43
- D. Economical and Statistical Analysis 43
- E. Job Creation 44
- F. Approval of I-526 Petition Not Guaranteed 44
- G. Consular Processing or Adjustment of Status 45
- H. Consular Processing 45
- I. Visa Issuance Not Guaranteed 46
- J. Admission after Immigrant Visa Issued Not Guaranteed 46
- K. Adjustment of Status 46
- L. Travel During Adjustment of Status Processing 47
- M. Employment During The Adjustment of Status Processing 48
- N. Adjustment of Status Cannot Be Guaranteed 48
- O. Removal of Conditions 49
- P. Removal of Conditions Not Guaranteed 49

Q. Preservation of Eligibility for Removal of CLPR Status 50
R. New Proposed Legislation 50
V. RISK FACTORS 53
A. Risks Related to the Company's Proposed Business-General 53
B. Risks Related to Litigation 55
C. Special Risks Associated with the Project 55
D. Risks Related to the Offering 58
E. Tax Risks 62
F. Immigration Risk Factors 64
G. Risks Related to the Loan 72
H. Escrow Agreement Risk Factors 75
VI. SUMMARY OF THE OPERATING AGREEMENT 76
VII. SUMMARY OF THE SUBSCRIPTION AGREEMENT 81
VIII. SUMMARY OF THE ESCROW AGREEMENT 86
IX. TAX MATTERS 87
A. U.S. Tax Status 87
B. Certain Considerations for U.S. Investors 88
C. Taxation of Company Income, Gain and Loss 88
D. Imputed Interest and Original Issue Discount 89
E. Investment Interest and Passive Activity Limitations 89
F. Deductibility of Company Investment Expenditures and Certain Other Expenditures 90
G. Application of Basis and "At Risk" Limitations on Deductions 90
H. Certain U.S. Tax Considerations for Foreign Investors 91
I. Withholding 91
J. Backup Withholding 91
K. Estate Tax 91
L. State and Local Taxes 92
M. Disposition of the Units 92
N. Possible IRS Challenges; Tax Audits 93
O. Possible Legislative or Other Action Affecting Tax Aspects 93
X. ADDITIONAL INFORMATION 94

LIST OF EXHIBITS

Exhibit A - Form of Subscription Agreement and Investor Questionnaire

Exhibit B - Form of Escrow Agreement

Exhibit C - Form of Operating Agreement

Exhibit D - Background of Principals of the Developer, the Company and its management and the Regional Center

Exhibit E - Executive Summary, Description of Project, the Construction Budget and Financial Projections

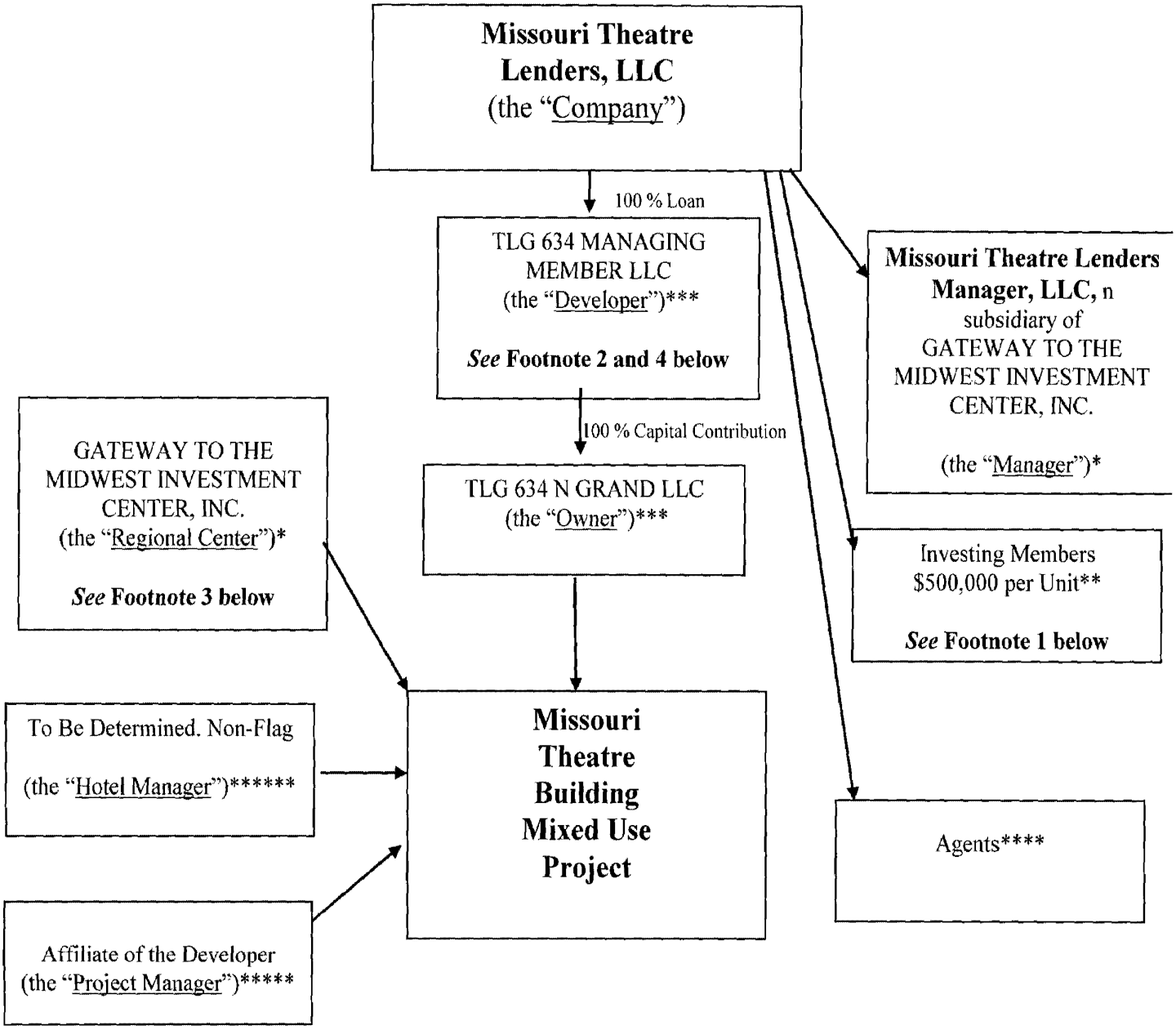
Exhibit F - Targeted Employment Area Letter

Note:

Other documents as listed below will be made available to Prospective Investors upon request (if available).

1. Copies of Title Information for Project
2. Formation Documents for the Company, the Developer and the Regional Center
3. Regional Center Letter of Approval from USCIS
4. Zoning and Site Plan Information
5. Economic Report prepared by Economic Performance Resources, LLC
6. Business Plan prepared by Economic Performance Resources, LLC
7. Feasibility Studies and appraisals, when available
8. HVS Summary Market Study dated February 9, 2015

OVERVIEW STRUCTURE



* Represents the City of St. Louis, St. Louis County and St. Charles County areas as a designated government sponsored regional center. *See* **Exhibit D** for information concerning the Executive Board of the Regional Center.

** Excludes up to $62,500 per Investor for the Expense Escrow Amount.

*** Principals are not affiliated with the Regional Center. The majority owner and manager of the Owner and Developer is Stephen A. Smith. TLG 634 N GRAND LLC owns the land and building located within the Project and Developer owns a 90% membership interest in Owner. The terminology of Owner and Developer is used interchangeably throughout this memorandum.

**** Certain parties shall be appointed by the Company or the Manager to serve as agents of the Company.

***** *See* **Exhibit D** for information on the Project Manager and the Developer.

****** The Project is anticipated to be master leased to a master tenant entity for historic tax credit purposes. In the event that legal structure is utilized, the Hotel Manager will hold the contract with the master tenant.

Footnotes

1. Subscription proceeds, except for the up to $62,500 per Unit funded into an Expense Escrow Account, to be initially funded in a Project Escrow Account as described below. Once disbursed from escrow to the Company, the funds will be disbursed by the disbursement agent for the Company in accordance with budget and draw requests that will be made by the Developer from time to time.

2. Job creation through Developer completing the Project that is financed by the Company.

3. **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.**, the EB-5 Regional Center for the Territory, will enter into a Project Agreement with the Developer to utilize the EB-5 Regional Center designation to develop the Project.

4. Offshore migration brokers and/or investor's counsel may be engaged to analyze, sell or assist in processing exit and entry documentation for the EB-5 immigration process. Such persons will process all paperwork with respect to Subscribers that will be required for USCIS' purposes and coordinate with the United States Immigration counsel in connection therewith.

   The Company will use a portion of its fees to pay migration brokers for services rendered, separate from the Expense Amount.

DEVELOPMENT TEAM

THE DEVELOPER– TLG 634 Managing Member, LLC

THE OWNER/PARENT COMPANY – TLG 634 N Grand LLC

The Principal of the Developer and Owner is Stephen A. Smith.

Please refer to **Exhibit D** for detailed background information on the Developer and its management team.

TEAM PARTNERS (Please refer to **Exhibit D** for further background on the following team partners.)

Project Architect for Project: The Lawrence Group Architects of St. Louis, Inc.

Hotel/Property Manager: To Be Determined. Non-Flag.

General Contractor: Paric Corporation.

REGIONAL CENTER

Gateway to the Midwest Investment Center, Inc. ("GMIC"). GMIC is St. Louis' first EB-5 Regional Center representing the St. Louis Metropolitan Area. Sponsored by St. Louis County and the St. Louis County Economic Council, GMIC serves St. Louis City, St. Louis County, and St. Charles County.

GMIC serves as an economic development Regional Center with a public mission of growing jobs and increasing foreign direct investment into the St. Louis region

The Project Manager of GMIC is Laura Hughes. Please refer to **Exhibit D** for detailed background information on the Regional Center and its Principals.

Additional information on the Regional Center can be found at www.stlouiseb5.com.

EB-5 CONSULTANTS AND ATTORNEYS

Manager of the Company

Missouri Theatre Lenders Manager, LLC, a Missouri limited liability company, a subsidiary of the Regional Center, will serve as the Manager of the Company. The Manager is not affiliated with the Developer.

Immigration Counsel

Klasko Immigration Law Partners, LLP is nationally renowned for providing creative solutions to many of the most complex issues in immigration law to multinational corporations, small businesses, hospitals, universities, research institutions and individual clients. All four (4) founding partners have been selected by their peers as "Best Lawyers in America." The firm's

Chairman, H. Ronald Klasko, was rated by the International Who's Who of Business Lawyers in the 2007 and 2008 editions as the most respected corporate immigration lawyer in the world. This rating was based upon nominations from both clients and other immigration lawyers. The firm's partners include a past president of the American Immigration Lawyers Association ("**AILA**"), the former Chairman of the board of trustees of the American Immigration Law Foundation, current members of AILA's Board of Governors, and current chairs of AILA committees. Additional information can be found at www.klaskolaw.com.

Corporate and Securities Counsel

Arnstein & Lehr LLP is one of the country's oldest and most respected law firms. Since its founding in 1893, the firm has served clients large and small throughout the U.S. and in many foreign countries. More than a century later, Arnstein & Lehr has established itself as a sophisticated, full-service practice that addresses the diverse and complex needs of its clients with vision, expertise, and a commitment to quality and service. Ronald R. Fieldstone, a partner specializing in corporate/securities and taxation law, is a graduate of the University of Pennsylvania's Wharton School (undergraduate and graduate) and the University of Pennsylvania Law School. Since 2009, Mr. Fieldstone and his partners, Jay M. Rosen and Julián F. Montero, have actively been involved in serving as corporate/securities counsel for multifaceted industries involving EB-5 offerings. Mr. Fieldstone represents a vast number of Regional Centers and developers in EB-5 offerings which include more than 150 projects including the preparation of private placement memoranda and related documents. Mr. Fieldstone actively lectures and publishes in the EB-5 corporate/securities fields, served on the Best Practices Committee of Invest In the USA ("**IIUSA**") and currently serves on the Compliance Committee of IIUSA. Additional information can be found at www.arnstein.com.

Economist and Business Plan Writer

Economic & Policy Resources, Inc.

Jeff Carr of Economic and Policy Resources Inc. (the "**Economist**") prepared an economic impact analysis (the "**Economic Study**") described in this Memorandum. Mr. Carr has considerable experience in evaluating and preparing credible and dependable impact analysis reports for EB-5 regional centers and related project applications, which demonstrate the economic and job creation impacts of activities on a specific geographic area such as the Project which is proposed herein.

The impact study was completed by Economic & Policy Resources, Inc. to measure the net EB-5 eligible job creation as allowable by the U.S. Citizenship and Immigration Services. The study outlined in this plan used the Regional Dynamics Economic Analysis Model (REDYN) under an "expenditure model" to determine the economic and employment impacts of the Project.

Please refer to **Exhibit D** for further background information on Economic & Policy Resources, Inc.

I. OFFERING SUMMARY

This Offering Summary should not be considered comprehensive or complete and is qualified by the more detailed information appearing elsewhere in this Offering Memorandum, including the Exhibits hereto. Prospective Investors should carefully read this entire Offering Memorandum, especially the matters discussed under ***Section V - Risk Factors****.*

The Company:	**MISSOURI THEATRE LENDERS, LLC**, a Missouri limited liability company, is the Company to provide a loan to the Project.
The Manager:	**MISSOURI THEATRE LENDERS MANAGER, LLC**, a Missouri limited liability company, as a subsidiary of the Regional Center.
The Regional Center:	**GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.**, a Missouri non-for-profit corporation.
The Developer:	**TLG 634 MANAGING MEMBER, LLC, or its affiliates** whose principal is Stephen A. Smith.
Investment Objective:	To invest in the Project by providing equity funding up to the Maximum Offering Amount to the Company.
The Principals of the Manager, Developer and the Regional Center:	*See* **Exhibit D** for background information on the Principals of the Company and its management, the Developer and the Regional Center.
Offering Period:	June 30, 2016, unless extended by the Company until not later than December 31, 2016.
Maximum Offering:	Thirty-Two (32) Units ($16,000,000) (Maximum of 32 Investing Members) (plus up to $62,500 per Unit for the Expense Amount).
Minimum Offering:	Two (2) Units ($1,000,000) (Minimum of 2 Investing Members) (plus up to $62,500 per Unit for the Expense Amount).
Offering Price:	$500,000 per Unit, plus up to $62,500 Expense Amount, payable in cash upon subscription (unless other terms are agreed upon by the Manager). The Expense Amount may be reduced for a subscriber, as determined by the Manager on a case-by-case basis, which will be documented through an addendum to **Exhibit A**.
Minimum Subscription:	One (1) Unit ($500,000) (plus up to $62,500 Expense Amount).
Term of Company:	Indefinite.

Leverage and Loan Terms:	The Company will provide financing to the Developer in connection with the construction of the Project and possible repayment of bridge financing (as defined below), if applicable, associated with the construction of the Property, with the Developer arranging/providing the balance of the needed financing through a first mortgage construction loan and Developer equity and various tax and government credits. It is contemplated that the Company will make a loan (the "**Loan**") in order to fund development of the Project.
	The Loan terms include the following: (1) Loan Amount: Up to $16,000,000 (Maximum Offering Amount). (2) Interest Rate: Four and one-half percent (4.5%) per annum calculated on a non-compounded basis which the Company shall distribute (i) Four percent (4%) thereof to the Manager; and (ii) one half percent (0.5%) thereof to the Investing Members as set forth below. Interest shall accrue and be payable from Owner's surplus cash flow (as described below). (3) Repayment Terms: Payable from the rental and leasing operation of the residential and retail portion of the Project, but not later than five (5) years from the close of the Offering, subject to two (2) one-year extensions (the "**Maturity Date**").
	Notwithstanding the foregoing and other than related to the denial of any Investing Member's I-526 Petition, the Loan may not be prepaid prior to the Maturity Date.
	Notwithstanding the foregoing, following the Maturity Date, the Loan may be repaid even if all Investing Members have not received final adjudication of their respective I-829 Petition; provided, that the Manager, on behalf of the Company, shall have the right to reinvest the remaining Capital Contribution amounts of the Investing Members in alternate investments that qualify under the EB-5 Program for the purpose of preserving the Investing Members' "at risk" investment and eligibility for removal of conditional lawful permanent resident ("**CLPR**") status, subject to the provisions of "IV. O. IMMIGRATION MATTERS - Preservation of Eligibility for Removal of CLPR Status," below.
	(4) Security: First position, pledge, or lien, of membership interests in the Developer's membership interests of Owner. The Senior Indebtedness and Tax Credit Bridge Financing (described below) will take priority on repayment in the event of liquidation or sale of the Project. No other subordinate financing except for voluntary Developer member loans is permitted without expressed written consent of the Company. (5) Surplus Cash Flow: Owner's Surplus Cash Flow shall be the following priority:

	(a) Administrative and operating expenses, (b) Senior Indebtedness obligations, (c) Tax Credit Bridge Financing obligations, and (d) Company Loan Interest. (Note: The Project's legal structure anticipates that the Project will be master leased to a master tenant entity for historic tax credit purposes; therefore, Owner's Surplus Cash Flow reflects the master lease payment to the Owner as landlord.)
Capital to Owner	(6) Immediately upon Developer's receipt of the Loan funds, Developer shall make a capital contribution to the Owner in an amount equal to the Loan.
	(7) Guaranty of Completion: The principal of the Developer will guaranty the completion of the Project.
Senior Indebtedness:	The Developer will obtain senior indebtedness (the "**Senior Indebtedness**") in an amount of approximately $20,000,000 on industry standard terms and conditions. The Developer has been actively discussing the Project's Senior Indebtedness requirements with several sources to secure this financing, including, but not limited to, Eagle Bank and Trust Company of Missouri. The Senior Loan will provide construction funding and the other material terms thereof shall be at market rates.
Developer Equity:	The Developer has committed to have not less than approximately $17,780,000 in equity in the Project, or approximately 33% of Project costs, including tax credits, government grants and other governmental benefits and the proceeds from the sale of the vacant lot.
Tax Credit Bridge Financing:	To commence the development efforts, the Developer may obtain tax credit bridge financing to commence construction activities (the "**Tax Credit Bridge Financing**") which such Tax Credit Bridge Financing shall have security in and be repaid from the proceeds of federal and state historic tax credit equity.
Bridge Financing:	To commence the development efforts, the Developer may obtain bridge financing to commence predevelopment activities (the "**Bridge Financing**"). If applicable, the Loan proceeds will be utilized in part to repay this Bridge Financing.
Distributions:	Distributions received from the Company's loan to the Developer which are allocated to the Investing Members will be distributed at the sole discretion of the Manager, to the Investing Members in accordance with the terms of the Operating Agreement. The Investing Members will be entitled to a return of 0.5% per annum, less specifically identified Company expenses, subject to payments on the Loan being made by the

	Developer.
Fee to Manager:	Out of the annual Four and one half percent (4.5%) interest payable to the Company under the Loan, the Company shall distribute Four percent (4%) thereof to the Manager as an annual administrative fee, one half percent (.5%) of the Four Percent (4%) shall be distributed by the Manager to the Regional Center in accordance with the terms of the Project Agreement and substantially all of the remainder of which shall be utilized by the Manager for various fees to marketing agents (including broker-dealers and authorized agents) and for other related supervisory services and Loan administration.
Offering Proceeds:	

	Purchase Price	Offering Expenses[1]	Net Proceeds to Company
Per Unit	$500,000[2]	$62,500	$500,000[2]
Maximum Total Offering[3]	$16,000,000	$1,500,000	$16,000,000

(1) From the gross proceeds of up to $562,500 per Unit paid by each Subscriber, the Subscriber Unit will incur an Expense Amount of up to $62,500 (case-by-case on a per investor basis). Although the Company may pay from the Expense Amount to certain registered broker-dealers and overseas licensed migration brokers and agents, Program Locators (as defined below) and/or "finders".

NO PORTION OF THE $500,000 PER UNIT PROJECT AMOUNT SHALL BE APPLIED TO OFFERING COSTS OR SALES COMMISSIONS OR FOR ADMINISTERING THE COMPANY OR FOR OPERATING THE COMPANY OR REGIONAL CENTER, INCLUDING THE PAYMENT OF ANY SUPERVISORY SERVICE FEE.

(2) The Company may utilize overseas/offshore finders and agents to seek potential investors in the Company (each a "**Program Locator**" or "**Marketing Agent**") and document processors to process immigration paperwork and assisting with their immigration paperwork for those investors (each, a "**Processor**"), and the Company may pay a fee to compensate firms and individuals for those services. All of the fees are paid to Program Locator and Processors and Marketing Agents for capital raising and document processing and to the Manager and Regional Center as payment for their fees.

None of such fees shall be paid out of the Offering Price or investment in the Membership Interests of the Company. Notwithstanding the payment of any such fees, no Program Locator or Marketing Agents shall be deemed an agent or representative of the Company, and the Company is not bound by, and shall have no liability with respect to, any statements, agreements, or representations made by any such Program Locator or Marketing Agents. Additionally, none of such fees shall be paid to a Program Locator or Marketing Agents operating from the United States or selling to any person in the United States.

(3) Assumes all Units are sold.

I-526 Petition:	The Offering has been structured with the goal that a Subscriber will have made an investment that qualifies for an EB-5 Visa entitling such Subscriber, assuming the Subscriber otherwise satisfies the personal criteria for an EB-5 Visa, to conditional permanent U.S. residency and, ultimately, to unconditional U.S. permanent residency, which itself

	ultimately gives rise to eligibility for U.S. citizenship. The Company may, at the Subscriber's option, arrange for immigration attorneys to file the I-526 Petition on behalf of each Subscriber promptly following acceptance of the subscription and admission of the Subscriber as an Investing Member in the Company. It is anticipated that USCIS will act on each Petition within approximately 15 months after the completed Petition is filed, although a longer time period may apply in particular cases.
Initial Condition:	Until the minimum number of two (2) Investing Members have subscribed for Membership Interests hereunder (the "**Initial Condition**"), no I-526 Petitions will be filed. If the Initial Condition is not met by the end of the Offering Period, the Escrow Agent will return 100% of the subscription amount to each investor.
Escrow Accounts:	Pursuant to the Subscription Agreement executed by a Subscriber, up to Five Hundred Sixty-Two Thousand Five Hundred Dollars ($562,500) per Unit (unless invested as set forth herein) is due to be paid to the Escrow Agent upon subscription.
	All subscription payments will be held in escrow by the Escrow Agent pursuant to the Escrow Agreement which establishes the Expense Escrow Account and the Project Escrow Account. Each Subscriber's (i) $500,000 Capital Contribution, shall be funded to the Company's general operating account by the Escrow Agent so that the Company can commence operations; and (ii) $62,500 Expense Amount shall be funded to the Manager by the Escrow Agent to cover marketing and other expenses, both upon (1) satisfaction of the Initial Condition; and (2) the Subscriber's signing the Subscription Agreement, funding the Capital Contribution and filing his or her I-526 Petition (collectively, the "**Escrow Release Conditions**"). As a requirement under the Escrow Agreement, the Company will obtain an EB-5 I-526 Protection Insurance Policy (the "**Refund Insurance Policy**") for each Subscriber through NES Financial's partnership with Mark Edward Partners underwritten by ANV/Lloyds of London (the "**Insurer**"), insuring the Subscriber such that (i) the Subscriber will (i) receive a refund of the Subscriber's $500,000 Capital Contribution upon a denial by USCIS of such Subscriber's I-526 Petition, except to the extent such denial is due to fraud by Such Subscriber and certain other exclusions, as more fully set forth in the Refund Insurance Policy; and (ii) assign the Subscriber's Membership Interest in the Company to Insurer (the "**Refund Insurance**"). The Company will pay the $12,500 per Subscriber premium for the Refund Insurance utilizing $12,500 of each Subscriber's $62,500 Expense Amount. A copy of the Refund Insurance Policy is available upon request. Notwithstanding the foregoing, any Subscriber's $500,000 Capital Contribution held in escrow with the Escrow Agent shall be released upon

	approval of a Subscriber's I-526 Petition.
	If an Investing Member's I-526 Petition is denied (without appeal or after denial of any appeal, as provided herein), (i) the Company will submit a claim under the Refund Insurance Policy for the benefit of the denied Subscriber such that the Subscriber will receive a refund of the his or her Capital Contribution, subject to the terms of the Refund Insurance Policy, as referenced above; and (ii) the Manager shall refund the remaining $50,000 of the Investing Member's Expense Amount (or lessor amount); provided, however, that if such denial is due to a misrepresentation by the Subscriber of information on his or her I-526 Petition or the Subscriber is otherwise at fault for such denial (including, without limitation, lack of sufficient evidence of source of funds), then Forty Thousand Dollars ($40,000) shall be retained by the Manager for costs incurred on behalf of the individual Subscriber.
Operating Agreement:	The Operating Agreement will be entered into by and among the Company and each of the Investing Members whose subscriptions are accepted by the Company pursuant to the Subscription Agreement and the Manager. Agents of the Company will have the responsibility of administering the operations of the Company, subject to the provisions described below and in the Operating Agreement. The Company may take certain actions only with the consent of a majority of the Investing Member percentages. *See* Section VI - Summary of the Operating Agreement.
Exit Strategies:	The primary exit strategy for the Company is the repayment of the Loan by the Developer through sale or refinancing of the Project, in whole or in part, with the Senior Loan to be paid first.
Agents:	The Company may utilize overseas/offshore finders and agents to seek Prospective Investors in the Company (*i.e.*, Program Locators and Marketing Agents) and document processors to process immigration paperwork and assisting with their immigration paperwork for those investors (*i.e.*, Processors), and the Manager may pay a fee to compensate firms and individuals for those services. All of the administration fees are paid to Program Locators, Marketing Agents and Processors for capital raising and document processing and to the Manager as payment for their fees.

	None of such fees shall be paid out of the Offering Price or investment in the Membership Interests. Notwithstanding the payment of any such fees, no Program Locator or Marketing Agent shall be deemed an agent or representative of the Company, and the Company is not bound by, and shall have no liability with respect to, any statements, agreements, or representations made by any such parties
	THE COMPANY WILL USE A PORTION OF ANY FEES PAID FROM THE DEVELOPER TO PAY MIGRATION BROKERS OR OTHER AGENTS FOR SERVICES RENDERED, SEPARATE FROM THE EXPENSE AMOUNT AND IN NO EVENT FROM THE CAPITAL CONTRIBUTION AMOUNT.

II. THE OFFERING

A. General

The Company is offering for purchase (the "**Offering**") to a limited number of individual investors who primarily are not "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act, on a limited and private basis, a Maximum Offering Amount of $16,000,000 and a Minimum Offering Amount of $1,000,000 of Membership Interests in the Company, plus the up to $62,500 Expense Amount per investor (subject to decrease as set forth above). Membership Interests are described in the Operating Agreement of the Company to be entered into by and among the Company and each of the Subscribers whose subscriptions are accepted by the Company pursuant to the Subscription Agreement between each Subscriber and the Company. *See* Section I – Offering Summary. Forms of the Subscription Agreement and Operating Agreement are attached hereto as **Exhibits A** and **C**, respectively. Any capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed in the Subscription Agreement or the Operating Agreement. Background information on the principals of the Developer, the Company and the Regional Center is provided in **Exhibit D**.

This Offering of the Membership Interests is generally limited to only individual persons (not legal entities) who are "Accredited Investors," as such term is defined in Rule 501(a) under the Securities Act pursuant to Regulation D and those investors who subscribe under Regulation S. Generally, the Offering will not be made to any U.S. Person, nor will any offer to sell or sale be made in the U.S. and no buy order will be accepted if it is originated from within the U.S., although certain exceptions may apply. *See* Section I - Offering Summary; Section VII - Summary of Subscription Agreement; and **Exhibit A**, Form of the Subscription Agreement.

Generally, in order to purchase a Membership Interest, Prospective Investors must generally represent to the Company that he or she is not a resident in the U.S. at the time of the offer of the Membership Interest, will not be a resident in the U.S. at the time of the sale of the Membership Interest and is not acquiring the Membership Interest for the benefit of a U.S. Person. Any Prospective Investor that lies or misrepresents information on the I-526 Petition may forfeit all or a portion of the funds deposited.

B. The I-526 Petition

The Offering has been structured so that each Subscriber, by becoming a Investing Member in the Company, will have made an investment that qualifies as the investment component required for an EB-5 Visa entitling the Subscriber, assuming the Subscriber otherwise satisfies the non-investment criteria for an EB-5 Visa, to seek permanent U.S. residency and, ultimately, to apply for U.S. citizenship. The Project is to be located in a Regional Center approved territory designated by USCIS as a qualifying investment for the EB-5 Program. However, Subscribers must be aware that even following Regional Center and Project approval, there are numerous other factors that will lead to the grant or denial of the EB-5 Visa based upon the personal facts and circumstances of each Subscriber. *See* "Section IV - Immigration Matters and Section V. E. - Immigration Risk Factors.

All allocable jobs generated as a result of the EB-5 Program will be allocated as set forth in the EB-5 Job Allocation Addendum attached as Schedule 2 to the Operating Agreement which is attached hereto as **Exhibit C**.

C. Economic Study

According to the Economic Study, using REDYN Economic Modeling Methodology, investment in the Project will create 699 new indirect permanent, full-time positions for qualifying employees (118.44% in excess of the 320 jobs required) in the City of St. Louis region.

The State of Missouri has designated the area where the investment project is located as a "Targeted Employment Area," based in it having experienced unemployment of at least 150% of the national average during the relevant time period. Accordingly, the minimum investment amount is $500,000 pursuant to EB-5 regulations.

D. The Business Plan

The Business Plan will be *Matter of Ho* compliant and will include:

- A market analysis, including the names of competing businesses, a comparison of the competitions' products and pricing structures, and a description of the target market/prospective customers of the new commercial enterprise;
- The marketing strategy of the business, including pricing, advertising, and servicing;
- The business's organizational structure and its personnel's experience;
- The business's staffing requirements and a timetable for hiring as well as job descriptions for all positions; and
- Sales, Costs and income projections.

E. The Project

The Project is described in more detail in Section III - Description of the Project of this Offering Memorandum.

F. The Subscription Procedure

The Offering Period will end on June 30, 2016 at 5:00 p.m. Central Time, unless extended by the Company until December 31, 2016. Notwithstanding the foregoing, the Company reserves the right, following the end of the Offering Period, to substitute an Investing Member whose I-526 Petition is denied with a Substituting Investing Member.

Details on how to subscribe are provided in Section II. P. - How to Subscribe, below. In addition to executing the Subscription Agreement and remitting the purchase price amount for subscribed Membership Interest to the Escrow Agent as described herein, the Investing Member

will also need to execute and deliver to the Company the Operating Agreement in order to complete his or her subscription upon acceptance of same by the Company. A form of the Operating Agreement is attached as **Exhibit C**. Attached to the Subscription Agreement is an Internal Revenue Service ("**IRS**") Form W-8 that must also be filled out by each Subscriber.

G. Closings

Closings of sales of Membership Interests will occur periodically and the final closing will occur not more than 60 days following the end of the Offering Period or earlier termination of the Offering. Each Investing Member will be notified of the acceptance or rejection of his or her subscription. Promptly after the closing of the required minimum number of Units, the Company will execute and deliver a signature page of the Operating Agreement to each Investing Member whose subscription is accepted.

H. Risk Factors

An investment in the Units involves substantial risks and significant restrictions on transferability. An investment in the Company should be viewed as highly speculative and is designed only for foreign investors who maintain their investment over a significant period of time and who can afford the loss of their investment. *See* Section V - Risk Factors.

I. Leverage and Loan

The Project will obtain Senior Indebtedness Financing for a portion of the financing required to complete the development of the Project estimated to equal $20,000,000 or approximately 37% of the Project Costs.

The leverage and Loan terms are summarized above in Section I - Offering Summary.

J. Payment of Company Expenses and Administration

The Company will pay out of its distribution proceeds all ordinary administrative and operating expenses of the Company incurred by the Company in connection with maintaining and operating its office and the books and records of the Company. Fees related to NES Financial Solutions loan administration and immigration workflow automation will be reduce distributions owed and payable to Investing Members.

K. Formation

a. Formation and Purpose. The Company is a limited liability company organized under the Missouri Uniform Limited Liability Company Act.

b. Administrative Office. The Manager will administer the bookkeeping and tax compliance for the Company with the assistance of the tax advisor to the Company.

c. Investing Members. The Investing Members are those investors who purchase a Unit in the Company under this Offering and those persons who subsequently are admitted as substitute Investing Members in the event of a transfer of Units.

L. Executive Summary

An Executive Summary detailing the business, including a detailed description of the Project, the development budget, the anticipated operating budget, the scheduled timetable and a forecast of projected operations is attached as **Exhibit E** to this Offering Memorandum.

M. Manager Responsibilities

The Manager shall oversee all administrative matters involving the maintenance and compliance of the Company under USCIS guidelines and shall assist Investing Members in providing information with respect to the processing of the I-526 Petitions and the issuance of the I-829 Petition approvals that will eventually be required in order for Investing Members to gain permanent residency status. In particular, the Manager shall provide necessary information with respect to job creation and confirmation of expenditure of funds in order to support each Investing Members I-526 Petition and I-829 Petition. The Manager will utilize NES Financial to assist with the EB-5 administration.

N. Distributions Under the Operating Agreement

The Manager shall have the sole authority to determine when Cash Flow is available for distribution among the Investing Members. Once a determination is made that such a distribution is in order, the same shall be made as follows:

1. All distributions are made to the Investing Members until they receive their cumulative preferred return equal to 0.5% of their capital contributions, less specifically identified Company expense, subject to payments on the Loan being made by the Developer.

2. Thereafter, the balance of distributions shall be distributed to the Manager, to be utilized to pay Company operating costs, marketing expenses, Regional Center costs and the balance as a distribution to the Manager.

3. Upon the sale or refinancing of the Project and the payment of the Loan, when the Manager determines in its sole discretion, and subject to USCIS guidelines, distributions shall be as follows:

   (a) First to the Investing Member in an amount equal to all unpaid Preferred Return;

   (b) Next, to the Investing Member in the amount equal to their capital contributions subject to the Investing Member's I-829 Petition having been finally adjudicated; and

   (c) Thereafter, to the Manager.

O. Preservation of Eligibility for Removal of CLPR Status

If the Developer were to sell or refinance the Project before the end of conditional residence of some or all investors without "carving out" the Loan from such transaction, such investors might be found by USCIS to have failed to maintain their investment at risk in the Project and might not be able to obtain removal of conditions. Therefore, if, at any time during the CLPR status period for any Investing Member, any Loan amount is prepaid , the Company shall have the right to reinvest the remaining Capital Contribution amounts of the Investing Members in alternate investments that qualify under the EB-5 Program for the purpose of preserving the Investing Members' "at risk" investment and eligibility for removal of CLPR status. USCIS has not set clear policy on the extent to which reinvestment might be considered to constitute a "maintenance of investment" making possible the approval of investors' petition to remove conditions. Until USCIS publishes its final policy memorandum relating to the eligibility criteria, the Manager shall use reasonable discretion to redeploy funds to maintain the "at risk" requirement of the Project. If and when a final policy is issued by USCIS, then the Manager shall have the right to follow USCIS guidelines related to the "at risk" requirement. The Manager agrees to communicate with the Investing Member in connection with this process to keep them informed as to the USCIS policies and the reinvestment plan to be undertaken by the Manager

P. Suitability Standards

The purchase of the Units offered hereby is speculative and involves a high degree of risk. In addition to the suitability standards set forth below, an investment in the Company is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment and can afford a total loss of their investment. Consequently, an investment in the Units offered hereby is not a suitable investment for all Prospective Investors and the sale of the Units hereunder will be made on a selected private basis to a limited number of investors who meet the suitability standards set forth below.

The suitability standards set forth below represent minimum suitability standards for investors. The satisfaction of such suitability standards by an investor does not necessarily mean that an investment in the Company is suitable for the investor. Investing Members are encouraged to consult their personal professional advisors to determine whether an investment in the Units is appropriate for them. The Manager may reject subscriptions in its sole discretion.

There is no established market for the Units. Because there are only a limited number of investors and restrictions on the transferability of the Units, a market for the Units will likely never develop. The Units cannot be resold unless: (i) they are subsequently registered under the Securities Act and applicable state securities laws; or (ii) an exemption from such registration is available.

Units are being offered and will generally be sold only to (1) "Accredited Investors," as defined in Rule 501 under the Securities Act, pursuant to a Regulation D offering, and (2) pursuant to Regulation S of the Act.

Accredited Investor means (i) any natural person whose individual net worth, or joint net worth with that person's spouse (excluding residence), exceeds $1,000,000; or (ii) any natural

person whose individual income exceeded $200,000, or whose joint income with that person's spouse exceeded $300,000, in each of the two (2) most recent years and who has a reasonable expectation of reaching that income level in the current year.

Each Prospective Investor will be required to represent and to establish to the satisfaction of the Company that such investor meets one (1) or more of the criteria for Accredited Investors. The Manager reserves the right to refuse a subscription for Units in its sole discretion for any reason, including concern that the Prospective Investor may not meet the requirements for Accredited Investors, that the Prospective Investor may not be a non-U.S. Person subscribing from abroad, or that the Units are otherwise an unsuitable investment for the Prospective Investor. Each Prospective Investor must also meet the suitability criteria and make the representations and warranties set forth in the Subscription Agreement.

Q. How to Subscribe

ANY INVESTOR WHO WISHES TO SUBSCRIBE FOR UNITS MUST DELIVER BY CERTIFIED U.S. MAIL OR OTHER NATIONALLY RECOGNIZED TRACKING DELIVERY SERVICES (FEDERAL EXPRESS, UPS, ETC.) THE FOLLOWING ITEMS TO:

c/o Laura Hughes, Project Manager
Gateway to the Midwest Investment Center, Inc.
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105
Telephone: (314) 615-8151
Email: lhughes@worldtradecenter-stl.com

(i) TWO (2) EXECUTED COPIES OF THE SUBSCRIPTION AGREEMENT (ATTACHED HERETO AS **EXHIBIT A**);

(ii) TWO (2) EXECUTED COPIES OF INVESTOR INFORMATION FORM (*SCHEDULE 1* TO THE SUBSCRIPTION AGREEMENT);

(iii) TWO (2) EXECUTED COPIES OF IRS FORM W-8BEN (*SCHEDULE 2* TO THE SUBSCRIPTION AGREEMENT);

(iv) TWO (2) EXECUTED COPIES OF INVESTOR QUESTIONNAIRE (*SCHEDULE 3* TO THE SUBSCRIPTION AGREEMENT);

(v) TWO (2) EXECUTED COPIES OF THE ESCROW AGREEMENT (ATTACHED HERETO AS **EXHIBIT B**);

(vi) TWO (2) EXECUTED COPIES OF THE COUNTERPART SIGNATURE PAGE TO THE COMPANY'S OPERATING AGREEMENT (ATTACHED HERETO AS **EXHIBIT C**); AND

(vii) A WIRE TRANSFER IN AN AMOUNT EQUAL TO $562,500 (UNLESS OTHERWISE PROVIDED FOR IN THE SUBSCRIPTION AGREEMENT), PAYABLE TO THE ESCROW AGENT.

R. Miscellaneous

1. Reports to Investors. Investing Members will receive annual financial statements prepared by the Manager and will also receive necessary information for tax reporting, together with other regular operating and financial reports as deemed necessary by Manager.

2. Tax Considerations. The Company intends to operate as a limited liability company for U.S. federal income tax purposes and not be treated as a publicly traded limited liability company taxable as a corporation. Accordingly, it is expected that the Company should not be subject to U.S. federal income tax, and each Investing Member will be required to report on his or her own annual tax return such Investing Member's distributive share of the Company's taxable income or loss.

3. Foreign Investors. Foreign Investors should consult their tax advisors with respect to the U.S. federal and state and the foreign tax consequences of an investment in the Company, including the requirements with respect to withholding relative to amounts distributed to such Investors.

S. Conflicts of Interest

Except and to the extent that specific limitations on self-dealing may be set forth in the Operating Agreement, the Investing Members will be relying on the general fiduciary standards which apply to a general partner of a limited liability company under law to prevent overreaching by the Manager in any transaction with or involving the Company. The following constitutes a summary of important areas in which the interests of the Manager or its members, managers, or officers may conflict with those of the Company, as well as certain conflicts of interest between the Investing Members and the Regional Center.

1. Lack of Independent Representation. The Company has not been represented by independent counsel. The attorneys that provide services relating to the Company perform their services for the Manager and at its direction and not for the Company. There is no attorney-client relationship or legal representation of the Company.

2. Control of the Company. Subject to significantly limited oversight by the Investing Members as memebrs of the Company, the Manager will be solely responsible for making all decisions of the Company pertaining to the lending of the Offering proceeds and the results therefrom. Additionally, the Manager is generally responsible by the terms of the Operating Agreement for the operations of the Company, including carrying out the specific authorization to lend the Offering proceeds on behalf of the Company to the Developer. The Manager's management of the Company may otherwise be affected as described herein.

3. Finders' Fees. The Company may utilize overseas/offshore finders and agents to seek Prospective Investors in the Company (*i.e.*, Program Locators) and document processors to process immigration paperwork and assisting with their immigration paperwork for those

investors (*i.e.*, Processors), and the Company may pay a fee to compensate firms and individuals for those services. All of the Administration Fees are paid to either Program Locators and Processors for capital raising and document processing or to the Manager or Regional Center as payment for their fees.

None of such fees shall be paid out of the capital contribution investment in the Company. Notwithstanding the payment of any such fees, no Program Locator shall be deemed an agent or representative of the Company, and the Company is not bound by, and shall have no liability with respect to, any statements, agreements, or representations made by any such Program Locator. Additionally, none of such fees shall be paid to a Program Locater operating from the United States or selling to any person in the United States.

THE COMPANY MAY, ON A CASE-BY-CASE BASIS, USE ALL OR A PORTION OF ANY SUPERVISORY SERVICE FEES TO PAY PROGRAM LOCATORS AND PROCESSORS FOR SERVICES RENDERED, BUT IN NO EVENT FROM ANY INVESTING MEMBER'S $500,000 CAPITAL CONTRIBUTION.

4. Other Activities; Competition. The Manager does not have any duty to account to the Company for profits derived from activities other than Company activities, and is under no duty, other than the duty as a fiduciary, to engage in such activities in a manner which does not affect the Company's investments. In addition, the Manager is required to devote to the Company's affairs only as much time as the Manager deems necessary. As such, it is possible that the Manager may have potential conflicts of interest with the Company.

5. Compensation. The Manager and its affiliates may receive a substantial economic benefit from participating in the Project and from the Company. To compensate the Manager for its efforts associated with setting up the Company, conducting the Offering, and making the Loan to the Developer, the Manager shall receive certain fees and may have the ability to retain certain unexpended portions of the Expense Amount as a fee.

III. DESCRIPTION OF THE PROJECT

A. General

A detailed description of the Project is contained in **Exhibit E - Executive Summary, Description of Project and Financial Projections**.

Although the Developer believes that the enclosed Executive Summary accurately reflects the current status of the Project and its development potential, there are no assurances that facts and circumstances will not arise that will necessitate a modification of the Business Plan set forth in the Executive Summary, or that the projected results can be achieved.

The Executive Summary contains financial projections related to the Project, which are subject to the "Forward-Looking Statements - Important Factors and Associated Risks" disclosure set forth herein.

B. Summary of the Facilities

The following table summarizes the facilities that are expected to be available at the proposed subject hotel.

Guestroom Configuration	Number of Units
Standard Room	124
Executive Suite	12
Presidential and Junior Suites	3
	139

Food & Beverage Facilities
Rooftop Restaurant and Lounge with Terrace
First Floor Restaurant

Indoor Meeting & Banquet Facilities	Square Footage
Meeting Room	3,000-4,000

Amenities & Services
Fitness Room
Business Center
Market Pantry
Pool

Infrastructure	
Parking Spaces	150 surface spaces
Elevators	2 Express, 2 Guest, 1 Service
Life-Safety Systems	Sprinklers, Smoke Detectors
Construction Details	Steel, Reinforced Concrete

The proposed hotel will occupy floors four through twelve in the twelve-story building. Parking will be provided in a parking facility that is expected to be constructed in place of the current surface parking lot. Other site improvements will be relatively limited, given the property's urban setting. Municipal sidewalks are present along the north and west perimeter of the building. Adequate signage is expected to be placed on the exterior of the building. The hotel's street-front entrance will open to a modest elevator lobby with a hotel attendant, and guests will use one of two elevators to access the twelfth floor lobby. The twelfth floor will house the lobby and meeting space, as well as access to the rooftop restaurant and terrace. Guestrooms are planned to be located on the fourth through eleventh floors. The site and building components are expected to be somewhat unique, yet appropriate, for a small luxury hotel and should meet the upscale standards for this urban market.

Caparo Industries, an international based company owned by the Paul family, is relocating Bull Moose Industries Inc., its United States headquarters, to the second and third floors of the building. Bull Moose Industries Inc. is committing to a ten (10) year lease (the "Lease"). The terms of the Lease provide for annual base payments of approximately $577,000.

This mixed use development will be 100% leased prior to opening.

C. Sources and Uses of Proceeds

Sources

Senior Loan	$	20,000,000
Company Loan	$	16,000,000
Tax Credit Equity	$	14,700,000
Developer Equity	$	3,080,000
Total Sources	$	53,780,000

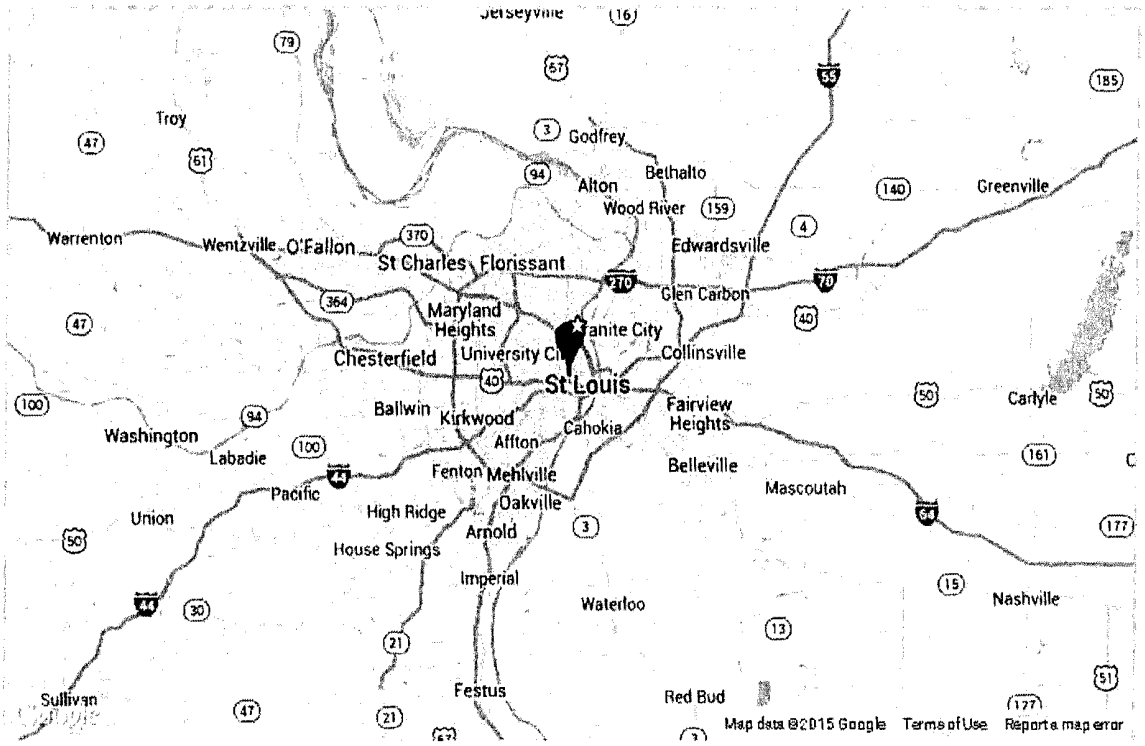
Uses

Pre EB-5 Expenditures	$	9,210,000
Hard Costs	$	29,990,000
Miscellaneous Development Costs	$	4,870,000
Soft Costs & Financing Costs	$	9,710,000
Total Uses	$	53,780,000

D. Access and Visibility

It is important to analyze the site in regard to ease of access with respect to regional and local transportation routes and demand generators. The subject site is readily accessible to a variety of local and county roads, as well as state and interstate highways.

MAP OF REGIONAL ACCESS ROUTES



Regional access to/from the City of St. Louis, and the subject site in particular, is considered very good. The subject market is served by a variety of additional local highways, which are illustrated on the map.

The area enjoys a well-developed network of local roadways and highways. Interstate 64, Forrest Park Avenue, and Grand Boulevard facilitate travel between the subject site and the principal concentrations of business activity and population in the region. The subject site is located in the center of a cultural district along a well-traveled thoroughfare; thus, the proposed hotel should benefit from good visibility from within its local neighborhood. Overall, the site's accessibility attributes are appropriate and deemed adequate, and the proposed hotel is expected to enjoy good visibility attributes.

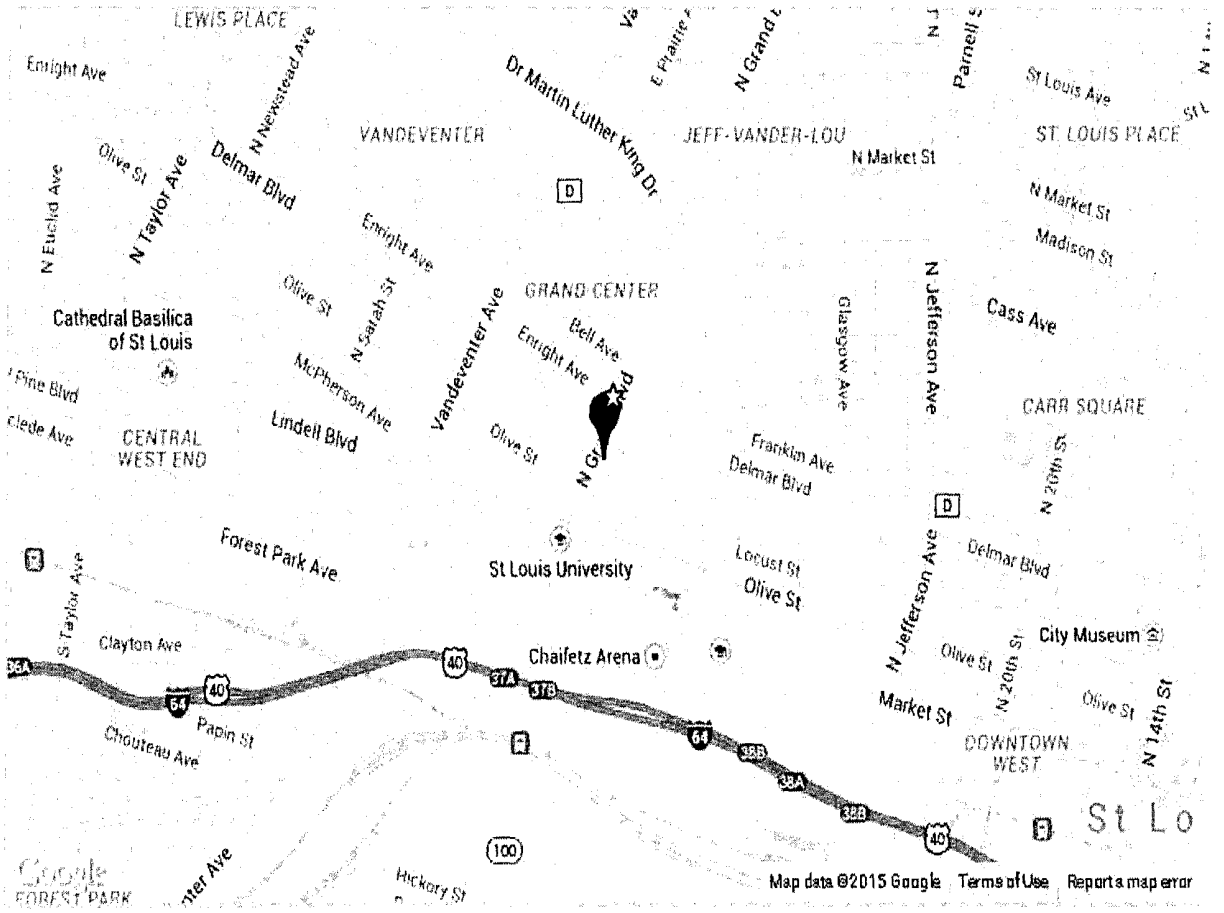
Airport Access

The proposed subject hotel will be served by the Lambert St. Louis International Airport, which is located approximately ten (10) miles to the northwest of the subject site.

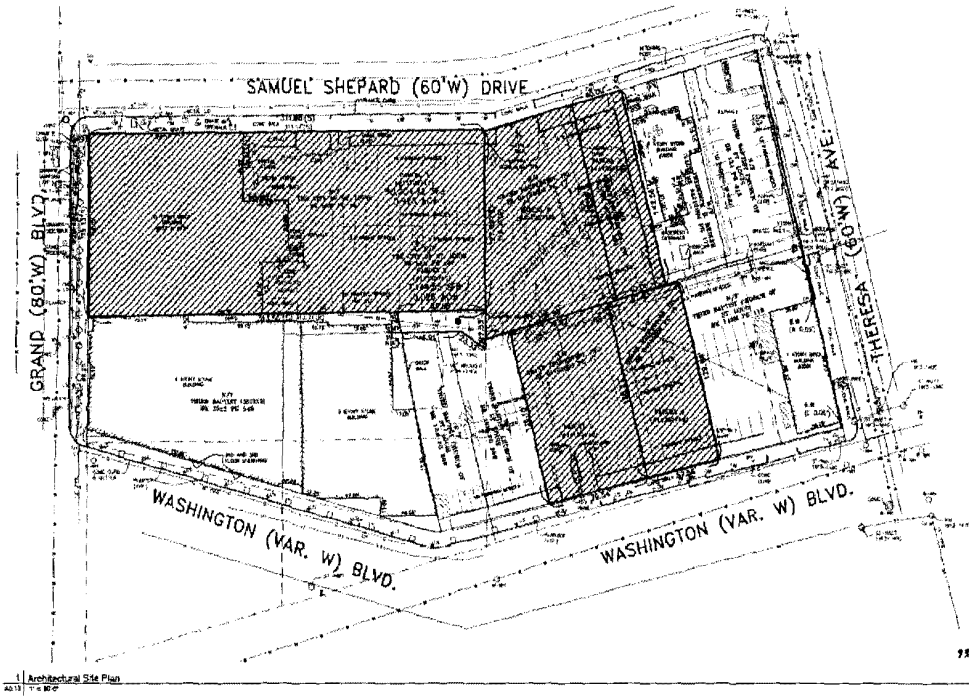
Neighborhood

The Grand Center neighborhood, located in the heart of the city of St. Louis, is generally defined by Dr. Martin Luther King Drive to the north, Compton Avenue to the east, Lindell Boulevard/Olive Street to the south, and Vandeventer Avenue to the west. This arts and entertainment district is characterized by museums, theaters, and art galleries; specific venues include The Fabulous Fox Theater, Powell Symphony Hall, Contemporary Arts Museum of St. Louis, Pulitzer Arts Foundation, and The Sheldon Concert Hall and Art Galleries. Furthermore, the neighborhood is home to studios for St. Louis Public Radio, St. Louis Public Television, and KDHX independent radio, as well as the John Cochran VA Medical Center. Restaurants within the neighborhood include Sweetie Pie's The Upper Crust, Urban Chestnut Brewing Company, and Dooley's Beef N Brew House. It is important to note that the neighborhood is strongly influenced by the presence of St. Louis University's main campus immediately to the south.

MAP OF NEIGHBORHOOD



Site Survey



Aerial Photograph

E. Summary of Hotel Market Trends

Local employers and headquarter offices, several higher education and healthcare institutions, and regional leisure destinations represent the primary sources of demand for the selected set of competitive hotels in this St. Louis market. Occupancy levels remained in the high 50s to low 60s from 2003 through 2008, as rising demand levels absorbed significant supply increases with the opening of two new branded hotels and the expansion of the Chase Park Plaza. As economic conditions weakened in 2009, demand dipped a bit while supply increased further with the opening of the Moonrise Hotel. As a result, occupancy levels dropped to the mid-50s; however, as demand rebounded strongly in 2010, occupancy levels fully recovered. In 2011, demand levels remained flat and occupancy declined slightly as the market was impacted by more supply fluctuation with the opening of the Hotel Ignacio and the temporary closure and then reopening of the Cheshire Inn. Demand registered a strong year-over-year increase in 2012, absorbing the most recent supply increase and driving occupancy levels past the prior peak. This strengthening trend continued in 2013 and 2014, with market-wide occupancy reaching new heights and surpassing the 70% mark. However, it should be noted that accommodated demand levels actually declined slightly in 2014, while occupancy was somewhat inflated because of reduced supply levels given the closure of the former Roberts Mayfair Hotel in November of 2013; the property was reopened in August of 2014 as the Magnolia Hotel.

F. Financial Forecasts

	2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		2024/25		2025/26	
Number of Rooms:	139		139		139		139		139		139		139		139		139		139	
Occupied Rooms:	30,441		33,485		35,007		35,515		35,515		35,515		35,515		35,515		35,515		35,515	
Occupancy:	60%		66%		69%		70%		70%		70%		70%		70%		70%		70%	
Average Rate:	$149.59	% of	$163.03	% of	$176.75	% of	$182.06	% of	$187.52	% of	$193.14	% of	$198.94	% of	$204.91	% of	$211.05	% of	$217.39	% of
RevPAR:	$89.76	Gross	$107.60	Gross	$121.96	Gross	$127.44	Gross	$131.26	Gross	$135.20	Gross	$139.26	Gross	$143.43	Gross	$147.74	Gross	$152.17	Gross
REVENUE																				
Rooms	$4,554	79.0 %	$5,459	77.4 %	$6,188	75.1 %	$6,466	75.2 %	$6,660	75.2 %	$6,859	75.2 %	$7,065	75.2 %	$7,277	75.2 %	$7,495	75.2 %	$7,720	75.2 %
Food	733	12.7	917	13.0	1,149	13.9	1,196	13.9	1,232	13.9	1,269	13.9	1,307	13.9	1,347	13.9	1,387	13.9	1,429	13.9
Beverage	325	5.6	501	7.1	700	8.5	726	8.4	748	8.4	771	8.4	794	8.4	818	8.4	842	8.4	867	8.4
Other Operated Departments	120	2.1	143	2.0	165	2.0	171	2.0	176	2.0	181	2.0	187	2.0	192	2.0	198	2.0	204	2.0
Rentals & Other Income	30	0.5	36	0.5	41	0.5	43	0.5	44	0.5	45	0.5	47	0.5	48	0.5	50	0.5	51	0.5
Total	5,762	100.0	7,055	100.0	8,243	100.0	8,602	100.0	8,860	100.0	9,125	100.0	9,399	100.0	9,682	100.0	9,972	100.0	10,271	100.0
DEPARTMENTAL EXPENSES*																				
Rooms	1,364	30.0	1,456	26.7	1,526	24.7	1,581	24.4	1,628	24.4	1,677	24.5	1,726	24.5	1,779	24.5	1,833	24.5	1,888	24.5
Food & Beverage	1,054	99.6	1,193	84.2	1,357	73.4	1,404	73.0	1,446	73.0	1,489	73.0	1,534	73.0	1,580	73.0	1,627	73.0	1,676	73.0
Other Operated Departments	131	109.3	140	98.2	149	90.3	154	90.0	158	90.0	163	90.0	168	90.0	173	90.0	178	90.0	184	90.0
Total	2,549	44.2	2,790	39.5	3,032	36.8	3,138	36.5	3,232	36.5	3,329	36.5	3,429	36.5	3,532	36.5	3,638	36.5	3,747	36.5
DEPARTMENTAL INCOME	3,213	55.8	4,266	60.5	5,211	63.2	5,464	63.5	5,628	63.5	5,796	63.5	5,970	63.5	6,149	63.5	6,333	63.5	6,524	63.5
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	735	12.7	747	10.6	793	9.6	819	9.5	844	9.5	869	9.5	895	9.5	922	9.5	950	9.5	978	9.5
Marketing	487	8.5	473	6.7	502	6.1	518	6.0	534	6.0	550	6.0	566	6.0	583	6.0	601	6.0	619	6.0
Prop. Operations & Maint.	220	3.8	285	4.0	356	4.3	368	4.3	379	4.3	390	4.3	402	4.3	414	4.3	427	4.3	439	4.3
Utilities	328	5.7	351	5.0	372	4.5	385	4.5	396	4.5	408	4.5	420	4.5	433	4.5	446	4.5	459	4.5
Total	1,770	30.7	1,856	26.3	2,023	24.5	2,090	24.3	2,153	24.3	2,218	24.3	2,284	24.3	2,353	24.3	2,423	24.3	2,496	24.3
HOUSE PROFIT	1,443	25.1	2,410	34.2	3,188	38.7	3,374	39.2	3,475	39.2	3,578	39.2	3,686	39.2	3,797	39.2	3,910	39.2	4,028	39.2
Management Fee	173	3.0	212	3.0	247	3.0	258	3.0	266	3.0	274	3.0	282	3.0	290	3.0	299	3.0	308	3.0
INCOME BEFORE FIXED CHARGES	1,270	22.1	2,198	31.2	2,941	35.7	3,116	36.2	3,209	36.2	3,305	36.2	3,404	36.2	3,506	36.2	3,611	36.2	3,719	36.2
FIXED EXPENSES																				
Property Taxes	58	1.0	60	0.8	62	0.7	64	0.7	66	0.7	67	0.7	69	0.7	72	0.7	74	0.7	76	0.7
Insurance	73	1.3	75	1.1	77	0.9	79	0.9	82	0.9	84	0.9	87	0.9	89	0.9	92	0.9	95	0.9
Reserve for Replacement	115	2.0	212	3.0	330	4.0	344	4.0	354	4.0	365	4.0	376	4.0	387	4.0	399	4.0	411	4.0
Total	246	4.3	346	4.9	469	5.6	487	5.6	502	5.6	517	5.6	532	5.6	548	5.6	565	5.6	582	5.6
NET INCOME	$1,024	17.8 %	$1,851	26.3 %	$2,472	30.1 %	$2,628	30.6 %	$2,707	30.6 %	$2,788	30.6 %	$2,872	30.6 %	$2,958	30.6 %	$3,046	30.6 %	$3,138	30.6 %

*Departmental expenses are expressed as a percentage of departmental revenues.

IV. IMMIGRATION MATTERS

A. Overview

The employment-based fifth preference visa category is intended to encourage the flow of capital into the U.S.-economy and to promote employment of workers in the U.S. To accomplish these goals and so that foreign investors may obtain immigration benefits for having made an investment, the program mandates the minimum capital that foreign investors must contribute and it mandates that 10 full-time jobs must be created on account of each investor. In addition to the return that investors hope to achieve on their investment, foreign investors and their qualifying family members are offered the prospect, but not the guarantee, of conditional lawful permanent residence in the U.S. Investors are responsible to apply for the lifting of their conditional status by filing an I-829 Petition within two (2) years of receiving conditional status. Neither the Company nor the Developer is responsible to undertake this process on behalf of any individual investor.

The Offering has been structured so that investors may meet the investment requirements of the EB-5 Program (8 U.S.C. § 1153 (b)(5)(A) - (D); INA § 203(b)(5)(A) - (D) of the Immigration & Nationality Act) (the "**INA Act**") and qualify under this program to become eligible for admission to the U.S. as lawful permanent residents with their spouses and unmarried, minor children.

The State of Missouri has designated areas, including the territory of the Project, as high unemployment areas for purposes of qualification as a Targeted Employment Area ("**TEA**") for EB-5 projects. However, USCIS makes the final determination of TEA for each investor as of the date of the filing of his or her individual petition, and USCIS does not always accept a state's designation of a TEA.

B. The I-526 Petition Process

For investors seeking lawful permanent residence through the EB-5 Program, the first step in the process is to file an I-526 Petition, together with accompanying evidence in support of the EB-5 Program's requirements. USCIS adjudicates I-526 Petitions by reviewing the following criteria, among others:

1. New Commercial Enterprise. There must be evidence that shows that the enterprise is new, and authorized to transact business in the territory of the Regional Center under the applicable terms and conditions of the EB-5 Program.

2. Investment Capital. The petition must be supported by evidence that the petitioner has invested the minimum required capital. USCIS expects these funds to be "at risk", connoting an irrevocable commitment to the enterprise. The funds must be used by the enterprise exclusively to create employment. Funds used to pay administrative costs or other obligations undertaken to promote the investment in the enterprise are not deemed "at risk."

3. Source of Capital. Evidence must support the legal acquisition of capital. Funds earned or obtained in the U.S. while the investor was in unlawful immigration status are not deemed to be lawfully acquired. If funds were not lawfully acquired, they may not be deemed "capital".

4. General Company Role. The investor is expected to participate in the management of the new enterprise by assisting in the formulation of the enterprise's business policy, by participating in one (1) or more of the activities permitted in the Missouri Revised Uniform Limited Liability Company Act, and as otherwise set forth in the Operating Agreement, investors in an EB-5 enterprise must have all the rights and duties usually accorded to members applicable under the Missouri Revised Uniform Limited Liability Company Act.

5. Amount of the Investment. The I-526 Petition must be supported by evidence that the required minimum sum has been invested.

6. Employment Creation. There must be evidence that, as of the end of the two (2) year period of each investor's conditional residence (deemed and projected by USCIS to be two-and-a-half (2.5) years after adjudication of the I-526 Petition), a minimum ten (10) full-time positions for qualifying employees will be created on account of each EB-5 investment. See the following discussion about qualifying jobs and investment in a Regional Center, which may permit counting employment created outside the qualifying enterprise.

C. Regional Centers

In further support of the EB-5 Visa preference program the U.S. Congress created the EB-5 Program that provided for the authorization of regional centers by the U.S. Department of Justice, Immigration and Naturalization Service (now, USCIS) under the Department of Homeland Security. Enterprises located within a regional center are not required to employ 10 workers for each EB-5 qualifying investment. It suffices if the investor demonstrates that at least ten (10) qualifying jobs will be created directly or indirectly on account of the investment.

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC. was granted a designation as an approved regional center by USCIS, effective March, 2013. An investment in a commercial enterprise situated within that regional center fosters economic expansion through increased exports, greater regional productivity, job creation or additional domestic capital investment qualifies for the broader view of job creation.

D. Economical and Statistical Analysis

Economic and job creation impact modeling was performed using the Regional Dynamics Economic Analysis Model (hereafter "REDYN"). This is the newest and most sophisticated of the advanced input/output models available today. The REDYN Model has been used to assess the net job and other economic benefits associated with economic development projects, new businesses, certain types of policy changes and utility power projects in various states.

The internet based REDYN Model was developed by Regional Dynamics, Inc. currently of Scottsdale, AZ, through its principal creator, the late Thomas Tanner, Ph.D., a former model manager at Regional Economic Models Inc. (known as REMI) of Amherst, Massachusetts. Dr. Tanner was a former member of the faculty at University of Georgia, and was most recently employed at the Strom Thurmond Institute of Government and Public Affairs at Clemson University at the time of his death in May of 2009. Dr. Tanner's work experience at REMI gave him the expertise to create an alternative to the REMI model. The result is an integrated input/output model of the counties and cities of the U.S. which has significant advantages over the

existing menu of retail input/output models: REMI (which is prohibitively expensive), IMPLAN (as maintained by the Minnesota IMPLAN Group, Inc. which was originally developed for the U.S. Forest Service which is a static input-output tool), and RIMS II final demand and/or employment multiplier tables (which is maintained by the U.S. Department of Commerce which is also a static tool). The REDYN Model employs a concept known as New Economic Geography, theory first developed by Nobel Laureate Paul Krugman while he was at the Massachusetts Institute of Technology. This approach employs "fully general equilibrium" models that "derive aggregate behavior from individual maximization." This competitive framework is translated into a model that makes the assumption that "commodities produced by an industry are truly joint in the production process, as prescribed by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry."

The REDYN Model uses a variety of data provided by U.S. Government entities. The basis for the model is the North American Industry Classification System (NAICS) to the five digit level. This allows the model to provide detail for 703 industries and over 180 commodities for the geographic region specified in the model. This classification system and level of detail makes REDYN's output compatible for comparison to government reported statistics as this is the system used for publishing economic data by the U.S. Department of Labor's Bureau of Labor Statistics (BLS), the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) and the U.S. Census Bureau. These government bureaus provide the original data that is accumulated and transformed into the REDYN Model's input/output (e.g. multipliers) and other specified relationships.

E. Job Creation

USCIS rules and policy for crediting investors with indirect job creation are unclear and have changed, and even given the designation of the Regional Center as an approved regional center, Investing Members cannot be certain that USCIS will find that the Project can be credited with job-creation sufficient to qualify all Investing Members for conditional residence or for removal of conditions. Regional center designation or project approval can be re-visited by USCIS when the business assumptions utilized in the econometric model are not realized.

F. Approval of I-526 Petition Not Guaranteed

The I-526 Petition will be approved only if USCIS is satisfied that the foregoing six (6) criteria set forth in "The I-526 Petition Process", above, have been satisfied. The determination of whether these criteria have been satisfied is within the discretion of USCIS. It is also within the power, if not the discretionary authority, of USCIS to seek information about other aspects of the investment and the relationship of the investor to the enterprise. USCIS frequently reinterprets the meaning of qualifying criteria. There can be no certainty that compliance with the foregoing criteria, supported by appropriate documentation, will lead to the I-526 Petition being approved.

In the event that USCIS denies the I-526 Petition, the investor may not proceed with the next step in the immigration process (i.e., consular processing or adjustment of status). Instead, the investor must decide whether to appeal the denial of the I-526 Petition at his or her own cost and expense with the consent of the Manager or abandon the prospect of investing in the Company and obtaining lawful permanent resident status thereby.

While the Project and Offering have been arranged with the goal of qualifying investors for approval of their I-526 Petitions and I-829 Petitions, it is possible that USCIS would find the Project or Offering non-qualifying, which would prevent approval of any of the petitions. Notwithstanding the foregoing, in the event the I-526 Petition is denied due to USCIS rejecting the Project (i) the Developer will repay the outstanding Loan balance to the Company as soon as commercially reasonable and (ii) the Company shall refund all of the Investing Member's Capital Contribution promptly following receipt of such Loan repayment from the Developer.

G. Consular Processing or Adjustment of Status

Approval of the I-526 Petition means that the investor (sometimes hereinafter referred to as the "**alien**") and the alien's spouse and unmarried children under the age of 21 years may apply for admission as conditional lawful permanent residents ("**CLPR**"). Approval of the I-526 Petition does not mean that the investor has been granted admission to the U.S. as a lawful permanent resident. Approval means that the investment documented by the I-526 Petition has qualified the investor as an alien entrepreneur.

The application for admission is a separate and subsequent process that concerns issues common to all aliens who wish to live in the U.S. permanently. Admission as a CLPR may be sought using one (1) of two (2) methods: consular processing or adjustment of status.

H. Consular Processing

Consular processing is designed for aliens who are living outside of the U.S., who prefer to process at a consulate for strategic reason or as a matter of convenience, or are ineligible to adjust status. Typically, the consular post, which is chosen at the time the I-526 Petition is filed, is in the country of last residence, *i.e.*, the last principal actual dwelling place. In very limited instances, usually involving a recognized hardship, a different consular post may be used to process for lawful permanent residence.

Before issuing an immigrant visa, the consular post must determine if each alien is admissible to the U.S. I-526 Petition approval does not by itself establish admissibility. An alien is admissible if he or she (i) proves that no grounds of inadmissibility exist and (ii) has proper travel documents. (*See* Section V. E. – Risk Factors Immigration Risk Factors, below, for a list of the grounds of inadmissibility). Waivers are available for certain of the many grounds of inadmissibility, but the grant of a waiver is in the discretion of the government and aliens seeking waivers experience lengthy delays in adjudication of waiver applications. Investors should consult with independent immigration counsel to determine if any grounds of inadmissibility may affect the investor's admission or the admission of the Investor's spouse or children to the U.S.

If the consular post finds that the investor is admissible, it will issue an immigrant visa to the investor. The consular post will also determine if the spouse and the qualifying children of the investor are admissible. A determination of admissibility must be made as to each visa applicant. There is no guarantee that all members of the investor's family will be granted an immigrant visa. If the investor is denied an immigrant visa, applications by the spouse and children of the investor for such a visa will be denied.

Consular processing begins when USCIS transmits the I-526 Petition approval to the National Visa Center ("**NVC**"). At appropriate intervals, the NVC issues instructions and appointment packages and requests required documents and information. In time, the alien will be instructed to obtain fingerprints and a physical examination and to report to a consular interview. Immigrant visas usually are issued shortly after the interview unless the consul detects problems in the visa application, the underlying I-526 Petition or during the interview process. Visa applicants should allow approximately 12 months to complete consular processing, although times for processing vary greatly among consular posts.

I. Visa Issuance Not Guaranteed

Decisions by consuls are discretionary and unreviewable. USCIS and Department of State report recent efforts to communicate more efficiently regarding their respective roles in determining the eligibility of Investing Members for immigrant visas. There cannot be any assurance that improved communications will occur generally or with respect to a particular investor or the investor's spouse or minor children. Neither may it be assured that improved communications will result in the issuance of a visa. Other factors that a consul may, with unreviewable discretion, elect to consider could result in the denial of a visa.

Visa applicants should not change any living, employment, schooling or other lifestyle arrangements in their country of residence before they are issued an immigrant visa based upon an approved I-526 Petition.

J. Admission after Immigrant Visa Issued Not Guaranteed

After issuance, immigrant visas remain valid for six (6) months. During this period, the holder of the visa must use it to apply for admission to the U.S. at a designated port of entry. The port of entry is frequently in an international airport. When the alien arrives at the port of entry, he or she will present the immigrant visa to a Customs and Border Protection officer who has the authority to admit the investor to the U.S. as a CLPR. This process is known as inspection. Generally, possession of a valid immigrant visa will result in an admission unless the inspecting officer suspects fraud, the alien's travel documents are not in order, or the alien has become inadmissible in the time between the date of visa issuance and the date admission is sought. Possession of an immigrant visa does not guarantee admission to the U.S.

K. Adjustment of Status

The Adjustment of Status ("**AOS**") procedure is designed to permit aliens who have been admitted to the U.S. as non-immigrants or who have been paroled into the country to apply for admission as permanent residents without leaving the country. These non-immigrants must establish that they are admissible permanently, meeting the same standards as aliens who use consular processing to obtain a permanent resident visa. (*See* Section V. E. – Risk Factors Immigration Risk Factors, below).

Aliens seeking AOS must also comply with requirements peculiar to the AOS process. Investing Members who do not meet these additional requirements will be required to use consular processing to obtain an immigrant visa, which will necessitate a departure from the U.S. Aliens admitted in certain non-immigrant statuses may encounter more difficulties (and may not be

successful) adjusting status than aliens admitted in other non-immigrant statuses. Investors should consult with immigration counsel regarding these issues before the I-526 Petition is filed.

An alien investor or the investor's spouse or children who are eligible for CLPR may not be eligible for AOS if they: (i) were employed in the U.S. without authorization; (ii) were not in lawful status on the date their AOS application was filed or if they failed to maintain lawful status thereafter; (iii) were ever out of status during earlier admissions to the U.S.; (iv) are admitted in certain non-immigrant statuses, such as "A", "G" or "J" (unless the two (2) year foreign residency requirement does not apply or a waiver of the requirement has been obtained); (v) have been in removal proceedings in the ten (10) years prior to seeking AOS; (vi) were admitted under the visa waiver program at the time AOS is sought; or, (vii) obtained CLPR as the spouse of a U.S. citizen or as the son or daughter of a spouse of a U.S. citizen and have not abandoned this CLPR prior to seeking AOS. There may be additional reasons why an alien may not adjust status, which is a benefit granted at the discretion of USCIS.

Investors should consult with immigration counsel to determine if they, their spouse and their children are eligible for AOS.

During AOS processing, the applicant will be required to submit a medical examination and will receive instructions from USCIS regarding biometric data collection and an interview. The interview may be waived by USCIS, but the waiver should not be expected. USCIS uses profiling information to determine who will be interviewed, and also interviews some AOS applicants to maintain the integrity of its screening process. There is no formal process to request the waiver of an interview. If the investor is interviewed, the spouse and children of the investor will be required to attend the interview.

L. Travel During Adjustment of Status Processing

An alien investor who leaves the U.S. without advance permission while an AOS application is pending is deemed to have abandoned that application unless the applicant has been admitted in and continues to hold valid "H" or "L" non-immigrant status pending adjudication of the AOS application.

Advance permission to depart the U.S. is issued routinely if the alien articulates a *bona fide* need to travel. It is not necessary to demonstrate an emergent need to travel; any purpose not contrary to law is usually deemed sufficient. Advance permission, known as Advance Parole, is usually granted for multiple entries during the time required to complete the AOS process, but not longer than one (1) year. It may be necessary to re-apply for Advance Parole if the AOS process is not complete within a year.

Advance Parole is not available to aliens who are outside the U.S. It is important for AOS applicants who wish the right to travel to make application for Advance Parole while they are in the U.S. They must remain in the U.S. until Advance Parole is granted to avoid abandonment of the AOS application. Advance Parole applications may take about 60-90 days to be granted. Processing times may be longer if an applicant is subjected to extended background checking. In demonstrated emergent circumstances, an AOS applicant may receive expedited Advance Parole.

Alien investors admitted to the U.S. in any non-immigrant status who have obtained Advance Parole during the AOS process should consult with immigration counsel before traveling. Re-admission to the U.S. using the Advance Parole document may jeopardize the non-immigrant status of the alien's family members who did not travel. The consequences, if any, of this situation should be examined prior to travel.

M. Employment During The Adjustment of Status Processing

Applicants for AOS who wish to work in the U.S. must obtain employment authorization unless they have been admitted to the U.S. in a non-immigrant status that confers employment authorization that does not end before AOS is granted. Self-employment requires employment authorization.

Employment authorization applications currently take 60-90 days to be adjudicated. Processing times may be longer if an applicant is subjected to extended background checking. Employment authorization is usually granted during the time required to complete the AOS process, but not longer than one (1) year. It may be necessary to re-apply for employment authorization if the AOS process is not complete within a year. To avoid a lapse in employment authorization re-applications should be made sufficiently in advance of the expiry of existing authorization. Employment without authorization at any time in the U.S. is a violation of immigration status and may jeopardize the right to adjust status.

N. Adjustment of Status Cannot Be Guaranteed

AOS is granted in the discretion of USCIS. Its decision is unreviewable. An alien whose AOS application has been denied may request that the case be re-opened or re-considered by the same office that denied AOS. If the request to re-open or re-consider the case is denied, or, if, after such a review, the alien fails to convince USCIS to reverse its original decision, the alien may renew the AOS before an immigration judge if he or she is placed into removal proceedings.

Aliens admitted in unexpired non-immigrant status who are denied AOS to CLPR are usually entitled to remain in the U.S. in that status and may seek an extension of that non-immigrant status or seek a change to a different non-immigrant status for which they are qualified. At such time as the alien's non-immigrant status expires, the alien is expected to depart the U.S. If at the time of the denial of AOS, the alien's non-immigrant status was expired, the alien is expected to depart the U.S. Failure to depart timely is a violation of U.S., immigration law and regulation which may affect the ability of the alien to qualify for future immigration benefits.

If an alien investor is admitted to the U.S., in a non-immigrant status (pending AOS), the spouse and children of the alien investor are frequently admitted for a time coincident with the authorization of the investor to remain in the U.S. If AOS is not granted to the alien investor and the investor's non-immigrant status expires, the status of the spouse and children will be deemed to have expired at the same time. They, too, will be expected to depart the U.S. at that time.

AOS applicants should not make any permanent connections to the U.S. or change any permanent living, employment, schooling or other lifestyle arrangements in their country of residence before they are issued AOS based upon an approved I-526 Petition.

O. Removal of Conditions

Approval of an AOS application or the grant of an I-526 Petition followed by entry into the U.S. using an immigrant visa means that the investor and the spouse and qualified children of the investor have been granted CLPR for two (2) years. The "conditions" must be removed so that the aliens may reside in the U.S. indefinitely. Failure to remove the conditions results in the termination of CLPR status and will likely result in the commencement of removal proceedings.

Removal of conditions is sought by the filing of an I-829 petition in the 90-day period immediately preceding the second anniversary of the grant of CLPR status. In support of the petition, the alien investor must demonstrate full investment in the enterprise and compliance with the requirement that a minimum of ten (10) full-time positions for qualifying employees have been created as a result of the investment. The investor must also demonstrate maintenance of the investment continuously since becoming a CLPR. The Developer will provide documentation, upon request by a Member, as reasonably necessary and available in support of such Investing Member's application for removal of conditions. Changes to the Business Plan could jeopardize removal of conditions.

USCIS currently has jurisdiction to decide a petition to remove conditions, although that jurisdiction authority may change in the future. It is authorized to approve a petition, seek additional written information before deciding the petition, refer the petition to a local office where information will be elicited in an interview, or, it may deny the petition. If the petition is referred for an interview, the local office of USCIS may decide the petition after the interview.

During the pendency of the petition, aliens admitted in CLPR Status remain in valid status even if the petition is not decided before the expiry of the two (2) year period of admission. CLPR is extended in one (1) year increments or until the petition to remove conditions is adjudicated. Unfortunately, some USCIS offices have been reluctant to extend CLPR status. Aliens have also experienced difficulty obtaining advance permission to travel during this period. This difficulty is not experienced in all instances and it may abate as local USCIS offices become more familiar with the law. Delays and improper denials of documents evidencing extended CLPR status and Advance Parole cannot be ruled out. Denial of such documents does not end the lawful status granted by statute.

P. Removal of Conditions Not Guaranteed

In the history of the EB-5 Program, INS (now USCIS) modified the requirements for removal of conditions after the time that some Investing Members were granted CLPR. As a result of this action, some of those Investing Members were unable to comply with the new requirements, creating the possibility that they would be removed from the U.S. Some of these Investing Members contested the change in rules after their investments were made.

Their position was supported in litigation that resulted in INS being ordered to reconsider their applications to remove conditions by applying the original rules.

There cannot be any assurance that USCIS will not change the requirements for removal of conditions after investors are granted CLPR status through investment in the Project. There cannot be any assurance that an investor will able to demonstrate to the satisfaction of USCIS that the

Project is operating within its Business Plan, that it has created the requisite jobs at the time required by USCIS or that any other requirements for the removal of conditions have been met.

Q. Preservation of Eligibility for Removal of CLPR Status

If the Developer were to sell or refinance the Project before the end of conditional residence of some or all investors without "carving out" the Loan from such transaction, such investors might be found by USCIS to have failed to maintain their investment at risk in the Project and might not be able to obtain removal of conditions. Therefore, if, at any time during the CLPR status period for any Investing Member any Loan amount is prepaid, the Company shall have the option to reinvest the remaining Capital Contribution amounts of the Investing Members in alternate investments that qualify under the EB-5 Program for the purpose of preserving the Investing Members' "at risk" investment and eligibility for removal of CLPR status. USCIS has not set clear policy on the extent to which reinvestment might be considered to constitute a "maintenance of investment" making possible the approval of investors' petition to remove conditions.

R. New Proposed Legislation

1. EB-5 Program's Expiration Date. As of the date of this Memorandum, the EB-5 Program is set to sunset on September 30, 2015. USCIS has not clearly indicated whether an immigrant visa and/or admission as a conditional resident may be approved for an investor with an approved I-526 Petition and his or her family if the EB-5 Program expires before admission as a conditional resident. USCIS has stated previously that expiration of the EB-5 Program will not prevent removal of conditions from residence of persons already approved for conditional residence, but this interpretation is subject to change. Additionally, new legislation has been presented in the U.S. Congress that would significantly modify the EB-5 Program, the results of which are unpredictable. It is expected that the EB-5 Program will be either renewed in accordance with the new legislation or be extended for a short period of time pending deliberation and approval of the legislation. *See* "Recent Proposed EB-5 Legislation and Possible Changes to EB-5 Program," below.

2. Recent Proposed EB-5 Legislation and Possible Changes to EB-5 Program. As a result of recent legislation presented by Senators Grassley and Leahy regarding the EB-5 Program, it is very likely that certain changes to the EB-5 Program will take effect by September 30, 2015 or within a reasonable period of time thereafter. The key components to the proposed legislation include the following:

(a) Increase in the minimum investment amount to $800,000 for investments in a TEA and $1,200,000 for investments not in a TEA. Furthermore, the Secretary of Homeland Security would have the right to increase these amounts at any time during the proposed five-year renewal term; otherwise, an automatic cost of living increase component would apply to both numbers upon the renewal of the EB-5 Program on September 30, 2020.

(b) Amending the definition of a TEA to include an area consisting of a single census tract that has 150% of the national average unemployment rate, a closed military base, or a rural area. For TEAs in a Metropolitan Statistical Area or Combined Statistical Area, at least 50%

of a project's job creation must be within that Metropolitan Statistical Area or Combined Statistical Area to be counted. If the TEA is outside of a Metropolitan Statistical Area or Combined Statistical Area, then at least 50% of the jobs must be created within the county in which the TEA is located. If not, the total number of jobs will be reduced until the 50% threshold is met.

(c) There is a provision that only ninety percent (90%) of indirect job count would be included and it was not discussed what the other ten percent (10%) includes. There are also limitations on the percentage of EB-5 capital funded to the project and limitations on the EB-5 jobs that are created based upon the new proposed formula.

(d) A maximum of 30% of the total jobs that are created can be created as a result of non-EB-5 investment, even if the non-EB-5 investment represents more than 30% of the project's funding.

3. From an immigration point of view, the more promising proposals include the following:

(a) The extension of the EB-5 Program for five (5) years;

(b) Shorter time periods for processing I 924 exemplars, I 526 petitions and I 829 petitions;

(c) The provision for a project exemplar to be filed before the legislation becomes effective which, in effect, would grandfather all investors investing under the project exemplar if the exemplar is eventually approved;

(d) Once an investor is fully invested and based upon the retrogression in China, there is the ability to directly attempt to have the temporary conditions removed upon the filing of an I-924, rather than waiting for the visa process to be concluded. This would necessitate funds being released from escrow at an earlier period of time in order to start the two (2) year process and have the investor being totally at risk.

(e) TEA designations would apply for two (2) years instead of one (1) year.

4. The major changes and difficulties with the proposed legislation from an immigration standpoint include the following:

(a) The entire redefinition of how to calculate a TEA which could severely limit the ability of project in certain metropolitan areas from obtaining a TEA approval;

(b) 5,000 of the 10,000 annual visas for a project must be in a TEA area.

5. Conclusion. As is apparent, the new proposed legislation is extraordinarily complicated and confusing. It is difficult to determine if and when new legislation will be passed, since the existing Pilot Program sunsets on September 30, 2015. It is possible that there will be a short-term extension of the Pilot Program consistent with prior renewal situations until new legislation can be finalized. It is also possible that the new legislation may be finalized by the

deadline, although this would seem quite difficult given the extraordinary number of open issues that will need to be debated, negotiated and resolved.

S. Exemplar Filing

In view of the foregoing, the Regional Center will be filing a Project Exemplar with USCIS in order to have USCIS's review and approval of the Project fall within USCIS's current guidelines regarding the minimum investment amount and TEA requirements (i.e., be "grandfathered in") prior to the enactment of such legislation, assuming that new proposed legislation permits the grandfathering concept. There is no guarantee that the new legislation will allow any form of grandfathering, or that the terms of this offering will qualify under any future legislation.

The purpose of this legislation summary is not to discuss in detail the immigration and securities issues related to the proposed legislation, but to overview some of the key elements of the proposed legislation.

V. RISK FACTORS

THE PURCHASE OF UNITS INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL MEANS WHO CAN BEAR THE RISK OF LOSS OF THEIR ENTIRE INVESTMENT AND WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT. IN ADDITION TO ALL OTHER INFORMATION SET FORTH ELSEWHERE IN THIS OFFERING MEMORANDUM, INCLUDING THE EXHIBITS HERETO, A PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS, AND SHOULD CONSULT HIS OR HER OWN LEGAL, TAX, REAL ESTATE AND FINANCIAL ADVISORS WITH RESPECT THERETO, BEFORE MAKING A DECISION TO PURCHASE UNITS. THE ORDER IN WHICH THE FOLLOWING RISKS ARE PRESENTED DOES NOT CORRELATE TO THE MAGNITUDE OF THE RISKS DESCRIBED. THE FACT THAT THE FOLLOWING RISK FACTORS ARE ENUMERATED IN NO WAY IMPLIES THAT THESE ARE THE ONLY RISK FACTORS ASSOCIATED WITH THIS INVESTMENT AND ARE MERELY ILLUSTRATIVE OF THE TYPES OF RISKS INVOLVED IN THIS TYPE OF INVESTMENT.

ANY OF THE RISKS ENUMERATED IN THIS ARTICLE COULD HAVE MATERIAL AND ADVERSE EFFECTS ON THE DEVELOPER'S CASH FLOW OR FINANCIAL CONDITION, THE DEVELOPER'S ABILITY TO PAY THE COSTS OF OPERATION OF THE PROJECT AND/OR THE DEVELOPER'S ABILITY TO REPAY ALL OR A PORTION OF THE LOAN. IF THE DEVELOPER IS UNABLE TO REPAY THE LOAN MADE BY THE COMPANY, IN WHOLE OR IN PART, MEMBERS COULD SEE A SUBSTANTIAL, IF NOT TOTAL, LOSS OF THEIR INVESTMENTS.

A. Risks Related to the Company's Proposed Business-General

1. The Project Has Limited Operating History. The success of the Loan investment will be directly dependent upon the success of the Project's business operations. The Project is considered in its development stage and its operations are subject to all of the risks inherent in the redevelopment of the Project, including related office space, including, but not limited to, hurdles or barriers to the implementation of its Business Plan. The Developer and/or its affiliates and principals (the "**Principals**") have a significant history of development and operations of similar type projects, as set forth in **Exhibit D** attached hereto. However, no assurances can be given that the Project will operate profitably.

2. Investing Members Will Bear a Significant Financial Risk. Purchasers of Units will be providing a significant portion of the risk capital to the Project pursuant to the Loan.

3. The Developer, the Principals and its Other Affiliates Will be Subject to Conflicts of Interest. The Developer and its affiliates have total control over the operation of the Project and the potential repayment of the Loan. This could result in one (1) or more conflicts of interest between the interests of the Investing Members and the Developer and its other affiliates. The potential conflicts of interest include, but are not limited to, the following:

(a) The Developer, the Principals and/or its other affiliates may acquire and operate other real estate related projects for their own respective accounts. This shall not be considered to be a conflict of interest.

(b) The Developer, the Principals and its other affiliates will not be required to disgorge any profits or fees or other compensation they may receive from any other business they own separate from the Project, and Investing Members will not be entitled to receive or share in any of the profits, return, fees or compensation from any other business owned and operated by the Developer, the Principals and its other affiliates for their own benefit;

(c) The Developer, the Principals and its other affiliates are not required to devote all of their time and efforts to the affairs of the Project and this could result in a conflict of interest for the time and attention of the Developer, the Principals and its other affiliates; and

(d) The Prospective Investors have not been represented by separate counsel in connection with the formation of the Company, the drafting of the Operating Agreement or the Subscription Documents, this Offering, or the proposed loan agreement under the Loan. As a result, the proposed loan agreement may not necessarily be negotiated at arm's length and may contain terms not in the interest of the Investing Member.

4. The Manager's Liability Will Be Limited. Pursuant to the Operating Agreement, the Manager, its agents, and their other affiliates will not be liable to the Company or any partners for any damages, losses, liabilities or expenses (including reasonable legal fees, expenses and related charges and cost of investigation) unless one of those parties is guilty of fraud, deceit, gross negligence or willful misconduct. The Investing Members will have limited recourse against those parties. The Operating Agreement also provides that the Company will indemnify, hold harmless and waive any claim against the Manager, its agents, and its other affiliates, for any and all losses, damages, liability claims, causes of action, omissions, demands and expenses or any other act or failure to act arising from or out of the performance of their duties to the Company under the Operating Agreement or as a result of any action which the Manager and/or their designated agents are requested to take or refrained from taking by the Company unless such loss has arisen as a result of their gross negligence or willful misconduct.

5. The Project Will Have no Diversification of its Investment. The Company will invest its capital in only the Project through the Loan, thus providing no diversification.

6. The Project's Success is Dependent Upon the Successful Implementation of its Business Plan by the Developer. The success of the Company will largely depend upon the Developer's success in implementing its Business Plan. Because many of the factors necessary for success are beyond the control of the Developer, there can be no assurance that the Developer will be able to successfully implement the Business Plan, or carry out the Business Plan as circumstances require.

7. The Project Will be Subject to Insurance Risks. The Developer intends to obtain and maintain insurance on the Project. Notwithstanding the foregoing, no assurance can be given that sufficient insurance can be obtained in the event of a catastrophic loss to a particular asset.

8. Distributions by the Company are not Guaranteed. Payment of distributions and the amounts thereof will be dependent upon returns received by the Company on the Loan. No assurances can be given that the Company will operate profitably or be able to declare and pay any distributions to the Investing Members, or that Investing Members will earn a positive return on their investment or receive a return of any or all of their investment.

If any of the foregoing changes occurs, there is no guarantee that the Company will be able to meet its financial goals or that the Company would not need further start-up, launch or operational capital in order to meet or pursue its strategic plan.

B. Risks Related to Litigation.

None of the Company, the Manager, the Developer or the Project is presently a party to, or the subject of, any material litigation, and none of the Company, the Manager or the Developer has any actual knowledge of any litigation currently threatened against such parties that might materially affect the business or assets of the Company, the Manager, the Developer or the Project, including the Project.

Notwithstanding the foregoing, the Company, Manager, Regional Center and Developer are subject to certain risks related to litigation filed by or against them. Additionally, due to the [size and] nature of the businesses of the Company, Manager, Regional Center and Developer and their respective affiliates, they are each regularly engaged in various legal proceedings in connection with litigation filed by or against them. Neither the Company, Manager, Regional Center nor the Developer can predict with certainty the cost of defense, the cost of prosecution or the ultimate outcome of litigation filed or to be filed by or against the Company, Manager, Regional Center and/or Developer, including, remedies or damage awards. Such litigation may include, but is not limited to, actions or negligence by third parties outside of the control of the Company, Manager, Regional Center and/or Developer. The outcome and degree of expense incurred in connection with any such litigation could materially adversely affect the success of the Project and repayment of the Loan and, in turn, return of the Capital Contribution.

C. Special Risks Associated with the Project

1. Timing of Completion is Uncertain. Included in the Project's Business Plan is a time schedule for the completion of the Project. There are no assurances that this time schedule can be met, and if the timing for the completion of development is delayed by any significant degree, then the cost of development may increase and the receipt of proceeds could be delayed. Additionally, the ability of the investor to obtain an approval of Form I-829 and receive a permanent green card is dependent upon the successful implementation of the time schedule for completion of the Project. If the timelines are subject to delays, the delays may affect the investor's ability to show the requisite jobs were created by the Project during the investor's period of conditional permanent resident.

2. Cost Overruns. Cost overruns may be encountered as a result of numerous factors, including not only the delay in the development process, the failure of certain contracted parties to complete their work in accordance with the contracted amount, necessitating the substitution of subcontractors and potential increases in pricing. Furthermore, unforeseen issues may be

encountered that otherwise require an increase in the development budget that have not otherwise been reserved for in the contingency fund.

3. Governmental Issues With Respect to Permitting and Operations. Real estate development operations are subject to various local and state regulations. In connection therewith, there may arise both environmental and health and safety issues that may otherwise restrict the ability of the Company to develop the Project. Further, the Project has not yet obtained all necessary permitting and zoning approvals from local and state agencies required for the Project.

4. The Investment in the Project is Speculative. Investing in real estate as contemplated by the Developer involves an inherent exposure to fluctuations in the real estate market, including the availability of financing, increases in mortgage rates and borrowing rates and general economic conditions, and there is no assurance that its investment strategy will be successful. Prospective Investors should not subscribe for Units unless they can afford a loss of all their capital invested in the Company as a result of the non-payment of the Loan.

5. The Company's Investment is Illiquid. The Project may not be easy to liquidate or refinance. No assurance can be given that the Loan will be repaid or when it will be repaid.

6. The Project Will be Subject to Real Estate Investment Risks. The risks relating to an investment in real estate will apply to an investment in the Project including, but not limited to, the national, regional and local economic climates, competitive market forces, changes in market values, natural disasters, terrorist acts, changes in market rates of interest and competition from other existing competing properties and new competing properties that may be developed in the future.

7. The Project Is Subject to the Risks of Leverage. If operations of the Project deviate in any material adverse respect from those projected, the Project may not have sufficient cash flow to service the required indebtedness. If the Project cannot do so, regardless of the cause, the Company will face a risk of forfeiture or foreclosure of its interest in the Project.

8. Marketing of Project Components. The Project represents primarily a residential development for rental. Although the Project is unique in its location and design, there are no assurances that the Developer will be able to successfully market the finished units to the general public at projected rental rates as projected by the Company. Rental of units will be dependent upon numerous factors, including consumer and commercial demand for the real estate products to be delivered in the specific areas that comprise the Project. There are no assurances that marketing efforts will be successful.

9. The Project Manager will Receive a Management Fee Regardless of the Project's Performance. The Project will pay the Project Manager various fees for services rendered regardless of whether the Project is ultimately profitable.

10. Unique Risks of Hospitality Business. Hospitality projects have certain unique risk factors, including the following:

(a) The Developer will rely on its relationships with the hospitality management company as well as any brand utilized; any deterioration in such relationships could materially and adversely affect the development and operations of the Project.

(b) Results of operations are subject to risks inherent in the hospitality industry, such as the demand for hospitality services in the general vicinity of the Project, which could materially and adversely affect such Project.

(c) Competition from other hospitality properties, located in close proximity to the Project may reduce the demand which could materially and adversely affect the Project.

(d) The success of the Project depends on key personnel whose continued service is not guaranteed, and their departure could materially and adversely affect the Project.

11. The Project may be subject to technical risks and technology risks. The Project may be subject to technical risks, including design errors, defects in construction and materials, mechanical breakdown, failure to perform according to design specifications and other unanticipated events, which adversely affect operations, health, safety and other equipment and/or plant facilities. While the Project will be insured and it is expected that third parties will bear much of this risk, there can be no assurance that any or all such risk can be mitigated or that such parties, if present, will perform their obligations.

12. Debt Risk. The Loan to be made by the Company will be subordinate to the Senior Indebtedness to be made by a senior lender, if necessary, and a default under the Senior Indebtedness could otherwise result in a foreclosure of such loan on the Project and therefore eliminate the position of the Company as a lender under the Loan. Additionally, the intercreditor agreement has not yet been negotiated. As a result there can be no assurance that the terms thereof will not include provisions which are unfavorable to the Company and which would adversely affect repayment of the Loan, including, without limitation, standstill provisions or other restrictions on the Company's ability to declare an event of default under the Loan or otherwise foreclose on the Loan.

13. Interest Rates. Rising interest rates may impact the Developer's ability to fund debt service. Interest rates for the financing of real estate are at historically low levels, and any increase in rates may have an adverse effect on the Developer's ability to pay debt service associated with any loans, including the Loan. In addition, increases in interest rates may have an adverse effect on the operation and/or sale of the Project and may have an adverse effect on the ability of the Developer to refinance the Project and, thus, its ability to return the capital investment in the Company.

14. Parking Facility Operation Risks. The success of the parking lot operations will be directly dependent upon the occupancy of the hotel and the office space and the other units at the Project, which in turn will generate parking revenue for the parking facilities. The inability of the hotel and/or the other component to meet projected operations will adversely affect the parking revenues and the profitability of the parking facility operations.

15. Other Contingencies. The Developer's development activities may be adversely affected by circumstances beyond its control, including: work stoppages; labor disputes; shortages

of qualified trades people, such as carpenters, roofers, electricians and plumbers; changes in laws relating to union organizing activity; lack of adequate utility infrastructure and services; its reliance on local subcontractors who may not be adequately capitalized or insured; and shortages, delay in the start or completion of, or could increase the cost of, developing one or more of its properties. If the Developer is unable to recover these increased costs by raising its lease rates, its financial performance and liquidity could be materially and adversely affected.

Additionally, due to the amount of time required for planning, constructing and leasing and/or stabilization of development properties, the Developer may not realize a significant cash return for several years. If any of the above events occur, the development of the Project may hinder its growth and have an adverse effect on its results of operations and cash flows. In addition, new development activities, regardless of whether or not they are ultimately successful, typically require substantial time and attention from management.

A continuation of ongoing economic conditions that adversely affect household disposable income, such as high unemployment levels, weak business conditions, reduced access to credit, increasing tax rates and high fuel and energy costs, could reduce overall hospitality occupancies.

D. Risks Related to the Offering

1. Determination of the Offering Price and Other Terms of the Units Have Been Arbitrarily Determined. The Offering Price for the Units, and the returns proposed to be paid to Partners and other terms of the Units may not bear an exact correlation to assets acquired or to be acquired, or the value of the Project or any other established criteria, or quantifiable indicia for valuing a business. No representation is being made by the Manager or the Developer that the Units have or will have a market value equal to their Offering Price or could be resold (if at all) at their original Offering Price. The Offering Price for the Units should not be considered an indication of the actual value of the Units or the price at which the Units may be transferred following the consummation of this Offering.

2. There will be no Public Market for the Units and the Units are Subject to Significant Restrictions on Transferability. There is no public market for the Units and no such market is expected to develop in the future. The sale of the Units is being made without registration under the Securities Act and applicable state securities laws in reliance upon various exemptions under the Securities Act, including the "private offering" exemption of Section 4(2) and Regulation D and Regulation S promulgated under the Securities Act and available exemptions under applicable state securities laws. Such federal and state securities laws severely restrict the transferability of the Units offered hereby. Accordingly, an investment in the Units will be highly illiquid. The Units are considered "restricted securities" under the Securities Act and applicable state securities laws and cannot be resold or otherwise transferred unless they are registered under the Securities Act and any applicable state securities laws or are transferred in a transaction exempt from such registration requirements. Consequently, a holder of the Units may not be able to liquidate his or her investment and each investor's ability to control the timing of the liquidation of his or her investment in the Company will be restricted. Investors should be prepared to hold their Units indefinitely. In addition, an investor should be able to withstand a total loss of his or her investment in the Company.

3. The Operating Agreement Also Limits Transferability of Units. Pursuant to the Operating Agreement, the Units are not readily transferable and no transfer of Units may be made unless, among other things, the transferor delivers to the Manager an opinion of counsel satisfactory to the Company that the transfer will not create adverse tax consequences and would not violate federal or state securities laws. Obtaining such an opinion on securities laws would generally require for its basis that the Units be registered under such laws or that an exemption from registration exists and there can be no assurance that an exemption will be available.

4. There are Important Factors Related to Forward-Looking Statements and Associated Risks. This Offering Memorandum contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, and the Developer intends that such forward-looking statements be subject to the safe harbors created thereby. These forward-looking statements include the plans and objectives of management for future operations, including plans and objectives relating to the products and future economic performance of the Project.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on assumptions, including but not limited to, the following: that the Project will accurately anticipate market demand; and that there will be no material adverse change in the anticipated operations or business of the Project. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Developer. Although the Developer believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking information will be realized. In addition, as disclosed elsewhere under other risk factors, the business and operations of the Developer are subject to substantial risks, which increase the uncertainty inherent in such forward-looking statements. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should **not** be regarded as a representation or assurance by the Developer or any other person that the objectives or plans of the Developer will be achieved.

5. The Operating Agreement has not Been Negotiated at Arm's - Length. The Company has generally established the terms of the Operating Agreement, which were not negotiated on an arm's-length basis. In addition, legal counsel for the Company and the Regional Center have not acted as counsel for or represented the interest of the Prospective Investors. Prospective Investors should consult with their own legal counsel with respect to the investment to the Company.

6. Risks Related to the Investment Company Act of 1940. The Company intends to avoid becoming subject to the Investment Company Act of 1940, as amended (the "1940 Act"); however, the Company cannot assure Prospective Investors that; under certain conditions, changing circumstances or changes in the law, the Company may not become subject to the 1940 Act in the future as a result of the determination that the Company is an "investment company" within the meaning of the 1940 Act which does not qualify for an exemption as set forth below. Becoming subject to the 1940 Act could have a material adverse effect on the Company.

Additionally, the Company could be terminated and liquidated due to the cost of registration under the 1940 Act.

In general, the 1940 Act provides that if there are 100 or more investors in a securities offering, then the 1940 Act could apply unless there is an exemption; however, the 1940 Act generally is intended to regulate entities that raise monies where the entity itself "holds itself out as being engaged primarily, or purposes to engage primarily, in the business of investing, reinvesting or trading in securities." (Section 3(a)(1)(A) of the 1940 Act).

The second key definition of an "investment company" under the 1940 Act considers the nature of an entity's assets. Section 3(a)(1)(C) of the 1940 Act defines "investment company" as any issuer which:

> "...is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis."

The 1940 Act provides that a company is not an "investment company" within the meaning of the 1940 Act if it is:

> "[An] issuer primarily engaged, directly or through a wholly-owned subsidiary or subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities..."

The 1940 Act provides for the following relevant exemptions:

"Notwithstanding subsection (a), none of the following persons is an investment company within the meaning of this title:

> (1) Any issuer whose outstanding securities (other than short-term paper) are beneficially owned ***by not more than one hundred persons*** [emphasis added] and which is not making and does not presently propose to make a public offering of its securities. Such issuer shall be deemed to be an investment company for purposes of the limitations set forth in subparagraphs (A)(i) and (B)(i) of section 12(d)(1) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end investment company to any such issuer. For purposes of this paragraph:
>
> > (A) Beneficial ownership by a company shall be deemed to be beneficial ownership by one person, except that, if the company owns 10 percent or more of the outstanding voting securities of the issuer, and is or, but for

the exception provided for in this paragraph or paragraph (7), would be an investment company, the beneficial ownership shall be deemed to be that of the holders of such company's outstanding securities (other than short-term paper).

(B) Beneficial ownership by any person who acquires securities or interests in securities of an issuer described in the first sentence of this paragraph shall be deemed to be beneficial ownership by the person from whom such transfer was made, pursuant to such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title, where the transfer was caused by legal separation, divorce, death, or other involuntary event.

...

(5) Any person who is not engaged in the business of issuing redeemable securities, face-amount certificates of the installment type or periodic payment plan certificates, and who is primarily engaged in one or more of the following businesses: (A) Purchasing or otherwise acquiring notes, drafts, acceptances, open accounts receivable, and other obligations representing part or all of the sales price of merchandise, insurance, and services; (B) making loans to manufacturers, wholesalers, and retailers of, and to prospective purchasers of, specified merchandise, insurance, and services; and (C) purchasing or otherwise acquiring mortgages and other liens on and interest in real estate."

Based upon the above, the Company has been advised that the Offering is either exempt under the 1940 Act or that if it is not exempt as an investment company, that one of the above-referenced exemptions from registration will apply; however, although there are no assurances that this will ultimately be the case.

7. Returns to Investing Members. The costs of developing, selling and operating the Project will not be guaranteed by any party, nor will there be any guaranty of profit on the investment. The return of the interest and the Capital Contributions of the Investing Member will be directly dependent upon the completion and operations of the Project by the Developer.

8. Legal Considerations. LEGAL COUNSEL TO THE COMPANY AND THE GENERAL PARTNER WILL NOT BE ENGAGED TO PROTECT THE INTERESTS OF PROSPECTIVE INVESTORS OR MEMBERS AND SHOULD NEVER BE VIEWED AS REPRESENTING ANY PROSPECTIVE INVESTOR OR ANY OTHER PARTNER OF THE COMPANY. PROSPECTIVE INVESTORS SHOULD CONSULT WITH AND RELY UPON

THEIR OWN COUNSEL CONCERNING INVESTMENT IN THE COMPANY, INCLUDING, WITHOUT LIMITATION, TAX AND CURRENCY EXCHANGE CONSEQUENCES TO THEM AND OTHER ISSUES RELATING TO ANY INVESTMENT IN THE COMPANY. THIS OFFERING MEMORANDUM IS WRITTEN IN THE ENGLISH LANGUAGE ONLY. AND SUCH ENGLISH LANGUAGE SHALL BE CONTROLLING IN ALL RESPECTS. ANY VERSION OF THIS OFFERING MEMORANDUM IN ANY LANGUAGE OTHER THAN ENGLISH IS NOT AUTHORIZED.

9. The Manager Is Not Subject To Regulatory Oversight. The Manager is not registered as an investment adviser under the Investment Advisers Act of 1940 (the "**Advisers Act**"), in reliance upon the exemption from registration set forth in Section 203(b)(3) of the Advisers Act. In consequence, the Manager generally is not subject to the restrictions contained in the Advisers Act, although the Manager may become subject to such restrictions in the future.

E. Tax Risks

PURSUANT TO IRS CIRCULAR NO. 230, BE ADVISED THAT ANY FEDERAL TAX ADVICE IN THIS COMMUNICATION, INCLUDING ANY ATTACHMENTS OR ENCLOSURES, WAS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY ANY PERSON OR ENTITY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY INTERNAL REVENUE CODE PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON OR ENTITY. SUCH ADVICE WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION(S) OR MATTER(S) ADDRESSED BY THE WRITTEN ADVICE. EACH PERSON OR ENTITY SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT **TO THE TAX CONSEQUENCES (INCLUDING U.S. FEDERAL, STATE AND LOCAL TAX CONSEQUENCES AND NON-U.S. TAX CONSEQUENCES) OF AN INVESTMENT IN THE COMPANY. UNLESS WAIVED BY THE GENERAL PARTNER IN ITS SOLE DISCRETION, UNITS IN THE COMPANY ARE ONLY BEING SOLD TO ACCREDITED INVESTORS WHO HAVE REPRESENTED THAT THEY ARE RELYING, IF AT ALL, SOLELY UPON THE ADVICE OF THEIR OWN ADVISORS WITH RESPECT TO LEGAL, IMMIGRATION, TAX, BUSINESS, FINANCIAL AND OTHER ASPECTS OF AN INVESTMENT IN THE COMPANY.**

There are various federal income tax risks associated with an investment in the Units. Some, but not all, of the various risks associated with the federal income tax aspects of the Offering of which investors should be aware are set forth below and as more fully described in Section IX hereof. The effect of certain tax consequences on an investor will depend, in part, on other items in the investor's tax return. No attempt is made herein to discuss or evaluate the state or local tax effects on any investor. Each investor is urged to consult the investor's own tax advisor concerning the effects of federal, state and local income tax laws on an investment in the Units and on the investor's individual tax situation. Neither the Manager nor its affiliates nor counsel for the Company has provided any tax (or other legal) advice to any holder of Units or

Prospective Investor. The following discussion is not tax advice. This summary does not discuss the impact of various proposals to amend the Code which could change certain of the tax consequences of an investment in the Company.

1. There are Risks Related to the Status of the Company for Federal Income Tax Purposes. The Company has been organized as a limited liability company under the laws of the State of Missouri. The Company will not apply for a ruling from the IRS that it will be treated as a limited liability company for federal income tax purposes, but intends to file its tax returns as a limited liability company for federal and state income tax purposes. Prospective Investors should recognize that many of the advantages and economic benefits of an investment in the Units depend upon the classification of the Company as a limited liability company (rather than as an association taxable as a corporation) for federal income tax purposes. A change in this classification would require the applicable Company and/or Company to pay a corporate level tax on its income which would reduce cash available to fund distributions to investors, prevent the flow-through of tax benefits, if any, for use on investors' personal tax returns, and could require that distributions be treated as dividends, which together could materially reduce the yield from an investment in the Company. In addition, such a change in the Company's or Company's tax status during the life of the Company could be treated by the IRS as a taxable event, in which event the investors could have tax liability without receiving a cash distribution from the Company to enable them to pay such tax liability. The discussion herein assumes that the Company will at all times be treated as a limited liability company for federal tax purposes. The continued treatment of the Company as a limited liability company is dependent on present law and regulations, which are subject to change although there is no current legislation in existence or presently contemplated that would otherwise affect the Company's classification as a limited liability company for U.S. income tax purposes.

2. Investors May Have Possible Federal Income Tax Liability in Excess of Cash Distributions. Each investor will be taxed on the investor's allocable share of the Company's taxable income, regardless of whether the Company distributes cash to investors. Investors should be aware that although the Company will use its best efforts to make distributions in an amount necessary to pay income tax at the highest effective individual income tax rate on the Company's taxable income, the federal income tax on an investor's allocable share of the Company's taxable income may exceed distributions to such investor. An investor's allocable share of the Company's cash distributions is subject to federal income taxation only to the extent the amount of such distribution exceeds an investor's tax basis in its Membership Interest at the time of the distribution. Additionally, distributions, which exceed the amount for which an investor is considered "at-risk" with respect to the activity, could cause a recapture of previous losses, if any. There is a risk that an investor may not have sufficient basis or amounts "at-risk" to prevent allocated amounts from being taxable. The deductibility of various Company expenses allocable to certain Investing Members may be subject to various limits for U.S. federal income tax purposes. It is possible that losses of the Company or of a particular activity of the Company or of a particular activity of the Company could exceed income in a given year. Any such losses may be passive losses, which may subject Investing Members to limits on deductions for losses. Additionally, the deductibility of capital losses are also subject to limitations. Investing Members should consult their own tax advisers regarding potential limitations on the deductibility of their allocable share of items of losses and expenses of the Company. Each Investing Member will be required to report on his or her own U.S. federal income tax return his or her share of the

Company's income, gains, losses, deductions and credits for the taxable year of the Investing Member, whether or not cash or other property is distributed to that Investing Member.

3. Information Reporting to Investing Members by the Company. The Company will file an information return on IRS Form 1065 and will provide information on Schedule K-1 to each Investing Member following the close of the Company's taxable year. Delivery of this information by the Company will be subject to delay in the event of the late receipt of any necessary tax information from an entity in which the Company holds an interest. It is therefore possible that, in any taxable year, Investing Members will need to apply for extensions of time to file their tax returns.

4. Tax Auditing Procedures will be under Control of the Manager. Any audit of items of income, gain, loss or credits of the Company will be administered at the Company level. The decisions made by the Manager with respect to such matters will be made in good faith consistent with the Manager's fiduciary duties to both the Company and to the investors, but may have an adverse effect upon the tax liabilities of the investors.

5. Changes in Federal and State Income Tax Laws and Policies may Adversely Affect Investors. There can be no assurance that U.S. federal and state income tax laws and IRS administrative policies respecting the income tax consequences described in this Offering Memorandum will not be changed in a manner which adversely affects the interests of investors.

IN VIEW OF THE FOREGOING, IT IS ABSOLUTELY NECESSARY THAT EACH AND EVERY PROSPECTIVE INVESTOR CONSULT WITH THEIR OWN ATTORNEYS, ACCOUNTANTS AND OTHER PROFESSIONAL ADVISORS AS TO THE LEGAL, TAX, ACCOUNTING AND OTHER CONSEQUENCES OF AN INVESTMENT IN THE UNITS.

F. Immigration Risk Factors

A SUBSCRIBER SHOULD CONSULT WITH LEGAL COUNSEL FAMILIAR WITH U.S. IMMIGRATION LAWS AND PRACTICE. PURCHASE OF A PARTNER INTEREST DOES NOT GUARANTEE LAWFUL PERMANENT RESIDENCE IN THE U.S. THE PARTNER INTERESTS DESCRIBED IN THIS OFFERING MEMORANDUM INVOLVE A SIGNIFICANT DEGREE OF RISK RELATING TO IMMIGRATION MATTERS. AMONG THE IMMIGRATION RISK FACTORS THAT A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY ARE THE FOLLOWING; HOWEVER, THIS LIST IS NOT EXHAUSTIVE AND DOES NOT PURPORT TO SUMMARIZE ALL RISKS ASSOCIATED WITH THE PURCHASE OF A PARTNER INTEREST. *SEE* "GENERAL RISK FACTORS" FOR CERTAIN ADDITIONAL RISKS ASSOCIATED WITH A PURCHASE OF A PARTNER INTEREST.

1. General. While best efforts have been made to structure this offering so that Investing Members may meet EB-5 immigrant visa requirements under 8 U.S.C. § 1153 (B)(5)(A) - (D); INA Act § 203 (B)(5)(A) - (D) and qualify as "alien entrepreneurs." No guarantees can be given with respect to the ability of this investment to guarantee or otherwise assure that the application will be approved as an "alien entrepreneur" and will be granted by USCIS and obtain conditional or unconditional lawful permanent resident status.

2. Approval of Investments in the Offering. In adjudicating an I-526 Petition that must be filed with USCIS by Investing Members to determine the suitability of the investment offered herein for immigration purposes under 8 U.S.C. § 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D), USCIS will separately determine issues associated with the Project's qualification and may review unfavorably the investor's proof of the source of capital invested, and may therefore deny the I-526 Petition.

3. Attaining Lawful Permanent Residence. Even after approval of the I-526 Petition, there cannot be any guarantee that the Investing Member, his or her spouse or any of their minor, unmarried children will be granted lawful permanent residence. The grant of such immigration status is dependent, among other things, upon the personal and financial history of each applicant. Any one of the several government agencies may determine in its discretion, sometimes without the possibility of appeal, that an applicant for lawful permanent residence is excludable from the U.S. In limited instances, a waiver of a ground of exclusion may be available under the law, but adjudications of waiver applications are themselves made in the unreviewable discretion of the government.

4. Grounds for Exclusion. Persons applying for lawful permanent residence must overcome the statutory presumption of inadmissibility. Applicants must demonstrate, affirmatively, that they are admissible to the U.S. There are many grounds of inadmissibility that the government may cite as a basis to deny admission for lawful permanent residence. Various statutes, including for example Sections 212, 237 & 241 of the Act, the Antiterrorism & Effective Death Penalty Act of 1996 ("**AEDPA**") and the Illegal Immigration Reform & Immigrant Responsibility Act of 1996 ("**IIRAIRA**") set forth grounds of inadmissibility, which may prevent an otherwise eligible applicant from receiving an immigrant visa, entering the U.S. or adjusting to lawful permanent residence.

Examples of aliens precluded from entering the U.S. include:

(a) persons who are determined to have a communicable disease of public health significance;

(b) persons who are found to have, or have had, a physical or mental disorder and behavior associated with the disorder which poses or may pose, a threat to the property, safety, or welfare of the alien or of others, or have had a physical or mental disorder and a history of behavior associated with the disorder, which behavior has posed a threat to the property, safety, or welfare of the immigrant alien or others, and which behavior is likely to recur or to lead to other harmful behavior;

(c) persons who have been convicted of a crime involving moral turpitude (other than a purely political offense), or persons who admit having committed the essential elements of such a crime;

(d) persons who have been convicted of any law or regulation relating to a controlled substance, admitted to having committed or admits committing acts which constitute the essential elements of same;

(e) persons who are convicted of multiple crimes (other than purely political offenses) regardless of whether the conviction was in a single trial or whether the offenses arose from a single scheme of misconduct and regardless of whether such offenses involved moral turpitude;

(f) persons who are known, or for whom there is reason to believe, are, or have been, traffickers in controlled substances;

(g) persons engaged in prostitution or commercialized vice;

(h) persons who have committed in the U.S. certain serious criminal offenses, regardless of whether such offense was not prosecuted as a result of diplomatic immunity;

(i) persons excludable on grounds related to national security, related grounds, or terrorist activities;

(j) persons determined to be excludable by the secretary of state of the U.S. on grounds related to foreign policy;

(k) persons who are or have been a member of a totalitarian party, or persons who have participated in Nazi persecutions or genocide;

(l) persons who are likely to become a public charge at any time after entry;

(m) persons who were previously deported or excluded and deported from the U.S.;

(n) persons who by fraud or willfully misrepresenting a material fact, seek to procure (or have procured) a visa, other documentation or entry into the U.S. or other benefit under the Immigration Act;

(o) persons who have at any time assisted or aided any other alien to enter or try to enter the U.S. in violation of law;

(p) certain aliens who have departed the U.S. to avoid or evade U.S. Military service or training;

(q) persons who are practicing polygamists; and

(r) persons who were unlawfully present in the U.S. for continuous or cumulative periods in excess of 180 days.

5. No Return of Funds Prior to Loan Maturity if Visa or Adjustment of Status is Denied. Following I-526 Petition approval, the Investing Member, his or her spouse and qualifying children must timely apply for an immigrant visa or adjustment to permanent resident status. As part of this process, the Investing Member will undergo medical, police, security and immigration history checks to determine whether the Investing Member, his or her spouse and qualifying children are inadmissible to the U.S. for any of the reasons mentioned above or for any

other reason. The visa or adjustment of status may be denied notwithstanding I-526 Petition approval. If, following closing and disbursement of both the Expense Escrow Account and the Project Escrow Account, the Investing Member, his or her spouse or any of their children are denied an immigrant visa or denied adjustment of status to conditional lawful permanent residence, such action will not entitle Investing Members to the return of any funds paid to the Company or its affiliates.

6. Conditional Lawful Permanent Residence. Lawful permanent residence status granted initially to the Investing Member, his or her spouse and their qualifying children is "conditional"; the Investing Member, his or her spouse and their qualifying children must seek removal of conditions before the second anniversary of lawful permanent admission to the U.S. There cannot be any assurance that USCIS will consent to the removal of conditions as to the Investing Member, his or her spouse and their qualifying children. If Investing Members fail to have conditions removed, the Investing Member, his or her spouse and their qualifying children will be required to leave the U.S. and may be placed in removal proceedings. Even if Investing Members succeed in having conditions removed, the Investing Member, his or her spouse and each of their qualifying children, separately, must have conditions removed. Failure to have conditions removed as to any of these members of family may require some members to depart from the U.S. and such family members may be placed in removal proceedings. Examples of possible reasons for denial of the Investing Members' petition to remove conditions from permanent residence include:

- failure to maintain investment in the Company for the required two (2) years, such as through some kind of distribution or return of the Investing Members capital before the time for removal of conditions on the Investing Members residence, even if ten (10) jobs were created;

- failure of the Project to use all of the Investing Members invested capital in job creating activity at risk to the Investing Member, according to technical requirements of USCIS (some of which are not clearly articulated and which could change over time), even if ten (10) jobs were created;

- failure of the Project to show that the Investing Members investment has created ten (10) new jobs of U.S. workers that can be allocated to such Investing Members (which may result from failure to meet the project's economic milestones that were used as assumptions in projection of the indirect jobs that would be created by the Investing Members investment); and

- even if the required ten (10) jobs were created, the Project's material departure from the Business Plan presented to USCIS in obtaining the Investing Members' initial I-526 Petition approval.

7. Limited Regulations Regarding Removal of Conditions. USCIS and the courts have determined some standards to be followed by USCIS in some, but not all, circumstances. The Company may make certain management decisions in the absence of these specific eligibility criteria. The Company will seek as much information as possible from USCIS in an effort to assist

Investing Members to qualify for the removal of conditions, where good business practices permit. This notwithstanding, Investing Members should become educated about the standards that will determine eligibility of an investor and the spouse or children of the investor to achieve unconditional lawful permanent residence in the U.S. pursuant to this program which currently is in a state of evolution. The removal conditions are currently found in 8 Code of Federal Regulation (CFR) § 216.6 and should be reviewed carefully by each Investing Member.

8. Numerical Quotas. Currently, 10,000 EB-5 immigrant visas are allocated annually to alien investors and the spouse and qualifying children of the investor. EB-5 status is available on a first-come, first-served basis. If more visas are sought than are available, a delay in the availability of EB-5 lawful permanent resident status will result. There is no reliable means to predict if such a delay will occur, or if it occurs, how long an investor or the spouse and qualifying children of the investor will wait before visa status for them becomes available. Also, the availability of current EB-5, immigrant visas may end, the number of available EB-5 immigrant visas may decrease or increase, or the time it takes to acquire EB-5 status may increase significantly. Other changes in the administration of the visa preference system may affect and even preclude the ability to obtain a visa for lawful permanent residence or to adjust to lawful permanent residence.

9. Country Quotas; Visa Retrogression. In addition to the 10,000 worldwide limit, there are per country limitations that only apply if it appears that the 10,000 worldwide limit will be reached.

In addition to the 10,000 worldwide limit, there are per country limitations that only apply if it appears that the 10,000 worldwide limit will be reached. The per country limit is 7% of the annual quota. Since Chinese investors in recent years have accounted for 80% or more of the total EB-5 immigrant visas issued, if the worldwide quota will be reached, the per country limit for China will result in a waiting list for Chinese investors to obtain conditional immigrant visas. The length of the waiting list is unknown, but could likely be at least 2 years or more. This waiting list will not impact the approval of the I-526 Petition, but will result in a delay in the issuance of the immigrant visa and entry to the U.S. as a conditional permanent resident. USCIS has recently published a retrogression guideline that all I-526 petitions filed after May 1, 2013 will be subject to retrogression.

The delay in the issuance of the conditional green card status will not result in a delay in the use of the investment proceeds. It is possible that all of the investment proceeds will be used in the investment project and all of the jobs will be created before the investor is able to immigrate to the U.S. The two year conditional residence status will not commence until the investor enters the U.S. as a conditional immigrant.

Another impact of quota retrogression relates to children under age 21. Presently, as long as the child is under age 21 when the EB-5 petition is filed, the child's age is frozen, meaning that the child can immigrate with the parent even if the child is over age 21 at the time of immigration. However, in the event of quota retrogression, although the child's age will remain frozen during the time it takes USCIS to adjudicate the EB-5 petition, the age will no longer be frozen after the approval of the EB-5 petition if the investor is not able to complete the immigration process because of quota retrogression. This could result in children who were under

age 21 at the time of EB-5 petition filing being unable to immigrate under their parent's I-526 approval.

On May 1, 2015, the Department of State advised that the China Employment Fifth (EB-5) preference category has become "Unavailable" for investors whose I-526 petitions were filed after May 1, 2013. USCIS may continue to accept and process China I-526 Petitions; however, instead of being acted upon immediately, those cases that do not pre-date the cutoff date will be held in the Visa Office's "Pending Demand" file under the fiscal year 2015 annual numerical limitation. Given the current existing backlog of I-526 Petitions and as indicated above, the expected waiting list for Chinese investors seeking conditional immigrant visas, from the time of their approved I-526 Petitions, could likely be at least one year or more. This limitation could result in a serious and adverse effect on the marketing of the Offering. Legislation has previously been proposed to eliminate the per country quota, but there are no assurances whether such legislation may ultimately be passed.

10. Active Participation in the Company's Business. The EB-5 Program requires that an applicant is actively involved in the business affairs of the Company. The failure to be actively involved may jeopardize the I-526 Petition approval or result in the denial of lawful permanent residence status for the member, his or her spouse and their qualifying children. The Operating Agreement, reflecting the EB-5 regulations governing what level of participation is acceptable to meet the EB-5 criteria, mandates that each Investing Member shall participate in the management of the Company to the extent reflected therein. The right to approve certain decisions of the Company as set forth in the Operating Agreement is expected to be sufficient to meet these requirements, or else the Manager will cause the Operating Agreement to be amended to conform with EB-5 regulations.

11. Risks Attendant to the EB-5 Visa Status. The EB-5 Program has many requirements that must be met to the satisfaction of USCIS. The failure to meet even one (1) of these requirements to the satisfaction of USCIS may result in the denial of an I-526 Petition.

12. Family Relationships.

(a) Spouses of the investors may accompany or follow to join an investor who has been granted conditional lawful permanent residence provided that the investor and the spouse, deemed a derivative beneficiary, were married at the time of the investor's first admission to the U.S. as a conditional lawful permanent resident or following adjustment of status to lawful permanent residence. USCIS will not recognize common law marriages for the purpose of permitting a spouse to be a qualifying derivative beneficiary. If the relationship is one of common law, the "spouse" of the investor may not acquire lawful permanent resident status on account of the relationship.

(b) Children or step-children of the investor may accompany or follow to join an investor who has been granted conditional lawful permanent residence provided that the investor can establish parentage or step-parentage at the time of the investor's first admission to the U.S. as a conditional lawful permanent resident or adjustment of status to lawful permanent residence. Failure to comply with all applicable requirements may result in the separation of a

child from the investor or the investor's spouse for protracted periods, in some instances for years, while other immigration opportunities are attempted in an effort to reunite the family.

(c) A "child" is someone under the age of 21 years who is unmarried. If a child becomes age 21 or marries before being admitted to the U.S. as a lawful permanent resident or adjusting to lawful permanent resident status, the former child, now deemed a son or daughter may not be eligible to accompany or follow to join the investor. In some circumstances, the Child Status Protection Act may assist a son or daughter to qualify as a child by reducing the deemed age of the son or daughter to less than 21 years. Failure to meet the requirements of the Child Status Protection Act may result in the separation of a son or daughter from the investor or the investor's spouse for protracted periods, in some instances for years, while other immigration opportunities are attempted in an effort to reunite the family.

(d) Under some circumstances, a child who becomes 21 years of age or marries while holding conditional lawful permanent resident status may remain eligible to remove conditions. Failure to meet qualifying conditions, most of which are not within the child's control, will result in the child being placed in removal proceedings and may require the child to depart the U.S.

(e) Upon the death of an investor before conditions are removed, a spouse and qualifying children of the investor are entitled to seek removal of conditions by submission of the same evidence demonstrating compliance with required criteria that USCIS requires of an investor seeking to remove conditions. Failure of each member of the family to establish these criteria will result in the denial of the application to remove conditions, placement of the family members in removal proceedings and their mandated departure from the U.S.

(f) It is unclear under USCIS procedures if a child who becomes a son or daughter before the death of the investor is entitled to seek removal of conditions. USCIS regulations are silent on this matter. If USCIS does not extend this benefit, such a son or daughter may be denied an application to remove conditions and will be placed in removal proceedings and may be mandated to depart the U.S.

13. Targeted Employment Area Determination. To the extent that the program is based upon a TEA Determination being sustained by USCIS, meaning that the applicable project qualifies under the TEA designation, there is a risk that USCIS could otherwise disagree with the economist and not allow the TEA designation to be applicable, in which event the $500,000 investment amount would not otherwise qualify under the EB-5 Program. There is no certainty that the TEA designation will be approved until there is a final review and determination made by USCIS when the application with USCIS is adjudicated.

14. The Delays in the Project. Delays in the development of the Project could result in jobs not being created timely enough in accordance with applicable EB-5 Program guidelines. Delays in the development of the Project could affect the construction timeline and could affect the number of jobs created by the Project. A significant delay in the Project construction timeline could result in an insufficient number of jobs created during the Investing Member's period of conditional permanent residence.

15. Insufficient Number of Investors. Regional center designations are based on the full investment of many different investors in a single project. Although some regional centers' projects are in great demand and even have waiting lists that is not the case with all regional centers. If a regional center project does not attract a sufficient number of investors, the project may not happen or may be delayed, which could result in the original investors being unable to remove conditions. The Offering contains a minimum subscription of two (2) investors. If the Company does not obtain two (2) subscriptions within 60 days of the expiration of the Offering Period, the investor's subscription proceeds will be returned to the investor in accordance with the escrow agreement.

16. Issues with Condition Removal. Condition removal may be denied by USCIS when the business assumptions utilized in the econometric model are not realized. An I-526 Petition may be approved based upon an economist's report using a recognized econometric model to predict the number of indirect and induced jobs that will be created based upon a specific dollar investment in a specific project in a specific geographical area in a specific industry in a specific timeframe and other specific foundation facts. Although USCIS should not second guess the econometric report at the I-829 Petition stage, USCIS will want proof that the assumptions relied upon in the report have actually occurred. If they have not occurred because of economic conditions, change of plans, construction delays, etc., the investor is at risk that the condition removal petition will not be approved.

17. Job Creation. USCIS rules for and policy for crediting investors with indirect job creation are unclear and have been changing, and even with regional center designation investors cannot be sure that USCIS will find that the project can be credited with job creation sufficient to qualify all investors in the project for conditional residence or for removal of conditions. Regional center designation or project approval can be re-visited by USCIS when the business assumptions utilized in the econometric model are not realized.

18. Loss of Regional Center Designation. A regional center may lose certification. USCIS is in the process of developing standards to review regional centers. The results of any review process could lead to regional center decertification.

19. At Risk Requirement. In order for an I-526 Petition to be approved, the investor's investment must be "at risk." If adjudication is made that the funds are not truly at risk at either the I-526 Petition or I-829 Petition stage, the petition will be denied. At a minimum, the investor's commitment is a five (5) year commitment. Although there can be no guaranteed right of redemption or specific return, some regional center investments are more risky than others; some have a greater chance of the investor getting his or her money back after five (5) years with some rate of return; and some are more speculative investments. While the investor is allowed to have a guaranteed right to return of the investment money if the I-526 Petition is not approved (and some regional centers place the investment money in escrow pending the I-526 Petition approval), USCIS' position is that there can be no guarantee of redemption of the investment if the I-829 Petition is not approved.

20. Unpredictable Adjudication. Even if none of the contingencies occur, the investor is subject to the risk inherent in the nature of the adjudicating agency. It is not unusual for there to be contradictory adjudicatory results on identical projects. Often very complicated financial

transactions are being adjudicated by immigration examiners with little or no financial background and with relatively minimal training. This can lead to – and has led to – decisions on individual petitions that may be difficult to comprehend. In addition, USCIS has been known to adopt restrictive positions and change those positions without notice in the EB-5 area.

21. There Can Be No Assurance That the Company Will Meet the Job Creation Requirements With Respect To A Particular Partner. Jobs will be allocated to the Investing Members in the order in which such Investing Member's permanent residency commences. A Member's permanent residency shall be deemed to commence on the date (i) that such Investing Member's Application for Adjustment of Status (I-485) is processed by the USCIS or (ii) that such Investing Member first enters the U.S. on an Immigrant Visa. This allocation process will continue until all EB-5 jobs have been allocated to the Investing Members and there is no guaranty that one (1) or more Investing Members will receive legal permanent residency in the U.S. as a result of his or her investment in the Company.

22. Job Creation Risks. The Project's projected number of job creation relies on an Economic Impact Study prepared by the Economist that may be challenged by USCIS. The estimated number of jobs to be created by the Project and its operation is the result of the findings of an Economic Impact Analysis prepared by the Economist. The estimates are based on assumptions and projections that may prove to be incorrect. In the event the projected number of jobs to be created is incorrect, the Company's fulfillment of the conditions of the EB-5 Program affect a certain number of the Partners who do not receive the benefit of such job allocation (*see* Schedule 2 to the Operating Agreement). Further, this could result in the denial of the removal of conditions on the investor's residency in the U.S. (*i.e.*, I-829 Petition denial). The Company will provide a copy of the Economic Impact Analysis upon the request of any investor and will make such analysis available to all investors in connection with the filing of their I-526 Petitions with the USCIS.

23. Change in Laws. THE IMMIGRATION LAWS AND THE CORRESPONDING RULES, REGULATIONS AND USCIS INTERPRETATIONS RELATED TO THE EB-5 PROGRAM AND THE CORRESPONDING APPLICATIONS ARE IN A CONSTANT STATE OF FLUX, AND THERE ARE NO ASSURANCES THAT NEW LAWS AND/OR INTERPRETATIONS WILL RESULT THAT WILL OTHERWISE MODIFY THE DISCLOSURES AND INFORMATION SET FORTH IN THIS OFFERING MEMORANDUM. REFERENCE IS MADE TO THE SECTION IVG ABOVE CONCERNING ADDITIONAL IMMIGRATION RISK FACTORS.

G. Risks Related to the Loan

1. There Are Increased Risks Involved With Construction Lending Activities. Construction lending, such as the Loan, generally is considered to involve a higher degree of risk than other types of lending due to a variety of factors. These factors include the dependency on successful completion of a Project and the difficulties in estimating construction costs.

2. The Bankruptcy or Insolvency of the Developer Could Impair the Company's Ability to Secure Repayment of the Loan. There can be no assurance that the Developer will not become insolvent and, possibly, the subject of voluntary or involuntary bankruptcy proceedings

under the federal bankruptcy code. Under the U.S. federal bankruptcy code, a bankruptcy court may reduce the rate of interest applicable to a bankrupt estate's debts and/or decrease or stretch out debt servicing payments. Additionally, the trustee of a bankrupt estate, or the estate itself, as debtor-in-possession, has certain special powers to avoid, subordinate or disallow debts. In certain circumstances, the creditors' claims may be subordinated to financing obtained by a debtor-in-possession subsequent to its bankruptcy.

3. Repayment of the Company's Loan will be dependent upon the repayment of Senior Indebtedness. The Project will be financed in part with the Senior Indebtedness. As a result, the Developer will be subject to a Senior Loan Agreement with the Senior Lender, which will govern the terms of the Senior Indebtedness. While the Developer anticipates that it will be able to make appropriate payments on both the Senior Indebtedness and the Loan, any unforeseen difficulty, such as the occurrence of construction delays, hardships in the general economic climate which lead to lessened consumer spending, inability to obtain additional financing necessary for the completion of the Project, or any other difficulty including but not limited to those mentioned in other risk factors herein, may cause the Developer to default on its payments on the Senior Indebtedness. If the Developer does so default, the anticipated "inter-creditor agreement" to be entered into between the Company and the Senior Lender may prohibit the repayment of the Loan until the balance of the Senior Indebtedness is repaid and the senior lien is discharged. This may leave the Developer with significantly less funds than anticipated to repay the Loan, and the Developer may be unable to repay any part of the Loan, or be able to repay only a portion of the Loan. Furthermore, if the Developer defaults on the Senior Indebtedness, the Senior Lender may choose to foreclose upon the Developer's assets, which assets will be used first to satisfy the Developer's obligations to the Senior Lender and then to satisfy the Developer's obligations to the Company. In the event of such a foreclosure, there may be insufficient assets to satisfy the Developer's obligations to the Company. Thus, because the Loan is subordinate to the Senior Indebtedness, the investments of the Partners are at risk of being lost in whole or in part.

4. Additional Debt may be Required for Unforeseen Additional Costs for Completion of the Project or Post-Completion Operations. Although the Company believes that the Developer will successfully raise all of the capital necessary to fund the Project and for working capital after completion of the Project, it is possible that unforeseen additional costs may cause the Developer to fail to raise the additional capital necessary to operate the Project, or that the proceeds from the Company's Loan to the Developer plus the additional capital raised will be inadequate to satisfy all capital requirements, or that such financing may be untimely procured, requiring the Developer to obtain alternative financing in addition to the Company's Loan to the Developer and the other anticipated sources of financing, including supplementary short-term and long-term debt financing, or equity financing. The terms of such alternative financing, if it can be procured, may be better or worse for the Developer than the terms of the Loan from the Company, and may result in subsequent investors in the Developer having superior rights to those of the Company. Furthermore, if the Developer is unable to obtain such additional financing, it may be unable to operate the Project, which may result in the inability of the Developer to repay the Loan, and could result in a substantial, or total, loss of the Investing Members' investments.

5. Inter-creditor Agreement. The Senior Lender may require inter-creditor agreements that significantly impact the right of the Company to exercise its rights under the Loan

documents, including but not limited to the foreclosure of the collateral pledge of the membership interests.

6. The promissory note(s) held by the Company will be illiquid and the repayment of the Loan will be subject to the ultimate value of the Property and/or other collateral for the Loan from time to time. The ability of the Developer to pay principal and interest on the Loan will, in large part, be dependent on its ability to successfully implement the exit strategy for the Project. If cash flows are materially lower than projected, the Project may not have sufficient cash flow to repay the Loan. Additionally, the Developer may not be able to easily liquidate, in whole or in part, or refinance the Property. No assurance can be given that the Loan will be repaid or as to when it will be repaid.

7. The Loan is not a personal obligation of the principals of the Developer. The Loan is not a personal obligation of the principals of the Developer. If the Developer does not repay the Loan, the Company will have to rely solely on the value of the Property and certain other collateral securing the Loan, or other permitted substitute collateral, or such portion thereof, for which it has a Mortgage or other security interest for any other permitted collateral if not real property (i.e., collateral) from time to time. The risk of lending against real estate assets increases as the ratio of the amount of the loan to the fair market value of the collateral securing the loan increases. There can be no assurance, in the event of a default under the Loan, that the Company will be able to realize an amount equal to the estimated or appraised value of the Property or that it will realize any value at all from any other collateral securing the Loan.

8. Shortfall Financing may be required for completion of the Project. To the extent that the Loan amount is less than the Maximum Offering Amount or as otherwise permitted under the Loan Documents, the Developer will have the right to obtain Shortfall Financing, which would also be senior to the Loan. To the extent the Developer obtains any Shortfall Financing, the Company and the Shortfall Financing lender(s) may be parties to an inter-creditor agreement reasonably acceptable to the Company, and the Company will be subject to additional risks as a result of the Shortfall Financing, similar to those risks described above in connection with the Senior Loans. In addition, it is expected that an inter-creditor agreement will be entered into between the Company and the Senior Lender.

9. Remedies for non-performing loans do not assure repayment as expected and the foreclosure process may be lengthy and expensive. The Loan may become "non-performing" (i.e., the Developer is not complying with its obligations) for a variety of reasons. If the Loan were to become non-performing, substantial workout negotiations or restructuring may be required, which may result in, among other things, a reduction in the interest rate and/or a write-down of the principal of the Loan. In addition, the Manager shall have the ability to negotiate on behalf of the Company. However, even if a restructuring were done, a risk exists that, upon maturity of the Loan, replacement "takeout" financing will not be available. It is also possible that the Company may, in certain circumstances, need to foreclose on the collateral securing the Loan. While the collateral secures the Loan, the foreclosure process itself can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the lender including lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take several years or more to conclude. At any time during the foreclosure proceedings, the

borrower may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. These risks mean that the security and other protections against Loan non-performance of the Loan may not work as well as is intended.

H. Escrow Agreement Risk Factors

The Escrow Agreement provides for the disbursement of all of a Subscriber's $500,000 Capital Contribution and Expense Amount upon satisfaction of the Escrow Release Conditions. Thereafter, a significant percentage if not all of the $500,000 Capital Contribution amount will be disbursed from the Escrow Agent to the Company to be used to fund the Loan prior to such Subscriber receiving I-526 Petition approval. If the Subscriber's I-526 Petition is ultimately denied, there is a risk that such Subscriber may not receive a timely return of his or her Capital Contribution or such Susbcirber will not otherwise qualify for a refund under the terms of the Refund Insurance Policy.

VI. SUMMARY OF THE OPERATING AGREEMENT

The Company is organized under the Missouri Revised Uniform Limited Liability Company Act. The rights and obligations of the Investing Members are governed by the Missouri Revised Uniform Limited Liability Company Act and by the Operating Agreement. A copy of the Operating Agreement is attached as **Exhibit C** to this Offering Memorandum. Prospective Investors should review the Operating Agreement carefully before investing in the Company. The following discussion of the Operating Agreement is intended to be summary only, does not purport to be complete, and is qualified by reference to the Operating Agreement in its entirety.

1. Responsibilities of the Manager or Its Designated Agents. The Manager and/or its designated agents has the exclusive management and control of all aspects of the business of the Company, including the overseeing of the administration of the Loan subject to certain provisions of the Operating Agreement as described below. These parties will generally provide administrative services to the Company and the Investing Member, including overseeing the Loan, the collection of loan payments, the disbursement of funds to Investing Members and the filing of the Company's tax return.

2. Company Finances.

Capital Accounts. A Partner's interest in a Membership consists of a capital account maintained for the Partner on the books of such Company, the value of which is calculated not less frequently than as of the end of each fiscal year. The capital account is credited with a Partner's capital contributions to, as well as the amount of net income allocable to the Partner, and is charged with the amount of the distributions to the Partner and the amount of any net losses allocable to the Partner. The net profits and losses will be allocated among the Partners in a manner consistent with distributions as outlined below and elsewhere in this Offering Memorandum. Certain special allocations may, however, be made in accordance with the provisions of the Operating Agreement to prevent Partners from having negative balances in their capital accounts.

Distributions. The Manager shall have the sole authority to determine when Cash Flow is available for distribution among the Investing Members. Once a determination is made that such a distribution is in order, the same shall be made as follows:

1. All distributions are made to the Investing Members until they receive their cumulative preferred return equal to 0.5% of their capital contributions, less specifically identified Company expense, subject to payments on the Loan being made by the Developer.

2. Thereafter, the balance of distributions shall be distributed to the Manager, to be utilized to pay Company operating costs, marketing expenses, Regional Center costs and the balance as a distribution to the Manager.

3. Upon the sale or refinancing of the Project and the payment of the Loan, when the Manager determines in its sole discretion, and subject to USCIS guidelines, distributions shall be as follows:

(a) First to the Investing Member in an amount equal to all unpaid Preferred Return;

(b) Next, to the Investing Member in the amount equal to their capital contributions subject to the Investing Member's I-829 Petition having been finally adjudicated; and

(c) Thereafter, to the Manager.

The Manager will endeavor to cause the Company to make distributions to Investing Members within ninety (90) days after the close of each calendar year in order to provide funds to Partners to satisfy their federal income tax obligations relating to the Company.

3. Exculpation and Indemnification of the Manager and Its Agents. The Operating Agreement exculpates the Manager and its agents, and its other affiliates, to the fullest extent permitted by law, from liability for acts or omissions or errors in judgment in the performance of its duties under the Operating Agreement if they acted in good faith and in a manner they reasonably believe to be within the scope of authority granted to them and in or not opposed to the best interest of the Company, unless such liability arises out of their gross negligence, fraud, or willful misconduct in the performance of their duties. The Operating Agreement also provides for indemnification by the Company of the Manager and their Agents, and their affiliates, to the fullest extent permitted by law, for liabilities incurred in their respective capacities, except for acts of gross negligence, fraud, or willful misconduct. As a result of such exculpation and indemnification provisions, a Member may have a more limited right of action than he/she would otherwise have in the absence of such provisions. Investing Members will be notified if any indemnification is made and of the reasons therefore.

4. Term and Dissolution. The term of the Company will continue indefinitely. The Company may be dissolved at an earlier date if certain contingencies occur. On dissolution of the Company, the assets will be liquidated and the proceeds distributed to the Investing Members in proportion to their respective interests in the Company. A final accounting will be made by the Manager and furnished to all Investing Members.

5. Amendments. The Operating Agreement may not be modified except with the written consent of the Manager and a majority in interest of the Investing Members, (excluding, in certain cases, the interest of the Investing Members), except that, for certain limited purposes relating to administrative matters, the Manager may amend the Operating Agreement without the consent of the Investing Members.

6. Restrictions on Transfer. A Member may not transfer any portion of its interest in the Company without (i) the prior written consent of the Manager, which may be withheld in its sole reasonable discretion (except on the death of an individual Investing Member or by operation of law pursuant to the reorganization of a Member) and (ii) receipt by the Manager of an opinion of counsel that such transfer would not result in a violation of the Securities Act or any applicable state securities laws and only after receiving final adjudication of I-829 Petitions.

7. Limited Liability. Investing Members are prohibited from participating in control of the Company, except in providing policy recommendations. If a Member participated in the

control of the Company, such Investing Member would be liable to persons who transact business with the Company reasonably believing, based on such Investing Member's conduct, that such Investing Member is a manager. Assuming that a Member does not take part in the control of the business of the Company, and otherwise acts in conformity with the provisions of the Operating Agreement, its liability will be limited to return of distributions which the Investing Member knew were made while the Company was insolvent or which rendered the Company insolvent or which the Investing Member knew were otherwise made in contravention of the Operating Agreement. Under Missouri law, a limited liability company may not make a distribution to its Partners to the extent that, immediately after giving effect to the distribution, all liabilities of such limited liability company, other than liabilities to Partners in respect of their Membership Interests and liabilities for which the recourse of creditors is limited to specific property of the limited liability company, exceed the fair value of the limited liability company assets (subject to certain adjustments with respect to nonrecourse indebtedness). If the Company were to make such a prohibited distribution, a Member who received such a distribution would be obligated under state law to return it to the Company if the Investing Member knew that the distribution was made in violation of the foregoing prohibition. Any such liability that a person may incur as a Member of the Company for return of a wrongful distribution would not be released by the sale of its interest.

8. Insurance Protection. The Company may enter into any contract of insurance which the Manager may reasonably deem appropriate for the protection or conservation of Company property, or for any other purpose beneficial to the Company, however the Company shall not seek insurance against normal business risk inherent in loaning money to a job creating enterprise who may be unable to repay the Loan.

9. Authority of Manager. The Manager shall have the following authority to act on behalf of the Company:

(a) to employ attorneys, agents, consultants, accountants and other independent contractors to perform services on behalf of the Company, including Affiliates of the Manager; provided that such services are reasonably necessary or advisable and the compensation therefore is reasonable;

(b) to bring or defend legal actions in the name of the Company, pay, collect, compromise, arbitrate, or otherwise adjust or settle claims or demands of or against the Company or its agents;

(c) to establish reasonable reserve funds from income derived from the Loan in connection with its administration, but the Company shall not establish reserves consisting of Capital Contributions of Investing Members prior to repayment of the Loan by the Developer;

(d) to perform or cause to be performed all of the Company's obligations under any agreement to which the Company is a party;

(e) to make the Loan and from time to time modify the conditions of same if reasonably necessary and engage the construction disbursement agent pursuant to a construction disbursement agreement to administer the disbursement of the Loan proceeds;

(f) to engage the third parties to provide administrative services to the Company; and

(h) to execute, acknowledge and deliver any and all instruments necessary to effectuate any of the foregoing.

10. Voting Rights. Each Investing Member may take part in the management of the Company by (a) exercising that Partner's voting rights as set forth in the Operating Agreement and (b) advising the Manager regarding investment decisions and policy relating to the Company business.

11. Mandatory Repurchase. If a Member receives an I-526 Petition denial (without certification of the denial to the USCIS Administrative Appeals Office), and if the Investing Member demands return of his or her Capital Contribution, then the Company shall, following such demand, cancel such Investing Member's Unit and return to such Investing Member his or her Capital Contribution pursuant to the terms regarding the Refund Insurance, and possibly refund the Investing Member's Expense Amount, each subject to the procedures and provisions described herein, including, without limitation, the provisions set forth in Section I. – Offering Summary – Escrow Accounts, above. If a Member receives an I-526 Petition denial and elects to appeal that denial at his or her own expense and the Manager consents to such appeal, the cancellation of such Investing Member's Unit shall be deferred until (i) the appeal is resolved and such Investing Member receives I-526 Petition approval, in which event no cancellation will occur, or (ii) the denial is affirmed, in which event the redemption will proceed. At the sole discretion of the Manager, no additional documents will be necessary to effect such cancellation; it being agreed by the Manager and the Investing Members that the Company's or Insurer's delivery, as appropriate, of a check for such amount to the Investing Member whose Unit was cancelled shall constitute the full and complete redemption of such Investing Member's Unit. The Manager may unilaterally amend Schedule 1 to the Operating Agreement to reflect the deletion of any Investing Member whose Unit is cancelled.

Notwithstanding anything to the contrary in this Section, (i) if the Manager determines, in its sole and absolute discretion, that the repurchase of the Unit of a Member whose I-526 Petition was denied pursuant to this Section would have an adverse effect on the business or immigration objectives of the Company or the ability of other Investing Members to obtain unconditional permanent resident status in the U.S. pursuant to the EB-5 Program, (ii) if the Company is restricted from purchasing any Units under the provisions of the Securities Act or other applicable law or under the terms of any loan agreements with its lenders, or (iii) if the Company does not have the available cash to effect such repurchase of the Units, then the Company's obligation to repurchase the Units and refund the Capital Contribution and Expense Amount, if at all (*See* Section I. – Offering Summary - Escrow Accounts, above), shall be suspended until the Manager determines, in its sole and absolute discretion, that such adverse effect will not occur or such condition or restriction does not apply.

12. Withdrawals. A Investing Member may not withdraw from the Company unless the Manager consents to such withdrawal, which consent may be withheld in the Manager's sole discretion. All expenses incurred by the Company in connection with such withdrawal shall be paid for by the withdrawing Investing Member. If a Member withdraws any part of his or her base

capital contribution of $500,000 before removal of conditions on his or her permanent residence, the Manager shall give notice to the Regional Center for prompt reporting to USCIS for possible revocation of immigration benefits arising from the initial investment.

VII. SUMMARY OF THE SUBSCRIPTION AGREEMENT

1. General. A Subscriber will be required to deliver an executed Subscription Agreement to the Company. A form of the Subscription Agreement is attached hereto as **Exhibit A**. By execution of the Subscription Agreement, a Subscriber irrevocably subscribes for and agrees to purchase a Membership Interest and fund the Installments. The Manager reserves the right to reject a Subscription in its sole discretion. If the Subscription is accepted, the Company will notify Subscriber of same and will notify Subscriber of the scheduled date of funding. If the Subscription is rejected, all funds received from the Subscriber will be returned without interest, and thereafter the Subscription Agreement shall be of no further force or effect.

2. Representations, Warranties and Covenants. In the Subscription Agreement, a Subscriber makes various representations, warranties and covenants to the Company, including without limitation, the following:

(a) The Subscriber has the requisite legal and mental capacity to acquire the Membership Interest and enter into the Subscription Agreement.

(b) The Subscriber is an "Accredited Investor" (as such term is defined in Rule 501(a) of the Securities Act of 1933, as amended) and a sophisticated investor by virtue of his or her education, training and/or numerous prior investments made on his or her own behalf or through entities which it, alone or with others, controls. The Subscriber is knowledgeable and experienced in financial and business matters, especially in investments which are similar to the Company's Business, and which have risks similar to those which may be encountered by the Company. The Subscriber is capable of evaluating the merits and risks of an investment in the Company. The Subscriber is not a "U.S. Person" as such term is defined in Regulation S promulgated under the Securities Act of 1933, as amended. The Subscriber did not receive a copy of this Offering Memorandum or any other offering materials, nor did the Subscriber receive an offer to purchase Membership Interests in the Offering, while within the U.S. and did not execute their order to purchase Membership Interests, by completing and delivering their Subscription Agreement and Capital Contribution as required by this Offering, from within the U.S.

(c) That the Subscriber understands that the offer and sale of the Units have not been registered under the Securities Act or any state Securities Laws, pursuant to applicable exemptions. Without such registration, such Units may not be sold, pledged, hypothecated or otherwise transferred at any time whatsoever, and such Units may not be offered or sold in the U.S. or to a U.S. Person, unless the Membership Interests are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. No hedging transactions involving the Partner Interests may be conducted unless in compliance with the Securities Laws. The Subscriber understands that it has no rights whatsoever to request, and that the Company is under no obligation whatsoever to furnish, a registration of the Membership Interests under the Securities Laws. Subscriber is not a U.S. Person and is not acquiring the Membership Interest for the account or benefit of any U.S. Person.

(d) The Subscriber has been furnished or otherwise obtained all information necessary to enable it to evaluate the merits and risks of his or her prospective investment in the Company. The Subscriber recognizes that the Developer has recently been formed to acquire,

develop and operate the Project, has no prior operating history, and may incur leverage that involves certain risks. The Subscriber recognizes that the Project is in the development stage, there is no guarantee that the Project will be fully developed in accordance with current plans or if it is so developed that it will be developed in the levels and at the times currently predicted, and his or her future profitability or existence cannot be guaranteed. Even if the Project is completed and economically profitable, this does not assure that the Loan made by the Company will be repaid. An investment in the Project is highly speculative and the Subscriber may suffer a complete loss of his or her investment.

(e) The Subscriber is aware that there is no assurance, representation or warranty that the Project will operate at a profit or generate sufficient cash flow for the repayment of the Loan. Without limiting the generality of the foregoing, the Subscriber acknowledges and agrees that information, including any business plan or financial projections or forecasts or other information contained in written materials provided or made available to the Subscriber, and any oral, visual or other presentations made by the Company, Manager or the Regional Center or its representatives to the Subscriber shall not be deemed a representation or warranty in respect of the matters therein. Subscriber acknowledges that this Offering Memorandum contains information that the Company Manager and the Regional Center believe is accurate and, as same relates to the projected revenues and expenses of the Developer, data that the Developer believes is a reasonable forecast of the results that the Developer will achieve without any assurances, warranties or representations with respect to same. As an accredited, experienced and sophisticated investor, Subscriber is aware that there are many foreseeable and unforeseeable events that could cause the assumptions underlying the financial projections to not materialize, and the results of same may cause material adverse consequences to the financial results of the Developer.

(f) The Subscriber has been furnished or has had access to any and all material documents and information regarding the Company, the Developer and the Regional Center. The Subscriber has had an opportunity to question the Company, Regional Center, and the Developer and their officers, directors, partners, trustees, or other persons who control or manage same, and receive adequate answers to such questions. The Subscriber hereby acknowledges that the Company has made available to the Subscriber prior to any investment in the Company, this Offering Memorandum and its exhibits, and all information requested by the Subscriber and reasonably necessary to enable the Subscriber to evaluate the risks and merits of an investment in the Company. The Subscriber, after a review of this information and other information it has obtained, is aware of the speculative nature of any investment in the Company.

(g) The Subscriber understands that: (i) its subscription for Membership Interests is irrevocable until the Offering Period ends without the Company's written consent; (ii) an investment in the Membership Interests is a speculative investment that involves a high degree of risk, including the risk of loss of the entire investment of the Subscriber in the Company; (iii) no federal or state agency has passed upon the adequacy or accuracy of the information made available to the Subscriber, or made any finding or determination as to the fairness for investment, or any recommendation or endorsement of the Membership Interests as an investment; (iv) there will be restrictions on the transferability of the Membership Interests under the Securities Laws and the Operating Agreement and there will be no public market for the Membership Interests, and, accordingly, it may not be possible for the Subscriber to liquidate its investment in the Membership Interests; (v) any anticipated federal and/or state income tax benefits applicable to the

Membership Interests may be lost through changes in, or adverse interpretations of, existing laws and regulations; and (vi) there is no assurance that the Project will ever be profitable, or that the Subscriber's investment in the Membership Interests will ever be recoverable.

(h) The Subscriber acknowledges that there is no assurance that its I-526 Petition will be granted or, if it is, that Subscriber will ultimately be approved for conditional or unconditional lawful permanent residence in the U.S. or be able to become a U.S. citizen. Neither the Company nor the Company's selected immigration counsel have made any effort to pre-determine Subscriber's personal qualifications and circumstances and whether Subscriber is likely or not likely to obtain favorable action on his or her I-526 Petition or EB-5 Visa.

(i) The Subscriber acknowledges that an investment in the Membership Interests may be beneficial to foreign investors seeking lawful permanent residency in the U.S. pursuant to an I-526 Petition Approval issued by USCIS. Failure of a Member to continue to own all the Membership Interests it acquires may result in the denial of lawful permanent residence as an outcome of his or her investment in the Membership Interests. There are other requirements of the EB-5 Program which the Subscriber must satisfy or risk denial of his or her I-526 Petition Approval or his or her status as a conditional lawful permanent resident.

(j) The Subscriber has been provided with a copy of this Offering Memorandum, including, as exhibits thereto, the Operating Agreement, the Master Escrow Agreement, a form of this Subscription Agreement, and has reviewed same, has had the opportunity to ask questions of the Company and has received answers adequate to Subscriber with respect to same, and has no further questions regarding the Company or the Project. Subscriber is aware that, pursuant to the Operating Agreement that the Regional Center and its affiliates will receive certain fees and benefits related to the acquisition, development and operation of the Project.

(k) The Subscriber hereby acknowledges that: (i) the risks inherent to this investment have been fully considered; (ii) the Manager will have substantial and exclusive authority to conduct the operation of the Company; (iii) the Company will be relying on outside agents to manage certain aspects of its operations; and (iv) an investment in the Membership Interests has neither been approved nor disapproved by the U.S. Securities and Exchange Commission or any state regulatory authority or any other department or agency of any other jurisdiction, and such authorities have not passed upon the adequacy or accuracy of the disclosure provided to investors in connection with an investment in the Membership Interests.

(l) The Subscriber is acquiring the Membership Interests solely for the account of the Subscriber for investment purposes only and not for distribution or resale to others. The Subscriber will not resell or offer to resell all or a portion of the Membership Interests except in strict compliance with all applicable Securities Laws, including, without limitation, Regulation S (Rules 901 through 905 and Preliminary Statement) under the Securities Act of 1933, as amended, and the Operating Agreement. Subscriber will not engage in any hedging transactions involving the Membership Interests, except in compliance with the Securities Laws.

(m) The Subscriber acknowledges that there is no current market for the Membership Interests and none is anticipated to develop. Moreover, there are substantial restrictions on the Transfer of the Membership Interests. Therefore, the Subscriber has considered his or her prospective investment in the Company to be a long-term illiquid investment acceptable because the Subscriber is willing and can afford to accept and bear the substantial risks of the investment for an indefinite period of time.

(n) The Subscriber's financial condition is such that it has no need for liquidity with respect to its investment to satisfy any existing or contemplated undertaking or indebtedness and is able to bear the economic risk of its investment for an indefinite period of time, including the risk of losing all of its investment.

(o) The Subscriber is aware that the Subscriber will have to make the Capital Contributions required hereunder. The Subscriber can bear the economic risk of the investment in the Company (including the possible loss of his or her entire cash payment) without impairing the Subscriber's ability to provide for himself and/or his or her family in the same manner that the Subscriber would have been able to provide prior to making an investment in the Company. The Subscriber understands that it must continue to bear the economic risk of the investment in the Company for an indefinite period of time.

(p) Except as otherwise provided in an addendum to the Subscription Agreement, the Subscriber acknowledges that the offer and sale of the Partner Interests is not taking place within the U.S., but rather in an "offshore transaction," as defined in Rule 902 of Regulation S adopted by the Securities Exchange Commission pursuant to the Securities Act. "United States" or "U.S." means the United States of America, its territories and possessions, any state of the U.S. and the District of Columbia.

(q) The Subscriber is in compliance with all applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Freedom Act**"), the U.S. Bank Secrecy Act (the "**BSA**") and all other anti-money laundering laws and applicable regulations adopted to implement the provisions of such laws, including policies and procedures that can be reasonably expected to detect and cause the reporting of transactions under Section 5318 of the BSA. The investor is not and shall not be a person: (i) acting, directly or indirectly, on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any of the U.S. Office of Foreign Assets Control ("**OFAC**") lists; (ii) listed on, residing in or having a place of business in a country or territory named on any of such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering ("**FATF**"), or whose funds are from or through such a jurisdiction; (iii) that is a "Foreign Shell bank" within the meaning of the USA Freedom Act; or (iv) residing in or organized under the laws of a jurisdiction designated by the U.S. Secretary of the Treasury under Sections 311 or 312 of the USA Freedom Act as warranting special measures due to money-laundering concerns.

(r) The Subscriber represents and warrants that in making the decision to purchase the Membership Interests herein subscribed for, Subscriber has relied solely upon independent investigations made by Subscriber, and the Subscriber further represents and warrants that the Subscriber is not acquiring the Membership Interests as a result of any advertisement,

article, notice or other communication published in any newspaper, magazine or similar media distributed in the U.S., any seminar in the U.S. or any solicitation by a person in the U.S. not previously known to the Subscriber, and that Subscriber is not aware of any general solicitation within the U.S. or general advertising within the U.S. regarding the purchase or sale of the Membership Interests. The Subscriber acknowledges and confirms that it is not relying upon any statement, representation or warranty made by the Regional Center, the Company, or the Developer, or their respective representatives in making a decision to subscribe for the Membership Interests. Subscriber must rely solely on the terms of the Operating Agreement for the terms of Subscriber's participation in the Company and the rights and responsibilities of owning its Membership Interests.

(s) The Subscriber represents and warrants that the Subscriber is a bona fide resident of the country set forth in his or her address below, and the Subscriber agrees that if his or her principal residence changes prior to his/her purchase of the Membership Interests, he/she will promptly notify the Company or Regional Center and the Developer. The Subscriber represents and warrants that the Subscriber is not a U.S. Person, is not a citizen or resident alien of the U.S., and did not receive an offer to purchase the Membership Interests or this Offering Memorandum in the U.S. Subscriber further agrees to execute and deliver to the Company an IRS Form W-8 certifying that he or she is a Non-Resident Alien.

(t) The Subscriber understands that the Company, Regional Center and the Manager will be relying on the accuracy and completeness of all matters set forth in the Subscription Agreement, and the Subscriber represents and warrants to the Company, and its affiliates that the information, representations, warranties, acknowledgments and all other matters set forth herein with respect to the Subscriber are complete, true and correct and does not fail to include any material fact necessary to make the facts stated, in light of the circumstances in which they are made, not misleading, and may be relied upon by them in determining whether the offer and sale of the Membership Interests to the Subscriber is exempt from registration under the Securities Laws, and the Subscriber will notify them immediately of any change in any statement made herein that occurs prior to the consummation of the purchase of the Membership Interests hereunder.

(u) The Subscriber represents and warrants that he or she is an "Accredited Investor" and has accurately completed the Accredited Investor Status section hereto in order to evidence same. The Subscriber is also a "sophisticated person" in that Subscriber has such knowledge and experience in financial and business matters that individually and/or with the aid of advisers, it is capable of evaluating the merits and risks of an investment in the Company by making an informed investment decision with respect thereto.

(v) The Subscriber acknowledges that in the event the Internal Revenue Service determines that the Subscriber's country of residence does not exchange adequate tax information with the U.S., pursuant to Internal Revenue Code Sections 871(h)(6) or Section 881(c)(6), then the Company will be obligated to withhold U.S. income taxes and remit such taxes to the Internal Revenue Service, pursuant to applicable law, and the Subscriber consents to such withholding, pursuant to the terms of the Operating Agreement, there may be other grounds for withholding.

VIII. SUMMARY OF THE ESCROW AGREEMENT

1. General. By execution of the Subscription Agreement, each Subscriber agrees to be bound to the terms and conditions of the Escrow Agreement to the same extent as if the Subscriber had separately executed the Escrow Agreement. Central Escrow, Inc. is the designated Escrow Agent under the Escrow Agreement, and escrowed funds will be maintained at such bank. All subscription proceeds from this Offering will be held in escrow by the Escrow Agent pursuant to the terms of the Escrow Agreement establishing the Expense Escrow Account and the Project Escrow Account. A form of the Escrow Agreement is attached hereto as **Exhibit B** (as will be provided when available).

2. Deposit to Escrow Accounts; Release from Escrow Accounts. The sum of up to $562,500 will be deposited with the Escrow Agent. Except as may be otherwise provided in the Subscription Agreement, all investment earnings on subscription proceeds shall inure to the benefit of the Company.

A Subscriber's escrowed proceeds will only be released as set forth under the terms provided in Section I. – Offering Summary – "Escrow Accounts".

IX. TAX MATTERS

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR NO. 230, BE ADVISED THAT ANY FEDERAL TAX ADVICE IN THIS COMMUNICATION, INCLUDING ANY ATTACHMENTS OR ENCLOSURES, WAS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY ANY PERSON OR ENTITY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY INTERNAL REVENUE CODE PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON OR ENTITY. SUCH ADVICE WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION(S) OR MATTER(S) ADDRESSED BY THE WRITTEN ADVICE. EACH PERSON OR ENTITY SHOULD SEEK ADVICE BASED ON THE ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PRIOR TO INVESTMENT, AN INVESTOR THAT IS NOT A U.S. PERSON SHOULD CONSULT WITH HIS OR HER NON-U.S. AND U.S. TAX ADVISORS WITH REGARD TO THE TAX CONSEQUENCES OF BECOMING A LAWFUL PERMANENT RESIDENT OF THE U.S., AND, FURTHER, OF INVESTING IN, OWNING AND DISPOSING OF THE INVESTING PARTNER INTERESTS DESCRIBED IN THIS OFFERING MEMORANDUM, AND ALL OTHER TAX CONSEQUENCES IN CONNECTION WITH THE COMPANY.

THE FOLLOWING DISCUSSION IS NOT TAX ADVICE. PROSPECTIVE INVESTORS IN THE COMPANY ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

No federal income tax ruling will be requested from the IRS with respect to any of the income tax consequences or federal estate tax consequences related to the Company's activities or an investor's ownership of a Unit. Therefore, a material risk exists that, upon audit, certain items of deduction may be disallowed, in whole or in part, or required to be capitalized by the Company. It is presently intended that the Company's tax filings will be prepared based upon interpretations of tax law deemed to be most favorable to the majority of investors. However, it will be the responsibility of each investor to prepare and file all appropriate tax returns that he or she may be required to file as a result of his or her participation in the Company. EACH INVESTOR IS STRONGLY URGED TO CONSULT WITH HIS OR HER OWN TAX ADVISOR AND COUNSEL WITH RESPECT TO ALL TAX ASPECTS OF THE ACQUISITION AND OWNERSHIP OF A UNIT.

A. U.S. Tax Status

The Company will be classified for U.S. federal income tax purposes as a partnership rather than as an association taxable as a corporation under currently applicable tax laws. This classification, however, is not binding on the IRS or the courts, and no ruling has been, or will be, requested from the IRS. No assurance can be given that the IRS will concur with such classification or the tax consequences set forth below. This summary also does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the federal income tax laws, including financial institutions, insurance

companies, tax-exempt investors or non-U.S. Investing Members. Moreover, this summary does not address the U.S. federal estate and gift tax or alternative minimum tax consequences of the acquisition, ownership, disposition or withdrawal of an investment in the Company.

B. Certain Considerations for U.S. Investors

The following discussion summarizes certain significant U.S. federal income tax consequences to an investor who: (a) owns, directly or indirectly through a partnership or other flow-through entity, an interest as an investor; (b) is, with respect to the U.S., a citizen or resident individual, a domestic corporation, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust for which a court in the U.S. is able to exercise primary supervision over its administration and one (1) or more U.S. persons have the authority to control all substantial decisions, as such terms are defined for U.S. federal income tax purposes; and (c) is not tax-exempt.

C. Taxation of Company Income, Gain and Loss

The Company will not pay U.S. federal income taxes, but each investor will be required to report his or her allocable share (whether or not distributed) of the income, gains, losses, deductions and credits of the Company. It is possible that the investors could incur income tax liabilities without receiving from the Company sufficient cash distributions to defray such tax liabilities. Each investor is required to take into account in computing his or her federal income tax liability, and to report separately on his or her own federal income tax return, his or her distributive share of the Company's income, gain, loss, deductibility and credit for any taxable year of the Company ending within or with the taxable year of such investor.

Pursuant to the Operating Agreement, items of the Company's taxable income, gain, loss, deduction and credit are allocated so as to take into account the varying interest of the investors over the term of the Company. The Operating Agreement will contain provisions intended to comply substantially with IRS regulations describing partnership allocations that will be treated as having "substantial economic effect," and hence be respected, for tax purposes. However, those regulations are extremely complex, and there can be no assurance that the allocations of income, deduction, loss and gain for tax purposes made pursuant to the Operating Agreement will be respected by the IRS, if reviewed. It is possible that the IRS could challenge the Company's allocations as not being in compliance with such Treasury regulations. Any resulting reallocation of tax items may have adverse tax and financial consequences to a Member.

The Company and the Developer intend to treat the Loan made by the Company to the Developer as indebtedness for U.S. federal income tax purposes. However, no assurances can be given that the IRS will not treat the Loan as an equity investment in the Developer. Investors are urged to consult their own tax advisors regarding the consequences of the Loan being characterized as equity in the Developer for U.S. federal income tax purposes. The remainder of this discussion assumes that the Loan is properly treated as debt for U.S. federal income tax purposes.

The Company's taxable year will be the calendar year, or such other year as required by the Code. Tax information will be distributed to each investor as soon as reasonably practicable after the end of the year.

D. Imputed Interest and Original Issue Discount

The Company will recognize interest income from the Loan that may be includible in the taxable income of Investing Members in each year that the Company owns the Loan. In the event that the stated interest on the Loan is below the applicable federal rate, then interest must be imputed and income tax on the imputed interest will apply whether or not cash distributions are made.

If the IRS determines that the Loan includes "original issue discount" ("**OID**"), then each investor will be required to include in his or her income the portion of the OID that accrues during any tax year. OID is the excess of the Loan's stated redemption price at maturity (in general, the stated principal amount of the Loan) over the issue price (in general, the amount invested) of the Loan. If any portion of the interest paid is "Qualified Stated Interest" then such Qualified Stated Interest will not be included in determining the amount of OID. Qualified Stated Interest is stated interest unconditionally payable at least annually at a single fixed rate. A U.S. investor will realize ordinary income tax arising from the OID. A U.S. investor must pay tax on the ordinary issue discount whether or not cash is received by such investor.

E. Investment Interest and Passive Activity Limitations

There are limits on the deduction of "investment interest," (*i.e.*, "interest for indebtedness properly allocable to property held for investment"). In general, investment interest will be deductible only to the extent of the taxpayer's "net investment income." For this purpose "net investment income" will generally include net income from the Company and other income from property held for investment (other than income treated as passive business income). However, long-term capital gain is excluded from the definition of net investment income unless the taxpayer makes a special election to treat such gain as ordinary income rather than long-term capital gain. Interest which is not deductible in the year incurred because of the investment interest limitation may be carried forward and deducted in a future year in which the taxpayer has sufficient investment income. The Company will report separately to each investor his or her distributive share of the investment interest expense of the Company, and each investor must determine separately the extent to which such expense is deductible on the investor's tax return.

Non-corporate investors (and certain closely held, personal service and S corporations) are subject to limitations on using losses from passive business activities to offset active business income, compensation income, and portfolio income (*e.g.*, interest, dividends, capital gains from portfolio investment, royalties, etc.). The Company's distributive share of income or losses generally may be treated as passive activity income or losses. Accordingly, an investor will be subject to the passive activity loss limitations on the use of any allowable Company losses and allocable Company expenses.

F. Deductibility of Company Investment Expenditures and Certain Other Expenditures

Investment expenses of an individual, trust or estate are deductible only to the extent they exceed 2% of the taxpayer's adjusted gross income for the particular taxable year. In addition, the Internal Revenue Code further restricts the ability of individuals with an adjusted gross income in excess of a specified amount to deduct such investment expenses. Moreover, such investment expenses are miscellaneous itemized deductions which are not deductible by a noncorporate taxpayer in calculating such taxpayer's alternative minimum tax liability.

These limitations on deductibility may apply to a Member's share of the trade or business expenses of the Company. The Company may make an allocation of its expenses among its various activities. There can be no assurance that any of its expenses will be considered trade or business expenses nor can there be any assurance that the IRS will agree with any allocation made by the Company.

A Member will not be allowed to deduct syndication expenses attributable to the acquisition of Units paid by such Investing Member or the Company. Any such amounts will be included in the Investing Member's adjusted tax basis for his or her Units.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, Investing Members should consult their own tax advisors with respect to the application of these limitations and on the deductibility of their share of items of loss and expense of the Company.

G. Application of Basis and "At Risk" Limitations on Deductions

The amount of any loss of the Company that an investor is entitled to deduct on such investor's income tax return is limited to such investor's adjusted tax basis in his or her Units as of the end of the Company's taxable year in which such loss is incurred. Generally, an investor's adjusted tax basis for such investor's Units is equal to the amount paid for such Units, increased by the sum of (i) such investor's share of the Company's liabilities, as determined for federal income tax purposes, and (ii) such investor's distributive share of the Company's realized income and gains, and decreased (but not below zero) by the sum of (a) distributions (including decreases in such investor's share of Company liabilities) made by the Company to such investor and (b) such investor's distributive share of the Company's losses and expenses.

An investor that is subject to the "at risk" limitations (generally, non-corporate taxpayers and closely held corporations) may not deduct losses of the Company to the extent that they exceed the amount such investor has "at risk" with respect to such investor's Units at the end of the year. The amount that an investor has "at risk" will generally be the same as such Investing Member's adjusted basis as described above, except that it will generally not include any amount attributable to liabilities of the Company (other than certain loans secured by real property) or any amount borrowed by the investor on a non- recourse basis.

Losses denied under the basis or "at risk" limitations are suspended and may be carried forward in subsequent taxable years, subject to these and other applicable limitations.

H. Certain U.S. Tax Considerations for Foreign Investors

The U.S. federal income tax treatment of a non-resident alien investing as an investor in the Company is complex and will vary depending on the circumstances and activities of such investor and the Company. Each non-U.S. investor is urged to consult with his or her own tax advisor regarding the U.S. federal, state, local and foreign income, estate and other tax consequences of an investment in the Company. The following discussion assumes that a non-U.S. investor is not subject to U.S. federal income taxes as a result of the investor's presence or activities in the U.S. other than as an investor in the Company.

I. Withholding

A non-U.S. investor will generally be subject to U.S. federal withholding taxes at the rate of 30% (or such lower rate provided by an applicable tax treaty) on his or her share of Company income from dividends interest (other than interest which constitutes portfolio interest within the meaning of the Code) and certain other income. Unless a non-U.S. investor meets certain exception requirements, then non-U.S. investors will also be subject to withholding on imputed interest and OID, determined as discussed above.

The Company may be deemed to be engaged in a U.S. trade or business. In such event, a non-U.S. investor's share of Company income and gains will be deemed "effectively connected" with such a U.S. trade or business of the Company (including operating income from Company) and will be subject to tax at normal graduated U.S. federal income tax rates. A non-U.S. investor generally will be required to file a U.S. federal income tax return with respect to the non-U.S. investor's share of effectively connected income. If the Company is deemed to be engaged in a U.S. trade or business, then the Company will be required to withhold U.S. federal income tax with respect to the non-U.S. investor's share of Company income that is effectively connected income.

J. Backup Withholding

Backup withholding of U.S. tax, currently at a rate of 28%, may apply to distributions or portions thereof by the Company to Investing Members who fail to provide the Company with certain identifying information, such as a Member's taxpayer identification number. A U.S. Investing Member may comply with these identification procedures by providing the Company with a duly executed IRS Form W-9, Request for Taxpayer Identification Number and Certification. Non-U.S. Investing Members may comply by providing the Company with a duly executed IRS Form W-8BEN or other appropriate IRS Form W-8.

K. Estate Tax

Additionally, each non-U.S. investor is subject to U.S. estate tax on his or her interest in the Company. If at the time of death, the non-U.S. investor remains a non-U.S. resident, under the Internal Revenue Code, a non- U.S. investor may pass, free of U.S. estate tax, the first $60,000 of U.S. situs assets. The value in excess of this $60,000 exemption will be subject to federal estate tax at a maximum 40% rate. Treaties and various exemptions may reduce or eliminate the estate tax, but no assurance can be made that a treaty or exemption will apply.

The U.S. charges income and estate tax on all U.S. citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some but not all of the risk of double taxation. Each state in the U.S. has its own separate income tax system. All but four (4) states raise revenue through state income tax. Investors should consider the tax effects of becoming a U.S. resident before investing. Foreign persons (non-U.S. persons) that become permanent residents of the U.S. generally are subject to U.S. federal income tax on their worldwide income in the same manner as a U.S. citizen. Prior to making an investment in the Company, an investor that is not a U.S. person should consult with his or her non-U.S. tax advisors with regard to the consequences of becoming a lawful permanent resident of the U.S.

This Offering Memorandum does not address all of the U.S. federal income tax consequences to the investor of an investment in the Company, and does not address any of the state or local tax consequences of such an investment to any investor, or all of the U.S. or foreign tax consequences of such an investment to any Investing Member that is not a U.S. person or entity. Each investor is advised to consult his or her own tax counsel as to the U.S. federal income tax consequences of an investment in the Company and as to applicable state, local and foreign taxes. Special considerations may apply to investors who are not U.S. persons or entities and such investors are advised to consult his or her own tax advisors with regard to the U.S., state, local and foreign tax consequences of an investment in the Company.

It is anticipated that upon the acceptance of an investors I-526 Petition and the issuance of a temporary resident visa, such investor will automatically become a U.S. taxpayer and not be subject to the tax treatment afforded non-resident persons unless such investor's tax status would change in the future.

L. State and Local Taxes

Investors should consider the potential state and local tax consequences of an investment in the Company. In addition to being taxed in its own state or locality of residence, an investor may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Company operates. Investors should consult their tax advisers regarding the state and local tax consequences of an investment in the Company.

M. Disposition of the Units

There are limitations on the transfer, assignment or disposition of the Units. Generally, a U.S. investor will recognize capital gain or loss on the sale, redemption, exchange or other taxable disposition of an interest in the Company, excluding amounts attributable to interest (which will be recognized as ordinary interest income) to the extent the U.S. investor has not previously included the accrued interest income. The deductibility of capital losses may be subject to limitation. The consequences of the limitations will vary depending on the tax situation of each taxpayer. Accordingly, each Investing Member should consult their own tax advisors with respect to these limitations.

Any gain from the sale or disposition of the Units by a non-U.S. investor will generally be treated as gain or loss effectively connected with a trade or business in the U.S. and would be subject to federal net income tax. Accordingly, each non-U.S. investor should consult their own tax advisors prior to the sale or disposition of an interest in the Company.

N. Possible IRS Challenges; Tax Audits

Investors should be aware that the IRS may challenge the Company's treatment of items of income, gain loss, deduction and credit, or its characterization of the Company's transactions, and that any such challenge, if successful, could result in the imposition of additional taxes, penalties and interest charges. The Manager will decide how to report the items on the Company's tax returns. In the event the income tax returns of the Company are audited by the IRS, the tax treatment of the Company's income and deductions generally is determined at the partnership level in a single proceeding rather than by individual audits of the Investing Members. If the IRS audits the Company's tax returns, however, an audit of the Investing Member's own tax returns may result. The Manager, designated as the "Tax Matters Partner," has considerable authority to make decisions affecting the tax treatment and procedural rights of all Investing Members. In addition, the Tax Matters Partner has the authority to bind certain Investing Members to settlement agreements and the right on behalf of all investors to extend the statute of limitations relating to the investors' tax liabilities with respect to Company items. The legal and accounting costs incurred in connection with any audit of the Company's tax returns will be paid off by the Company, but each Investing Member will bear the cost of audits of his or her own return.

O. Possible Legislative or Other Action Affecting Tax Aspects

The foregoing discussion is only a summary and is based upon existing U.S. federal income tax law. Investors should recognize that the U.S. federal income tax treatment of an investment in Units may be modified at any time by legislative, judicial or administrative action. Any such changes may have retroactive effect with respect to existing transactions and investments and may modify the statements made above. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the Treasury Department, resulting in revisions of the Treasury regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the tax aspects of an investment in the Company. There can be no assurance that legislation will not be enacted that has an unfavorable effect on an investor's investment in the Company.

EACH INVESTOR NEEDS TO BE AWARE THAT CHANGES TO U.S. FEDERAL TAX LAWS AND RATES HAVE BEEN MODIFIED BEGINNING JANUARY 1, 2013 THAT MAY EFFECT THE ABOVE ASSUMPTIONS. EACH INVESTOR NEEDS TO CONSULT WITH HIS OR HER OWN TAX ADVISOR AND COUNSEL WITH RESPECT TO THE IMPACT AND TAX CONSEQUENCES SUCH CHANGES WILL HAVE ON EACH INVESTOR'S ACQUISITION AND OWNERSHIP OF A UNIT.

X. ADDITIONAL INFORMATION

Prior to the consummation of the Offering, the Company will provide to each Prospective Investor and such Prospective Investor's representatives and advisors, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information which the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such Prospective Investor. Any such questions should be directed to:

c/o Laura Hughes, Project Manager
Gateway to the Midwest Investment Center, Inc.
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105
Telephone: (314) 615-8151
Email: lhughes@worldtradecenter-stl.com

No other persons have been authorized to give information or to make any representations concerning this Offering, and if given or made, such other information or representations must not be relied upon as having been authorized by the Company.

EXHIBIT A

FORM OF SUBSCRIPTION AGREEMENT AND INVESTOR QUESTIONNAIRE

(*See* attached)

EXHIBIT B

FORM OF ESCROW AGREEMENT

(*See* attached)

EXHIBIT C

FORM OF OPERATING AGREEMENT

(*See* attached)

EXHIBIT D

BACKGROUND OF PRINCIPALS OF THE DEVELOPER, MANAGER, AND REGIONAL CENTER

Principals of the Developer

Owner/Operator: The Lawrence Group

Steve Smith
Co-founder and CEO
Lawrence Group

Under Mr. Smith's leadership, Lawrence Group has grown from a four-person boutique design firm located in the attic of a Lafayette Square townhome, into a national multi-disciplinary real estate services firm with clients throughout the United States. Over the past 30+ years, Steve has led the expansion of Lawrence Group from its roots as an architectural and interior design practice serving everyone from individual homeowners to Fortune 500 companies, into a fully integrated services company which designs, builds, develops, owns, and operates real estate.

Committed to the redevelopment of St. Louis and its neighborhoods, Steve was honored as one of the "100 St. Louisans You Should Know" by St. Louis Small Business Monthly magazine.

Steve is a registered architect and is a graduate of the University of Kansas, School of Architecture.

LEADERSHIP IN ST. LOUIS

- Led over $250 million in St. Louis redevelopment projects
- Chair Elect, Downtown St. Louis, Inc.
- Board Member, St. Louis Regional Chamber
- Board Chairman, St. Joseph Health Center Foundation

ST. LOUIS REDEVELOPMENTS

- Park Pacific | $109 million redevelopment of historic Missouri Pacific Railroad headquarters into office, residential and commercial uses
- The Marquette Building | $57 million redevelopment into condo/apartment, office and retail mixed-use
- Beaux Arts Building | $23 million historic renovation of the Grand Center Arts Academy
- Security Building | $18 million office historic renovation
- Hotel Ignacio | $15 million, 51-room boutique hotel in partnership with Saint Louis University
- Sun Theater | $10.5 million historic renovation of performing arts center
- Southside Tower | $8.7 million redevelopment into condominiums
- Moto Complex | $7.8 million museum, Restaurant and International Photography Hall of Fame

Project Principal: The Hon. Angad Paul

The Hon. Angad Paul
Chief Executive Officer
Caparo Group

The Hon. Angad Paul joined Caparo in 1992. In 1993, he launched Caparo in India, and in 1999 chaired the company's engineering division becoming Chief Executive of Caparo in 2002.

Under his tenure, Caparo has grown from $450m sales to $1.5bn, moving from the manufacture of steel and engineering products to value added components, energy and financial services. He has also expanded the group into the Middle East and Poland, adding to the UK, North America and India.

Angad has also been involved in creating companies in various fields including branded furniture and artificial intelligence software. Additionally, he is an acclaimed film producer and has produced films including Guy Ritchie's hits 'Lock, Stock and Two Smoking Barrels' and 'Snatch' and Neil Marshall's 'Dog Soldiers'. He also Co-Founded the exclusive London clubs, Chinawhite and Aura.

He has previously served as a Non-Executive Director on the Board of the Imperial College Healthcare, the NHS Trust comprising North West London hospitals. He is a member of the Trilantic Advisory Council. Aside from his business interests, Angad is a Trustee of the Ambika Paul Foundation and a Patron of the SHINE Education Trust.

He graduated from MIT (Massachusetts Institute of Technology) in Boston, USA where he received a BSc in Economics.

Caparo Career History

1992 - Joined Caparo.
1993 - Launched Caparo India, presently turning over in excess of $350 million and growing fast.
1999 - Chaired Caparo Engineering Division, now the core of Caparo Materials Engineering, the largest Caparo division of companies in the UK.
2002 - Appointed Chief Executive of Caparo Industries.
2003 - Created Caparo Innovation Centre (CIC) in partnership with the University of Wolverhampton.
2004 - Led the acquisition of 12 units in UK steel conversion and distribution.
2005 - Initiated Caparo presence in Dubai, today Caparo Middle East.
2006 - Started trading in China and also led the acquisition of 22 UK companies and the launch of the Caparo T1.
2007 - Launched Caparo Vehicle Components Inc. in North America which expanded into Mexico in 2008.
2011 - Opened the Ayatti Cultural Centre near Greater Noida, India.

Principals of the Manager and Regional Center

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC., a Missouri corporation (the "**Regional Center**" or "**GMIC**"), is the holder of the regional rights to undertake an EB-5 program in the St. Louis, Missouri SMA area (the "**Territory**") with the United States Citizenship and Immigration Service ("**USCIS**") (the "**EB-5 Program**") for purposes of authorizing foreign investors in the Company to include both direct and indirect job creation from investment in participating developers toward qualification for the EB-5 Program, who will grant regional rights to the Developer to participate in the EB-5 Program.

The Regional Center is a non-profit government sponsored regional center sponsored by the City of St. Louis, St. Louis County and St. Charles County, Missouri.

The Gateway to the Midwest Investment Center Board of Directors is made up of the following:

Sheila Sweeney has been the interim chief executive officer of the St. Louis Economic Development Partnership since June, 2015. A native of St. Louis, Sheila has championed the St. Louis County Economic Council, and now the St. Louis Economic Development Partnership, for over two decades while serving as a member and chairman of both boards of directors. Sheila was also the chairman of the committee that organized the alignment of the St. Louis County Economic Council and the St. Louis Development Corporation in 2013.

Rodney Crim is President of St. Louis Economic Development Partnership, and leads the organization's business development services, including business retention and attraction, innovation and entrepreneurship, international trade support, and business financing—all aimed at bringing people, jobs and investment to the St. Louis region.

Rick Palank is an original employee of St. Louis Economic Development Partnership, working for the organization for more than 30 years. He oversees the staff of the Business Finance Division, which offers financing products and programs designed to meet the funding needs for growing small businesses.

Joyce Steiger has been the Chief Financial Officer for St. Louis Economic Development Partnership, for nearly 20 years. She oversees the accounting division and is responsible for the organization's annual financial statements, single audit report and operating budget, while ensuring compliance with internal and external financial regulations.

Greg Prestemon has served as President and CEO of the Economic Development Center of St. Charles County since April, 1993. The EDC has a 30-member Board of Directors with representation from city and county governments and the private sector.

Architect

Lawrence Group was founded as an architecture company in 1983 by a trio of young design school graduates of "KU," The University of Kansas at Lawrence, Kansas (and thus the name, Lawrence Group). Steve Smith, David Ohlemeyer and Paul Doerner established Lawrence Group with the goal of becoming a design-and-construction industry "super-firm." The addition of interior design services headed by Linda Loewenstein in 1984 was their next step towards realizing that goal.

Today, the company has over 160 employees in four offices: Austin, Texas; Charlotte, North Carolina; New York, New York and its corporate headquarters in St. Louis, Missouri.

Lawrence Group's hospitality studio has designed many restaurants, country clubs, hotels and recreational facilities. Lawrence Group has been ranked in Interior Design Magazine's list of "Hospitality Giants" in 2012 and 2013 and the Lawrence Group designed Hotel Ignacio which was named one of the seven best new design hotels in the United States by Design Bureau Magazine. Our hospitality portfolio ranges from new construction to renovation and includes tenant build-outs and stand-alone facilitates. Our representative clients include P.F. Changs, Mike Shannon's, J. Buck's, Sabi Asian Bistro, Westin Hotel and the Marriot. For additional information on Lawrence Group can be found at www.thelawrencegroup.com.

Economic Impact and Business Plan Consultant

Since the founding of EPR in 1983, the professionals at EPR have been providing clients with objective research, analysis, forecasting, and advisory services in multiple aspects of economics, finance, public policy, and strategic planning. The firm has completed successful projects for government, business, and institutional clients, allowing clients to move forward decisively to embrace their opportunities and/or address their problems.

The team of professionals at EPR has experience that includes a wide range of assignments. Completed projects range from performing economic impact studies for clients who need to understand how their industry or project will affect a community, state, regional, or national economy to developing solutions and implementation strategies for dealing with the most complex economic, financial, public policy, or strategic planning problems. The firm also evaluates and drafts business plans for the EB-5 Program.

Jeffrey B. Carr, President and Senior Economist, has more than 30 years of experience in economic forecasting, fiscal impact analysis, economic impact analysis (including studies for the EB-5 Program), financial analysis, economic-tax revenue forecasting, and preparing and presenting state economic-fiscal data to Wall Street bond rating agencies. In addition to more than 200 completed economic impact studies in his consulting practice, Mr. Carr has served as the consulting State Economist and Principal Tax Revenues Analyst-Forecaster for the past five governors of the State of Vermont, including 4 years for the current Governor Peter Shumlin, 8 years for former Governor James Douglas, and 12 years for former Governor Howard Dean. He has been the State Economic Forecast Manager for Vermont for the past 20 years for the New England Economic Partnership.

Escrow Administrator

NES Financial is the leading provider of solutions and services for the EB-5 industry. Their suite of Intelligent EB-5 Solutions offers the highest levels of security, transparency, and compliance for issuers and investors alike. NES Financial has the capabilities to handle the setup of the escrow account, manage the funds from start to finish, and track each investor's immigration status and documentation throughout the entire EB-5 life cycle.

Over 250 EB-5 projects have relied on our experience and expertise to help them achieve project success. Recognized by Artisan Business Group as the 2013 EB-5 Service Provider of the Year, NES Financial allows issuers to streamline the EB-5 process, increase efficiency, and give investors peace of mind.

EXHIBIT E

EXECUTIVE SUMMARY, DESCRIPTION OF PROJECT, CONSTRUCTION BUDGET AND FINANCIAL PROJECTIONS

EXHIBIT F

TARGETED EMPLOYMENT AREA LETTER

Exhibit 23

MISSOURI THEATRE LENDERS, LLC

SUBSCRIPTION AGREEMENT

TABLE OF CONTENTS

Page

RECITALS: 2

AGREEMENT 4

1. Subscription 4

2. Acceptance of Subscription. 5

3. Subscriber's Acknowledgment of Restrictions on Transfer; No Right to Require Registration.. 5

4. Subscriber's Additional Representations and Warranties. 6

5. Withholding Tax. 10

6. Confirmation. 10

7. Consultation with Independent Counsel and Tax Advisor. 11

8. Indemnification.. 11

9. Investor Information Form, Form W-8 and Investor Questionnaire 11

10. Miscellaneous. 11

ACCEPTANCE 16

EXHIBITS

EXHIBIT A - INVESTOR INFORMATION FORM

EXHIBIT B - CERTIFICATE OF FOREIGN STATUS OF BENEFICIAL OWNER FOR UNITED STATES TAX WITHHOLDING

Name of Subscriber:_____
Number of Registration:_____
NON-U.S. PURCHASER

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, EITHER PURSUANT TO APPLICABLE EXEMPTIONS WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THIS AGREEMENT AND THE OPERATING AGREEMENT. HEDGING UNITS MAY NOT BE CONDUCTED EXCEPT IN COMPLAINCE WITH THE SECURITIES ACT, THIS AGREEMENT AND THE OPERATING AGREEMENT.

NO PARTIES EXCEPT THE COMPANY ARE RESPONSIBLE FOR THE CONTENTS OF THE OFFERING MEMORANDUM (DEFINED BELOW), AND NO OTHER PARTY EXCEPT SALES AGENTS AUTHORIZED BY THE COMPANY WILL BE INVOLVED IN THE OFFERING OF UNITS UNDER THE MEMORANDUM OR THE ACCEPTANCE OF SUBSCRIPTIONS FROM INVESTING MEMBERS.

MISSOURI THEATRE LENDERS, LLC

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "**Agreement**") is made and entered into as of the date shown on the signature page hereof, by the undersigned subscriber ("**Subscriber**") identified on the signature page of this Agreement, in favor of **MISSOURI THEATRE LENDERS, LLC**, a Missouri limited liability company (the "**Company**"), **MISSOURI THEATRE LENDERS MANAGER, LLC**, a Missouri limited liability company (the "**Manager**"), and if accepted by the Company in writing in accordance with the terms hereof, then this Agreement shall be by and between the Subscriber and the Company.

THE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND ARE BEING OFFERED PURSUANT TO TRANSACTION EXEMPTION AFFORDED BY (A) REGULATION S PROMULGATED UNDER THE SECURITIES ACT SOLELY OUTSIDE OF THE UNITED STATES AND SOLELY TO NON-U.S. PERSONS AND IN SPECIFIC RELIANCE UPON THE REPRESENTATIONS BY EACH SUBSCRIBER THAT (1) AT THE TIME OF THE OFFER AND SALE OF THE UNIT TO SUBSCRIBER, SUBSCRIBER WAS NOT A U.S. PERSON AS DEFINED IN REGULATION S, AND (2) AT THE TIME OF THE OFFER AND SALE OF THE UNIT TO SUBSCRIBER AND, AS OF THE DATE OF THE EXECUTION AND DELIVERY OF THIS SUBSCRIPTION AGREEMENT AND THE OPERATING AGREEMENT BY THE SUBSCRIBER, THE SUBSCRIBER WAS OUTSIDE OF THE UNITED STATES OR (B) REGULATION D PROMULGATED UNDER THE SECURITIES ACT. THE UNIT MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S) UNLESS THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. HEDGING TRANSACTIONS IN THE UNITS MAY NOT BE CONDUCTED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND THE COMPANY'S OPERATING AGREEMENT.

RECITALS:

A. Pursuant to a Confidential Private Placement Memorandum dated as of September 25, 2015 (the "**Offering Memorandum**"), the Company is offering for purchase (the "**Offering**") only to a limited number of individual investors who are (i) not "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act, in compliance with Regulation S, on a limited and private basis, or (ii) "accredited investors," as defined in Rule 501 under the Securities Act and pursuant to Regulation D of the Securities Act ("**Accredited Investors**"), a maximum of thirty-two (32) units ("**Units**") of membership interests in the Company ("**Membership Interests**"), representing total capital contributions to the Company of up to Sixteen Million Dollars ($16,000,000) (the "**Maximum Offering Amount**"), excluding the sum of up to $62,500 per Investor for Offering costs, migration services, brokerage fees, I-526 insurance related costs, and administrative expenses (the "**Expense Amount**"). The terms and conditions applicable to holders of the Units are described in the Operating Agreement of the Company (the "**Operating Agreement**") to be entered into by and among the Manager and each of the Subscribers for Units whose subscriptions are accepted by the Manager.

B. Subscribers for Units must subscribe for Five Hundred Sixty Two Thousand Five Hundred Dollars ($562,500) (the "**Total Subscription Payment**"), representing the Five Hundred Thousand Dollar ($500,000) capital contribution (the "**Capital Contribution**") and Sixty Two Thousand Five Hundred Dollar ($62,500) Expense Amount per Unit. Subscribers, in the aggregate, will own one hundred percent (100%) of the Investing Member Membership Interests in the Company, and each Subscriber shall be issued a Unit that represents a limited liability company membership interest in the Company, as more fully described in the Operating Agreement.

C. **TLG 634 MANAGING MEMBER, LLC**, a Missouri limited liability company (the "**Developer**"), is the current owner of the Project (as defined in the Offering Memorandum).

D. **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.**, a Missouri non-for-profit corporation (the "**Regional Center**"), is an approved regional center under the EB-5 program (the "**EB-5 Program**") with the United States Citizenship and Immigration Service ("**USCIS**") authorized under The Immigration Act of 1990 (IMMACT 90), effective November 29, 1991 ("**Immigration Act**"), for purposes of authorizing foreign investors in the Company to include both direct and indirect job creation from investment in participating businesses toward qualification for the EB-5 Program, and it will be granting the Project the rights to utilize the EB-5 program to raise capital for the development of the Project. The Regional Center will agree to sponsor the Project for participation in the EB-5 Program pursuant to a Business Affiliate Agreement to be entered into between the Regional Center, Company and Developer (the "**Regional Center Agreement**").

E. The Company has been organized to provide the Loan (as defined in the Offering Memorandum) to the Developer for the funding of the Project.

F. Each Subscriber's Capital Contribution will be paid to the Escrow Agent (as defined below) and will be held in escrow pursuant to the Escrow Agreement which maintains the Capital Contribution in a project account (the "**Project Escrow Account**"). The funds held in the Project Escrow Account from an Investing Member will be released to the Company's general operating account upon satisfaction of the Escrow Release Conditions, as provided in Section 7.5 of the Operating Agreement.

G. If an Investing Member's I-526 Petition is denied (without appeal or after denial of any appeal, as provided herein), all or a portion of the Investing Member's Capital Contribution and Expense Amount shall be refunded subject to and as more fully set forth in Section 7.5 of the Operating Agreement.

H. The Offering has been structured so that each Investing Member, by subscribing for a Unit and becoming a member of the Company, will have made an investment that qualifies as the investment component required for an I-526 Petition that entitles the Investing Member to seek permanent United States residency and, ultimately, to apply for U.S. citizenship, provided that the Investing Member otherwise satisfies the non-investment criteria for an EB-5 Visa. For further information, see "IV. IMMIGRATION MATTERS" and "V. E. RISK FACTORS - Immigration Risk Factors" of the Offering Memorandum. The Company has arranged for an immigration attorney to file an I-526 Petition on behalf of each Investing Member, at the Investing Member's sole cost and expense, which petition will be filed following acceptance of the subscription and admission of the Investing Member as a member of the Company. An Investing Member may elect to use his or her own attorney to file the I-526 Petition, at the Investing Member's sole cost and expense, provided that the Company may require that an immigration attorney selected by the Company review the Investing Member's I-526 Petition to ensure consistency with this Offering Memorandum, in which case the Investing Member will be required to pay such immigration attorney's fee for performing such review.

I. In addition to executing this Agreement and remitting the purchase price for the Units subscribed for hereunder to the Company, as described herein, the Subscriber will also need to execute the Company's Operating Agreement and deliver the executed Operating Agreement to the Company in order to complete its subscription hereunder. ***Please review the Operating Agreement in its entirety.***

J. The Offering will end on June 30, 2016 at 5:00 p.m. EST, unless extended by mutual agreement of the Manager and Developer until December 31, 2016, in the Manager's sole discretion (the "**Offering Period**"). Notwithstanding the foregoing, the Company reserves the right, following the end of the Offering Period, to substitute a Subscriber whose I-526 Petition is denied with a Substitute Investing Member, as defined and more fully set forth in Section 7.5 of the Operating Agreement. The Subscriber shall pay the Capital Contribution to the Escrow Agent (as defined below) in one (1) installment and pay the Expense Amount to the Manager in one (1) installment, both simultaneously with the execution of this Agreement. A copy of the Escrow Agreement between **SUNTRUST BANK** or its successor, as escrow agent ("**Escrow Agent**"), and the Company ("**Escrow Agreement**") is attached as Exhibit B to the Offering Memorandum.

K. Subject to the terms of the Operating Agreement, the Subscriber irrevocably commits the Subscriber's Capital Contribution to the Company upon payment thereof to the Escrow Agent.

L. All subscription proceeds from this Offering will be held in escrow pursuant to the terms of the Escrow Agreement. By execution hereof, each Subscriber agrees to be bound to the terms and conditions of the Escrow Agreement to the same extent as if the Subscriber had separately executed the Escrow Agreement.

AGREEMENT

NOW, THEREFORE, the Subscriber hereby agrees as follows:

1. Subscription. The Subscriber hereby irrevocably subscribes for and agrees to purchase the Unit indicated on the signature page of this Agreement. Payment of the Capital Contribution and Expense Amount shall be made in two (2) installments payable upon subscription, as follows:

(a) **$500,000 by wire transfer to the Escrow Agent as follows:**

Bank	Suntrust Bank
SWIFT Code	_____
Fedwire Telegraph Name (where to put on wire transfer form when investor wires their funds)	_____
Account #	_____

Account Name/Beneficiary & Address	MISSOURI THEATRE LENDERS, LLC Project Escrow Account
Account Currency	U.S. Dollars
Message	***Investor's full name***

and

(b) **$62,500 by <u>wire transfer</u> to the Manager as follows:**

Bank	_____
SWIFT Code	_____
Fedwire Telegraph Name (where to put on wire transfer form when investor wires their funds)	_____
Account #	_____
Account Name/Beneficiary & Address	MISSOURI THEATRE LENDERS, LLC Project Escrow Account
Account Currency	U.S. Dollars
Message	***Investor's full name***

2. <u>Acceptance of Subscription</u>. Subscriber understands and agrees that the Subscriber's subscription for Units hereunder ("**Subscription**") may be rejected by the Manager at any time in its sole discretion. If the Subscription is accepted, the Manager will notify Subscriber of same and the scheduled date of closing. If the Subscription is rejected, all funds received from the Subscriber will be returned without interest and thereafter this Agreement shall be of no further force or effect.

3. <u>Subscriber's Acknowledgment of Restrictions on Transfer; No Right to Require Registration</u>. THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS (COLLECTIVELY, "**SECURITIES LAWS**"), EITHER PURSUANT TO APPLICABLE EXEMPTIONS. WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS

NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THE COMPANY'S OPERATING AGREEMENT ADDITIONALLY, THE SUBSCRIBER ACKNOWLEDGES THAT NEITHER THE COMPANY NOR THE MANAGER ARE OBLIGATED TO REGISTER THE UNITS UNDER THE SECURITIES LAWS. SUBSCRIBER FURTHER UNDERSTANDS THAT THE TRANSFER OF THE UNITS MAY BE SUBSTANTIALLY RESTRICTED BY THE SECURITIES LAWS AND BY THE ABSENCE OF A TRADING MARKET THEREFOR, AND THE TRANSFER OF THE UNITS IS ADDITIONALLY RESTRICTED BY THE TERMS OF THE OPERATING AGREEMENT; THAT NO TRADING MARKET FOR THE UNITS EXISTS AND NONE IS EXPECTED TO DEVELOP; AND THAT ANY SALE OR OTHER DISPOSITION OF THE UNITS MAY RESULT IN UNFAVORABLE TAX CONSEQUENCES TO THE SUBSCRIBER. THE SUBSCRIBER ACKNOWLEDGES THAT THE RESTRICTIONS ON THE TRANSFERABILITY OF THE UNITS ARE SUBSTANTIAL AND MAY REQUIRE THE SUBSCRIBER TO HOLD THE UNITS INDEFINITELY. THE SUBSCRIBER HEREBY REPRESENTS AND WARRANTS THAT THE SUBSCRIBER HAS ADEQUATE MEANS OF PROVIDING FOR THE SUBSCRIBER'S CURRENT AND FUTURE NEEDS AND POSSIBLE PERSONAL CONTINGENCIES AND HAS NO NEED FOR LIQUIDITY OF THE UNITS.

4. Subscriber's Additional Representations and Warranties. The Subscriber additionally represents and warrants to the Regional Center and the Company as follows:

(a) The Subscriber understands that the offer and sale of the Units have not been registered under the Securities Laws, pursuant to applicable exemptions. The Subscriber acknowledges the Company is not obligated to register the Unit under the Securities Laws. In addition to restrictions on transferability pursuant to the Operating Agreement, without such registration, such Unit may not be sold, pledged, hypothecated or otherwise transferred at any time whatsoever, except upon delivery to the Company of an opinion of counsel satisfactory to the Manager and the Company that registration is not required for such transfer or the submission to the Manager of such other evidence as may be satisfactory to the Manager and the Company to the effect that any such transfer will not be in violation of the Securities Laws. Subscriber further understands that any transfer of the Unit may be substantially restricted by the absence of a trading market therefor and none is expected to develop, and that any sale or other disposition of the Unit may result in unfavorable tax consequences to the Subscriber. The Subscriber acknowledges that the restrictions on the transferability of the Unit are substantial and may require the Subscriber to hold the Unit indefinitely.

(b) The Subscriber is acquiring the Unit solely for the account of the Subscriber for investment purposes only and not for distribution or resale to others. The Subscriber will not resell or offer to resell all or a portion of the Unit except in strict compliance with all applicable Securities Laws, including, without limitation, Regulation S (Rules 901

through 905 and Preliminary Statement) under the Securities Act and the Operating Agreement. Subscriber will not engage in any hedging transactions involving the Unit, except in compliance with the Securities Laws and the Operating Agreement.

(c) Subscriber (i) is not a U.S. Person, is not a citizen or resident alien of the United States, is not acquiring the Units for the account or benefit of any U.S. Person, did not receive the Offering Memorandum or an offer to purchase the Unit in the United States and did not execute this Agreement and pay the amounts specified hereunder from within the United States; or (ii) is an Accredited Investor acquiring the Units in a transaction not requiring registration under the Securities Act through Regulation D of the Securities Act. If requested by the Company, Subscriber further agrees to execute and deliver to the Company an executed IRS Form W-8 certifying that he or she is a Non-Resident Alien.

(d) The Subscriber is a bona fide resident of the country set forth in his or her address in this Agreement, and agrees that if his or her principal residence changes prior to his or her purchase of a Unit, he or she will promptly notify the Manager.

(e) The Subscriber acknowledges that the offer and sale of the Units is not taking place within the United States, but rather in an "offshore transaction," as defined in Rule 902 of Regulation S adopted by the Securities Exchange Commission pursuant to the Securities Act, and that no "directed selling efforts" took place within the United States in compliance with Regulation S, unless the Subscriber is an "accredited investors" as such term is defined in Rule 501(a) under the Securities Act in compliance with Regulation D of the Securities Act. The term "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

(f) The Subscriber's financial condition is such that he or she has no need for liquidity with respect to its investment to satisfy any existing or contemplated undertaking or indebtedness and is able to bear the economic risk of its investment for an indefinite period of time, including the risk of losing all of its investment.

(g) The Subscriber understands that the Project has not yet been developed and it has no operating history. The Project is in its early stages, is not currently generating any revenue, and its future profitability cannot be assured.

(h) The Subscriber understands that: (i) his or her subscription for a Unit is irrevocable until the Offering Period ends without the Company's written consent; (ii) an investment in the Unit is a speculative investment that involves a high degree of risk, including the risk of loss of the entire investment of the Subscriber in the Company; (iii) no federal or state agency has passed upon the adequacy or accuracy of the information made available to the Subscriber, or made any finding or determination as to the fairness for investment, or any recommendation or endorsement of the Unit as an investment; (iv) any anticipated federal and/or state income tax benefits applicable to the Unit may be lost through changes in, or adverse interpretations of, existing laws and regulations; and (vi) there is no assurance that the Company will ever be profitable, or that the Subscriber's investment in the Unit will ever be recoverable.

(i) The Subscriber acknowledges that there is no assurance that his or her I-526 Petition will be granted or, if it is, that Subscriber will ultimately be approved for conditional or unconditional lawful permanent residence in the U.S. or be able to become a U.S. citizen. Neither the Company, Regional Center, Developer, nor the Company's immigration counsel has made any effort to pre-determine Subscriber's personal qualifications and circumstances and whether the Subscriber is likely or not likely to obtain favorable action on its I-526 Petition or EB-5 Visa, and that there are numerous reasons that will result in the Subscriber being denied residency in the United States, including, without limitation, the Project failing to qualify as an approved project for the EB-5 Program.

(j) The Subscriber (i) has been provided with a copy of the Offering Memorandum, including, as exhibits thereto, this Agreement, the Escrow Agreement, the Operating Agreement, and has reviewed same; (ii) has been given complete access to all documents, records, contracts and books of or relating to the Company and the Unit, and all other information reasonably requested by the Subscriber; and (iii) has performed a complete examination of all such documents, records, contracts and books to the extent deemed necessary by the Subscriber in reaching the Subscriber's decision to invest in the Company. The Subscriber further acknowledges and confirms that the Subscriber has had an opportunity to ask questions of and receive answers from the Company and the Developer concerning the Unit, the prospective contemplated business and purpose of the Company, and any other matter the Subscriber has deemed relevant, and all such inquiries have been answered to the Subscriber's satisfaction. In addition, Subscriber acknowledges that he or she has had and may have, at any reasonable hour, after reasonable prior notice, access to the financial and other records of the Company which the Company can obtain without unreasonable effort or expense, and further acknowledges that Subscriber has obtained, in Subscriber's judgment, sufficient information from the Company to evaluate the merits and risks of an investment in the Unit.

(k) The Subscriber acknowledges that: (i) the risks inherent to this investment have been fully considered; (ii) the Manager will have substantial and exclusive authority to conduct the operation of the Company; and (iii) an investment in the Unit has neither been approved nor disapproved by the Securities and Exchange Commission or any other federal, state or local department or agency of any other jurisdiction, and such authorities have not passed upon the adequacy or accuracy of the disclosure provided to investors in connection with an investment in the Unit.

(l) The Subscriber acknowledges that neither the Company, Manager, the Regional Center nor any representative of the Company, the Manager or the Regional Center has made any representations or warranties in respect of the Developer's business or profitability. Without limiting the generality of the foregoing, the Subscriber acknowledges and agrees that information, including any business plan or financial projections or forecasts or other information contained in written materials provided or made available to the undersigned, and any oral, visual or other presentations made by the Company, the Manager or the Regional Center or its representatives to the Subscriber shall not be deemed a representation or warranty in respect of the matters therein. Subscriber acknowledges that the Offering Memorandum contains information that the Company, the Manager and the Regional Center believe is accurate and, as such information relates to the projected revenues and expenses of the Developer, data that the Developer believes is a reasonable forecast of the results that the Developer will achieve;

however, as an accredited, experienced and sophisticated investor, Subscriber is aware that there are many foreseeable and unforeseeable events that could cause the assumptions underlying the financial projections to not materialize, and the results of same may cause material adverse consequences to the financial results of the Developer and Company.

(m) In making the decision to purchase the Unit, Subscriber has relied solely upon independent investigations made by Subscriber, and the Subscriber further represents and warrants that the Subscriber is not acquiring the Unit as a result of any advertisement, article, notice or other communication published in any newspaper, magazine or similar media distributed in the United States, any seminar in the United States or any solicitation by a person in the United States not previously known to the Subscriber, and that Subscriber is not aware of any general solicitation within the United States or general advertising within the United States regarding the purchase or sale of the Unit. The Subscriber acknowledges and confirms that he or she is not relying upon any statement, representation or warranty made by the Company or its respective representatives in making a decision to subscribe for the Unit. Subscriber must rely solely on the terms of the Operating Agreement for the terms of Subscriber's participation in the Company and the rights and responsibilities of owning its Unit.

(n) The Subscriber understands that the Company and the Manager will be relying on the accuracy and completeness of all matters set forth in this Agreement, and the Subscriber represents and warrants to the Company, the Manager and each of their affiliates that the information, representations, warranties, acknowledgments and all other matters set forth in the Subscription Agreement with respect to the Subscriber are complete, true and correct and does not fail to include any material fact necessary to make the facts stated, in light of the circumstances in which they are made, not misleading, and may be relied upon by them in determining whether the offer and sale of a Unit to the Subscriber is exempt from registration under the Securities Laws, and the Subscriber will notify them immediately of any change in any statements made in the Subscription Agreement that occurs prior to the consummation of the purchase of a Unit.

(o) The Subscriber is in compliance with all applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Freedom Act**"), the U.S. Bank Secrecy Act (the "**BSA**") and all other anti-money laundering laws and applicable regulations adopted to implement the provisions of such laws, including policies and procedures that can be reasonably expected to detect and cause the reporting of transactions under Section 5318 of the BSA. The Subscriber is not and shall not be a person: (i) acting, directly or indirectly, on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any of the OFAC lists; (ii) listed on, residing in or having a place of business in a country or territory named on any of such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering (FATF), or whose funds are from or through such a jurisdiction; (iii) that is a "Foreign Shell bank" within the meaning of the USA Freedom Act; or (iv) residing in or organized under the laws of a jurisdiction designated by the U.S. Secretary of the Treasury under Sections 311 or 312 of the USA Freedom Act as warranting special measures due to money-laundering concerns.

(p) The Subscriber (i) has accurately completed the Investor Questionnaire that is an exhibit to the Offering Memorandum; and (ii) is a "sophisticated person" in that Subscriber has such knowledge and experience in financial and business matters that individually and/or with the aid of advisers, it is capable of evaluating the merits and risks of an investment in the Company by making an informed investment decision with respect thereto.

(q) If the Subscriber is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance Period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with certification requirements described in this Section. The "distribution compliance period" means the one-year period following the issue date for the Units.

(r) The Subscriber acknowledges that (i) the Principals together control the Regional Center, Manager, Developer and their affiliates; and, as a result, (ii) the Regional Center, Manager, Developer and their affiliates are related parties, which could result in one or more conflicts of interest between the interests of the Subscribers and the Developer, Principals and their affiliates.

(s) The Subscriber acknowledges and agrees to comply with all of his or her obligations set forth in the EB-5 Job Allocation Addendum attached as Schedule 2 to the Operating Agreement, and all of the Subscriber's representations, warranties and agreements set forth therein are hereby incorporated herein by reference.

(t) The Subscriber acknowledges and agrees that (i) the Manager, Regional Center and Developer have not given, and have no authority to give, any investment advice with respect to the purchase of a security; and (ii) a prospective subscriber has not requested or otherwise sought any such investment advice from the Manager, Regional Center and/or the Developer.

5. Withholding Tax. The Subscriber acknowledges that in the event the Internal Revenue Service determines that the Subscriber's country of residence does not exchange adequate tax information with the United States, pursuant to Internal Revenue Code Sections 871(h)(5) or Section 881(c)(5), then the Company will be obligated to withhold United States income taxes and remit such taxes to the Internal Revenue Service, pursuant to applicable law, and the Subscriber consents to such withholding.

6. Confirmation. All information that the Subscriber has provided anywhere in this Agreement concerning the Subscriber and the Subscriber's financial position is correct and

complete as of the date set forth below, and if there should be any material change in such information prior to the acceptance of the Subscriber's subscription for the Unit that is being purchased, the Subscriber will immediately provide such information to the Manager.

7. Consultation with Independent Counsel and Tax Advisor. The Subscriber's investment in the Units is an investment in the equity of a Missouri limited liability company, which confers certain rights and liabilities upon the Subscriber pursuant to Missouri law and the Operating Agreement. Subscriber has been advised that Subscriber should consult with his or her own legal and tax advisors prior to executing this Agreement, acquiring a Unit or consummating the transactions contemplated hereby. Subscriber understands that the lawyers(s) for the Company, Regional Center and Developer represent only these entities in connection with the transactions contemplated by this Agreement, and do not represent the Subscriber, and such lawyer(s) make no representation regarding the Regional Center, the Company, the Developer or the Subscriber's investment in Units.

8. Indemnification. Subscriber hereby agrees to indemnify and hold harmless the Regional Center, the Company and the Developer and their affiliates, and the respective employees, agents and attorneys of the foregoing against any and all losses, claims, demands, liabilities and expenses (including reasonable legal or other expenses) incurred by each such person or entity in connection with any claims or liabilities, whether or not resulting in any liability to such person or entity, to which any such indemnified party may become subject under the Securities Laws, under any other statute, at common law or otherwise, insofar as such losses, claims, demands, liabilities and expenses (a) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact made by Subscriber, or (b) arise out of or are based upon any breach of any representation, warranty or agreement of Subscriber contained herein.

9. Investor Information Form, Form W-8 and Investor Questionnaire. Subscriber shall complete and fully execute, together with this Subscription Agreement, the Investor Information Form and Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (W-8), attached hereto as **Exhibits A** and **B**, respectively, and the Investor Questionnaire attached to the Offering Memorandum.

10. Escrow Agreement. By execution hereof, the Subscriber agrees to be bound to the terms and conditions of the Escrow Agreement to the same extent as if the Subscriber had separately executed the Escrow Agreement attached as Exhibit B to the Offering Memorandum.

11. Miscellaneous.

(a) Severability. In the event any portion of this Agreement is found to be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in a jurisdiction shall not affect the validity, legality or enforceability of any portions of this Agreement in any other jurisdiction.

(b) Entire Agreement; Amendment; Waiver. This Agreement constitutes the entire Agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor

any provision hereof may be amended, modified, changed, waived, discharged or terminated orally, except by a statement in writing signed by the party or parties against which enforcement or the change, waiver, discharge or termination is sought. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted, and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

(c) Governing Law; Venue; Jurisdiction. This Agreement and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided therein or performance thereof shall be governed or interpreted according to the laws of the State of Missouri, without giving effect to the conflict of laws provisions thereof.

(d) Arbitration: Any controversy, dispute, or claim between the parties to this Agreement arising out of, in connection with, or in relation to the formation, negotiation, interpretation, performance or breach of this Agreement shall be submitted to JAMS, Inc. (hereafter, the "**Arbitration Service**") and shall be settled exclusively by arbitration, before a three-member arbitration panel, in accordance with this Section. This agreement to resolve any disputes by binding arbitration shall extend to claims against any parent, subsidiary or Affiliate of each party, and, when acting within such capacity, any officer, director, member, employee or agent of each party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law. Arbitration shall be the exclusive remedy for determining any such dispute, whether in tort, contract or otherwise, regardless of its nature. Arbitration shall be governed by the Comprehensive Arbitration Rules and Procedures and International Arbitration Rules (or similar commercial arbitration rules) of the Arbitration Service. In the event of a conflict between the applicable rules of the Arbitration Service and these procedures, the provisions of these procedures shall govern. To select the three-member arbitration panel, the parties shall each name one neutral arbitrator, and those two arbitrators shall select a third neutral arbitrator from a list of potential arbitrators jointly prepared by the parties. The arbitration proceeding shall be decided by majority vote of the three-arbitrator panel. Unless mutually agreed by the parties otherwise, any arbitration shall take place in St. Louis, Missouri.

In the event of a dispute subject to this Section, (a) the parties shall be entitled to reasonable discovery subject to the discretion of the arbitrator, (b) all testimony of witnesses shall be taken under oath, and the admission of evidence shall be governed by the rules of evidence applicable to civil proceedings under applicable law, and (c) a stenographic record shall be kept of all oral hearings. The remedial authority of the arbitrator shall be the same as, but no greater than, would be the remedial power of a court having jurisdiction over the parties and their dispute; provided, however, that the arbitrator shall have no power or authority under this Agreement or otherwise to award or provide for the award of punitive or consequential damages against any party. The arbitrator shall, upon an appropriate motion, dismiss any claim without an evidentiary hearing if the party bringing the motion establishes that he or it would be entitled to summary judgment if the matter had been pursued in court litigation. The parties and the arbitrator shall keep confidential all matters relating to any arbitration hereunder (including without limitation the existence of the dispute and the arbitration).

In interpreting this Agreement, the arbitrator shall be bound by and follow the substantive law of the State of Missouri. To the extent applicable and not inconsistent with this Section, the arbitrator shall apply the Federal Rules of Civil Procedure and the Federal Rules of Evidence.

Any filing or administrative fees shall be borne initially by the party requesting administration by the Arbitration Service. If both parties request such administration, the fees shall be borne initially by the party incurring such fees as provided by the rules of the Arbitration Service. The initial fees and costs of the arbitrator shall be borne equally by the parties. The prevailing party in such arbitration, as determined by the arbitrator, and in any enforcement or other court proceedings, shall be entitled to reimbursement from the other party for all of the prevailing party's costs (including but not limited to the arbitrator's compensation), expenses, and attorneys' fees.

The arbitrator shall render an award and written opinion, and the award shall be final and binding upon the parties. Judgment upon any award rendered by the arbitrators may be entered by any state or federal court having jurisdiction thereof, in accordance with the terms of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

If any of the provisions of this Section are determined to be unlawful or otherwise unenforceable, in whole or in part, such determination shall not affect the validity of the remainder of this Section, and this Section shall be reformed to the extent necessary to carry out its provisions to the greatest extent possible and to insure that the resolution of all conflicts between the parties, including those arising out of statutory claims, shall be resolved by neutral, binding arbitration. If a court should find that the arbitration provisions of this Section are not absolutely binding, then the parties intend any arbitration decision and award to be fully admissible in evidence in any subsequent action, given great weight by any finder of fact, and treated as determinative to the maximum extent permitted by law.

(e) Litigation: Subject to the arbitration provisions set forth in Section 10(d) herein, the Company shall prosecute and defend such actions at law or in equity as may be necessary to enforce or protect the interest of the Company. The Company shall respond to any final decree, judgment or decision of any court, board or authority having jurisdiction in the premises. The Company shall satisfy any such judgment, decree or decision, first out of any insurance proceeds available therefor, and next out of assets of the Company. The cost of defending any actions brought against the Company and/or the Manager with respect to Company matters shall be borne by the Company except as otherwise provided in this Agreement.

(f) Notices. All notices, offers, acceptance and any other acts under this Agreement (except payment) shall be in writing, and shall be sufficiently given if delivered to the addressee in person, by Federal Express or similar receipted delivery, or if mailed, postage prepaid, by certified mail, return receipt requested, as follows:

Subscriber: At the address designated on the signature page of this Agreement.

The Company: MISSOURI THEATRE LENDERS, LLC
Gateway to the Midwest Investment Center, Inc.
7733 Forsyth Blvd., Suite 2300
St. Louis, MO 63105
Telephone: (314) 615-8151
Email: lhughes@worldtradecenter-stl.com

or to such other address as either of them, by notice to the other may designate from time to time.

(g) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

(h) Survival of Representations, Warranties and Agreements. The representations, warranties and agreements contained herein shall survive the delivery of, and payment for, the Unit.

(i) Assignability. This Agreement and the rights and obligations hereunder and the Units contemplated to be purchased hereunder are not transferable or assignable by the Subscriber without the prior written consent of the Company, and any such attempted transfer or assignment shall be void *ab initio* except as provided in the Operating Agreement. Before consenting to any such assignment, the Regional Center may require a proposed assignee to take certain actions and execute certain documents, including, without limitation, executing a separate subscription agreement, as the Regional Center may reasonably determine.

(j) Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors, and assigns.

(k) English Language. The English language text of this Agreement has been translated to a language in which the Subscriber is competent and the Subscriber understands all of the provisions of this Agreement. The English language text and American usage thereof shall control the interpretation and construction of this Agreement and all other writings between the parties.

[***Signatures appear on the following pages.***]

IN WITNESS WHEREOF, the undersigned Subscriber has executed this Subscription Agreement for **MISSOURI THEATRE LENDERS, LLC**, as of the date set forth below.

SUBSCRIBER:

_____	_____
[Social Security Number or FEI Number] (if any)	Print Exact Name of Subscriber
_____	_____
Date of Subscriber's Execution	Signature of Subscriber
Total Subscription Payment:	
$562,500.00	_____
	Principal Residential Street Address
	_____
	Country of Residence
	_____
	Telephone Number
	_____
	Fax Number
	_____
	E-mail Address

ACCEPTANCE

By signing below, the undersigned accepts the foregoing subscription for membership interests in **MISSOURI THEATRE LENDERS, LLC**, in accordance with the terms hereof, for:

Subscriber Name:_____

MISSOURI THEATRE LENDERS, LLC

By: Missouri Theatre Lenders Manager, LLC, its Manager

By: Gateway to the Midwest Investment Center, Inc., its Manager

By:_____
Name: _____
Title: _____
Dated:_____

EXHIBIT A

INVESTOR INFORMATION FORM

Participant

NAME: ☐ Person

DATE OF BIRTH:

MAILING ADDRESS: CITY: STATE:

PROVINCE/COUNTY/SUBDIVISION: COUNTRY: ZIP/POSTAL CODE:

TELEPHONE NUMBER: (Day) (Evening) E-MAIL:

UNEXPIRED PHOTO GOVERNMENT ID NUMBER: TYPE OF UNEXPIRED PHOTO GOVERNMENT ID:

ISSUANCE DATE: EXPIRATION DATE:

COUNTY OF GOVERNMENT IDENTIFICATION: STATE/PROVINCE SUBDIVISION OF GOVERNMENT IDENTIFICATION:

UNEXPIRED PHOTO GOVERNMENT ID NUMBER: TYPE OF UNEXPIRED PHOTO GOVERNMENT ID:

ISSUANCE DATE: EXPIRATION DATE:

COUNTRY OF GOVERNMENT IDENTIFICATION: STATE/PROVINCE SUBDIVISION OF GOVERNMENT IDENTIFICATION:

NOTE: Unexpired Photo Government Identification should be provided for all nonresidential aliens, along with an IRS Form W-8BEN

SIGNATURE

Please review your information above and the Subscription Agreement in its entirety, and sign below. THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THE INFORMATION PROVIDED IN THIS INVESTOR INFORMATION FORM IS TRUE, COMPLETE AND ACCURATE.

SIGNATURE: DATE:

Participant Information

The legal address **MUST** be a street address. A post office box is not acceptable for a legal address. A legal address is the person's permanent residence address or, in the case of an entity, the place where it maintains a physical presence. For those investments by nonresident aliens and foreign entities, the legal address must be the same as the permanent residence address listed on IRS Form W-8BEN.

NOTE: To help the government fight the funding of terrorism and money laundering activities, federal law requires certain "financial institutions" to obtain, verify, and record information that identifies each investor. When you invest, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask you to provide a copy of your driver's license or other identifying documents. The information you provide in this form may be used to perform a credit check and verify your identity by using internal sources and third party vendors. If additional space is needed, please attach a separate sheet.

EXHIBIT B

CERTIFICATE OF FOREIGN STATUS OF BENEFICIAL OWNER FOR UNITED STATES TAX WITHHOLDING

Form **W-8BEN**

(Rev. February 2014)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

▶ For use by individuals. Entities must use Form W-8BEN-E.
▶ Information about Form W-8BEN and its separate instructions is at *www.irs.gov/formw8ben.*
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do NOT use this form if:	Instead, use Form:
• You are NOT an individual	W-8BEN-E
• You are a U.S. citizen or other U.S. person, including a resident alien individual	W-9
• You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services)	W-8ECI
• You are a beneficial owner who is receiving compensation for personal services performed in the United States	8233 or W-4
• A person acting as an intermediary	W-8IMY

Part I **Identification of Beneficial Owner** (see instructions)

1 Name of individual who is the beneficial owner

2 Country of citizenship

3 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country

4 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country

5 U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)

6 Foreign tax identifying number (see instructions)

7 Reference number(s) (see instructions)

8 Date of birth (MM-DD-YYYY) (see instructions)

Part II **Claim of Tax Treaty Benefits** (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____

Explain the reasons the beneficial owner meets the terms of the treaty article: _____

Part III **Certification**

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself as an individual that is an owner or account holder of a foreign financial institution,
- The person named on line 1 of this form is not a U.S. person,
- The income to which this form relates is:

  (a) not effectively connected with the conduct of a trade or business in the United States,

  (b) effectively connected but is not subject to tax under an applicable income tax treaty, or

  (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

  Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here ▶ _____ _____

Signature of beneficial owner (or individual authorized to sign for beneficial owner) — Date (MM-DD-YYYY)

Print name of signer — Capacity in which acting (if form is not signed by beneficial owner)

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 25047Z Form **W-8BEN** (Rev. 2-2014)

112490638.4

Exhibit 24

SUBSCRIPTION AND PROCESSING FEE ESCROW AGREEMENT

This Subscription and Processing Fee Escrow Agreement (the "Agreement") effective as of _____ ___, 2015, by and among **Missouri Theatre Lenders, LLC**, a Missouri limited liability company ("LLC"), **Gateway to the Midwest Investment Center, Inc.**, a Missouri nonprofit corporation (the "Subscriber Representative"), **NESF Escrow Services Corp.**, a Delaware corporation and wholly owned subsidiary of NES Financial Corp. ("Escrow Administrator") and **SUNTRUST BANK,** a Georgia banking corporation (the "Escrow Agent") (each a "Party" and collectively the "Parties").

WITNESSETH:

WHEREAS, the LLC proposes to offer for sale (the "Offering") individual units of interest in the LLC (the "Interests"), at a subscription purchase price of Five Hundred Thousand Dollars ($500,000.00) per Interest ("Subscription Proceeds"), plus payment of a processing fee in the amount of Fifty Thousand Dollars ($50,000.00) ("Processing Fees") payable in cash by each investor (the "Subscribers") pursuant to subscription agreements ("Subscription Agreements");

WHEREAS, the Interests in the LLC are proposed to be offered for sale to the Subscribers under the terms of the EB-5 visa program administered by the U.S. Citizenship and Immigration Service ("USCIS"), an agency of the United States government;

WHEREAS, The LLC shall commit to have each Subscriber obtain an I-526 insurance policy (the "Insurance Policy") from ANV Global Services, Inc., acting on behalf of certain underwriters at Lloyd's of London (the "Insurer"), to provide that in the event any Subscriber's I-526 Petition (as defined below) is denied, for any reason, and funds are not available in the escrow account to refund any such denied Subscriber's Subscription Proceeds, the denied Subscriber shall make a claim on such Insurance Policy and Insurer shall make a refund to any such denied Subscriber of his/her Subscription Proceeds without deduction or payment of interest; and

WHEREAS, the Parties acknowledge that the Escrow Agent is not a party to, and has no duties or obligations under, the Offering, Subscription Agreements or the Insurance Policy, that all references in this Agreement to the Offering, Subscription Agreements and the Insurance Policy are for convenience only, and that the Escrow Agent shall have no implied duties beyond the express duties set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Deposits in Escrow.

(a) The LLC shall deposit or cause to be deposited with the Escrow Agent, to be held in escrow under the terms of this Agreement, all Subscription Proceeds and Processing Fees received from Subscribers (collectively the "Escrow Funds"). The Escrow Agent shall have no responsibility for the Escrow Funds until such proceeds are actually received, clear through normal banking channels and constitute collected funds. The Escrow Agent shall have no duty to collect or seek to compel payment of any Escrow Funds, except to place such proceeds or instruments representing such proceeds for deposit and payment through customary banking channels. Checks for Escrow Funds furnished by Subscribers shall be made payable to: "SunTrust Bank, as Escrow Agent for Missouri Theatre Lenders, LLC".

(b) The LLC and Subscriber Representative shall deliver to the Escrow Agent and Escrow Administrator, in a form acceptable to the Escrow Agent and Escrow Administrator, schedules disclosing the name, address and Tax Identification Number (as applicable) of each of the Subscribers, and such other information as will enable the Escrow Agent to attribute to a particular Subscriber all Escrow Funds received by the Escrow Agent.

2. Rejection or Withdrawal of Subscription Agreement.

(a) Any Subscription Agreement may be rejected by the LLC in whole or in part. The LLC and Subscriber Representative shall promptly notify the Escrow Agent in writing in the event of any such rejection. Upon the receipt of a joint written notice of rejection pertaining to any Subscription Agreement, the Escrow Agent shall return to the Subscriber signing the rejected Subscription Agreement the Escrow Funds tendered by such Subscriber, without deduction or payment of interest; provided such Subscriber's Escrow Funds constitute collected funds.

(b) In the event the Escrow Agent receives joint written notice from the LLC and Subscriber Representative that a Subscription Agreement has been withdrawn by a Subscriber, the Escrow Agent shall return to such Subscriber who signed the withdrawn Subscription Agreement the Escrow Funds tendered therewith, without deduction or payment of interest; provided such Subscriber's Escrow Funds constitute collected funds.

3. Disbursements.

(a) At such time as the Escrow Agent has received joint written notice from the LLC and the Subscriber Representative that (i) the Form I-526 "Immigrant Petition by Alien Entrepreneur" ("I-526 Petition") for a Subscriber has been filed with the USCIS (as evidenced by an I-797C Notice of Action issued by USCIS and indicating the I-526 Petition for such Subscriber has been received), and (ii) the Insurance Policy for a Subscriber has been bound (as evidenced by a copy of the declarations page of such policy), the Escrow Agent shall, subject to the receipt of such funds, disburse the Subscriber's Subscription Proceeds to the account of the LLC in accordance with joint written directions provided by the LLC and Subscriber Representative. At the time such Subscription Proceeds are distributed to the account of the LLC, the Processing Fees pertaining to such Subscriber shall be distributed to the Subscriber Representative or LLC in accordance with joint written instructions provided by the LLC and Subscriber Representative.

(b) Notwithstanding the foregoing, at such time as the Escrow Agent has received a joint written notice from the LLC and the Subscriber Representative that a Subscriber's I-526 Petition has been approved by the USCIS, the Escrow Agent shall, subject to the receipt of such funds, and further provided that such funds have cleared through normal banking channels, disburse such Subscriber's Subscription Proceeds to the account of the LLC in accordance with the joint written notice provided by the LLC and Subscriber Representative.

(c) In the event the Escrow Agent receives joint written notice from the LLC and Subscriber Representative that a Subscriber's I-526 Petition has been denied by the USCIS and the Escrow Agent has not previously disbursed the Subscriber's Escrow Funds in accordance with Sections 2(a), 2(b), 3(a) or 3(b) above, the Escrow Agent shall return to such Subscriber the Escrow Funds, tendered therewith, without deduction or payment of interest in accordance with joint written directions provided by the LLC and Subscriber Representative. Escrow Agent shall have no liability to the LLC, Subscriber Representative, Escrow Administrator or any Subscriber in the event that any or all of the Escrow Funds are not returned to a Subscriber for any reason in accordance with the provisions of this Section 3(c).

(d) Notwithstanding anything to the contrary provided in this Agreement, the Escrow Agent shall rely conclusively and without any further inquiry on the written directions, including but not limited to written directions pertaining to disbursements, furnished to the Escrow Agent by the LLC and the Subscriber Representative. The Parties acknowledge and agree that the Subscriber Representative is fully authorized to act on behalf of the Subscribers. The Escrow Agent shall have no duty to take notice of any request or direction of any Subscriber, but shall in all cases rely conclusively and without inquiry on the written directions of the LLC and Subscriber Representative with respect to all matters pertaining to Subscribers and the individual and collective interests of all Subscribers under this Agreement.

(e) The LLC shall provide a copy of this Agreement to each Subscriber.

(f) At such time as the LLC and the Subscriber Representative provide to the Escrow Agent joint written notice stating that all Subscribers' I-526 Petitions have been filed with the USCIS and all Escrow Funds have either been returned to the Subscriber or disbursed in accordance with joint written directions provided by the LLC and the Subscriber Representative, this Agreement (except as otherwise provided herein) shall terminate.

4. Investment of Subscription Proceeds.

The Parties further covenant, warrant and agree that the Escrow Agent shall invest all Escrow Funds, unless otherwise directed in writing by the LLC, in the SunTrust Non-Interest Deposit Option.

5. Escrow Administration.

All taxes in respect of any earnings on the Escrow Funds shall be the obligation of the Subscriber to the extent of its pro rata share thereof, which pro rata shares will be in the same proportion of the amounts deposited by each into the Escrow Account. The Subscriber

Representative, as agent for the Subscribers and tax owner of record of the Escrow Funds, shall furnish the Escrow Agent with a completed Form W-9 for the Subscriber Representative. The Subscriber Representative and the Subscribers have agreed pursuant to a separate agreement that the Escrow Administrator shall perform the sub-accounting services necessary for maintaining proper ownership records with respect to the Escrow Funds and shall issue IRS Form 1099s to the Subscribers with respect to their earnings, if any, on the Escrow Funds. The Escrow Administrator and the Subscriber Representative understand that, if such tax reporting documentation is not so certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, to withhold a portion of any interest or other income earned on the investment of monies or other property held by the Escrow Agent pursuant to this Agreement. Notwithstanding anything to the contrary herein provided, except for providing an IRS Form 1099 to the Subscriber Representative, the Escrow Agent shall have no duty to prepare or file any Federal or state tax report or return with respect to any funds held pursuant to this Agreement or any income earned thereon. The Parties shall provide to Escrow Agent such information as Escrow Agent may reasonably require to enable Escrow Agent to comply with its obligations under the USA PATRIOT Act. Escrow Agent shall not credit any amount of interest or investment proceeds earned on the Escrow Funds, or make any payment of all or a portion of the Escrow Funds, to any person unless and until such person has provided to Escrow Agent such documents as Escrow Agent may require to enable Escrow Agent to comply with its obligations under such Act.

6. Duties of Escrow Agent; Indemnification.

(a) The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no additional duties or obligations shall be implied hereunder. In performing its duties under this Agreement, or upon the claimed failure to perform any of its duties hereunder, the Escrow Agent shall not be liable to anyone for any damages, losses or expenses which may be incurred as a result of the Escrow Agent's so acting or failing to so act; provided, however, that the Escrow Agent shall not be relieved from liability for damages arising from the Escrow Agent's proven gross negligence or willful misconduct. In no event shall the Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages. The Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to either Party hereto, given with respect to any question relating to the duties and responsibilities of the Escrow Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to the Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Escrow Agent shall not be charged with or be deemed to have any knowledge or notice of any notice, fact or circumstance not specifically set forth in this Agreement or furnished to the Escrow Agent in notices provided to the Escrow Agent in writing and strictly in accordance with the notice provisions of this Agreement. The Escrow Agent shall not be required to take notice of any agreement or understanding, including but not limited to any subscription or other agreement, other than this Agreement, and shall have no duty or responsibility to take any action pursuant to the terms thereof. The Escrow Agent shall not be obligated to take any legal action or to commence any proceedings in connection with this Agreement or any property held hereunder or to appear in, prosecute or defend in any such legal action or proceedings. The Escrow Agent shall have no duty or obligation to collect or otherwise require payment of any check, draft or other instrument delivered in payment of

deposits under this Agreement, other than submission of such instruments for payment in the ordinary course of business. In no event shall the Escrow Agent have any obligation to invest or disburse funds under this Agreement other than collected funds. The Escrow Agent shall have no liability with respect to the transfer or distribution of any funds effected by the Escrow Agent pursuant to wiring or transfer instructions provided to the Escrow Agent in accordance with the provisions of this Agreement.

(b) The LLC warrants to and agrees with the Escrow Agent that there is no security interest in the Escrow Funds or any part of the Escrow Funds; no financing statement under the Uniform Commercial Code of any jurisdiction is on file in any jurisdiction claiming a security interest in or describing, whether specifically or generally, the Escrow Funds or any part of the Escrow Funds; and the Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Escrow Funds or any part of the Escrow Funds or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Escrow Funds or any part thereof.

(c) As an additional consideration for and as an inducement for the Escrow Agent to serve as escrow agent hereunder, it is understood and agreed that, in the event of any disagreement resulting in adverse claims and demands being made in connection with or for any money or other property involved in or affected by this Agreement, the Escrow Agent shall be entitled, at the option of the Escrow Agent, to refuse to comply with the demands of any Parties so long as such disagreement shall continue. In such event, the Escrow Agent may elect not to make any delivery or other disposition of the Escrow Funds or any part of such Escrow Funds. Anything herein to the contrary notwithstanding, the Escrow Agent shall not be or become liable to such Parties or any of them for the failure of the Escrow Agent to comply with the conflicting or adverse demands of such Parties. The Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Escrow Funds or any part thereof or to otherwise act hereunder, as stated above, unless and until:

(i) the rights of such Parties have been finally settled or duly adjudicated in a court having jurisdiction of the Parties and the Escrow Funds and the Escrow Agent, has received written instructions as to disbursement thereof; or

(ii) the Parties have reached an agreement resolving their differences and have notified the Escrow Agent in writing of such agreement and have provided the Escrow Agent with indemnity satisfactory to the Escrow Agent against any liability, claims or damages resulting from compliance by the Escrow Agent with such agreement.

In the event of a disagreement as described above, the Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Escrow Funds and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent or its legal counsel. Upon such tender, the Escrow Agent shall be discharged from all further duties under this Agreement; provided, however, that the filing of any such legal proceedings shall not deprive the Escrow Agent of its compensation hereunder earned prior to such filing and discharge of the Escrow Agent of its duties hereunder.

(d) The LLC and Subscriber Representative agree that in the event any controversy arises under or in connection with this Agreement or the Escrow Funds or the Escrow Agent is made a party to or intervenes in any litigation pertaining to this Agreement or the Escrow Funds, to pay to the Escrow Agent reasonable compensation for its extraordinary services and to reimburse the Escrow Agent for all costs and expenses, including legal fees and expenses, associated with such controversy or litigation. As security for all fees and expenses of Escrow Agent hereunder and any and all losses, claims, damages, liabilities and expenses incurred by the Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Agreement and to secure the obligation of the LLC and Subscriber Representative to indemnify the Escrow Agent as set forth herein, the Escrow Agent is hereby granted a security interest in and a lien upon the Processing Fees, which security interest and lien shall be prior to all other security interests, liens or claims against the Escrow Funds or any part thereof.

(e) The Escrow Agent may resign at any time from its obligations under this Agreement by providing written notice to the LLC, Subscriber Representative and Escrow Administrator. Such resignation shall be effective on the date set forth in such written notice, which shall be no earlier than thirty (30) days after such written notice has been given. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, the Escrow Agent shall be entitled to tender into the custody of any court of competent jurisdiction all assets then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Agreement; provided however, the Escrow Agent shall be entitled to its compensation earned prior thereto. The Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder.

(f) The Escrow Agent shall have no obligation to take any legal action in connection with this Agreement or its enforcement, or to appear in, prosecute or defend any action or legal proceeding which would or might involve the Escrow Agent in any cost, expense, loss or liability unless security and indemnity satisfactory to the Escrow Agent, shall be furnished.

(g) The LLC and the Subscriber Representative jointly and severally agree to indemnify the Escrow Agent and each of its officers, directors, employees and agents and to save the Escrow Agent and each of its officers, directors, employees and agents harmless from and against any and all Claims (as hereunder defined) and Losses (as hereinafter defined) which may be incurred by the Escrow Agent or any of such officers, directors, employees or agents as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees or agents directly or indirectly as a result of or in connection with Escrow Agent's serving in the capacity of escrow agent under this Agreement. For the purposes hereof, the term "Claims" shall mean all claims, lawsuits, causes of action or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action or interpleader) the Escrow Agent or any such officer, director, employee or agent, even if groundless, false or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to or be based upon, in whole or in part: (a) the acts or omissions of the LLC, Subscriber

Representative or Escrow Administrator, or (b) the appointment of the Escrow Agent as escrow agent under this Agreement, or (c) the performance by the Escrow Agent of its powers and duties under this Agreement. The term "Losses" shall mean all losses, costs, damages, expenses, judgments and liabilities of whatever nature (including but not limited to attorneys', accountants' and other professionals' fees, litigation and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of or relating to one or more Claims. Upon the written request of the Escrow Agent or any such officer, director, employee or agent (each referred to hereinafter as an "Indemnified Party"), the LLC and the Subscriber Representative agree to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and the LLC and Subscriber Representative agree to pay the costs and expense thereof, to employ separate counsel with respect to any such Claim and to participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by legal counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to the LLC or the Subscriber Representative. The LLC and the Subscriber Representative hereby agree that the indemnifications and protections afforded Escrow Agent and the other Indemnified Parties in this section shall survive the termination of this Agreement and any resignation or removal of the Escrow Agent.

(h) The LLC and Subscriber Representative acknowledge that the Escrow Agent is serving as escrow agent for the limited purposes set forth herein and represents, covenants and warrants to the Escrow Agent that no statement or representation, whether oral or in writing, has been or will be made to any Subscriber to the effect that the Escrow Agent has investigated the desirability or advisability of investment in the Interests or approved, endorsed or passed upon the merits of such investment or is otherwise involved in any manner with the transactions contemplated hereby, other than as Escrow Agent under this Agreement. It is further agreed that the LLC shall not use or permit the use of the name "SunTrust," "SunTrust Bank," "SunTrust Banks, Inc." or any variation thereof in any sales presentation, placement or offering memorandum or literature pertaining directly or indirectly to the offering except strictly in the context of the duties of the Escrow Agent as escrow agent under this Agreement. Any breach or violation of the paragraph shall be grounds for immediate termination of this Agreement by the Escrow Agent.

(i) The Escrow Agent shall have no duty or responsibility for determining whether the Interests or the offer and sale thereof conform to the requirements of applicable Federal or state securities laws, including but not limited to the Securities Act of 1933 or the Securities Exchange Act of 1934. The LLC represents and warrants to the Escrow Agent that the Interests and the Offering will comply in all respects with applicable Federal and state securities laws and further represents and warrants that the LLC has obtained and acted upon the advice of legal counsel with respect to such compliance with applicable Federal and state securities laws. The LLC acknowledges that the Escrow Agent has not participated in the preparation or review of any sales or offering material relating to the Offering or the Interests. In addition to any other indemnities provided for in this Agreement, the LLC agrees to indemnify and hold harmless the Escrow Agent and each of its officers, directors, agents and employees from and against all

claims, liabilities, losses and damages (including attorneys' fees) incurred by the Escrow Agent or such persons and which directly or indirectly result from any violation or alleged violation of any Federal or state securities laws.

(j) The Escrow Agent shall have no duty or responsibility for determining whether this Agreement, the Interests or the offer and sale thereof conform to the requirements of applicable Federal or state immigration laws, including but not limited to the Immigration Act of 1990. The LLC represents and warrants to the Escrow Agent that the Interests and the Offering will comply in all respects with applicable Federal and state immigration laws and further represents and warrants that the LLC has obtained and acted upon the advice of legal counsel with respect to such compliance with applicable Federal and state immigration laws. In addition to any other indemnities provided for in this Agreement, the LLC agrees to indemnify and hold harmless the Escrow Agent and each of its officers, directors, agents and employees from and against all claims, liabilities, losses and damages (including attorneys' fees) incurred by the Escrow Agent or such persons and which directly or indirectly result from any violation or alleged violation of any Federal or state immigration laws.

(k) The LLC and Subscriber Representative jointly and severally agree to pay to the Escrow Agent compensation, and to reimburse the Escrow Agent for costs and expenses, all in accordance with the provisions of **Exhibit B** hereto, which is incorporated herein by reference and made a part hereof. The fee agreed upon for the services rendered hereunder is intended as full compensation for the Escrow Agent's services as contemplated by this Agreement; provided, however, that in the event that the conditions for the disbursement of funds are not fulfilled, or the Escrow Agent renders any service not contemplated in this Agreement, or there is any assignment of interest in the subject matter of this Agreement or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. The provisions of this section shall survive the termination of this Escrow Agreement and any resignation or removal of the Escrow Agent.

7. Notices.

Any notice, request for consent, report, or any other communication required or permitted in this Escrow Agreement shall be in writing and shall be deemed to have been given when delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) by electronic mail to the e-mail address given below, and written confirmation of receipt is obtained promptly after completion of the transmission, (iv) by overnight delivery with a reputable national overnight delivery service, or (v) by United States mail, postage prepaid, or by certified mail, return receipt requested and postage prepaid, in each case to the appropriate address set forth below or at such other address as any Party hereto may have furnished to the other Parties hereto in writing:

(a) If to the LLC:

Missouri Theatre Lenders, LLC
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105
Attn: Laura Hughes
Phone: (314) 615-7663
Email: lhughes@worldtradecenter-stl.com

(b) If to the Subscriber Representative:
Gateway to the Midwest Investment Center, Inc.
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105
Attn: Laura Hughes
Phone: (314) 615-7663
Email: lhughes@worldtradecenter-stl.com

(c) If to the Escrow Administrator:
NESF Escrow Services Corp.
c/o NES Financial Corp.
50 W. San Fernando Street
Suite 300
San Jose, CA 95113
Attn: Kelly E. Alton, General Counsel
Phone: 800-339-1031
Fax: 866-704-1031
Email: kalton@nesf.com

(d) If to the Escrow Agent:
SunTrust Bank
Escrow Services
919 E Main Street, 7th Floor
Richmond, VA 23219
Client Manager:
Phone:
Fax: 804-225-7141

8. Successors and Assigns; Amendment.

The rights created by this Agreement shall inure to the benefit of and the obligations created hereby shall be binding upon the successors and assigns of the Escrow Agent, LLC, Subscriber Representative and Escrow Administrator; provided, however, that neither this Agreement nor any rights or obligations hereunder may be assigned by any Party hereto without the express written consent of the other Parties hereto. This Agreement may not be amended without the written consent of all Parties in writing.

9. Construction.

This Agreement shall be construed and enforced according to the laws of the Commonwealth of Virginia.

10. Counterparts.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of executed signature pages by facsimile or electronic transmission will constitute effective and binding execution and delivery of this Agreement and have the same effect as the delivery of an original executed counterpart. This Agreement shall become effective when each Party shall have received a counterpart of this Agreement signed by each other Party hereto.

11. Term.

This Agreement shall terminate and the Escrow Agent shall be discharged of all responsibilities hereunder at such time as the Escrow Agent shall have disbursed all Escrow Funds in accordance with the provisions of this Agreement; provided, however, that the provisions of Sections 6(g), 6(i), 6(j) and 6(k) hereof shall survive any termination of this Agreement and any resignation or removal of the Escrow Agent.

12. Authorized Signatures.

Contemporaneously with the execution and delivery of this Agreement and, if necessary, from time to time thereafter, each of the Parties (other than the Escrow Agent) shall execute and deliver to the Escrow Agent a Certificate of Incumbency substantially in the form of Exhibit A hereto (a "Certificate of Incumbency") for the purpose of establishing the identity and authority of persons entitled to issue notices, instructions or directions to the Escrow Agent on behalf of each such Party. Until such time as the Escrow Agent shall receive an amended Certificate of Incumbency replacing any Certificate of Incumbency theretofore delivered to the Escrow Agent, the Escrow Agent shall be fully protected in relying, without further inquiry, on the most recent Certificate of Incumbency furnished to the Escrow Agent. Whenever this Agreement provides for joint written notices, joint written instructions or other joint actions to be delivered to the Escrow Agent, the Escrow Agent shall be fully protected in relying, without further inquiry, on any joint written notice, instructions or action executed by persons named in such Certificate of Incumbency.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

"LLC"
Missouri Theatre Lenders, LLC

By: _____
Name:
Title:

"SUBSCRIBER REPRESENTATIVE"
Gateway to the Midwest Investment Center, Inc.

By: _____
Name:
Title:

"ESCROW ADMINISTRATOR"
NESF Escrow Services Corp.

By: _____
Name:
Title:

"ESCROW AGENT"
SUNTRUST BANK

By: _____
Name:
Title:

EXHIBIT A

Certificate of Incumbency
(List of Authorized Representatives)

Client Name: Missouri Theatre Lenders, LLC

As an Authorized Officer of the above referenced entity, I hereby certify that each person listed below is an authorized signor for such entity, and that the title and signature appearing beside each name is true and correct.

Name	Title	Signature	Contact Number

IN WITNESS WHEREOF, this certificate has been executed by a duly authorized officer by:

By:_____ Date_____
Title: _____

Certificate of Incumbency
(List of Authorized Representatives)

Client Name: Gateway to the Midwest Investment Center, Inc.

As an Authorized Officer of the above referenced entity, I hereby certify that each person listed below is an authorized signor for such entity, and that the title and signature appearing beside each name is true and correct.

Name	Title	Signature	Contact Number

IN WITNESS WHEREOF, this certificate has been executed by a duly authorized officer by:

By:_____ Date_____
Title:_____

EXHIBIT B

SunTrust Bank, as Escrow Agent

Missouri Theatre Lenders, LLC / NESF Escrow Services Corp.

Schedule of Fees & Expenses

Acceptance/Legal Review Fee: **$600** – one time only payable at the time of signing the escrow agreement

Fee is Waived if no legal review is needed

The Legal Review Fee includes review of all related documents and accepting the appointment of Escrow Agent on behalf of SunTrust Bank. The fee also includes setting up the required account(s) and accounting records, document filing, and coordinating the receipt of funds/assets for deposit to the Escrow Account. This is a one-time fee payable upon execution of the Escrow Agreement. As soon as SunTrust Bank's attorney begins to review the escrow agreement, the legal review fee is subject to payment regardless if the Parties decide to appoint a different escrow agent or a decision is made that the escrow agreement is not needed.

Administration Fee: **$3,500** – payable at the time of signing the escrow agreement and on the anniversary date thereafter, if applicable

The Administration Fee includes providing routine and standard services of an Escrow Agent. The fee includes administering the escrow account, performing investment transactions, processing cash transactions (including wires and check processing), disbursing funds in accordance with the Agreement (note any pricing considerations below), and providing trust account statements to applicable Parties for a twelve (12) month period. If the account remains open beyond the twelve (12) month term, the Parties will be invoiced each year on the anniversary date of the execution of the Escrow Agreement. Additional fees will be billed for processing claim notices and/or objections. Extraordinary expenses, including legal counsel fees, will be billed as out-of-pocket. The Administration Fee is due upon execution of the Escrow Agreement.

Out-of-Pocket Expenses: **At Cost**

Out-of-pocket expenses such as, but not limited to, postage, courier, overnight mail, insurance, money wire transfer, long distance telephone charges, facsimile, stationery, travel, legal (out-of-pocket to counsel) or accounting, will be billed at cost.

Note: This fee schedule is based on the assumption that the escrowed funds will be invested in SunTrust Bank's Non-Interest Deposit Option. If for any reason, the escrowed funds shall be returned to each Subscriber, a $50 wire fee will be charged for any wires in excess of 4 per calendar month. Notwithstanding the foregoing, any wire transfer beyond the fourth (4th) in any calendar month going to the LLC, Subscriber Representative or other United States beneficiary will incur a charge of $25 per wire. Wire Fees will be billed quarterly in arrears.

SunTrust Bank
Steve Miles
804-782-7084
s.miles@suntrust.com

Exhibit 25

Department of Homeland Security
U.S. Citizenship and Immigration Services

OMB No. 1615-0026; Exp. 09/30/2016

Form I-526, Immigrant Petition by Alien Entrepreneur

Do Not Write in This Block - For USCIS Use Only (Except G-28 Block Below)

Classification	Action Block	Fee Receipt
Priority Date		To be completed by Attorney or Representative, if any ☒ G-28 is attached Attorney's State License No.

Remarks:

START HERE - Type or print in black ink.

Part 1. Information About You

Family Name	Given Name	Middle Name
Doe	John	Investor

Address - In Care of Name, if applicable c/o Yankee Stadium

Street Number and Name	Apt. Number
1 East 161st street	

City	State or Province	Country	Zip/Postal Code
Bronx	New York	USA	10451

Date of Birth *(mm/dd/yyyy)*	Country of Birth	Social Security Number (if any)	A-Number (if any)
1/1/1990	United Kingdom		

If you are in the United States, provide the following information:

Date of Arrival *(mm/dd/yyyy)*	I-94 Number	Passport Number
11/4/2013		
Travel Document Number	**Expiration Date for Passport or Travel Document**	**Country of Issuance for Passport or Travel Document**
Current Nonimmigrant Status	**Date Current Status Expires *(mm/dd/yyyy)***	**Daytime Telephone Number (with Area Code)**
F-1	11/4/2015	718-555-1212

Part 2. Application Type *(Check one)*

a. ☒ This petition is based on an investment in a commercial enterprise in a targeted employment area for which the required amount of capital invested has been adjusted downward.

b. ☐ This petition is based on an investment in a commercial enterprise in an area for which the required amount of capital invested has been adjusted upward.

c. ☐ This petition is based on an investment in a commercial enterprise that is not in either a targeted area or in an upward adjustment area.

Part 3. Information About Your Investment

Name of commercial enterprise in which funds are invested ***(Required Field - Do Not Leave Blank)***
Missouri Theatre Lenders, LLC

Street Address
319 North 4th Street, Suite 1000

Phone Number with Area Code	Business organized as (corporation, partnership, etc.)
3142315700	Limited Liability Company

RECEIVED: _____ RESUBMITTED: _____ RELOCATED: SENT _____ REC'D _____

Part 3. Information About Your Investment *(Continued)*

Kind of business (e.g. furniture manufacturer): Real estate development

Date established (mm/dd/yyyy): 05/11/2012

IRS Tax #: Pending

Date of your initial investment (mm/dd/yyyy):

Amount of your initial investment: $ 500,000

Your total capital investment in the enterprise to date: $ 500,000

Percentage of the enterprise you own: See Attached

If you are not the sole investor in the new commercial enterprise, list on separate paper the names of all other parties (natural and non-natural) who hold a percentage share of ownership of the new enterprise and indicate whether any of these parties is seeking classification as an alien entrepreneur. Include the name, percentage of ownership, and whether or not the person is seeking classification under section 203(b)(5). **NOTE:** A "natural" party would be an individual person, and a "non-natural" party would be an entity such as a corporation, consortium, investment group, partnership, etc.

If you indicated in **Part 2** that the enterprise is in a targeted employment area or in an upward adjustment area, name the county and State: County: St. Louis State: Missouri

Part 4. Additional Information About the Enterprise

Type of Enterprise (check one):

- [x] New commercial enterprise resulting from the creation of a new business.
- [ ] New commercial enterprise resulting from the purchase of an existing business.
- [ ] New commercial enterprise resulting from a capital investment in an existing business.

Composition of the Petitioner's Investment:

Total amount in U.S. bank account	$
Total value of all assets purchased for use in the enterprise	$
Total value of all property transferred from abroad to the new enterprise	$
Total of all debt financing	$
Total stock purchases	$
Other (explain on separate paper)	$ 500,000 purchase of interest
Total	$ 500,000

Income:

When you made the investment	Gross	$ 0	Net	$ 0
Now	Gross	$ 0	Net	$ 0

Net worth:

When you made investment	Gross	$ See attached	Now	$ See attached

Part 5. Employment Creation Information

Number of full-time employees in the enterprise in U.S. (excluding you, your spouse, sons, and daughters)

When you made your initial investment? 0 Now 0 Difference 0

How many of these new jobs were created by your investment? 0 How many additional new jobs will be created by your additional investment? 10+

What is your position, office, or title with the new commercial enterprise?

Member

Briefly describe your duties, activities, and responsibilities.

All rights and duties provided under the Missouri Limited Liability Act

What is your salary? $ 0 What is the cost of your benefits? $ 0

Part 6. Processing Information

Check One:

☒ The person named in **Part 1** is now in the United States, and an application to adjust status to permanent resident will be filed if this petition is approved.

☐ If the petition is approved and the person named in **Part 1** wishes to apply for an immigrant visa abroad, complete the following for that person:

Country of nationality:

Country of current residence or, if now in the United States, last permanent residence abroad:

United Kingdom

If you provided a United States address in **Part 1**, print the person's foreign address:

c/o HMTQ, Buckingham Palace, London, SW1A 1AA United Kingdom

If the person's native alphabet is other than Roman letters, write the foreign address in the native alphabet:

Are you in deportation or removal proceedings? ☐ Yes (Explain on separate paper) ☒ No

Have you ever worked in the United States without permission? ☐ Yes (Explain on separate paper) ☒ No

Part 7. Signature *Read the information on penalties in the instructions before completing this section.*

I certify, under penalty of perjury under the laws of the United States of America, that this petition and the evidence submitted with it is all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit I am seeking.

Signature Date

Mobile Phone Number E-Mail Address

NOTE: *If you do not completely fill out this form or fail to the submit the required documents listed in the instructions, you may not be found eligible for the immigration benefit you are seeking and this petition may be denied.*

Part 8. Signature of Person Preparing Form, If Other Than Above (Sign below)

I declare that I prepared this application at the request of the above person, and it is based on all information of which I have knowledge.

Signature Print Your Name Daniel Lundy Date

Firm Name Klasko Immigration Law Partners, LLP Daytime phone # with area code 215-825-8600

Address 1601 Market Street, Suite 2600, Philadelphia, PA 19103

ORIGIN ID:REDA (215) 825-8610
DANIEL B. LUNDY
KLASKO IMMIGRATION LAW PARTNERS
1601 MARKET STREET
SUITE 2600
PHILADELPHIA, PA 19103
UNITED STATES US

SHIP DATE: 29SEP15
ACTWGT: 10.00 LB
CAD: 106938157/INET3670

BILL SENDER

TO U.S. CITIZENSHIP AND IMMIGRATION SE
CALIFORNIA SERVICE CENTER
ATTN: EB-5 PROCESSING UNIT
24000 AVILA ROAD, 2ND FLOOR
LAGUNA NIGUEL CA 92677
(215) 825-8610
INV:
PO:
REF: GATEWAY/MO THEATRE/#-924
DEPT: EB-5

FedEx Express

J153015091001uv

539J2/97D7/31D0

WED - 30 SEP 3:00P
STANDARD OVERNIGHT

TRK# 0201 7746 1527 2690

NH JORA

92677
SNA
CA-US

CSC
A.M. SEP 30 2015
STAMP #173
924

After printing this label:
1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.
Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com.FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery,misdelivery,or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim.Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental,consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss.Maximum for items of extraordinary value is $1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

OMB No. 1615-0061; Expires 01/31/2015

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-924A, Supplement to Form I-924

RECD CSC 14 JAN 3 15:09

C30056

Part 1. Information About Principal of the Regional Center

Name: Last	First	Middle
Coleman	Denny	Gerard

In Care Of: St. Louis Economic Development Partnership

Street Address/P.O. Box: 7733 Forsyth Boulevard, Suite 2300

City: St. Louis	State: MO	Zip Code: 63105

(b)(6)

Date of Birth *(mm/dd/yyyy)*: [redacted]	Fax Number *(include area code)*: (314) 615-7666	Telephone Number *(include area code)*: (314) 615-7663

Web site address: www.stlouiseb5.com

USCIS-assigned number for the Designated Regional Center (attach the Regional Center's most recently issued approval notice) ID1105350166

Part 2. Application Type *(check one)*

☒ **a.** Supplement for the Fiscal Year Ending September 30, 2013 *(YYYY)*

☐ **b.** Supplement for a Series of Fiscal Years Beginning on October 1, _____ *(YYYY)* and Ending on September 30, _____ *(YYYY)*

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals, or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: Gateway to the Midwest Investment Center

Street Address/P.O. Box: 7733 Forsyth Boulevard, Suite 2200

City: St. Louis	State: MO	Zip Code: 63105
Web site Address: www.stlouiseb5	Fax Number *(include area code)*: (314) 615-8140	Telephone *(include area code)*: (314) 615-3902

B. Name of Managing Company/Agency: St. Louis Economic Development Partnership

Street Address/P.O. Box: 7733 Forsyth Boulevard, Suite 2300

City: St. Louis	State: MO	Zip Code: 63105
Web site Address: www.slcec.com	Fax Number *(include area code)*: (314) 615-7666	Telephone *(include area code)*: (314) 615-7663

C. Name of Other Agent: N/A

Street Address/P.O. Box:

City:	State:	Zip Code:
Web site Address:	Fax Number *(include area code)*:	Telephone *(include area code)*:

RCW1400651637
egarcia2 I924A 01/03/2014

RCW1400651637
egarcia2 I924A 01/03/2014

RCW1400651637
egarcia2 I924A 01/03/2014

RCW1400651637
egarcia2 I924A 01/03/2014

DENNY GERARD COLEMAN
7733 FORSYTH BLVD STE 2300
ST LOUIS MO 63105

DENNY GERARD COLEMAN
7733 FORSYTH BLVD STE 2300
ST LOUIS MO 63105

RCW1400651637
egarcia2 I924A 01/03/2014

Part 3. Information About the Regional Center *(Continued)*

Answer the following questions for the time period identified in **Part 2** of this form. **Note:** If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1. Identify the aggregate EB-5 capital investment and job creation has been the focus of EB-5 capital investments sponsored through the regional center. (**Note:** Separately identify jobs maintained through investments in "troubled businesses.")

Aggregate EB-5 Capital Investment	Aggregate Direct and Indirect Job Creation	Aggregate Jobs Maintained
0	0	0

2. Identify each industry that has been the focus of EB-5 capital investments sponsored through the Regional Center, and the resulting aggregate EB-5 capital investment and job creation. (**Note:** Separately identify jobs maintained through investments in "troubled businesses".)

a. Industry Category Title: Residential Building Construction		NAICS Code for the Industry Category 2361
Aggregate EB-5 Capital Investment: 0	Aggregate Direct and Indirect Job Creation: 0	Aggregate Jobs Maintained: 0
b. Industry Category Title: Nonresidential Building Construction		NAICS Code for the Industry Category 2362
Aggregate EB-5 Capital Investment: 0	Aggregate Direct and Indirect Job Creation: 0	Aggregate Jobs Maintained: 0
c. Industry Category Title: Furniture Merchant Wholesalers		NAICS Code for the Industry Category 423210
Aggregate EB-5 Capital Investment: 0	Aggregate Direct and Indirect Job Creation: 0	Aggregate Jobs Maintained: 0

3. Provide the following information for each job creating commercial enterprise located within the geographic scope of your regional center that has received EB-5 investor capital:

a. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	
Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes?		☐ No	☐ Yes

Part 3. Information About the Regional Center *(Continued)*

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.			
(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

b. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	
Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.			
(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code
EB-5 Capital Investment	Direct and Indirect Job Creation	Jobs Maintained	

Part 3. Information About the Regional Center *(Continued)*

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

c. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

Part 3. Information About the Regional Center *(Continued)*

d. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

e. Name of Commercial Enterprise:		Industry Category Title:	
Address Street Number and Name:	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

Part 3. Information About the Regional Center *(Continued)*

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.			
(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

4. Provide the total number of approved, denied and revoked Form I-526 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (**Note:** If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-526 Petition Final Case Actions		
Approved	**Denied**	**Revoked**
0	0	0

5. Provide the total number of approved, denied and revoked Form I-829 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (**Note:** If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-829 Petition Final Case Actions		
Approved	**Denied**	**Revoked**
0	0	0

NOTE: USCIS may require case-specific data relating to individual EB-5 petitions and the job creation determination and further information regarding the allocation methodologies utilized by a regional center in certain instances in order to verify the aggregate data provided above.

Part 4. Applicant Signature *Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete **Part 5**.*

I certify, under penalty of perjury under the laws of the United States of America, that this supplemental form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant	**Printed Name of Applicant**	**Date** *(mm/dd/yyyy)*
	George Bailey	04/05/1978
Daytime Phone Number *(Area/Country Codes)* 3146153902	**E-Mail Address** gbailey@worldtradecenter-stl.com	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.) Project Manager		

Part 5. Signature of Person Preparing This Form, If Other Than Above *(Sign Below)*

I declare that I prepared this form using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information are those provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? ☐ No ☐ Yes

Signature of Preparer		**Printed Name of Preparer**	**Date** *(mm/dd/yyyy)*
Firm Name and Address			
Daytime Phone Number *(Area/Country Codes)*	**Fax Number** *(Area/ Country Codes)*	**E-Mail Address**	

U.S. Department of Homeland Security
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

U.S. Citizenship and Immigration Services

Date: MAR 28 2013

COPY

Dennis Coleman
C/O Gateway to the Midwest Investment Center, Inc.
121 Meramec Ave, Suite 900
St. Louis, MO 63105

Application:	Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program
Applicant:	Dennis Coleman
Re:	Initial Regional Center Designation Gateway to the Midwest Investment Center, Inc. RCW1105350166 / ID 1105350166

*** Corrected Notice ***

This notice is in reference to the Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on February 22, 2011. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

I. Executive Summary of Adjudication

1. Effective the date of this notice, USCIS approves the Form I-924 request to designate Gateway to the Midwest Investment Center, Inc. as a qualifying participant in the Immigrant Investor Program.

II. Regional Center Designation

USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:

A. Geographic Area

State	Counties/Cities
Missouri	City of St. Louis

	Counties of St. Louis and St. Charles

Note: An amendment request is required if investment opportunities arise outside approved geographic area.

B. Industry Categories

NAICS	Industry Category
2361	Residential Building Construction
2362	Nonresidential Building Construction
423210	Furniture Merchant Wholesalers
7211	Traveler Accommodation

Note: An amendment request is required if investment opportunities arise outside approved industry categories.

III. Job Creation

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this regional center proposal. The job creation methodology presented in the economic impact analysis and underlying business plan is found to be reasonable based on the following inputs, when applying the REDYN economic model:

Activity	NAICS	Input	REDYN Implied Multiplier	Total Jobs
Construction	2361, 2362*	$27.5 million	9.09	250**
Hotel Operation	7211	24 direct jobs	1.50	36

*The output of the REDYN model does not provide results that are itemized by NAICS code.

**Indirect and induced jobs only

The approval of this Form I-924 application is based upon the economically and statistically valid assumptions and estimates provided in the business plan for job creation. Please refer to the input and multiplier analysis table above.

This hypothetical project does not have the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998), and therefore, USCIS's approval of the hypothetical job creation estimates presented in the Form I-924 will not be accorded deference and may not be relied upon by an individual investor when filing the Form I-526. The business plan and job creation estimates will receive a de novo review by USCIS when an individual investor files Form I-526. Once an actual project is adjudicated upon the filing of the initial Form I-526 related to the I-924 hypothetical project approval, USCIS will give deference to subsequent Forms I-526 when the critical assumptions remain materially unchanged from the initially-approved Form I-526.

When filing Form I-526, it will be the responsibility of the individual investor to submit a comprehensive, detailed and credible business plan, showing by a preponderance of the evidence that his or her investment in the new commercial enterprise will create not fewer than 10 full-time positions. If prior to filing a form I-829, the job creation estimated in the business plan submitted by the individual investor materially

changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

V. Guidelines for Filing Form I-526 Petitions

Each individual petition, in order to demonstrate that it is affiliated with the Gateway to the Midwest Investment Center, Inc. in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).

2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.

3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).

4. Legally executed organizational documents of the commercial enterprise. USCIS has reviewed the following organizational document for the hypothetical project and has found it to be EB-5 compliant in principle and may be submitted with an I-526 petition:

   a. Confidential Private Placement Memorandum (Draft submitted February 22, 2011)

   It is noted that the memorandum was submitted without Exhibits A-D so these documents have not been reviewed by USCIS.

VI. Designee's Responsibilities in the Operations of the Regional Center

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at www.uscis.gov.

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

The regional center designation is non-transferable, as any changes in management of the regional center will require the approval of an amendment to the approved regional center designation.

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at USCIS.ImmigrantInvestorProgram@uscis.dhs.gov.

Sincerely,

Donna P. Campagnolo
Acting Director
California Service Center

cc: H. Ronald Klasko, Esq.

.sko, Rulon, Stock & Seltzer, LLP
Practice limited to Immigration and Nationality Law

PHILADELPHIA • NEW YORK

KLASKO
Immigration and Nationality Law

December 28, 2012

Via FedEx

U.S. Citizenship & Immigration Services
California Service Center
ATTN: EB 5 RC Proposal
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

RE: Gateway to the Midwest Investment Center, Inc.
I-924 Application for Designation as a Regional Center
RCW1105350166

Response to Second Request for Evidence

Dear Sir/Madam:

We are the attorneys for the Gateway to the Midwest Investment Center, Inc. ("GMIC"). We are submitting this response to the Service's Request for Evidence ("RFE") of October 11, 2012 in its behalf. A copy of the RFE notice is attached to the front of this package. In support of this response, please find the following attached:

- **Exhibit 1**: Project Business Plan Update of December 18, 2012;
- **Exhibit 2**: Economic Impact Report of December 18, 2012;
- **Exhibit 3**: Revised Memorandum of Understanding;
- **Exhibit 4**: Letter from Economic & Policy Resources, Inc. (EPR);
- **Exhibit 5**: Letter From Paric (General Contractor) re budget.

I. BACKGROUND

GMIC submitted an I-924 Application for Designation as a Regional Center to USCIS on or about February 18, 2011. The application included an exemplar project as the basis for the Regional Center's job creation and economic impact predictions. This project included the construction of a bio-life sciences research and development park. This project would provide necessary wet-lab and bioresearch mixed use space to facilitate the development of biotech and life sciences companies within the region. The project's job creation and economic impact predictions were based, in part, on the jobs that would be created by the tenant businesses of the facility.

1800 John F. Kennedy Boulevard, Suite 1700
Philadelphia, PA 19103
Telephone 215.825.8600 Facsimile 215.825.8699
www.klaskolaw.com

On February 21, 2012, the Service issued an RFE questioning GMIC's reliance on the tenant occupancy methodology in its job creation predictions. The RFE invited GMIC to submit a business plan and economic impact report based on a new project instead of continuing with the original project. GMIC submitted a response to the RFE on July 31, 2012. In its RFE response, rather than continuing with a project that depended on jobs created by tenant occupancy, GMIC submitted a new business plan, Economic Impact Report, and other documents relating to a substitute project, the Missouri Theatre Building Project.

On October 11, 2012, the Service issued a subsequent RFE in this matter. The RFE correctly notes that GMIC is seeking designation as an approved Regional Center, and is not seeking the approval of an actual project or exemplar I-526 petition. Rather, GMIC would like the Missouri Theater Building Project to be treated as a **hypothetical project** (although GMIC hopes to be able to sponsor this project under the EB-5 program at a later date). The RFE raises three issues, which will be addressed in turn.

II. Basis for the Inputs into the REDYN Model

The RFE states:

> "The applicant submits an economic impact analysis prepared by Economic & Policy resources, Inc. (EPR) in which $27.5 million in hard construction cost was used as input to REDYN model to generate 296 total jobs within the regional center. Please explain how the hard construction cost was derived. Also, EPR uses 37 direct employees at the hotel as input into the REDYN model. This figure is not supported by data, analysis, or a comparison to industry standard. Please provide the source(s) of this employment estimate." RFE at 3.

Although GMIC is requesting designation as a Regional Center on the basis of a hypothetical project, and therefore would ordinarily have limited access to project specific data, the Missouri Theater Building Project is actually in development, and has been through the budgeting process. The hard construction cost estimates were derived through consultation with Paric, the general contractor for the project.

Paric is an experienced contractor that works extensively in the local market. Paric conducted an extensive research and competitive bidding process to determine the costs of developing the project. The details of this process are explained in **Exhibit 5**. The construction budget that was developed was based on the plans and specifications for this project, local costs and practices, and local industry standards. The competitive bidding process also helps to ensure the accuracy of the budget, and that it is reasonable according to normal industry practices. The process described in the letter from Paric represents normal industry practices, and also serves to provide the most accurate possible cost estimates for a project. It is based on actual prices from actual, local subcontractors, for the actual project specifications. There is likely no third party data extant t[illegible] this level of accuracy concerning local costs and practices.

hypothetical

However, the cost estimates provided by Paric were cross checked against industry data from RS Means by Economics and Policy Resources, Inc. (EPR). EPR found that the cost estimates provide by Paric were actually lower than the average costs shown in the RS Means data. *See* **Exhibit 4**. This is strong evidence that the budget developed by Paric and the developer is inherently reasonable according to industry standards.

In determining the source and accuracy of the hotel staffing estimates, EPR consulted the developers of the project. The project developers based their staffing projections on the combined experience of Windsor Capital Group (the hotel manager and affiliate of the developer) and Hyatt Corporation (the hotel flag). *See* **Exhibit 4**. Windsor Capital Group owns 23 hotels and manages another 25 hotels throughout the United States. Hyatt Corporation is a national hotel brand. The staffing estimates were based on Hyatt's analysis of the staffing needs of its 167 Hyatt Place hotels located throughout the U.S. Both Windsor and Hyatt are experienced and successful hotel operators, and between the two, have an extensive pool of historical data and experience to draw from. The estimates provided represent industry standards for the successful operation of this type of hotel.

Please note that the Business Plan and Economic Impact Report have been revised to include more detail relating to these issues. See **Exhibits 1, 2.**

III. Clarification of the Memorandum of Understanding

The RFE states:

> "Section 8 of the Memorandum of Understanding between [GMIC] and Missouri Theatre, LLC and Missouri Theatre Lenders, LLS is entitled 'Designation-Representations and Warranties by Regional Center regarding Regional License.' Please elaborate on the Regional License and the warranties by the regional center through this license." RFE at 3.

It is not immediately clear what the Service is asking here. From our experience and knowledge of other RFEs in which the Service questions the licensing of a Regional Designation to another party, we believe that the issue is with the word "License."

The original MOU, submitted as Exhibit H of the July 31, 2012 RFE response, simply contemplated an arrangement whereby the Regional Center would sponsor the project under the EB-5 program, allowing the project developer to access EB-5 capital, while requiring the Regional Center to perform its administrative, record keeping, and due diligence duties as required by the program.

Although the heading of Section 8 mentions a license, it is fairly evident that the "license" is in fact the Regional Center Designation. For instance, Subsection (a) requires the Regional Center to represent and warrant that the "Regional Center's designation as an approved regional center is in good standing, has not been terminated by USCIS and is currently subject to an outstanding notification of violation or possible termination of designation by USCIS."

We acknowledge that the word "License" is not, perhaps, the most linguistically accurate term, and the use of "and" instead of "or" in the third clause of Subsection (a) is confusing and almost certainly a typo. We do note that this was submitted as a "Draft MOU," and not as a final, executed document. GMIC has provided an updated Draft MOU with this submission. *See* **Exhibit 3**. The word "license" has been removed, and we hope that this clarification is sufficient. This is still a draft document, and it should evidence GMIC's knowledge of its non-delegable duties under the program, and its intent to comply with those duties, even when sponsoring the projects of unrelated parties. As there is no binding agreement, and the application is based on a hypothetical project, it would not be reasonable to require a finalized MOU at this point in time.

IV. NAICS Codes

The RFE asks for clarification of the NAICS codes that GMIC is requesting in its designation, and states that NAICS 238- Specialty Trade Contractors, is not an appropriate NAICS code for the activities presented in the business plan and Economic Impact Report. The RFE further suggests that NAICS 236- Construction of Buildings, is not specific enough. Instead, the RFE suggests that GMIC request NAICS 2362- nonresidential construction of buildings because "GMIC is not involved in residential building construction." RFE at 4.

After consultation with EPR, GMIC has decided to withdraw the request for NAICS 238. However, GMIC disagrees with the Service's contention that it is not involved in residential construction, and should therefore use NAICS 2362.

The Missouri Theater Building Project has hotel, residential, and retail components. GMIC originally requested NAICS 236 (instead of using a four digit code) because the project encompasses both residential and non residential construction, and there is no NAICS code for mixed use construction. Further, GMIC did not want to be limited to only nonresidential construction (especially in light of the substantial expense and delay involved in seeking an amendment to its designation). In light of USCIS's request for four digit NAICS codes, GMIC is requesting BOTH NAICS 2361-residential construction of buildings and 2362-nonresidential construction of buildings.

GMIC is also requesting NAICS 423210- Furniture Merchant Wholesalers, based on the project's projected expenditures on furniture, fixtures, and equipment for the hotel. The inclusion of this target industry category is supported by the revised Business Plan and Economic Impact Report. *See* **Exhibits 1 and 2**.

Thus, GMIC is requesting approval for the following target industry clusters:

- NAICS 2361-residential construction of buildings;
- NAICS 2362-nonresidential construction of buildings;
- NAICS 423210- Furniture Merchant Wholesalers; and
- NAICS 7211-Traveler accommodation.[1]

The previous business plan and Economic Impact Report previously focused on the hotel construction and operations as the main component of the EB-5 project, as the job creation effects resulting from the retail and residential components were minimal (once tenant occupancy was eliminated). Therefore, the bulk of the jobs were created as a result of construction activities, with a small number coming from hotel operations. The Business Plan and Economic Impact Report have been revised to include more detail on the construction costs of the residential component. *See* **Exhibits 1 and 2**.

V. Conclusion

Based on the foregoing, we believe that GMIC has demonstrated by a preponderance of the evidence that it meets the requirements of the Pilot Program and is fully eligible for designation as an approved Regional Center. We respectfully request that USCIS approve the instant application and issue a Designation Letter to GMIC as soon as possible.

Very Truly Yours,

H. Ronald Klasko

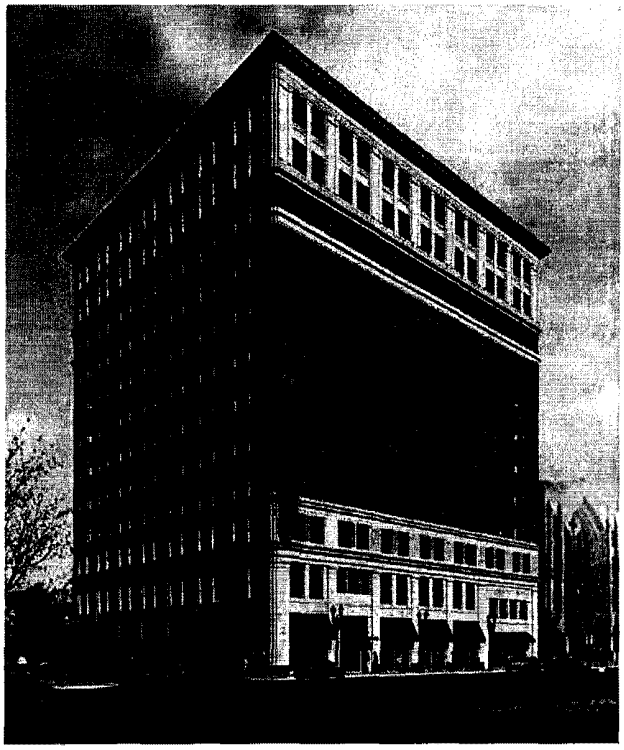
HRK/dbl/lw
Enclosures

[1] Requested in the previous RFE response.

Exhibit 1

Project Business Plan Update of
December 18, 2012

MISSOURI THEATER BUILDING EB-5 PROJECT
BUSINESS PLAN



December 18, 2012 Update

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC

SPONSOR:
Gateway to the Midwest Investment Center
121 South Meramec Ave
Suite 1117
St. Louis, MO 63105

Telephone: (314) 615-7616
Website: www.MidwestChinaHub.com

Contents

1.1 Purpose 1
1.2 Sponsor/Applicant Company 2
1.3 Industry Focus 2
1.4 Geographic Focus 5
1.5 Regional Center Contacts 5
1.6 Total Anticipated EB-5 Capital Investment 7
1.7 Investor Program Summary 7
1.8 Economic Impact Analysis Summary 8
2.1 Summary of the Program for the EB-5 Project 12
2.2 Qualification for Regional Center Designation 13
2.3 Managerial Role—Active vs. Passive Investment 14
2.4 Company Privacy Policy 14
2.5 Project Selection 14
3.1 Business Structure Overview 15
3.2 Detailed Description—Missouri Theater Building EB-5 Project 17
3.3 Strategic Approach for Hotel Operations 18
3.4 Statement of Sources and Uses of Funds 19
3.5 Development Timeline Summary 20
3.6 The Missouri Theater Building EB-5 Project Development Budget Detail 21
4.1 The Missouri Theater Building EB-5 Project Team 22
4.2 Listing of Key Missouri Theatre Building EB-5 Project Contractors 26
4.3 Listing of Permits and Licenses Required for the Missouri Theatre Project 26
4.4 Listing of Staff Positions of the Missouri Theatre Building EB-5 Project 27

1.1 Purpose

The Gateway to the Midwest Investment Center (GMIC) is submitting this revised business plan for its EB-5 project as part of its response to questions raised during the USCIS review of its application for

regional center designation for a region including three counties in the state of Missouri under the regulations at *8 CFR §104.6(m).* The application presents the Missouri Theater Building EB-5 project as an "actual" and nearly finalized project that is being used to demonstrate the likely economic and job impacts and the way the prospective regional center would promote economic growth within the prospective regional center's geography if the applicant's request for regional center designation is approved. **As noted previously, this is a real project, but this application does not seek project pre-approval at this time as the project does not include an exemplar I-526 because the EB-5 project's details are not finalized.** Instead, this project has been evaluated for its economic development potential as an alternative to the initial project proposal in the initial regional center designation application, the Bio-Research and Development Growth Park. It is with this updated project that the prospective Gateway to the Midwest Investment Center regional center seeks to demonstrate how the regional center designation will promote economic growth (e.g. through improved productivity, job creation and increased capital investment) within a defined region under 8 CFR 204.6(m)(3)(i).

1.2 Sponsor/Applicant Company

The St. Louis County Economic Council, on behalf of the
Missouri Theatre Lenders, LLC
World Trade Center Building
121 S. Meramec Ave Ste 1117
St Louis MO 63105
Telephone: (314) 615-7663
Email: info@midwestchinahub.com

1.3 Industry Focus

The revised initial project of the proposed regional center will be the redevelopment and renovating construction of the historic Missouri Theatre Building into a vibrant mixed use space in downtown St. Louis. The revitalized building will include a hotel, retail space, restaurant space, and 40 residential apartments. The ongoing component of the project will be the operation of the 136 room hotel. While EB-5 project management and the principals of the prospective regional center believe that all aspects of this unique project will create jobs, the economic and job impact assessment analysis and the activity areas requested by the applicants in this application include only the construction and hotel components of the proposed EB-5 project. The restaurant and retail space are excluded from the EB-5 application economic and job count impacts and in the activities request in this application. This is done because those components involve tenant businesses and as of the date if this filing the so-called tenant occupancy issue remains unsettled. In addition, the EB-5 project and application also exclude the impacts for the residential portion of the EB-5 project. In past adjudications, examiners have been critical of projects that include residential household spending and the application and impact assessment study excludes all activities related to the operations of those residential units as well—even though the excluded activities are still likely to create positive economic impacts and new jobs.

Project development and operations activities will be concentrated in the Residential Construction (corresponding to NAICS 2361), Nonresidential Construction (corresponding to NAICS 2362), and Hotels (except casino hotels) and Motels (corresponding to NAICS 72111) subsectors as defined by the North American Industry Classification System (NAICS). EB-5 investor capital will also be used for furniture, fixtures and equipment which involve expenditures in the Furniture Merchant Wholesalers sector (corresponding to NAICS 423210). However, within the proposed Gateway to the Midwest Investment Center, these jobs will be created economy-wide, across a large number of NAICS categories. All of these jobs have been estimated through the development of a customized and extensive input-output model (as set forth in the economic and job creation impact assessment study) to measure economic activity and job impacts through the three-county economy of the Gateway to the Midwest Investment Center and for the U.S. economy as a whole.

The input-output model inputs are measures of EB-5 project-induced new final demand in several NAICS sectors as described in the economic and job impact study. As a result of the expected EB-5 capital investment, a total of 345 new jobs are expected to be created within the prospective regional center. These jobs are generated by construction activity and hotel operations, which, through the multiplier effect (i.e. the economic "ripple effect) spur job growth across a wide array of NAICS sectors and subsectors beyond the three mentioned above. The total region-wide job impacts as well as job impacts for the U.S. economy as a whole are presented in the economic and job impact assessment analysis completed by Economic & Policy Resources, Inc. as described herein.

However, it should be noted that the jobs that will be created by the EB-5 project, as presented in the economic and job impact study from Economic & Policy Resources, Inc., will not occur at Missouri Theatre Lenders, LLC—which is the EB-5 project business entity into which EB-5 investors are expected to make their equity investment. According to EB-5 project management, Missouri Theatre Lenders, LLC will provide financing to RSC & Associates, LLC to develop and open the Missouri Theater EB-5 project. The job creation from the expected EB-5 investor dollars will occur as a result of the development, construction, and operations of the EB-5 project—and this net new economic activity and new job creation will not occur at the EB-5 business enterprise into which EB-5 investors will be making an equity investment. **As a result, because the positive economic activity and job creation impacts will be occurring at a different company than the EB-5 commercial business enterprise, all incremental economic activity and the net new jobs that will be created by the EB-5 project will be indirect for EB-5 program purposes.**

As follows the discussion above, the Gateway to the Midwest Investment Center, through its EB-5 project, is requesting USCIS approval of the following four NAICS activities under this regional center application. These requested NAICS categories reflect one of more of the following categories: (1) the business activity the applicant expects to be in (operate a hotel) once the project is developed and constructed (NAICS 72111), (2) where the applicant expects that EB-5 investor capital will be expended (NAICS 2361, NAICS 2362, and NACIS 423210), and (3) the NAICS categories that will comprise the inputs for the economic and job impact assessment study (NAICS 2361, NAICS 2362, NAICS 423210, NAICS 72111). The NAICS 423210-Furniture Merchant Wholesalers is tied to the furniture and fixtures spending related to the hotel portion of the proposed EB-5 project. The definition of the requested NAICS sectors include the following:

(1) **NAICS 2361: Residential Construction**—This industry group comprises establishments primarily responsible for the construction or remodeling and renovation of single family and multifamily residential buildings. Included in this industry are residential housing contractors (i.e. new construction, remodeling, or renovating existing residential structures (for-sale builders and remodelers of residential structures), residential construction management firms, and residential design-build firms.[1]

(2) **NAICS 2362: Nonresidential Construction**—This industry group comprises establishments primarily responsible for the construction (including new work, additions, alterations, maintenance, and repairs) of nonresidential buildings. This industry group includes nonresidential general contractors, nonresidential for-sale builders, non-residential design-build firms, and non-residential project construction management firms.[2]

(3) **Hotels (except casino hotels) and Motels (NAICS 72111)**—which provide lodging or short-term accommodations for travelers, vacationers, and others in facilities known as hotels or motels. Additional services such as food service, laundry, and recreation may also be provided by firms in this industry.

(4) **NAICS 423210: Furniture Merchant Wholesalers**—This industry comprises establishments primarily engaged in merchant wholesale distribution of furniture (except hospital beds, medical furniture, and drafting tables.[3] Included in this category are household type furniture, public building furniture, office furniture, and mattresses—among other categories.

However, economy-wide within the proposed Gateway to the Midwest Investment Center regional center, jobs will be created across a large number of NAICS categories. All of those jobs have been estimated through the development of a customized and extensive input-output model (as set forth in the updated economic and job creation impact assessment study) to measure economic activity and job impacts through the proposed geography of the proposed regional center and for the U.S. economy as a whole.

The input-output model inputs are measures of EB-5 project-induced new final demand in several NAICS sectors as described in the economic and job impact study. As a result of the expected EB-5 capital investment, a total of 638 new indirect jobs related to construction activity for the U.S. economy as a

---

[1] See North American Industry Classification System, United States, 2012. Executive Office of the President, Office of Management and Budget; Page 193.
[2] Ibid; Page 196.
[3] Ibid; Page 507.

whole (including the area both within the proposed regional center and outside of the proposed regional center) and 36 jobs related to operations of the hotel within the proposed GMIC by impact Year-3 and a total of 56 new jobs related to operations of the proposed hotel by impact Year-3 for the U.S. economy as a whole. These jobs will be created across a wide array of NAICS sectors and subsectors including both those listed above and beyond those mentioned above. This total region-wide job impact (for the proposed regional center) and job impact for the U.S. economy as a whole are presented in the updated economic and job impact assessment analysis completed by Economic & Policy Resources, Inc. as described herein.

1.4 Geographic Focus

The focus of the regional center will be a three-county subset of the St. Louis, Missouri-Illinois Metropolitan Statistical Area. This region and its economy are described in detail in section 2.2 of the accompanying economic report.

1.5 Regional Center Contacts

Regional Center Contact:

Ms. Jie Fan
Gateway to the Midwest Investment Center, Inc.
World Trade Center Building
121 S Meramec Ave, Suite 1117
St Louis, MO 63105

Phone: (314) 615-7663
FAX: (314) 615-8140
Email: jfan@worldtradecenter-stl.com

Immigration Counsel:

H. Ronald Klasko
Klasko, Rulon, Stock & Seltzer, LLP
1800 John F. Kennedy Blvd.
Suite 1700
Philadelphia, PA 19103

Phone: (215) 825-8646
Fax: (215) 825-8699
Email: RKlasko@klaskolaw.com
Web: www.klaskolaw.com

SEC Counsel:

Ronald R. Fieldstone, Rebecca Abrams Sarelson
Arnstein & Lehr, LLP
200 S. Biscayne Blvd. Ste 3600
Miami, FL 33131

Phone: (305) 428-4500
Fax: (305) 374-4744
Email: rrfieldstone@arnstein.com
Web: http://www.arnstein.com

Economic and Job Creation Impacts/Modeling:

Jeffrey B. Carr
Economic & Policy Resources, Inc.
400 Cornerstone Drive, Suite 310
P.O. Box 1660
Williston, VT 05495-1660

Phone: (802) 878-0346

Email: jbc@epreconomics.com
Web: www.eb5economics.com

Accounting/Tax Planning:

The selection of a regional center accounting firm is pending. The selection is anticipated to be made by the end of the third quarter of 2012.

Business Plan Development:

Jeffrey B. Carr (see address and contact information above under **Economic and Job Creation Impacts/Modeling**)

Investor Solicitation:

The selection of an EB-5 marketing agent is pending. The selection is anticipated to be made by the end of the third quarter of 2012.

1.6 Total Anticipated EB-5 Capital Investment

Through the EB-5 program, Missouri Theatre Lenders, LLC intends to raise up to $8.0 million in EB-5 capital to fund the development and operation of the Missouri Theater Building EB-5 project in St. Louis City, MO. The development and operation of the EB-5 project will result in the creation of new economic activity and new jobs that will support the EB-5 capital raise.

1.7 Investor Program Summary

Summary of the Project

The focus of the Regional Center's investment program will be to invest in the development and operation of the Missouri Theatre Building Hotel EB-5 project, which consists of the construction and operation of a 136 room hotel in the historic Missouri Theatre Building in St. Louis' Grand Avenue Arts District. The objective of Nesbitt Missouri Theater LLC and SLMT LLC, the companies that will co-develop the project, and Windsor Capital Group, Inc., the company that will operate and manage the hotel operations, is to create a vibrant mixed-use space headlined with an attractive and accommodating hotel in a unique historical building. Once fully developed and operational, the EB-5 project will expand the regional economy and is expected to create new jobs across a myriad of NAICS activity areas stemming from those listed in Section 1.3 (above). The EB-5 project intends to draw upon the economic development expertise of St. Louis County Economic Council, with which the regional center is affiliated, to develop the project. The EB-5 project will be owned by Missouri Theatre LLC and therefore its operation will not involve any tenant businesses.

Investor Program Summary

A portion of the investment capital for the initial project (with an expected minimum offering of up to $8.0 Million) will be raised through an EB-5 Investment Program, offered exclusively to international investors seeking to gain the benefits of the program:

- Living and working anywhere in the U.S.,
- No employment authorization requirement to accept employment,
- Ability to develop and run a business,
- Ability to sponsor green cards for a spouse and minor children,
- Ability to travel outside of the United States and return to the United States without a visa,
- Education benefits of permanent residents such as admission to state universities at resident costs, and
- Become a U.S. citizen once the investor has been a permanent resident for more than five years.

A total of up to 16 investors, with a minimum investment of $500,000 each, will be solicited through the program. In exchange, each investor will be offered the opportunity to receive conditional permanent residency which can be converted to unconditional permanent residency after a period of 21 months. It is projected that investors will receive periodic income from the project. See Section 3 for a full description of the investment project and the regional center's development plans.

1.8 Economic Impact Analysis Summary

The economic and job impact assessment analysis report prepared by Economic & Policy resources, Inc. is the result of a significant study by the firm. Economic & Policy Resources, Inc. has considerable experience in evaluating and preparing impact assessment reports in support of EB-5 Regional Center applications that demonstrate the economic and job creation impacts of activities on a specific geographic area such as the proposed regional center.

The impact study completed by Economic & Policy Resources, Inc. used a REDYN dynamic input-output model tool—one of the U.S. Citizenship and Immigration Service's generally accepted approaches for measuring net new job creation. A summary of the job-generating results of the initial investment projects follows:

- The Economic & Policy Resources, Inc. impact assessment concluded that the development, construction and operation of the Missouri Theater Building EB-5 project in the Gateway to the Midwest Investment Center will generate significant and positive economic benefits for the U.S. economy.
    - The benefits include a four year cumulative total of $156.4 million in increased output, a four year cumulative total of $65.8 million in increased disposable personal income, and a four year cumulative total of $53.5 million in increased household earnings over the four-year impact period of the proposed project.[4]
    - The benefits are also expected to include a net increase of 693 total new direct and indirect jobs, 638 stemming from construction and 56 generated by operations activities in the United States economy.
- The planned Missouri Theater Building EB-5 Project, if developed and operated as planned, will also have a positive impact on the regional economy of the Gateway to the Midwest Investment Center.
    - The benefits include a four year cumulative total of $70.2 million in increased output, a four year cumulative total of $30.0 million in increased disposable income, and a four year total of $24.7 million in increased household earnings over a four-year impact assessment period.

[4] Economic impacts are reported in 2012 dollars.

- The benefits in the regional center are expected to include a net job increase of 286 total new direct and indirect jobs, 250 stemming from construction and 36 generated by operations activities.

- Outside the proposed regional center, this economic and job impact assessment study for the Missouri Theater Building EB-5 project includes a four year cumulative total of $86.3 million in increased output, a cumulative total of $35.8 million in increased disposable personal income, and a cumulative total of $28.8 million in increased household earnings for the U.S. economy outside of the regional center.

  - The outside regional center employment impact is also estimated for this study to include an 407 new jobs, corresponding to a total U.S. job impact of 693 new jobs less new job impacts of 286 within the regional boundaries of the Gateway to the Midwest Investment Center.

    Table 1 (below) displays the summary inputs and economic impacts of the planned development, construction, and operation of the Missouri Theater Building EB-5 Project in both the Gateway to the Midwest Investment Center and the U.S. economy as a whole.[5]

Table 1 Summary Model Inputs and Results – The Missouri Theater Building EB-5 Project

	Year 1	Year 2	Year 3	Year 4
Timeline	Construction	On-Going Operations		
Model Output [2]				
Total U.S. Economy				
Output ($2012, 000s)	$ 133,135	$ 7,619	$ 7,763	$ 7,908
Disposable Income ($2012, 000s)	$ 57,010	$ 2,890	$ 2,943	$ 2,995
Household Earnings ($2012, 000s)	$ 49,832	$ 1,210	$ 1,232	$ 1,254
Jobs	638	55	56	56
Regional Center Economy				
Output ($2012, 000s)	$ 57,660	$ 4,088	$ 4,165	$ 4,242
Disposable Income ($2012, 000s)	$ 25,686	$ 1,429	$ 1,455	$ 1,481
Household Earnings ($2012, 000s)	$ 21,751	$ 965	$ 982	$ 1,000
Jobs	250	36	36	36
Job Impacts by Component				
Construction				
Regional Center	250	-	-	-
Total U.S.	638	-	-	-
Hotel Operations				
Regional Center	-	36	36	36
Total U.S.	-	55	56	56

Notes:
[1] Economic activity was modeled at the county level.
[2] Direct construction jobs have been removed from the job impacts,

Prepared by: Economic & Policy Resources, Inc.

[5] It should be noted that these impacts from the economic and job impact assessment study correspond to impacts during Years 1 through 4 of the project timeline. Since the proposed regional center hopes to gain USCIS approval and begin marketing in calendar year 2012, development year 1 corresponds to calendar year 2013. The reader should note that the business plan starts with Year 0—which corresponds to calendar year 2012.

The above described job and output impact totals are comprised in part from impacts in key subsectors. These include: NAICS 541 Professional, Scientific and Technical (Business Services), NAICS 221 Utilities, NAICS 811 Maintenance and Repair, and NAICS 23 Construction. To be in compliance with USCIS guidance documents regarding economic and job impact reporting for EB-5 projects, detailed predictions of impacts associated with the Missouri Theater EB-5 Project are reported for both inside and outside the pending regional center and for the U.S. economy in total.

- Table 2 (below) shows the year by year impacts expected within the prospective regional center economy for each USCIS-requested subsector.
    - The table shows increased demand within the regional center is expected for: (1) Professional, Scientific, and Technical (Business) Services with a four-year cumulative total of $3.7 million, (2) Utilities with a four-year cumulative total of $0.2 million, (3) Repair and Maintenance Services with a four-year cumulative total of $0.4 million, and (4) Construction with a four-year cumulative total of $24.3 million.[6]
    - Increases in the number of jobs within the pending regional center are expected in the majority of examined subsectors. In Year 1, the construction component of the project generates these sector job effects. Among gaining subsectors, these increases range from a low of no net new jobs in impact Year 1 in the Utilities and Repair and Maintenance sub-categories and to a high of 186 net new jobs in the Building, Developing and General Contracting subsector. Hotel operations generate job growth of 1 net new job in the Professional, Scientific, and Technical (Business) Services sector in subsequent years.

Table 2. Subsector Impacts Within the Regional Center—Missouri Theatre Building EB-5 Project

Within the Regional Center	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	—	Total (subsectors below)	221	2	2	2
	221	Utilities	0	0	0	0
	23	Construction	193	0	0	0
	233	Building, Developing, and General Contracting	186	0	0	0
	234	Heavy Construction	1	0	0	0
	235	Special Trade Contractors	6	0	0	0
	541	Professional, Scientific, and Technical Services	25	1	1	1
	811	Repair and Maintenance	0	0	0	0
Output Impacts	—	Total (industries below)	$ 27,694.7	$ 272.0	$ 277.2	$ 282.3
(2012$, thousands)	221	Utilities	$ 125.1	$ 10.5	$ 10.7	$ 10.9
	23	Construction	$ 24,005.8	$ 88.7	$ 90.4	$ 92.1
	233	Building, Developing, and General Contracting	$ 23,086.1	$ 24.3	$ 24.8	$ 25.3
	234	Heavy Construction	$ 139.0	$ 9.7	$ 9.9	$ 10.1
	235	Special Trade Contractors	$ 780.7	$ 54.7	$ 55.7	$ 56.7
	541	Professional, Scientific, and Technical Services	$ 3,232.0	$ 156.8	$ 159.8	$ 162.7
	811	Repair and Maintenance	$ 331.7	$ 16.0	$ 16.3	$ 16.6

Prepared by: Economic & Policy Resources, Inc.

[6] All economic impacts are reported in 2012 dollars.

- Table 3 (below) shows the year by year impacts expected outside the pending regional center economy for each USCIS-requested subsector.
  - Increased demand outside the pending regional center is expected for: (1) Professional, Scientific, and Technical (Business) Services with a four-year cumulative total of $5.0 million, (2) Utilities with a four-year cumulative impact of $1.6 million, (3) Repair and Maintenance with a four-year cumulative total of $1.0 million, and (4) Construction with a four-year cumulative total of $2.2 million.
  - In Year 1, the construction component of the project generates subsector job effects. These increases range from a low of 1 new jobs in the Utilities subsector to a high of 33 new jobs in the Professional, Scientific, and Technical (Business) Services subsector. Hotel operations generate job growth in the Construction, Business Services, and Repair and Maintenance subsectors in the subsequent years.

Table 3. Subsector Impacts Outside the Regional Center—Missouri Theatre Building EB-5 Project

Outside the Regional Center	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	—	Total (subsectors below)	64	1	1	1
	221	Utilities	1	0	0	0
	23	Construction	20	0	0	0
	233	Building, Developing, and General Contracting	4	0	0	0
	234	Heavy Construction	3	0	0	0
	235	Special Trade Contractors	12	0	0	0
	541	Professional, Scientific, and Technical Services	33	0	0	0
	811	Repair and Maintenance	8	0	0	0
Output Impacts	—	Total (industries below)	$ 8,429.0	$ 419.0	$ 426.5	$ 433.9
(2012$, thousands)	221	Utilities	$ 1,321.8	$ 79.1	$ 80.7	$ 82.2
	23	Construction	$ 1,932.6	$ 96.3	$ 97.9	$ 99.6
	233	Building, Developing, and General Contracting	$ 465.1	$ 23.3	$ 23.7	$ 24.1
	234	Heavy Construction	$ 296.9	$ 14.9	$ 15.1	$ 15.4
	235	Special Trade Contractors	$ 1,170.6	$ 58.1	$ 59.1	$ 60.1
	541	Professional, Scientific, and Technical Services	$ 4,345.0	$ 204.9	$ 208.4	$ 211.9
	811	Repair and Maintenance	$ 829.5	$ 38.8	$ 39.4	$ 40.1

Prepared by: Economic & Policy Resources, Inc.

- Table 4 (below) shows the year-by-year impacts expected for the U.S. economy on the whole for each USCIS-requested subsector. These impacts are equal to the sum of the inside the regional center and outside the regional center impacts.
  - Impacts on total U.S. demand by subsector include: (1) an increase in the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $8.7 million, (2) an increase for the Utilities subsector with a four-year cumulative impact of $1.7 million, (3) an increase in Repair and Maintenance with a four-year cumulative total of $1.3 million, and (4) an increase in the Construction subsector with a four-year cumulative total of $26.5 million. All impacts are shown in constant 2012 dollars.
  - In Year 1, the construction component of the project generates subsector job effects in the U.S. as a whole. These increases range from a low of one net new job in the Utilities subsector to a

high of 190 net new jobs in the Building, Developing and General Contracting subsector. Hotel operations generate job growth in the Construction, Business Services, and Repair and Maintenance subsectors in the subsequent years.

Table 4. Subsector Impacts on the Total U.S. Economy—Missouri Theatre EB-5 Project

Total United States	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	—	Total (subsectors below)	285	3	3	3
	221	Utilities	1	0	0	0
	23	Construction	213	0	0	0
	233	Building, Developing, and General Contracting	190	0	0	0
	234	Heavy Construction	4	0	0	0
	235	Special Trade Contractors	18	0	0	0
	541	Professional, Scientific, and Technical Services	58	1	1	1
	811	Repair and Maintenance	8	0	0	0
Output Impacts	—	Total (industries below)	$ 36,123.7	$ 691.0	$ 703.7	$ 716.2
(2012$, thousands)	221	Utilities	$ 1,447.0	$ 89.6	$ 91.4	$ 93.1
	23	Construction	$ 25,938.5	$ 185.0	$ 188.3	$ 191.7
	233	Building, Developing, and General Contracting	$ 23,551.3	$ 47.7	$ 48.5	$ 49.4
	234	Heavy Construction	$ 435.9	$ 24.6	$ 25.1	$ 25.5
	235	Special Trade Contractors	$ 1,951.3	$ 112.7	$ 114.8	$ 116.8
	541	Professional, Scientific, and Technical Services	$ 7,577.0	$ 361.7	$ 368.2	$ 374.6
	811	Repair and Maintenance	$ 1,161.2	$ 54.8	$ 55.7	$ 56.7

Prepared by: Economic & Policy Resources, Inc.

- The estimates of new economic activity and net new jobs presented in this economic and job impact assessment study demonstrate how the requested regional center will promote economic growth within the regional center geography in the requested activities.
    - USCIS pre-approval of the proposed EB-5 project will result in significant and positive economic and job impacts for both the regional economy of the Gateway to the Midwest Investment Center and the economy of the U.S. as a whole—consistent with the specific impact detailed above.

2.1 Summary of the Program for the EB-5 Project

Missouri Theatre Lenders, LLC has been organized to provide financing to Missouri Theatre LLC pursuant to a Memorandum of Understanding entered into with the Gateway to the Midwest Investment Center, Inc. to develop the Missouri Theatre Building EB-5 project, the construction and operation of a unique 136 room hotel in downtown St Louis along with other amenities.[7] The Gateway to the Midwest Investment Center will enter into a Memorandum of Understanding with Missouri Theatre Lenders, LLC to utilize the EB-5

[7] The prospective EB-5 project includes the construction of the hotel (which will be flagged as a Hyatt hotel), apartment units, and space for additional commercial (e.g. retail) amenities. At this time, only construction impacts for the project as a whole and operating impacts arising from the hotel are included in the economic and job impact assessment analysis.

regional center designation to develop the EB-5 Project. The regional center shall provide administrative, supervisory, due-diligence and other services as needed for the benefit of the EB-5 Project in consideration for receiving a supervisory/management fee related thereto.

Gateway to the Midwest Investment Center, LLC has also arranged for Klasko, Rulon, Stock & Seltzer, LLP to file an EB-5 Application and a Form I-526 on behalf of each Subscriber, which will be done promptly following acceptance of the subscription and admission of the Subscriber as an Investing Member of the EB-5 Company. It is anticipated that the USCIS will act on each EB-5 Application within approximately 180 to 240 days after the completed EB-5 Application is filed. If the EB-5 application is granted, the Subscriber will become a regular Member of the EB-5 Company, assuming project approval.[8] If a temporary EB-5 application is denied, without appeal or after denial of any appeal, the Company will cancel such subsidiary Member's Interest by returning to the Member the five hundred thousand dollar ($500,000) or one million dollar ($1,000,000) subscription price (whichever is applicable). These totals are less the $45,000 deposit for legal, administrative, and marketing fees. The EB-5 Company will continue in existence during the time that it maintains its investment in RSC & Associates unless sooner terminated as provided in the Operating Agreement.

2.2 Qualification for Regional Center Designation

The program has been developed under the following USCIS requirements:

- Investors will be required to make an investment of at least $500,000, plus $45,000 in legal, administrative, and marketing costs and other fees.
- Each investor's contribution to Missouri Theatre Lenders LLC will generate at least 10 EB-5 program eligible jobs within the defined geographic area of the regional center.[9]
- Funds may come from any legal foreign or U.S. source, including gifts, loans, executive pension funds, trusts, and divorce settlements.
- The investment must be received from the person seeking the visa, from clearly identifiable and legal funds.
- Borrowed investment funds qualify as long as they are not secured by the assets of the target U.S. investment.

The EB-5 Offering has been structured so that a Subscriber will have made an investment that qualifies for an EB-5 Visa entitling such Subscriber, assuming the Subscriber otherwise satisfies the non-investment criteria for an EB-5 Visa, to conditional permanent United States residency and, ultimately, to apply for U.S. permanent residency without conditions—and eventually citizenship. The Company has arranged to work

[8] The application for project approval is expected to be submitted with the first I-526 filing.

[9] The area corresponds to a three-county subset of the St. Louis, Missouri-Illinois MSA, as described in detail in the economic study.

with experienced immigration attorneys to file the EB-5 Petition for an EB-5 Visa on behalf of and at each Subscriber's expense promptly following acceptance of the subscription and admission of the Subscriber as a Member in the LLC. It is anticipated that USCIS will act on each Petition within six (6) to eight (8) months after the completed Petition is filed, although a longer or shorter time period may apply in a particular case. If the Petition is granted, the Subscriber will become a regular Member of the Company. The Subscriber shall be responsible for all cost of travel and fees to USCIS.

2.3 Managerial Role—Active vs. Passive Investment

Under EB-5 regulations, the EB-5 immigrant investor is expected to participate in the management of the new enterprise by assisting in the formulation of the enterprise's business policy, by participating in one or more of the activities permitted in the Missouri Limited Liability Company Act, and as otherwise set forth in the Operating Agreement. Investors in an EB-5 enterprise must have all the rights and duties usually accorded to members applicable under the Missouri Limited Liability Company Act. The rights of the Members under the Operating Agreement are consistent with rights normally granted to Members under the Act.

2.4 Company Privacy Policy

It is the company policy of Missouri Theatre Lenders, LLC, and all subsidiary business enterprises, to protect the privacy of its investors. Therefore, the Company will not disclose the names of investors to those outside of the Company that each investor is invested in, unless required to do so by law and USCIS reporting requirements. However, each investor has the legal right of access to names, contact information, and percentage of ownership of the other investors within his/her limited liability company.

2.5 Project Selection

The current EB-5 project represents an important business opportunity, and is only the first of a number of projects the proposed regional center may undertake—market conditions allowing. The selection of this project is based on the strong likelihood that the new jobs will be created within the geographic boundaries of the proposed regional center if this application is approved. The EB-5 project has provided a detailed economic and job creation impact assessment analysis based on this business plan specifying its anticipated employment requirements, which were carefully reviewed and evaluated by the regional center's management prior to recommendation of the project to investors. Throughout the life of the first EB-5 project, these newly added EB-5 qualifying jobs will be closely monitored by the regional center's management. This will be done using the regional center's own job reporting forms, and will be supplemented by the project's employment creation records. These data will be collected and reported according to USCIS requirements including through the Form I-924A process as outlined in the Gateway to the Midwest Investment Center, Inc. Regional Center Business Plan, which was submitted with the original regional center application.

Estimates of indirect job creation were determined by the economic and job creation impact assessment study described in the economic report that accompanies this application. These estimates were based on information provided by the project development team, and reported results include EB-5 qualifying jobs created, total jobs created, and changes in output, disposable income, and household earnings within and outside the Gateway to the Midwest Investment Center boundaries.

3.1 Business Structure Overview

As noted above, Missouri Theatre Lenders, LLC (the EB-5 business enterprise and a Missouri limited liability company) has been organized to provide financing to Missouri Theatre, LLC. After development construction, the project will be managed by Windsor Capital Group, Inc.

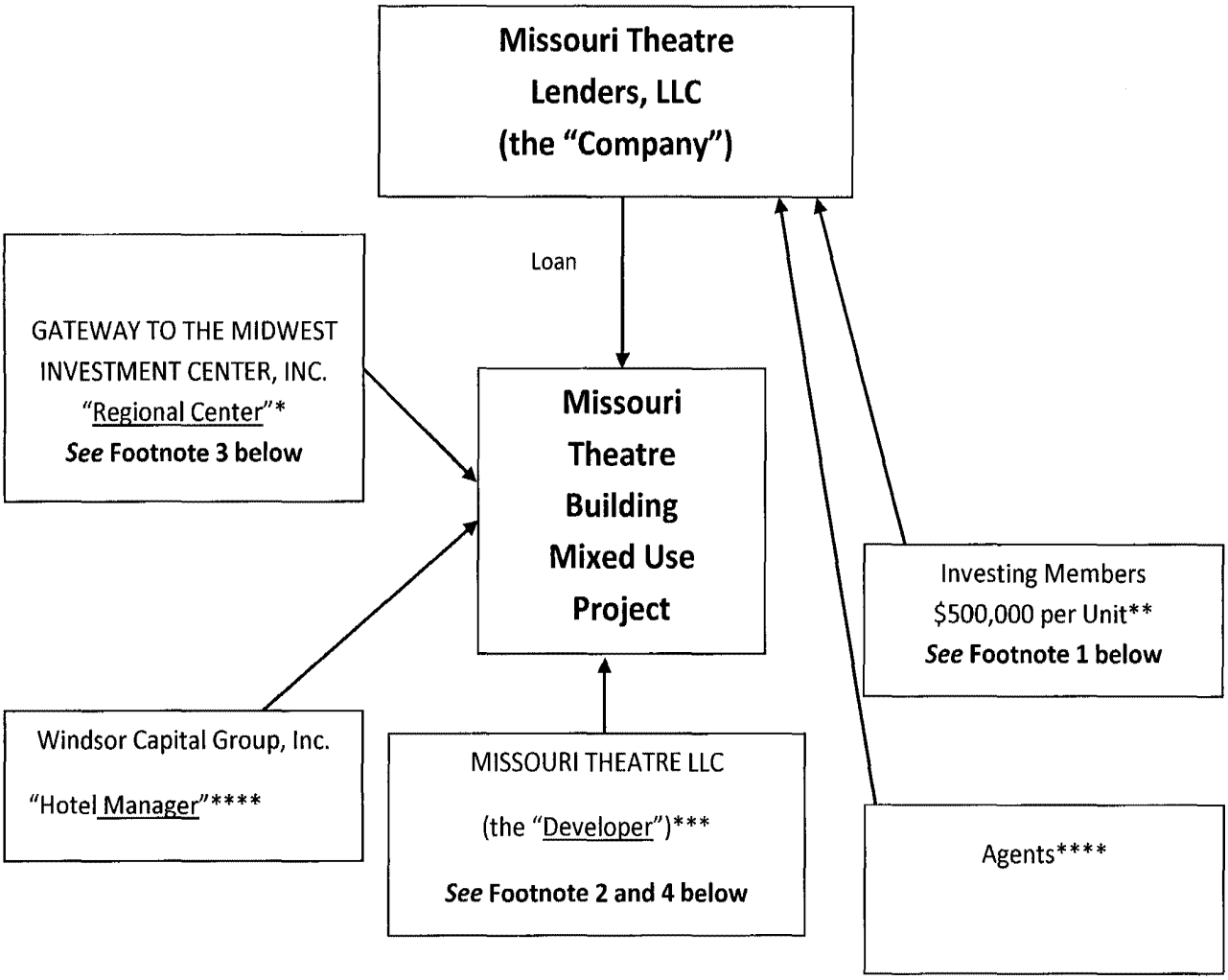
Missouri Theatre Lenders, LLC will provide the above-referenced financing to Missouri Theatre LLC pursuant to a Memorandum of Understanding entered into with the Gateway to the Midwest Investment Center, a prospective regional center, to develop the EB-5 Project. Missouri Theatre LLC will receive each Investor's $500,000 contribution, and will provide development/construction financing in connection with the Missouri Theater EB-5 Project.

Once operational, the EB-5 project will be managed by Windsor Capital Group, Inc. and will be located in the prospective Gateway to the Midwest Investment Center, which is the prospective regional center. The proposed regional center area consists of the three-county core of the St. Louis, Missouri-Illinois Metropolitan Statistical Area: St. Charles County, MO; St. Louis County, MO; and St. Louis City, MO (an independent city that functions as a distinct county). This proposed regional center area is home to about 1.65 million, or about 28% of the population of Missouri. The larger St. Louis Metropolitan Statistical Area is a 17-county region spanning the Missouri-Illinois state line. The principal cities of the metropolitan statistical area are St. Louis and St. Charles, MO. A detailed description of the proposed regional center area is contained within the economic report, section 2.2.

The chart below describes the overall corporate structure of the various subsidiaries.

OVERVIEW STRUCTURE

INVESTOR'S EB-5 FUNDS INVESTED IN MISSOURI THEATRE LENDERS, LLC (the "Company")



* Represents the City of St. Louis, St. Louis County and St. Charles County areas as a designated government sponsored regional center.

** Excludes $45,000 per Investor for the Cost Allocation Amount.

*** The Developer and Windsor Capital Group, Inc. have common ownership.

**** Certain parties shall be appointed by the Company or the Manager to serve as agents of the Company.

***** Windsor Capital Group will be contracted to manage the hotel and will therefore not be a tenant business.

Footnotes

1. Subscription proceeds, except for the $45,000 per Unit funded into an Expense Escrow Account, to be initially funded in a Project Escrow Account as described below. Once disbursed from escrow to the Company, the funds will be disbursed by the disbursement agent for the Company in accordance with budget and draw requests that will be made by the Developer from time to time.

2. Job creation through Developer completing the Project that is financed by the Company.

3. **Gateway To The Midwest Investment Center, Inc.**, the EB-5 Regional Center for the territory will enter into a Memorandum of Understanding with the Developer to utilize the EB-5 Regional Center designation to develop the Project.

4. Offshore migration brokers and/or investor's counsel may be engaged to analyze, sell or assist in processing exit and entry documentation for the EB-5 immigration process. Such persons will process all paperwork with respect to Subscribers that will be required for USCIS' purposes and coordinate with the United States Immigration counsel in connection therewith.

3.2 Detailed Description—Missouri Theater Building EB-5 Project

The Missouri Theater Building EB-5 Project consists of the redevelopment construction of the historic Missouri Theatre Building into a hotel, retail space, restaurant space, and 40 residential apartments as well as the operations of the hotel component of the mixed use facility. The renovation will update the entire historic landmark, which is over 150,000 square feet. Such a mix of commercial and residential development is consistent with City of St. Louis goals for development in the Grand Avenue Arts District where the project is located.

The ongoing operations component of the project is a 136 room hotel. The hotel will be in the historic Missouri Theatre building, and this historic character will lend to its uniqueness in the marketplace. Additionally, the restoration of the historic landmark will contribute to improvements in the character of the "up and coming" Grand Avenue Arts District of downtown St. Louis. The hotel will be franchised as a Hyatt Place Hotel by Hyatt, but its boutique characteristics will exceed the minimum standards required by the Hyatt Place franchising agreement. In this way, the hotel is likely to benefit from the destination appeal of a boutique hotel as well as the brand recognition of a franchised accommodation.

Amenities offered by the facility will include:

- 136 well-appointed rooms,
- Approximately 5,200 square feet of meeting and function space,
- An exercise facility,
- An indoor swimming pool and whirlpool,
- High speed internet access,
- A well-equipped business center,
- On-site parking, and

- Breakfast provided for guests.

The hotel will be located within a vibrant and revitalizing arts district within downtown St. Louis. The Grand Avenue Arts District is home to numerous attractions and venues, which attract over 1.3 million visitors annually. The Missouri Theatre EB-5 project hotel is expected to benefit in particular from proximity to the Fox Theatre, which is a 4,400 seat venue that showcases touring Broadway shows and "big ticket" musicians' concerts. Proximity to St. Louis University is another benefit of the Missouri Theatre building, and its location in Grand Avenue Arts neighborhood is an amenity in itself, both in terms of accessibility and atmosphere.

3.3 Strategic Approach for Hotel Operations

In order to better understand the local hotel market and the demand for the Missouri Theater Building B-5 Project, the project developers have researched the local market landscape and have received an initial market review conducted by Wert-Berater, Inc. The firm examined local competition and demand drivers in order to give a preliminary, overall view of the area accommodations market.

The St. Louis hotel market is characterized by division into submarkets based on geographic location. Hotels in one submarket tend not to compete with hotels in other submarkets. Furthermore, hotels tend only to compete with hotels of comparable cost and therefore comparable amenity offerings. The Missouri Theater hotel site is within the Clayton/Central West End (CWE) submarket near its border with the Central Business District.

The hotel is planned for the Grand Avenue Arts District neighborhood within the CWE submarket. Demand in this area is driven by a number of businesses and attractions. The Wert-Berater analysis found evidence that new demand drivers will be entering the market. These include: the upcoming Sun Theatre development, local radio campaign to promote local music venues, university expansions, new museums, VA hospital expansion, and a general increase in economic activity associated with area revitalization. Proximity to the Fox Theater is expected to bridge the business and leisure stay markets and be especially important to the success of the hotel as it will bring both leisure travelers and the casts and crews of traveling shows as guests.

According to the letter describing the preliminary analysis, "the competitive market area is underserved due to lack of availability of hotel room nights to market participants during peak months." The letter further states that all area hotels would remain competitive during off-peak months following the opening of the Missouri Theatre Hyatt Place.

The Missouri Theater Building EB-5 Project hotel is well-situated in a neighborhood at the middle stages of revitalization. The theater will both contribute to and benefit from this new, vibrant atmosphere. As the only hotel in the Grand Avenue Arts District, the hotel would be well situated as a boutique lodging opportunity for visitors to the area, whether they be business or leisure travelers.

3.4 Statement of Sources and Uses of Funds

The following table highlights the Missouri Theater Building EB-5 project's expected sources and uses of funds over the first five years of the proposed project's development and operations timeline. From the table, the EB-5 project intends to raise and utilize up to $8.0 million in EB-5 investor capital, and seeks to obtain additional sources of debt and other equity capital to complete the EB-5 Project development for a total of $43.1 million in invested capital. The Missouri Theater EB-5 project is a start-up venture, and is subject to the timely receipt of both EB-5 investor funds to leverage the other required capital sources from non-EB-5 program investors. Management expects that the $8.0 million EB-5 investor funds will be fully invested by the end of the fourth quarter of year 1 (or month 24 of the project timeline) and all investor funds will be invested to create jobs following each individual investor's I-526 approval.

Chart of Sources and Uses of Funds[10] [1]

Description	Year 0	Year 1	Year 2	Year 3	Year 4	Total
Sources of Funds (000s):						
EB-5 Investor Capital	$ -	$ 8,000.0	$ -	$ -	$ -	$ 8,000.0
Hyatt Corporation Equity	$ -	$ -	$ 800.0	$ -	$ -	$ 800.0
New Markets Tax Credit Equity	$ 5,265.0	$ -	$ -	$ -	$ -	$ 5,265.0
Brownfield Tax Credit Equity	$ 2,125.0	$ -	$ -	$ -	$ -	$ 2,125.0
State Historic Tax Credit Equity	$ -	$ -	$ 7,486.0	$ -	$ -	$ 7,486.0
Federal Historic Tax Credit Equity	$ 1,807.0	$ -	$ 722.8	$ -	$ -	$ 2,529.8
Federal Historic Tax Credit Bridge Loan	$ 4,698.2	$ -	$ -	$ -	$ -	$ 4,698.2
Construction Loan	$ 12,216.3	$ -	$ -	$ -	$ -	$ 12,216.3
Total Sources (000s)	$ 26,111.5	$ 8,000.0	$ 8,286.0	$ -	$ -	$ 43,120.3
Uses of Funds (000s):						
Building Acquisition	$ 2,200.0	$ 1,000.0	$ -	$ -	$ -	$ 3,200.0
Construction, Hard Costs	$ 1,459.1	$ 26,062.8	$ -	$ -	$ -	$ 27,521.9
Construction, Soft Costs	$ 3,822.2	$ 8,576.2	$ -	$ -	$ -	$ 12,398.4
Total Uses (000s)	$ 7,481.3	$ 35,639.0	$ -	$ -	$ -	$ 43,120.3

The chart below presents a breakdown of the final construction budget for the proposed Missouri Theater Building EB-5 Project that was determined through a very detailed project specification and competitive bidding process. This process is described in a letter by Paric—the firm that has been retained to manage the construction of the proposed project. Paric pre-qualified prospective bidders and then spear-headed the process of soliciting bids from and conducting in-depth interviews of a number of qualified bidders to undertake the construction of this very complicated multiple-use project. A total of eight interviews of pre-qualified bidders were conducted (The interview team included Paric personnel along with the project sponsor, a third party engineering firm, and the project's architect). The lowest bid among the responsive bidders was selected in order to ensure a market-driven, lowest cost construction budget was used in this project. The project developers believe the construction budget, which was the result of a competitive bidding process, is therefore consistent with the industry standards for this type of project that prevail within the regional construction market place.

[10] It should be noted that these data reflect activities during Years 0 through 4 of the EB-5 project and regional center operations timeline. Since the proposed regional center hopes to gain USCIS approval and begin marketing during calendar year 2012, year 0 corresponds to calendar year 2012. The reader should note that the economic and job impact assessment study begins with development year 1—which corresponds to calendar year 2013.

Overview of Missouri Theater Building Project Construction Costs

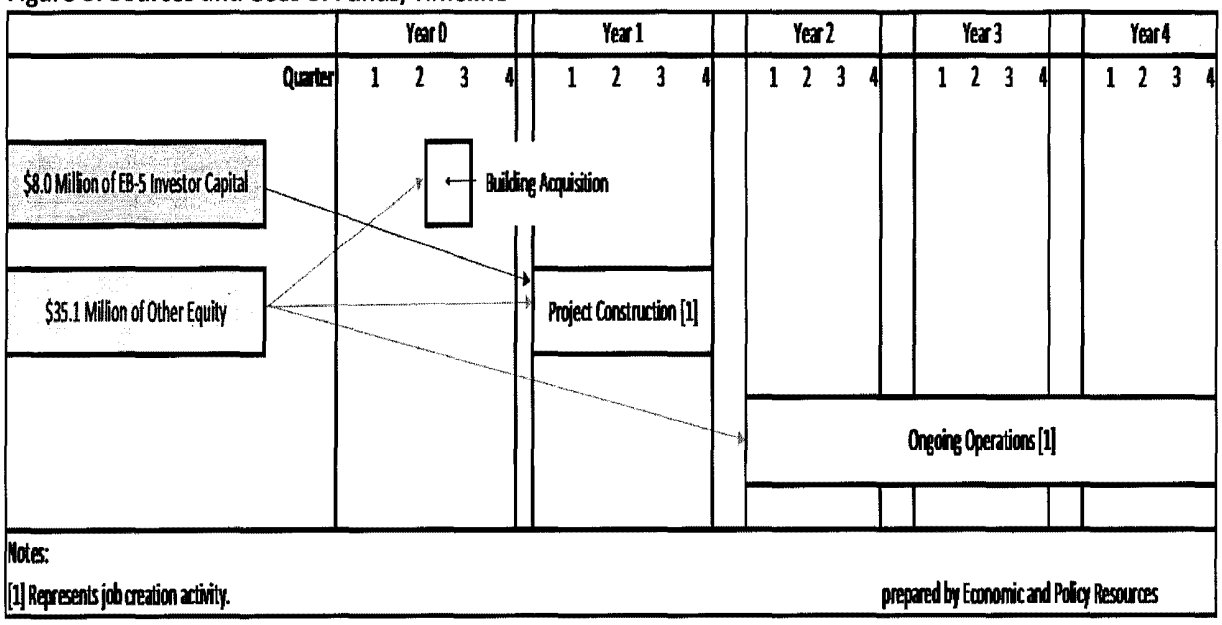
Item		
Shell and Core/Site Work/Foundations	**$**	**14,983,182**
Hotel Guest Rooms	**$**	**2,088,603**
Apartment Buildout	**$**	**2,588,929**
Parking	**$**	**250,000**
Insurance	$	281,309
Overhead/Profit	$	758,622
Subtotal Construction Costs	*$*	*20,950,646*
Demolition & Abatement	**$**	**2,800,000**
Retail Tenant Improvements	**$**	**59,475**
Hotel FF&E	**$**	**3,011,516**
Owner's Contingency	$	700,267
Total Hard Cost	$	27,521,904

Bolded budgeted line items in chart above were used in the impact assessment analysis. The other budget items that are not bolded in the chart (including Insurance at $281,309, Overhead/Profit at $758,622, and Owner's Contingency at $700,267) were not used in the impact assessment analysis. **No soft costs of construction were employed in the impact assessment analysis—even though some will clearly create at least some new jobs.**

3.5 Development Timeline Summary

The following figure presents the sources and uses of funds in figure format along with the development timeline for the Missouri Theater Building EB-5 Project.

Figure of Sources and Uses of Funds/Timeline



3.6 The Missouri Theater Building EB-5 Project Development Budget Detail

The table below presents the details of the overall pro-forma budget for the Missouri Theater Building EB-5 project. This pro-forma was developed by the EB-5 project management team.

Chart of Detailed Project-Wide Use of Proceeds/Budgeted Performance

MISSOURI THEATER BUILDING

HOTEL, NOI / Cash Flow

Key Operating Assumptions (1)	FY 2014 Year 1	FY 2015 Year 2	FY 2016 Year 3	FY 2017 Year 4	FY 2018 Year 5
Total Rooms	136	136	136	136	136
Annual Room-Nights Available	49,640	49,640	49,640	49,640	49,640
Occupancy Rate	59.2%	66.3%	69.5%	70.1%	70.1%
ADR	130.00	136.00	143.00	148.00	153.00

Cash Flow Before Debt Service	Amount	% Rev.	Amount	% Rev.	Amount	% Rev.	Amount	% Rev.	Amount	% Rev.
Operating Profit										
Revenues										
Rooms	$ 3,822,000	87.82%	$ 4,475,940	88.27%	$ 4,933,500	88.58%	$ 5,150,400	88.78%	$ 5,324,400	88.91%
Food & Beverage	298,000	6.85%	333,760	6.58%	360,461	6.47%	371,275	6.40%	382,413	6.39%
Parking	147,000	3.38%	164,500	3.24%	172,500	3.10%	174,000	3.00%	174,000	2.91%
Telecommunications	32,700	0.75%	36,900	0.73%	39,100	0.70%	39,900	0.69%	40,200	0.67%
Other Revenues	52,500	1.21%	59,900	1.18%	64,100	1.15%	65,900	1.14%	67,200	1.12%
	4,352,200		5,071,000		5,569,661		5,801,375		5,988,213	
Departmental Expenses										
Rooms	808,100	21.14%	931,100	20.80%	1,008,400	20.44%	1,052,800	20.44%	1,088,300	20.44%
Food & Beverage	186,093	62.45%	208,439	62.45%	224,834	62.37%	231,721	62.41%	238,675	62.41%
Parking	58,800	40.00%	65,800	40.00%	69,000	40.00%	69,600	40.00%	69,600	40.00%
Telecommunications	44,500	136.09%	50,300	136.31%	53,300	136.32%	54,300	136.43%	54,900	136.57%
Other	29,800	56.76%	33,900	56.59%	36,100	56.32%	36,900	55.99%	37,500	55.60%
	1,127,293	25.90%	1,289,539	25.43%	1,391,634	24.99%	1,445,321	24.91%	1,488,975	24.87%
Undistributed Operating Expenses										
Administrative & General	$ 396,000	9.10%	$ 436,900	8.62%	$ 463,767	8.33%	$ 475,800	8.20%	$ 459,900	7.68%
Marketing & Sales	271,706	6.24%	294,900	5.82%	369,900	6.64%	308,094	5.31%	334,273	5.58%
Base Management Fee	162,600	3.50%	190,500	3.50%	208,000	3.50%	216,500	3.50%	223,300	3.50%
Franchise Fees	217,610	5.00%	253,550	5.00%	278,483	5.00%	290,069	5.00%	299,411	5.00%
Property Operations & Maintenance	149,900	3.44%	218,547	4.31%	224,900	4.04%	236,200	4.07%	245,600	4.10%
Utility Costs	173,400	3.98%	176,900	3.49%	180,400	3.24%	184,000	3.17%	187,700	3.13%
	1,371,216	31.51%	1,571,297	30.99%	1,725,450	30.98%	1,710,663	29.49%	1,750,184	29.22%
Total Operating Expenses	2,498,509	57.41%	2,860,836	56.42%	3,117,084	55.97%	3,155,984	54.40%	3,239,158	54.09%
Income Before Fixed Charges	$ 1,853,691	42.59%	$ 2,210,165	43.58%	$ 2,452,577	44.03%	$ 2,645,391	45.60%	$ 2,749,055	45.91%
Fixed Charges										
Property Taxes (10 year abatement)	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Insurance	51,800	1.19%	52,800	1.04%	53,800	0.97%	54,900	0.95%	56,000	0.94%
Reserve for Replacement	87,044	2.00%	163,300	3.22%	237,700	4.27%	247,400	4.26%	255,200	4.26%
	138,844	3.19%	216,100	4.26%	291,500	5.23%	302,300	5.21%	311,200	5.20%
Net Operating Income	$ 1,714,847	39.40%	$ 1,994,063	39.32%	$ 2,161,077	38.80%	$ 2,343,091	40.39%	$ 2,437,855	40.71%
Cash Flow Before Debt Service	$ 1,714,847	39.40%	$ 1,994,063	39.32%	$ 2,161,077	38.80%	$ 2,343,091	40.39%	$ 2,437,855	40.71%

Financial Analysis JLL Revised EB-5

4.1 The Missouri Theater Building EB-5 Project Team

A number of highly-qualified professionals have been carefully selected in order to implement and manage the activities of the Missouri Theatre Lenders, LLC in compliance with USCIS regulations.

Principals

Patrick M. Nesbitt

Patrick M. Nesbitt is the Founder, Chairman and CEO of Windsor Capital Group, Inc., (WCG) which is based in Santa Monica, Calif. Nesbitt started his real estate career at age 13, rehabilitating residential projects in his hometown, Detroit, Mich.

Since he founded Windsor Capital Group over 40 years ago, the company has become the largest private owner and operator of Embassy Suite Hotels in the U.S. In addition, WCG owns and manages a number of other hospitality assets under Marriott and Hilton franchise agreements. In total, WCG owns and/or operates 25 branded hotels in 9 states across the U.S. The Company's development projects also include office buildings, shopping centers, apartment complexes and exclusive residential developments.

Nesbitt completed his undergraduate studies at the United States Air Force Academy and earned a Masters Degree in Systems Engineering from the University of Michigan. He also earned his JD from Whittier College in California and has been a member of the Los Angeles County, California and American Bar Associations since 1982.

Pamela L. Opyd

Pamela Opyd is the Principal and Manager of SLMT, LLC ("SL"). Currently Ms. Opyd is managing the development process of several mixed-use developments including the Gateway in Oak Forest, Illinois, the City of Oak Forest Metra Train Station, Park East Square in Milwaukee, Wisconsin, and the Gallery in Grand Rapids, Michigan. Prior to forming SLMT, Ms. Opyd was a Development Manager at Prime Group Realty Trust (PGE) and oversaw a variety of large-scale commercial developments including the 1.5 million square foot Dearborn Center in Chicago and the development of Northern Illinois University's 215,000 square foot convocation center.

She was responsible for guiding the design, permit, financial and construction processes of these developments. In addition, Ms. Opyd served as development manager on Chicago's Union Station redevelopment. This complex project incorporated a high level of municipal involvement including landmark designation and TIF funding as well as LEED technologies.

Windsor Capital Group, Inc.

Windsor Capital Group, Inc. ("Windsor"), formerly Nesbitt Hospitality Group, Inc., is a privately owned hotel ownership and management company founded and owned by Patrick Nesbitt with corporate headquarters in Santa Monica, California. Windsor currently owns and operates 20 hotels, and manages

three (3) additional hotels, all across 10 states. A detailed chart of the owned and managed hotels is included later in this section.

The hotel management component of Windsor owns and operates full service, focused, upscale branded hotels throughout the United States, with most flying the Embassy Suites or the Marriot flags. As a top performing hotel management and development company, Windsor customizes its hotel management services to meet its clients' needs.

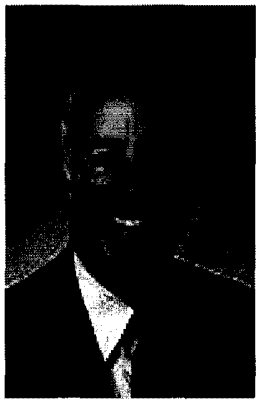
Windsor is a "one-stop" hotel management service company that can provide all aspects of hotel management required, and has broad experience in financing, renovation, operation services, accounting, sales/marketing services, and employee relations.

The company has a proven track record of success; RevPAR Indexes for its hotel portfolio perform between 120 -130 on average, with top-of-class hotel sales, marketing and revenue management services. Windsor's market share has increased due to its proven experience with the top major hotel brands, as well as independent and boutique hotels in primary, secondary and tertiary markets.

Immigration Counsel: Klasko Immigration and Nationality Law

Klasko, Rulon, Stock and Seltzer, LLP has a team of nine full-time attorneys, all dedicated exclusively to immigration law. The firm's partners, headed by H. Ronald Klasko, are nationally recognized for their skills and field-leading law practice. The group serves companies and institutions large and small in addition to individual and family immigration cases.

Under Mr. Klasko's leadership, the firm was chosen with five other firms by ***Chambers Global*** in 2006, 2007, 2008 and 2009 as the top U.S. business, hospital and university immigration law firm. Ron, himself, was named as the world's most respected corporate immigration lawyer (The International Who's Who of Business Lawyers 2007 and 2008) and one of the country's top immigration lawyers by clients and other immigration lawyers who said he is "revered for coming up with unique arguments that can save a client" ***(Chambers Global)***.



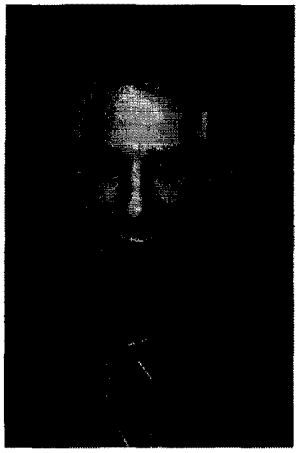
At the request of members of Congress and their staffs, Ron has testified before the U.S. House of Representatives Committee on the Judiciary and the U.S. Commission on Immigration Reform. He has been invited to lecture and provide training to staff members and lawyers of the U.S. Department of Labor, U.S. Department of State, INS General Counsel Management Conference, Immigration Judges Association and U.S. Department of Justice. In addition, he has been an Adjunct Professor of Immigration Law at Villanova University Law School and is a frequent lecturer on immigration law subjects.

A member of the prestigious Alliance of Business Immigration Lawyers, Ron is the co-author of the two volume ***Employers' Immigration Compliance Guide*** (Matthew Bender 1985).

For the last 18 years, Ron has been included in the highly regarded Best Lawyers in America (Woodward and White). He is one of only three practicing attorneys ever honored with the AILA Founders Award for his contributions to immigration jurisprudence.

SEC Counsel: Arnstein & Lehr, LLP

Arnstein & Lehr LLP is one of the country's oldest and most respected law firms. Since its founding in 1893, the Firm has served clients – large and small – throughout the United States and in many foreign countries. More than a century later, Arnstein & Lehr has established itself as a sophisticated, full-service practice that addresses the diverse and complex needs of its clients with vision, expertise, and a commitment to quality and service. The company practices in five main service groups – Business, Litigation, Local Government, Tax and Estate Planning, and Real Estate.



Ronald R. Fieldstone is a partner in the Miami office of Arnstein & Lehr LLP, specializing in corporate/securities and taxation law.

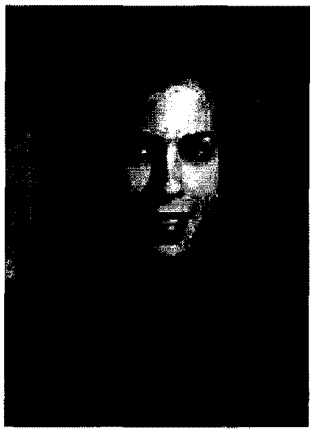
Mr. Fieldstone is a member of the Real Property, Probate and Trust and the Tax Law Sections of The Florida Bar. He served as a panel member of the American Arbitration Association for 17 years and is a title agent of several title insurance companies. Mr. Fieldstone has published numerous articles and has been a lecturer in the fields of real estate, corporate, tax law and franchise law for the past 37 years. He currently practices primarily in the areas of corporate/securities and taxation law.

Since 2009 Mr. Fieldstone has actively been involved in serving as corporate/securities counsel for multifaceted industries involving real estate funds and specializing more recently on EB-5 immigrant visa investor offerings ("EB-5"). The EB-5 visa is a United States visa created by the Immigration Act of 1992. This visa provides a method of obtaining a green card for foreign nationals who invest money in the United States. Mr. Fieldstone represents a vast number of Regional Centers in EB-5 offerings, involving in excess of 40 matters. Mr. Fieldstone's corporate/securities work includes the preparation of private placement memoranda and related documents. Mr. Fieldstone actively lectures and publishes in the EB-5 corporate/securities fields.

Mr. Fieldstone was a principal in a Blockbuster Video franchise that operated 25 stores in eight states from 1987 until October, 1995, when the business was sold to the franchisor. He is a principal of a multi-state lithotripsy company and a Miami-based medical diagnostic company. He was also a principal of Barnie's Coffee and Tea, Inc., the owner of the Barnie's operating system with approximately 80 corporate units and 20 franchised units.

Mr. Fieldstone has extensive real estate holdings in the state of Florida and serves as a managing partner of Landmark Residential, which has served as the sponsor and manager of approximately 20,000 multi-family units in the states of Florida, Alabama, Georgia, Texas and North Carolina.

Associate Rebecca Abrams Sarelson, in the firm's Miami office, focuses her practice on international and domestic corporate transactions, taxation, wealth preservation, estate planning, tax-exempt organizations, and real estate transactions. Ms. Sarelson handles complex business and tax planning and counsels clients in entity selection, joint ventures, general corporate and partnership matters and advises on complex tax and estate planning matters, asset protection, gift planning and trust administration.



During her undergraduate and law school career, Ms. Sarelson volunteered as a Guardian ad Litem in Alachua County, Florida and completed an externship in the Eighth Judicial Circuit. After earning her J.D. from the University of Florida, she completed a tax internship with a well-known tax boutique in Miami, Florida, and after earning her LL.M in Taxation in 2004, she joined Fieldstone Lester Shear & Denberg, LLP, and now works with Mr. Fieldstone at Arnstein-Lehr.

Ms. Sarelson is a member of the International Law, Real Property, Probate and Trust Law, and Tax sections of the Florida Bar, as well as the Young Lawyers Division.

Economic and Job Creation Impact Modeling: Economic & Policy Resources, Inc.

Since the company's founding in 1983, the professionals of Economic & Policy Resources have been providing clients with objective research, analysis, forecasting, and advisory services in multiple aspects of economics, finance, public policy, and strategic planning. The firm has completed successful projects for government, business, and institutional clients, allowing clients to move forward decisively to embrace their opportunities or address their problems.

The Company's experience includes a wide range of assignments. Completed projects range from performing economic impact analyses for clients who need to understand how their industry or project will affects a state, regional, or community economy to developing solutions and implementation strategies for dealing with the most complex economic, financial, or public policy problems. The firm also evaluates and drafts business plans for the EB-5 Immigrant Investor VISA Program.

Jeffrey B. Carr, EPR, Corporate President & Economist, has more than 30 years of experience in economic analysis, economic forecasting, regional economic and fiscal impact analysis (including a growing national practice under the U.S. Citizenship and Immigration Service's EB-5 Immigrant Investor Program), financial analysis, economic-tax revenue forecasting, and preparing and presenting state economic-fiscal data to Wall Street bond rating agencies. In addition to more than 200 completed regional impact assessment assignments in his consulting practice, Mr. Carr has served as the consulting State Economist and Principal Tax Revenues Analyst-Forecaster for the past five Governors of Vermont, including the current Vermont Governor Peter Shumlin, 8 years for former Governor James H. Douglas, and 12 years for former Vermont Governor Howard B. Dean. He has been the State Economic Forecast Manager for Vermont the past 20 years for the New England Economic Partnership (NEEP).

Business Plan Preparation: Economic & Policy Resources, Inc.

Please refer to the company description for Economic & Policy Resources, Inc. and Mr. Jeffrey B. Carr above.

4.2 Listing of Key Missouri Theatre Building EB-5 Project Contractors

The Missouri Theatre Building EB-5 Project development team will establish relationships with key sub-contractors and vendors to effect the successful completion of the EB-5 project. These subcontracting firms are summarized below:

NAME	SERVICE/ROLE	LOCATION
GRAND CENTER INC.	District Master Developer/City Liaison	St. Louis, MO
WINDSOR CAPITAL GROUP	Owner/Developer/Hotel Manager/Operator	Santa Monica, CA
SLMT LLC	Co-Developer/PROJECT MGR	Oak Park, IL
DFC GROUP	Financial/Development Advisor	St. Louis, MO
PALLADIO CONSTRUCTION CO. LLC	Owner's Construction Manager	St. Louis, MO
FORUM STUDIOS	Architect	St. Louis, MO
JEFFREY A. BRAMBILA	Historic Consultant	St. Louis, MO
PARIC CONSTRUCTION	General Contractor	St. Louis, MO
ENVIRONMENTAL OPERATIONS INC.	Demo/Abatement/Brownfield Contractor	St. Louis, MO

4.3 Listing of Permits and Licenses Required for the Missouri Theatre Project

Project management is in the process of applying for all the required permits and licenses associated with the development and operation of the project at this time. The construction contractors and other consultants are expected to assist this application process.

4.4 Listing of Staff Positions of the Missouri Theatre Building EB-5 Project

The following is a comprehensive inventory of the positions that would be established to operate the new hotel.

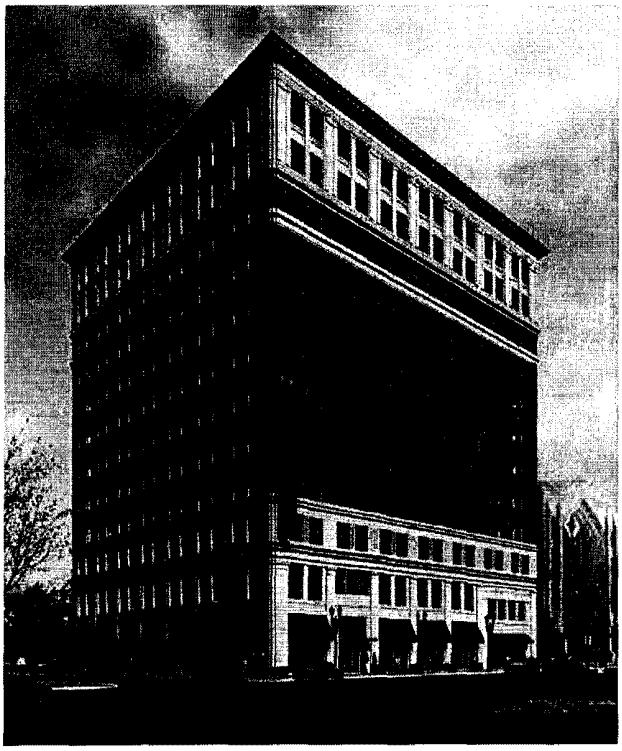
Revised Staffing Plan - Hyatt Place	Job Titles	New Jobs
New Jobs (over 3 Years)	General Manager	1
	Assistant General Manager	2
	Director of Sales	1
	Sales Coordinator	1
	Gallery Hosts	7
	Maintenance/Engineering	2
	Housekeeping	8
	Valet Services	2
	Total New Jobs	**24**
(with insurance)	**Total Jobs**	**24**

Exhibit 2

Economic Impact Report of
December 18, 2012

The Economic Impact of the Proposed Missouri Theatre Building EB-5 Project in the Gateway to the Midwest Investment Center

December 18, 2012



Prepared by:

EPR Economic & Policy Resources, Inc.
Economists, Policy and Financial Analysts

400 Cornerstone Drive, Suite 310
Williston, VT 05495
800-765-1377
www.epreconomics.com

Letter of Transmittal

December 18, 2012

Ms. Jie Fan, Project Manager, Midwest-China Hub Commission
St. Louis County Economic Council
World Trade Center Building
121 S. Meramec Avenue, Suite 1117
St. Louis, MO 63105

Dear Ms. Fan,

Attached with this letter is the economic impact analysis of the potential Missouri Theatre Building EB-5 Project to be developed in St. Louis, Missouri which our firm prepared at your request. The report is intended to accompany a regional center designation approval application to be filed with the U.S. Citizenship and Immigration Service's EB-5 Immigrant Investor Program for the proposed regional center's geography, industry activity codes, and indirect job estimating methodology. In the report you will find an explanation of the findings and the methods used to estimate the prospective project's estimated economic impacts.

We have prepared our analysis using assumptions and estimates developed from third party data sources, information you provided, research and knowledge of the industry and region from our many years of applied economic practice. Where we have used third party data and project information from you and your team, we have assumed that information to be substantially correct. In completing our analysis, we have performed a number of tests and cross checks to verify the internal consistency of the project data and information and for the results. We found both the project data and results to be reasonable. However, changing events and circumstances may cause actual results in any one given year, and for the impacts in total, to be materially different than those reported here.

Thank you for the chance to work with you on this matter. We appreciated the opportunity to work with you and your professional team on this project.

Sincerely,

Jeffrey B. Carr
President and Economist
Economic & Policy Resources, Inc

Table of Contents

1. Highlights and Findings **1**

2. Introduction **9**

2.1 Purpose of the Study 9
2.2 Modeling Methods 9
2.2 Overview of the Region: the Prospective GMIC Regional Center 12

3. Economic Impact Analysis **22**

3.1 Methods of Analysis 22
3.2 Data Sources 24
3.3 The Regional Dynamics Economic Analysis Model (REDYN) Background 26
3.4 Model Specifications 28

4. Model Output and Results **33**

5. Conclusions **37**

Appendix 1: **41**

Appendix 2: **42**

Appendix 3: **44**

1. Highlights and Findings

- The applicant seeks regional center designation approval using the proposed Missouri Theatre Building EB-5 Project as evidence of the likely economic and job creation impacts for the prospective Gateway to the Midwest Investment Center LLC under the U.S. Citizenship and Immigration Services (hereafter the "USCIS") EB-5 immigrant investor program.
    - This updated study has been completed as part of a response to a Request for Evidence (RFE) dated October 11, 2012 (# RCW1105350166) from the USCIS.
    - This revised and updated impact assessment analysis was completed to be fully responsive to the USCIS review process.
- This updated study presents estimates of impacts illustrating how the proposed Missouri Theatre Building EB-5 Project would increase economic growth and cause net new job creation in the prospective Gateway to the Midwest Investment Center consistent with EB-5 program regulations.
    - USCIS regulations allow applicants to submit an economic analysis of a proposed EB-5 project to demonstrate how a regional center designation will promote economic growth (e.g. through improved productivity, job creation and increased capital investment) within a defined region under 8 CFR 204.6(m)(3)(i).
    - **Although this is a real EB-5 project, several of the proposed EB-5 project's details have not yet been finalized, so the applicant is not requesting project pre-approval review-adjudication at this time.**
    - Instead, this project impact assessment study is being employed to demonstrate the way the prospective Gateway to the Midwest Investment Center would promote economic growth and increased business activity within the economy of the regional center through job creation and increased capital investment through projects of this type; in the industry classifications of the proposed project, within the requested geography of the proposed regional center, and for the REDYN indirect job estimating methodology employed.
    - At some point in the near-term future, the proposed EB-5 project's details will be finalized, and supplementary project materials (such as a formal market study that has been commissioned) will be submitted to the USCIS for formal project approval—most likely with the initial I-526 petitions for EB-5 immigrant investors.

- Turning to the details of the proposed EB-5 project as it currently stands,[1] the proposed Missouri Theatre Building EB-5 Project includes the investment of a total of $38.4 million in development-construction expenditures over the proposed construction period.

    - This figure includes $27.5 million in hard construction costs and $10.9 million in soft construction costs. ***The soft costs associated with this development project were not included in the input-output analysis and therefore have no effect on the estimated economic and job impacts associated with the proposed EB-5 project. Many of these impacts are small and some USCIS reviewers have expressed doubts about these costs' inclusion in the input-output modeling. Although EPR believes many of these costs are eligible for inclusion in the input-output modeling —they are excluded from the input-output modeling results to avoid any possibility of confusion regarding the double-counting of impacts.***

- The project consists of a construction component and operations component. The construction phase of the proposed EB-5 project includes the renovation of a historic twelve story, 150,000 square foot building to create the Grand Center Hyatt hotel, 40 residential apartments, retail space, and restaurant space.[2] The operations component includes the subsequent opening-ongoing operations of the Hyatt hotel only. The operations of the apartments, retail establishments, and restaurant were not included in the economic impact modeling because they may involve tenants. The hotel will include a total of 136 rooms and offer an array of amenities concordant with the Hyatt brand and will not involve any tenants since its project developers will maintain an ownership interest in the hotel.

    - The project as defined above will add a total of 286 jobs[3] within the prospective Gateway to the Midwest Investment Center due to expanded business activity related to an increase in final demand in the regional economy (including only indirect construction jobs[4]).

    - The economic-business activity and net job increases resulting from the project's development and operations occur across all sectors of the regional economy, but increased final demand primarily occurs within NAICS Sector 2361—Residential Construction of Buildings, NAICS 2362—Nonresidential Construction of Buildings, NAICS Sector 72111—

[1] As of December 18, 2012.
[2] The operations of the residential apartments, the retail establishments, and the restaurant are also excluded from the impact assessment modeling because there is a possibility that those jobs will be the result of tenants.
[3] Job totals include the jobs created by initial construction in Year 1 and operations jobs in Year 3. Year 3 is chosen to coincide with I-829 filing.
[4] Because the construction time frame is less than 2 years.

Hotels (Except Casino Hotels) and Motels and NAICS 423210: Furniture Merchant Wholesalers —which are the four NAICS activity codes requested for approval in the revised Gateway to the Midwest Investment Center regional center designation request. This directly corresponds to the evidence presented in this revised EB-5 project impact assessment analysis.[5,6]

- This revised analysis finds that the development and operations of the proposed project, if executed as planned, would generate significant positive economic benefits for the **U.S. economy as a whole** (see Table 1 below). Once finalized and assuming the development and successful operation of the final proposed EB-5 project in a way similar to that specified in this revised analysis, the proposed project would likely result in:
  - A net increase of 693 (comprised as 638 indirect construction jobs plus 56 operating jobs) net new, full-time and part-time, jobs to be created stemming from the initial renovation of the old building and the ongoing operations of the hotel.
  - Positive impacts accumulated over the first four years of project development and operation include:
    - $156.4 million in increased output (in 2012 dollars).
    - $65.8 million in increased disposable income (in 2012 dollars).
    - $53.5 million in increased household earnings (in 2012 dollars).
  - This impact assessment was undertaken using the REDYN dynamic input-output model.[7]
- This impact assessment also finds that the proposed project would have a positive impact on the regional economy **within the prospective Gateway to the Midwest Investment Center**. These benefits include:
  - The creation of a total of 286 (comprised as 250 indirect construction jobs plus 36 operating jobs) jobs resulting from the renovation and operations

[5] NAICS refers to the North American Industrial Classification System.
[6] These three NAICS sectors are requested activities in the prospective Gateway to the Midwest Investment Center designation application.
[7] This is also the proposed indirect job estimating methodology requested in the prospective Gateway to the Midwest Investment Center application. For a full description of the REDYN input-output model see Appendix 3 of this report.

of the hotel **within the geographical area of the prospective Gateway to the Midwest Investment Center regional center.**[8]

- Positive impacts accumulated over the first four years of project development and operations including all activity include:
  - $70.2 million in increased output (in 2012 dollars).
  - $30.0 million in increased disposable income (in 2012 dollars).
  - $24.7 million in increased household earnings (in 2012 dollars).

➢ It follows that **the U.S. economy outside the prospective regional center** is expected to be positively impacted by the development of the proposed Missouri Theatre Building EB-5 Project.[9] These include:

- The creation of 407 total new jobs outside the boundaries of the proposed Gateway to the Midwest Investment Center regional center. This is comprised of the total U.S. job impact of 693 jobs less the 286 total jobs expected to be generated within the geographic boundaries of the proposed regional center.[10]
- Positive impacts outside of the proposed Gateway to the Midwest Investment Center regional center accumulated over the first four years of project development and operation which include:
  - $86.3 million in increased output (in 2012 dollars)—calculated as $156.4 million for the U.S. minus $70.2 million within the prospective regional center.
  - $35.8 million in increased disposable income (in 2012 dollars)—calculated as $65.8 million for the U.S. minus $30.0 million within the prospective regional center.
  - $28.8 million in increased household earnings (in 2012 dollars)—calculated as $53.5 million for the U.S. minus $24.7 million within the prospective regional center.

---

[8] Because the project is using a lending approach to the EB-5 capital investment, all the jobs created are indirect for EB-5 program purposes. **In addition, because the construction period is less than two years, an estimate of direct construction jobs was subtracted from the construction job total so that reported construction jobs are indirect.**

[9] These outside the regional center impacts are calculated as the difference between the cumulative U.S. totals for each variable less the estimated impacts within the prospective regional center.

[10] The geographic region remains unchanged from the original regional center designation application filed in 2010.

Table 1. Summary of Study Results–Missouri Theatre Building EB-5 Project

			Year 1	Year 2	Year 3	Year 4
Timeline			Construction	On-Going Operations		
Model Inputs [1]		2012 NAICS				
Construction						
Residential Hard Costs	Output	2361	$ 2,588.93	$ -	$ -	$ -
Non-Residential Hard Costs	Output	2362	$ 20,181.26	$ -	$ -	$ -
Hotel FF&E	Output	423210	$ 3,011.52	$ -	$ -	$ -
Operations						
Hotel	Employment	72111	0	24	24	24
Model Output [2]						
Total U.S. Economy						
Output ($2012, 000s)			$ 133,135	$ 7,619	$ 7,763	$ 7,908
Disposable Income ($2012, 000s)			$ 57,010	$ 2,890	$ 2,943	$ 2,995
Household Earnings ($2012, 000s)			$ 49,832	$ 1,210	$ 1,232	$ 1,254
Jobs			638	55	56	56
Regional Center Economy						
Output ($2012, 000s)			$ 57,660	$ 4,088	$ 4,165	$ 4,242
Disposable Income ($2012, 000s)			$ 25,686	$ 1,429	$ 1,455	$ 1,481
Household Earnings ($2012, 000s)			$ 21,751	$ 965	$ 982	$ 1,000
Jobs			250	36	36	36
Job Impacts by Component						
Construction						
Regional Center			250	-	-	-
Total U.S.			638	-	-	-
Hotel Operations						
Regional Center			-	36	36	36
Total U.S.			-	55	56	56

Notes:
[1] Economic activity was modeled at the county level.
[2] Direct construction jobs have been removed from the job impacts,

Prepared by: Economic & Policy Resources, Inc.

- The above described job and output impact totals are comprised in part from impacts in key subsectors which are typically requested by the USCIS. These include: NAICS 541 Professional, Scientific and Technical Services (Business Services), NAICS 221 Utilities, NAICS 811 Maintenance and Repair, and NAICS 23 Construction.
  - These estimates of impact in the above referenced subsectors are provided to be in compliance with USCIS guidance documents regarding economic and job impact reporting for EB-5 projects and include all impacts attributable to the proposed EB-5 project.
  - In those guidance documents, the USCIS requires detailed predictions of impacts in these subsectors associated with the proposed EB-5 project (in this case the proposed Missouri Theatre Building EB-5 Project) for the region both inside and outside the prospective regional center.
  - Estimates for the U.S. economy in total in this study are also provided.
- Table 2 (below) shows the year by year impacts expected **within the prospective regional center** economy for each USCIS-requested subsector.

- Increased demand within the regional center is expected for: (1) Professional, Scientific, and Technical (Business) Services, with a four-year cumulative total of $3.7 million, (2) Utilities with a four-year cumulative total of $0.2 million, (3) Repair and Maintenance Services, with a four-year cumulative total of $0.4 million, and (4) Construction [Partial] with a four-year cumulative total of $24.3 million—counting indirect construction activity only. All impacts are measured in constant 2012 dollars.

- Increases in the number of jobs within the pending regional center are expected in almost all the USCIS-requested subsectors. Resulting from the initial renovation of building and the ongoing operations of the hotel (Year 1), these increases range from a low of no net new jobs in the Utilities and Repair and Maintenance sub-categories to a high of 186 in the Building, Developing, and General Contracting subsector.[11]

Table 2. Subsector Impacts within the Regional Center—Missouri Theatre Building EB-5 Project

Within the Regional Center	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	—	Total (subsectors below)	221	2	2	2
	221	Utilities	0	0	0	0
	23	Construction	193	0	0	0
	233	Building, Developing, and General Contracting	186	0	0	0
	234	Heavy Construction	1	0	0	0
	235	Special Trade Contractors	6	0	0	0
	541	Professional, Scientific, and Technical Services	25	1	1	1
	811	Repair and Maintenance	0	0	0	0
Output Impacts	—	Total (industries below)	$ 27,694.7	$ 272.0	$ 277.2	$ 282.3
(2012$, thousands)	221	Utilities	$ 125.1	$ 10.5	$ 10.7	$ 10.9
	23	Construction	$ 24,005.8	$ 88.7	$ 90.4	$ 92.1
	233	Building, Developing, and General Contracting	$ 23,086.1	$ 24.3	$ 24.8	$ 25.3
	234	Heavy Construction	$ 139.0	$ 9.7	$ 9.9	$ 10.1
	235	Special Trade Contractors	$ 780.7	$ 54.7	$ 55.7	$ 56.7
	541	Professional, Scientific, and Technical Services	$ 3,232.0	$ 156.8	$ 159.8	$ 162.7
	811	Repair and Maintenance	$ 331.7	$ 16.0	$ 16.3	$ 16.6

Prepared by: Economic & Policy Resources, Inc.

- Table 3 (below) shows the year by year impacts expected **outside the prospective regional center** economy for each USCIS-requested subsector for all activity attributable to the proposed EWB-5 project.

  - Increased demand outside the pending regional center is expected for: (1) Professional, Scientific, and Technical (Business) Services, with a four-year cumulative total of $5.0 million, (2) Utilities, with a four-year cumulative impact of $1.6 million, (3) Repair and Maintenance, with a four-

[11] Year 1 impact results are presented because job creation is concentrated in that year. This concentration is a result of the construction component of the proposed Missouri Theatre Building EB-5 project.

year cumulative total of $1.0 million, and (4) Construction with a four-year cumulative total of $2.2 million. All impacts are measured in constant 2012 dollars.

- Outside of the pending regional center, job impacts of the construction component of the project (Year 1) range from a low of 1 net new jobs in the Utilities subsector and a high of 33 in the Professional, Scientific, and Technical Services (see Table 3 below).

Table 3. Subsector Impacts outside the Regional Center--Missouri Theatre Building EB-5 Project

Outside the Regional Center	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (subsectors below)	64	1	1	1
	221	Utilities	1	0	0	0
	23	Construction	20	0	0	0
	233	Building, Developing, and General Contracting	4	0	0	0
	234	Heavy Construction	3	0	0	0
	235	Special Trade Contractors	12	0	0	0
	541	Professional, Scientific, and Technical Services	33	0	0	0
	811	Repair and Maintenance	8	0	0	0
Output Impacts	---	Total (industries below)	$ 8,429.0	$ 419.0	$ 426.5	$ 433.9
(2012$, thousands)	221	Utilities	$ 1,321.8	$ 79.1	$ 80.7	$ 82.2
	23	Construction	$ 1,932.6	$ 96.3	$ 97.9	$ 99.6
	233	Building, Developing, and General Contracting	$ 465.1	$ 23.3	$ 23.7	$ 24.1
	234	Heavy Construction	$ 296.9	$ 14.9	$ 15.1	$ 15.4
	235	Special Trade Contractors	$ 1,170.6	$ 58.1	$ 59.1	$ 60.1
	541	Professional, Scientific, and Technical Services	$ 4,345.0	$ 204.9	$ 208.4	$ 211.9
	811	Repair and Maintenance	$ 829.5	$ 38.8	$ 39.4	$ 40.1

Prepared by: Economic & Policy Resources, Inc.

- Table 4 (below) shows the year-by-year impacts expected for the **U.S. economy on the whole** for each USCIS-requested subsector. These impacts are equal to the sum of the inside the regional center and outside the regional center impacts.

  - Impacts on total U.S. demand by subsector include: (1) a four year cumulative increase of $8.7 million in the Professional, Scientific, and Technical (Business) Services subsector, (2) a four year cumulative increase of $1.7 million in demand for the Utilities subsector, (3) in the Repair and Maintenance sector totaling to a four-year cumulative total of $1.3 million, and (4) a four year cumulative increase of $26.5 million in the Construction subsector. All impacts are shown in constant 2012 dollars.

  - For jobs for the U.S. economy as a whole, this impact assessment study estimates that construction-related job gains will range from a low of 1 in the Utilities subsector to a high of 190 in the Building, Developing and General Contracting sub-sector.

Table 4. Subsector Impacts on the Total U.S. Economy--Missouri Theatre Building EB-5 Project

Total United States	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	—	Total (subsectors below)	285	3	3	3
	221	Utilities	1	0	0	0
	23	Construction	213	0	0	0
	233	Building, Developing, and General Contracting	190	0	0	0
	234	Heavy Construction	4	0	0	0
	235	Special Trade Contractors	18	0	0	0
	541	Professional, Scientific, and Technical Services	58	1	1	1
	811	Repair and Maintenance	8	0	0	0
Output Impacts	—	Total (industries below)	$ 36,123.7	$ 691.0	$ 703.7	$ 716.2
(2012$, thousands)	221	Utilities	$ 1,447.0	$ 89.6	$ 91.4	$ 93.1
	23	Construction	$ 25,938.5	$ 185.0	$ 188.3	$ 191.7
	233	Building, Developing, and General Contracting	$ 23,551.3	$ 47.7	$ 48.5	$ 49.4
	234	Heavy Construction	$ 435.9	$ 24.6	$ 25.1	$ 25.5
	235	Special Trade Contractors	$ 1,951.3	$ 112.7	$ 114.8	$ 116.8
	541	Professional, Scientific, and Technical Services	$ 7,577.0	$ 361.7	$ 368.2	$ 374.6
	811	Repair and Maintenance	$ 1,161.2	$ 54.8	$ 55.7	$ 56.7

Prepared by: Economic & Policy Resources, Inc.

- The estimates of new economic activity and net new jobs presented in this revised economic and job impact assessment study demonstrate how the prospective regional center will promote economic growth within the regional center geography in the requested activities and for the U.S. economy as a whole with the development and operations of this type of EB-5 project.
  - USCIS approval of the proposed regional center, the requested industry categories, the proposed regional center's geography, and the indirect job estimating methodology for this type of EB-5 project will result in significant and positive economic and job impacts for both the regional economy of the Gateway to the Midwest Investment Center and the economy of the U.S. as a whole—consistent with the specific economic and job impacts detailed above.
- In addition to the prospective project impacts, it is expected that a proposed EB-5 project will be located within a high unemployment targeted employment area (TEA) when it is submitted for formal project approval.
  - As of this filing, an initial review of historical labor market data for the most recent calendar year annual average indicates that the location of the prospective Missouri Theater Redevelopment EB-5 Project is located in an area where such a TEA designation appears likely. A high unemployment rate TEA for this project has been certified by the state Department of Labor and Industrial Relations.
  - Therefore, the Missouri Theatre Building EB-5 Project qualifies as a Targeted Employment Area (TEA) and EB-5 investors therefore qualify for the $500,000 EB-5 investor minimum—subject to confirmation through the receipt of a TEA certification letter from the State of Missouri.

2. Introduction

2.1 Purpose of the Study

This analysis is intended to assist the USCIS in the evaluation of a regional center designation application for the Gateway to the Midwest Investment Center under a revised initial project submission-for the proposed Missouri Theatre Building EB-5 Project. In compliance with USCIS guidance, this study sets forth the likely net economic and job creation impacts associated with the Missouri Theatre Building EB-5 Project located in St. Louis, Missouri in the independent city of St. Louis within the proposed three-county region in eastern Missouri.[12] Changes in number of jobs, economic output, personal income, and household earnings that the EB-5 project is expected to generate are described for inside the proposed regional center, outside the proposed regional center, and for the U.S. as a whole. The pending regional center is described in detail with emphasis on regional transportation networks and the economic climate. Thus, the project's economic benefits are demonstrated both regionally (e.g. within the boundaries of the proposed regional center) and nationally (including the area outside of the proposed regional center).

The prospective Missouri Theatre Building EB-5 Project includes the renovation of a twelve story building into 136 hotel rooms and 40 apartments. In addition, the first floor will be renovated into shops and restaurants.[13] In total, the renovations will affect over 150,000 square feet. The hotel will serve the Grand Avenue Arts & Entertainment District area, which is an up-and-coming center of arts and culture within downtown St. Louis. Although this project has not yet been finalized, this updated impact assessment analysis demonstrates how the applicant's regional center will promote economic growth in the pending regional center through job creation and increased capital investment consistent with 8 CFR 204.6(m)(3)(i)—assuming U.S. Citizenship and Immigration Service (USCIS) approval of the proposed regional center.[14]

2.2 Modeling Methods

This revised impact assessment analysis shows that the proposed EB-5 project, if finalized, developed and operated as currently planned, would result in significant

[12] This revised impact assessment study includes the same proposed geography of the prospective regional center that was presented in the original regional center designation application. The proposed geography is therefore unchanged in this revised impact assessment study relative to the original regional center designation application. The City of St. Louis is counted as a "county equivalent" in this description because of its status as an independent city.

[13] While it is expected these businesses would create at least some new jobs, they are explicitly excluded from the economic and job impact assessment analysis because they are expected to include tenant businesses. Given the adjudication uncertainty surrounding the landlord-tenant occupancy issue, the applicant is not requesting review-adjudication for the retail and restaurant at portion of the proposed EB-5 project.

[14] This economic and job impact assessment study, taken together with the project business plan, presents the specific details of how the Missouri Theatre Building EB-5 Project will promote new economic growth within the pending regional center and for the U.S economy overall.

positive economic impacts for the regional economy of the prospective regional center and for the U.S. economy overall. Most importantly, from an EB-5 program context, these benefits would include a significant number of new jobs within the economy of the prospective regional center. The proposed Missouri Theatre Building EB-5 Project, if developed and operated close to the current, not yet finalized plan, would also increase labor demand, output, and personal income (of persons and therefore households) within a number of key subsectors inside and outside the regional center's economy and for the U.S. economy as a whole. These impacts were estimated using the REDYN dynamic input/output model, which has been approved by the USCIS for completion of EB-5 economic impact analyses.[15]

Dynamic input-output models like REDYN simulate the economic relationships between sectors of an economy on several levels of geographic detail. These models allow analysts to see how changes in individual or multiple sectors in a state or regional economy ripple throughout the system. Incremental demand created by investment expenditures in one sector of a regional economy increases employment not only in that sector, but also in other related sectors and regions. Linkages exist with other sectors and regions that provide commodities or other inputs, and impacts of the original investment are felt in these other sectors and regions through increased output, employment, and income.

The REDYN economic model employed for the economic and job creation impact study estimates the impact a specific catalyst will generate throughout a determined area—in this case the pending Gateway to the Midwest Investment Center regional economy. The input/output model uses a dynamic (or a longitudinal) approach that models not only the relationship between sectors in an economy (e.g. for a county or state), but also the interconnectivity of regions. The dynamic element of the model has a well-developed impedance database that is able to account for temporal effects due to competitive differences between either geographic regions and/or different sectors of the economy. Over time, these competitive pressures emerge and then tend to bring the regional economy back to equilibrium. In that way, the process depicts the so called "ripple effect" impact that economic changes have on a region.

In this revised impact assessment study, the initial economic stimulation (in this case the construction and operation of the prospective Missouri Theatre Building EB-5 Project) reverberates through the economy of the proposed regional center, and progressively spreads outward from the site of the new investment expenditures and business activity. Eventually the new waves of the economic activity are absorbed into the larger economy creating a new, but higher level of economic equilibrium. In the long run, the project, if developed in a way that is close to as it is currently configured, is expected to materially alter the regional economy through the significant amount of new investment and related business development activities. It is expected that the regional economy of the prospective Gateway to the Midwest Investment Center will have a correspondingly higher level of output, investment, employment, and income than would

[15] See Appendix 3 for a thorough description of the REDYN model.

otherwise be the case in the absence of the proposed Missouri Theatre Building EB-5 Project within the proposed regional center's geographic configuration.

In its elemental sense, the use of input-output analysis has been explained in a number of ways. These include: (1) input-output analysis is: *"... a means of examining relationships within an economy, both between businesses and between businesses and final consumers. It captures all monetary market transactions for consumption in a given time period. The result mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy."*[16] A regional input-output model[17] provides a focused picture of a regional economy which reveals the ways in which the various sectors of a region's economy are meshed together and are linked to potential sources of new economic stimuli (or changes in final demand). They essentially describe the forest in terms of the trees of which it is comprised. The trees (or the data in this context) are based on federal data including the National Income Product Accounts (or NIPA) data and inter-industry input-output accounts which represent inter-industry flows of goods and services within the regions of the U.S. economy. According to Miller and Blair, input-output models are based on *"...the most commonly used input-output tables, whether national, regional, or multiple-region tables, are generally based on historical data describing the economic area of interest. The usual source of data for such tables is a system of national (or regional) economic accounts which are often routinely collected by means of a census or some other survey-hence the name survey-based tables."*[18]

It is important to point out that there are differences between the various input-output tools that could be employed to measure a change in "final demand" in a region. These tools range from the use of extracted single number input-output coefficient (such as RIMS II multiplier) which measure an impact in a single year to sophisticated, multi-featured input-output models which are driven by software algorithms (such as REMI and REDYN) which include the ability to model the impact of a regional or national economic stimulus over a period of time (e.g. five years)—versus in just a single year. The multiplier approach involves simple multiplication where a single number estimate of a change in "final demand" can be done in a spreadsheet. For the more sophisticated models the analyst can simulate complex changes in final demand (such as those associated with a multi-faceted development project) in an integrated development scenario. An example of such a development would be the mixed-use development project—like the EB-5 project that is the subject of this EB-5 application.

The crucial distinction here is that input-output models such as REMI and REDYN do not employ singular multiplier calculations, but derive their predictive ability on interconnected matrices of make and use tables for specific industries and specific regions or geographies. Therefore, the input-output model tool uses a large matrix of

[16] IMPLAN Pro, User's Guide, Analysis Guide, Data Guide. MIG, Inc.
[17] The use of an input-output model is one of the most common approaches for conducting impact assessment analysis.
[18] Blair, Peter and Miller, Ronald. Input-Output Analysis. 1985.

multipliers that literally include hundreds, and sometimes thousands of multipliers. This impact assessment analysis was undertaken as a single integrated development scenario using the REDYN input-output model tool relative to a "base case" for the regional economy—with the base case where the proposed EB-5 development project was not undertaken.

Because EPR employed an integrated input-output model utilizing the REDYN model software, the analysis did not use individual multipliers on a spreadsheet to calculate the economic and job impacts for any individual EB-5 project component. Instead, the input-output modeling involved the construction of an integrated set of inputs related to the development project and these inputs (see Tables 7 and 8 below) interacted simultaneously within a broad matrix of different sectors (in terms of industry sectors), but geographically specific input-output matrix of multipliers to calculate the economic and job impacts due to the proposed project versus the regional economy's economic and job levels in the absence of the proposed project.

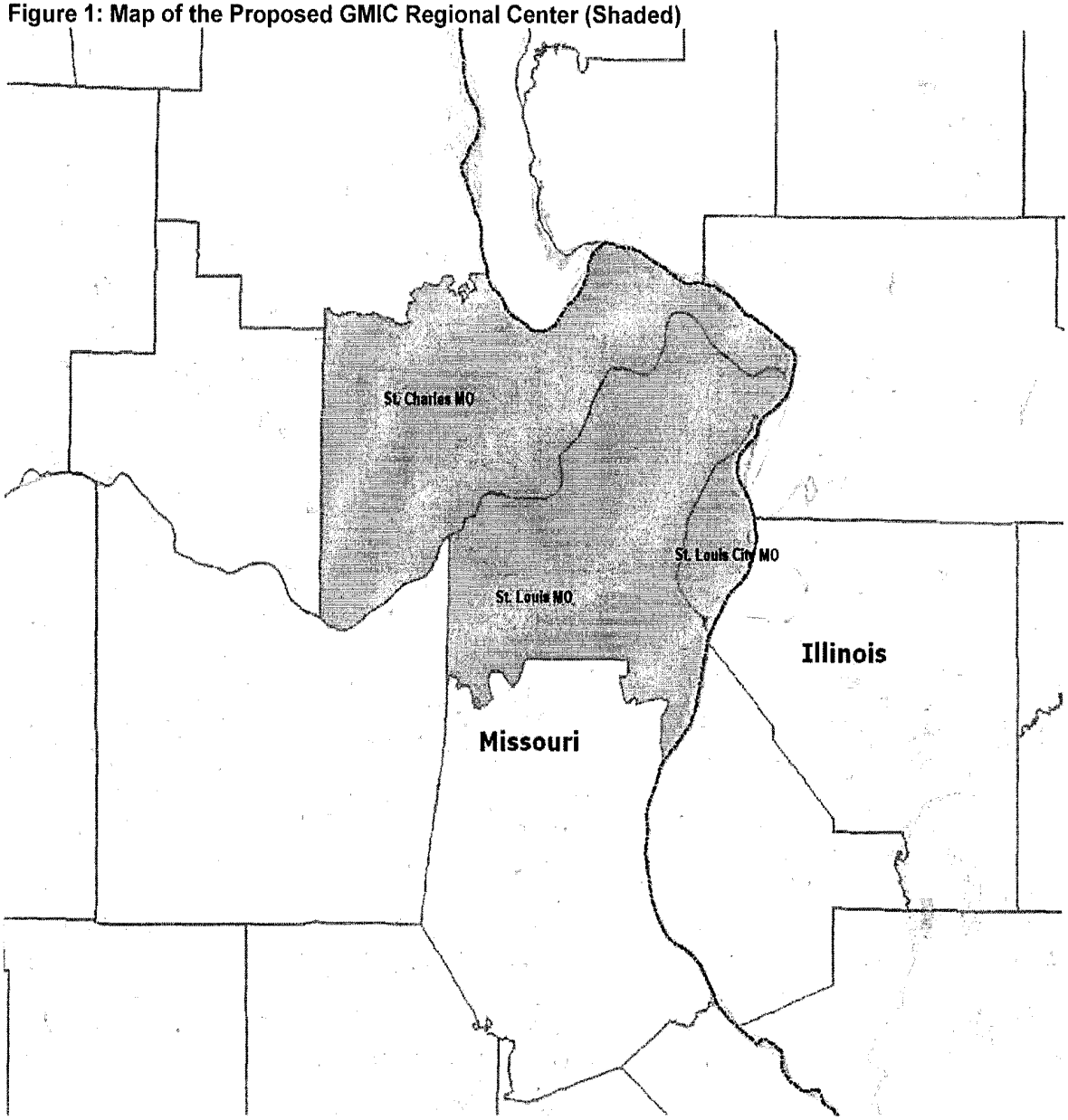
2.2 Overview of the Region: the Prospective GMIC Regional Center.

The management of the prospective Gateway to the Midwest Investment Center (GMIC) is seeking approval for a regional center designation,[19] comprised of a core area of the St. Louis, Missouri-Illinois Metropolitan Area including St. Charles County, MO; St. Louis City, MO; and St. Louis County, MO. This area comprises the city of St. Louis and its immediate surroundings. See the map in Figure 1 below for a visualization of the proposed GMIC regional center.

Located at the confluence of the Missouri and Mississippi Rivers, St. Louis, Missouri is the hub of this pending regional center area. The full area under consideration in this economic study is: St. Louis County, St. Charles County, and St. Louis City. It is important to note that St. Louis City is an independent city and is separate from St. Louis County. Together, these three administrative divisions combine to make the Gateway to the Midwest Investment Center (GMIC) Regional Center and are the central part of the larger St. Louis, MO-IL Metropolitan Statistical Area, which encompasses St. Louis City and 16 other counties located in Missouri and Illinois: Franklin County, Jefferson County, Lincoln County, St. Charles County, St. Francois County, St. Louis County, Warren County, and Washington County in Missouri and Bond County, Calhoun County, Clinton County, Jersey County, Macoupin County, Madison County, Monroe County, and St. Clair County in Illinois.

[19] Which includes USCIS approval for the prospective regional center's geography, its three requested NAICS codes, and the indirect job estimating methodology as described herein using the dynamic REDYN input-output model.

Figure 1: Map of the Proposed GMIC Regional Center (Shaded)



The area offers a range of attractions that are both a draw to the city as well as reason to stay. Washington University, St. Louis University, and the University of Missouri are all located within the borders of the proposed area and provide top ranked education and resources for their respective students. St. Louis has a long heritage of being a spectacular music scene, and many legendary musicians such as Chuck Berry, Miles Davis, Albert King, and Tina Turner have called this place their home at one time or another. The Fox Theatre and the Contemporary Art Museum of St. Louis also provide entertainment for those who are interested in theatre and art.

Once known for its beer and durable goods manufacturing, St. Louis has come to be known as the "BioBelt" in response to the numerous plant and medical research companies that call the Gateway City home. Companies such as Monsanto, Sigma

Aldrich, and Solae Co. all use St. Louis as the headquarters for their respective companies, and that is just a fraction of the roughly 400 plant and life sciences firms that are active in the region. Furthermore, the area also produces some of the best and brightest of the nation's researchers in these fields. The area's three universities, previously mentioned, all have become leading research universities in various areas of the "BioBelt's" different specialties.

The St. Louis, Missouri region also has had a long history of being a hub of automotive manufacturing. Starting in the late 19th century, St. Louis was home to a number of local automotive companies that over the years were not able to survive. With many of the region's local vehicle and vehicle-related manufacturers closing their doors, the area turned its attention to supporting vehicle and vehicle-related production in a number of factories for the larger vehicle and vehicle-related companies. However, so far in the 21st century with the American automotive industry under tremendous strains, St. Louis and the surrounding area has been hit hard by the recent string of automotive plant closings and cut backs. For example, the Ford Motor company assembly plant that was founded in 1914, was moved to Hazelwood, MO in 1948, and officially closed in 2006. As of July 2009, Chrysler had closed its Fenton, MO assembly plant. The so-called "Great Recession" has taken a toll on the regional operations of General Motors (GM), where—although the company did not close its Wentzville assembly plant—GM did recently reduce employment by an entire shift, which amounted to a reduction of 887 jobs. However, with the emergence of new interest in "green" automotive technology, the St. Louis area is working hard to position itself to take advantage of new opportunities, and perhaps reverse the decline in their vehicle and vehicle-related manufacturing sectors.

Getting in and around the proposed regional center is facilitated by interstate highways, local routes, airports, and rail transportation. The major highways that run through the geography of the proposed GMIC regional center are Interstate 70 (I-70), Interstate 64 (I-64), Interstate 55 (I-55), and Interstate 44 (I-44). I-70 runs from Cove Fort, Utah to Baltimore, Maryland, connecting St. Louis, Missouri to important urban centers such as Denver, Colorado and Indianapolis, Indiana. I-64 traverses from Wentzville, Missouri to Chesapeake, Virginia and connects to Interstate 95 (I-95), the major north-south highway on the eastern seaboard, in Richmond, Virginia. I-55, the only north-south interstate to run through St. Louis, Missouri, runs from Laplace, Louisiana to Chicago, Illinois, connecting important economic centers such as Memphis, Tennessee and St. Louis. I-44 runs on a northwest path going from Wichita Falls, Texas to St. Louis, Missouri, passing through Oklahoma City.

Air travel into and out of the area of the proposed regional center is facilitated by the opportunity for passengers to fly into one of the three airports in the area. Lambert-St. Louis International Airport is the largest in the region as well as for the entire State of Missouri. Lambert-St. Louis International Airport is located in the cities of Berkeley and Bridgeton, Missouri. In 2009, the airport served nearly 12.8 million passengers, according to the Lambert-St. Louis International Airport's passenger statistics. The other two airports, MidAmerica St. Louis and St. Louis Downtown, are much smaller and

are utilized more for regional travel and cargo. MidAmerica St. Louis Airport is primarily used for cargo transportation and is located east of St. Louis City in Illinois, which may be the reason why it has not attracted commercial air travel. St. Louis Downtown Airport is located directly across the Mississippi River from the downtown area of St. Louis and provides service for business, commercial and non-commercial air traffic. St. Louis City also offers public transportation, including a well-designed bus transit system, which services the city and the surrounding counties, or the City's light rail system, known as the MetroLink, which services the city and provides direct routes to and from Lambert-St. Louis International Airport. Amtrak also provides daily service to the region, with the Gateway Multimodal Transportation Center in Downtown St. Louis City.

Since the July 1, 2000 population estimates, the region of the proposed GMIC regional center has experienced slower growth in its population than either the United States or the State of Missouri, as is demonstrated in Chart 1 (below). In July 2000, the population of the proposed regional center was 1.65 million, and has only grown to 1.68 million, in the 2010 census growth of 1.8%. The United States and the State of Missouri, in contrast, grew more than twice as much as the proposed GMIC regional center with total growth of 9.5% and 6.9%, respectively, over the same period. That growth record corresponded to annual growth rates of 0.9% for the U.S. and 0.7% for the State of Missouri over the period.

Chart 1. Comparison of Population Growth for Selected Peer Areas

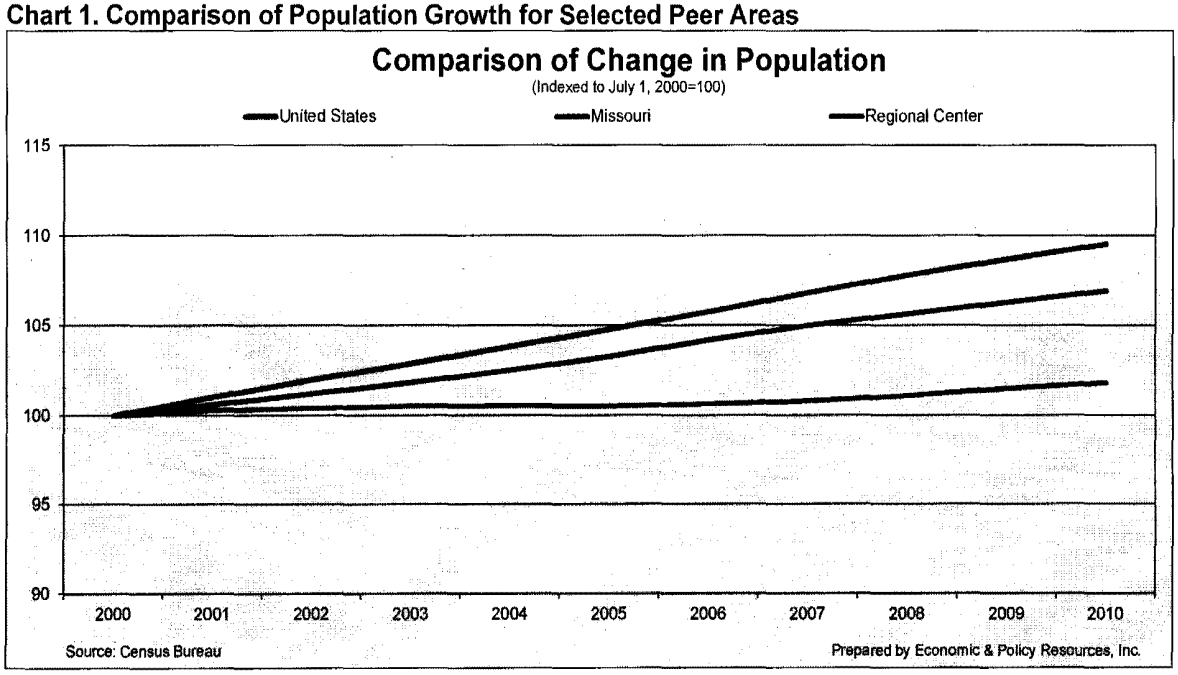


Chart 2. Comparison of Unemployment Rates for Selected Peer Areas

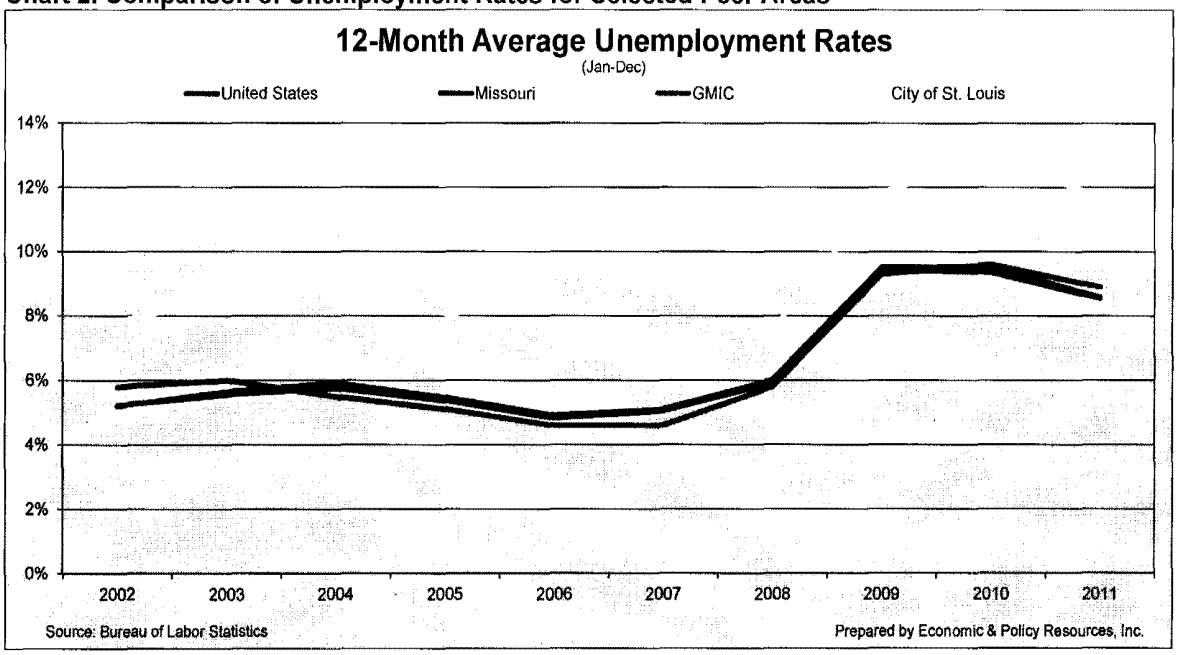


Chart 2 (above), depicts the average unemployment rate across the selected areas, over the past ten years. The unemployment rate rose rapidly in all peer regions between 2008 and 2010. Given the regional center's location at the center of the country geographically and economically, the peer regions all performed similarly to the United States as a whole, in terms of change over time. The city of St. Louis had a higher unemployment rate compared to the other peer regions over the entire period, with an unemployment rate of 11.7% in 2010. This was an increase from the 2002 level of unemployment of 7.8%. The United States, the State of Missouri and the GMIC all saw nearly identical performance over the sample period with unemployment rates of 5.8%, 5.2%, and 5.2% respectively in 2002, and 8.9%, 8.6%, and 8.6% respectively in 2011.

The charts below depict the trends in employment for select sectors of the economy over the previous decade for three selected peer areas—including the proposed geography of the GMIC regional center, the State of Missouri, and the U.S. as a whole. Employment levels and trends are a measure of the health and vitality of an economy in a region and can provided illustrative evidence of the structure of the economy. The charts below are constructed using annual Quarterly Census of Employment and Wages (QCEW) data from calendar years 2001 to 2010.

Chart 3. Comparison of Change in Total Private Sector Employment for Selected Peer Areas

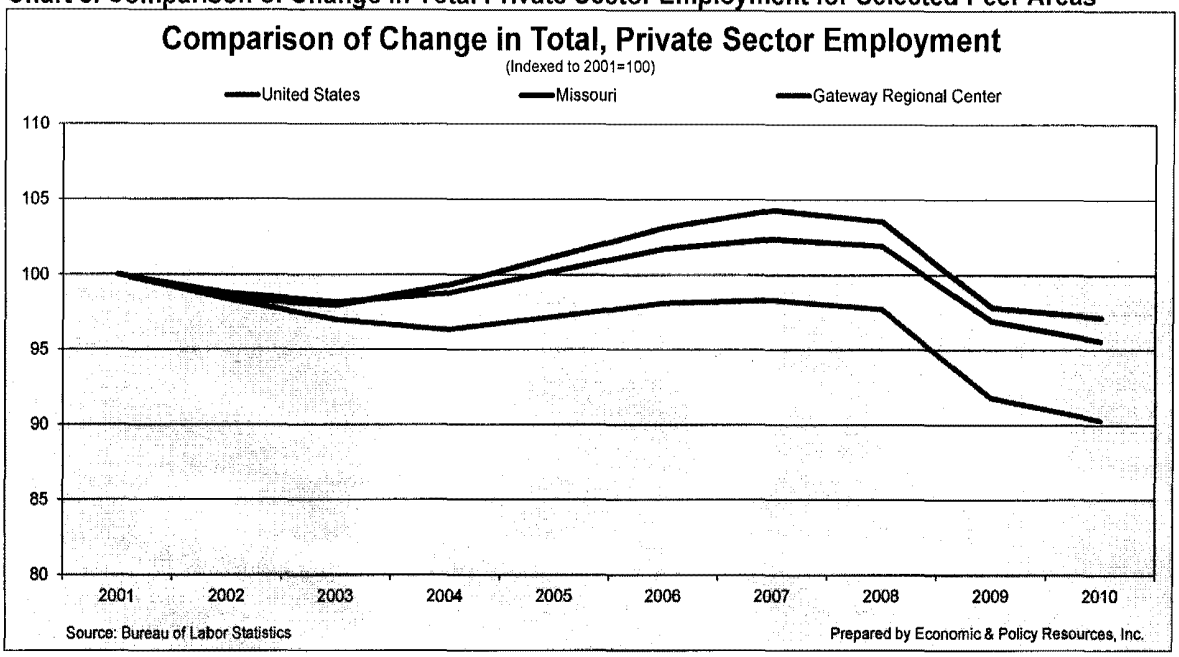
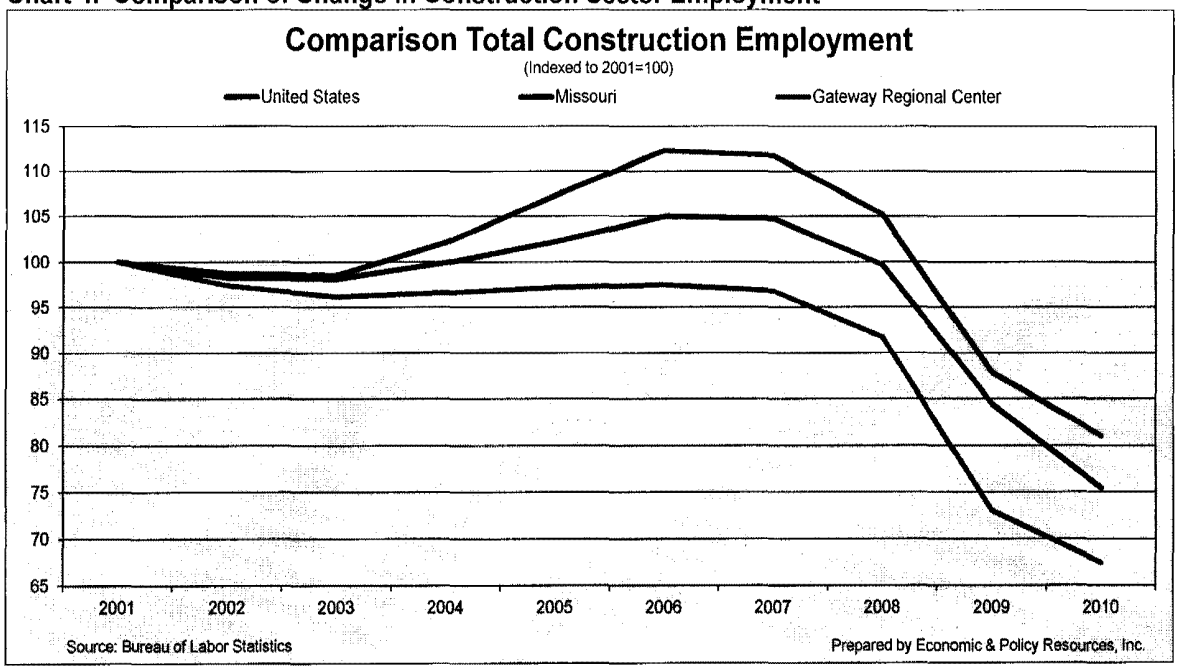


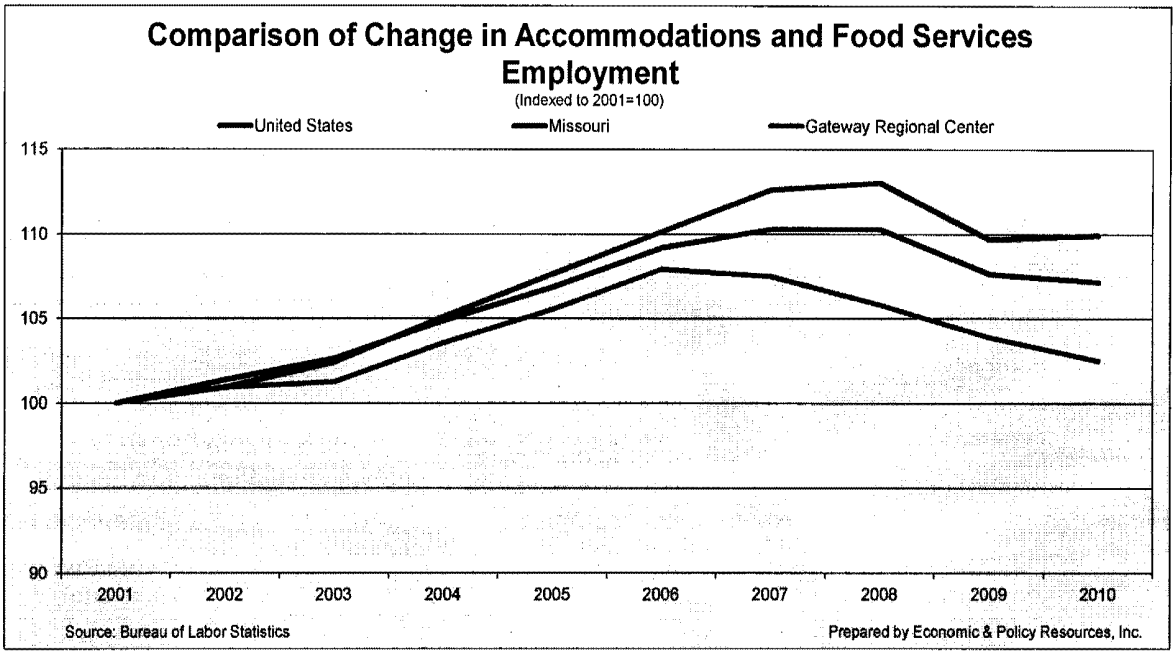
Chart 3 (above) shows the changes in the total private sector employment for the peerregions over the past decade and the effects of the recent economic recession are visible. All of the regions being compared have shed all of the employment gained from the previous recession in the early 2000s. Between calendar years 2001 and 2010, the proposed GMIC regional center realized a decline of 9.7%, which corresponds to an annual declivity of 1.1%. The United States and the state of Missouri fared much better between calendar years 2001 and 2010, with total declines of 2.8% and 4.4%, respectively, or annually at -0.3% and -0.5%, respectively.

Chart 4. Comparison of Change in Construction Sector Employment



With the national real estate market declining precipitously following the crisis in 2008, the construction sector has contracted between 2001 and 2010, with sector employment in all peer regions declining after 2007, as shown in Chart 4.[20] The GMIC reported the largest decline of any peer region with Construction sector employment declining 32.6% between 2001 and 2010. The state of Missouri saw a smaller though still dramatic decline of 24.6% between 2001 and 2010. The United States saw the smallest decline of any peer region but still reported a significant of decline of 19.0% over the sample period or an average annual decline of 2.3%.

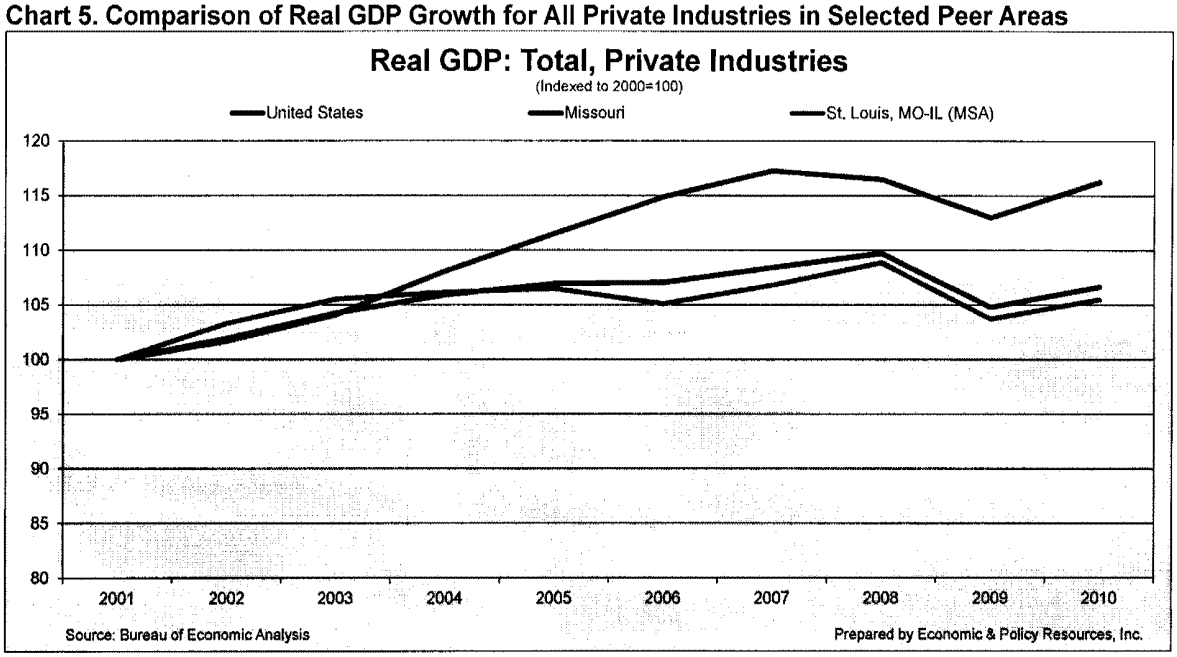
Chart 4. Change in NAICS 72 Accommodations and Food Service Sector Employment for Selected Peer Areas



As Chart 5 shows, the Accommodations and Food Services Sector in the peer regions increased substantially between 2001 and 2007. Between 2007 and 2010, following national overall economic trends, the peer regions saw declines in Accommodation and Food Service Sector employment. Over the ten year sample period, all peer regions experienced growth. The United States saw the biggest growth of any peer region with Accommodations and Food Services employment rising 9.9% between 2001 and 2010. The regional center reported growth of 2.5% over the ten year period. The State of Missouri, saw growth between the two other peer regions with growth of 7.2%.

[20] The broader Construction Sector, which includes NAICS 236—Construction of Buildings and 238-Specialty Trade Contractors, was used for this analysis since comparable data for more detailed NAICS categories is not available for this analysis.

Chart 5. Comparison of Real GDP Growth for All Private Industries in Selected Peer Areas



Another economic measure is the inflation-adjusted output change of a region, commonly referred to as either real Gross Domestic Product or GDP. Chart 6 (above) shows the growth in the real GDP of the peer regions between calendar years 2001 and 2010. It is important to note that, due to data availability, the St. Louis, MO-IL MSA is being used as a proxy for the GMIC regional center. Gross Domestic Product data is not available at the county level, but the proxy will serve to portray the general trend of the region. Between calendar year 2001 and calendar year 2010, the United States outpaced all peer regions, with an annual growth rate of 1.4%, and a total increase in the real GDP of 16.2%. The State of Missouri and the St. Louis, MO-IL MSA grew at similar but slower rates, with annual growth rates of 0.4% and 0.5% respectively, or total growth of 6.6% and 5.4% respectively between calendar years 2001 and 2010.

The above series of charts tracks the region and industries over time, while the next section provides a cross-sectional snapshot of the region's economy. Table 5 (below) shows employment by major industry in the prospective GMIC regional center, both in terms of levels and as a share of total Private sector jobs in calendar year 2010 (with calendar year 2010 being the latest year where comparable data is available as of this writing). The last column in Table 5 (below) is a statistic called the location quotient. A location quotient is the ratio of an industry employment share in a given geography to the same share in another. This allows relative employment concentrations (that is, one geography relative to another) to be more easily compared. The location quotients were calculated for each industry as follows:

$$LQ = \frac{(E_i/E_c)}{(E_{ni}/E_{nt})}$$

Where:

E_i = Employment in the state's industry

E_c = Total employment in the state

E_{ni} = National employment in the industry

E_{nt} = Total national employment

Location quotient analysis is used to identify those industries that have a comparatively larger or smaller presence in the prospective regional center's economy. A location quotient that is equal to 1.0 means that the share of employment in the regional industry is exactly the same as the percentage employment in the national industry. If the location quotient is greater than 1.0, the share of employment in the regional economy exceeds the national share of employment in that industry. Conversely, if the location quotient is less than 1.0, that means the region's share of employment in the industry is less than that of its national counterpart.

Location Quotients over 1.0 mean that an industry is a relatively more significant than average employer in a region—relative to a reference region which in this case is the U.S. as a whole—with a Location Quotient of 1.2 or greater indicating a possible export industry. Location Quotients below 1.0 indicate the employer is under-represented relative to the reference region, and a Location Quotient of less than 0.80 indicates the possibility for import substitution in the subject geography (assuming near average productivity) as an economic development-job creation strategy. The location quotients found in Table 5 show the ratio of the prospective regional center employment to national average employment concentration, or how the prospective GMIC regional center compares to the average for the U.S. economy. As an example, the first location quotient for Agriculture, Forestry, Fishing, and Hunting in the GMIC region is 0.06 demonstrating a much lower average share of its private workforce employed in the Agriculture, Forestry, Fishing, and Hunting than is the case on average for the U.S. economy as a whole.

The analysis of these location quotients suggests that Information, Management of Companies, Educational Services, and Arts, Entertainment and Recreation have above average employment concentration, with location quotients of 1.23, 2.60, 1.27 and 1.36 respectively. All of these location quotients indicate possible export industries for the region. The three-county region has relatively less employment concentration in Agriculture, Forestry, Fishing and Hunting; Mining, quarrying, and Oil and Gas Extraction; Utilities; Construction; and Transportation and Warehousing; with location quotients of 0.06, 0.11, 0.09, 0.74, and 0.09. This may suggest either lower productivity levels in the regional economy in those sectors and/or opportunities for import substitution (e.g. local and regional growth opportunities) from an economic development perspective.

Table 5: Employment Comparisons and Location Quotients for Selected Regions, 2010

Industry	Employment		Composition of Total Private		Location Quotient
	United States	GMIC	United States	GMIC	GMIC
NAICS 11 Agriculture, forestry, fishing and hunting	1,142,192	523	1.1%	0.1%	0.06
NAICS 21 Mining, quarrying, and oil and gas extraction	641,366	534	0.6%	0.1%	0.11
NAICS 22 Utilities	560,713	377	0.5%	0.0%	0.09
NAICS 23 Construction	5,948,837	32,430	5.6%	4.1%	0.74
NAICS 31-33 Manufacturing	11,810,371	70,570	11.0%	8.9%	0.81
NAICS 42 Wholesale trade	5,561,787	42,449	5.2%	5.4%	1.03
NAICS 44-45 Retail trade	14,544,111	92,746	13.6%	11.7%	0.86
NAICS 48-49 Transportation and warehousing	3,985,037	2,770	3.7%	0.3%	0.09
NAICS 51 Information	2,807,721	25,675	2.6%	3.2%	1.23
NAICS 52 Finance and insurance	5,618,477	46,830	5.3%	5.9%	1.13
NAICS 53 Real estate and rental and leasing	1,971,344	14,675	1.8%	1.9%	1.01
NAICS 54 Professional and technical services	7,479,760	55,340	7.0%	7.0%	1.00
NAICS 55 Management of companies and enterprises	1,855,139	35,688	1.7%	4.5%	2.60
NAICS 56 Administrative and waste services	7,153,937	53,704	6.7%	6.8%	1.01
NAICS 61 Educational services	2,419,382	22,723	2.3%	2.9%	1.27
NAICS 62 Health care and social assistance	15,902,253	135,115	14.9%	17.1%	1.15
NAICS 71 Arts, entertainment, and recreation	1,921,653	19,404	1.8%	2.5%	1.36
NAICS 72 Accommodation and food services	11,079,375	79,713	10.4%	10.1%	0.97
NAICS 81 Other services, except public administration	4,369,780	30,517	4.1%	3.9%	0.94
NAICS 99 Unclassified	173,872	0	0.2%	0.0%	0.00
Base Industry: Total, all industries	106,947,104	791,958	100.0%	100.0%	1.00

Note: Details may not sum to totals due to federal nondisclosure rules. -- means nondisclosed data.

Source: Bureau of Labor Statistics

Prepared by Economic & Policy Resources, Inc.

The above information has been provided to demonstrate the economic, social, cultural and geographic ties between the 3 counties that comprise the proposed Gateway to the Midwest Investment Center. These counties are connected culturally, socially and economically. Employment-unemployment trends, employment composition and GDP trends demonstrate this economic continuity. Culturally, the region is known for its music and museums that place it as amongst the most important cities in the Midwest. Physically, the counties are interconnected by a network of interstate highways famous for the volume of traffic they facilitate. However, both passenger and freight rail systems are well-developed in the area as well. Taken together, these ties provide evidence of the region's character as an integrated economic unit, which is presented here in order to assist the U.S. Citizenship and Immigration Service in its evaluation of the Gateway to the Midwest Investment Center regional center designation application. **This analysis also presents data and analysis to inform the USCIS' review of the proposed geography of the prospective Gateway to the Midwest Investment Center and the regional center's requested NAICS activities. The proposed regional center is seeking approval to operate in Eastern Missouri in St. Charles County, St. Louis County, and St. Louis City. The proposed regional enter is also seeking approval to engage in project development activities in Construction of Buildings (NAICS 236), Specialty Trade Contractors (NAICS 238) and Hotels (except Casinos) and Motels (NAICS 72111)—data and analysis for each sector has been provided above—and to estimate indirect jobs using the dynamic REDYN input-output model (see below).**

3. Economic Impact Analysis

3.1 Methods of Analysis

Economic and job creation impact modeling was performed using the Regional Dynamics Model (hereafter "REDYN") to determine the economic and employment impacts associated with the proposed completion of the prospective Missouri Theatre Building EB-5 Project and its subsequent operations. This is the newest and most sophisticated of the advanced input/output models available today. The REDYN Model has been used to assess the net job and other economic benefits associated with economic development projects, new businesses, certain types of policy changes and utility power projects in various states throughout the country in a variety of analytical settings. A detailed description of the REDYN Model is found in the appendices at the end of this impact assessment study report.

EPR has used Regional Dynamics (REDYN), an internet-based input-output model software tool in more than 100 studies overall and more than three dozen impact assessment studies under the EB-5 program. This section attempts to explain in more detail how the REDYN software works and why it is a valid approach for determining the economic impact for EB-5 regional center projects.

The REDYN input-output model calculates economic impacts and job creation impacts, typically for an integrated development project scenario that can be comprised of several components, or different categories, of economic activity. This model has been

successfully used in earlier EB-5 regional center designation application adjudications by USCIS. It is one of four recognized tools (with the others being RIMS II, IMPLAN, and REMI) that recently were identified in the EB-5 field adjudicator's manual as generally used and accepted in EB-5 applications for estimating indirect jobs.

REDYN (like the other recognized input/output models) is based on the concept of a production function, which determines what are called "make and use" tables. These tables quantify the amounts of inputs that are required to produce a unit of output across a number of industries. The basic data are collected by the U.S. Department of Commerce (principally its sub-agency, the Bureau of Economic Analysis). The vast amount of data come from a variety of sources and the data collected are converted into production accounts on a national income basis and input-output accounts basis. These accounts are assembled into various tables including transactions tables (which track the economic flows between producers and users of commodities, as well as the commodity taxes, transportation charges, and wholesale and retail trade margins between producers and users), and final uses tables. These tables are the building blocks for the input-output accounts, from which various multipliers are derived.[21]

Regional input-output models can be constructed using a more geographically tailored input-output matrix. Such a matrix takes into account regional purchase coefficients, which are calculated based on the proportion of goods and services required to produce one unit of output that are produced within a defined geographical region. These regional coefficients for most input-output tools are based on national data as described above. For REDYN, the matrix that has all of these coefficients is embedded in the model—as it is for the REMI and IMPLAN tools. The outputs contained in the report tables (such as in Table 1 above on page 5 and Table 7 on page 34 below) present the end results of entering the inputs for new direct final demand change[22] activity into the REDYN model software and solving the constructed model for the various indicated regions. For this EB-5 project, the geographic parameters of the input-output model constructed were comprised of the following geographic areas: (1) The Gateway of the Midwest, (2) the balance of the St. Louis Metropolitan Statistical Area, (3) and the remainder of the United States outside the MSA.

Summary of Input-Output Modeling Approach: In this assessment of the prospective Missouri Theatre Building EB-5 Project, the project was modeled as being located in the city of St. Louis in order to get the highest degree of geographic resolution for the new economic and transactional activities associated with the proposed EB-5 project—and therefore producing the most accurate results. In addition, the approach employed by EPR also resulted in the creation of a geographically robust model that could also report results over a multitude of different areas of geographic space. This was done for two reasons: (1) in order to conform to the USCIS impact assessment analysis reporting

[21] U.S. Department of Commerce, Bureau of Economic Analysis. Concepts and Methods of the U.S. Input-Output Accounts. September 2006, Updated April 2009.

[22] In this case direct means in the strict economic theoretical sense and not as prescribed under the regulations of the EB-5 program.

requirements under 8 C.F.R. Section 204.6(m)(3)(iv)—including "increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction"—both inside and outside the regional center and for the U.S. economy as a whole, and (2) in order to thoroughly examine the outputs for reasonableness.

Like all input-output models, the REDYN model calculates the effects of a new final demand stimulus into three general categories. Category 1 includes the direct effects—which in economic theory measures the changes in the industries where the final demand change was effected. Category 2 effects include indirect effects—which in economic theory are those changes in inter-industry purchases as they adjust to the new final demand change in the directly affected sectors or industries. Category 3 effects include those which are due to changes in spending from affected workers and their households as labor income either increases or decreases due to the change in final demand, known as induced effects. The REDYN input-output model software calculates all three of these effects just like any other input-output tool except that, as a dynamic input-output model (like the dynamic REMI model[23]), REDYN has the capability through its structure to analyze the impacts over time of the entire EB-5 project and its components as part of a single integrated development scenario. Using this approach, the estimated economic and job impacts were measured against a baseline for the regional economy that did not include the proposed EB-5 project. **The difference between the two scenarios represented the net economic and job impacts attributable to the proposed EB-5 project.**

Even though the economic and job impacts of the proposed EB-5 development project were analyzed as a single integrated development project, the impact calculations were made in separate and distinct sectors embedded within the REDYN model software. These calculations, again although separate for each sector, were done simultaneously according to the regionalized matrix of multipliers embedded within the model which have up to a five digit level of specificity for each NAICS sector category.

3.2 Data Sources

Project Data Sources

A significant portion of the relevant information and data were obtained from representatives of the Gateway to the Midwest Investment Center staff and the prospective EB-5 project's management. The data provided included a construction timeline, expected project development costs and expectations for hotel operations. Additional research and analysis were also completed by EPR to crosscheck and corroborate client provided data for reasonableness. Industry and project related metrics such as output and employment were compared to statewide and regional data sources. Appropriate quality control checks, including the triangulation of data sources with other sources of third party information, and activity estimates proved the data to be reasonable for the purposes of this economic and job creation impact analysis of the

[23] The REMI input-output model is maintained by Regional Economic Models, Incorporated located in Amherst, Massachusetts.

proposed EB-5 project within the proposed geography for the Gateway to the Midwest Investment Center. Based on these data, inputs were created for use in the REDYN system to model the economic impact of the construction and operations phases of the proposed EB-5 project.

REDYN Data Sources

Just like the other input-output tools, the REDYN data sources use a variety of data provided by U.S. Government entities. The industry structure for the model is the North American Industry Classification System (NAICS) to the five digit level. This allows the model to provide detail for 703 industries and over 180 commodities for the geographic region specified in the model.[24] This classification system and level of detail makes REDYN's output compatible for comparison to government reported statistics as this is the system used for publishing economic data by the U.S. Department of Labor's Bureau of Labor Statistics (BLS), the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) and the U.S. Census Bureau. These government bureaus provide the original data that are accumulated and transformed into the REDYN Model's input/output (e.g. multipliers) and other specified relationships.

In addition, the REDYN model also employs data from the Census Bureau's County Business Patterns. The U.S. Census Bureau's County Business Patterns data is the source for wage bill payroll data and employment data used in the model. The model's developers preferred this approach since it is an annual series that is more complete in its coverage of the workforce than the Quarterly Census of Employment and Wages (hereafter "QCEW") series, as it includes self-employed persons, employees of private households, agricultural production workers, and railroad workers. These workers are not "covered" by most state unemployment insurance systems and are therefore not reported in the QCEW series.

The County Business Patterns data set also is preferred because it provides detail about employment and wages down to the zip code level where concentration of industry is high enough to provide reportable data. The suppression of data due to confidentiality issues is a common problem of all types of wage and employment data used in specifying input/output models. REDYN has developed a way to fill in the blanks called method *row and column sum* (RAS).

After performing the RAS analytics on the County Business Patterns data it is reconciled with Regional Economic Information System (REIS) data from the Bureau of Economic Analysis of the U.S. Department of Commerce to confirm consistency. The REIS data are especially helpful for providing data in the agriculture and governmental sectors. The REIS data are also used to allocate national consumption numbers to the roughly 3,100 counties in the United States that are provided on the aggregate level by the National Income and Product Accounts (NIPA). The levels of consumption of

[24] See Exhibit 2.

industries and households are a key building block in the creation of input/output models.[25]

The input-output tables themselves are created using BEA Input/Output (IO) make and use tables. The data in these tables are augmented by the biennial ten-year IO forecast tables from the Bureau of Labor Statistics. A major difference between the REDYN model and other input/output models is its use of a new distance impedance database supplied by the Oak Ridge National Laboratory.[26] This allows the REDYN Model to add elements of trade flow and gravity theory based on distance impedance specific to road, rail, water, air and proxy transport. The combination of these data sources gives the REDYN model the power to predict with greater accuracy than ever before the economic impacts of a wide range of economic changes.

3.3 The Regional Dynamics Economic Analysis Model (REDYN) Background

The internet based REDYN Model was developed by Regional Dynamics, Inc. currently of Scottsdale, AZ, through its principal creator, the late Thomas Tanner, Ph.D., a former model manager at Regional Economic Models Inc. (known as REMI) of Amherst, Massachusetts. Dr. Tanner was a former member of the faculty at the University of Georgia, and was most recently employed at the Strom Thurmond Institute of Government and Public Affairs at Clemson University at the time of his death in May of 2009. Dr. Tanner's work experience at REMI gave him the expertise to create an alternative to the REMI model. The result is an integrated input/output model of the counties and cities of the U.S. which has significant advantages over the existing menu of retail input/output models: REMI (which is prohibitively expensive), IMPLAN (as maintained by the Minnesota IMPLAN Group, Inc., originally developed for the U.S. Forest Service, which is a static input-output tool), and RIMS II final demand and/or employment multiplier tables (which is maintained by the U.S. Department of Commerce and is also a static tool).

The REDYN Model employs a concept known as New Economic Geography,[27] a theory first developed by Nobel Laureate Dr. Paul Krugman while he was at the Massachusetts Institute of Technology. This philosophy employs "fully general equilibrium" models that "derive aggregate behavior from individual maximization." This competitive framework is translated into a model that makes the assumption that "commodities produced by an industry are truly joint in the production process, as prescribed by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry."

[25] See Exhibit 3.
[26] See Exhibit 4.
[27] See Exhibit 1.

New Economic Geography also focuses on agglomeration economies and the relationships between them in different levels of geographic space.[28] To illustrate this, consider a tight group of commercial establishments configured as a mall, which is an agglomeration of retail establishments. This is the smallest level of an agglomeration economy. It is related to the regional commercial market which is part of the national market and the world market. It is the linkages between these levels of economic agglomeration that New Economic Geography seeks to explain and illustrate.

Summary of the Methodology for Calculating Indirect Jobs: In contrast to proving the direct job count of an EB-5 project through the provision of payroll records to a USCIS reviewer, the calculation of indirect jobs cannot be measured and verified directly through records. Instead, indirect jobs under the EB-5 program must be verified through the use of estimating methodologies that are deemed to be "reasonable" under the requirements of the EB-5 program. The EB-5 applicant has some latitude under the "reasonable methodologies" requirement. The most common estimation techniques involve the utilization of input-output tools that involve a range from simple mathematical calculations on a spreadsheet (e.g. under RIMS II) to integrated EB-5 project simulations using sophisticated input-output models. Even though these approaches vary in sophistication and structure, the general approach to this estimating process is essentially the same for all of the USCIS-approved input-output tools in that they all use calculated coefficients based on detailed federal data. Compilation of these data, which are updated each year to varying degrees, involves assembling and updating data regarding how much input is used for producing a given amount of output.

In its simplest form, the estimation process is comprised of two fundamental steps: (1) calculations to determine what are commonly referred to as national coefficients which are based on production functions,[29] and (2) determinations as to what proportion of those goods and services are purchased within the region. The first calculations estimate how much input is used in any given year to produce a given amount of output in any given year. The second group of calculations referred to above involves calculations of what are referred to as regional purchase coefficients (RPCs). These regional purchase coefficients essentially estimate what proportion of those goods and services are purchased within the region in question.

The REDYN model, like other input-output models such as IMPLAN and REMI, handles all those calculations within the model software based on the geography and type of stimulus specified by the analyst. The REDYN model is geographically specified so that regional purchase coefficients are calculated for all involved sectors based on purchases of goods and services from "within the region" firms. The matrix can be, and

[28] Agglomeration economies refer to circumstances where economic units, although competing, find it mutually advantageous to co-locate or to locate sufficiently close enough to share production resources and/or customers.

[29] Again, to reiterate, this is a process where the amount of input (and the corresponding number of jobs and corresponding amount of income) required to produce an amount of output of a final product or service is estimated.

usually is, large and complex. RPCs tend to be higher for service providing industry categories and lower for goods producing industry categories. In either case, indirect jobs under the REDYN input-output model are calculated through the input-output simulation process based on these quantified national relationships and regional purchase coefficients as calculated within the software algorithms embedded in the REDYN model.

3.4 Model Specifications

Description of the Project-Discussion of Input-Output Model Inputs

The Missouri Theatre Building EB-5 Project is a mixed use construction and subsequent hotel operations project located in the city of St. Louis. The project involves the renovation of a historic 12 story building, including the creation of a 136 room hotel, 40 apartments, and retail and restaurant space on the street level. Operations of the hotel are also a component of the EB-5 project. Located on Grand Avenue, within the Grand Avenue Arts District of St. Louis, the development is well located to attract a variety of different types of travelers, most notably those traveling to the city's entertainment district. The EB-5 project includes total construction expenditures of $38.4 million over a two year period. The construction budget includes $27.5 million in hard costs and $10.9 million in other development costs, including soft construction costs. These other development costs will be invested in the region but were excluded from the input-output impact modeling because either they were not expected to significantly impact job creation (in the case of fees, interest, etc.) or because the USCIS has previously advised their exclusion (such as in the case of soft construction costs[30]).

Input-output modeling of potential project impacts can be conducted from the supply side or the demand side of the input-output equation. When modeling the economic impacts associated with the supply, one captures the increase in direct employment and wages and looks to determine the economic linkages of the project via an input-output model. A demand-side approach captures the additional spending (often specified as a change in "final demand") in the regional economy as a result of the development and operation of a new project.

The relevant information and data used to develop the input-output model inputs for this impact assessment analysis of the Missouri Theatre Building EB-5 Project included: (1) the amount and timing of the EB-5 project's hard cost expenditures (which were obtained from project management), and (2) the employment levels anticipated to be associated with operation of the new Hyatt-franchised hotel. The data included the components and dollar amounts of the anticipated development expenditures on an annual timeline, and a comprehensive set of financial pro-formas—including expected revenues for the hotel. The data from the project developers have been laid out in a

[30] Although from a technical perspective, EPR believes many of these costs should be included in the input-output analysis. However, in order to minimize raising issues in review, they were excluded from this input-output analysis.

comprehensive and a detailed business plan that will be filed along with the other regional center application materials.

These data were then employed to develop the specific inputs that were used in the REDYN input-output model—as supplemented by additional research to properly quantify and then specify each input for use in the input-output model. The principal analytical task at this point in the impact assessment analysis is to properly quantify the new business activity increment (i.e. properly quantify the new incremental final demand) attributable to the proposed EB-5 project to be used in the input-output model. For this analysis, impact modeling was completed from a demand-side perspective, capturing the additional demand (i.e. new final demand in construction and incremental demand from direct hotel operations) in the regional economy of the new Gateway to the Midwest Investment Center associated with the Missouri Theatre Building EB-5 Project. The additional increase in final demand in the regional economy are expected to, in turn, result in the creation of new business activity and additional jobs (including jobs at the hotel facilities themselves and elsewhere in the regional economy and the economy in the balance of the United States—or outside of the economy of the proposed Gateway to the Midwest Investment Center).

The input-output modeling was completed using the location of the proposed EB-5 project in the city of St. Louis, Missouri. The inputs to the input-output model include specific levels of expenditures for construction/renovations over the first two years of the project as provided by the EB-5 project management. The inputs also include properly specified changes in final demand associated with the employment accompanying the ongoing operations of the hotel. These data were then specified into the inputs that were specific to the Missouri Theatre Building EB-5 Project (after all spending concepts were adjusted for inflation to the base year of the REDYN input-output model). An initial market review of the proposed EB-5 project was undertaken by Wert-Berater, Inc. in order to understand the overall competitive effects of the hotel market within the region. The initial review offers a preliminary conclusion that the "impact of the subject hotel would be minor and is likely to be a contributing factor to overall area occupancy levels."[31,32]

---

[31] A new business or expansion of an existing business represents a change in the regional economic landscape. Such changes have competitive implications for existing businesses and industries within the region and maybe even beyond to the national economy. Economists have addressed these effects by incorporating into their models equations to realistically describe economic interactions and relationships. Economic models used for impact assessment have become more dynamic by explicitly accounting for these overall competitive effects via trade relationships, linkages, and changes in technology and productivity. The REDYN model formulation incorporates (what is widely called) the "new economic geography" (after Nobel Laureate Economist, Paul Krugman) which considers the trade relationships and competitive effects within the regional and broader economies. See for instance: Paul Krugman, "Space: The Final Frontier" in Journal of Economic Perspectives, 1998; Geoffrey J.D. Hewings and John B. Parr, "The Changing Structure of Trade and Interdependence in a Mature Economy: The U.S. Midwest" in Technological Change and Mature Industrial Regions: Firms, Knowledge, and Policy, Edward Elgar Publishers, 2008.

[32] Letter from Wert-Berater, Inc dated July 25, 2012

With the above discussion as a backdrop, this section describes in more detail how the REDYN input-output model software was employed to conduct the EB-5 project impact assessment analysis for this application. EPR notes that the REDYN input-output model software has previously been employed in dozens of impact assessment analyses that, in turn, have led to successful adjudications before the USCIS as part of a "reasonable methodology" for estimating indirect jobs in accordance with 8 C.F.R. Section 204.6(m)(3)(iv).

The impact assessment analysis process step-by-step for the Missouri Theatre Building EB-5 Project is described below:

1. The first step in this impact assessment analysis was to create a model reflecting the geographic requirements for the input-output model framework based on the EB-5 project's location. For this analysis, an input-output model was constructed that included both specific areas within the regional center and an additional area comprised of the rest of the United States outside the regional center. The first area was important in order to make sure the input-output model had the greatest degree of accuracy since regional economic structure can differ as industry linkages vary drastically across different regions throughout the United States—just as RIMS II and IMPLAN multipliers vary by region to region.[33] The second area was constructed in order to allow the impact study to calculate total U.S. economic and job creation impacts as prescribed in the EB-5 program regulations. In the case of this impact assessment analysis, the input-output model constructed was comprised of the following geographic areas: (1) the Gateway of the Midwest Regional Center, (2) the balance of the St. Louis Metropolitan Statistical Area, (3) and the remainder of the U.S. outside the St. Louis MSA. The impact within the St. Louis MSA plus that in the balance of the U.S. sum to the total U.S. impact—which assists in deriving the data required under the EB-5 reporting protocols.

   In other words, the sum of the impact in regions 1 and 2 represents the economic and job creation impact within in the St. Louis MSA region. The impact in the regional center geography plus the impact in the balance of the St. Louis MSA and the rest of the U.S. sums to the total expected U.S. economic and job creation impact. The use of the REDYN model allows for flexibility in assessing modeling results down to the county level, for the state as a whole, and for the U.S. economy overall. **This model structure, when employed with the assumptions listed above and using the specific data inputs as specified in Table 6 (see page 33) enable an analyst to replicate the input-output simulation employed in this analysis.**

[33] See Blair, Peter and Miller, Ronald. Input-Output Analysis, 1985; and Hoover, Edgar M. An Introduction to Regional Economics, 1971.

2. Once the input-output model was constructed, the next step was to develop estimates of the change in final demand for the construction activity. For these estimates, project management provided data which included total construction costs of $38.4 million over the first year. This figure includes $27.5 million in hard construction costs, and $10.9 million that will be incurred but were excluded from the input-output impact modeling. The $27.5 million in hard construction costs were split into several categories, which were Residential hard costs (NAICS 2361), Non-residential hard costs (NAICS 2362), and Furniture and fixture (NAICS 423210). Not all of the $27.5 million was modeled. The excluded costs include project contingency and financing fees, which are not included in the impact assessment analysis modeling due to the fact that they do not create meaningful, new economic activity (e.g. job creation), and soft construction costs, which were excluded. The hard costs were adjusted for inflation to 2002 constant dollars using an inflation forecast from IHS Global Insights (IHS Global Insights Macroeconomic Inflation Forecast through the state of Oregon website http://www.oregon.gov/DAS/OEA/docs/economic/ as of April 2012 (This calculation was $20.181 million divided by 1.271026 *[the inflation factor]* equals $15.877 million in inflation adjusted nonresidential hard construction costs, for example). These inflation-adjusted expenditures were then inputted into the REDYN sector that comports with the NAICS 2362 Non-Residential Construction sector. The FF&E expenditures were also inputted into the REDYN model after adjustment for inflation and after margin adjustment to reflect the change in final demand associated with these expenditures within the region.

3. Operations for the hotel are expected to begin in impact Year 2 of the proposed EB-5 project's timeline.

4. Occupancy for the hotel is assumed to be 75.7% for operations in impact Years 3 and 4. Occupancy rates are not directly used in the model inputs, but inform the project management's employment and revenue projections.

5. The REDYN model was then run with those inputs, and this run put the model inputs through the multiplier matrices embedded in the REDYN software. The run also applied the advanced procedures, including impedance-based commodity trade flows, and detailed national input-output use tables to estimate a complete U.S. multi-regional supply response to indirect and induced demand, and to exogenous final demand.

6. The multi-region results (including changes in employment, disposable income, household earnings, and output) were then compiled from reported outputs from the REDYN model for the scenario modeled. These results were then grouped geographically into results for the regional center, outside the regional center, and the U.S. economy as a whole summations as prescribed in the accepted standards and procedures under 8 C.F.R. Section 204.6(m)(3)(iv). Under this regulation, outputs for increased household earnings, greater demand for business services, Utilities, Maintenance and Repair, and Construction were

calculated from the REDYN model inputs and reported in the relevant tables in the impact assessment report.

Table 6 Model Inputs – Missouri Theatre Building EB-5 Project in St. Louis, Missouri

			Year 1	Year 2	Year 3	Year 4
Timeline			Construction	On-Going Operations		
Model Inputs [1]		2012 NAICS				
Construction						
Residential Hard Costs	Output	2361	$ 2,588.93	$ -	$ -	$ -
Non-Residential Hard Costs	Output	2362	$ 20,181.26	$ -	$ -	$ -
Hotel FF&E	Output	423210	$ 3,011.52	$ -	$ -	$ -
Operations						
Hotel	Employment	72111	0	24	24	24

Further Discussion of "New Final Demand"

According to project documents, the project as currently envisioned is unique in nature, representing a conversion of a historic building into hotel rooms. The intended price point of the hotel, places the proposed project in a narrow market segment. Because of the nature and design of the rooms, the hotel will be particularly suited to service demand in the "extended stay" market. Because the rooms will be serving this segment of the hotel market, the hotel is not expected to compete directly with many of the hotels located within the city and the regional center. The hotel market in the area is noted for its distinct demand segmentation, with hotels competing within a limited local market area more than is typical in other cities. The project, if completed along the lines currently envisioned when finalized, will be the only hotel located within the city of St. Louis' Art's district, an area that has been revitalized through the expansion of attractions generating expanding hotel demand—without a concurrent increase in supply. Being located in the arts district, the hotel is particularly well suited to serve performers who may be in town for a few weeks and are part of the extended stay market segment. The location of the new project is also near St. Louis University, which has recently constructed the new Chaifetz Arena, completed in 2008. The arena has attracted new and different events to the city, along with the concurrent increase in new visitors to the area to attend basketball games. Additionally, the project is located near several major hospitals, which should experience expansion as the health care sector expands over the next several years. The expansion of attractions within the area, the location of the proposed project within an area that currently contains no hotels (and is therefore under-served), and the unique market segment that the hotel will service, all indicate that the hotel will serve existing unmet and also expanding demand, with minimal direct competition with existing suppliers.

Under the adjudication standard of a "reasonable methodology" for an indirect job estimation approach in total, EPR believes the USCIS could make a positive finding under a "preponderance of the evidence," that this impact assessment analysis supports a regional center designation approval (see above), an approval of the four requested NAICS activities (including NAICS Sector 2361 Residential Building

Construction, NAICS Sector 2362 Nonresidential Building Construction, NAICS Sector 423210 Furniture Merchant Wholesalers, and NAICS Sector 72111—Hotels (Except Casino Hotels) and Motels), and approval of the indirect job estimating methodology using the dynamic REDYN input-output model and the methods described above.

4. Model Output and Results

The REDYN model estimates all measurable linkages associated with the incremental economic activity in NAICS 2361, NAICS 2362, NAICS 423210, NAICS Sector 423210, and NAICS 72111 related to the proposed Missouri Theatre Building EB-5 Project. This incremental activity associated with the development project will create and sustain employment—net of any expected competitive pressures (i.e. job displacement in the existing regional and national supply) explicitly accounted for in the economic modeling. This impact assessment finds that the project would have positive and significant economic and job creation impacts in the prospective regional center. As the result of both the initial renovations of the building and the ongoing operations of the hotel, the project will add a total of 286 jobs (comprised as 250 indirect construction jobs plus 36 operations jobs from the Hotel in Year 3) due to expanded business activity related to an increase in final demand in NAICS Sector 2361—Residential Construction of Buildings, NAICS 2362—Nonresidential Construction of Buildings, NAICS Sector 72111—Hotels (Except Casino Hotels) and Motels and NAICS 423210: Furniture Merchant Wholesalers (See Table 7 below).

As a result, this economic and job impact assessment study finds, using the REDYN dynamic input-output model, that the development and operations of the proposed project as planned would generate significant and positive economic benefits for the U.S. economy as a whole.[34] Assuming the development and successful operation of the facility, the proposed project would likely result in: (1) a net increase of 693 net new, full-time and part-time, jobs (including 638 indirect construction jobs and 56 operating jobs in year 3) to be created resulting from the construction and operations of the proposed project, (2) a cumulative four-year total of $156.4 million in increased output (in 2012 dollars), (3) a cumulative four-year total of $65.8 million in increased disposable income (in 2012 dollars), and (4) a cumulative four-year total of $53.5 million in increased household earnings (in 2012 dollars).

This impact assessment also finds that the proposed project would have a positive impact within the regional economy of the Gateway to the Midwest Investment Center.[35] These benefits include: (1) the creation of a total of 286 jobs resulting from the initial renovations and ongoing hotel operations in the geographical area of the prospective regional center (comprised of 250 indirect construction jobs and 36 operating jobs in year 3), (2) a four-year cumulative total of $70.2 million in increased output (in 2012 dollars), (3) a four-year cumulative total of $30.0 million in increased disposable income

[34] For a full description of the REDYN input-output model see Appendix 3 of this report.
[35] Assuming the proposed regional center as requested was approved.

(in 2012 dollars), and (4) a four-year cumulative total of $24.7 million in increased household earnings (in 2012 dollars). Since the project is utilizing a lending approach to the EB-5 capital investment and has a construction period of less than two years, all of the jobs that are attributable to the Missouri Theatre Building EB-5 Project are indirect for EB-5 program purposes.

Table 7 Summary Results–Missouri Theatre Building EB-5 Project in St. Louis, Missouri

	Year 1	Year 2	Year 3	Year 4
Timeline	Construction	On-Going Operations		
Model Output [2]				
Total U.S. Economy				
Output ($2012, 000s)	$ 133,135	$ 7,619	$ 7,763	$ 7,908
Disposable Income ($2012, 000s)	$ 57,010	$ 2,890	$ 2,943	$ 2,995
Household Earnings ($2012, 000s)	$ 49,832	$ 1,210	$ 1,232	$ 1,254
Jobs	638	55	56	56
Regional Center Economy				
Output ($2012, 000s)	$ 57,660	$ 4,088	$ 4,165	$ 4,242
Disposable Income ($2012, 000s)	$ 25,686	$ 1,429	$ 1,455	$ 1,481
Household Earnings ($2012, 000s)	$ 21,751	$ 965	$ 982	$ 1,000
Jobs	250	36	36	36
Job Impacts by Component				
Construction				
Regional Center	250	-	-	-
Total U.S.	638	-	-	-
Hotel Operations				
Regional Center	-	36	36	36
Total U.S.	-	55	56	56

Notes:
[1] Economic activity was modeled at the county level.
[2] Direct construction jobs have been removed from the job impacts.

Prepared by: Economic & Policy Resources, Inc.

In total and including all new activity attributable to the proposed EB-5 project, this economic and job impact assessment study for the Missouri Theatre Building EB-5 Project estimated U.S. impacts outside the proposed regional center to include a four-year cumulative total of $86.3 million (in 2012 dollars) in increased output, a cumulative total of $35.8 million in increased disposable personal income (in 2012 dollars), and $28.8 million in increased household earnings (in 2012 dollars).[36] This study estimates that the employment impact outside the proposed regional center will include an additional 407 total full- and part-time jobs created outside of the regional center, corresponding to total U.S. job impact of 693 jobs in total job impacts of 286 within the geographic boundaries of the proposed Gateway to the Midwest Investment Center.

The above described macro impacts are comprised in part from impacts in key subsectors that the USCIS typically requests be delineated in economic-job impact studies of this type. As such, this study presents detailed predictions of impacts both inside and outside of the regional center and then for the U.S economy in total to illustrate these USCIS-requested impacts that are the result of the Missouri Theatre Building EB-5 Project—including Business Services, Utilities, Maintenance and Repair, and Construction impacts.

[36] These outside the regional center impacts are calculated as the difference between the cumulative U.S. totals for each variable less the estimated impacts within the regional center.

Table 8 (below) describes impacts by USCIS-requested subsector within the proposed regional center from all activity associated with the proposed EB-5 project. These include increased demand for: (1) Professional, Scientific, and Technical (Business) Services, with a four-year cumulative total of $3.7 million within the regional center, (2) Utilities, with a four-year cumulative total of $0.2 million within the regional center, (3) Repair and Maintenance Services, with a four-year cumulative total of $0.4 million within the proposed regional center, and (4) Construction [Partial], with a four-year cumulative total of $24.3 million within the proposed regional center (and including indirect impacts only).

Table 8 Total Employment and Output Impact for Select Industries within the Regional Center—the Missouri Theatre Building EB-5 Project

Within the Regional Center	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	—	Total (subsectors below)	221	2	2	2
	221	Utilities	0	0	0	0
	23	Construction	193	0	0	0
	233	Building, Developing, and General Contracting	186	0	0	0
	234	Heavy Construction	1	0	0	0
	235	Special Trade Contractors	6	0	0	0
	541	Professional, Scientific, and Technical Services	25	1	1	1
	811	Repair and Maintenance	0	0	0	0
Output Impacts	—	Total (industries below)	$ 27,694.7	$ 272.0	$ 277.2	$ 282.3
(2012$, thousands)	221	Utilities	$ 125.1	$ 10.5	$ 10.7	$ 10.9
	23	Construction	$ 24,005.8	$ 88.7	$ 90.4	$ 92.1
	233	Building, Developing, and General Contracting	$ 23,086.1	$ 24.3	$ 24.8	$ 25.3
	234	Heavy Construction	$ 139.0	$ 9.7	$ 9.9	$ 10.1
	235	Special Trade Contractors	$ 780.7	$ 54.7	$ 55.7	$ 56.7
	541	Professional, Scientific, and Technical Services	$ 3,232.0	$ 156.8	$ 159.8	$ 162.7
	811	Repair and Maintenance	$ 331.7	$ 16.0	$ 16.3	$ 16.6

Prepared by: Economic & Policy Resources, Inc.

The Missouri Theatre Building EB-5 Project, if developed and operated, would also have subsector impacts outside the proposed Gateway to the Midwest Investment Center, as proposed and including all activity attributable to the proposed EB-5 project (see Table 9 below). These include: (1) an increase in demand for the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $5.0 million, (2) an increase in demand for the Utilities subsector totaling to a four-year cumulative impact of $1.6 million, (3) an increase of demand in Repair and Maintenance with a four-year cumulative total of $1.0 million, and (4) an increase in demand for the Construction subsector with a four-year cumulative total of $2.2 million. All totals are reported in constant 2012 dollars.

Those above-described output increases correspond to supporting job increases within the proposed Gateway to the Midwest Investment Center, in those same supporting subsectors. Within the proposed regional center, gaining subsectors range from a low of no net new jobs in the Repair and Maintenance and Utilities subsectors to a high of 186 net new jobs in the Building, Developing and General Contracting subsector. Outside of the proposed regional center, gaining subsector impacts range from a low of

1 net new job in the Utilities subsector to a high of 33 in the Professional, Scientific, and Technical Services (see Table 8 above and Table 9 below).

Table 9 Total Employment and Output Impact for Select Industries Outside the Regional Center—the Missouri Theatre Building EB-5 Project

Outside the Regional Center	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	—	Total (subsectors below)	64	1	1	1
	221	Utilities	1	0	0	0
	23	Construction	20	0	0	0
	233	Building, Developing, and General Contracting	4	0	0	0
	234	Heavy Construction	3	0	0	0
	235	Special Trade Contractors	12	0	0	0
	541	Professional, Scientific, and Technical Services	33	0	0	0
	811	Repair and Maintenance	8	0	0	0
Output Impacts	—	Total (industries below)	$ 8,429.0	$ 419.0	$ 426.5	$ 433.9
(2012$, thousands)	221	Utilities	$ 1,321.8	$ 79.1	$ 80.7	$ 82.2
	23	Construction	$ 1,932.6	$ 96.3	$ 97.9	$ 99.6
	233	Building, Developing, and General Contracting	$ 465.1	$ 23.3	$ 23.7	$ 24.1
	234	Heavy Construction	$ 296.9	$ 14.9	$ 15.1	$ 15.4
	235	Special Trade Contractors	$ 1,170.6	$ 58.1	$ 59.1	$ 60.1
	541	Professional, Scientific, and Technical Services	$ 4,345.0	$ 204.9	$ 208.4	$ 211.9
	811	Repair and Maintenance	$ 829.5	$ 38.8	$ 39.4	$ 40.1

Prepared by: Economic & Policy Resources, Inc.

For the USCIS-requested subsectors, Table 10 (below) presents detailed subsector estimates of impacts for both output and jobs for the U.S. economy as a whole. From the table, total U.S. output growth impacts by subsector include: (1) an increase in demand for the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $8.7 million, (2) an increase of demand for the Utilities subsector with a four-year cumulative impact of $1.7 million, (3) an increase in demand for Repair and Maintenance with a four-year cumulative total of $1.3 million, and (4) an increase in demand for the Construction sector [Partial] with a four-year cumulative total of $26.5 million—counting only indirect construction impacts only. For jobs in the U.S. economy as a whole, this impact assessment study estimates that the renovation of the building and the ongoing operations of the hotel will result in job gains that will range from a low of 1 in the Utilities subsector to a high of 190 jobs in the Building, Developing and General Contracting subsector.[37]

[37] Job and output totals for the U.S. may differ from in and outside the regional center totals due to rounding.

Table 10 Total Employment and Output Impact for Select Industries for Total U.S.—the Missouri Theatre Building EB-5 Project

Total United States	NAICS	Sector/Subsector Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	—	Total (subsectors below)	285	3	3	3
	221	Utilities	1	0	0	0
	23	Construction	213	0	0	0
	233	Building, Developing, and General Contracting	190	0	0	0
	234	Heavy Construction	4	0	0	0
	235	Special Trade Contractors	18	0	0	0
	541	Professional, Scientific, and Technical Services	58	1	1	1
	811	Repair and Maintenance	8	0	0	0
Output Impacts	—	Total (industries below)	$ 36,123.7	$ 691.0	$ 703.7	$ 716.2
(2012$, thousands)	221	Utilities	$ 1,447.0	$ 89.6	$ 91.4	$ 93.1
	23	Construction	$ 25,938.5	$ 185.0	$ 188.3	$ 191.7
	233	Building, Developing, and General Contracting	$ 23,551.3	$ 47.7	$ 48.5	$ 49.4
	234	Heavy Construction	$ 435.9	$ 24.6	$ 25.1	$ 25.5
	235	Special Trade Contractors	$ 1,951.3	$ 112.7	$ 114.8	$ 116.8
	541	Professional, Scientific, and Technical Services	$ 7,577.0	$ 361.7	$ 368.2	$ 374.6
	811	Repair and Maintenance	$ 1,161.2	$ 54.8	$ 55.7	$ 56.7

Prepared by: Economic & Policy Resources, Inc.

Lastly, the economic and job impact estimates presented in this economic and job impact assessment study demonstrate specifically how the approval of the requested regional center (using the proposed, but not yet final, Missouri Theater Building EB-5 Project and its estimated impacts as described herein) will promote economic growth within the regional center geography in the newly requested activity sectors. USCIS approval of the proposed regional center for activity within the NAICS 72111 Hotels (Except Casino Hotels) and Motels, NAICS 236—Construction of Buildings, and NAICS 238 Specialty Trade Contractors sectors will result in significant and positive economic and job impacts for both the regional economy of the prospective Gateway to the Midwest Investment Center and the economy of the U.S. as a whole—consistent with the specific impacts detailed above.

5. Conclusions

The results of this revised economic and job impact assessment study show how approval of the proposed Gateway to the Midwest Investment Center regional center designation request can be expected to have significant and positive impacts on the regional center economy and on the economy of the U.S. as a whole. USCIS regulations allow applicants to submit an economic analysis of an initial project to demonstrate specifically how a regional center will promote economic growth (e.g. through improved productivity, job creation and increased capital investment) within a region—such as a proposed regional center. This updated economic and job impact assessment analysis for the real, but not yet final, Missouri Theater Building EB-5 Project[38] is intended to demonstrate how such EB-5 project would promote economic

[38] Again, this is a real project that is expected to be finalized subsequent to this filing and submitted in its final format and timeline as part of a subsequent filing to the USCIS—most likely for I-526 petitions for

growth within the geographic boundaries of the prospective Gateway to the Midwest Investment Center regional center.

According to this revised impact assessment study, the development and operation of an EB-5 project similarly configured to the prospective Missouri Theatre Building EB-5 Project will result in significant and positive impacts for both the Gateway to the Midwest Investment Center and for the U.S. economy as a whole. These impacts include a total of 286 jobs created in the prospective regional center's regional economy—including only indirect construction jobs. Additional impacts of the Missouri Theater Building EB-5 Project, as currently configured, within the regional center include a four-year cumulative total of $70.2 million in increased output, a four-year cumulative total of $30.0 million in increased disposable income, and a four-year cumulative total of $24.7 million in increased household earnings (all expressed in 2012 dollars). **Since the initial EB-5 project is expected to utilize a lending approach for the EB-5 capital investment when the project's plans are finalized, all of the jobs that are attributable to the prospective Missouri Theatre Building EB-5 Project are likely to be indirect for EB-5 program purposes. In this revised impact assessment analysis, all jobs are likewise considered indirect.**

Overall, assuming the prospective EB-5 project's finalized configuration will be very similar to the preliminary configuration analyzed in this study, the U.S. economy can be expected to experience an increase of approximately 693additional jobs as a result of the renovation of Missouri Theatre Building and the subsequent ongoing operations of the Hyatt-franchised hotel (counting only indirect construction jobs). Total U.S. economic impacts associated with the prospective EB-5 project include a four-year cumulative total of $156.4 million in additional output (including a four-year cumulative total of $86.3 million in additional output occurring outside the proposed regional center), a four-year cumulative total of $65.8 million in additional disposable income (including a four-year cumulative total of $35.8 million in additional disposable personal income occurring outside the proposed regional center), and a four-year cumulative total of $53.5 million in additional household earnings (including a four-year cumulative total of $28.8 million in additional household earnings occurring outside the proposed regional center). These figures are all reported in 2012 dollars.

These regional center impacts on output arise from impacts such as increased demand within the proposed regional center for supporting Professional, Scientific and Technical (Business) Services (with a four-year cumulative total of $3.7 million within the proposed regional center), Utilities (with a four-year cumulative total of $0.2 million within the proposed regional center), Repair and Maintenance services (with a four-year cumulative total of $0.4 million within the proposed regional center) and Construction [Partial] and counting only indirect activity (with a four-year cumulative total of $24.3 million within the proposed regional center)—all in 2012 dollars (See Table 8 above). Job impacts by subsectors within the regional center range from a low of no net new

EB-5 immigrant investors that are expected to invest in this prospective EB-5 project when the project's plans are final.

jobs in the Repair and Maintenance sub-category to a high of 186 net new jobs in the Building, Developing and General Contracting subsector.

This impact assessment study also finds that impacts outside of the prospective Gateway to the Midwest Investment Center include: an increase in demand for the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $5.0 million, increased demand for the Utilities subsector with a four-year cumulative impact of $1.6 million, an increase in demand for Repair and Maintenance with a four-year cumulative total of $1.0 million, and an increase in demand for the Construction subsector with a four-year cumulative total of $2.2 million. All totals are reported in constant 2012 dollars. Job impacts outside of the regional center range from a low of 1 net new job in the Utilities subsector, to a high of 33 jobs in the Professional, Scientific, and Technical (Business) Services subsector resulting from the construction and ongoing operations of the Missouri Theatre Building EB-5 Project.

When totaled, output growth impacts inside and outside the proposed Gateway to the Midwest Investment Center give impacts for the whole U.S. by subsector as follows: (1) an increase in demand for the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $8.7 million, (2) an increase in demand for the Utilities subsector with a four-year cumulative impact of $1.7 million, (3) an increase in demand for Repair and Maintenance with a four-year cumulative total of $1.3 million, and (4) an increase in demand for the Construction subsector [Partial] with a four-year cumulative total of $26.5 million. For jobs in the U.S. economy as a whole, this impact assessment study estimates that job gains will range from a low of 1 in the Utilities subsector to a high of 194 in the Building, Developing and General Contracting subsector (see Table 12 above). All totals are reported in constant 2012 dollars.

In addition to the prospective project impacts for the EB-5 project, the proposed EB-5 project is located within a high unemployment targeted employment area (TEA). The location of the prospective Missouri Theater Redevelopment EB-5 Project has been certified by the state Department of Labor and Industrial Relations as being located within a high unemployment rate TEA using 2011 calendar year[39] labor market data. Therefore, EB-5 investors in the Missouri Theatre Building EB-5 Project would qualify for the $500,000 EB-5 investor minimum.

The REDYN Model developed and maintained by Regional Dynamics, Inc. was used to provide a reasonable estimate of the economic and job creation impacts attributable to the construction of and the expected ongoing commercial operations at the potential Missouri Theatre Building EB-5 Project. A combination of data supplied by the project

[39] During the period of the development of this RFE response, the state of Missouri has undertaken and recently completed the changeover from calendar year 2010 to calendar year 2011 local area employment and unemployment data which is used in the high unemployment rate TEA certification process. Because of this changeover, there was insufficient time to complete the entire process of securing the TEA certification for the specific location of the prospective Missouri Theater Building EB-5 Project. This process will be completed prior to the submission of the first I-526 petition after the possible approval of the proposed regional center designation application.

developers, public and proprietary data on the industry, region and individual component markets, data from the United States Census Bureau, the Bureau of Labor Statistics, and the Bureau of Economic Analysis were used in this analysis.

Appendix 1:

Proposed Missouri Theatre Building EB-5 Project in the Prospective Gateway to the Midwest Investment Center
About Economic & Policy Resources, Inc.

Economic & Policy Resources (EPR): EPR began providing consulting services to public and private clients in 1983. Our staff is comprised of 9 full-time and 2 part-time employees. We deliver economic, financial, planning and public policy services to support our clients' critical decision making processes. Our staff of economists, planners and financial analysts uses state-of-the-art analytical tools and methods to inform and address client issues. EPR has developed and has access to extensive data (including proprietary data) and analytical tools to provide credible, fully-considered analyses-results. We have a proven record of accomplishment on a wide-range of studies involving economic, socioeconomic, community and economic development, and public policy topics. Our completed projects list includes over 75 EB-5 economic impact assessment assignments over the past six years.

Appendix 2:

Limitation and Contingent Conditions
Proposed Missouri Theatre Building EB-5 Project in the Prospective Gateway to the Midwest Investment Center

The results of this impact study should be viewed with certain limitations. This analysis is intended to assist the U.S. Citizenship and Immigration Service and interested parties in estimating the economic and job creation impacts associated with a potential EB-5 project within the geography of the prospective Gateway to the Midwest Investment Center.

- In undertaking this assignment, we employed accepted practices and assumptions designed to produce results that are conservative estimates for purposes of understanding the impacts of the proposed project. Actual results could differ.

- It should also be noted that specific estimates of year to year impacts are difficult to make with a high degree of accuracy. The potential project's impact in any one year could deviate from those presented in this report due to factors–such as interest rates and business cycles–that are beyond the scope of this analysis.

- The authors believe the study is a reasonable and conservative estimate of the likely economic and job creation impacts of this development activity under the assumptions employed in this study as of the date of this report.

Data utilized in the analysis was obtained from the developers of the potential mixed use construction and hotel operations project in St. Louis. We also employed data and information from various industry sources (e.g. selected trade associations, and other third party publications (e.g. from authoritative federal government departments and agencies) which are typically used by and commonly relied upon by economic analysts. Information supplied by the developers has been accepted as correct without further verification (although we conducted routine quality control checks for reasonableness), and we express no opinion on the accuracy of that information. The report reflects facts and conditions existing and known as of the date of the report. Subsequent events and additional information may require a review and alteration of the opinions and conclusions presented here.

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the prior written consent of the client or of Economic & Policy Resources, Inc. and, in any event, not without proper attribution. The opinion expressed herein is valid only for the purposes described herein.

The undersigned has no present or prospective interest in the property that is the subject of this report and has no personal interest or bias with respect to the parties

involved. Economic & Policy Resources, Inc. is paid an hourly rate for time spent in analyzing and preparing its conclusions and opinions. Economic & Policy Resources, Inc.'s fees are not contingent upon the outcome of any event for which this report may be used.

Appendix 3:

Schedule of Exhibits
Proposed Missouri Theatre Building EB-5 Project in the Prospective Gateway to the Midwest Investment Center

Exhibit 1: The Business of Regional Dynamics, Inc.: *Economic Modeling Redefined* – Source: Regional Dynamics, Inc.

Exhibit 2: How the Regional Dynamics Economic Model Works: *The REDYN Model in a Nutshell* – Source: Regional Dynamics, Inc.

Exhibit 3: REDYN Model Data Sources and Baseline Estimation Process: *Where the REDYN Model Gets Data* – Source: Regional Dynamics, Inc.

Exhibit 4: The Regional Dynamics Economic Analysis Model: *What the REDYN Model Does* – Source: Regional Dynamics, Inc.

Exhibit 5: Feature Comparison – Major Commercial Economic Models – Source: Regional Dynamics, Inc.

Exhibit 1:
The Business of Regional Dynamics, Inc.:
Economic Modeling Redefined – Source: Regional Dynamics, Inc.

The Business of Regional Dynamics, Inc.

Economic Modeling Redefined

Regional Dynamics is an economic modeling company. We offer the REDYN advanced economic model by web subscription or batch services to consultants, agencies, firms, planners, and analysts (users). REDYN runs on the Internet. Subscriptions include advice to apply and interpret the model. Our model estimates the multi-regional impacts and year-by-year (dynamic) nonlinear effects on industries, consumers, and governments from changes in company sales, jobs, wages, or investments; changes in taxes or personal or government spending; or public policy changes such as energy, environment, school, health, or security measures. The results are called simulation forecasts, or simulations.

Our model is a fundamental re-envisioning of economic theory applied to estimating multi-regional, dynamic effects. It reflects advances in New Economic Geography, especially gravity theory (regional attraction) and trade flow (regional imports/exports), based on a new distance impedance database from Oak Ridge National Laboratories that enables calculating trade flow by commodity by road, rail, water, air, and proxy transport. The breakthrough in design is the commodity production linkage between the trade flow process and an entity-based data structure for the economy. Entities include industries, workers, governments, investors, etc., and commodities are the goods they use and make.

The upshot—users can build and run multiple online custom models on the fly for solid project analysis. These features make REDYN more flexible, complete, and accessible than any other modeling process—in a nutshell: *No sticker shock; better solutions.*

Because our model runs on the Internet for all 3,100+ US counties, it meets the need for multi-regional tools usable by state, regional, Federal, and consulting organizations who share policy or forecasting interests or economic impact interests in the same geographic areas. The model's fresh, efficient design and its Internet accessibility make it ideal for supporting long-term collaborative efforts as well as for doing individual studies.

The model also is ideal for studying effects of sequential regional inputs, or generating a schedule of responses from a large set of alternative inputs, across a very large number of counties. Repetitive changes across many regions may be better handled as an offline batch job following an analytic script rather than as an Internet project. However, the batch approach has an engagement element as follows: After a user calls us, we accept and review the user's study information, set up and run the script, then produce and deliver agreed brief script reports in hard copy or electronic format from the simulation results. Alternatively, users can subscribe online to their simulation results so they can create their own simulation-based script reports at will for open-ended multiple studies.

We offer model subscriptions to consultants, but we're not in the consulting business. We're happy to initiate or partner with consultants if an agency, company, or other group issues a request for proposals (RFP) to do a study involving economic modeling and consulting. However, we'd prefer that the consultants do the modeling and produce the study defined in the RFP, and mention our name and modeling process in the study.

Exhibit 2:

How the Regional Dynamics Economic Model Works:

The REDYN Model in a Nutshell – Source: Regional Dynamics, Inc.

How the Regional Dynamics Economic Model Works

The REDYN Model in a Nutshell

REDYN is a dynamic, nonlinear, endogenous, Input-Output (I-O), computable general equilibrium (CGE) economic and demographic forecasting and analysis engine based on the North American Industrial Classification System (NAICS). REDYN's online model-building edge excels at providing a uniquely complete and consistent Internet tool to configure and access plans, policies, events, and risks fully and very rapidly.

The REDYN model reflects advances in New Economic Geography (NEG) for gravity theory and trade flow to estimate all local and multi-regional trade flow effects by commodity by distance by transport mode by direction in response to any output or demand changes. It does not lock each industry into a straight-line industry transport cost within one implied universal transport distance, mode, and direction between county pairs. In addition, its multi-regional scope always includes the whole regionalized US economy in every forecast and simulation.

REDYN's breakthrough design links three elements into one core activity: its continuous make-and-use commodity transformation production function, its NEG trade flows, and its entity-based data structure for the economy (social accounting matrix). All industries and entities including labor both use and make one or more commodities (goods and services). All commodities use appropriate transport modes, or communications mode if non-material.

The REDYN model moves all commodities including labor both within counties and between all county pairs and the automatic rest-of-US area by five transport modes (road, rail, water, air, and estimated). It uses I-O transport demand and Cobb-Douglas step-wise adjustments (equal proportion changes, i.e., constant elasticity of substitution) to assign commodities to modes, and a detailed Oak Ridge National Laboratory impedance database to account for accessibility (impedance) by mode, distance, and travel direction by commodity (accounting for net elevation difference effects) between all origin-destination pairs.

Users can control access (impedance) either at a mode level, or at a commodity-by-mode level. The Cobb-Douglas shift of commodities toward transport mode(s) with increased accessibility (reduced impedance values) induces changes in delivered prices for all affected commodities including labor. The industries or entities producing or using the affected commodities then adjust their output and thus their need for inputs.

The price-driven output and input adjustment process also applies if a user models a non-transport change or policy, such as an impact, demand, cost, tax, or price scenario. These changes affect local and remote supply and demand for one or more commodities, and thus their delivered prices after they pass through the transportation system. To varying degrees, the process then affects delivered prices, outputs, and inputs for all commodities through the continuous commodity transformation production function applied by every industry and entity wherever located. Expressed over time and distance, this ongoing cycle is the essence of modern CGE-NEG modeling and forecasting defined by REDYN.

Operationally, REDYN's multi-processor Internet server carries active regions for over 3,100 counties, 700 industries, 820 occupations, hundreds of commodities, and a 50-year forecast in a 2-terabyte database. It offers much more power, flexibility, and multi-user access, including consultant and institutional collaboration, than desktop systems offer.

The REDYN model framework takes the traditional economic concept of the circular flow diagram absolutely seriously, and discards the artificial primacy given to the idea of factor inputs to production. The framework views the economy as a comprehensive, continuous process in which industries and entities convert input commodities into output commodities. For example, producers or industries clearly do this, as is seen in the classic I-O table structure based on real-world business behavior.

Labor too can be viewed as an "industry" or entity. It converts consumer goods and services into a wage bill, which is a market commodity behaviorally identical to any other. Similarly, remittance cohorts, defined as the unemployed as well as all individuals such as retired persons and others who receive government payments through transfers, can be seen as entities that convert consumer goods and services into transfer payments.

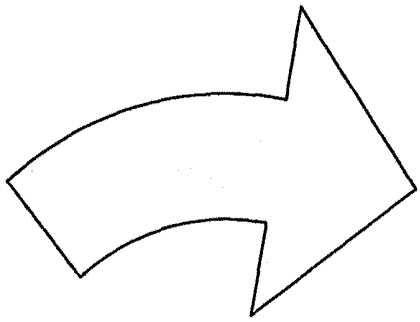
Likewise, governments convert purchases of commodities including industry goods and services and labor's wage bill into government goods and services that are "purchased" primarily through tax revenue. Finally, the model includes "investors" to produce financial capital, "speculators" to produce physical capital, and "land" to anchor each regional economy with its particular attributes so that the regions do not collapse together as would occur if all regions had the same basic labor, farm, water, mineral, and infrastructure resources when multiregional transport costs are considered.

The REDYN model can be visualized as regional entities using, making, and moving commodities in an organized circular process that captures supply (making goods and services), demand (using goods and services), and delivered price (costs for making and moving goods and services) to clear the supply and demand for all commodities in and across all regions.

The charts on the next five pages summarize the model's operation as follows…

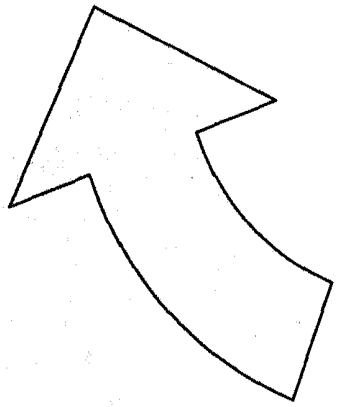
- Circular Flow Economic Entity Process
- Commodity Make Table by Entity
- Commodity Use Table by Entity
- Entity Production Function Form by Region
- Demographics and Migration
- Economic Model Schematic Summary
- Economic Model Production Function and Commodities by Entity
- Economic Model Prices and Trade Flow

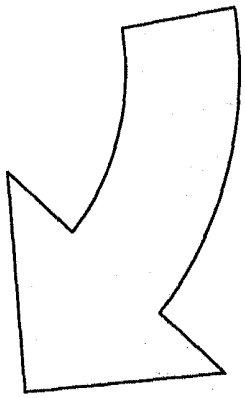
CIRCULAR FLOW ECONOMIC ENTITY PROCESS In & Between All Regions



USE Commodities:
Demand
(Delivered Price = ExWorks Price + Transport Cost)

MAKE Commodities:
Supply
(ExWorks Price, i.e., price at source of good or service)





MOVE Commodities:
Trade Flow
(Transport Cost by Commodity, Distance, Mode, and Direction for all Regional Pairs)
5 Modes: Road, Rail, Water, Air, Other

ENTITIES MAKE:	Producer Goods	Wage Bills	Transfr Pmts	Govt Goods	Fincl Cap (Div-Int-Rent)	Phys Cap (Resid, P&E)	Land
Producers	x						
Labor		x					
Remittance Cohorts			x				
Governments				x			
Financial Capital Providers (Investors)					x		
Physical Capital Makers (Speculators)						x	
Land							x

ENTITIES	Producers	Labor	Remits	Govts	Investors	Spec	Land
USE—							
Producer Goods&Svcs	x	x	x	x	x	x	
Labor (Wage Bill)	x			x		x	
Transfr Pmts/Taxes				x			
Govt Goods&Svcs	x	x	x	x	x	x	
Fincl Cap (Div-Int-Rent)						x	x
Phys Cap (Resid, P&E)	**P&E**	**Res**	**Res**	**P&E**	**Res**		
Land	x	x	x	x	x	x	

Entity PRODUCTION FUNCTION FORM by Region

Input Demanded					Output (Sales) Supplied			
Commodity	Qty	RPC	Dlvrd Price	Jobs	Commodity	Qty	ExWorks Price	Intl Pct
Land	x	**1.0**	x		Primary	x	x	x
Residential	x	x	x		2nd	x	x	x
Financial	x	x	x		3rd	x	x	x
Plant&Equip	x	x	x		4th	x	x	x
Wage Bill	x	x	x	x	Others/Misc	x	x	x
Goods&Svcs	x	x	x		Scrap	x	x	x

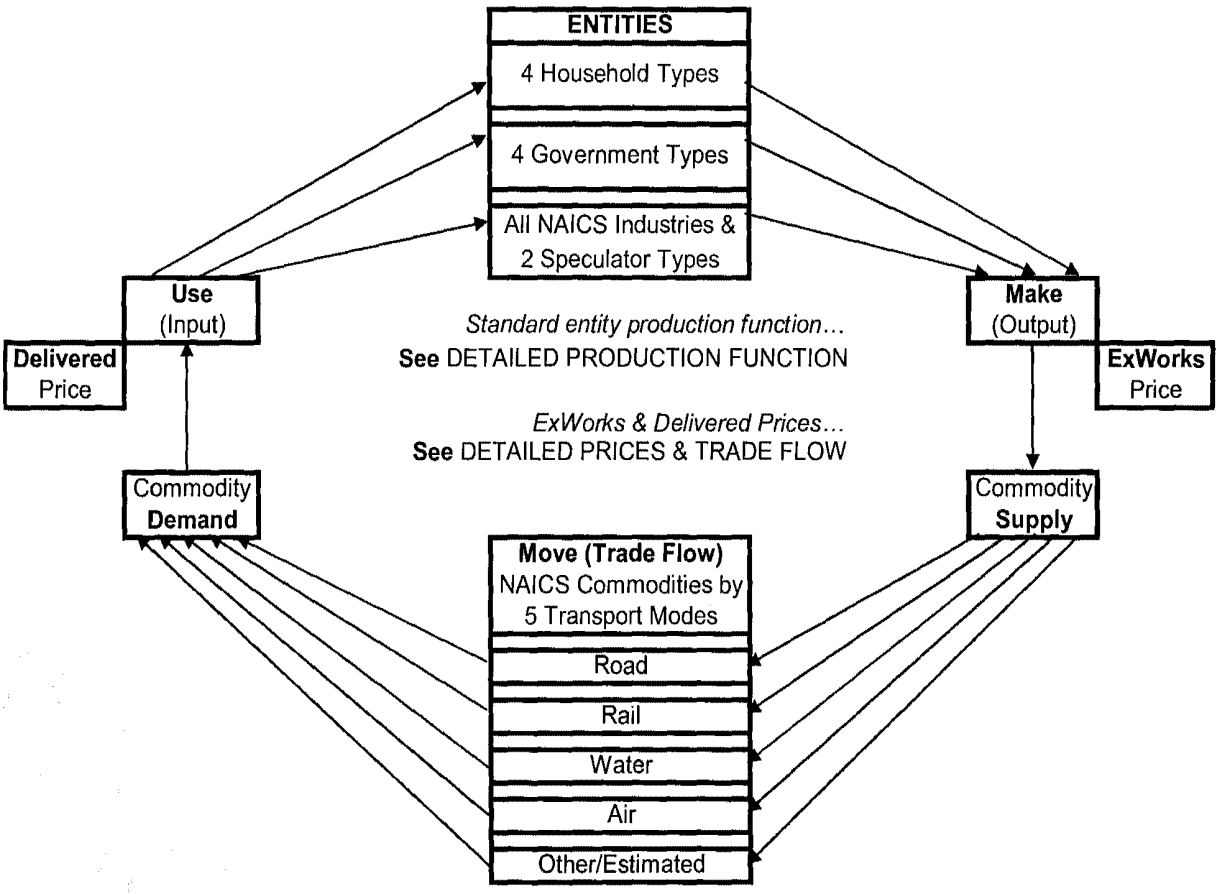
DEMOGRAPHICS: Cohort-survival estimation

- White, non-Hispanic
- Black, non-Hispanic
- Other, non-Hispanic
- Hispanic
- Male or Female
- Ages 0-1, 2-99 by year, 100+ years

MIGRATION: Induced by economic activity

- Intrinsic behavior of economic labor's wage bill commodity (historical relationships by region across wage bill, output, jobs, and people)
- Estimate wage bill and output changes, then scale to jobs and people (rational expectations notion)
- Subject to regional constants by cohort (controls for demographic composition)

REDYN Economic Model Schematic-SUMMARY
1/21/2006



REDYN Economic Model Schematic-DETAILED ENTITY PRODUCTION FUNCTION

1/21/2006

Standard Make & Use Production Function for All Entities

Entities ... Producers, Labor, Remittance Cohorts, Govts, Investors, Speculators

Standard Make & Use Production Function by Entity Group ...

Industries (By NAICS Code); **Speculators** (Capital Goods Makers: Residential, and Nonres Plant & Equip)

Use Commodites: Land, P&E (Indus only), Financial (Spec only), Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Producer Indus (Primary, Others, Misc, Scrap); Spec (Res, P&E) [ExWorks Prices]

Households (Workers; Unemployed & Retired; and Savers)

Use Commodites: Land, Res, Goods&Svcs [Dlvrd Prices]

Make Commodities: Wage Bill, Proprietors Income, Transf Pmts, Div-Int-Rent [ExWorks Prices]

Govts (Fed Mil & Nonmil, and State & Local Educ & Noneduc)

Use Commodites: Land, Transf Pmts/Fees&Taxes, P&E, Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Primary, Others, Misc, Scrap [ExWorks Prices]

Commodites

All NAICS Commodities ... Supplied & Demanded ...

Aggregated by Detailed NAICS Commodity Across All Entities by Region ...

Supplied Categories (Make By)

Land (Fixed by Region)
Residential (Speculators)
Div-Int-Rent (Households)
Plant & Equip (Speculators)
Wage Bill & Prop Income (HH)
Transf Pmt/Fee/Tax (HH/Indus/Spec)
Primary/Others/Misc/Scrap (Producers & Govts)

Demanded Categories (Use By)

Land (HH, Govts, Indus, Spec)
Residential Capital (HH)
Financial/D-I-R Capital (Spec)
Plant & Equip Capital (Govts, Indus)
Labor (Govts, Indus, Spec)
Transf Pmts/Fees&Taxes (Govts)
Goods&Svcs (HH, Govts, Indus, Spec)

REDYN Economic Model Schematic-DETAILED PRICES & TRADE FLOW

1/21/2006

Prices & Trade Flow ...

ExWorks Price by Commodity by Source (Supplying or Output) Region	+	**Transport Cost** by Commodity by Mode, by Distance, & by Direction Within & Between All Regions	=	**Delivered Price** by Commodity by Using (Demanding) Region

Details on Prices & Flows ...

Supplied at ExWorks Price specific in each output region based on delivered prices for the commods to each entity's production function in the region → **Transport each commodity** within & between all regions A, B, C, ... by demanded mode at a cost for mode, distance, & direction (elevation cost effect) → **Demanded at Delivered Price** from an output region to each specific demanding region (***Note***)

Note on Delivered Price

In any demanding region, the delivered price by commodity is the blend across the supplying output regions ranked by lowest delivered price to the demanding region until the total quantity demanded has been met for the demanding region.

Exhibit 3:

REDYN Model Data Sources and Baseline Estimation Process:

Where the REDYN Model Gets Data – Source: Regional Dynamics, Inc.

REDYN Model Data Sources and Baseline Estimation Process

Where the REDYN Model Gets Data

Regional Dynamics uses several sources to estimate county-level employment and output for its baseline database. The REDYN model applies the North American Industrial Classification System (NAICS) at the five-digit detail level (703 industries), and also uses NAICS to identify all the goods and services (over 180 commodities) consumed and produced by the detailed industries. NAICS is used by the US Government to classify and organize information about all the various industries making up the US economy, such as retail stores, automobile manufacturing, insurance firms, and so forth. NAICS reports five levels of detail. The two-digit level aggregates all activity into 24 broad economic industries, and the five-digit level identifies activity across 703 specific industries.

The primary data sources are the County Business Patterns (CBP) from the Bureau of the Census, and the Regional Economic Information System (REIS) from the Bureau of Economic Analysis (BEA). Wage Bill (payroll) data are derived from the same sources and with the same techniques as the employment data. The CBP reports the total annual payroll for each NAICS code up to the five-digit level of detail for the US as a whole and for every region, state, and county. However, total employment data and total payroll data are subject to data suppressions for privacy. Regional Dynamics developed a sophisticated row-and-column sum (RAS) analytic system to fill all data suppressions by using all information available in the CBP series and guaranteeing internal consistency with unsuppressed wage and employment data. All the furnished and estimated CBP wage bill and employment data are then totaled and scaled to match the wage bill and employment data reported in the BEA's REIS, which includes all county and state wage bill data at three-digit NAICS detail and employment data at two-digit NAICS detail.

The REIS directly provides wage bill and employment data for the government and agriculture sectors, and also disposable personal income data by county. The REIS county income data are used to allocate national consumption to counties from the BEA's National Income and Product Accounts (NIPA).

Annual Input-Output (IO) tables are constructed using BEA IO make-and-use tables, as well as biennial 10-year IO forecast tables from the Bureau of Labor Statistics (BLS). Make tables describe all the commodities made by each economic entity, and use tables describe all the commodities used by each economic entity. The very detailed BEA IO make-and-use tables are extended year-by-year to match the annual changes in make-and-use composition implied by the current 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

Each county's wage bill by industry is used to allocate each industry's national output to counties from the NIPA, and then the regional output by industry is allocated to commodities based on the national IO make table proportions. This assumes that the commodities produced by an industry are truly joint in the production process, as dictated by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry.

Exhibit 4:
The Regional Dynamics Economic Analysis Model:
What the REDYN Model Does – Source: Regional Dynamics, Inc.

The Regional Dynamics Economic Analysis Model

What the REDYN Model Does

Regional Dynamics offers REDYN, a fundamentally new, web-based, massively multi-regional, dynamic, nonlinear New Economic Geography analysis engine with a complete economic database and baseline forecast. After subscribing to the system, users input online changes by region and year: e.g., jobs, wages, output, income, intermediate demand, and final consumption, investment, and government demand. REDYN then estimates detailed, annual, gravity-based trade flows and impacts in all US counties and industries. The model is a live, online Internet service. It's also available to run batch mode jobs to process massively multi-regional tasks (3,100+ regions) for automated or scripted work.

The REDYN model applies a fresh I-O methodology based on very detailed make-and-use tables with social accounting matrix features for all entities, a comprehensive commodity production transformation function, and impedance-based commodity trade flows by five transport modes. Oak Ridge National Laboratories developed the impedance measures.

The model automatically includes an explicit extra region for all US counties outside any given simulation to identify the full US output and trade flow response. The model also automatically seeks the suppliers of suppliers to find the complete US supply chain response by region and industry in any simulation.

REDYN excels at offering a uniquely complete and consistent model-building edge that no other modeling process can replicate for configuring and assessing plans, events, and risks fully and rapidly across regions and years.

Here's how it works. At run time, users apply their subscribed resources as an online tool kit to build and run custom models at will. This design flexibility lets users quickly build models scaled correctly for any studies, event analysis, overlapping or alternative analytic perspectives, or backcast analysis.

The REDYN model estimates employment, output, wages, occupations, income, gross product, demand, self-supply, trade flow, etc. Within a user's subscription, the model generates year-by-year reports by county and year, for all subscribed counties, or for any aggregation into user-defined areas for each study. For easy regional comparison at no extra cost, each report focuses on one concept (jobs, output, wages, and so forth) arranged by region by year on a sheet in a spreadsheet book. Users then can apply full spreadsheet tools for sorting and charting. Online and phone support are included.

The model is available to all users across agency levels. Clients can offer access to other users through user-group web pages with discounts or rebates based on the size of the client's subscription. Clients subscribe to a regional area (one or more counties, states, or groups); to 703 industries (North American Industrial Classification System); and to an analytic type (I-O only, or equilibrium and I-O). The client sets the number and identity of its subscribing users; one user is free. Subsequently added users including consultants or staff can be managed by one or more additional users on an incremental fee basis.

Exhibit 5:

Feature Comparison – Major Commercial Economic Models

Source: Regional Dynamics, Inc.

RegionalDynamics
Synchronicity. Simplified.

Feature Comparison – Major Commercial Economic Models

Feature	REDYN	REMI	IMPLAN	RIMS	*Notes*
Access/Subscription	Internet/Yes	Desktop CD/No	Desktop CD/No	Desktop CD/No	1*
Process to Deliver Custom Study Models	Immediate at user run time, any time	Queue, batch, + mail or overnight	Batch + mail or overnight	Batch + mail or overnight	2*
# of Custom Area Study Models per User	Build any custom models as needed	One (1) model per client	Alternative single regions only	Alternative single regions only	3*
Fee for User-defined Custom Study Models	None within subscription	Non-trivial fees for more models	None, but 1 region only	None, but 1 region only	4*
Dynamic Forecast	Yes (50 years)	Yes (to 2050)	No	No	5
Nonlinear Forecast	Yes	Minimal	n/a	n/a	6
Active Multi-regions	3,100+	80+ maximum	None	None	7
Automatic MRUS	Yes	No	n/a	n/a	8*
Impedance Database	Yes	No	No	No	9*
# of Transportation Modes (Trade Flow)	5 (road/rail/air/ water/special)	None	None	None	10*
Last History Year Lag	Soon: 6-7 months	2+ years	2 years	90-180 days	11*
Industry Detail	NAICS 5 (703)	REMI 3 (169)	NAICS 2-5 (509)	NAICS (473)	12
Commodity Detail and Classification Type	NAICS /180+ non-agr commods	None	SIC /528 commods incl agr	None	13*
Std Occup Code Detail	820+ /SOC 6-digit	90+ /std; 820+ /fee	None	None	14
IO Tables	Make & Use	Industry only	Make & Use	Industry only	15
Integrated IO-SAM	Yes	No	Partial	No	16*
Wage Bill & Empl	CBP & REIS	CBP & REIS	CBP & REIS	REIS only	17
Suppression Fill for Wage Bill & Empl	NAICS 5-digit RAS process	NAICS 4-digit statistical process	Yes, but not exhaustive	n/a	18
Disposable Income incl Commuters	REIS direct & Res Adj/JTW/gravity	REIS directly & Res Adj/JTW	REIS directly & Res Adj/JTW	No data access	19*
County Consumption	REIS & NIPA	REIS & NIPA	REIS & NIPA	No data access	20*
County Output	Wages & NIPA	Wages & NIPA	Wages & NIPA	No data access	21*
County Output by Commodity	Output & detailed IO Make Table	None	Output & IO Make Table	None	22
Demographics/Migr	Yes/rational migr	Yes/adaptive migr	No	No	23*
Business Cycle	Yale—Fair-Parke	U. Mich.—RSQE	n/a	n/a	24
BEA IO Forecast	Yes	No	No	No	25*
Multi-regional Search for All Suppliers	Search process by region for full US	Search step only for client's regions	Search step only for one region	n/a	26*
Analytics	CGE and IO	CGE and IO	IO only	Multipliers only	27
Jobs+Wages+Output	Blended handling	Double count input	Double counts	Double counts	28
Backcasting	Plan 1998 in 2006	No	No	n/a	29*
Subcounty Regions	Plan for 2006	Yes (manual)	By ZIP Code	No	30
Production Function Includes All Supply, Demand, Trade Flow	Inclusive function for IO and CGE processing	Non-inclusive function needs post process equations	No endogenous gravity-based trade flow	n/a	31*
Displacement Effect	Allocated or Prop	Allocated only	No	No	32*
Induced Investment	Yes	Yes	No	n/a	33
Fiscal Effects	Yes (standalone)	Yes (integrated)	No	No	34
Display Data Results	Multi-regional	Region by region	One region	One region	35*
Consultant/Other User	Incremental fee	Non-trivial fees	Full price fee	No added fee	36*

***/ Line Notes for Features:**

1-4: REDYN subscribers subscribe to a pool of regions from which to build custom run time models at will.

8: The REDYN model automatically creates and reports on an active extra region for the rest-of-US outside the region(s) being modeled. This allows results for the selected region(s) to reflect endogenous trade flow, supply chain, and other demand effects stemming from the whole multi-region US (**MRUS**) model.

9, 10, 13: REDYN's New Economic Geography (NEG) engine applies a complete database of impedance measures by transport mode developed by Oak Ridge National Laboratories. Unlike straight-line measures, impedance can differ between regions with the mode and with the direction of travel, and trade flows can be estimated by commodity by mode. ORNL's database also enables REDYN's equilibrium model to estimate economic effects from transportation network models, and to estimate freight system effects on the economy due to commodity volume changes or transport mode capacity changes in county transportation networks.

11: The REDYN model uses available CBP and REIS county values to allocate current US wage bill and employment data to populate counties with apportioned detail numbers. Initial data from 2001; soon 2005.

16: The REDYN commodity make-and-use Input-Output tables use a Social Accounting Matrix to capture every economic entity type. Entities include producers (industries), employed labor (occupations), remittance cohorts (unemployed labor, retirees), governments, investors, and speculators. Commodities include producer commodities, labor occupations, transfer payments, government goods, financial capital, and physical capital.

19-21: The impedance database (note 9 above) enables REDYN to separate the process for populating the database from processes for estimating a gravity model's effective distance parameters. REDYN can use gravity analysis on commuter Journey-to-Work to estimate occupations and income levels by residence.

23: Intrinsic rational expectations induce migration from economic activity subject to cohort regional constants.

25: The REDYN model extends the very detailed BEA IO make-and-use tables year-by-year to match the annual changes in make-and-use composition implied by the 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

26: The REDYN model applies the detailed national IO use tables to estimate a complete US multi-regional supply response to indirect and induced demand, and to exogenous final demand, in a search cycle which looks for the suppliers of suppliers across all US industries by every US region until the process cuts off.

29: The REDYN model will use 2001-2002 county values to allocate 1998-2000 US NAICS data to counties.

31: The inclusive REDYN commodity transformation production function captures all production and NEG gravity relationships – there is no need for post-process adjustment equations. Detailed industries and other entities by region by year transform input commodities into output commodities using a robust, nonlinear, dynamic, parameterized, endogenous, iterative production function in a continuous process that fully includes intermediate and factor inputs, final demand, jobs and output, and endogenous gravity trade flows.

32: Displacement is sales crowding out; REDYN allows supply-source allocation or equal proportion crowding.

35: The REDYN report suite automatically includes a comparative regional display format as an embedded feature at no extra cost. Results are generated as sheets in a spreadsheet book with full sorting, charting, scaling, and pivot capabilities.

36: Subscribers can offer access to other users (e.g., mixed state/local agencies, partners, clients, etc.) through user-group web pages with discounts or rebates up to 50% based on the size of the master subscription—and subscribers and other users can add staff or consultants by one or more new users on an incremental fee basis.

Exhibit 3

Revised Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "**Agreement**") is made this ___ day of November 2012 by and between the **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.** a Missouri corporation (the "**Regional Center**") and **MISSOURI THEATRE, LLC**, a Delaware limited liability company (the "**Developer**") and **MISSOURI THEATRE LENDERS, LLC**, a Missouri limited liability company (the "**Sponsor**").

A. The Regional Center has received or is in the process of receiving regional approval certification (the "**Regional Approval**") by United States Citizenship and Immigration Services ("**USCIS**") to sponsor capital investment projects, as defined by USCIS, in a defined territory (the "**Territory**") that allow investment by foreign entrepreneurs as a means of obtaining an EB-5 visa to reside in the US. (the "**EB-5 Program**");

B. The Developer is the developer of a project in the St. Louis, Missouri area (the "**Project**"), as more fully described in the Private Placement Memorandum (the "**PPM**") to raise capital for the Regional Center and the Project;

C. The Developer has been advised by its economist that the Project should qualify for the lower investment amount based upon the Targeted Employment Area ("**TEA**") qualification of the Project;

D. The Regional Center desires to work with the Developer for the purpose of bringing to the Regional Center the Project that qualifies for EB-5 financing and in that regard, the Regional Center and the Developer have assisted the Regional Center to create a separate limited liability company (the Sponsor) for the purpose of serving as the lender to the Project.

NOW THEREFORE, the parties agree as follows:

1. Access to the EB-5 Program. The Developer hereby provides the Regional Center with the opportunity to administer the Project and qualifies the Project for funding thereof, under the EB-5 Program. The Regional Center reserves the right to approve (i) the business plan of the Project sponsored by the Developer and determined by the Regional Center to qualify for EB-5 funding, (ii) the offering documents proposed to be used to solicit investment from foreign investors under the EB-5 program for the Project, (iii) the loan documents between the new commercial enterprise formed to conduct an offering to foreign investors under the EB-5 program and the Developer of the Project seeking EB-5 funding, and (iv) any and all filings with USCIS with respect to the Project. The foregoing approvals shall not be unreasonably withheld. Oversight of the Project by the Regional Center shall continue until the conditions on the visas received by all foreign investors in the Sponsor to the Project shall have been removed.

2. Duties of the Developer and the Regional Center. With the assistance of the Developer, the Sponsor and the Regional Center will prepare a PPM and all associated legal and promotional documents pursuant to which Sponsor will solicit foreign investors to invest in the

Project (the "**Offering**") and loan the proceeds of the Offering to the Developer of the Project on terms as set forth below under Section 5 (the "**Loan**"). The parties acknowledge that the Project can accommodate up to $8,000,000 in EB-5 investment based on an economic impact report prepared by an independent economist, and that the Developer has completed the principal planning activities necessary for the Sponsor to prepare the PPM, file the Exemplar with USCIS, and undertake the Offering for the Project. In addition, the Regional Center shall have the duties set forth on Schedule B, attached hereto.

3. Legal Fees and Costs. The Developer shall reimburse reasonable legal fees arising from this Agreement, the Offering to solicit investors for the Project and the Loan provided the EB-5 investment is completed and funded to the Project.

4. Administrative Fees. In connection with the Project, the Developer shall pay or cause to be paid to the Regional Center the compensation set forth in Schedule A attached hereto:

5. Terms of EB-5 Loan. The Developer has proposed the following terms for the loan between the Sponsor and the Project, subject to final negotiation of terms with the placement agents and brokers:

a. Not less than $2,500,000 and not more than $8,000,000;

b. If a maximum offering is not raised, then the EB-5 Loan shall be subordinate to senior indebtedness;

c. Market interest rate to be negotiated with EB-5 brokers, not to exceed 1% per annum; and

d. Term of five (5) years subject to two (2) one (1) year extensions by the Developer in order to conform to provisions provided for in the PPM.

6. Plan of Distribution. Sponsor plans to distribute the securities in a Regulation S Offering under the Securities Act of 1933 (the "**Act**") to foreign investors as well as Regulation D of the Act for sales made to U.S. Persons (as defined in Regulation S).

7 Binding Agreement. The parties intend to be bound to the provisions of this letter agreement until the execution and delivery of other definitive agreements. Such agreements shall contain customary terms and conditions, including the following:

a. Finalization of the PPM;

b. Finalization of agreements with sales agents and migration brokers;

c. The Sponsor's completion of the due diligence review to conform to the Summary Business Plan and PPM securities offering requirements;

d. representations and warranties of the parties being true in all material respects at the closing date of the PPM; and

e. Such other agreements contemplated by this Agreement.

8. Designation – Representations and Warranties by Regional Center regarding Regional Center Designation. The Regional Center represents and warrants as follows:

a. The Regional Center's designation as an approved regional center is in good standing, has not been terminated by USCIS and is currently subject to an outstanding notification of violation or possible termination of designation by USCIS.

b. The Regional Center is in full compliance with all reporting requirements to USCIS.

c. There has been no material change in any of the representations made to USCIS in the regional center designation application or any exemplar I-526 petitions filed with USCIS.

d. The Regional Center has in place the administrative staff necessary to track all investors' capital investments and to track allocation of jobs created through the investments to each individual investor.

e. The Regional Center is in full compliance with all laws of the United States and any foreign jurisdiction, including all corporate and securities laws.

9. Representations and Warranties by the Regional Center. The Regional Center represents and warrants it is (a) duly organized and existing under the laws of the State of Missouri, (b) it has full right, power and authority to execute and perform this Agreement, (c) the execution and performance of this Agreement do not and will not violate any law, rule, regulation, order, writ, injunction or decree of any court or government, domestic or foreign, or any commission, bureau or administrative agency, or any agreement or instrument by which the Regional Center is bound and (d) upon its execution, this Agreement will constitute the binding obligation of the Regional Center enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally or by limitations on the availability of equitable remedies.

10 Representations and Warranties by the Developer. The Developer represents and warrants to the Regional Center that (a) it is duly organized and existing under the laws of the State of Missouri, (b) it has full right, power and authority to execute and perform this Agreement, (c) the execution and performance of this Agreement do not and will not violate any law, rule, regulation, order, writ, injunction or decree of any court or government, domestic or foreign, or any commission, bureau or administrative agency, or any agreement or instrument by which the Developer is bound and (d) upon its execution, this Agreement will constitute the binding obligation of the Developer enforceable against it in accordance with its terms, except as

the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally or by limitations on the availability of equitable remedies.

11 Indemnification. The parties shall mutually indemnify and hold each other, including their officers, directors, shareholders and employees, harmless against any and all claims arising directly or indirectly from, as a result of a breach by one party of any obligation under this Agreement, including costs and attorney's fees of defending any claim that may be brought against one party as a result of a breach by the other party.

12 General Provisions.

A. Entire Agreement. This Agreement sets forth the entire understanding and agreement between and among the parties hereto with reference to the subject matter hereof, and may not be modified or terminated orally, nor shall any oral waiver be binding.

B. Benefits. This Agreement shall be binding upon and inure to the benefit of all of the parties hereto and their respective heirs, legal representatives, successors and assigns hereunder.

C. Severability. In the event that any one or more provisions of this Agreement shall be deemed to be illegal or unenforceable, such illegality or unenforceability shall not affect any of the remaining legal and enforceable provisions hereof which shall be construed as if such illegal or unenforceable provisions had not been inserted.

D. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed, certified or registered mail, return receipt requested, with postage prepaid, to the address of each of the parties set forth above or to such other person and place as any party shall furnish to the other party in writing.

E. Litigation. In the event that any of the parties to this Agreement institutes suit against any other party or parties to this Agreement to enforce any of their rights hereunder or under any document executed or delivered in connection herewith, the prevailing party in such action shall be entitled to recover from the other party or parties all reasonable costs thereof, including, without limitation, reasonable attorneys' fees and costs (including appeals).

F. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile executions of this Agreement shall constitute a legal and binding signature.

G. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri, with venue for any action to be in the applicable state or federal court in St. Louis, Missouri.

H. Interpretation. This Agreement shall be deemed to have been prepared with the input of all parties hereto, and any ambiguity related hereto shall not be construed against any party to this Agreement.

I. Conflict Waiver. The parties hereby acknowledge and agree that (i) Arnstein & Lehr LLP ("**Firm**") has only represented the Regional Center in the preparation of this Agreement and may hereafter represent the Sponsor, the Regional Center and the Developer in other matters; (ii) the Firm has also represented certain parties hereto in the past and may do so in the future; (iii) each party has waived any conflict of interest that exists as a result of such representation; and (iv) each party to this Agreement has been advised by the Firm to consult with independent legal counsel before entering into this Agreement.

J. Further Assurances. From time to time, as and when reasonably requested by either party or their successors or assigns, the other party shall execute and deliver, or cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably necessary to carry out the purposes set forth herein.

K. Assignment. This Agreement shall inure to the benefit of and be binding on the successors and assigns of each of the parties. This Agreement may not be assigned by either party without the prior written consent of the other party.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

REGIONAL CENTER:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.,
a Missouri limited liability company

By: GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.,
a Missouri corporation, Its Manager

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:

MISSOURI THEATRE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

SPONSOR:

MISSOURI THEATRE LENDERS, LLC,
a Missouri limited liability company

By: GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.,
a Missouri corporation, Its Manager

By: _____
Name: _____
Title: _____
Date: _____

SCHEDULE A

Gateway to the Midwest Investment Center, Inc., Compensation Fee Schedule

The Regional Center shall provide supervisory services for the benefit of the Project in consideration for receiving the following:

1. Annual supervisory/management fee to administer Regional Center which payment shall be paid quarterly and be mutually agreed upon.

SCHEDULE B

DUTIES OF REGIONAL CENTER

A. In order to maintain compliance with USCIS regulations, the Regional Center's administration, oversight, and management of its regional center will be devised so as to identify projects that offer the best opportunities for meeting established EB-5 program criteria for promoting new economic growth through improved productivity, job creation, and increased capital investment. Regional Center management will actively and closely monitor all investment activities under the sponsorship of the program, and will maintain records, data and information on a quarterly basis in order to report to USCIS annually through the form I-924A process and/or upon request for each Federal fiscal year, commencing with the current year according to the process as described below.

B. After designation, the Regional Center will manage and oversee all operations and project activity to ensure compliance with all USCIS requirements through the design and execution of a database and reporting system designed to provide the following information on an annual basis to the USCIS:

1. Current Principal Point of Contact: Maintain a current listing of the principal official and point of contact for the management and administration of the Regional Center.

2. Approved Job Count Methodologies: Maintain a current list of approved methodologies used to evaluate and track job creation that resulted from an approved business enterprise of each specific foreign investor's investment capital.

3. Inventory of I-526 Petition Filers: Maintain an inventory of the name, date of birth, and alien registration number of each alien investor who makes an investment and files an EB-5 I-526 petition with USCIS, specifying whether the petition was approved, denied, or withdrawn by the petitioner.

4. List of Nationality for EB-5 Investors: The country of nationality of each alien investor who makes an investment and files an I-526 Petition with USCIS.

5. Current List of EB-5 Investors by State of Residence: Maintain a current list by U.S. municipality and state of residence of each alien investor who makes an investment and files an EB-5 I-526 petition with USCIS.

6. Current list EB-5 Investment by Approved Activity: Maintain a listing of the categories of approved business activity within the geographic boundaries of the Regional Center that have received the alien investors' capital, and in what amount.

7. Current List of EB-5 Projects: The names and locations of each of the job creating commercial enterprises located within the geographical boundaries if the Regional Center has received alien investor capital.

8. Sources of Capital by Type: Report the amounts of alien investor capital and the amounts of other domestic capital that have been invested together in each job creating commercial enterprise specified in item 6 above, distinguishing the separate totals for each.

9. EB-5 Investor Count With Conditional Residency: Report the total aggregate number of approved EB-5 alien investor I-526 petitions per Federal Fiscal Year to date made through the Regional Center.

10. EB-5 Investor Count with Permanent Residency: Report the total aggregate number of approved EB-5 alien investor I-829 petitions per Federal Fiscal Year to date through the Regional Center.

11. Total EB-5 Capital Invested: Report the total aggregate of EB-5 alien capital invested through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

12. Total EB-5 Eligible Jobs Created: Provide the combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

13. Total EB-5 Eligible Jobs Preserved: If applicable, the total aggregate of "preserved" jobs by EB-5 alien investors into troubled businesses through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

14. Inactivity Report: If for any given Federal Fiscal Year the Regional Center does not have investors to report, then provide an explanation for the inactivity along with a specific plan which details timelines and steps to actively promote the Regional Center program, and recruit legitimate and viable alien investors.

15. Notification of "Material Changes": Notification to USCIS within 30 days of the occurrence any material change in the structure, operation, administration, focus, or activities relating to the Regional Center's basis for its most recent designation and/or reaffirmation by the USCIS.

C. In order to monitor this data for the Project and facilitate the reporting of data to USCIS on Form I-924A, the Regional Center will maintain a database of alien investors subscribed to the project, along with files for each investor to capture and store relevant data. The database will capture:

- Subscription dates of alien investors;

- Complete contact information for investors [including names, dates of birth, country of citizenship, passport number, foreign address, and U.S. address, along with names and dates of birth of dependent family members];

- Immigration milestone dates [including Form I-526 receipt date/priority date, I-526 approval date, conditional permanent resident approval date, I-829 filing window for the investor, I-829 receipt date, and I-829 approval date, along with any relevant dates for aging out children of the principal investors]; and

- Investment milestone dates (including the date money was received in escrow and the date of actual capital contribution to the new commercial enterprise).

D. In addition to the investor database, the Regional Center will maintain an electronic file on each investor containing the following documents: a copy of the alien investor's passport biographic page and the passport biographic pages of dependent family members, a copy of the I-526 receipt notice and approval notice, a copy of Form I-551 issued to the investor and dependent family members, copies of I-829 receipts and approval notices, a copy of the subscription agreement and accredited investor questionnaire signed by the investor, and copies of the Schedule K-1 tax filings for the investor.

E. Additionally, the Regional Center will monitor the Project's progress and maintain records in support of the alien investor's I-829 petitions. The Regional Center will receive copies of all project updates and investor communications in order to monitor the progress of the EB-5 compliant business plan. The Regional Center will also receive copies of independent auditor reports prepared for the Project to monitor the job creation resulting from the Project. The Regional Center will monitor and store this information for both USCIS reporting purposes and in furtherance of I-829 petition support.

Exhibit 4

Letter from Economic & Policy Resources, Inc. (EPR)

EPR Economic & Policy Resources, Inc.

Economists, Policy and Financial Analysts

Reply to: PO Box 1660
Williston, VT 05495-1660

December 17, 2012

USCIS–California Service Center
P.O. Box 10590
Laguna Nigel, California 92607-0590

To Whom It May Concern:

This correspondence is in response to a request for clarification of issues identified by the USCIS in its second Request for Evidence (RFE) dated October 11, 2012 and bearing the reference RCW1105350166 relating to the Gateway to the Midwest Investment Center, Inc. EB-5 Project in St. Louis, Missouri which is the proposed, hypothetical-actual EB-5 project of the prospective Gateway to the Midwest Investment Center.

Economic & Policy Resources, Inc. (EPR) prepared an economic impact assessment of the proposed economic and job creation impact and prepared a report dated March 15, 2011 which was subsequently filed as part of a regional center designation and project application under the U.S. Citizenship and Immigration Service (USCIS) EB-5 Investor Visa Program. This letter and attachments are intended to provide additional data, information, analysis, and tables to augment previous information that has been filed pertaining to the St. Louis Hotel EB-5 project during the USCIS I-924 application review process.

In the October 11, 2012 RFE from the USCIS, the adjudicator asked for further clarification on three issues related to the application's support of the job creation estimates. These issues are as follows: (1) an explanation of how the $27.5 million in construction hard costs was derived, (2) support for the hotel direct employee inputs used in the economic and job impact assessment analysis; and (3) a clarification of the specific NAICS[1] construction categories requested.

Each identified issue is addressed below and specific reference is made to the October 11, 2012 RFE.

Issue 1: Explanation of the Hard Construction Cost Estimate.

> **On page 3 of the October 11, 2012 RFE, the adjudicator states: *"The applicant submits an economic impact analysis prepared by***

[1] NAICS in this memorandum refers to the North American Industry Classification System.

400 Cornerstone Drive Suite 310 – P.O. Box 1660 – Williston, Vermont 05495-1660
Voice 802-878-0346 – Facsimile 802-878-0876 – Nationwide 800-765-1377
Website: www.epreconomics.com E-mail: info@epreconomics.com

Economic & Policy resources, Inc. (EPR) in which $27.5 million in hard construction cost was used as input to REDYN model to generate 296 total jobs within the regional center. Please explain how the hard construction cost was derived..."

Response: The $27.5 million hard cost construction budget reflects a detailed development process that involved soliciting and receiving competitive bids for a specific set of design/build criteria for the project—incorporating the standards for the Hyatt hotel component and for the standards required to construct the apartment units for the residential component. These criteria carefully incorporated the systems and construction complexities associated with the dual hotel and residential components. This process was managed by a highly qualified construction management firm that was intimately familiar with residential and hotel construction of the St. Louis region.

The process involved a process of pre-qualifying prospective bidders and then soliciting bids from those firms that passed through the pre-qualifying round. Bids were evaluated by a highly qualified team of reviewers (including the owner of the project, a 3rd party engineering firm, the architect, and Paric (the company retained by the project developers to oversee the development and construction process). The job—which defined the hard cost construction budget was awarded to the lowest, most responsible bidder. As such, the construction budget was a function of market-driven process that reflects the regional market (that is what a competitive bidding process does).

Table 1 (below) breaks out the final construction budget by major category for the EB-5 project. A letter from Paric is also attached which explains the process of developing the final construction budget and the competitive bidding process that was employed for this proposed project. Given the competitive bidding process employed, the costs in the EB-5 project clearly reflect the regional marketplace and would therefore be consistent with regional industry standards which would reflect the local-regional construction market. Bolded line items in Table 1 below were used in the economic and job impact assessment analysis. The other budgeted items that are not bolded in the table (including Insurance at $281,309, Overhead/Profit at $758,622, and Owner's Contingency at $700,267) were not used in the impact assessment analysis. **No construction soft costs were employed in the impact assessment analysis as well—even though some will clearly create at least some new, potentially qualifying jobs.**

Table 1: Overview of Missouri Theater Project Construction Costs

Item		
Shell and Core/Site Work/Foundations	**$**	**14,983,182**
Hotel Guest Rooms	**$**	**2,088,603**
Apartment Buildout	**$**	**2,588,929**
Parking	**$**	**250,000**
Insurance	$	281,309
Overhead/Profit	$	758,622
Subtotal Construction Costs	*$*	*20,950,646*
Demolition & Abatement	**$**	**2,800,000**
Retail Tenant Improvements	**$**	**59,475**
Hotel FF&E	**$**	**3,011,516**
Owner's Contingency	$	700,267
Total Hard Cost	$	27,521,904

In addition to the above, EPR conducted additional research on the construction budget for this EB-5 project. Using data from RSMeans Square Foot Costs, as published by RSMeans, a division of Reed Construction Data, Table 2 (below) also shows that the costs estimate that resulted from the competitive bidding process are reasonable. This was determined by using the metric of building cost per square foot, which is $200.12 on average for St. Louis.[2,3] Based upon the estimated square footage of the hotel, the project is estimated at $32.2 million using the RSMeans data.

The difference between the business plan estimated budget determined by the Paric competitive bidding process and the RSMeans data is 19.0% lower than the industry average construction cost based on a costs per square foot approach using 2012 RS Means data. The lower cost construction budget could easily be accounted for due to the project's differing specifications (e.g. including renovations of an existing building versus total new construction, and the top 3 floors of luxury apartments[4]), as is partially off-set by the historic preservation aspects to the proposed EB-5 project.

[2] See page 154 of RS Means Square Foot Costs, 2012; For a Hotel, 8-24 Stories;
[3] The St. Louis location factor is found on page 455 of RS Means Square Foot Costs, 2012.
[4] For example, the Location actor for residential construction in St, Louis is one percentage point lower at 2.0% than nonresidential construction at 3.0%.

Table 2: Construction Estimate Comparison – Missouri Theater EB-5 Project

Construction Estimate Comparison to RSMeans Data			
Project Square Footage			156,395
RSMeans National Average Cost per Square Foot [1],[2]:	$	203.24	[A]
RSMeans St. Louis Location Factor:		1.03	x [B]
RSMeans St. Louis Average Cost per Square Foot:	$	209.34	= [C]
RSMeans St. Louis Average Cost per Square Foot:	$	209.34	[C]
Proposed EB-5 Project Square Footage:		156,395	x [D]
RSMeans Estimated Building Cost:	$	32,739,638	= [E]
RSMeans Estimated Building Cost:	$	32,739,638	[E]
Business Plan Estimated Building Cost:	$	27,521,904	- [F]
Difference ($):	$	(5,217,734)	= [G]
Difference ($):	$	(5,217,734)	[G]
Business Plan Estimated Building Cost:	$	27,521,904	÷ [F]
Difference (%):		-19.0%	= [H]

Notes:
1. RSMeans data is based on 2012 square foot costs data for an eight to twenty-four story hotel.
2. See page 455 of RS Means Square Foot Costs, 2012 for Location Factor for St. Louis, Missouri.
3. Proposed EB-5 project square footage per estimate by developer/Paric.
4. Business plan estimated building cost per the project business plan.

A copy of a fully updated economic and job impact assessment analysis was completed to reflect the adjudicator's suggestions on NAICS categories and to clarify that the project does in fact have a residential component which was excluded in the previous economic and job impact assessment analysis. A full copy of the updated economic and job impact assessment analysis is attached to this RFE response as Exhibit I.

Issue 2: Support for Direct Employees Number.

> **Also on page 3 of the October 11, 2012 RFE, the adjudicator states:** ***"...Also, EPR uses 37 direct employees at the hotel as input into the REDYN model. This figure is not supported by data, analysis, or a comparison to industry standard. Please provide the source(s) of this employment estimate..."***

Response: At the time of the application filing and the first RFE responses, the hotel operations of the proposed project reflected the best estimates of the project proposers. Since the original filing of the revised project with the first RFE, agreement has been reached with the Hyatt Corporation to have the Missouri Theater Hotel EB-5 Project operate under the Hyatt brand. As a result, the compilation of the employee count (at a revised 24 full-time positions—which were used as inputs in the revised economic job impact assessment study filed with this RFE response) and an additional 10 Full-Time Equivalent positions (which were not used as inputs in the revised economic and job

impact assessment study that is filed with this RFE response) was developed from the Hyatt Corporation's analysis of the 167 Hyatt Place hotels across the United States, with emphasis on the staffing experience of their operations in an urban setting. The staffing reflects the level of service needed at such branded operations and is consistent with the services-amenity offerings that are specifically contemplated for this project as laid out in the project description in the project business plan.

Additional support for the staffing estimates was provided by Windsor Capital Group, the manager of the Missouri Theater Hyatt Hotel. Windsor Capital Group owns 23 hotels and manages another 25 hotels throughout the United States. The hotel staffing count and specific positions to be hired within that job count are also based upon Windsor's experience with the management of these nearly 50 hotel operations.

Based on the data from Hyatt and Windsor, a select service hotel, such as this one, would have approximately 0.25 employees per key. This is based on a total 12 cleaning staff (or a total of 0.088 cleaning staff per room), 10 front desk personnel (or 0.074 front desk staff per room), 5 valet staff (or 0.037 Valet staff per room), 2 maintenance staff (or 0.015 staff per room), and a total of 5 management and sales staff positions (or 0.037 management and sales staff per room). Overall total staff positions add to 34 total positions—of which the 24 full-time positions were used in the economic and job impact assessment analysis. These staffing levels are typical for the level of services and the type of amenities offered for a project of this type. Again, the economic and job impact study used only full-time positions created by the proposed project. All Full-Time Equivalent positions were excluded from the input-output impact modeling).

Issue 3: Clarification of the Applicant's NAICS Sector Request.

> **On page 4 of the October 11, 2012 RFE, the adjudicator states:** ***"...NAICS 238 Specialty Trade Contractors refers to establishments primarily engaged in the specialty trades needed to complete the basic structure (i.e., foundation, frame, and shell) of buildings. In installing or servicing equipment that forms part of a building mechanical system, and finishing the building. New construction, additions, and renovations of a building fall under NAICS 236 and its sub-codes. It is noted that EPR uses a REDYN industry that combines NAICS 236 and 238 in the economic analysis. As such, please advise whether the applicant wishes to withdraw NAICS 238 as a separate industry category and or explain, through a detailed and comprehensive business plan, how investment in NAICS 238 Specialty Trade Contractors will create ten jobs per alien investor.***
>
> ***...Moreover, NAICS 236 Construction of Buildings is [too] general to accurately describe the investment activities to be sponsored by GMIC...Since GMIC is not involved in residential building construction, please advise if NAICS 2362 Nonresidential Building***

Construction is a more appropriate industry category of the focus GMIC's investment activities..."

Response: At the suggestion of the adjudicator the applicant agrees to withdraw its request for NAICS 238 Specialty Trade Contractors. EPR had suggested this NAICS to cover the activities associated with the historical preservation aspects of the remodeling—per the language in the 2012 NAICS manual under this category referring to ***"...but especially in remodeling and repair..."***[5] Nevertheless, EPR is supportive of the suggestion to withdraw that NAICS 238—Specialty Trade Contractors request.

In addition, following on to the adjudicator's request that the economic and job impact assessment analysis, it was necessary for EPR to update the economic and job impact assessment analysis to reflect the more detailed hard cost construction budget as presented in Issue 1 (above).[6] As part of this update, the greater detail in the Construction budget resulted in the need to further amend the applicant project's NAICS sector request to include additional NAICS categories that involved sectors: (1) where EB-5 capital was expected to be invested during the course of the development of the EB-5 project, and (2) that were used as inputs in the economic and job impact assessment analysis.

The revised NAICS also is being made because proposed Missouri Theater Hotel EB-5 project does in fact include a residential component (the top floors of the building is planned to include apartments) as well as the non-residential portion related to the Hyatt hotel. The economic and job impact assessment analysis has been updated to reflect this fact. Previous versions of the economic and job impact assessment study and the project business plan did not include the residential construction portion because the construction budget did not have the level of verifiable detail that would allow the applicant to petition for job benefits approval from the USCIS for that portion of the proposed EB-5 project. The revised impact assessment analysis includes both the expanded construction budget detail and a more detailed NAICS information request to address the issues raised during the application review process.

The process of revising the economic and job impact assessment analysis and amending the applicant's NAICS sectors request involved obtaining the most recent construction budget available from project management with the greater hard construction cost detail. This was provided by the EB-5 project team. A more detailed breakdown of these hard costs was provided in Table 1 of this RFE response in Issue 1 (above).

As a result of the updated construction budget hard cost breakdown and in response to the adjudicator's suggestion to update the applicant's NAICS sector request, the applicants are requesting the following NAICS categories as listed below for approval. These NAICS categories reflect those sectors where either EB-5 investor dollars are

---

[5] See North American Industry Classification System, Untied States 2012. Executive Office of the President, Office of Management and Budget, Page 205.

[6] It was also done to address the adjudicator's observations that the NAICS 236 NAICS sector request was too "general" to accurately describe the investment activities to be sponsored by the regional center as well.

expected to be expended, and/or are those sectors that correspond to the NAICS categories that used as inputs in the economic-job impact assessment analysis: These NAICS sectors include:

> **NAICS 2361: Residential Construction**—This industry group comprises establishments primarily responsible for the construction or remodeling and renovation of single family and multifamily residential buildings. Included in this industry are residential housing contractors (i.e. new construction, remodeling, or renovating existing residential structures (for-sale builders and remodelers of residential structures), residential construction management firms, and residential design-build firms.[7]
>
> **NAICS 2362: Nonresidential Construction**—This industry group comprises establishments primarily responsible for the construction (including new work, additions, alterations, maintenance, and repairs) of nonresidential buildings. This industry group includes nonresidential general contractors, nonresidential for-sale builders, non-residential design-build firms, and non-residential project construction management firms.[8]
>
> **NAICS 423210: Furniture Merchant Wholesalers**—This industry comprises establishments primarily engaged in merchant wholesale distribution of furniture (except hospital beds, medical furniture, and drafting tables.[9] Included in this category are household type furniture, public building furniture, office furniture, and mattresses—among other categories.

The applicant therefore respectfully requests that the above three NAICS categories be approved for the GMIC.

Thank you again for the opportunity to comment on the matters contained in the RFE. Please feel free to contact me if there are any questions regarding the analysis above.

Sincerely,

Economic & Policy Resources, Inc.
By: Jeffrey B. Carr, President

[7] See North American Industry Classification System, United States, 2012. Executive Office of the President, Office of Management and Budget; Page 193.
[8] Ibid; Page 196.
[9] Ibid; Page 507.

EPR-Exhibit I

Updated Economic and Job Impact Assessment Analysis

Exhibit 5

Letter From Paric (General Contractor)
re Budget

PARIC
EXPERIENCE. EXCELLENCE.

December 14, 2012

Rich Curto
RSC Real Estate
225 W Washington
Suite 1800
Chicago, Ill 60606

RE: Missouri Theater

Rich

Once Paric was awarded the Missouri Theater project, we engaged a third party to partner in developing a MEPFP Design/Build Criteria incorporating the Hyatt Standards and apartment requirements. The criteria carefully addressed the complexity of providing systems to serve both the hotel and apartment requirements. We short-listed multiple MEPFP subcontractors that are familiar with this type of construction and the City requirements (MBE/WBE, Historic, etc). Part of the short listing was an extensive prequalification of the firm's financial strength. Upon receiving the proposals, we performed a detailed scope evaluation and ultimately interviewed the two lower bidders in each category of work (eight interviews in total). The third party engineering firm, Owner and Architect were at the interviews to ask specific questions on quality, durability and performance of their approach. We awarded the job to the lowest most responsible bidder.

Once Paric awarded the project to the mechanical, electrical, plumbing and fire protection subcontractor, we started many months of weekly design coordination meetings. During these meetings, we coordinated all service routing with the architectural and historical requirements for both the hotel and apartments (shaft sizes, partitions types, closets, ceiling elevations, etc). We had discussions with National Park Service to understand their requirements on how and where the services needed to be located. We generated multiple cost/benefit analysis to support each major design decision. We performed selected demolition at many areas of the building to understand the current conditions of the structural systems and its implication to the MEPFP systems in specific to the plumbing subcontractor's vertical pipe distribution. Each MEPFP had conversations and formed agreements with the local

PARIC.COM 77 Westport Plaza, Suite 250 St. Louis, MO 63146 Toll Free: 800-500-4320 Fax: 636-561-9501 information@paric.com

PARIC
EXPERIENCE. EXCELLENCE.

officials and utility companies to understand their requirements (St. Louis City Water, MSD, Ameren UE, Laclede Gas, etc). All of this information has been included in the design/build construction drawings which have been carefully coordinated among each trade discipline for elevations and location with all conflict identified and remedied. Drawings are 90% complete and ready for presentation to the local officials for permitting purposes.

Rich, if you need further information please don't hesitate to ask. Talk to your soon.

Sincerely

Paul Giacoletto
Project Executive

PARIC.COM
77 Westport Plaza, Suite 250
St. Louis, MO 63146
Toll Free: 800-500-4320
Fax: 636-561-9501
information@paric.com

From: (215) 825-8608 Origin ID: REDA
H. Ronald Klasko
Klasko, Rulon, Stock & Seltzer, LLP
1800 John F. Kennedy Boulevard
Suite 1700
Philadelphia, PA 19103

FedEx Express

J122012090303251

Ship Date: 28DEC12
ActWgt: 1.0 LB
CAD: 103808884/INET3300

Delivery Address Bar Code

Ref # 1616 - GMIC / MC Theater
Invoice #
PO #
Dept #

CSC
DEC 3 1 2012
STAMP #6
C30070
C52072

SHIP TO: (215) 825-8615 BILL SENDER

U.S. Citizenship & Immigration Serv
California Service Center
24000 Avila Road, 2nd Floor
ATTN: EB-5 RC Proposal
Laguna Niguel, CA 92677

MON - 31 DEC A1
STANDARD OVERNIGHT

TRK# 7944 0952 9840
0201

SA JORA

92677
CA-US
SNA

515G1/B2B3/AA44

After printing this label:
1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.
Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com.FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery,misdelivery,or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim.Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental,consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss.Maximum for items of extraordinary value is $1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

K...sko, Rulon, Stock & Seltzer, LLP
Practice limited to Immigration and Nationality Law

PHILADELPHIA • NEW YORK

KLASKO
Immigration and Nationality Law

July 30, 2012

Via FedEx

U.S. Citizenship & Immigration Services
California Service Center
ATTN: EB 5 RC Proposal
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

RE: Gateway to the Midwest Investment Center, Inc.
I-924 Application for Designation as a Regional Center
RCW1105350166

Response to Request for Evidence

Dear Sir/Madam:

We are the attorneys for the Gateway to the Midwest Investment Center, Inc. ("GMIC"). We are substituting for prior counsel. Our G-28 is enclosed. We are submitting this response to the Service's Request for Evidence ("RFE") dates February 21, 2012 (and extension dated July 31, 2012), on behalf of Gateway to the Midwest Investment Center, Inc. A detailed index of exhibits and supporting documentation follow this letter. A copy of both RFE notices is attached to the front of this package.

I. BACKGROUND

GMIC submitted an I-924 Application for Designation as a Regional Center to USCIS on or about February 18, 2011. The application included an exemplar project as the basis for the Regional Center's job creation and economic impact predictions. This project included the construction of a bio-life sciences research and development park. This project would provide necessary wet-lab and bioresearch mixed use space to facilitate the development of biotech and life sciences companies within the region. The project's job creation and economic impact predictions were based, in part, on the jobs that would be created by the tenant businesses of the facility.

This particular methodology had been accepted by USCIS as a "reasonable methodology" for a number of years. However, on February 17, 2012, USCIS issued a brief public statement questioning, for the first time, the use of tenant jobs as a basis for predicting the number of jobs created by a proposed project. The February 17th memorandum was followed by the release of a vast number of RFEs that essentially rejected economic impact and job creation models based on tenant occupancy. Although the RFEs stated that USCIS was not ruling out the possibility that tenant jobs might be

1800 John F. Kennedy Boulevard, Suite 1700
Philadelphia, PA 19103
Telephone 215.825.8600 Facsimile 215.825.8699
www.klaskolaw.com

counted in some circumstances, the RFEs indicated a radical departure from previous policies and adjudication standards relating to economic methodologies based on tenant occupancy. To date, stakeholders and the public have not received any guidance from USCIS on the new adjudicatory standards being applied to tenant occupancy models, the types of evidence that would be required to prove a sufficient nexus between tenant jobs and the EB-5 project, or even a broad definition of what might constitute a sufficient nexus.

The RFE issued to GMIC on February 21, 2012 is among the tenant occupancy RFEs issued by USCIS in the wake of the February 17th memorandum. The RFE provided GMIC with the option of submitting documentation to attempt to prove a nexus between the jobs created by the tenants of the bio-life sciences facility that would be built with EB-5 funds. However, the RFE also stated:

> "Alternatively, GMIC is afforded an opportunity to provide business plans and an economic impact analysis for any industry categories and NAICS codes to demonstrate employment creation which is not based on tenant occupancy."

RFE at 5. As the bio-life sciences park was an exemplar project and guidance on meeting the new tenant occupancy standards is still forthcoming, GMIC has decided to accept the invitation of USCIS to submit an alternative business plan and economic impact report on the basis of a new, shovel-ready project instead of proceeding with the previously submitted project. The new project does not include any job creation or economic impact predictions based on tenant occupancy.

II. THE PROJECT

GMIC is submitting for consideration its Missouri Theatre Building Project. This Project will consist of the redevelopment and renovating construction of the historic Missouri Theatre Building, located in St. Louis' Grand Avenue Arts District, into a vibrant mixed use space in downtown St. Louis.

GMIC has created a New Commercial Enterprise, Missouri Theatre Lenders, LLC, to provide financing to Missouri Theatre, LLC (the Developer), to fund the redevelopment of the historic Missouri Theatre Building located at 634 North Grand Avenue in downtown Saint Louis, Missouri, (the Project). The building, which is currently owned and partially occupied by the City of St. Louis, is a twelve story structure containing over 150,000 square feet of space, and was recently used as office space for the City and Grand Center Inc., a non-profit master developer created by the City to administer the Grand Center TIF District. Based upon a Request for Qualifications issued by Grand Center, Inc., Missouri Theatre, LLC was awarded the rights to acquire and redevelop the building.

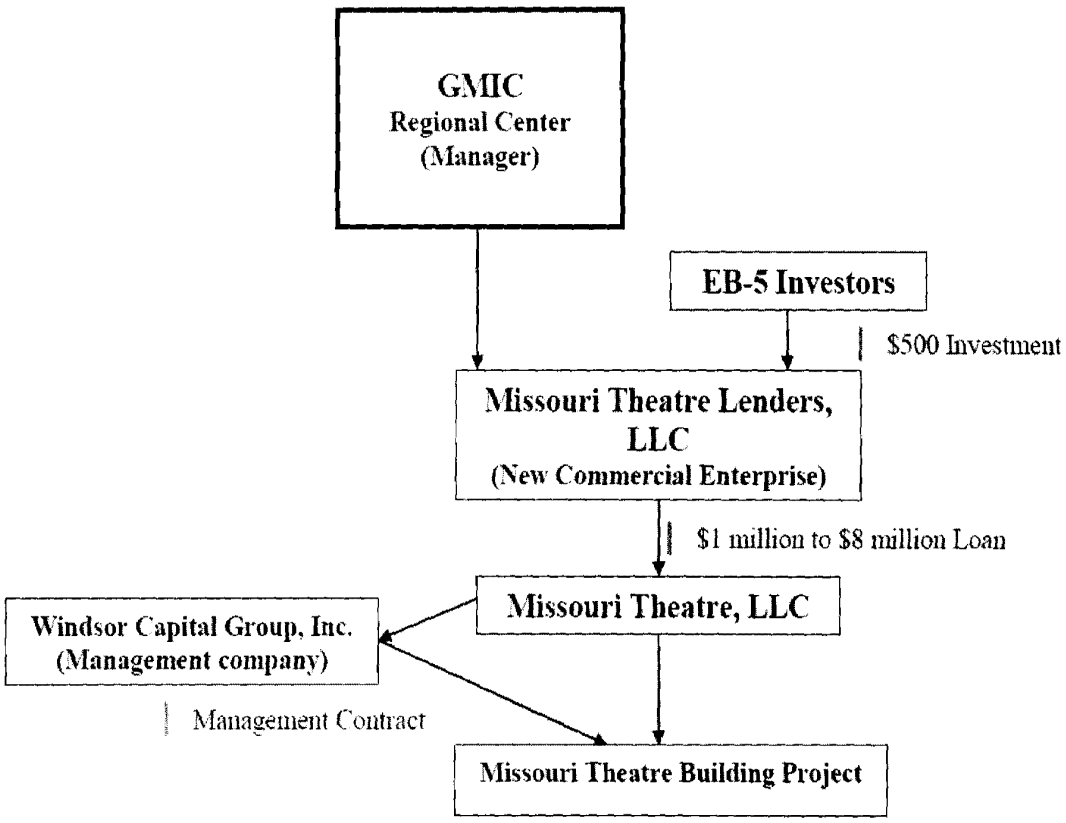
The Project will be a complete redevelopment of the building. After renovations, a 136 room hotel will occupy most of the building. The ground floor will feature a vibrant retail/restaurant component that is attractive to both the community at large and the local District in particular. The building will also house 40 luxury apartments. The project seeks to add significantly to the vitality of the cultural and artistic nature of the District while preserving and complimenting its historic character. Located directly between the town of Clayton and downtown St. Louis, and less than a quarter mile from St. Louis University and the large VA Hospital, the central location of the property will attract business travelers and tourists alike. The total budgeted Project cost is approximately $43,100,000, with the funding to include up to $8,000,000 of EB-5 loan proceeds and $12,000,000 of senior institutional financing, in addition to developer equity and a variety of tax credit financing (see chart below). To the extent that the Offering proceeds are less than $8,000,000, the senior indebtedness will increase to make up the difference. A total of up to 16 investors, with a minimum investment of $500,000 each, will be solicited through the program. *See* **Exhibits B, F**.

A. Structure

GMIC has created Missouri Theatre Lenders, LLC (New Commercial Enterprise) for the purposes of providing a loan of EB-5 capital to Missouri Theatre, LLC[1] to fund the construction and operation of the Missouri Theatre Building Project. GMIC is the Manager of Missouri Theatre Lenders, LLC. Missouri Theatre Lenders, LLC will provide a loan of a minimum amount of $1 million and a maximum amount of $8 million, depending on the number of investors. Missouri Theatre Lenders, LLC will offer the investment to a minimum of two and a maximum of 16 investors at an investment level of $500,000 each (based on the project's location within a TEA). *See* **Exhibits B, D**.

Missouri Theatre, LLC has been awarded the rights to acquire and redevelop the building. Missouri Theatre, LLC has contracted with Windsor Capital Group, Inc. to serve as the hotel management company. The hotel is expected to be franchised as a Hyatt Place Hotel by Hyatt, however, Missouri Theatre, LLC will remain the owner and operator of the hotel. The structure is illustrated in the following chart.

[1] Missouri Theater, LLC is owned by Windsor Capital Group, Inc, and SLMT, LLC. For full information on the development team, see **Exhibit F**.



B. Project Timing and Infusion of capital

i. Sources of Funding

The historic status of the building and its unique location within a Historic District makes it eligible for a variety of tax credit and government financing programs. Since the building is designated as a historic landmark with the U.S. Parks Service, the Project expects to receive Federal and State Historic Redevelopment Tax Credits, which can provide up to 45% of total eligible redevelopment costs. These credits will be monetized and the proceeds used towards redevelopment costs. The building is also located within a Tax Incremental Financing (TIF) District and is eligible to receive financial assistance from the City of St. Louis. Additional government financial sources will include Brownfield Tax Credits, and other various economic incentive programs supported by the City of St. Louis, State of Missouri and the United States Federal Government. *See* **Exhibit F** (Explanation of Tax Credits).

The breakdown of the sources and uses of funds is explained in the following chart, which also illustrates the timing with which the capital will be deployed into the project:

Chart of Sources and Uses of Funds[2] [1]

Description	Year 0	Year 1	Year 2	Year 3	Year 4	Total
Sources of Funds (000s):						
EB-5 Investor Capital	$ -	$ 8,000.0	$ -	$ -	$ -	$ 8,000.0
Hyatt Corporation Equity	$ -	$ -	$ 800.0	$ -	$ -	$ 800.0
New Markets Tax Credit Equity	$ 5,265.0	$ -	$ -	$ -	$ -	$ 5,265.0
Brownfield Tax Credit Equity	$ 2,125.0	$ -	$ -	$ -	$ -	$ 2,125.0
State Historic Tax Credit Equity	$ -	$ -	$ 7,486.0	$ -	$ -	$ 7,486.0
Federal Historic Tax Credit Equity	$ 1,807.0	$ -	$ 722.8	$ -	$ -	$ 2,529.8
Federal Historic Tax Credit Bridge Loan	$ 4,698.2	$ -	$ -	$ -	$ -	$ 4,698.2
Construction Loan	$ 12,216.3	$ -	$ -	$ -	$ -	$ 12,216.3
Total Sources (000s)	$ 26,111.5	$ 8,000.0	$ 8,286.0	$ -	$ -	$ 43,120.3
Uses of Funds (000s):						
Building Acquisition	$ 2,200.0	$ 1,000.0	$ -	$ -	$ -	$ 3,200.0
Construction, Hard Costs	$ 1,459.1	$ 26,062.8	$ -	$ -	$ -	$ 27,521.9
Construction, Soft Costs	$ 3,822.2	$ 8,576.2	$ -	$ -	$ -	$ 12,398.4
Total Uses (000s)	$ 7,481.3	$ 35,639.0	$ -	$ -	$ -	$ 43,120.3

For further details, please see the Project Business Plan, **Exhibit B.**

III. REQUESTED NAICS CODES

In conjunction with the bio-life sciences project, GMIC had requested approval for investments in the following industry clusters:

- Construction- NAICS 230000
- Professional, Scientific and Technical Services- NAICS 540000.

However, in light of the different industry focus of the Missouri Theatre Project, GMIC is requesting approval to offer initial investments in the following industry clusters:

- Construction of Buildings- NAICS 236
- Specialty Trade Contractors- NAICS 238
- Accommodations- NAICS 7211.

[2] It should be noted that these data reflect activities during Years 0 through 4 of the EB-5 project and regional center operations timeline. Since the proposed regional center hopes to gain USCIS approval and begin marketing during calendar year 2012, year 0 corresponds to calendar year 2012. The reader should note that the economic and job impact assessment study begins with development year 1—which corresponds to calendar year 2013.

These industry clusters are more appropriate to GMIC's current project, which involves the construction and operation of a hotel and apartment complex. Because the project involves the build-out of an existing historical building, it is appropriate to include NAICS 238, Specialty Trade Contractors, in addition to the normal Construction of Buildings category (NAICS 236). *See* **Exhibit C.**

IV. ECONOMIC IMPACT

A. Job Creation

The RFE states:

> "The business planes) and economic analysis must show:
> • The feasibility of the project under current market conditions within the Regional Center;
> • Employment creation projections are not based on tenant occupancy as described above;
> • The transparent basis for the data that will be used as the inputs to the model (to included how the estimation of the creation of the direct jobs were derived); and
> • The RYDYN calculations used to determine the jobs that will be created, supported by the relevant RYDYN data." [3]

RFE at 5.

i. Feasibility

In order to better understand the local hotel market and the demand for the Missouri Theater EB-5 Project, the project developers commissioned a preliminary market analysis from Wert-Berater, Inc. *See* **Exhibit E.** As of this filing, the full market study has not yet been completed but is expected to be finalized prior to the filing of I-526 petitions.[4] Based on the preliminary findings, project management is confident that the final market study will demonstrate the Missouri Theater Building Project's commercial feasibility. The preliminary study estimates that the hotel has a break-even occupancy rate of 40.7%, which is well below the average for the local market. The study further indicates that there are demand generators in the area, and that the hotel will be serving unmet demand in its local market. Because of this, the project is expected to

[3] The RFE uses the Acronym "RYDYN." The generally used acronym is "REDYN" for REgional DYNamics.

[4] We note that the developer had a market study commissioned in 2009. Although the 2009 study provides support for the occupancy rate and revenue projections provided by the developer, it is substantially out of date. As a result, GMIC and the developer intend to provide a new study at the time of filing the 526 petitions rather than relying on outdated information here.

operate at a significantly higher occupancy rate. However, the preliminary study indicates that at the break –even rate, the project will not result in any job-shifting within the area, but will result in new employment. Until the final market study is completed, the business plan and financial projections submitted in the business plan and economic report provide additional detailed information which demonstrates that the Missouri Theatre Building Project is a commercially feasible project. *See* **Exhibit B.**

ii. The Job Creation Predictions are not Based on Tenant Occupancy

The Economic Impact Report submitted with this application predicts that the Missouri Theatre Building Project will result in the creation of 345 new, permanent jobs for U.S. workers within the geography of the proposed Gateway to the Midwest Investment Center. This prediction is based on the number of indirect and induced jobs that will result from the construction of the project and operations of the hotel.[5] The jobs created by the tenants of the retail and restaurant operations have not been counted, and jobs from the operation of the residential component of the building have also not been counted. *See* **Exhibit C.**

Missouri Theatre, LLC will be the developer, owner, and operator of the project. Missouri Theater, LLC has contracted with Windsor Capital Group, Inc. (an owner of Missouri Theatre, LLC) to provide management services for the hotel. However, this does not make the hotel a tenant business. The owner of the hotel is free to hire a management team for the hotel without leasing the hotel to another operator. Unlike a situation in which the owner leases the building to another operator, Missouri Theater, LLC will share in the profits and expenses of the hotel operations. Employees will be employees of the hotel, not the management company. Further, it should be noted that Missouri Theater, LLC and Windsor Capital Group, Inc. have partially common ownership and are affiliated parties. Thus it cannot be said that the jobs created by the operations of the hotel result from tenant occupancy.

iii. The REDYN Calculations

GMIC has submitted an Economic Impact Report with this response to the RFE. This Report fully explains the assumptions and data on which it is based. We respectfully refer USCIS to the Report itself for the relevant details.

[5] Because construction will take less than two years, "direct" construction jobs have not been included in the job predictions.

B. Geographic Region, Promotion of Economic Growth, and Economic Impact

The RFE States:

> "Please note that if the regional center submits a new Economic Impact Analysis and Business Planes) for project(s) based on industry categories and NAICS codes which do not relate to job creation based on tenant occupancy, the regional center will need to meet the other requirements for regional centers. Other requirements include:
> • Describing how the regional center focuses on a geographical region of the United States;
> • Describing how the regional center will promote economic growth through increased export sales, improved regional productivity, job creation, and increased domestic capital investment; and
> • Demonstrating the regional or national impact of the Regional Center by submitting a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and outside of the regional center jurisdiction."

GMIC has provided a new project business plan and Economic Impact Report that demonstrate how GMIC will meet the requirements for a Regional Center under the Pilot Program. The following is a brief illustration of how those requirements are met.

i. Promotion of Economic Growth Within the Regional Center's Geographic Region

GMIC will offer EB-5 compliant investment opportunities in the three county region encompassing St. Louis County, St. Charles County, and St. Louis City. This territory is the same as the territory proposed in the initial application, business plan, and Economic Impact Report. This relatively small geographic territory is connected through commuting patterns, a shared labor force, and a regional transportation network.

The Missouri Theater Building Project demonstrates how GMIC will promote economic growth within the region. Although the economic impacts of the project are described below, it is notable that GMIC will also facilitate an increase in domestic investment into the region. As noted above, the Missouri Theater Building Project will be financed through a variety of sources, including developer equity, new markets tax credits, a variety of other tax credits, and traditional bank financing, The EB-5 portion of the capital stack is limited to between $1 million and $8 million out of total project costs of $43,100,000. The EB-5 funding is an important component of this project, without which the project might be delayed or reduced in scale. Thus, the contribution of EB-5

capital plays a direct role in increasing and accelerating the domestic investment in the project. *See* **Exhibit B.** *See also Sources and Uses Chart, supra.*

ii. Economic Impact

GMIC's first project, the Missouri Theatre Building Project, will create a positive economic impact, both within the region and nationally. According to the Economic Impact Report submitted with this application, the Missouri Theatre Building Project will have the following economic impacts within the Regional Center's geographic territory:

- The creation of a total of 345 jobs resulting from the renovation and operations of the hotel within the geographical area of the prospective Gateway to the Midwest Investment Center regional center;
- $60.3 million in increased output;
- $25.1 million in increased disposable income;
- $20.0 million in increased household earnings.

On a national level (excluding the impacts within the Regional Center), the project will have the following economic impacts:

- The creation of 559 total new jobs outside the boundaries of the proposed Gateway to the Midwest Investment Center regional center;
- $103.4 million in increased output;
- $42.9 million in increased disposable income;
- $34.5 million in increased household earnings.

As demonstrated by the Economic impact Report, the proposed GMIC Regional Center meets the requirements of the EB-5 program because it have a significant positive economic impact.

V. CONCLUSION

Based on the foregoing, we respectfully request that you approve the application of GMIC for designation as an approved regional center for the above listed NAICS codes, economic methodology, and geographic territory.

Respectfully Submitted,

H. Ronald Klasko, Esq.

Gateway to the Midwest Investment Center, Inc.
I-924 Application for Designation as a Regional Center
RCW1105350166
Response to Request for Evidence

INDEX OF EXHIBITS

Exhibit A: Original Form G-28;

Exhibit B: Missouri Theatre Building Project Business Plan;

Exhibit C: Economic Impact Report for the Missouri Theatre Building Project;

Exhibit D: Letter from the Missouri Department of Economic Development designating the project location as a Targeted Employment Area;

Exhibit E: Letter from Wert-Berater re preliminary market analysis;

Exhibit F: Developer Project Summary and Development team experience;

Exhibit G: Hyatt Brand Book;

Exhibit H: Draft Memorandum of Understanding between GMIC and Missouri Theatre Lenders, LLC;

Exhibit I: Draft Operating Agreement for Missouri Theatre Lenders, LLC;

Exhibit J: Tax Incentive Process Summary;

Exhibit K: Articles of Organization for Missouri Theatre Lenders, LLC;

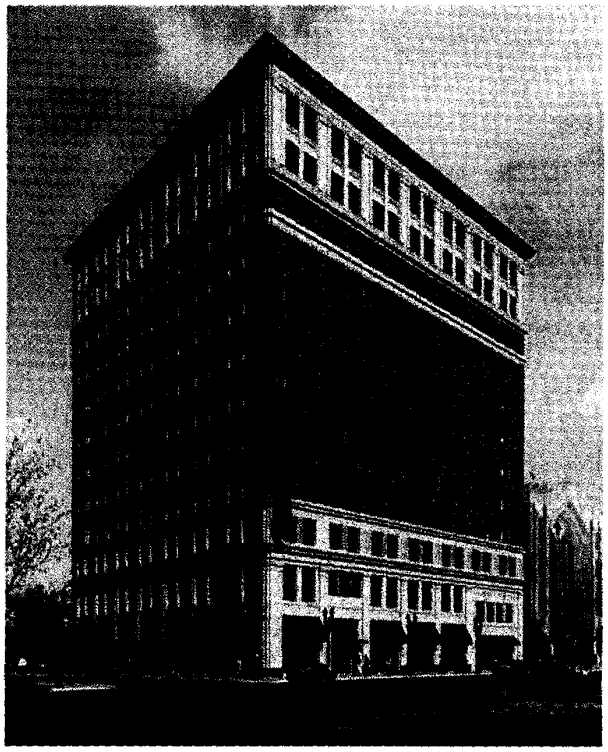
Exhibit A

Original Form G-28

Exhibit B

Missouri Theatre Building
Project Business Plan

MISSOURI THEATER BUILDING EB-5 PROJECT
BUSINESS PLAN



Replacement Project

RFE RESPONSE: GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC
Receipt #RCW1105350166

SPONSOR:
Gateway to the Midwest Investment Center
121 South Meramec Ave
Suite 1117
St. Louis, MO 63105

Telephone: (314) 615-7616

{01281646;1}

EB-5 PROJECT BUSINESS PLAN

Website: www.MidwestChinaHub.com

Contents

1.1 Purpose....2
1.2 Sponsor/Applicant Company....2
1.3 Industry Focus....2
1.4 Geographic Focus....4
1.5 Regional Center Contacts....4
1.6 Total Anticipated EB-5 Capital Investment....6
1.7 Investor Program Summary....6
1.8 Economic Impact Analysis Summary....7
2.1 Summary of the Program for the EB-5 Project....11
2.2 Qualification for Regional Center Designation....12
2.3 Managerial Role—Active vs. Passive Investment....13
2.4 Company Privacy Policy....13
2.5 Project Selection....13
3.1 Business Structure Overview....14
3.2 Detailed Description—Missouri Theater EB-5 Project....16
3.3 Strategic Approach for Hotel Operations....17
3.4 Statement of Sources and Uses of Funds....18
3.5 Development Timeline Summary....19
3.6 The Missouri Theater EB-5 Project Development Budget Detail....20
4.1 The Missouri Theater EB-5 Project Team....21
4.2 Listing of Key Missouri Theatre Contractors....25
4.3 Listing of Permits and Licenses Required for the Missouri Theatre Project....25
4.4 Listing of Staff Positions of the Missouri Theatre Project....26

1.1 Purpose

The Gateway to the Midwest Investment Center (GMIC) is submitting this business plan for an updated EB-5 project as part of a response to a Request for Evidence that was received following an initial regional center (RC) designation application for a region including three counties in the state of Missouri under the regulations at *8 CFR §104.6(m).* The application presents the Missouri Theater EB-5 project as an "actual" and nearly finalized project that is being used to demonstrate the likely economic and job impacts and the way the prospective regional center would promote economic growth within the prospective regional center's geography if the applicant's request for regional center designation is approved. **As noted previously, this is a real project, but this application does not seek project pre-approval at this time because project details are still being finalized.** Instead, this project has been evaluated for its economic development potential as an alternative to the initial project proposal in the initial regional center designation application, the Bio-Research and Development Growth Park. It is with this updated project that the prospective Gateway to the Midwest Investment Center regional center seeks to demonstrate how the regional center designation will promote economic growth (e.g. through improved productivity, job creation and increased capital investment) within a defined region under 8 CFR 204.6(m)(3)(i).

1.2 Sponsor/Applicant Company

The St. Louis County Economic Council, on behalf of the
Missouri Theatre Lenders, LLC
World Trade Center Building
121 S. Meramec Ave Ste 1117
St Louis MO 63105
Telephone: (314) 615-7663
Email: info@midwestchinahub.com

1.3 Industry Focus

The revised initial project of the proposed regional center will be the redevelopment and renovating construction of the historic Missouri Theatre Building into a vibrant mixed use space in downtown St. Louis. The revitalized building will include a hotel, retail space, restaurant space, and 40 residential apartments. The ongoing component of the project will be the operation of the 136 room hotel. While EB-5 project management and the principals of the prospective regional center believe that all aspects of this unique project will create jobs, the economic and job impact assessment analysis and the activity areas requested by the applicants in this application include only the construction and hotel components of the proposed EB-5 project. The restaurant and retail space are excluded from the EB-5 application economic and job count impacts and in the activities request in this application. This is done because those components involve tenant businesses and as of the date if this filing the so-called tenant

occupancy issue remains unsettled. In addition, the EB-5 project and application also exclude the impacts for the residential portion of the EB-5 project. In past adjudications, examiners have been critical of projects that include residential household spending and the application and impact assessment study excludes all activities related to the operations of those residential units as well—even though the excluded activities are still likely to create positive economic impacts and new jobs.

Project development and operations activities will be concentrated in the Construction (NAICS 236), Specialty Trade Contractors (NAICS 238), and Hotels (except casino hotels) and Motels (NAICS 721) subsectors as defined by the North American Industry Classification System (NAICS). However, within the proposed Gateway to the Midwest Investment Center, these jobs will be created economy-wide, across a large number of NAICS categories. All of these jobs have been estimated through the development of a customized and extensive input-output model (as set forth in the economic and job creation impact assessment study) to measure economic activity and job impacts through the three-county economy of the Gateway to the Midwest Investment Center territory and for the U.S. economy as a whole.

The input-output model inputs are measures of EB-5 project-induced new final demand in several NAICS sectors as described in the economic and job impact study. As a result of the expected EB-5 capital investment, a total of 345 new jobs are expected to be created within the prospective regional center. These jobs are generated by construction activity and hotel operations, which, through the multiplier effect (i.e. the economic "ripple effect) spur job growth across a wide array of NAICS sectors and subsectors beyond the three mentioned above. The total region-wide job impacts as well as job impacts for the U.S. economy as a whole are presented in the economic and job impact assessment analysis completed by Economic & Policy Resources, Inc. as described herein.

However, it should be noted that the jobs that will be created by the EB-5 project, as presented in the economic and job impact study from Economic & Policy Resources, Inc., will not occur at Missouri Theatre Lenders, LLC—which is the EB-5 project business entity into which EB-5 investors are expected to make their equity investment. According to EB-5 project management, Missouri Theatre Lenders, LLC will provide financing to RSC & Associates, LLC to develop and open the Missouri Theater EB-5 project. The job creation from the expected EB-5 investor dollars will occur as a result of the development, construction, and operations of the EB-5 project—and this net new economic activity and new job creation will not occur at the EB-5 business enterprise into which EB-5 investors will be making an equity investment. **As a result, because the positive economic activity and job creation impacts will be occurring at a different company than the EB-5 commercial business enterprise, all incremental economic activity and the net new jobs that will be created by the EB-5 project will be indirect for EB-5 program purposes.**

As follows the discussion above, the Gateway to the Midwest Investment Center, through its EB-5 project, is requesting USCIS pre-approval of the following three NAICS activities under this regional center application:

(1) **Construction of Buildings (NAICS 236)** — including the construction of new structures, additions, alternations, and maintenance and repairs that will require a broad array of specialty skills and trades, and

(2) **Specialty Trade Contractors (NAICS 238)** – This subsector describes an array of construction specialist that perform skilled construction tasks expected to be required in renovations such as those that will occur at the Missouri Theatre building.

(3) **Hotels (except casino hotels) and Motels (NAICS 72111)**—which provide lodging or short-term accommodations for travelers, vacationers, and others in facilities known as hotels or motels. Additional services such as food service, laundry, and recreation may also be provided by firms in this industry.

If approved, the full development and operations associated with the Missouri Theater EB-5 project will create EB-5 program eligible jobs in the NAICS sectors listed above and across a wide range of other NAICS sectors and subsectors of significance in both the regional economy and in the U.S economy as a whole.

1.4 Geographic Focus

The focus of the regional center will be a three-county subset of the St. Louis, Missouri-Illinois Metropolitan Statistical Area. This region and its economy are described in detail in section 2.2 of the accompanying economic report.

1.5 Regional Center Contacts

Regional Center Contact:

Ms. Jie Fan
Gateway to the Midwest Investment Center, Inc.
World Trade Center Building
121 S Meramec Ave, Suite 1117
St Louis, MO 63105

Phone: (314) 615-7663
FAX: (314) 615-8140
Email: jfan@worldtradecenter-stl.com

Immigration Counsel:

H. Ronald Klasko
Klasko, Rulon, Stock & Seltzer, LLP
1800 John F. Kennedy Blvd.
Suite 1700
Philadelphia, PA 19103

Phone: (215) 825-8646
Fax: (215) 825-8699
Email: RKlasko@klaskolaw.com
Web: www.klaskolaw.com

SEC Counsel:

Ronald R. Fieldstone, Rebecca Abrams Sarelson
Arnstein & Lehr, LLP
200 S. Biscayne Blvd. Ste 3600
Miami, FL 33131

Phone: (305) 428-4500
Fax: (305) 374-4744
Email: rrfieldstone@arnstein.com
Web: http://www.arnstein.com

Economic and Job Creation Impacts/Modeling:

Jeffrey B. Carr
Economic & Policy Resources, Inc.
400 Cornerstone Drive, Suite 310
P.O. Box 1660
Williston, VT 05495-1660

Phone: (802) 878-0346

Email: jbc@epreconomics.com
Web: www.eb5economics.com

Accounting/Tax Planning:

The selection of a regional center accounting firm is pending. The selection is anticipated to be made by the end of the third quarter of 2012.

Business Plan Development:

Jeffrey B. Carr (see address and contact information above under **Economic and Job Creation Impacts/Modeling**)

Investor Solicitation:

The selection of an EB-5 marketing agent is pending. The selection is anticipated to be made by the end of the third quarter of 2012.

1.6 Total Anticipated EB-5 Capital Investment

Through the EB-5 program, Missouri Theatre Lenders, LLC intends to raise up to $8.0 million in EB-5 capital to fund the development and operation of the Missouri Theater EB-5 project in St. Louis City, MO. The development and operation of the EB-5 project will result in the creation of new economic activity and new jobs that will support the EB-5 capital raise.

1.7 Investor Program Summary

Summary of the Project

The focus of the Regional Center's investment program will be to invest in the development and operation of the Missouri Theatre Hotel EB-5 project, which consists of the construction and operation of a 136 room hotel in the historic Missouri Theatre Building in St. Louis' Grand Avenue Arts District. The objective of Nesbitt Missouri Theater LLC and SLMT LLC, the companies that will co-develop the project, and Windsor Capital Group, Inc., the company that will operate and manage the hotel operations, is to create a vibrant mixed-use space headlined with an attractive and accommodating hotel in a unique historical building. Once fully developed and operational, the EB-5 project will expand the regional economy and is expected to create new jobs across a myriad of NAICS activity areas stemming from those listed in Section 1.3 (above). The EB-5 project intends to draw upon the economic development expertise of St. Louis County Economic Council, with which the regional center is affiliated, to develop the project. The EB-5 project will be owned by Missouri Theatre LLC and therefore its operation will not involve any tenant businesses.

Investor Program Summary

A portion of the investment capital for the initial project (with an expected minimum offering of up to $8.0 Million) will be raised through an EB-5 Investment Program, offered exclusively to international investors seeking to gain the benefits of the program:

- Living and working anywhere in the U.S.,
- No employment authorization requirement to accept employment,
- Ability to develop and run a business,
- Ability to sponsor green cards for a spouse and minor children,
- Ability to travel outside of the United States and return to the United States without a visa,
- Education benefits of permanent residents such as admission to state universities at resident costs, and
- Become a U.S. citizen once the investor has been a permanent resident for more than five years.

A total of up to 16 investors, with a minimum investment of $500,000 each, will be solicited through the program. In exchange, each investor will be offered the opportunity to receive conditional permanent residency which can be converted to unconditional permanent residency after a period of 21 months. It is projected that investors will receive periodic income from the project. See Section 3 for a full description of the investment project and the regional center's development plans.

1.8 Economic Impact Analysis Summary

The economic and job impact assessment analysis report prepared by Economic & Policy resources, Inc. is the result of a significant study by the firm. Economic & Policy Resources, Inc. has considerable experience in evaluating and preparing impact assessment reports in support of EB-5 Regional Center applications that demonstrate the economic and job creation impacts of activities on a specific geographic area such as the proposed regional center.

The impact study completed by Economic & Policy Resources, Inc. used a REDYN dynamic input-output model tool—one of the U.S. Citizenship and Immigration Service's generally accepted approaches for measuring net new job creation. A summary of the job-generating results of the initial investment projects follows:

- The Economic & Policy Resources, Inc. impact assessment concluded that the development, construction and operation of the Missouri Theater EB-5 project in the Gateway to the Midwest Investment Center will generate significant and positive economic benefits for the U.S. economy.
    - The benefits include a four year cumulative total of $163.7 million in increased output, a four year cumulative total of $68.0 million in increased disposable personal income, and a four year

cumulative total of $54.5 million in increased household earnings over the four-year impact period of the proposed project.[1]

- The benefits are also expected to include a net increase of 904 total new direct and indirect jobs, 830 stemming from construction and 49 generated by operations activities in the United States economy.

- The planned Missouri Theater EB-5 Project, if developed and operated as planned, will also have a positive impact on the regional economy of the Gateway to the Midwest Investment Center.
  - The benefits include a four year cumulative total of $60.3 million in increased output, a four year cumulative total of $25.1 million in increased disposable income, and a four year total of $20.0 million in increased household earnings over a four-year impact assessment period.
  - The benefits in the regional center are expected to include a net job increase of 345 total new direct and indirect jobs, 296 stemming from construction and 49 generated by operations activities.
  - With project development expenses of $38.4 million (which does not include any land acquisition or soft construction costs), the impact Year 3 jobs are generated at a ratio of 9.0 jobs per $1 million invested.

- Outside the proposed regional center, this economic and job impact assessment study for the Missouri Theater EB-5 project includes a four year cumulative total of $103.4 million in increased output, a cumulative total of $42.9 million in increased disposable personal income, and a cumulative total of $34.5 million in increased household earnings for the U.S. economy outside of the regional center.
  - The outside regional center employment impact is also estimated for this study to include an 560 new jobs, corresponding to a total U.S. job impact of 904 new jobs less new job impacts of 345 within the regional boundaries of the Gateway to the Midwest Investment Center.

    Table 1 (below) displays the summary inputs and economic impacts of the planned development, construction, and operation of the Missouri Theater EB-5 Project in both the Gateway to the Midwest Investment Center and the U.S. economy as a whole.[2]

---

[1] Economic impacts are reported in 2012 dollars.

[2] It should be noted that these impacts from the economic and job impact assessment study correspond to impacts during Years 1 through 4 of the project timeline. Since the proposed regional center hopes to gain USCIS approval and begin marketing in calendar year 2012, development year 1 corresponds to calendar year 2013. The reader should note that the business plan starts with Year 0—which corresponds to calendar year 2012.

Table 1 Summary Model Inputs and Results – The Missouri Theatre EB-5 Project

	2011	2012	2013	2014
Timeline	Construction	On-Going Operations		
Model Output [2]				
Total U.S. Economy				
Output (2012$, 000s)	$ 132,492	$ 10,209	$ 10,405	$ 10,596
Disposable Income (2012$, 000s)	$ 56,176	$ 3,875	$ 3,947	$ 4,016
Household Earnings (2012$, 000s)	$ 49,411	$ 1,659	$ 1,690	$ 1,720
Jobs	830	74	74	75
Regional Center Economy				
Output (2012$, 000s)	$ 43,154	$ 5,608	$ 5,713	$ 5,818
Disposable Income (2012$, 000s)	$ 19,086	$ 1,959	$ 1,995	$ 2,030
Household Earnings (2012$, 000s)	$ 16,162	$ 1,247	$ 1,271	$ 1,292
Jobs	296	49	49	49

Job Multipliers In the Regional Center Geography, Construction and On Going Operations	[A] Indirect Jobs	[B] Millions in development costs	[A/B] Jobs per $Million
	345	$ 38.393	8.98

Notes:
[1] A 3 digit NACIS code ios requested because of the wide variety of specialty trade contractors required to complete the rennovation.
[2] Economic activity was modeled at the county level.

The above described job and output impact totals are comprised in part from impacts in key subsectors. These include: NAICS 541 Professional, Scientific and Technical (Business Services), NAICS 221 Utilities, NAICS 811 Maintenance and Repair, and NAICS 23 Construction. To be in compliance with USCIS guidance documents regarding economic and job impact reporting for EB-5 projects, detailed predictions of impacts associated with the Missouri Theater EB-5 Project are reported for both inside and outside the pending regional center and for the U.S. economy in total.

- Table 2 (below) shows the year by year impacts expected within the prospective regional center economy for each USCIS-requested subsector.
    - The table shows increased demand within the regional center is expected for: (1) Professional, Scientific, and Technical (Business) Services with a four-year cumulative total of $4.5 million, (2) Utilities with a four-year cumulative total of $0.2 million, (3) Repair and Maintenance Services with a four-year cumulative total of $0.5 million, and (4) Construction [partial] with a four-year cumulative total of $1.8 million.[3]
    - Increases in the number of jobs within the pending regional center are expected in the majority of examined subsectors. In Year 1, the construction component of the project generates these sector job effects. Among gaining subsectors, these increases range from a low of 3 net new jobs in impact Year 1 in the Repair and Maintenance sub-category and to a high of 29 net new jobs in the Professional, Scientific, and Technical Services subsector. Hotel operations generate job growth of 1 net new job in the Professional, Scientific, and Technical (Business) Services sector in subsequent years.

[3] All economic impacts are reported in 2012 dollars.

Table 2. Subsector Impacts Within the Regional Center—Missouri Theatre EB-5 Project

Within the Regional Center	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	270	1	1	1
	221	Utilities	0	0	0	0
	236/237/238	Construction [Partial]	12	0	0	0
	541	Professional, Scientific, and Technical Services	29	1	1	1
	811	Repair and Maintenance	3	0	0	0
Output Impacts	---	Total (industries below)	$ 33,357.1	$ 373.0	$ 380.0	$ 387.1
(2012$, thousands)	221	Utilities	$ 147.6	$ 14.4	$ 14.7	$ 14.9
	236/237/238	Construction [Partial]	$ 1,473.8	$ 121.7	$ 124.0	$ 126.3
	541	Professional, Scientific, and Technical Services	$ 3,821.6	$ 215.0	$ 219.1	$ 223.1
	811	Repair and Maintenance	$ 392.3	$ 21.9	$ 22.4	$ 22.8

Prepared by: Economic & Policy Resources, Inc.

- Table 3 (below) shows the year by year impacts expected outside the pending regional center economy for each USCIS-requested subsector.
    - Increased demand outside the pending regional center is expected for: (1) Professional, Scientific, and Technical (Business) Services with a four-year cumulative total of $6.0 million, (2) Utilities with a four-year cumulative impact of $1.9 million, (3) Repair and Maintenance with a four-year cumulative total of $1.1 million, and (4) Construction [partial] with a four-year cumulative total of $2.7 million.
    - In Year 1, the construction component of the project generates subsector job effects. These increases range from a low of 2 new jobs in the Utilities subsector to a high of 69 new jobs in the Professional, Scientific, and Technical (Business) Services subsector. Hotel operations generate job growth in the Construction, Business Services, and Repair and Maintenance subsectors in the subsequent years.

Table 3. Subsector Impacts Outside the Regional Center—Missouri Theatre EB-5 Project

Outside the Regional Center	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	76	4	4	4
	221	Utilities	2	0	0	0
	236/237/238	Construction [Partial]	24	1	1	1
	541	Professional, Scientific, and Technical Services	40	2	2	2
	811	Repair and Maintenance	10	1	1	1
Output Impacts	---	Total (industries below)	$ 9,978.8	$ 554.6	$ 566.1	$ 576.1
(2012$, thousands)	221	Utilities	$ 1,563.3	$ 105.8	$ 107.8	$ 109.9
	236/237/238	Construction [Partial]	$ 2,288.3	$ 127.3	$ 130.2	$ 132.2
	541	Professional, Scientific, and Technical Services	$ 5,144.7	$ 270.0	$ 275.6	$ 280.5
	811	Repair and Maintenance	$ 982.5	$ 51.5	$ 52.5	$ 53.5

Prepared by: Economic & Policy Resources, Inc.

- Table 4 (below) shows the year-by-year impacts expected for the U.S. economy on the whole for each USCIS-requested subsector. These impacts are equal to the sum of the inside the regional center and outside the regional center impacts.
    - Impacts on total U.S. demand by subsector include: (1) an increase in the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $10.4 million, (2) an increase for the Utilities subsector with a four-year cumulative impact of $2.1 million, (3) an increase in Repair and Maintenance with a four-year cumulative total of $1.6

million, and (4) an increase in the Construction subsector [partial] with a four-year cumulative total of $4.5 million. All impacts are shown in constant 2012 dollars.

- In Year 1, the construction component of the project generates subsector job effects in the U.S. as a whole. These increases range from a low of 2 net new jobs in the Utilities subsector to a high of 262 net new jobs in Construction. Hotel operations generate job growth in the Construction, Business Services, and Repair and Maintenance subsectors in the subsequent years.

Table 4. Subsector Impacts on the Total U.S. Economy—Missouri Theatre EB-5 Project

Total United States	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	346	5	5	5
	221	Utilities	2	0	0	0
	236/237/238	Construction [Partial]	36	1	1	1
	541	Professional, Scientific, and Technical Services	69	3	3	3
	811	Repair and Maintenance	13	1	1	1
Output Impacts	---	Total (industries below)	$ 43,336.0	$ 927.6	$ 946.2	$ 963.2
(2012$, thousands)	221	Utilities	$ 1,710.9	$ 120.1	$ 122.5	$ 124.9
	236/237/238	Construction [Partial]	$ 3,762.0	$ 248.9	$ 254.2	$ 258.5
	541	Professional, Scientific, and Technical Services	$ 8,966.4	$ 485.0	$ 494.6	$ 503.6
	811	Repair and Maintenance	$ 1,374.8	$ 73.5	$ 74.8	$ 76.3

Prepared by: Economic & Policy Resources, Inc.

- The estimates of new economic activity and net new jobs presented in this economic and job impact assessment study demonstrate how the requested regional center will promote economic growth within the regional center geography in the requested activities.

  - USCIS pre-approval of the proposed EB-5 project will result in significant and positive economic and job impacts for both the regional economy of the Gateway to the Midwest Investment Center and the economy of the U.S. as a whole—consistent with the specific impact detailed above.

2.1 Summary of the Program for the EB-5 Project

Missouri Theatre Lenders, LLC has been organized to provide financing to Missouri Theatre LLC pursuant to a Memorandum of Understanding entered into with the Gateway to the Midwest Investment Center, Inc to develop the Missouri Theatre EB-5 project, the construction and operation of a unique 136 room hotel in downtown St Louis. The Gateway to the Midwest Investment Center will enter into a Memorandum of Understanding with Missouri Theatre Lenders, LLC to utilize the EB-5 regional center designation to develop the EB-5 Project. The regional center shall provide administrative, supervisory, due-diligence and other services as needed for the benefit of the EB-5 Project in consideration for receiving a supervisory/management fee related thereto.

Gateway to the Midwest Investment Center, LLC has also arranged for Klasko, Rulon, Stock & Seltzer, LLP to file an EB-5 Application and a Form I-526 on behalf of each Subscriber, which will be done promptly following acceptance of the subscription and admission of the Subscriber as an Investing Member of the EB-5 Company. It is anticipated that the USCIS will act on each EB-5 Application within approximately 180 to 240 days after the completed EB-5 Application is filed. If the EB-5 application is granted, the Subscriber will

become a regular Member of the EB-5 Company, assuming project approval.[4] If a temporary EB-5 application is denied, without appeal or after denial of any appeal, the Company will cancel such subsidiary Member's Interest by returning to the Member the five hundred thousand dollar ($500,000) or one million dollar ($1,000,000) subscription price (whichever is applicable). These totals are less the $45,000 deposit for legal, administrative, and marketing fees. The EB-5 Company will continue in existence during the time that it maintains its investment in RSC & Associates unless sooner terminated as provided in the Operating Agreement.

2.2 Qualification for Regional Center Designation

The program has been developed under the following USCIS requirements:

- Investors will be required to make an investment of at least $500,000, plus $45,000 in legal, administrative, and marketing costs and other fees.
- Each investor's contribution to Missouri Theatre Lenders LLC will generate at least 10 EB-5 program eligible jobs within the defined geographic area of the regional center.[5]
- Funds may come from any legal foreign or U.S. source, including gifts, loans, executive pension funds, trusts, and divorce settlements.
- The investment must be received from the person seeking the visa, from clearly identifiable and legal funds.
- Borrowed investment funds qualify as long as they are not secured by the assets of the target U.S. investment.

The EB-5 Offering has been structured so that a Subscriber will have made an investment that qualifies for an EB-5 Visa entitling such Subscriber, assuming the Subscriber otherwise satisfies the non-investment criteria for an EB-5 Visa, to conditional permanent United States residency and, ultimately, to apply for U.S. permanent residency without conditions—and eventually citizenship. The Company has arranged to work with experienced immigration attorneys to file the EB-5 Petition for an EB-5 Visa on behalf of and at each Subscriber's expense promptly following acceptance of the subscription and admission of the Subscriber as a Member in the LLC. It is anticipated that USCIS will act on each Petition within six (6) to eight (8) months after the completed Petition is filed, although a longer or shorter time period may apply in a particular case. If the Petition is granted, the Subscriber will become a regular Member of the Company. The Subscriber shall be responsible for all cost of travel and fees to USCIS.

---

[4] The application for project approval is expected to be submitted with the first I-526 filing.

[5] The area corresponds to a three-county subset of the St. Louis, Missouri-Illinois MSA, as described in detail in the economic study.

2.3 Managerial Role—Active vs. Passive Investment

Under EB-5 regulations, the EB-5 immigrant investor is expected to participate in the management of the new enterprise by assisting in the formulation of the enterprise's business policy, by participating in one or more of the activities permitted in the Missouri Limited Liability Company Act, and as otherwise set forth in the Operating Agreement. Investors in an EB-5 enterprise must have all the rights and duties usually accorded to members applicable under the Missouri Limited Liability Company Act. The rights of the Members under the Operating Agreement are consistent with rights normally granted to Members under the Act.

2.4 Company Privacy Policy

It is the company policy of Missouri Theatre Lenders, LLC, and all subsidiary business enterprises, to protect the privacy of its investors. Therefore, the Company will not disclose the names of investors to those outside of the Company that each investor is invested in, unless required to do so by law and USCIS reporting requirements. However, each investor has the legal right of access to names, contact information, and percentage of ownership of the other investors within his/her limited liability company.

2.5 Project Selection

The current EB-5 project represents an important business opportunity, and is only the first of a number of projects the proposed regional center may undertake—market conditions allowing. The selection of this project is based on the strong likelihood that the new jobs will be created within the geographic boundaries of the proposed regional center if this application is approved. The EB-5 project has provided a detailed economic and job creation impact assessment analysis based on this business plan specifying its anticipated employment requirements, which were carefully reviewed and evaluated by the regional center's management prior to recommendation of the project to investors. Throughout the life of the first EB-5 project, these newly added EB-5 qualifying jobs will be closely monitored by the regional center's management. This will be done using the regional center's own job reporting forms, and will be supplemented by the project's employment creation records. These data will be collected and reported according to USCIS requirements including through the Form I-924A process as outlined in the Gateway to the Midwest Investment Center, Inc. Regional Center Business Plan, which was submitted with the original regional center application.

Estimates of indirect job creation were determined by the economic and job creation impact assessment study described in the economic report that accompanies this application. These estimates were based on information provided by the project development team, and reported results include EB-5 qualifying jobs created, total jobs created, and changes in output, disposable income, and household earnings within and outside the Gateway to the Midwest Investment Center boundaries.

3.1 Business Structure Overview

As noted above, Missouri Theatre Lenders, LLC (the EB-5 business enterprise and a Missouri limited liability company) has been organized to provide financing to Missouri Theatre, LLC. After development construction, the project will be managed by Windsor Capital Group, Inc.

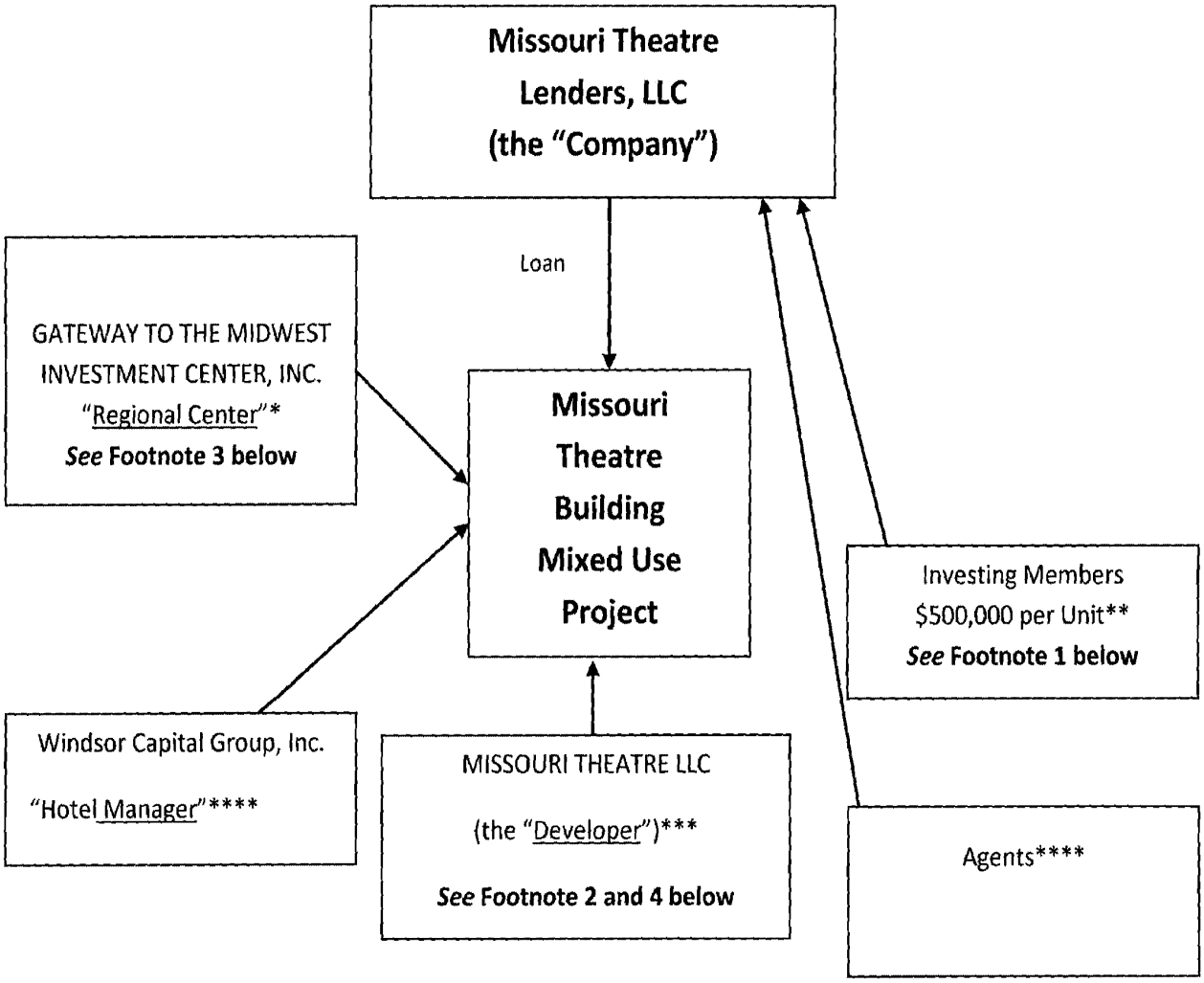
Missouri Theatre Lenders, LLC will provide the above-referenced financing to Missouri Theatre LLC pursuant to a Memorandum of Understanding entered into with the Gateway to the Midwest Investment Center, a prospective regional center, to develop the EB-5 Project. Missouri Theatre LLC will receive each Investor's $500,000 contribution, and will provide development/construction financing in connection with the Missouri Theater EB-5 Project.

Once operational, the EB-5 project will be managed by Windsor Capital Group, Inc. and will be located in the prospective Gateway to the Midwest Investment Center, which is the prospective regional center. The proposed regional center area consists of the three-county core of the St. Louis, Missouri-Illinois Metropolitan Statistical Area: St. Charles County, MO; St. Louis County, MO; and St. Louis City, MO (an independent city that functions as a distinct county). This proposed regional center area is home to about 1.65 million, or about 28% of the population of Missouri. The larger St. Louis Metropolitan Statistical Area is a 17-county region spanning the Missouri-Illinois state line. The principal cities of the metropolitan statistical area are St. Louis and St. Charles, MO. A detailed description of the proposed regional center area is contained within the economic report, section 2.2.

The chart below describes the overall corporate structure of the various subsidiaries.

OVERVIEW STRUCTURE

INVESTOR'S EB-5 FUNDS INVESTED IN MISSOURI THEATRE LENDERS, LLC (the "Company")



* Represents the City of St. Louis, St. Louis County and St. Charles County areas as a designated government sponsored regional center.

** Excludes $45,000 per Investor for the Cost Allocation Amount.

*** The Developer and Windsor Capital Group, Inc. have common ownership.

**** Certain parties shall be appointed by the Company or the Manager to serve as agents of the Company.

***** Windsor Capital Group will be contracted to manage the hotel and will therefore not be a tenant business.

Footnotes

1. Subscription proceeds, except for the $45,000 per Unit funded into an Expense Escrow Account, to be initially funded in a Project Escrow Account as described below. Once disbursed from escrow to the Company, the funds will be disbursed by the disbursement agent for the Company in accordance with budget and draw requests that will be made by the Developer from time to time.

2. Job creation through Developer completing the Project that is financed by the Company.

3. **Gateway To The Midwest Investment Center, Inc.**, the EB-5 Regional Center for the territory will enter into a Memorandum of Understanding with the Developer to utilize the EB-5 Regional Center designation to develop the Project.

4. Offshore migration brokers and/or investor's counsel may be engaged to analyze, sell or assist in processing exit and entry documentation for the EB-5 immigration process. Such persons will process all paperwork with respect to Subscribers that will be required for USCIS' purposes and coordinate with the United States Immigration counsel in connection therewith.

3.2 Detailed Description—Missouri Theater EB-5 Project

The Missouri Theater EB-5 Project consists of the redevelopment construction of the historic Missouri Theatre Building into a hotel, retail space, restaurant space, and 40 residential apartments as well as the operations of the hotel component of the mixed use facility. The renovation will update the entire historic landmark, which is over 150,000 square feet. Such a mix of commercial and residential development is consistent with City of St. Louis goals for development in the Grand Avenue Arts District where the project is located.

The ongoing operations component of the project is a 136 room hotel. The hotel will be in the historic Missouri Theatre building, and this historic character will lend to its uniqueness in the marketplace. Additionally, the restoration of the historic landmark will contribute to improvements in the character of the "up and coming" Grand Avenue Arts District of downtown St. Louis. The hotel will be franchised as a Hyatt Place Hotel by Hyatt, but its boutique characteristics will exceed the minimum standards required by the Hyatt Place franchising agreement. In this way, the hotel is likely to benefit from the destination appeal of a boutique hotel as well as the brand recognition of a franchised accommodation.

Amenities offered by the facility will include:

- 136 well-appointed rooms,
- Approximately 5,200 square feet of meeting and function space,
- An exercise facility,
- An indoor swimming pool and whirlpool,
- High speed internet access,

- A well-equipped business center,
- On-site parking, and
- Breakfast provided for guests.

The hotel will be located within a vibrant and revitalizing arts district within downtown St. Louis. The Grand Avenue Arts District is home to numerous attractions and venues, which attract over 1.3 million visitors annually. The Missouri Theatre EB-5 project hotel is expected to benefit in particular from proximity to the Fox Theatre, which is a 4,400 seat venue that showcases touring Broadway shows and "big ticket" musicians' concerts. Proximity to St. Louis University is another benefit of the Missouri Theatre building, and its location in Grand Avenue Arts neighborhood is an amenity in itself, both in terms of accessibility and atmosphere.

3.3 Strategic Approach for Hotel Operations

In order to better understand the local hotel market and the demand for the Missouri Theater EB-5 Project, the project developers have researched the local market landscape and have received an initial market review conducted by Wert-Berater, Inc. The firm examined local competition and demand drivers in order to give a preliminary, overall view of the area accommodations market.

The St. Louis hotel market is characterized by division into submarkets based on geographic location. Hotels in one submarket tend not to compete with hotels in other submarkets. Furthermore, hotels tend only to compete with hotels of comparable cost and therefore comparable amenity offerings. The Missouri Theater hotel site is within the Clayton/Central West End (CWE) submarket near its border with the Central Business District.

The hotel is planned for the Grand Avenue Arts District neighborhood within the CWE submarket. Demand in this area is driven by a number of businesses and attractions. The Wert-Berater analysis found evidence that new demand drivers will be entering the market. These include: the upcoming Sun Theatre development, local radio campaign to promote local music venues, university expansions, new museums, VA hospital expansion, and a general increase in economic activity associated with area revitalization. Proximity to the Fox Theater is expected to bridge the business and leisure stay markets and be especially important to the success of the hotel as it will bring both leisure travelers and the casts and crews of traveling shows as guests.

According to the letter describing the preliminary analysis, "the competitive market area is underserved due to lack of availability of hotel room nights to market participants during peak months." The letter further states that all area hotels would remain competitive during off-peak months following the opening of the Missouri Theatre Hyatt Place.

The Missouri Theater EB-5 project hotel is well-situated in a neighborhood at the middle stages of revitalization. The theater will both contribute to and benefit from this new, vibrant atmosphere. As the only hotel in the Grand Avenue Arts District, the hotel would be well situated as a boutique lodging opportunity for visitors to the area, whether they be business or leisure travelers.

3.4 Statement of Sources and Uses of Funds

The following table highlights the Missouri Theater EB-5 project's expected sources and uses of funds over the first five years of the proposed project's development and operations timeline. From the table, the EB-5 project intends to raise and utilize up to $8.0 million in EB-5 investor capital, and seeks to obtain additional sources of debt and other equity capital to complete the EB-5 Project development for a total of $43.1 million in invested capital. The Missouri Theater EB-5 project is a start-up venture, and is subject to the timely receipt of both EB-5 investor funds to leverage the other required capital sources from non-EB-5 program investors. Management expects that the $8.0 million EB-5 investor funds will be fully invested by the end of the fourth quarter of year 1 (or month 24 of the project timeline) and all investor funds will be invested to create jobs following each individual investor's I-526 approval.

Chart of Sources and Uses of Funds[6] [1]

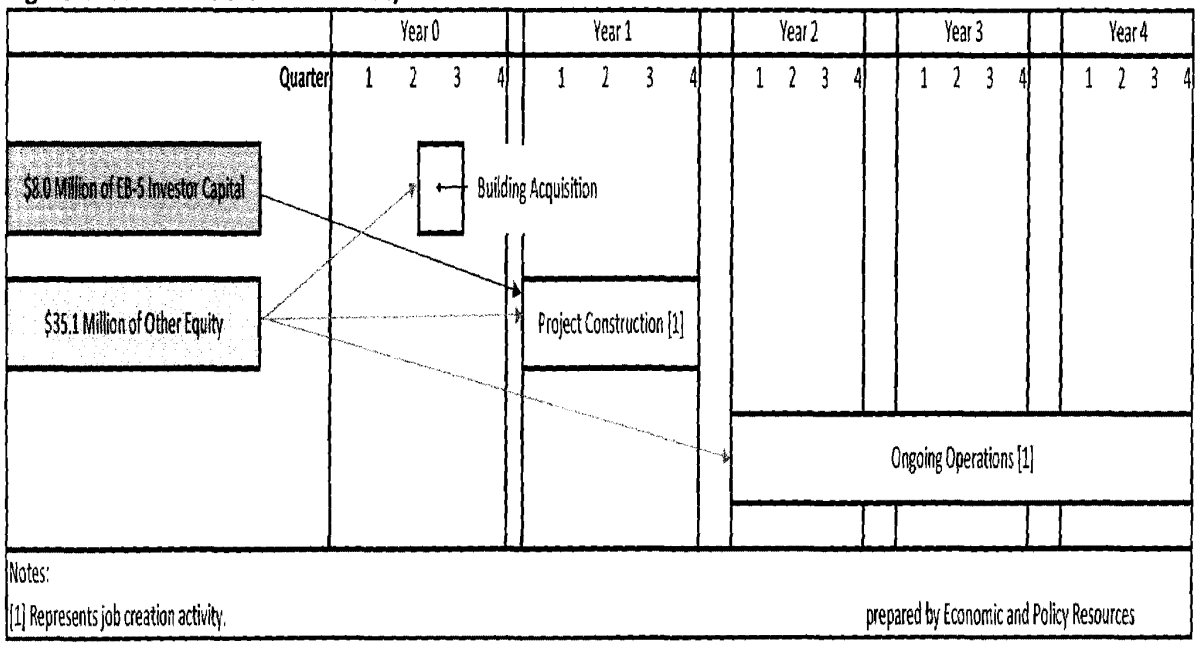
Description	Year 0	Year 1	Year 2	Year 3	Year 4	Total
Sources of Funds (000s):						
EB-5 Investor Capital	$ -	$ 8,000.0	$ -	$ -	$ -	$ 8,000.0
Hyatt Corporation Equity	$ -	$ -	$ 800.0	$ -	$ -	$ 800.0
New Markets Tax Credit Equity	$ 5,265.0	$ -	$ -	$ -	$ -	$ 5,265.0
Brownfield Tax Credit Equity	$ 2,125.0	$ -	$ -	$ -	$ -	$ 2,125.0
State Historic Tax Credit Equity	$ -	$ -	$ 7,486.0	$ -	$ -	$ 7,486.0
Federal Historic Tax Credit Equity	$ 1,807.0	$ -	$ 722.8	$ -	$ -	$ 2,529.8
Federal Historic Tax Credit Bridge Loan	$ 4,698.2	$ -	$ -	$ -	$ -	$ 4,698.2
Construction Loan	$ 12,216.3	$ -	$ -	$ -	$ -	$ 12,216.3
Total Sources (000s)	$ 26,111.5	$ 8,000.0	$ 8,286.0	$ -	$ -	$ 43,120.3
Uses of Funds (000s):						
Building Acquisition	$ 2,200.0	$ 1,000.0	$ -	$ -	$ -	$ 3,200.0
Construction, Hard Costs	$ 1,459.1	$ 26,062.8	$ -	$ -	$ -	$ 27,521.9
Construction, Soft Costs	$ 3,822.2	$ 8,576.2	$ -	$ -	$ -	$ 12,398.4
Total Uses (000s)	$ 7,481.3	$ 35,639.0	$ -	$ -	$ -	$ 43,120.3

[6] It should be noted that these data reflect activities during Years 0 through 4 of the EB-5 project and regional center operations timeline. Since the proposed regional center hopes to gain USCIS approval and begin marketing during calendar year 2012, year 0 corresponds to calendar year 2012. The reader should note that the economic and job impact assessment study begins with development year 1—which corresponds to calendar year 2013.

3.5 Development Timeline Summary

The following figure presents the sources and uses of funds in figure format along with the development timeline for the Missouri Theater project.

Figure of Sources and Uses of Funds/Timeline



3.6 The Missouri Theater EB-5 Project Development Budget Detail

The table below presents the details of the overall pro-forma budget for the Missouri Theater EB-5 project. This pro-forma was developed by the EB-5 project management team.

Chart of Detailed Project-Wide Use of Proceeds/Budgeted Performance

MISSOURI THEATER BUILDING
HOTEL, NOI / Cash Flow

Key Operating Assumptions (1)	FY 2014 Year 1	FY 2015 Year 2	FY 2016 Year 3	FY 2017 Year 4	FY 2018 Year 5
Total Rooms	136	136	136	136	136
Annual Room-Nights Available	49,640	49,640	49,640	49,640	49,640
Occupancy Rate	59.2%	66.3%	69.5%	70.1%	70.1%
ADR	130.00	136.00	143.00	148.00	153.00

Cash Flow Before Debt Service	Amount	% Rev	Amount	% Rev	Amount	% Rev	Amount	% Rev	Amount	% Rev
Operating Profit										
Revenues										
Rooms	$ 3,822,000	87.82%	$ 4,475,940	88.27%	$ 4,933,500	88.58%	$ 5,150,400	88.78%	$ 5,324,400	88.91%
Food & Beverage	298,000	6.85%	333,760	6.58%	360,461	6.47%	371,275	6.40%	382,413	6.38%
Parking	147,000	3.38%	164,500	3.24%	172,500	3.10%	174,000	3.00%	174,000	2.91%
Telecommunications	32,700	0.75%	36,900	0.73%	39,100	0.70%	39,800	0.69%	40,200	0.67%
Other Revenues	52,500	1.21%	59,900	1.18%	64,100	1.15%	65,900	1.14%	67,200	1.12%
	4,352,200		5,071,000		5,569,661		5,801,375		5,988,213	
Departmental Expenses										
Rooms	808,100	21.14%	931,100	20.80%	1,008,400	20.44%	1,052,800	20.44%	1,088,300	20.44%
Food & Beverage	186,093	62.45%	208,439	62.45%	224,834	62.37%	231,721	62.41%	238,675	62.41%
Parking	58,800	40.00%	65,800	40.00%	69,000	40.00%	69,600	40.00%	69,600	40.00%
Telecommunications	44,500	136.09%	50,300	136.31%	53,300	136.32%	54,300	136.43%	54,900	136.57%
Other	29,800	56.78%	33,900	56.59%	38,100	56.32%	36,900	55.98%	37,500	55.80%
	1,127,293	25.90%	1,289,539	25.43%	1,391,634	24.98%	1,445,321	24.91%	1,488,975	24.87%
Undistributed Operating Expenses										
Administrative & General	$ 396,000	9.10%	$ 436,900	8.62%	$ 463,767	8.33%	$ 475,800	8.20%	$ 459,900	7.68%
Marketing & Sales	271,706	6.24%	294,900	5.82%	369,900	6.64%	368,094	6.34%	334,273	5.58%
Base Management Fee	152,600	3.50%	190,500	3.50%	208,000	3.50%	216,500	3.50%	223,300	3.50%
Franchise Fees	217,610	5.00%	253,550	5.00%	278,483	5.00%	290,069	5.00%	299,411	5.00%
Property Operations & Maintenance	149,900	3.44%	218,547	4.31%	224,900	4.04%	236,200	4.07%	245,800	4.10%
Utility Costs	173,400	3.98%	176,900	3.49%	180,400	3.24%	184,000	3.17%	187,700	3.13%
	1,371,216	31.51%	1,571,297	30.99%	1,725,450	30.98%	1,710,663	29.49%	1,750,184	29.23%
Total Operating Expenses	2,498,509	57.41%	2,860,836	56.42%	3,117,084	55.97%	3,155,984	54.40%	3,239,158	54.09%
Income Before Fixed Charges	$ 1,853,691	42.59%	$ 2,210,163	43.58%	$ 2,452,577	44.03%	$ 2,645,391	45.60%	$ 2,749,055	45.91%
Fixed Charges										
Property Taxes (10 year abatement)	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%
Insurance	51,800	1.19%	52,800	1.04%	53,800	0.97%	54,900	0.95%	56,000	0.94%
Reserve for Replacement	87,044	2.00%	163,300	3.22%	237,700	4.27%	247,400	4.26%	255,200	4.26%
	138,844	3.19%	216,100	4.26%	291,500	5.23%	302,300	5.21%	311,200	5.20%
Net Operating Income	$ 1,714,847	39.40%	$ 1,994,063	39.32%	$ 2,161,077	38.80%	$ 2,343,091	40.39%	$ 2,437,855	40.71%
Cash Flow Before Debt Service	$ 1,714,847	39.40%	$ 1,994,063	39.32%	$ 2,161,077	38.80%	$ 2,343,091	40.39%	$ 2,437,855	40.71%

Financial Analysis JLL P.

4.1 The Missouri Theater EB-5 Project Team

A number of highly-qualified professionals have been carefully selected in order to implement and manage the activities of the Missouri Theatre Lenders, LLC in compliance with USCIS regulations.

Principals

Patrick M. Nesbitt

Patrick M. Nesbitt is the Founder, Chairman and CEO of Windsor Capital Group, Inc., (WCG) which is based in Santa Monica, Calif. Nesbitt started his real estate career at age 13, rehabilitating residential projects in his hometown, Detroit, Mich.

Since he founded Windsor Capital Group over 40 years ago, the company has become the largest private owner and operator of Embassy Suite Hotels in the U.S. In addition, WCG owns and manages a number of other hospitality assets under Marriott and Hilton franchise agreements. In total, WCG owns and/or operates 25 branded hotels in 9 states across the U.S. The Company's development projects also include office buildings, shopping centers, apartment complexes and exclusive residential developments.

Nesbitt completed his undergraduate studies at the United States Air Force Academy and earned a Masters Degree in Systems Engineering from the University of Michigan. He also earned his JD from Whittier College in California and has been a member of the Los Angeles County, California and American Bar Associations since 1982.

Pamela L. Opyd

Pamela Opyd is the Principal and Manager of SLMT, LLC ("SL"). Currently Ms. Opyd is managing the development process of several mixed-use developments including the Gateway in Oak Forest, Illinois, the City of Oak Forest Metra Train Station, Park East Square in Milwaukee, Wisconsin, and the Gallery in Grand Rapids, Michigan. Prior to forming SLMT, Ms. Opyd was a Development Manager at Prime Group Realty Trust (PGE) and oversaw a variety of large-scale commercial developments including the 1.5 million square foot Dearborn Center in Chicago and the development of Northern Illinois University's 215,000 square foot convocation center.

She was responsible for guiding the design, permit, financial and construction processes of these developments. In addition, Ms. Opyd served as development manager on Chicago's Union Station redevelopment. This complex project incorporated a high level of municipal involvement including landmark designation and TIF funding as well as LEED technologies.

Windsor Capital Group, Inc.

Windsor Capital Group, Inc. ("Windsor"), formerly Nesbitt Hospitality Group, Inc., is a privately owned hotel ownership and management company founded and owned by Patrick Nesbitt with corporate headquarters in Santa Monica, California. Windsor currently owns and operates 20 hotels, and manages

three (3) additional hotels, all across 10 states. A detailed chart of the owned and managed hotels is included later in this section.

The hotel management component of Windsor owns and operates full service, focused, upscale branded hotels throughout the United States, with most flying the Embassy Suites or the Marriot flags. As a top performing hotel management and development company, Windsor customizes its hotel management services to meet its clients' needs.

Windsor is a "one-stop" hotel management service company that can provide all aspects of hotel management required, and has broad experience in financing, renovation, operation services, accounting, sales/marketing services, and employee relations.

The company has a proven track record of success; RevPAR Indexes for its hotel portfolio perform between 120 -130 on average, with top-of-class hotel sales, marketing and revenue management services. Windsor's market share has increased due to its proven experience with the top major hotel brands, as well as independent and boutique hotels in primary, secondary and tertiary markets.

Immigration Counsel: Klasko Immigration and Nationality Law
Klasko, Rulon, Stock and Seltzer, LLP has a team of nine full-time attorneys, all dedicated exclusively to immigration law. The firm's partners, headed by H. Ronald Klasko, are nationally recognized for their skills and field-leading law practice. The group serves companies and institutions large and small in addition to individual and family immigration cases.

Under Mr. Klasko's leadership, the firm was chosen with five other firms by ***Chambers Global*** in 2006, 2007, 2008 and 2009 as the top U.S. business, hospital and university immigration law firm. Ron, himself, was named as the world's most respected corporate immigration lawyer (The International Who's Who of Business Lawyers 2007 and 2008) and one of the country's top immigration lawyers by clients and other immigration lawyers who said he is "revered for coming up with unique arguments that can save a client" ***(Chambers Global)***.

At the request of members of Congress and their staffs, Ron has testified before the U.S. House of Representatives Committee on the Judiciary and the U.S. Commission on Immigration Reform. He has been invited to lecture and provide training to staff members and lawyers of the U.S. Department of Labor, U.S. Department of State, INS General Counsel Management Conference, Immigration Judges Association and U.S. Department of Justice. In addition, he has been an Adjunct Professor of Immigration Law at Villanova University Law School and is a frequent lecturer on immigration law subjects.

A member of the prestigious Alliance of Business Immigration Lawyers, Ron is the co-author of the two volume ***Employers' Immigration Compliance Guide*** (Matthew Bender 1985).

For the last 18 years, Ron has been included in the highly regarded Best Lawyers in America (Woodward and White). He is one of only three practicing attorneys ever honored with the AILA Founders Award for his contributions to immigration jurisprudence.

SEC Counsel: Arnstein & Lehr, LLP

Arnstein & Lehr LLP is one of the country's oldest and most respected law firms. Since its founding in 1893, the Firm has served clients – large and small – throughout the United States and in many foreign countries. More than a century later, Arnstein & Lehr has established itself as a sophisticated, full-service practice that addresses the diverse and complex needs of its clients with vision, expertise, and a commitment to quality and service. The company practices in five main service groups – Business, Litigation, Local Government, Tax and Estate Planning, and Real Estate.

Ronald R. Fieldstone is a partner in the Miami office of Arnstein & Lehr LLP, specializing in corporate/securities and taxation law.

Mr. Fieldstone is a member of the Real Property, Probate and Trust and the Tax Law Sections of The Florida Bar. He served as a panel member of the American Arbitration Association for 17 years and is a title agent of several title insurance companies. Mr. Fieldstone has published numerous articles and has been a lecturer in the fields of real estate, corporate, tax law and franchise law for the past 37 years. He currently practices primarily in the areas of corporate/securities and taxation law.

Since 2009 Mr. Fieldstone has actively been involved in serving as corporate/securities counsel for multifaceted industries involving real estate funds and specializing more recently on EB-5 immigrant visa investor offerings ("EB-5"). The EB-5 visa is a United States visa created by the Immigration Act of 1992. This visa provides a method of obtaining a green card for foreign nationals who invest money in the United States. Mr. Fieldstone represents a vast number of Regional Centers in EB-5 offerings, involving in excess of 40 matters. Mr. Fieldstone's corporate/securities work includes the preparation of private placement memoranda and related documents. Mr. Fieldstone actively lectures and publishes in the EB-5 corporate/securities fields.

Mr. Fieldstone was a principal in a Blockbuster Video franchise that operated 25 stores in eight states from 1987 until October, 1995, when the business was sold to the franchisor. He is a principal of a multi-state lithotripsy company and a Miami-based medical diagnostic company. He was also a principal of Barnie's Coffee and Tea, Inc., the owner of the Barnie's operating system with approximately 80 corporate units and 20 franchised units.

Mr. Fieldstone has extensive real estate holdings in the state of Florida and serves as a managing partner of Landmark Residential, which has served as the sponsor and manager of approximately 20,000 multi-family units in the states of Florida, Alabama, Georgia, Texas and North Carolina.

Associate Rebecca Abrams Sarelson, in the firm's Miami office, focuses her practice on international and domestic corporate transactions, taxation, wealth preservation, estate planning, tax-exempt organizations, and real estate transactions. Ms. Sarelson handles complex business and tax planning and counsels clients in entity selection, joint ventures, general corporate and partnership matters and advises on complex tax and estate planning matters, asset protection, gift planning and trust administration.

During her undergraduate and law school career, Ms. Sarelson volunteered as a Guardian ad Litem in Alachua County, Florida and completed an externship in the Eighth Judicial Circuit. After earning her J.D. from the University of Florida, she completed a tax internship with a well-known tax boutique in Miami, Florida, and after earning her LL.M in Taxation in 2004, she joined Fieldstone Lester Shear & Denberg, LLP, and now works with Mr. Fieldstone at Arnstein-Lehr.

Ms. Sarelson is a member of the International Law, Real Property, Probate and Trust Law, and Tax sections of the Florida Bar, as well as the Young Lawyers Division.

Economic and Job Creation Impact Modeling: Economic & Policy Resources, Inc.

Since the company's founding in 1983, the professionals of Economic & Policy Resources have been providing clients with objective research, analysis, forecasting, and advisory services in multiple aspects of economics, finance, public policy, and strategic planning. The firm has completed successful projects for government, business, and institutional clients, allowing clients to move forward decisively to embrace their opportunities or address their problems.

The Company's experience includes a wide range of assignments. Completed projects range from performing economic impact analyses for clients who need to understand how their industry or project will affects a state, regional, or community economy to developing solutions and implementation strategies for dealing with the most complex economic, financial, or public policy problems. The firm also evaluates and drafts business plans for the EB-5 Immigrant Investor VISA Program.

Jeffrey B. Carr, EPR, Corporate President & Economist, has more than 30 years of experience in economic analysis, economic forecasting, regional economic and fiscal impact analysis (including a growing national practice under the U.S. Citizenship and Immigration Service's EB-5 Immigrant Investor Program), financial analysis, economic-tax revenue forecasting, and preparing and presenting state economic-fiscal data to Wall Street bond rating agencies. In addition to more than 200 completed regional impact assessment assignments in his consulting practice, Mr. Carr has served as the consulting State Economist and Principal Tax Revenues Analyst-Forecaster for the past five Governors of Vermont, including the newly elected Vermont Governor Peter Shumlin, 8 years for former Governor James H. Douglas, and 12 years for former Vermont Governor Howard B. Dean. He has been the State Economic Forecast Manager for Vermont the past 20 years for the New England Economic Partnership (NEEP).

Business Plan Preparation: Economic & Policy Resources, Inc.

Please refer to the company description for Economic & Policy Resources, Inc. and Mr. Jeffrey B. Carr above.

4.2 Listing of Key Missouri Theatre Contractors

The Missouri Theatre EB-5 Project development team will establish relationships with key sub-contractors and vendors to effect the successful completion of the EB-5 project. These subcontracting firms are summarized below:

NAME	SERVICE/ROLE	LOCATION
GRAND CENTER INC.	District Master Developer/City Liaison	St. Louis, MO
WINDSOR CAPITAL GROUP	Owner/Developer/Hotel Manager/Operator	Santa Monica, CA
SLMT LLC	Co-Developer/PROJECT MGR	Oak Park, IL
DFC GROUP	Financial/Development Advisor	St. Louis, MO
PALLADIO CONSTRUCTION CO. LLC	Owner's Construction Manager	St. Louis, MO
FORUM STUDIOS	Architect	St. Louis, MO
JEFFREY A. BRAMBILA	Historic Consultant	St. Louis, MO
PARIC CONSTRUCTION	General Contractor	St. Louis, MO
ENVIRONMENTAL OPERATIONS INC.	Demo/Abatement/Brownfield Contractor	St. Louis, MO

4.3 Listing of Permits and Licenses Required for the Missouri Theatre Project

Project management is in the process of applying for all the required permits and licenses associated with the development and operation of the project at this time. The construction contractors and other consultants are expected to assist this application process.

4.4 Listing of Staff Positions of the Missouri Theatre Project

The following is a comprehensive inventory of the positions that would be established to operate the new hotel.

Staffing Plan - Hyatt Place

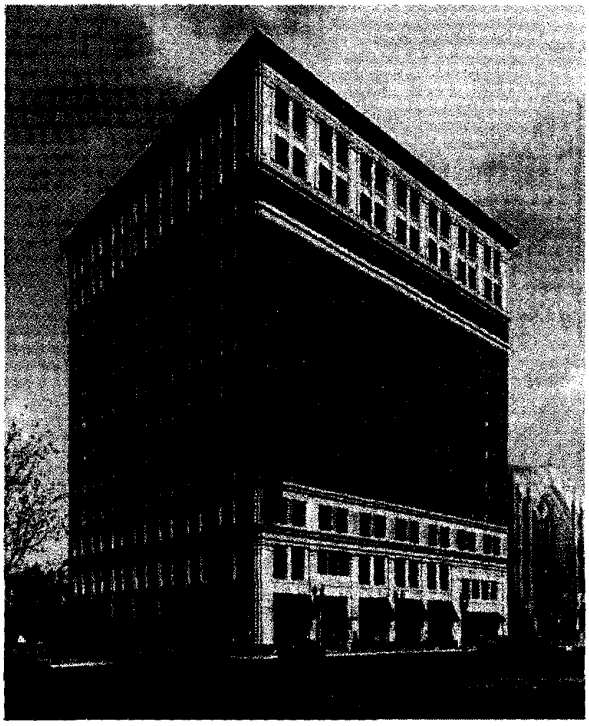
Job Titles	New Jobs
General Manager	1
Assistant General Manager	2
Director of Sales	1
Sales Coordinator	1
Gallery Hosts	10
Maintenance/Engineering	2
Housekeeping	12
Valet Services	5
Total New Jobs	**34**

Exhibit C

Economic Impact Report for the Missouri Theatre Building Project

The Economic Impact of the Proposed Missouri Theatre Building EB-5 Project in the Gateway to the Midwest Investment Center

July 27, 2012



Prepared by:

EPR Economic & Policy Resources, Inc.
Economists, Policy and Financial Analysts

400 Cornerstone Drive, Suite 310
Williston, VT 05495
800-765-1377
www.epreconomics.com

Letter of Transmittal

July 27, 2012

Ms. Jie Fan, Project Manager, Midwest-China Hub Commission
St. Louis County Economic Council
World Trade Center Building
121 S. Meramec Avenue, Suite 1117
St. Louis, MO 63105

Dear Ms. Fan,

Attached with this letter is the economic impact analysis of the potential Missouri Theatre Building EB-5 Project to be developed in St. Louis, Missouri which our firm prepared at your request. The report is intended to accompany a regional center designation approval application to be filed with the U.S. Citizenship and Immigration Service's EB-5 Immigrant Investor Program for the proposed regional center's geography, industry activity codes, and indirect job estimating methodology. In the report you will find an explanation of the findings and the methods used to estimate the prospective project's estimated economic impacts.

We have prepared our analysis using assumptions and estimates developed from third party data sources, information you provided, research and knowledge of the industry and region from our many years of applied economic practice. Where we have used third party data and project information from you and your team, we have assumed that information to be substantially correct. In completing our analysis, we have performed a number of tests and cross checks to verify the internal consistency of the project data and information and for the results. We found both the project data and results to be reasonable. However, changing events and circumstances may cause actual results in any one given year, and for the impacts in total, to be materially different than those reported here.

Thank you for the chance to work with you on this matter. We appreciated the opportunity to work with you and your professional team on this project.

Sincerely,

Jeffrey B. Carr
President and Economist
Economic & Policy Resources, Inc

Table of Contents

1. Highlights and Findings **1**

2. Introduction **9**

2.1 Purpose of the Study 9
2.2 Modeling Methods 9
2.2 Overview of the Region: the Prospective GMIC Regional Center 12

3. Economic Impact Analysis **22**

3.1 Methods of Analysis 22
3.2 Data Sources 24
3.3 The Regional Dynamics Economic Analysis Model (REDYN) Background 26
3.4 Model Specifications 28

4. Model Output and Results **33**

5. Conclusions **37**

Appendix 1: **40**

Appendix 2: **41**

Appendix 3: **43**

1. Highlights and Findings

- The applicant seeks regional center designation approval using the proposed Missouri Theatre Building EB-5 Project as evidence of the likely economic and job creation impacts for the prospective Gateway to the Midwest Investment Center LLC under the U.S. Citizenship and Immigration Services (hereafter the "USCIS") EB-5 immigrant investor program.
    - This updated study has been completed as part of a response to a Request for Evidence (RFE) dated February 21, 2012 (#RCW1105350166) from the USCIS.
    - This revised and updated impact assessment analysis was completed for this proposed EB-5 project because the original EB-5 project economic and job impact assessment analysis that was completed in the original regional designation filing is no longer considered a viable investment project.
- This updated study presents estimates of impacts illustrating how the proposed Missouri Theatre Building EB-5 Project would increase economic growth and cause net new job creation in the prospective Gateway to the Midwest Investment Center consistent with EB-5 program regulations.
    - USCIS regulations allow applicants to submit an economic analysis of a proposed EB-5 project to demonstrate how a regional center designation will promote economic growth (e.g. through improved productivity, job creation and increased capital investment) within a defined region under 8 CFR 204.6(m)(3)(i).
    - **Although this is a real EB-5 project, several of the proposed EB-5 project's details have not yet been finalized, so the applicant is not requesting project pre-approval review-adjudication at this time.**
    - Instead, this project impact assessment study is being employed to demonstrate the way the prospective Gateway to the Midwest Investment Center would promote economic growth and increased business activity within the economy of the regional center through job creation and increased capital investment through projects of this type; in the industry classifications of the proposed project, within the requested geography of the proposed regional center, and for the REDYN indirect job estimating methodology employed.
    - At some point in the near-term future, the proposed EB-5 project's details will be finalized, and supplementary project materials (such as a formal market study that has been commissioned) will be submitted to the USCIS

for formal project approval—most likely with the initial I-526 petitions for EB-5 immigrant investors.

- Turning to the details of the proposed EB-5 project as it currently stands,[1] the proposed Missouri Theatre Building EB-5 Project includes the investment of a total of $38.4 million in development-construction expenditures over the proposed construction period.

  - This figure includes $27.5 million in hard construction costs and $10.9 million in soft construction costs. ***The soft costs associated with this development project were not included in the input-output analysis and therefore have no effect on the estimated economic and job impacts associated with the proposed EB-5 project. Many of these impacts are small and some USCIS reviewers have expressed doubts about these costs' inclusion in the input-output modeling. Although EPR believes many of these costs are eligible for inclusion in the input-output modeling —they are excluded from the input-output modeling results to avoid any possibility of confusion regarding the double-counting of impacts.***

- The project consists of a construction component and operations component. The construction phase of the proposed EB-5 project includes the renovation of a historic twelve story, 150,000 square foot building to create the Grand Center Hyatt hotel, 40 residential apartments, retail space, and restaurant space.[2] The operations component includes the subsequent opening-ongoing operations of the Hyatt hotel only. The operations of the apartments, retail establishments, and restaurant were not included in the economic impact modeling because they may involve tenants. The hotel will include a total of 136 rooms and offer an array of amenities concordant with the Hyatt brand and will not involve any tenants since its project developers will maintain an ownership interest in the hotel.

  - The project as defined above will add a total of 345 jobs[3] within the prospective Gateway to the Midwest Investment Center due to expanded business activity related to an increase in final demand in the regional economy (including only indirect construction jobs[4]).

  - The economic-business activity and net job increases resulting from the project's development and operations occur across all sectors of the

[1] As of July 27, 2012.
[2] The operations of the residential apartments, the retail establishments, and the restaurant are also excluded from the impact assessment modeling because there is a possibility that those jobs will be the result of tenants.
[3] Job totals include the jobs created by initial construction in Year 1 and operations jobs in Year 3. Year 3 is chosen to coincide with I-829 filing.
[4] Because the construction time frame is less than 2 years.

regional economy, but increased final demand primarily occurs within NAICS Sector 236—Construction of Buildings, NAICS 238—Specialty Trade Contractors, and NAICS Sector 72111—Hotels (Except Casino Hotels) and Motels—which are the two NAICS activity codes requested for approval in the revised Gateway to the Midwest Investment Center regional center designation request. This directly corresponds to the evidence presented in this revised EB-5 project impact assessment analysis.[5,6]

- This revised analysis finds that the development and operations of the proposed project, if executed as planned, would generate significant positive economic benefits for the **U.S. economy as a whole** (see Table 1 below). Once finalized and assuming the development and successful operation of the final proposed EB-5 project in a way similar to that specified in this revised analysis, the proposed project would likely result in:
  - A net increase of 904 (comprised as 830 indirect construction jobs plus 49 operating jobs) net new, full-time and part-time, jobs to be created stemming from the initial renovation of the old building and the ongoing operations of the hotel.
  - Positive impacts accumulated over the first four years of project development and operation include:
    - $163.7 million in increased output (in 2012 dollars).
    - $68.0 million in increased disposable income (in 2012 dollars).
    - $54.5 million in increased household earnings (in 2012 dollars).
  - This impact assessment was undertaken using the REDYN dynamic input-output model.[7]
- This impact assessment also finds that the proposed project would have a positive impact on the regional economy **within the prospective Gateway to the Midwest Investment Center**. These benefits include:
  - The creation of a total of 345 (comprised as 296 indirect construction jobs plus 49 operating jobs) jobs resulting from the renovation and operations

[5] NAICS refers to the North American Industrial Classification System.
[6] These three NAICS sectors are requested activities in the prospective Gateway to the Midwest Investment Center designation application.
[7] This is also the proposed indirect job estimating methodology requested in the prospective Gateway to the Midwest Investment Center application. For a full description of the REDYN input-output model see Appendix 3 of this report.

of the hotel **within the geographical area of the prospective Gateway to the Midwest Investment Center regional center.**[8]

- Positive impacts accumulated over the first four years of project development and operations including all activity include:
  - $60.3 million in increased output (in 2012 dollars).
  - $25.1 million in increased disposable income (in 2012 dollars).
  - $20.0 million in increased household earnings (in 2012 dollars).

➢ It follows that **the U.S. economy outside the prospective regional center** is expected to be positively impacted by the development of the proposed Missouri Theatre Building EB-5 Project.[9] These include:

- The creation of 559 total new jobs outside the boundaries of the proposed Gateway to the Midwest Investment Center regional center. This is comprised of the total U.S. job impact of 904 jobs less the 345 total jobs expected to be generated within the geographic boundaries of the proposed regional center.[10]
- Positive impacts outside of the proposed Gateway to the Midwest Investment Center regional center accumulated over the first four years of project development and operation which include:
  - $103.4 million in increased output (in 2012 dollars)—calculated as $163.7 million for the U.S. minus $60.3 million within the prospective regional center.
  - $42.9 million in increased disposable income (in 2012 dollars)—calculated as $68.0 million for the U.S. minus $25.1 million within the prospective regional center.
  - $34.5 million in increased household earnings (in 2012 dollars)—calculated as $54.5 million for the U.S. minus $20.0 million within the prospective regional center.

---

[8] Because the project is using a lending approach to the EB-5 capital investment, all the jobs created are indirect for EB-5 program purposes. **In addition, because the construction period is less than two years, an estimate of direct construction jobs was subtracted from the construction job total so that reported construction jobs are indirect.**

[9] These outside the regional center impacts are calculated as the difference between the cumulative U.S. totals for each variable less the estimated impacts within the prospective regional center.

[10] The geographic region remains unchanged from the original regional center designation application filed in 2010.

- The job creation impacts associated with this proposed project within the pending regional center correspond to a job impact of 8.9 jobs per $1.0 million in development expenditures, or a regional center job multiplier of 8.9. At the national level, these results indicate a job multiplier of 23.6, meaning that for each $1.0 million of development capital invested—a total of 23.6 jobs are generated within the U.S. economy as a whole.[11]

Table 1. Summary of Study Results–Missouri Theatre Building EB-5 Project

Timeline				Construction	On-Going Operations		
Model Inputs		REDYN Industry Sector	2012 NAICS Sectors				
Construction [1]							
	Output	23332	236 & 238	$ 27,521.90	$ -	$ -	$ -
Operations							
Hotel	Employment	72111	72111	0.00	34.00	34.00	34.00
Model Output [2]							
Total U.S. Economy							
Output ($2012, 000s)				$ 132,492	$ 10,209	$ 10,405	$ 10,596
Disposable Income ($2012, 000s)				$ 56,176	$ 3,875	$ 3,947	$ 4,016
Household Earnings ($2012, 000s)				$ 49,411	$ 1,659	$ 1,690	$ 1,720
Jobs				830	74	74	75
Regional Center Economy							
Output ($2012, 000s)				$ 43,154	$ 5,608	$ 5,713	$ 5,818
Disposable Income ($2012, 000s)				$ 19,086	$ 1,959	$ 1,995	$ 2,030
Household Earnings ($2012, 000s)				$ 16,162	$ 1,247	$ 1,271	$ 1,292
Jobs				296	49	49	49

Job Multipliers In the Regional Center Geography, Construction and On Going Operations	[A] Indirect Jobs	[B] Millions in development costs	[A/B] Jobs per $Million
	345	$ 38.393	8.98

Notes:
[1] A 3 digit NACIS code ios requested because of the wide variety of specialty trade contractors required to complete the rennovation.
[2] Economic activity was modeled at the county level.

- The above described job and output impact totals are comprised in part from impacts in key subsectors which are typically requested by the USCIS. These include: NAICS 541 Professional, Scientific and Technical Services (Business Services), NAICS 221 Utilities, NAICS 811 Maintenance and Repair, and NAICS 23 Construction.
    - These estimates of impact in the above referenced subsectors are provided to be in compliance with USCIS guidance documents regarding economic and job impact reporting for EB-5 projects and include all impacts attributable to the proposed EB-5 project.
    - In those guidance documents, the USCIS requires detailed predictions of impacts in these subsectors associated with the proposed EB-5 project (in

[11] Using indirect construction jobs only.

this case the proposed Missouri Theatre Building EB-5 Project) for the region both inside and outside the prospective regional center.

- Estimates for the U.S. economy in total in this study are also provided.

➢ Table 2 (below) shows the year by year impacts expected **within the prospective regional center** economy for each USCIS-requested subsector.

- Increased demand within the regional center is expected for: (1) Professional, Scientific, and Technical (Business) Services, with a four-year cumulative total of $4.5 million, (2) Utilities with a four-year cumulative total of $0.2 million, (3) Repair and Maintenance Services, with a four-year cumulative total of $0.5 million, and (4) Construction [Partial] with a four-year cumulative total of $1.8 million—counting indirect construction activity only. All impacts are measured in constant 2012 dollars.

- Increases in the number of jobs within the pending regional center are expected in almost all the USCIS-requested subsectors. Resulting from the initial renovation of building and the ongoing operations of the hotel (Year 1), these increases range from a low of 3 net new jobs in the Repair and Maintenance sub-category to a high of 29 in the Professional, Scientific, and Technical (Business) Services subsector.[12]

Table 2. Subsector Impacts within the Regional Center—Missouri Theatre Building EB-5 Project
Within the Regional Center

Within the Regional Center	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	270	1	1	1
	221	Utilities	0	0	0	0
	236/237/238	Construction [Partial]	12	0	0	0
	541	Professional, Scientific, and Technical Services	29	1	1	1
	811	Repair and Maintenance	3	0	0	0
Output Impacts	---	Total (industries below)	$ 33,357.1	$ 373.0	$ 380.0	$ 387.1
(2012$, thousands)	221	Utilities	$ 147.6	$ 14.4	$ 14.7	$ 14.9
	236/237/238	Construction [Partial]	$ 1,473.8	$ 121.7	$ 124.0	$ 126.3
	541	Professional, Scientific, and Technical Services	$ 3,821.6	$ 215.0	$ 219.1	$ 223.1
	811	Repair and Maintenance	$ 392.3	$ 21.9	$ 22.4	$ 22.8

Prepared by: Economic & Policy Resources, Inc.

➢ Table 3 (below) shows the year by year impacts expected **outside the prospective regional center** economy for each USCIS-requested subsector for all activity attributable to the proposed EWB-5 project.

[12] Year 1 impact results are presented because job creation is concentrated in that year. This concentration is a result of the construction component of the proposed Missouri Theatre Building EB-5 project.

- Increased demand outside the pending regional center is expected for: (1) Professional, Scientific, and Technical (Business) Services, with a four-year cumulative total of $6.0 million, (2) Utilities, with a four-year cumulative impact of $1.9 million, (3) Repair and Maintenance, with a four-year cumulative total of $1.1 million, and (4) Construction with a four-year cumulative total of $2.7 million. All impacts are measured in constant 2012 dollars.

- Outside of the pending regional center, job impacts of the construction component of the project (Year 1) range from a low of 2 net new jobs in the Utilities subsector and a high of 40 in the Professional, Scientific, and Technical Services (see Table 3 below).

Table 3. Subsector Impacts outside the Regional Center--Missouri Theatre Building EB-5 Project

Outside the Regional Center	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	76	4	4	4
	221	Utilities	2	0	0	0
	236/237/238	Construction (Partial)	24	1	1	1
	541	Professional, Scientific, and Technical Services	40	2	2	2
	811	Repair and Maintenance	10	1	1	1
Output Impacts	---	Total (industries below)	$ 9,978.8	$ 554.6	$ 566.1	$ 576.1
(2012$, thousands)	221	Utilities	$ 1,563.3	$ 105.8	$ 107.8	$ 109.9
	236/237/238	Construction (Partial)	$ 2,288.3	$ 127.3	$ 130.2	$ 132.2
	541	Professional, Scientific, and Technical Services	$ 5,144.7	$ 270.0	$ 275.6	$ 280.5
	811	Repair and Maintenance	$ 982.5	$ 51.5	$ 52.5	$ 53.5

Prepared by: Economic & Policy Resources, Inc.

- Table 4 (below) shows the year-by-year impacts expected for the **U.S. economy on the whole** for each USCIS-requested subsector. These impacts are equal to the sum of the inside the regional center and outside the regional center impacts.

  - Impacts on total U.S. demand by subsector include: (1) a four year cumulative increase of $10.4 million in the Professional, Scientific, and Technical (Business) Services subsector, (2) a four year cumulative increase of $2.1 million in demand for the Utilities subsector, (3) in the Repair and Maintenance sector totaling to a four-year cumulative total of $1.6 million, and (4) a four year cumulative increase of $4.5 million in the Construction subsector. All impacts are shown in constant 2012 dollars.

  - For jobs for the U.S. economy as a whole, this impact assessment study estimates that construction-related job gains will range from a low of 2 in the Utilities subsector to a high of 69 in the Professional, Scientific, and Technical (Business) Services sub-sector.

Table 4. Subsector Impacts on the Total U.S. Economy--Missouri Theatre Building EB-5 Project

Total United States	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	346	5	5	5
	221	Utilities	2	0	0	0
	236/237/238	Construction [Partial]	36	1	1	1
	541	Professional, Scientific, and Technical Services	69	3	3	3
	811	Repair and Maintenance	13	1	1	1
Output Impacts	---	Total (industries below)	$ 43,336.0	$ 927.6	$ 946.2	$ 963.2
(2012$, thousands)	221	Utilities	$ 1,710.9	$ 120.1	$ 122.5	$ 124.9
	236/237/238	Construction [Partial]	$ 3,762.0	$ 248.9	$ 254.2	$ 258.5
	541	Professional, Scientific, and Technical Services	$ 8,966.4	$ 485.0	$ 494.6	$ 503.6
	811	Repair and Maintenance	$ 1,374.8	$ 73.5	$ 74.8	$ 76.3

Prepared by: Economic & Policy Resources, Inc.

- The estimates of new economic activity and net new jobs presented in this revised economic and job impact assessment study demonstrate how the prospective regional center will promote economic growth within the regional center geography in the requested activities and for the U.S. economy as a whole with the development and operations of this type of EB-5 project.
  - USCIS approval of the proposed regional center, the requested industry categories, the proposed regional center's geography, and the indirect job estimating methodology for this type of EB-5 project will result in significant and positive economic and job impacts for both the regional economy of the Gateway to the Midwest Investment Center and the economy of the U.S. as a whole—consistent with the specific economic and job impacts detailed above.
- In addition to the prospective project impacts, it is expected that a proposed EB-5 project will be located within a high unemployment targeted employment area (TEA) when it is submitted for formal project approval.
  - As of this filing, an initial review of historical labor market data for the most recent calendar year annual average indicates that the location of the prospective Missouri Theater Redevelopment EB-5 Project is located in an area where such a TEA designation appears likely. A high unemployment rate TEA for this project has been certified by the state Department of Labor and Industrial Relations.
  - Therefore, the Missouri Theatre Building EB-5 Project qualifies as a Targeted Employment Area (TEA) and EB-5 investors therefore qualify for the $500,000 EB-5 investor minimum—subject to confirmation through the receipt of a TEA certification letter from the State of Missouri.

2. Introduction

2.1 Purpose of the Study

This analysis is intended to assist the USCIS in the evaluation of a regional center designation application for the Gateway to the Midwest Investment Center under a revised initial project submission-for the proposed Missouri Theatre Building EB-5 Project. In compliance with USCIS guidance, this study sets forth the likely net economic and job creation impacts associated with the Missouri Theatre Building EB-5 Project located in St. Louis, Missouri in the independent city of St. Louis within the proposed three-county region in eastern Missouri.[13] Changes in number of jobs, economic output, personal income, and household earnings that the EB-5 project is expected to generate are described for inside the proposed regional center, outside the proposed regional center, and for the U.S. as a whole. The pending regional center is described in detail with emphasis on regional transportation networks and the economic climate. Thus, the project's economic benefits are demonstrated both regionally (e.g. within the boundaries of the proposed regional center) and nationally (including the area outside of the proposed regional center).

The prospective Missouri Theatre Building EB-5 Project includes the renovation of a twelve story building into 136 hotel rooms and 40 apartments. In addition, the first floor will be renovated into shops and restaurants.[14] In total, the renovations will affect over 150,000 square feet. The hotel will serve the Grand Avenue Arts & Entertainment District area, which is an up-and-coming center of arts and culture within downtown St. Louis. Although this project has not yet been finalized, this updated impact assessment analysis demonstrates how the applicant's regional center will promote economic growth in the pending regional center through job creation and increased capital investment consistent with 8 CFR 204.6(m)(3)(i)—assuming U.S. Citizenship and Immigration Service (USCIS) approval of the proposed regional center.[15]

2.2 Modeling Methods

This revised impact assessment analysis shows that the proposed EB-5 project, if finalized, developed and operated as currently planned, would result in significant

---

[13] This revised impact assessment study includes the same proposed geography of the prospective regional center that was presented in the original regional center designation application. The proposed geography is therefore unchanged in this revised impact assessment study relative to the original regional center designation application. The city of St. Louis is counted as a "county equivalent" in this description because of its status as an independent city.

[14] While it is expected these businesses would create at least some new jobs, they are explicitly excluded from the economic and job impact assessment analysis because they are expected to include tenant businesses. Given the adjudication uncertainty surrounding the landlord-tenant occupancy issue, the applicant is not requesting review-adjudication for the retail and restaurant at portion of the proposed EB-5 project.

[15] This economic and job impact assessment study, taken together with the project business plan, presents the specific details of how the Missouri Theatre Building EB-5 Project will promote new economic growth within the pending regional center and for the U.S economy overall.

positive economic impacts for the regional economy of the prospective regional center and for the U.S. economy overall. Most importantly, from an EB-5 program context, these benefits would include a significant number of new jobs within the economy of the prospective regional center. The proposed Missouri Theatre Building EB-5 Project, if developed and operated close to the current, not yet finalized plan, would also increase labor demand, output, and personal income (of persons and therefore households) within a number of key subsectors inside and outside the regional center's economy and for the U.S. economy as a whole. These impacts were estimated using the REDYN dynamic input/output model, which has been approved by the USCIS for completion of EB-5 economic impact analyses.[16]

Dynamic input-output models like REDYN simulate the economic relationships between sectors of an economy on several levels of geographic detail. These models allow analysts to see how changes in individual or multiple sectors in a state or regional economy ripple throughout the system. Incremental demand created by investment expenditures in one sector of a regional economy increases employment not only in that sector, but also in other related sectors and regions. Linkages exist with other sectors and regions that provide commodities or other inputs, and impacts of the original investment are felt in these other sectors and regions through increased output, employment, and income.

The REDYN economic model employed for the economic and job creation impact study estimates the impact a specific catalyst will generate throughout a determined area—in this case the pending Gateway to the Midwest Investment Center regional economy. The input/output model uses a dynamic (or a longitudinal) approach that models not only the relationship between sectors in an economy (e.g. for a county or state), but also the interconnectivity of regions. The dynamic element of the model has a well-developed impedance database that is able to account for temporal effects due to competitive differences between either geographic regions and/or different sectors of the economy. Over time, these competitive pressures emerge and then tend to bring the regional economy back to equilibrium. In that way, the process depicts the so called "ripple effect" impact that economic changes have on a region.

In this revised impact assessment study, the initial economic stimulation (in this case the construction and operation of the prospective Missouri Theatre Building EB-5 Project) reverberates through the economy of the proposed regional center, and progressively spreads outward from the site of the new investment expenditures and business activity. Eventually the new waves of the economic activity are absorbed into the larger economy creating a new, but higher level of economic equilibrium. In the long run, the project, if developed in a way that is close to as it is currently configured, is expected to materially alter the regional economy through the significant amount of new investment and related business development activities. It is expected that the regional economy of the prospective Gateway to the Midwest Investment Center will have a correspondingly higher level of output, investment, employment, and income than would

[16] See Appendix 3 for a thorough description of the REDYN model.

otherwise be the case in the absence of the proposed Missouri Theatre Building EB-5 Project within the proposed regional center's geographic configuration.

In its elemental sense, the use of input-output analysis has been explained in a number of ways. These include: (1) input-output analysis is: *"... a means of examining relationships within an economy, both between businesses and between businesses and final consumers. It captures all monetary market transactions for consumption in a given time period. The result mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy."*[17] A regional input-output model[18] provides a focused picture of a regional economy which reveals the ways in which the various sectors of a region's economy are meshed together and are linked to potential sources of new economic stimuli (or changes in final demand). They essentially describe the forest in terms of the trees of which it is comprised. The trees (or the data in this context) are based on federal data including the National Income Product Accounts (or NIPA) data and inter-industry input-output accounts which represent inter-industry flows of goods and services within the regions of the U.S. economy. According to Miller and Blair, input-output models are based on *"...the most commonly used input-output tables, whether national, regional, or multiple-region tables, are generally based on historical data describing the economic area of interest. The usual source of data for such tables is a system of national (or regional) economic accounts which are often routinely collected by means of a census or some other survey-hence the name survey-based tables."*[19]

It is important to point out that there are differences between the various input-output tools that could be employed to measure a change in "final demand" in a region. These tools range from the use of extracted single number input-output coefficient (such as RIMS II multiplier) which measure an impact in a single year to sophisticated, multi-featured input-output models which are driven by software algorithms (such as REMI and REDYN) which include the ability to model the impact of a regional or national economic stimulus over a period of time (e.g. five years)—versus in just a single year. The multiplier approach involves simple multiplication where a single number estimate of a change in "final demand" can be done in a spreadsheet. For the more sophisticated models the analyst can simulate complex changes in final demand (such as those associated with a multi-faceted development project) in an integrated development scenario. An example of such a development would be the mixed-use development project—like the EB-5 project that is the subject of this EB-5 application.

The crucial distinction here is that input-output models such as REMI and REDYN do not employ singular multiplier calculations, but derive their predictive ability on interconnected matrices of make and use tables for specific industries and specific regions or geographies. Therefore, the input-output model tool uses a large matrix of

---

[17] IMPLAN Pro, User's Guide, Analysis Guide, Data Guide. MIG, Inc.

[18] The use of an input-output model is one of the most common approaches for conducting impact assessment analysis.

[19] Blair, Peter and Miller, Ronald. Input-Output Analysis. 1985.

multipliers that literally include hundreds, and sometimes thousands of multipliers. This impact assessment analysis was undertaken as a single integrated development scenario using the REDYN input-output model tool relative to a "base case" for the regional economy—with the base case where the proposed EB-5 development project was not undertaken.

Because EPR employed an integrated input-output model utilizing the REDYN model software, the analysis did not use individual multipliers on a spreadsheet to calculate the economic and job impacts for any individual EB-5 project component. Instead, the input-output modeling involved the construction of an integrated set of inputs related to the development project and these inputs (see Tables 7 and 8 below) interacted simultaneously within a broad matrix of different sectors (in terms of industry sectors), but geographically specific input-output matrix of multipliers to calculate the economic and job impacts due to the proposed project versus the regional economy's economic and job levels in the absence of the proposed project.

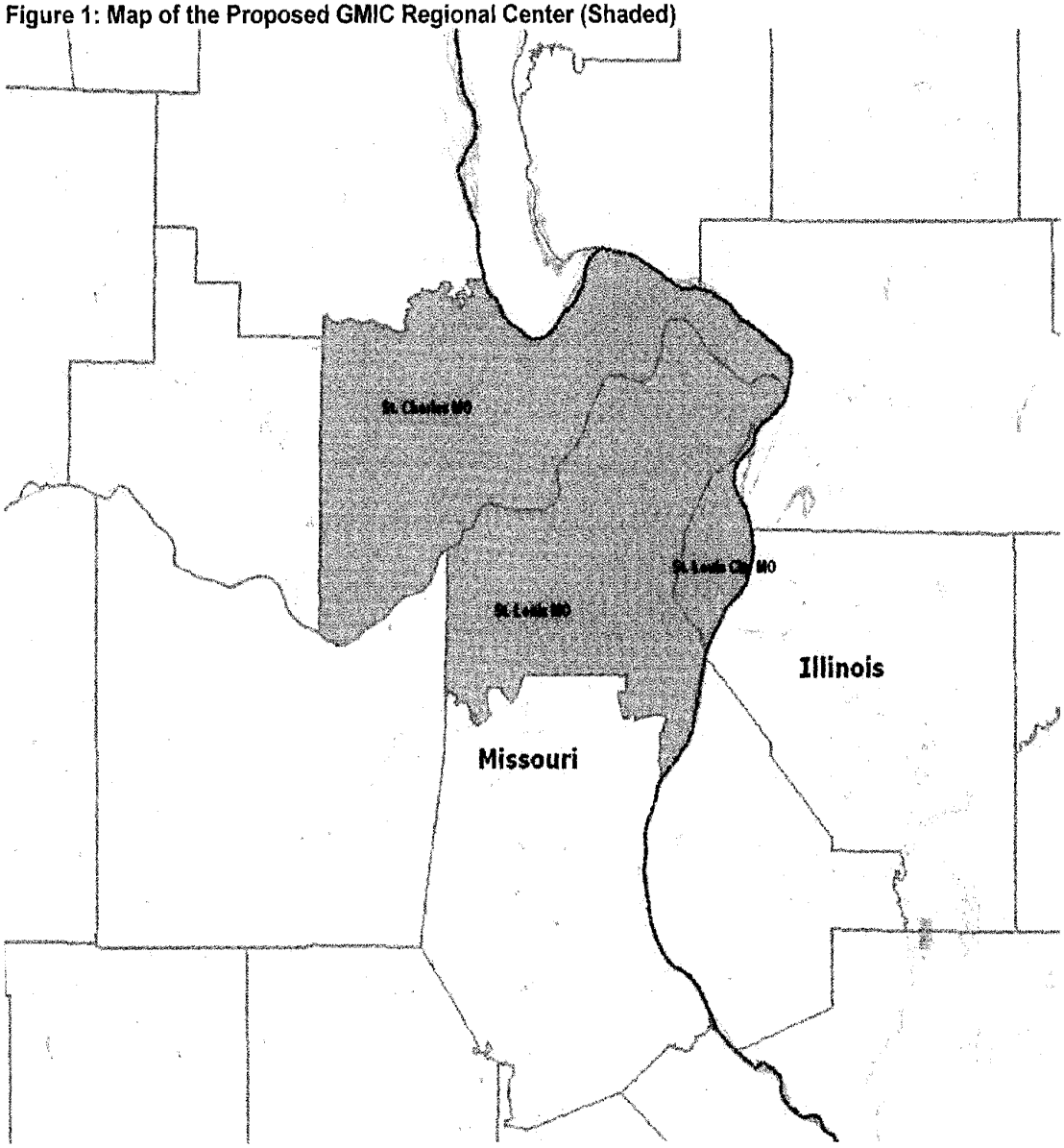
2.2 Overview of the Region: the Prospective GMIC Regional Center.

The management of the prospective Gateway to the Midwest Investment Center (GMIC) is seeking approval for a regional center designation,[20] comprised of a core area of the St. Louis, Missouri-Illinois Metropolitan Area including St. Charles County, MO; St. Louis City, MO; and St. Louis County, MO. This area comprises the city of St. Louis and its immediate surroundings. See the map in Figure 1 below for a visualization of the proposed GMIC regional center.

Located at the confluence of the Missouri and Mississippi Rivers, St. Louis, Missouri is the hub of this pending regional center area. The full area under consideration in this economic study is: St. Louis County, St. Charles County, and St. Louis City. It is important to note that St. Louis City is an independent city and is separate from St. Louis County. Together, these three administrative divisions combine to make the Gateway to the Midwest Investment Center (GMIC) Regional Center and are the central part of the larger St. Louis, MO-IL Metropolitan Statistical Area, which encompasses St. Louis City and 16 other counties located in Missouri and Illinois: Franklin County, Jefferson County, Lincoln County, St. Charles County, St. Francois County, St. Louis County, Warren County, and Washington County in Missouri and Bond County, Calhoun County, Clinton County, Jersey County, Macoupin County, Madison County, Monroe County, and St. Clair County in Illinois.

[20] Which includes USCIS approval for the prospective regional center's geography, its three requested NAICS codes, and the indirect job estimating methodology as described herein using the dynamic REDYN input-output model.

Figure 1: Map of the Proposed GMIC Regional Center (Shaded)



The area offers a range of attractions that are both a draw to the city as well as reason to stay. Washington University, St. Louis University, and the University of Missouri are all located within the borders of the proposed area and provide top ranked education and resources for their respective students. St. Louis has a long heritage of being a spectacular music scene, and many legendary musicians such as Chuck Berry, Miles Davis, Albert King, and Tina Turner have called this place their home at one time or another. The Fox Theatre and the Contemporary Art Museum of St. Louis also provide entertainment for those who are interested in theatre and art.

Once known for its beer and durable goods manufacturing, St. Louis has come to be known as the "BioBelt" in response to the numerous plant and medical research companies that call the Gateway City home. Companies such as Monsanto, Sigma

Aldrich, and Solae Co. all use St. Louis as the headquarters for their respective companies, and that is just a fraction of the roughly 400 plant and life sciences firms that are active in the region. Furthermore, the area also produces some of the best and brightest of the nation's researchers in these fields. The area's three universities, previously mentioned, all have become leading research universities in various areas of the "BioBelt's" different specialties.

The St. Louis, Missouri region also has had a long history of being a hub of automotive manufacturing. Starting in the late 19th century, St. Louis was home to a number of local automotive companies that over the years were not able to survive. With many of the region's local vehicle and vehicle-related manufacturers closing their doors, the area turned its attention to supporting vehicle and vehicle-related production in a number of factories for the larger vehicle and vehicle-related companies. However, so far in the 21st century with the American automotive industry under tremendous strains, St. Louis and the surrounding area has been hit hard by the recent string of automotive plant closings and cut backs. For example, the Ford Motor company assembly plant that was founded in 1914, was moved to Hazelwood, MO in 1948, and officially closed in 2006. As of July 2009, Chrysler had closed its Fenton, MO assembly plant. The so-called "Great Recession" has taken a toll on the regional operations of General Motors (GM), where—although the company did not close its Wentzville assembly plant—GM did recently reduce employment by an entire shift, which amounted to a reduction of 887 jobs. However, with the emergence of new interest in "green" automotive technology, the St. Louis area is working hard to position itself to take advantage of new opportunities, and perhaps reverse the decline in their vehicle and vehicle-related manufacturing sectors.

Getting in and around the proposed regional center is facilitated by interstate highways, local routes, airports, and rail transportation. The major highways that run through the geography of the proposed GMIC regional center are Interstate 70 (I-70), Interstate 64 (I-64), Interstate 55 (I-55), and Interstate 44 (I-44). I-70 runs from Cove Fort, Utah to Baltimore, Maryland, connecting St. Louis, Missouri to important urban centers such as Denver, Colorado and Indianapolis, Indiana. I-64 traverses from Wentzville, Missouri to Chesapeake, Virginia and connects to Interstate 95 (I-95), the major north-south highway on the eastern seaboard, in Richmond, Virginia. I-55, the only north-south interstate to run through St. Louis, Missouri, runs from Laplace, Louisiana to Chicago, Illinois, connecting important economic centers such as Memphis, Tennessee and St. Louis. I-44 runs on a northwest path going from Wichita Falls, Texas to St. Louis, Missouri, passing through Oklahoma City.

Air travel into and out of the area of the proposed regional center is facilitated by the opportunity for passengers to fly into one of the three airports in the area. Lambert-St. Louis International Airport is the largest in the region as well as for the entire State of Missouri. Lambert-St. Louis International Airport is located in the cities of Berkeley and Bridgeton, Missouri. In 2009, the airport served nearly 12.8 million passengers, according to the Lambert-St. Louis International Airport's passenger statistics. The other two airports, MidAmerica St. Louis and St. Louis Downtown, are much smaller and

are utilized more for regional travel and cargo. MidAmerica St. Louis Airport is primarily used for cargo transportation and is located east of St. Louis City in Illinois, which may be the reason why it has not attracted commercial air travel. St. Louis Downtown Airport is located directly across the Mississippi River from the downtown area of St. Louis and provides service for business, commercial and non-commercial air traffic. St. Louis City also offers public transportation, including a well-designed bus transit system, which services the city and the surrounding counties, or the City's light rail system, known as the MetroLink, which services the city and provides direct routes to and from Lambert-St. Louis International Airport. Amtrak also provides daily service to the region, with the Gateway Multimodal Transportation Center in Downtown St. Louis City.

Since the July 1, 2000 population estimates, the region of the proposed GMIC regional center has experienced slower growth in its population than either the United States or the State of Missouri, as is demonstrated in Chart 1 (below). In July 2000, the population of the proposed regional center was 1.65 million, and has only grown to 1.68 million, in the 2010 census growth of 1.8%. The United States and the State of Missouri, in contrast, grew more than twice as much as the proposed GMIC regional center with total growth of 9.5% and 6.9%, respectively, over the same period. That growth record corresponded to annual growth rates of 0.9% for the U.S. and 0.7% for the State of Missouri over the period.

Chart 1. Comparison of Population Growth for Selected Peer Areas

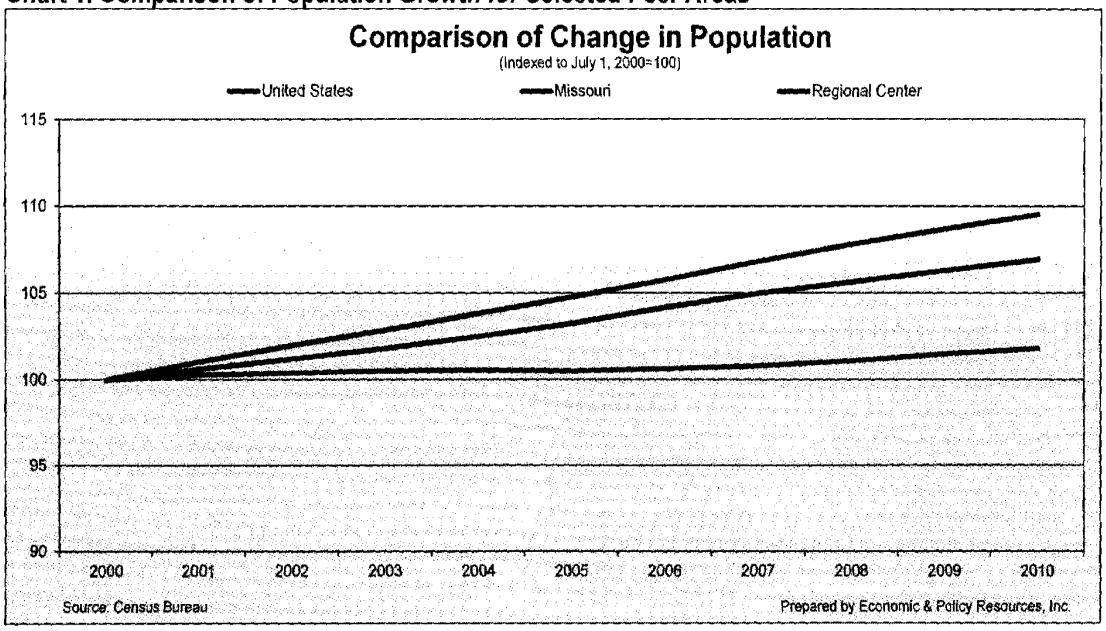


Chart 2. Comparison of Unemployment Rates for Selected Peer Areas

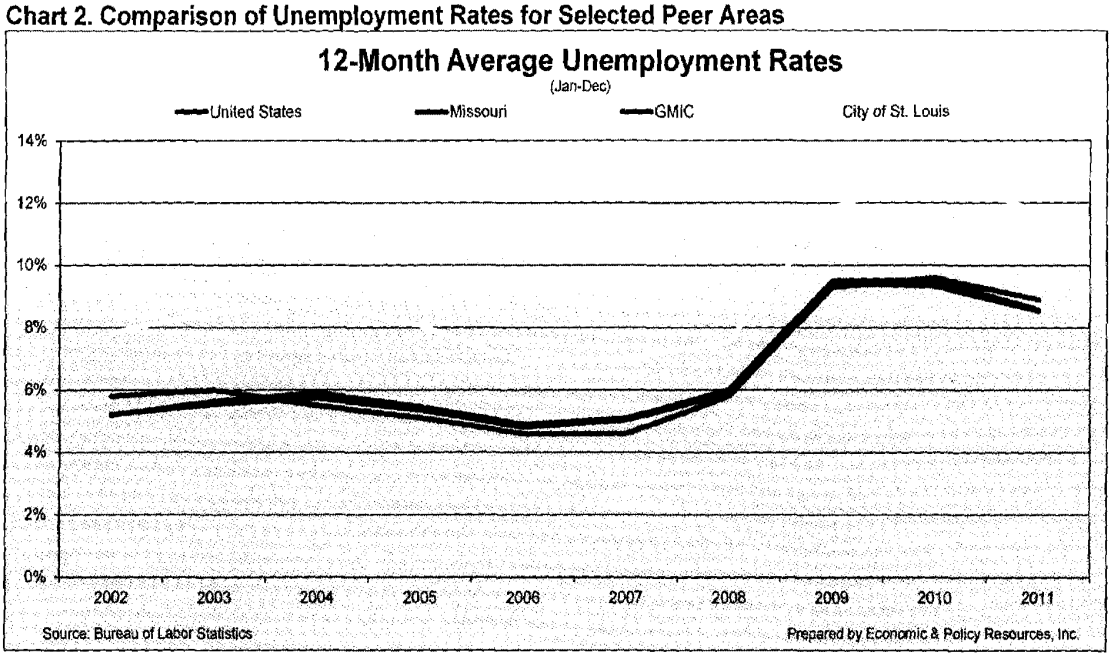


Chart 2 (above), depicts the average unemployment rate across the selected areas, over the past ten years. The unemployment rate rose rapidly in all peer regions between 2008 and 2010. Given the regional center's location at the center of the country geographically and economically, the peer regions all performed similarly to the United States as a whole, in terms of change over time. The city of St. Louis had a higher unemployment rate compared to the other peer regions over the entire period, with an unemployment rate of 11.7% in 2010. This was an increase from the 2002 level of unemployment of 7.8%. The United States, the State of Missouri and the GMIC all saw nearly identical performance over the sample period with unemployment rates of 5.8%, 5.2%, and 5.2% respectively in 2002, and 8.9%, 8.6%, and 8.6% respectively in 2011.

The charts below depict the trends in employment for select sectors of the economy over the previous decade for three selected peer areas—including the proposed geography of the GMIC regional center, the State of Missouri, and the U.S. as a whole. Employment levels and trends are a measure of the health and vitality of an economy in a region and can provided illustrative evidence of the structure of the economy. The charts below are constructed using annual Quarterly Census of Employment and Wages (QCEW) data from calendar years 2001 to 2010.

Chart 3. Comparison of Change in Total Private Sector Employment for Selected Peer Areas

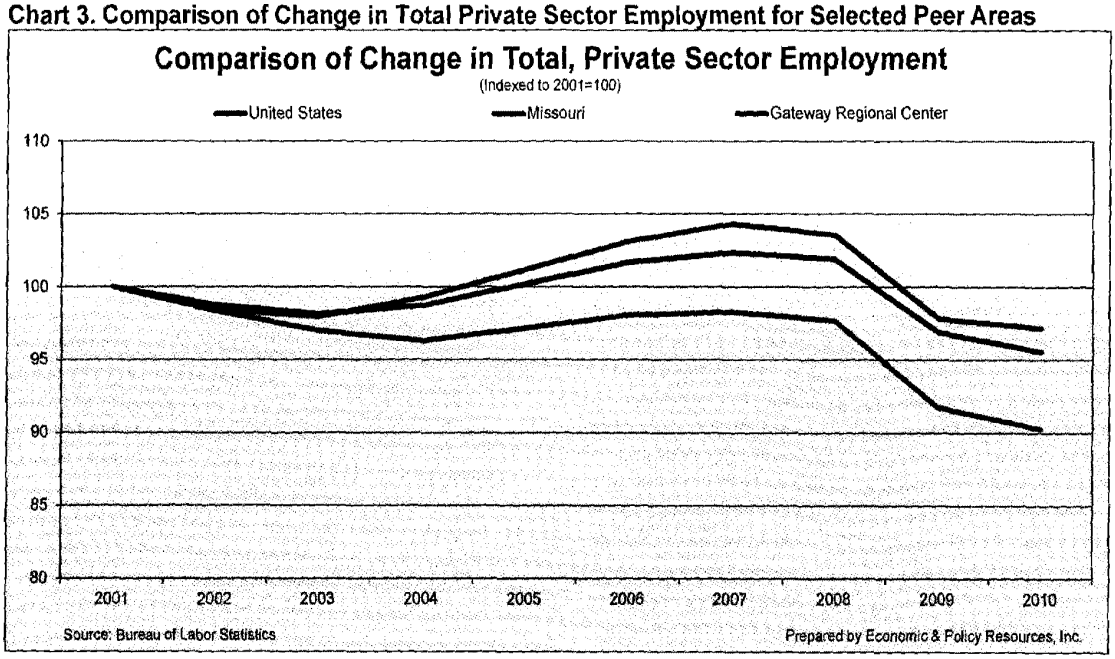
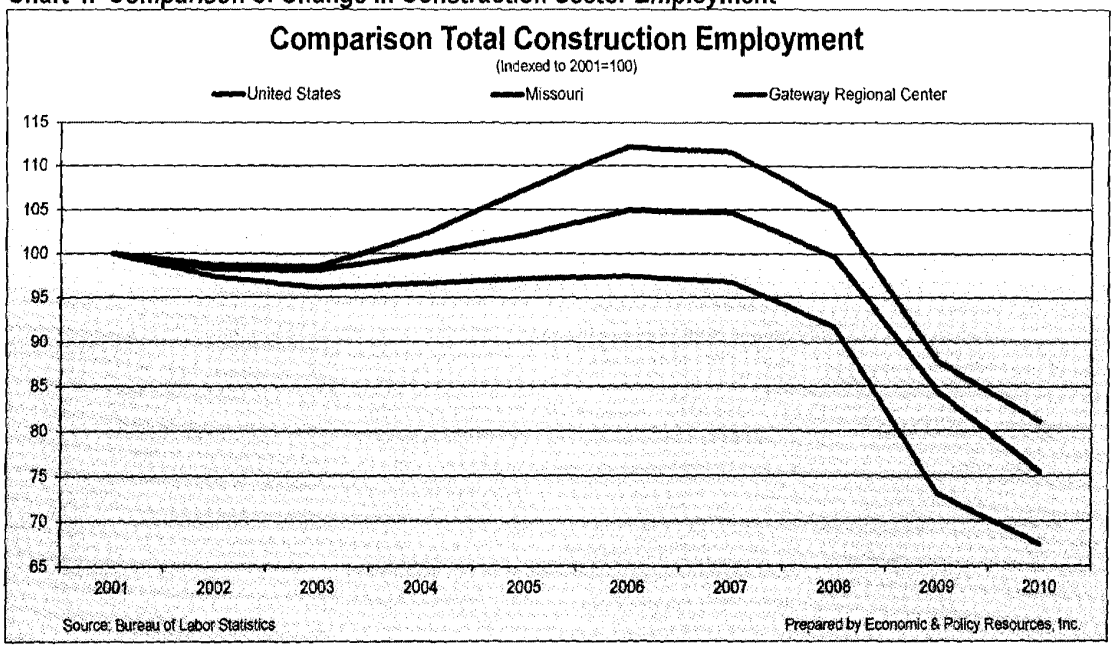


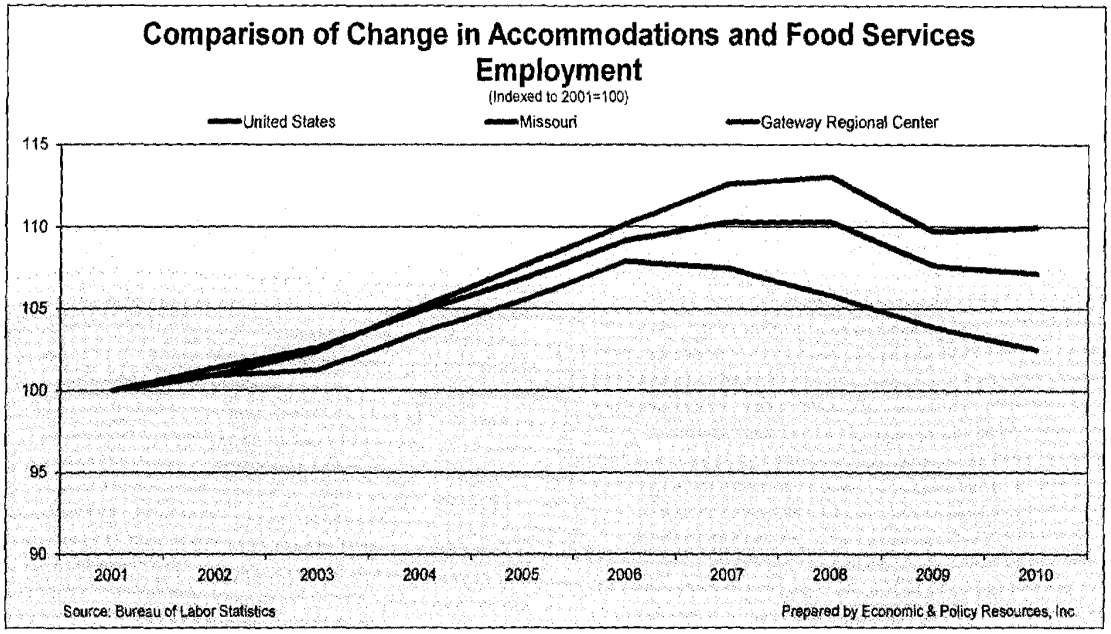
Chart 3 (above) shows the changes in the total private sector employment for the peerregions over the past decade and the effects of the recent economic recession are visible. All of the regions being compared have shed all of the employment gained from the previous recession in the early 2000s. Between calendar years 2001 and 2010, the proposed GMIC regional center realized a decline of 9.7%, which corresponds to an annual declivity of 1.1%. The United States and the state of Missouri fared much better between calendar years 2001 and 2010, with total declines of 2.8% and 4.4%, respectively, or annually at -0.3% and -0.5%, respectively.

Chart 4. Comparison of Change in Construction Sector Employment



With the national real estate market declining precipitously following the crisis in 2008, the construction sector has contracted between 2001 and 2010, with sector employment in all peer regions declining after 2007, as shown in Chart 4.[21] The GMIC reported the largest decline of any peer region with Construction sector employment declining 32.6% between 2001 and 2010. The state of Missouri saw a smaller though still dramatic decline of 24.6% between 2001 and 2010. The United States saw the smallest decline of any peer region but still reported a significant of decline of 19.0% over the sample period or an average annual decline of 2.3%.

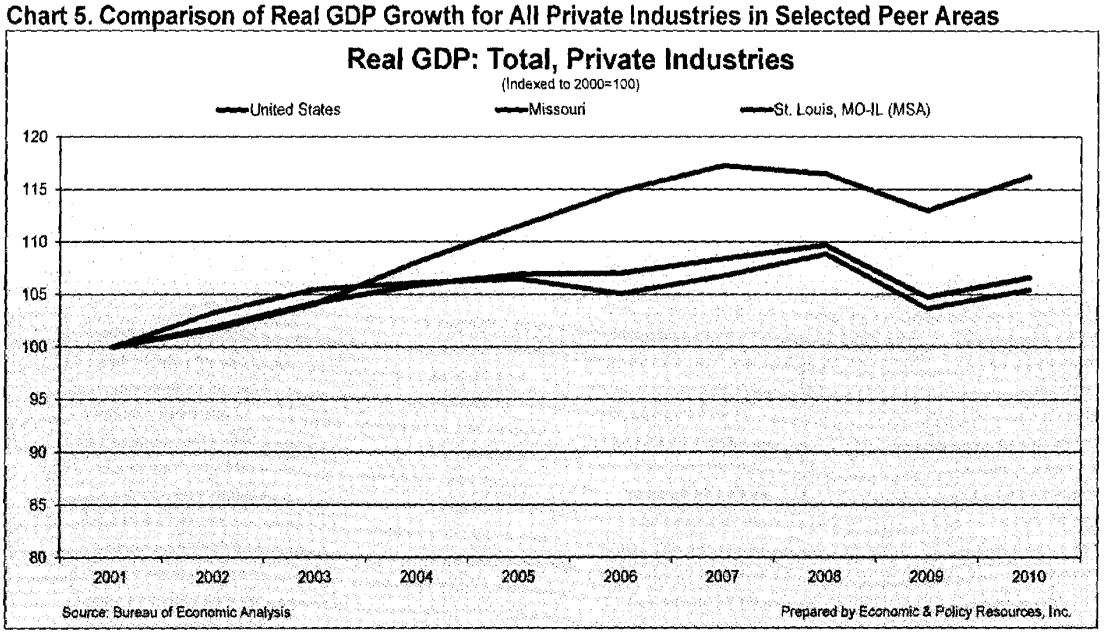
Chart 4. Change in NAICS 72 Accommodations and Food Service Sector Employment for Selected Peer Areas



As Chart 5 shows, the Accommodations and Food Services Sector in the peer regions increased substantially between 2001 and 2007. Between 2007 and 2010, following national overall economic trends, the peer regions saw declines in Accommodation and Food Service Sector employment. Over the ten year sample period, all peer regions experienced growth. The United States saw the biggest growth of any peer region with Accommodations and Food Services employment rising 9.9% between 2001 and 2010. The regional center reported growth of 2.5% over the ten year period. The State of Missouri, saw growth between the two other peer regions with growth of 7.2%.

[21] The broader Construction Sector, which includes NAICS 236—Construction of Buildings and 238-Specialty Trade Contractors, was used for this analysis since comparable data for more detailed NAICS categories is not available for this analysis.

Chart 5. Comparison of Real GDP Growth for All Private Industries in Selected Peer Areas



Another economic measure is the inflation-adjusted output change of a region, commonly referred to as either real Gross Domestic Product or GDP. Chart 6 (above) shows the growth in the real GDP of the peer regions between calendar years 2001 and 2010. It is important to note that, due to data availability, the St. Louis, MO-IL MSA is being used as a proxy for the GMIC regional center. Gross Domestic Product data is not available at the county level, but the proxy will serve to portray the general trend of the region. Between calendar year 2001 and calendar year 2010, the United States outpaced all peer regions, with an annual growth rate of 1.4%, and a total increase in the real GDP of 16.2%. The State of Missouri and the St. Louis, MO-IL MSA grew at similar but slower rates, with annual growth rates of 0.4% and 0.5% respectively, or total growth of 6.6% and 5.4% respectively between calendar years 2001 and 2010.

The above series of charts tracks the region and industries over time, while the next section provides a cross-sectional snapshot of the region's economy. Table 5 (below) shows employment by major industry in the prospective GMIC regional center, both in terms of levels and as a share of total Private sector jobs in calendar year 2010 (with calendar year 2010 being the latest year where comparable data is available as of this writing). The last column in Table 5 (below) is a statistic called the location quotient. A location quotient is the ratio of an industry employment share in a given geography to the same share in another. This allows relative employment concentrations (that is, one geography relative to another) to be more easily compared. The location quotients were calculated for each industry as follows:

$$LQ = \frac{(E_i/E_c)}{(E_{ni}/E_{nt})}$$

Where:

E_i = Employment in the state's industry

E_c = Total employment in the state

E_{ni} = National employment in the industry

E_{nt} = Total national employment

Location quotient analysis is used to identify those industries that have a comparatively larger or smaller presence in the prospective regional center's economy. A location quotient that is equal to 1.0 means that the share of employment in the regional industry is exactly the same as the percentage employment in the national industry. If the location quotient is greater than 1.0, the share of employment in the regional economy exceeds the national share of employment in that industry. Conversely, if the location quotient is less than 1.0, that means the region's share of employment in the industry is less than that of its national counterpart.

Location Quotients over 1.0 mean that an industry is a relatively more significant than average employer in a region—relative to a reference region which in this case is the U.S. as a whole—with a Location Quotient of 1.2 or greater indicating a possible export industry. Location Quotients below 1.0 indicate the employer is under-represented relative to the reference region, and a Location Quotient of less than 0.80 indicates the possibility for import substitution in the subject geography (assuming near average productivity) as an economic development-job creation strategy. The location quotients found in Table 5 show the ratio of the prospective regional center employment to national average employment concentration, or how the prospective GMIC regional center compares to the average for the U.S. economy. As an example, the first location quotient for Agriculture, Forestry, Fishing, and Hunting in the GMIC region is 0.06 demonstrating a much lower average share of its private workforce employed in the Agriculture, Forestry, Fishing, and Hunting than is the case on average for the U.S. economy as a whole.

The analysis of these location quotients suggests that Information, Management of Companies, Educational Services, and Arts, Entertainment and Recreation have above average employment concentration, with location quotients of 1.23, 2.60, 1.27 and 1.36 respectively. All of these location quotients indicate possible export industries for the region. The three-county region has relatively less employment concentration in Agriculture, Forestry, Fishing and Hunting; Mining, quarrying, and Oil and Gas Extraction; Utilities; Construction; and Transportation and Warehousing; with location quotients of 0.06, 0.11, 0.09, 0.74, and 0.09. This may suggest either lower productivity levels in the regional economy in those sectors and/or opportunities for import substitution (e.g. local and regional growth opportunities) from an economic development perspective.

Table 5: Employment Comparisons and Location Quotients for Selected Regions, 2010

Industry	Employment		Composition of Total Private		Location Quotient
	United States	GMIC	United States	GMIC	GMIC
NAICS 11 Agriculture, forestry, fishing and hunting	1,142,192	523	1.1%	0.1%	0.06
NAICS 21 Mining, quarrying, and oil and gas extraction	641,366	534	0.6%	0.1%	0.11
NAICS 22 Utilities	560,713	377	0.5%	0.0%	0.09
NAICS 23 Construction	5,948,837	32,430	5.6%	4.1%	0.74
NAICS 31-33 Manufacturing	11,810,371	70,570	11.0%	8.9%	0.81
NAICS 42 Wholesale trade	5,561,787	42,449	5.2%	5.4%	1.03
NAICS 44-45 Retail trade	14,544,111	92,746	13.6%	11.7%	0.86
NAICS 48-49 Transportation and warehousing	3,985,037	2,770	3.7%	0.3%	0.09
NAICS 51 Information	2,807,721	25,675	2.6%	3.2%	1.23
NAICS 52 Finance and insurance	5,618,477	46,830	5.3%	5.9%	1.13
NAICS 53 Real estate and rental and leasing	1,971,344	14,675	1.8%	1.9%	1.01
NAICS 54 Professional and technical services	7,479,760	55,340	7.0%	7.0%	1.00
NAICS 55 Management of companies and enterprises	1,855,139	35,688	1.7%	4.5%	2.60
NAICS 56 Administrative and waste services	7,153,937	53,704	6.7%	6.8%	1.01
NAICS 61 Educational services	2,419,382	22,723	2.3%	2.9%	1.27
NAICS 62 Health care and social assistance	15,902,253	135,115	14.9%	17.1%	1.15
NAICS 71 Arts, entertainment, and recreation	1,921,653	19,404	1.8%	2.5%	1.36
NAICS 72 Accommodation and food services	11,079,375	79,713	10.4%	10.1%	0.97
NAICS 81 Other services, except public administration	4,369,780	30,517	4.1%	3.9%	0.94
NAICS 99 Unclassified	173,872	0	0.2%	0.0%	0.00
Base Industry: Total, all industries	106,947,104	791,958	100.0%	100.0%	1.00

Note: Details may not sum to totals due to federal nondisclosure rules. – means nondisclosed data.

Source: Bureau of Labor Statistics Prepared by Economic & Policy Resources, Inc.

The above information has been provided to demonstrate the economic, social, cultural and geographic ties between the 3 counties that comprise the proposed Gateway to the Midwest Investment Center. These counties are connected culturally, socially and economically. Employment-unemployment trends, employment composition and GDP trends demonstrate this economic continuity. Culturally, the region is known for its music and museums that place it as amongst the most important cities in the Midwest. Physically, the counties are interconnected by a network of interstate highways famous for the volume of traffic they facilitate. However, both passenger and freight rail systems are well-developed in the area as well. Taken together, these ties provide evidence of the region's character as an integrated economic unit, which is presented here in order to assist the U.S. Citizenship and Immigration Service in its evaluation of the Gateway to the Midwest Investment Center regional center designation application. **This analysis also presents data and analysis to inform the USCIS' review of the proposed geography of the prospective Gateway to the Midwest Investment Center and the regional center's requested NAICS activities. The proposed regional center is seeking approval to operate in Eastern Missouri in St. Charles County, St. Louis County, and St. Louis City. The proposed regional enter is also seeking approval to engage in project development activities in Construction of Buildings (NAICS 236), Specialty Trade Contractors (NAICS 238) and Hotels (except Casinos) and Motels (NAICS 72111)—data and analysis for each sector has been provided above—and to estimate indirect jobs using the dynamic REDYN input-output model (see below).**

3. Economic Impact Analysis

3.1 Methods of Analysis

Economic and job creation impact modeling was performed using the Regional Dynamics Model (hereafter "REDYN") to determine the economic and employment impacts associated with the proposed completion of the prospective Missouri Theatre Building EB-5 Project and its subsequent operations. This is the newest and most sophisticated of the advanced input/output models available today. The REDYN Model has been used to assess the net job and other economic benefits associated with economic development projects, new businesses, certain types of policy changes and utility power projects in various states throughout the country in a variety of analytical settings. A detailed description of the REDYN Model is found in the appendices at the end of this impact assessment study report.

EPR has used Regional Dynamics (REDYN), an internet-based input-output model software tool in more than 100 studies overall and more than three dozen impact assessment studies under the EB-5 program. This section attempts to explain in more detail how the REDYN software works and why it is a valid approach for determining the economic impact for EB-5 regional center projects.

The REDYN input-output model calculates economic impacts and job creation impacts, typically for an integrated development project scenario that can be comprised of several components, or different categories, of economic activity. This model has been

successfully used in earlier EB-5 regional center designation application adjudications by USCIS. It is one of four recognized tools (with the others being RIMS II, IMPLAN, and REMI) that recently were identified in the EB-5 field adjudicator's manual as generally used and accepted in EB-5 applications for estimating indirect jobs.

REDYN (like the other recognized input/output models) is based on the concept of a production function, which determines what are called "make and use" tables. These tables quantify the amounts of inputs that are required to produce a unit of output across a number of industries. The basic data are collected by the U.S. Department of Commerce (principally its sub-agency, the Bureau of Economic Analysis). The vast amount of data come from a variety of sources and the data collected are converted into production accounts on a national income basis and input-output accounts basis. These accounts are assembled into various tables including transactions tables (which track the economic flows between producers and users of commodities, as well as the commodity taxes, transportation charges, and wholesale and retail trade margins between producers and users), and final uses tables. These tables are the building blocks for the input-output accounts, from which various multipliers are derived.[22]

Regional input-output models can be constructed using a more geographically tailored input-output matrix. Such a matrix takes into account regional purchase coefficients, which are calculated based on the proportion of goods and services required to produce one unit of output that are produced within a defined geographical region. These regional coefficients for most input-output tools are based on national data as described above. For REDYN, the matrix that has all of these coefficients is embedded in the model—as it is for the REMI and IMPLAN tools. The outputs contained in the report tables (such as in Table 1 above on page 5 and Table 7 on page 34 below) present the end results of entering the inputs for new direct final demand change[23] activity into the REDYN model software and solving the constructed model for the various indicated regions. For this EB-5 project, the geographic parameters of the input-output model constructed were comprised of the following geographic areas: (1) The Gateway of the Midwest, (2) the balance of the St. Louis Metropolitan Statistical Area, (3) and the remainder of the United States outside the MSA.

Summary of Input-Output Modeling Approach: In this assessment of the prospective Missouri Theatre Building EB-5 Project, the project was modeled as being located in the city of St. Louis in order to get the highest degree of geographic resolution for the new economic and transactional activities associated with the proposed EB-5 project—and therefore producing the most accurate results. In addition, the approach employed by EPR also resulted in the creation of a geographically robust model that could also report results over a multitude of different areas of geographic space. This was done for two reasons: (1) in order to conform to the USCIS impact assessment analysis reporting

[22] U.S. Department of Commerce, Bureau of Economic Analysis. Concepts and Methods of the U.S. Input-Output Accounts. September 2006, Updated April 2009.

[23] In this case direct means in the strict economic theoretical sense and not as prescribed under the regulations of the EB-5 program.

requirements under 8 C.F.R. Section 204.6(m)(3)(iv)—including "increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction"—both inside and outside the regional center and for the U.S. economy as a whole, and (2) in order to thoroughly examine the outputs for reasonableness.

Like all input-output models, the REDYN model calculates the effects of a new final demand stimulus into three general categories. Category 1 includes the direct effects—which in economic theory measures the changes in the industries where the final demand change was effected. Category 2 effects include indirect effects—which in economic theory are those changes in inter-industry purchases as they adjust to the new final demand change in the directly affected sectors or industries. Category 3 effects include those which are due to changes in spending from affected workers and their households as labor income either increases or decreases due to the change in final demand, known as induced effects. The REDYN input-output model software calculates all three of these effects just like any other input-output tool except that, as a dynamic input-output model (like the dynamic REMI model[24]), REDYN has the capability through its structure to analyze the impacts over time of the entire EB-5 project and its components as part of a single integrated development scenario. Using this approach, the estimated economic and job impacts were measured against a baseline for the regional economy that did not include the proposed EB-5 project. **The difference between the two scenarios represented the net economic and job impacts attributable to the proposed EB-5 project.**

Even though the economic and job impacts of the proposed EB-5 development project were analyzed as a single integrated development project, the impact calculations were made in separate and distinct sectors embedded within the REDYN model software. These calculations, again although separate for each sector, were done simultaneously according to the regionalized matrix of multipliers embedded within the model which have up to a five digit level of specificity for each NAICS sector category.

3.2 Data Sources

Project Data Sources

A significant portion of the relevant information and data were obtained from representatives of the Gateway to the Midwest Investment Center staff and the prospective EB-5 project's management. The data provided included a construction timeline, expected project development costs and expectations for hotel operations. Additional research and analysis were also completed by EPR to crosscheck and corroborate client provided data for reasonableness. Industry and project related metrics such as output and employment were compared to statewide and regional data sources. Appropriate quality control checks, including the triangulation of data sources with other sources of third party information, and activity estimates proved the data to be reasonable for the purposes of this economic and job creation impact analysis of the

[24] The REMI input-output model is maintained by Regional Economic Models, Incorporated located in Amherst, Massachusetts.

proposed EB-5 project within the proposed geography for the Gateway to the Midwest Investment Center. Based on these data, inputs were created for use in the REDYN system to model the economic impact of the construction and operations phases of the proposed EB-5 project.

REDYN Data Sources

Just like the other input-output tools, the REDYN data sources use a variety of data provided by U.S. Government entities. The industry structure for the model is the North American Industry Classification System (NAICS) to the five digit level. This allows the model to provide detail for 703 industries and over 180 commodities for the geographic region specified in the model.[25] This classification system and level of detail makes REDYN's output compatible for comparison to government reported statistics as this is the system used for publishing economic data by the U.S. Department of Labor's Bureau of Labor Statistics (BLS), the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) and the U.S. Census Bureau. These government bureaus provide the original data that are accumulated and transformed into the REDYN Model's input/output (e.g. multipliers) and other specified relationships.

In addition, the REDYN model also employs data from the Census Bureau's County Business Patterns. The U.S. Census Bureau's County Business Patterns data is the source for wage bill payroll data and employment data used in the model. The model's developers preferred this approach since it is an annual series that is more complete in its coverage of the workforce than the Quarterly Census of Employment and Wages (hereafter "QCEW") series, as it includes self-employed persons, employees of private households, agricultural production workers, and railroad workers. These workers are not "covered" by most state unemployment insurance systems and are therefore not reported in the QCEW series.

The County Business Patterns data set also is preferred because it provides detail about employment and wages down to the zip code level where concentration of industry is high enough to provide reportable data. The suppression of data due to confidentiality issues is a common problem of all types of wage and employment data used in specifying input/output models. REDYN has developed a way to fill in the blanks called method *row and column sum* (RAS).

After performing the RAS analytics on the County Business Patterns data it is reconciled with Regional Economic Information System (REIS) data from the Bureau of Economic Analysis of the U.S. Department of Commerce to confirm consistency. The REIS data are especially helpful for providing data in the agriculture and governmental sectors. The REIS data are also used to allocate national consumption numbers to the roughly 3,100 counties in the United States that are provided on the aggregate level by the National Income and Product Accounts (NIPA). The levels of consumption of

[25] See Exhibit 2.

industries and households are a key building block in the creation of input/output models.[26]

The input-output tables themselves are created using BEA Input/Output (IO) make and use tables. The data in these tables are augmented by the biennial ten-year IO forecast tables from the Bureau of Labor Statistics. A major difference between the REDYN model and other input/output models is its use of a new distance impedance database supplied by the Oak Ridge National Laboratory.[27] This allows the REDYN Model to add elements of trade flow and gravity theory based on distance impedance specific to road, rail, water, air and proxy transport. The combination of these data sources gives the REDYN model the power to predict with greater accuracy than ever before the economic impacts of a wide range of economic changes.

3.3 The Regional Dynamics Economic Analysis Model (REDYN) Background

The internet based REDYN Model was developed by Regional Dynamics, Inc. currently of Scottsdale, AZ, through its principal creator, the late Thomas Tanner, Ph.D., a former model manager at Regional Economic Models Inc. (known as REMI) of Amherst, Massachusetts. Dr. Tanner was a former member of the faculty at the University of Georgia, and was most recently employed at the Strom Thurmond Institute of Government and Public Affairs at Clemson University at the time of his death in May of 2009. Dr. Tanner's work experience at REMI gave him the expertise to create an alternative to the REMI model. The result is an integrated input/output model of the counties and cities of the U.S. which has significant advantages over the existing menu of retail input/output models: REMI (which is prohibitively expensive), IMPLAN (as maintained by the Minnesota IMPLAN Group, Inc., originally developed for the U.S. Forest Service, which is a static input-output tool), and RIMS II final demand and/or employment multiplier tables (which is maintained by the U.S. Department of Commerce and is also a static tool).

The REDYN Model employs a concept known as New Economic Geography,[28] a theory first developed by Nobel Laureate Dr. Paul Krugman while he was at the Massachusetts Institute of Technology. This philosophy employs "fully general equilibrium" models that "derive aggregate behavior from individual maximization." This competitive framework is translated into a model that makes the assumption that "commodities produced by an industry are truly joint in the production process, as prescribed by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry."

---

[26] See Exhibit 3.
[27] See Exhibit 4.
[28] See Exhibit 1.

New Economic Geography also focuses on agglomeration economies and the relationships between them in different levels of geographic space.[29] To illustrate this, consider a tight group of commercial establishments configured as a mall, which is an agglomeration of retail establishments. This is the smallest level of an agglomeration economy. It is related to the regional commercial market which is part of the national market and the world market. It is the linkages between these levels of economic agglomeration that New Economic Geography seeks to explain and illustrate.

Summary of the Methodology for Calculating Indirect Jobs: In contrast to proving the direct job count of an EB-5 project through the provision of payroll records to a USCIS reviewer, the calculation of indirect jobs cannot be measured and verified directly through records. Instead, indirect jobs under the EB-5 program must be verified through the use of estimating methodologies that are deemed to be "reasonable" under the requirements of the EB-5 program. The EB-5 applicant has some latitude under the "reasonable methodologies" requirement. The most common estimation techniques involve the utilization of input-output tools that involve a range from simple mathematical calculations on a spreadsheet (e.g. under RIMS II) to integrated EB-5 project simulations using sophisticated input-output models. Even though these approaches vary in sophistication and structure, the general approach to this estimating process is essentially the same for all of the USCIS-approved input-output tools in that they all use calculated coefficients based on detailed federal data. Compilation of these data, which are updated each year to varying degrees, involves assembling and updating data regarding how much input is used for producing a given amount of output.

In its simplest form, the estimation process is comprised of two fundamental steps: (1) calculations to determine what are commonly referred to as national coefficients which are based on production functions,[30] and (2) determinations as to what proportion of those goods and services are purchased within the region. The first calculations estimate how much input is used in any given year to produce a given amount of output in any given year. The second group of calculations referred to above involves calculations of what are referred to as regional purchase coefficients (RPCs). These regional purchase coefficients essentially estimate what proportion of those goods and services are purchased within the region in question.

The REDYN model, like other input-output models such as IMPLAN and REMI, handles all those calculations within the model software based on the geography and type of stimulus specified by the analyst. The REDYN model is geographically specified so that regional purchase coefficients are calculated for all involved sectors based on purchases of goods and services from "within the region" firms. The matrix can be, and

[29] Agglomeration economies refer to circumstances where economic units, although competing, find it mutually advantageous to co-locate or to locate sufficiently close enough to share production resources and/or customers.

[30] Again, to reiterate, this is a process where the amount of input (and the corresponding number of jobs and corresponding amount of income) required to produce an amount of output of a final product or service is estimated.

usually is, large and complex. RPCs tend to be higher for service providing industry categories and lower for goods producing industry categories. In either case, indirect jobs under the REDYN input-output model are calculated through the input-output simulation process based on these quantified national relationships and regional purchase coefficients as calculated within the software algorithms embedded in the REDYN model.

3.4 Model Specifications

Description of the Project-Discussion of Input-Output Model Inputs

The Missouri Theatre Building EB-5 Project is a mixed use construction and subsequent hotel operations project located in the city of St. Louis. The project involves the renovation of a historic 12 story building, including the creation of a 136 room hotel, 40 apartments, and retail and restaurant space on the street level. Operations of the hotel are also a component of the EB-5 project. Located on Grand Avenue, within the Grand Avenue Arts District of St. Louis, the development is well located to attract a variety of different types of travelers, most notably those traveling to the city's entertainment district. The EB-5 project includes total construction expenditures of $38.4 million over a two year period. The construction budget includes $27.5 million in hard costs and $10.9 million in other development costs, including soft construction costs. These other development costs will be invested in the region but were excluded from the input-output impact modeling because either they were not expected to significantly impact job creation (in the case of fees, interest, etc.) or because the USCIS has previously advised their exclusion (such as in the case of soft construction costs[31]).

Input-output modeling of potential project impacts can be conducted from the supply side or the demand side of the input-output equation. When modeling the economic impacts associated with the supply, one captures the increase in direct employment and wages and looks to determine the economic linkages of the project via an input-output model. A demand-side approach captures the additional spending (often specified as a change in "final demand") in the regional economy as a result of the development and operation of a new project.

The relevant information and data used to develop the input-output model inputs for this impact assessment analysis of the Missouri Theatre Building EB-5 Project included: (1) the amount and timing of the EB-5 project's hard cost expenditures (which were obtained from project management), and (2) the employment levels anticipated to be associated with operation of the new Hyatt-franchised hotel. The data included the components and dollar amounts of the anticipated development expenditures on an annual timeline, and a comprehensive set of financial pro-formas—including expected revenues for the hotel. The data from the project developers have been laid out in a

[31] Although from a technical perspective, EPR believes many of these costs should be included in the input-output analysis. However, in order to minimize raising issues in review, they were excluded from this input-output analysis.

comprehensive and a detailed business plan that will be filed along with the other regional center application materials.

These data were then employed to develop the specific inputs that were used in the REDYN input-output model—as supplemented by additional research to properly quantify and then specify each input for use in the input-output model. The principal analytical task at this point in the impact assessment analysis is to properly quantify the new business activity increment (i.e. properly quantify the new incremental final demand) attributable to the proposed EB-5 project to be used in the input-output model. For this analysis, impact modeling was completed from a demand-side perspective, capturing the additional demand (i.e. new final demand in construction and incremental demand from direct hotel operations) in the regional economy of the new Gateway to the Midwest Investment Center associated with the Missouri Theatre Building EB-5 Project. The additional increase in final demand in the regional economy are expected to, in turn, result in the creation of new business activity and additional jobs (including jobs at the hotel facilities themselves and elsewhere in the regional economy and the economy in the balance of the United States—or outside of the economy of the proposed Gateway to the Midwest Investment Center).

The input-output modeling was completed using the location of the proposed EB-5 project in the city of St. Louis, Missouri. The inputs to the input-output model include specific levels of expenditures for construction/renovations over the first two years of the project as provided by the EB-5 project management. The inputs also include properly specified changes in final demand associated with the employment accompanying the ongoing operations of the hotel. These data were then specified into the inputs that were specific to the Missouri Theatre Building EB-5 Project (after all spending concepts were adjusted for inflation to the base year of the REDYN input-output model). An initial market review of the proposed EB-5 project was undertaken by Wert-Berater, Inc. in order to understand the overall competitive effects of the hotel market within the region. The initial review offers a preliminary conclusion that the "impact of the subject hotel would be minor and is likely to be a contributing factor to overall area occupancy levels."[32,33]

---

[32] A new business or expansion of an existing business represents a change in the regional economic landscape. Such changes have competitive implications for existing businesses and industries within the region and maybe even beyond to the national economy. Economists have addressed these effects by incorporating into their models equations to realistically describe economic interactions and relationships. Economic models used for impact assessment have become more dynamic by explicitly accounting for these overall competitive effects via trade relationships, linkages, and changes in technology and productivity. The REDYN model formulation incorporates (what is widely called) the "new economic geography" (after Nobel Laureate Economist, Paul Krugman) which considers the trade relationships and competitive effects within the regional and broader economies. See for instance: Paul Krugman, "Space: The Final Frontier" in Journal of Economic Perspectives, 1998; Geoffrey J.D. Hewings and John B. Parr, "The Changing Structure of Trade and Interdependence in a Mature Economy: The U.S. Midwest" in Technological Change and Mature Industrial Regions: Firms, Knowledge, and Policy, Edward Elgar Publishers, 2008.

[33] Letter from Wert-Berater, Inc dated July 25, 2012

With the above discussion as a backdrop, this section describes in more detail how the REDYN input-output model software was employed to conduct the EB-5 project impact assessment analysis for this application. EPR notes that the REDYN input-output model software has previously been employed in dozens of impact assessment analyses that, in turn, have led to successful adjudications before the USCIS as part of a "reasonable methodology" for estimating indirect jobs in accordance with 8 C.F.R. Section 204.6(m)(3)(iv).

The impact assessment analysis process step-by-step for the Missouri Theatre Building EB-5 Project is described below:

1. The first step in this impact assessment analysis was to create a model reflecting the geographic requirements for the input-output model framework based on the EB-5 project's location. For this analysis, an input-output model was constructed that included both specific areas within the regional center and an additional area comprised of the rest of the United States outside the regional center. The first area was important in order to make sure the input-output model had the greatest degree of accuracy since regional economic structure can differ as industry linkages vary drastically across different regions throughout the United States—just as RIMS II and IMPLAN multipliers vary by region to region.[34] The second area was constructed in order to allow the impact study to calculate total U.S. economic and job creation impacts as prescribed in the EB-5 program regulations. In the case of this impact assessment analysis, the input-output model constructed was comprised of the following geographic areas: (1) the Gateway of the Midwest Regional Center, (2) the balance of the St. Louis Metropolitan Statistical Area, (3) and the remainder of the U.S. outside the St. Louis MSA. The impact within the St. Louis MSA plus that in the balance of the U.S. sum to the total U.S. impact—which assists in deriving the data required under the EB-5 reporting protocols.

   In other words, the sum of the impact in regions 1 and 2 represents the economic and job creation impact within in the St. Louis MSA region. The impact in the regional center geography plus the impact in the balance of the St. Louis MSA and the rest of the U.S. sums to the total expected U.S. economic and job creation impact. The use of the REDYN model allows for flexibility in assessing modeling results down to the county level, for the state as a whole, and for the U.S. economy overall. **This model structure, when employed with the assumptions listed above and using the specific data inputs as specified in Table 6 (see page 33) enable an analyst to replicate the input-output simulation employed in this analysis.**

[34] See Blair, Peter and Miller, Ronald. Input-Output Analysis, 1985; and Hoover, Edgar M. An Introduction to Regional Economics, 1971.

2. Once the input-output model was constructed, the next step was to develop estimates of the change in final demand for the construction activity. For these estimates, project management provided data which included total construction costs of $38.4 million over the first year. This figure includes $27.5 million in hard construction costs, and $10.9 million that will be incurred but were excluded from the input-output impact modeling. The excluded costs include project contingency and financing fees, which are not included in the impact assessment analysis modeling due to the fact that they do not create meaningful, new economic activity (e.g. job creation), and soft construction costs, which were excluded. The hard costs were adjusted for inflation to 2002 constant dollars using an inflation forecast from IHS Global Insights (IHS Global Insights Macroeconomic Inflation Forecast through the state of Oregon website http://www.oregon.gov/DAS/OEA/docs/economic/ as of April 2012 (This calculation was $27.521900 million times 1.271026 *[the inflation factor]* equals $21.653300 million in inflation adjusted hard construction costs). These inflation-adjusted expenditures were then inputted into the REDYN sector that comports with the NAICS 238 Specialty Trade Contractors sector.[35] This NAICS was selected because it covers a number of broader 4-digit NAICS sectors that will be employed in the historic building's renovation.

3. Operations for the hotel are expected to begin in impact Year 2 of the proposed EB-5 project's timeline.

4. Occupancy for the hotel is assumed to be 75.7% for operations in impact Years 3 and 4. Occupancy rates are not directly used in the model inputs, but inform the project management's employment and revenue projections.

5. The REDYN model was then run with those inputs, and this run put the model inputs through the multiplier matrices embedded in the REDYN software. The run also applied the advanced procedures, including impedance-based commodity trade flows, and detailed national input-output use tables to estimate a complete U.S. multi-regional supply response to indirect and induced demand, and to exogenous final demand.

6. The multi-region results (including changes in employment, disposable income, household earnings, and output) were then compiled from reported outputs from the REDYN model for the scenario modeled. These results were then grouped geographically into results for the regional center, outside the regional center, and the U.S. economy as a whole summations as prescribed in the accepted standards and procedures under 8 C.F.R. Section 204.6(m)(3)(iv). Under this regulation, outputs for increased household earnings, greater demand for business services, Utilities, Maintenance and Repair, and Construction were calculated from the REDYN model inputs and reported in the relevant tables in the impact assessment report.

[35] In REDYN, the REDYN sector code is 235.

Table 6 Model Inputs – Missouri Theatre Building EB-5 Project in St. Louis, Missouri

Timeline				Construction	On-Going Operations		
Model Inputs		REDYN Industry Sector	2012 NAICS Sectors				
Construction [1]							
	Output	23332	236 & 238	$ 27,521.90	$ -	$ -	$ -
Operations							
Hotel	Employment	72111	72111	0.00	34.00	34.00	34.00

Notes:
[1] A 3 digit NACIS code ios requested because of the wide variety of specialty trade contractors required to complete the rennovation.

Further Discussion of "New Final Demand"

According to project documents, the project as currently envisioned is unique in nature, representing a conversion of a historic building into hotel rooms. The intended price point of the hotel, places the proposed project in a narrow market segment. Because of the nature and design of the rooms, the hotel will be particularly suited to service demand in the "extended stay" market. Because the rooms will be serving this segment of the hotel market, the hotel is not expected to compete directly with many of the hotels located within the city and the regional center. The hotel market in the area is noted for its distinct demand segmentation, with hotels competing within a limited local market area more than is typical in other cities. The project, if completed along the lines currently envisioned when finalized, will be the only hotel located within the city of St. Louis' Art's district, an area that has been revitalized through the expansion of attractions generating expanding hotel demand—without a concurrent increase in supply. Being located in the arts district, the hotel is particularly well suited to serve performers who may be in town for a few weeks and are part of the extended stay market segment. The location of the new project is also near St. Louis University, which has recently constructed the new Chaifetz Arena, completed in 2008. The arena has attracted new and different events to the city, along with the concurrent increase in new visitors to the area to attend basketball games. Additionally, the project is located near several major hospitals, which should experience expansion as the health care sector expands over the next several years. The expansion of attractions within the area, the location of the proposed project within an area that currently contains no hotels (and is therefore under-served), and the unique market segment that the hotel will service, all indicate that the hotel will serve existing unmet and also expanding demand, with minimal direct competition with existing suppliers.

Under the adjudication standard of a "reasonable methodology" for an indirect job estimation approach in total, EPR believes the USCIS could make a positive finding under a "preponderance of the evidence," that this impact assessment analysis supports a regional center designation approval (see above), an approval of the three requested NAICS activities (including NAICS Sector 23 Construction of Buildings, NAICS Sector NAICS 238 Specialty Trade Contractors, and NAICS Sector 72111—

Hotels (Except Casino Hotels) and Motels), and approval of the indirect job estimating methodology using the dynamic REDYN input-output model and the methods described above.

4. Model Output and Results

The REDYN model estimates all measurable linkages associated with the incremental economic activity in NAICS 236, NAICS 238, and NAICS 72111 related to the proposed Missouri Theatre Building EB-5 Project. This incremental activity associated with the development project will create and sustain employment—net of any expected competitive pressures (i.e. job displacement in the existing regional and national supply) explicitly accounted for in the economic modeling. This impact assessment finds that the project would have positive and significant economic and job creation impacts in the prospective regional center. As the result of both the initial renovations of the building and the ongoing operations of the hotel, the project will add a total of 345 jobs (comprised as 296 indirect construction jobs plus 49 operations jobs from the Hotel in Year 3) due to expanded business activity related to an increase in final demand in NAICS Sector 236 Construction of Buildings, NAICS 238 Specialty Trade Contractors and NAICS Sector 72111—Hotels (Except Casino Hotels) and Motels (See Table 7 below).

As a result, this economic and job impact assessment study finds, using the REDYN dynamic input-output model, that the development and operations of the proposed project as planned would generate significant and positive economic benefits for the U.S. economy as a whole.[36] Assuming the development and successful operation of the facility, the proposed project would likely result in: (1) a net increase of 904 net new, full-time and part-time, jobs (including 830 indirect construction jobs and 74 operating jobs in year 3) to be created resulting from the construction and operations of the proposed project, (2) a cumulative four-year total of $163.7 million in increased output (in 2012 dollars), (3) a cumulative four-year total of $68.0 million in increased disposable income (in 2012 dollars), and (4) a cumulative four-year total of $54.5 million in increased household earnings (in 2012 dollars).

This impact assessment also finds that the proposed project would have a positive impact within the regional economy of the Gateway to the Midwest Investment Center.[37] These benefits include: (1) the creation of a total of 345 jobs resulting from the initial renovations and ongoing hotel operations in the geographical area of the prospective regional center (comprised of 296 indirect construction jobs and 49 operating jobs in year 3), (2) a four-year cumulative total of $43.2 million in increased output (in 2012 dollars), (3) a four-year cumulative total of $19.1 million in increased disposable income (in 2012 dollars), and (4) a four-year cumulative total of $16.1 million in increased household earnings (in 2012 dollars). Since the project is utilizing a lending approach to

[36] For a full description of the REDYN input-output model see Appendix 3 of this report.
[37] Assuming the proposed regional center as requested was approved.

the EB-5 capital investment and has a construction period of less than two years, all of the jobs that are attributable to the Missouri Theatre Building EB-5 Project are indirect for EB-5 program purposes.

Table 7 Summary Results–Missouri Theatre Building EB-5 Project in St. Louis, Missouri

Timeline	Construction	On-Going Operations		
Model Output [2]				
Total U.S. Economy				
Output ($2012, 000s)	$ 132,492	$ 10,209	$ 10,405	$ 10,596
Disposable Income ($2012, 000s)	$ 56,176	$ 3,875	$ 3,947	$ 4,016
Household Earnings ($2012, 000s)	$ 49,411	$ 1,659	$ 1,690	$ 1,720
Jobs	830	74	74	75
Regional Center Economy				
Output ($2012, 000s)	$ 43,154	$ 5,608	$ 5,713	$ 5,818
Disposable Income ($2012, 000s)	$ 19,086	$ 1,959	$ 1,995	$ 2,030
Household Earnings ($2012, 000s)	$ 16,162	$ 1,247	$ 1,271	$ 1,292
Jobs	296	49	49	49

Job Multipliers In the Regional Center Geography, Construction and On Going Operations	[A] Indirect Jobs	[B] Millions in development costs	[A/B] Jobs per $Million
	345	$ 38.393	8.98

Notes:
[1] A 3 digit NACIS code ios requested because of the wide variety of specialty trade contractors required to complete the rennovation.
[2] Economic activity was modeled at the county level.

In total and including all new activity attributable to the proposed EB-5 project, this economic and job impact assessment study for the Missouri Theatre Building EB-5 Project estimated U.S. impacts outside the proposed regional center to include a four-year cumulative total of $103.4 million (in 2012 dollars) in increased output, a cumulative total of $42.9 million in increased disposable personal income (in 2012 dollars), and $34.5 million in increased household earnings (in 2012 dollars).[38] This study estimates that the employment impact outside the proposed regional center will include an additional 559 total full- and part-time jobs created outside of the regional center, corresponding to total U.S. job impact of 904 jobs in total job impacts of 345 within the geographic boundaries of the proposed Gateway to the Midwest Investment Center.

This level of job creation in the geography of the prospective regional center corresponds to a job impact of 8.9 jobs per $1.0 million of development expenditures. These results therefore indicate there will be 8.9 indirect jobs within the proposed regional center for each $1.0 million in development capital invested. At the level of the national economy, these results indicate there will be 23.6 indirect jobs within the U.S. economy for each $1.0 million in development capital invested.

[38] These outside the regional center impacts are calculated as the difference between the cumulative U.S. totals for each variable less the estimated impacts within the regional center.

The above described macro impacts are comprised in part from impacts in key subsectors that the USCIS typically requests be delineated in economic-job impact studies of this type. As such, this study presents detailed predictions of impacts both inside and outside of the regional center and then for the U.S economy in total to illustrate these USCIS-requested impacts that are the result of the Missouri Theatre Building EB-5 Project—including Business Services, Utilities, Maintenance and Repair, and Construction impacts.

Table 8 (below) describes impacts by USCIS-requested subsector within the proposed regional center from all activity associated with the proposed EB-5 project. These include increased demand for: (1) Professional, Scientific, and Technical (Business) Services, with a four-year cumulative total of $4.5 million within the regional center, (2) Utilities, with a four-year cumulative total of $0.2 million within the regional center, (3) Repair and Maintenance Services, with a four-year cumulative total of $0.5 million within the proposed regional center, and (4) Construction [Partial], with a four-year cumulative total of $1.8 million within the proposed regional center (and including indirect impacts only).

Table 8 Total Employment and Output Impact for Select Industries within the Regional Center—the Missouri Theatre Building EB-5 Project

Within the Regional Center

Within the Regional Center	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	270	1	1	1
	221	Utilities	0	0	0	0
	236/237/238	Construction [Partial]	12	0	0	0
	541	Professional, Scientific, and Technical Services	29	1	1	1
	811	Repair and Maintenance	3	0	0	0
Output Impacts	---	Total (industries below)	$ 33,357.1	$ 373.0	$ 380.0	$ 387.1
(2012$, thousands)	221	Utilities	$ 147.6	$ 14.4	$ 14.7	$ 14.9
	236/237/238	Construction [Partial]	$ 1,473.8	$ 121.7	$ 124.0	$ 126.3
	541	Professional, Scientific, and Technical Services	$ 3,821.6	$ 215.0	$ 219.1	$ 223.1
	811	Repair and Maintenance	$ 392.3	$ 21.9	$ 22.4	$ 22.8

Prepared by: Economic & Policy Resources, Inc.

The Missouri Theatre Building EB-5 Project, if developed and operated, would also have subsector impacts outside the proposed Gateway to the Midwest Investment Center, as proposed and including all activity attributable to the proposed EB-5 project (see Table 9 below). These include: (1) an increase in demand for the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $6.0 million, (2) an increase in demand for the Utilities subsector totaling to a four-year cumulative impact of $1.9 million, (3) an increase of demand in Repair and Maintenance with a four-year cumulative total of $1.1 million, and (4) an increase in demand for the Construction subsector with a four-year cumulative total of $2.7 million. All totals are reported in constant 2012 dollars.

Those above-described output increases correspond to supporting job increases within the proposed Gateway to the Midwest Investment Center, in those same supporting subsectors. Within the proposed regional center, gaining subsectors range from a low of 3 net new jobs in the Repair and Maintenance subsector to a high of 238 net new

jobs in the construction subsector. Outside of the proposed regional center, gaining subsector impacts range from a low of 2 net new jobs in the Utilities subsector to a high of 40 in the Professional, Scientific, and Technical Services (see Table 8 above and Table 9 below).

Table 9 Total Employment and Output Impact for Select Industries Outside the Regional Center—the Missouri Theatre Building EB-5 Project

Outside the Regional Center	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	76	4	4	4
	221	Utilities	2	0	0	0
	236/237/238	Construction [Partial]	24	1	1	1
	541	Professional, Scientific, and Technical Services	40	2	2	2
	811	Repair and Maintenance	10	1	1	1
Output Impacts	---	Total (industries below)	$ 9,978.8	$ 554.6	$ 566.1	$ 576.1
(2012$, thousands)	221	Utilities	$ 1,563.3	$ 105.8	$ 107.8	$ 109.9
	236/237/238	Construction [Partial]	$ 2,288.3	$ 127.3	$ 130.2	$ 132.2
	541	Professional, Scientific, and Technical Services	$ 5,144.7	$ 270.0	$ 275.6	$ 280.5
	811	Repair and Maintenance	$ 982.5	$ 51.5	$ 52.5	$ 53.5

Prepared by: Economic & Policy Resources, Inc.

For the USCIS-requested subsectors, Table 10 (below) presents detailed subsector estimates of impacts for both output and jobs for the U.S. economy as a whole. From the table, total U.S. output growth impacts by subsector include: (1) an increase in demand for the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $10.4 million, (2) an increase of demand for the Utilities subsector with a four-year cumulative impact of $2.1 million, (3) an increase in demand for Repair and Maintenance with a four-year cumulative total of $1.6 million, and (4) an increase in demand for the Construction sector [Partial] with a four-year cumulative total of $4.5 million—counting only indirect construction impacts only. For jobs in the U.S. economy as a whole, this impact assessment study estimates that the renovation of the building and the ongoing operations of the hotel will result in job gains that will range from a low of 2 in the Utilities subsector to a high of 69 jobs in the Professional, Scientific, and Technical (Business) Services subsector.[39]

[39] Job and output totals for the U.S. may differ from in and outside the regional center totals due to rounding.

Table 10 Total Employment and Output Impact for Select Industries for Total U.S.—the Missouri Theatre Building EB-5 Project

Total United States	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Employment Impacts	---	Total (industries below)	346	5	5	5
	221	Utilities	2	0	0	0
	236/237/238	Construction [Partial]	36	1	1	1
	541	Professional, Scientific, and Technical Services	69	3	3	3
	811	Repair and Maintenance	13	1	1	1
Output Impacts	---	Total (industries below)	$ 43,336.0	$ 927.6	$ 946.2	$ 963.2
(2012$, thousands)	221	Utilities	$ 1,710.9	$ 120.1	$ 122.5	$ 124.9
	236/237/238	Construction [Partial]	$ 3,762.0	$ 248.9	$ 254.2	$ 258.5
	541	Professional, Scientific, and Technical Services	$ 8,966.4	$ 485.0	$ 494.6	$ 503.6
	811	Repair and Maintenance	$ 1,374.8	$ 73.5	$ 74.8	$ 76.3

Prepared by: Economic & Policy Resources, Inc.

Lastly, the economic and job impact estimates presented in this economic and job impact assessment study demonstrate specifically how the approval of the requested regional center (using the proposed, but not yet final, Missouri Theater Building EB-5 Project and its estimated impacts as described herein) will promote economic growth within the regional center geography in the newly requested activity sectors. USCIS approval of the proposed regional center for activity within the NAICS 72111 Hotels (Except Casino Hotels) and Motels, NAICS 236—Construction of Buildings, and NAICS 238 Specialty Trade Contractors sectors will result in significant and positive economic and job impacts for both the regional economy of the prospective Gateway to the Midwest Investment Center and the economy of the U.S. as a whole—consistent with the specific impacts detailed above.

5. Conclusions

The results of this revised economic and job impact assessment study show how approval of the proposed Gateway to the Midwest Investment Center regional center designation request can be expected to have significant and positive impacts on the regional center economy and on the economy of the U.S. as a whole. USCIS regulations allow applicants to submit an economic analysis of an initial project to demonstrate specifically how a regional center will promote economic growth (e.g. through improved productivity, job creation and increased capital investment) within a region—such as a proposed regional center. This updated economic and job impact assessment analysis for the real, but not yet final, Missouri Theater Building EB-5 Project[40] is intended to demonstrate how such EB-5 project would promote economic growth within the geographic boundaries of the prospective Gateway to the Midwest Investment Center regional center.

[40] Again, this is a real project that is expected to be finalized subsequent to this filing and submitted in its final format and timeline as part of a subsequent filing to the USCIS—most likely for I-526 petitions for EB-5 immigrant investors that are expected to invest in this prospective EB-5 project when the project's plans are final.

According to this revised impact assessment study, the development and operation of an EB-5 project similarly configured to the prospective Missouri Theatre Building EB-5 Project will result in significant and positive impacts for both the Gateway to the Midwest Investment Center and for the U.S. economy as a whole. These impacts include a total of 345 jobs created in the prospective regional center's regional economy—including only indirect construction jobs. Additional impacts of the Missouri Theater Building EB-5 Project, as currently configured, within the regional center include a four-year cumulative total of $60.3 million in increased output, a four-year cumulative total of $25.1 million in increased disposable income, and a four-year cumulative total of $20.0 million in increased household earnings (all expressed in 2012 dollars). **Since the initial EB-5 project is expected to utilize a lending approach for the EB-5 capital investment when the project's plans are finalized, all of the jobs that are attributable to the prospective Missouri Theatre Building EB-5 Project are likely to be indirect for EB-5 program purposes. In this revised impact assessment analysis, all jobs are likewise considered indirect.**

Overall, assuming the prospective EB-5 project's finalized configuration will be very similar to the preliminary configuration analyzed in this study, the U.S. economy can be expected to experience an increase of approximately 904 additional jobs as a result of the renovation of Missouri Theatre Building and the subsequent ongoing operations of the Hyatt-franchised hotel (counting only indirect construction jobs). Total U.S. economic impacts associated with the prospective EB-5 project include a four-year cumulative total of $163.72 million in additional output (including a four-year cumulative total of $103.4 million in additional output occurring outside the proposed regional center), a four-year cumulative total of $68.0 million in additional disposable income (including a four-year cumulative total of $42.9 million in additional disposable personal income occurring outside the proposed regional center), and a four-year cumulative total of $54.5 million in additional household earnings (including a four-year cumulative total of $34.5 million in additional household earnings occurring outside the proposed regional center). These figures are all reported in 2012 dollars.

These regional center impacts on output arise from impacts such as increased demand within the proposed regional center for supporting Professional, Scientific and Technical (Business) Services (with a four-year cumulative total of $4.5 million within the proposed regional center), Utilities (with a four-year cumulative total of $0.2 million within the proposed regional center), Repair and Maintenance services (with a four-year cumulative total of $0.5 million within the proposed regional center) and Construction [Partial] and counting only indirect activity (with a four-year cumulative total of $1.8 million within the proposed regional center)—all in 2012 dollars (See Table 8 above). Job impacts by subsectors within the regional center range from a low of 3 new jobs in the Repair and Maintenance sub-category to a high of 29 net new jobs in the Professional, Scientific, and Technical (Business) Services subsector.

This impact assessment study also finds that impacts outside of the prospective Gateway to the Midwest Investment Center include: an increase in demand for the Professional, Scientific, and Technical (Business) Services subsector with a four-year

cumulative total of $6.0 million, increased demand for the Utilities subsector with a four-year cumulative impact of $1.9 million, an increase in demand for Repair and Maintenance with a four-year cumulative total of $1.1 million, and an increase in demand for the Construction subsector with a four-year cumulative total of $2.7 million. All totals are reported in constant 2012 dollars. Job impacts outside of the regional center range from a low of 2 net new jobs in the Utilities subsector, to a high of 40 jobs in the Professional, Scientific, and Technical (Business) Services subsector resulting from the construction and ongoing operations of the Missouri Theatre Building EB-5 Project.

When totaled, output growth impacts inside and outside the proposed Gateway to the Midwest Investment Center give impacts for the whole U.S. by subsector as follows: (1) an increase in demand for the Professional, Scientific, and Technical (Business) Services subsector with a four-year cumulative total of $10.4 million, (2) an increase in demand for the Utilities subsector with a four-year cumulative impact of $2.1 million, (3) an increase in demand for Repair and Maintenance with a four-year cumulative total of $1.6 million, and (4) an increase in demand for the Construction subsector [Partial] with a four-year cumulative total of $4.5 million. For jobs in the U.S. economy as a whole, this impact assessment study estimates that job gains will range from a low of 2 in the Utilities subsector to a high of 69 in the Professional, Scientific, and Technical (Business) Services subsector (see Table 12 above). All totals are reported in constant 2012 dollars.

In addition to the prospective project impacts for the EB-5 project, the proposed EB-5 project is located within a high unemployment targeted employment area (TEA). The location of the prospective Missouri Theater Redevelopment EB-5 Project has been certified by the state Department of Labor and Industrial Relations as being located within a high unemployment rate TEA using 2011 calendar year[41] labor market data. Therefore, EB-5 investors in the Missouri Theatre Building EB-5 Project would qualify for the $500,000 EB-5 investor minimum.

The REDYN Model developed and maintained by Regional Dynamics, Inc. was used to provide a reasonable estimate of the economic and job creation impacts attributable to the construction of and the expected ongoing commercial operations at the potential Missouri Theatre Building EB-5 Project. A combination of data supplied by the project developers, public and proprietary data on the industry, region and individual component markets, data from the United States Census Bureau, the Bureau of Labor Statistics, and the Bureau of Economic Analysis were used in this analysis.

[41] During the period of the development of this RFE response, the state of Missouri has undertaken and recently completed the changeover from calendar year 2010 to calendar year 2011 local area employment and unemployment data which is used in the high unemployment rate TEA certification process. Because of this changeover, there was insufficient time to complete the entire process of securing the TEA certification for the specific location of the prospective Missouri Theater Building EB-5 Project. This process will be completed prior to the submission of the first I-526 petition after the possible approval of the proposed regional center designation application.

Appendix 1:

Proposed Missouri Theatre Building EB-5 Project in the Prospective Gateway to the Midwest Investment Center
About Economic & Policy Resources, Inc.

Economic & Policy Resources (EPR): EPR began providing consulting services to public and private clients in 1983. Our staff is comprised of 9 full-time and 2 part-time employees. We deliver economic, financial, planning and public policy services to support our clients' critical decision making processes. Our staff of economists, planners and financial analysts uses state-of-the-art analytical tools and methods to inform and address client issues. EPR has developed and has access to extensive data (including proprietary data) and analytical tools to provide credible, fully-considered analyses-results. We have a proven record of accomplishment on a wide-range of studies involving economic, socioeconomic, community and economic development, and public policy topics. Our completed projects list includes over 75 EB-5 economic impact assessment assignments over the past six years.

Appendix 2:

Limitation and Contingent Conditions
Proposed Missouri Theatre Building EB-5 Project in the Prospective Gateway to the Midwest Investment Center

The results of this impact study should be viewed with certain limitations. This analysis is intended to assist the U.S. Citizenship and Immigration Service and interested parties in estimating the economic and job creation impacts associated with a potential EB-5 project within the geography of the prospective Gateway to the Midwest Investment Center.

- In undertaking this assignment, we employed accepted practices and assumptions designed to produce results that are conservative estimates for purposes of understanding the impacts of the proposed project. Actual results could differ.

- It should also be noted that specific estimates of year to year impacts are difficult to make with a high degree of accuracy. The potential project's impact in any one year could deviate from those presented in this report due to factors–such as interest rates and business cycles–that are beyond the scope of this analysis.

- The authors believe the study is a reasonable and conservative estimate of the likely economic and job creation impacts of this development activity under the assumptions employed in this study as of the date of this report.

Data utilized in the analysis was obtained from the developers of the potential mixed use construction and hotel operations project in St. Louis. We also employed data and information from various industry sources (e.g. selected trade associations, and other third party publications (e.g. from authoritative federal government departments and agencies) which are typically used by and commonly relied upon by economic analysts. Information supplied by the developers has been accepted as correct without further verification (although we conducted routine quality control checks for reasonableness), and we express no opinion on the accuracy of that information. The report reflects facts and conditions existing and known as of the date of the report. Subsequent events and additional information may require a review and alteration of the opinions and conclusions presented here.

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the prior written consent of the client or of Economic & Policy Resources, Inc. and, in any event, not without proper attribution. The opinion expressed herein is valid only for the purposes described herein.

The undersigned has no present or prospective interest in the property that is the subject of this report and has no personal interest or bias with respect to the parties

involved. Economic & Policy Resources, Inc. is paid an hourly rate for time spent in analyzing and preparing its conclusions and opinions. Economic & Policy Resources, Inc.'s fees are not contingent upon the outcome of any event for which this report may be used.

Appendix 3:

Schedule of Exhibits
Proposed Missouri Theatre Building EB-5 Project in the Prospective Gateway to the Midwest Investment Center

Exhibit 1: The Business of Regional Dynamics, Inc.: *Economic Modeling Redefined* – Source: Regional Dynamics, Inc.

Exhibit 2: How the Regional Dynamics Economic Model Works: *The REDYN Model in a Nutshell* – Source: Regional Dynamics, Inc.

Exhibit 3: REDYN Model Data Sources and Baseline Estimation Process: *Where the REDYN Model Gets Data* – Source: Regional Dynamics, Inc.

Exhibit 4: The Regional Dynamics Economic Analysis Model: *What the REDYN Model Does* – Source: Regional Dynamics, Inc.

Exhibit 5: Feature Comparison – Major Commercial Economic Models – Source: Regional Dynamics, Inc.

Exhibit 1:

The Business of Regional Dynamics, Inc.:

Economic Modeling Redefined – Source: Regional Dynamics, Inc.

The Business of Regional Dynamics, Inc.

Economic Modeling Redefined

Regional Dynamics is an economic modeling company. We offer the REDYN advanced economic model by web subscription or batch services to consultants, agencies, firms, planners, and analysts (users). REDYN runs on the Internet. Subscriptions include advice to apply and interpret the model. Our model estimates the multi-regional impacts and year-by-year (dynamic) nonlinear effects on industries, consumers, and governments from changes in company sales, jobs, wages, or investments; changes in taxes or personal or government spending; or public policy changes such as energy, environment, school, health, or security measures. The results are called simulation forecasts, or simulations.

Our model is a fundamental re-envisioning of economic theory applied to estimating multi-regional, dynamic effects. It reflects advances in New Economic Geography, especially gravity theory (regional attraction) and trade flow (regional imports/exports), based on a new distance impedance database from Oak Ridge National Laboratories that enables calculating trade flow by commodity by road, rail, water, air, and proxy transport. The breakthrough in design is the commodity production linkage between the trade flow process and an entity-based data structure for the economy. Entities include industries, workers, governments, investors, etc., and commodities are the goods they use and make.

The upshot—users can build and run multiple online custom models on the fly for solid project analysis. These features make REDYN more flexible, complete, and accessible than any other modeling process—in a nutshell: *No sticker shock; better solutions.*

Because our model runs on the Internet for all 3,100+ US counties, it meets the need for multi-regional tools usable by state, regional, Federal, and consulting organizations who share policy or forecasting interests or economic impact interests in the same geographic areas. The model's fresh, efficient design and its Internet accessibility make it ideal for supporting long-term collaborative efforts as well as for doing individual studies.

The model also is ideal for studying effects of sequential regional inputs, or generating a schedule of responses from a large set of alternative inputs, across a very large number of counties. Repetitive changes across many regions may be better handled as an offline batch job following an analytic script rather than as an Internet project. However, the batch approach has an engagement element as follows: After a user calls us, we accept and review the user's study information, set up and run the script, then produce and deliver agreed brief script reports in hard copy or electronic format from the simulation results. Alternatively, users can subscribe online to their simulation results so they can create their own simulation-based script reports at will for open-ended multiple studies.

We offer model subscriptions to consultants, but we're not in the consulting business. We're happy to initiate or partner with consultants if an agency, company, or other group issues a request for proposals (RFP) to do a study involving economic modeling and consulting. However, we'd prefer that the consultants do the modeling and produce the study defined in the RFP, and mention our name and modeling process in the study.

Exhibit 2:

How the Regional Dynamics Economic Model Works:

The REDYN Model in a Nutshell – Source: Regional Dynamics, Inc.

How the Regional Dynamics Economic Model Works

The REDYN Model in a Nutshell

REDYN is a dynamic, nonlinear, endogenous, Input-Output (I-O), computable general equilibrium (CGE) economic and demographic forecasting and analysis engine based on the North American Industrial Classification System (NAICS). REDYN's online model-building edge excels at providing a uniquely complete and consistent Internet tool to configure and access plans, policies, events, and risks fully and very rapidly.

The REDYN model reflects advances in New Economic Geography (NEG) for gravity theory and trade flow to estimate all local and multi-regional trade flow effects by commodity by distance by transport mode by direction in response to any output or demand changes. It does not lock each industry into a straight-line industry transport cost within one implied universal transport distance, mode, and direction between county pairs. In addition, its multi-regional scope always includes the whole regionalized US economy in every forecast and simulation.

REDYN's breakthrough design links three elements into one core activity: its continuous make-and-use commodity transformation production function, its NEG trade flows, and its entity-based data structure for the economy (social accounting matrix). All industries and entities including labor both use and make one or more commodities (goods and services). All commodities use appropriate transport modes, or communications mode if non-material.

The REDYN model moves all commodities including labor both within counties and between all county pairs and the automatic rest-of-US area by five transport modes (road, rail, water, air, and estimated). It uses I-O transport demand and Cobb-Douglas step-wise adjustments (equal proportion changes, i.e., constant elasticity of substitution) to assign commodities to modes, and a detailed Oak Ridge National Laboratory impedance database to account for accessibility (impedance) by mode, distance, and travel direction by commodity (accounting for net elevation difference effects) between all origin-destination pairs.

Users can control access (impedance) either at a mode level, or at a commodity-by-mode level. The Cobb-Douglas shift of commodities toward transport mode(s) with increased accessibility (reduced impedance values) induces changes in delivered prices for all affected commodities including labor. The industries or entities producing or using the affected commodities then adjust their output and thus their need for inputs.

The price-driven output and input adjustment process also applies if a user models a non-transport change or policy, such as an impact, demand, cost, tax, or price scenario. These changes affect local and remote supply and demand for one or more commodities, and thus their delivered prices after they pass through the transportation system. To varying degrees, the process then affects delivered prices, outputs, and inputs for all commodities through the continuous commodity transformation production function applied by every industry and entity wherever located. Expressed over time and distance, this ongoing cycle is the essence of modern CGE-NEG modeling and forecasting defined by REDYN.

Operationally, REDYN's multi-processor Internet server carries active regions for over 3,100 counties, 700 industries, 820 occupations, hundreds of commodities, and a 50-year forecast in a 2-terabyte database. It offers much more power, flexibility, and multi-user access, including consultant and institutional collaboration, than desktop systems offer.

The REDYN model framework takes the traditional economic concept of the circular flow diagram absolutely seriously, and discards the artificial primacy given to the idea of factor inputs to production. The framework views the economy as a comprehensive, continuous process in which industries and entities convert input commodities into output commodities. For example, producers or industries clearly do this, as is seen in the classic I-O table structure based on real-world business behavior.

Labor too can be viewed as an "industry" or entity. It converts consumer goods and services into a wage bill, which is a market commodity behaviorally identical to any other. Similarly, remittance cohorts, defined as the unemployed as well as all individuals such as retired persons and others who receive government payments through transfers, can be seen as entities that convert consumer goods and services into transfer payments.

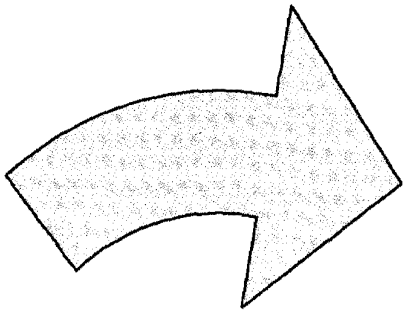
Likewise, governments convert purchases of commodities including industry goods and services and labor's wage bill into government goods and services that are "purchased" primarily through tax revenue. Finally, the model includes "investors" to produce financial capital, "speculators" to produce physical capital, and "land" to anchor each regional economy with its particular attributes so that the regions do not collapse together as would occur if all regions had the same basic labor, farm, water, mineral, and infrastructure resources when multiregional transport costs are considered.

The REDYN model can be visualized as regional entities using, making, and moving commodities in an organized circular process that captures supply (making goods and services), demand (using goods and services), and delivered price (costs for making and moving goods and services) to clear the supply and demand for all commodities in and across all regions.

The charts on the next five pages summarize the model's operation as follows…

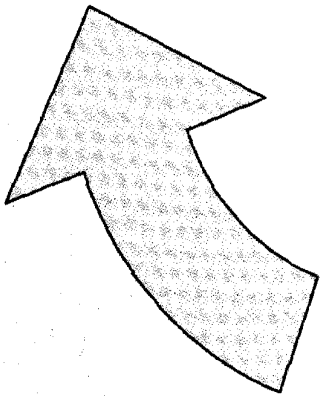
- Circular Flow Economic Entity Process
- Commodity Make Table by Entity
- Commodity Use Table by Entity
- Entity Production Function Form by Region
- Demographics and Migration
- Economic Model Schematic Summary
- Economic Model Production Function and Commodities by Entity
- Economic Model Prices and Trade Flow

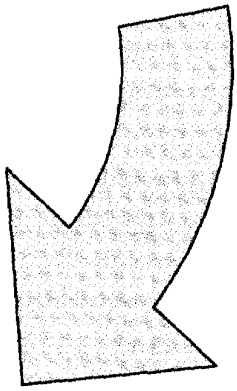
CIRCULAR FLOW ECONOMIC ENTITY PROCESS In & Between All Regions



USE Commodities:
Demand
(Delivered Price = ExWorks Price + Transport Cost)

MAKE Commodities:
Supply
(ExWorks Price, i.e., price at source of good or service)





MOVE Commodities:
Trade Flow
(Transport Cost by Commodity, Distance, Mode, and Direction for all Regional Pairs)
5 Modes: Road, Rail, Water, Air, Other

ENTITIES MAKE:	Producer Goods	Wage Bills	Transfr Pmts	Govt Goods	Fincl Cap (Div-Int-Rent)	Phys Cap (Resid, P&E)	Land
Producers	x						
Labor		x					
Remittance Cohorts			x				
Governments				x			
Financial Capital Providers (Investors)					x		
Physical Capital Makers (Speculators)						x	
Land							x

ENTITIES	Producers	Labor	Remits	Govts	Investors	Spec	Land
USE—							
Producer Goods&Svcs	x	x	x	x	x	x	
Labor (Wage Bill)	x			x		x	
Transfr Pmts/Taxes				x			
Govt Goods&Svcs	x	x	x	x	x	x	
Fincl Cap (Div-Int-Rent)						x	x
Phys Cap (Resid, P&E)	**P&E**	**Res**	**Res**	**P&E**	**Res**		
Land	x	x	x	x	x	x	

Entity PRODUCTION FUNCTION FORM by Region

Input Demanded					Output (Sales) Supplied			
Commodity	Qty	RPC	Dlvrd Price	Jobs	Commodity	Qty	ExWorks Price	Intl Pct
Land	x	**1.0**	x		Primary	x	x	x
Residential	x	x	x		2nd	x	x	x
Financial	x	x	x		3rd	x	x	x
Plant&Equip	x	x	x		4th	x	x	x
Wage Bill	x	x	x	x	Others/Misc	x	x	x
Goods&Svcs	x	x	x		Scrap	x	x	x

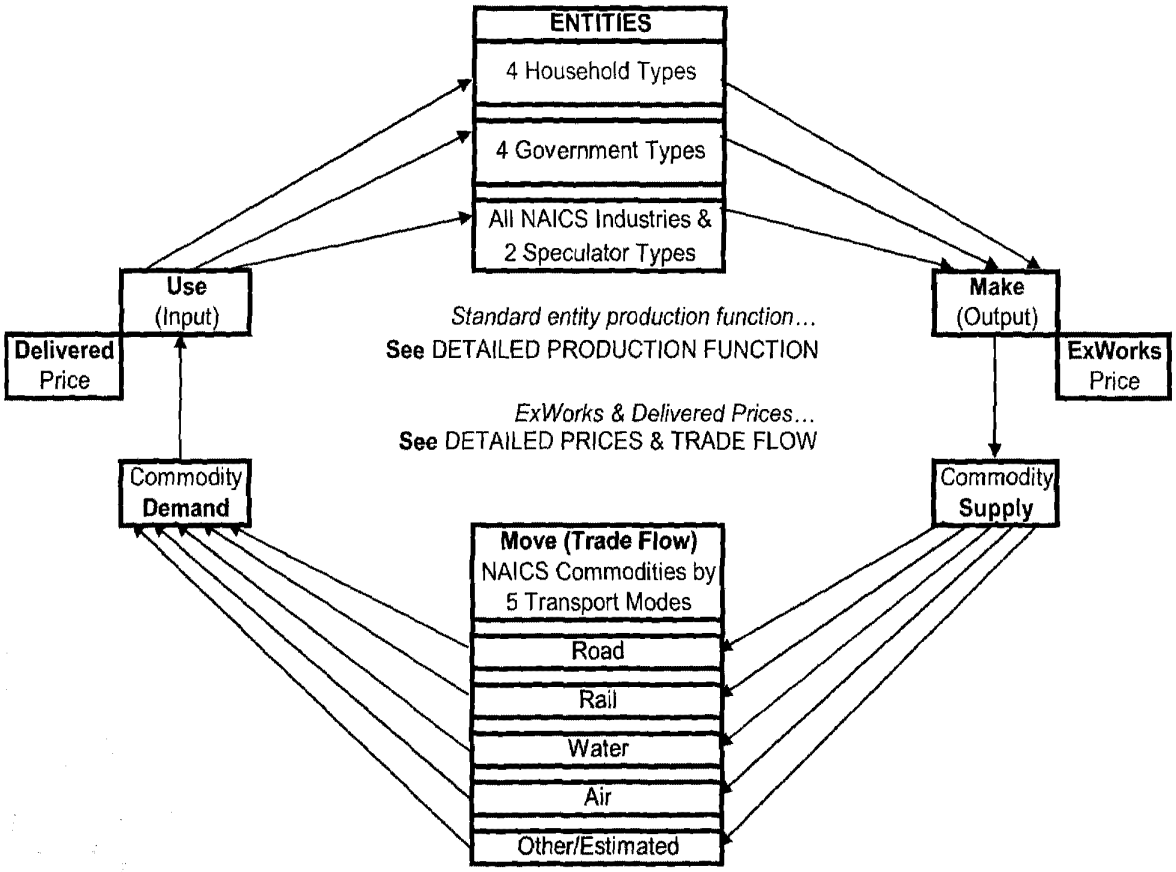
DEMOGRAPHICS: Cohort-survival estimation

- White, non-Hispanic
- Black, non-Hispanic
- Other, non-Hispanic
- Hispanic
- Male or Female
- Ages 0-1, 2-99 by year, 100+ years

MIGRATION: Induced by economic activity

- Intrinsic behavior of economic labor's wage bill commodity (historical relationships by region across wage bill, output, jobs, and people)
- Estimate wage bill and output changes, then scale to jobs and people (rational expectations notion)
- Subject to regional constants by cohort (controls for demographic composition)

REDYN Economic Model Schematic-SUMMARY
1/21/2006



REDYN Economic Model Schematic-DETAILED ENTITY PRODUCTION FUNCTION

1/21/2006

Standard Make & Use Production Function for All Entities

Entities ... Producers, Labor, Remittance Cohorts, Govts, Investors, Speculators

Standard Make & Use Production Function by Entity Group ...

Industries (By NAICS Code); **Speculators** (Capital Goods Makers: Residential, and Nonres Plant & Equip)

Use Commodites: Land, P&E (Indus only), Financial (Spec only), Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Producer Indus (Primary, Others, Misc, Scrap); Spec (Res, P&E) [ExWorks Prices]

Households (Workers; Unemployed & Retired; and Savers)

Use Commodites: Land, Res, Goods&Svcs [Dlvrd Prices]

Make Commodities: Wage Bill, Proprietors Income, Transf Pmts, Div-Int-Rent [ExWorks Prices]

Govts (Fed Mil & Nonmil, and State & Local Educ & Noneduc)

Use Commodites: Land, Transf Pmts/Fees&Taxes, P&E, Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Primary, Others, Misc, Scrap [ExWorks Prices]

Commodites

All NAICS Commodities ... Supplied & Demanded ...

Aggregated by Detailed NAICS Commodity Across All Entities by Region ...

Supplied Categories (Make By)

Land (Fixed by Region)
Residential (Speculators)
Div-Int-Rent (Households)
Plant & Equip (Speculators)
Wage Bill & Prop Income (HH)
Transf Pmt/Fee/Tax (HH/Indus/Spec)
Primary/Others/Misc/Scrap (Producers & Govts)

Demanded Categories (Use By)

Land (HH, Govts, Indus, Spec)
Residential Capital (HH)
Financial/D-I-R Capital (Spec)
Plant & Equip Capital (Govts, Indus)
Labor (Govts, Indus, Spec)
Transf Pmts/Fees&Taxes (Govts)
Goods&Svcs (HH, Govts, Indus, Spec)

REDYN Economic Model Schematic-DETAILED PRICES & TRADE FLOW

1/21/2006

Prices & Trade Flow ...

ExWorks Price by Commodity by Source (Supplying or Output) Region	+	**Transport Cost** by Commodity by Mode, by Distance, & by Direction Within & Between All Regions	=	**Delivered Price** by Commodity by Using (Demanding) Region

Details on Prices & Flows ...

Supplied at ExWorks Price specific in each output region based on delivered prices for the commods to each entity's production function in the region

→

Transport each commodity within & between all regions A, B, C, ... by demanded mode at a cost for mode, distance, & direction (elevation cost effect)

→

Demanded at Delivered Price from an output region to each specific demanding region (***Note***)

Note on Delivered Price

In any demanding region, the delivered price by commodity is the blend across the supplying output regions ranked by lowest delivered price to the demanding region until the total quantity demanded has been met for the demanding region.

Exhibit 3:

REDYN Model Data Sources and Baseline Estimation Process:

Where the REDYN Model Gets Data – Source: Regional Dynamics, Inc.

REDYN Model Data Sources and Baseline Estimation Process

Where the REDYN Model Gets Data

Regional Dynamics uses several sources to estimate county-level employment and output for its baseline database. The REDYN model applies the North American Industrial Classification System (NAICS) at the five-digit detail level (703 industries), and also uses NAICS to identify all the goods and services (over 180 commodities) consumed and produced by the detailed industries. NAICS is used by the US Government to classify and organize information about all the various industries making up the US economy, such as retail stores, automobile manufacturing, insurance firms, and so forth. NAICS reports five levels of detail. The two-digit level aggregates all activity into 24 broad economic industries, and the five-digit level identifies activity across 703 specific industries.

The primary data sources are the County Business Patterns (CBP) from the Bureau of the Census, and the Regional Economic Information System (REIS) from the Bureau of Economic Analysis (BEA). Wage Bill (payroll) data are derived from the same sources and with the same techniques as the employment data. The CBP reports the total annual payroll for each NAICS code up to the five-digit level of detail for the US as a whole and for every region, state, and county. However, total employment data and total payroll data are subject to data suppressions for privacy. Regional Dynamics developed a sophisticated row-and-column sum (RAS) analytic system to fill all data suppressions by using all information available in the CBP series and guaranteeing internal consistency with unsuppressed wage and employment data. All the furnished and estimated CBP wage bill and employment data are then totaled and scaled to match the wage bill and employment data reported in the BEA's REIS, which includes all county and state wage bill data at three-digit NAICS detail and employment data at two-digit NAICS detail.

The REIS directly provides wage bill and employment data for the government and agriculture sectors, and also disposable personal income data by county. The REIS county income data are used to allocate national consumption to counties from the BEA's National Income and Product Accounts (NIPA).

Annual Input-Output (IO) tables are constructed using BEA IO make-and-use tables, as well as biennial 10-year IO forecast tables from the Bureau of Labor Statistics (BLS). Make tables describe all the commodities made by each economic entity, and use tables describe all the commodities used by each economic entity. The very detailed BEA IO make-and-use tables are extended year-by-year to match the annual changes in make-and-use composition implied by the current 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

Each county's wage bill by industry is used to allocate each industry's national output to counties from the NIPA, and then the regional output by industry is allocated to commodities based on the national IO make table proportions. This assumes that the commodities produced by an industry are truly joint in the production process, as dictated by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry.

Exhibit 4:

The Regional Dynamics Economic Analysis Model:

What the REDYN Model Does – Source: Regional Dynamics, Inc.

The Regional Dynamics Economic Analysis Model

What the REDYN Model Does

Regional Dynamics offers REDYN, a fundamentally new, web-based, massively multi-regional, dynamic, nonlinear New Economic Geography analysis engine with a complete economic database and baseline forecast. After subscribing to the system, users input online changes by region and year: e.g., jobs, wages, output, income, intermediate demand, and final consumption, investment, and government demand. REDYN then estimates detailed, annual, gravity-based trade flows and impacts in all US counties and industries. The model is a live, online Internet service. It's also available to run batch mode jobs to process massively multi-regional tasks (3,100+ regions) for automated or scripted work.

The REDYN model applies a fresh I-O methodology based on very detailed make-and-use tables with social accounting matrix features for all entities, a comprehensive commodity production transformation function, and impedance-based commodity trade flows by five transport modes. Oak Ridge National Laboratories developed the impedance measures.

The model automatically includes an explicit extra region for all US counties outside any given simulation to identify the full US output and trade flow response. The model also automatically seeks the suppliers of suppliers to find the complete US supply chain response by region and industry in any simulation.

REDYN excels at offering a uniquely complete and consistent model-building edge that no other modeling process can replicate for configuring and assessing plans, events, and risks fully and rapidly across regions and years.

Here's how it works. At run time, users apply their subscribed resources as an online tool kit to build and run custom models at will. This design flexibility lets users quickly build models scaled correctly for any studies, event analysis, overlapping or alternative analytic perspectives, or backcast analysis.

The REDYN model estimates employment, output, wages, occupations, income, gross product, demand, self-supply, trade flow, etc. Within a user's subscription, the model generates year-by-year reports by county and year, for all subscribed counties, or for any aggregation into user-defined areas for each study. For easy regional comparison at no extra cost, each report focuses on one concept (jobs, output, wages, and so forth) arranged by region by year on a sheet in a spreadsheet book. Users then can apply full spreadsheet tools for sorting and charting. Online and phone support are included.

The model is available to all users across agency levels. Clients can offer access to other users through user-group web pages with discounts or rebates based on the size of the client's subscription. Clients subscribe to a regional area (one or more counties, states, or groups); to 703 industries (North American Industrial Classification System); and to an analytic type (I-O only, or equilibrium and I-O). The client sets the number and identity of its subscribing users; one user is free. Subsequently added users including consultants or staff can be managed by one or more additional users on an incremental fee basis.

Exhibit 5:

Feature Comparison – Major Commercial Economic Models

Source: Regional Dynamics, Inc.

RegionalDynamics
Synchronicity. Simplified.

Feature Comparison – Major Commercial Economic Models

Feature	REDYN	REMI	IMPLAN	RIMS	*Notes*
Access/Subscription	Internet/Yes	Desktop CD/No	Desktop CD/No	Desktop CD/No	1*
Process to Deliver Custom Study Models	Immediate at user run time, any time	Queue, batch, + mail or overnight	Batch + mail or overnight	Batch + mail or overnight	2*
# of Custom Area Study Models per User	Build any custom models as needed	One (1) model per client	Alternative single regions only	Alternative single regions only	3*
Fee for User-defined Custom Study Models	None within subscription	Non-trivial fees for more models	None, but 1 region only	None, but 1 region only	4*
Dynamic Forecast	Yes (50 years)	Yes (to 2050)	No	No	5
Nonlinear Forecast	Yes	Minimal	n/a	n/a	6
Active Multi-regions	3,100+	80+ maximum	None	None	7
Automatic MRUS	Yes	No	n/a	n/a	8*
Impedance Database	Yes	No	No	No	9*
# of Transportation Modes (Trade Flow)	5 (road/rail/air/ water/special)	None	None	None	10*
Last History Year Lag	Soon: 6-7 months	2+ years	2 years	90-180 days	11*
Industry Detail	NAICS 5 (703)	REMI 3 (169)	NAICS 2-5 (509)	NAICS (473)	12
Commodity Detail and Classification Type	NAICS /180+ non-agr commods	None	SIC /528 commods incl agr	None	13*
Std Occup Code Detail	820+ /SOC 6-digit	90+ /std; 820+ /fee	None	None	14
IO Tables	Make & Use	Industry only	Make & Use	Industry only	15
Integrated IO-SAM	Yes	No	Partial	No	16*
Wage Bill & Empl	CBP & REIS	CBP & REIS	CBP & REIS	REIS only	17
Suppression Fill for Wage Bill & Empl	NAICS 5-digit RAS process	NAICS 4-digit statistical process	Yes, but not exhaustive	n/a	18
Disposable Income incl Commuters	REIS direct & Res Adj/JTW/gravity	REIS directly & Res Adj/JTW	REIS directly & Res Adj/JTW	No data access	19*
County Consumption	REIS & NIPA	REIS & NIPA	REIS & NIPA	No data access	20*
County Output	Wages & NIPA	Wages & NIPA	Wages & NIPA	No data access	21*
County Output by Commodity	Output & detailed IO Make Table	None	Output & IO Make Table	None	22
Demographics/Migr	Yes/rational migr	Yes/adaptive migr	No	No	23*
Business Cycle	Yale—Fair-Parke	U. Mich.—RSQE	n/a	n/a	24
BEA IO Forecast	Yes	No	No	No	25*
Multi-regional Search for All Suppliers	Search process by region for full US	Search step only for client's regions	Search step only for one region	n/a	26*
Analytics	CGE and IO	CGE and IO	IO only	Multipliers only	27
Jobs+Wages+Output	Blended handling	Double count input	Double counts	Double counts	28
Backcasting	Plan 1998 in 2006	No	No	n/a	29*
Subcounty Regions	Plan for 2006	Yes (manual)	By ZIP Code	No	30
Production Function Includes All Supply, Demand, Trade Flow	Inclusive function for IO and CGE processing	Non-inclusive function needs post process equations	No endogenous gravity-based trade flow	n/a	31*
Displacement Effect	Allocated or Prop	Allocated only	No	No	32*
Induced Investment	Yes	Yes	No	n/a	33
Fiscal Effects	Yes (standalone)	Yes (integrated)	No	No	34
Display Data Results	Multi-regional	Region by region	One region	One region	35*
Consultant/Other User	Incremental fee	Non-trivial fees	Full price fee	No added fee	36*

***/ Line Notes for Features:**

1-4: REDYN subscribers subscribe to a pool of regions from which to build custom run time models at will.

8: The REDYN model automatically creates and reports on an active extra region for the rest-of-US outside the region(s) being modeled. This allows results for the selected region(s) to reflect endogenous trade flow, supply chain, and other demand effects stemming from the whole multi-region US (**MRUS**) model.

9, 10, 13: REDYN's New Economic Geography (NEG) engine applies a complete database of impedance measures by transport mode developed by Oak Ridge National Laboratories. Unlike straight-line measures, impedance can differ between regions with the mode and with the direction of travel, and trade flows can be estimated by commodity by mode. ORNL's database also enables REDYN's equilibrium model to estimate economic effects from transportation network models, and to estimate freight system effects on the economy due to commodity volume changes or transport mode capacity changes in county transportation networks.

11: The REDYN model uses available CBP and REIS county values to allocate current US wage bill and employment data to populate counties with apportioned detail numbers. Initial data from 2001; soon 2005.

16: The REDYN commodity make-and-use Input-Output tables use a Social Accounting Matrix to capture every economic entity type. Entities include producers (industries), employed labor (occupations), remittance cohorts (unemployed labor, retirees), governments, investors, and speculators. Commodities include producer commodities, labor occupations, transfer payments, government goods, financial capital, and physical capital.

19-21: The impedance database (note 9 above) enables REDYN to separate the process for populating the database from processes for estimating a gravity model's effective distance parameters. REDYN can use gravity analysis on commuter Journey-to-Work to estimate occupations and income levels by residence.

23: Intrinsic rational expectations induce migration from economic activity subject to cohort regional constants.

25: The REDYN model extends the very detailed BEA IO make-and-use tables year-by-year to match the annual changes in make-and-use composition implied by the 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

26: The REDYN model applies the detailed national IO use tables to estimate a complete US multi-regional supply response to indirect and induced demand, and to exogenous final demand, in a search cycle which looks for the suppliers of suppliers across all US industries by every US region until the process cuts off.

29: The REDYN model will use 2001-2002 county values to allocate 1998-2000 US NAICS data to counties.

31: The inclusive REDYN commodity transformation production function captures all production and NEG gravity relationships – there is no need for post-process adjustment equations. Detailed industries and other entities by region by year transform input commodities into output commodities using a robust, nonlinear, dynamic, parameterized, endogenous, iterative production function in a continuous process that fully includes intermediate and factor inputs, final demand, jobs and output, and endogenous gravity trade flows.

32: Displacement is sales crowding out; REDYN allows supply-source allocation or equal proportion crowding.

35: The REDYN report suite automatically includes a comparative regional display format as an embedded feature at no extra cost. Results are generated as sheets in a spreadsheet book with full sorting, charting, scaling, and pivot capabilities.

36: Subscribers can offer access to other users (e.g., mixed state/local agencies, partners, clients, etc.) through user-group web pages with discounts or rebates up to 50% based on the size of the master subscription—and subscribers and other users can add staff or consultants by one or more new users on an incremental fee basis.

Exhibit D

Letter from the Missouri Department of Economic Development designating the project location as a Targeted Employment Area

Jeremiah W. (Jay) Nixon
Governor

MISSOURI
Department of Economic Development

Chris Pieper
Acting Director

May 14, 2012

Jeff Carr
Economic and Policy Resources
P.O. Box 1660
Williston VT 05495-1660

Dear Mr. Carr:

In response to your request we have verified that 634 N. Grand in St. Louis, Missouri is in Census Tract 1211 in the City of St. Louis. This area is in the St. Louis Metropolitan Statistical Area and is thus not in a rural area. The 2011 annual average unemployment rate for Census Tract 1211was 15.9 percent, above the qualifying rate for that time period. The area thus qualifies as a high unemployment area under the provisions of the EB-5 Investor Visa Program.

The calculation of the unemployment rate for the specified area used the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") methodology, as outlined in LAUS Technical Memorandum No. S-10-20. Data for the census tract was calculated by disaggregation from published data for the City of St. Louis. The most recent annual average labor force data (currently 2011) was used to identify qualifying TEAs.

Please contact me if you have any questions.

Sincerely,

William C. Niblack
Research Manager
Missouri Economic Research and Information Center
Missouri Department of Economic Development

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700
Real People. Real Opportunity.

Exhibit E

Letter from Wert-Berater re preliminary market analysis

Wert-Berater, Inc.

July 25, 2012

Pamela L. Opyd
Gateway Advisors
1112 Lake Street
Suite 300
Oak Park, Illinois 60301

Re: Feasibility Study Preliminary Findings – Missouri Theatre Building Renovation/Hotel Conversion

Dear Ms. Opyd;

We wish to thank you for engaging us to provide a complete feasibility study for the conversion and renovation of the Missouri Theatre Building located at 634 North Grand Boulevard, in St, Louis Missouri, into the proposed 136 unit hotel.

Our preliminary findings indicate that the planned hotel would add 49,640 potential room nights to the marketing area defined as the Midtown area. Based on our research, the market area indicates a 4 month on and 8 month off season cycle whereas the greatest occupancy levels are during the 4 month cycle historically. However, new demand generators such as the planned Sun Theatre redevelopment, the recent completion of the KWMU public radio station's local music venue promotions within the area, local university expansions, new museums, VA hospital expansion, and general increased economic activity within the area, peak season occupancy rates at competing hotels does not appear to be negatively affected. During the 8 month off peak season, hotels in the area would remain competitive with occupancy rates from 40 to 60 percent.

Operating at a breakeven point of 40.7 percent occupancy rate year-3 stabilization, the subject proposed hotel would sell about 1,685 room nights per month on average including peak months, representing about 10.7 percent market share. Based on the emergence of new demand, the impact of the subject hotel would be minor and is likely to be a contributing factor to overall area occupancy levels. Thus is because it appears the lack of supply in the competitive market area causes market participants to seek lodging outside of the Midtown area which is a detriment to all of the hotels in the area due to lack of clustering. The clustering concept is advantageous to the hospitality sector as indicated through several economic studies available through Smith Travel Research and the Urban Land Institute. Therefore, our preliminary conclusion is that the competitive market area is underserved due to lack of availability of hotel room nights to market participants during peak months.

Moreover, the job creation impact concerning job shifting appears minimal due to the type of employment and availability of training provided by the planned hotel to bring employment to the area. Permanent employment at the planned project could be filled by those employees who have completed the company's training program and not be taken from similar jobs in the area. This is because of the small number of direct jobs to be filled at the planned project and existing population level of about 319,294 according to the US Census for the City of St. Louis.

600 17th Street, Suite 2800, Denver Colorado 80202 • T 1.888.661.4449 • F 1.888.559.5357 • http://www.wert-berater.com

Wert-Berater, Inc.

Unemployment is estimated at about 8.0 percent according to the Bureau of Labor Statistics and the population change from the 2000 census to the 2010 census was a minus 8.3 percent.

The impact of new direct jobs at the planned renovated property would be positive and because of the type of mostly unskilled labor required, newly hired employees could be trained in-house at a low cost to the management. Additions of labor would likely not be a shift in labor from hotel workers to hotel workers, but from mostly unemployed to employed.

A complete analysis with supporting data and documentation will be presented in our final feasibility study report.

Again, thank you for choosing Wert-Berater, Inc.

Sincerely,

Donald Safranek
Donald Safranek, MSc

600 17th Street, Suite 2800, Denver Colorado 80202 • T 1.888.661.4449 • F 1.888.559.5357 • http://www.wert-berater.com

Exhibit F

Developer Project Summary and
Development team experience

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

January 2012

WCG
WINDSOR CAPITAL GROUP, INC.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

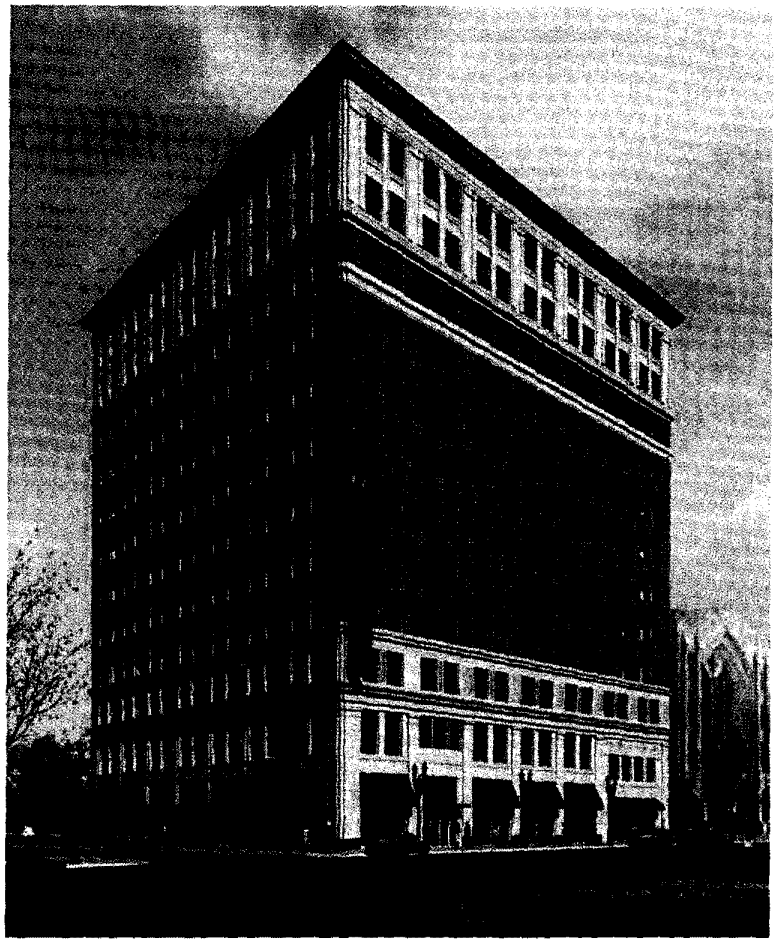
Table of Contents

Executive Summary

Location

Vision / Program

Development Team & Experience



WCG

WINDSOR CAPITAL GROUP, INC.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

EXECUTIVE SUMMARY

Windsor Capital Group, Inc. ("Windsor") controls the development rights to the historic 634 N. Grand building located at the heart of the Grand Center Arts & Entertainment District of St. Louis. The building is a twelve story structure containing over 150,000 square feet and was most recently used as office space for the City and Grand Center Inc.

The project will include redeveloping the current building into a mixed-use property including a Hyatt Place boutique hotel with approximately 136 keys and 40 apartments. The ground floor will feature a vibrant component that is attractive to both the community at large and the local District in particular. The project seeks to add significantly to the vitality of the cultural and artistic nature of the District while preserving and complimenting its historic character. Located directly between the town of Clayton and downtown St. Louis, and less than a quarter mile from St. Louis University, the central location of the property will attract business travelers and tourists alike.

The redevelopment of this building represents the final project to be completed in a 30-year redevelopment area. The historic status of the building and its unique location within a Historic District makes it eligible for a variety of tax credit and government financing programs. Since the building is designated as a historic landmark with the US Park Service, we expect to receive Federal and State Historic Redevelopment Tax Credits. The building is also located within a Tax Incremental Financing (TIF) District and is eligible to receive financial assistance from the City of St. Louis. Additional government financial sources will include Brownfield Tax Credits, and other various economic incentive programs.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

LOCATION

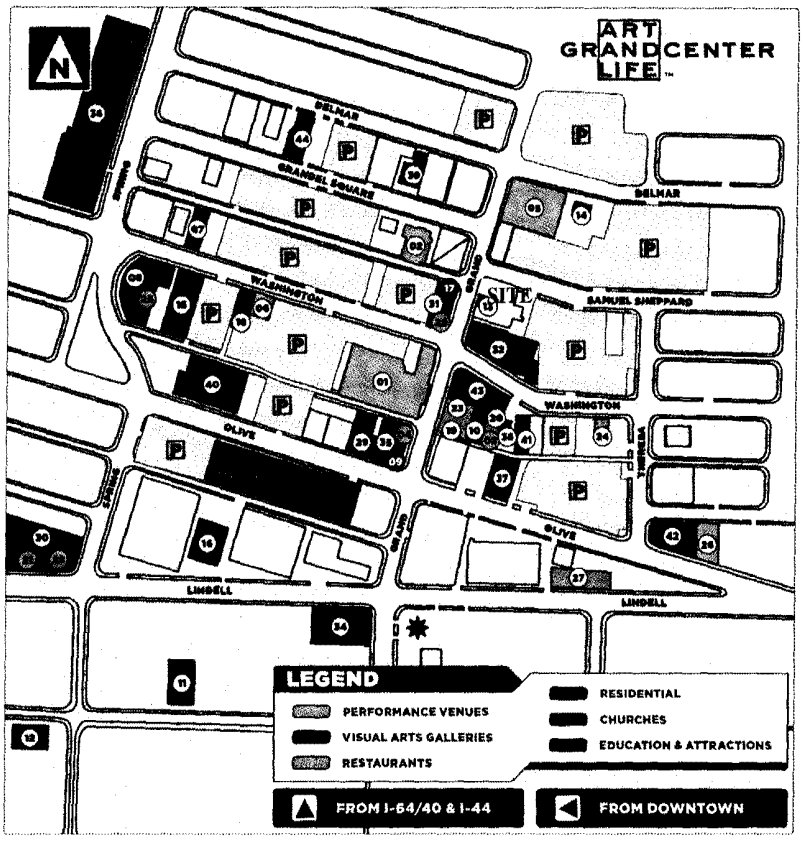
The Grand Center Arts & Entertainment District is located in mid-town St. Louis and is the home of the region's greatest and most impressive collection of cultural and entertainment attractions. More than 1.3 million people visit the Grand Center District each year to attend artistic, cultural and entertainment venues and event. The District has nearly 12,000 theatre seats in the heart of the District and includes venues such as Powell Symphony Hall (home of the world-renowned St. Louis Symphony Orchestra), the Fabulous Fox Theatre (4,400-seat live performance theatre that hosts touring Broadway shows and premier music concerts), the Grandel Theatre (home of the St. Louis Black Repertory Theatre Company), the Sheldon Concert Hall (acoustically one of the best performance spaces in the country), Jazz at the Bistro (a premier jazz club featuring nationally and internationally-known acts) and the Kranzberg Arts Center (with a black box theatre and a studio theatre). The District is also home to the Contemporary Art Museum of St. Louis, the Pulitzer Foundation for the Arts, Greenberg Van Doren Galleries, and numerous other public and private museums and art galleries.

In the past several years, the District has seen major development projects including: the Centene Center for Arts, Entertainment and Education; the renovation of the Woolworth's Building into the Big Brothers and Big Sister Building including the Kranzberg Arts Center; and, the Humboldt Building. These three projects totaled nearly $30,000,000 in new investment in the Grand Center District and have added significantly to the appeal and variety of offerings in the District.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

LOCATION



PERFORMANCE VENUES
01 The Fabulous Fox Theatre
02 The Grandel Theatre
03 Jazz at the Bistro
04 The Kranzberg Arts Center
05 Powell Symphony Hall
06 The Sheldon Concert Hall

VISUAL ARTS GALLERIES
07 Bruno David Gallery
08 Contemporary Art Museum St. Louis
09 Craft Alliance in Grand Center
10 Greenberg Van Doren Gallery
11 The Historic Samuel Cupples House
12 Museum of Contemporary Religious Art
13 Pace Framing/PSTL Window Gallery
14 Portfolio Gallery and Education Center
15 The Pulitzer Foundation for the Arts
16 Saint Louis University Museum of Art
17 Schmidt Contemporary Art
18 The Sheldon Art Galleries

RESTAURANTS
19 Best Steak House
20 The Bistro at Grand Center
21 Joe Boccardi's
22 Nadoz Euro Bakery and Cafe
23 Reggie's Backstage
24 Sunrise Chinese Restaurant
25 Temp Cafe @ The Contemporary
26 Triumph Grill
27 Vito's
28 Wm. Shakespeare's Gastropub

RESIDENTIAL
29 The Continental Life Building
30 Coronado Hotel Apartments
31 University Plaza

CHURCHES
32 Third Baptist Church
33 St. Alphonsus Rock Church *NOT PICTURED*
34 Saint Francis Xavier (College Church)

EDUCATION & ATTRACTIONS
35 Big Brothers Big Sisters Building
36 Cardinal Ritter College Prep
37 The Contemo Center for Arts and Education
38 City House in Grand Center
39 EarthWays Center
40 KETC/Channel 9
41 MMB Music
42 The Moto Museum
43 Strauss Park
44 Urban League of Metropolitan St. Louis/ Vaughan Cultural Center

On the horizon, the University of Missouri at St. Louis is in the design stage of a new building in the District which will house the radio station KWMU (the local NPR station), a developer has the Sun Theatre under contract with plans to renovate the property into a 1,200-seat indie rock venue and seven newly constructed, modern townhouses are in design.

Despite this new development activity in the District and its existing mix of demand generators, there still is one significant gap in services - a hotel! The District is in need of a hotel to support the visitor requirements associated with the cultural venues, the entertainment attractions, Saint Louis University, VA Medical Center and the other businesses and destinations.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

LOCATION

Grand Center Arts & Entertainment District:

- 1,500 events attended each year
- Annual event attendance of 1.3-1.5 million
- 12,000 theatre seats within 1,000 feet
- Home to over 30 arts organizations
- 9 art galleries/museums in district

St. Louis University Statistics:

- Over 17,500 prospective students & their families visit the SLU campus each year
- 52% of SLU students are from out of state and more than 62% are from outside of the St. Louis Metropolitan area.
- SLU has a student population of 12,034
- SLU hosts over 40 conferences on campus each year
- Just completed 10,600 seat new on-campus arena
- St. Louis University's campus is adjacent to Grand Center

Veterans' Hospital Statistics:

- 500,000 patient visits per year
- 45% of clients visit the VA from surrounding states
- No hotel within walking distance or in the immediate area
- The hospital will under undergo a $300 million Expansion

St. Louis Attractions

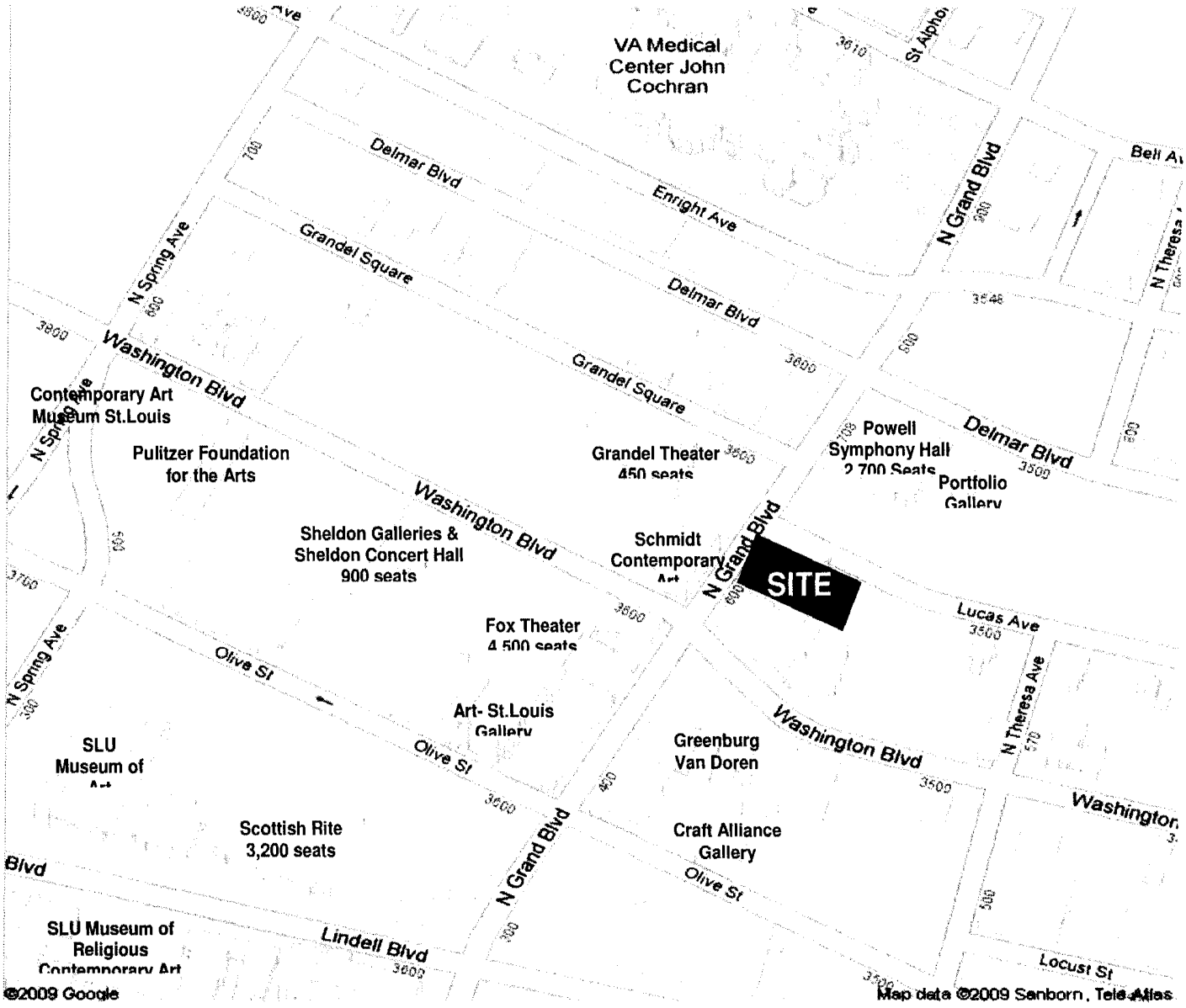
Less than 2.5 Miles from:

- Cardinals Baseball Stadium
- Edward Jones Dome (Convention Center & St. Louis Rams NFL Team)
- St. Louis Arch
- Scottrade Center (St. Louis Blues NHL Team)

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

LOCATION



The project will include redeveloping the current building into a mixed-use property including a Hyatt Place boutique hotel with approximately 136 keys and 40 apartments. The ground floor will feature a vibrant retail/restaurant component that is attractive to both the community at large and the local District in particular.

WCG
WINDSOR CAPITAL GROUP, INC.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

VISION / PROGRAM

Basement:	13,996gsf

Pool
Fitness Center
Mechanical Room

First Floor:	18,056gsf

Hotel Lobby
Meeting Space
Residential Lobby

2nd Floor:	15,803gsf

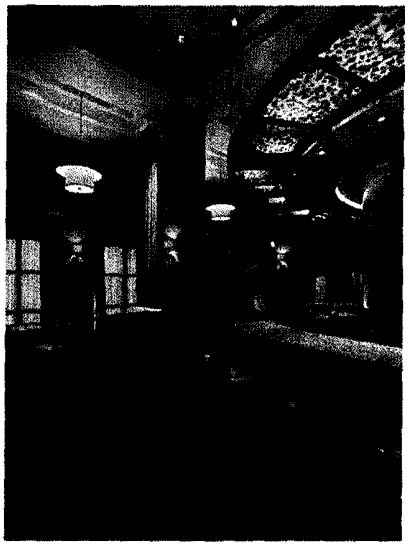
22 Hotel Rooms

3rd-8th Floor:	65,142 gsf

114 Hotel Rooms

9th-12th Floor:	43,428gsf

40 Apartments



WCG
WINDSOR CAPITAL GROUP, INC.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

Master Developer:	ART GRAND CENTER LIFE
Owner/Developer/Hotel Operator	WCG WINDSOR CAPITAL GROUP, INC.
Co-Developer	DFC GROUP
Co-Developer	SLMT, LLC
Hotel Franchise	HYATT PLACE
Architect	FORUM THE ART & SCIENCE OF BUILDING
Construction	PARK THE NEXT LEVEL STARTS HERE

WCG
WINDSOR CAPITAL GROUP, INC.

DEVELOPMENT TEAM

Windsor Capital

Windsor Capital Group, Inc. is a privately owned hotel ownership and management company with corporate headquarters in Santa Monica, California. The Company currently owns and operates 22 hotels in 10 states

- 18 Embassy Suites Hotels (full service)
- 1 full-service Marriott Hotel
- 1 Marriott Courtyard
- 1 Renaissance Hotel
- 1 Residence Inn by Marriott Hotel

HOTEL MANAGEMENT SERVICES

Windsor Management Services is a hotel management company that owns and operates full-service, focused, upscale branded hotels throughout the United States, with most flying the Embassy Suites and Marriott flags. As a top-performing hotel management and development company, we customize our hotel management services to meet your needs.

We are a "one-stop" hotel management service that can provide you with all aspects of hotel management you may need. Our broad experience in: financing, renovation, operations services, accounting, sales/marketing services, and employee relations will certainly give your hotel a distinct advantage over the competition.

Our company has a proven track record of success; RevPAR Indexes for our hotel portfolio perform between 120 - 130 on average with top-of-class hotel sales, marketing and revenue management services. Our experience with the top major hotel brands, as well as independent and boutique hotels in primary, secondary and tertiary markets, has proven to increase market share.

DEVELOPMENT TEAM

At Windsor Management Services, we understand owners' priorities as we develop and invest in hotel real estate just like you. Since we have ownership in many types of hotel real estate, we realize the concerns from an owner's perspective. We know what it takes to be successful and our strategies are guided by one goal – maximizing the bottom line. We do this by utilizing all of the drive, determination, experience and knowledge our company collectively provides.

Patrick M. Nesbitt, Chairman

Patrick M. Nesbitt, is the Founder, Chairman and CEO of Windsor Capital Group, Inc., (WCG) which is based in Santa Monica, Calif. Nesbitt started his real estate career at age 13, rehabilitating residential projects in his hometown, Detroit, Mich.

Since he founded Windsor Capital Group over 40 years ago, the company has become the largest private owner and operator of Embassy Suite Hotels in the U.S. In addition, WCG owns and manages a number of other hospitality assets under Marriott and Hilton franchise agreements. In total, WCG owns and/or operates 25 branded hotels in 9 states across the U.S. The Company's development projects also include office buildings, shopping centers, apartment complexes and exclusive residential developments.

Nesbitt is currently a member of the World Presidents Organization (WPO) and the Young Presidents Organization (G). He is the former President of the San Fernando Valley YPO Chapter and has served as Education Chairman for YPO's Pacific Region.

As an educator, he has taught real estate law at the USC Graduate School of Business, lectured at Loyola Marymount and UCSB and has served on the Imperial Valley College

faculty. Nesbitt has also conducted seminars nationwide on computerized multi-listing techniques for the National Association of Realtors.

Apart from his business-related interests, Nesbitt is actively involved in the high-goal polo circuit both nationally and internationally. He is the past Governor of the Pacific Coast Circuit and was elected as President of the United States Polo Association, the first player from California to be elected to that post in the 120 year history of the Association. Nesbitt also represents the U.S. as a member on the Council of Administration of the Federation of International Polo (FIP) and serves as a member of its Marketing Committee. He is also the current Executive Director of the Pan American Polo Confederation and was the Executive Director of the 5th World Polo Championships held in Santa Barbara, Calif. in August 1998. Through these organizations, Nesbitt is working to return polo to the Summer Olympic Games, along with introducing polo into the Pan American Games.

His civic activities include fund-raising work as a member of the Board of Trustees of the Whittier College School of Law in Los Angeles and as a member of the Development Committee at his alma mater in Detroit, Catholic Central High School.

Nesbitt completed his undergraduate studies at the United States Air Force Academy and earned a Masters Degree in Systems Engineering from the University of Michigan. He also earned his JD from Whittier College in California and has been a member of the Los Angeles County, California and American Bar Associations since 1982.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

Bill Upshaw, President and Chief Operating Officer

Bill Upshaw is a 30-year hotel industry veteran with in-depth, diversified experience with branded hotel affiliations, independent resorts, conference centers, spa, golf and Food and Beverage operations.

Mr. Upshaw is responsible for the complete oversight of Windsor Capital Group and its hotel operations, the Company's strategic objectives, asset capitalization and partnership relations.

Prior to joining Windsor Capital Group, Mr. Upshaw held Senior Executive positions with Benchmark Hospitality International, Crestline Hotels and Resorts and The Durbin Companies. His responsibilities have included operational responsibility for Marriott, Hilton, Intercontinental Hotel Group, Starwood, and Radisson Brands, new project feasibility, managing owned assets and third party management in public and private company environments. Mr. Upshaw started his career in the restaurant industry and was involved in the early launches of the TGI Fridays and Victoria Station brands before joining Marriott International where he worked in a variety of positions in increasing levels of responsibility.

Patrick Nesbitt, Jr., Vice President, Multi Family Retail Development

Patrick Nesbitt, Jr. has expertise in and is responsible for commercial development and multi-family, residential projects including commercial office buildings, retail projects and apartment complexes.

MANAGEMENT APPROACH

We staff our hotels with strong General Managers who already understand our management culture and have proven their capabilities. We provide them with state-of-the-art management and financial support systems and hold them accountable for results. Some characteristics of our management include:

- **Decentralized Operations Authority**
  Centralized support systems and latest technologies support the local GM. Daily forecasting and accountability for labor and related costs allow the GM to manage in real time.

- **Regular Performance Reviews**
  Monthly reviews and comparisons with the Annual and Quarterly plans. We create action plans to capitalize on opportunities and to address challenges. Results-driven performance measurements for hotel and personnel evaluations.

- **Maintenance and Asset Protection**
  We develop formal, written asset protection and preventive maintenance programs that involve all employees and include checklists for quality assurance.

Results

We pride ourselves on smoothly-running hotels that meet the owner's objectives. We are not satisfied with average performance. Hotels under our management consistently produce above-average revenues and operate at below-average costs.

HOTEL MANAGEMENT ACCOUNTING

- Centralized, standardized accounting system
- Accounts Payable managed at local level
- Core financial statement formats consistent with the Uniform System of Accounts for the lodging industry
- Financial reporting flexibility utilizing COGNOS finance software
- Access to our preferred vendors which offer long-established relationships, competitive pricing plans, and cost reductions based on total volume of WCG managed hotels
- Services include:
    - Credit card processing
    - Bank accounts
    - Armored services
    - Cash vault service
    - "Internal" audit program
    - "External" audits (Ernst &Young)
    - Property tax review (Thomson Tax Services)
    - Tax preparation
    - Insurance – property, liability, worker's compensation, health
- Cash management services – tracking/forecasting cash flows, online banking access, electronic payments
- High-caliber, well-trained, friendly corporate accounting staff
- In-house trainer available for training hotel accounting staff
- Seamless transitions – all aspects are handled, from operational issues to liquor license transfers and opening bank accounts
- Comprehensive online Standard Operating Procedure ("SOP") manual

- Tight expense controls maximize bottom line without negative impact to the guest experience
- Maintain focus on achieving financial goals through timely, accurate financial information provided to the management team and ownership

HOTEL MANAGEMENT MARKETING & SALES

Talent

- Strategically hired Brand National Account Directors as Regional Directors of Sales

Performance Measurement

- Weekly monitoring of property performance from above property Sales and Revenue teams, through a diagnostics process and support added to assist
- Constant analysis of sales and revenue strategies and modify when opportunities are identified

Reward and Recognition Program

- Incentive for superior performance focusing on new business/ penetration, retention/saturation of existing business, and securing group need-date business

Field Sales Support

- Coordination, strategy and development of marketing material and programs, trade shows, sales blitzes, presentations, etc.
- Hire Right – stringent interview process, profile testing, background checks

Tools

- Business plan focus on the situation, target, proposal for every segment
- Above and on-property sales action plans targeted to meet and exceed budgeted goals
- Sharepoint – internal site to house reports, sales & marketing tools & sales docs to increase on-property sales performance

Systems

- Maintain sales automation systems: *Delphi* and *Hotel Sales Pro* platforms

HOTEL REVENUE MANAGEMENT

- Brand-recognized property level Revenue Management team
- Brand award-winning and recognized Regional Revenue Managers
- Focus on ensuring property-level Revenue Managers are certified in brand revenue management training programs
- Above Property Regional Manager and Corporate Director experts
    - Triangle management of the revenue cycle between the GM, DOS and Revenue Manager at the property with daily analysis, weekly meetings, end-of-the-month critiques, quarterly property assessments and brainstorming sessions
- Unique Dual Revenue Manager concept - we partner one expert Revenue Manager with two properties; increases benefits and resources while offering cost savings to both properties. Successful 5 year track record of managing discipline this way
- When brands we work with have cluster and centralized revenue management, we partner with those solutions and offer additional WCG support

- Ongoing in-depth analysis of trends and performance with the focus of modifying strategies to generate the best mix of business possible while retaining the highest ADR feasible

E-COMMERCE/INTERNET MARKETING

- Recently updated our wcghotels.com homepage to remain competitive
- For over 10 years we have had a presence on the internet with our www.wcghotels.com (formerly known as www.winhotel.com)
- Over past 5 years, successfully driven over 700,000 consumers to our brand.com reservation sites, generating over $12 million in bookings
- Our properties outperform competitors in our markets with the number of landing pages and special offerings to enhance our visibility on the internet
- We have an in-house team of experts, as well as partnerships with vendors who are as conscious as we are of generating ROI and increasing visibility
- We have developed specific internet marketing plans to ensure we are maximizing all opportunities for our internet site, our brand sites, linking programs, 3rd party sites, viral marketing, directories, and pay-per-click/SEO campaigns

HOTEL HUMAN RESOURCES

- Seamless management company changes at the hotel level
- Designated internal payroll department for in-house payroll production
- Internal employment tax preparation and filing
- Large-group discounted recruitment advertising pricing
- Pre-employment profile testing
- Hotel level support and trainers
- In-house legal counsel
- Large-group discounts for insurance benefits premiums
- Benefits, including:
    - Online employee benefit system
    - Medical
    - Dental
    - Vision
    - Basic and supplemental term life
    - Short and long term disability
    - Employee assistance program
    - 3rd party COBRA administration, to ensure full legal compliance
- Established worker's compensation insurance
- 3rd party unemployment claims handler
- Strict enforcement of staffing guides / staffing labors based on business demand
- Online salary surveys for immediate local market and industry benchmarking reports

- Training programs, including:
  - Hotel brand requirements
  - WCG orientation
  - WCG customer service training
  - Safety training
- Standard Operating Procedures in place for all necessary HR-related topics

HOTEL EMPLOYEE TRAINING

- Unique call conversion program for properties, encouraging hotels to increase on-property reservation conversion percentages by properties competing against each other and awarding/recognizing the best
- New Director of Sales and Revenue Management orientation programs - one-on-one training with the Corporate Director of Training and continuing with ongoing support from our Regional Directors of Sales and Regional Revenue Manager's.
- Ongoing Sales and Revenue Management online training calls (monthly and quarterly)
- Strong emphasis focusing on employees taking advantage of all brand training resources
- Online training resource library and best demonstrated practices tool chest to ensure all hotels have information available to maximize their efforts
- Regional training venues and roundtable discussions to cross-pollinate ideas and to keep focused on staying ahead of the competition and maximizing resources
- Custom training modules developed for regional pockets of training to address common needs for sales and operation teams

HOTEL INFORMATION TECHNOLOGY

WCG operates powerful, reliable and secure technology. Both hardware and software solutions utilized are proven leaders in the hospitality industry. Our skilled team of hotel information technology professionals is armed with an endearing loyalty resulting in hard work, attention to detail and a commitment to excellence.

IT Specific services include:

- Improve guest satisfaction scores by blending large amounts of internet bandwidth utilizing highly cost effective methods.
- Sales Force Automation tools are utilized to maximize the productivity of the sales team and to increase revenues.
- Individual IT needs at the property level are assessed.
- Control and lower payroll expense by installing centralized Time and Attendance - coordinate implementation, training and maintenance of the time clocks into a centralized database providing excellent reporting options. This results in lower payroll costs by enforcing scheduling (avoid paying overtime) and by blocking "buddy punching" utilizing biometric features.
- In-house payroll/benefits processing.
- Wide area network and intranet give each manager real-time access to the same tools as their support teams allowing managers to be proactive in their decision making.
- Employee productivity is enhanced and the internal network is protected by sophisticated monitoring systems. This blocks unwanted internet behavior and filters and prioritizes work activities on the network. (For instance, a sales employee utilizing a sales force automation tool will be given significant priority over an associate viewing a general web site).

- Provide guidance with respect to the telecommunications for all standard telephone service, high speed internet, call accounting, voicemail and PBX switches at each property.
- WCG's financial systems are maintained in a position of readiness to absorb all new growth opportunities.

PROJECT & CONSTRUCTION MANAGEMENT

Our Project Management Team has extensive experience in all phases of hotel development, including renovation and new "ground-up" construction.

On-site Project Management:

- Provide property/hotel due-diligence reviews
- Provide budgets for work to be performed, from preliminary plans, PIP's or QA's.
- Develop detailed scopes of work for all approved work
- Select architects, designers, and MEP Engineers for required design elements
- Interface with Brand (either Hilton or Marriott) to obtain Brand approval
- Bid out Brand-approved design & scope of work to manufacturers, installation contractors or general contractors.
- Review proposals from qualified contractors for:
    - Completeness
    - Price
    - Manpower availability
    - Delivery schedule
    - Installation/construction schedule
    - References (bids will only be requested from pre-qualified contractors)
- Award contracts
- Approve any change in scope of work and issue change orders

DEVELOPMENT TEAM

- Review all work and schedules with hotel/property
- Track delivery of all material
- Interface with hotel management during renovation/construction for start/completion of work, daily schedule, quality control, customer service and warrantees
- Provide hotel with "AS BUILTS" and copy of approved design books
- Accounting
    - Track payment for all contracts and change orders
    - Approve, at property, percent of work completed for each monthly billing
    - Approve payment for all progress invoices
    - Collect all lien waivers
    - Hold final payment of retention money until work is completed and approved by the property, WCG PM, full and final waivers are issued to WCG

DEVELOPMENT TEAM

Embassy Suites Hotel Arcadia – Pasadena, FL

190 Rooms

Amenities: Embassy Suites Arcadia - Pasadena Area has *an outdoor pool*, *a spa tub*, *a steam room*, and *a fitness facility*. There is *a business center* on site. This Arcadia property has *a restaurant* and *a bar/lounge*. Guests are served a *complimentary breakfast* each morning. Guests have complimentary access to *an area shuttle*. Additional amenities include *gift shops/newsstands*, *laundry facilities*, and *complimentary newspapers in the lobby*.

Embassy Suites Hotel Brea – Orange County, CA

228 Rooms

Amenities: Embassy Suites Hotel® Brea-North Orange County has *an outdoor pool*, *a spa tub*, and *a fitness facility*. Business amenities at this 3.5-star property include *a business center*, *meeting rooms for small groups*, and *business services*. This Brea property has *a restaurant* and *a bar/lounge*. Guests are served a *complimentary breakfast* each morning. Additional amenities include *multilingual staff*, *gift shops/newsstands*, and *laundry facilities*.

DEVELOPMENT TEAM

Embassy Suites Lompac – Lompac, CA

155 Rooms

Amenities: Embassy Suites Lompoc - Central Coast has *an outdoor pool*, *a spa tub*, and *a fitness facility.* Business amenities at this 3.0-star property include *a business center*, *meeting rooms for small groups*, and *business services.* Guests are offered a *complimentary breakfast* and *reception.* Additional amenities include *multilingual staff*, *gift shops/newsstands*, and *laundry facilities.*

Embassy Suites San Louis Obisbo, CA

195 Rooms

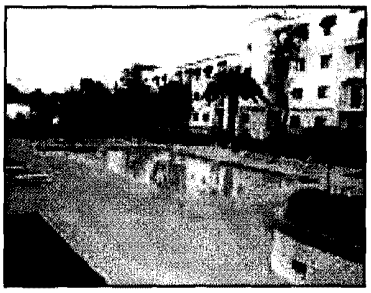
Amenities: Embassy Suites Hotel® San Luis Obispo has *an indoor pool*, *a spa tub*, and *a fitness facility. Wireless and wired high-speed Internet access* is available in public areas (surcharges apply). Business amenities at this 3.0-star property include *a business center*, *meeting rooms for small groups*, and *audio-visual equipment.* This family-friendly property has *a bar/lounge.* Guests are served a *complimentary breakfast* each morning. Guests have complimentary access to *an airport shuttle.* Event facilities consist of *a ballroom* and *conference rooms.* Additional amenities include *multilingual staff*, *gift shops/newsstands*, and *laundry facilities.*

DEVELOPMENT TEAM

Embassy Suites Hotel Santa Ana, CA

159 Rooms

Amenities: This family friendly, yet business oriented hotel will exceed your every expectation of hotel quality and service. Located close to Irvine, Anaheim and Costa Mesa, the Embassy Suites Orange County provides you with ample resources to conduct an important business meeting, or enjoy a relaxing vacation. Enjoy over 40 miles of beautiful California Coastline right outside your suite window at the Embassy Suites Santa Ana - Orange County Airport hotel.



Embassy Suites Hotel Temecula Valley, CA

176 Rooms

Amenities: Embassy Suites Hotel Temecula Valley Wine Country has *an outdoor pool*, *a spa tub*, and *a fitness facility*. Business amenities at this 3.0-star property include *a business center*, *small meeting rooms*, and *business services*. This Temecula property has *a restaurant* and *a bar/lounge*. Guests are served a *complimentary breakfast* each morning. *Guest parking* is complimentary. Event facilities consist of *conference/meeting rooms* and *banquet facilities*. Additional amenities include *gift shops/newsstands*, *laundry facilities*, and *complimentary newspapers in the lobby*.

DEVELOPMENT TEAM

Walnut Creek Marriott, CA

382 Rooms

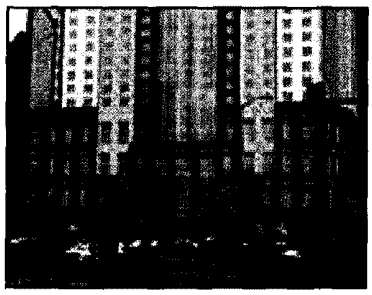
Amenities: Walnut Creek Marriott has *an outdoor pool, a spa tub*, and *a fitness facility*. Business amenities at this 3.5-star property include *a business center, small meeting rooms*, and *business services*. This Walnut Creek property has *a restaurant* and *a bar/lounge*. Event space measuring 17,300 square feet consists of *a ballroom, exhibit space, conference/meeting rooms*, and *banquet facilities*. The staff can arrange *concierge services, wedding services*, and *event catering*. Additional amenities include *gift shops/newsstands, coffee in the lobby*, and *complimentary newspapers in the lobby*. This is a *smoke-free property*.

Embassy Suites Hotel Colorado Springs, CO

206 Rooms

Amenities: Embassy Suites Colorado Springs has *an indoor pool, a spa tub*, and *a fitness facility*. Business amenities at this 3.5-star property include *a business center* and *audio-visual equipment*. This Colorado Springs property has *a restaurant* and *a bar/lounge*. Guests are served a *complimentary breakfast* each morning. *Guest parking* is complimentary. Event facilities consist of *a ballroom, exhibit space, conference/meeting rooms*, and *banquet facilities*. The staff can arrange *concierge services, wedding services*, and *event catering*. Additional amenities include *an arcade/game room, gift shops/newsstands*, and *a grocery/convenience store*.

DEVELOPMENT TEAM



Embassy Suites Downtown Denver, Co

403 Rooms

Amenities: Embassy Suites Denver Downtown has *an indoor pool* and *a pool.* There is *a business center* on site. This Denver property has *a bar/lounge* and *a coffee shop/café.* Additional amenities include *valet parking* and *air conditioning in public areas.* This is a *smoke-free property.*

Embassy Suites Southeast Denver, CO

205 Rooms

Amenities: Enjoy spacious hotel suites, daily complimentary cooked-to-order breakfast and a manager's reception each evening. Guests will also relish complimentary access to many hotel features such as 24-hr business center, fitness center, luxurious indoor pool and whirlpool.

Hotel guests can also take advantage of our largest meeting room at 5750 Sq. Ft, perfect for a wedding, reunion, or your company's next business meeting. Event & catering services are available.

Embassy Suites Atlanta (Galleria) – GA

261 Rooms

Amenities: Embassy Suites - Atlanta (Galleria) has *an indoor pool, a spa tub,* and *a fitness facility.* Embassy Suites - Atlanta (Galleria) has *a restaurant* and *a bar/lounge.* Guests are served a *complimentary breakfast* each morning. *Room service* is available during limited hours.

DEVELOPMENT TEAM

Embassy Suites Alpharetta – GA

150 Rooms

Amenities: 24-hr business center, fitness center, luxurious indoor pool and whirlpool.

Hotel guests can also take advantage of our largest meeting room at 5750 Sq. Ft, perfect for a wedding, reunion, or your company's next business meeting. Event & catering services are available.

Courtyard by Marriott Atlanta Vinings, GA

159 Rooms

Amenities: Designed to resemble a Georgia plantation home, this hotel features a large *outdoor pool with a waterfall.* The surrounding *patio* lends itself to entertaining. *Conference rooms* measuring 3,000 square feet include *banquet facilities*; *event catering* is available. Courtyard by Marriott Atlanta Vinings serves a *buffet breakfast* (surcharge) daily. Or, guests can opt for *Paces Bar and Grill*, serving American fare for breakfast, lunch, and dinner. The *Lobby bar* offers guests a place to relax with a favorite beverage.

Marriott Residence Inn Atlanta, GA

160 Rooms

Amenities: This Midtown Atlanta hotel features Studio, One Bedroom & Two Bedroom suites with fully equipped kitchens, separate living area, 32" flat screen TV & FREE High Speed Internet. Join us daily for our complimentary hot breakfast buffet. Enjoy delicious pub-style cuisine at Charlie G's, our on-site restaurant. Find snacks, beverages and sundries at the 24-hour market. Grocery shopping service is available along with valet dry cleaning/laundry service

DEVELOPMENT TEAM

Embassy Suites Detroit/Livonia, MI

239 Rooms

Amenities: Embassy Suites Hotel Detroit - Livonia/Novi has *an indoor pool*, *a spa tub*, and *a fitness facility*. Business amenities at this 3.0-star property include *a business center*, *small meeting rooms*, and *limo/town car service*. This Livonia property has *a restaurant* and *a bar/lounge*. Guests are served a *complimentary breakfast* each morning. *Guest parking* is available for a surcharge. Event facilities consist of *a ballroom*, *exhibit space*, *conference/meeting rooms*, and *banquet facilities*. The staff can arrange *wedding services*, *event catering*, and *business services*. Additional amenities include *multilingual staff*, *gift shops/newsstands*, and *laundry facilities*.

Embassy Suites Las Vegas, NV

286 Rooms

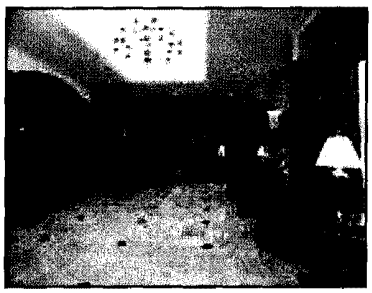
Amenities: Embassy Suites Convention Center - Las Vegas has *an indoor pool* and *a spa tub*. Business amenities include *a business center* and *wireless Internet access*. Embassy Suites Convention Center - Las Vegas has *a restaurant* and *a bar/lounge*. Guests are served a *complimentary breakfast* each morning. *Room service* is available during limited hours.

DEVELOPMENT TEAM

Marriott Lincoln, The Cornhusker, NE

295 Rooms

Amenities: The Cornhusker, a Marriott Hotel has *an indoor pool* and *a fitness facility*. Business amenities at this 3.5-star property include *a business center, small meeting rooms*, and *business services*. This Lincoln property has *a restaurant, a bar/lounge*, and *a coffee shop/café*. Guests have complimentary access to *an airport shuttle. Guest parking* is available for a surcharge. Event facilities consist of *a ballroom, exhibit space, conference/meeting rooms*, and *banquet facilities*. The staff can arrange *concierge services, wedding services, event catering*, and *computer rentals*. Additional amenities include *valet parking, room service during limited hours*, and *dry cleaning/laundry services*.



Marriott Renaissance Asheville, NC

277 Rooms

Amenities: Renaissance Asheville Hotel has *a health club* and *an indoor pool*. Business amenities include *a 24-hour business center* and *complimentary wireless Internet access*. Renaissance Asheville Hotel has *a restaurant* and *a bar/lounge. Room service* is available during limited hours. *Guest parking* is complimentary

Embassy Suites Cincinnati – Northeast, OH

233 Rooms

Amenities: Embassy Suites Hotel Cincinnati-Northeast (Blue Ash) has *an indoor pool, a spa tub, a sauna*, and *a fitness facility*. Business amenities at this 3.0-star property include *a business center, small meeting rooms*, and *limo/town car service*. This Cincinnati property has *a restaurant, a bar/lounge*, and *a coffee shop/café*. Guests are served a *complimentary breakfast* each morning. *Guest parking* is complimentary. Event facilities

consist of *a ballroom, exhibit space*, and *conference/meeting rooms*. The staff can arrange *wedding services, event catering, business services*, and *tour assistance*. Additional amenities include *a concierge desk, an arcade/game room*, and *multilingual staff*.

Embassy Suites – Portland, WA

356 Rooms

Amenities: The hotel's light-filled, nine-story *atrium lobby* features a waterfall, greenery, and comfortable seating. Complimentary perks include a *daily buffet breakfast* with cooked-to-order items, and a *nightly manager's reception* with drinks and snacks. The hotel's *restaurant* showcases Pacific Northwest cuisine. A recreation area offers an *indoor pool, spa tub,* and *fitness center*. This Embassy Suites accepts *pets up to 40 pounds* (surcharge).

Embassy Suites – El Paso, TX

180 Rooms

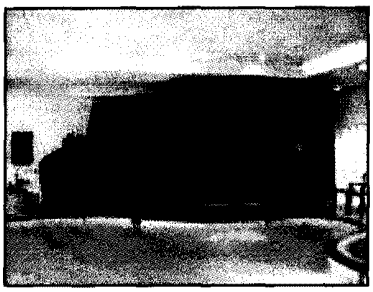
Amenities: Embassy Suites Hotel El Paso has *an indoor pool* and *a fitness facility*. Business amenities at this 3.0-star property include *a business center, small meeting rooms*, and *business services*. This El Paso property has *a restaurant*. Guests are served a *complimentary breakfast* each morning. *Guest parking* is complimentary. Additional amenities include *multilingual staff, gift shops/newsstands*, and *laundry facilities*.

DEVELOPMENT TEAM

Embassy Suites – Seattle, WA

250 Rooms

Amenities: Embassy Suites Hotel Seattle-Tacoma International Airport has *an indoor pool*, *a spa tub*, and *a fitness facility*. *Wireless and wired high-speed Internet access* is available in public areas (surcharges apply). Business amenities at this 3.0-star property include *a business center*, *small meeting rooms*, and *audio-visual equipment*. This business-friendly property has *a restaurant* and *a bar/lounge*. Guests are served a *complimentary breakfast* each morning. Guests have complimentary access to *an airport shuttle*. *Guest parking* is available for a surcharge. Event facilities consist of *a ballroom*, *exhibit space*, *conference/meeting rooms*, and *banquet facilities*. The staff can arrange *wedding services* and *event catering*. Additional amenities include *a concierge desk*, *multilingual staff*, and *laundry facilities*.



Embassy Suites – Seattle (Bellevue), WA

240 Rooms

Amenities: Embassy Suites Hotel® Seattle-North/Lynnwood has *an indoor pool* and *a spa tub*. Business amenities at this 3.0-star property include *small meeting rooms* and *business services*. Guests are served a *complimentary breakfast* each morning. *Guest parking* is complimentary. Event facilities consist of *a ballroom*, *exhibit space*, and *banquet facilities*. Additional amenities include *multilingual staff*, *gift shops/newsstands*, and *laundry facilities*.

DEVELOPMENT TEAM

DFC Group, Inc.

A St. Louis based real estate finance consulting firm specializing in tax-leveraged financing structures for urban and community preservation and renewal, DFC Group, Inc. was formed for the purpose of providing technical expertise and consulting services for private and public entities needing assistance with the real estate development process, such as due diligence and feasibility review, financing, development proforma and operating projections, construction and owner's representative services. DFC Group, Inc., through affiliated entities and in partnership with other entities, also develops significant real estate properties.

Steven Stogel, President of DFC Group, was the financial brains behind the complicated public-private financing for the new convention center hotel and the historic redevelopment of the Old Post Office to name a couple. Mr. Stogel enjoys challenging deals in which both city, county, state and federal government incentives are coupled with both for-profit and non-profit partners to enhance and improve the neighborhoods of St. Louis.

"St. Louis will form vibrant alliances among city, county and state governments, coupled with the educational, philanthropic and business communities for effective investments in our schools, neighborhoods and workplaces." -- Steven Stogel

Exhibit 1

References

Listed below is a list of references associated with public entities to contact:

Missouri Governor Jay Nixon, (573) 751-3222
Mayor Francis G. Slay, City of St. Louis (314) 622-3201
Former U. S. Congressman Richard A. Gephardt (410) 721-7659
Former U. S. Senator Jean Carnahan (314) 725-3820
Former Governor Bob Holden (314) 968-7423
Former Mayor Vincent C. Schoemehl, Jr., City of St. Louis (314) 369-6630
Exec. Director Bob Miserez, Missouri Development Finance Board (573) 751-2686

Listed below are references for various for-profit projects:

Richard D. Baron, President, McCormack, Baron, Salazar (314) 621-3400
Michael L. Fowler, President, Sun America Affordable Housing (310) 772-6653
Jeffrey Lynford, Chairman, Wellsford Residential Property Trust (212) 812-4900
D. Garry Munson, President, Whitney Capital Company (516) 352-6100

Listed below are references for various non-profit projects:

William A. Hall, President, Hallmark Foundation (816) 274-4547
Peter Sortino, President, The Danforth Foundation (314) 588-1900
Barbara Geno, Principal, Clayton Academy (314) 609-7658
Deborah Richman, Head of School, Turning Point School (310) 841-2505

Listed below are various banking references:

Thomas Reeves, President, Pulaski Bank (314) 878-3523
Richmond Coburn, Sr. VP, Bank of America Community Banking (314) 898-9374
Joseph Ambrose, Regional President, First Bank (314) 995-8722
Zack Boyers, President US Bank Community Development (314) 335-2620

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

Exhibit 2

PROJECT	TYPE	CITY	9/1/09 Status
Abraham Lincoln Square	94 Market Rate Units + 48,000 S.F. Commercial	Springfield, IL	Sold
Hadley Dean Square	Office Building	St. Louis, MO	Sold
Quality Hill Phase I & II	416 Market Rate Units + 52,000 S. F. Retail/Commercial	Kansas City, MO	Sold
Immanuel Manor	47 Units - Section 8	Kansas City, MO	Sold
Blair Apartments	38 Units - Section 8	St. Louis, MO	Sold
Lexington Village Phases I & II	267 Units	Cleveland, OH	Owned
Westminster Place Phase I	183 Market Rate Units + 140,000 S.F. Retail	St. Louis, MO	Sold
Westminster Place Phase II	84 LITC Units	St. Louis, MO	MBA Only
Jersey City YMCA	79 Units - Section 8 60,000 S.F. Program Space	Jersey City, NJ	Sold
Canal Square	55 Units + 45,000 S.F. YMCA Space	Akron, OH	Sold
Minerva Place	56 Units - Section 8	St. Louis, MO	MBA Only
Revive 103	60 Units - Section 8	New York City, NY	Sold
West End Apartments	100 Units - Section 8	St. Louis, MO	Sold
Phoenix Hills Phases I & II	265 Market Rate Units	Louisville, KY	Sold
Tobacco Row - Phase I	259 Units	Richmond, VA	Sold

WCG
WINDSOR CAPITAL GROUP, INC.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

Exhibit 2

PROJECT	TYPE	CITY	9/1/09 Status
Randolph/Brewery	160 Units (Partial Section 8)	St. Louis, MO	MBA Only
Bridgeport	232 LITC Apartments	Kansas City, MO	Sold
O'Fallon Phases 1A, 1B, II & III	375 Apartments Market & Partial Section 8	Kansas City, MO	MBA Only

"MBA Only" means that McCormack Baron Associates, Inc. (in which I once had an interest) continues as a General Partner in these deals. "Owned" means an interest as a limited partner.

Exhibit 3

FOR DFC GROUP AND AFFILIATES
FROM 1990 - 2009

Project	Type	Location	Status
Holladay Hills	136 Units	Salt Lake City, UT	Sold
Citadel	Land Lots	Kansas City, MO	Sold
Mansion	510 Units	Kansas City, MO	Sold
Boardwalk	Shopping Center	Kansas City, MO	Sold
Bolton	350 Units	Atlanta, GA	Sold
Aspen Villas	88 Units	Park City, UT	GP Interest Owned
Heather Estates I/II	154 Units	Clearfield, UT	Sold
Vine Villas Estates	102 Units	Murray, UT	GP Interest Owned
Shepard's Creek Estates	Condo Project 200 Homes	Farmington, UT	Sold
Courtyard at Page, Ltd.	Condo Project	Centerville, UT	Sold
Boulder-Turnpike Partnership	72-Acre Land Investment	Broomfield, CO	Sold
Riverside Apartments	192 Units	Riverside, CA	Sold
Cudahy Apartments	108 Units	Los Angeles, CA	Sold
Springhill Apartments	176 Units	Springhill, KS	Sold
1st Kansas Apartments	547 Units	Eastern, KS	Sold
Roanoke Property	52-Acre Land Investment	Roanoke, TX	Sold
Mansions II	140 Units	Independence, MO	GP Interest Owned
Pevely Farms Golf Course	Golf Course	St. Louis, MO	PS Interest Owned
Hampden Hall Apartments	76 Units	St. Louis, MO	PS Interest Owned
Old Post Office	Commercial Office	St. Louis, MO	GP Interest Owned
Hampton Place	150 Units	Louisville, KY	PS Interest Owned
Northpark Apartments	120 Units	Joplin, MO	GP Interest Owned

"GP" Interest Owned" means an interest in the general partner entity.
"PS" Interest Owned" means an interest in the limited partner/equity position.

DEVELOPMENT TEAM

Douglas B. (Doug) Woodruff

Doug Woodruff is a Principal with DFC Group, Inc., a St. Louis based real estate finance consulting firm specializing in tax-leveraged financing structures for urban and community preservation and renewal. He advises clients on financing and structural elements for a wide range of transactions involving federal and state tax programs that leverage private capital to create adequate sources of financing for difficult to finance projects.

Mr. Woodruff has 25 years of commercial banking experience, including 22 years with the Bank of America, where he held senior management roles in various commercial banking areas within the Company until retiring in May 2007. He served as Franchise Banking Executive for Bank of America, responsible for the development of the bank's strategy to provide owner operators of selected franchise concepts with loans and other banking products to support their growth and profitability. This included accountability for an $850 million loan portfolio, development of a national sales force and relationship management for key franchisor clients.

Prior roles at Bank of America included President of Community Development Banking where he led the bank's $3 billion community development business. Under Woodruff's leadership, the business unit grew to over $300 million in revenues, nearly $200 million in pre-tax profit and over 300 associates throughout U.S. engaged in real estate finance and development. He was also the principle architect of the Bank of America's 10-year, $750 Billion community development goal (at the time the largest such goal in banking history), which included aggressive targets for affordable mortgage lending, affordable housing development, small business lending, affordable consumer lending and economic development in low- and moderate-income communities. He also managed the bank's regulatory performance under the Community Reinvestment Act (CRA) and served as the bank's chief privacy officer.

He began his banking career 25 years ago in St. Louis and has prior experience in Commercial Lending, Real Estate, Small Business Banking and Government Affairs.

DEVELOPMENT TEAM

Woodruff graduated from Miami University in Oxford, Ohio where he majored in finance and is a graduate of the Stonier Graduate School of Banking. He has served on several national and regional boards including the America Bankers Association – Center for Community Development and Government Relations Councils, Local Initiative Support Corporation (LISC), Living Cities, the Missouri Bankers Association, the Missouri Chamber of Commerce and the St. Louis Equity Fund.

Contact Information:
Doug Woodruff
DFC Group, Inc
7777 Bonhomme Suite 1210
St. Louis MO 63105
314-725-8555
Email - Doug@dfcgroup.net

DEVELOPMENT TEAM

SLMT, LLC

Pamela Opyd is the Principal and Manager of SLMT, LLC ("SL"). Currently Ms. Opyd is managing the development process of several mixed-use developments including the Gateway in Oak Forest, Illinois, the City of Oak Forest Metra Train Station, Park East Square in Milwaukee, Wisconsin, and the Gallery in Grand Rapids, Michigan. Prior to forming SLMT, Ms. Opyd was a Development Manager at Prime Group Realty Trust (PGE) and oversaw a variety of large-scale commercial developments including the 1.5 million square foot Dearborn Center in Chicago and the development of Northern Illinois University's 215,000 square foot convocation center.

She was responsible for guiding the design, permit, financial and construction processes of these developments. In addition, Ms. Opyd served as development manager on Chicago's Union Station redevelopment. This complex project incorporated a high level of municipal involvement including landmark designation and TIF funding as well as LEED technologies.

THE GALLERY
Culture Oriented, Mixed-Use Development
LEED Certified
Grand Rapids, Michigan

Ms. Opyd worked with the City of Grand Rapids to develop a key downtown parcel. Located at the confluence of Grand Rapid's Art, Entertainment, Cultural and Historic districts, this site has the opportunity to greatly enhance the critical density

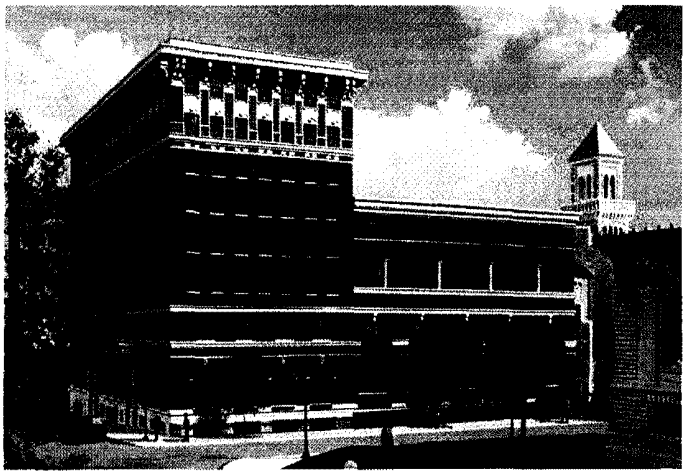
required to create a vibrant urban condition. Influenced by these strong urban districts, this mixed-use project is designed as a destination retail environment with a high-end residential condominium program and accessory parking. The 56-unit residential mid-rise is located adjacent to the historic masonry structures of the Heartside District. The residential lobby and smaller scale retail shops on Commerce are designed to communicate with the pedestrian friendly fabric of the Heartside District.

THE FITZGERALD

Residential Condominium Development

Grand Rapids, Michigan

The redevelopment of the YMCA into The Fitzgerald perfectly blends the warmth and integrity of a historic home with the convenience of a contemporary condominium. Located in the heart of Grand Rapid's theater district, The Fitzgerald provides all the energy and vitality that city living offers: the theater, the restaurants, the entertainment and sports venues – all within an easy walk from the front door. Enhancing The Fitzgerald's charm and character is its diminutive size – a mere 39 condominium residences, making The Fitzgerald feel like a "vertical neighborhood".

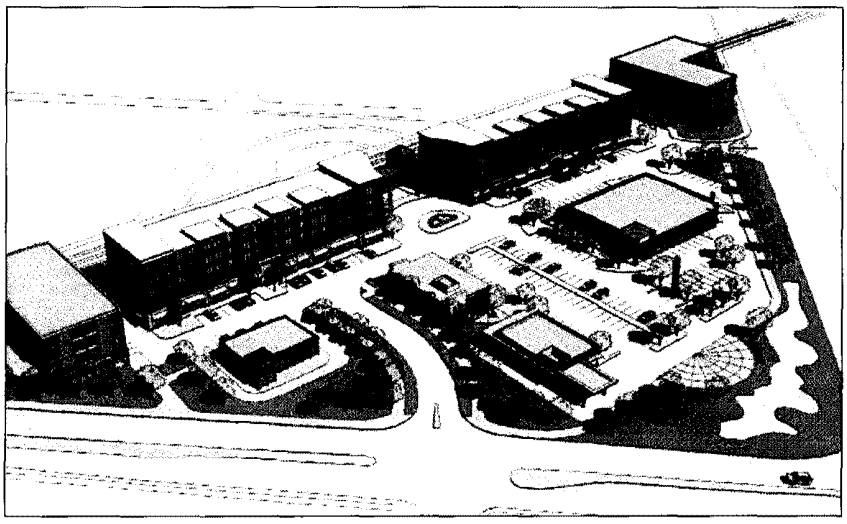


THE GATEWAY

Transit Oriented, Mixed-Use Development

Oak Forest, Illinois

The Gateway is a mixed-use residential and retail development in the City of Oak Forest. The Project is located at the intersection of 159th Street and Cicero Avenue, approximately 22 miles south of Chicago's Loop and is the Gateway entrance to the Oak Forest Metra train station that serves approximately 1,600 weekday commuters. Phase 1 construction was completed in the fall of 2008 and contains 27,000 square feet of retail/restaurant space featuring a CVS Pharmacy, National City Bank, retail user, and a full service restaurant. Phase 2 consists of a total of 125 apartment units in 2 adjacent 5 story buildings with 3,700 square feet of in-line retail space in the base of each building. The total project cost for Phase I was approximately $5.5 million and was funded by a first mortgage loan of $2.2 million and government subsidy of $3.3 million for land acquisition and infrastructure costs.



Forum Studio

OVERVIEW:

Putting "Design" into Every Project

Providing responsive, responsible and respected architectural, interiors, landscape architectural and planning solutions to our clients while creating great environments for their customers and communities.

At Forum Studio we are flexible and diverse. We utilize the best design process to accomplish the goals for each client and project. Whether it's client, builder, construction manager, or architecturally led, we bring the experience, adaptability and attitude to accomplish the best solutions for each client. Forum Studio is rapidly building a portfolio of diverse projects ranging from traditional to design build that prove their contention. Forum Studio's principal Chris Cedergreen believes "We will deliver the best process to suit the project's needs and sometimes we find ourselves combining traditional and design-build approaches on the same project. The point is that clients want good ideas, whomever they come from, and collaborative design teams simply develop more good ideas".

Forum Studio's design team is convinced that clients can have high quality design and lower costs. "All the options all the time," is how Principal Hans Hecker describes the firm's goal. However, they are not naive about what it takes to achieve optimum results. The firm's leaders are experienced hands, having worked for a number of the country's leading architectural firms on a wide range of projects. They, too, had seen projects where lack of communication and mistrust compromised quality. However, they had also

experienced successful projects and many of those had been as part of collaborative design teams.

They were convinced that working shoulder-to-shoulder with the Client and builder at critical points in the life of a project, on project after project, would create an environment where innovation in both process and design would flourish. In 1999 Forum Studio opened its doors as a design based architectural firm.

Years later, energy and conviction are higher than ever as the evidence of Forum Studio's ability to deliver quality design is being built. Satisfied clients are moving into new facilities that more than meet expectations in terms of quality and budget. And the architects themselves are very proud of their accomplishments.

Creating Culture

Change always demands a sacrifice of old, often comfortable ways. For Forum Studio it meant letting go of many of the traditional trappings of architectural practice to create a streamlined organization that was low on hierarchy and high on collaboration.

While the close working relationship with Clients and contractors increases pressure on the architect to articulate the design intent and respond quickly to the Client/Builder's scheduling demands, the design team finds that the new model has given them greater freedom. Or as principal Hans Hecker says, "Tighter deadlines, looser culture. Our process is efficient, but the projects are still complicated. We are constantly called on to make decisions quickly without running up a chain of command. It keeps you sharp and self-reliant."

DEVELOPMENT TEAM

Maintaining Metabolism

Creative freedom has a price and the currency at Forum Studio is speed. Talk about a fast company. The design process pushes the design team to respond to the Client's need for timely information in a decision cycle that can run just weeks instead of the months allotted in a traditional schedule.

Hans Hecker, reports, "Forum Studio has a reputation as a place where you work hard but you get to see the results." With over no projects completed and built within the last 8 years by a staff that has grown from 10 people to over 70, the results are remarkable.
In order to keep pace, firm leaders are constantly seeking improvements in the design process. "We want to be certain that we are investing. Sitting down with the Client and builder and really working through what we are trying to accomplish and achieving consensus is critical," says Chris Cedergreen.

Nurturing Talent

It takes a special kind of individual to thrive-at this pace. Quick yet thoughtful, independent-minded team players that are always ready for a challenge. While Forum Studio is still a relative debutant they have worked hard to develop an environment that supports the design team. In an office where "there is no waiting around to be told what to do," there is a full commitment to teaching and learning.

Chris Cedergreen observes, "With the hard work comes lots of responsibility, which comes early in your career at Forum Studio. I think that's why we have such a strong sense of team even though the average age is mid 30's." Or as Hans Hecker sees it, "Drive and passion are cross-generational."

DEVELOPMENT TEAM

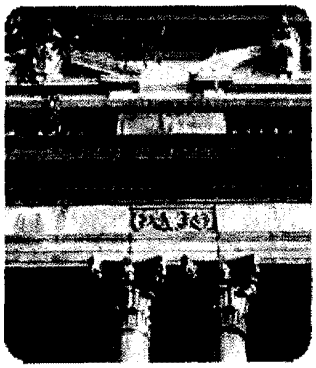
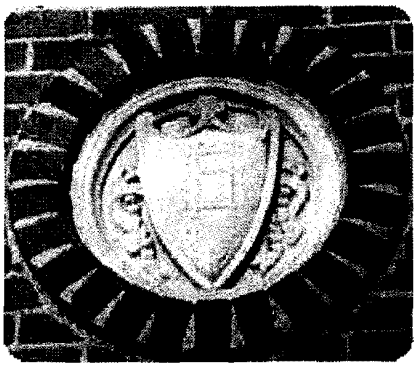
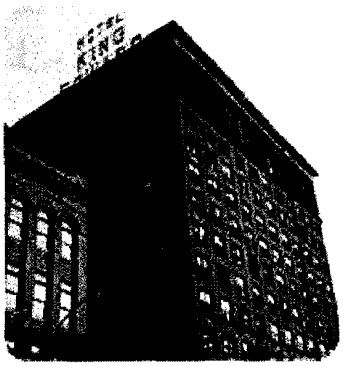
Redefining Design Collaboration

Passion is a strong word, especially in the context of hard work. But it is used again and again by the leadership of Forum Studio. They use it to describe their desire to push the edge of the design process towards ever better design quality. They use it to describe the culture that they are encouraging in the firm -a place where tolerance and understanding of another's perspective leads to innovation.

The passion for the idea of producing design of the highest quality with collaborative design, radical to many in the architectural profession, inspires the team at Forum Studio. They know that they are on the front wave of a concept that is going to redefine not only design-build but also the relationship between architects and contractors on projects. In the future, integrated processes, shared platforms and mutual understanding won't be options; they will be pre-requisites. Right now, for those with the energy, talent and determination to change the rules and the expectations, there's Forum Studio.

KING EDWARD HOTEL

Jackson, Mississippi

Forum Studio, serving as design architect for the renovation of King Edward Hotel, a prior hub of Jackson society and politics. The 12-story building is developed by King

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

Edward Revitalization Co., composed of HRI Properties, the Watkins Partners and New Orleans Saints running back Deuce McAllister. Once the debris is removed and the asbestos abatement is complete, HRI Properties and Forum Studio Inc. will collaborate to conduct a detailed analysis of the structure in order to complete the design. The project, which included the hotel, apartments, office space, restaurants and additional retail outlets, was completed in 2009.

NINE 27 APARTMENTS

New Orleans, Louisiana

Forum Studio is architect for the 103,388-square-foot structure for Nine 27 Apartments in the historic warehouse district of New Orleans, La. Each of the 76 units has been carefully planned to meet the building requirements of the district, including maintaining a total building height of no more than 50 feet. The building keeps the historic atmosphere of the district intact while providing residents with top-of-the-line living spaces with features such as a business center and a 69-space parking garage.

- 5-story, 76-unit building
- Apartment sizes range from a 557-square-foot studio to a 1,047-square-foot two-bedroom space
- Second floor terrace
- Landscaped yard

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

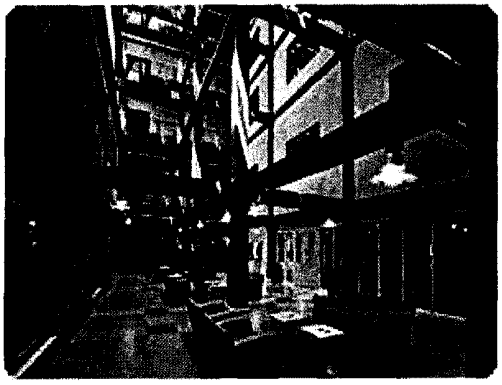
DEVELOPMENT TEAM

ELY WALKER LOFTS

St. Louis, Missouri

Construction on the Ely Walker Lofts, a 173-unit historic redevelopment project in downtown St. Louis was finished in September 2007. Located in the Washington Avenue Loft District, the 372,300-square-foot turn-of-the-century warehouse building was transformed into a modern apartment building. Forum Studio Inc. was the architect.

- Seven-story masonry building
- 173 loft condominiums
- Five-story atrium
- 50,000 square feet of retail space
- New restaurant at street level
- Several floor plan options, with prices ranging from $130,000 to $300,000
- Fitness center
- Rooftop deck with a water feature
- Community room



WCG

WINDSOR CAPITAL GROUP, INC.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

CUPPLES STATION LOFTS

St. Louis, Missouri

Architect Forum Studio Inc. finished construction on the Cupples Station Loft Apartments, a 131-unit historic redevelopment project in downtown St. Louis. Located at the northeast corner of 11th and Spruce streets, the turn-of-the-century building was completed two-and-a-half months ahead of schedule. The apartments range in size from 623 to 1,390 square feet, including five two-level lofts on the south side of the building.

- Health/fitness room
- Entertainment room
- Tenant storage areas
- Business center
- Outdoor plaza
- Granite countertops
- Large windows
- Walk-in closets
- 131 one and two-bedroom loft apartments
- New bar and restaurant, Mercury

DEVELOPMENT TEAM

Paric Corporation

In 1979, entrepreneurs Paul McKee Jr. and Richard Jordan linked their first names to form Paric Corporation and launched a legacy as construction efficiency pioneers.

The foundation of Paric's success is its people, who are given the support and confidence to make high-stakes decisions on the spot. This is not a micromanaged firm, but it is one that is highly selective in employment. Interviews for positions at Paric are well known for their thoroughness and duration. As a result, an entrepreneurial spirit courses throughout the organization. Several Paric employees have launched or now serve as senior executives at other building firms. That entrepreneurial culture earned Paric the honor of Entrepreneur of Year in 1996.

While technology became an integral part of Paric's operations, the firm set its sights on expanding the horizon of design/build. As the market struggled to find greater efficiencies in the often sluggish bid/build delivery method, Paric turned the problem on its head by striving to become the first and last point of contact on its projects. The firm began orchestrating all facets of a project, including design, engineering, pricing and subcontractor coordination.

At Paric, community is also ever-important. The firm is vigorous in its on-going support of civic and philanthropic institutions.

With a legacy of innovation spanning 30 years, Paric can lay claim to having helped elevate the efficiency standards of an entire industry. That commitment continues with innovations evident in Paric projects today–concepts with the potential to set a yet loftier

standard for excellence in the delivery of construction services for decades to come.

Paric, founded in 1979 and based in O'Fallon, Missouri, is one of the largest privately held companies in the midwest. Paric is a leading general contractor, construction manager and design-build firm in the St. Louis region. The company specializes in interiors and specialty projects, public and institutional, hospitality and residential, senior living and healthcare, historic renovation and City of St. Louis and commercial.

Paric pairs design/build services with construction management and negotiated general construction to offer its "next level" experience. When Paric partners with a client, Paric sets the bar higher than expected to ensure complete client satisfaction. Paric manages construction projects for long-term and repeat clients ranging from universities and banks to hotels, restaurants, warehouses and trade centers.

CORE VALUES

For 30 years, our core values – the fundamental principles that shape who we are as a company and how we conduct our business – have guided Paric. These core values are the wellspring of the reputation for excellence that our company enjoys today.

Personal Integrity

Our daily interactions must reflect honesty, professionalism, respect, fairness and responsibility.

Trust and Teamwork

Without trust, teamwork cannot flourish. We are committed to open, honest communication to support our employees, clients, subcontractors and vendors.

DEVELOPMENT TEAM

Exceeding Expectations

Because surpassing all expectations is so profoundly satisfying. This commitment to excellence extends to every employee and to every project.

Enhancing Our Community

In our steadfast commitment to the greater good, we must lend our time, talents and resources to a range of community efforts.

Doing What We Say

Because as the adage says: "You're only as good as your word." If we say something is going to happen, it will happen.

NEXT LEVEL DEFINED

The Next Level Starts Here. It's our commitment at Paric, from our people, to our processes, to our corporate culture. But is "The Next Level Starts Here" just an empty advertising line? Hardly.

Paric's objective is to transform our customers' understanding of what is possible in the design and construction process, and then deliver a degree of value that they've never experienced.

DEVELOPMENT TEAM

Our structure and processes are designed to advance the client-focused Paric business model, which strengthens customer relationships and allows each member of all of our teams to contribute to a world class customer experience.

Customers are at the center of everything we do, so it's all about putting the right people in the right positions and letting them excel at what they do best.

For Paric people, The Next Level Starts Here articulates the entrepreneurial spirit that permeates our organization, and serves as a call-to-action and daily reminder of the obligation of trust with which we serve our customers. On every project, every day. Taking it to the Next Level.

SAFETY AND QUALITY

At Paric, jobsite safety is the single most important aspect of our business. Safety is much more than a priority; safety is a way of life. We continuously refine our systems and processes to reduce our experience modification rate to zero.

Proactive Approach

Paric believes in preventing accidents through the exercise of personal initiative and mandatory safety training. Every single employee is responsible for accident prevention as part of his/her job.

Consistent with these values, Paric advocates:

- A strong emphasis on safety training and expectations
- A solid safety reporting structure mandating accountability at every level of the organization

- Employee responsibility, giving every employee the right and authority to stop work when an activity is being performed in an unsafe way
- A mandatory Substance Abuse Program which requires drug and alcohol testing of all employees, including pre-employment, random, reasonable cause and post accident
- Daily safety inspections conducted by trained on-site supervisors
- Daily safety discussions regarding the tasks to be performed and documented weekly safety meetings
- Construction operations conducted in strict adherence to federal, state and local safety policies and to specific Paric safety policies

Track Record

At Paric, our safety record is outstanding, beating the industry standard in recordable and lost-time accidents. The facts:

- Paric has a current EMR of 0.68, well below the industry standard of 1.0.
- Paric has a full-time safety professional and a fully-trained staff.
- Paric has earned multiple safety awards throughout its history.
- Paric is a member of the St. Louis Construction OSHA Partnership.

At Paric, we're taking safety to the Next Level.

"Our company, Lodging Hospitality Management Company, like Paric, bases its reputation on the quality, integrity and professionalism we provide to our customers. The Hilton St. Louis at the Ballpark exceeded everyone's expectations for under budget and ahead of schedule." **Craig R. Cobler, Senior Vice President of Development, Lodging Hospitality Management.**

DEVELOPMENT TEAM

HISTORIC RENOVATIONS AND CITY OF ST. LOUIS

Paric has earned the reputation of a premier commercial and residential builder with expertise in historical renovation, development and adaptive reuse. Led by Vice President Keith Wolkoff, Paric's Historic Renovation group continues to demonstrate a significant presence in downtown St. Louis, renovating more than 1.3 million square feet of commercial/retail space in just 10 years.

It's Where We Live and Work

Because of Paric's significant growth in this market and the overwhelming support of Downtown redevelopment, we've been able to expand into a branch office at 906 Olive St. – a testament to our commitment to the redevelopment activities in Downtown St. Louis.

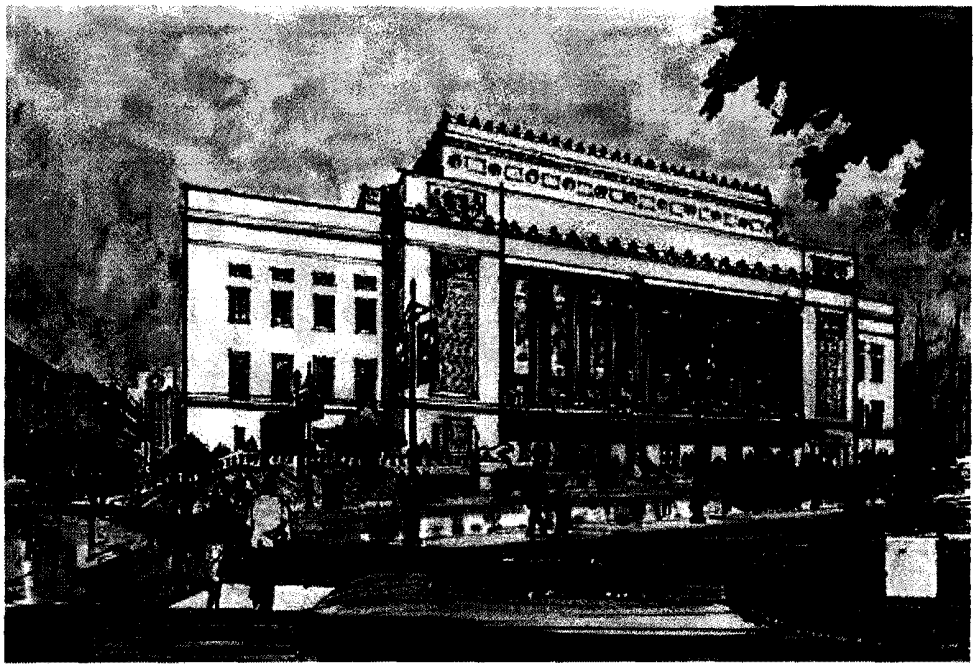
634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

PEABODY OPERA HOUSE

St. Louis, Missouri



Size 315,000 sq.ft.

Paric has begun construction of the Peabody (Kiel) Opera House. The original building was completed in 1934, and originally contained an auditorium back-to-back with the Opera House. The project includes the renovation of the existing five story, 315,634 sq.ft. building and various site improvements providing a full entertainment theatrical venue. There will be a main 3,200 seat theater and four additional side venues. A VIP entrance off of 14th Street is also planned. Specific areas will be restored and refurbished to their original historic profiles.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

PARK PACIFIC

St. Louis, Missouri

Size 750,000 sq.ft.

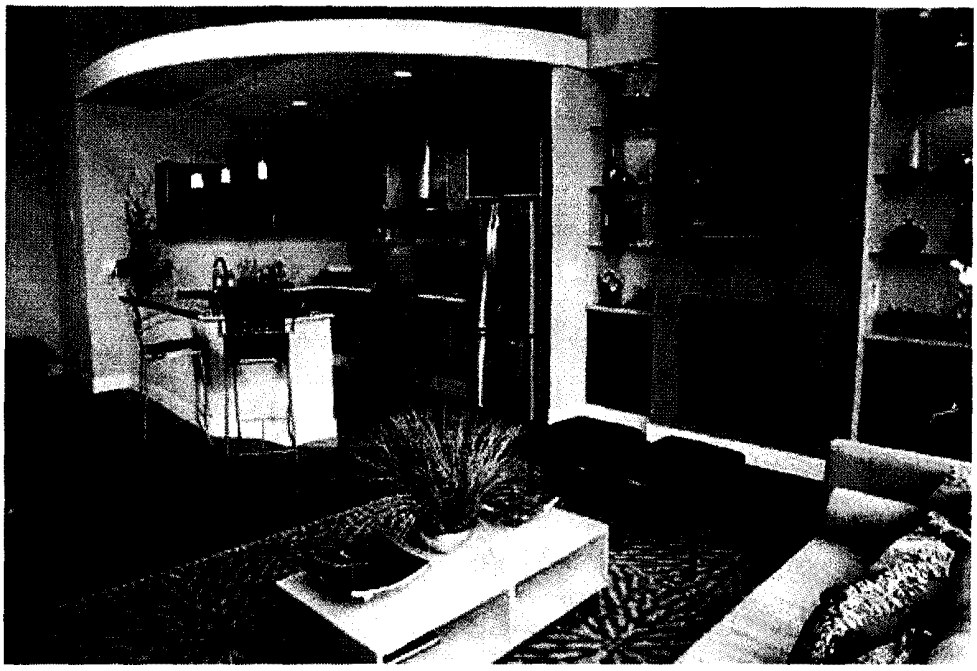
Park Pacific combines a 23-story art deco style historic building and a new seven-story structure, to create a 750,000 sq.ft. mixed-use development. The 500,000 sq.ft. historic building, Parkside Tower, will include 230 rental apartments with 31,000 sq.ft. of ground floor retail and 47,000 sq.ft. of Class A office space. A conference facility, lobby and elevators are provided for office tenants with a separate entry lobby for residents. An indoor amenity deck, with exercise facility, game room, and media room, will be located on the 22nd floor. The facility will include a 590 car parking garage with retail space on the ground floor.

WCG

WINDSOR CAPITAL GROUP, INC.

WEST END LOFTS

St. Louis, Missouri



Size 245,000 sq. ft.

Paric was the contractor for the $40 million transformation of the old Ford Motor Company plant into loft residences. The 245,000-square-foot building at 4100 Forest Park Avenue is now known as West End Lofts, with 120 one- and two-bedroom units priced at $160,000 to $350,000. The lofts range from 760 square feet to more than 1,600 square feet. The building's first floor has about 30,000 square feet of retail space that includes a restaurant, bank and boutique stores.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

THE BOGEN

St. Louis, Missouri

Size 243,000 sq. ft.

Historic renovation of the former Weiss Newman 243,000 sq. ft. building to include 125 "true loft" condominiums, penthouse, and street level retail. One-, two- and three-bedroom condos feature granite countertops, exposed brick walls, sandblasted wood columns and beams, contemporary vanities with glass countertops, windows that match the original profiles, and concrete and glass block circular showers. In addition, the complex features an underground parking garage, rooftop terrace, dog park, kitchen and fitness facility.

MOONRISE HOTEL

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

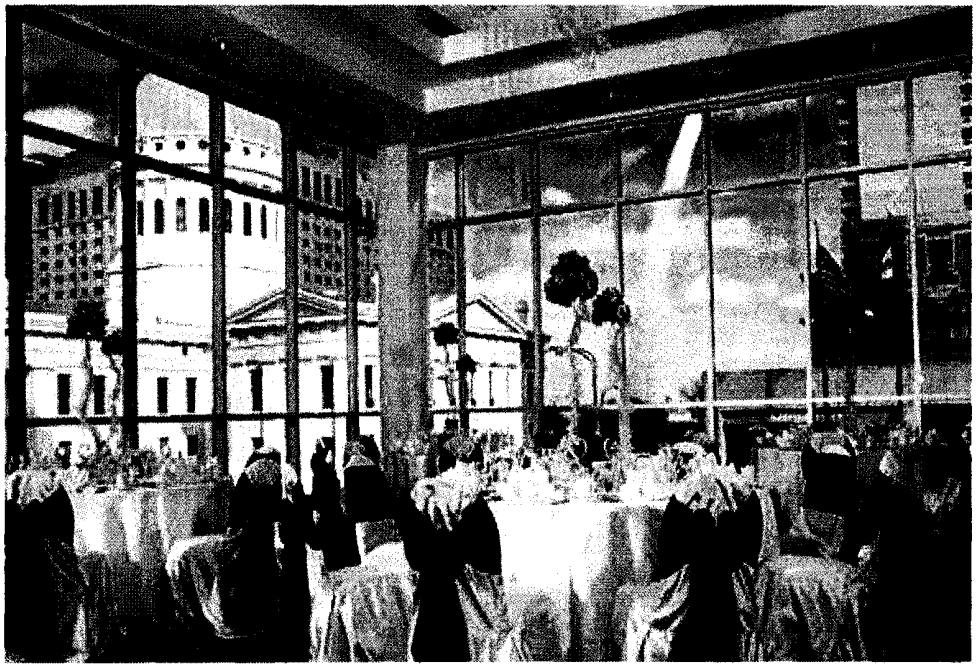
St. Louis, Missouri

Size Eight Story Hotel

The Moonrise Hotel near St Louis, Missouri and located in The Loop, one of America's 10 Best Streets, offers luxury boutique lodging accommodations just steps from The Pageant concert nightclub and the heart of The Loop's vast shopping and entertainment district. The hotel's sophisticated, contemporary design blends first class luxury boutique, amenities with some unexpected, quirky touches and signature features. From the iridescent lobby wall that constantly changes color, to the dramatically angled lobby staircase. The eight story hotel includes 125 guest rooms, 10 unique suites and 2,000 square feet of meeting space.

BALLPARK HILTON PHASE 2

St. Louis, Missouri



Paric renovated the 16,000 sq.ft., two story conference room addition to existing hotel. Features to this space include views of the St. Louis Arch and high end amenities. This project was completed ahead of schedule and under budget while maintaining day to day operations of the hotel.

634 N. GRAND AVENUE, ST. LOUIS, MISSOURI

HISTORIC LANDMARK REDEVELOPMENT

DEVELOPMENT TEAM

PARKWAY HOTEL

St. Louis, Missouri

Size 132,717 sq. ft.

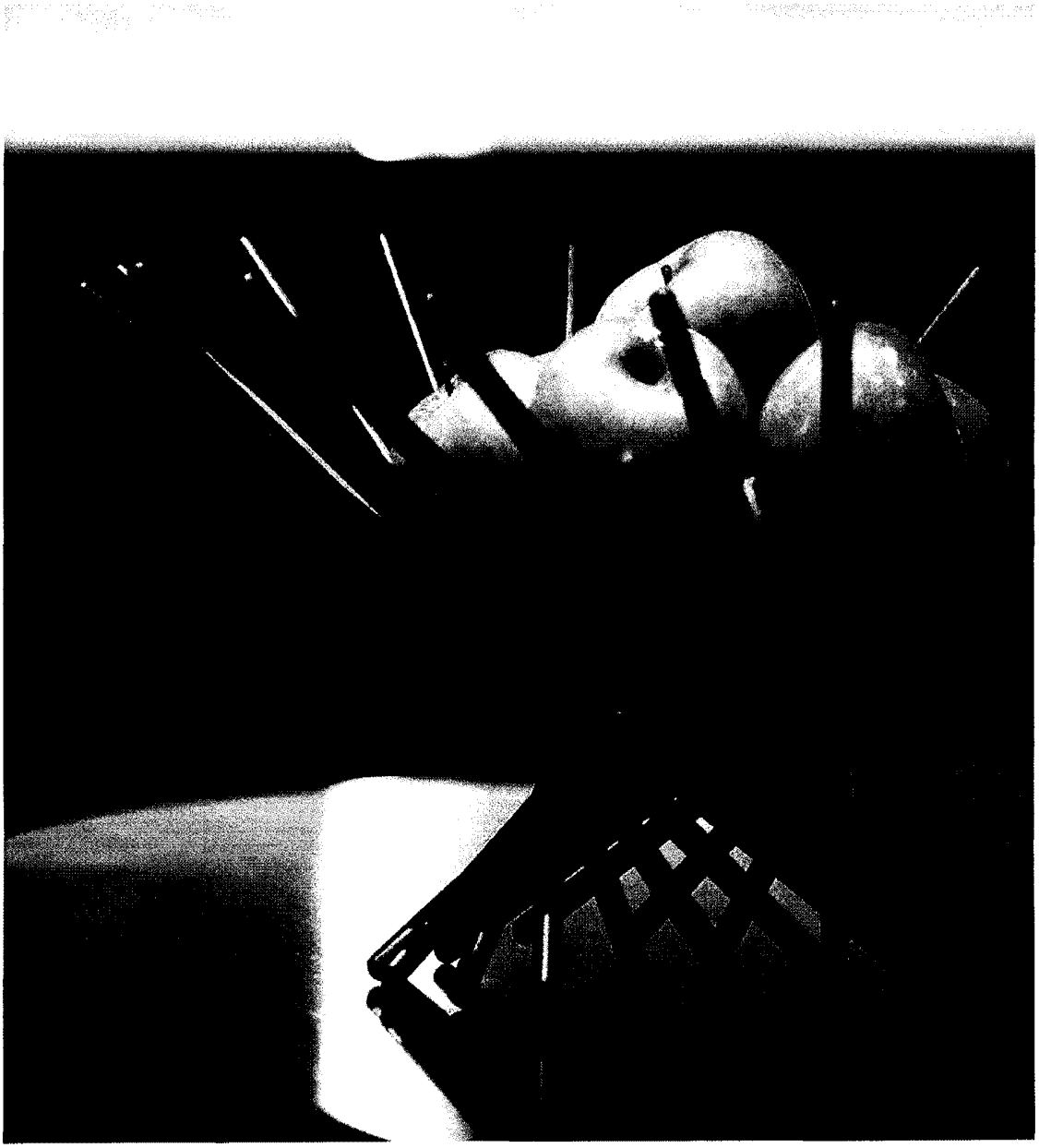
This eight-story, 222 room, 132,717-sq.ft. hotel is located adjacent to the Barnes Jewish Hospital campus. The hotel is intended to facilitate comfortable living quarters for family members during patients long-term hospitalization.

Exhibit G

Hyatt Brand Book

Welcome to Hyatt Place.™

A new kind of Hyatt® where the style's relaxed, and the standards are anything but.



HYATT
PLACE™

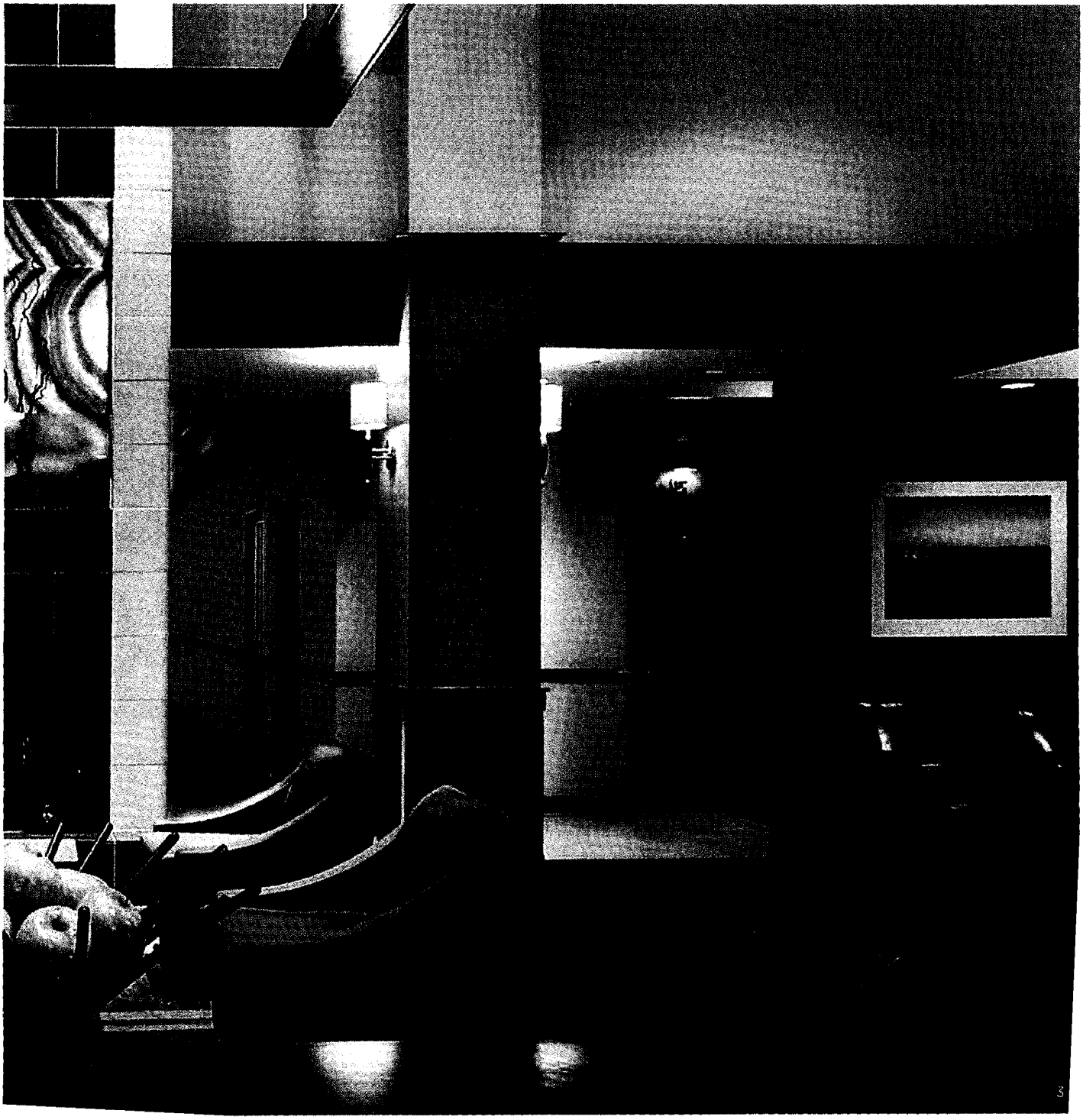
The vision for Hyatt Place:

To be the first hotel choice in our market segment.

To experience the Hyatt Place brand, our guests go on quite a journey. They may visit our web site, call our reservation center or talk to fellow travelers before they walk through our door. As Hosts, we're also on a journey. A journey to realize the vision for Hyatt Place.

There are endless opportunities to make positive, lasting connections with our guests and prospective guests before, during and after their stay. We're all responsible for creating an experience that has an impact on a guest's loyalty or intent to return.

HYATT PLACE™



We will achieve our Vision through our shared Core Values:

Commitment to Excellence

From the amazing design of our hotels to our exceptional F&B to our world-class amenities to our impeccable service, we are determined to provide the excellent experience that guests expect at a Hyatt hotel.

Pride

We share a passion for hospitality and take pride in delivering The Hyatt Touch.®

Respectful Interaction

We treat everyone (our guests, our associates, our vendors) with respect.

Fiscal Responsibility

We recognize that profitability is essential to our future success.

Ethical Behavior

We are committed to the highest standards of honesty, integrity and professional ethics.

From check-in to check-out, every interaction Hosts have with a guest is an opportunity to present Hyatt Place in its most positive light, build loyalty and turn guests into advocates for Hyatt Place. It's the key to our success.

First Place Hosting is the basis of our culture. It's Purposeful Service that delights our guests and makes them feel special—and it makes us feel good, too.

To become a First Place Host:

- Delight the guest with your Hosting skills
- Engage the guest with your conversation skills
- Present your best self
- Make a connection with your guest by Sharing a Moment
- Use the power of Service Recovery to recapture guest delight after a service break-down has occurred
- Keep your spirit alive when Hosting challenging guests

Purposeful Service Standards:

- Welcome
- Offer
- Share a Moment

That's the approach that makes our Hosts "thoughtful enablers."

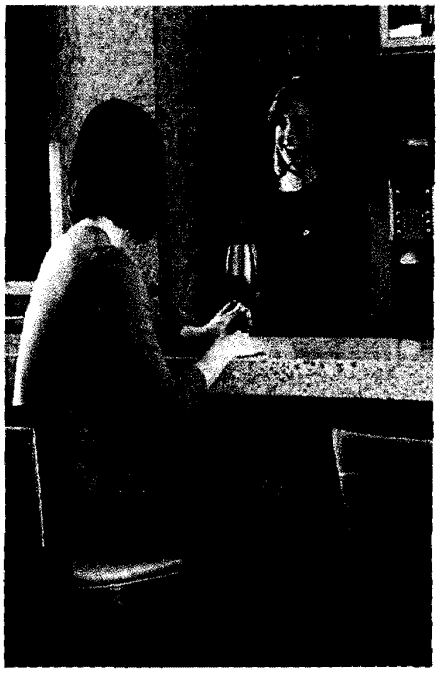
A "thoughtful" Host is one who cares about the well-being and happiness of each guest. A "thoughtful" Host also has the knack for anticipating guests' needs and wishes.

As "enablers" we're giving our guests a unique blend of service and amenities. We enable them:

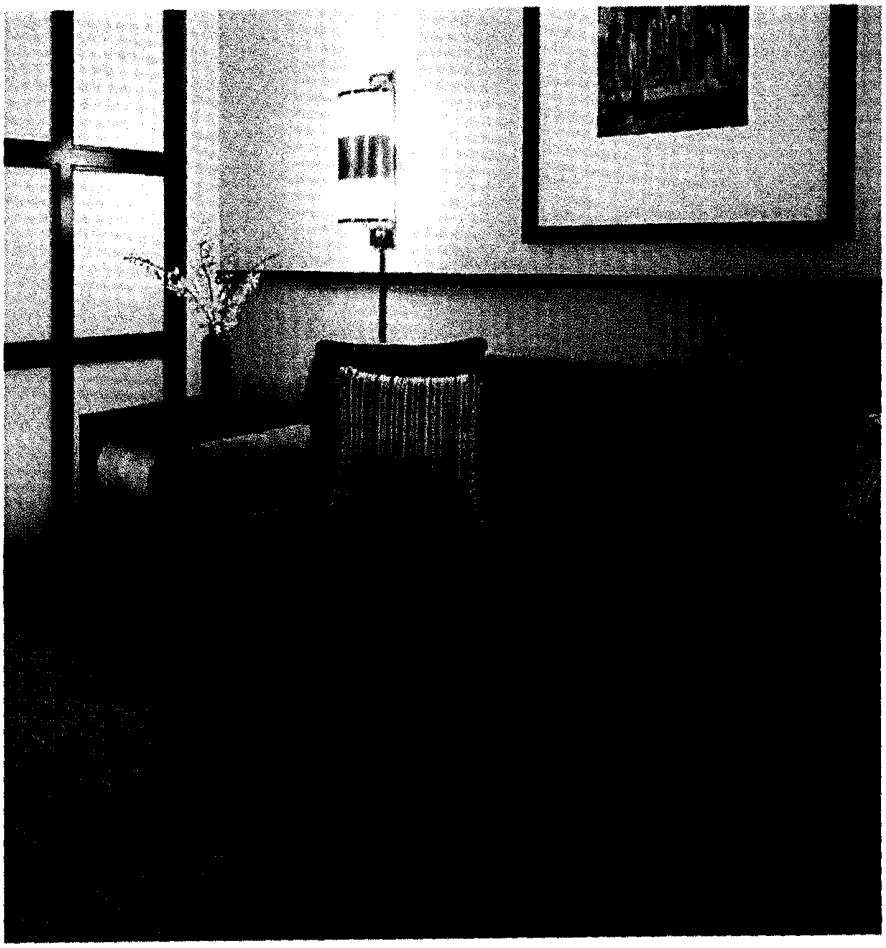
- To check in and out faster through our kiosks
- To stay connected with complimentary Wi-Fi throughout the hotel
- To grab something good to eat anytime from our Grab 'n Go case
- To have fresh food made to order using the touch screen in our Guest Kitchen

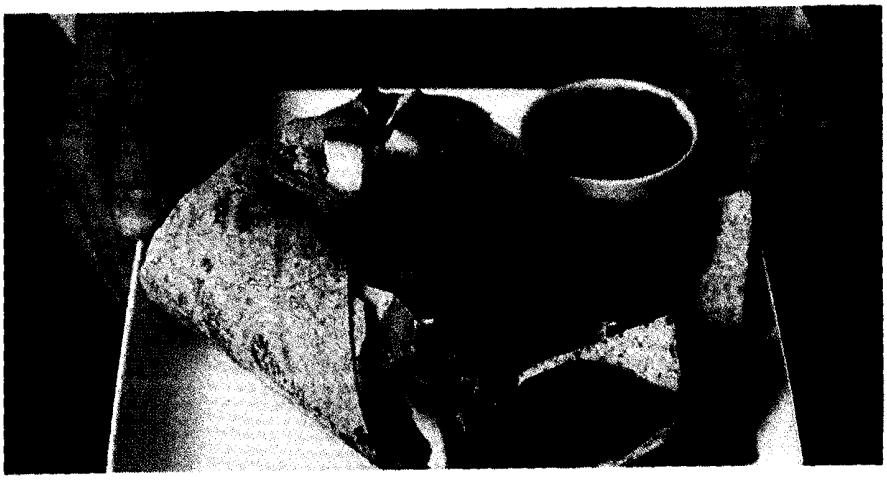
It's all built into the Hyatt Place experience.

HYATT
PLACE™



The Hyatt Place Experience. Hyatt Hotels have long been known for going beyond simple accommodations to create rewarding experiences for their guests. Through dramatic design, innovative cuisine and attentive service, Hyatt approaches the hotel stay as an opportunity to inspire.

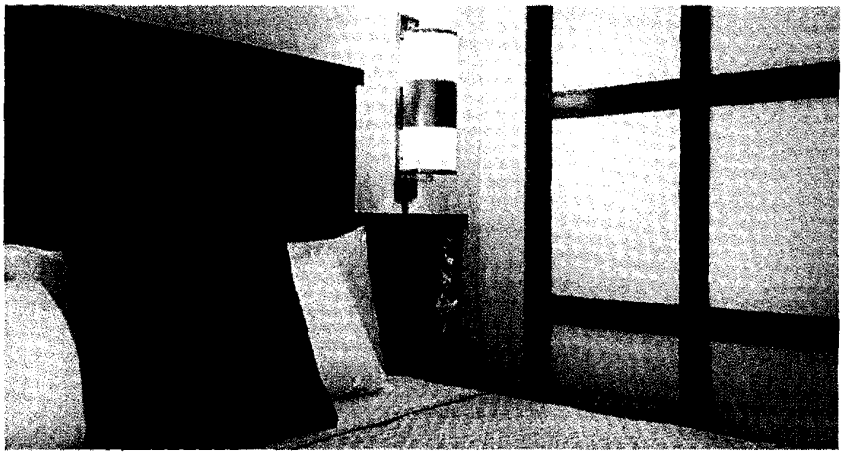


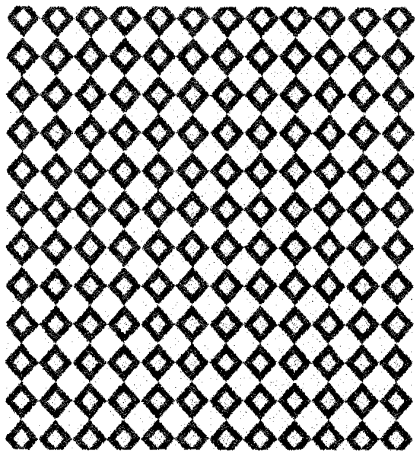


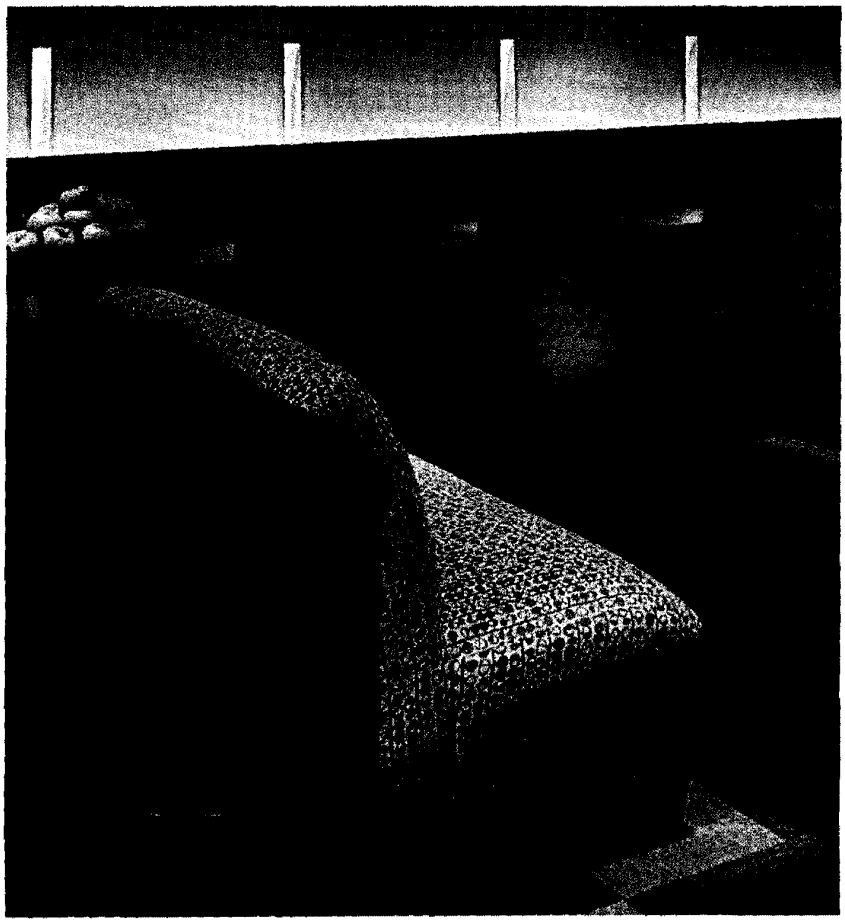
Our philosophy, known simply as The Hyatt Touch, is coming to a new kind of Hyatt hotel. With the introduction of Hyatt Place, we have created a unique and innovative environment where guests will have an entirely new kind of rewarding hotel experience.

Hyatt Place was inspired not by travelers, but by people who travel, and the full, modern lives they lead when they are not traveling. For too long, travel has been an interruption in their lives. Not anymore. Hyatt Place was created to allow the seamless continuation of an active life. By reflecting the comfort, options, technology and taste that discerning people have surrounded themselves with at home, Hyatt Place lets anyone travel without skipping a beat. To help you get to know Hyatt Place better, we'd like to take you through a tour of this unique hotel concept. A tour through the eyes of our guests.

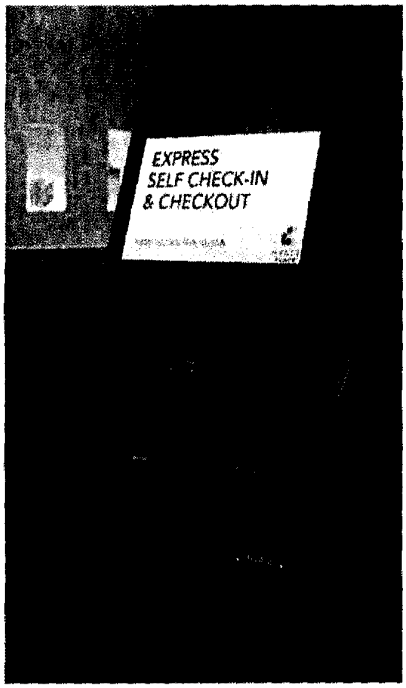
HYATT
PLACE™



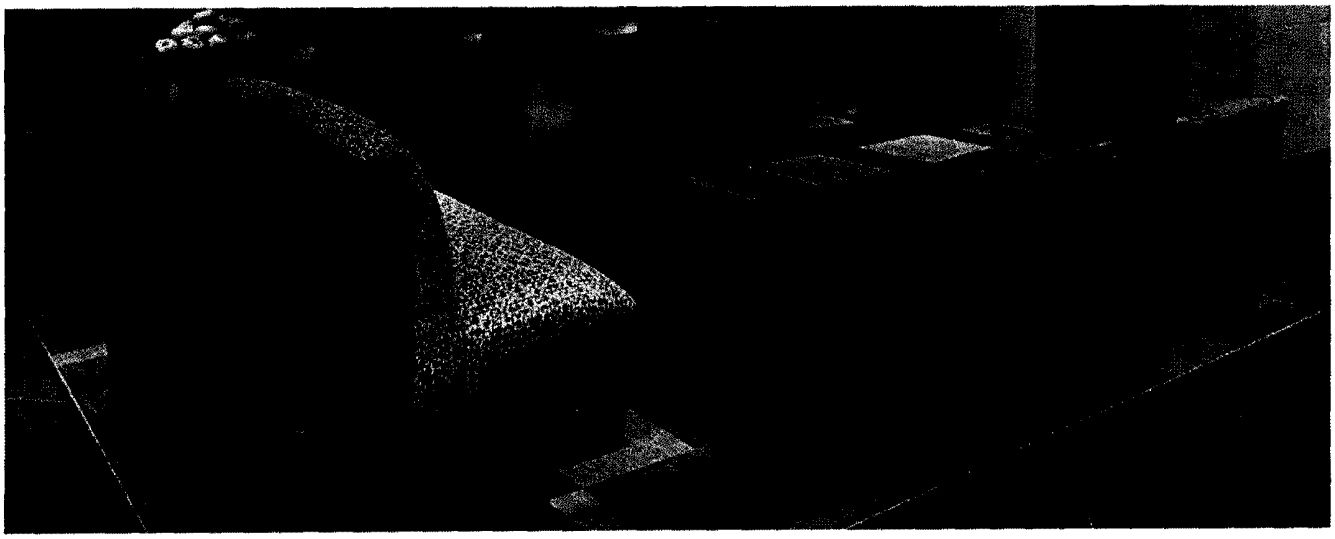


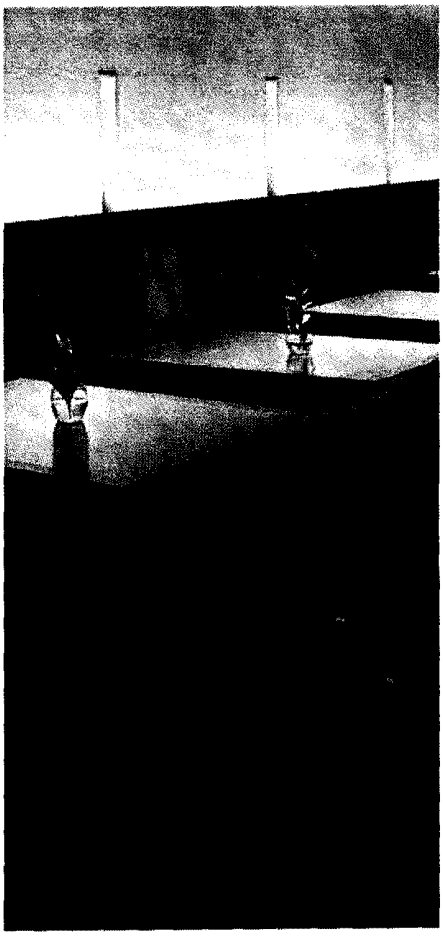


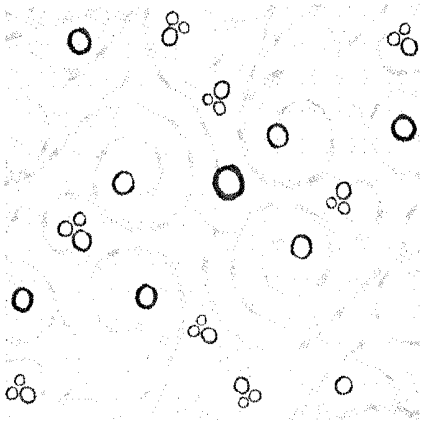
Upon arriving at a Hyatt Place, guests are immediately greeted by fresh, inviting and stylish spaces.

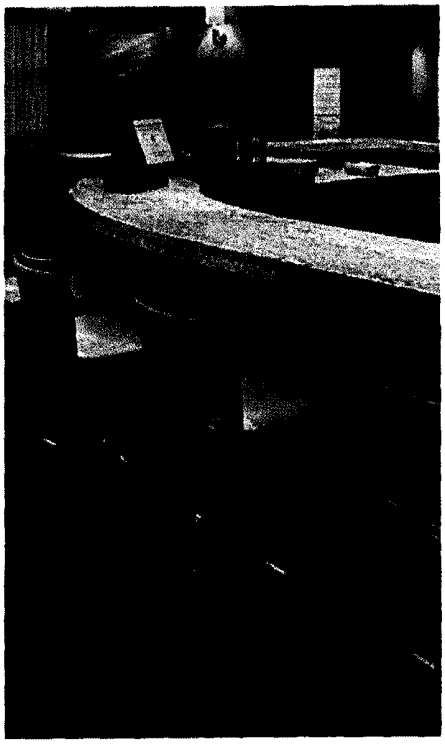


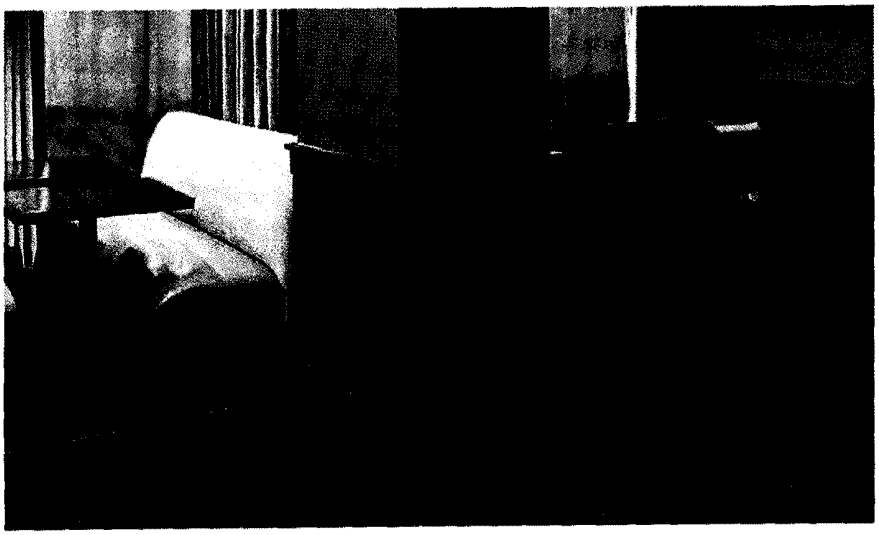
Guests can quickly check in using the kiosk near the main entrance. The standard lobby has been replaced by a free-flowing Gallery, featuring contemporary design and a comfortable coffeehouse vibe. Just like at home, our guests can choose from a variety of spaces where they can relax, watch a flat-screen TV, work or socialize. They can pick a couch in an open area, an overstuffed chair in a nook, or just grab a stool at the granite-topped specialty coffee and wine bar. All to the sounds of music specially created for Hyatt Place, with a feel as eclectic and current as their world. And, of course, they can stay in touch via complimentary Wi-Fi from anywhere in the hotel. It's a perfect atmosphere for guests who don't want to spend their entire trip in the room. But if they do, that's not necessarily a bad thing.





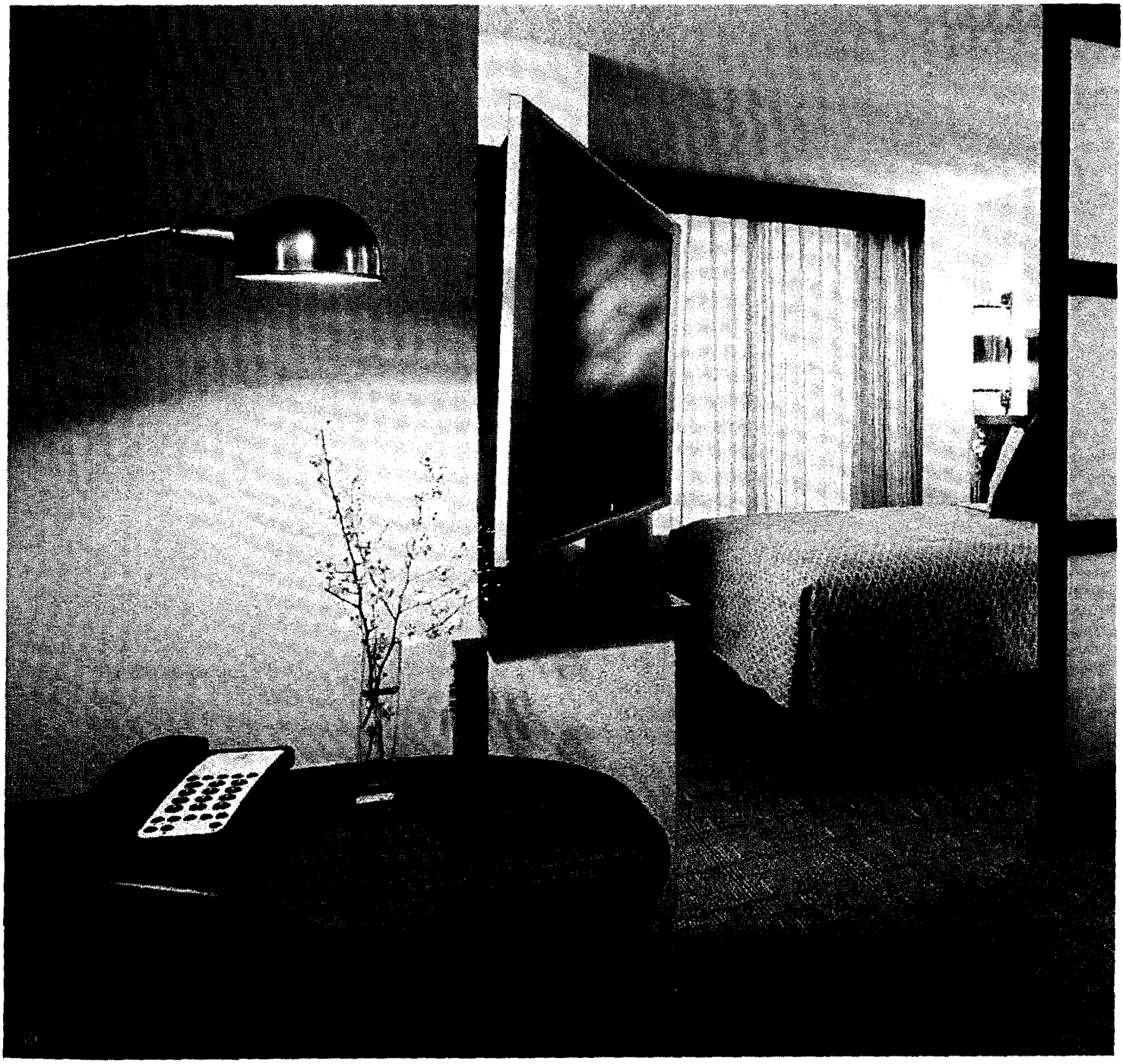






THE GUESTROOM

Our technology and entertainment center includes a 42-inch flat-panel high-definition TV that can be integrated with the guest's laptop or mp3 player. Or they can just kick back and enjoy high-definition channels and the latest movies on demand.



The spacious guestrooms feature our signature Hyatt Grand Bed,™ a plush Cozy Corner oversized sectional sofa sleeper and complimentary Wi-Fi.

HYATT PLACE™

Our guestrooms are built for work. They offer plenty of space at a moveable desk, task lighting, ergonomic seating and, of course, complimentary Wi-Fi. And when it's time to recharge with a workout, the fitness center at Hyatt Place features state-of-the-art Life Fitness® equipment with built-in television screens in every piece of cardio equipment.

Life Fitness is a registered trademark of Brunswick Corporation.

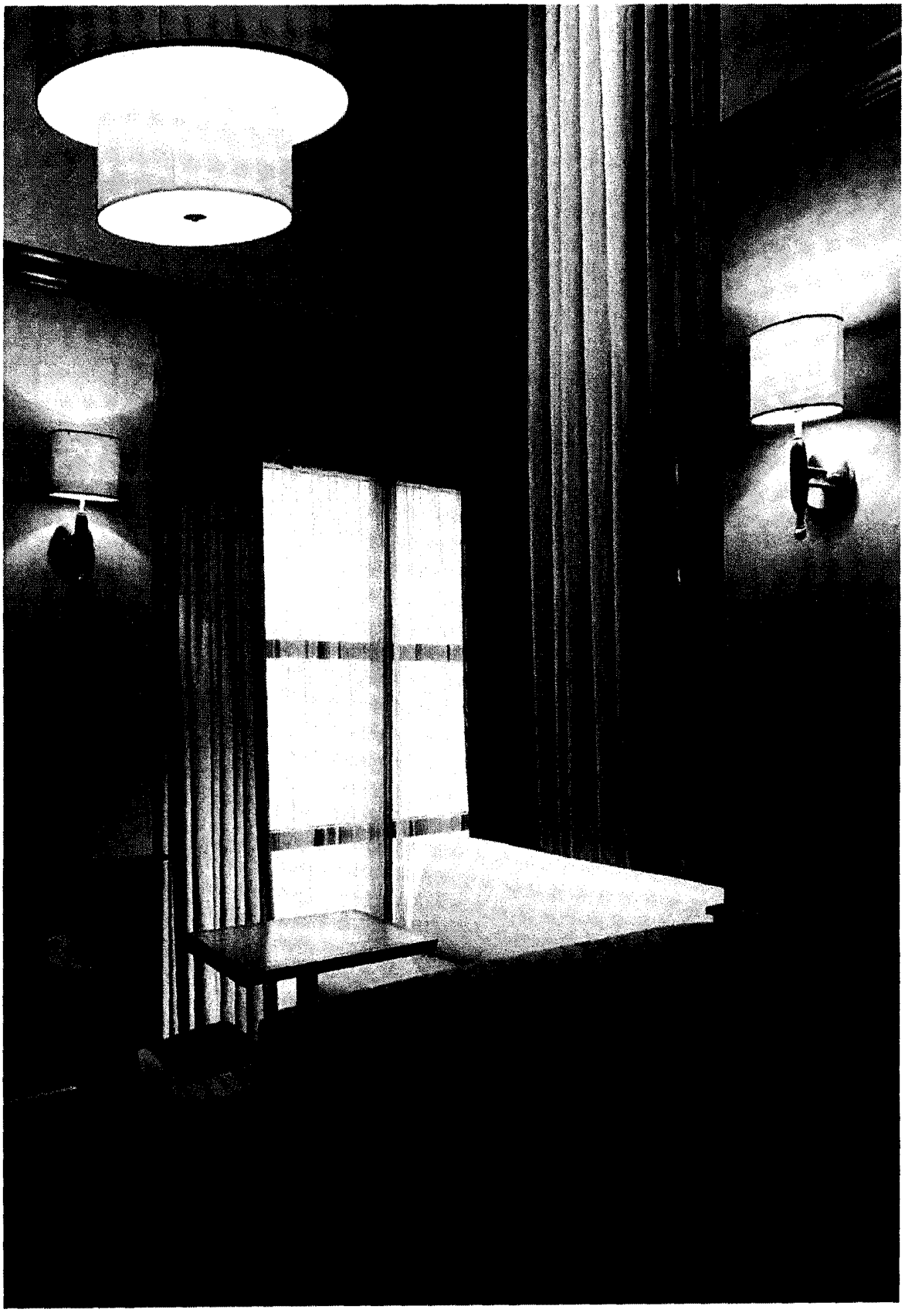
GUEST KITCHEN

Café-quality made-to-order entrees and snacks such as a frittata, sandwich or salad are available so you can grab a fresh bite around the clock.

Our 24-hour Guest Kitchen offers guests a complimentary continental breakfast featuring fresh fruit, cereals, toast and bagels, juices, and Starbucks® coffee. Just another way Hyatt Place makes guests feel more comfortable, at any hour.

HYATT PLACE™

The time has come for Hyatt Place.



Hyatt Place was created to reflect the busy lives people lead today:

We took a look at the way people are living their lives today and found that while lifestyles were changing, their hotel experience had become stagnant. Through innovation in design, services and experiences, Hyatt Place guests will find that they can seamlessly continue to lead their everyday lives in an environment that lets them be more productive, relaxed and fulfilled.

Hyatt Place is a new kind of Hyatt hotel that lets you stay the way you live.

At Hyatt Place, just like in their everyday lives:

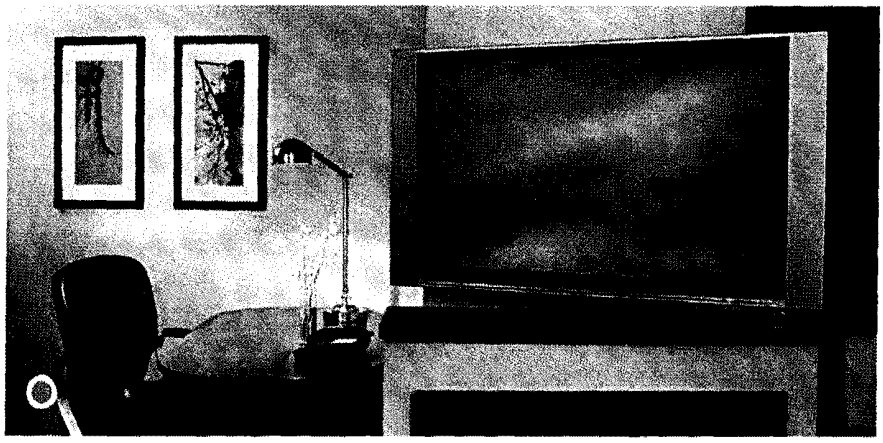
- Guests have the ability to multi-task — they can watch a flat-screen television in their guestroom or in the Gallery while simultaneously working online with the complimentary high-speed Wi-Fi Internet access that is provided throughout the hotel.

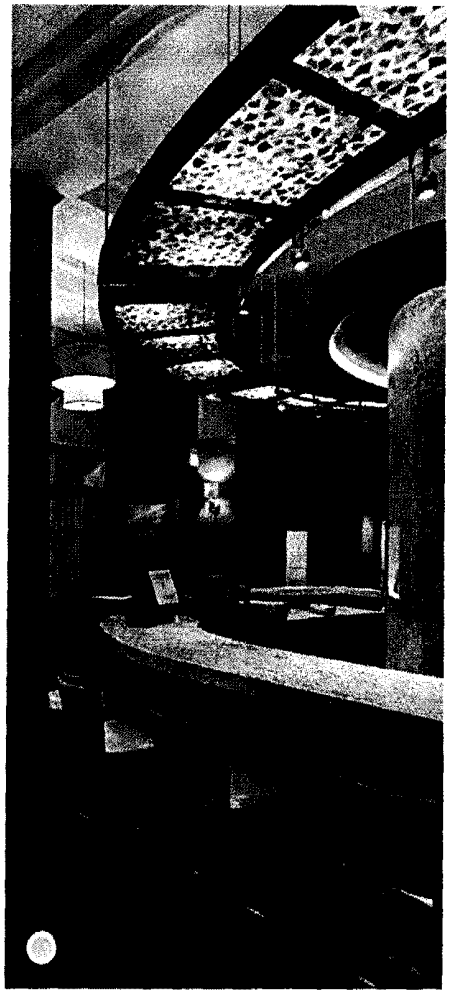
- Guests can get a bite to eat anytime. They can order a meal or snack through our unique F&B Touch Screen Menu and we'll prepare something especially for them; or they can get freshly prepared food from our Grab 'n Go case or enjoy gourmet muffins or cookies from the Bakery Café. Guests at Hyatt Place will also enjoy a free continental breakfast each morning.

- Guests have a number of options for comfortable seating. They can choose from the oversized Cozy Corner sofa sleeper found in their guestrooms or a variety of options in the Gallery: a conversation area, a TV den, the Guest Kitchen or our Bakery Café.

- Guests will find that technology is integrated throughout our products and services. The check-in/check-out kiosk, the F&B Touch Screen Menu, the flat-panel high-definition TV that connects with laptops, mp3 players and DVD players. So the info and entertainment our guests love goes with them.

Why travelers will prefer to stay at HYATT PLACE





- Our **guestrooms** are larger than most other hotel rooms. A 42-inch flat-panel high-definition TV offers a complete entertainment experience viewable from the Hyatt Grand Bed™ or Cozy Corner sofa sleeper—guests can watch high-definition channels, view an on-demand movie or even integrate the TV with their laptop, mp3 or DVD player.

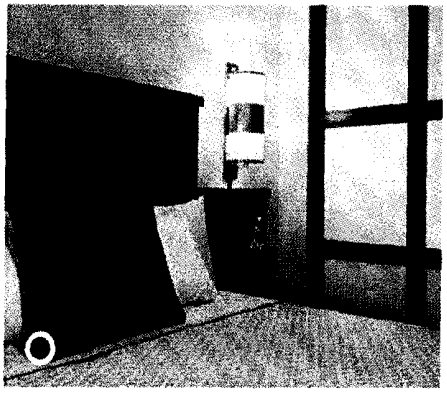
- The **Bakery Café** is a great place to grab your favorite premium coffee in the morning or unwind with a glass of beer or wine after a long day.

- Guests always have access to a public computer and printer in the **e-room** located in the Gallery.

- Guests appreciate the ability to stay connected with a **complimentary high-speed Wi-Fi** Internet connection that is offered throughout the hotel.

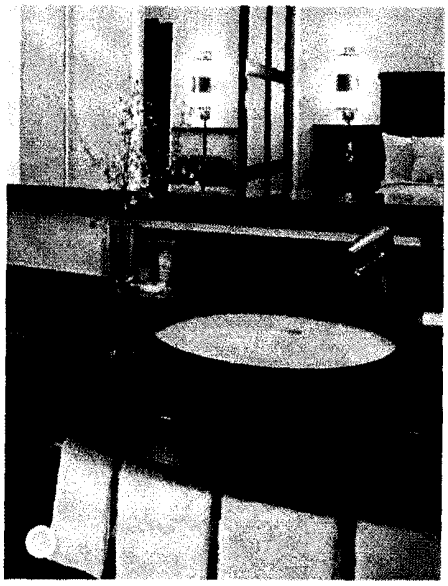
- Guests have a number of options for comfortable seating in the **Gallery**: several conversation areas, tables for work or to have a bite to eat, a TV den, the Guest Kitchen and the Bakery Café.

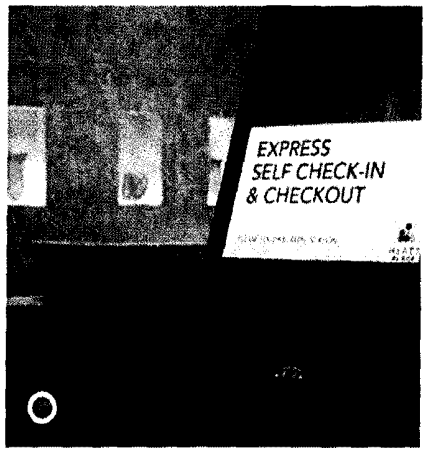
- **Gallery Hosts** can do it all. From taking a guest on a tour of the Gallery to making a delicious cup of coffee to creating an extra guest keycard, their job is to assist and delight our guests.



HYATT GOLD PASSPORT®

Hyatt Gold Passport® members are our most valued, loyal guests—they have traveled extensively and are quite familiar with The Hyatt Touch. We'll want to make sure that they are recognized and rewarded for their loyalty when they stay at Hyatt Place.





- We created our **Guest Kitchen** to accommodate the on-the-go lifestyle of our guests. The Guest Kitchen at Hyatt Place is always open, with a complimentary continental breakfast featuring fresh fruit, cereals, toast and bagels, juices, and Starbucks® coffee.

- A selection of prepared muffins, sandwiches and salads, along with bottled beverages, is always available from our **Grab 'n Go case**.

- Hyatt Place surrounds guests with **clean, modern design** elements of noticeable quality—granite bar tops and vanities, and rich maplewood and mosaic tile accents.

- Anytime day or night, guests can swipe their guest or credit card, tap a Touch Screen Menu and order up **freshly prepared entrees**.

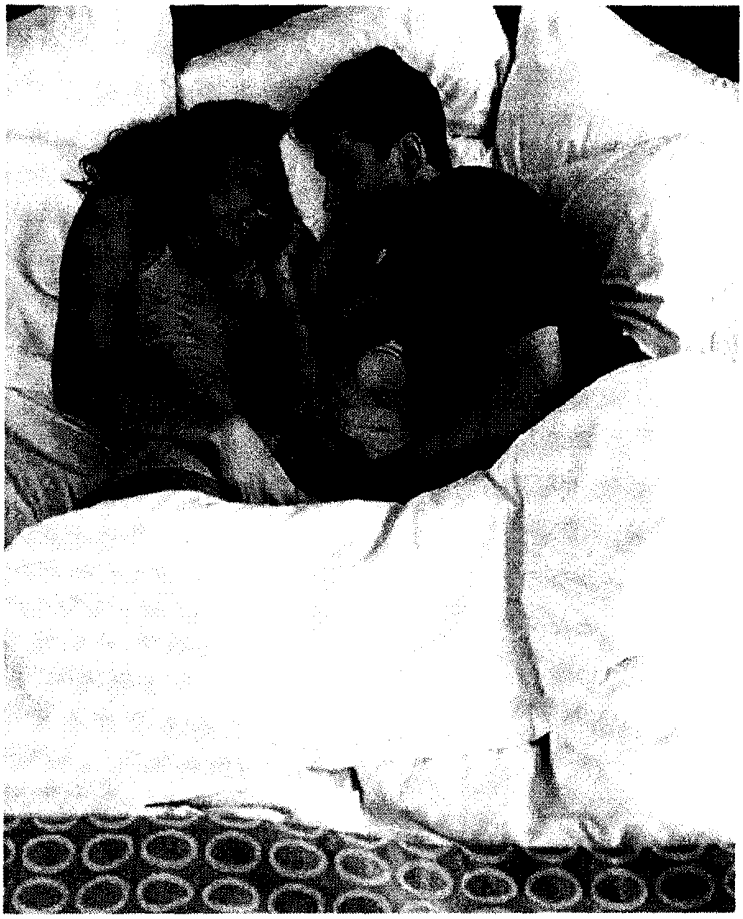
- Today's guest is comfortable with technology—many prefer to use our **self check-in and check-out kiosk**.

- The oversized **Cozy Corner** sofa sleeper offers comfortable seating or additional sleeping space.

- Fall into the comfort of the **Hyatt Grand Bed** featuring a Sealy Posturepedic® mattress; Pacific Coast Feather Co. double-down surround pillows; down blankets; and 250-thread-count triple sheeting.

Starbucks is a registered trademark of Starbucks Coffee Company.

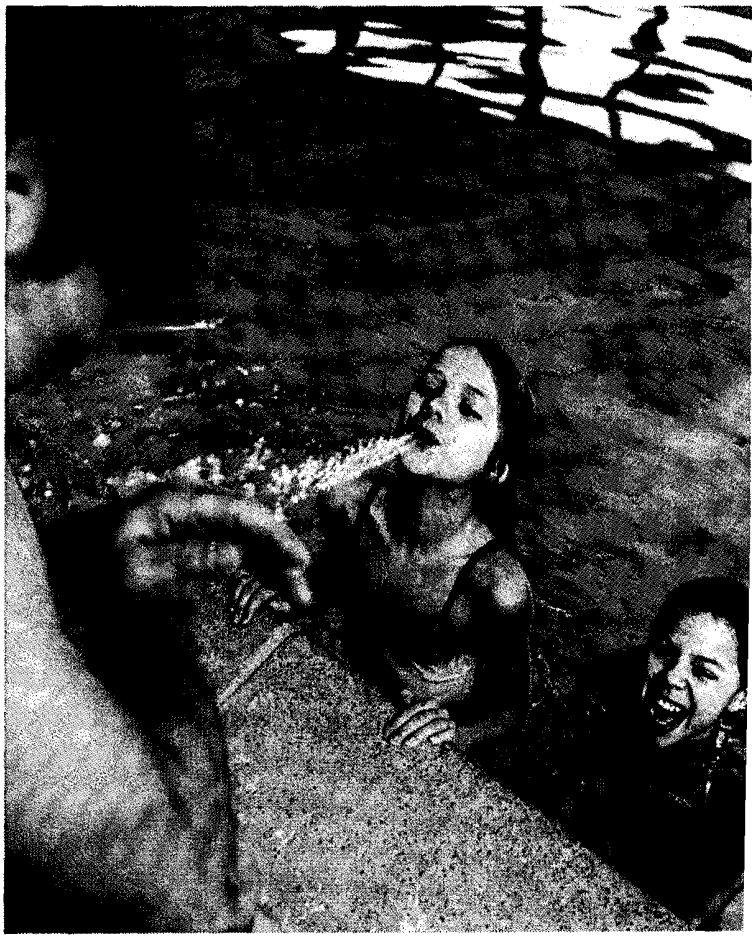
We've found that people no longer separate their lives into business or leisure activities; they lead busy, blended lives, calling their families from the office and checking work e-mail from home.



And they're experts at multi-tasking. They might catch a game or watch a movie while putting the finishing touches on tomorrow's presentation. They might prefer to get their news online while sipping their morning coffee. Once we understood the extent to which our guests' work and leisure were intertwined (and how little their lifestyles changed when traveling), we saw the opportunity **to create a hotel brand that understands their lives today.**

Hyatt Place is the realization of that vision, **offering guests a hotel designed to allow them to be more productive, relaxed and fulfilled.**

Hyatt Place guests will be a diverse group that **stay with us for a variety of reasons,** but they will come back because of the Hyatt Place experience. Because, once again, they've felt The Hyatt Touch.



NOTES

Hyatt Place is designed to give guests a brand-new hotel experience. And you are the key to bringing it to life.

HYATT
PLACE™

Hyatt, Hyatt Gold Passport and Hyatt Place name, design and related marks are trademarks of Hyatt Corporation. ©2007 Hyatt Corporation. All rights reserved.

Exhibit H

Draft Memorandum of Understanding between GMIC and Missouri Theatre Lenders, LLC

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "Agreement") is made this ___ day of May 2012 by and between the **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.** a Missouri corporation (the "Regional Center") and **MISSOURI THEATRE, LLC**, a Delaware limited liability company (the "Developer") and **MISSOURI THEATRE LENDERS, LLC**, a Missouri limited liability company (the "Sponsor").

A. The Regional Center has received or is in the process of receiving regional approval certification (the "Regional Approval") by United States Citizenship and Immigration Services ("USCIS") to sponsor capital investment projects, as defined by USCIS, in a defined territory (the "Territory") that allow investment by foreign entrepreneurs as a means of obtaining an EB-5 visa to reside in the US. (the "EB-5 Program");

B. The Developer is the developer of a project in the St. Louis, Missouri area (the "Project"), as more fully described in the Private Placement Memorandum (the "PPM") to raise capital for the Regional Center and the Project;

C. The Developer has been advised by its economist that the Project should qualify for the lower investment amount based upon the Targeted Employment Area ("TEA") qualification of the Project;

D. The Regional Center desires to work with the Developer for the purpose of bringing to the Regional Center the Project that qualifies for EB-5 financing and in that regard, the Regional Center and the Developer have assisted the Regional Center to create a separate limited liability company (the "Sponsor") for the purpose of serving as the lender to the Project.

NOW THEREFORE, the parties agree as follows:

1. Access to the EB-5 Program. The Developer hereby provides the Regional Center with the opportunity to administer the Project and qualifies the Project for funding thereof, under the EB-5 Program. The Regional Center reserves the right to approve (i) the business plan of the Project sponsored by the Developer and determined by the Regional Center to qualify for EB-5 funding, (ii) the offering documents proposed to be used to solicit investment from foreign investors under the EB-5 program for the Project, (iii) the loan documents between the new commercial enterprise formed to conduct an offering to foreign investors under the EB-5 program and the Developer of the Project seeking EB-5 funding, and (iv) any and all filings with USCIS with respect to the Project. The foregoing approvals shall not be unreasonably withheld. Oversight of the Project by the Regional Center shall continue until the conditions on the visas received by all foreign investors in the Sponsor to the Project shall have been removed.

2. Duties of the Developer and the Regional Center. With the assistance of the Developer, the Sponsor and the Regional Center will prepare a PPM and all associated legal and promotional documents pursuant to which Sponsor will solicit foreign investors to invest in the Project (the "Offering") and loan the proceeds of the Offering to the Developer of the Project on

terms as set forth below under Section 5 (the "Loan"). The parties acknowledge that the Project can accommodate up to $8,000,000 in EB-5 investment based on an economic impact report prepared by an independent economist, and that the Developer has completed the principal planning activities necessary for the Sponsor to prepare the PPM, file the Exemplar with USCIS, and undertake the Offering for the Project. In addition, the Regional Center shall have the duties set forth on Schedule B, attached hereto.

3. Legal Fees and Costs. The Developer shall reimburse reasonable legal fees arising from this Agreement, the Offering to solicit investors for the Project and the Loan provided the EB-5 investment is completed and funded to the Project.

4. Administrative Fees. In connection with the Project, the Developer shall pay or cause to be paid to the Regional Center the compensation set forth in Schedule A attached hereto:

5. Terms of EB-5 Loan. The Developer has proposed the following terms for the loan between the Sponsor and the Project, subject to final negotiation of terms with the placement agents and brokers:

a. Not less than $1,000,000 and not more than $8,000,000;

b. If a maximum offering is not raised, then the EB-5 Loan shall be subordinate to senior indebtedness;

c. Market interest rate to be negotiated with EB-5 brokers, not to exceed 1.5% per annum; and

d. Term of five (5) years subject to two (2) one (1) year extensions by the Developer in order to conform to provisions provided for in the PPM.

6. Plan of Distribution. Sponsor plans to distribute the securities in a Regulation S Offering under the Securities Act of 1933 (the "Act") to foreign investors as well as Regulation D of the Act for sales made to U.S. Persons (as defined in Regulation S).

7 Binding Agreement. The parties intend to be bound to the provisions of this letter agreement until the execution and delivery of other definitive agreements. Such agreements shall contain customary terms and conditions, including the following:

a. Finalization of the PPM;

b. Finalization of agreements with sales agents and migration brokers;

c. The Sponsor's completion of the due diligence review to conform to the Summary Business Plan and PPM securities offering requirements;

d. representations and warranties of the parties being true in all material respects at the closing date of the PPM; and

e. Such other agreements contemplated by this Agreement.

8. Designation – Representations and Warranties by Regional Center regarding Regional License. The Regional Center represents and warrants as follows:

a. The Regional Center's designation as an approved regional center is in good standing, has not been terminated by USCIS and is currently subject to an outstanding notification of violation or possible termination of designation by USCIS.

b. The Regional Center is in full compliance with all reporting requirements to USCIS.

c. There has been no material change in any of the representations made to USCIS in the regional center designation application or any exemplar I-526 petitions filed with USCIS.

d. The Regional Center has in place the administrative staff necessary to track all investors' capital investments and to track allocation of jobs created through the investments to each individual investor.

e. The Regional Center is in full compliance with all laws of the United States and any foreign jurisdiction, including all corporate and securities laws.

9. Representations and Warranties by the Regional Center. The Regional Center represents and warrants it is (a) duly organized and existing under the laws of the State of Missouri, (b) it has full right, power and authority to execute and perform this Agreement, (c) the execution and performance of this Agreement do not and will not violate any law, rule, regulation, order, writ, injunction or decree of any court or government, domestic or foreign, or any commission, bureau or administrative agency, or any agreement or instrument by which the Regional Center is bound and (d) upon its execution, this Agreement will constitute the binding obligation of the Regional Center enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally or by limitations on the availability of equitable remedies.

10 Representations and Warranties by the Developer. The Developer represents and warrants to the Regional Center that (a) it is duly organized and existing under the laws of the State of Missouri, (b) it has full right, power and authority to execute and perform this Agreement, (c) the execution and performance of this Agreement do not and will not violate any law, rule, regulation, order, writ, injunction or decree of any court or government, domestic or foreign, or any commission, bureau or administrative agency, or any agreement or instrument by which the Developer is bound and (d) upon its execution, this Agreement will constitute the binding obligation of the Developer enforceable against it in accordance with its terms, except as

the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally or by limitations on the availability of equitable remedies.

11 Indemnification. The parties shall mutually indemnify and hold each other, including their officers, directors, shareholders and employees, harmless against any and all claims arising directly or indirectly from, as a result of a breach by one party of any obligation under this Agreement, including costs and attorney's fees of defending any claim that may be brought against one party as a result of a breach by the other party.

12 General Provisions.

A. Entire Agreement. This Agreement sets forth the entire understanding and agreement between and among the parties hereto with reference to the subject matter hereof, and may not be modified or terminated orally, nor shall any oral waiver be binding.

B. Benefits. This Agreement shall be binding upon and inure to the benefit of all of the parties hereto and their respective heirs, legal representatives, successors and assigns hereunder.

C. Severability. In the event that any one or more provisions of this Agreement shall be deemed to be illegal or unenforceable, such illegality or unenforceability shall not affect any of the remaining legal and enforceable provisions hereof which shall be construed as if such illegal or unenforceable provisions had not been inserted.

D. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed, certified or registered mail, return receipt requested, with postage prepaid, to the address of each of the parties set forth above or to such other person and place as any party shall furnish to the other party in writing.

E. Litigation. In the event that any of the parties to this Agreement institutes suit against any other party or parties to this Agreement to enforce any of their rights hereunder or under any document executed or delivered in connection herewith, the prevailing party in such action shall be entitled to recover from the other party or parties all reasonable costs thereof, including, without limitation, reasonable attorneys' fees and costs (including appeals).

F. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile executions of this Agreement shall constitute a legal and binding signature.

G. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri, with venue for any action to be in the applicable state or federal court in St. Louis, Missouri.

H. Interpretation. This Agreement shall be deemed to have been prepared with the input of all parties hereto, and any ambiguity related hereto shall not be construed against any party to this Agreement.

I. Conflict Waiver. The parties hereby acknowledge and agree that (i) Arnstein & Lehr LLP ("Firm") has only represented the Regional Center in the preparation of this Agreement and may hereafter represent the Sponsor, the Regional Center and the Developer in other matters; (ii) the Firm has also represented certain parties hereto in the past and may do so in the future; (iii) each party has waived any conflict of interest that exists as a result of such representation; and (iv) each party to this Agreement has been advised by the Firm to consult with independent legal counsel before entering into this Agreement.

J. Further Assurances. From time to time, as and when reasonably requested by either party or their successors or assigns, the other party shall execute and deliver, or cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably necessary to carry out the purposes set forth herein.

K. Assignment. This Agreement shall inure to the benefit of and be binding on the successors and assigns of each of the parties. This Agreement may not be assigned by either party without the prior written consent of the other party.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

REGIONAL CENTER:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC,
a Missouri limited liability company

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:

MISSOURI THEATRE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

SPONSOR:

MISSOURI THEATRE LENDERS, LLC,
a Missouri limited liability company

By: _____
Name: _____
Title: _____
Date: _____

SCHEDULE A

Gateway to the Midwest Investment Center, Inc., Compensation Fee Schedule

The Regional Center shall provide supervisory services for the benefit of the Project in consideration for receiving the following:

1. Annual supervisory/management fee to administer Regional Center which payment shall be paid quarterly and be mutually agreed upon.

SCHEDULE B

DUTIES OF REGIONAL CENTER

A. In order to maintain compliance with USCIS regulations, the Regional Center's administration, oversight, and management of the Regional Center will be devised so as to identify projects that offer the best opportunities for meeting established EB-5 program criteria for promoting new economic growth through improved productivity, job creation, and increased capital investment. Regional Center management will actively and closely monitor all investment activities under the sponsorship of the program, and will maintain records, data and information on a quarterly basis in order to report to USCIS annually through the form I-924A process and/or upon request for each Federal fiscal year, commencing with the current year according to the process as described below.

B. After designation, the Regional Center will manage and oversee all operations and project activity to ensure compliance with all USCIS requirements through the design and execution of a database and reporting system designed to provide the following information on an annual basis to the USCIS:

i) Current Principal Point of Contact: Maintain a current listing of the principal official and point of contact for the management and administration of the Regional Center;

ii) Approved Job Count Methodologies: Maintain a current list of approved methodologies used to evaluate and track job creation that resulted from an approved business enterprise of each specific foreign investor's investment capital.

iii) Inventory of I-526 Petition Filers: Maintain an inventory of the name, date of birth, and alien registration number of each alien investor who makes an investment and files an EB-5 I-526 petition with USCIS, specifying whether the petition was approved, denied, or withdrawn by the petitioner.

iv) List of Nationality for EB-5 Investors: The country of nationality of each alien investor who makes an investment and files an EB-5 petition with USCIS.

v) Current List of EB-5 Investors by State of Residence: Maintain a current list by U.S. municipality and state of residence of each alien investor who makes an investment and files an EB-5 I-526 petition with USCIS.

vi) Current list EB-5 Investment by Approved Activity: Maintain a listing of the categories of approved business activity within the geographic boundaries of the Regional Center that have received the alien investors' capital, and in what amount.

vii) Current List of EB-5 Projects: The names and locations of each of the job creating commercial enterprises located within the geographical boundaries if the Regional Center has received alien investor capital.

viii) Sources of Capital by Type: Report the amounts of alien investor capital and the amounts of other domestic capital that have been invested together in each job creating commercial enterprise specified in item 6 above, distinguishing the separate totals for each.

ix) EB-5 Investor Count With Conditional Residency: Report the total aggregate number of approved EB-5 alien investor I-526 petitions per Federal Fiscal Year to date made through the Regional Center.

x) EB-5 Investor Count with Permanent Residency: Report the total aggregate number of approved EB-5 alien investor I-829 petitions per Federal Fiscal Year to date through the Regional Center.

xi) Total EB-5 Capital Invested: Report the total aggregate of EB-5 alien capital invested through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

xii) Total EB-5 Eligible Jobs Created: Provide the combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

B. Total EB-5 Eligible Jobs Preserved: If applicable, the total aggregate of "preserved" jobs by EB-5 alien investors into troubled businesses through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

C. Inactivity Report: If for any given Federal Fiscal Year the Regional Center does not have investors to report, then provide an explanation for the inactivity along with a specific plan which details timelines and steps to actively promote the Regional Center program, and recruit legitimate and viable alien investors.

D. Notification of "Material Changes": Notification to USIS within 30 days of the occurrence any material change in the structure, operation, administration, focus, or activities relating to the Regional Center's basis for its most recent designation and/or reaffirmation by the USCIS.

Exhibit I

Draft Operating Agreement for
Missouri Theatre Lenders, LLC

OPERATING AGREEMENT

OF

MISSOURI THEATRE LENDERS, LLC

EXHIBIT C

TABLE OF CONTENTS

PAGE

1. DEFINITIONS. 2

2. FORMATION. 7

3. NAME AND PLACE OF BUSINESS. 7

4. PURPOSE AND SCOPE OF COMPANY. 8

5. TITLE. 8

6. COMMENCEMENT, TERM. 9

7. CAPITAL CONTRIBUTIONS. 9

8. RIGHTS AND DUTIES OF THE MANAGER. 12

9. FEES, SALARIES AND EXPENSES. 16

10. PROFITS, LOSSES, DISTRIBUTIONS AND JOB CREATION ALLOCATION. 17

11. SALE, DISSOLUTION AND LIQUIDATION. 21

12. INVESTING MEMBERS. 22

13. RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS. 24

14. MISCELLANEOUS FINANCIAL AND ACCOUNTING MATTERS. 26

15. AMENDMENTS. 27

16. POWER OF ATTORNEY. 28

17. MEETINGS; MEANS OF VOTING. 28

18. WITHDRAWALS. 29

19. REPRESENTATIONS OF THE MEMBERS. 29

20. MISCELLANEOUS. 32

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, EITHER PURSUANT TO APPLICABLE EXEMPTIONS OR BECAUSE THE MEMBERSHIP INTERESTS ARE NOT SECURITIES. WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THIS AGREEMENT.

NO PARTIES EXCEPT THE COMPANY AND THE REGIONAL CENTER ARE RESPONSIBLE FOR THE CONTENTS OF THE OFFERING MEMORANDUM, AND EXCEPT FOR THE COMPANY, THE REGIONAL CENTER AND THEIR DESIGNATED SALES REPRESENTATIVES, NO PARTY WILL BE INVOLVED IN THE OFFERING OF UNITS UNDER THE OFFERING MEMORANDUM OR THE ACCEPTANCE OF SUBSCRIPTIONS FROM SUBSCRIBERS.

OPERATING AGREEMENT
OF
MISSOURI THEATRE LENDERS, LLC

THIS OPERATING AGREEMENT, dated as of May ____, 2012 (the "**Agreement**"), by and between **MISSOURI THEATRE LENDERS, LLC**, a Missouri limited liability company (the "**Company**"), **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC**, a Missouri corporation, as the manager of the Company (the "**Manager**"), and such persons as hereafter become members in accordance with the provisions of the Agreement and the Missouri Limited Liability Company Act, as amended, by executing or causing to be executed a signature page in the form attached hereto (the "**Investing Members**") and the Manager, as defined herein.

BACKGROUND INFORMATION

The Investing Members desire to form a limited liability company pursuant to the laws of the State of Missouri for the purpose described below. To that end the Manager has caused to be prepared, executed and filed with the Missouri Secretary of State a Articles of Organization and has agreed to issue to the Investing Members units of Membership Interest described herein.

Accordingly, in consideration of the mutual promises contained herein, the Investing Members agree as follows:

OPERATIVE PROVISIONS

1. DEFINITIONS.

As used herein, the quoted terms shall have the following meanings:

1.1 "Accountants" means such firm of independent certified public accountants as may be engaged from time to time by the Manager to provide professional services to the Company.

1.2 "Act" means the Securities Act of 1933, as amended.

1.3 "Adjusted Capital Account Balance" means, with respect to any Member, the balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments.

(a) Increase such balance by any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate (second to last) sentence of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(1)(5); and

(b) Decrease such balance by such Members share of the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The calculation of the Adjusted Capital Account Balance of an Investing Member shall exclude any Section 754 election.

1.4 "Adjusted Capital Contribution" means, with respect to any Member, the aggregate amount of such Member's Capital Contributions, as at any given point in time, reduced by the amount of cash (if any) distributed to such Member's pursuant to Section 10.6 and Section 10.7. In the event that any Member transfers all or any portion of his or her Interest in accordance with the terms of this Agreement, his or her transferee shall succeed to the Adjusted Capital Contribution of the transferor to the extent it relates to the transferred Interest.

1.5 "Affiliate" shall have the meaning set forth in Rule 405 promulgated under the Act, except as otherwise provided herein.

1.6 "Articles" or "Articles of Organization" means the valid Articles of Organization duly filed in its original or any amended form in accordance with (and in all respects sufficient in form and substance under) the laws of the State of Missouri.

1.7 "Bankruptcy" As used in this Agreement, the term "Bankruptcy," with respect to a specified Person shall refer to: (i) the appointment of a receiver, conservator, rehabilitator or similar officer for the specified Person, unless the appointment of such officer shall be challenged in an

application filed within thirty (30) days after the appointment and the appointment is vacated and such officer discharged within one hundred twenty (120) days of the appointment; (ii) the taking of possession of, or the assumption of control over, all or any substantial part of the property of the specified Person by any receiver, conservator, rehabilitator or similar officer or by the United States government or any agency thereof, unless such possession or control is challenged in an application filed within thirty (30) days after such possession or control is taken and property is relinquished within one hundred twenty (120) days of the taking; (iii) the filing of a petition in bankruptcy or the commencement of any proceeding under any present or future federal or state law relating to bankruptcy, insolvency, debt relief or reorganization of debtors by or against the specified Person, provided, if filed against (and not by) the specified Person, such petition or proceeding is not challenged within thirty (30) days after it is filed and if so challenged is not dismissed within one hundred twenty (120) days of the filing of the petition or the commencement of the proceeding; or (iv) the making of an assignment for the benefit of creditors or a private composition, arrangement or adjustment with the creditors of the specified Person.

1.8 "Business" means the business of the Company of making the Loan pursuant to USCIS guidelines.

1.9 "Capital Account" means, with respect to any Member, the sum of his or her paid-in Capital Contribution (a) increased by all profits allocated to such Member; and (b) decreased by (i) the amount of all cash distributions to such Member, and (ii) all losses allocated to such Member. Otherwise, each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder, including expressly, but not by way of limitation, the adjustments to Capital Accounts permitted by Section 704(b) of the Code and the Treasury Regulations thereunder in the case of an Investing Member who receives the benefit or detriment of any special basis adjustment under Sections 734, 743 and 754 of the Code.

1.10 "Capital Contributions" means the total cash contributed to the Company by the Members pursuant to the terms of the Operating Agreement. Any reference to the Capital Contribution of an Investing Member shall include the Capital Contribution made by a predecessor holder of the interest of such Member.

1.11 "Cash Distributions" means the Cash Flow distributions a set forth in Section 10.6 hereof.

1.12 "Cash Flow" means the total Capital Contribution of each Member for the relevant period, the total cash receipts of the Company, plus any other funds (including amounts designated as reserves by the Manager, where and to the extent it no longer regards such reserves as reasonably necessary to the efficient conduct of the Company's business) deemed available for distribution and designated as Cash Flow by the Manager less (a) any operating expenses of the Company excluding any expense not involving a cash expenditure, such as amounts charged for depreciation; (b) all payments of principal and interest on account of any Loans secured by Company property or any other Company obligations or loans, including loans made to the Company by any Members; (c) expenditures for capital expenditures or improvements (except to the extent financed through mortgages on Company property or any other Company borrowing or loans, or reserves previously set aside by the Company for such purposes); and (d) reserves for working capital and anticipated

expenditures in such amounts as may be determined from time to time by the Manager. Cash Flow shall be determined separately for each fiscal year of the Company.

1.13 "Code" means the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent laws.

1.14 "Company" means the limited liability company subject to this Agreement, in its existing or any amended or reconstituted form.

1.15 "Developer" means **MISSOURI THEATRE, LLC**, a Delaware limited liability company.

1.16 "EB-5 Petition" or "I-526 Petition" An I-526 Immigrant Petition for Entrepreneur filed with USCIS on behalf of an Investing Member, the approval of which converts the Investing Member to an Investing Member and permits the Member and the Member's spouse and unmarried minor children to apply for admission as conditional lawful permanent resident.

1.17 "EB-5 Petition Approval" or "I-526 Approval" This shall mean the approval by USCIS of an Investing Member's EB-5 Petition.

1.18 "Escrow Agent" means **BankUnited, FSB, NA**, or its successor, appointed as such under the Escrow Agreement.

1.19 "Escrow Agreement" means that certain Escrow Agreement between the Escrow Agent and the Company and each subscriber in the Offering, pursuant to which the Escrow Agent will hold and disburse funds in the Expense Escrow Account and Project Escrow Account.

1.20 "Expense Escrow Account" means an account maintained by the Escrow Agent into which Forty-Five Thousand Dollars ($45,000) of an Investing Member's subscription proceeds pursuant to the Offering will be deposited and from which expenses allocated to that Member will be disbursed to reimburse the expenses of the Developer related to the Offering, migration services and marketing expenses. Funds deposited in the Expense Escrow Account by that Member shall not be treated as Capital Contributions to the Company.

1.21 "Family Member" means, with reference to a specified Person, that Person's spouse, lineal ancestors or descendants, or siblings (all whether by blood, law or marriage), and trusts for the exclusive benefit of that specified Person or any of the foregoing relatives of that specified Person.

1.22 "For Cause" means acts or omissions by the Manager and shall include intentional misconduct, willful or gross negligent failure to perform duties, fraud, embezzlement, misappropriation or theft of funds or property, breach of fiduciary duties to the Company that causes or material damage to the Company, loss of any license necessary to conduct the Business, arrest or conviction of a felony involving illegal substances or an act of dishonesty, violation of Company's policies or breach of a material term of this Operating Agreement.

1.23 "General Counsel" means the attorney appointed by the Company to provide general legal representation to the Company and serve as a liaison between the Company and the Developer in connection with the Loan as well as the designated representative of the Manager.

1.24 "Gross Asset Value" means with respect to any asset of the Company, such asset's adjusted basis for federal income tax purposes.

1.25 "Holdback Amount" means the twenty percent (20%) holdback amount provided for in the Escrow Agreement and Subscription Agreement to replace an Investing Member's capital in the Company whose EB-5 Petition is denied. The Holdback Amount shall be maintained in escrow with the escrow agent as provided for under Section 7.5 hereof.

1.26 "Interest" or "Company Interest" means the Membership Interest of each Investing Member in the Company.

1.27 "Investing Member" means any person executing this Agreement or causing the same to be executed as an Investing Member, as well as any other person acquiring any portion of one or more Units from an Investing Member and admitted to the Company as a substitute Investing Member.

1.28 "Investing Membership Interests" or "Interests" means the total equity interests in the Company offered to and purchased by the Investing Members.

1.29 "Limited Liability Company Act" means the Missouri Revised Limited Liability Company Act.

1.30 "Loan" or "Loans" means any loans that encumber the Project or are otherwise made for the benefit of the Project.

1.31 "Loan Agreement" shall have the meaning set forth in Section 4.1(b) hereof.

1.32 "Majority in Interest" means Investing Members owning in the aggregate more than 50% of the Units then outstanding.

1.33 "Manager" means **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.**, or its affiliated entity.

1.34 "Net Capital Contribution" means the total Capital Contributions of each Member made to the Company.

1.35 "Permanent Disability" or "Permanently Disabled". When used with reference to a specified Person, this shall mean (i) any mental or physical illness, condition or incapacity which prevents the specified Person from performing his or her duties on behalf of the Company or any of its Affiliates for a period of 180 days during any 365 day period, (ii) a determination by an insurer that has issued a disability insurance policy to the Company or one or more Members or the Manager with respect to a Person that such Person is permanently disabled as defined in such policy, or (iii)

the determination by a court of competent jurisdiction that the specified Person is legally incompetent.

1.36 "Person" means an individual, an Investing Membership (general, limited or limited liability), a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental, quasi-governmental, judicial or regulatory entity or any department, agency or political subdivision thereof.

1.37 "Plan Asset Regulations" means the U.S. Department of Labor plan asset regulations, 29 C.F.R. §2510.3-101.

1.38 "Private Placement Memorandum", "Offering Statement", "Offering Memorandum" or "PPM" means the offering memorandum utilized by the Company to sell Units.

1.39 "Profits" and "Losses" means, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, including gain or loss from Capital Transactions, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulation Section 1.704-l(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(iii) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(iv) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulation Section 1.704-l(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a Distribution other than in complete liquidation of an Investing Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(v) Notwithstanding any other provision of this Section, any items which are specially allocated pursuant to Section 10.11 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Section 10.11 shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (v) above.

1.40 "Project" means the redevelopment of the Missouri Museum Theatre Building located in St. Louis, Missouri.

1.41 "Project Escrow Account" means an account maintained by the Escrow Agent into which Four Hundred Thousand Dollars ($400,000) of a subscriber's Capital Contribution shall be deposited upon subscription and which shall be disbursed to the Company upon satisfaction of the conditions outlined under Section 7.5 hereof. Funds deposited in the Project Escrow Account by an Investing Member shall be treated as Capital Contributions to the Company by that Member.

1.42 "Regional Center" means **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.**, a Missouri corporation, the entity seeking approval by USCIS for designation as a regional center for purposes of authorizing foreign investors in the Company to include both direct and indirect job creation from investment in participating developers toward qualification for the EB-5 Program, who will grant regional approval to the Developer to participate in the EB-5 Program.

1.43 "Subscription Agreement" means the Subscription Agreement utilized by the Company to sell Units to Investing Members, including all attachments thereto.

1.44 "Tax Services" means the tax services to be provided by the independent certified public accountant appointed by the Company.

1.45 "Unit" means a single unit of a Membership Interest, the acquisition of which shall entitle the holder thereof to the rights and benefits specified in this Agreement.

1.46 "Units" means a One Million Dollar ($1,000,000) minimum and an Eight Million Dollars ($8,000,000) maximum of Membership Interests in the Company, which shall entitle the holder to the rights under this Agreement.

1.47 "USCIS" means the United States Citizenship and Immigration Services.

2. FORMATION.

The Manager has formed a limited liability company pursuant to the Missouri Limited Liability Company Act, as amended, and other applicable laws of the State of Missouri.

3. NAME AND PLACE OF BUSINESS.

The name of the Company is "**MISSOURI THEATRE LENDERS, LLC**" or such other name as the Manager shall hereafter designate by written notice to the Investing Members. Its principal mailing address shall be in c/o Jie Fan, Project Manager, Midwest-China Hub Commission, St. Louis County Economic Council, World Trade Center Building, 121 S. Meramec Avenue, Suite 117, St. Louis, MO 63105, or such other location as the Manager may from time to time designate by notice to the Investing Members.

4. **PURPOSE AND SCOPE OF COMPANY.**

4.1 (a) The Company has been formed for the sole purpose of lending money for the development and operation of the Project and other possible future projects.

(b) Initially, the Regional Center shall apply to USCIS to obtain a designation as a "Regional Center" for a geographic area that includes the Project, authorizing the Company to participate under the Regional Center's USCIS Approval, to facilitate the filing by Investing Members of EB-5 Petitions, the approval of which shall allow the Investing Members then to seek conditional lawful permanent residence in the United States, along with their spouse and unmarried children under age 21, as applicable and as determined by each Investing Member. As its principal business, the Company shall loan monies to the Project pursuant to the loan terms described in the Confidential Private Placement memorandum (the "Loan") and a Loan Agreement to be entered into with the Developer. In furtherance of the foregoing, but in no way limiting the generality of the foregoing, the Company may: (i) enter into, perform and carry out contracts and agreements as may be necessary, appropriate or incidental to the accomplishment of the purposes of the Company; (ii) and do all other acts and things which may be necessary, appropriate or incidental to the carrying out of the business and purposes of the Company.

(c) Upon repayment of the loan by the Developer to the Company, Investing Members shall have the option to receive distribution of their interest pursuant to Sections 10 and 11 or to maintain their capital in the Company to invest in other projects as may be identified, approved, and arranged by the Manager, subject to each Members individual decision to make such additional investment.

(d) The Company is specifically prohibited from engaging in the business of investing, reinvesting or trading in securities or in the business of issuing face-amount certificates of the installment type or engaging in such business or have any such certificate outstanding.

4.2 Other Business Ventures: Any Member or any officer, director, employee, stockholder or other person holding a legal or beneficial interest in any entity which is an Investing Member, may engage or possess an interest in other business ventures of every nature and description, independently or with others, and neither the Company nor any Member shall have any right by virtue of this Agreement in or to such independent ventures or the income or profits derived therefrom; provided that nothing contained in this Section is intended to absolve the Manager from any liability to the Company or the Investing Members arising as a result of a breach of any material fiduciary obligation owing to the Company or any Member.

5. **TITLE.**

Title to any property and to any other assets acquired to affect the purposes of the Company shall be held in the name of the Company. The Manager and its designee shall execute and file in all appropriate locations such documents, if any, as may be necessary to reflect the Company's ownership in the Loan(s).

6. COMMENCEMENT, TERM.

The Company shall be deemed to commence its existence as of the date of this Agreement. The term of the Company shall continue until terminated in accordance with the provisions of Section 11 hereof, or as otherwise provided by law.

7. CAPITAL CONTRIBUTIONS.

7.1 Investing Members: Each Investing Member shall contribute to the capital of the Company the amounts set forth in Schedule 1 attached to this Agreement, in return for which they shall receive the Membership Interest described in Schedule 1. The total amount to be contributed by each Investing Member shall be paid to the Company Escrow Agent as set forth in the Subscription Agreement. Contributions shall be only in cash.

7.2 No Additional Contributions: The Investing Members are not required to contribute additional capital or lend funds to the Company.

7.3 Capital Accounts: The Company shall establish for each Member a Capital Account. Voluntary loans by any Member shall not be considered contributions to the capital of the Company.

7.4 Withdrawal and Return of Capital: Except upon dissolution of the Company (subject to the provisions of Section 11 hereof), no Member may withdraw any capital from the Company without the consent of the Manager or, if the Member proposing to withdraw capital is the Manager, without the consent of a Majority in Interest of Investing Members. Under circumstances causing a return of a Capital Contribution, no Member shall have the right to receive property other than cash, except as may otherwise be specifically provided herein, nor to be paid interest on such contributions with respect to the period held by the Company.

7.5 Reserve.

(a) To protect the Investing Member and to ensure that the Company will be able to refund the Capital Contribution of the subscription proceeds in the event that an I-526 Petition for a particular Investing Member is not approved after applicable appeals rights have been exhausted, $400,000 of the Investing Member's total $500,000 Capital Contribution shall be funded to the Company by the Escrow Agent as part of the Company's Loan to the Developer upon satisfaction of the following conditions ("**Escrow Release Conditions**"):

1. The approval of the Regional Center application (the "I-924");

2. The filing of the I-526 Petition for the Investing Member together with other Investing Members making up the two (2) minimum Units of subscription proceeds; and

3. The Minimum Offering Amount has been subscribed for ("**Initial Condition**").

(b) The remaining $100,000 (the "**Holdback Amount**") will remain in escrow with the Escrow Agent until such Investing Member's I-526 Petition is approved, unless otherwise released in accordance with clause (i) of this Section 7.5(b), below. If an Investing Member's I-526 Petition is approved, the Holdback shall be immediately released from escrow and disbursed to the Company as part of the Company's Loan to the Developer. If an Investing Member's I-526 Petition is denied (without appeal or after denial of any appeal, as provided herein),

(i) the Escrow Agent shall release from the escrow account up to $500,000 in Holdback Amounts, including those of the denied Investing Member and the first four (4) Investing Members who have Holdback Amounts remaining in the escrow account (or five (5), if the denied Investing Member has no Holdback Amount in escrow), and disburse such amounts to a reserve account established by the Company for the purposes set forth in Section 7.5(h), below ("**Reserve Account**") so that the Company may refund the Investing Member's Capital Contribution on a first priority basis pursuant to the terms below and as more fully described in Section 7.5(c), below. The $500,000 refunded to the denied Investing Member shall be deemed to have been advanced on behalf of the denied Investing Member and the first four (4) Investing Members (or five(5), as the case may be) who have Holdback Amounts remaining in the escrow account; provided, however, that if the denied Investing Member has no Holdback Amount remaining in the escrow account, then such $500,000 refund shall be deemed to have been advanced on behalf of the first five (5) Investing Members who have Holdback Amounts remaining in the escrow account; and

(ii) the Company and Regional Center shall refund a portion of the Investing Member's Cost Allocation Amount as provided in Section 7.5(e), below.

(c) If, and to the extent that, there is an insufficient amount of Holdback Amounts available in the escrow account to fund the Reserve Account to enable the return of all of the $500,000 Capital Contribution to a denied Investing Member, *i.e.*, Five Hundred Thousand Dollars ($500,000), after the denial of such Investing Member's I-526 Petition (taking into account any portion of the Holdback Amount of such denied Investing Member then remaining in the escrow account which would be applied towards such refund), then such refund will be made to the Investing Member (i) as of the date that adequate funds are available for the payment of the refund; and (ii) on a first priority basis, such that each denied Investing Member shall be refunded his or her Capital Contribution in full in an order based on the timing of when each such Investing Member's I-526 Petition was ultimately denied, unless such refund is otherwise made in accordance with Section 7.5(g), below. Notwithstanding the foregoing, the Company shall not be obligated to refund a denied Investing Member's Capital Contribution if (i) the Investing Member fails to actively proceed to obtain I-526 Petition approval; or (ii) the Investing Member withdraws the I-526 Petition once it has been filed.

(d) With respect to the Forty-Five Thousand Dollar ($45,000) Cost Allocation Amount, same shall also be released from escrow and applied as follows:

(i) $5,000 shall be funded to the Regional Center at the same time as the Four Hundreds Thousand Dollar ($400,000) amount is distributed to cover Offering costs and administrative expenses; and

(ii) $40,000 shall be maintained in escrow by the Regional Center with the Escrow Agent until the EB-5 Petition is approved, at which time such funds shall be disbursed for marketing expenses, Offering costs and/or Regional Center costs, or a portion of these funds shall be refunded to the Investing Member if the EB-5 Petition is denied, as described below.

(e) If for any reason the Investing Member fails to obtain approval of the I-526 Petition, (i) the Five Hundred Thousand Dollar ($500,000) Capital Contribution shall be returned to the Investing Member by the Company in accordance with Sections 7.5(b) and (c), above; and (ii) the Company and Regional Center shall refund the Investing Member's Cost Allocation Amount, less a Fifteen Thousand Dollar ($15,000) charge to cover certain Offering costs; provided, however, that if the Investing Member is at fault in providing information related to the I-526 Petition or misrepresents information on his or her I-526 Petition, then Twenty Thousand Dollars ($20,000) shall be retained by the Regional Center for costs incurred on behalf of an individual Investing Member.

(f) The Developer shall guaranty, on an ongoing basis, the refund of the $500,000 Capital Contribution of the first denied Investing Member who has not received his or her refund of such Capital Contribution (taking into account any portion of the Holdback Amount of such denied Investing Member then remaining in the escrow account which would be applied towards such refund) in the event the Company has not, within 90 days of such denial (without appeal or after denial of any appeal, as provided herein), (i) made such refund or (ii) replaced such denied Investing Member with a substitute Investing Member as set forth in Section 7.5(g), below. See the Acknowledgement Guaranty of the Developer set forth in Appendix I, attached hereto.

(g) In the event there is an insufficient amount of Holdback Amounts in the escrow account to refund a denied Investing Member's $500,000 Capital Contribution, the Company shall use best efforts to substitute the $500,000 Capital Contribution of the next Investing Member who files his or her I-526 Petition (the "**Substituting Investing Member**"), as and when such Substituting Investing Member's I-526 Petition is filed, with that of the denied Investing Member, as follows:

(i) In the event the denied Investing Member has any Holdback Amounts remaining in the escrow account, then (i) the Substituting Investing Member's Holdback Amount (i.e., $100,000) shall be held in the escrow account; and (ii) the $400,000 remaining of the Substituting Investing Member's $500,000 Capital Contribution shall be distributed to the Company to enable the Company to refund the denied Investing Member, thereby substituting the Substituting Investing Member's $400,000 Capital Contribution for that of the denied Investing Member.

(ii) In the event there is no Holdback Amount of a denied Investing Member remaining in the escrow account, then all $500,000 of the Substituting Investing Member's Capital Contribution shall be distributed to the Company to enable the Company to refund the denied Investing Member, thereby substituting the Substituting Investing Member's $500,000 Capital Contribution for that of the denied Investing Member.

(h) The Company shall establish the Reserve Account (i) in which holdback proceeds to be reimbursed to an Investing Member whose I-526 Petition is denied will be deposited by the Escrow Agent pursuant to the terms of this Agreement; and (ii) in order for the Company to accurately track investor capital and issue a return of capital in the event of a denial of an Investing Member's I-526 Petition. The $500,000 refunded to the denied Investing Member shall be deemed to have been advanced on behalf of the denied Investing Member and the first four (4) Investing Members (or five (5), as the case may be) who have Holdback Amounts remaining in the escrow account. Such refund will be made to each Investing Member in the order in which each Investing Member's I-526 Petition is denied.

For purposes of clarification, the foregoing provisions are intended to ensure that each Investing Member (A) who has all or any portion of his or her Holdback Amount remaining in the escrow account and (B) who has not received approval of such Investing Member's I-526 Petition, shall receive a capital credit for such Investing Member's balance of any of his or her Holdback Amount released from the escrow account to the Refund Account to enable the Company to then refund a denied Investing Member.

The Company hereby represents and acknowledges that the $400,000 representing the capital investment of the aforementioned first four (4) Investing Members (or five (5), as the case may be) shall be utilized to fully fund the balance of each of their Capital Contribution obligations.

At such time as the amount of Holdback Amounts held in the escrow account is less than $500,000, no denied Investing Member shall be refunded any portion of his or her Holdback Amount until such time as there is at least $500,000 of Holdback Amounts held in the escrow account.

The foregoing procedure shall be followed on a continuous basis in order to properly track each Investing Member's capital account such that all Holdback Amounts held in the escrow account, if any, shall always be equal to each Investing Member's unfunded Capital Contribution.

8. RIGHTS AND DUTIES OF THE MANAGER.

8.1 Management of Company Business: The Manager shall have the authority and discretion to administer the Company's business. The Manager may from time to time seek the direction of the Investing Members in making any decisions related to the Business, although it shall not be required to seek direction except where there is a material modification of the purpose of the Company. The exercise of any power conferred by this Agreement shall constitute the act of and be binding upon the Company. The Investing Members of the Company shall be provided those rights afforded limited partners of a limited partnership formed pursuant to the Uniform Limited Partnership Act. The Company shall follow the lending guidelines set forth in the PPM in connection with the making of the Loan and seek direction and approval of the Manager with respect to any material modifications to the Loan Agreement. The Investor Members shall have the right from time to time to provide advise to the Manager on any matters related to the operation of the Company either by telephonic or email communication.

8.2 Specific Rights and Powers: In addition to any other rights and powers which it may possess under law, but subject to the provisions of Section 4 and Subsection 8.3 below, the Manager

and/or its designated agents shall have such other rights and powers required for or appropriate to its management of the Company's business, which, by way of illustration but not limitation, shall include the following:

(a) to enter into any contract of insurance which the Manager may reasonably deem appropriate for the protection or conservation of Company property, or for any other purpose beneficial to the Company;

(b) to employ attorneys, agents, consultants, accountants and other independent contractors to perform services on behalf of the Company, including Affiliates of the Manager; provided that such services are reasonably necessary or advisable and the compensation therefore is reasonable;

(c) to bring or defend legal actions in the name of the Company, pay, collect, compromise, arbitrate, or otherwise adjust or settle claims or demands of or against the Company or its agents;

(d) to establish reasonable reserve funds from income derived from the Loan in connection with its administration, but the Company shall not establish reserves consisting of Capital Contributions of Investing Members prior to repayment of the Loan by the Developer;

(e) to perform or cause to be performed all of the Company's obligations under any agreement to which the Company is a party;

(f) to make the Loan and from time to time modify the conditions of same if reasonably necessary and engage the Construction Disbursement Agent pursuant to a Construction Disbursement Agreement to administer the disbursement of the Loan proceeds;

(g) to engage the third parties to provide administrative services to the Company;

(h) to identify, evaluate, and apply to other projects capital that Investing Members choose not to be distributed after repayment of the Loan; and

(i) to execute, acknowledge and deliver any and all instruments necessary to effectuate any of the foregoing.

8.3 Limitations on Manager Authority: Notwithstanding anything to the contrary herein contained and subject to the provisions of Section 4, without in each instance receiving the prior written consent of a Majority in Interest of the Investing Members, the Company shall not have the authority to:

(a) lend Company funds to any person other than in connection with the Loan or in the ordinary course of business;

(b) perform any act which would make it impossible to carry on the ordinary business of the Company or which would be in contravention of the express terms of this Agreement;

(c) admit a person as an Investing Member other than as provided herein;

(d) perform any act that would subject any Investing Member to liability as a manager in any jurisdiction;

(e) take any action which would result in the Company being classified other than as an Investing Membership for federal income tax purposes.

8.4 Compliance with EB-5 Restrictions. The Manager shall operate the Company in a manner that is designed to comply with legal and policy requirements of the Immigrant Investor Program (IIP) administered by USCIS, as advised by Regional Center. In particular, the Manager shall:

(a) deploy the $500,000 minimum Capital Contribution by Investing Members who are seeking permanent residence through the IIP (Investing Members) only in at risk job creating activity constituting the Project, directly or indirectly, and to keep such funds invested (including by loan) in job creating activity until all Investing Members have received adjudication of removal of conditions from permanent residence;

(b) avoid reserve accounts designed to evade at risk investment, and avoid agreements for redemption (including return on investment) of Investing Members' minimum $500,000 capital before adjudication of the petitions for removal of conditions on their permanent residence;

(c) avoid redemption of Investing Members' minimum $500,000 capital other than at fair market rates;

(d) maintain an ongoing business deploying capital to job creating activity unless and until all Investing Members have requested distribution of their minimum EB-5 capital;

(e) enforce the provisions of the Loan Agreement in order to require the Developer to follow the business plan for the Project as submitted for approval to USCIS, consulting with Regional Center before implementing any changes that could be considered material;

(f) track, maintain records, and share data and records with the Regional Center concerning the Loan and the underlying Project, including the expenditure of funds, employment of workers, completion of construction, operation of facilities and enterprises;

(g) require the Developer to perform such tracking, documentation, and sharing with the Company and the Regional Center in order to enable the Regional Center to meet its obligations to USCIS and to provide information to Investing Members needed for them to request removal of conditions from their U.S. permanent residence;

(h) obtain OFAC approval, or confirmation of no need for approval, before subscribing an investor who is a native or citizen or whose capital derives from a country subject to embargo such as Iran; and

(i) cause the Investing Members to participate in making management decisions for the Company to comply with USCIS regulations.

8.5 Liability of the Manager to Investing Members and Company; Indemnification: The Manager shall be required to devote only so much time and attention to the business affairs of the Company as is reasonably necessary or advisable to competently oversee such affairs. Except as otherwise specifically set forth herein, neither the Manager nor its designated agents or representatives shall be personally liable to any Investing Member because any taxing authority disallows or adjusts any deduction or credit claimed in a Company income tax return, nor for the repayment of Capital Contributions of the Investing Members. The performance of or the omission to perform any act, the effect of which may cause or result in loss or damage to the Company, if performed or omitted in good faith and in accordance with the terms of this Agreement, shall not subject the Manager nor its designees to any personal liability to either the Company or any Investing Members. The Company, its receiver, or trustee shall indemnify and save harmless the Manager (including any officer, director or employee or designated agent of the Manager) from any claim, loss, expense, liability, action or damage resulting from any such act or omission, including, without limitation, reasonable costs and expenses of litigation and appeal (including reasonable fees and expenses of attorneys engaged by the Manager and/or its designees in defense of each such act or omission); but the Manager and its designees shall not be entitled to be indemnified or held harmless due to, or arising from, fraud, bad faith, gross negligence or willful misconduct.

8.6 Special Duties of the Manager: In addition to and without limiting the duties and obligations specified or referenced hereunder, the Manager shall advise and take direction from professional advisors that it may choose to engage with respect to (a) any independent contractor with or agent of the Company at all times to performing and complying with the provisions of any agreement affecting Company property or the operation thereof, (b) cause the Company to file an amended Articles and such other documents and to perform such acts as shall be required under Missouri law in order to preserve the valid existence of the Company and the limited liability of the Investing Members.

8.7 Removal; Resignation:

(1) The Manager may be removed, "For Cause by a Majority in Interest vote of the Investing Members."

(2) A Manager may resign as an agent of the Company at any time upon written notice to the Company and be replaced by a vote of a Majority in Interest vote of the Investing Members.

(3) Upon removal or resignation of Manager, the removed/resigned Manager shall immediately cease to have any authority to act as an agent for the Company.

8.8 Election of Successor Manager. Within thirty (30) days after the removal or resignation of a Manager, the Majority in Interest of the Investing Members shall, elect a successor Manager.

9. FEES, SALARIES AND EXPENSES.

9.1 Management Fees: The Manager shall not receive any compensation for serving hereunder, except as otherwise provided for in this Agreement.

9.2 Expenses: Except as otherwise provided herein, the Company shall pay all expenses incurred in connection with the formation, operation and administration of the Company, which may include, but are not limited to:

(a) all costs (including reasonable travel expenses) of personnel, including Affiliates, engaged by the Company which are incurred in the conduct of its business;

(b) all costs of taxes and assessments levied on Company property and other taxes applicable to the Company;

(c) printing, engraving and other expenses and taxes incurred in connection with the issuance, distribution, transfer, registration and recording of documents evidencing ownership of an Interest in the Company;

(d) fees and expenses paid to attorneys, accountants, appraisers, lenders, brokers, consultants, agents and other independent contractors;

(e) any expense of organizing, revising, converting, terminating or reconstituting the Company or negotiating, drafting, causing the execution of or amending the Manager, Articles or other Company documentation;

(f) expenses in connection with distributions made by the Company to, and communications and bookkeeping and clerical work necessary in maintaining relations with, Investing Members, including the cost of printing and mailing to such persons reports of meetings of the Company;

(g) expenses in connection with preparing and mailing reports required to be furnished to Investing Members for investor, tax reporting, or other purposes, or such reports as the Manager may deem to be in the best interests of the Company;

(h) costs of any accounting, statistical or bookkeeping equipment necessary for the maintenance of the books and records of the Company;

(i) costs of preparing and disseminating informational material and documentation relating to any potential sale, refinancing or other disposition of Company property; and

(j) costs incurred in connection with any litigation in which the Company is involved, as well as in the examination, investigation or other proceedings conducted by any regulatory agency of the Company, including legal and accounting fees incurred in connection therewith.

9.3 Salaries, Drawings and Interest on Capital Accounts: No Member shall receive any interest on a Capital Contribution or any salary, either with respect to any Capital Contribution, for services rendered on behalf of the Company or otherwise in his or her capacity as Member, except as expressly provided elsewhere in this Agreement.

10. PROFITS, LOSSES, DISTRIBUTIONS AND JOB CREATION ALLOCATION.

10.1 Generally: The following provisions shall apply with respect to the allocation of profits and losses:

(a) Profits and losses for all purposes of this Agreement shall be determined in accordance with the accounting method followed by the Company for federal income tax purposes and otherwise in accordance with generally accepted accounting principles. Every item of income, gain, loss, deduction, credit or tax preference entering into the computation of such profit or loss, or applicable to the period during which such profit or loss was realized, shall be considered allocated to each Member in the same proportion as profits and losses are allocated to such Member below.

(b) Profits and losses shall be allocated to the Members commencing with the fiscal year ending December 31, 2012 and annually thereafter.

(c) Allocation of Indebtedness. The Capital Account of the Contributing Investing Members shall include an initial allocation of Company indebtedness in the amounts for each Contributing Investing Member in accordance with the provisions otherwise set forth in this Agreement.

(d) Allocation of Profits and Losses. Except with respect to the repayment of indebtedness and the allocation of any built-in gain provided for under Section 704(c) of the Code, all profits and losses of the Company shall be allocated as set forth hereinafter.

10.2 Allocation Following Transfer of Interest: Except as otherwise provided herein, in any year in which an Investing Member transfers all or any portion of a Membership Interest to any person who, during such year, is admitted as a substitute Investing Member, the share of profits, losses and distributable Cash Flow allocated to or attributable to the Membership Interest sold, assigned or transferred, shall be divided between the assignor and the assignee on the basis of the number of days in such year before, and the number of days on or after, the execution by the assignee of this Agreement; provided, however, that the assignor and the assignee may by agreement make special provisions for the allocation of items of income, profit, gain, loss, deduction or credit as may from time to time be permitted under the Code, and for the distribution of Cash Flow, but such agreement shall be binding as to the Company only after it shall have received notice thereof from the assignor and assignee.

10.3 Allocation to the Manager: No losses shall be allocated to the Manager for its serving in such capacity, although the Manager shall be allocated profits in proportion to any Cash Distributions it receives.

10.4 Apportionment of Allocations and Distributions: Except as otherwise provided in this Agreement, allocations and distributions to be made to each Member pursuant to this Section 10 shall be made in the proportion that his or her respective Interest bears to the Interests of all Members of the same class, measured as of the last day of the period for which such allocation or distribution is made.

10.5 Allocation of Profit and Loss:

(a) Profits and Losses shall be allocated to the Members in accordance with their respective distributions pursuant to Section 10.6.

(b) Limitation. The Losses allocated to an Investing Member shall not exceed the maximum amount of Losses that can be so allocated without causing any Investing Member to have an Adjusted Capital Account Deficit (determined after all cash distributions for the fiscal period) at the end of the fiscal period for which the allocation relates. All Losses in excess of the limitation set forth in the preceding sentence shall be allocated among those Investing Members that will not have an Adjusted Capital Account Deficit at the end of the fiscal period in the ratio of their relative Interests, and any excess thereafter shall be allocated to the Investing Member in accordance with their percentage interests.

10.6 Distribution of Cash Flow: The Manager shall have the sole authority to determine when Cash Flow is available for distribution among the Investing Members. Once a determination is made that such a distribution is in order, the same shall be made as follows:

(1) To the Investing Members until the interest on the Loan received by the Company has been fully distributed;

(2) Then to the Investing Members as a return of their Capital Contributions until all Capital Contributions have been repaid; and

(3) Finally, in accordance with each Member's Interest.

An Investing Member may decline and thereby request to reinvest a distribution in order to participate in a new loan to be identified by the Manager, who shall make a good faith effort to identify one or more new loan opportunities that may serve the investment interests of the Members who wish to continue their investment. If the Manager determines that no such loan is available on favorable terms, or if in its sole discretion the Manager determines that the Company should terminate, the Manager may distribute all Members' interest in accordance with this Operating Agreement and terminate the Company.

10.7 Liquidating Distributions: The proceeds resulting from the liquidation of the Company property pursuant to Section 11.2 (but subject to the provisions of Section 11.2(3)), shall be distributed and applied in the following order of priority:

(a) To the payment of debts and liabilities of the Company, including all expenses of the Company incident to any such liquidation and all loans or any other debts and liabilities of the Company to the Members or their Affiliates;

(b) To the establishment of any reserves which the liquidating trustee deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company; and

(c) To the Members in accordance with the provisions of Section 10.6 above.

10.8 Nonrecourse: Each Member shall look solely to the assets of the Company for all distributions from the Company, the repayment of his or her Capital Contributions, and the repayment of any loans previously made to the Company when all such payments are due hereunder, and shall have no recourse, upon dissolution or otherwise, against any Manager or Investing Member.

10.9 Change in Interest: If any Member's Company Interest is reduced, but not eliminated, because of the admission of new Members or otherwise, the Member's interest in the unrealized receivables of the Company as defined in Section 751 of the Code that were owned by the Company while such Person was an Investing Member shall not be reduced, but shall be retained by the Member so long as the Member holds an Interest and so long as the Company has an interest in such unrealized receivables.

10.10 Payment of Fees: In the event that the deduction of any fee paid or incurred out of Cash Flow by the Company to a Member or an Affiliate is disallowed for federal income tax purposes by the Internal Revenue Service with respect to a taxable year of the Company, the Company shall allocate to the Partner, or such Affiliate, to the fullest extent possible, an amount of gross income of the Company for such year equal to the amount of such fee which is disallowed. In the event that any amount paid or distributed by the Company is disallowed or recharacterized for federal income tax purposes by the IRS with respect to a taxable year of the Company, such disallowance may result in the allocation of tax to the members in excess of distributions.

10.11 Authority of Manager to Vary Allocations to Preserve and Protect Members' Intent:

(a) It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Section 10 to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Section 10, the Manager is authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Section 10 to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Section 10 would cause the determination and allocation of each Member's distributed share of income, gain, loss, deduction or credit (or item thereof) to not be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any new allocation (the "**New Allocation**") made pursuant to this Section 10.11 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Section 10, and no amendment of this Agreement or approval of any Member shall be required.

(b) In making any New Allocation under Section 10.11(1), the Manager is authorized to act only after having been advised by the Accountants to the Company that, under

Section 704(b) of the Code and the Treasury Regulations thereunder, (i) the New Allocation is necessary, and (ii) the New Allocation is the minimum modification of the allocations otherwise provided for in this Section 10 necessary in order to assure that, either in the then current year or in any preceding year, each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Section 10 to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations thereunder.

(c) If the Manager is required by Section 10.11(1) to make any New Allocation in a manner less favorable to the Investing Members than is otherwise provided for in this Section 10, then the Manager is authorized and directed, insofar as it is advised by the Accountants to the Company that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such a manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investing Members as near as possible to the allocations thereof otherwise contemplated by this Section 10. Furthermore, in the event that any New Allocation requires repayment by the Investing Members of any distribution made during any tax year, the Investing Members shall be required to refund to the Company only amounts in excess of the net tax cost to the Investing Member based upon the original allocation. For example, if an Investing Member's tax rate was twenty percent (20%) and the distribution to such Investing Member was $100.00, the Investing Member would only be required to refund $80.00 of the distribution.

(d) New Allocations made by the Manager under Section 10.11(1) in reliance upon the advice of the Accountants to the Company, and no such allocation shall give rise to any claim or cause of action by any Investing Member.

10.12 Withholding Taxes with Respect to Members. The Company shall comply with any withholding requirements under federal, state, local and foreign law and shall remit any amounts withheld to, and file required forms with, the applicable jurisdiction. All amounts withheld from Company revenues or distributions by or for the Company pursuant to the Code or any provision of any federal, state, local or foreign law, and any taxes, fees or assessments levied upon the Company, shall be treated for purposes of this Section 10.12 as having been distributed to those Members who received tax credits with respect to the withheld amounts, or whose identity or status caused the withholding obligations, taxes, fees or assessments to be incurred. If the amount withheld was not withheld from the affected Member's actual share of cash available for distribution, the Manager on behalf of the Company may, at its opinion (a) require such Member to reimburse the Company for such withholding or (b) reduce any subsequent distributions to which such Member is entitled by the amount of such withholding. Each Member agrees to furnish the Company with such representations and forms as the Manager shall reasonably request to assist it in determining the extent of, and in fulfilling, the Company's withholding obligations, if any. As soon as practicable after becoming aware that any withholding requirement may apply to an Investing Member, the Manager shall advise the Investing Member of such requirement and the anticipated effect thereof. Each Member shall pay or reimburse to the Company all identifiable costs or expenses of the Company caused by or resulting from withholding taxes with respect to such Member.

10.13 Tax Distributions. The Manager shall make good faith efforts to cause the Company to distribute to all Members within ninety (90) days after the close of each fiscal period of the

Company in accordance with Sections 10.6 above, distributions which together with the other distributions to Members made with respect to such fiscal period, equal at least twenty percent (20%) of the Members' respective anticipated allocation of taxable items pursuant to Section 10.5(1) above.

10.14 Job Creation Allocation. The allocation to each Investing Member of job creation numbers arising from fulfillment of the Company's business plan will be reported to the Regional Center, avoiding double counting any job. To the extent that there are insufficient jobs created for all Investing Members to qualify for I-526 Petition Approval, those jobs shall be allocated to the Investing Members in the order that each Investing Member subscribed becomes an Investing Member of the Company in an amount sufficient for each Investing Member to qualify for I-526 Petition Approval until all such jobs have been allocated. For any Investing Member who is not allocated a sufficient number of jobs for I-526 Petition Approval, the Company shall redeem such Investing Member's Membership Interest in accordance with the provisions of Section 12.10 hereof. To the extent that there are insufficient jobs created for all Investors to qualify for approval at the I-829 Petition stage, those jobs shall be allocated to the Investors in accordance with the "EB-5 Job Allocation Agreement" attached hereto as Schedule 2.

11. SALE, DISSOLUTION AND LIQUIDATION.

11.1 Dissolution of Company: Subject to the provisions of Section 4, the Company shall be dissolved upon:

(a) Upon repayment of the Loan, the distribution of the interests of all Investing Members in the event that no Investing Member elects to decline distribution and continue with new loans;

(b) Upon determination of the Manager, in its sole discretion, following repayment of the Loan or any subsequent loan, that continuation of the Company is not in the best interest of the Investing Members and Manager;

(c) By the determination of the Manager with the prior written consent of the Majority in Interest of the Investing Members;

(d) The sale or other disposition by the Company of all or substantially all of its Property, unless the Company, as part of the consideration for any such sale or other disposition acquires a mortgage or lease on or security interest in all or substantially all of such Property, in which case the Company shall be dissolved following the sale or other disposition of its entire interest in such mortgage, lease or security interest; or

(e) Any other event causing the dissolution of the Company under the laws of the State of Missouri.

11.2 Winding Up and Distribution:

(a) Except as otherwise expressly permitted under this Agreement, upon the dissolution of the Company, the Company shall be liquidated by (1) the Manager, or (2) by the

Company's Accountants. In carrying out the liquidation of the Company, the liquidating trustee shall have all of the rights and powers of the Manager hereunder.

(b) A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of the Company's liabilities so as to enable the liquidating trustee to minimize the normal losses attendant to liquidation. The operations of the Company shall continue during such liquidation solely for the purpose of winding up the Company's business. Upon completion of the liquidation each of the Members shall be furnished with a statement setting forth the assets and liabilities of the Company as of the date of complete liquidation. Upon approval of this statement by a Majority in Interest of the Investing Members, the liquidating trustee shall cause a certificate of cancellation of the Company to be duly prepared, executed and filed causing the dissolution of the Company under the laws of the State of Missouri. Nothing herein shall be construed as a limitation upon or termination of any of the rights of the Investing Members during or following any liquidation.

(c) The proceeds of any liquidation shall be applied and distributed as set forth in Section 10.7 hereof. It is the intent of the Members that, upon liquidation of the Company, any liquidation proceeds available for distribution to the Members be distributed in accordance with the Members' respective Capital Account balances, and the Members believe that distributions under Section 10.7 will effectuate such intent. In the event that, upon liquidation, there is any conflict between a distribution under Section 10.7 and the intent of the Members with respect to this matter, the liquidating Trustee shall distribute any liquidation proceeds available for distribution to the Members in accordance with the Members' respective Capital Account balances, notwithstanding the provisions of Section 10.7.

12. INVESTING MEMBERS.

12.1 Admission: The Manager is authorized to admit to the Company Investing Members.

12.2 Limitation on Investing Member Liabilities: No Investing Member will be subject to assessment nor be personally liable for any of the debts of the Company or any of the losses thereof beyond the amount committed by him, her or it to be contributed to the capital of the Company; provided, that an Investing Member receiving a distribution in return, in whole or in part, of his or her Capital Contribution shall be liable to the Company for any sum, not in excess of such amount returned, plus interest thereon, necessary to discharge liabilities to any or all creditors of the Company who extend credit or whose claims arise before any such distribution is made.

12.3 No Control of Business or Right to Act for Company: An Investing Member shall take no part in the management, conduct or control of the business of the Company and shall have no right or authority to act for or to bind the Company, except as otherwise set forth in this Agreement. Action may be taken by Investing Members owning a Majority in Interest to amend this Agreement pursuant to Section 16, to continue the business of the Company in a reconstituted form as a successor limited liability company, or to elect a successor manager pursuant to Section 8.8, only if, prior to the taking of such action, either (a) a court of competent jurisdiction shall determine, in an action for declaratory judgment or for similar relief brought by or on behalf of the Investing Members (but not by the Manager), that neither the grant nor exercise of the right to take such action

will be deemed taking part in the control of the business of the Company or will result in the loss of any Investing Member's limited liability, (b) the Investing Members shall receive an opinion of counsel, reasonably satisfactory to and selected by a Majority in Interest of the Investing Members, to such effect, or (c) an Investing Member has all rights and responsibilities of a Member under the "Missouri Limited Liability Company Act".

12.4 No Priority: No Investing Member shall have priority over any other Investing Member either as to the return of his or her original contribution to the capital of the Company or as to distributions.

12.5 Registered Holders: Upon the admission of an Investing Member, his or her address and Membership Interest shall be registered on the records of the Company maintained at its principal office and inserted in an amended and updated Schedule 1 hereto.

12.6 Death or Incompetency: Upon the death or legal incompetence of an individual Investing Member (including a substituted Investing Member), the legally authorized personal representative of such individual shall have all of the rights of an Investing Member for the purpose of settling or managing such individual's estate and shall have such power as such individual shall have possessed to make a transfer of such individual's Membership Interest in accordance with the terms of Section 13 and to join with any assignee in making application to substitute such assignee as an Investing Member.

12.7 Other Events: Upon the bankruptcy or insolvency of any Investing Member, or the dissolution or other cessation to exist as a legal entity of any Investing Member which is not an individual, the authorized representative of such individual or entity shall have all of the rights of an Investing Member for the purpose of effecting the orderly winding up and dissolution of the business of such entity and such power as such individual or entity possessed to make an assignment of its Membership Interest in accordance with the terms of Section 13 and to join with any assignee in making application to substitute such assignee as an Investing Member.

12.8 Withdrawal of Members: No Member may voluntarily withdraw or resign as an Investing Member of the Company, prior to the dissolution and winding up of the Company, without the Manager's prior written consent.

12.9 Nature of Members' Interest: Membership Interests in the Company shall be personal property for all purposes. No Member or their successor, representative or assign, shall have any right, title or interest in specific Company property.

12.10 Mandatory Redemption: If a Subscriber is admitted as an Investing Member of the Company but thereafter receives a denial from USCIS of his or her I-526 Petition (without certification of the denial to the USCIS Administrative Appeals Office), such that such Investing Member is ineligible to receive immigrant visa or adjustment of status by reason of his or her ownership of Member Interests, and if the Investing Member demands return of his or her capital contribution, then the Company shall return to such person its share of the capital contribution of Five Hundred Thousand Dollars ($500,000) for his or her Unit out of first available cash from the Company, including any escrow reserve maintained by the Company, and $30,000 of the $45,000

Cost Allocation amount shall be refunded by the Regional Center. If an Investing Member receives a denial of its EB-5 Petition and elects to appeal that denial at his or her own expense and the Managers consent to same, the cancellation of such Investing Member's Member Interest shall be deferred until the appeal is resolved and such Investing Member receives EB-5 Petition Approval, in which event no cancellation will occur, or until the denial is affirmed, in which event the redemption will proceed as provided above. If determined by the Developer, no additional documents will be necessary to effect such cancellation; it being agreed by the Members and Investing Members that the Company's delivery of a check for such amount to cancelled Investing Member, and such Investing Member's acceptance or deposit of such amount by such Investing Member, shall constitute the full and complete redemption of all of such Investing Member's Member Interests of the Company. The Manager shall unilaterally amend Schedule 1 to reflect the deletion of any Investing Members so cancelled.

Notwithstanding anything to the contrary in this Section, if the Manager determines, in its sole and absolute discretion, that the repurchase of the Denied Investing Member Unit pursuant to this Section would have an adverse effect on the business or immigration objectives of the Company or the ability of other Investing Members to obtain unconditional permanent resident status in the United States pursuant to the EB-5 Program or the Company is restricted from purchasing any Units under the Act or other applicable law or under the terms of any loan agreements with its lenders or the Company does not have the available cash to effect such repurchase of the Units, then the Company's obligation to repurchase the Units shall be suspended until the Manager determines, in its sole and absolute discretion, that the repurchase of the Units no longer causes such adverse effect on the Company.

12.11 Rights of a Representative: Upon the death, Permanent Disability, incompetence or Bankruptcy of an individual who is an Investing Member, his or her personal representative, guardian, trustee or Person serving in a similar capacity, as the case may be, shall have all of the rights of an Investing Member for the purpose of settling or managing his or her estate, and such power as the decedent, incompetent, or bankrupt possessed to constitute a successor as an Assignee and to join with such Assignee in making application under this Section 12 to substitute such Assignee as an Investing Member. Upon the adjudication of Bankruptcy, dissolution or other cessation of existence as a legal entity of an Investing Member which is not an individual, the authorized representative of such entity shall have all of the rights of an Investing Member for the purpose of effecting the orderly winding-up and disposition of the business of such entity and such power as such entity possessed to constitute a successor as an Assignee and to join with such Assignee in making application to substitute such Assignee as an Investing Member. However, such representative or trustee shall not, by virtue of that capacity alone, have the right to become a substituted Member in the place of his or her predecessor in interest unless the conditions of Section 13 are satisfied.

13. RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS.

13.1 Conditions Precedent to Transfer: No Investing Member shall have the right to sell or assign all or any part of such Member's Interest except by reason of death, unless such assignment is effected by (a) written instrument in form and substance acceptable to counsel for the Company, stating that the assignee intends to be substituted or admitted as an Investing Member and accepts

and adopts all of the terms and provisions of this Agreement, as the same may have been amended, and providing for the payment of all reasonable expenses incurred by the Company in connection with such substitution or admission, including but not limited to the cost of preparing the necessary amendment to this Agreement; (b) the consent to such assignment of the Manager, which consent shall not be unreasonably withheld; and (c) if requested by the Manager, delivery to the Manager of an opinion of acceptable legal counsel stating that the substitution or admission is exempt from registration and qualification under the Act and any applicable state securities laws. The Manager may not consent to any transfer or assignment of a Membership Interest (i) to a minor or person adjudged incompetent; or (ii) under circumstances which would result in the termination of the Company under the Code. If an Investing Member sells any part of his or her Interest representing a base Capital Contribution of $500,000 before removal of conditions on his or her permanent residence, the Manager shall give notice to the Regional Center for prompt reporting to USCIS for possible revocation of immigration benefits arising from the initial investment.

13.2 Legend: Any certificate representing a Membership Interest shall bear on the face thereof legends substantially in the following form:

> "THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED IN SECTIONS 3(B) AND 4(2) OF THE ACT AND IN REGULATION S PROMULGATED UNDER THE ACT, NOR WITH ANY STATE SECURITIES REGULATORY AUTHORITY IN RELIANCE UPON PARTICULAR STATUTORY TRANSACTIONAL EXEMPTIONS. IT IS UNLAWFUL TO CONSUMMATE A SALE OR OTHER TRANSFER OF THIS SECURITY WITHOUT PRIOR RECEIPT OF AN OPINION OF COUNSEL FOR THE COMPANY TO THE EFFECT THAT SUCH PROPOSED SALE OR OTHER TRANSFER DOES NOT AFFECT THE EXEMPT STATUS OF THE ORIGINAL ISSUANCE AND SALE OF THIS SECURITY AND IS IN COMPLIANCE WITH ALL APPLICABLE STATE AND FEDERAL SECURITIES LAWS."

13.3 Mechanics of Substitution or Admission: Any substitution or admission of an Investing Member shall become effective as of the last day of the calendar month in which all the conditions of such substitution or admission as specified in Section 13.1 shall have been satisfied. Any person admitted as a substitute or additional Investing Member pursuant to this Section 13 shall (except as herein otherwise expressly provided) be an Investing Member for all purposes of this Agreement to the extent of the Interest acquired by such person.

13.4 Prohibited Assignments: Any purported assignment of a Membership Interest otherwise than in accordance with this Section 13 shall be of no effect as between the Company and the purported assignee and shall be unenforceable as against the Company. The Manager shall not be charged with actual or constructive notice of any such purported assignment and is expressly prohibited from making allocations and distributions hereunder in accordance with any such purported assignment.

14. MISCELLANEOUS FINANCIAL AND ACCOUNTING MATTERS.

14.1 Availability of Financial Records: At all times during the existence of the Company, the Manager shall keep or cause to be kept accurate and complete books of account in accordance with generally accepted accounting principles applied in a consistent manner, which shall reflect all Company transactions (including Capital Contributions, income, expense, gain, loss and distributions) and shall be appropriate and adequate for the Company's business. Such books shall be maintained at the principal place of business of the Company. Any Investing Member or his or her duly authorized representative shall have the right, at his or her expense, to inspect and copy from such books and documents during normal business hours upon reasonable notice.

14.2 Financial Reports: As soon as practicable after the close of the fiscal year of the Company, and in any event within 90 days thereafter, the Manager shall deliver to each Investing Member a financial report of the Company for such period, including: (a) a balance sheet, (b) a profit and loss statement, (c) a statement showing the source and amount of distributions made to the Members and the allocation to each Investing Member of Company income, gain, loss, deductions, credits and items of tax preference, and (d) full disclosure of such other matters as may be material to the financial operations of the Company or to an understanding by the Investing Members of such operations. Such statements need not be audited but shall be on a basis consistent with the Company's method of accounting and shall be certified by the Manager as complete and correct, subject to changes resulting from year-end adjustments.

14.3 Accounting Decisions: All decisions as to accounting principles and procedures, except as specifically provided to the contrary herein, shall be made by the Manager in accordance with the recommendations of the Company's Accountants.

14.4 Taxable and Fiscal Year: The Company's taxable and fiscal years shall be selected by the Manager in its sole discretion.

14.5 Income Tax Information: Each Investing Member shall be provided with a copy of the Company's annual income tax return (by electronic delivery), and such additional data as is necessary to adequately disclose each class of income, gain, loss or deduction acquired or incurred by the Company during the preceding taxable year and each Investing Member's distributive share thereof. Such return and data shall be furnished as soon as practicable after the close of the Company's taxable year, and at least one week prior to the due date (including any requested extension) of the filing of such return with the Internal Revenue Service.

14.6 Maintenance of Cash Assets: All cash funds of the Company from whatever source received shall be invested in short term governmental or corporate securities or in cash items such as money market funds or certificates of deposit, or may be deposited and maintained in one or more Company accounts located at the financial institution designated by the Manager. All withdrawals from any such account or sale of any such investment shall be made upon the signature of the Manager, or by such other individual(s) as may be authorized in writing by the Manager.

14.7 Basis Election: Upon the transfer of a Membership Interest, or a distribution of Company property, the Company shall have the right, but not the obligation, to elect pursuant to

Section 754 of the Code to adjust the basis of Company property as allowed by Section 734(b) and 743(b) of the Code; provided, however, that if such an election is made, the Company shall not be required to make (and shall not be obligated to bear the expense of making) any accounting adjustments resulting from such election in the information supplied to any Investing Member.

15. **AMENDMENTS.**

15.1 Procedure for Amendment: Subject to the terms of Articles 15 and 16, this Agreement may be amended only upon the written consent of the Manager and a Majority in Interest of the Investing Members; provided, that this Agreement shall not be amended so as to reduce the allocations to the Investing Members provided in Section 10 hereof unless such reduction has first been consented to in writing by all of the Investing Members. The Manager may amend this Agreement without the written consent of a Majority in Interest of the Investing Members: (a) if advised by counsel to the Company that such amendment is required to avoid having the Company treated as an association taxable as a corporation; and if after ten days written notice to the Investing Members of the proposed amendment, the Company has not received written objections from any of the Investing Members, or (b) for the reasons set forth in Section 15.2 (1) or (2) hereof.

15.2 Reasons for Certain Amendments: This Agreement shall be amended whenever:

(a) There is a change in the name of the Company or the amount or character of the contribution of an Investing Member;

(b) A person is substituted or otherwise admitted as an Investing Member;

(c) There is a change in the character of the business of the Company;

(d) The Agreement contains a materially inaccurate statement;

(e) A time is fixed for dissolution of the Company or the return of contributions in contravention to the time specified in this Agreement;

(f) There is a change in any right to vote given by this Agreement to an Investing Member on matters affecting the basic nature of the Company;

(g) A third party lender to the Company requires an amendment that is consistent with the provisions of Section 16.3 hereafter; or

(h) The Manager may cause this Operating Agreement to be amended to conform with USCIS regulations in order to comply with the requirements for a regional center approval.

16. POWER OF ATTORNEY.

16.1 Description: Each Investing Member hereby irrevocably constitutes and appoints the Manager, with full power of substitution, as his or her true and lawful attorney-in-fact on his or her behalf and in his or her name, place and stead, to make, execute, consent to, swear to, acknowledge, publish, record and/or file the following:

(a) A Articles of Organization, a Fictitious Name Registration and any other certificate or instrument which may be required to be filed by the Company or the Members under the laws of any jurisdiction, to the extent that the Manager may reasonably deem such filing to be appropriate, including any and all amendments or modifications thereto;

(b) Such instruments as may be required to effectuate the dissolution and termination of the Company pursuant to the provisions of this Agreement;

(c) Any and all consents for the admission of substituted Investing Members, pursuant to the terms of this Agreement; and

(d) Such other instruments as the Manager may reasonably deem appropriate to fully carry out the provisions of this Agreement in accordance with its terms.

16.2 Characteristics of Power: The grant of the foregoing power of attorney is coupled with an interest; shall be irrevocable and binding on any assignee of all or any part of a Membership Interest; shall survive the death, legal incapacity, bankruptcy or insolvency of any Investing Member during the term hereof; and shall survive the delivery of any assignment by any Member of the whole or any portion of his or her Membership Interest; and any assignee of an Investing Member hereby constitutes and appoints the Manager as his or her attorney in the same manner and force and for the same purposes as does the assignor.

16.3 Limitations of Power of Attorney: No document or amendment executed by the Manager pursuant to this Section 16 shall, in the absence of the prior consent of all of the Investing Members, (a) reduce the obligations of the Manager, (b) affect the rights or restrictions regarding the assignability of Membership Interests, (c) modify the term of the Company, (d) amend this Section 16, or (e) reduce the rights or interests or enlarge the obligations of the Investing Members. The Manager shall promptly notify the Investing Members of any documents or amendments executed pursuant to this Section 16.

17. MEETINGS; MEANS OF VOTING.

17.1 Meetings: Meetings of the Members shall be called by the Manager at its discretion, or whenever requested in writing to do so by Investing Members owning 25% or more of the Interests (whether or not held by investors affiliated or unaffiliated with the Manager). The call shall state the reason for the meeting. Notice of any such meeting shall be delivered to all Members in the manner prescribed in Section 17.2 not less than ten (10) days or more than sixty (60) days prior to the meeting.

17.2 Record Date: For the purpose of determining the Investing Members entitled to vote at any meeting of the Company, the Manager or the Investing Members requesting such meeting may fix in advance a record date for any such determination of Investing Members. Such date shall not be more than 50 days nor less than 10 days before any such meeting.

17.3 Proxies: An Investing Member may authorize any person to act for him by proxy on all matters in which he is entitled to participate or vote. Every proxy must be signed by the Investing Member or his or her attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Investing Member executing it.

17.4 Conduct of Meetings: Each meeting of the Members shall be conducted by the Manager or such other person(s) as it shall appoint and pursuant to rules of conduct as it shall reasonably deem appropriate.

17.5 Quorum for Meetings: There shall be deemed to be a quorum at any meeting of the Investing Members at which the voting power of the Investing Members attending such meeting plus the voting power exercised by Investing Members who have submitted to the Manager effective proxies or written consents to action at such meeting constitutes a Majority in Interest of such Investing Members.

18. WITHDRAWALS.

An Investing Member may not withdraw from the Company unless the Manager consents to such withdrawal, which consent may be withheld in the Manager's sole discretion. All expenses incurred by the Company in connection with such withdrawal shall be paid for by the withdrawing Investing Member. If an Investing Member withdraws any part of his or her base Capital Contribution of $500,000 before removal of conditions on his or her permanent residence, the Manager shall give notice to the Regional Center for prompt reporting to USCIS for possible revocation of immigration benefits arising from the initial investment

19. REPRESENTATIONS OF THE MEMBERS.

By their execution below, each Person as an inducement to be admitted to the Company as an Investing Member represents and warrants to the Company as follows:

(a) The Person has the requisite legal and mental capacity to acquire the Membership Interest and enter into this Agreement.

(b) The Person is an "accredited investor" (as such term is defined in Rule 501(a) of the Securities Act of 1933, as amended) and a sophisticated investor by virtue of his or her education, training and/or numerous prior investments made on his or her own behalf or through entities which it, alone or with others, controls. The Person is knowledgeable and experienced in financial and business matters, especially in investments which are similar to the Company's Business, and which have risks similar to those which may be encountered by the Company. The Person is capable of evaluating the merits and risks of an investment in the Company. The Person is not a "U.S. Person" as such term is defined in Regulation S promulgated under the Securities Act of

1933, as amended. The Person did not receive an Offering Memorandum or any other offering materials, nor did the person receive an offer to purchase Membership Interests in the Offering, while within the United States and did not execute their order to purchase Membership Interests, by completing and delivering their Subscription Agreement and Capital Contribution as required by the Offering, from within the United States.

(c) The Person has been furnished or otherwise obtained all information necessary to enable it to evaluate the merits and risks of his or her prospective investment in the Company. The Person recognizes that the Developer has no prior operating history, and may incur leverage that involves certain risks. The Person recognizes that the Project is in the development stage, there is no guarantee that the Project will be fully developed in accordance with current plans or if it is so developed that it will be developed in the levels and at the times currently predicted, and his or her future profitability or existence cannot be guaranteed. Even if the Project is completed and economically profitable, this does not assure that the Loan made by the Company will be repaid. The Developer has no operating history. An investment in the Project is highly speculative and the Person may suffer a complete loss of his or her investment.

(d) The Person has been furnished or has had access to any and all material documents and information regarding the Company, the Developer and the Regional Center. The Person has had an opportunity to question the Developer and its officers, directors, partners, trustees, or other Persons who control or manage the Developer, and receive adequate answers to such questions. The Person hereby acknowledges that the Company has made available to the Person prior to any investment in the Company the Offering Memorandum and its exhibits, and all information requested by the Person and reasonably necessary to enable the Person to evaluate the risks and merits of an investment in the Company. The Person, after a review of this information and other information it has obtained, is aware of the speculative nature of any investment in the Company.

(e) The Person is aware that the Person will have to make the Capital Contributions required hereunder. The Person can bear the economic risk of the investment in the Company (including the possible loss of his or her entire cash payment) without impairing the Person's ability to provide for himself and/or his or her family in the same manner that the Person would have been able to provide prior to making an investment in the Company. The Person understands that it must continue to bear the economic risk of the investment in the Company for an indefinite period of time.

(f) The Person understands that the Membership Interests have not been registered under the Securities Laws, inasmuch as the offering of Membership Interests is being made to a limited group of potential investors and/or potential investors who are not residents of the United States, pursuant to applicable exemptions under the Securities Laws. The Person understands that it has no rights whatsoever to request, and that the Company is under no obligation whatsoever to furnish, a registration of the Membership Interests under the Securities Laws.

(g) The Membership Interest that the Person is acquiring is being acquired solely for his or her own account and is not being purchased with a view to, or for resale in connection with, any distribution within the meaning of the Securities Laws. The Person will not resell or offer to resell any Membership Interests except in accordance with the terms of this Agreement and in

compliance with all applicable Securities Laws, including Regulation S under the Securities Act of 1933, as amended, nor shall the Person conduct any hedging transactions involving the Membership Interest except in compliance with the Securities Laws. Depending on the particular exemption from registration under the Securities Laws pursuant to which the Person acquires the Membership Interests, as determined by the Company, such exemption may impose additional restrictions on the ownership and transferability of such Membership Interest.

(h) The Person acknowledges that there is no current market for the Membership Interests and none is anticipated to develop. Moreover, there are substantial restrictions on the Transfer of the Membership Interests. Therefore, the Person has considered his or her prospective investment in the Company to be a long-term illiquid investment acceptable because the Person is willing and can afford to accept and bear the substantial risks of the investment for an indefinite period of time.

(i) The Person acknowledges that an investment in the Membership Interests may be beneficial to foreign investors seeking lawful permanent residency in the United States pursuant to an EB-5 Petition Approval issued by USCIS, as more fully described in the Offering Memorandum. Failure of an Investing Member to continue to own all the Membership Interests it acquires may result in the denial of lawful permanent residence as an outcome of his or her investment in the Membership Interests. There are other requirements of USCIS's EB-5 program which the Person must satisfy or risk denial of his or her EB-5 Petition Approval or his or her status as a conditional lawful permanent resident, as more fully described in the Offering Memorandum.

(j) The Person is aware that there is no assurance, representation or warranty, by any Person, that the Project will operate at a profit, will generate sufficient cash flow for the repayment of the Loan.

(k) The Person understands that if it receives a Distribution from the Company in excess of that permitted by Law, the Person may be liable for the amount of such excess Distribution.

(l) The Person understands that major changes were made by tax laws enacted in the past, and more will likely be enacted in the future. The Person is aware that he should understand that the tax consequences of an investment in the Company are subject to change. The Person is further aware that this Agreement contains complex tax attribute allocations. The Person agrees that the Regional Center, the Manager and the Developer have not, will not, and cannot assure the Person that such allocations will be respected for federal income tax purposes by the United States Internal Revenue Service ("**IRS**"). Depending on which allocations were to be disregarded if challenged by the IRS, the Person's share of income, gains, losses, deductions and credits of the Company could be affected and could change. In such an event, the Person may have to amend his or her tax return for the year or years of such change(s).

(m) The Person understands that the income tax treatment of the Company and the ownership of Membership Interests, whether direct or indirect, are complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative

regulations. It is possible that the IRS may successfully challenge the tax treatment accorded certain items by the Company.

(n) The Person is aware that the IRS may audit the income tax returns of the Company and may audit the Person's income tax return (if applicable) as the result of the Person's investment in or claimed deductions or losses from his or her investment in the Company. Such deductions and losses, when taken together with other items reported on the Person's tax return, may prompt the IRS to examine the Person's return, both as to income and deductions relating to the Company and as to other matters. The Company cannot assure the Person that such an audit or examination will not occur or that the Person will not incur additional liability and costs as a result of any such audit or examination.

(o) The Person understands that the Manager may have the authority to negotiate, settle and compromise matters with the IRS relating to all Investing Members of the Company. The Manager may take positions on issues or effect compromises binding on all Investing Members which the Manager believes are in the best interests of the Company, but which may not be in the best interests of individual Investing Members. In the event of audit, each Investing Member must consult with his or her own tax advisor with respect to such Investing Member's rights and obligations.

20. MISCELLANEOUS.

20.1 Copies of Documents: Promptly upon the execution and delivery of this Agreement, the Manager shall deliver to each Investing Member a conformed copy of this Agreement and of the Articles (in the form in which it has been filed) (by electronic delivery at the option of the Company).

20.2 Notices: Any notice, payment, demand, offer or other communication required or permitted to be given by any provision of this Agreement shall be deemed to have been delivered and given for all purposes (a) if personally delivered, (b) whether or not actually received, if sent by registered or certified mail, postage prepaid, or (c) by electronic delivery, addressed as follows:

(a) if to the Company, at the mailing address of the Manager set forth above; and

(b) if to an Investing Member, at the address of such Investing Member set forth in Schedule 1 hereto or such other address as such Investing Member may designate by notice to the Company.

All notices except notices of change of address shall be deemed given when mailed, and notices of change of address shall be deemed given when received.

20.3 Arbitration: Any dispute, controversy or claim arising out of or in connection with, or relating to, this Agreement or any breach or alleged breach hereof, except allegations of violations of federal or state securities laws, shall be submitted to and settled by arbitration in the State of Missouri, pursuant to the rules then in effect of the American Arbitration Association (or at any other place or under any other form of arbitration mutually acceptable to the parties so involved), with venue in St. Louis, Missouri. Any award rendered shall be final and conclusive upon the parties, and

a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne equally by the parties thereto provided that each party shall pay for and bear the cost of its own experts, gathering of evidence and counsel's fees, except that in the discretion of the arbitrator, any award may include the cost of the party's counsel fees if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic or that such matter is frivolous.

20.4 Remedies; Specific Performance: The Company and the Members shall be entitled to all available legal and equitable remedies against each other.

20.5 Severability: Each provision hereof is intended to be severable, and the invalidity or illegality of any portion of this Agreement shall not affect the validity or legality of the remainder hereof.

20.6 Captions: Paragraph captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or extend, or describe the scope of this Agreement or the intent of any provision hereof.

20.7 Person or Gender: The masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the word "person" shall include an individual, corporation, trust, partnership or other form of association.

20.8 Binding Agreement: Subject to the restrictions on assignment herein contained, the terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the successors, assigns, personal representatives, estates, heirs and legatees of the respective Members.

20.9 Applicable Law: Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Missouri as now adopted or as may hereafter be amended and same shall govern the Company aspects of this Agreement.

20.10 Entire Agreement: This Agreement constitutes the entire agreement of the parties hereto with respect to the matters set forth herein and supersedes any prior understanding or agreement, oral or written, with respect thereto. There are no agreements, understandings, restrictions, representations, or warranties among the parties other than those set forth herein or herein provided for.

20.11 Agreement in Counterparts: This Agreement may be executed in any number of counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatories to the original or the same counterpart.

20.12 Qualification in Other Jurisdictions: In the event the business of the Company is carried on or conducted in one or more states in addition to the State of Missouri, the Company shall exist under the laws of each state in which business is actually conducted by the Company, and the parties will execute such further documents as may be appropriate in order that the Manager may legally qualify the Company in each such state. The power of attorney granted to the Manager by

each Investing Member in Section 16, shall constitute the authority of the Manager to perform the ministerial duty of qualifying this Company under the laws of any state in which it is necessary to file documents or instruments of qualification. A Company office or principal place of business in any state may be designated from time to time by the Manager.

20.13 Waiver of Partition: Each of the parties hereto irrevocably waives during the term of the Company any right to maintain any action for partition with respect to any Company property.

20.14 Litigation: The Company shall prosecute and defend such actions at law or in equity as may be necessary to enforce or protect the interest of the Company. The Company shall respond to any final decree, judgment or decision of any court, board or authority having jurisdiction in the premises. The Company shall satisfy any such judgment, decree or decision, first out of any insurance proceeds available therefore, and next out of assets of the Company. The cost of defending any actions brought against the Company and/or the Manager with respect to Company matters shall be borne by the Company except as otherwise provided in this Agreement.

20.15 Time: Time is of the essence to this Agreement.

20.16 Remedies Not Exclusive: Any remedies herein contained for a breach of obligation hereunder shall not be deemed to be exclusive, and shall not impair the right of any party to exercise any other right or remedy, whether for damages, injunction or otherwise.

20.17 Force Majeure: If any Member is rendered unable, in full or in part, by Force Majeure, to carry out his or her obligations under this Agreement, other than the obligations to make distributions to the Investing Members, the obligations of such parties, to the extent affected by such Force Majeure, shall be suspended during, but no longer than, his or her continuance.

For purposes of this section, Force Majeure means an act of God, strike, lockout or other similar disturbance or interruption, act of a public enemy, war, blockage, public riot, lightning, fire, storm, flood, explosion, governmental restraint, unavailability of equipment and any other act or event, whether of the kind specifically enumerated above or otherwise, which is not within the control of the Manager.

20.18 Legal Counsel: Legal counsel for the Manager or one of its Affiliates may also represent the Company in connection with legal work or issues arising in connection with the Company. Each Investing Member recognizes and acknowledges that any such counsel will be acting as legal counsel for the Company and the Manager with respect to each such matter and shall not be acting as the legal counsel of any individual Investing Member. Each Investing Member further recognizes and accepts that his or her interest with respect to any such matter may be adverse to the interests of the Manager and/or the Developer and the Company. Each Investing Member nevertheless consents to the representation of the Manager, Company and the Developer by such counsel with respect to each such matter and waives for the benefit to such parties of such counsel having any potential or actual conflict of interest between or among such parties. Each Investing Member acknowledges that in the event of any future dispute or litigation between or among the Investing Members and/or between any of the Investing Members and the Company, such counsel

may continue to represent the Manager, the Company and the Developer, notwithstanding any such dispute and its prior representation of such parties.

20.19 Advice from Independent Legal Counsel; Voluntary Agreement: Notwithstanding Section 20.18, the Investing Members represent and warrant that (a) each of them has had the opportunity to be represented by legal and tax counsel of his or her choice, (b) each of them has had the opportunity to consult with such counsel regarding this Agreement, and (c) except as set forth herein, each of them has not relied in any way on any representation or other statement made by any other Member (including the Manager) or its legal or tax counsel or by any other Person.

20.20 Patent Errors: The Members hereby authorize and direct the Manager to correct patent errors and to fill in any blanks, which blanks shall not be substantive to the terms hereof, in this Agreement or in any exhibit, instrument, document or agreement related hereto and to attach hereto or thereto any exhibits or schedules which are a part hereof or thereof.

20.21 Currency: All references to "dollars" in this Agreement shall mean U.S. Dollars.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first above written.

MISSOURI THEATRE LENDERS, LLC,
a Missouri limited liability company

By: **GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.,**
a Missouri corporation, Its Manager

By: _____
Name: _____
Title: _____
Dated: _____

MISSOURI THEATRE LENDERS, LLC
OPERATING AGREEMENT

SIGNATURE PAGE

_____
(Signature)

Print Name:_____

Address:_____

Telephone:_____

Tax I.D. or Social Security #:_____

Number of Units:_____

Email Address:_____

SCHEDULE 1

List of Investing Members

SCHEDULE 2

EB-5 Job Allocation Agreement

See attached.

APPENDIX I

GUARANTY ACKNOWLEDGEMENT

The Developer hereby unconditionally and irrevocably guarantees the refund obligation set forth in Section 7.5(f) of the Operating Agreement.

DEVELOPER:

MISSOURI THEATRE LLC,
a Delaware limited liability company

By:_____
Name:_____
Its:_____

Exhibit J

Tax Incentive Process Summary

MISSOURI THEATRE BUILDING
Tax Incentive Process Summary

April 26, 2012

Real Estate Tax Abatement

St. Louis City Property Tax Abatement
www.stlouis.missouri.org/sldc/busdev/abate.html

- MO Statute Chapter 353—the Urban Redevelopment Corporations (UDC) law—provides MO cities the ability to declare "blighted areas" within their limits. Once declared locally by the STL Board of Alderman, for-profit UDC's can use real property tax abatement for redevelopment within these blighted areas.
- Tax abatement freezes real estate assessment on property improvements at the pre-development level. An improvement can be construction of a new building on raw land or improvements made to an existing building that was just acquired.
- Available for commercial, industrial or residential purposes.
- The Alderman for the ward in which the property is located must support the UDC redevelopment plan. If approved, an ordinance will be passed that grants the UDC tax-abatement privileges.
- Usual term is 10 years at full abatement, but term can be extended to 25 years (10 years at full abatement + 15 year abatement at 50%)

Board Bills 233 and 236 dated November 6, 2009 (attached) confirm approval by the Board of Alderman for the 10 year Real Estate Tax Abatement.

The next step for the *Real Estate Tax Abatement* is to prepare an application for tax abatement for consideration by Land Clearance for Redevelopment Authority (LCRA). Grand Center Inc., the current owner of the building, is collecting the information required for the application and will assemble the initial response as soon as the financing commitment letter is received.

Hotel Room Tax Reimbursement - 100% of City Portion

Hotel/Motel Room Tax
Chapter 502

The hotels and motels located inside the boundary of St. Louis County according to Chapter 502 must pay a room tax on the room sales for each calendar quarter. **The tax is 3.5% for the Convention and Sports Tax** and 3.75% for the Convention and Tourism Tax. Both taxes are remitted to St. Louis County. The 3.5% tax is used to pay for the TWA dome as part of the St. Louis County payment. The 3.75% tax is sent to the Convention and Visitors Commission for its use to advertise and attract people and conventions to St. Louis.

MISSOURI THEATRE BUILDING
Tax Incentive Process Summary

April 26, 2012

Because the Hotel Room tax is specifically excluded from capture under the TIF statute, the Redevelopment Agreement was amended by Board Bills 233 and 236 and a new category of revenue for the developer was created called Additional Revenue. Through this Additional Revenue definition, the City is voluntarily donating 100% of the Sleeping Room tax to the project.

Economic Activity Taxes (EATs) Reimbursement – 50%

St. Louis City Tax Increment Financing (TIF)
www.stlouis.missouri.org/sldc/busdev/tif.html

- TIF financing is both a state and local economic development tool, although the practice of combining both into one deal is rare.
- Local TIF's are designed to help finance improvements in designated redevelopment areas or districts in St. Louis that have been "blighted."
- Either a private developer or a debt-issuing municipal entity can underwrite the improvements, and be reimbursed later for eligible project costs—i.e. expenses incurred for assembly, acquisition, demolition, financing or rehabilitation.
- TIF district improvements are made by using new tax revenues from two sources that are generated by a finished project. The first source—'PILOTS'—are from any increase in property tax assessments when comparing the values before and after a project's completion. **The second source—'EATS'—are from increases in economic activity taxes (i.e. local sales, earnings, utility) in the area that are generated by the finished project.**
- 100% of the increase in PILOTS taxes and 50% of the increase in EATS taxes are deposited in a Special Allocation Fund. These monies are then used to repay certain debts incurred by either the private developer or the municipality entity.
- The City TIF commission decides on a TIF's feasibility, recommending a course of action to the Board of Alderman. If approved, the Board will designate the developer to follow the agreed upon Redevelopment Plan for the area.

Board Bills 233 and 236 dated November 6, 2009 (attached) confirm approval by the Board of Alderman for the the *EATs* reimbursement.

The next step for the *EATs* approval is to draft a Parcel Development Agreement between our entity (the Subdeveloper), GCI (Developer), and the City. This is a simple process that will be started after receipt of the financing commitment letter.

MISSOURI THEATRE BUILDING
Tax Incentive Process Summary

April 26, 2012

Community Improvement District (CID) Reimbursement – 100%

Community Improvement Districts
www.missouridevelopment.org/Community%20Services/Local%20Finance%20Initiatives/Community%20Improvement%20District.aspx

- MO General Assembly authorized the city of St. Louis to create CID's within its boundaries. These geographically defined districts allow contiguous groups of property owners to band together, decide what additional services and improvements are needed in their area, and impose special assessments on one another to pay for these added benefits.
- Additional improvements and services may include beautification, cleaning, maintenance and security provisions, as well as research and support for business activity, economic development and special events.
- For a proposed district to be approved, more than 50% of its property owners AND property owners owning more than 50% of its assessed value must agree to the creation of such a district. A successful public hearing held by the Board of Alderman is the last step in the CID approval process.
- A CID is governed by a Board of Directors.

The *CIDs* reimbursement is in our control. The Project is already located in a Community Improvement District for multiple properties. We will need to draft a petition to add a single property CID on top of the existing CID and have it formally approved by the Board of Aldermen. This process takes 2-3 weeks and should not be completed until the development is nearing completion so that it is not enacted before the Hotel opens. This is a self levied sales tax of 1%.

Exhibit K

Articles of Organization for
Missouri Theatre Lenders, LLC

State of Missouri
Robin Carnahan, Secretary of State

File Number: 201213280308
LC1227038
Date Filed: 05/11/2012
Robin Carnahan
Secretary of State

Articles of Organization

1. The name of the limited liability company is:

   MISSOURI THEATRE LENDERS, LLC

2. The purpose(s) for which the limited liability company is organized:

   The transaction of any lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act, Chapter 347 RSMo.

3. The name and address of the limited liability company's registered agent in Missouri is:

   JIE FAN — *Name*
   121 S. MERAMEC AVENUE, SUITE 1111, ST. LOUIS MO 63105 — *Address*

4. The management of the limited liability company is: [X] Manager [ ] Member

5. The duration (period of existence) for this limited liability company is:

   Perpetual

6. The name(s) and street address(es) of each organizer:

   Gateway to the Midwest Investment Center, Inc., 121 S. Meramec Ave., Suite 900, St. Louis MO 63105

7. The effective date of this document is:

   05/11/2012

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

Gateway to the Midwest Investment Center, Inc., DENNIS G COLEMAN
(Organizer Name)

State of Missouri

Robin Carnahan
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

MISSOURI THEATRE LENDERS, LLC
LC1227038

filed its Articles of Organization with this office on the May 11, 2012, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the May 11, 2012, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this May 11, 2012.

Robin Carnahan

Secretary of State

From: (215) 825-8608 Origin ID: REDA
H. Ronald Klasko
Klasko, Rulon, Stock & Seltzer, LLP
1800 John F. Kennedy Boulevard
Suite 1700
Philadelphia, PA 19103

FedEx Express

J122012071603 25

Ship Date: 30JUL12
ActWgt: 1.0 LB
CAD: 103808884/INET3300

Delivery Address Bar Code

SHIP TO: (215) 825-8615 BILL SENDER

U.S. Citizenship & Immigration Serv
California Service Center
24000 Avila Road, 2nd Floor
ATTN: EB-5 RC PROPOSAL
Laguna Niguel, CA 92677

Ref # 8615 - GMIC
Invoice #
PO #
Dept #

AM JUL 3 1 2012
STAMP #6

TUE - 31 JUL A1
STANDARD OVERNIGHT

TRK# 7938 4579 1199
0201

XH JORA

92677
CA-US
SNA

515G1/A270/AA44

After printing this label:
1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.
Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com.FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery,misdelivery,or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim.Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental,consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss.Maximum for items of extraordinary value is $500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

OMB No. 1615-0105; Expires 04/30/2012

Department of Homeland Security

G-28, Notice of Entry of Appearance as Attorney or Accredited Representative

Part 1. Notice of Appearance as Attorney or Accredited Representative

A. This appearance is in regard to immigration matters before:

☒ USCIS - List the form number(s): I-924

☐ CBP - List the specific matter in which appearance is entered:

☐ ICE - List the specific matter in which appearance is entered:

B. I hereby enter my appearance as attorney or accredited representative at the request of:

List Petitioner, Applicant, or Respondent. **NOTE:** Provide the mailing address of Petitioner, Applicant, or Respondent being represented, and **not** the address of the attorney or accredited representative, except when filed under VAWA.

Principal Petitioner, Applicant, or Respondent			A Number or Receipt Number, if any	☐ Petitioner ☑ Applicant ☐ Respondent
Name: Last	First	Middle		
Gateway to the Midwest Investment Center, Inc				
Address: Street Number and Street Name	Apt. No.	City	State	Zip Code
121 S. Meramec Avenue, Suite 900		St Louis	MO	63105

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, USCBP, or USICE.

Signature of Petitioner, Applicant, or Respondent Dennis G. Coleman — **Date** 05/10/2012

Part 2. Information about Attorney or Accredited Representative *(Check applicable items(s) below)*

A. ☒ I am an attorney and a member in good standing of the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia: Pennsylvania Supreme

I am not ☒ **or** ☐ **am subject to any order of any court or administrative agency disbarring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law (If you are subject to any order(s), explain fully on reverse side).**

B. ☐ I am an accredited representative of the following qualified non-profit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 1292.2. Provide name of organization and expiration date of accreditation:

C. ☐ I am associated with _____.

The attorney or accredited representative of record previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request *(If you check this item, also complete item **A** or **B** above in **Part 2**, whichever is appropriate).*

Part 3. Name and Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

Name of Attorney or Accredited Representative	Attorney Bar Number(s), if any
H. Ronald Klasko	PA 20384
Signature of Attorney or Accredited Representative	Date 7/30/12

Complete Address of Attorney or Organization of Accredited Representative (Street Number and Street Name, Suite No., City, State, Zip Code)

Klasko, Rulon, Stock & Seltzer LLP, 1800 John F. Kennedy Boulevard, Suite 1700, Philadelphia, PA 19103

Phone Number *(Include area code)*	Fax Number, if any *(Include area code)*	E-Mail Address, if any
(215) 825-8600	(215) 825-8699	rklasko@klaskolaw.com

H. Ronald Klasko

OMB No. 1615-0105; Expires 04/30/2012

Department of Homeland Security

G-28, Notice of Entry of Appearance as Attorney or Accredited Representative

Part 1. Notice of Appearance as Attorney or Accredited Representative

A. This appearance is in regard to immigration matters before:

☒ USCIS - List the form number(s): Regional Center Application I-924

☐ CBP - List the specific matter in which appearance is entered:

☐ ICE - List the specific matter in which appearance is entered:

B. I hereby enter my appearance as attorney or accredited representative at the request of:

List Petitioner, Applicant, or Respondent. **NOTE:** Provide the mailing address of Petitioner, Applicant, or Res **not** the address of the attorney or accredited representative, except when filed under VAWA.

Principal Petitioner, Applicant, or Respondent			A Nu N
Name: Last	First	Middle	
Gateway to the Midwest Investment Center, Inc.			N/A

Address: Street Number and Street Name	Apt. No.	City	State	Zip Code
121 S. Meramec Avenue, Suite 900,		St. Louis,	MO	63105

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, USCBP, or USICE.

Signature of Petitioner, Applicant, or Respondent **Date** 10/26/10

Part 2. Information about Attorney or Accredited Representative *(Check applicable items(s) below)*

A. ☒ I am an attorney and a member in good standing of the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia: New York State Third Appellate Division

I am not ☒ or ☐ **am subject to any order of any court or administrative agency disbarring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law (If you are subject to any order(s), explain fully on reverse side).**

B. ☐ I am an accredited representative of the following qualified non-profit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 1292.2. Provide name of organization and expiration date of accreditation:

C. ☐ I am associated with _____.

The attorney or accredited representative of record previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request *(If you check this item, also complete item **A** or **B** above in **Part 2**, whichever is appropriate).*

Part 3. Name and Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

Name of Attorney or Accredited Representative	Attorney Bar Number(s), if any
Stephen Yale-Loehr EAC000652	2547081
Signature of Attorney or Accredited Representative	Date
	2-18-2011

Complete Address of Attorney or Organization of Accredited Representative (Street Number and Street Name, Suite No., City, State, Zip Code)

Miller Mayer, LLP 202 E. State St., Suite 700, Ithaca, NY 14850

Phone Number *(Include area code)*	Fax Number, if any *(Include area code)*	E-Mail Address, if any
607-273-4200	607-272-6694	syl@millermayer.com

OMB No. 1615-0061; Expires 09/30/2012

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program

Do Not Write in This Block - for USCIS Use Only (except G-28 block below)

Action Block

U.S. Department of Homeland Security
APPROVED
MAR 15 2010
004345
U.S. Citizenship and Immigration Services

Fee

RCW1105350166

☒ G-28 attached

Attorney's State License No.
2547081

SP000382

Part 1. Information About Principal of the Regional Center

Name: Last	First	Middle
Coleman	Dennis	G.

C/O: St. Louis County Economic Council

Street Address/P.O. Box: 121 S. Meramec Ave. Suite 900

City: St. Louis (b)(6)	State: MO	Zip Code: 63105

Date of Birth (mm/dd/yyyy): [redacted]	Fax Number (include area code): (314) 615-7666	Telephone Number (include area code): (314) 615-7663

Web site address: http://www.slcec.com

Part 2. Application Type (Check one)

☒ **a.** Initial Application for Designation as a Regional Center

☐ **b.** Amendment to an approved Regional Center application. Note the previous application receipt number, if any (also attach the Regional Center's previous approval notice): _____

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, Regional Center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: Gateway to the Midwest Investment Center, Inc.

Street Address/P.O. Box: 121 Meramec Ave. Suite 900

City: St. Louis	State: MO	Zip Code: 63105

Web site address:	Fax Number (include area code):	Telephone Number (include area code):
N/A	(314) 615-7666	(314) 615-7663

Part 3. Information About the Regional Center *(Continued)*

B. Name of Managing Company/Agency: St. Louis County Economic Council

Street Address/P.O. Box: 121 S. Meramec Ave. Suite 900

City: St. Louis	State: MO	Zip Code: 63105

Web site address: http://www.slcec.com	Fax Number (include area code): (314) 615-7666	Telephone Number (include area code): (314) 615-7663

C. Name of Other Agent:

Street Address/P.O. Box:

City:	State:	Zip Code:

Web site address:	Fax Number (include area code):	Telephone Number (include area code):

D. Continuation, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

Part 3. Information About the Regional Center *(Continued)*

Note: If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1a. Describe the structure, ownership and control of the regional center entity.

Please see attached cover letter. Please see also Gateway to the Midwest Investment Center, Inc. Business Plan at Exhibit 1.

b. Date the Regional Center was established(mm/dd/yyyy): 09/27/2010

c. Organization Structure for the Regional Center:

- ☐ **1.** Agency of a U.S. State or Territory (identify) _____
- ☒ **2.** Corporation
- ☐ **3.** Partnership (including Limited Partnership)
- ☐ **4.** Limited Liability Company (LLC)
- ☐ **5.** Other (Explain) _____

2. Has this regional center's designation ever been formally terminated by USCIS, or has the regional center ever filed a Form I-924 or regional center proposal or amendment that was denied?

☒ No ☐ Yes - Attach a copy of the adverse decision, with an explanation, the date of decision, and case number, if any.

3. Describe the geographic area of the regional center. **Note:** This area must be contiguous. Provide a map of the geographic area.

Gateway to the Midwest Investment Center, Inc. ("GMIC")is requesting designation for the contiguous area of St. Louis City, St. Louis County and St. Charles County in the State of Missouri. Please see Exhibit 5 for a map of the regional center geographic area.

4. Describe the regional center's administration, oversight, and management functions that are or will be in place to monitor all EB-5 capital investment activities and the allocation of the resulting jobs created or maintained under the sponsorship of the regional center.

Please see attached cover letter and Gateway to the Midwest Investment Center, Inc. Business Plan at Exhibit 1 for detailed information.

Part 3. Information About the Regional Center *(Continued)*

5. Describe the past, current, and future promotional activities for the regional center. Include a description of the budget for this activity, along with evidence of the funds committed to the regional center for promotional activities. Submit a plan of operation for the regional center that addresses how EB-5 investors will be recruited, the method(s) by which the capital investment opportunities will be offered to the investors, and how they will subscribe or commit to the investment interest.

Please see attached cover letter and Gateway to the Midwest Investment Center, Inc. Business Plan at Exhibit 1. See also Exhibits 13 and 14, Sample Private Offering Memorandum and Sample Subscription Agreement, for a description of how investors will subscribe for membership interests.

6. Describe whether and how the regional center is engaged in supporting a due diligence screening of its alien investor's lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital. Also, describe the regional center's prospective plans in this regard if they differ from past practice.

Please see Gateway to the Midwest Investment Center, Inc. Business Plan at Exhibit 1.

7. Identify each industry that has or will be the focus of EB-5 capital investments sponsored through the regional center.

Industry Category Title:	Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category?
Construction NAICS Code for the Industry Category: 2 3 0 0 0 0	☐ No - Attach an explanation ☒ Yes
Industry Category Title: Professional, Scientific & Technical Services. NAICS Code for the Industry Category: 5 4 0 0 0 0	☐ No - Attach an explanation ☒ Yes
Industry Category Title: NAICS Code for the Industry Category:	☐ No - Attach an explanation ☐ Yes

Part 3. Information About the Regional Center *(Continued)*

8a. Describe and document the current and/or prospective structure of ownership and control of the commercial entity(s) in which the EB-5 alien investors have or will make their capital investments.

Please see the attached cover letter, Gateway to the Midwest Investment Center, Inc. Business Plan at Exhibit 1, and Comprehensive I-526 Business Plan at Exhibit 10. See also Private Offering Memorandum at Exhibit 13.

b. Date commercial enterprise established, if any (mm/dd/yyyy): N/A

c. Organization Structure for commercial enterprise:

- ☐ **1.** Corporation
- ☐ **2.** Partnership (including Limited Partnership)
- ☒ **3.** Limited Liability Company (LLC)
- ☐ **4.** Other (Explain) _____

d. Has or will the Regional Center or any of its principals or agents have an equity stake in the commercial enterprise?

☐ No ☒ Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid.

e. Has or will the Regional Center or any of its principals or agents receive fees, profits, surcharges, or other like remittances through EB-5 capital investment activities from this commercial enterprise, beyond the minimum capital investment threshold required of the EB-5 alien entrepreneurs?

☐ No ☒ Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid.

Part 4. Applicant Signature *Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete **Part 5**.*

I certify, under penalty of perjury under the laws of the United States of America, that this form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant	**Daytime Phone Number** *(Area/Country Codes)*	**Date** *(mm/dd/yyyy)*
Dennis G. Coleman	(314) 615-7663	02/11/2011
Printed Name of Applicant	**E-Mail Address**	
Dennis G. Coleman	dcoleman@slcec.com	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.)		
President		

Part 5. Signature of Person Preparing This Form, If Other Than Above *(Sign Below)*

I declare that I prepared this application using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? ☐ No ☒ Yes

Signature of Preparer	**Printed Name of Preparer**	**Date** *(mm/dd/yyyy)*
	STEPHEN YALE-LOEHR	02/18/2011

Firm Name and Address
MILLER MAYER LLP 202 EAST STATE ST., SUITE 700 ITHACA NY 14850

Daytime Phone Number *(Area/Country Codes)*	**Fax Number** *(Area/Country Codes)*	**E-Mail Address**
(607) 273-4200	(607) 272-6694	syl@millermayer.com

Part 3, 8d

Whether the regional center will have an equity stake in the new commercial will differ from project to project.

Part 3, 8e

The regional center will charge an administrative fee to pay for offering expenses, including legal, accounting and administration expenses, and commissions and fees. The regional center may return all or a part of this fee upon the denial of an investor's I-526 petition by USCIS or the rejection of an investor's subscription by the new commercial enterprise. The amount of this fee has not yet been determined.

MILLER MAYER, LLP

ATTORNEYS AT LAW

R. James Miller
John Moss Hinchcliff
Elena Salerno Flash
Rosanne Mayer
David A. Tyler
Hilary T. Fraser
Laurie M. Johnston
Adam R. Schaye
Carolyn S. Lee
Hayden R. Brainard, Jr.
Kimberly N. Rothman

202 East State Street, Suite 700
PO Box 6435
Ithaca, New York 14851-6435
Telephone: 607.273.4200
Fax: 607.272.6694
Web: www.millermayer.com
Email: syl@millermayer.com

Nicolai Hinrichsen
Kristal Ozmun
Heather Moore
Aaron O. Lavine

Of Counsel
Stephen Yale-Loehr
George R. Pfann, Jr.
Randall L. Reed

SUBMISSION CONTAINS CONFIDENTIALCOMMERCIAL INFORMATION. PER FOIA (5 U.S.C. § 552(b)(4)), SUBMITTER REQUESTS PREDISCLOSURE NOTIFICATION PER PRESIDENTIAL EXECUTIVE ORDER NO. 12,600, 52 Fed. Reg. 23781 (June 23, 1987)

February 18, 2011

Via Federal Express

U.S. Citizenship and Immigration Service
California Service Center
ATTN: EB5 RC Proposal
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

RE: Request for Designation of the Gateway to the Midwest Investment Center ("GMIC") under the Immigrant Investor Pilot Program

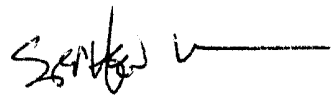
Dear Examiner:

I represent Applicant, Gateway to the Midwest Investment Center ("GMIC"), for purposes of its request for designation as a Regional Center under the Immigrant Investor Pilot Program. My G-28 is attached.

This letter transmits the enclosed regional center application, as submitted by GMIC and its President, Dennis Coleman. Please consider Mr. Coleman's letter and accompanying exhibits as a complete regional center application.

Please contact me if you have any questions.

Sincerely,



Stephen Yale-Loehr

Enclosures
H:\8936\001\GMIC transmittal ltr.doc

GMIC GATEWAY TO THE MIDWEST INVESTMENT CENTER

SUBMISSION CONTAINS CONFIDENTIALCOMMERCIAL INFORMATION. PER FOIA (5 U.S.C. § 552(b)(4)), SUBMITTER REQUESTS PREDISCLOSURE NOTIFICATION PER PRESIDENTIAL EXECUTIVE ORDER NO. 12,600, 52 FED. REG. 23781 (JUNE 23, 1987)

February 18, 2011

Via Federal Express

U.S. Citizenship and Immigration Service
California Service Center
ATTN: EB-5 RC Proposal
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

Application: Request for Designation as EB-5 Regional Center
Applicant: Gateway to the Midwest Investment Center, Inc.
Geography: St. Louis City, St. Louis County and St. Charles County in the State of Missouri
RE: Designation of the Gateway to the Midwest Investment Center (GMIC) under the Immigrant Investor Pilot Program

Dear Examiner:

This letter and exhibits constitute an application for EB-5 regional center designation by the Gateway to the Midwest Investment Center, Inc. to stimulate investment in St. Louis City, St. Louis County and St. Charles County in the State of Missouri. The proposed regional center will be called the Gateway to the Midwest Investment Center, Inc. ("GMIC"). I am the President of Gateway to the Midwest Investment Center, Inc. and in this capacity submit this Regional Center application. My resume is included as part of Exhibit 1.

A signed G-28 for our attorney, Stephen Yale-Loehr, of Miller Mayer, LLP ("Miller Mayer") is included as part of the regional center application. This letter and attached exhibits explain how this proposal meets the requirements for regional center designation set forth at 8 C.F.R. § 204.6(m)(3).

Introduction

GMIC is a joint undertaking of the St. Louis County Economic Council ("SLCEC") and the World Trade Center ("WTC"). The SLCEC was organized to promote and develop trade and industry in St. Louis County, Missouri. See http://www.slcec.com/. The WTC was organized to

St. Louis County Economic Council · 121 S. Meramec Avenue · Suite 1117 · St. Louis, MO 63105
Douglas A. Potts – 314.615.7616, dpotts@slcec.com

promote international business growth and trade. See http://www.worldtradecenter-stl.com/. These organizations seek to further their common goal of increasing trade and growth in the area by establishing and operating the GMIC. To that end, SLCEC and WTC will both give continuous support to the GMIC by providing office facilities, staff, operating support and professional services to the GMIC. Please see Draft Memorandum of Understanding at Exhibit 4.

GMIC is requesting approval to focus investments in two economic clusters: Construction (NAICS 23); and Professional, Scientific, and Technical Services (NAICS 54). GMIC's first potential project is a research and development facility, the St. Louis Bio-Life Sciences Research and Development Park. GMIC intends to use EB-5 capital to construct and develop the St. Louis Bio-Life Sciences Research and Development Park in western St. Louis County. The facility will contain wet-lab and mixed-use bio-research space for as yet developing biotech and life-sciences companies. St. Louis Bio-Life Sciences Research and Development Park will have a substantial and ongoing economic impact in St. Louis County, St. Charles County, and St. Louis City, Missouri. Once completed, it will create an estimated 711 permanent new jobs, a four year cumulative total of $288.8 million (in 2011 dollars) in increased output, and a cumulative total of $159.7 million (in 2011 dollars) in increased disposable personal income. However, because this project is still in the planning stages, GMIC is not seeking project pre-approval at this time.

Regional Center Geographic Area

This proposal requests regional center designation for investments in the geographic areas of St. Louis City, St. Louis County and St. Charles County in the State of Missouri. Please see a map of the proposed regional center at Exhibit 5. Investments made within targeted employment areas (TEAs) within this geographic area will be $500,000; investments made in other parts of this geographic area that are not in TEAs will be $1,000,000. A TEA is a high unemployment area or a rural area. High unemployment areas have an unemployment rate of at least 150% of the national average rate.

Governor Jeremiah W. Nixon designated the Missouri Department of Economic Development as the agency responsible for designating high unemployment areas, and thus TEAs, within the State of Missouri. Please see Designation Letter at Exhibit 6. Marty Romitti, Ph.D., Missouri Department of Economic Development, determined the areas within the regional center that currently qualify as high unemployment areas for EB-5 purposes. Please see Letter from Marty Romitti, Ph.D., supporting designation of current TEAs within the GMIC at Exhibit 7.

Regional Center Management

GMIC will be managed by a Board of Directors. Its current Board of Directors is composed of: Fred Bartelsmeyer, Gregory Prestemon, Dennis G. Coleman, Jacqueline Wellington, and Timothy Nowak. I, Dennis G. Coleman, am President of GMIC. Fred Bartelsmeyer is Vice President and Secretary of the GMIC Board of Directors. Jacqueline Wellington is a Vice President

of GMIC, together with Timothy Nowak. Please see GMIC Regional Center Business Plan at Exhibit 1, including resumes of Directors.

Regional Center Oversight and Administration

Fred Bartelsmeyer, Gregory Prestemon, Dennis G. Coleman, Jacqueline Wellington, and Timothy Nowak will manage and oversee all administrative functions of GMIC. GMIC plans to retain the law firm of Miller Mayer to ensure timely and accurate compliance with applicable USCIS regional center reporting requirements, as further detailed in the GMIC Regional Center Business Plan attached at Exhibit 1.

To ensure quality and consistency of all immigrant investor I-526 petitions submitted to the USCIS, Miller Mayer will also act as preferred immigration counsel for individual GMIC investors. Miller Mayer will work with GMIC to assemble and draft all necessary regional center business and investor documentation required by USCIS for I-526 petition approval. In addition, GMIC will engage the services of outside accountants to prepare annual financial documents for all GMIC projects.

GMIC will follow applicable U.S. Securities and Exchange Commission rules for classifying an EB-5 investor as an "Accredited Investor" according to the definitions contained in Rule 501 of Regulation D. Each prospective EB-5 investor will be required to complete a questionnaire that provides adequate supporting information to verify compliance with Regulation D.

GMIC will adhere to all USCIS rules and regulations relating to confirming the legal source of funds used for investments in GMIC projects. GMIC's standard due diligence procedure will include:

- GMIC's due diligence questionnaires and document requests;
- Escrow bank's obligation to comply with 31 U.S.C. § 5318(i) "Due Diligence for United States Private Banking and Correspondent Bank Accounts Involving Foreign Persons";
- Immigration attorney's source and path of funds analysis submitted with individual I-526 petitions; and
- the USCIS's own background check conducted on all I-526 petitioners.

Regional Center Marketing

GMIC will have both an Internet presence and engage in direct marketing. Direct marketing includes, among other things, print and Internet advertisements, and attendance at trade shows. Total marketing costs are estimated to be $85,000 for the first year of operation and will be paid by the St. Louis County Economic Council. For further details, please see the GMIC Regional Center Business Plan at Exhibit 1.

Regional Center Expenses and Budget

As indicated in the Expense Attestation Letter attached at Exhibit 8, GMIC has spent $92,430.58 to date on initial start-up expenses for the regional center. The St. Louis County Economic Council has approved a first year budget of $225,000 to ensure the successful operation of the GMIC. This includes $85,000 for the first-year marketing budget. Please see Expense Attestation Letter at Exhibit 8 for evidence of this commitment. Please see also the GMIC bank statements attached as part of Exhibit 8, which further document and enumerate expenses incurred, and funds committed to the regional center.

This combined dedicated capital is sufficient to sustain GMIC's marketing efforts and post-approval operations, distinct from immigrant investors' required capital investments in a new commercial enterprise within the regional center. Further, the St. Louis County Economic Council pledges to supply additional resources as needed if GMIC requires additional operating capital.

Investment Structure and Terms

GMIC will organize a separate investment entity such as a limited liability company ("LLC") for each investment opportunity. EB-5 investors will make qualifying investments in the LLC and become a Member with rights equivalent to those of a limited partner under the Uniform Limited Partnership Act. In some cases, GMIC will serve as the Manager of the LLC and be responsible for the day-to-day conduct of the business and affairs of the LLC. LLC Members will only risk their capital contribution; they are not liable for the daily affairs of the LLC. GMIC may be a member of the LLC, depending on the business terms of each project.

Investments by EB-5 petitioners in the LLC will be made in exchange for equity. Investors will invest $500,000 if in a TEA, or $1,000,000 if outside of a TEA, into the LLC in exchange for membership interests in the LLC. There is no guarantee that distributions will be made. Any distributions will be made only from available cash flow and/or excess proceeds. The full $500,000 capital contribution will be made available to the job creating enterprise as required by *Matter of Izummi*. Limited Liability Company Operating Agreements will not permit EB-5 capital to be used for organizational or operation expenses, or for management fees paid in connection with the operation of the LLC. GMIC intends to charge investors an additional up-front administrative fee to cover such expenses. GMIC has not yet determined the amount of the administrative fee.

The number of EB-5 investors per LLC will vary depending on the size of the project, the type of investment, and the number of jobs that will be directly and indirectly created. GMIC will return an EB-5 investor's funds without interest if his or her I-526 petition is denied. GMIC may also return part or all of the administrative fee contingent upon the amount expended for the offering and investor expenses, such as placement agent fees.

In some cases, the LLC will represent the investment opportunity and investors will make

direct equity investments into the project. In other cases, the LLC will serve as an investment vehicle and it will either make loans to qualified projects under terms that do not allow for principal repayment over the initial 5 years of the loan or it will make investments into qualified projects in exchange for equity that it expects can be profitably liquidated or sold after 5 years in the initial EB-5 investment. EB-5 capital contributions will be loaned or invested into qualified projects upon I-526 approval and will not be guaranteed by the LLC or GMIC.

GMIC anticipates using an escrow account for management of an immigrant investor's capital contribution. Once the escrow agent receives confirmation that an immigrant investor's I-526 petition has been approved, such investor's capital contribution will be released and deployed into the project. Alternatively, if the LLC constitutes a direct project investment, the capital contribution will simply be released from escrow to the control of the LLC for use in the qualifying project.

Before any investment, GMIC will require the project entity to provide an economic job creation analysis using economic methodologies acceptable to the USCIS. The decision whether to proceed with an investment will be based in part on the job creation potential of the target project. EB-5 funds shall be deployed to ensure that at least ten new, qualifying, full-time jobs for each immigrant investor will be created within the regional center's geographic area, as approved by USCIS. LLC investments will generally be made as part of a coordinated capital program, probably along with other domestic capital sources.

The Sample Operating Agreement, Private Offering Memorandum, Subscription Agreement, and Escrow Agreements attached at Exhibits 12, 13, 14, 15, and 16 respectively, are currently drafted to reflect an investment in the GMIC Sampleco, LLC. For purposes of this regional center application, these documents also serve as generic templates for future GMIC investment projects.

Potential Project

GMIC will sponsor projects that will involve the target industry economic clusters of Construction (NAICS 23) and/or Professional, Scientific, and Technical Services (NAICS 54). GMIC's first possible project is the development and construction of the St. Louis Bio-Life Sciences Research and Development Park (the "Project"). The Project would be located in western St. Louis County, in close proximity to the campus of the Danforth Plant Science Center and Washington University. This location would put the project in close proximity to nearly 400 plant and life-science companies, such as Monsanto and Sigma Aldrich, and provide access to numerous foreign life-sciences companies operating in the region. The proposed Project facility would be a 110,000 square foot, four-s [illegible] building. The building would provide its users and occupants with w [illegible] tems, pre-built labs, and all the resources necessary for biological and [illegible] tive market prices.

Please see [illegible] es Research and Development Park Sample Business

Plan at Exhibit 10 and the Private Offering Memorandum at Exhibit 13 for detailed information on the Project. Please note that this Project is still in a very early stage of development and as such we are not seeking project pre-approval at this time.

Employment Creation

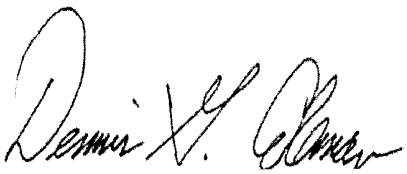
GMIC plans to use a USCIS-approved input-output model such as IMPLAN, RIMS II, REMI, or REDYN to show how each investment by an immigrant investor in the regional center will directly and indirectly create at least 10 jobs. Input-output models use "direct" impact estimates, typically measured as new jobs created at the site of an investment by employers who occupy space made useful by the investment. Input-output models are used to estimate potential "indirect" employment impacts resulting from a "multiplier" process.

Attached at Exhibit 11 is an economic report prepared by Jeffrey Carr of Economic & Policy Resources, Inc. The report analyses the job creation potential and economic impact of the proposed St. Louis Bio-Life Sciences Research and Development Park within St. Louis County, St. Charles County, and St. Louis City using REDYN. The report estimates that the Project would create 233 direct and 478 indirect full-time jobs.

Conclusion

GMIC and the projects undertaken through its designation will have a transformative effect on St. Louis City, St. Louis County and St. Charles County, Missouri. These Missouri counties desperately need the economic stimulus that GMIC investments will provide. Therefore we urge you to promptly adjudicate and approve this application, which fully satisfies the requirements for EB-5 regional center designation. We look forward to your early approval.

Sincerely,



Dennis Coleman
President

Attachment: Document Index and Exhibits
H:\8936\001\Cover Letter\GMIC Cover Letter 2.18.2011.doc

Document Index and Exhibits
Gateway to the Midwest Investment Center, Inc.
Regional Center Application

Exhibit No.	Description
Background information on the Regional Center, including:	
1	Comprehensive Gateway to the Midwest Investment Center, Inc. Regional Center Business Plan, including resumes of principals
2	Articles of Organization for Gateway to the Midwest Investment Center, Inc.
3	Bylaws of Gateway to the Midwest Investment Center, Inc.
4	Draft Memorandum of Understanding between GMIC, World Trade Center (WTC), and St. Louis County Economic Council (SLCEC)
5	Map of proposed regional center geographical area
6	Letter from Missouri Governor Nixon designating the Missouri Department of Economic Development as the agency responsible for determining TEAs
7	Letter from Marty Romitti, Ph.D., Missouri Department of Economic Development, supporting TEA designation of areas within the GMIC
8	Expense and Budget information, including: expense attestation letter, evidence of GMIC bank account, and evidence of expenses incurred to date
9	Regional Center information for USCIS website
Sample documents for GMIC Sampleco, LLC:	
10	Sample I-526 Business Plan for St. Louis Bio-Life Sciences Research and Development Park
11	Economic report and economist team information for Jeffrey Carr of Economic & Policy Resources, Inc.
12	Sample Operating Agreement
13	Sample Private Offering Memorandum
14	Sample Subscription Agreement

15	Sample Capital Contribution Escrow Agreement and list of proposed escrow agents
16	Sample Administrative Fee Escrow Agreement
17	Sample Investor Suitability Questionnaire

EXHIBIT 1

Gateway to the Midwest Investment Center, Inc.

Regional Center Business Plan

February 2011

1. Introduction

Gateway to the Midwest Investment Center, Inc. (GMIC) was organized in 2010 as a Missouri not-for-profit corporation to be operated as an EB-5 USCIS designated regional center within St. Louis County, St. Louis City, and St. Charles County. The St. Louis County Economic Council will administer and operate the regional center. However, the Board of Directors will be composed of members appointed from each of the three geographic areas to provide oversight.

GMIC was formed to undertake economic development and create permanent jobs in St. Louis City, St. Louis County and St. Charles County in the State of Missouri by investing in the targeted economic sectors of Construction (NAICS 23) and Professional, Scientific, and Technical Services (NAICS 54). GMIC will raise foreign investment capital through the USCIS EB-5 Immigrant Investor Pilot Program to finance the development of projects in the named economic sectors. Designed to be financially self-sustaining, GMIC will seek out and encourage the creation of new business opportunities to stimulate the economy within the GMIC geographic area.

GMIC is in the process of seeking out and evaluating potential projects and investment opportunities but has not chosen an initial, sponsored project at this time. Marketing and budget allocations are currently in place for this process. GMIC will seek amendment of its designation if an otherwise qualifying project is not within the economic sectors listed above.

2. Geographic Area

This proposal requests regional center designation for the region encompassing St. Louis City, St. Louis County, and St. Charles County.

Investments made within targeted employment areas (TEAs) within this geographical area will be $500,000; investments made in parts of this geographic area that are not in TEAs will be $1,000,000. The Missouri Department of Economic Development (MODED) has been designated by Governor Jeremiah W. Nixon as the agency responsible for designating high unemployment area TEAs in the State of Missouri. On August 5, 2010, MODED provided the GMIC with a list of census tracts and counties within the regional center's geographic area that have unemployment rates of at least 150% of the national average as calculated using data from 2009.

3. Principals

The principals of the GMIC, as listed in the GMIC Articles of Incorporation and as appointed by their respective County Executives, are:

Dennis G. Coleman is President of the GMIC Board of Directors. As President, he will preside at all meetings of the Board of Directors and is authorized to execute all documents on behalf of GMIC. Mr. Coleman is also the President and CEO of the St. Louis County Economic Council.

Fred Bartelsmeyer is a Vice President and Secretary of the GMIC Board of Directors. As Vice President, he will step in for the President at times when the President is unable to perform in his role. Mr. Bartelsmeyer specializes in business law as a Partner at the law firm of Bryan Cave.

Gregory Prestemon is a Vice President, Treasurer, and Assistant Secretary of the GMIC Board of Directors. As Treasurer and the Secretary of GMIC, he is authorized and directed to pay any and all fees and expenses of GMIC. Mr. Prestemon has also served as President and CEO of the Economic Development Center of St. Charles County since April of 1993.

Jacqueline Wellington is a Vice President of the GMIC Board of Directors. As a Vice President, she will step in for the President at times when the President is unable perform in his role. Ms. Wellington is also the Executive Vice President of the St. Louis County Economic Council, where she has worked for over 14 years.

Timothy Nowak is a Vice President of the GMIC Board of Directors. As a Vice President, he will fill in for the President at times when he is unable to perform in his role. Mr. Nowak is currently the Executive Director of the St. Louis World Trade Center.

4. Administrative Oversight and Compliance

Collectively, the principals and key personnel of GMIC will administer and manage the Regional Center to ensure project goals and regional center requirements are met. In particular, they will:

- Review potential investments according to various criteria, including whether: (1) the potential investment will be profitable for the investors, benefit the GMIC geographic area, and complement GMIC's plan for developing the Regional Center; (2) the potential investment will create enough direct and indirect jobs, using the criteria described in the attached economic report; (3) the potential investment will promote improved regional productivity, domestic capital investment, and economic growth, as required by 8 C.F.R. § 204.6(m)(3); and (4) the job-creating enterprise will be within the geographic scope of the Regional Center.
- Market the Regional Center to potential foreign nationals. A proposed marketing plan and budget are set for as Appendices to this document.
- Identify qualified individual petitioners for specific investment opportunities.
- Manage the flow of information to investors and their agents and representatives for the submission of I-526 and I-829 petitions filed through the Regional Center.
- Provide documentation regarding potential investment opportunities.
- Manage the funds invested by immigrant petitioners, as applicable.
- Provide monthly and annual financial reports to immigrant petitioners as well as information required for tax return preparation.
- Comply with applicable EB-5 regional center reporting and administrative requirements established by USCIS, including filing Form I-924A, Supplement to Form I-924.

In addition, the GMIC plans to retain the law firm of Miller Mayer, LLP (Miller Mayer) to ensure timely and accurate compliance with applicable USCIS regional center reporting

requirements. To ensure quality and consistency of all immigrant investor I-526 petitions submitted to USCIS, Miller Mayer will also act as preferred immigration counsel for all individual GMIC investors. Miller Mayer will work with GMIC to assemble and draft all necessary regional center business and investor documentation required by USCIS for I-526 petition approval.

GMIC will monitor all investment activities under its authority and shall maintain records, data and information to report to USCIS, upon request, the following information for each Federal Fiscal Year to date, starting with the initial year of designation:

- adequate monitoring and due diligence of immigration information;
- adequate evaluation of all commercial activities engaged in by immigrant investors;
- adequate reporting of employment data;
- adequate reporting of alien petition information and status;
- adequate reporting of financial and investment information of EB-5 investors; and
- adequate reporting on marketing efforts, including website information.

GMIC will notify the USCIS within 15 business days of any change of address or occurrence of any material change in:

- the name and contact information of the responsible official and/or Point of Contact for GMIC;
- the management and administration of GMIC;
- GMIC's corporate structure;
- GMIC's mailing address, website address, email address, phone or fax number;
- the scope of GMIC's operations and focus;
- GMIC's business plan;
- any new, reduced or expanded delegation of authority, memorandum of understanding, agreement or contract with another party to represent or act on behalf of GMIC;
- the economic focus of GMIC; or
- any material change relating to GMIC's basis for its most recent designation and/or reaffirmation by USCIS.

Other Contractual Management Relationships

In addition to managing day to day operations, GMIC may contract with other service providers to carry out certain regional center responsibilities. For instance, GMIC may:

- develop contractual agreements with local financial institutions and industry specialists to develop the credit analysis to be incorporated in GMIC's project selection process;

- enter into an agreement with a commercial institution with international experience to handle all the loan closing and monitoring functions related to each project;

- engage public accountants and other professionals to protect the integrity of all projects;

- communicate with the EB-5 investors to assure that they obtain timely performance, tax and other data related to the investments;

- enter into appropriate escrow agreements with a financial institution with an international service department for the deposit of EB-5 investor funds. Such agreements may provide that the investor funds representing the capital contribution will be held until the investor's I-526 is approved. A separate fund would be maintained for any fees and expenses;

- engage a reputable and experienced firm to perform the background and due diligence checks on EB-5 investors; and

- provide a list of approved, experienced and qualified U.S. immigration lawyers, all members in good standing of the American Immigration Lawyers Association, who are available to handle individual immigrant investor cases. Immigrant investors will need to select an attorney from the list. GMIC will not receive a referral fee from any attorney.

5. Operational Guidelines.

Project Evaluation. GMIC will evaluate potential investment projects within the designated geographic areas and any other contiguous geographic counties proximate to St. Louis City, St. Louis County, and St. Charles County Missouri to ensure consistency with the USCIS regional center designation and the objectives of GMIC. GMIC will conduct an assessment of such projects collectively with in-house professionals as well as certain 3rd parties to confirm consistency with GMIC's regional center designation, project viability, timetables, capital investment requirements, pro-forma income projections, preliminary job creation potential, investor marketability, and other elements that will bear on the success of GMIC and the projects it sponsors.

Project Management. GMIC will maintain close contact with the management of entities that may be involved in projects underway within the regional center to ensure that financial and job creation targets are met. GMIC will provide assistance and guidance as appropriate to eliminate any variance between actual and target objectives and milestones.

"Accredited Investor" Verification. GMIC will follow applicable U.S. Securities and Exchange Commission rules for classifying an EB-5 investor as an "Accredited Investor" according to the definitions contained in Rule 501 of Regulation D. Two applicable definitions, either of which must be met by potential EB-5 investors, are as follows:

- A natural person who has individual net worth, or joint net worth with the person's spouse (exclusive of his/her primary residence), that exceeds $1 million at the time of the purchase; or

- A natural person with income exceeding $200,000 in each of the two most recent years or joint income with a spouse exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year.

Each prospective EB-5 investor will be required to complete a questionnaire that provides adequate supporting information to verify compliance with either of these definitions.

Source of Funds. GMIC will adhere to all USCIS rules and regulations relating to confirming the legal source of funds used for investments in GMIC projects. GMIC's escrow bank will also comply with 31 U.S.C. 5318(i), "Due Diligence for United States Private Banking and Correspondent Bank Accounts Involving Foreign Persons".

Recruitment. GMIC will use various overseas recruiters and immigration brokers to identify potential EB-5 investors. GMIC intends to pay a finder's fee for such services that will be paid from an EB-5 investor's administrative fee, which is separate from the EB-5 capital contribution.

Due Diligence. GMIC will require investors to complete investor questionnaires and provide documentation regarding, among other things, the source of their EB-5 investment funds, financial documents (such as bank records and tax returns), investment documents, business documents, and personal identity documentation. GMIC will also require EB-5 investors to provide to the investor's immigration attorney similar documentation necessary to file an I-526 petition. In sum, GMIC is confident that its investor funds will be lawfully obtained based on:

- GMIC's due diligence investor questionnaires and document requests;
- The escrow bank's obligation to comply with 31 U.S.C. § 5318(i) "Due Diligence for United States Private Banking and Correspondent Bank Accounts Involving Foreign Persons";
- The immigration attorney's source and path of funds analysis submitted with individual I-526 petitions; and
- USCIS's own background check conducted on all I-526 petitioners.

6. Implementation Strategy

A. Investment structure. GMIC will organize a separate investment entity such as a limited liability company ("LLC") for each investment opportunity. EB-5 investors will make qualifying investments in the LLC and become a Member with rights equivalent to those of a limited partner under the Uniform Limited Partnership Act. In some cases, GMIC will serve as the Manager of the LLC and be responsible for the day-to-day conduct of the business and affairs of the LLC. LLC Members will only risk their capital contribution; they are not liable for the daily affairs of the LLC. GMIC may be a member of the LLC, depending on the business terms of each project.

Investments by EB-5 petitioners in the LLC will be made in exchange for equity. Investors will invest $500,000 if in a TEA, or $1,000,000 if outside of a TEA, into the LLC in exchange for membership interests in the LLC. There is no guarantee that distributions will be made. Any distributions will be made only from available cash flow and/or excess proceeds. The full $500,000 capital contribution will be made available to the job creating enterprise as required by *Matter of Izummi*. Limited Liability Company Operating Agreements will not permit EB-5 capital to be used for organizational or operation expenses, or for management fees paid in connection with the operation of the LLC. GMIC intends to charge investors an additional up-front administrative fee to cover such expenses. GMIC has not yet determined the amount of the administrative fee.

The number of EB-5 investors per LLC will vary depending on the size of the project, the type of investment, and the number of jobs that will be directly and indirectly created. GMIC will return an EB-5 investor's funds without interest if his or her I-526 petition is denied. GMIC may also return part or all of the administrative fee contingent upon the amount expended for the offering and investor expenses, such as placement agent fees.

In some cases, the LLC will represent the investment opportunity and investors will make direct equity investments into the project. In other cases, the LLC will serve as an investment vehicle and it will either make loans to qualified projects under terms that do not allow for principal repayment over the initial 5 years of the loan or it will make investments into qualified projects in exchange for equity that it expects can be profitably liquidated or sold after 5 years in the initial EB-5 investment. EB-5 capital contributions will be loaned or invested into qualified projects upon I-526 approval and will not be guaranteed by the LLC or GMIC.

GMIC anticipates using an escrow account for management of an immigrant investor's capital contribution. Once the escrow agent receives confirmation that an immigrant investor's I-526 petition has been approved, such investor's capital contribution will be released and deployed into the project. Alternatively, if the LLC constitutes a direct project investment, the capital contribution will simply be released from escrow to the control of the LLC for use in the qualifying project.

Before any investment, GMIC will require the project entity to provide an economic job creation analysis using economic methodologies acceptable to the USCIS. The decision whether to proceed with an investment will be based in part on the job creation potential of the target project. EB-5 funds shall be deployed to ensure that at least ten new, qualifying, full-time jobs for each immigrant investor will be created within the regional center's geographic area, as approved by USCIS. LLC investments will generally be made as part of a coordinated capital program, probably along with other domestic capital sources.

All investment targets will be identified in the comprehensive I-526 business plan submitted with individual petitions. GMIC will provide I-526 petitioners with the option of moving to another Qualifying Investment, consistent with GMIC's designation approval and any amendment(s), upon the happening of certain events. Those events include, but are not limited to, the LLC's failure to raise the minimum offering amount and GMIC's determination that the LLC project will not meet job creation needs. Before moving any I-526 petitioner to another Qualifying

Investment, GMIC will obtain verification from a qualified economist that such a change will have no adverse impact on the job creation contemplated in the Economic Report submitted with the I-526 petition. GMIC will comply with all USCIS guidance on the evolving procedure for instituting such a substitution, including submitting revised I-526 petitions as may be required.

B. Investment projects. GMIC will sponsor projects that will involve the target industry economic clusters of Construction (NAICS 23) and/or Professional, Scientific, and Technical Services (NAICS 54). An example is the St. Louis Bio-Life Sciences Research and Development Park, GMIC's first possible project.

The sample Confidential Private Placement Memorandum, Operating Agreement, and Subscription Agreement are currently drafted to reflect an investment in the St. Louis Bio-Life Sciences Research and Development Park. Although certain project specific details and deal terms may change if GMIC finalizes and proceeds with the investment, the general format, securities law, and immigration risk disclosure will remain the same. For purposes of this regional center application, these documents also serve as generic templates for future GMIC investment projects.

7. Economic methodology

GMIC will use a USCIS approved input/output model such as IMPLAN, RIMS II, REDYN, or REMI to ascertain job creation and economic impact of its proposed projects. Input/output analysis is a means of examining relationships within an economy, both between businesses and between businesses and final consumers. It captures all of the monetary market transactions for consumption in a given time period. The resulting mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy.

For GMIC's first proposed project, REDYN is used. The REDYN model applies a fresh I-O methodology based on very detailed make-and-use tables with social accounting matrix features for all entities, a comprehensive commodity production transformation function, and impedance-based commodity trade flows by five transport modes. Oak Ridge National Laboratories developed the impedance measures.

8. Marketing budget and strategy

GMIC is budgeting approximately $85,000 for marketing expenses in the first year following regional center designation. The Economic Development Agency provided a grant of $225,000 to the St. Louis County Economic Council, of which $85,000 will finance GMIC's marketing efforts in its initial year of operation. GMIC intends to use a number of marketing strategies, including:

- use of U.S. immigration lawyers;
- establishment of an informational website;
- extensive web advertising, outreach campaigns, and search engine optimization efforts;

- creation of supplemental print materials such as business cards, brochures, and direct mail pieces;
- creation of alliances with 3rd party organizations that promote the EB-5 program;
- attendance at industry trade shows; and
- hosting of seminars in the United States and overseas about GMIC.

9. Financial information

The St. Louis County Economic Council, the parent entity of GMIC, will provide funding for GMIC's initial operating expenses for its first year and discussions are currently underway for further support beyond year one. Start-up expenses consist primarily of legal and consulting fees related to obtaining regional center designation. The following is an estimate of the expenses related to regional center designation:

• Legal fees (including immigration and corporate counsel)	$55,647.14
• GMIC Organizational Fees	$6,255.00
• IIUSA Membership & EB-5 Community Participation	$5,000.00
• Research (Economic Impact Analysis)	$25,250.00
• Other expenses	$278.44

In addition, the St. Louis County Economic Council has committed a $225,000 Economic Development Agency grant to provide funding for first year operational expenses of the GMIC. This dedicated capital is sufficient to sustain the GMIC, distinct from immigrant investors' required capital investments in a new commercial enterprise within the regional center. Further, the St. Louis County Economic Council pledges to supply additional resources as needed if GMIC requires additional operating capital. GMIC will charge all EB-5 investors a standard as yet undetermined administrative fee that will provide funds for ongoing operational expenses.

GMIC GATEWAY TO THE MIDWEST INVESTMENT CENTER

EB5 Regional Center Budget
GMIC OFFICIAL BUDGET DOCUMENT
Year 1 Budget - Jan 2011 to Jan 2012

	Budget
Revenue Projections	
Additional Counties	
Additional Projects	
EDA	225,000
Other funding source	-
Total	225,000
Expenses	
Contract Management	35,000
Internal audit (GAAP and Immigration)	10,000
Additional Legal Services	70,000
Marketing	
EB5 Materials and Press Kits	5,000
External market development (booth/presence)	20,000
Website and/or webpage development	20,000
Additional EB5 economic analysis	20,000
EB5 event and related national and community participation, IIUSA and others	5,000
EB5 related travel	30,000
Translation (Non-Chinese marketing and other uses)	5,000
Miscellaneous	5,000
Total Expenditures	225,000

Year 1 Budget Summary

Introduction:

Gateway to the Midwest Investment Center ("GMIC") is a not-for-profit private enterprise that will use the EB-5 Immigrant Investor Pilot Program to assist in the creation of new jobs and increase domestic capital investment within the defined geographic region of Saint Louis City, Saint Louis County, and Saint Charles County. GMIC will sustain and market itself by implementing the following strategic action items.

Revenue – EDA & Other Funding Sources: *Total Revenue: $225,000*

Initial funds to establish the GMIC are from the Economic Development Administration ("EDA") Grant awarded to the St. Louis County Economic Council ("SLCEC"). These funds will be used to market the GMIC, recruit foreign investors, and inform foreign investors about the advantages of the region and its potential investment opportunities. Additional funding may be secured from the GMIC's first initial project as both work hand in hand towards the goal of locating initial investors.

EDA (budgeted item: $225,000): Almost all initial operating expenses and marketing expenses in the 1st year will be paid from the EDA grant. This funding source will be a pass-through from the St. Louis County Economic Council and will be immediately available for the start of operations upon approval by the GMIC board (February 24, 2011). It is planned that the GMIC will eventually be financially self-sufficient.

Expense – Contract Management: *Total Expense: $35,000*

This will be required for staff or reimbursement for staffing activities required to oversee GMIC's day to day operations, administration, research activities, and compliance and reporting obligations to the U.S. Citizen & Immigration Services ("USCIS"). Employment figures may change dependent on the GMIC's rate of growth and success.

Expense – Internal Audit: *Total Expense: $10,000 including indirect expenses*

Compliance with laws and regulations, as well as operations efficiency, are essential aspects of regional center operations that will be reviewed on an annual basis (or more frequently) to ensure the continued success of the GMIC. Specialized services of certain auditing personnel will fill this role. In year one, the GMIC will contract out such duties to qualified personnel to ensure that GMIC has achieved its stated objectives to the USCIS, to analyze its business procedures, and to improve effectiveness for the GMIC and its foreign investors.

Expense – EB-5 related travel: *Total Expense: $30,000 including indirect expenses*

To finance the travel of one to three persons to domestic and international locations in the initial year of operations.

Expense – Translation & Interpretation: *Total Expense: $5,000 including indirect expenses*

Costs include the translation of brochures, media coverage and advertising, and presentation materials into selected languages for foreign investors, as well as limited use of real-time interpretation services. Costs to cover non-Chinese translation only (all Chinese translation will be conducted internally by GMIC).

Expense – Miscellaneous: *Total Expense: $5,000*

Additional unforeseen costs and expenditures related to marketing, travel, translation and the Kick-Off Event incurred during the establishment, promotion, and recruitment for the GMIC.

Fred W. Bartelsmeyer

Partner
St. Louis

One Metropolitan Square
211 North Broadway, Suite 3600
St. Louis, Missouri 63102-2750

Phone: 1 314 259 2609
Fax: 1 314 552 8609
email: fwbartelsmeyer@bryancave.com

Fred Bartelsmeyer's practice serves businesses in a wide range of domestic and foreign matters. These clients primarily are U.S., European and Asian companies in connection with their investments and other business activities. He is knowledgeable in business-related aspects of the world's legal systems, as well as in business practices and cultures of many countries.

Mergers and acquisitions, joint ventures, technology transactions and other commercial relationships such as licensing, teaming, research and development, distribution and supply are the focus of Mr. Bartelsmeyer's activities. He spends most of his time assisting clients in planning, negotiating, documenting and implementing these transactions, often in conjunction with a team of Bryan Cave lawyers and lawyers from other firms which he has assembled for the specific project. He also advises clients on international antitrust and trade issues. He practices law in both the English and German languages.

Mr. Bartelsmeyer, a partner resident in the St. Louis office, began practicing with Bryan Cave in 1983. He conducted his international transaction practice from the Firm's New York office from 1986 to 1989, having particular emphasis on work for Japanese and European clients. He maintained a European-based transaction practice and managed the Firm's German office for six years beginning when he moved to Frankfurt in 1990. After he returned to St. Louis in 1996, his practice continued in international transactions, trade and antitrust matters, and in particular since then he has extensively advised clients on matters in Asia, including China, Japan, India, Korea, Singapore and other Asian countries. Mr. Bartelsmeyer now is responsible for managing the firm's practice matters in Europe and supporting the Bryan Cave International Trade offices in Asia. He also is a member of the Firm's Executive Committee.

Mr. Bartelsmeyer is recognized by *The Best Lawyers in America* in the area of international trade and finance law. He also is listed as one of America's leading lawyers for business in *Chambers USA.*

Mr. Bartelsmeyer regularly makes presentations and prepares articles on topics of international trade, transactions, antitrust, technology investments and business law. He passed the CPA examination in 1979, and he worked on the audit staff of a large public accounting firm before attending law school. He also studied German and European law at the Johann Wolfgang Goethe-University in Frankfurt am Main, Germany.

Select Representations

- Formed joint venture between a Singapore and U.S. technology company
- $20 million disposition of an Italian manufacturing company
- $50 million acquisition of global chemical concern (primary operations in Germany, France, U.S., Australia and Taiwan) by U.S. client
- $380 million acquisition of global pharma industry supplier (10 countries involved, including in particular the U.K. and Japan)
- Establishment of Chinese WOFE and related agreements for startup subsidiaries of U.S. companies
- $900 million worldwide acquisition of consumer products manufacturer (over 30 countries throughout Europe, Asia and Latin America) by U.S. client
- Acquisition of Chinese distributor for U.S. chemical company
- $25 million acquisition of Irish biotech company for U.S. client
- $85 million acquisition of German, Malta and Philippines auto parts manufacturer for U.S. private equity fund
- Documentation of Indian joint venture for U.S. software company
- Greenfield startup operations in Japan for pharmaceutical industry services company
- $160 million disposition of global agricultural seed product line
- Acquisition of Brazilian agricultural seed technology and production company

Bar and Court Admissions

Missouri, 1983

Illinois, 1984

New York, 1987

U.S. District Court, Eastern District of New York, 1987

U.S. District Court, Southern District of New York, 1987

U.S. District Court, Eastern District of Missouri, 1987

Education

University of Illinois, J.D., *magna cum laude*, 1983

University of Illinois, B.S., with high honors, 1979

Professional Associations

- The Missouri Bar
- Bar Association of Metropolitan St. Louis
- Illinois State Bar Association
- American Bar Association
- The Association of the Bar of the City of New York
- International Bar Association

Civic Involvement and Honors

- World Trade Center St. Louis/Center for International Relations – Director and Past-President
- US-China Business Council
- Deutsch-Amerikanische Juristen Vereinigung
- American Chamber of Commerce in Germany e.V.

- World Affairs Council St. Louis
- German-American Chamber of Commerce of the Midwest

Greg Prestemon Biography

Greg Prestemon has served as President and CEO of the Economic Development Center of St. Charles County since April, 1993. The EDC has a 30-member Board of Directors with representation from city and county governments and the private sector.

The EDC operates several programs, all of which have a goal of increasing business activity and investment in St. Charles County.

The ***business finance program*** includes the 504 program and industrial revenue bond programs.

The ***incubation program*** includes one facility which provides shared services and flexible leasing arrangements as well as a range of technical assistance and education programs to entrepreneurs.

The EDC also works closely with its local government partners to implement **marketing programs** promoting St. Charles County as a business location through special events, public relations, specialized publications and direct outreach to site selection consultants on a national basis.

Each of these programs has received state and national recognition on more than one occasion.

Greg lives in O'Fallon with his wife, Mary. He has two sons: Nicholas and Christopher, ages 26 and 22.

Denny Coleman
CEcD, FM

President & CEO

St. Louis County
Economic Council

Education:

- Harvard University, Kennedy School of Government
- University of Wisconsin – Madison
  - M.S. in Urban and Regional Planning
- Saint Louis University
  - B.A. in Urban Geography

Civic and Community Involvement:

- IEDC – Vice Chair, Governance Committee
- St. Louis Sports Commission – Board Member
- Bridges Foundation – President
- BRDG Park – Advisory Board Member
- Urban Land Institute-St. Louis – Member
- Missouri Growth Association – Member
- RCGA – Economic Development Steering Committee
- Recognized by St. Louis Business Journal as one the "Most Influential St. Louisans" – 2008 and 2009

Denny Coleman is president & CEO of St. Louis County Economic Council. In his 20-year tenure at the helm of the Economic Council, Coleman has overseen a multitude of economic development initiatives that have earned St. Louis County national recognition for outstanding progress in the areas of community revitalization, business development and job creation.

Prior to the Economic Council, Coleman was director of development for the City of St. Louis and managed the city's neighborhood, housing, and economic development efforts. He also served as vice president for community development at Mercantile Bank (now U.S. Bank) when the bank's community development corporation received the National Fair Housing Award and a Private Sector Initiatives Award from the White House.

Coleman has a master's degree in urban and regional planning from the University of Wisconsin and bachelor's degree in urban geography from Saint Louis University. He also completed the Senior Executive's Program at John F. Kennedy School of Government at Harvard University.

Coleman is currently the vice chair and member of the Governance Committee for the International Economic Development Council (IEDC). He is an advisory board member for Saint Louis University's master's degree programs in urban planning and real estate development and the Institute for International Business. Coleman serves on numerous other boards and advisory committees for state and local governments, civic organizations, colleges and universities.

Coleman and his wife, Bonnie, who is the operations manager at The Blessing Basket Project, have been married over 30 years. They have two grown children, Mike and Emily.

St. Louis County Economic Council serves as the county's economic development agency, driving growth and prosperity in the most economically important county in Missouri. As the only economic development agency in the state to hold the esteemed Accredited Economic Development Organization from the International Economic Development Council, it provides a broad range of services through its six divisions: business development, business finance, economic development collaborative, real estate and community development, St. Louis Enterprise Centers, and World Trade Center Saint Louis.

St. Louis County
ECONOMIC
COUNCIL

Missouri's only Accredited Economic Development Organization

121 S. Meramec Avenue, Suite 900 • St. Louis, MO 63105 • 314.615.7663 • 314.615.7666 (fax) • www.slcec.com

Jacqueline Davis-Wellington

Executive Vice President

St. Louis County Economic Council

Education:

- Washington University
- Southern Illinois University - Edwardsville

Civic and Community Involvement:

- ARCHS – Board of Directors
- New City School – Advisory Board
- African Heritage Association – Board of Directors
- National City Bank – PNC Community Development Corporation

Contact Information:

314.615.3962
jwellington@slcec.com

Jacqueline Davis-Wellington has served the St. Louis County Economic Council for more than 14 years. She presently holds the Executive Vice President position, overseeing operations management.

Wellington's responsibilities are vast. Within the Real Estate and Community Development Division she oversees St. Louis County's commercial, industrial, and business district redevelopment initiatives. She also leads the Land Clearance for Redevelopment Authority of St. Louis County, St. Louis County Port Authority, Lambert Airport Eastern Perimeter Joint Development Commission, and Wellston Redevelopment Corporation.

Wellington possesses more than 25 years construction, environmental, and redevelopment project management experience in both the public and private sectors. She earned a Bachelor of Science in business administration from Washington University in St. Louis, a Master of Science in urban policy analysis from Southern Illinois University - Edwardsville, and is a certified economic development finance professional.

Throughout her career, Wellington has served on a variety of boards and advisory committees for state and local governments and civic organizations. Wellington served a 10-year term on the Missouri State Board of Education. She currently serves on the New City School Advisory Council and is on the board of Area Resources for Community & Human Services, African Heritage Association Board of Directors, and National City Bank Community Development Corporation.

Wellington recently received three distinguished awards: Girl Scouts of Eastern Missouri's "Women of Distinction," Winning Women's "Women Influencing Now" and *St. Louis Business Journal*'s "Most Influential Minority Business Leader."

St. Louis County Economic Council serves as the county's economic development agency, driving growth and prosperity in the most economically important county in Missouri. As the only economic development agency in the state to hold the esteemed Accredited Economic Development Organization from the International Economic Development Council, it provides a broad range of services through its six divisions: business development, business finance, economic development collaborative, real estate and community development, St. Louis Enterprise Centers, and World Trade Center Saint Louis.

St. Louis County
ECONOMIC
COUNCIL

Missouri's only Accredited Economic Development Organization

121 S. Meramec Avenue, Suite 900 • St. Louis, MO 63105 • 314.615.7663 • 314.615.7666 (fax) • www.slcec.com

Timothy J. Nowak

Executive Director

World Trade Center
Saint Louis

Education:

- University of Missouri – Columbia
  - Bachelor of Science Marketing & Logistics
- Webster University
  - MBA

Civic and Community Involvement:

- Board Member – Midwest-China Hub Commission
- Board Member – University of Missouri, St. Louis, College of Business Administration - International Business Institute
- Advisory Council Member – Saint Louis University, CIBER Grant – U.S. Dept. of Education
- Rotary International – Philippines, 2006
- VIDES – Kenya, Africa, 2000

Contact Information:

314.615.8151
tnowak@worldtradecenter-stl.com

As Executive Director, Tim Nowak oversees a team of professionals and the delivery of valuable services to member companies. Under his direction, the World Trade Center provides customized trade research to identify global opportunities, trade focused events, key business contacts and introductions, and training and educational programs.

Nowak brings more than 16 years of experience in business development, domestic and international sales, and management. He has extensive international working experience in Europe, Asia-Pacific, the Middle East, South America, and Africa. Nowak has managed and directed international sales organizations in the medical industry including distribution and direct sales strategies. His expertise includes analyzing international markets, determining business models, and executing sales and profit growth plans. He possesses solid experience in establishing international subsidiary organizations, managing legal and regulatory issues, and contract negotiations.

Born and raised in St. Louis, Nowak holds Bachelor of Science degrees in Marketing and Logistics from the University of Missouri - Columbia and a Master of Business Administration from Webster University.

WTC combines local experts with government resources to enhance international trade, promote local economic development, and ultimately foster peace and stability through trade. It also supports St. Louis County by guiding regional businesses to expand into foreign markets, hosting visiting trade delegations to St. Louis, and promoting the region as a place for international trade relations and economic growth.

World Trade Center Saint Louis is a division of St. Louis County Economic Council.

World Trade Center
Saint Louis

EXHIBIT 2

ARTICLES OF INCORPORATION

OF

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

We, the undersigned, being one or more natural person(s) of the age of eighteen years or more and citizens of the United States, for the purpose of forming a corporation under the "Missouri Nonprofit Corporation Act," Chapter 355 of the Revised Statutes of Missouri, as amended, and any successor provision thereto (the "Act"), do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the Corporation is Gateway to the Midwest Investment Center, Inc.

ARTICLE II

The Corporation is a mutual benefit corporation within the meaning of Section 355.881 of the Act.

ARTICLE III

The address of the initial Registered Office of the Corporation in the State of Missouri is; 121 S. Meramec Avenue, Suite 1117, St. Louis, Missouri 63105, and the name of its initial Registered Agent at said address is Andrew C. Ruben.

ARTICLE IV

The Corporation will not have members within the meaning of Section 355.066 of the Act; however, the Bylaws of the Corporation may establish such class or classes of non-

voting members or delegates, with such rights and privileges, as the Board of Directors of the Corporation may determine.

ARTICLE V

The period of duration of the Corporation is perpetual.

ARTICLE VI

The affairs of the Corporation shall be managed by its Board of Directors. The number of directors comprising the Board of Directors, their appointment and terms in office shall be as prescribed in the Bylaws of the Corporation, provided that there shall not be less than three (3) directors. The initial Board of Directors shall be five (5) in number, their names and addresses being as follows:

Fred Bartelsmeyer – 211 N. Broadway, St. Louis, MO 63102

Gregory Prestemon – 5988 Midrivers Mall Drive, St. Charles, MO 63304

Dennis G. Coleman – 121 S. Meramec Ave., St. Louis, MO 63105

Jacqueline Wellington – 121 S. Meramec Ave., St. Louis, MO 63105

Timothy Nowak – 121 S. Meramec Ave., St. Louis, MO 63105

ARTICLE VII

The purposes for which the Corporation is organized are to operate exclusively for the promotion of social welfare, to promote the common good and general welfare of the people of the St. Louis, Missouri community, and to bring about civic betterments and

social improvements. The purposes for which the Corporation is organized include, but are not limited to:

(a) Serving as an approved U.S. Citizen and Immigration Service EB-5 Regional Center to facilitate foreign direct investment in the St. Louis, Missouri region; and

(b) Creating increased permanent employment within the City of St. Louis, Missouri and the Missouri Counties of St. Louis and St. Charles by promoting and sponsoring the creation of sustainable business projects.

Nothing herein shall be construed to give the Corporation any purpose that is not permitted under section 501(c)(4) of the Internal Revenue Code of 1986, as amended. In furtherance of its permitted purposes, the Corporation may exercise any, all and every lawful power or activity which a corporation organized under the Act may exercise or transact.

ARTICLE VIII

The Corporation is not organized or operated for profit and no part of the net earnings of the Corporation will inure to the benefit of any private shareholder or individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above.

ARTICLE IX

Upon dissolution of the Corporation (after payment of or after provision has been made for the payment of all liabilities of the Corporation), the Board of Directors shall distribute the assets of the Corporation exclusively for the purposes of the Corporation or to such organization or organizations organized and operated exclusively for such purposes. Any such

assets not so disposed of shall be distributed by the local court of the county in which the principal office of the Corporation is then located, exclusively for the purposes of the Corporation or to such organization or organizations (as said court shall determine) which are organized and operated exclusively for such purposes.

ARTICLE X

1. This Corporation shall and does hereby indemnify any person who is or was a director or officer of the Corporation or any subsidiary against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such person in connection with any civil, criminal, administrative or investigative action, suit, proceeding or claim (including any action by or in the right of the Corporation or a subsidiary) by reason of the fact that such person is or was serving in such capacity; provided, however, that no such person shall be entitled to any indemnification pursuant to this subsection 1 on account of conduct which is finally adjudged to have been knowingly fraudulent or deliberately dishonest or to have constituted willful misconduct.

2. This Corporation may, to the extent that the Board of Directors deems appropriate and as set forth in a bylaw or resolution, indemnify any person who is or was an employee or agent of this Corporation or any subsidiary or who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including an employee benefit plan) against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such person in connection with any civil, criminal, administrative or investigative action, suit, proceeding or claim (including an action by or in the right of the Corporation or a subsidiary) by

reason of the fact that such person is or was serving in such capacity; provided, however, that no such person shall be entitled to any indemnification pursuant to this subsection 2 on account of conduct which is finally adjudged to have been knowingly fraudulent or deliberately dishonest or to have constituted willful misconduct.

3. This Corporation may, to the extent that the Board of Directors deems appropriate, make advances of expenses, including attorneys' fees, incurred prior to the final disposition of a civil, criminal, administrative or investigative action, suit, proceeding or claim (including an action by or in the right of the Corporation or a subsidiary) to any person to whom indemnification is or may be available under this Article; provided, however, that prior to making any advances, the Corporation shall receive a written undertaking by or on behalf of such person to repay such amounts advanced in the event that it shall be ultimately determined that such person is not entitled to such indemnification.

4. The indemnification and other rights provided by this Article shall not be deemed exclusive of any other rights to which a person to whom indemnification is or may be otherwise available under these Articles of Incorporation, the Bylaws or any agreement, vote of shareholders or disinterested directors or otherwise, may be entitled. This Corporation is authorized to purchase and maintain insurance on behalf of the Corporation or any person to whom indemnification is or may be available against any liability asserted against such person in, or arising out of, such person's status as director, officer, employee or agent of this Corporation, any of its subsidiaries or another corporation, partnership, joint venture, trust or other enterprise (including an employee benefit plan) which such person is serving at the request of the Corporation.

5. Each person to whom indemnification is granted under subsection 1 of this Article is entitled to rely upon the indemnification and other rights granted hereby as a contract with this Corporation and such person and such person's legal representatives, heirs, executors, administrators and estate shall be entitled to enforce against this Corporation all indemnification and other rights granted to such person by subsections 1 and 3 and this subsection 5 of this Article. The indemnification and other rights granted by subsections 1 and 3 and this subsection 5 of this Article shall survive amendment, modification or repeal of this Article, and no such amendment, modification or repeal shall act to reduce, terminate or otherwise adversely affect the rights to indemnification granted hereby, with respect to any expenses, judgments, fines and amounts paid in settlement incurred by a person to whom indemnification is granted under subsection 1 of this Article with respect to an action, suit, proceeding or claim that arises out of acts or omissions of such person that occurred prior to the effective date of such amendment, modification or repeal.

Any indemnification granted by the Board of Directors pursuant to subsection 2 of this Article shall inure to the person to whom the indemnification is granted, and such person's legal representatives, heirs, executors, administrators and estate; provided, however, that such indemnification may be changed, modified or repealed, at any time or from time to time, at the discretion of the Board of Directors and the survival of such indemnification shall be in accordance with terms determined by the Board of Directors.

6. For the purposes of this Article, "subsidiary" shall mean any corporation, partnership, joint venture, trust or other enterprise of which a majority of the equity or ownership interest is directly or indirectly owned by this Corporation.

ARTICLE XI

These Articles of Incorporation shall be effective as of the date of their filing with the Secretary of State of the State of Missouri.

ARTICLE XII

The name and address of the sole incorporator is Andrew C. Ruben, Economic Council of St. Louis County, 121 S. Meramec, Suite 900, St. Louis, Missouri 63105.

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040 RSMo)

Must be signed by all Incorporator(s):

9/15/10

Andrew C. Ruben Date signed

Name and address to return filed document:

Andrew C. Ruben
Economic Council of St. Louis County
121 S. Meramec, Suite 900
St. Louis, MO 63105

STATE OF MISSOURI

Robin Carnahan
Secretary of State

CERTIFICATE OF INCORPORATION
MISSOURI NONPROFIT

WHEREAS, Articles of Incorporation of

Gateway to the Midwest Investment Center, Inc.
N01087938

have been received and filed in the Office of the Secretary of State, which Articles, in all respects, comply with the requirements of Missouri Nonprofit Corporation Law;

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of the State of Missouri do by virtue of the authority vested in me by law, do hereby certify and declare this entity a body corporate, duly organized this date and that it is entitled to all rights and privileges granted corporations organized under the Missouri Nonprofit Corporation Law.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 27th day of September, 2010.

Robin Carnahan
Secretary of State

SOS #30 (01-2005)

EXHIBIT 3

BYLAWS

OF

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

ARTICLE I. NAME AND OFFICES

The Corporation shall be known as Gateway to the Midwest Investment Center, Inc. The Corporation is formed under the Missouri Nonprofit Corporation Act, Chapter 355 of the Revised Statutes of Missouri, as amended (the "Act").

The principal office of the Corporation in the State of Missouri shall be located at World Trade Center building, 121 S. Meramec Avenue, Suite 1117, St. Louis, Missouri 63105. The Corporation may have such other office(s), either within or without the State of Missouri, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

The registered office of the Corporation required by the Act to be maintained in the State of Missouri may be, but need not be, identical with the principal office in the State of Missouri, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE I. BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall have and is vested with all and unlimited powers and authority except as may be expressly limited by law, the Articles of Incorporation or these By-laws. Its functions shall include, although not be limited to, a working Board for organization, structure, planning, policy, finances, fund raising, program planning and public education, consistent with the purposes of the Corporation.

Section 2. Number, Term and Qualifications. The number of directors of the Corporation shall be five (5). Each director shall hold office for a term of three (3) years. Directors will conform to the ethical standards required by law, including those set forth in Section 355.416, Missouri Revised Statutes, as amended, or any other or additional statutory provisions regarding director's conflict of interest

Section 3. Appointment of Directors. The first Board of Directors shall consist of those persons set forth in the Articles of Incorporation. The St. Louis County Executive shall be entitled to appoint three (3) directors. The Mayor of the City of St. Louis shall appoint one (1) director. The St. Charles County Executive shall appoint one (1) director.

Section 4. Regular Meetings. The annual meeting of the Board of Directors shall be held in January of each year, beginning with the year 2011, or as soon as thereafter practicable. The

annual meeting shall be for the purpose of electing officers and the transacting of such other business as may come before the meeting. In addition to the annual meeting, the Board of Directors may hold regular meetings at such time and place as may be determined from time to time by resolution of the Board of Directors. The Board of Directors may provide for the holding of such additional regular meetings without notice, unless otherwise required by applicable law. Any business may be transacted at such a regular meeting.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any three directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, within or without the State of Missouri, as the place for holding any special meeting of the Board of Directors called by them.

Section 6. Notice. Notice of any meeting shall be given not less than five (5) nor more than forty (40) days before the date of the meeting. Notice may be communicated in person, by telephone, telegraph, teletype, or other form of wire or wireless communication, or by mail or private carrier. Oral notice is effective when communicated if communicated in a comprehensible manner. Written notice, if in a comprehensible form, is effective at the earliest of the following:

(1) When received;

(2) Five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with first class postage affixed;

(3) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee;

(4) Thirty (30) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with other than first class, registered or certified postage affixed.

Section 7. Waiver of Notice. A director may at any time waive any required notice. Except as set forth below, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records of the Corporation. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with the Act, the Articles of Incorporation or these Bylaws objects to lack of notice and does not vote for or assent to the objected-to action.

Section 8. Quorum; Participation by Telephone. A majority of the Directors in office immediately preceding a meeting shall constitute a quorum for the transaction of business. Members of the Board of Directors may participate in and act at any meeting of the Board of Directors, whether regular or special, through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting in this manner shall constitute attendance and presence in person at the meeting of the person or persons so participating for all purposes, including fulfilling the requirements of Sections 8 and 9 hereof.

Section 9. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum of directors is present shall be the act of the Board of Directors, unless the act of a different number is required by statute, the Articles of Incorporation or these Bylaws.

Section 10. Resignations. Any director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Any written notice shall be effective upon its receipt by the Board of Directors, President or Secretary, as the case may be, unless otherwise provided therein. Unless otherwise specified in such notice, acceptance of such resignation shall not be necessary to make it effective.

Section 11. Removal of Directors. Any director may be removed without cause by the vote of two-thirds of the Directors then in office. Notice of such a proposed removal shall be given to all directors of the Corporation prior to action thereon. A director may also be removed, at the discretion of the Board of Directors, if said director has unexcused absences for more than four consecutive regular meetings or shall have missed one-half of the regular meetings of the Board of Directors over a twelve month period; provided, however, that the director may be removed only if a majority of the directors then in office, exclusive of the director in question, vote for the removal. A director may also be removed at any time prior to the expiration of his or her applicable term of office by the authority or entity which elected or appointed such director.

Section 12. Vacancies. In case of the death, removal, incapacity or resignation of a director, the vacancy shall be filled by the respective authority or entity who elected or appointed the member previously holding the vacant position.

Section 13. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 14. Committees. The Board of Directors, by resolution approved by a majority of all the directors then in office, may designate two or more directors to constitute (a) an executive committee, which committee shall have and exercise all of the authority of the Board of Directors in the management of the Corporation, or (b) any other committee which shall have the name, purpose, power and authority delegated to it by such resolution. A committee of the Board of Directors may not:

(1) Authorize distributions to directors, officers, agents or employees except in exchange for value received;

(2) Approve dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets;

(3) Unless otherwise provided in these Bylaws or the Articles of Incorporation, elect, appoint or remove directors or fill vacancies on the Board of Directors or on any of its committees; or

(4) Adopt, amend or repeal the Articles or Bylaws.

Section 15. Action Without a Meeting. Any action that may be taken at a meeting of the Board of Directors or of a committee of directors may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all of the members of the Board of Directors or of the committee, as the case may be. Such written consent shall be filed by the Secretary with the minutes of the proceedings of the Board of Directors or of the committee, as the case may be, and shall have the same force and effect as a unanimous vote at a meeting duly held.

Section 16. Compensation. The Board of Directors shall serve without compensation. Nothing herein shall be construed to preclude any director from serving his or her respective appointing authority or entity in any other capacity and receiving compensation therefor.

Section 17. Annual Audit. The Board of Directors may annually arrange for an audit of the Corporation. The audit shall be prepared for and reported directly to the Board of Directors.

ARTICLE II. OFFICERS

Section 1. Number. The officers of the Corporation shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The President shall be a director presently serving on the Board of Directors and shall be selected by the St. Louis County Executive. One or more Vice Presidents, the Secretary and the Treasurer may be, but are not required to be, a director presently serving on the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The St. Louis County Executive shall select, from among the members of the Board of Directors, the President of the Corporation. All other officers of the Corporation to be elected by the Board of Directors shall be elected annually at the Annual Meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be arranged. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer may be removed by a vote of a majority of the entire Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

Section 4. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Any written notice shall be effective upon its receipt by the Board of Directors, the President or the Secretary, as the

case may be, unless otherwise provided therein. Unless otherwise specified in such notice, acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in the office of President because of death, incapacity, resignation, removal, disqualification or otherwise, shall be filled by the selection by the St. Louis County Executive of a new President from among the members of the Board of Directors. A vacancy in any other office because of death, incapacity, resignation, removal, disqualification or otherwise, may be filled by a vote of a majority of the entire Board of Directors for the unexpired portion of the term.

Section 6. President. The President shall preside at all meetings of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. The President may vote in person or by proxy shares in other Corporations standing in the name of this Corporation. The President shall in general perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 7. The Vice-President. In the absence of the President, whether due to resignation, incapacity or any other cause, or in the event of the President's death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all restrictions upon the President. The Vice-President shall exercise such powers only so long as the President remains absent or incapacitated, or until the Board of Directors elects a new President. Any Vice-President shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 8. The Secretary. The Secretary shall (a) keep the minutes of the proceedings of the meetings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (d) keep a register of the post office address of each director and member which shall be furnished to the Secretary by such member; and (e) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

Section 9. The Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors. If required by the

Board of Directors, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Board of Directors shall determine.

ARTICLE III. MEMBERS

The Corporation shall not have any class of voting members, but the Board of Directors may establish in these Bylaws such class or classes of non-voting members, with such rights and privileges, as the Board of Directors of the Corporation may determine.

ARTICLE IV. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans and Indebtedness. No loans or indebtedness shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. In no event shall any loans be made by this Corporation to its officers or directors.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by the President or Treasurer or such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE V. FISCAL YEAR

The fiscal year of the Corporation shall be from January 1st to December 31st fixed from time to time by the Board of Directors by resolution.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify those persons required to be indemnified pursuant to any provision of the Articles of Incorporation or the Act. The Corporation may indemnify those persons permitted to be indemnified under any provision of the Articles of Incorporation or the Act.

ARTICLE VII. CORPORATE SEAL

The Board of Directors shall provide a corporate seal in the form of a circle and inscribed with the organization and the words "Corporate Seal." Such seal shall be in the charge of the Secretary.

ARTICLE VIII. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these Bylaws or of the Articles of Incorporation or of the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX. RECORDS

Section 1. Retention of Records. The Corporation shall keep as permanent records current and complete books and records of accounts and shall also keep minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors.

Section 2. Records to be kept at Principal Office. The Corporation shall keep a copy of the following records at its principal office:

(1) Its Articles or Restated Articles of Incorporation and all amendments to them currently in effect;

(2) Its Bylaws or Restated Bylaws and all amendments to them currently in effect;

(3) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members;

(4) A list of the names and business or home addresses of its current directors and officers;

(5) Its most recent annual report delivered to the secretary of state; and

(6) Appropriate financial statements of all income and expenses.

Section 3. Inspection of Records. The Corporation shall make such records as are required under the Act or any other applicable law available for inspection and copying to those persons and to the extent required under the Act or any other applicable law. Such inspection and copying shall be accomplished at a reasonable time and location specified by the Corporation. The Corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided.

ARTICLE X. AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws adopted by action approved by a majority of the directors in office at the time the amendment is adopted. The Corporation shall provide notice of any meeting of directors at which an amendment is to be approved. The notice must state that the purpose, or one of the purposes, of the meeting is to

consider a proposed amendment to these Bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment.

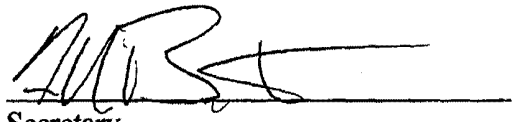
ARTICLE XI. DISSOLUTION OF THE CORPORATION

The Corporation may be dissolved in accordance with the procedure prescribed in the Act. At any time when the dissolution of the Corporation is authorized, the Board of Directors then holding office shall distribute the assets of the Corporation remaining after the payment, satisfaction and discharge, or adequate provision therefor, of all liabilities and obligations of the Corporation, in accordance with the provisions of the Articles of Incorporation.

ARTICLE XII. ADOPTION

These Bylaws shall become effective immediately upon their adoption by a vote of a majority of the Board of Directors of the Corporation.

Effective as of September, 2010.



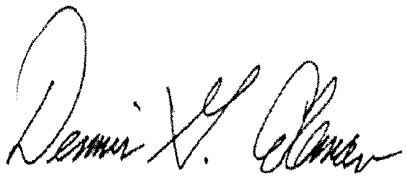
Secretary

President

ARTICLE XII. ADOPTION

These Bylaws shall become effective immediately upon their adoption by a vote of a majority of the Board of Directors of the Corporation.

Effective as of September, 2010.



Secretary

President

ACTION BY UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS OF
GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.
IN LIEU OF A FIRST MEETING

The following actions are hereby taken and the following business transacted by the unanimous written consent of the Board of Directors of Gateway to the Midwest Investment Center, Inc., hereinafter referred to as the "Company," as of this _30_ day of _September , 2010, pursuant to the provisions of Section 355.111 of the Missouri Nonprofit Corporation Act, which consent and action is evidenced by the signatures of the directors appended hereto and on this Action by Consent's counterparts, and which consent and action is intended to have the same force and effect as a unanimous vote at a meeting duly held. The actions taken and resolutions adopted herein shall constitute and be in lieu of a first meeting of the directors.

This Company's Articles of Incorporation were filed in the office of the Secretary of State of Missouri on _September 28, 2010, and a Certificate of Incorporation was issued by such office on said date. The Secretary of this Company, hereinafter elected, is directed to file a copy of the Articles of Incorporation and the Certificate of Incorporation in this Company's minute book.

Organizational Matters

The following resolution is adopted with respect to the actions of the Incorporators of the Company in the formation and organization of the Company:

> RESOLVED, that all actions of the Incorporators of the Company heretofore taken are approved and ratified.

The following resolutions are adopted with respect to this Company's By-Laws:

RESOLVED, that the By-Laws attached hereto as Exhibit A and incorporated by reference herein, be and they are hereby adopted and approved as the By-Laws of this Company; and be it

FURTHER RESOLVED, that the Secretary of this Company identify said By-Laws by his signature and place them in the minute book of this Company.

The following resolution is adopted with respect to the election of officers of the Company:

RESOLVED, that each of the following persons is hereby elected to the office(s) of the Company set opposite his name, to serve until his successor shall have been duly elected and qualified, or until his death, or until he shall resign or shall have been removed from office:

Name	Office
Dennis G. Coleman	President
Fred Bartelsmeyer	Vice President and Secretary
Gregory Prestemon	Vice President, Treasurer and Assistant Secretary
Jacqueline Wellington	Vice President
Timothy J. Nowak	Vice President

The following resolutions are adopted with respect to this Company's checking account:

RESOLVED, that the Secretary of this Company is hereby authorized and directed to establish checking accounts in this Company's name at such financial institutions as the Secretary of the Company shall select and to attest any form of bank resolutions with respect to such accounts as having been adopted as of the effective date of this Action by Consent; and be it

FURTHER RESOLVED, that the resolutions set forth in any such form of bank resolutions be and they hereby are approved and adopted; and be it

FURTHER RESOLVED, that the Secretary of this Company identify said form of bank resolutions by his signature and place them in the minute book of this Company.

The following resolution is adopted with respect to this Company' s fiscal year:

RESOLVED, that the fiscal year of the Company shall begin on the _1st_ day of _January_ and end on the _31st_ day of _December_ in each year.

The following additional resolutions are adopted with respect to the organization of this Company:

RESOLVED, that the Treasurer and the Secretary of the Company are hereby authorized and directed to pay any and all fees and expenses which have been or may be incurred in connection with the organization of the Company; provided, however, that sufficient documentation of all incurred charges and expenses shall be submitted before any reimbursement shall be made; and be it

FURTHER RESOLVED, that all acts of the officers of the Company taken in connection with the organization of the Company be and they hereby are adopted, approved and ratified; and be it

FURTHER RESOLVED, that the officers of the Company be and they hereby are authorized and directed to execute and deliver all consents, certificates, assignments, agreements, and other instruments, and to do all acts, for and in the name of and on behalf of the Company, as may be necessary or convenient in order to carry out the foregoing resolutions.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The undersigned, constituting all of the directors of the Company, hereby unanimously consent to and adopt the acts and resolutions contained in the foregoing minutes of the Board of Directors of Gateway to the Midwest Investment Center, Inc.

Executed as of this 30th day of September, 2010.

Fred Bartelsmeyer

Dennis G. Coleman
President & CEO
St. Louis County Economic Council

Timothy J. Nowak
Executive Director
World Trade Center Saint Louis

Gregory Prestemon
President & CEO
Economic Development Center of St. Charles

Jacqueline Wellington
Executive Vice President
St. Louis County Economic Council

Constituting the entire Board of Directors of Gateway to the Midwest Investment Center, Inc.

The undersigned, constituting all of the directors of the Company, hereby unanimously consent to and adopt the acts and resolutions contained in the foregoing minutes of the Board of Directors of Gateway to the Midwest Investment Center, Inc.

Executed as of this 30th day of September, 2010.

Fred Bartelsmeyer
Partner
Bryan Cave LLP

Dennis G. Coleman
President & CEO
St. Louis County Economic Council

Timothy J. Nowak
Executive Director
World Trade Center Saint Louis

Gregory Prestemon
President & CEO
Economic Development Center of St. Charles

Jacqueline Wellington
Executive Vice President
St. Louis County Economic Council

Constituting the entire Board of Directors of Gateway to the Midwest Investment Center, Inc.

The undersigned, constituting all of the directors of the Company, hereby unanimously consent to and adopt the acts and resolutions contained in the foregoing minutes of the Board of Directors of Gateway to the Midwest Investment Center, Inc.

Executed as of this 30th day of September, 2010.

Fred Bartelsmeyer
Partner
Bryan Cave LLP

Dennis G. Coleman
President & CEO
St. Louis County Economic Council

Timothy J. Nowak
Executive Director
World Trade Center Saint Louis

Gregory Prestemon
President & CEO
Economic Development Center of St. Charles

Jacqueline Wellington
Executive Vice President
St. Louis County Economic Council

Constituting the entire Board of Directors of Gateway to the Midwest Investment Center, Inc.

The undersigned, constituting all of the directors of the Company, hereby unanimously consent to and adopt the acts and resolutions contained in the foregoing minutes of the Board of Directors of Gateway to the Midwest Investment Center, Inc.

Executed as of this 30th day of September, 2010.

Fred Bartelsmeyer
Partner
Bryan Cave LLP

Dennis G. Coleman
President & CEO
St. Louis County Economic Council

Timothy J. Nowak
Executive Director
World Trade Center Saint Louis

Gregory Prestemon
President & CEO
Economic Development Center of St. Charles

Jacqueline Wellington
Executive Vice President
St. Louis County Economic Council

Constituting the entire Board of Directors of Gateway to the Midwest Investment Center, Inc.

The undersigned, constituting all of the directors of the Company, hereby unanimously consent to and adopt the acts and resolutions contained in the foregoing minutes of the Board of Directors of Gateway to the Midwest Investment Center, Inc.

Executed as of this 30th day of September, 2010.

Fred Bartelsmeyer
Partner
Bryan Cave LLP

Dennis G. Coleman
President & CEO
St. Louis County Economic Council

Timothy J. Nowak
Executive Director
World Trade Center Saint Louis

Gregory Prestemon
President & CEO
Economic Development Center of St. Charles

Jacqueline Wellington
Executive Vice President
St. Louis County Economic Council

Constituting the entire Board of Directors of Gateway to the Midwest Investment Center, Inc.

EXHIBIT 4

THIS AGREEMENT, made and entered into as of the ___ day of _____, 2011, is by and between St. Louis County Economic Council ("SLCEC"), a Missouri not-for-profit corporation, World Trade Center Saint Louis ("WTC"), a Missouri not-for-profit corporation, and the Gateway to the Midwest Investment Center ("GMIC"), a Missouri not-for-profit corporation (together, the "Parties").

WITNESSETH:

WHEREAS, GMIC is organized for the purpose of establishing, managing, and promoting a U.S. Citizenship and Immigration Services ("USCIS") designated EB-5 regional center within St. Louis County, St. Louis City, and St. Charles County, together, the Regional Center Geographic Area, as amended from time to time; and

WHEREAS, SLCEC is organized for the purpose, among others, of promoting and developing trade and industry in St. Louis County, Missouri; and

WHEREAS, WTC is organized for the purpose, among others, of promoting international business growth and trade; and

WHEREAS, GMIC's mission is complementary to SLCEC and WTC, the parties believe it will be mutually beneficial for SLCEC, WTC, and GMIC to coordinate their respective efforts related to international and economic development missions; and

WHEREAS, pursuant to executed GMIC By-Laws and Articles of Incorporation, SLCEC and WTC established and shall operate the GMIC to establish, manage, and promote a USCIS designated regional center to solicit and obtain investment capital from foreign investors in U.S. businesses for the purpose of creating U.S. jobs within the Regional Center Geographic Area; and

WHEREAS, toward such end, the parties desire to enter into an agreement whereby SLCEC and WTC will provide office facilities, staff, operating support and professional services to GMIC in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows, to-wit:

ARTICLE I - AGREEMENT TERM/TERMINATION

1. **Term.** The term of this Agreement shall commence on the ___ day of _____, 2011 and end on the ___ day of _____ 2012 (the "Original Term").

2. **Renewal.** This Agreement shall not automatically renew and must be renewed or renegotiated each year by the date of expiration of the Original Term, unless sooner terminated in accordance with the terms and conditions of this Agreement.

3. **Termination.**

a. Without Cause. This Agreement may be terminated, without cause, by either party by the provision of ninety (90) days' prior written notice to the other party. Said notice may be waived by the written consent of the non-terminating party.

b. For Cause. If either party fails to perform any of its obligations hereunder (the "defaulting party"), the other party may give the defaulting party written notice of such failure and demand performance. If such performance is not provided within ten (10) days of the giving of such notice, the other party may, but shall not be obligated to, perform or cause to be performed the defaulting party's obligations hereunder and charge the cost to the defaulting party. In lieu of the foregoing remedy, the non-defaulting party may terminate this Agreement based on such default by providing to the defaulting party, after the expiration of the aforesaid ten-day cure period, written notice of its intention to terminate, which will become effective twenty (20) days after delivery of such notice, unless the defaulting party cures such default on or before the expiration of such twenty-day period.

ARTICLE II – WTC SCOPE OF SERVICES

1. **Staff.** In addition to the staff required for the provision of the services described in Article IV, WTC shall provide programmatic and executive staff for the administration, operation and implementation of the programs and functions of the GMIC. Such staff will include the Vice President of the SLCEC International Trade Division and will act as the division head (Vice-President) of the GMIC.

   a) WTC shall have some discretion, in cooperation and while conferring with SLCEC and GMIC, over the hire, promotion, and/or termination of a full-time staff person(s) for the GMIC as outlined in Article IV.

2. **Office Facilities.** WTC in cooperation with SLCEC shall provide, free of charge, office space, access to conference room facilities, and record storage space to GMIC, all as presently located at 121 South Meramec, Clayton, Missouri 63105. Notwithstanding the foregoing, GMIC shall be required to pay, at WTC and SLCEC's published rates for tenants of WTC and SLCEC, the cost of all other conference amenities, including but not limited to validated parking, and, to the extent that staff assistance is required for their use, electronic whiteboards, overhead projectors and computers. WTC and SLCEC shall provide coffee service for conference room meetings free of charge.

3. **Support.** WTC shall provide international research, international sourcing, marketing, and events coordination support to the GMIC through WTC staff-support or services provided as a GMIC vendor.

ARTICLE III – SLCEC SCOPE OF SERVICES

1. **Administrative Services.** SLCEC shall provide managerial, administrative and secretarial services to GMIC.

2. **Professional Services.** SLCEC shall furnish financial management, routine legal services and information technology services to GMIC.

3. **Staff.** SLCEC shall provide programmatic and executive staff for the administration, operation and implementation of the programs and functions from the International Trade Division of the SLCEC, which division shall perform all of the activities and operations currently carried out by the WTC and GMIC. The staff shall be employed by SLCEC and SLCEC will have sole discretion over the hire, promotion, and/or termination of such staff; provided, however, that the SLCEC shall confer with the WTC and GMIC Board of Directors regarding the hiring of the GMIC Executive Director. SLCEC shall provide fringe benefits to such staff, including retirement, health insurance, hospitalization, workers' compensation, and unemployment and life insurance.

   a) SLCEC shall have some discretion, in cooperation and while conferring with WTC and GMIC, over the hire, promotion, and/or termination of a full-time staff person/s for the GMIC as outlined in Article IV.

4. **Fund Management Services.** GMIC shall deposit all of its existing funds and future receipts from investors (fees from immigrant investors) and escrow accounts with the SLCEC (whether managed by SLCEC or other vendors). WTC and GMIC may also deposit administration and management funds with SLCEC. SLCEC shall contract with St. Louis County, Missouri (hereinafter, the "County") for cash management services. SLCEC shall maintain an accounting system that will include the following controls:

   a) all GMIC funds shall be segregated to account for the revenues and expenditures of GMIC;

   b) disbursements shall only be made based upon proper documentation and approval by the President/CEO or Chief Financial Officer of SLCEC or the President or Executive Director of WTC, and in accordance with a budget approved by the Boards of Directors of SLCEC, WTC, and GMIC, which budget shall be approved annually by mutual consent of the parties and in accordance with the By Laws of GMIC;

   c) all cash balances and reserve funds shall be fully invested daily in obligations of the United States, or any agency or instrumentality thereof, repurchase agreements, commercial paper, banker acceptances or in collateralized certificates of deposit;

   d) interest shall be distributed quarterly based upon the average cash balance;

   e) all unexpended funds in the said account of GMIC, less any outstanding obligations, shall be returned to GMIC upon termination of this Agreement; and

f) GMIC shall adhere to all policies and procedures of SLCEC and WTC, including but not limited to procurement, disbursements, purchases, travel, budgeting process, reporting, and auditing, which are incorporated herein by reference.

5. **Reports.** SLCEC shall present financial reports to GMIC and WTC on a quarterly basis. Other reports needed for GMIC's decision-making processes shall be presented by SLCEC to GMIC in a timely manner. In addition, SLCEC shall report quarterly to GMIC on the activities and functions of the SLCEC. SLCEC shall prepare an annual report to GMIC Board members.

6. **Office Facilities.** SLCEC in cooperation with WTC shall provide, free of charge, office space, access to conference room facilities and record storage space to GMIC, all as presently located at 121 South Meramec, Clayton, Missouri 63105. Notwithstanding the foregoing, GMIC shall be required to pay, at WTC and SLCEC's published rates for tenants of WTC and SLCEC, the cost of all other conference amenities, including but not limited to validated parking, and, to the extent that staff assistance is required for their use, electronic whiteboards, overhead projectors and computers. WTC and SLCEC shall provide coffee service for conference room meetings, free of charge.

ARTICLE IV – GMIC SCOPE OF SERVICES

1. **Staff.** GMIC shall hire one or more full-time staff person, as is reasonably warranted, with responsibility for day-to-day operations, USCIS reporting and compliance obligations, project review and vetting, and international marketing and outreach, among other tasks as needed. The staff shall be employed by SLCEC and SLCEC will have sole discretion over the hire, promotion, and/or termination of such staff member; provided, however, that the SLCEC shall confer with the WTC and GMIC Board of Directors regarding the hire, promotion, and/or termination of such staff. SLCEC shall provide fringe benefits to such staff, including retirement, health insurance, hospitalization, workers' compensation, and unemployment and life insurance.

2. **Administrative Services.** GMIC shall be responsible for all compliance and reporting obligations of USCIS and shall procure needed support services if necessary.

3. **Professional Services.** With the exception of routine legal services (limited corporate counsel, lobbying, and human resources/employment legal), GMIC shall provide or procure immigration legal services as needed for GMIC for obtaining approval from USCIS and reviewing potential EB-5 investment opportunities. GMIC shall be solely responsible for all legal and administrative costs incurred for such services.

4. **Accounting Services.** GMIC shall be responsible for all in-house accounting services required and shall procure needed services if necessary.

5. **Economic Services.** GMIC shall provide all economic analysis services for the regional center and shall procure needed services if necessary.

6. **Marketing.** GMIC shall be responsible for all GMIC promotional activities domestically and internationally and shall procure needed services if necessary.

ARTICLE V - COMPENSATION

1. **Consideration.** The consideration supporting this Agreement shall be the mutual obligations contained herein and shall not include monetary consideration, except as otherwise provided herein.

2. **Financial Commitment**. SLCEC shall compensate GMIC for 1st year operating budget expenses from the EDA grant, pending approval of extension, in an amount not to exceed $400,000 prior to July 6, 2011. Beginning July 7, 2010 and ending July 6, 2011 ("the original term"), SLCEC shall be responsible for all GMIC expenses following fees paid to GMIC from other sources.

3. **Fees**. In full consideration of all services to be provided by SLCEC and WTC to GMIC in accordance with Article II and III hereof, other than the costs described in subsection 3 of this Article V, any and all fees generated by GMIC for administrative and management, with the exception of pass-through funding for services outlined in subsections 2 through 8 in Article IV, shall be deposited to the general revenue of the SLCEC. SLCEC and GMIC will mutually agree upon the fees to be paid to the WTC, prior to the beginning of each fiscal year. GMIC hereby acknowledges that SLCEC and WTC provides the services described herein to other entities and charges for such services, and that, SLCEC and WTC will request deposit by GMIC of similar such fees.

4. **Direct Costs.** In addition to the fees described in subsection 3 above, SLCEC acknowledges that it is responsible for budgeting and providing funds for the payment of (a) all direct costs of the GMIC due to the administration, operation, and implementation of the programs and functions of the GMIC, including but not limited to the salaries and benefits of programmatic employees, and (b) Director's and Officer's liability insurance coverage for GMIC.

5. **Consent.** As further consideration, GMIC agrees not to expend or commit any of its funds during the term of this Agreement, other than for those items included in its annual budget, without the prior written consent of SLCEC and WTC. SLCEC and WTC also agree not to expend or commit funds of GMIC, other than for those items included in GMIC's annual budget, without the prior written consent of GMIC.

ARTICLE VI – INDEMNIFICATION AND INSURANCE

1. **Indemnification.** To the fullest extent permitted by law, SLCEC and WTC agree to indemnify and save GMIC and its officers and directors harmless from all loss, damage, liability and expense (including expense of defending claims) relating to any actual or alleged injury to or death of any person, any actual or alleged loss or damage to property, or any other actual or alleged loss or damage suffered by any third party arising from any acts of GMIC or its employees; provided, however, that nothing contained herein shall require SLCEC and WTC to indemnify GMIC, its officers or directors for any claim or liability resulting from the wrongful, willful or intentional acts of GMIC, or its officers or directors. The indemnification obligation under this section shall be covered by the amount and type of damages, compensation and benefits payable pursuant to an officers'

and directors' liability insurance policy furnished pursuant to Article V, Section 4 of this Agreement.

2. **Insurance.** SLCEC shall secure officers' and directors' liability insurance for GMIC and for each of its officers and directors, as named insureds and beneficiaries, in such form and amount agreed upon by SLCEC and GMIC, at GMIC's cost. SLCEC shall advise GMIC of the anticipated cost of such coverage, and GMIC shall include such cost in its annual budget.

ARTICLE VII - MISCELLANEOUS PROVISIONS

1. **Modifications.** All modifications to this Agreement shall be in writing and signed by the parties hereto.

2. **Assignment.** Neither party's rights or obligations hereunder shall be assigned without the prior written consent of the other party.

3. **Construction.** This Agreement is entered into and shall be construed in accordance with the laws of the State of Missouri.

4. **Non-Discrimination.** SLCEC shall not discriminate against employees or applicants for employment on the basis of race, religion, color, sex, national origin, age, marital status, sexual orientation or disability. In the event of discrimination by SLCEC, WTC and GMIC may terminate this Agreement, as provided in Article I, Section 3 hereof.

5. **Waivers.** A waiver, in one or more instances, of any of the terms and provisions of this Agreement shall apply to the particular instance or instances, at the particular time or times only, and shall not be deemed a continuing waiver.

6. **Notices.** All notices and communications hereunder shall be in writing and shall be deemed given, made or communicated if either delivered in person or sent by U.S. certified mail and addressed to:

SLCEC of St. Louis County
121 South Meramec, Suite 900
Clayton, Missouri 63105
Attention: President/CEO

World Trade Center St. Louis
121 South Meramec, 11th Floor
Clayton, Missouri 63105
Attention: Executive Director

The Gateway to the Midwest Investment Center (GMIC)
121 South Meramec, Suite 1117
Clayton, Missouri 63105
Attention: GMIC

or to such other address as either party may specify by notice to the other party delivered as provided herein.

7. **Non-Exclusive Agreement.** The parties hereto agree and understand that this Agreement shall be non-exclusive, and that SLCEC intends to contract on a similar basis with the following entities: Business Finance Corporation of St. Louis County, The Industrial Development Authority of the County of St. Louis, Missouri, Land Clearance for Redevelopment Authority of St. Louis County, and St. Louis County Port Authority, and may, from time to time, enter into similar agreements with such other entities as it deems appropriate.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

Attest

SLCEC OF ST. LOUIS COUNTY

_____

By:_____
Dennis G. Coleman
Title: President/CEO

Attest

WORLD TRADE CENTER SAINT LOUIS

_____

By:_____
Mike Hogan
Title: Chairperson

Attest

THE GATEWAY TO THE MIDWEST INVESTMENT CENTER (GMIC)

_____

By:_____
Dennis G. Coleman
Title: Chairperson

H:\8936\001\Final Submission Documents\MOU 2.18.2011 FINAL.doc

EXHIBIT 5

GMIC Geographical Area

◆ - GMIC Regional Center

2-4-11

EXHIBIT 6

GOVERNOR OF MISSOURI

JEFFERSON CITY

65102

JEREMIAH W. (JAY) NIXON
GOVERNOR

P.O. Box 720
(573) 751-3222

March 17, 2010

(b)(6)

[redacted]
USCIS Foreign Trade, Investor & Regional Center Program
Office of Service Center Operations, Business and Trade Services
U.S. Center for Immigration Services
20 Massachusetts Avenue, NW
Washington, DC 20529

Re: State Agency Designation

Dear Ms. Velarde:

Under the requirements of the Immigration Act of 1990 (Public Law 101-469), states must designate a responsible agency to certify high unemployment areas.

As Governor of the State of Missouri, I designate the Missouri State Department of Economic Development as the agency authorized to certify areas of high unemployment as Target Employment Areas for the purposes of fulfilling the requirements of U.S.C.I.S. and the EB-5 Regional Center Program.

Sincerely,

Jeremiah W. (Jay) Nixon
Governor

EXHIBIT 7

Jeremiah W. (Jay) Nixon
Governor

David Kerr
Director

August 5, 2010

U.S. Citizenship and Immigration Services
Department of Homeland Security
EB-5 Immigrant Investor Program
20 Massachusetts Avenue, NW
Washington, DC 20529-2060

Re: State Agency Designation of Targeted Employment Areas

To Whom It May Concern:

The Missouri Department of Economic Development ("DED") certifies that the areas identified in the attachments to this letter are the current individually qualifying Targeted Employment Areas ("TEAs") within the Missouri portion of the St. Louis Metropolitan Statistical Area. Missouri Governor Jeremiah (Jay) Nixon has delegated authority to the DED to calculate and provide qualifying data at the state, county, city/census designated place, and census tract levels that meet the definition of high unemployment area as defined in the regulations governing the EB-5 Immigrant Investor Program at 8 CFR § 204.6.

As specified in the regulations at 8 CFR § 204.6(e), "Targeted Employment Area" means, at the time of the investment, a rural area or an area which has experienced high unemployment (of at least 150 percent of the national average rate). "Rural Area" means any area not within a Metropolitan Statistical Area, as designated by the Office of Management and Budget or within the outer boundary of any city or town having a population of 20,000 or more based on the most recent decennial census of the United States.

For calculations of high unemployment in non-rural portions of the state, the Missouri Department of Economic Development uses the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") methodology, as outlined in LAUS Technical Memorandum No. S-10-20. The most recent annual average labor force data (currently 2009) was used to identify qualifying TEAs. Published data for counties and places with population of 25,000 or more were used. For smaller geographic areas, such as census tracts, BLS methodology for disaggregation from the published-level data was employed.

The attached listing and map shows areas in the Missouri portion of the St. Louis Metropolitan Statistical Area with unemployment rates of at least 150% of the national average, which therefore meet the criteria of a TEA.

If you have any questions, please do not hesitate to contact us.

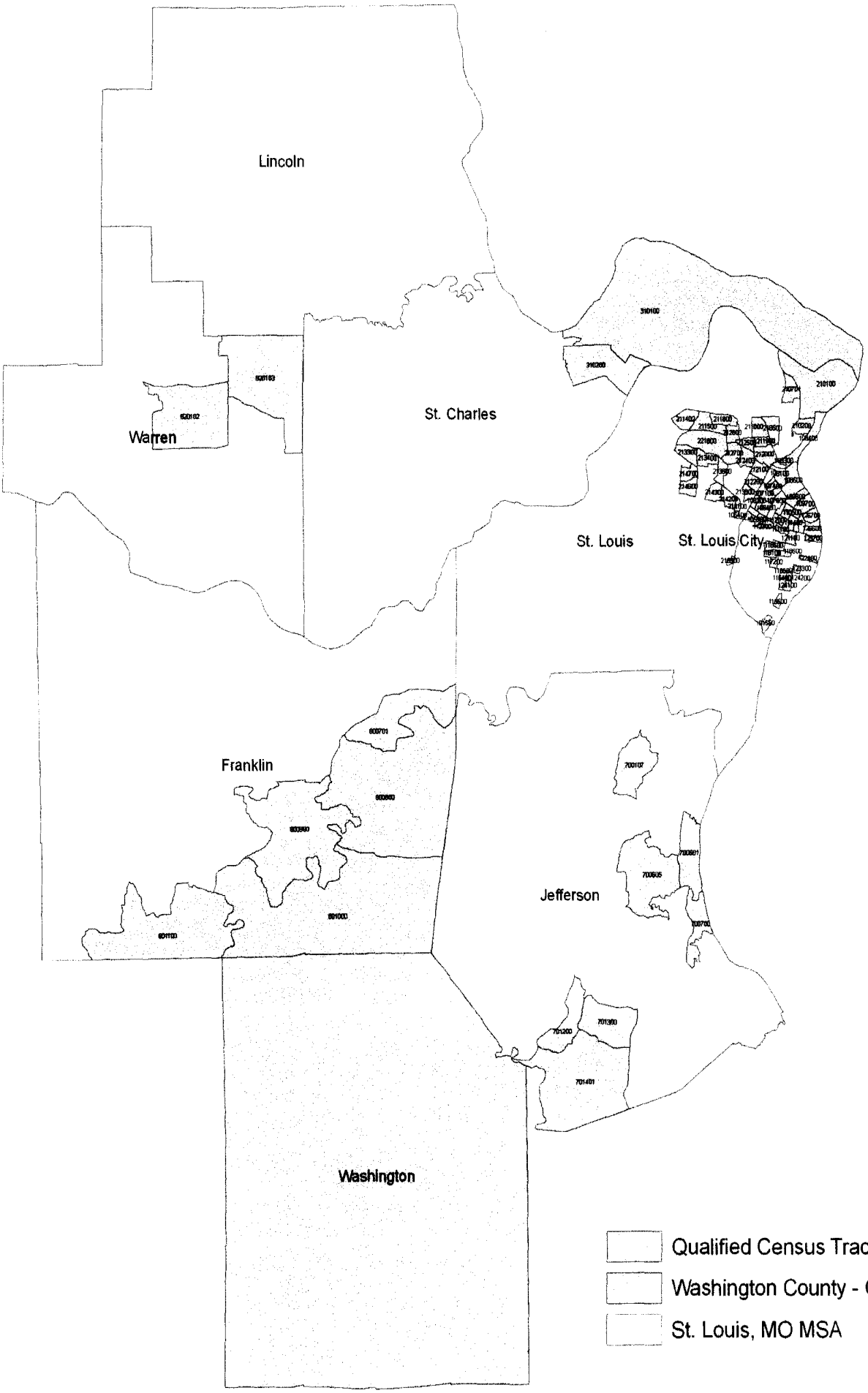
Sincerely,

Marty Romitti

Marty Romitti, Ph.D., Missouri Economic Research and Information Center (MERIC) Director
Missouri Department of Economic Development

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700
Real People. Real Opportunity.

Targeted Employment Areas for EB-5 Visa



Unemployment rates for the areas above equal or exceed 14.0 percent, which is 150 percent of the 2009 U.S. annual average unemployment rate of 9.3 percent.

Department of Economic Development

MERIC

Produced August 5, 2010

TARGETED EMPLOYMENT AREAS

Qualifying Census Tracts in the Missouri portion of the St. Louis MSA

FRANKLIN COUNTY

8007.01
8008
8009
8010
8011

JEFFERSON COUNTY

7001.07
7006.01
7006.05
7007
7012
7013
7014.01

ST. CHARLES COUNTY

3101
3102

ST. LOUIS COUNTY

2101
2102
2105
2107.01
2114.02
2115
2116
2118
2119
2120
2121
2122
2124
2125
2126
2127
2133
2134
2136
2138
2141
2142
2143
2146
2147
2160
2169
2218

WARREN COUNTY

8201.02
8201.03

WASHINGTON COUNTY

Entire county

ST. LOUIS CITY

1015	1085	1165
1054	1096	1172
1055	1097	1181
1061	1101	1185
1062	1102	1186
1063	1103	1201
1064	1104	1202
1065	1105	1203
1066	1111	1211
1071	1112	1212
1072	1113	1224
1074	1114	1233
1075	1115	1241
1076	1122	1242
1081	1123	1257
1083	1155	1266
1084	1164	1267

Unemployment rates for the areas above equal or exceed 14.0 percent, which is 150 percent of the 2009 U.S. annual average unemployment rate of 9.3 percent.

Produced August 5, 2010

Targeted Employment Areas for EB-5 Visa

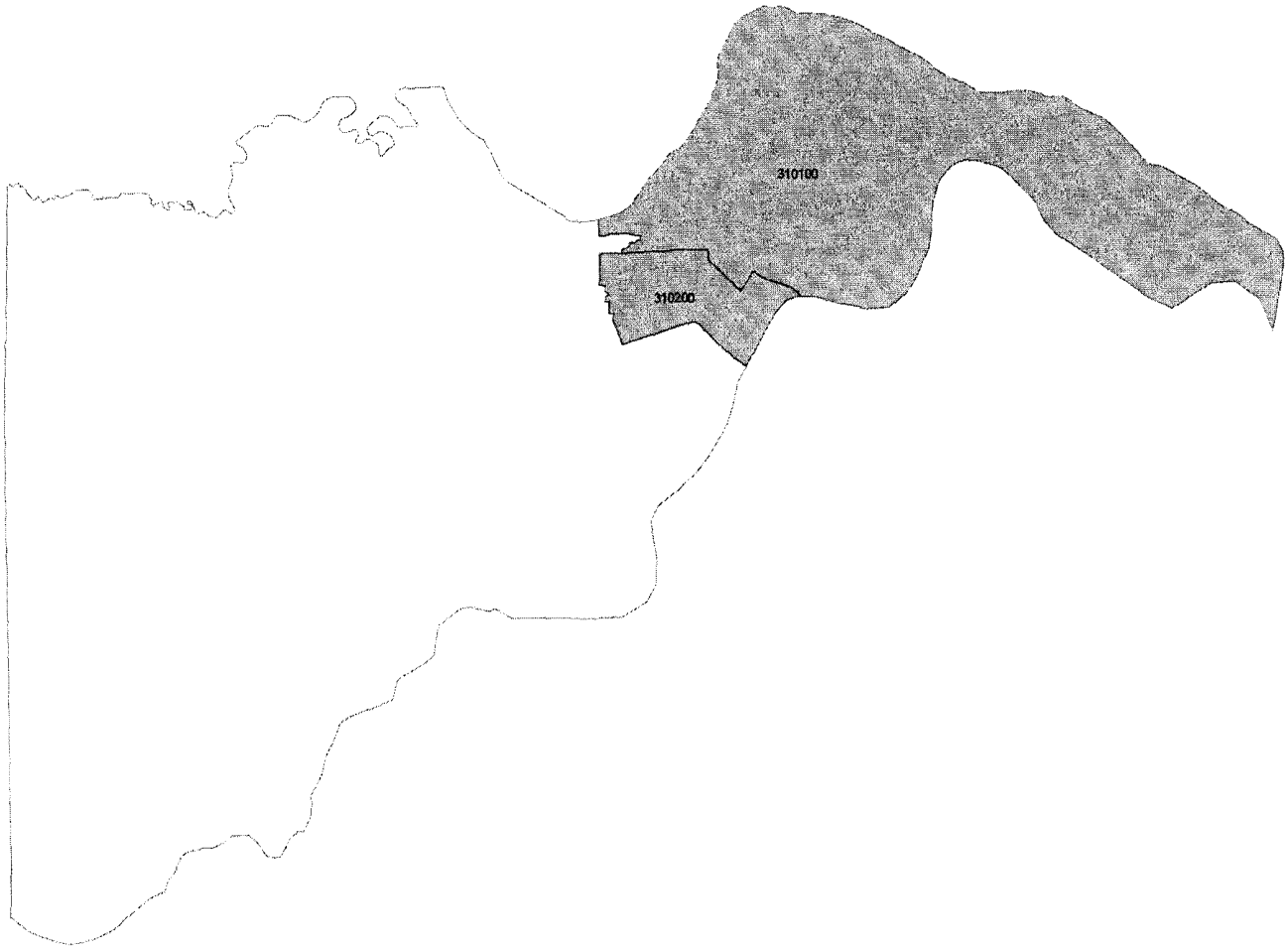
Missouri Department of Economic Development

MERIC

Targeted Employment Areas for EB-5 Visa

Department of Economic Development

Targeted Employment Areas for EB-5 Visa



Qualified Census Tract

St. Charles - County Level

Missouri Department of Economic Development

MERIC

EXHIBIT 8

GMIC GATEWAY TO THE MIDWEST INVESTMENT CENTER

U.S. Citizenship and Immigration Service
California Service Center
ATTN: EB5 RC Proposal
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

February 18, 2011

This letter is written to confirm that the St. Louis County Economic Council (SLCEC) has to date incurred the following expenses in connection with the Gateway to the Midwest Investment Center (GMIC) USCIS regional center application:

1. Legal Fees (Including immigration and corporate counsel) = **$55,647.14**
2. Economist Fees = **$25,250.00**
3. GMIC Organization Fees (Application Fee and MO State corporate Filing) = **$6,255.00**
4. Membership & EB-5 Community Participation = **$5,000.00**
5. Staff Expenses = **$278.44**

TOTAL = $92,430.58

A detailed bank statement and expenses incurred overview can be found attached as Exhibit A.

In addition to the $92,430.58 already spent on the regional center application, SLCEC has committed $225,000.00 to the first-year operations and marketing budgets. Please review the GMIC first-year operating budget attached as Exhibit B. The GMIC is organized as a 501c4 not-for-profit entity under the Missouri not-for-profit statutes and all budgeted expenses ($225,000.00) will be incurred prior to the end of the GMIC fiscal year. The primary funding source for the 1st year operation of the GMIC will come from a U.S. Department of Commerce Economic Development Agency (EDA) Grant (Award number 05-69-04740) in the amount of $1,725,000, a copy of which is attached as Exhibit C.

SLCEC has thus committed a total of $92,430.58 to the establishment of the GMIC. The combined dedicated capital is sufficient to sustain the GMIC Regional Center, distinct from immigrant investors' required capital investment in a new commercial enterprise. Further, SLCEC pledges to supply additional resources as needed if the GMIC Regional Center requires additional operating capital both in year 1 and into additional years as necessary.

Sincerely,

Dennis G. Coleman, CEcD FM
President & CEO
St. Louis County Economic Council

St. Louis County Economic Council • 121 S. Meramec Avenue • Suite 1117 • St. Louis, MO 63105
Douglas A. Potts – 314.615.7616, dpotts@slcec.com

GMIC GATEWAY TO THE MIDWEST INVESTMENT CENTER

(b)(6)

February 18, 2011

[redacted]

USCIS Foreign Trade, Investor & Regional Center Program
Office of Service Center Operations, Business and Trade Services
U.S. Center for Immigration Services
20 Massachusetts Avenue, NW
Washington, DC 20529

Re: Gateway to the Midwest Investment Center (GMIC) EB-5 Regional Center Application Bank Account and payee information and account verification

Please see banking account and routing information for the Gateway to the Midwest Investment Center (GMIC) below. All bills, invoices, and other transactions with the GMIC will be paid from this account.

Bank of America
Account #340179237715
ABA/Routing# 081000032
Checking account

Or

U.S. Bank
Account #4346845557
ABA/Routing# 081000210
Checking account

Please see the attached pdf (Exhibit A) for copies of previously paid bills related to the GMIC EB-5 application and other associated costs from one or both accounts.

St. Louis County Economic Council · 121 S. Meramec Avenue · Suite 1117 · St. Louis, MO 63105
Douglas A. Potts – 314.615.7616, dpotts@slcec.com

ST. LOUIS COUNTY ECONOMIC CO[illegible]L

34215

1777-34064-23

Obligat'n Description	Invoice number	Amount
50094 EB5 IMMIGRATION ATTORNEY SVCS	08/09/09	5,000.00
*** Total ***		5,000.00

Joyce has this check.

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

34215

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

1777-34064-23
NUMBER

08/11/2009 DATE **********5,000.00 AMOUNT

** Five Thousand Dollars and 00 Cents **

PAY TO THE ORDER OF
MILLER MAYER LLP
202 EAST STATE STREET STE 700
ITHACA NY 14850

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE. RED IMAGE DISAPPEARS WITH HEAT.

⑈034215⑈ ⑆081000032⑆ 3401792377215⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

34215

8/11/09 - 5000.00 - advance
8/31/09 594.00 Invoice # 72860 attached
9/30/09 148.50 - Invoice # 73594 attached

9/30 4257.50 Advance balance (immaterial to year end process).
10/31 377.50 Invoice # 74131
11/30 29.50 · Invoice # 74567

SF4001-1

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 314-991-1977

HS8J790010000 L97SF032716

SAFEGUARD

ST. LOUIS COUNTY ECONOMIC COUNCIL 34245

1779-34096-27

Obligat'n Description	Invoice number	Amount
50101 EB5 IMMIGRATION ATTORNEY SVCS	72045 SYL	1,280.50
*** Total ***		1,280.50

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

34245

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

1779-34096-27
NUMBER

08/13/2009 DATE **********1,280.50 AMOUNT

** One Thousand Two Hundred Eighty Dollars and 50 Cents **

PAY TO THE ORDER OF
MILLER MAYER LLP
202 EAST STATE STREET STE 700
ITHACA NY 14850

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE. RED IMAGE DISAPPEARS WITH HEAT.

⑈034245⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL 34245

SF4001-1
SAFEGUARD. LITHO USA SFSL2M CX/S081112M
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 314-991-1977
HS8J790010000 L97SF032716

ST. LOUIS COUNTY ECONOMIC COUNCIL 35074

1848-34966-20

Obligat'n Description	Invoice number	Amount
51597 EB5 IMMIGRATION CORP ATTY SVCS	16582 / 83527	345.00
*** Total ***		345.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA
4-3/810

1848-34966-20 35074

12/08/2009 DATE **********345.00 AMOUNT

** Three Hundred Forty Five Dollars and 00 Cents **

PAY TO THE ORDER OF
THOMPSON COBURN
P O BOX 18379M
ST LOUIS MO 63195

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈035074⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL 35074

THOMPSON COBURN LLP

Remit To:
P.O. Box 18379M
St. Louis, Missouri 63195

(b)(4)

November 17, 2009
Invoice #2338060

Direct Correspondence To:
One US Bank Plaza
St. Louis, Missouri 63101-1693
314-552-6000
AccountsReceivable@ThompsonCoburn.com

St. Louis County Economic Council
Attn: Douglas A. Potts
121 S. Meramec, Ste. 412
St. Louis, Missouri 63105

EIN (b)(3)

For Legal Services Rendered in Connection With:

Midwest China Hub
TC File: 16582 / 83527

10/14/09	L. Shapiro	156.00	0.4	E-mail exchanges with D. Potts re information and strategies going forward; review documents from M. Potts; brief conference with A. Klinghammer re same
10/22/09	B. Wilson	189.00	0.7	Review and comment re credit approval

TOTAL HOURS	1.10
SUBTOTAL FOR SERVICES	$345.00
TOTAL DUE	**$345.00**

RECEIVED
NOV 24 2009
ACCOUNTING

FUND 61 ORG 1005 SUB 5020
P.O. # 09-1298 (required on all orders 1000.00 and over)
DATE RECEIVED 11/18/09
APPROVAL
(DO NOT WRITE BELOW LINE)
(PURCHASING USE ONLY)
VENDOR # CHECK/EFT # 51597
RECEIVED 11-24-09 BY
ENTERED 11-30-09 BY
DATE PAID

ST. LOUIS COUNTY ECONOMIC COUNCIL

35598

1896-35523-22

Obligat'n Description	Invoice number	Amount
52498 EB5 IMMIGRATION ECON SVCS ASSESSMEN	11016	2,500.00
*** Total ***		2,500.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

1896-35523-22 35598

02/23/2010 DATE **********2,500.00 AMOUNT

** Two Thousand Five Hundred Dollars and 00 Cents **

PAY TO THE ORDER OF
EPR ECONOMICS & POLICY RESOURCES
P O BOX 1660
WILLISTON VT 05495

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈035598⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

35598

LR2202M1 SAFEGUARD 314-991-1977 PRINTED IN U.S.

EPR Economic & Policy Resources
Economists, Policy and Financial Analysis
Reply to: P.O. Box 1660
Williston, VT 05495-1660

January 22, 2010

Douglas Potts
St. Louis County Economic Council
121 South Meramec, Suite 1117
St. Louis MO 63105

In Reference To: St Louis EB-5 Regional Center
Invoice #11016

		Amount
	For professional services rendered	$2,500.00
	Previous balance	$6,250.00
	Accounts receivable transactions	
9/11/2009	Payment - thank you. Check No. 34360	($6,250.00)
	Balance due	$2,500.00

Federal Tax ID # [redacted] (b)(3)

Work In Process Payment

RECEIVED
FEB 11 2010
ACCOUNTING

FUND Col ORG 1005 SUB 5020
P.O. # 09-L297 (required on all orders 1000.00 and over)
DATE RECEIVED 2/1/10
APPROVAL DL
(Accounting use only)
VENDOR # OBLIGATION # 52498
RECEIVED 2/11/10 BY CRW
ENTERED 2.11.10 BY CRW
PAID

400 Cornerstone Drive, Suite 310 - P.O. Box 1660 - Williston, Vermont 05495-1660
Voice 802-878-0346 - Facsimilie 802-878-0876 - Nationwide 800-765-1377
Website: www.eprconomics.com E-mail: info@eprconomics.com

ST. LOUIS COUNTY ECONOMIC COUNCIL

36051

1939-36010-16

Obligat'n Description	Invoice number	Amount
53175 EB5 IMMIGRATION CORP ATTY SVCS	2355658	823.00
*** Total ***		823.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

1939-36010-16 36051

04/27/2010 DATE **********823.00 AMOUNT

** Eight Hundred Twenty Three Dollars and 00 Cents **

PAY TO THE ORDER OF
THOMPSON COBURN
P O BOX 18379M
ST LOUIS MO 63195

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

MP

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈036051⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

36051

LR2202M1 SAFEGUARD 314-991-1977

PRINTED IN U.S.A

THOMPSON COBURN LLP

Remit To:
P.O. Box 18379M
St. Louis, Missouri 63195

(b)(4)

March 17, 2010
Invoice #2355658

Direct Correspondence To:
One US Bank Plaza
St. Louis, Missouri 63101-1693
314-552-6000
AccountsReceivable@ThompsonCoburn.com

St. Louis County Economic Council
Attn: Douglas A. Potts
121 S. Meramec, Ste. 412
St. Louis, Missouri 63105

EIN (b)(3)

For Legal Services Rendered in Connection With:

Midwest China Hub
TC File: 16582 / 83527

02/05/10	A. Klinghammer	370.00	1.0	Review sample documents; conference with K. Simon and D. Potts re same
02/05/10	L. Shapiro	117.00	0.3	Briefly review e-mails and documents from D. Potts; follow-up with K. Simon re same
02/05/10	K. Simon	336.00	1.4	Review corporate documents for investors; teleconference with D. Potts and A. Klinghammer re same

TOTAL HOURS	2.70
SUBTOTAL FOR SERVICES	$823.00
TOTAL DUE	**$823.00**

RECEIVED
APR 13 2010
ACCOUNTING

FUND G1 ORG 1005 SUB 5020
P.O. 09-298 (required on all orders 1000.00 and over)
DATE RECEIVED 3/17/10
APPROVAL OF Briggs (discussed w/ Novak - EB-5)
DO NOT WRITE BELOW LINE
(accounting use only)
VENDOR # OBLIGATION # 53175
RECEIVED 4.13.10 BY Car
ENTERED 4.13.10 BY Car
DATE PAID

ST. LOUIS COUNTY ECONOMIC COUNCIL

36208

1957-36181-15

Obligat'n Description	Invoice number	Amount
53531 E85 IMMIGRATION CORP ATTY SVCS	2359124	2,340.36
*** Total ***		2,340.36

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

1957-36181-15 36208

05/20/2010 DATE **********2,340.36 AMOUNT

** Two Thousand Three Hundred Forty Dollars and 36 Cents **

PAY TO THE ORDER OF
THOMPSON COBURN
P O BOX 18379M
ST LOUIS MO 63195

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

MP

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈036208⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

36208

LR2202M1 SAFEGUARD 314-991-1977 PRINTED IN U.S.A.

THOMPSON COBURN LLP

Remit To:
P.O. Box 18379M
St. Louis, Missouri 63195

(b)(4) [redacted]

April 15, 2010
Invoice #2359124

Direct Correspondence To:
One US Bank Plaza
St. Louis, Missouri 63101-1693
314-552-6000
AccountsReceivable@ThompsonCoburn.com

St. Louis County Economic Council
Attn: Douglas A. Potts
121 S. Meramec, Ste. 412
St. Louis, Missouri 63105

EIN [redacted] (b)(3)

For Legal Services Rendered in Connection With:

Midwest China Hub
TC File: 16582 / 83527

03/23/10	A. Klinghammer	481.00	1.3	Review updated materials; prepare for conference call
03/23/10	K. Simon	48.00	0.2	Analyze and draft letter and memorandum for investment project
03/24/10	L. Shapiro	468.00	1.2	Conference call with EB-5 team re status and proceeding with application; follow up conference with A. Klinghammer re corporate documents needed for same; review project information and documents forwarded from team members
03/24/10	K. Simon	288.00	1.2	Conference call with D. Potts and others on EB-5 Regional Center and corporate documents; follow up conference with A. Klinghammer and L. Shapiro re same
03/29/10	A. Klinghammer	962.00	2.6	Review correspondence and revised documents
03/30/10	L. Shapiro	78.00	0.2	Review information and e-mail exchanges with EB-5 team; update case materials re same

TOTAL HOURS 6.70

SUBTOTAL FOR SERVICES $2,325.00

FUND 61 ORG 1005 SUB 5020
P.O. 09-1297 (required on all orders 1000.00 and over)
DATE RECEIVED 5/24/10
APPROVAL [illegible]
DO NOT WRITE BELOW LINE
(accounting use only)
VENDOR # OBLIGATION # 53531
RECEIVED 5.10.10 BY [illegible]
ENTERED 5.10.10 BY [illegible]
DATE PAID

St. Louis County Economic Council

For Cash Outlays:		
For reproduction charges	15.36	
SUBTOTAL FOR CASH OUTLAYS		$15.36
TOTAL DUE		**$2,340.36**

ST. LOUIS COUNTY ECONOMIC COUNCIL

36345

1974.36321-25

Obligat'n Description	Invoice number	Amount
53822 EB5 IMMIGRATION ATTORNEY SVCS	77711 SYL	5,000.00
*** Total ***		5,000.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE., STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

1974.36321-25 36345

06/03/2010 DATE **********5,000.00 AMOUNT

** Five Thousand Dollars and 00 Cents **

PAY TO THE ORDER OF

MILLER MAYER LLP
202 EAST STATE STREET STE 700
ITHACA NY 14850

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈036345⑈ ⑆081000032⑆ 3401792377⑈15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

36345

return to Steiger

✓ 36345 6/3/10 5,000
✓ 34215 8/11/09 5000
$ 10,000

total invoiced
Olru 5/31/10

LA2202M1 SAFEGUARD 314-991-1977 PRINTED IN U.S.A.

ST. LOUIS COUNTY ECONOMIC COUNCIL 36471

1988-36454-16

Obligat'n Description	Invoice number	Amount
53952 EB5 IMMIGRATION CORP ATTY SVCS	2365478	8,916.48
*** Total ***		8,916.48

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

1988-36454-16 36471

4-3/810

06/24/2010 DATE **********8,916.48 AMOUNT

** Eight Thousand Nine Hundred Sixteen Dollars and 48 Cents **

PAY TO THE ORDER OF
THOMPSON COBURN
P O BOX 18379M
ST LOUIS MO 63195

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

MP

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈036471⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL 36471

LR2202M1 SAFEGUARD 314-991-1977 PRINTED IN U.S.A.

THOMPSON COBURN LLP

Remit To:
P.O. Box 18379M
St. Louis, Missouri 63195

[redacted] (b)(4)

May 25, 2010
Invoice #2365478

FUND 61 ORG 1005 SUB 5020
P.O. # 09-1298 (required on all orders 1000.00 and over)
DATE RECEIVED 6/4/10
APPROVAL M Fortinger
DO NOT WRITE BELOW LINE
(accounting use only)
VENDOR # OBLIGATION # 53952
RECEIVED 6.9.10 BY CAS
ENTERED 6.9.10 BY CAS
DATE PAID

Direct Correspondence To:
One US Bank Plaza
St. Louis, Missouri 63101-1693
314-552-6000
AccountsReceivable@ThompsonCoburn.com

St. Louis County Economic Council
Attn: Douglas A. Potts
121 S. Meramec, Ste. 412
St. Louis, Missouri 63105

RECEIVED
JUN 09 2010
ACCOUNTING

EIN [redacted] (b)(3)

For Legal Services Rendered in Connection With:

Midwest China Hub
TC File: 16582 / 83527

04/05/10	A. Klinghammer	296.00	0.8	Review documents for conference call
04/06/10	L. Shapiro	429.00	1.1	Review documents and case materials; prepare for upcoming meetings and telephone conversation with EB-5 team
04/07/10	A. Klinghammer	444.00	1.2	Conference call with D. Potts, L. Shapiro and K. Simon; conference with R. Lawton
04/07/10	R. Lawton	931.50	2.3	Conference with A. Klinghammer re formation of tax exempt nonprofit LLC; research re same
04/07/10	L. Shapiro	351.00	0.9	Conference with K. Simon and A. Klinghammer re status of matter and information needed to proceed on documents in support of EB-5 designation, and operation and maintenance of regional center; telephone call to D. Potts re same; review and consider information from S. Yale-Loehr
04/07/10	K. Simon	192.00	0.8	Participate in conference call re EB-5 regional center; participate in conference call with D. Potts re corporate structure
04/09/10	R. Lawton	202.50	0.5	Research re formation of tax exempt nonprofit LLC; conference with A. Klinghammer re same
04/09/10	K. Simon	360.00	1.5	Prepare for Monday, April 12th meeting; draft agenda re outstanding organizational and liability issues
04/12/10	A. Klinghammer	1,147.00	3.1	Review memorandum from K. Simon; prepare for meeting; meet with D. Potts, K. Simon and L. Shapiro re structural issues; conference with L. Shapiro

St. Louis County Economic Council

04/12/10	L. Shapiro	1,170.00	3.0	Review materials; revise agenda and list of topics for discussion in meeting with D. Potts; conference with A. Klinghammer; participate in meeting with D. Potts and others re corporate structure, operational and organizational issues, risks, obligations and liabilities in going forward with EB-5 regional center
04/12/10	K. Simon	504.00	2.1	Prepare for and attend conference
04/13/10	L. Shapiro	39.00	0.1	Review and consider email from D. Potts as follow-up to April 12, 2010 meeting
04/14/10	A. Klinghammer	555.00	1.5	Review documents; review correspondence and structure issue
04/15/10	L. Shapiro	78.00	0.2	Review follow-up information from D. Potts re corporate structure, plan, etc.; follow-up with A. Klinghammer
04/19/10	A. Klinghammer	296.00	0.8	Conference with R. Lawton; review structural issues
04/19/10	R. Lawton	405.00	1.0	Research re organizational issues in connection with new nonprofit 501(c)(4) entity
04/20/10	R. Lawton	567.00	1.4	Conference with A. Klinghammer re organizational issues in connection with new nonprofit 501(c)(4) entity; research re same
04/21/10	L. Shapiro	273.00	0.7	Conference with A. Klinghammer; review documents and participate in status call with client re corporate structure, broker issues, and proceeding with EB-5 designation and operations
04/21/10	K. Simon	144.00	0.6	Participate in conference call re EB-5 R center and corporate documents
04/27/10	A. Klinghammer	407.00	1.1	Conference with A. Rubin and D. Potts re structure issues; follow-up with L. Shapiro
04/27/10	L. Shapiro	78.00	0.2	Conference with A. Klinghammer re moving forward with corporate strategies
04/29/10	L. Shapiro	39.00	0.1	Review and consider email from D. Potts re Milwaukee's EB-5

TOTAL HOURS	25.00
SUBTOTAL FOR SERVICES	$8,908.00

St. Louis County Economic Council

For Cash Outlays:		
For reproduction charges	8.48	
SUBTOTAL FOR CASH OUTLAYS		$8.48
TOTAL DUE		**$8,916.48**

ST. LOUIS COUNTY ECONOMIC COUNCIL

36661

2009-36661-13

Obligation Description	Invoice number	Amount
54241-ERS IMMIGRATION CORP ATTY SVCS.	2367379	1,584.00
Total		1,584.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE., STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

2009-36661-13 36661

DATE 07/20/2010 AMOUNT **********1,584.00

** One Thousand Five Hundred Eighty Four Dollars and 00 Cents **

PAY TO THE ORDER OF
THOMPSON COBURN
P O BOX 18379M
ST LOUIS MO 63195

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈036661⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

36661

LR2202M1 SAFEGUARD 314-981-1977 PRINTED IN U.S.

ST. LOUIS COUNTY ECONOMIC COUNCIL

37009

2047-37027-8

Obligation Description	Invoice number	Amount
74899 EBS IMMIGRATION CORP ATTY SVCS	2372176	4,569.00
TOTAL		4,569.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

2047-37027-8 37009

09/02/2010 DATE **********4,569.00 AMOUNT

** Four Thousand Five Hundred Sixty Nine Dollars and 00 Cents **

PAY TO THE ORDER OF THOMPSON COBURN
P.O. BOX 18379M
ST. LOUIS MO 63195

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈037009⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

37009

LR2202M1 SAFEGUARD 314-991-1977

PRINTED IN U.S.A.

ST. LOUIS COUNTY ECONOMIC COUNCIL 37022

2047 3040 21

Invoice Number	Amount
79264 SYS	7,451.85

Invoice Description

FASSO LBS IMMIGRATION ATTORNEY SVCS

Total

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

BANK OF AMERICA

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE 900
ST. LOUIS, MISSOURI 63105

2047 3040 21 37022

4 9/810

DATE 09/02/2010 AMOUNT ********7,451.85

Seven Thousand Four Hundred Fifty One Dollars and 85 Cents

PAY TO THE ORDER OF
MILLER MAYER LLP
202 EAST STATE STREET, STE 700
ITHACA NY 14850

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈037022⑈ ⑆081000032⑆ 9401792377⑆15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL 37022

LR22V2W1 SAFEGUARD 314-991-1977

PRINTED IN

~~ST. LOUIS~~ COUNTY ECONOMIC COUNCIL

37286

2069-37322-16

Obligat'n Description	Invoice number	Amount
55334 E85 IMMIGRATION CORP ATTY SVCS	2378701	10,279.76
*** Total ***		10,279.76

St. Louis County
ECONOMIC
COUNCIL

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

37286

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

2069-37322-16

NUMBER

10/07/2010 DATE **********10,279.76 AMOUNT

** Ten Thousand Two Hundred Seventy Nine Dollars and 76 Cents **

PAY TO THE ORDER OF
THOMPSON COBURN
P O BOX 18379M
ST LOUIS MO 63195

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

MP

MP

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈037286⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

37286

St. Louis County
ECONOMIC
COUNCIL

SF4001HG-1
SAFEGUARD LITHO USA SPHGe OKTSH9112H
TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 314-991-1977
HS8X180010009 B10SF022039

ST. LOUIS COUNTY ECONOMIC COUNCIL

37303

2069-37339-33

Obligation Description	Invoice number		Amount
55336 EB5 IMMIGRATION ATTORNEY SVCS	79945	SYL	2,432.50
*** Total ***			2,432.50

St. Louis County ECONOMIC COUNCIL

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

37303

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

2069-37339-33

NUMBER

10/07/2010 DATE **********2,432.50 AMOUNT

** Two Thousand Four Hundred Thirty Two Dollars and 50 Cents **

PAY TO THE ORDER OF
MILLER MAYER LLP
202 EAST STATE STREET STE 700
ITHACA NY 14850

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

MP

MP

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈037303⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

37303

St. Louis County ECONOMIC COUNCIL

SF4001HG-1

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 314-991-1977

HS8X180010800 B18SFI22939

SAFEGUARD LITHO USA SFHG2 06/9HG112

ST. LOUIS COUNTY ECONOMIC COUNCIL

37539

2082-37585-41

Obligat'n Description	Invoice number	Amount
55713 EB5 IMMIGRATION ECON SVCS ASSESSMEN	101011	5,000.00
*** Total ***		5,000.00

St. Louis County ECONOMIC COUNCIL

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

37539

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

2082-37585-41

NUMBER

10/28/2010 DATE **********5,000.00 AMOUNT

** Five Thousand Dollars and 00 Cents **

PAY TO THE ORDER OF
EPR ECONOMICS & POLICY RESOURCES
P O BOX 1660
WILLISTON VT 05495

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

NP

NP

PAPER CONTAINS TOUCH & ADHESION PROPERTIES

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈037539⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

37539

St. Louis County ECONOMIC COUNCIL

SAFEGUARD SF4001HQ-1 TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 314-991-1977 HS8X190010090 B10SF022939

ST. LOUIS COUNTY ECONOMIC COUNCIL

37560

2084-37606-17

Obligat'n Description	Invoice number	Amount
55944 EB5 IMMIGRATION ATTORNEY SVCS	80601 SYL	2,310.00
*** Total ***		2,310.00

St. Louis County ECONOMIC COUNCIL

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

37560

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

2084-37606-17
NUMBER

11/02/2010 DATE **********2,310.00 AMOUNT

** Two Thousand Three Hundred Ten Dollars and 00 Cents **

PAY TO THE ORDER OF
MILLER MAYER LLP
202 EAST STATE STREET STE 700
ITHACA NY 14850

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

MP

MP

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

Security Features Included. Details on back.

⑈037560⑈ ⑆081000032⑆ 3401792377⑈15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

37560

St. Louis County ECONOMIC COUNCIL

SAFEGUARD

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 314-991-1977

HS6X180010000 B10SFW22939

ST. LOUIS COUNTY ECONOMIC COUNCIL

37752

2098-37813-34

Obligat'n Description	Invoice number	Amount
56107 EB5 IMMIGRATION ECON SVCS ASSESSMEN	111015	2,500.00
*** Total ***		2,500.00

St. Louis County
ECONOMIC
COUNCIL

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

37752

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

2098-37813-34
NUMBER

11/30/2010 DATE **********2,500.00 AMOUNT

** Two Thousand Five Hundred Dollars and 00 Cents **

PAY TO THE ORDER OF
EPR ECONOMICS & POLICY RESOURCES
P.O. BOX 1660
WILLISTON VT 05495

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

MP

MP

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈037752⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

37752

St. Louis County
ECONOMIC
COUNCIL

SAFEGUARD

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 314-981-1977

HS8X180010000 8105F022939

ST. LOUIS COUNTY ECONOMIC COUNCIL

37978

2116-38052-27

Obligat'n Description	Invoice number	Amount
56605 EB5 IMMIGRATION ATTORNEY SVCS	81519	1,781.85
*** Total ***		1,781.85

St. Louis County
ECONOMIC
COUNCIL

DOCUMENT INCLUDES VISIBLE FIBERS, CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

37978

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE., STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

4-3/810

2116-38052-27
NUMBER

DATE 12/29/2010

AMOUNT **********1,781.85

** One Thousand Seven Hundred Eighty One Dollars and 85 Cents **

PAY TO THE ORDER OF

MILLER MAYER LLP
202 EAST STATE STREET, STE 700
PO BOX 6435
ITHACA NY 14851-6435

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT

⑈037978⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

37978

St. Louis County
ECONOMIC
COUNCIL

SAFEGUARD

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 314 961 1977

ST. LOUIS COUNTY ECONOMIC COUNCIL

38224

DOCUMENT POSSESSES VISIBLE WATER CHEMICAL REACTIVE PROPERTIES AND FEATURES A FOIL HOLOGRAM

38224

ST. LOUIS COUNTY ECONOMIC COUNCIL

BANK OF AMERICA

AUTHORITY

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED FADE DISAPPEARS WITH HEAT

ST. LOUIS COUNTY ECONOMIC COUNCIL

98219

DOCUMENT INCLUDES MICRO FIBERS, CHEMICAL REACTIVE PROTECTIVE PROPERTIES AND FEATURES A COIN HOLD STRIPE

98219

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SOUTH MERAMEC AVE., STE. 400
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

NUMBER

DATE

AMOUNT

TRUE WATERMARK PAPER - HOLD TO LIGHT TO VIEW

HEAT SENSITIVE RED INK CHANGE DISAPPEARS WITH HEAT

⑈098219⑈ ⑆000003⑆ 9100⑈⑈⑈⑈⑈⑈

ST. LOUIS COUNTY ECONOMIC COUI

37028

2047-37046-27

Obligation Description	Invoice number	Amount
32982 ECC & ER-5 CENTER MEMBERSHIP	08/24/10	5,000.00
*** Total ***		5,000.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

ST. LOUIS COUNTY ECONOMIC COUNCIL
121 SO. MERAMEC AVE. STE. 900
ST. LOUIS, MISSOURI 63105

BANK OF AMERICA

2047-37046-27 37028

4-3/810

09/02/2010 DATE **********5,000.00 AMOUNT

** Five Thousand Dollars and 00 Cents **

PAY TO THE ORDER OF
IMMIGRANT INVESTORS ASSOCIATION
ATTN: PETER JOSEPH
5237 NORTH LAWNDALE AVE. UNIT 3
CHICAGO IL 60647

CHECKS GREATER THAN $1,000 REQUIRE 2 SIGNATURES

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈037028⑈ ⑆081000032⑆ 3401792377 15⑈

ST. LOUIS COUNTY ECONOMIC COUNCIL

37028

RECEIVED
SEP 03 2010
I will disseminate within 5 business days
By

LA22028 SAFEGUARD 314-981-1677 PRINTED IN U.S.

FORM CD-450
(REV. 10-03)
DAO 203-26

U.S. DEPARTMENT OF COMMERCE

☑ GRANT ☐ COOPERATIVE AGREEMENT

FINANCIAL ASSISTANCE AWARD

AWARD PERIOD
12/1/2008 to 9/30/2014

RECIPIENT NAME St. Louis County Economic Council	AWARD NUMBER 05-69-04740
STREET ADDRESS 121 South Meramec, Suite 900	FEDERAL SHARE OF COST $ $1,725,000
CITY, STATE, ZIP CODE Clayton, Missouri 63105	RECIPIENT SHARE OF COST $ 575,000
AUTHORITY Public Works and Economic Development Act of 1965, as amended (42 USC § 3121 et seq.)	TOTAL ESTIMATED COST $ 2,300,000

CFDA NO. AND PROJECT TITLE
11.307 - Economic Adjustment Grant to Develop a Strategic Action Plan for the St. Louis/China Commercial Hub

BUREAU	FUND	FCFY	PROJECT-TASK	ORGANIZATION	OBJECT CLASS
20	40	09	00	05	41 10 16 00

This Award approved by the Grants Officer is issued in triplicate and constitutes an obligation of Federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Grants Officer and the third document shall be retained by the Recipient. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally terminate this Award.

- ☑ Department of Commerce Financial Assistance Standard Terms and Conditions
- ☑ Special Award Conditions
- ☑ Line Item Budget
- ☑ 15 CFR Part 14, Uniform Administrative Requirements for Grants and Agreements with Insitutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations
- ☐ 15 CFR Part 24, Uniform Administrative Requirements for Grants and Agreements to State and Local Governments
- ☐ OMB Circular A-21, Cost Principles for Educational Institutions
- ☐ OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
- ☑ OMB Circular A-122, Cost Principles for Nonprofit Organizations
- ☐ 48 CFR Part 31, Contract Cost Principles and Procedures
- ☑ OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations
- ☐ Other(s): _____

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER	TITLE	DATE
Robert E. Olson	Regional Director	January 27, 2009
TYPED NAME AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL	**TITLE**	**DATE**
Dennis G. Coleman	President/CEO	2/25/09

ADMINISTRATION/IPSG ELECTRONIC FORM

U.S. DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

SPECIAL TERMS AND CONDITIONS

Economic Adjustment Assistance under the Economic Development Reauthorization Act of 2004, Public Law No. 108-373

TITLE: Section 209 Economic Adjustment Strategy Grant to Develop a Strategic Action Plan for the St. Louis/China Commercial Hub

RECIPIENT: St. Louis County Economic Council
121 South Meramec, Suite 900
Clayton, Missouri 63105

GRANT ADMINISTRATOR: Robert E. Olson, Regional Director
U.S. Department of Commerce
Economic Development Administration
1244 Speer Boulevard, Rm. 670
Denver, Colorado 80204

I. TOTAL AUTHORIZED BUDGET:

Federal Cash Contribution	$1,725,000	(75.0%)
Recipient Contribution	575,000	(25.0%)
Total Authorized Budget	$2,300,000	(100.0%)

II. LINE ITEM BUDGET

Object Class	Amount
Personnel	$ 120,000
Fringe Benefits	$ 30,000
Travel	$ 240,000
Equipment	$ 5,000
Supplies	$ 4,000
Contractual	$1,789,250
Other	$ 110,000
Indirect Charges	$ 1,750
Total Project Costs	**$2,300,000**

III. ADDITIONAL TERMS

1. **SCOPE OF WORK:** This award is for economic adjustment strategy assistance under the Economic Development Reauthorization Act of 2004, Public Law No. 108-373. The investment is to develop a strategic action plan for the St. Louis/China commercial hub. The scope of work is included in Attachment A.

2. **PROJECT DEVELOPMENT TIME SCHEDULE:** The Recipient agrees to the following Project development time schedule:

   Time allowed after approval of Financial Assistance Award for:

   Completion of Project.....**24 months**

   Project Closeout - All Project closeout documents including final financial information and any required program reports shall be submitted to the Government not more than 90 days after the date the Recipient accepts the completed Project from the contractor(s).

   The Recipient shall pursue diligently the development of the Project so as to ensure completion of the Project and submission of closeout documents within this time schedule. Moreover. the Recipient shall notify the Government in writing of any event which could delay substantially the achievement of the Project within the prescribed time limits. The Recipient further acknowledges that failure to meet the development time schedule may result in the Government's taking action to terminate the Award in accordance with the regulations set forth at 13 CFR 305.9(b) and 15 CFR 24.43 (53 Fed. Reg. 8048-9, 8102, March 11, 1988).

3. **RECIPIENT AFFIRMATION OF AWARD:** This Financial Assistance Award, subject to the other Special Conditions and the Standard Terms and Conditions, shall constitute an obligation to make such Award. If the Recipient fails to affirm its intention to use the

Award in accordance with the terms and conditions of this Financial Assistance Award, it will be terminated without further cause. By signing and returning one of the original Award documents, **within thirty (30) days of receipt**, the Recipient affirms that it intends to use the Award in accordance with the terms and conditions as above-referenced.

4. **NEW RESTRICTIONS ON LOBBYING**: This Award is subject to section 319 of Public Law 101-121, which added section 1352, regarding lobbying restrictions, to chapter 13 of title 31 of the United States Code. The new section is explained by the U.S. Department of Commerce in an "Interim Final Rule," 15 CFR Part 28 (55 FR 6736-6748, 2/26/90). The Recipient and sub-recipients are generally prohibited from using Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with this Award.

   The Recipient shall require each person who requests or receives from the Recipient a sub-grant, contract, or subcontract exceeding $100,000 of Federal funds at any tier under this Award, to file a "Certification Regarding Lobbying" and, if applicable, a "Disclosure of Lobbying Activities" form regarding the use of any non-federal funds for lobbying. Certifications shall be retained by the next higher tier. All disclosure forms, however, shall be forwarded from tier to tier until received by the Recipient, who shall forward all disclosure forms to the Government.

   The Recipient shall file and shall further require each sub-recipient, contractor, or subcontractor that is subject to the sub-recipient Certification and Disclosure provision of t his Special Condition to file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person. Disclosure forms shall be handled as described above.

   An Indian tribe or organization that is seeking an exclusion from Certification and Disclosure requirements must provide (preferably in an attorney's opinion) EDA with the citation of the provision or provisions of Federal law upon which it relies to conduct lobbying activities that would otherwise be subject to the prohibitions in and to the Certification and Disclosure requirements of section 319 of Public Law No. 101-121.

5. **LOCAL SHARE**: In affirming this Award, the Recipient certifies that the non-federal share of project costs is committed and is available as needed for the project, that the non-federal share is from sources which can be used as match for the EDA project, and that the non-federal share will not affect ownership of, or title to, the project facilities. The Recipient further acknowledges that, prior to award of any construction contracts, it will be required to provide evidence satisfactory to the Government that all funds necessary to complete the project are available.

6. **EXPIRATION OF AVAILABILITY OF GRANT FUNDS**: This Award is subject to Public Law 101-510, enacted November 5, 1990, Section 1405, amending Sub-chapter IV of chapter 15, title 31, United States Code, which prescribes the rules for determining the availability of appropriations. Accordingly, the grant funds obligated for this Project will

expire in five years from the fiscal year of the grant award. This requires that the Project be physically and financially complete by September 30, 2014.

7. **FEDERAL SHARE OF PROJECT COSTS:** The EDA participation in total eligible project costs will be limited to the EDA grant amount or the EDA share of total allowable project costs, based on the area's grant rate eligibility at the time of award, whichever is less.

8. **ENVIRONMENTAL REQUIREMENTS:** The Grantee shall consider environmental factors in developing the strategic plan, including the development areas in vicinity of Lambert International Airport.

9. **DISCLOSURE OF FEDERAL PARTICIPATION:** No amount of this award shall be used to finance the acquisition of goods or services (including construction services) for the project unless the Recipient agrees to:

   a. specify in any announcement of the awarding of the contract for the procurement of the goods or services involved (including construction services) the amount of Federal funds that will be used to finance the acquisition; and

   b. express the amount announced pursuant to paragraph (a) as a percentage of the total cost of the planned acquisition.

   The foregoing requirements shall not apply to a procurement for goods or services (including construction services) that has an aggregate value of less than $500,000.

10. **REPORTING REQUIREMENTS:** The following reports are due on the dates indicated:

A. Quarterly Performance Report	April 30, 2009
Quarterly Performance Report	July 31, 2009
Quarterly Performance Report	October 31, 2009
Quarterly Performance Report	January 31, 2010
Quarterly Performance Report	April 30, 2010
B. Midpoint Progress Report	July 31, 2010
Quarterly Performance Report	October 31, 2010
C. Draft Final Report	December 31, 2010
D. Final Progress Report	March 31, 2011

1. Financial Reports

Semiannual reports shall include the Financial Status Report (SF-269) that is due 30 days from the end date of each calendar quarter.

11. **PERFORMANCE MEASURES:** The Recipient agrees to report on core program performance measures and project outcomes in such form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act of 1993. The performance measures that presently apply to this project are identified in the exhibit entitled EDA Core Performance Measures. EDA will advise the Recipient, in writing within a reasonable period, prior to the time of submission, in the event that there are any modifications in the performance measures.

12. **INDIVIDUAL BACKGROUND SCREENING**

An individual background screening will be performed by the OIG on key individuals of organizational units associated with the application at the beginning of the award and at three year intervals thereafter for the life of the award unless (1) the proposed award amount is $100,000 or less; (2) applicants are accredited colleges and universities; (3) applicants are units of a State or local government; (4) applicants are economic development districts designated by EDA, including those entities whose designations are pending, and councils of governments; or (5) the key individual(s) is/are elected officials of State and local governments who are serving in capacities other than their elected capacities when applying for assistance. In addition, if there is a change in the status of the organization and/or key individuals, or the program officer, OIG, or Grants Officer believes there is good reason to conduct a review sooner, a background screening may be required more frequently. Individual background screenings are intended to reveal if any key individuals associated with the applicant have been convicted of or are presently facing criminal charges (e.g., fraud, theft, perjury), or other matters which significantly reflect on the applicant's business integrity, responsibility, or financial integrity. **Key individuals of non-exempt organizations associated with this award shall complete Form CD-346, "Applicant for Funding Assistance." An original signature is required. The form is to be submitted to the Grants Specialist named in the award document within 30 days of receipt of this award.**

.01 Results of Individual Background Screening

DoC reserves the right to take any of the actions described in section F.02 if any of the following occurs as a result of the individual background screening:

a. A key individual fails to submit the required Form CD-346, "Applicant for Funding Assistance" within 30 days of receipt of this award;

b. A key individual makes a false statement or omits a material fact on the Form CD-346;

c. The individual background screening reveals significant adverse findings that reflect on the business integrity or responsibility of the recipient and/or key individual.

.02 Action(s) Taken as a Result of Individual Background Screening

If any situation noted in F.01 occurs, DoC, at its discretion, may take one or more of the following actions:

a. Consider suspension/termination of an award immediately for cause;

b. Require the removal of any key individual from association with management and/or implementation of the award and require Grants Officer approval of personnel replacements;

c. Require the recipient to make other changes as appropriate; and/or

d. Designate the recipient as high risk and amend the award to assign special award conditions, as appropriate, including making changes with respect to the method of payment and/or financial reporting requirements.

ATTACHMENT A: SCOPE OF WORK

The scope of work for this project is to research, analyze, and craft the strategic plan to develop St. Louis as the Midwest hub for U.S. and Chinese commerce. The tasks are comprised of the following elements:

- Task 1: Organize the public/private commission, develop consensus, secure funding, and assign specific responsibilities for completing the strategic Plan

  Communicate with organizations to appoint representatives – 30 days

  Prepare organizational/legal documents and establish any necessary committees – 30 days

  Conduct regular commission and committee meetings – Ongoing

  Provide ongoing input and expertise on the project and planning initiatives - Ongoing

- Task 2: Identify and engage a professional staff person and/or professional consultant(s) who will be responsible for the oversight, research and preparation of the Plan

  1. Prepare job qualifications for project manager and freight specialists, etc. – 10 days
  2. Advertise for job applicants – 30 days
  3. Identify finalists for positions – 15 days
  4. Conduct interviews – 10 days
  5. Select Successful employees – 5 days
  6. Negotiate employment terms – 15 days
  7. Manage and coordinate Project effort - Ongoing

- Task 3: Apply for EB-5 Immigrant Investor Pilot Program/Regional Center Designation

  1. Secure necessary consultants and prepare necessary economic analyses for application – 90 days

2. Prepare and file application – 30 days
3. Work with USCIS to provide any revisions or supplemental information – 150 days
4. Work with USCIS to assist with evaluation of application – 90 days
5. Receive Regional Center designation – 120 days
6. Manage Regional Center – Ongoing

- Task 4: Secure Foreign Trade Zone designation for development areas in vicinity of Lambert International Airport
-

1. Secure consultants and prepare analyses for Foreign Trade Zone (FTZ) application – 90 days
2. Prepare and file FTZ application – 30 days
3. Work with FTZ officials to provide any revisions or supplemental information – 150 days
4. Work with FTZ to assist with evaluation of application – 90 days
5. Receive FTZ designation – 120 days
6. Manage FTZ – Ongoing

- Task 5: Confirm need for and finalize feasibility analysis for development of St. Louis/China commercial hub

1. Engage professional consultants – 60 days
2. Research feasibility analysis in coordination with Chinese officials – 120 days
3. Distribute drafts and finalize reports – 90 days

- Task 6: Research and prepare the Plan with input from the public/private partnership commission and other major stakeholders in order to achieve the objectives identified above

1. Prepare qualifications and advertise for professional consultants to research and prepare the Strategic Plan – 60 days

2. Evaluate, interview and select consultants and negotiate terms of engagement – 60 days

3. Research and prepare all components of Strategic Plan including ongoing dialogue with Chinese officials – 300 days (it is anticipated that certain individual components of the overall Strategic Plan will, by necessity, be performed sequentially)

4. Distribute draft reports for individual components of the Strategic Plan and meet with staff and the public/private committee to receive input on draft reports – 90 days

5. Revise and finalize individual components of the Strategic Plan and compile and report on final product – 60 days

6. Implement recommendations of the Strategic Plan and individual components thereof - Ongoing

- Task 7: Ultimately, implement the Plan with an initial emphasis on the design and construction of the TCC.

When complete, this project will result in:

- A public/private partnership of federal, state and local civic, political and business leaders, and economic development professionals representing a broad cross-section of regional interests that is united in an effort to develop St. Louis as the Midwest hub for Chinese commerce;

- A plan that provides the strategies and evidence necessary for St. Louis to develop as a hub for international commerce with China.

- More coordinated and focused development initiatives to market to and attract businesses and jobs that will compete and thrive in the future's economy with a particular emphasis on entrepreneurship and the creation of clusters of emerging companies devoted to international trade.

- A Trade and Commercialization Center that provides the physical resources to implement the commercial hub concept.

Financial Assistance Award

EDA #05-69-04740

$1,725,000

APPROVAL (Please Initial)

President or COO ☐	2/25/09 Date
General Counsel ☐	02/20/09 Date
Financial Officer ☐	02/24/09 Date
Division Director ☐	Date

Board Approval/Report

09-SLCEC-05 Resolution #	12/2/08 Date
Report	Date
121 10-05 Fund/Org	Account#

EXHIBIT 9

GMIC GATEWAY TO THE MIDWEST INVESTMENT CENTER

February 9, 2011

U.S. Citizenship and Immigration Service
California Service Center
ATTN: EB5 RC Proposal
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

Re: Gateway to the Midwest Investment Center (GMIC) Information for USCIS Website

To whom it may concern:

Please note the below information concerning the GMIC Regional Center. Please post this information on the USCIS website subsequent to regional center designation.

Name of Regional Center: Gateway to the Midwest Investment Center (GMIC)

Address: 121 S. Meramec Avenue, Suite 900, St. Louis, MO 63105

Primary Contact: Douglas A. Potts

Email/Web Address: dpotts@slcec.com, www.slcec.com

Phone: 314-615-7663

Geographic Scope: Missouri Counties of St. Louis City, St. Louis County, and St. Charles County

Industries: Construction (NAICS 23); Professional, Scientific, and Technical Services (NAICS 54)

Sincerely,

Dennis G. Coleman
President & CEO of the St. Louis County Economic Council and GMIC

AEDO
Missouri's only Accredited Economic Development Organization

EXHIBIT 10

St. Louis Bio-Life Sciences Research and Development Park

Sample I-526 Business Plan

New Commercial Enterprise

St. Louis Bio-Life Sciences Research and Development Park (the "Project") intends to secure financing through the EB-5 Immigrant Investor Pilot Program to construct and operate a mixed-use space for lease by biotech and life-science companies. St. Louis Bio-Life Sciences Research and Development Park will be a sponsored project of the Gateway to the Midwest Investment Center ("GMIC"), a United States Citizenship and Immigration Services ("USCIS") designated regional center. To that end, GMIC will organize a new special purpose entity, GMIC Sampleco, LLC (the "LLC") to facilitate the raising of necessary capital.

Immigrant investors will make their qualifying equity investment into the LLC in exchange for one unit of membership interest. One unit of membership will require an investment of at least $500,000 if St. Louis Bio-Life Sciences Research and Development Park is located in a targeted employment area ("TEA") or $1,000,000 if located outside of a TEA. An investor's capital contribution will be held in escrow until adjudication of his or her Form I-526 Immigrant Petition by Alien Entrepreneur ("I-526 Petition") by the USCIS. If the I-526 Petition is denied by USCIS, the full amount of the capital contribution will be released back to the investor. If the I-526 Petition is approved by USCIS, the funds will be released to the LLC. The LLC will then pool the funds and loan them to the Project at a low interest rate. The loan terms have not yet been finalized but it is expected that the interest rate will be between 1% and 5% per annum and principal will not be due and owing before the 5-year anniversary of the first advance of the loaned funds.

The Project

Project Description

The St. Louis Bio-Life Sciences Research and Development Park will provide leasable wet-lab and bioresearch mixed-use space for developing biotech and life-sciences companies. The Project will provide this necessary research space at competitive prices in the local marketplace. The Project will act as a resource for plant- and life-sciences companies and serve as an attraction for investment capital and funding from government sources. The facility will provide access to technologically advanced greenhouses, growth chambers, state-of-the-art microscopy and proteomics facilities, and hazardous materials and wastewater storage and disposal systems.

The Project will likely be located in western St. Louis County in close proximity to the Danforth Plant Science Center and the Life Science Center of Washington University, giving it access to two state-of-the-art research facilities. The location also puts the project in close proximity to nearly 400 plant- and life-science companies, such as Monsanto and Sigma Aldrich, and provides access to numerous foreign life-sciences companies operating in the region.

The Project facility will be a 110,000-square-foot, four-story, LEED Gold-certified building. The building will provide its users and occupants with wet-lab-capable mechanical systems, pre-built labs, and all the resources necessary for biological and chemical research at competitive market prices.

The Project, though developed by a national developer, is designed for the St. Louis marketplace (roughly defined as the four contiguous counties of St. Louis City, St. Louis County, St. Charles County, and Jefferson County). St. Louis has been recognized nationwide as a nexus for biotechnology and life-science research, largely due to two decades of groundbreaking work in the Human Genome Project at Washington University and plant- and life-sciences research conducted by major corporations like Monsanto. Consequently, significant concentrations of start-up biotech companies and professionals are located within the boundaries of the quad-county area, but these lack a large supply of certified biological facilities and affordable, leasable, wet-lab space in which they can conduct business. In addition, new companies are uniquely sensitive to cost competition and require space that is properly sized and sourced for their activities with pricing that allows them to be competitive.

Business Objectives

St. Louis Bio-Life Sciences will act as a resource for plant- and life-science companies and serve as an attraction for investment capital and government funding. Attracting investment and providing new resources is critical to the expansion of the reputation, capabilities, and facilities of the Danforth Plant Science Center and Washington University life sciences campuses.

A main priority for the Project will be building relationships with emerging plant- and life-science companies and cultivating relationships with Danforth's long-time partners (such as Monsanto and Sigma-Aldrich). By providing these companies with access to technologically advanced greenhouses, growth chambers, state-of-the-art microscopy and proteomics facilities, and hazardous materials and wastewater storage and disposal systems, St. Louis Bio-Life Sciences Research and Development Park will fuel innovation. In conjunction with these objectives, the Project hopes to contribute to area workforce development by creating jobs and developing an on-site college training program for technical staff that are in short supply in the marketplace.

The Facility

With the help of designer Gaudreau, Inc. and constructor Tarlton Corporation, St. Louis Bio-Life Sciences Research and Development Park is planned as a LEED Gold-certified building, with high-performance glass windows, low-flow systems, and high-efficiency equipment. LEED certification indicates a building constructed with the goals of saving energy, increasing water efficiency, reducing CO_2 emissions, and improving indoor environmental quality. For a building to be LEED certified, its developers must submit an application to the U.S. Green Building Council. The final certification is granted by the Green Building Certification Institute.

A points system is used to determine the LEED rating. The more points the building can garner, the higher the rating. Gold is the second-highest rating, surpassed only by Platinum. Buildings gain LEED points for being constructed on sustainable sites, reachable by alternative forms of transportation with low emissions and high fuel efficiency, e.g., public transportation and bicycles. The facility's planned location is ideal for gaining these points.

Water efficiency is equally important in the certification process. Points are awarded for reducing water use by 50%. The St. Louis Bio-Life Sciences Research and Development Park plans to contain and filter excess rain water (through retention ponds) that can be used for toilet flushing and custodial use and will use low-flow systems during operation.

The building will also garner LEED points in the "energy and atmosphere" and "materials and resources" areas. Project developers plan to install a fully commissioned heating, ventilating, and air conditioning system (HVAC) that will create 17.5% energy savings over comparable buildings. A construction waste management plan will ensure that 57% of non-hazardous construction materials and debris are recycled, that as many materials as possible are salvaged and/or reused during construction, and that rapidly renewable materials are used wherever possible. Recyclable and regional materials will be used for building repairs.

Finally, the building will address indoor air quality requirements. Gold certification requires minimum indoor air quality performance, which can be achieved through tobacco smoke controls and the use of low-emitting interior materials, such as paint, glue, carpeting, and furnishings. Occupants must also be able to adjust lighting and thermal systems for personal comfort.

For a full explanation of the LEED certification process, please see http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1988. For a LEED project checklist, please see http://www.usgbc.org/ShowFile.aspx?DocumentID=1095.

The Market

Market Analysis

St. Louis Bio-Life Sciences Research and Development Park will share a market with the Danforth Plant Science Center, with the Project acting as an extension of the Danforth Center. This market includes the 400+ plant- and life-science companies in the area, as well as international talent and companies that can potentially utilize the facility's resources. Numerous international biotech companies and professionals from India, China, and other countries have expressed interest in locating themselves close to major not-for-profit life-science innovation centers.

Crucial to the success of this project is the further development of the already booming plant- and life-sciences sector of the regional economy. In 2005, the Battelle Memorial Institute's Technology Practice reported that "St. Louis has made more progress in its implementation of the plant and life sciences strategy than any region of the country and is well on the road to becoming the leading center for the plant sciences and a major center for the life sciences" (St. Louis Capital Alliance Venture Capital Report for 2006, page 10).

Competitors

St. Louis Bio-Life Sciences Research and Development Park has competitors within St. Louis's fast-growing biotech marketplace. These are primarily corporate expansions and "incubator"

facilities (competitive spaces provided to develop new companies for eventual purchase by their sponsoring organization), such as:

- Express Scripts Inc. – A pharmaceutical and prescriptions service provider and sourcing company. This company has begun to expand its Research and Development Campus across from US I-70 into the NorthPark, LLC Development in St. Louis County. The new campus will provide 90,000 square feet for Express Scripts incubator companies and service and supply providers.

- Cortex Phase III – A conglomeration incubator development between several biotech companies aimed at biotech entrepreneurship development within St. Louis City. Cortex will provide new biotech entrepreneurs with access to potential customers such as Pfizer, Inc., Merck, and Proctor & Gamble, as well as other pharmaceutical companies, by providing innovation support at its 75,000-square-foot state-of-the-art medicine research and testing facilities.

Although similar to the Project, both the Express Scripts campus expansion and Cortex Phase III differ considerably in terms of project objectives and size. The primary purpose of the competition is to incubate companies, either to create them as suppliers, siphon their innovation or talent, or groom them for acquisition by their corporate partners. St. Louis Bio-Life Sciences Research and Development Park is intended to provide start-ups and developed companies a reasonably priced facilities alternative, giving them the opportunity to grow beyond the possibility of acquisition by larger corporate partners. Furthermore, the Project will represent the largest total square footage of state-of-the-art wet-lab space in the region, resulting in overall reductions in price per square foot.

Marketing Strategy

The St. Louis Bio-Life Science Research and Development Park's location in the St. Louis "bio belt," as well as the ample resources provided by the Danforth Plant Science Center and Washington University in St. Louis, are valuable assets to the Project's marketing strategy. To increase investment and achieve 100% occupancy, the Project will take advantage of its well-established relationships throughout the region. For example, Monsanto plans to sponsor projects within the St. Louis Bio-Life Sciences Research and Development Park. Additionally, Diverge, an international start-up agricultural company that develops products for fighting parasites, currently plans to relocate to the St. Louis Bio-Life Sciences Research and Development Park. Being a tenant of the Project will be a smart investment, as all tenants will have unlimited access to state-of-the art wet-lab-capable mechanical systems and to the world's largest independent plant-science research institute, the Danforth Plant Science Center.

Along with the utilization of relationships, the Project will capitalize on the Danforth Center's international success to attract investment from all around the world. In 2010, Danforth Plant Science Center hosted its second annual AG Showcase, an event that focuses on the up-and-coming technologies in agriculture, bio-fuels, information technology, animal health, food and nutrition, sustainable materials, and clean and sustainable technology. There was a 28% increase in attendance in 2010, as more than 250 leaders came together with the common goal of fueling

innovation for sustainable solutions in agriculture. International biotech professionals, companies, and investors were present and expressed interest in St. Louis Bio-Life Sciences Research and Development Park as a possible site for their businesses or expansions.

The Project will also launch a website to attract and sustain new companies. The site will be thorough, well-organized, and visually appealing. It will provide site visitors with access to videos about plans for the Project, including footage of potential tenants describing the facility's ideal location, personal accounts from investors, behind-the-scenes construction videos, science tours, and a brief look at the success of the AG Showcase.

Financial Projections

The analysis includes a projection of construction costs and returns at 100% occupancy. The building will have 109,731 leasable square feet, of which 68,275 are already under contract, leaving 41,450 square feet presently available.

Estimated Overall Budget

Cost category	Total cost (USD)
Land site	$2,748,589
Design costs	3,330,071
Construction costs	19,500,000
Development soft costs	3,700,000
Finance carry & fees	2,669,929
Total base building	**$31,948,589**
Tenant improvements fees & carry	12,660,000
Total building costs	**$44,608,589**

According to current real estate analysis for similar specialized leasable tenant space within the St. Louis marketplace, average all-inclusive rents driven by tenant improvement allowance would be between $35 and $45 per square foot. Applied to the rentable/leasable square footage, this results in a projected rental-income range of $3,840,585 to $4,937,895 per year. Typically, it is rare for buildings of this type to achieve 100% occupancy (the norm being between 90% and 95%) and occupancy varies significantly from year to year in the biotech and life sciences real estate market, especially those like the Project that are focused on young, developing companies and start-ups.

Employment

Job creation

According to an economic analysis conducted by Economist Jeffrey Carr of Economic & Policy Resources, Inc., the Project will create 711 new jobs for U.S. workers within the geography of the GMIC (St. Louis County, St. Louis City, and St. Charles County). Construction activity will

create a total of 91 direct[1] and indirect jobs in year 3. Operation of the Project will create an additional 620 jobs in year 3.

Potential Employees by Specialized Classification

It is anticipated that the St. Louis Bio-Life Sciences Research and Development Park will provide jobs for numerous specialized professionals, both through its construction and through the tenants that will occupy the building. These may include:

- Masons
- Construction laborers and contractors
- Iron workers
- Electrical engineers
- Electrical installers
- Communications engineers
- Communications equipment specialists
- Carpenters
- Architect and structural engineers, LEED AP
- Interior designers, LEED AP
- Landscaping engineers, LEED AP
- HVAC engineers, LEED AP
- Hazardous materials engineers and specialists
- Environmental supervisors
- Environmental engineers and mitigation specialists
- Hydrologists and water engineers
- Analytical chemist
- Biochemists
- Bioinformatics specialists
- Biologists
- Biomedical engineers
- Biostatistics specialists
- Cell biologists
- Genetic engineers and programmers
- Microbiology engineers
- Molecular and research biologists

[1] We note that direct construction jobs will only be counted for purposes of job creation at the I-829 stage if the position remained in place for a period of two or more years.

EXHIBIT 11

GMIC GATEWAY TO THE MIDWEST INVESTMENT CENTER

A ST. LOUIS COUNTY ECONOMIC COUNCIL LIMITED LIABILITY CORPORATION

Sample St. Louis Bio-Life Sciences Research and Development Park:

Economic and Job Creation Impacts within St. Louis County, St. Louis City, and St. Charles County

January 24, 2011

Prepared by:

EPR Economic & Policy Resources, Inc.
Economists, Policy and Financial Analysts

400 Cornerstone Drive, Suite 310
Williston, VT 05495
800-765-1377
www.epreconomics.com

Letter of Transmittal

January 24, 2011

Mr. Douglas A. Potts, Project Manager, Midwest-China Hub Commission
St. Louis County Economic Council
World Trade Center Building
121 S. Meramec Avenue, Suite 1117
St. Louis, MO 63105

Dear Mr. Potts:

Attached with this letter is the economic and job creation impact assessment analysis of Phase One of an exemplar Bio-Research and Development Growth Park EB-5 project covering two activity areas to be developed in the proposed Gateway to the Midwest Investment Center (GMIC) regional center. This analysis was prepared at the request of GMIC staff for the purposes of developing a regional center designation application under the EB-5 Immigrant Investor Visa pilot program of the U.S. Citizenship and Immigration Service (USCIS). The exemplar project was assumed to be developed in the St. Louis county region with total project impacts reported for St. Louis County, St. Charles County and the City of St. Louis (corresponding to the proposed geography for the regional center), and the rest of the United States—excluding the regional center geography.

In the report, you will find an explanation of the findings and the methods employed in the economic and job creation impact assessment analysis. The impact analysis was prepared using assumptions and estimates developed from third party data sources, information from the regional center, research and knowledge of the industry and region from our more than 20 years of experience in applied economics. Where we have accepted third party project data and project information from others, we have assumed that information to be correct without further in-depth validation. However, we performed a number of tests and cross checks to verify the internal consistency of the data provided and we found those data and information to be reasonable. Changing events and circumstances may cause actual results in any one given year reported in the study and the impacts in total to be materially different than those reported here.

Thank you for the chance to work with you on this matter. We appreciated the opportunity to work with you and the GMIC staff on this project.

Sincerely,

Jeffrey B. Carr
President and Economist
Economic & Policy Resources, Inc.

Table of Contents

1. Highlights and Findings **3**
2. Introduction **9**
2.1 Purpose of the Study 9
2.2 Overview of the Region: the Prospective GMIC Regional Center 10
3. Economic Impact Analysis **21**
3.1 Methods of Analysis 21
3.2 Data Sources 21
3.3 The Regional Dynamics Economic Analysis Model (REDYN) 21
3.4 Model Specifications 23
4. Model Output and Results **26**
5. Conclusions **30**

Appendix 1: **33**
Appendix 2: **34**
Appendix 3: **36**

1. Highlights and Findings

- The prospective Gateway to the Midwest Investment Center (GMIC) regional center seeks U.S. Citizenship and Immigration Service (USCIS) approval to establish a regional center under the EB-5 Immigrant Investor Pilot Program. This impact assessment analysis was prepared in response to a request by GMIC management and staff using an exemplar project to gain approval for two broad development activity areas, including: (1) NAICS[1] 23—Construction and (2) NAICS 5417—Scientific Research and Development.

- The proposed GMIC regional center proposes to operate within the geographic boundaries as defined by St. Louis County, St. Charles County, and St. Louis City. These three jurisdictions comprise a core area of the larger St. Louis, MO-IL Metropolitan Statistical Area (MSA), an MSA that in total encompasses St. Louis City and 16 other counties located in the state of Missouri and Illinois.

  - In addition to St. Louis City, the 16 counties in the full MSA include: Franklin County, Jefferson County, Lincoln County, St. Charles County, St. Francois County, St. Louis County, Warren County, and Washington County in the state of Missouri; and Bond County, Calhoun County, Clinton County, Jersey County, Macoupin County, Madison County, Monroe County, and St. Clair County in the state of Illinois.

- This study presents evidence and facts supporting the approval of the proposed partial metro area configuration, including (1) the strong labor market linkages (including an analysis of the employment commuter shed), and (2) the strong transportation and other economic linkages and commonalities that exist for the proposed region as a whole.

  - The application does not include additional counties in the broader metro region as a whole in deference to the other political jurisdictions which have public responsibility for strategic economic development in those areas.

  - This is done, even though the applicant acknowledges that the proposed regional center configuration is not an optimal configuration in that there is significant leakage of indirect and induced jobs that could otherwise legitimately be attributed to the development of the exemplar project.

  - Instead, the proposed regional center configuration is aligned with the applicant's expectations for the likely deal flow for the GMIC regional center. It should be noted that the applicant may in the future request a more economically optimal regional center geographic configuration, once strategic partnerships are formed and any potential operational concerns

[1] NAICS refers to the North American Industry Classification System.

of surrounding economic development organizations and municipal governments are addressed by regional center management.

- The exemplar development project presented in this study for a Bio-Life Sciences research and development park will be typical of a type of project to be undertaken by the proposed regional center in this requested activity, one that combines the regional economy's world class educational, research and development, and commercialization assets in the greater St. Louis, Missouri region.

  - The exemplar project is an actual project as of December 31, 2010 that is currently being explored by the regional center management team for actual development. However, this project as of the report date required further planning and timeline refinement, and this project has not yet executed the necessary agreements to assure its development within the regional center in the near-term future.

  - Therefore, the proposed regional center's management team is not seeking project approval for the project. Rather, project impact information is presented so that USCIS adjudicators can understand the likely economic and job impacts: (1) within the proposed regional center area and (2) for the U.S economy as a whole should the regional center be approved for the activity areas requested above.

- The exemplar project, the St. Louis Bio-Sciences exemplar project, would be located within a Targeted Employment Area (TEA), within the boundaries of the proposed regional center. The project would provide necessary wet-lab and bioresearch mixed use space to facilitate the development of biotech and life sciences companies. The project includes total construction and project development expenditures totaling $29.2 million over a 3 year period for a 110,000 square foot LEED AP Gold certified facility.

  - GMIC management indicates that this exemplar project will provide users and tenant occupants with wet lab capable mechanical systems, pre-built labs, and all the resources necessary for biological and chemical research at competitive market prices.

  - GMIC management indicates that the St. Louis Bio-Life Sciences exemplar project will act as a resource for plant and life science companies and serve as an attraction for investment capital and funding from government sources. The facility will provide access to technologically advanced green-houses, growth chambers, state-of-the-art microscopy and proteomics facilities, and hazardous materials and waste-water storage and disposable systems.

- In addition, the proposed exemplar project hopes to begin a work force development effort through the creation of a critical mass of biotech and life sciences jobs in the area and an on-site college training program for technical staff training, all of which are currently in short supply in the marketplace.

- Total EB-5 direct and indirect eligible jobs are estimated by this impact assessment analysis to total 711 EB-5 eligible jobs in impact year #3,[2] maintaining a level of just under 700 EB-5 eligible jobs in impact year #4.

➢ With respect to this impact study's exemplar project impacts, this impact assessment study finds the St. Louis Bio-Life Sciences exemplar project, if developed, would combine to generate significant and positive economic benefits for the U.S. economy.

- The benefits would include a four year cumulative total of $731.4 million (in constant 2011 dollars) in increased output, and a cumulative total of $349.9 million in increased disposable personal income (in constant 2011 dollars) for the U.S. economy assuming the successful development and operation of the proposed projects.

- The benefits would also include a net increase of 1,780 net new full-time and part-time jobs[3] that are expected to be created in the U.S. economy by impact year 3.

➢ The impact assessment also finds that the exemplar project would have a significant and positive impact on the economy of the proposed regional center—including St. Louis City, St. Louis county, and St. Charles County.

- The benefits of the combined projects would include a four year cumulative total of $288.8 million (in constant 2011 dollars) in increased output, a cumulative total of $159.7 million (in 2011 constant dollars) in increased disposable income, and a total of 746 total jobs—including both full-time and part-time jobs.[4]

- The impact in the proposed regional center would also include a total of 711 EB-5 eligible jobs created by impact year #3. This figure includes an estimated project total of 233 direct EB-5 jobs—including an estimated 23.EB-5 eligible direct Construction jobs[5]

---

[2] Impact year #3 is used to correspond to the approximate timing of the I-829 removal of conditions adjudication.
[3] These jobs are not all EB-5 eligible.
[4] Op Cit.
[5] This analysis for illustrative purposes includes Direct Construction jobs in year #3 that are estimated to have lasted for the required 24 consecutive month period.

- While these direct job counts are believed to be typical of the type of projects that regional center management expects to develop, direct job counts by each future individual development project will be provided separately based on either each project's pre-approval application and/or at the time of I-526 petition submission.

- Other benefits to the economy of the GMIC regional center would include a four year cumulative total of $288.8 million (in constant 2011 dollars) in increased output and a cumulative total of $159.7 million (in 2011 constant dollars) in increased disposable personal income.

  - These type of impacts arise from impacts such as increased demand for supporting business services (with a four year cumulative total of $90.9 million (in 2011 dollars) within the proposed regional center), utilities (with a four year cumulative total of $0.5 million (in 2011 dollars) within the proposed regional center), Construction (with a four year cumulative total of $20.8 million (in constant 2011 dollars) within the proposed regional center), and Repair and Maintenance services (with a four year cumulative total of $1.2 million (in constant 2011 dollars) within the proposed regional center)

  - Those output increases correspond to supporting job increases within the GMIC regional center in those supporting sectors, including positive net job changes in all the above sub-categories except for the Utilities sub-category[6] within the proposed regional center. Gaining subsectors range from a low of 4 net new jobs in impact year #3 in the Repair and Maintenance sub-category and 70 net new jobs in the Construction sub-category, to a high of 260 net new jobs in the Professional Services sub-sector.

- The St. Louis Bio-Life Sciences exemplar project, if developed and operated, would also have other impacts outside the proposed regional center. These include a four year cumulative total of $442.5 million (in constant 2011 dollars) in increased output, and a cumulative total of $190.2 million in increased disposable personal income (in constant 2011 dollars) for the U.S. economy outside of the regional center.[7]

  - The employment impact is estimated to also include an additional 1,034 total full- and part-time jobs (including both EB-5 eligible and non-eligible jobs) created outside of the regional center, corresponding to total U.S. job

[6] Output increases in this sub-sector (see below) but not by enough to compel a job increase. Job increases were estimated to be less than 1 job (rounded down to the nearest integer), and is therefore reported as "0" for the analysis.

[7] These outside the regional center impacts include the U.S. totals for each which are $731.4 million in increased output in $2011 and $349.9 million in increased disposable income in $2011, less the within the GMIC regional center impacts for each.

impact of 1,780 jobs in impact Year 3 less total job impacts of 746 within the geographic boundaries of the GMIC regional center (including both EB-5 eligible and non-eligible jobs).

- The impacts above also include net positive impacts outside the proposed regional center—that is the rest of the U.S. economy excluding the impacts within the proposed regional center.

- The study found that the St. Louis Bio-Life Sciences Exemplar Project will result in net job increases in all requested sub-categories, ranging from a low of 4 net new jobs in impact year #3 in the Utilities sub-sector and 18 net new jobs in the Repair and Maintenance sub sector, to a high of 74 professional business services and 47 net new jobs in the Construction sub-sector—also in impact year #3.

- Net growth in Output was also estimated to increase across all detailed sub-sectors as well in impact year #3 outside the proposed GMIC regional center. These impacts ranged from a low of $1.4 million (in constant 2011 dollars) in Repair and Maintenance (including a four year cumulative total of $3.8 million (in constant 2011 dollars) and a $2.4 million for the Utilities sub-sector (including a four year cumulative impact of $6.4 million in 2011 constant dollars) to high of $7.8 million in the Professional Business Services sub-sector (corresponding to a four year cumulative total of $20.7 million in constant 2011 dollars), and $3.7 million in the Construction sub-sector (including a four year cumulative total of $10.0 million in constant 2011 dollars).

➢ Using impact year 3 results, this level of new job creation for the proposed exemplar project corresponds to direct-to-indirect job multipliers of 1.0 EB-5 eligible direct job to 2.96 EB-5 eligible indirect jobs for NAICS 23 Construction, and a 1.0 EB-5 eligible direct job to 1.95 EB-5 eligible indirect job multiple for NAICS 5417 Scientific and Research Development.

  - On a combined basis, each direct job for the two NAICS activities results in an estimated 2.05 EB-5 eligible indirect jobs.

➢ However, the GMIC regional center also seeks approval as part of its regional center designation application for the ability to present EB-5 eligible job impacts on a jobs per $1.0 million in development expenditures framework.

  - Looking specifically at the GMIC exemplar project, the expected level of new job creation as a result of the approval of these activity areas results in a total of 26.14 EB-5 eligible jobs per $1.0 million in development expenditures.

- Tables S1 and S2 (below) summarize the model inputs and project outputs for the proposed regional center based on approval of the activity areas for the exemplar project on the U.S. economy and the economy of the proposed GMIC regional center.

Table S1: Model Inputs-Outputs-St. Louis Bio-Life Sciences Exemplar Project–GMIC Regional Center

	Year 1	Year 2	Year 3	Year 4
Project Timeline	Construction			
		Ongoing Operations		
Model Inputs [1]				
Construction Expenditures [2]				
Construction Costs	$ 6,500	$ 6,500	$ 6,500	$ -
Other Development Costs	$ 1,900	$ 900	$ 900	$ -
Fit-up of Facilities	$ -	$ 2,000	$ 2,000	$ 2,000
Total Construction Expenditures ($Nominal, 000s)	**$ 8,400**	**$ 9,400**	**$ 9,400**	**$ 2,000**
Operations [3]				
Scientific Research and Development -- NAICS 5417				
Incremental Jobs	-	95	210	233
Incremental Total Compensation ($Nominal, 000s)	$ -	$ 17,194	$ 39,717	$ 45,954
Model Output				
Total U.S.				
Output ($2011, 000s)	$ 47,094	$ 145,993	$ 274,250	$ 264,021
Disposable Income ($2011, 000s)	$ 20,410	$ 68,806	$ 131,664	$ 129,046
Jobs	326	966	1,780	1,678
GMIC Regional Center				
Output ($2011, 000s)	$ 19,112	$ 57,949	$ 108,141	$ 103,620
Disposable Income ($2011, 000s)	$ 8,692	$ 31,132	$ 60,220	$ 59,681
Jobs	148	410	746	693
Jobs Impact in Regional Center for EB-5 Purposes				
Direct EB-5 Eligible Jobs				
Operations (a)	-	95	210	233
Construction-Related (b)	28	24	23	-
Total Direct EB-5 Eligible Jobs (a+b)	28	119	233	233
Indirect (c)	78	255	478	461
Total EB-5 Eligible Jobs (a+b+c)	**106**	**374**	**711**	**694**

[1] Modeling was completed in the 3-County geography of the regional center.

[2] Land acquisition, financing costs and fees were not included in the modeling as these expenditures usually do not result in significant economic impacts.

[3] Total Compensation includes benefits estimated at 25% of the total.

Prepared by: Economic & Policy Resources, Inc.

Table S2: Summary of Model Job Impact Metrics--GMIC Regional Center

	Year 1	Year 2	Year 3	Year 4
Project Timeline	Construction			
		Ongoing Operations		

Direct to Indirect Job Multipliers [1]

	[A] Direct	[B] Indirect	[A+B] Total	[B/A] Multiplier
GMIC Regional Center				
Scientific and Research Development -- NAICS 5417	210	410	620	1.95
Construction -- NAICS 23	23	68	91	2.96
Total U.S.				
Scientific and Research Development -- NAICS 5417	210	1,291	1,501	6.15
Construction -- NAICS 23	23	221	244	9.61

Other Relevant Output Metrics

Jobs Created Per $1.0 Million in Project Development Expenditures

	Total Expenditures ($ 000s)	Year 3 EB-5 Eligible Jobs	EB-5 Jobs Per Million
St. Louis Bio-Life Sciences Exemplar Project	$ 27,200.0	711	26.14

[1] Direct to indirect job multipliers were calculated with Year 3 impacts.

Prepared by: Economic & Policy Resources, Inc.

2. Introduction

2.1 Purpose of the Study

This study sets forth the likely economic and job creation impacts associated with the development of the St. Louis Bio-Life Sciences exemplar project on the U.S. economy and the proposed geographic area of the prospective Gateway to the Midwest Investment Center (GMIC) regional center. This study finds that approval of the requested activity areas for this exemplar project, if developed in the proposed regional center, would result in significant economic benefits to the U.S economy and the regional economy of the proposed regional center. These benefits include increased output, increased disposable income, and significant numbers of new job opportunities—both job opportunities that are EB-5 program eligible and jobs that are not eligible to be counted in the 10 EB-5 eligible jobs per EB-5 investor math under EB-5 program regulations. Investment and business development activity of this type increases output and personal income throughout the proposed regional center's economy through direct and indirect economic and employment effects. This analysis uses the REDYN dynamic input-output model to estimate these economic and direct-indirect employment effects associated with the new investment and business development activity attributable to the exemplar project for the two activity areas in the regional center application.

Dynamic input-output models like REDYN simulate the economic relationships between sectors of an economy on several levels of geographic detail. These models allow analysts to see how changes in individual or multiple sectors in a state or regional economy ripple throughout the system. Incremental demand created by investment expenditures in one sector of a regional economy increases employment not only in that sector, but also in other related sectors and regions. Linkages exist with other sectors

and regions that provide commodities or other inputs, and impacts of the original investment are felt in these other sectors and regions through increased output, employment and income.

The REDYN economic model employed for the economic and job creation impact study estimates the impact a specific catalyst will generate throughout a determined area—in this case the prospective GMIC regional center's regional economy. The input/output model uses a dynamic (or a longitudinal) approach that models not only the relationship between sectors in an economy (e.g. for a county or state), but also the interconnectivity of regions. The dynamic element of the model has a well developed impedance database that is able to account for temporal effects due to competitive differences between either geographic regions and/or different sectors of the economy. Over time, these competitive pressures emerge and then tend to bring the regional economy back to equilibrium. The process, in that way, depicts the so called "ripple effect" impacts economic changes have on a region.

In this case, the initial economic stimulation in this case the construction/re-development and operation of the proposed St. Louis Bio-Life Sciences exemplar project, progressively reverberating through the regional economy of the prospective GMIC regional center, spreading outward from the site of the new investment and business operations activity. Eventually the new waves of the economic activity are absorbed into the larger economy creating a new, higher level of economic equilibrium. In the long run, the project, if developed as proposed, is expected to materially alter the regional economy through the significant amount of new investment and related business development activities—including new job creation. It is expected that if the project is developed and operated as planned, the prospective regional economy of the proposed regional center will have a corresponding higher level of output, investment, employment, and income than would otherwise be the case in the absence of the proposed exemplar project assuming it is eventually developed.

2.2 Overview of the Region: the Prospective GMIC Regional Center.

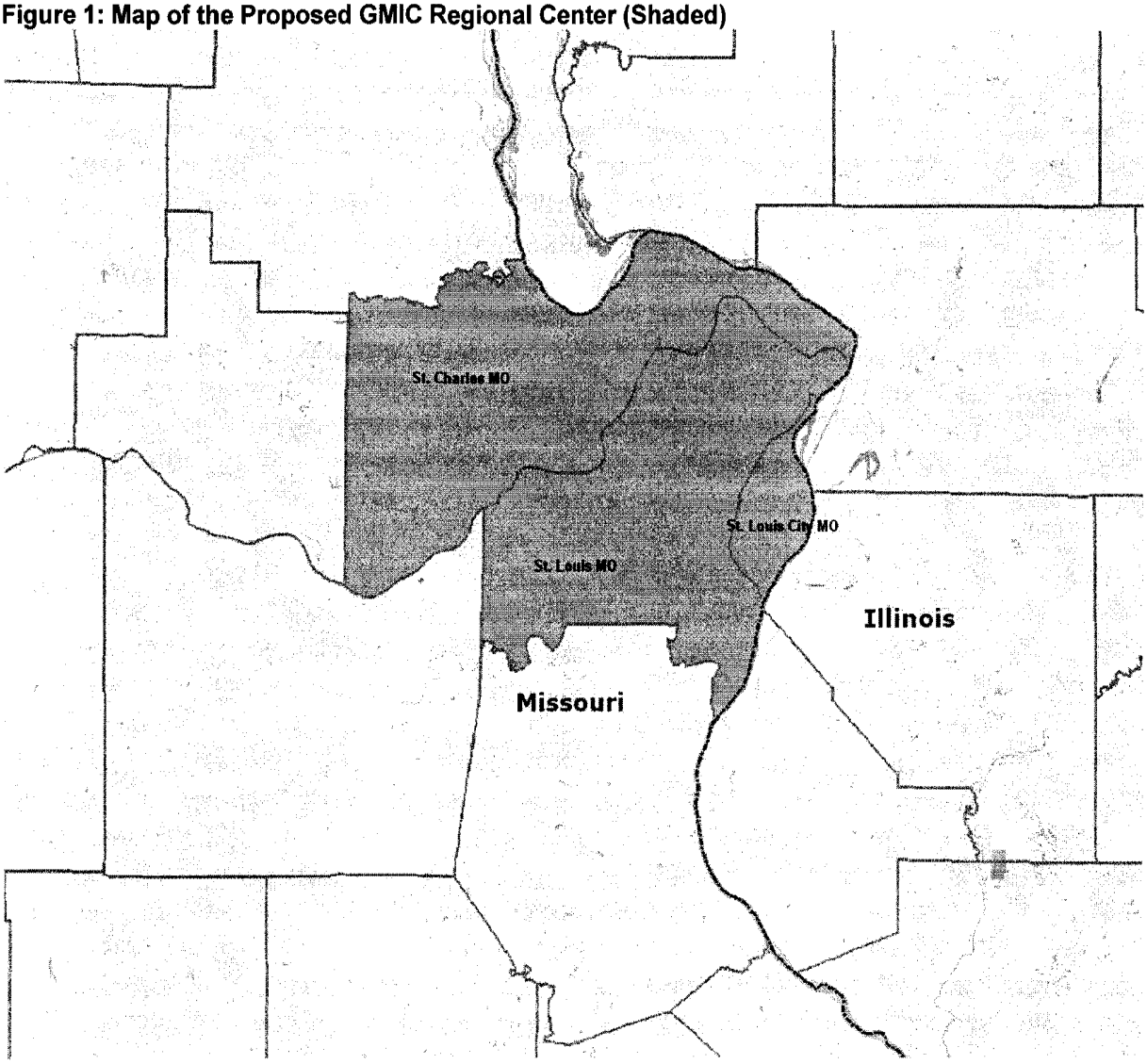
The management of the prospective Gateway to the Midwest Investment Center (GMIC) is seeking approval for a regional center, comprised of a core area of the St. Louis Missouri-Illinois Metropolitan Area including St. Charles County, MO, St. Louis City, MO, and St. Louis County, MO. This area comprises the immediate area around the City of St. Louis. Table 1 (below) lists the 3 counties of the proposed regional center, and the following map provides a visual of the proposed GMIC regional center.

Table 1. Proposed Configuration for the GMIC Regional Center

1. St. Louis, MO-IL Metroplitan Statistical Area (MSA)
   - St. Charles County, MO
   - St. Louis City, MO
   - St. Louis County, MO

Prepared by Economic & Policy Resources, Inc.

Figure 1: Map of the Proposed GMIC Regional Center (Shaded)



Located at the confluence of the Missouri and Mississippi Rivers, St. Louis, Missouri is the base of this regional center application. The entire area that this application involves is St. Louis County, St. Charles County, and St. Louis City. It is important to note that St. Louis City is an independent city and is separate from St. Louis County. Together, these three administrative divisions combine to make the Gateway to the Midwest Investment Center (GMIC) Regional Center and serve as part of the larger St. Louis, MO-IL Metropolitan Statistical Area, which encompasses St. Louis City and 16 other counties located in Missouri and Illinois: Franklin County, Jefferson County, Lincoln County, St. Charles County, St. Francois County, St. Louis County, Warren County, and Washington County in Missouri; Bond County, Calhoun County, Clinton County, Jersey County, Macoupin County, Madison County, Monroe County, and St. Clair County in Illinois.

The area offers a plethora of attractions that are both a draw to the city as well as reason to stay. Washington University, St. Louis University, and the University of Missouri are all located within the borders of the proposed area and provide top ranked

education and resources for their respective students. St. Louis has a long heritage of being a spectacular music scene, and many legendary musicians such as Chuck Berry, Miles Davis, Albert King, and Tina Turner have called this place their home at one time or another. The Fox Theatre and the Contemporary Art Museum St. Louis also provide a different type of entertainment for those who are interested in theatre and art.

Once known for its beer and durable goods manufacturing, St. Louis has come to be known as the "BioBelt" in response to the numerous plant and medical research companies that call the Gateway City home. Companies such as Monsanto, Sigma Aldrich, and Solae Co. all use St. Louis as the headquarters for their respective companies, and that is just a fraction of the roughly 400 plant and life sciences firms that are active in the region. Furthermore, the area also produces some of the best and brightest of the nation's researchers in these fields. The area's three universities, previously mentioned, all have become leading research universities in various areas of the BioBelt's different specialties.

The St. Louis, Missouri region also has had a long history of being a hub of automotive manufacturing. Starting in the late 19th century, St. Louis was home to a number of local automotive companies that over the years were not able to survive. With many of the region's local vehicle and vehicle -related manufacturers closing their doors, the area turned its attention to supporting vehicle and vehicle-related production in a number of factories for the larger vehicle and vehicle-related companies. However, so far in the 21st century with the American automotive industry under tremendous strains, St. Louis and the surrounding area has been hit hard by the recent string of automotive plant closings and cut backs. For example, the Ford Motor company assembly plant that was founded in 1914, was moved to Hazelwood, MO in 1948, and officially closed in 2006. As of July 2009, Chrysler had closed its Fenton, MO assembly plant. The so-called "Great Recession" has taken a toll on the regional operations of General Motors (GM), where—although the company did not close its Wentzville assembly plant—GM did recently reduce employment by an entire shift, which amounted to a reduction of 887 jobs. However, with the emergence of new interest in "green" automotive technology, the St. Louis area is working hard to position itself to take advantage of new opportunities, and perhaps reverse the decline in their vehicle and vehicle-related manufacturing sectors.

Getting in and around the proposed regional center is facilitated by interstate highways, local routes, airports, and rail transportation. The major highways that run through the geography of the proposed GMIC regional center are Interstate 70 (I-70), Interstate 64 (I-64), Interstate 55 (I-55), and Interstate 44 (I-44). I-70 runs from Cove Fort, Utah to Baltimore, Maryland, connecting St. Louis, Missouri to important urban centers such as Denver, Colorado and Indianapolis, Indiana. I-64 traverses from Wentzville, Missouri to Chesapeake, Virginia and connects to Interstate 95 (I-95), the major north-south highway on the eastern seaboard, in Richmond, Virginia. I-55, the only north-south interstate to run through St. Louis, Missouri, runs from Laplace, Louisiana to Chicago, Illinois, connecting important economic centers such as Memphis, Tennessee and St.

Louis. I-44 runs on a northwest path going from Wichita Falls, Texas to St. Louis, Missouri, passing through Oklahoma City.

Air travel into and out of the area of the proposed regional center is facilitated by the opportunity for passengers to fly into one of the three airports in the area. Lambert-St. Louis International Airport is the largest in the region as well as for the entire State of Missouri. Lambert-St. Louis International Airport is located in the cities of Berkeley and Bridgeton, Missouri. In 2009, the airport served nearly 12.8 million passengers, according to the Lambert-St. Louis International Airport's passenger statistics. The other two airports, MidAmerica St. Louis and St. Louis Downtown, are much smaller and are utilized more for regional travel and cargo. MidAmerica St. Louis Airport is primarily used for cargo transportation and is located east of St. Louis City in Illinois, which may be the reason why it has not attracted commercial air travel. St. Louis Downtown Airport is located directly across the Mississippi River from the downtown area of St. Louis and provides service for business, commercial and non-commercial air traffic. St. Louis City also offers public transportation, including a well-designed bus transit system, which services the city and the surrounding counties, or the City's light rail system, known as the MetroLink, which services the city and provides direct routes to and from Lambert-St. Louis International Airport. Amtrak also provides daily service to the region, with the Gateway Multimodal Transportation Center in Downtown St. Louis City.

Aside from the proposed regional geography centered around St. Louis City, which is important, there are large labor exchange rates, between the three counties. According to the U.S. Census Bureau's LED ONTHEMAP 2008 labor shed analysis (the latest available), 21.0% of the workers in St. Charles County live in St. Louis County and 3.3% of the workers in St. Charles County live in St. Louis City; 5.5% of the workers in St. Louis County live in St. Charles County, and 26.7% of the workers in St. Louis County live in St. Louis City. These numbers demonstrate significant labor ties, which provide evidence that the area is an economic entity, with commuting across the region for employment purposes and if workers are commuting than so is their economic activity.

Since the July 1, 2000 population estimates the region of the proposed GMIC regional center has experienced slower growth in its population than either the United States or the State of Missouri, as is demonstrated in Chart 1 (below). In July 2000, the population of the proposed regional center was 1.65 million, and has only grown to 1.70 million, using the July 1, 2009 provisional population estimate of the U.S. Census Bureau, corresponding to an increase of only 3.3%. The United States and the State of Missouri, in contrast, grew more than twice as much as the proposed GMIC regional center with total growth of 8.8% and 6.8%, respectively, over the same period. That growth record corresponded to annual growth rates of 0.9% for the U.S. and 0.7% for the State of Missouri over the period.

Chart 1. Comparison of Population Growth for Selected Peer Areas

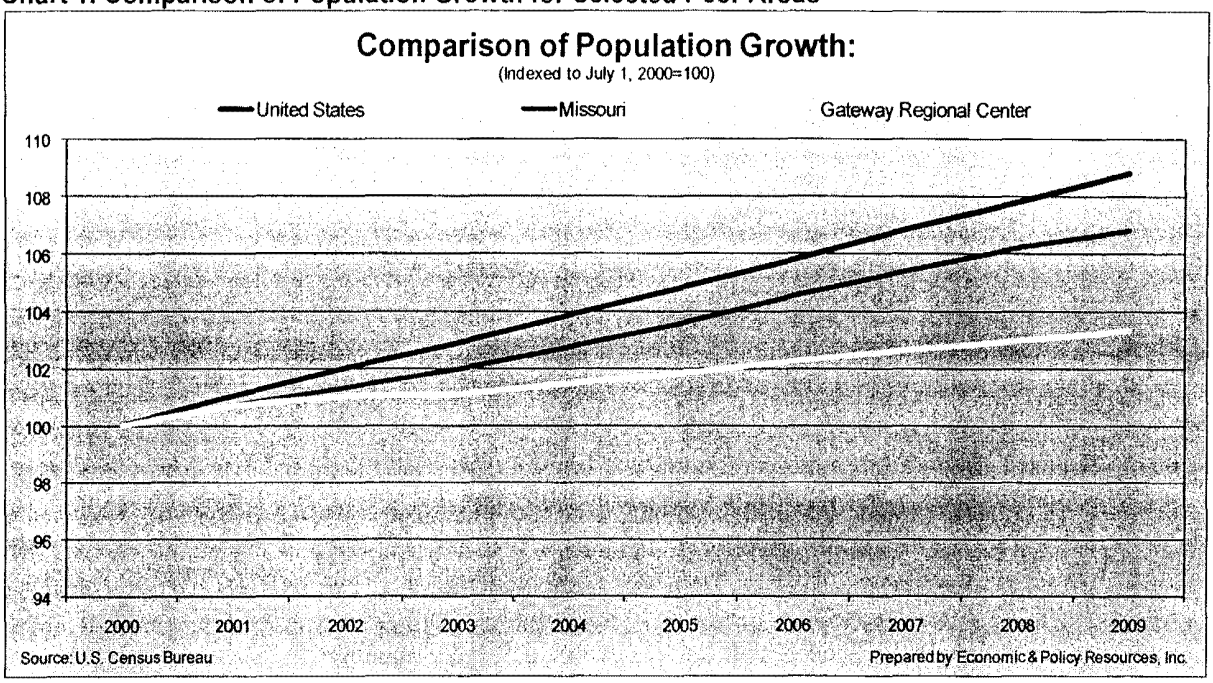
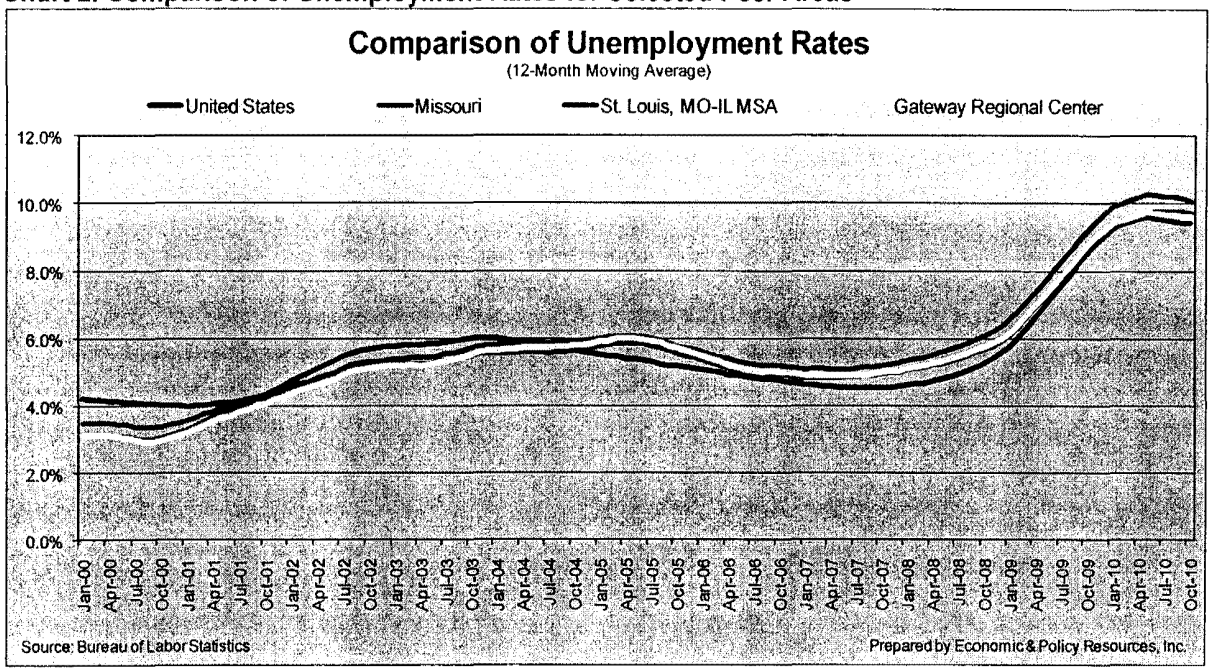


Chart 2 (below), depicts the 12-month moving average unemployment rate over the past decade for select areas. All of the regions being compared followed almost the exact same trend between January 2000 and October 2010. Indicating that Missouri and the St. Louis region are highly correlated to what happens on the national level, that is to say it appears that when an event happens to the nation, the State of Missouri, and St. Louis are not isolated geographically or industrially. With the previous recession, which according to the National Bureau of Economic Research (NBER) has been dated to have lasted from December 2007 to June 2009, there were no safe havens, geographically or industrially. In addition, unemployment rates skyrocketed and reached 10-year highs, not just in the regions being compared, but virtually all across the nation, no area was spared from the economic problems caused by the housing and financial crisis. The proposed GMIC regional center had a 12-month moving average unemployment rate of 9.6% in October 2010, which was 0.9 percentage points higher than the 12-month average unemployment rate of 8.7% in October 2009. The United States, the State of Missouri, and the St. Louis, Mo-IL Metropolitan Statistical Area (MSA), 12-month moving average unemployment rates were 9.7%, 9.4%, and 10.1% in October 2010, respectively.

Chart 2. Comparison of Unemployment Rates for Selected Peer Areas



The charts below depict the trends in employment for select sectors of the economy over the previous decade for three selected peer areas—including the proposed geography of the GMIC regional center, the State of Missouri, and the U.S. as a whole. Employment levels and trends are a measure of the health and vitality of an economy in a region and can provided illustrative evidence of the structure of the economy. The charts below are constructed using annual Quarterly Census of Employment and Wages (QCEW) data from calendar years 2001 to 2009.

Chart 3 (below) shows the changes in the total Private sector employment for the regions over the past decade and the effects of the recent economic recession are very visible. All of the regions being compared have shed all of the employment gained from the previous recession in the early 2000s. Between calendar years 2001 and 2009, the proposed GMIC regional center realized a decline of 8.2%, which corresponds to an annual declivity of 1.1%. The United States and the State of Missouri fared much better between calendar years 2001 and 2009, with total declines of 2.2% and 3.1%, respectively, or annually at -0.3% and -0.4%, respectively.

Chart 4 shows the severe decline in the Manufacturing sector over the past decade, but even beyond that the Manufacturing sector in the U.S. has been declining since the 1980s. The proposed projects are set to positively impact the Manufacturing sector in region—an important industry for the region that has experienced significant recent declines. The proposed GMIC regional center has faced significant declines in manufacturing, related to the troubles in the automobile industry. Over the period, declines have averaged 4.5% per year over the calendar year 2001 to calendar year 2009 period, amounting to a total decline in the Manufacturing employment of 30.6%. The United States and Missouri have faced similar declines over the same period, with total declines in Manufacturing payroll jobs of 27.9% and 25.4%, respectively.

Chart 3. Comparison of Change in Total Private Sector Employment for Selected Peer Areas

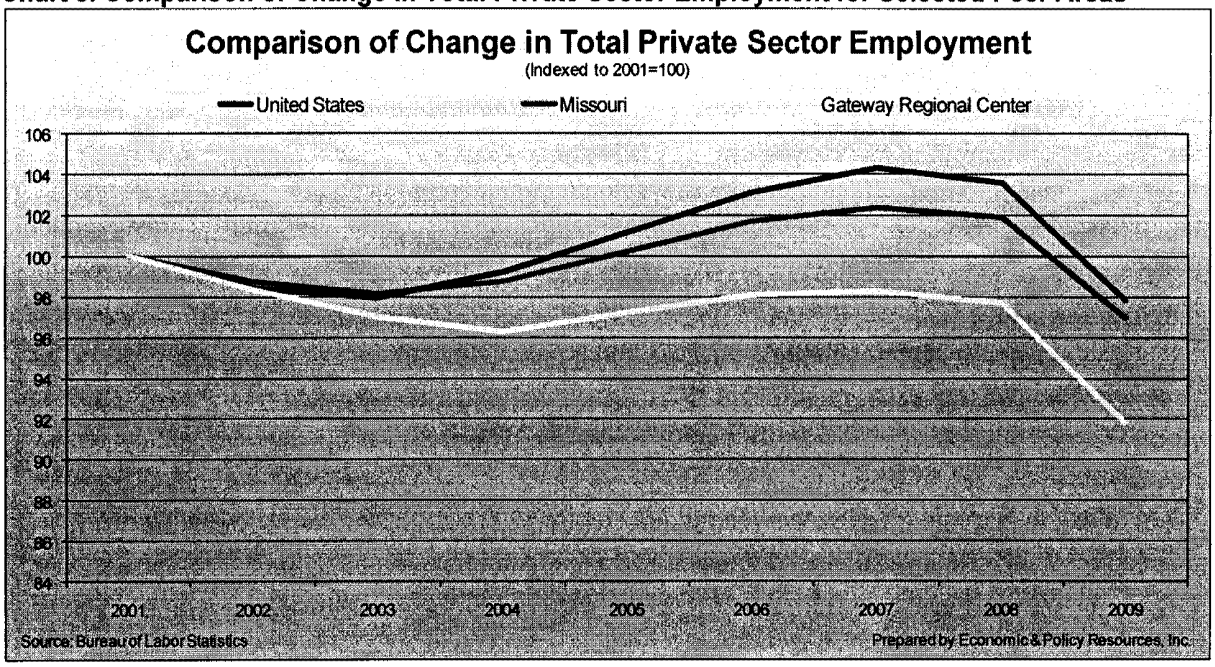
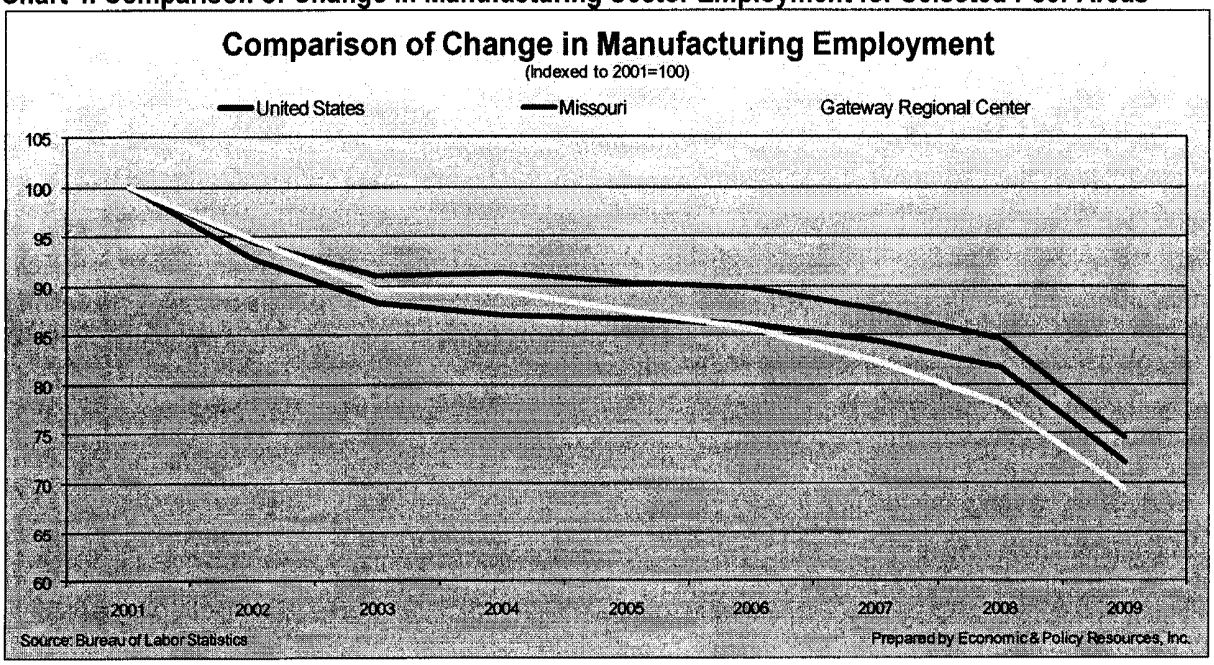
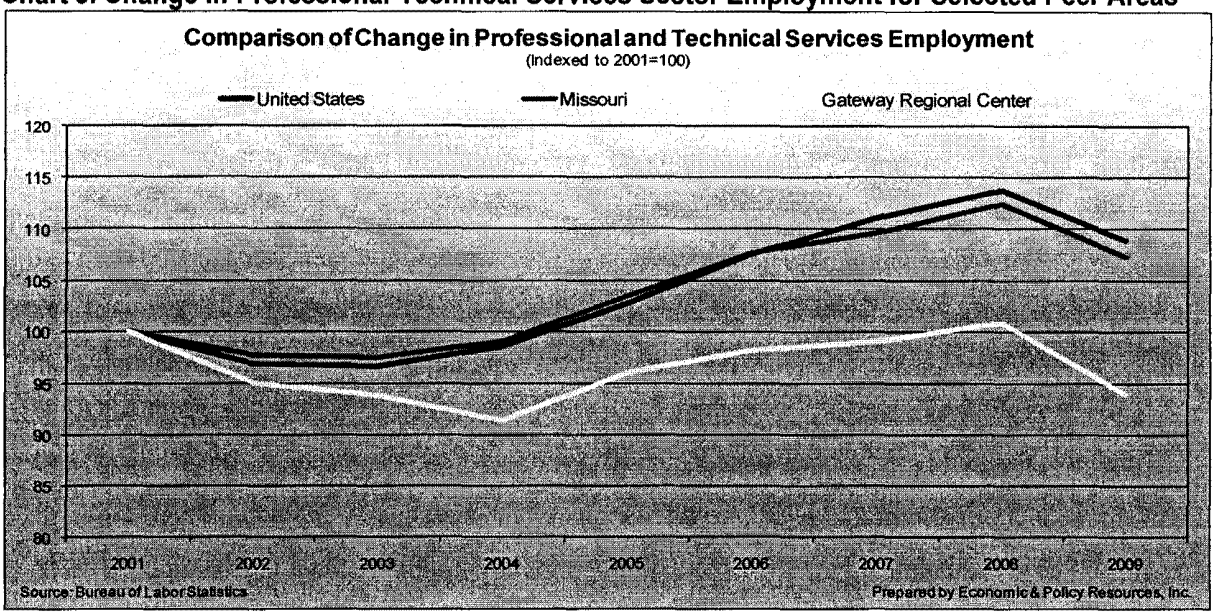


Chart 4. Comparison of Change in Manufacturing Sector Employment for Selected Peer Areas



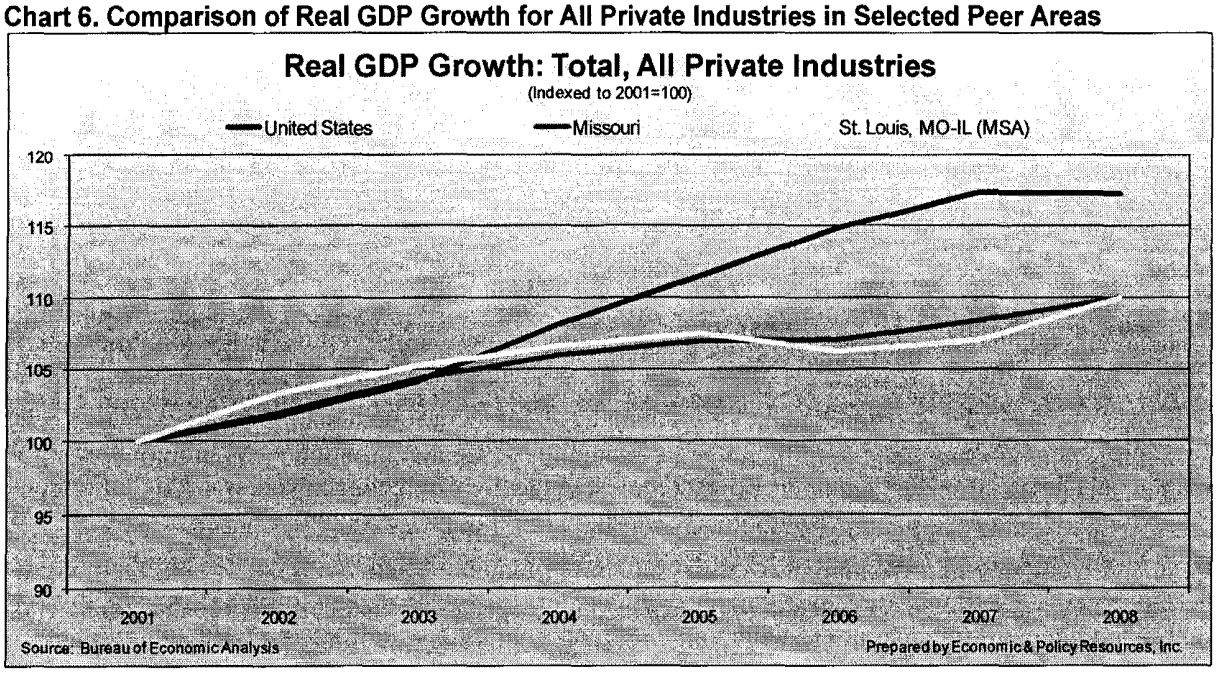
The Professional and Technical Services sector is the other sector that is set to be affected by the proposed project. The proposed GMIC regional center has not performed as well as the other peer-regions between 2001 and 2009. While The United States and Missouri managed to retain the majority of the employment gained since the recession in the early 2000s, the proposed regional center has lost most of it. Between calendar years 2001 and 2009, the proposed regional center has declined by 6.0% or at an annual rate of -0.8%. The United States and the State of Missouri realized growth over the same period, with total increases in their respective Professional and Technical Services employment levels of 8.9% and 7.4%.

Chart 5. Change in Professional-Technical Services Sector Employment for Selected Peer Areas



Another economic measure is the inflation-adjusted output change of a region, commonly referred to as either real Gross Domestic Product or GDP. Chart 6 (below) shows the growth in the real GDP of the peer-regions between calendar years 2001 and 2008 (the latest data available). It is important to note the due to data availability the St. Louis, MO-IL MSA is being used as a proxy for the GMIC regional center. Gross Domestic Product data is not available at the county level, but the proxy will serve to portray the general trend of the region. Between calendar year 2001 and calendar year 2008, the United States outpaced all peer regions, with an annual growth rate of 2.3%, and a total increase in the real GDP of 17.2%. Both the State of Missouri and the St. Louis, MO-IL MSA grew at the same, but lower annual rate of 1.4%, corresponding to a total rate of growth of 10.0% between calendar years 2001 and 2008.

Chart 6. Comparison of Real GDP Growth for All Private Industries in Selected Peer Areas



The above series of charts tracks the region and industries over time, while the next section provides a cross-sectional snapshot of the region's economy. Table 2 (below) shows employment by major industry in the prospective GMIC regional center, both in terms of levels and as a share of total Private sector jobs in calendar year 2009 (with calendar year 2009 being the latest year where comparable data is available as of this writing). The last column in Table 2 (below) is a statistic called the location quotient. A location quotient is the ratio of an industry employment share in a given geography to the same share in another. This allows relative employment concentrations (that is, one geography relative to another) to be more easily compared. The location quotients were calculated for each industry as follows:

$$LQ = \frac{(E_i/E_c)}{(E_{ni}/E_{nt})}$$

Where:

E_i = Employment in the state's industry

E_c = Total employment in the state

E_{ni} = National employment in the industry

E_{nt} = Total national employment

Location quotient analysis is used to identify those industries that have a comparatively larger or smaller presence in the prospective regional center's economy. A location quotient that is equal to 1.0 means that the share of employment in the regional industry is exactly the same as the percentage employment in the national industry. If the location quotient is greater than 1.0, the share of employment in the regional economy exceeds the national share of employment in that industry. Conversely, if the location quotient is less than 1.0, that means the region's share of employment in the industry is less than that of its national counterpart.

Location Quotients over 1.0 mean that an industry is a relatively more significant than average employer in a region—relative to a reference region which in this case is the U.S. as a whole—with a Location Quotient of 1.2 or greater indicating a possible export industry. Location Quotients below 1.0 indicate the employer is under-represented relative to the reference region, and a Location Quotient of less than 0.80 indicates the possibility for import substitution in the subject geography (assuming near average productivity) as an economic development-job creation strategy. The location quotients found in Table 1 show the ratio of the prospective regional center employment to national average employment concentration, or how the prospective GMIC regional center compares to the average for the U.S. economy. As an example, the first location quotient for Agriculture, Forestry, Fishing, and Hunting in the GMIC region is 0.07 demonstrating a lower average share of its private workforce employed in the

Agriculture, Forestry, Fishing, and Hunting than is the case on average for the U.S. economy as a whole.

The analysis of these location quotients suggests that Management of Companies, Educational Services, and Arts, Entertainment and Recreation have above average employment concentration, with location quotients of 2.56, 1.80 and 1.28 respectively. All of these location quotients indicate possible export industries for the region. The 3-county region has relatively less employment concentration in Utilities, Construction, and Transportation and Warehousing, with location quotients of 0.09, 0.78, and 0.09. This may suggest either lower productivity levels in the regional economy in those sectors and/or opportunities for import substitution (e.g. local and regional growth opportunities) from an economic development perspective.

In addition, Table 2 (see below) also shows that the Manufacturing sector and the Professional and Technical Services sector, the activities that captures the proposed project, in the proposed regional center have a location quotients of 0.87 and 1.03, indicating a below average concentration of employment when compared to the national average concentration and an average level of employment concentration, respectively. These location quotients indicate that there are strong foundations in these sectors and that there is room for growth, from an economic development standpoint.

The above discussion sets forth facts that support the approval of the proposed regional configuration of the GMIC regional center, including St. Louis County, St. Charles county and St. Louis City. This region should be approved as the geographic region for the GMIC regional center based on: (1) the region's strong labor market linkages (including an analysis of the employment commuter shed), and (2) the region's strong transportation and other economic linkages and commonalities that exist between the two counties and the City-proper as a whole. In addition, the impact modeling tests for the exemplar projects discussed herein capture just under 50% of the total U.S. economic and job impact (including 39.5% of the cumulative U.S. output impact, 45.6% of the cumulative U.S. impact on disposable income, and 41.9% of the cumulative U.S. employment impact) for the exemplar Bio-Life Sciences project if the proposed regional center is configured in this manner. Altogether, the evidence shows this area does in fact operate as a region of economic focus for the St. Louis economic Council, and will serve as the market area that regional center management has identified as the likely location for its future EB-5 project activities. **Therefore, approval of this geographic region for the regional center's operating areas as requested from the USCIS for the two identified economic activities appears warranted.**

Table 2. Private Sector Employment Cross Section, 2009

Industry	Employment		Composition of Total Private		Location Quotient
	United States	Regional Center	United States	Regional Center	
NAICS 11 Agriculture, forestry, fishing and hunting	1,142,192	602*	1.1%	0.1%	0.07
NAICS 21 Mining, quarrying, and oil	641,366	535*	0.6%	0.1%	0.11
NAICS 22 Utilities	560,713	379*	0.5%	0.0%	0.09
NAICS 23 Construction	5,948,837	35,122	5.6%	4.4%	0.78
NAICS 31-33 Manufacturing	11,810,371	77,786	11.0%	9.7%	0.87
NAICS 42 Wholesale trade	5,561,787	43,894	5.2%	5.5%	1.05
NAICS 44-45 Retail trade	14,544,111	93,891	13.6%	11.7%	0.86
NAICS 48-49 Transportation and warehousing	3,985,037	2,595*	3.7%	0.3%	0.09
NAICS 51 Information	2,807,721	23,665	2.6%	2.9%	1.12
NAICS 52 Finance and insurance	5,618,477	45,841	5.3%	5.7%	1.08
NAICS 53 Real estate and rental and leasing	1,971,344	15,113	1.8%	1.9%	1.02
NAICS 54 Professional and technical services	7,479,760	57,790	7.0%	7.2%	1.03
NAICS 55 Management of companies	1,855,139	35,781	1.7%	4.4%	2.56
NAICS 56 Administrative and waste services	7,153,937	52,772	6.7%	6.6%	0.98
NAICS 61 Educational services	2,419,382	32,715	2.3%	4.1%	1.80
NAICS 62 Health care and social assistance	15,902,253	123,924	14.9%	15.4%	1.04
NAICS 71 Arts, entertainment, and recreation	1,921,653	18,502	1.8%	2.3%	1.28
NAICS 72 Accommodation and food services	11,079,375	80,779	10.4%	10.0%	0.97
NAICS 81 Other services, except public admin	4,369,780	30,719	4.1%	3.8%	0.93
NAICS 99 Unclassified	173,872	0	0.2%	0.0%	0.00
Base Industry: Total, all industries	106,947,104	805,104	100.0%	100.0%	1.00

Note: * means that the data does not include all of the counties in the Gatew ay to the Midw est Investment Regional Center, due to federal nondisclosure regulations.

Source: Bureau of Labor Statistics — Prepared by Economic and Policy Resources, Inc.

3. Economic Impact Analysis

3.1 Methods of Analysis

Economic and job creation impact modeling was performed using the Regional Dynamics Economic Analysis Model (hereafter "REDYN") to determine the economic and employment impacts associated with the two exemplar projects. The REDYN dynamic input-output model is the newest and most sophisticated of the advanced input/output models available today. The REDYN Model has been used to assess the net job and other economic benefits associated with economic development projects, new businesses, certain types of policy changes and utility power projects in various states and in various settings—including impact assessments under the EB-5 program. A detailed description of the REDYN Model is found in the appendices at the end of this document.

3.2 Data Sources

Much of the relevant information and data were obtained from representatives of the prospective GMIC regional center staff. The data provided include an estimated construction timeline, expected development costs, and staffing and salary expectations for the exemplar project. Additional research and analysis were also completed by EPR to develop additional project inputs, and to crosscheck and corroborate client provided data for reasonableness. Industry and project related metrics such as output and employment were compared to statewide and regional data sources. Appropriate quality control checks and triangulation of data sources and activity estimates proved the data to be reasonable for the purposes of this economic and job creation impact analysis in the proposed geography for the prospective GMIC regional center. Based on these data, inputs were created for use in the REDYN system to model the economic impact of the construction/renovations and operations phases of the project.

3.3 The Regional Dynamics Economic Analysis Model (REDYN)

The internet based REDYN Model was developed by Regional Dynamics, Inc. currently of Storrs, Connecticut, through its principal creator, the late Thomas Tanner, Ph.D., a former model manager at Regional Economic Models Inc. (known as REMI) of Amherst, Massachusetts. Dr. Tanner was a former member of the faculty at University of Georgia, and was most recently employed at the Strom Thurmond Institute of Government and Public Affairs at Clemson University at the time of his death in May of 2009. Dr. Tanner's work experience at REMI gave him the expertise to create an alternative, indeed in many ways a superior model, to the REMI model. The result is an integrated input/output model of the counties and cities of the U.S. which has significant advantages over the existing menu of retail input/output models: REMI, IMPLAN (as maintained by the Minnesota IMPLAN Group, Inc. which was originally developed for the U.S. Forest Service), and RIMS II (which is maintained by the U.S. Department of Commerce).

The REDYN Model employs a concept know as New Economic Geography,[8] a theory first developed by Nobel Laureate Dr. Paul Krugman while he was at the Massachusetts Institute of Technology (MIT). This philosophy employs "fully general equilibrium" models that "derive aggregate behavior from individual maximization." This competitive framework is translated into a model that makes the assumption that "commodities produced by an industry are truly joint in the production process, as dictated by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry."

New Economic Geography also focuses on agglomeration economies and the relationships between them in different levels of geographic space.[9] To illustrate this, consider a tight group of commercial establishments configured as a mall. This is the smallest level of an agglomeration economy. It is related to the regional commercial market which is part of the national market and the world market. It is the linkages between these levels of economic agglomeration that New Economic Geography seeks to explain and illustrate.

REDYN Data Sources

The REDYN Model uses a variety of data provided by U.S. Government entities. The basis for the model is the North American Industry Classification System (NAICS) to the five digit level. This allows the model to provide detail for 703 industries and over 180 commodities for the geographic region specified in the model.[10] This classification system and level of detail makes REDYN's output more compatible for comparison to government reported statistics as this is the system used for publishing economic data by the U.S. Department of Labor's Bureau of Labor Statistics (BLS), the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) and the U.S. Census Bureau. These government bureaus provide the original data that is accumulated and transformed into the REDYN Model's input/output (e.g. multipliers) and other specified relationships.

The U.S. Census Bureau's County Business Patterns data is the source for wage bill payroll data and employment data used in the model. The model's developers preferred this approach since it is an annual series that is more complete in its coverage of the workforce than the Quarterly Census of Employment and Wages (hereafter "QCEW") series, as it includes self employed persons, employees of private households, agricultural production workers, and railroad workers. These workers are not "covered" by most state unemployment insurance systems and are therefore not reported in the QCEW series.

County Business Patterns also is preferred because it provides detail about employment and wages down to the zip code level where concentration of industry is

[8] See Exhibit 1.
[9] Agglomeration economies refer to circumstances where economic units, although competing, find it mutually advantageous to co-locate or to locate sufficiently close enough to share production resources and/or customers.
[10] See Exhibit 2.

high enough to provide reportable data. The suppression of data due to confidentiality issues is a common problem of all types of wage and employment data used in specifying input/output models. REYDN has developed a way to fill in the blanks called method *row and column sum* (RAS).

After performing the RAS analytics on the County Business Patterns data it is reconciled with Regional Economic Information System (REIS) data from the Bureau of Economic Analysis of the U.S. Department of Commerce to confirm consistency. The REIS data is especially helpful for providing data in the agriculture and governmental sectors. The REIS data is also used to allocate national consumption to the roughly 3,100 counties in the United States that is provided on the aggregate level by the National Income and Product Accounts (NIPA). The levels of consumption of industries and households are a key building block in the creation of input/output models.[11]

The input-output tables themselves are created using BEA Input/Output (IO) make and use tables. The data in these tables are augmented by the biennial ten-year IO forecast tables from the Bureau of Labor Statistics. A major difference between the REDYN model and other input/output models is its use of a new distance impedance database supplied by the Oak Ridge National Laboratory.[12] This allows the REDYN Model to add elements of trade flow and gravity theory based on distance impedance specific to road, rail, water, air and proxy transport. The combination of these data sources gives the REDYN model the power to predict with greater accuracy than ever before the economic impacts of a wide range of economic stimuli.

3.4 Model Specifications

Model Inputs

The modeling of potential project impacts can be conducted from the supply side or the demand side of the economic equation. When modeling the economic impacts associated with the supply, one captures the increase in direct employment and wages, and looks to determine the economic linkages of the project via an input-output model. A demand-side approach would capture the additional spending (such as the increase in spending by visitors—or tourists—to a region in the case of a new destination resort facility or new attraction) in the regional economy as a result of the project. In this case, a supply-side approach was taken and the incremental change in employment and wages expected at the exemplar project was modeled in order to estimate the total economic and job creation impact per EB-5 program regulations.

The additional business activity resulting from the exemplar development project would create increased final demand for these and related industries within the boundaries of the proposed regional center and in other locations around the U.S., as at least a part of the exemplar project would require inputs to its operations from a supplier base both within and outside the boundaries of the regional center. The additional income earned

[11] See Exhibit 3.
[12] See Exhibit 4.

in and outside the region as a result of the exemplar project's activities would, in turn be spent, and lead to additional indirect effects.

The relevant information and data used to develop the model inputs, including timing of the new construction and fit up for the likely tenants for the operations component of the exemplar project were obtained from the management team of the prospective GMIC regional center. The data included the development timeline, construction and fit-up costs and the timing and level of staffing likely associated with the exemplar project. From that, estimated staffing and compensation levels and other input determinants were developed and reviewed for reasonableness by GMIC management-staff. These determinants were supported by a detailed business plan that will be filed along with the other regional center application materials.

In this impact assessment analysis, the construction phase of the exemplar project was modeled using a demand-side approach, capturing the additional development-construction expenditures as additional final demand. The operations phase of the exemplar project was modeled from the supply-side, using estimates of the incremental direct jobs and estimated compensation for the project. Direct jobs and compensation levels were provided by the business plan for the first four years of the project. These incremental jobs and compensation were used as inputs into the REDYN input-output model, which then generated their part of the indirect economic and job impacts.

The assumptions and parameters used to develop the model inputs for the input-output modeling are described in detail below.

Exemplar Project: St. Louis Bio-Life Sciences Project

Construction:

1. Total construction, development, and fit-up expenditures of $29.2 million over the first 4 years of the project, with $8.4 million expended in year #1, $9.4 million expended in year #2, $9.4 million expended in year #3, and $2.0 million expended in impact year #4.

2. Hard construction and fit up costs were assumed to break down at 25.5%, 33.3%, 33.3%, and 7.8% in impact years 1, 2, 3 and 4, respectively. Other associated construction/renovation costs were assumed to break down at 51.4%, 24.3%, 24.3% and 0.0% in impact years 1, 2, 3, and 4, respectively.

Operations:

1. Jobs from tenant companies which are expected to lease the available increase in square footage were developed based on a total increase of 110,000 square feet. The likely tenants described by management include companies who will be users of wet lab capable mechanical systems, pre-built labs, and those companies—including entrepreneurial start-up companies—that require all the resources necessary for biological and chemical research at competitive market

prices; including technologically advanced green-houses, growth chambers, state-of-the-art microscopy and proteomics facilities, and hazardous materials and waste-water storage and disposable systems.

2. In addition, the exemplar project is expected to provide work force development support by building a critical mass of biotech and life sciences jobs and an on-site college training program for technical staff training, all of which are in short-supply in the marketplace (The workforce development jobs are assumed to have been counted in the indirect job impacts in this impact assessment. No additional direct jobs are assumed in this impact assessment analysis for this component of the exemplar project).

3. The average annual wage of employees was estimated using Quarterly Census of Employment and Wages (QCEW) data, by industry, and escalated in future years, assuming 2.0% real growth rate per year.

4. Estimated wages were scaled up to arrive at a total compensation concept, assuming benefits represent 25% of total compensation for NAICS 5417.

Table 3: Summary of Impact Modeling Inputs—St. Louis Bio-Life Sciences Exemplar Project

	Year 1	Year 2	Year 3	Year 4
Project Timeline	Construction			
		Ongoing Operations		
Model Inputs [1]				
Construction Expenditures [2]				
Construction Costs	$ 6,500	$ 6,500	$ 6,500	$ -
Other Development Costs	$ 1,900	$ 900	$ 900	$ -
Fit-up of Facilities	$ -	$ 2,000	$ 2,000	$ 2,000
Total Construction Expenditures ($Nominal, 000s)	**$ 8,400**	**$ 9,400**	**$ 9,400**	**$ 2,000**
Operations [3]				
Scientific Research and Development -- NAICS 5417				
Incremental Jobs	-	95	210	233
Incremental Total Compensation ($Nominal, 000s)	$ -	$ 17,194	$ 39,717	$ 45,954

Prepared By Economic & Policy Resources, Inc.

Specifying the Economic Region

In order to complete this economic and job creation impact analysis, a two region model was constructed for the prospective GMIC regional center to measure the economic and job creation impacts of the exemplar project. The two regions in the impact model were: (1) the St. Louis, St. Charles, and St. Louis City region—which together comprise the proposed geography of the GMIC regional center, and (2) the balance of the U.S., that is the rest of the country not included in the proposed regional center. The impact in the regional center geography plus the impact in the balance of the U.S. sums to the total expected U.S. economic and job creation impacts. The use of the REDYN model

allows for flexibility in assessing modeling results down to the county level, for states—even multiple states—as regions, and for the U.S. economy overall.

4. Model Output and Results

The REDYN model estimates all measurable linkages associated with the incremental economic activity in the various NAICS activities that formed the various inputs for the exemplar St. Louis Bio-Life Sciences project. This incremental activity will create and sustain employment—net of any competitive pressures accounted for in the economic modeling. Based on the inputs and project parameters described above, the exemplar project was assumed to be located at a suitable site within the geographic boundaries of the regional center that also was a qualifying high unemployment rate Targeted Employment Area (TEA). At this time, a specific site for the exemplar project has not been determined—although a suitable site in western St. Louis County has been discussed assuming a certified high unemployment rate TEA. The applicant has been working with the Missouri Department of Economic Development—the state agency who has been designated by the Governor of Missouri to certify high unemployment rate TEAS—to develop a consistent methodology to determine high unemployment rate TEAs that conform with EB-5 program regulations. As of the date of this filing, there are high unemployment rate TEAs already certified for individual census tracts in all three municipal jurisdictions within the proposed GMIC regional center—with 2 in St. Charles County, 28 in St. Louis County, and 51 census tracts within the City of St. Louis.

With the above assumptions, this impact assessment study finds that the exemplar project would generate a total of 711 EB-5 eligible jobs within the prospective GMIC regional center's proposed geography. This figure includes operations jobs, estimated at a total of 210 EB-5 eligible direct jobs and 23 direct EB-5 eligible two-year construction jobs.[13] This impact assessment analysis also finds that a total of 478 EB-5 eligible indirect jobs will be created by additional demand placed on other industries that supply inputs to the exemplar project, and the additional income earned, which is in turn spent, within the regional economy (see Table 4 below[14]).

[13] This assumes that the construction jobs are EB-5 eligible, meaning full-time (at least 35 hours per week), year-round (not seasonal), and have been in existence for at least two consecutive years (corresponding to 24 consecutive months).

[14] This analysis includes Direct Construction jobs that are EB-5 eligible in impact year #3 and includes only those positions that would have lasted for the required 24 consecutive month period.

Table 4: Model Results – St. Louis Bio-Life Sciences Exemplar Project.

	Year 1	Year 2	Year 3	Year 4
Project Timeline	Construction			
		Ongoing Operations		
Model Output				
Total U.S.				
Output ($2011, 000s)	$ 47,094	$ 145,993	$ 274,250	$ 264,021
Disposable Income ($2011, 000s)	$ 20,410	$ 68,806	$ 131,664	$ 129,046
Jobs	326	966	1,780	1,678
GMIC Regional Center				
Output ($2011, 000s)	$ 19,112	$ 57,949	$ 108,141	$ 103,620
Disposable Income ($2011, 000s)	$ 8,692	$ 31,132	$ 60,220	$ 59,681
Jobs	148	410	746	693
Jobs Impact in Regional Center for EB-5 Purposes				
Direct EB-5 Eligible Jobs				
Operations (a)	-	95	210	233
Construction-Related (b)	28	24	23	-
Total Direct EB-5 Eligible Jobs (a+b)	28	119	233	233
Indirect (c)	78	255	478	461
Total EB-5 Eligible Jobs (a+b+c)	**106**	**374**	**711**	**694**

[1] Modeling was completed in the 3-County geography of the regional center.
[2] Land acquisition, financing costs and fees were not included in the modeling as these expenditures usually do not result in significant economic impacts.
[3] Total Compensation includes benefits estimated at 25% of the total.

Prepared by: Economic & Policy Resources, Inc.

Broadening the discussion to total economic and job impacts, the exemplar project is also expected to have a positive impact on the U.S. economy overall. Table 5 shows that development of the exemplar project would result in a total of 1,780 net, new jobs (including both EB-5 eligible and non-eligible jobs) by impact year #3. This figure includes an estimated 746 EB-5 eligible and non-EB-5 eligible jobs in the regional center, and an additional 1,034 jobs created at locations in the balance of the U.S. economy. The indirect jobs created in the balance of the U.S. also result from additional demand placed on related industries that would provide inputs for the two exemplar projects' operations and from the additional income earned and spent in areas outside the boundaries of the prospective regional center. The exemplar project is also expected to have other positive impacts on the U.S. economy overall, including four year cumulative totals of $731.4 million in additional output and $349.9 million in additional disposable income over the first four years of the exemplar project's' development and operations (reported in 2011 dollars).

As previously mentioned, the REDYN model is able to simulate within the input-output model's construct the competitive market realities on a regional and national level associated with the development of additional business activity that would be associated with the exemplar project outlined in this impact assessment study. To allow for the potential job displacement in these illustrative impact assessments, there was an assumption made that this project is a developing industry that would not directly or even indirectly compete with activity elsewhere in the U.S. economy. Therefore, this

development activity is not likely to displace jobs or business activity that either already existed or were likely to be created at competitor businesses both within the regional center's economy and elsewhere in the country—a so-called national growth assumption. The job impact reported here is a net new job impact in the region and for the U.S. overall, with the assumption that no or only a negligible amount of displacement will occur in the regional center's or U.S. economy's existing job base in this NAICS sector.

Using impact year #3 results, this analysis indicates that this level of new job creation for the exemplar project within the proposed regional center that corresponds to direct-to-indirect job multipliers of 1.0 EB-5 eligible direct job to 2.96 EB-5 eligible indirect jobs for NAICS 23 Construction, and a 1.0 EB-5 eligible direct job to 1.95 EB-5 eligible indirect job multiple for NAICS 5417 Scientific and Research Development. On a combined basis, each direct job for the two NAICS activities results in an estimated 2.05 EB-5 eligible indirect jobs. The results are presented in Table 5 (below).

However, the GMIC regional center also seeks approval as part of its regional center designation application for the ability to present EB-5 eligible job impacts on a "jobs per $1.0 million in development expenditures" framework. Looking specifically at the exemplar project results for impact year #3, this analysis indicates that the expected level of new job creation results in a total of 26.14 EB-5 eligible jobs per $1.0 million in development expenditures. This metric is also presented in Table 5 (below).

Table 5: Model Results: St. Louis Bio-Life Sciences Exemplar Project in the GMIC Regional Center, Two Approaches to Demonstrate Job Creation in Year 3

	Year 1	Year 2	Year 3	Year 4
Project Timeline		Construction		
			Ongoing Operations	

Direct to Indirect Job Multipliers [1]

	[A] Direct	[B] Indirect	[A+B] Total	[B/A] Multiplier
GMIC Regional Center				
Scientific and Research Development -- NAICS 5417	210	410	620	1.95
Construction -- NAICS 23	23	68	91	2.96
Total U.S.				
Scientific and Research Development -- NAICS 5417	210	1,291	1,501	6.15
Construction -- NAICS 23	23	221	244	9.61

Other Relevant Output Metrics

Jobs Created Per $1.0 Million in Project Development Expenditures

	Total Expenditures ($ 000s)	Year 3 EB-5 Eligible Jobs	EB-5 Jobs Per Million
St. Louis Bio-Life Sciences Exemplar Project	$ 27,200.0	711	26.14

[1] Direct to indirect job multipliers were calculated with Year 3 impacts.

Prepared By Economic & Policy Resources, Inc.

In addition, Table 6 (below) provides the detailed "within the regional center" and "outside the regional center impacts" of the exemplar project for sub-sector impacts,

including business services, construction, utilities, repair and maintenance services as is typically requested by the USCIS. The table presents net new job creation and increased output that could be expected given the approval of the proposed regional center and the proposed activity areas tied to the exemplar project both within the regional economy of the prospective GMIC Regional Center and for the U.S. economy outside of the regional center.

Data from the table demonstrates that the exemplar project will result in positive net job changes in all the various sub-categories except for the Utilities sub-category[15] within the proposed regional center. Gaining subsectors range from a low of 4 net new jobs in impact year #3 in the Repair and Maintenance sub-category to a high of 260 net new jobs in the Professional Services sub-sector. The value of net new Output is estimated to increase across all detailed sub-sectors as well within the proposed GMIC regional center in impact year #3, ranging from a low of $0.3 million for the Utilities sub-sector (including a four year cumulative impact of $0.5 million in 2011 constant dollars) to a high of $42.7 million in the Professional Services sub-sector (corresponding to a four year cumulative total of $90.9 million in constant 2011 dollars).

Table 6: Detailed Sub-Sector Impacts for the St. Louis Bio-Life Sciences Exemplar Project

Region Name	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Within Regional Center	--	Total (industries below)	79	189	334	295
Within Regional Center	221	Utilities	0	0	0	0
Within Regional Center	23	Construction	56	62	70	18
Within Regional Center	541	Professional, Scientific, and Technical Services	23	125	260	273
Within Regional Center	811	Repair and Maintenance	0	2	4	4
Outside Regional Center	--	Total (industries below)	23	75	143	136
Outside Regional Center	221	Utilities	0	2	4	3
Outside Regional Center	23	Construction	8	25	47	45
Outside Regional Center	541	Professional, Scientific, and Technical Services	12	39	74	71
Outside Regional Center	811	Repair and Maintenance	3	9	18	17

Output (2011 $, Thousands)

Region Name	NAICS	Industry Name	Year 1	Year 2	Year 3	Year 4
Within Regional Center	---	Total (industries below)	$9,888.6	$28,089.3	$52,146.5	$49,347.6
Within Regional Center	221	Utilities	$36.6	$127.8	$246.5	$243.9
Within Regional Center	23	Construction	$6,892.4	$7,610.8	$8,640.9	$2,434.0
Within Regional Center	541	Professional, Scientific, and Technical Services	$2,861.6	$20,056.6	$42,710.4	$46,145.3
Within Regional Center	811	Repair and Maintenance	$97.9	$294.1	$548.7	$524.4
Outside Regional Center	---	Total (industries below)	$3,158.4	$9,968.4	$18,848.8	$18,244.7
Outside Regional Center	221	Utilities	$480.5	$1,549.9	$2,948.5	$2,873.4
Outside Regional Center	23	Construction	$760.3	$2,421.7	$4,599.9	$4,473.2
Outside Regional Center	541	Professional, Scientific, and Technical Services	$1,621.1	$5,076.0	$9,563.7	$9,221.5
Outside Regional Center	811	Repair and Maintenance	$296.4	$920.9	$1,736.7	$1,676.6

Prepared by: Economic & Policy Resources, Inc.

Turning to net positive impacts outside the proposed regional center—that is the rest of the U.S. economy excluding the impacts within the proposed regional center, the table shows that the St. Louis Bio-Life Sciences Exemplar Project will result in net job

[15] Output increases in this sub-sector (see below) but not by enough to compel a job increase. Job increases were estimated to be less than 1 job (rounded down to the nearest integer), and is therefore reported as "0" in the table.

increases in all requested sub-categories. Impacts range from a low of 4 net new jobs in impact year #3 in the Utilities sub-sector and 18 net new jobs in the Repair and Maintenance sub sector, to a high of 74 professional business services and 47 net new jobs in the Construction sub-sector—also in impact year #3. Net growth in Output was also estimated to increase across all detailed sub-sectors as well in impact year #3 outside the proposed GMIC regional center. These impacts ranged from a low of $1.7 million in Repair and Maintenance (including a four year cumulative total of $3.8 million in constant 2011 dollars) and a $3.0 million for the Utilities sub-sector (including a four year cumulative impact of $6.4 million in 2011 constant dollars) to high of $9.7 million in the Professional Business Services sub-sector (corresponding to a four year cumulative total of $20.7 million in constant 2011 dollars), and $4.6 million in the Construction sub-sector (including a four year cumulative total of $10.0 million in constant 2011 dollars).

5. Conclusions

The results of the study indicate the exemplar project, if developed and operated, would have a significant and positive impact in the prospective GMIC regional center and for the U.S. economy overall. In the proposed regional center economy, the St. Louis Bio-Life Sciences exemplar project would have a total net new job impact of 746 full- and part-time jobs, including a total of 711 EB-5 eligible jobs by Year 3 of the project development time line. The 711 EB-5 eligible jobs include a total of 233 direct EB-5 eligible jobs at the facility contemplated in the exemplar project, as well as 478 indirect EB−5 eligible jobs at other businesses within the geographic boundaries of the proposed regional center. The job creation impact of the exemplar project for impact year #3 separated by NAICS sector would correspond to a direct to indirect job multiplier of: (1) 1.00 direct job to 2.96 indirect jobs for NAICS 23 Construction, and (2) 1.00 direct job to 1.95 indirect jobs for NAICS 5417 Scientific and Research Development. Combined, both exemplar projects would correspond to a direct to indirect job multiplier of 1.0 direct EB-5 eligible job to 2.05 indirect EB-5 eligible jobs.

Other benefits to the economy of the GMIC regional center would include a four year cumulative total of $288.8 million (in constant 2011 dollars) in increased output and a cumulative total of $159.7 million (in 2011 constant dollars) in increased disposable personal income. These types of impacts arise from impacts such as increased demand for supporting business services (with a four year cumulative total of $90.9 million within the proposed regional center in constant 2011 dollars), utilities (with a four year cumulative total of $0.5 million within the proposed regional center in constant 2011 dollars), Construction (with a four year cumulative total of $20.8 million within the proposed regional center in constant 2011 dollars), and Repair and Maintenance services (with a four year cumulative total of $1.2 million within the proposed regional center in constant 2011 dollars) within the proposed regional center.

The impacts presented in this impact assessment study are representative of the scope and magnitude of mixed use construction impacts likely to be undertaken by the GMIC regional center management—assuming approval of this regional center designation application. As such, they are accurate representations of year three impacts of this exemplar project even though there may be timing issues (e.g. they may not necessarily

be undertaken simultaneously) for the creation of EB-5 program eligible jobs. In the event of a submission for an actual project approval, evidence would in fact be submitted to the USCIS for a project development timeline—including construction activity—that would be on a conforming timeline for all aspects of the citizenship adjudication process.

The St. Louis Bio-Life Sciences exemplar project, if developed and operated according to the timeline presented, would also have other impacts outside the proposed regional center. These include a four year cumulative total of $442.5 million (in constant 2011 dollars) in increased output, and a cumulative total of $190.2 million in increased disposable personal income (in constant 2011 dollars) for the U.S. economy outside of the regional center.[16] The employment impact is estimated to also include an additional 1,034 total full- and part-time jobs (including both EB-5 eligible and non-eligible jobs) created outside of the regional center, corresponding to total U.S. job impact of 1,780 jobs in impact Year 3 less total job impacts of 746 within the geographic boundaries of the GMIC regional center (including both EB-5 eligible and non-eligible jobs).

Lastly, this impact assessment study also presents evidence and facts supporting the approval of a proposed St. Charles County, St. Louis County and St. Louis City geographic configuration for the proposed GMIC regional center. First, this report provides data and analysis which shows, as a core part of the St. Louis MO-IL Metropolitan Area, the region acts very much like an integrated regional economy. In addition, the regional center management team is also requesting approval for this configuration given the likelihood of future project development activity based on its historical project development record.

While it is acknowledged that the economic and job creation impacts of the exemplar project do extend well beyond the proposed geography for the GMIC regional center, the proposed geography still captures forty percent or more of the total direct and indirect economic and job impacts—including 39.5% of total U.S. output growth effect, 45.6% of the total disposable income effect, and 41.9% of the total full- and part-time job creation effect. Based on the employment commuter shed, transportation, economic and other linkages and based on the expected location of the applicant's EB-5 project development activity, the study recommends that the USCIS approve the requested regional center definition as proposed. Once established and operating, regional center management may elect to develop future strategic economic development partnerships with neighboring political jurisdictions and economic development organizations that would allow the GMIC regional center to expand beyond its current fairly limited scope—which is limited by those public policy constraints.

The REDYN Model developed and maintained by Regional Dynamics, Inc. was used to provide a reasonable estimate of the job impact attributable to the construction of and

[16] These outside the regional center impacts include the U.S. totals for each which are $731.4 million in increased output in $2011 and $349.9 million in increased disposable income in $2011, less the within the GMIC regional center impacts for each.

the expected on-going commercial operations at the exemplar project. A combination of data supplied by the project developers, the review of third party data sources, the United States Census Bureau, other departments and agencies of the U.S Department of Commerce, and the United States Bureau of Labor Statistics of the U.S. Department of Labor were used in this analysis.

Appendix 1:

About Economic & Policy Resources, Inc.
Proposed Gateway to the Midwest Investment Center (GMIC) Regional Center

Economic & Policy Resources (EPR): EPR began providing consulting services to public and private clients in 1983. Our staff is comprised of 8 full-time and 2 part-time positions. We deliver economic, financial, planning and public policy services to support our clients' critical decision making processes. Our staff of economists, planners and financial analysts uses state-of-the-art analytical tools and methods to inform and address client issues. EPR has developed and has access to extensive data (including proprietary data) and analytical tools to provide credible, fully-considered analyses-results. We have a proven record of accomplishment on a wide-range of studies involving economic, socioeconomic, community and economic development, and public policy topics. Our completed projects list includes over 50 EB-5 economic impact assessment assignments over the past five years.

Appendix 2:

Limitation and Contingent Conditions
Proposed Gateway to the Midwest Investment Center (GMIC) Regional Center

The results of this impact study should be viewed with certain limitations. This analysis is intended to assist the U.S. Citizenship and Immigration Service and interested parties in assessing the order of magnitude of the economic and job creation impacts associated with an exemplar project within the proposed geography of the prospective GMIC regional center.

- In undertaking this assignment, we employed accepted practices and assumptions designed to produce results that are conservative estimates for purposes of understanding the impacts of the proposed project. Actual results could differ.

- It should also be noted that specific estimates of year to year impacts are difficult to make with a high degree of accuracy. The potential project's impact in any one year could deviate from those presented in this report due to factors–such as interest rates and business cycles–that are beyond the scope of this analysis.

- The authors believe the study is a reasonable and conservative estimate of the likely economic and job creation impacts of this development activity under the assumptions employed in this study as of the date of this report.

Data utilized in the analysis was obtained from GMIC management and representatives. We also employed data and information from various industry sources (e.g. selected trade associations, and other third party publications (e.g. from authoritative federal government departments and agencies) which are typically used by and commonly relied upon by economic analysts. Information supplied by the developers has been accepted as correct without further verification (although we conducted routine quality control checks for reasonableness), and we express no opinion on the accuracy of that information. The report reflects facts and conditions existing and known as of the date of the report. Subsequent events and additional information may require a review and alteration of the opinions and conclusions presented here.

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the prior written consent of the client or of Economic & Policy Resources, Inc. and, in any event, not without proper attribution. The opinion expressed herein is valid only for the purposes described herein.

The undersigned has no present or prospective interest in the projects or the proposed regional center that is the subject of this report and has no personal interest or bias with respect to the parties involved. Economic & Policy Resources, Inc. is paid an hourly rate for time spent in analyzing and preparing its conclusions and opinions. Economic &

Policy Resources, Inc.'s fees are not contingent upon the outcome of any event for which this report may be used.

Appendix 3:

Schedule of Exhibits
Gateway to the Midwest Investment Center (GMIC) Regional Center

Exhibit 1: The Business of Regional Dynamics, Inc.: *Economic Modeling Redefined* – Source: Regional Dynamics, Inc.

Exhibit 2: How the Regional Dynamics Economic Model Works: *The REDYN Model in a Nutshell* – Source: Regional Dynamics, Inc.

Exhibit 3: REDYN Model Data Sources and Baseline Estimation Process: *Where the REDYN Model Gets Data* – Source: Regional Dynamics, Inc.

Exhibit 4: The Regional Dynamics Economic Analysis Model: *What the REDYN Model Does* – Source: Regional Dynamics, Inc.

Exhibit 5: Feature Comparison – Major Commercial Economic Models – Source: Regional Dynamics, Inc.

Exhibit 1:
The Business of Regional Dynamics, Inc.:
Economic Modeling Redefined – Source: Regional Dynamics, Inc.

The Business of Regional Dynamics, Inc.

Economic Modeling Redefined

Regional Dynamics is an economic modeling company. We offer the REDYN advanced economic model by web subscription or batch services to consultants, agencies, firms, planners, and analysts (users). REDYN runs on the Internet. Subscriptions include advice to apply and interpret the model. Our model estimates the multi-regional impacts and year-by-year (dynamic) nonlinear effects on industries, consumers, and governments from changes in company sales, jobs, wages, or investments; changes in taxes or personal or government spending; or public policy changes such as energy, environment, school, health, or security measures. The results are called simulation forecasts, or simulations.

Our model is a fundamental re-envisioning of economic theory applied to estimating multi-regional, dynamic effects. It reflects advances in New Economic Geography, especially gravity theory (regional attraction) and trade flow (regional imports/exports), based on a new distance impedance database from Oak Ridge National Laboratories that enables calculating trade flow by commodity by road, rail, water, air, and proxy transport. The breakthrough in design is the commodity production linkage between the trade flow process and an entity-based data structure for the economy. Entities include industries, workers, governments, investors, etc., and commodities are the goods they use and make.

The upshot—users can build and run multiple online custom models on the fly for solid project analysis. These features make REDYN more flexible, complete, and accessible than any other modeling process—in a nutshell: *No sticker shock; better solutions.*

Because our model runs on the Internet for all 3,100+ US counties, it meets the need for multi-regional tools usable by state, regional, Federal, and consulting organizations who share policy or forecasting interests or economic impact interests in the same geographic areas. The model's fresh, efficient design and its Internet accessibility make it ideal for supporting long-term collaborative efforts as well as for doing individual studies.

The model also is ideal for studying effects of sequential regional inputs, or generating a schedule of responses from a large set of alternative inputs, across a very large number of counties. Repetitive changes across many regions may be better handled as an offline batch job following an analytic script rather than as an Internet project. However, the batch approach has an engagement element as follows: After a user calls us, we accept and review the user's study information, set up and run the script, then produce and deliver agreed brief script reports in hard copy or electronic format from the simulation results. Alternatively, users can subscribe online to their simulation results so they can create their own simulation-based script reports at will for open-ended multiple studies.

We offer model subscriptions to consultants, but we're not in the consulting business. We're happy to initiate or partner with consultants if an agency, company, or other group issues a request for proposals (RFP) to do a study involving economic modeling and consulting. However, we'd prefer that the consultants do the modeling and produce the study defined in the RFP, and mention our name and modeling process in the study.

Exhibit 2:

How the Regional Dynamics Economic Model Works:

The REDYN Model in a Nutshell – Source: Regional Dynamics, Inc.

How the Regional Dynamics Economic Model Works

The REDYN Model in a Nutshell

REDYN is a dynamic, nonlinear, endogenous, Input-Output (I-O), computable general equilibrium (CGE) economic and demographic forecasting and analysis engine based on the North American Industrial Classification System (NAICS). REDYN's online model-building edge excels at providing a uniquely complete and consistent Internet tool to configure and access plans, policies, events, and risks fully and very rapidly.

The REDYN model reflects advances in New Economic Geography (NEG) for gravity theory and trade flow to estimate all local and multi-regional trade flow effects by commodity by distance by transport mode by direction in response to any output or demand changes. It does not lock each industry into a straight-line industry transport cost within one implied universal transport distance, mode, and direction between county pairs. In addition, its multi-regional scope always includes the whole regionalized US economy in every forecast and simulation.

REDYN's breakthrough design links three elements into one core activity: its continuous make-and-use commodity transformation production function, its NEG trade flows, and its entity-based data structure for the economy (social accounting matrix). All industries and entities including labor both use and make one or more commodities (goods and services). All commodities use appropriate transport modes, or communications mode if non-material.

The REDYN model moves all commodities including labor both within counties and between all county pairs and the automatic rest-of-US area by five transport modes (road, rail, water, air, and estimated). It uses I-O transport demand and Cobb-Douglas step-wise adjustments (equal proportion changes, i.e., constant elasticity of substitution) to assign commodities to modes, and a detailed Oak Ridge National Laboratory impedance database to account for accessibility (impedance) by mode, distance, and travel direction by commodity (accounting for net elevation difference effects) between all origin-destination pairs.

Users can control access (impedance) either at a mode level, or at a commodity-by-mode level. The Cobb-Douglas shift of commodities toward transport mode(s) with increased accessibility (reduced impedance values) induces changes in delivered prices for all affected commodities including labor. The industries or entities producing or using the affected commodities then adjust their output and thus their need for inputs.

The price-driven output and input adjustment process also applies if a user models a non-transport change or policy, such as an impact, demand, cost, tax, or price scenario. These changes affect local and remote supply and demand for one or more commodities, and thus their delivered prices after they pass through the transportation system. To varying degrees, the process then affects delivered prices, outputs, and inputs for all commodities through the continuous commodity transformation production function applied by every industry and entity wherever located. Expressed over time and distance, this ongoing cycle is the essence of modern CGE-NEG modeling and forecasting defined by REDYN.

Operationally, REDYN's multi-processor Internet server carries active regions for over 3,100 counties, 700 industries, 820 occupations, hundreds of commodities, and a 50-year forecast in a 2-terabyte database. It offers much more power, flexibility, and multi-user access, including consultant and institutional collaboration, than desktop systems offer.

The REDYN model framework takes the traditional economic concept of the circular flow diagram absolutely seriously, and discards the artificial primacy given to the idea of factor inputs to production. The framework views the economy as a comprehensive, continuous process in which industries and entities convert input commodities into output commodities. For example, producers or industries clearly do this, as is seen in the classic I-O table structure based on real-world business behavior.

Labor too can be viewed as an "industry" or entity. It converts consumer goods and services into a wage bill, which is a market commodity behaviorally identical to any other. Similarly, remittance cohorts, defined as the unemployed as well as all individuals such as retired persons and others who receive government payments through transfers, can be seen as entities that convert consumer goods and services into transfer payments.

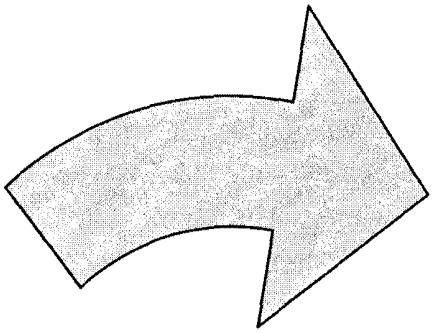
Likewise, governments convert purchases of commodities including industry goods and services and labor's wage bill into government goods and services that are "purchased" primarily through tax revenue. Finally, the model includes "investors" to produce financial capital, "speculators" to produce physical capital, and "land" to anchor each regional economy with its particular attributes so that the regions do not collapse together as would occur if all regions had the same basic labor, farm, water, mineral, and infrastructure resources when multiregional transport costs are considered.

The REDYN model can be visualized as regional entities using, making, and moving commodities in an organized circular process that captures supply (making goods and services), demand (using goods and services), and delivered price (costs for making and moving goods and services) to clear the supply and demand for all commodities in and across all regions.

The charts on the next five pages summarize the model's operation as follows…

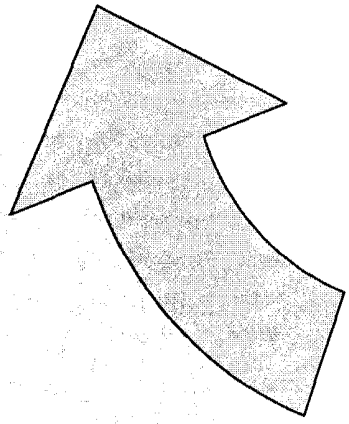
- Circular Flow Economic Entity Process
- Commodity Make Table by Entity
- Commodity Use Table by Entity
- Entity Production Function Form by Region
- Demographics and Migration
- Economic Model Schematic Summary
- Economic Model Production Function and Commodities by Entity
- Economic Model Prices and Trade Flow

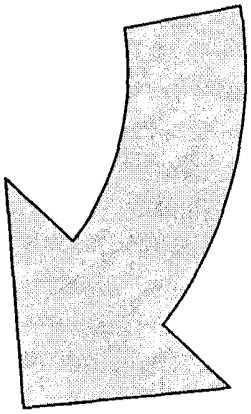
CIRCULAR FLOW ECONOMIC ENTITY PROCESS In & Between All Regions



USE Commodities:
Demand
(Delivered Price = ExWorks Price + Transport Cost)

MAKE Commodities:
Supply
(ExWorks Price, i.e., price at source of good or service)





MOVE Commodities:
Trade Flow
(Transport Cost by Commodity, Distance, Mode, and Direction for all Regional Pairs)
5 Modes: Road, Rail, Water, Air, Other

ENTITIES MAKE:	Producer Goods	Wage Bills	Transfr Pmts	Govt Goods	Fincl Cap (Div-Int-Rent)	Phys Cap (Resid, P&E)	Land
Producers	x						
Labor		x					
Remittance Cohorts			x				
Governments				x			
Financial Capital Providers (Investors)					x		
Physical Capital Makers (Speculators)						x	
Land							x

ENTITIES	Producers	Labor	Remits	Govts	Investors	Spec	Land
USE—							
Producer Goods&Svcs	x	x	x	x	x	x	
Labor (Wage Bill)	x			x		x	
Transfr Pmts/Taxes				x			
Govt Goods&Svcs	x	x	x	x	x	x	
Fincl Cap (Div-Int-Rent)						x	x
Phys Cap (Resid, P&E)	**P&E**	**Res**	**Res**	**P&E**	**Res**		
Land	x	x	x	x	x	x	

Entity PRODUCTION FUNCTION FORM by Region

Input Demanded					Output (Sales) Supplied			
Commodity	Qty	RPC	Dlvrd Price	Jobs	Commodity	Qty	ExWorks Price	Intl Pct
Land	x	**1.0**	x		Primary	x	x	x
Residential	x	x	x		2nd	x	x	x
Financial	x	x	x		3rd	x	x	x
Plant&Equip	x	x	x		4th	x	x	x
Wage Bill	x	x	x	x	Others/Misc	x	x	x
Goods&Svcs	x	x	x		Scrap	x	x	x

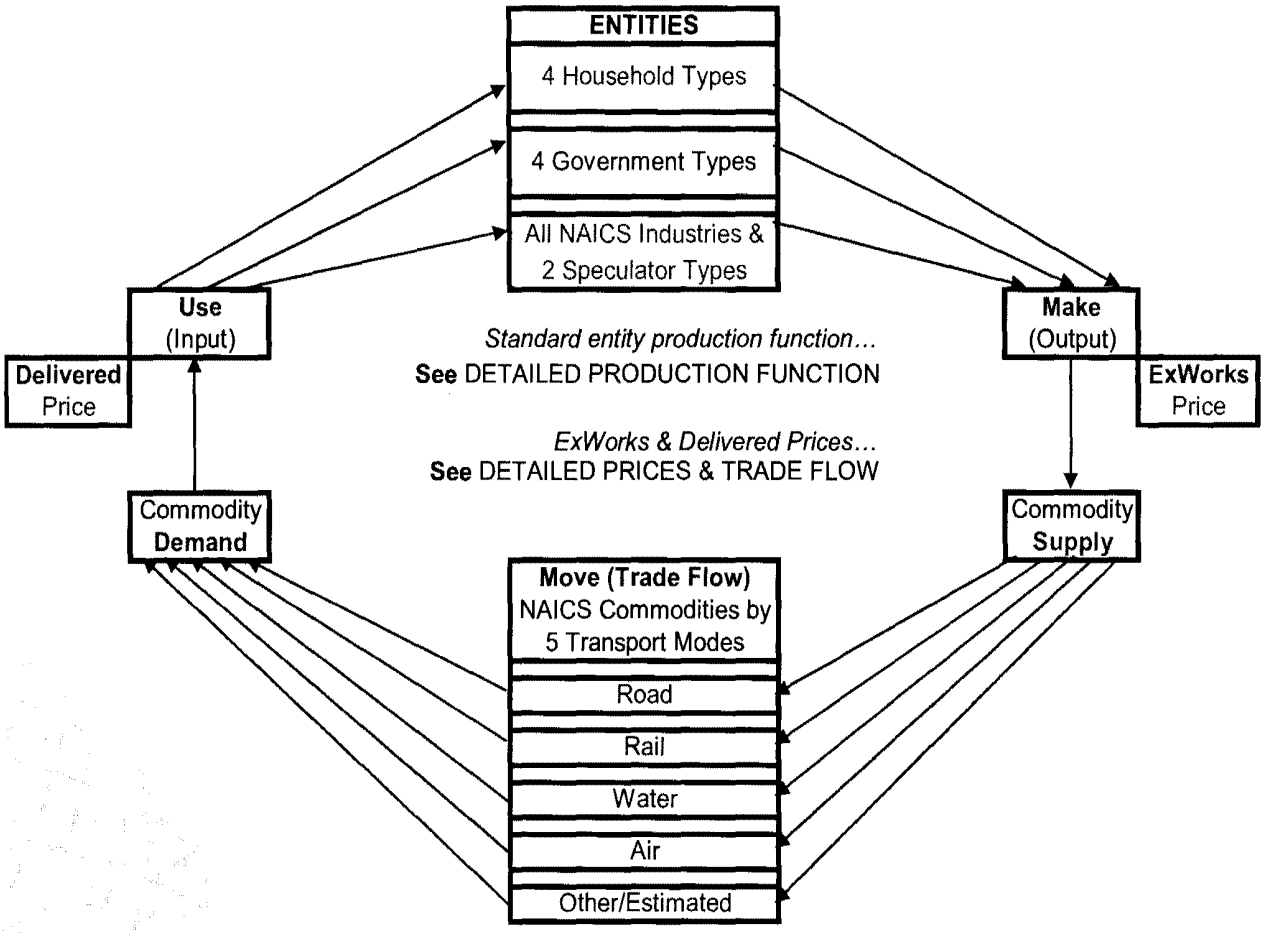
DEMOGRAPHICS: Cohort-survival estimation

- White, non-Hispanic
- Black, non-Hispanic
- Other, non-Hispanic
- Hispanic
- Male or Female
- Ages 0-1, 2-99 by year, 100+ years

MIGRATION: Induced by economic activity

- Intrinsic behavior of economic labor's wage bill commodity (historical relationships by region across wage bill, output, jobs, and people)
- Estimate wage bill and output changes, then scale to jobs and people (rational expectations notion)
- Subject to regional constants by cohort (controls for demographic composition)

REDYN Economic Model Schematic-SUMMARY
1/21/2006



REDYN Economic Model Schematic-DETAILED ENTITY PRODUCTION FUNCTION

1/21/2006

Standard Make & Use Production Function for All Entities

Entities ... Producers, Labor, Remittance Cohorts, Govts, Investors, Speculators

Standard Make & Use Production Function by Entity Group ...

Industries (By NAICS Code); **Speculators** (Capital Goods Makers: Residential, and Nonres Plant & Equip)

Use Commodites: Land, P&E (Indus only), Financial (Spec only), Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Producer Indus (Primary, Others, Misc, Scrap); Spec (Res, P&E) [ExWorks Prices]

Households (Workers; Unemployed & Retired; and Savers)

Use Commodites: Land, Res, Goods&Svcs [Dlvrd Prices]

Make Commodities: Wage Bill, Proprietors Income, Transf Pmts, Div-Int-Rent [ExWorks Prices]

Govts (Fed Mil & Nonmil, and State & Local Educ & Noneduc)

Use Commodites: Land, Transf Pmts/Fees&Taxes, P&E, Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Primary, Others, Misc, Scrap [ExWorks Prices]

Commodites

All NAICS Commodities ... Supplied & Demanded ...

Aggregated by Detailed NAICS Commodity Across All Entities by Region ...

Supplied Categories (Make By)

Land (Fixed by Region)
Residential (Speculators)
Div-Int-Rent (Households)
Plant & Equip (Speculators)
Wage Bill & Prop Income (HH)
Transf Pmt/Fee/Tax (HH/Indus/Spec)
Primary/Others/Misc/Scrap (Producers & Govts)

Demanded Categories (Use By)

Land (HH, Govts, Indus, Spec)
Residential Capital (HH)
Financial/D-I-R Capital (Spec)
Plant & Equip Capital (Govts, Indus)
Labor (Govts, Indus, Spec)
Transf Pmts/Fees&Taxes (Govts)
Goods&Svcs (HH, Govts, Indus, Spec)

REDYN Economic Model Schematic-DETAILED PRICES & TRADE FLOW

1/21/2006

Prices & Trade Flow ...

ExWorks **Price** by Commodity by Source (Supplying or Output) Region	+	**Transport Cost** by Commodity by Mode, by Distance, & by Direction Within & Between All Regions	=	**Delivered Price** by Commodity by Using (Demanding) Region

Details on Prices & Flows ...

Supplied at ExWorks Price specific in each output region based on delivered prices for the commods to each entity's production function in the region

→ **Transport each commodity** within & between all regions A, B, C, ... by demanded mode at a cost for mode, distance, & direction (elevation cost effect)

→ **Demanded at Delivered Price** from an output region to each specific demanding region (***Note***)

Note on Delivered Price

In any demanding region, the delivered price by commodity is the blend across the supplying output regions ranked by lowest delivered price to the demanding region until the total quantity demanded has been met for the demanding region.

Exhibit 3:

REDYN Model Data Sources and Baseline Estimation Process:

Where the REDYN Model Gets Data – Source: Regional Dynamics, Inc.

REDYN Model Data Sources and Baseline Estimation Process

Where the REDYN Model Gets Data

Regional Dynamics uses several sources to estimate county-level employment and output for its baseline database. The REDYN model applies the North American Industrial Classification System (NAICS) at the five-digit detail level (703 industries), and also uses NAICS to identify all the goods and services (over 180 commodities) consumed and produced by the detailed industries. NAICS is used by the US Government to classify and organize information about all the various industries making up the US economy, such as retail stores, automobile manufacturing, insurance firms, and so forth. NAICS reports five levels of detail. The two-digit level aggregates all activity into 24 broad economic industries, and the five-digit level identifies activity across 703 specific industries.

The primary data sources are the County Business Patterns (CBP) from the Bureau of the Census, and the Regional Economic Information System (REIS) from the Bureau of Economic Analysis (BEA). Wage Bill (payroll) data are derived from the same sources and with the same techniques as the employment data. The CBP reports the total annual payroll for each NAICS code up to the five-digit level of detail for the US as a whole and for every region, state, and county. However, total employment data and total payroll data are subject to data suppressions for privacy. Regional Dynamics developed a sophisticated row-and-column sum (RAS) analytic system to fill all data suppressions by using all information available in the CBP series and guaranteeing internal consistency with unsuppressed wage and employment data. All the furnished and estimated CBP wage bill and employment data are then totaled and scaled to match the wage bill and employment data reported in the BEA's REIS, which includes all county and state wage bill data at three-digit NAICS detail and employment data at two-digit NAICS detail.

The REIS directly provides wage bill and employment data for the government and agriculture sectors, and also disposable personal income data by county. The REIS county income data are used to allocate national consumption to counties from the BEA's National Income and Product Accounts (NIPA).

Annual Input-Output (IO) tables are constructed using BEA IO make-and-use tables, as well as biennial 10-year IO forecast tables from the Bureau of Labor Statistics (BLS). Make tables describe all the commodities made by each economic entity, and use tables describe all the commodities used by each economic entity. The very detailed BEA IO make-and-use tables are extended year-by-year to match the annual changes in make-and-use composition implied by the current 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

Each county's wage bill by industry is used to allocate each industry's national output to counties from the NIPA, and then the regional output by industry is allocated to commodities based on the national IO make table proportions. This assumes that the commodities produced by an industry are truly joint in the production process, as dictated by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry.

Exhibit 4:

The Regional Dynamics Economic Analysis Model:

What the REDYN Model Does – Source: Regional Dynamics, Inc.

The Regional Dynamics Economic Analysis Model

What the REDYN Model Does

Regional Dynamics offers REDYN, a fundamentally new, web-based, massively multi-regional, dynamic, nonlinear New Economic Geography analysis engine with a complete economic database and baseline forecast. After subscribing to the system, users input online changes by region and year: e.g., jobs, wages, output, income, intermediate demand, and final consumption, investment, and government demand. REDYN then estimates detailed, annual, gravity-based trade flows and impacts in all US counties and industries. The model is a live, online Internet service. It's also available to run batch mode jobs to process massively multi-regional tasks (3,100+ regions) for automated or scripted work.

The REDYN model applies a fresh I-O methodology based on very detailed make-and-use tables with social accounting matrix features for all entities, a comprehensive commodity production transformation function, and impedance-based commodity trade flows by five transport modes. Oak Ridge National Laboratories developed the impedance measures.

The model automatically includes an explicit extra region for all US counties outside any given simulation to identify the full US output and trade flow response. The model also automatically seeks the suppliers of suppliers to find the complete US supply chain response by region and industry in any simulation.

REDYN excels at offering a uniquely complete and consistent model-building edge that no other modeling process can replicate for configuring and assessing plans, events, and risks fully and rapidly across regions and years.

Here's how it works. At run time, users apply their subscribed resources as an online tool kit to build and run custom models at will. This design flexibility lets users quickly build models scaled correctly for any studies, event analysis, overlapping or alternative analytic perspectives, or backcast analysis.

The REDYN model estimates employment, output, wages, occupations, income, gross product, demand, self-supply, trade flow, etc. Within a user's subscription, the model generates year-by-year reports by county and year, for all subscribed counties, or for any aggregation into user-defined areas for each study. For easy regional comparison at no extra cost, each report focuses on one concept (jobs, output, wages, and so forth) arranged by region by year on a sheet in a spreadsheet book. Users then can apply full spreadsheet tools for sorting and charting. Online and phone support are included.

The model is available to all users across agency levels. Clients can offer access to other users through user-group web pages with discounts or rebates based on the size of the client's subscription. Clients subscribe to a regional area (one or more counties, states, or groups); to 703 industries (North American Industrial Classification System); and to an analytic type (I-O only, or equilibrium and I-O). The client sets the number and identity of its subscribing users; one user is free. Subsequently added users including consultants or staff can be managed by one or more additional users on an incremental fee basis.

Exhibit 5:

Feature Comparison – Major Commercial Economic Models

Source: Regional Dynamics, Inc.

RegionalDynamics
Synchronicity. Simplified.

Feature Comparison – Major Commercial Economic Models

Feature	REDYN	REMI	IMPLAN	RIMS	*Notes*
Access/Subscription	Internet/Yes	Desktop CD/No	Desktop CD/No	Desktop CD/No	1*
Process to Deliver Custom Study Models	Immediate at user run time, any time	Queue, batch, + mail or overnight	Batch + mail or overnight	Batch + mail or overnight	2*
# of Custom Area Study Models per User	Build any custom models as needed	One (1) model per client	Alternative single regions only	Alternative single regions only	3*
Fee for User-defined Custom Study Models	None within subscription	Non-trivial fees for more models	None, but 1 region only	None, but 1 region only	4*
Dynamic Forecast	Yes (50 years)	Yes (to 2050)	No	No	5
Nonlinear Forecast	Yes	Minimal	n/a	n/a	6
Active Multi-regions	3,100+	80+ maximum	None	None	7
Automatic MRUS	Yes	No	n/a	n/a	8*
Impedance Database	Yes	No	No	No	9*
# of Transportation Modes (Trade Flow)	5 (road/rail/air/ water/special)	None	None	None	10*
Last History Year Lag	Soon: 6-7 months	2+ years	2 years	90-180 days	11*
Industry Detail	NAICS 5 (703)	REMI 3 (169)	NAICS 2-5 (509)	NAICS (473)	12
Commodity Detail and Classification Type	NAICS /180+ non-agr commods	None	SIC /528 commods incl agr	None	13*
Std Occup Code Detail	820+ /SOC 6-digit	90+ /std; 820+ /fee	None	None	14
IO Tables	Make & Use	Industry only	Make & Use	Industry only	15
Integrated IO-SAM	Yes	No	Partial	No	16*
Wage Bill & Empl	CBP & REIS	CBP & REIS	CBP & REIS	REIS only	17
Suppression Fill for Wage Bill & Empl	NAICS 5-digit RAS process	NAICS 4-digit statistical process	Yes, but not exhaustive	n/a	18
Disposable Income incl Commuters	REIS direct & Res Adj/JTW/gravity	REIS directly & Res Adj/JTW	REIS directly & Res Adj/JTW	No data access	19*
County Consumption	REIS & NIPA	REIS & NIPA	REIS & NIPA	No data access	20*
County Output	Wages & NIPA	Wages & NIPA	Wages & NIPA	No data access	21*
County Output by Commodity	Output & detailed IO Make Table	None	Output & IO Make Table	None	22
Demographics/Migr	Yes/rational migr	Yes/adaptive migr	No	No	23*
Business Cycle	Yale—Fair-Parke	U. Mich.—RSQE	n/a	n/a	24
BEA IO Forecast	Yes	No	No	No	25*
Multi-regional Search for All Suppliers	Search process by region for full US	Search step only for client's regions	Search step only for one region	n/a	26*
Analytics	CGE and IO	CGE and IO	IO only	Multipliers only	27
Jobs+Wages+Output	Blended handling	Double count input	Double counts	Double counts	28
Backcasting	Plan 1998 in 2006	No	No	n/a	29*
Subcounty Regions	Plan for 2006	Yes (manual)	By ZIP Code	No	30
Production Function Includes All Supply, Demand, Trade Flow	Inclusive function for IO and CGE processing	Non-inclusive function needs post process equations	No endogenous gravity-based trade flow	n/a	31*
Displacement Effect	Allocated or Prop	Allocated only	No	No	32*
Induced Investment	Yes	Yes	No	n/a	33
Fiscal Effects	Yes (standalone)	Yes (integrated)	No	No	34
Display Data Results	Multi-regional	Region by region	One region	One region	35*
Consultant/Other User	Incremental fee	Non-trivial fees	Full price fee	No added fee	36*

***/ Line Notes for Features:**

1-4: REDYN subscribers subscribe to a pool of regions from which to build custom run time models at will.

8: The REDYN model automatically creates and reports on an active extra region for the rest-of-US outside the region(s) being modeled. This allows results for the selected region(s) to reflect endogenous trade flow, supply chain, and other demand effects stemming from the whole multi-region US (**MRUS**) model.

9, 10, 13: REDYN's New Economic Geography (NEG) engine applies a complete database of impedance measures by transport mode developed by Oak Ridge National Laboratories. Unlike straight-line measures, impedance can differ between regions with the mode and with the direction of travel, and trade flows can be estimated by commodity by mode. ORNL's database also enables REDYN's equilibrium model to estimate economic effects from transportation network models, and to estimate freight system effects on the economy due to commodity volume changes or transport mode capacity changes in county transportation networks.

11: The REDYN model uses available CBP and REIS county values to allocate current US wage bill and employment data to populate counties with apportioned detail numbers. Initial data from 2001; soon 2005.

16: The REDYN commodity make-and-use Input-Output tables use a Social Accounting Matrix to capture every economic entity type. Entities include producers (industries), employed labor (occupations), remittance cohorts (unemployed labor, retirees), governments, investors, and speculators. Commodities include producer commodities, labor occupations, transfer payments, government goods, financial capital, and physical capital.

19-21: The impedance database (note 9 above) enables REDYN to separate the process for populating the database from processes for estimating a gravity model's effective distance parameters. REDYN can use gravity analysis on commuter Journey-to-Work to estimate occupations and income levels by residence.

23: Intrinsic rational expectations induce migration from economic activity subject to cohort regional constants.

25: The REDYN model extends the very detailed BEA IO make-and-use tables year-by-year to match the annual changes in make-and-use composition implied by the 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

26: The REDYN model applies the detailed national IO use tables to estimate a complete US multi-regional supply response to indirect and induced demand, and to exogenous final demand, in a search cycle which looks for the suppliers of suppliers across all US industries by every US region until the process cuts off.

29: The REDYN model will use 2001-2002 county values to allocate 1998-2000 US NAICS data to counties.

31: The inclusive REDYN commodity transformation production function captures all production and NEG gravity relationships – there is no need for post-process adjustment equations. Detailed industries and other entities by region by year transform input commodities into output commodities using a robust, nonlinear, dynamic, parameterized, endogenous, iterative production function in a continuous process that fully includes intermediate and factor inputs, final demand, jobs and output, and endogenous gravity trade flows.

32: Displacement is sales crowding out; REDYN allows supply-source allocation or equal proportion crowding.

35: The REDYN report suite automatically includes a comparative regional display format as an embedded feature at no extra cost. Results are generated as sheets in a spreadsheet book with full sorting, charting, scaling, and pivot capabilities.

36: Subscribers can offer access to other users (e.g., mixed state/local agencies, partners, clients, etc.) through user-group web pages with discounts or rebates up to 50% based on the size of the master subscription—and subscribers and other users can add staff or consultants by one or more new users on an incremental fee basis.

EXHIBIT 12

OPERATING AGREEMENT

OF

GMIC SAMPLECO, LLC

THE INTERESTS REPRESENTED BY THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION AS PROVIDED IN THE SECURITIES ACT OF 1933, AS AMENDED, OR AS PROVIDED IN ANY STATE SECURITIES LAW. WITHOUT REGISTRATION, THE INTERESTS MAY NOT BE TRANSFERRED, EXCEPT UPON DELIVERY TO THE LIMITED LIABILITY COMPANY OF ADVANCE NOTICE OF THE INTENDED TRANSFER AND, IF REQUESTED BY THE MANAGER, AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER THAT NEITHER THE SECURITIES ACT OF 1933, AS AMENDED, NOR STATE SECURITIES LAWS REQUIRE REGISTRATION OF THE TRANSFER AND THAT THE TRANSFER SHALL NOT VIOLATE THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. IN ADDITION, THIS OPERATING AGREEMENT CONTAINS CERTAIN OTHER RESTRICTIONS ON THE TRANSFER OF SUCH INTERESTS.

TABLE OF CONTENTS

Article 1 Organizational Matters 1

Section 1.1 Formation 1
Section 1.2 Name 1
Section 1.3 Members' Names and Addresses 1
Section 1.4 Registered Agent and Office 1
Section 1.5 Principal Office 1
Section 1.6 Purpose 1
Section 1.7 Term 1
Section 1.8 Related Transactions 2
Section 1.9 Irrevocable Power of Attorney 2

Article 2 Capital Contributions 2

Section 2.1 Initial Required Contributions 2
Section 2.2 Subsequent Voluntary Contributions 2
Section 2.3 Capital Accounts and Revaluation 3
Section 2.4 Return of Contributions 3
Section 2.5 No Interest or Priority 4

Article 3 Allocations 4

Section 3.1 Allocations Of Income, Gain, And Profit 4
Section 3.2 Allocations of Loss and Deduction 4
Section 3.3 Curative Allocations 4
Section 3.4 Change of Interest 5

Article 4 Distributions To Members 5

Section 4.1 Before Dissolution 5
Section 4.2 After Dissolution 6
Section 4.3 Amounts Withheld 6
Section 4.4 Distributions to Pay Taxes 6

Article 5 Rights And Obligations Of Managers 7

Section 5.1 Management Vested in Managers and Not in Members 7
Section 5.2 Office-Holding Managers 7
Section 5.3 Management of Company Business 9
Section 5.4 Limitations on Rights and Powers 10
Section 5.5 No Liability 10
Section 5.6 Right to Rely on Manager 11
Section 5.7 Compensation and Reimbursement 11
Section 5.8 Indemnification 11

Article 6 Rights And Obligations Of Members 12

Section 6.1 Representations and Warranties of Members 12
Section 6.2 Management Responsibility 13
Section 6.3 Limited Liability 13
Section 6.4 Withdrawal 13

Section 6.5 Voting Rights 14
Section 6.6 Meetings of Members 15
Section 6.7 Consent of Members/Manager in Lieu of Meeting 16

Article 7 Accounting And Tax Matters 17

Section 7.1 Records 17
Section 7.2 Books and Records 17
Section 7.3 Organizational Expenses 18
Section 7.4 Fiscal Year 18
Section 7.5 Accounts and Investments 18
Section 7.6 Data Storage 18
Section 7.7 Tax Reports 19
Section 7.8 Additional Tax Reporting Requirements 19
Section 7.9 Tax Matters Partner 19
Section 7.10 Election of Basis Adjustment 20
Section 7.11 Tax Status 20

Article 8 Transferability Of Interests 20

Section 8.1 Restrictions 20
Section 8.2 Rights of Assignee 21
Section 8.3 Admission as Member 22
Section 8.4 Effective Date of Transfer 22
Section 8.5 Right of First Refusal 22
Section 8.6 Right of First Offer 24

Article 9 Dissolution, Liquidation And Winding Up 26

Section 9.1 In General 26
Section 9.2 Dissolution 26
Section 9.3 Liquidation and Termination 26

Article 10 Amendments 28

Section 10.1 By Members 28
Section 10.2 By Manager 28

Article 11 General Provisions 28

Section 11.1 Entire Agreement 28
Section 11.2 No Third Party Beneficiaries 29
Section 11.3 Title to Company Assets 29
Section 11.4 Remedies 29
Section 11.5 Arbitration 29
Section 11.6 No Waiver 30
Section 11.7 Notices 30
Section 11.8 Warranty of Authority 30
Section 11.9 Joint Preparation 31
Section 11.10 Binding Effect 31
Section 11.11 Invalidity of Provisions 31
Section 11.12 Construction 31
Section 11.13 Computation of Time 31
Section 11.14 Headings 31

Section 11.15 References 32
Section 11.16 Execution 32
Section 11.17 Confidentiality 32
Section 11.18 Further Assurances 32
Section 11.19 Governing Law 32

Article 12 Definitions 32

Section 12.1 Act 32
Section 12.2 Adjusted Capital Account Deficit 33
Section 12.3 Adjustment Date 33
Section 12.4 Affiliate 33
Section 12.5 Agreement 33
Section 12.6 Articles of Organization 33
Section 12.7 Assignee 33
Section 12.8 Bankruptcy 34
Section 12.9 Capital Account 34
Section 12.10 Capital Event 34
Section 12.11 Cash 34
Section 12.12 Cash Available for Distribution 34
Section 12.13 Cash From Operations 35
Section 12.14 Cash From Sales or Refinancings 35
Section 12.15 Code 35
Section 12.16 Company 35
Section 12.17 Company Assets 35
Section 12.18 Company Interest 35
Section 12.19 Company Minimum Gain 35
Section 12.20 Contribution 35
Section 12.21 Defaulting Member 36
Section 12.22 Descendants 36
Section 12.23 Effective Date 36
Section 12.24 Event of Withdrawal 36
Section 12.25 Expenses 37
Section 12.26 Majority–in–Interest 37
Section 12.27 Management Rights 38
Section 12.28 Manager 38
Section 12.29 Member 38
Section 12.30 Member Nonrecourse Debt Minimum Gain 38
Section 12.31 Nondefaulting Member 38
Section 12.32 Organization 38
Section 12.33 Permitted Assignee 38
Section 12.34 Permitted Voluntary Withdrawal 39
Section 12.35 Person 39
Section 12.36 Prime Rate 40
Section 12.37 Reserves 40
Section 12.38 Section 704(C) and Reverse Section 704(C) Allocations 40
Section 12.39 Securities Laws 40
Section 12.40 Super Majority 40
Section 12.41 Tax Matters Partner 41
Section 12.42 Tax Regulation Allocations 41
Section 12.43 Transfer 42

Section 12.44 Treasury Regulations 42
Section 12.45 Voluntary Withdrawal 42
Section 12.46 Voting Rights 42
Section 12.47 Voting Share 43

Schedule A Contributions A-1

OPERATING AGREEMENT

The Members enter into this Agreement as of the Effective Date. Capitalized terms used in this Agreement have the respective meanings ascribed to them in Article 12. The Members mutually agree as follows:

ARTICLE 1

ORGANIZATIONAL MATTERS

SECTION 1.1 FORMATION. The Company has been organized as a limited liability company under the Act, and the Members desire that the Company continue to qualify as a limited liability company. The Manager shall file or cause to be filed all necessary conforming documents and perform such other filing, recording, publishing and other acts as are appropriate to comply with all requirements for the operation of a limited liability company in Missouri and all other jurisdictions where the Company desires to conduct its business.

SECTION 1.2 NAME. The name of the Company is "GMIC Sampleco, LLC."

SECTION 1.3 MEMBERS' NAMES AND ADDRESSES. The Members' names and addresses are listed in Schedule A, as the same may be amended from time to time.

SECTION 1.4 REGISTERED AGENT AND OFFICE. The registered agent and the registered office for the Company shall be as reflected in the Articles of Organization.

SECTION 1.5 PRINCIPAL OFFICE. The Company's principal office will be at _____ or such other place designated by the Manager.

SECTION 1.6 PURPOSE. The Company is organized for the purpose of conducting or transacting any one or more lawful businesses or holding investments and/or engaging in investment activities, within the State of Missouri or any other jurisdiction for which a limited liability company may be organized under the Act.

SECTION 1.7 TERM. The existence of the Company began on the Effective Date and shall continue perpetually, unless earlier terminated as provided in Article 9.

SECTION 1.8 RELATED TRANSACTIONS. Any Member or Manager may engage in or possess an interest in any independent venture of any kind, and neither the Company, the Manager nor any Member shall have any right by virtue of this Agreement or section 347.088 of the Act in or to any such independent venture or to the income, profits or benefits derived therefrom. No Member shall have any obligation to present to the Company any investment opportunity which may come to such Member's attention, even if such opportunity is of such character as to be a suitable investment for the Company.

SECTION 1.9 IRREVOCABLE POWER OF ATTORNEY. Each Member irrevocably appoints the Manager (and the Manager's successor(s)) with full power of substitution, as its attorney–in–fact to execute on its behalf all documents appropriate to evidence or carry out any decision properly made pursuant to other provisions of this Agreement. This power of attorney includes the execution of the original Articles of Organization and any amendment to it, a counterpart of this Agreement and any amendment to it, a fictitious or assumed name certificate, every certificate and other instruments appropriate to qualify or continue the Company as a limited liability company in any jurisdiction where the Company may own property or be doing business and any instrument evidencing the dissolution of the Company. This power of attorney is a power coupled with an interest, is irrevocable, shall survive the death, incompetency, dissolution, termination or Bankruptcy of a Member and shall extend to the heirs, executors, administrators, legal representatives, successors and assigns of such Member. Any Person dealing with the Company may conclusively presume without further inquiry that any such instrument executed by such attorney–in–fact is authorized and binding.

ARTICLE 2

CAPITAL CONTRIBUTIONS

SECTION 2.1 INITIAL REQUIRED CONTRIBUTIONS. Each Member shall make an initial Contribution of money and/or other property as of the Effective Date in the amount and form listed by the Member's name in Schedule A. If a Member fails to make the Member's initial Contribution on a timely basis, that Member's Company Interest shall be adjusted to reflect such failure.

SECTION 2.2 SUBSEQUENT VOLUNTARY CONTRIBUTIONS. The Members have not agreed to make any additional Contributions. The Members may require additional Contributions to the Company with the approval of the Members as provided by Section 6.5. A Capital Call shall occur after the approval of

the Members as provided by Section 6.5. A "Capital Call" means the requirement that all the Members make additional Contributions in the aggregate amount the Members approving the Capital Call so determine. After the Capital Call is made, each Member must make an additional Contribution equal to the Member's Company Interest multiplied by the aggregate amount approved. If, after written notice, a Member fails to make the required additional Contribution, the Nondefaulting Members shall have the rights described in this Section and no others with respect to such failure. Each Nondefaulting Member may elect to advance to the Company an amount which bears the same ratio to the amount the Capital Call required the Defaulting Member to contribute as the Company Interest owned by such Nondefaulting Member bears to the total Company Interests owned by all Nondefaulting Members or in such other amounts as all Nondefaulting Members shall agree. Such advance shall be deemed a recourse loan from the Nondefaulting Member to the Defaulting Member and shall accrue interest at the rate equal to (a) the Prime Rate plus (b) three hundred basis points. Until every such loan of the Defaulting Member is repaid in full including interest ("Cure"), that Defaulting Member shall have no Management Rights or Voting Rights. After making any such loan, the Nondefaulting Members may elect to convert the same into Contributions by giving at least 30 days prior written notice to the Defaulting Member (during which period the Defaulting Member shall have the right to "Cure"). After such a conversion, the Contributions shall be deemed to have been made when advanced, no interest shall have accrued on such advance, the Company Interests shall be adjusted to reflect the disproportionate Contributions and the Defaulting Member shall regain such Member's Management Rights effective as of the date loans were converted into Contributions.

SECTION 2.3 CAPITAL ACCOUNTS AND REVALUATION. The Company shall establish and maintain a Capital Account for each Member. On each Adjustment Date, each Capital Account shall be increased or decreased as appropriate to reflect a revaluation of Company Assets. Before dissolution of the Company, the Manager (using its reasonable business judgment) shall determine the fair market value of Company Assets for purposes of the preceding sentence and for purposes of determining the amount of any in-kind distribution from the Company. After dissolution of the Company, the determinations described in the preceding sentence shall be made by the Manager (or liquidating trustee, if applicable).

SECTION 2.4 RETURN OF CONTRIBUTIONS. No Member shall be entitled to the return of any part of its Contribution or to receive a distribution from the Company, except as specifically provided in this

Agreement. No Member shall be liable to the Company or any other Member or Assignee for the return of any such other Member's Contribution.

SECTION 2.5 NO INTEREST OR PRIORITY. Except as specifically provided in this Agreement, no Member may either demand a distribution from the Company or demand the return of any Contribution or have priority over any other Member either as to the return of any Contribution or as to distributions.

ARTICLE 3

ALLOCATIONS

SECTION 3.1 ALLOCATIONS OF INCOME, GAIN, AND PROFIT. After giving effect to the Tax Regulation Allocations and subject to the Section 704(c) and Reverse Section 704(c) Allocations described in Section 12.38, the Company shall allocate Company net taxable income (and book income), including each item of Company income, gain and profit required to be separately stated as provided in Code section 702 or the corresponding Treasury Regulations, in proportion to the Members' respective Company Interests.

SECTION 3.2 ALLOCATIONS OF LOSS AND DEDUCTION. After giving effect to the Tax Regulation Allocations described in Section 12.42 and subject to the Section 704(c) and Reverse Section 704(c) Allocations described in Section 12.38, the Company shall allocate Company net taxable loss (and book loss), including each item of Company loss and deduction required to be separately stated as provided in Code section 702, in proportion to the Members' respective Company Interests. No such losses shall be allocated under the preceding sentence to a Member that would cause such Member to have an Adjusted Capital Account Deficit at the end of any fiscal year. Any such losses not allocated to a Member due to the foregoing limitation shall be specially allocated to the Members with positive Capital Account balances in proportion to their respective Capital Account balances until all such Capital Account balances have been reduced to zero, and any remainder shall be allocated to the Members in proportion to their respective Company Interests.

SECTION 3.3 CURATIVE ALLOCATIONS. The Tax Regulation Allocations are intended to comply with certain requirements of Treasury Regulations sections 1.704–1(b) and 1.704–2. The Tax Regulation Allocations may not be consistent with the manner in which the Members intend to divide Company

distributions. Accordingly, the Manager, to the extent not inconsistent with Code section 704(b) and the corresponding Treasury Regulations, is authorized to make allocations of Company income, gain, loss, deduction, credit and all other items among the Members so as to effect the economic objectives of the Members, and to offset any distortion of such objectives resulting from the Tax Regulation Allocations.

SECTION 3.4 CHANGE OF INTEREST. Upon the issuance, increase, decrease or Transfer (pursuant to the terms of this Agreement) of a Company Interest during any year, the Company will allocate items of income, gain, loss, deduction, credit and all other items allocable to such Company Interest in proportion to the number of calendar days in the year that the holder was recognized as the owner for federal income tax purposes of that Company Interest, without regard for the results of the Company operations during the portion of the year in which the holder was recognized as the owner of that Company Interest, and without regard for the date, amount or recipient of any distributions made with respect to that Company Interest. Allocations, however, are subject to the following:

(a) the transferor and transferee may agree to an allocation based on the results as of the record date of the Transfer and agree to reimburse the Company for the cost of making and reporting their agreed allocation;

(b) the Transfer of the Company Interest may cause a termination of the Company within the meaning of Code section 708 and thus require an allocation based on the results as of the date of the Transfer; or

(c) Code section 706 and the corresponding Treasury Regulations may require certain different allocations.

All distributions on or before the date of the Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee.

ARTICLE 4

DISTRIBUTIONS TO MEMBERS

SECTION 4.1 BEFORE DISSOLUTION.

(a) Cash Available for Distribution. Except as otherwise provided in Section 9.3, at such times as the Manager shall designate, the Company shall distribute Cash Available for Distribution to the Members in proportion to their respective Company Interests.

(b) Cash from Sales or Refinancings. Except as otherwise provided in Section 9.3, at such times as the Manager shall designate, the Company shall distribute Cash from Sales or Refinancings to the Members in proportion to their respective Company Interests.

SECTION 4.2 AFTER DISSOLUTION. Article 9 of this Agreement governs all distributions in liquidation of the Company.

SECTION 4.3 AMOUNTS WITHHELD. Amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any payment or distribution by the Company to any Member shall be treated as an amount distributed to such Member pursuant to this Article 4 for all purposes of this Agreement.

SECTION 4.4 DISTRIBUTIONS TO PAY TAXES. No later than a week before the due date of any estimated income tax payments, the Company shall distribute such Cash to each Member as the Manager deems sufficient to pay the Member's share of the estimated tax due on the Company's income. To determine the estimated tax due, the Company shall apply a tax rate which is the sum of the highest rate of tax that could apply to that type of income for federal income tax purposes combined with the highest rate of tax that could apply to that type of income for Missouri income tax purposes. The Manager may make this calculation using the Company's income through the end of the preceding month and annualizing as provided in Code section 6654(d)(2). Alternatively, the Manager may use the Company's income for the prior year, multiply it by the federal and state tax rate (determined above) for the prior year, and divide the product by four (4) for each quarter. In either event, no later than three (3) months after the end of the taxable year, the Manager shall calculate the distribution under this Section for the taxable year using the Company's income and the above tax rates for the taxable year and distribute the amount calculated, less any prior distributions (whether or not under this Section) with respect to the taxable year.

ARTICLE 5

RIGHTS AND OBLIGATIONS OF MANAGERS

SECTION 5.1 MANAGEMENT VESTED IN MANAGERS AND NOT IN MEMBERS. Management of the Company is vested in one or more Managers and not in the Members. _____ shall serve as the initial Manager. Except as provided below, a Manager shall hold office indefinitely. A Manager is not required to be a Member. A Manager may resign at any time. The resignation of a Manager, as Manager, is not an Event of Withdrawal and shall have no effect on the Manager's status as a Member. The Members may select a replacement Manager to fill a vacancy created by a resignation or otherwise by action of the Members as provided in Section 6.5. If the Company has more than one Manager, each reference to decisions or actions of the Manager shall require the agreement of a majority of the Managers then in office. Each Manager shall devote such time and attention to the Company as shall be appropriate to manage the affairs of the Company to its best advantage.

SECTION 5.2 OFFICE-HOLDING MANAGERS. The Company shall give certain Managers offices with specific duties. The offices shall have the duties described below and no others except as provided by this Agreement or by the Act.

(a) President. The President, initially _____, shall serve as the chief executive officer and shall supervise and control all of the business and affairs of the Company.

(b) Vice–President. In the absence of the President, or if the President dies, or becomes unable or unwilling to act, the Vice–President, initially _____, shall perform the duties of the President. The Vice–President shall exercise such powers only so long as the President remains absent or incapacitated or until the Manager elects a new President. The Vice–President shall perform such other duties as the President directs.

(c) Secretary. The Secretary, initially _____, shall (i) keep the minutes of the Company, (ii) give to the Members and Manager those notices required by this Agreement or by law, (iii) keep the Company's records and (iv) perform such other duties as the President directs.

(d) Treasurer. The Treasurer, initially _____, shall: (i) have charge and custody of and be responsible for all funds and securities of the Company; (ii) receive and give receipts for moneys due and payable to the Company from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositories as shall be selected as described by Section 7.5; (iii) keep up to date a proper set of books of account in English, showing all financial transactions of the Company and its exact financial condition; such books of account shall be the property of the Company and shall be at all times subject to the control or inspection of the President or any other Person entitled to control or inspection; and (iv) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Manager. If required by the Manager, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Manager shall determine.

(e) Committees. The Manager may designate two (2) or more Persons to constitute (i) an executive committee, which committee shall have and exercise all of the authority of the Manager in the management of the Company, or (ii) any other committee containing two (2) or more Persons with a majority of its membership being Members, which committee shall have the name, purpose, power and authority delegated to it by the Manager. A committee may not:

(1) Adopt a plan for the distribution of the assets of the Company, or for dissolution;

(2) Approve or recommend to the Manager any action the Act requires to be approved by a Super Majority, except that committees appointed by the Manager relating to the election, nomination, qualification, or credentials of Persons to act as committee members or officers may make recommendations to the Manager relating to electing such Persons;

(3) Fill vacancies of the Manager or on any of its committees;

(4) Elect, appoint or remove any officer or member of any committee, or fix the compensation of any member of a committee;

(5) Adopt, amend, or repeal this Agreement or the Articles of Organization;

(6) Adopt a plan of merger or adopt a plan of consolidation with another Company, or authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the Company; or

(7) Amend, alter, repeal or take action inconsistent with any action of the Manager when the action of the Manager provides by its terms that it shall not be amended, altered or repealed by action of a committee.

SECTION 5.3 MANAGEMENT OF COMPANY BUSINESS. Subject to the Voting Rights of the Members to the extent specifically required by Section 6.5, the Manager shall have the power, on behalf of the Company, to do all things appropriate to carry out the business and affairs of the Company, including the following:

(a) to Transfer or acquire property or the use of property;

(b) to enter into leases, contracts and guaranties;

(c) to borrow money, including from any Manager, Member or an Affiliate of either on such terms and conditions as the Manager may determine, and to issue notes, bonds and other obligations and to secure any of the same by mortgage or pledge of Company property or income;

(d) to lend money, to invest and reinvest the Company's funds and to receive and hold property as security for repayment;

(e) to open bank accounts and designate the number and identity of the individuals authorized to write checks and make withdrawals of funds;

(f) to hire employees and appoint agents of the Company;

(g) to designate a replacement registered agent or file a change of registered office;

(h) to pay, collect, compromise, arbitrate, prosecute or defend legal actions with respect to, or otherwise adjust, claims or demands of or against the Company;

(i) to indemnify any Person;

(j) to purchase liability and other insurance to protect the Company's property and business;

(k) to participate in one or more Organizations of any kind with any Person;

(l) to make donations to the public welfare or for religious, charitable, scientific, literary or educational purposes; and

(m) to execute, acknowledge and deliver any and all instruments appropriate to the foregoing and to apply Company Assets as necessary or appropriate to meet such Company obligations.

SECTION 5.4 LIMITATIONS ON RIGHTS AND POWERS. Without the prior written consent or ratification of the specific act by a Majority–in–Interest, the Manager shall have no authority to:

(a) do any act clearly in contravention of the express terms of this Agreement (subject to the required consent described in Section 10.1 rather than the consent required by this Section);

(b) do any act that is not authorized under this Agreement and that would hinder carrying on the ordinary business of the Company; or

(c) possess Company Assets for other than a Company purpose.

SECTION 5.5 NO LIABILITY. Unless specifically assumed in writing, no Manager, Member or officer shall have personal liability for any liability of the Company. The failure of the Company to observe any formality or requirement relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act shall not result in the imposition of personal liability on any Manager or Member. Neither the Company nor the Manager shall have any liability to any Member resulting either from any act or omission made within the scope of authority granted the Manager under this Agreement or from the disallowance or adjustment of any deduction or credit on any income tax return of the Company or the Members. The Manager shall discharge its duties in good faith, with the care a corporate officer of like position would exercise under similar circumstances, in a manner reasonably believed to be in the best interests of the Company.

SECTION 5.6 RIGHT TO RELY ON MANAGER. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by the Manager as to:

(a) the identity of any Manager or Member;

(b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Manager or which are in any other manner germane to the affairs of the Company;

(c) the Persons who are authorized to execute and deliver any instrument or document of the Company; or

(d) any act or failure to act by the Company or any other matter whatsoever involving the Company, the Manager or any Member.

Except as otherwise required by law, the signature of the Manager shall be sufficient to constitute execution of a document on behalf of the Company, a copy of this Agreement may be shown to the appropriate parties in order to confirm the same, and the signature of the Manager shall be sufficient to execute any document appropriate to effectuate this or any other provision of this Agreement.

SECTION 5.7 COMPENSATION AND REIMBURSEMENT. Except as otherwise provided in this Agreement, the Manager shall receive no compensation from the Company without the approval of the Members as provided in Section 6.5(c), provided that the Company shall reimburse the Manager for reasonable expenses incurred in managing and operating the Company. In no event shall such compensation or reimbursement be paid from Contributions of Members. Rather compensation or reimbursement to the Manager shall be paid solely from Cash from Operations.

SECTION 5.8 INDEMNIFICATION. The Company shall indemnify and hold harmless the Manager, Members and officers from and against any loss, expense, damage or injury suffered or sustained by any of them by reason of any act, error in judgment, omission or alleged act or omission related to the business of the Company to the fullest extent allowed by law. The Company's duty to indemnify shall include any judgment, award, settlement, reasonable legal fees and other costs and expenses related to the defense of any actual or threatened action, proceeding or claim, and including any payment(s) made by the Manager, Member or officer or by reason of any disallowance by any taxing authority of any

deduction taken on any Company tax return. However, the Company shall not indemnify any Person for conduct which is fraudulent, deliberately dishonest or constitutes willful misconduct.

ARTICLE 6

RIGHTS AND OBLIGATIONS OF MEMBERS

SECTION 6.1 REPRESENTATIONS AND WARRANTIES OF MEMBERS. Each Member represents and warrants to the Company and each other Member as follows:

(a) If the Member is an Organization, that it is duly organized, validly existing, and in good standing under the law of the jurisdiction of its organization and that it has full power to execute this Agreement and to perform its obligations under this Agreement.

(b) The Member has such knowledge of business and financial affairs as is necessary to enable the Member to understand the risks associated with the Company's business and an investment in the Company's securities and to understand the particular financial, legal and tax implications of the Company's business and ownership of a Company Interest, has had the opportunity to consult with the Member's own legal, tax and other advisors to determine whether the purchase of a Company Interest is consistent with the Member's objectives, and has had access to any and all information concerning the Company which the Member and the Member's legal, tax and other advisors have requested and consider necessary to make appropriate evaluation of this investment.

(c) The Member understands that the Company has not registered the Company Interests under the Securities Laws in reliance on exemptions from registration under various provisions of applicable statutes, rules and regulations. The Member understands that its Company Interest may not be resold unless registered or unless an exemption from registration is available. The Member represents that the Company Interest is being acquired for investment for the Member's own account with no present intention of reselling or otherwise disposing of the same and understands that the reliance of the Members and the Company upon such exemptions is predicated upon the lack of such intention. The Member further acknowledges that, in the opinion of the Securities and Exchange Commission, the statutory basis for one such exemption

would not be present, if, notwithstanding this representation, the Member contemplates its acquiring the Company Interest for resale upon the occurrence or non–occurrence of some event.

(d) The Member acknowledges that no trading market for Company Interests does or will exist at any time and that any Transfer of such Company Interest may result in adverse tax consequences.

(e) The Member acknowledges that other provisions of this Agreement restrict the Transfer of such Company Interest.

SECTION 6.2 MANAGEMENT RESPONSIBILITY. Management responsibility is vested in the Manager as provided in Article 5, subject to the Members' Voting Rights as provided by Section 6.5. The foregoing shall not negate those other provisions of this Agreement that authorize or require the approval of some or all of the Members.

SECTION 6.3 LIMITED LIABILITY. Except to the extent specifically provided otherwise in the Act or agreed to in writing between the individual Members and the Company, no Member shall be personally liable for any debts or losses of the Company in excess of the Contributions previously made by such Member to the Company. However, a Member holds as trustee for the Company money or other property wrongfully paid or conveyed to such Member.

SECTION 6.4 WITHDRAWAL. No Member shall have the right to withdraw from the Company except upon the terms specified in this Section.

(a) Voluntary Withdrawal. No Member shall voluntarily take any action which would constitute an Event of Withdrawal with respect to such Member (a "Voluntary Withdrawal"), provided that any Member may make a Voluntary Withdrawal from the Company (1) with the written consent of a Majority–in–Interest or (2) upon giving at least ninety (90) days' prior written notice of withdrawal to the other Members as provided in section 347.121 of the Act, (in either case, a "Permitted Voluntary Withdrawal"). Unless a Voluntary Withdrawal is a Permitted Voluntary Withdrawal, the Voluntary Withdrawal shall violate this Agreement, including, without limitation, for the purposes of the Company recovering damages from the withdrawn Member as provided in sections 347.103 and 347.121 of the Act. A withdrawn

Member who shall have made a Voluntary Withdrawal that is not a Permitted Voluntary Withdrawal shall have the rights of an Assignee.

(b) Distributions to Members Who Have Withdrawn. Upon any Event of Withdrawal, the withdrawn Member shall not be entitled to any special distribution, including a distribution of the fair value of the withdrawn Member's Company Interest; but instead such withdrawn Member or its Assignee, as the case may be, shall have only the right to the distributions of an Assignee as provided in Section 8.2, provided that any such distributions shall be reduced by any damages suffered by the Company or its Members as a result of the withdrawn Member's violation of this Agreement.

SECTION 6.5 VOTING RIGHTS. Each Member shall have Voting Rights.

(a) The following actions require the approval of a Majority–in–Interest:

(1) a Capital Event;

(2) if required by Section 9.3, the designation of the liquidating trustee in a dissolution and winding up of the Company; or

(3) the selection of a replacement Manager.

(b) The following actions require the approval of a Super Majority:

(1) the admission of a Member;

(2) any subsequent voluntary Contribution as provided in Section 2.2;

(3) the issuance of a Company Interest;

(4) the voluntary dissolution of the Company;

(5) a revaluation of Company Assets;

(6) a merger or consolidation of the Company with another Person;

(7) authorization for any transaction, agreement or action unrelated to the Company's purpose as set forth in the Articles of Organization, that otherwise contravenes this Agreement;

(8) a change in the status of the Company from one in which management is vested in one or more Managers to one in which management is vested in the Members, or vice versa;

(9) the making of an election for the Company to be classified, for income tax purposes, as an association taxable as a corporation; or

(10) any amendment to this Agreement.

(c) Unless otherwise required by this Agreement or by law, a Majority–in–Interest may approve any other matter submitted for the approval of the Members.

SECTION 6.6 MEETINGS OF MEMBERS. This Section is subject to Section 6.7.

(a) Place. The Company may hold meetings of the Members anywhere, either within or without Missouri, as the Members may determine.

(b) Date and Location. The Company shall hold its annual meeting on the _____ in _____, or if not a business day, on the next business day, at 1:00 p.m. at the Company's principal place of business or at such other place and time as the Manager may determine.

(c) Purpose of Annual Meetings. At the annual meeting the Members shall transact such business as may properly come before the annual meeting. If any Member so requests, any election shall be by written ballot.

(d) Special Meetings. Special meetings of the Members for any purpose(s) may be called by the Manager and shall be called by the Manager whenever a Majority–in–Interest so requests in writing. The request must state the purpose(s) for which the special meeting was called.

(e) Notices. Not less than five (5) nor more than thirty (30) days before any meeting of the Members, the Manager shall send written notice of the time and place thereof and, if a special meeting, the purpose(s) for which the meeting is to be held.

(f) Quorum and Voting. A Majority–in–Interest present in Person or by written proxy shall constitute a quorum. When a quorum is present, the approval of the Members present, in person or by proxy, in the numbers or percentages required by Section 6.5, shall decide any election or question brought before the meeting.

(g) Proxies. At any meeting of the Members, a Member may vote in person, or by proxy executed in writing by the Member or by the Member's duly authorized attorney–in–fact. Such proxy shall be filed with the Manager before or at the time of the meeting. Unless otherwise provided therein, a proxy shall not be valid more than three (3) months after the date of its execution.

(h) Waiver of Notice. A Member may waive prior written notice of a meeting by signing a written waiver or by attending the meeting (unless the Member attends the meeting for the sole purpose of objecting to the transaction of any business at the meeting).

(i) Participation by Means of Communication Equipment. Any Member may participate in any meeting of the Members by means of conference telephone or similar communications equipment that enables all Persons participating in the meeting to hear and speak to each other. Such participation shall constitute presence in person at such meeting.

SECTION 6.7 CONSENT OF MEMBERS/MANAGER IN LIEU OF MEETING. Unless otherwise provided in this Agreement, any action or vote which must be taken at a meeting of the Members or Manager, as the case may be, may be taken without a meeting if a consent in writing, setting forth the action or vote so taken, is signed by every Manager or Member, as the case may be, entitled to act or vote with respect to such matter as provided in section 347.083 of the Act. Such consent and action shall have the same force and effect as a unanimous vote of the Manager or Members, as the case may be, at a meeting duly called and held.

ARTICLE 7

ACCOUNTING AND TAX MATTERS

SECTION 7.1 RECORDS. The Manager shall cause the Company to keep proper and complete records in which it shall record all transactions relative to the Company's business in accordance with section 347.091 of the Act and in accordance with generally accepted accounting principles, consistently applied, or in accordance with such other accounting method as is customarily used by businesses similar to the Company. Except as provided in Section 2.3, dealing with the maintenance of Capital Accounts, the Company's records shall be maintained on the cash receipts and disbursements method of accounting for federal income tax purposes. All Company records shall be kept at the Company's principal office. Each Member and its representatives may during ordinary business hours make reasonable inspection and copies of such records at such Member's own expense.

SECTION 7.2 BOOKS AND RECORDS. As required by the Act, the Company shall keep at its principal place of business the following:

(a) a current list and the previous lists for the past 6 years, setting forth the full name and last known mailing address of each Member and of each Manager, if any, in alphabetical order;

(b) a copy of the Articles of Organization and of every amendment thereto, together with an executed copy of each power of attorney pursuant to which any of such documents have been executed;

(c) a copy of the Company's federal, state and local income tax returns and reports, if any, for each of the six (6) most recent years or, if such returns and reports were not prepared for any reason, copies of the information and records provided to, or which should have been provided to, the Members to enable them to prepare their federal, state and local tax returns for each such period;

(d) a copy of this Agreement, and every amendment thereto, and a copy of every written operating agreement no longer in effect;

(e) a copy of any financial statements of the Company for the six (6) most recent years;

(f) a copy of any written promise by a Member to make a Contribution to the Company;

(g) a copy of every written approval by the Members to the admission of any Person as a Member;

(h) a copy of every written approval by the Members to continue the Company upon an Event of Withdrawal;

(i) a copy of every other instrument or document reflecting matters required to be in writing pursuant to this Agreement; and

(j) every other record required by section 347.091 of the Act.

The Company shall keep at its principal place of business the items required by section 347.091 of the Act.

SECTION 7.3 ORGANIZATIONAL EXPENSES. The Company shall elect to amortize expenditures of organizing the Company that are described in Code section 709 if and to the extent not deductible immediately.

SECTION 7.4 FISCAL YEAR. The Company's fiscal and taxable year is the calendar year.

SECTION 7.5 ACCOUNTS AND INVESTMENTS. The Company shall deposit its funds in such bank accounts or invest in such interest–bearing investment(s) established and maintained in the name of the Company only, as designated by the Manager. Only the Manager or one or more authorized agents of the Manager may make a withdrawal from any account or investment. In no event shall Company funds be commingled with those of any other Person.

SECTION 7.6 DATA STORAGE. The Company may compile the data for any books, accounts or records required by this Agreement in any form (including in electronic media) from which a Person may retrieve such information into a readily usable form.

SECTION 7.7 TAX REPORTS. The Manager shall cause the Company to submit to the official or agency administering the tax laws of every applicable jurisdiction any information, return, report or other document required or requested to be filed, as and when due. The Manager shall cause the Company to pay all taxes, interest and additions to tax or penalties due from the Company to any such jurisdiction. The Company shall bear the cost of preparing such information, report or other document. Within seventy-five (75) days after the close of each taxable year of the Company, the Manager shall prepare and deliver to each Member a report containing all Company information necessary to prepare the Member's federal and state income tax returns. Except for the elections described in Sections 7.3, 7.9, 7.10, 7.11 and 12.41, the Manager shall make every tax election and determination, on behalf of the Company, as the Manager deems appropriate.

SECTION 7.8 ADDITIONAL TAX REPORTING REQUIREMENTS. Within seventy–five (75) days after each taxable year of the Company ends, the Company also shall make available to each Member copies of all the Company's federal, state and local tax returns and filings for such taxable year.

SECTION 7.9 TAX MATTERS PARTNER. The Tax Matters Partner shall be a Member described in this Section. The Manager shall designate the Tax Matters Partner. The Tax Matters Partner (a) shall represent the Company and its Members before federal, state and local taxing authorities, and before courts of competent jurisdiction, in tax matters affecting the Company, the Members in their capacity as Members or both, and (b) may execute agreements or other documents relating to or affecting such tax matters including (i) agreements or consents to extend the period of limitations on assessment of deficiencies with respect to "partnership items" or "affected items," as such terms are defined in Code section 6231, and (ii) other agreements or documents that bind the Members with respect to such tax matters or otherwise affect the rights of the Company, the Members or both. The Members shall cooperate and do or refrain from doing anything reasonably requested by the Tax Matters Partner to conduct such proceedings. The Tax Matters Partner may retain accountants, attorneys and other professionals to assist in such matters. The Company shall pay for or reimburse the Tax Matters Partner for all expenses incurred in performing the duties described in this Section. Such payments shall be made only from Cash from Operations. The designation of a Tax Matters Partner shall not, in and of itself, be deemed to be an election as provided in Code section 6231(a)(1)(B)(ii) to have the "small partnership" exception as provided in Code section 6231(a)(1)(B)(i) not apply to the Company.

SECTION 7.10 ELECTION OF BASIS ADJUSTMENT. Any Member may request the Company to elect that the basis of the Company Assets be adjusted for federal income tax purposes as provided by Code sections 734, 743 and 754 if such Member agrees to pay all expenses incurred in connection with such election. Upon any such request, the Manager in its absolute discretion shall determine whether to make any such election. The Manager may secure the Member's performance of this payment obligation in any commercially reasonable way or in lieu of an ongoing payment obligation may accept an initial lump sum payment from the Member in an amount reasonably equivalent to the present value of the Member's ongoing obligation.

SECTION 7.11 TAX STATUS. Unless the Members approve an election by the Company to be classified for income tax purposes as an association taxable as a corporation in accordance with Section 6.5, the Company shall not be taxable as a corporation for income tax purposes. The Members intend this Agreement to be construed as appropriate to classify the Company as not a corporation for tax purposes (i.e., as a partnership or as a disregarded entity, as appropriate). The Members do not intend to form a partnership under the Uniform Partnership Law or the Missouri Revised Uniform Limited Partnership Act, or any similar partnership or limited partnership law of any other jurisdiction. The filing of partnership tax returns with any jurisdiction shall not be construed to expand the non–tax obligations or liabilities of the Company or its Members.

ARTICLE 8

TRANSFERABILITY OF INTERESTS

SECTION 8.1 RESTRICTIONS. The effect of any Transfer or attempted Transfer of a Company Interest, whether by a Member or an Assignee, shall be governed by this Article. Except as provided in Section 8.3, each recipient of a Transfer shall be an Assignee with respect to the Transferred Company Interest. An attempted Transfer in violation of this Article shall be void.

(a) Permitted Assignees Only. Except as permitted by Sections 8.1(b),8.5, 8.6, 8.7, and 8.8, no Transfer may be made in whole or in part of any Company Interest except to a Permitted Assignee. No Transfer in whole or in part of any Company Interest may be made to an Assignee until the Manager receives the proposed Assignee's written agreement to be bound by

all of the terms of this Agreement as an Assignee and such other information and agreements that the Manager reasonably may require.

(b) Pledge. Except for a pledge to a Permitted Assignee, no person shall pledge, hypothecate or otherwise encumber its Company Interest without the prior written consent of the Manager, which the Manager may withhold in its sole discretion.

(c) Sale. A Transfer to which Section 8.5 applies may be made only as provided in Section 8.5. In addition, no Transfer that constitutes a sale or exchange for federal income tax purposes may be made in whole or part of any Company Interest until the Manager receives an opinion of counsel to the Company that any such Transfer, alone or when combined with other transactions, would not result in a termination of the Company within the meaning of Code section 708 (or, if so, that no material adverse tax consequences would result to the Company or the Members by reason of such termination), the Company's losing its status as a partnership for income tax purposes or the taxation of the Company as a publicly–traded partnership for income tax purposes unless the Manager waives this requirement in writing.

SECTION 8.2 RIGHTS OF ASSIGNEE. Except as provided in Section 8.3, an Assignee, whether or not already a Member with respect to another Company Interest owned by it, shall not become a Member of the Company with respect to the Transferred Company Interest. The Assignee shall not have, with respect to the Transferred Company Interest, any Voting Rights, including any right or power during the continuance of the Company to vote on any matter, to inspect the books and records of the Company or to interfere in the management of Company business, unless and until the Assignee becomes a Member pursuant to this Article (and then only as provided in this Agreement), and until such time the Voting Rights associated with an assigned Company Interest shall be governed by section 347.115 of the Act. The Assignee shall have, with respect to the Transferred Company Interest, all of the obligations and duties of a Member as set forth by this Agreement, and all the rights to distributions of a Member as set forth by this Agreement, including the right to receive in accordance with this Agreement a Capital Account with the rights (other than Voting Rights) and limitations provided in Article 2, the allocations described in Article 3, any distributions described in Article 4, and any distributions upon liquidation pursuant to Article 9 to which its assignor would have been entitled in the absence of the Transfer.

Except as provided in this Section, an Assignee shall not have any rights of a Member or receive any benefits conferred upon a Member by this Agreement.

SECTION 8.3 ADMISSION AS MEMBER. An Assignee of the Company Interest of a Member shall be admitted as a Member automatically if:

(a) the Manager receives the Assignee's written agreement to be bound by all of the terms of this Agreement as a Member and such other information regarding the Assignee that the Manager may reasonably require; and

(b) the Assignee is:

(1) a Permitted Assignee, or

(2) admitted with the approval of a Super Majority in accordance with Section 6.5(b)(1). The approval required by this paragraph may be unreasonably withheld, granted, conditioned or delayed in the sole discretion of each Member from whom such approval is sought.

SECTION 8.4 EFFECTIVE DATE OF TRANSFER. To the extent that this Agreement provides for automatic admission (subject to Section 8.3) of an Assignee as a Member, the admission of such Assignee as a Member is effective on the date stated in the instrument making the Transfer as long as within a reasonable time thereafter the Manager receives a copy of such instrument and any and all other agreements and information required pursuant to Sections 8.1(a) and 8.3. The admission of any other Assignee as a Member is effective on the earliest date when all of the requirements of Section 8.3 are met.

SECTION 8.5 RIGHT OF FIRST REFUSAL. Subsection (a) provides notice procedures, and subsections (b) and (c) are subject to subsection (d).

(a) Transfer Notice. Any Member or Assignee desiring to Transfer any Company Interest (or partial Company Interest) shall first comply with this Section with respect to any Transfer other than a Transfer to a Permitted Assignee. The Member or Assignee proposing such Transfer shall give written notice to the Company and each other Member (each a "Continuing Member") of its intention to effect such Transfer (the "Transfer Notice"), which notice shall (1) identify the proposed transferee, (2) contain a complete description of all material terms of the

proposed Transfer to the proposed transferee, and (3) be signed by the proposed transferee and indicate the proposed transferee's concurrence with the description of the terms of the proposed Transfer.

(b) Company's Purchase Option. Within thirty (30) days after delivery of the Transfer Notice to the Company, the Company may exercise an option hereby granted to purchase all or any portion of the Company Interest proposed to be Transferred (collectively, the "Subject Company Interest") for the price and upon the other terms contained in the Transfer Notice.

(c) Continuing Members' Purchase Options. Within forty–five (45) days after delivery of the Transfer Notice to each of the Continuing Members, the Continuing Members may exercise an option hereby granted to the Continuing Members to purchase all of the Subject Company Interest not purchased by the Company for the price and upon the other terms contained in the Transfer Notice. Each such Continuing Member's option shall be to purchase the portion of the Subject Company Interest available for purchase which bears the same proportion to the entire Subject Company Interest available for purchase as the Company Interest owned by each Continuing Member at the time of delivery of the Transfer Notice bears to the total Company Interests then owned by all Continuing Members at the time of delivery of the Transfer Notice, provided that (1) the Continuing Members may by unanimous agreement among themselves vary the proportions in which some or all of their number may exercise the options granted in this Section, and (2) a Continuing Member may freely assign its purchase option in whole or in part to any other Continuing Member. If the Continuing Members as a group do not elect to purchase all of the Subject Company Interest available for purchase pursuant to this Section, each such Continuing Member who exercised an option to purchase a portion of the Subject Company Interest may, within ten (10) days after the expiration of the 45–day purchase option, exercise an option to purchase a portion of the remaining Subject Company Interest as to which the primary option to purchase had not been exercised. In the case of a single Continuing Member, its option shall be to purchase up to all of the remaining Subject Company Interest. In the case of two or more Continuing Members, each such Continuing Member's option shall be to purchase the portion of the remaining Subject Company Interest which bears the same proportion

to the remaining Subject Company Interest as the Company Interest owned by such Continuing Member at the time of delivery of the Transfer Notice bears to the total Company Interests owned by all Continuing Members exercising this secondary option at the time of delivery of the Transfer Notice. This secondary option procedure shall be repeated until all of the remaining Subject Company Interest has been purchased or until no Continuing Member desires to purchase any remaining Subject Company Interest.

(d) Failure to Exercise. If the purchase options granted in Sections 8.5(b) and (c) to the Company and the Continuing Members are not validly exercised with respect to all of the Subject Company Interest, then the Member or Assignee who gave the Transfer Notice may Transfer all, but not less than all, of the Subject Company Interest within thirty (30) days after the expiration of the option period(s) granted to the Company and the Continuing Members above, provided the Transfer is made to the Person named in the Transfer Notice and is effected upon the terms therein stated and otherwise complies with Section 8.1. The transferee will become an Assignee after the purchase and not a Member unless the Company admits the purchaser as a Member in accordance with Section 8.3. If the Subject Company Interest is not sold pursuant to the Transfer Notice during such 30–day period, the Subject Company Interest may not be sold without again complying with this Section.

SECTION 8.6 RIGHT OF FIRST OFFER

(a) General. Each Member (each a "Rights Holder") shall have the right of first offer to purchase such Rights Holder's Pro Rata Share (as defined below), of all (or any part) of any New Securities (as defined below) that the Company may from time to time issue after the Effective Date, with the vote provided in Section 6.5(b)(3). Each Rights Holder shall have a right of over–allotment such that if any Rights Holder fails to exercise its right hereunder to purchase its entire Pro Rata Share of New Securities, each other Rights Holder may purchase the non–purchasing Rights Holder's portion on a pro rata basis (calculated as set forth below) to the extent such Rights Holder has elected to purchase New Securities in excess of its Pro Rata Share. This right of first offer shall be subject to the provisions of this Section. A Rights Holder's "Pro Rata Share" for purposes of this Section only is the Percentage Interest (as defined below) represented

by the Company Interest held by each Rights Holder. "New Securities" means any Company Interest in the Company, whether now authorized or not, and rights, options or warrants to purchase such Company Interest, and securities of any type whatsoever that are, or may become, convertible or exchangeable into such Company Interest. "Percentage Interest" means, with respect to a Member, the Company Interest listed for the Member in Schedule A, as amended from time to time.

(b) Procedures. If the Company proposes to undertake an issuance of New Securities, it shall give to each Rights Holder written notice of its intention to issue New Securities (the "Notice"), describing the type of New Securities and the price and the general terms upon which the Company proposes to issue such New Securities. Each Rights Holder shall have ten (10) days from the date of mailing of any such Notice to agree in writing to purchase such Rights Holder's Pro Rata Share of such New Securities for the price and upon the general terms specified in the Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Rights Holder's Pro Rata Share). If any Rights Holder fails to so agree in writing within such 10–day period to purchase such Rights Holder's full Pro Rata Share of an offering of New Securities, then such Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such New Securities that such Rights Holder did not so agree to purchase.

(c) Failure to Exercise. Within five (5) days after the expiration of such 10–day period, the Company shall notify in writing each Rights Holder who exercised its right to purchase its Pro Rata Share of the New Securities, of any New Securities which remain available for purchase by such Rights Holder pursuant to its right of over–allotment due to the failure of any other Rights Holder to exercise its right to purchase its Pro Rata Share of New Securities pursuant to subsection (b) (the "Secondary Notice"). Each such Rights Holder shall have ten (10) days from the date of mailing of any such Secondary Notice to agree in writing to purchase such Rights Holder's Pro Rata Share of such remaining New Securities, provided, however that (1) for this purpose, "Pro Rata Share" shall mean the ratio of (A) the Percentage Interest represented by the Company Interest held by such Rights Holder to (B) the aggregate Percentage Interest represented by the aggregate Company Interests held by all Rights Holders eligible to receive the

Secondary Notice, and (2) each such Rights Holder may assign, in whole or in part, this right of over–allotment to any other Rights Holder eligible to receive the Secondary Notice. To the extent that the Rights Holders fail to exercise in full the right of first offer within such second 10–day period, then the Company shall have sixty (60) days after the expiration of such second 10–day period to sell the New Securities with respect to which the Rights Holders' rights of first offer hereunder were not exercised, at a price and upon general terms not materially more favorable to the purchasers thereof than those specified in the Company's Notice to the Rights Holders. In the event that the Company has not issued and sold the New Securities within such 60–day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Rights Holders pursuant to this Section.

ARTICLE 9

DISSOLUTION, LIQUIDATION AND WINDING UP

SECTION 9.1 IN GENERAL. The Company shall be dissolved as set forth in Section 9.2. Upon dissolution, the Company shall be liquidated as set forth in Section 9.3.

SECTION 9.2 DISSOLUTION. The Company shall be dissolved only upon the occurrence of any of the following:

(a) the written consent of a Super Majority;

(b) an Event of Withdrawal of the sole remaining Member;

(c) the entry of a decree of dissolution under section 347.143 of the Act; or

(d) when the Company is not the surviving entity in a merger or consolidation.

The events set forth in section 347.137.1(3) of the Act shall not cause the dissolution of the Company. Dissolution shall take effect on the date of the event giving rise to the dissolution, but the Company shall not terminate until its assets have been distributed pursuant to Section 9.3.

SECTION 9.3 LIQUIDATION AND TERMINATION. In a dissolution and winding up of the Company, the Manager (or if no Manager, a liquidating trustee approved by the Members as provided by Section 6.5), shall proceed diligently to wind up the affairs of the Company and distribute its assets pursuant to

this Section. During the interim, the Manager shall continue to exercise the rights of and operate the Company consistently with the liquidation thereof, exercising all the power and authority vested by the Act. As expeditiously as possible after the dissolution of the Company:

(a) The Manager shall make or cause to be made a complete accounting of the assets, liabilities and operations of the Company as of the last day of the month in which the dissolution occurs.

(b) The Manager shall use Company Assets to pay all liabilities of the Company (including loans from Members but excluding Contributions and Capital Accounts) and establish a Reserve, if the Manager deems a Reserve necessary, for payment of future or contingent Company obligations.

(c) The Company shall allocate its estimated net loss for the year and any loss realized by the Company on liquidation, including any book adjustment loss under Section 9.3(e), in accordance with Article 3 and its estimated net gain for the year and any gain realized upon liquidation, including any book adjustment gain under Section 9.3(e), in accordance with Article 3.

(d) The Manager shall distribute the balance of the proceeds of the liquidation after allocating gain or loss under Section 9.3(e) among the Members who or which have positive balances in their Capital Accounts in proportion to and to the extent of their positive Capital Account balances. Distributions of Company Assets may be made in Cash or in kind, in the sole and absolute discretion of the Manager, but, if in kind, they shall be deemed distributed at their fair market values on the date of distribution (for federal income tax purposes).

(e) If any Company property is distributed to the Members in kind, for purposes of reflecting the allocation of gain or loss from liquidation in the Members' Capital Accounts, the Company shall make a book adjustment with respect to the property distributed in kind as provided in the Treasury Regulations under Code section 704(b).

(f) All salable Company Assets may be sold in connection with any liquidation at public or private sale, at such price and upon such terms as the Manager deems advisable. Any

Member or Manager, and any Person related to any Member or Manager, may purchase assets at such sale.

ARTICLE 10

AMENDMENTS

SECTION 10.1 BY MEMBERS. The Members may amend this Agreement in whole or in part only by a written agreement specifically referring to this Agreement, which agreement shall be delivered to the Manager, with the consent of the Members as provided in Section 6.5.

SECTION 10.2 BY MANAGER. This Agreement may be amended from time to time by the Manager without the consent of any of the Members: (a) to reflect changes in Company Interests as a result of a voluntary Contribution made pursuant to Section 2.2, a mandatory Contribution, if required, made pursuant to Sections 2.1 or 2.2, as a result of a failure to make such Contribution or the Transfer of Company Interests in accordance with this Agreement; (b) to add to the representations, duties or obligations of the Manager or surrender any right or power granted to the Manager in this Agreement, for the benefit of the Members; (c) to cure any ambiguity, to correct or supplement any provision of this Agreement that may be inconsistent with any other provision of this Agreement, or to make any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement; and (d) to modify the provisions of Article 3 or any other provisions of this Agreement if, in the opinion of counsel to the Company and the Manager, it is appropriate to make such modification to: (i) cause the allocations contained in Article 3 to have substantial economic effect in accordance with the final Treasury Regulations relating to Code section 704, as most recently amended or (ii) cause the provisions of this Agreement to comply with any applicable legislation or regulatory action effective after the date of this Agreement.

ARTICLE 11

GENERAL PROVISIONS

SECTION 11.1 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding between the Members with respect to the Company, and all prior or contemporaneous agreements, understandings,

representations and statements, oral or written, are merged into this Agreement. Schedule A attached to this Agreement is incorporated into this Agreement for all purposes.

SECTION 11.2 NO THIRD PARTY BENEFICIARIES. The provisions of this Agreement, including Article 2 and Section 9.3, are not intended for the benefit of any creditor of the Company or any creditor of a Member, and no such creditor shall obtain any right under any of such provisions.

SECTION 11.3 TITLE TO COMPANY ASSETS. All Company Assets are owned by the Company as an entity, and no Member individually has any ownership interest in Company Assets. Throughout the duration of the Company, each Member irrevocably waives any and all rights that such Member might have to maintain any action for partition of any Company Asset, either as a partition in kind or a partition by sale.

SECTION 11.4 REMEDIES. The Members' remedies for a breach or threatened breach of this Agreement are cumulative, and the use of any one remedy by any party shall not preclude the right to use any or all other remedies. Such remedies include those given by any law, statute or otherwise and those granted in this Agreement, including the equitable remedies described in the next sentence. Each Member confirms that damages at law or pursuant to arbitration shall be an inadequate remedy for a breach or threatened breach of this Agreement and agrees that, in the event of a breach or threatened breach of any provision of this Agreement, the Members' respective rights and obligations shall be enforceable by specific performance, injunction or other equitable remedy. The prevailing party in any litigation pertaining to this Agreement shall also be entitled to recover its costs and expenses, including reasonable attorneys' fees.

SECTION 11.5 ARBITRATION. If a dispute arises out of this Agreement, and if the disputants cannot settle this dispute through negotiation, the disputants shall try in good faith to settle the dispute through mediation administered by the Commercial Mediation Rules of the American Arbitration Association. If the parties fail to resolve the dispute within twenty–one (21) days after starting mediation, then upon notice by any disputant to the others, the disputants shall settle the dispute by binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The county and state of the Company's principal place of business shall serve as the place of the arbitration. An arbitrator may not consolidate arbitration proceedings under this Agreement with other

pending arbitration proceedings without the prior written consent of all disputants. The arbitration panel should consist of three (3) arbitrators, each of whom has at least five (5) years of experience in the relevant area. Subject to the control of the arbitrators or as the disputants may otherwise mutually agree, the disputants shall have the right to conduct reasonable discovery for a period of forty–five (45) days after the filing of an answer or other responsive pleading. The arbitrators may not award punitive damages and may not make any ruling, finding or award inconsistent with this Agreement. Any disputant may enter a judgment upon the award rendered by the arbitrators in any court having jurisdiction over the dispute. Neither a party nor an arbitrator may disclose the existence, content or results of any arbitration proceeding. If one of the disputants is the prevailing party, the non-prevailing disputant shall reimburse all of the prevailing disputant's legal and arbitration fees and expenses. In every other case, a disputant shall, to the extent determined by the arbitrators, reimburse another disputant's legal and arbitration fees and expenses. The award of the arbitrators shall include a reasoned opinion. This Agreement involves interstate commerce and is therefore enforceable as provided in the Federal Arbitration Act, 9 U.S.C. § 1 et seq.

SECTION 11.6 NO WAIVER. The failure or delay of any party to this Agreement in requiring strict performance by any other party of any term of this Agreement shall not constitute a waiver of the term or of the right to require strict performance of the term or any other term.

SECTION 11.7 NOTICES. A party may only effect a notice, approval or other communication required or permitted under this Agreement by giving such notice in writing, postage or charges prepaid, and addressed to the address following the Person's name on Schedule A, and delivering it in person, by certified mail (return receipt requested) or by overnight express delivery service. Delivery by messenger or courier shall constitute personal delivery. A Member may change the Member's address for the purpose of this Section by notice to the Company at its principal office in the manner provided in this Section. A notice shall become effective two (2) days after it is deposited in the mail, one (1) day after it is consigned to an overnight delivery service or upon receipt of personal delivery.

SECTION 11.8 WARRANTY OF AUTHORITY. Each Person executing this Agreement on behalf of any Member who is any type of corporation, partnership, limited liability company, trust or estate warrants that such Person is authorized by such entity to execute this Agreement, and that all necessary procedures

and approvals of this Agreement have been complied with and obtained so that it is fully binding on the entity for which such Person is signing.

SECTION 11.9 JOINT PREPARATION. This Agreement is to be deemed to have been prepared jointly by the Members, and any ambiguity shall not be interpreted against any Member but shall be interpreted according to the application of the rules of interpretation for arm's–length agreements.

SECTION 11.10 BINDING EFFECT. This Agreement shall be binding upon and shall inure to the benefit of the Members and their respective heirs, executors, administrators, legal representatives, successors and assigns.

SECTION 11.11 INVALIDITY OF PROVISIONS. The invalidity, illegality or unenforceability of any term of the Agreement shall not affect the validity, legality or enforceability of the remaining terms of the Agreement, provided that if permitted by applicable law, any invalid, illegal or unenforceable provision may be considered in determining the intent of the parties with respect to other provisions of this Agreement.

SECTION 11.12 CONSTRUCTION. Unless the context otherwise requires, when used in the Agreement, the singular includes the plural and vice versa, the whole includes the part and vice versa, the masculine includes the feminine (and neuter) and vice versa and the present tense of any verb shall include the future tense. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." Captions are inserted for convenience only and shall have no legal effect. Each reference to a statute shall be deemed to be followed by the words "and the regulations thereunder." "Shall" is a mandatory word denoting an obligation to pay or perform. "May" is a permissive word denoting an option.

SECTION 11.13 COMPUTATION OF TIME. In computing any period of time, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, and, if so, the period shall run until the end of the next day not a Saturday, Sunday or legal holiday.

SECTION 11.14 HEADINGS. The headings and table of contents in this Agreement have been inserted for administrative convenience only and do not constitute matter to be construed in interpreting this Agreement.

SECTION 11.15 REFERENCES. All references in this Agreement to Articles, Sections, subsections, paragraphs, subparagraphs, parts and sentences refer to such in this Agreement, except where specifically designated otherwise. For example, a reference to Section 1.1(a)(1)(A)(i) would mean part (i) of subparagraph (A) of paragraph (1) of subsection (a) of Section 1.1 of Article 1 of this Agreement. Similarly, a reference to "subparagraph (A)" would mean that subparagraph (A) found in the paragraph that contains the reference.

SECTION 11.16 EXECUTION. The parties may execute this Agreement in any number of counterparts, and each counterpart shall, for all purposes, be deemed an original instrument. All such counterparts together shall constitute but one and the same Agreement. Facsimile transmission of any original signed counterpart and retransmission of any signed facsimile transmission shall be the same as transmission of an original counterpart. At the request of any party, the parties shall confirm facsimile transmitted signatures by signing an original Agreement.

SECTION 11.17 CONFIDENTIALITY. Each party agrees to use its best efforts to maintain confidential the terms of this Agreement.

SECTION 11.18 FURTHER ASSURANCES. Each party to this Agreement shall execute, acknowledge, deliver, file, record and publish such further certificates, instruments, agreements and other documents, and shall take all such further action as any other party reasonably may request in order to effect the transaction contemplated by this Agreement.

SECTION 11.19 GOVERNING LAW. The substantive law of Missouri shall govern this Agreement without regard to its choice of laws rules except to the extent preempted by federal law.

ARTICLE 12

DEFINITIONS

The definitions below govern this Agreement unless the context unambiguously requires otherwise.

SECTION 12.1 ACT. "Act" means the Missouri Limited Liability Company Act, Revised Statutes of Missouri sections 347.010 to 347.187, as amended from time to time, and any successor statutes, as applicable to the Company.

SECTION 12.2 ADJUSTED CAPITAL ACCOUNT DEFICIT. "Adjusted Capital Account Deficit" means the negative balance in a Member's Capital Account at the end of a particular taxable year after (a) increasing the Capital Account with (1) the amount, if any, of such negative balance the Member is obligated to restore under this Agreement and (2) the amount of such negative balance the Member is deemed to be obligated to restore under Treasury Regulations sections 1.704–2(g)(1) and 1.704–2(i)(5), and (b) reducing the Capital Account with the items described in Treasury Regulations sections 1.704–1(b)(2)(ii)(d)(4), (5), and (6).

SECTION 12.3 ADJUSTMENT DATE. "Adjustment Date" means the date of liquidation of the Company and each other date on which there is a distribution in–kind of property of the Company, a Contribution of Cash or other property (other than a de minimis amount) to the Company by a new or existing Member or Assignee as consideration for a Company Interest, a distribution of Cash or other property (other than a de minimis amount) by the Company to a retiring or continuing Member or Assignee as consideration for a Company Interest, or the termination of the Company for federal income tax purposes within the meaning of Code section 708(b)(1)(B).

SECTION 12.4 AFFILIATE. "Affiliate" means, when used with reference to a specified Person, (a) any Person directly or indirectly controlling, controlled by or under common control with the specified Person, (b) any Person owning or controlling ten percent (10.0%) or more of any class of the outstanding voting securities of the specified Person, (c) any officer, director, manager, member, partner, trustee or employee of the specified Person or anyone acting in a substantially similar capacity, (d) any entity for which a Person described in subsections (a), (b) or (c) acts in such capacity and (e) any and all of the agents, employees and attorneys of the specified Person or any other Person described in this Section.

SECTION 12.5 AGREEMENT. "Agreement" means this Operating Agreement, as amended from time to time.

SECTION 12.6 ARTICLES OF ORGANIZATION. "Articles of Organization" means the articles referred to in section 347.039 of the Act, filed with the Missouri Secretary of State for the purpose of forming the Company, as the same may be amended or restated from time to time as provided in the Act.

SECTION 12.7 ASSIGNEE. "Assignee" means a transferee of a Company Interest who has not become a Member with respect to the transferred Company Interest.

SECTION 12.8 BANKRUPTCY. "Bankruptcy" of a Person means the happening of any of the following:

(a) Such Person makes an assignment for the benefit of creditors;

(b) Such Person is the subject of a bankruptcy;

(c) Such Person files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation or files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in a proceeding of such nature;

(d) Such Person seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's property; or

(e) One hundred twenty (120) days after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, the proceeding has not been dismissed, or if within ninety (90) days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's property, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

SECTION 12.9 CAPITAL ACCOUNT. "Capital Account" means an account maintained for each Member in accordance with the provisions of this Agreement and the principles of Treasury Regulations section 1.704–1(b)(2)(iv). See Section 2.3 regarding revaluation of Capital Accounts.

SECTION 12.10 CAPITAL EVENT. "Capital Event" means a sale or exchange of all or substantially all of the Company's property, including a foreclosure or condemnation.

SECTION 12.11 CASH. "Cash" means money and equivalents, such as checks, but only when collected, and bank transfers.

SECTION 12.12 CASH AVAILABLE FOR DISTRIBUTION. "Cash Available for Distribution" means Cash from Operations less Expenses.

SECTION 12.13 CASH FROM OPERATIONS. "Cash from Operations" means all sums provided by operations and either received in Cash or converted to Cash by the Company during any fiscal period, including sums released from Reserves, but excluding Contributions, Cash from Sales or Refinancings and loans or advances by Members to the Company.

SECTION 12.14 CASH FROM SALES OR REFINANCINGS. "Cash from Sales or Refinancings" means the net Cash realized by the Company from a Capital Event (including principal and interest payments from any note or other obligation received by the Company in connection with a Capital Event), from any refinancing of Company property or from insurance proceeds from an extraordinary event, in each case, after retirement of debt, after subtracting all expenses related to the transaction and after making an allowance for Reserves for repairs, replacements, contingencies and anticipated obligations (including debt service, lost rent and costs of improvements).

SECTION 12.15 CODE. "Code" means the Internal Revenue Code of 1986, as it may be amended from time to time including any successor statute or statutes constituting the United States tax laws, as applicable to the Company, each Member and each Assignee. A reference to a section of the Code includes any successor section.

SECTION 12.16 COMPANY. "Company" means the Missouri limited liability company governed by this Agreement and the Act, having the name specified in Section 1.2.

SECTION 12.17 COMPANY ASSETS. "Company Assets" means all interests, properties and rights of any type owned by the Company.

SECTION 12.18 COMPANY INTEREST. "Company Interest" means, with respect to any Member or the Assignee of such Member, the percentage interest of such Member or Assignee in the profits, losses and distributions of the Company. The Company Interests of the Members on the Effective Date are stated in Schedule A.

SECTION 12.19 COMPANY MINIMUM GAIN. "Company Minimum Gain" means an amount computed as described in Treasury Regulations sections 1.704–2(b)(2) and 1.704–2(d).

SECTION 12.20 CONTRIBUTION. "Contribution" means Cash, other property (net of each liability assumed by the Company in connection with the Contribution and net of each liability subject to which

the Company received the Contribution) or any other valuable consideration Transferred by a Person to the Company as a condition of becoming a Member and any subsequent Transfer to the Company by a Person as a Member.

SECTION 12.21 DEFAULTING MEMBER. "Defaulting Member" means a Member who fails to make a timely required Contribution after a Capital Call.

SECTION 12.22 DESCENDANTS. "Descendants" means all of that Person's issue of whatever degree, whether by blood or by adoption, provided that, to be included by adoption, an individual must have been adopted by one of such Person's descendants by court proceedings that commenced before the adopted individual attained fourteen (14) years of age, and provided further, that an individual who otherwise would qualify by blood shall be excluded because of such individual's adoption by another only if (a) such individual has been adopted by court proceedings that commenced before the adopted individual attained one (1) year of age, and (b) after such adoption none of such Person's descendants has any parental rights over such individual.

SECTION 12.23 EFFECTIVE DATE. "Effective Date" means the date of the filing of the Articles of Organization or a later date specified therein.

SECTION 12.24 EVENT OF WITHDRAWAL. "Event of Withdrawal" means any of the following:

(a) a Member voluntarily withdraws from the Company;

(b) a Member (1) makes an assignment for the benefit of creditors, (2) is the subject of a Bankruptcy proceeding, (3) files a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation or files an answer or other pleading admitting or failing to contest the material allegations of a petition filed in such a proceeding or (iv) seeks, approves of or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of the Member's property;

(c) one hundred twenty (120) days after the start of any proceeding against a Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or

if within ninety (90) days after the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of the Member's property, without the Member's approval, the appointment is not vacated or stayed or within ninety (90) days after the expiration of any such stay, the appointment is not vacated;

(d) if a Member is a natural person, (1) the Member's death or (2) the entry by a court of competent jurisdiction adjudicating the Member incompetent to manage the Member's person or estate;

(e) if a Member is a trust, (1) the termination of the trust or (2) a distribution of its entire Company Interest, but not merely the substitution of a new trustee;

(f) if a Member is a general or limited partnership, (1) the dissolution and commencement of winding up of the partnership or (2) a distribution of its entire Company Interest;

(g) if a Member is a corporation, (1) the filing of articles of dissolution or the equivalent, for the corporation, (2) revocation of its charter or (3) a distribution of its entire Company Interest;

(h) if a Member is an estate, the distribution by the fiduciary of the estate's entire Company Interest; or

(i) if a Member is a limited liability company, (1) the filing of articles of dissolution or termination, or the equivalent, for the limited liability company or (2) a distribution of its entire Company Interest.

SECTION 12.25 EXPENSES. "Expenses" means for any fiscal period, (a) the amount of Cash disbursed in the period in order to operate the Company (including capital expenditures and debt service) and to pay expenses of the Company (excluding expenditures in connection with Capital Events) and (b) amounts set aside for the period for working capital and to pay taxes, insurance and other costs and expenses incident to the operation of the Company, including Reserves.

SECTION 12.26 MAJORITY–IN–INTEREST. "Majority–in–Interest" means any one or more Members owning Company Interests with an aggregate Voting Share greater than fifty percent (50.0%).

SECTION 12.27 MANAGEMENT RIGHTS. "Management Rights" means the right to participate in the management of the Company, including the rights described in Article 5.

SECTION 12.28 MANAGER. "Manager" means the Person(s) designated, appointed or elected as such in accordance with Section 5.1.

SECTION 12.29 MEMBER. "Member" means until an Event of Withdrawal occurs with respect to such Person:

(a) any Person that signs this Agreement, in person or by an attorney–in–fact, or otherwise is a party to this Agreement at the time the Company is formed and is identified as a Member in this Agreement; and

(b) any Person who is subsequently admitted as a Member.

SECTION 12.30 MEMBER NONRECOURSE DEBT MINIMUM GAIN. "Member Nonrecourse Debt Minimum Gain" means an amount of Member nonrecourse debt minimum gain determined in accordance with Treasury Regulations section 1.704–2(i)(3).

SECTION 12.31 NONDEFAULTING MEMBER. "Nondefaulting Member" means a Member who timely makes the required additional Contribution after a Capital Call.

SECTION 12.32 ORGANIZATION. "Organization" means any Person other than an individual.

SECTION 12.33 PERMITTED ASSIGNEE. "Permitted Assignee" means any of the following:

(a) _____ and _____;

(b) The Descendants of the marriage of _____ and _____;

(c) Each individual who at the time of the Transfer is married to, or is the surviving spouse of, any Descendant of the marriage of _____ and _____;

(d) An entity described in Code section 170(c);

(e) Each trust or custodial arrangement that at the time of the Transfer is revocable by any individual(s) described in subsections (a), (b) or (c);

(f) After death or adjudication of incompetency, the personal representative of any individual described in subsections (a), (b) or (c) during a reasonable period of administration only;

(g) Each irrevocable trust or custodial arrangement, all of the beneficiaries of which (including all takers in default of the exercise of any inter vivos or testamentary power of appointment) are any one or more Persons described in subsections (a), (b), (c) and (d); provided, however, that for purposes of this subsection, the identity of the following shall be ignored: the remote final contingent remaindermen, and all potential appointees of an inter vivos or testamentary power of appointment (excluding any power held by the trustee of the trust, in his capacity as such, to distribute trust income and principal among beneficiaries named or described in the trust agreement); and

(h) Each corporation with respect to which one or more Persons described in the preceding subsections of this Section ("Qualified Family Members") elect and have the unqualified legal right to elect a majority of the Board of Directors without regard to the vote of any other holder of any securities of such corporation; and each partnership (including a general or limited partnership with or without a limited liability partnership registration) or limited liability company more than 66–2/3% of the capital of which is owned by or held for the benefit of one or more Qualified Family Members who control such partnership or limited liability company. The term "control" as used in the immediately preceding sentence means the possession of the power to direct or cause the direction of management and policies of such partnership or limited liability company, whether through the ownership of an equity interest, by contract or otherwise.

SECTION 12.34 PERMITTED VOLUNTARY WITHDRAWAL. "Permitted Voluntary Withdrawal" has the meaning specified in Section 6.4.

SECTION 12.35 PERSON. "Person" means an individual, partnership, domestic or foreign corporation, domestic or foreign limited liability company, domestic or foreign limited partnership, registered limited liability partnership, trust, business trust, real estate investment trust, estate, unincorporated organization,

government or any agency or political subdivision thereof, custodian, trustee, executor, administrator, nominee or other association or business entity in its own or a representative capacity.

SECTION 12.36 PRIME RATE. "Prime Rate" means, as of any date, the highest Prime Rate reported in the Money Rates column of The Wall Street Journal, currently defined as being the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks (regardless of whether such rate has actually been charged by any such bank). In the event The Wall Street Journal ceases publication of the Prime Rate, the "Prime Rate" shall mean the "prime rate" or "base rate" announced by U.S. Bank National Association, from time to time (regardless of whether such rate has actually been charged by such bank). If The Wall Street Journal (i) publishes more than one Prime Rate, the highest of such rates shall be the "Prime Rate," or (ii) publishes a retraction or correction of any such rate, the rate reported in such retraction or correction shall be the "Prime Rate."

SECTION 12.37 RESERVES. "Reserves" or "Reserve" means any sums which the Manager sets aside for the payment of taxes, future expenses (including capital expenditures and debt service) or any other purposes as the Manager, in its sole discretion, deems desirable for the Company.

SECTION 12.38 SECTION 704(C) AND REVERSE SECTION 704(C) ALLOCATIONS. "Section 704(c) and Reverse Section 704(c) Allocations" means the allocations stated in this Section. In accordance with Code section 704(b) and 704(c) and the Treasury Regulations thereunder, items of taxable income, gain, loss and deduction with respect to any Company asset other than money that has been contributed to the Company by a Member or revalued on the books of the Company shall, solely for income tax purposes, be allocated among the Members so as to take into account the difference between the asset's adjusted tax basis immediately before the contribution or revaluation and the value at which the asset is entered on the books of the Company. Unless otherwise agreed by all Members, such allocations shall be made utilizing the "traditional method" set forth in Treasury Regulations section 1.704–3(b).

SECTION 12.39 SECURITIES LAWS. "Securities Laws" means all applicable federal and state securities laws, including the Securities Act of 1933, as amended, and any regulations promulgated thereunder.

SECTION 12.40 SUPER MAJORITY. "Super Majority" means any one or more Members owning Company Interests with an aggregate Voting Share equal to one hundred percent (100%).

SECTION 12.41 TAX MATTERS PARTNER. "Tax Matters Partner" has the meaning specified in Code section 6231(a)(7).

SECTION 12.42 TAX REGULATION ALLOCATIONS. "Tax Regulation Allocations" means the following allocations in the following order, subject to the Section 704(c) and Reverse Section 704(c) Allocations:

(a) Company Minimum Gain Chargeback. If Company Minimum Gain has a net decrease during any Company taxable year, the Company shall allocate items of income and gain for such year (and, if necessary, for subsequent years) to each Member in the amounts required by Treasury Regulations sections 1.704–2(f) and 1.704–2(g)(2).

(b) Member Nonrecourse Debt Minimum Gain Chargeback. If Member Nonrecourse Debt Minimum Gain has a net decrease during any Company taxable year, the Company shall allocate to each Member who has a share of the Member Nonrecourse Debt Minimum Gain items of income and gain for such year (and, if necessary, for subsequent years) in the amounts required by Treasury Regulations section 1.704–2(i).

(c) Qualified Income Offset. If a Member unexpectedly receives an adjustment, allocation, or distribution described in Treasury Regulations sections 1.704–1(b)(2)(ii)(d)(4), (5) or (6), the Company shall allocate to the Member items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit, if any, caused by such adjustment, allocation or distribution, as quickly as possible as required by Treasury Regulations section 1.704–1(b)(2)(ii)(d).

(d) Nonrecourse Deductions. The Company shall allocate each nonrecourse deduction, as defined in Treasury Regulations section 1.704–2(b)(1) and determined in accordance with Treasury Regulations section 1.704–2(c), in accordance with the Members' respective Company Interests. In connection therewith, excess nonrecourse liabilities of the Company (as defined in Treasury Regulations section 1.752–3(a)(3)) shall be allocated in accordance with the Members' respective Company Interests.

(e) Member Nonrecourse Deductions. The Company shall allocate each Member nonrecourse deduction, as defined in Treasury Regulations section 1.704–2(i)(2), to the Members who bear the economic risk of loss with respect to the liability to which such Member nonrecourse deductions are attributable as provided in Treasury Regulations section 1.704–2(i)(1).

(f) Allocation of Cancellation of Debt Income. The Company shall allocate any cancellation of debt income realized by the Company among the Members in proportion to the allocation among the Members (as provided in Code section 752 and the corresponding Treasury Regulations) of the debt to which such income is attributable.

(g) Calculation of Minimum Gain. To the extent permitted by Treasury Regulations section 1.704–2(h)(3), the Company may treat distributions of Cash as having been made from the proceeds of a nonrecourse liability or a Member nonrecourse liability only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

SECTION 12.43 TRANSFER. "Transfer" means a gift, bequest, sale, assignment, pledge, hypothecation or any other type of disposition or encumbrance, whether with or without consideration, whether voluntary or involuntary, whether by operation of law or otherwise (including a disposition by execution, attachment or levy in any marital dissolution or other judicial proceeding) and, in the case of an individual, whether during lifetime or at death. The death of the grantor of a revocable trust is not a "Transfer" of the Company Interest(s) then held by that trust. However, for purposes of this Agreement, a "Transfer" of the Company Interest(s) then held by that trust shall be deemed to occur at the end of a reasonable period of administration following the grantor's death.

SECTION 12.44 TREASURY REGULATIONS. "Treasury Regulations" means the Income Tax Regulations promulgated under the Code, as amended from time to time, including corresponding provisions of succeeding regulations.

SECTION 12.45 VOLUNTARY WITHDRAWAL. "Voluntary Withdrawal" has the meaning set forth in Section 6.4.

SECTION 12.46 VOTING RIGHTS. "Voting Rights" means the rights of a Member to vote, approve or consent to the matters described in Section 6.5.

SECTION 12.47 VOTING SHARE. "Voting Share" means a fraction whose numerator is a Member's Company Interest and whose denominator is the aggregate Company Interest of all Members with Voting Rights.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date by their respective duly authorized representatives.

_____

_____

_____

_____

_____

BEING ALL THE MEMBERS OF THE COMPANY

_____

BEING ALL THE MANAGERS OF THE COMPANY

SCHEDULE A

CONTRIBUTIONS

Member Name and Address	Cash or Property Description	Agreed Value	Company Interest

EXHIBIT 13

*Authorized Offeree:*_____
*Copy No.:*_____

GMIC SAMPLECO, LLC

UP TO [ ] MEMBERSHIP UNITS

SAMPLE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

[ ], 2011

CONFIDENTIAL PRIVATE
PLACEMENT MEMORANDUM
DATED [ ], 2011

UP TO [ ] MEMBERSHIP UNITS

GMIC SAMPLECO, LLC

This Confidential Private Placement Memorandum (this "Memorandum") relates to the offer and sale by GMIC Sampleco, LLC, a Missouri limited liability company (the "Company"), of up to [ ] equity membership interests in the Company (the "Units") at a purchase price of $[ ] per Unit. Each investor must subscribe for a minimum of [ ] Units, having an aggregate purchase price of $[ ].

The private placement of the Units commenced on [ ], 2011 and will terminate on the earlier to occur of receipt of subscriptions for an aggregate of [ ] Units or [ ], 2011, or such earlier or later date as shall be fixed by the Company's Board of Managers for the expiration of the offering (the "Subscription Deadline"). To subscribe for Units, prior to the Subscription Deadline investors must meet certain investment qualifications and complete and return an executed copy of the Company's Operating Agreement, a Subscription Agreement, a Capital Contribution Escrow Agreement and a Fees Escrow Agreement, each of which is attached as an Exhibit to this Memorandum. The Company reserves the right either to extend the offering or to terminate it at any time, without notice. Subscription proceeds received prior to the Subscription Deadline will be accepted or rejected by the Company from time to time on or before the Subscription Deadline or such later date to which the offering is extended. See "Plan of Placement."

THE UNITS OFFERED HEREBY ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. SEE "RISK FACTORS."

THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE UNITS ARE OFFERED PURSUANT TO THE EXEMPTIONS PROVIDED BY SECTION 4(2) OF THE ACT, REGULATION D THEREUNDER, CERTAIN STATE SECURITIES LAWS AND CERTAIN RULES AND REGULATIONS PROMULGATED PURSUANT THERETO.

THE UNITS ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER. SEE "RESTRICTIONS ON TRANSFER."

There is not currently, and there is not expected to be, any public market for the Units. The Units being offered hereby are subject to the right of the Company to approve each investor and to reject any subscription in whole or in part. See "Plan of Placement."

The date of this Confidential Private Placement Memorandum is [ ], 2011.

INVESTOR NOTICES

This Memorandum is submitted in connection with the private placement of Units in the Company, and may not be reproduced or used for any other purpose. By your acceptance of this Memorandum, you agree to hold it in confidence and, if you elect not to invest in the Company, to return it to the Company along with all related documents. This Memorandum and any attachments are for your exclusive use and are not to be shown to any person other than your financial or legal advisors. Reproduction or distribution of this Memorandum, in full or in part, and the disclosure of any of its contents is prohibited. This Memorandum constitutes an offer only to the person to whom it is distributed by the Company. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy Units in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Units of the Company offered hereby have not been registered with or approved by the U.S. Securities and Exchange Commission or the securities regulatory authority of any state, nor has such commission or the regulatory authority of any state passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense. These Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the applicable federal and state securities laws. The transferability of the Units is further restricted pursuant to the terms of the Operating Agreement of the Company.

An investment in the Company will be illiquid in that no present market exists for the Units offered hereby and none is expected to develop. Furthermore, withdrawals from an investment in the Company are significantly limited. Prospective investors should read the section captioned "Risk Factors" in this Memorandum together with the appendices, all of which should be reviewed prior to purchasing any Units. The Units are speculative securities and should be considered by you only if you can afford the risk of loss of your entire investment.

The information presented herein was prepared by the Company and is being furnished solely for use by prospective investors in connection with this offering. This Memorandum does not purport to be all inclusive or to contain all the information that a prospective investor may desire in investigating the Company. Each investor must rely on the investor's own evaluation of the Company and the terms of the offering, including the merits and risks involved, in making an investment decision with respect to the Units. See "Risk Factors" for a discussion of certain factors which should be considered in connection with the purchase of the Units. The Company will furnish prospective investors such additional information which the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investors. Any such requests should be directed to [ ]; telephone number [ ].

This Memorandum includes statements that are not purely historical and are "forward-looking statements" within the meaning of Section 27a of the Act and Section 21e of the Securities Exchange Act of 1934, as amended. Some of these statements are identified by the use of forward-looking words or phrases including, but not limited to, "will," "should," "intends," "expects" and "anticipates." Estimates of future performance reflect various assumptions made by the Company, which might or might not prove accurate, as well as the exercise of a substantial degree of judgment by management as to the scope and presentation of such information. No representations or warranties are made as to the accuracy of such statements or estimates of anticipated performance. Actual results achieved during projection periods might differ substantially from those projected. The Company's actual results could differ materially from the results anticipated in these forward-looking statements as a result of certain of the factors set forth under "Risk Factors" elsewhere in this Memorandum.

Certain of the information contained in this Memorandum concerning economic trends and industry performance is based upon or derived from information provided by third party consultants and other industry sources. The Company believes such information is accurate and that the sources from which it has been obtained are reliable. However, the Company cannot guarantee the accuracy of such information and it has not independently verified the assumptions upon which projections of future trends and performance are based.

The Company's Operating Agreement (the "Operating Agreement") and form of Subscription Agreement (the "Subscription Agreement") are attached hereto as Exhibit B and Exhibit C, respectively. This Memorandum is qualified in its entirety by reference to the Operating Agreement, the Subscription Agreement and the other subscription documents related thereto, and should be reviewed prior to purchasing a Unit in the Company.

The delivery of this Memorandum or other materials available on request at any time does not imply that there has been no change in the information since the date hereof. Except as discussed herein, no person has been authorized by the Company to give any information or to make any representation concerning the Company other than those contained in this Memorandum in connection with the offering described herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the Company. No statement contained herein will be deemed to modify, supplement or construe in any way the provisions of any document attached hereto as an exhibit or any of the language contained therein, and any statement made herein with respect to any such document is qualified by reference thereto. In making an investment decision, investors must rely on their own examination of the Company and the terms of the offering, including the merits and risks involved.

[INSERT ANY APPLICABLE STATE LAW NOTICES]

TABLE OF CONTENTS

Page

SUMMARY INFORMATION 1
RISK FACTORS 4
USE OF PROCEEDS 12
DESCRIPTION OF OPERATING AGREEMENT 12
SECURITY OWNERSHIP AND MANAGEMENT 14
PLAN OF PLACEMENT 15
INVESTOR SUITABILITY REQUIREMENTS 16
RESTRICTIONS ON TRANSFER 17
ADDITIONAL INFORMATION 17

Exhibits
Exhibit A – Business Plan
Exhibit B – Operating Agreement
Exhibit C – Form of Subscription Agreement
Exhibit D – Form of Capital Contribution Escrow Agreement
Exhibit E – Form of Fees Escrow Agreement

SUMMARY INFORMATION

The following summary is qualified in its entirety by the more detailed information and financial data contained in this Memorandum. Prospective investors should carefully consider the factors set forth herein under the caption "Risk Factors" and are urged to read this Memorandum in its entirety. This Memorandum is not intended to be complete. The Company will answer any questions and provide additional information upon request.

The Company

The Company's objective is to provide loans or other capital for the construction and operation of the St. Louis Bio-Life Sciences Research and Development Park, a mixed use space in western St. Louis County, Missouri for developing biotech and life science companies (the "Project"). The Company's loan(s) to the Project have not been finalized, but are expected to be in the form of a 5-year debt instrument (a "Note") bearing interest at between 1% and 5% per annum, with monthly payments of interest and principal due on maturity.

[Insert Summary of Management and Ownership].

Additional information regarding the Company, its business and strategic plan and financial information is included in the Company's Business Plan, a copy of which is attached as Exhibit A to this Memorandum and incorporated by reference herein (the "Business Plan"). Potential investors are encouraged to review the Business Plan in its entirety.

The Company's principal executive offices are located at [ ] and its telephone number is [ ].

The Offering

Issue	Units of membership in the Company
Offering Maximum	[ ] Units, subject to increase at the discretion of the Company's Board of Managers
Offering Price	$[ ] per Unit
Minimum Investment	[ ] Units
Offering Termination Date	The offering will terminate upon the first to occur of (i) the receipt by the Company of subscriptions for the Offering Maximum, or (ii) [ ], 2011, or such earlier or later date as shall be fixed by the Board of Managers for the expiration of the offering. See "Plan of Placement."
Use of Proceeds	The net proceeds of the offering will be used to provide loans and capital to the Project. See "Use of Proceeds."
Risk Factors	Purchase of the Units is speculative and involves a high degree of risk. See "Risk Factors."
Transferability	Transfer of the Units is significantly restricted under applicable law and the terms of the Operating Agreement. See "Restrictions on Transfer."

Investor Eligibility ..... Each investor must be an "accredited investor" under SEC Regulation D. Generally, an accredited investor is a corporation, partnership, limited liability company or other entity with total assets in excess of $5.0 million, a trust not formed for the specific purpose of acquiring an interest in the Company with total assets in excess of $5.0 million, or an individual with a net worth (either individually or jointly with a spouse) of more than $1.0 million (excluding his/her primary residence), or with an annual income in the two most recent years of more than $200,000 individually (or more than $300,000 jointly with a spouse) and the expectation of a similar level of income in the current year.

Tax Matters ..... Investors are encouraged to consult their tax advisers concerning the U.S. federal, state and local tax consequences of an investment in the Company.

Securities Law Matters..... The Units offered hereunder have not been, and will not be, registered under the Securities Act, and must be acquired solely for investment purposes and without any view to a distribution thereof in violation of such laws. *See* "Plan of Placement" and "Investor Suitability Requirements."

Expenses..... The Company and the investors will each bear their own legal and other expenses with respect to this offering. See "Plan of Placement."

Description of Units

The following is a brief description of the Units offered hereby and is qualified in its entirety by reference to the more complete description of the Units set forth in the Operating Agreement of the Company, attached as Exhibit B to this Memorandum. Capitalized terms used in this section shall have the respective meanings ascribed to such terms in the Operating Agreement.

Distribution Rights ..... Distributions will be made to the Members in proportion to their respective number of Units held.

Voting Rights ..... Each Unit will entitle the Member holding it to one vote on matters submitted to the Members for a vote.

Right of First Offer..... Each Member holding any Units shall have the right of first offer to purchase such Member's pro rata share of any new equity securities (other than employee equity incentive interests, equity issued in connection with certain material transactions, and other customary exceptions) that the Company may from time to time issue.

Right of First Refusal ..... The Company has a right of first refusal to purchase any Units which a Member desires to transfer, except for certain transfers to family members and affiliated entities.

Redemption ..... Members holding Units do not have a right to require the Company to redeem the Units.

Taxation..... Unless the Members approve an election by the Company to be classified for income tax purposes as an association taxable as a corporation, the Company intends to be taxed as a partnership.

RISK FACTORS

An investment in the Units involves a high degree of risk. As a result, purchasers of the Units should have sufficient liquidity in their other investments to withstand a total loss of their investment in the Units. In determining whether to make an investment, prospective investors should consider carefully all of the information set forth in this Memorandum, including the following factors.

Risks Associated with an Investment in the Company

Development Stage Company; No Assurance of Investment Return

There is no assurance that the Company will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the kind of investment described herein. An investment in the Company should only be considered by persons who can afford a loss of their entire investment. The Company has not yet commenced investment operations and has no operating history. As a result, the Company has no prior operating history upon which an evaluation of the Company and its investment strategies can be based. Past performance of investment entities associated with the Company and its affiliates is not necessarily indicative of future results. Losses on unsuccessful investments likely will occur before realization of gains on successful investments.

Capital Requirements

The Company may require additional capital in the future for working capital as well as continuing expansion and implementation of the Company's business. There can be no assurance, however, that the Company will be successful in obtaining sufficient capital to meet its strategic objectives or that such funds, if available at all, will be available on a timely basis or on terms that are acceptable to the Company. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage of ownership of the members of the Company will be reduced and members may experience additional dilution. Failure to generate or raise sufficient funds may require the Company to delay or abandon some of its future plans or expenditures, which could have a material adverse effect on the Company.

Dependence Upon Management

The Company is highly dependent on the loan-related and equity management services of it management. The Company's future operating results will depend upon the continued willingness of its management to provide such services, and the availability of qualified officers to identify and sufficiently screen potential investments. The loss of these services would have a material adverse effect on the Company's investment results.

No Assurance of Distributions

The Company will only make distributions to the Members to the extent that it receives proceeds from its investments, including the principal, interest and other fees (collectively, "Investment Proceeds"), some of which will be due and payable only at the expiration of the term of a particular Note. There is no guarantee that the Company will be able to collect any Investment Proceeds from the Project or other investments. Even if the Company is able to collect some or all of the Investment Proceeds due on a particular Note, distributions generally will be made net of expenses incurred by the Company. If the expenses incurred by the Company exceed the amount of Investment Proceeds, the Company will not make any distributions to the Members.

Limited Right to Participate in Management

The Investors will not have a right to participate in the active management of the Investment, except as expressly provided in the Operating Agreement.

No Independent Counsel

No independent counsel has been retained to represent the interest of the investors. The Subscription Agreement and other offering materials have not been reviewed by an attorney on behalf of the investors. Each investor is therefore urged to consult with his own counsel as to the terms and provisions of the Subscription Agreement and all other documents relating thereto as well as his own accountant as to the financial information and projections provided.

Lack of Liquidity; Transfer of Units Highly Restricted

There is currently no public market for the Units, and the Company does not expect a public market to develop in the foreseeable future. The Units will not be registered under the Act in reliance upon an exemption from the registration requirements of the Act. Investors will be required to make investment representations and agree to restrictions on transfer necessary to satisfy the requirements of such exemption, and any certificates representing in respect of the Units will bear legends indicating they are so restricted. Transfer of the Units is also significantly restricted under the terms of the Operating Agreement. Withdrawal of capital is prohibited, except in the very limited circumstances set forth in the Operating Agreement. Consequently, Members may not be able to liquidate their investment and must be prepared to hold the Units for an indefinite time.

Risks Associated with the Company's Investment in the Project

Credit Risk

The Company's investments will be substantially subject to credit risk, which is the risk that the Project or other loan may fail to perform according to the terms of the applicable Note, and may not pay the interest or other fees on the Note, or repay the principal amount. There can be no assurance that the Company's future results of operations or financial condition will not be adversely affected by the failure of the Project to pay principal, interest and other obligations on the Notes.

Investments in Early Stage Company

The Company expects that all of its investments will be in the Project, which is an early stage company. Investments in early stage companies involve greater risks than generally are associated with investments in more established companies. Among these are the risks associated with investment in companies with little or no operating history, companies without a commercially available product or service, companies operating at a loss or with substantial variations in operating results from period to period, companies that compete with larger, more well-funded competitors, companies that can be affected by technological change or legal developments, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position.

Regional Concentration Risk

The Company's investments will be concentrated within the regional center geographic area inclusive of St. Louis County, St. Louis City, and St. Charles County. As a result, any negative development, including economic, political, regulatory, or market developments, affecting the region will have significant impact on the

Company to the extent that such development adversely affects the ability of the Project to pay its obligations on the Notes.

Illiquid Investments

The Notes typically will have a term of 5 years. The Company will only receive a portion of the interest on the Note in monthly installments, but will not receive any principal until the expiration of the term on the Note. The Company may not redeem its investment unless the Project otherwise breaches the terms and conditions of the Note.

General Risks of Real Estate Ownership

The Project will be subject to the risks generally incident to the ownership of real property, including, without limitation, the following: uncertainty of cash flow to meet fixed obligations; adverse changes in general or local economic conditions; excessive building resulting in an over-supply; relative appeal of particular types of properties to tenants, lenders and investors; reduction in the cost of operating competing properties; decrease in employment, reducing the demand for properties in the area; the possible need for unanticipated renovations; adverse changes in interest rates and availability of mortgage funds; changes in real estate tax rates and other operating expenses; changes in governmental rules and fiscal policies, acts of God, including earthquakes, which may cause uninsured losses; the financial condition of tenants of the Project; environmental risks; condemnation of the Project and other factors which are beyond the control of the Project. Decreases in actual rental income from expected amounts, or increases in operating expenses, among other factors, could result in the Project's inability to meet all of its debt obligations to the Company.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Company. Prospective investors should read this entire Memorandum and consult with their own advisers before deciding to invest in the Company.

Risks Associated with Immigration through the EB-5 Immigrant Investor Program

The U.S. Congress created the employment-based fifth preference ("EB-5") immigrant visa category in 1990 for immigrants who invest in and manage U.S. commercial enterprises that benefit the U.S. economy. The minimum amount required to invest is $1 million, although that amount is reduced to $500,000 if the investment is made in a high unemployment area or qualifying rural area, either a targeted employment area. Each investment must create or save at least 10 permanent full-time jobs for U.S. workers.

In 1992, the U.S. Congress enacted the EB-5 Regional Center Pilot Program ("Pilot Program") to stimulate interest in the EB-5 program. The Pilot Program allows public and private entities to apply to the United States Citizenship and Immigration Services ("USCIS") for regional center designation for the purpose of developing qualifying investments for foreign investors under the Pilot Program. A regional center provides a structure for focusing foreign investment in a specific U.S. geographic area and for promoting economic growth in such area through increased export sales, improved productivity, creation of new jobs, and increased domestic capital investment. Immigrant investors can qualify under the Pilot Program by making a qualifying investment in a project sponsored by a USCIS-approved regional center.

Investors in this Offering who have subscribed for Units with the intention of applying for permanent residency in the United States through the Pilot Program should be aware of some risk factors involving the Pilot Program and its administration. The description of the risks below is based on information obtained by the Company from third parties who the Company believes are reliable. However, there can be no assurance that the information provided herein is accurate or current or that it includes all of the risks relating to the Pilot Program for investors. The Company and the regional center, Gateway to the Midwest Investment Center ("GMIC"), have no experience administering the Pilot Program, which could lead to delays for investors in the

process of obtaining conditional permanent residency in the U.S. and/or removal of conditions on permanent residency.

An Investor who purchases Units with the intention of obtaining conditional and permanent residency in the U.S. is encouraged, along with his/her advisors, to make his/her own independent review of the Pilot Program and the various immigration risk factors relating to the process of obtaining conditional and permanent resident status to determine if an investment in the Units is a suitable approach for him/her.

NEITHER THE COMPANY NOR THE REGIONAL CENTER MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND CONCERNING WHETHER AN INVESTMENT IN THE COMPANY WILL MEET THE REQUIREMENTS OF THE PILOT PROGRAM OR OTHER U.S. IMMIGRATION REQUIREMENTS. NO ASSURANCES CAN BE GIVEN THAT AN INVESTMENT IN THE COMPANY WILL RESULT IN AN IMMIGRANT INVESTOR RECEIVING CONDITIONAL OR PERMANENT RESIDENT STATUS.

General Immigration Risks

Congress and/or USCIS may change the law, regulations, or interpretations of the law, including the Pilot Program, without notice and in a manner that may be detrimental to an Investor and/or the Company. Investors who obtain conditional or permanent resident status must intend to make the United States their primary residence. Permanent residents who continue to live abroad risk revocation of their conditional or permanent resident status. The process of obtaining conditional permanent resident status and removal of conditions involves numerous factors and circumstances that are not within the control of GMIC, the Company, or the Project. These include an Immigrant Investor's immigration history and quotas established by the United States government limiting the number of immigrant visas available to qualified individuals seeking conditional or permanent resident status under the Pilot Program.

GMIC Regional Center Designation

GMIC was designated as a regional center by the USCIS to participate in the Pilot Program on [ ] [ ], 2011. Accordingly, GMIC has limited experience in administering a regional center pursuant to the requirements of the Pilot Program, which could lead to delays for investors in the process of obtaining a conditional or permanent green card.

Pilot Program Expiration Date

The expiration date for legislation authorizing the Pilot Program, including the regional center sponsoring this Project, is currently September 30, 2012. It is generally expected that the U.S. Congress will extend the Pilot Program. However, there can be no assurance that this will occur or that Investor petitions or applications submitted before the Pilot Program's current termination date will be adjudicated by the USCIS.

Green Card Processing

All filings with USCIS should be prepared and filed by a qualified U.S. immigration attorney. After an EB-5 investment is made an Investor must start the immigration process by filing Form I-526, Immigrant Petition by Alien Entrepreneur ("I-526 Petition") with USCIS. Filing of an Investor's I-526 Petition requires USCIS to certify that the investment qualifies under the Pilot Program. As of the date of this document, USCIS estimates issuing approvals (or denials) of I-526 Petitions within approximately six months' time. However, it is impossible to conclusively predict USCIS processing times.

After an I-526 Petition is approved an Investor must file an I-485 Adjustment of Status form if he/she is already located within the United States, or apply for an immigrant visa via consular processing if living

abroad. If approved, the Investor will then be granted conditional resident status. Conditional resident status is valid for a period of two years and confers the same rights as permanent unconditional residency, but is subject to satisfaction of certain conditions. Investors should not physically move to the United States until their immigrant visa has been issued.

Within the 90 days preceding the second anniversary of an Investor's admission to the United States as a conditional permanent resident, an Investor must file an I-829 Petition to remove the conditions to permanent residency ("I-829 Petition"). The I-829 Petition confirms that the investment has been made, is still in place, and that the job creation requirement has been satisfied or will be satisfied within a reasonable time.

Once the conditions to permanent residency are removed, a permanent green card is granted for indefinite permanent resident status in the United States. The time from I-526 Petition filing until removal of conditions is currently about three years but depends on the circumstances of each petitioner. U.S. citizenship is possible approximately five years after receipt of conditional residency, upon satisfaction of residency and other criteria. All estimates of processing times are approximations and dependent on each individual's specific circumstances. There is no guarantee that the requisite number of jobs will result from any investment or that other factors, related and unrelated to the investment, will not prevent approval of the I-526 Petition, granting of conditional permanent resident status, or removal of conditions.

Proving Lawful Source of Funds

As part of the I-526 Petition, an Investor must present to the USCIS clear documentary evidence of the *source* and *path* of funds invested in the Company. Generally, the Investor can satisfy the source of funds requirements by submitting documents showing that he/she has a level of income from legal sources that would yield sufficient funds for the investment. The USCIS generally requires copies of income tax returns for the previous 5 years to satisfy the source of funds requirement. For Investors who do not have such records, there may be other records that can be provided to the USCIS by an Investor to demonstrate that the investment funds came from legal sources. All such matters regarding an Investor's I-526 Petition should be discussed with his/her immigration counsel.

Policymaking Position

The Pilot Program requires an Investor to hold a policymaking or management position within the Company. The Company believes that each Investor, as a Member, is provided with the powers and duties under the Operating Agreement sufficient to meet the USCIS requirement that an Immigrant Investor is actively participating in policymaking or management of a new commercial enterprise.

At-Risk Investment

An Investor's investment must be at risk to qualify for the Pilot Program. As part of the I-526 Petition, an Investor must show evidence that he/she has placed the required amount of capital at risk for the purpose of generating a return on such capital. The Company believes that an investment in the Units will place an Investor's investment in the Company at risk because there is no assurance that the business of the Project will generate sufficient revenue to repay the Loan and allow for the return of any Investor's investment in the Units at any time, or ever.

Job Creation

At the time of filing of an Investor's I-526 Petition, each Investor must demonstrate that he/she has made a qualifying investment into a new commercial enterprise that will create full-time employment for 10 or more U.S. workers. USCIS currently requires an Investor to submit evidence that demonstrates that such jobs will be created within the two-year period of conditional residence. For purposes of adjudication of the I-526

Petition, USCIS deems the two-year period to start six months after the approval of the I-526 Petition. Therefore, the Company must adequately demonstrate that the requisite number of jobs will be in place 2.5 years from the date of approval of an Investor's I-526 Petition. Evidence of timely job creation consists primarily of the comprehensive business plan prepared by the Company for filing with each Investor I-526 Petition and the preliminary economic analysis ("Economic Analysis") of Jeffrey Carr, President and Economist of Economic & Policy Resources, Inc., commissioned by the Company evidencing the number of indirect and induced jobs resulting from the operations of the Project. The Company's business plan is available for review upon request.

The Company is offering Units to a maximum of [ ] investors (1 Unit per [$500,000] [$1,000,000]). This will require evidence of creation of at least [ ] jobs. The Company's Economic Analysis demonstrates that the Project will create approximately [ ] direct, indirect, and induced jobs. This Economic Analysis is based upon the Project's proposed activity, the amount of capital that will be spent in the local economy and general assumptions regarding the national economy, the regional economy of the regional center geographic area (St. Louis County, St. Louis City, and St. Charles County), and other circumstances of the Project. There is no assurance that the Economic Analysis or the assumptions upon which it is based are accurate or that actual job creation will be close to the number predicted in such analysis. Depending upon the disparity there may be insufficient employment to remove the conditions on permanent residency, resulting in a delay or denial of removal of conditions for any Investor.

Job Allocation

In addition, the regional center determines, in its sole discretion, how jobs are allocated among investors. While the regional center expects to allocate jobs to investors in the order of filing of each investor's respective I-829 Petition, jobs may not be allocated this way in all cases. The allocation of jobs by the regional center could negatively affect an investor's ability to demonstrate the requisite job creation required in connection with his/her I-829 Petition, and, in turn, affect the investor's ability to remove the conditions to his/her permanent residence in the United States.

TEA Determination

Under the Pilot Program, an immigrant investor must invest $1,000,000 in a new commercial enterprise that will benefit the U.S. economy and create full time employment for 10 or more U.S. workers. This $1,000,000 amount is reduced to $500,000 if the new commercial enterprise is principally doing business in a targeted employment area ("TEA"). A TEA is an area with unemployment of at least 150% of the national average or a rural area. A rural area is not within a Metropolitan Statistical Area and has a population of less than 20,000.

Regional center designation proposals set forth the TEAs within the proposed regional center geographic area. However, under current USCIS guidelines, TEA determinations are made by the USCIS at the time of filing of each I-526 Petition. If an Immigrant Investor's investment is made prior to filing his or her I-526 Petition, the area must qualify as a TEA at the time of such investment. If such investment is not yet irrevocably committed to a qualifying investment at the time the I-526 Petition is filed, then the area must qualify as a TEA at the time of the filing of the I-526 Petition.

The Project is located in a [high unemployment area] OR [rural area] and is therefore a TEA, because it [is not located within a Metropolitan Statistical Area and its population, according to the 2000 decennial census, is [ ]] OR [has an unemployment rate of [ ], which is greater than 150% of the national average rate]. No assurance can be given that the geographic area in which the Project is doing business will qualify as a TEA at the time of investment or filing of any I-526 Petition. If such geographic area does not qualify as a TEA at the time of investment or time of filing of the I-526 Petition, whichever is first in time, the minimum investment under the Pilot Program will be increased to $1,000,000.

Visa Availability

There are approximately 10,000 visas available each year in the fifth employment-based preference (EB-5) immigrant visa category. The Department of State ("DOS") has not issued the full 10,000 visas in any year since the category's creation in 1990. In fact, in most years, DOS has issued less than 1,000 visas per year to EB-5 Investors.

However, the EB-5 Program and the EB-5 Pilot Program (defined above) have recently experienced an increase in usage. In Fiscal Year 2008, DOS issued 1,360 visas to EB-5 Investors. In Fiscal Year 2009, that number rose to 4,218. While EB-5 visa numbers are now current, it is possible that the 10,000 visas may be issued in future years. If the 10,000 visas are issued in any one or more years, this could create a backlog in the EB-5 category. This means a qualified investor will not receive his/her conditional green card until a visa becomes available. This could delay an Investor's entry to the U.S. if he/she is consular processing or filing of his/her adjustment of status application if he/she is already in the U.S. If visa backlogs delay an Investor's receipt of a conditional green card, this will also delay the filing of his/her I-829 petition, which could negatively affect his/her ability to remove the conditions on his/her green card.

An EB-5 Investor must apply to remove the conditions on his/her green card on Form I-829 within the 90 days preceding the second anniversary of the start of his/her two-year conditional residence period. To remove conditions, the Investor must show that he/she has made a qualifying investment in a new commercial enterprise, has sustained that investment throughout the two-year period, and has created 10 or more jobs for qualified workers or will create such jobs within a reasonable period of time. A later-filed I-829 petition could result in changed circumstances for the Investor and/or the Project, making it difficult or impossible to demonstrate satisfaction of these requirements. For example, the Project could have fewer workers at such time, resulting in insufficient job creation for one or more Investors. Additionally, an Investor might have been forced to withdraw his/her investment from the Project, rendering him/her unable to satisfy the sustained investment requirement. These are some, but not all, of the possible negative implications of a delay in filing an I-829 petition.

Exemplar Approval

Historically, USCIS reviewed EB-5 projects and their associated documents such as the I-526 Business Plan and Private Placement Memorandum with each Investor-filed I-526 Petition. Each I-526 Petition was separately adjudicated on the merits, including each set of project documents. This process sometimes resulted in inconsistent adjudications, with one adjudicator approving the project documents and another finding error in them. To remedy this and streamline the I-526 process, USCIS introduced a concept called Exemplar Approval. Exemplar Approval allows a regional center to submit project documents to USCIS before the filing of any I-526 Petitions. If the project documents comply with EB-5 rules, regulations, and guidance, USCIS will issue a blanket approval of the project documents.

[The Project received Exemplar Approval from USCIS on [ ]. We believe that an Exemplar Approval makes it less likely that USCIS will issue a request for evidence ("RFE") or deny an I-526 Petition because of a Project-related issue. However, it is still possible that USCIS will review the Project documents at the I-526 stage, or that USCIS will retroactively change or eliminate the Exemplar Approval process. These actions could negatively affect and/or void the Exemplar Approval received for the Project, which could result in delays or denials of I-526 Petitions. It is also possible that despite Exemplar Approval, USCIS may raise questions about Project documents at the I-829 stage, which could create a delay or denial of an Investor's I-829 Petition.]

Material Change

In a memorandum dated December 11, 2009, USCIS stated that "[t]he business plan in the Form I-526 petition may not be materially changed after the petition has been filed" and that "the capital investment project identified in the Form I-526 petition must serve as the basis" for adjudication of the I-829 petition. The memorandum also directed USCIS adjudicators to review whether there was a material change in "capital investment structure", "job creation methodologies", and "eligibility requirements" after the filing of the I-526 Petition. We refer collectively to the items that cannot be materially changed as the "Core Project Components".

If USCIS decides that there has been a material change to the Core Project Components, Investors must file new I-526 Petitions. This presents a second opportunity for USCIS to deny the I-526 Petition and, even if approved, requires Investors to re-start the conditional residency process and resulting two-year period. This will consequently delay removal of the conditions on permanent residency and the path to citizenship. In addition, dependents who turned 21 after filing of the original I-526 Petition are no longer eligible to attain permanent resident status via an Investor's newly filed I-526 Petition.

[The Company's Core Project Components are currently in final form. The Company does not anticipate making a material change to any of the Core Project Components after receiving Exemplar Approval or after the filing of any Investor I-526 Petitions. However, fluctuations in the regional or national economy, changes in the business of the Project, extended processing times of USCIS, or any number of other factors may force the Company to modify its Core Project Components. These modifications may or may not be deemed material changes by USCIS.]

Economic Sector

Each regional center is limited to qualifying investments in approved economic sectors. The Regional Center is approved to facilitate qualifying investments in the economic sectors of construction (NAICS 23) and professional, scientific, and technical services (NAICS 54). The Company believes that an investment in this Offering will qualify as a construction and manufacturing investment because the Project is defined as NAICS 23 and NAICS 5417, a specialized subset of NAICS category 54. However, USCIS may disagree.

New Commercial Enterprise

A "commercial enterprise" includes "any for-profit activity formed for the ongoing conduct of lawful business including, but not limited to, a sole proprietorship, partnership (whether limited or general), holding company, joint venture, corporation, business trust, or other entity which may be publicly or privately owned." The commercial enterprise must be "new" in that it was established after November 29, 1990. The Company was formed as a private, for-profit entity on [ ], 2011. It is believed that the Company will qualify as a new commercial enterprise, but there is no guarantee that USCIS will adjudge it to be such.

Admissibility to the U.S.

Foreign persons applying for a U.S. green card must demonstrate that they are admissible to the United States. Section 212 of the Immigration and Nationality Act sets forth various grounds of inadmissibility, which may prevent an otherwise eligible applicant from receiving a green card or entering the U.S. Foreign individuals who are ineligible to receive a green card or be admitted to the U.S. include, but are not limited to, an individual who is determined to have a communicable disease of public health significance; is determined to have a physical or mental disorder and behavior associated with the disorder that may pose, or has posed, a threat to the property, safety, or welfare of the individual or others; is determined to be a drug abuser or addict; or has been convicted of, or who admits having committed, or who admits committing acts which constitute the essential elements of a crime involving moral turpitude (other than a purely political offense), among other

factors. Each Investor should review all factors affecting his/her admissibility to the U.S. with qualified immigration counsel.

USE OF PROCEEDS

The net proceeds of the offering are estimated to be approximately $[ ]. The Company intends to use the net proceeds of the offering to make loans and to provide capital to the Project, and to provide working capital for general operational purposes. The Company may allocate different amounts of the proceeds among the uses described above. Prior to the application of the net proceeds of the offering as described above, such funds will be invested in bank accounts at insured institutions, or in short-term, investment grade securities.

DESCRIPTION OF OPERATING AGREEMENT

Each subscriber will be required to execute a copy of the Operating Agreement. The Company recommends that each subscriber review the entire document carefully. The following is a brief summary of certain provisions of the Operating Agreement. All statements made below and elsewhere in this Memorandum relating to the Operating Agreement are qualified in their entirety by reference to the Operating Agreement. Capitalized terms used in this section shall have the respective meanings ascribed to such terms in the Operating Agreement.

Organization and Purpose

The Company was organized on [ ] [ ], 2011 as a Missouri limited liability company. The Company is authorized to conduct any lawful business.

Term and Dissolution

The existence of the Company began on [ ] [ ], 2011 and will continue in perpetuity unless terminated earlier in accordance with the Operating Agreement. The Company will dissolve upon the occurrence of certain events including, but not limited to, the approval of Members holding a majority of the Units then outstanding, an Event of Withdrawal of the sole remaining Member and the consummation of any merger or consolidation in which the Company is not the surviving entity.

Capitalization; Contributions

The Company is authorized to issue Units. No Member will be obligated to make any additional contribution to the Company without the Member's consent.

Return of Capital

Except as provided in the Operating Agreement, no Member may either demand a distribution from the Company or have the right to withdraw from the Company or to demand the return of his contribution or have any priority over any other Member as to the return of any contribution or as to distributions.

Allocations of Income and Loss

The taxable income or loss of the Company shall be allocated among the Members as described in the Operating Agreement.

Rights and Liabilities of Members

No Member shall be personally liable for any obligation of the Company. The Members have limited rights to approve or disapprove actions proposed by the Board of Managers, including a merger or consolidation of the Company and any amendment to the Operating Agreement.

Rights, Powers and Duties of Managers; Election of Managers

The management of the Company is vested in the Board of Managers and not in the Members. The Board of Managers consists of [ ] Managers, [ ] and [ ]. The action, vote, approval or consent of a majority of the Managers then serving on the Board of Managers taken at a meeting of the Board of Managers at which a majority of the Managers then serving on the Board of Managers are present shall constitute the valid action, vote, approval and consent of the Board of Managers. A Manager may resign at any time, which resignation shall not be an Event of Withdrawal and have no effect on the Manager's status as a Member. Subject to the limited approval rights of the Members generally, the Board of Managers has the power to do all things necessary and convenient to carry out the business and affairs of the Company, including but not limited to the acquisition and transfer of property, the borrowing of money, the execution of leases, contracts and guaranties, the lending of money, the hiring of employees and the litigation and settlement of claims of or against the Company. Each Manager will devote such time and attention to the Company as such Manager deems reasonably necessary and advisable to manage the affairs of the Company to its best advantage.

Tax Matters

Unless the Members approve an election by the Company to be classified for income tax purposes as an association taxable as a corporation, the Company intends to be taxed as a partnership. The Company will submit to the appropriate official or agency administering tax laws any required information, reports or documents. Within 90 days after the close of each taxable year, the Company will distribute to each Member a report containing all Company information necessary to prepare such Member's federal income tax return. The tax matters partner of the Company will represent the Company and its Members in tax matters affecting the Company and/or its Members in their capacity as Members and may execute agreements or other documents relating to tax matters of the Company and its Members. The Board of Managers shall designate the tax matters partner.

Liabilities for Acts and Omissions; Indemnification

No Member or Manager will have personal liability for the liabilities of the Company. Neither the Company nor any Manager will have any liability to any Member resulting from any acts or omissions made within the scope of authority granted such Manager under or in accordance with the Operating Agreement. The Company will indemnify and hold harmless each Manager from and against any loss, expense, damage, or injury suffered or sustained by any of them by reason of any acts, errors in judgment, omissions, or alleged acts or omissions related to the business of the Company to the fullest extent allowed by law.

Withdrawal of a Member

A Member will withdraw from the Company upon the occurrence of an Event of Withdrawal as defined in the Operating Agreement. An Event of Withdrawal includes, but is not limited to, the following: if the Member is a natural person, the Member's death or a judicial order adjudicating the Member incompetent; if

the Member is a trust, the termination of the trust; if the Member is a partnership, limited liability company or corporation, the dissolution of the partnership, limited liability company or corporation; and an assignment by a Member for the benefit of creditors, the Member's bankruptcy or a similar arrangement. A Member may not voluntarily withdraw from the Company, except upon receiving the prior approval of the Board of Managers to do so as provided in the Operating Agreement. A withdrawn Member shall have the rights of an Assignee.

Continuation of the Company upon Withdrawal of a Member

The occurrence of an Event of Withdrawal shall not cause a dissolution of the Company provided there is at least one remaining Member.

Transferability of Units

No Member or Assignee will voluntarily Transfer any Unit(s) to an Assignee until the Company receives from the proposed Assignee such information and agreements that the Company may reasonably require, including the proposed Assignee's written agreement to be bound by all of the terms of the Operating Agreement as an Assignee, and, if admitted as a Member. No Transfer of a Unit that constitutes a sale or exchange for federal income tax purposes may be made until, if the Board so requests, the Board receives an opinion of counsel to the Company that any such Transfer, alone or when combined with other transactions, would not result in a termination of the Company within the meaning of Code section 708 (or, if so, that no material adverse tax consequences would result to the Company or the Members by reason of such termination), the Company's losing its status as a partnership for income tax purposes or the taxation of the Company as a publicly–traded partnership for income tax purposes. An attempted Transfer in violation of the Operating Agreement is void. If a Member Transfers all of its Units to an Assignee, the Member will cease to be a Member, even if the Transfer does not result in an Event of Withdrawal.

Rights of Assignees

An Assignee of a Member who does not become a substituted Member shall have the right to receive allocations and distributions from the Company to which the assigning Member would have been entitled to or be responsible for with respect to the Transferred Units. The Company shall also treat such Assignee as a Member for purposes of recordkeeping and tax reporting. Assignees shall have no Approval Rights.

Right of First Refusal

The Company has a right of first refusal to purchase any Units which a Member desires to transfer, except for certain transfers to family members and affiliated entities.

Right of First Offer

Each Member holding any Units shall have the right of first offer to purchase such Member's pro rata share of any new equity securities (other than employee equity incentive interests, equity issued in connection with certain material transactions, and other customary exceptions) that the Company may from time to time issue.

SECURITY OWNERSHIP AND MANAGEMENT

As of the date of this Memorandum, there are no Units outstanding, and [ ] owns [ ] Common Units, constituting all of the outstanding equity interests in the Company.

[Insert description of Management]

PLAN OF PLACEMENT

General

The Units to be sold in the offering will be offered to a limited number of investors at a purchase price of $[ ] per Unit. The Company has not set a minimum offering, and the Company may elect to sell more than [ ] Units in this offering, in the discretion of the Company's Board of Managers. The offering will terminate upon the first to occur of (i) receipt by the Company of subscriptions for the Offering Maximum, or (ii) [ ], 2011, or such later date as shall be fixed by the Board of Managers for the expiration of the offering.

The minimum number of Units for which an investor may subscribe is [ ] Units. Subject to the Offering Maximum, there is not a maximum number of Units for which an investor may subscribe.

The Units are offered directly by the Board of Managers of the Company on the terms and conditions set forth in this Memorandum. The Company is offering the Units on a "best efforts" basis. There can be no assurance that all or any of the Units offered will be sold.

There is currently no public market for the Units. The Units will not be registered under the Act in reliance upon an exemption from the registration requirements of the Act. Investors will be required to execute and deliver the Subscription Agreement set forth as Exhibit C to this Memorandum. Transfer of the Units may also be restricted under the securities or blue sky laws of certain states and foreign jurisdictions. In addition, investors will be required to execute the Operating Agreement. Consequently, investors may not be able to liquidate their investment and must be prepared to hold the Units for an indefinite time. See "Restrictions on Transfer."

Subscription Agreement; Escrow Arrangements

A prospective purchaser of Units must complete, date, execute, and deliver to the Company the following documents:

(a) Two original signed copies of the Subscription Agreement;

(b) One original signed counterpart signature page to the Operating Agreement;

(c) One executed counterpart signature page to the Capital Contribution Escrow Agreement and the Fees Escrow Agreement (collectively, the "Escrow Agreements"); and

(d) A check, draft, wire, or money order payable to an account designated by the Company in an amount equal to the number of Units to be purchased multiplied by the $[ ] purchase price per Unit.

The Company may, in its sole and absolute discretion, reject any prospective investor's subscription or limit the amount of the Units to be purchased by such investor for any reason, including the compliance of the offering with applicable registration requirements of the Act. The Company reserves the right to amend, modify and/or withdraw all or a portion of the offering.

The subscription funds paid by a prospective purchaser of Units shall be held in escrow pursuant to the terms of the Escrow Agreements. The escrowed subscription funds shall be distributed by the Escrow Agent to the Company or the Investor, as set forth below, within five (5) business days after the earliest to occur of the following:

(i) the date on which the Company delivers written notice to the Escrow Agent that the investor's Subscription Agreement has been accepted by the Company and that all conditions to release of the escrowed subscription funds have been satisfied, including without limitation that the I-526 Petition required to be filed by Investor under the Subscription Agreement has been approved by the USCIS, in which case the Escrow Agent shall distribute the full amount of the escrowed subscription funds to the Company;

(ii) the date on which the Company delivers written notice to the Escrow Agent that the investor's Subscription Agreement has been denied by the Company or that the I-526 Petition required to be filed by Investor under the Subscription Agreement has been denied by the USCIS, the Company shall return the undersigned's original capital investment pursuant to the Capital Contribution Escrow Agreement; or

(iii) the expiration of 12 months from the date of the Subscription Agreement executed by the Investor, in which case the Escrow Agent shall distribute the full amount of the escrowed subscription funds to the investor.

INVESTOR SUITABILITY REQUIREMENTS

This offering is made in reliance upon an exemption from registration under the Act. The speculative nature of the Company's business, together with the lack of liquidity of the Units, makes the purchase of Units only suitable for investors who have adequate financial resources and who can afford the total loss of their investment.

The suitability standards discussed below represent minimum suitability standards for prospective investors. The satisfaction of such standards by a prospective investor does not necessarily mean that the securities are a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in the Units is appropriate. The Company may reject subscriptions, in whole or in part, in its absolute discretion.

General

The Company will require each investor to represent in writing, among other things, that: (i) by reason of his business or financial experience, or that of the investor's professional advisor, the investor has the capacity of evaluating the merits and risks of an investment in the Units and of protecting its own interests in connection with the transaction; (ii) the investor is acquiring the Units for its own account, for investment only and not with a view toward the resale or distribution thereof, and that the investor is aware that the Units have not been registered under the Act and that the transfer rights are restricted by the Act, applicable state securities laws, the Operating Agreement to be entered into in connection with the purchase of the Units and the absence of a market for the Units; and (iii) the investor meets the suitability requirements set forth below.

Suitability Requirements

Each investor must represent in writing that such investor qualifies as an "accredited investor" as such term is defined in Rule 501(a) of Regulation D under the Act, and must demonstrate the basis for such qualification. To be an accredited investor, an investor must fall within any of the following categories at the time of the sale of Units to that investor:

1. any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation or partnership, not formed for the specific purpose of acquiring the Units, with total assets in excess of $5,000,000;

2. any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds $1,000,000 (excluding the value of his/her primary residence);

3. any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and who has a reasonable expectation of reaching the same income level in the current year;

4. any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D; and

5. any entity in which all the equity owners are accredited investors as defined above.

As used in this Memorandum, the term "net worth" means the excess of total assets over total liabilities. In computing net worth for the purposes of (2) above, the principal residence of the investor must be valued at cost, including cost of improvements, or at recently appraised value by an institutional lender making a secured loan, net of encumbrances. In determining income, an investor should add to his adjusted gross income any amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depletion, contributions to an IRA or Keogh retirement plan, alimony payments, and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income.

RESTRICTIONS ON TRANSFER

Because the Units are unregistered, they must be held indefinitely unless they are subsequently registered under the then applicable statutes, or an exemption from registration is then available. The Company may, as a condition of any resale or transfer of the Units, require an opinion of counsel, satisfactory to the Company, that such resale or transfer may be effected without registration under such statutes.

Transfer of the Units is also significantly restricted under the terms of the Operating Agreement. Under the Operating Agreement, transfers of Units which would result in a termination of the Company or which would alter the Company's status as a partnership for tax purposes are prohibited. In addition, any transfer of a Unit is subject to a right of first refusal by the Company to purchase such Unit, with exceptions for certain transfers to family members and affiliated entities. Similarly, a transferee of any Unit shall not be admitted as a member of the Company without the approval of the Board of Managers, with exceptions for certain transfers to family members and affiliated entities.

It is anticipated that there may never be a public market for the Units and an investor may not, therefore, expect to be readily able to liquidate his investment and the Units may not be readily acceptable as collateral for a loan. If as a result of some change in circumstances arising from an event not presently contemplated, a holder of the Units wishes to transfer his Units, or any portion thereof, the holder may find no buyer for the Units due to market conditions or the general liquidity of such Units. Moreover, if a holder were able to sell his Units, the holder may receive less than the amount of such holder's original investment. No representation is made that the Units could be resold for their original purchase price.

ADDITIONAL INFORMATION

The Company will provide, prior to the consummation of the offering, to each prospective investor and such investor's representatives and advisors, if any, the opportunity to ask questions and receive answers

concerning the terms and conditions of this offering and to obtain any additional information which the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investor. Any such questions or requests should be directed to [ ]; telephone number [ ]. No other person has been authorized to give information or to make any representations concerning this offering, and if given or made, such other information or representations must not be relied upon as having been authorized by the Company.

EXHIBIT 14

GMIC SAMPLECO, LLC SUBSCRIPTION AGREEMENT

TO: GMIC SAMPLECO, LLC
ATTN:_____
_____
_____

1. Subscription Instructions.

The undersigned hereby subscribes for and offers to purchase (the "Subscription") the number of units of membership interest ("Units") of GMIC Sampleco, LLC, a Missouri limited liability company (the "Company"), specified on the signature page hereof at a purchase price of $____ per Unit, pursuant to the terms and conditions hereinafter set forth in this Subscription Agreement. The minimum Subscription for EB-5 immigrant investors is [$500,000] [$1,000,000].

The undersigned hereby tenders to the Company, the following:

(a) check, draft, wire, or money order payable to an account designated by the Company in an amount equal to the number of Units to be purchased multiplied by the $___ purchase price per Unit;

(b) two executed copies of this Subscription Agreement;

(c) one executed counterpart signature page to the Operating Agreement of the Company (the "Operating Agreement"); and

(d) one executed counterpart signature page to the Capital Contribution Escrow Agreement and the Fees Escrow Agreement (collectively, the "Escrow Agreements").

2. Conditions to Subscription.

This Subscription is made subject to the following terms and conditions:

(a) The undersigned agrees that this Subscription is and shall be irrevocable, but the undersigned's obligations hereunder shall be terminated if this Subscription is rejected by the Company. The Company will notify the undersigned whether this Subscription has been accepted or rejected.

(b) The Company may reject this Subscription for insufficient documentation, oversubscription, or for any other reason that the Company may determine, in its sole discretion, to be in the best interests of the Company. In the event of such rejection, the Company will return promptly all of the undersigned's payment for the Units subscribed for, without interest or deduction.

3. EB-5 Investors.

(a) The undersigned shall hire an Independent Counsel for immigration processing and other legal matters. The Company will on request recommend qualified counsel for immigration processing matters. The undersigned shall be responsible for payment of legal fees and costs.

(b) If the undersigned's Form I-526 Immigrant Petition by Alien Entrepreneur is denied by the United States Citizenship and Immigration Services, the Company shall return the undersigned's original capital investment pursuant to the Capital Contribution Escrow Agreement. The Company shall be limited to return of the undersigned's capital contribution only.

4. Representations and Warranties of the Undersigned.

The undersigned, in order to induce the Company to accept this Subscription, hereby represents and warrants to the Company, and acknowledges that the Company may rely upon such representations and warranties, that:

(a) The undersigned, if a corporation, partnership, trust or other form of business entity, is authorized and otherwise duly qualified to purchase and hold the Units subscribed for hereunder; the person executing this Subscription Agreement on behalf of the undersigned has been duly authorized to do so; this Subscription Agreement, when executed by the person signing this Subscription Agreement on behalf of the undersigned, is binding upon the undersigned; and such entity has its principal place of business as set forth on the signature page hereof.

(b) The undersigned, if an individual, is over the age of 18 years and resides at the address set forth on the signature page hereof and has no present intention of establishing a residence in any other state or jurisdiction. The undersigned either reads or understands English or has had this Subscription translated by a trusted advisor into a language that the undersigned understands.

(c) The undersigned has not been formed, reformed or recapitalized for the specific purpose of purchasing the Units.

(d) The undersigned and the undersigned's investment advisors, if any, have been furnished and have read carefully the Certificate of Formation and Operating Agreement of the Company, and the Private Placement Memorandum of the Company dated as of _____, 2011 (the "PPM"). The undersigned understands that if this Subscription is accepted by the Company, the undersigned will be bound by the terms of the Operating Agreement. The undersigned and the undersigned's investment advisors, if any, have been furnished all other materials relating to the Company and its proposed activities which any of them have requested and have been afforded the opportunity to obtain any additional information requested by any of them. The undersigned and the undersigned's investment advisors, if any, are familiar with the Company's business, plans and financial condition and the terms of the Units.

(e) The undersigned recognizes that the Company has only recently been organized and that it has no financial or operating history, and that investment in the Units involves substantial

risks, including the loss of the undersigned's entire investment in the Units. The undersigned has considered all appropriate risk factors associated with an investment in the Units, including without limitations, the various factors described in the PPM under the heading "RISK FACTORS."

(f) The undersigned acknowledges that the forward-looking information contained in the PPM and the other documents and information provided and statements made by the Company are subject to numerous assumptions regarding future events, many of which are beyond the control of the Company and which cannot be predicted with certainty. Therefore, the undersigned understands that the actual results or performance of the Company could differ materially from the forward-looking information provided. The undersigned is not relying on such forward-looking information as representing actual future results or as the basis for the undersigned's investment decision.

(g) Representatives of the Company have answered all inquiries that the undersigned and the undersigned's investment advisors, if any, have put to them concerning the Company and its activities.

(h) The undersigned acknowledges that no agency of the United States or of any State has passed upon the Units or made any finding or determination concerning the fairness or merits of this investment.

(i) The undersigned recognizes that (i) the undersigned must bear the economic risk of investment in the Units for an indefinite period of time, because such Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Act"), or under any state or foreign securities laws, and (ii) the Company is under no obligation to register the Units on behalf of the undersigned or to assist the undersigned in complying with any exemption from registration.

(j) The undersigned acknowledges that the Units are illiquid and there is not, and will not be, an established market for the Units.

(k) The undersigned is acquiring the Units for the undersigned's own account, as principal, for investment and not with a view to the resale or distribution of all or any part of such Units.

(l) The undersigned has adequate means of providing for the undersigned's current needs and personal contingencies and has no need for liquidity in the undersigned's investment.

(m) The undersigned (together with the undersigned's advisor, if any) is a sophisticated investor who is able to evaluate the merits and risks of the undersigned's investments and who has the capacity to understand, and understands, the fundamental aspects of the Company and the inherent risk of investing in a start-up company with no operating history.

(n) The undersigned has not been offered the Units by any form of general solicitation or general advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or any seminar or meeting whose attendees were invited by any general solicitation or any general advertising.

(o) The undersigned has carefully considered and has, to the extent the undersigned believes such discussion necessary, discussed with the undersigned's professional legal, tax and financial advisers the suitability of an investment in the Company for the undersigned's particular tax and financial situation and the undersigned has determined that the Units are a suitable investment for the undersigned.

(p) The undersigned acknowledges that the offering and sale of the Units are intended to be exempt from registration under the Act and the provisions of Regulation D promulgated thereunder, and that the Company's reliance on such exemption is predicated on the undersigned's representations set forth herein and the undersigned's compliance with the provisions of Section 5 below.

(q) The undersigned understands that the Company intends to be classified as a partnership for tax purposes and, as a consequence, the Company's members are responsible for paying taxes on the Company's income, generally in proportion to their ownership of the Units, all as described more particularly in the Operating Agreement. The undersigned acknowledges that the undersigned has consulted a tax advisor, to the extent the undersigned has deemed such consultation necessary, in order to analyze the effect of the Company's status as a partnership for tax purposes on the undersigned's particular tax and financial situation.

(r) No funds tendered for the acquisition of the Units are directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws.

(s) Neither the undersigned, nor any person controlling, controlled by, or under common control with the undersigned, or for whom the undersigned is acting as agent or nominee in connection with the acquisition of the Units is: (1) a country, territory, organization, person or entity named on the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") list; (2) a person or entity that resides or has a place of business in a country or territory named on such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering ("FATF"), or whose funds for purchase of the Units are transferred from or through such jurisdiction; (3) a "Foreign Shell Bank" within the meaning of the USA PATRIOT Act; (4) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the Secretary of the Treasury under Section 311 or 312 of the USA PATRIOT Act as warranting special measures due to money laundering concerns; or (5) a person or entity who is within the scope of Executive Order 13224 "Blocking Property and Prohibited Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism," effective September 24, 2001;

5. Accredited Investor Status.

(a) If the undersigned is an individual or entity as described below, the undersigned has checked each applicable description, if any:

__ An individual with a net worth, or joint net worth with his spouse, in excess of $1,000,000 (excluding his/her primary residence).

__ An individual with income in excess of $200,000 in each of the two most recent years or joint income with his spouse in excess of $300,000 in each of those years and reasonably expects to reach the same income level in the current year.

__ A corporation, limited liability company or partnership, not formed for the specific purpose of acquiring the Units offered, with total assets in excess of $5,000,000.

__ A tax-exempt organization defined in Section 501(c)(3) of the Internal Revenue Code, with total assets in excess of $5,000,000.

__ A trust, with total assets in excess of $5,000,000, whose purchase is directed by a sophisticated person (one who is able to evaluate the merits and risks of the investment).

__ An executive officer of the Company.

__ An entity in which all of the equity owners fall within one or more of the above categories.

(b) If none of the descriptions listed in part (a) of this Section apply to the undersigned, the undersigned hereby represents and warrants to the Company that the undersigned is utilizing the "purchaser representative" identified below, as such term is defined in Rule 501(h) of Regulation D under the Act, to assist the undersigned in the undersigned's evaluation of an investment in the Units.

_____

_____

_____

6. Transferability.

(a) The undersigned shall not transfer or assign this Subscription Agreement or any interest herein; any such attempted transfer or assignment shall be void. The undersigned understands that the Units may not be sold, transferred or otherwise disposed of without registration under the Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Units or an available exemption from registration under the Act, the Units must be held indefinitely. In particular, the undersigned is aware that the Units may not be sold pursuant to Rule 144 promulgated under the Act unless all of the conditions of that Rule are met. Among the conditions for use of Rule 144 is the availability of current information to the public about the Company. Such information is not now available and the Company has no present plans to make such information available. The undersigned represents that, in the absence of an effective registration statement covering the Units the undersigned will sell, transfer or otherwise dispose of the Units only in a manner consistent with its obligations and representations set forth in this Subscription Agreement and then only in accordance with the Operating Agreement.

(b) All certificates for the Units, if any, may bear the following or a substantially similar legend:

"These securities have not been registered under the Securities Act of 1933. They may not be sold, offered for sale, pledged or hypothecated in the absence of an effective registration statement as to the securities under said Act or an opinion of counsel satisfactory to the Company that such registration is not required."

(c) The certificates for the Units, if any, may also bear any legend required by any applicable state securities or other law. In addition, the Company shall make a notation regarding the restrictions on transfer of the Units in its records and the Units shall be transferred on the books of the Company only if transferred or sold pursuant to an effective registration statement under the Act covering such Units or an applicable exemption from registration and pursuant to and in compliance with the provisions of the Operating Agreement.

7. Revocation.

The undersigned shall not have the right to cancel, terminate or revoke this Subscription Agreement or any agreement of the undersigned made hereunder. This Subscription Agreement shall survive the death, incapacity or bankruptcy of the undersigned.

8. Rejection of Subscription Agreement.

If the Company elects to reject this Subscription Agreement, this Subscription Agreement and the undersigned's execution of the Operating Agreement shall be null and void and of no further force and effect as of its inception (ab initio), and the undersigned shall have no rights hereunder or under the Operating Agreement, provided that the Company returns to the undersigned, without interest or deduction, the payment for the Units tendered herewith by the undersigned.

9. Indemnification.

The undersigned understands the meaning and legal consequences of the representations, warranties and covenants contained herein. The undersigned hereby agrees to indemnify and hold harmless the Company, and the Company's managers, officers, members, agents, affiliates and legal counsel, from and against any and all loss, damage or liability (including reasonable attorneys' fees) due to or arising out of a breach of any representation, warranty or covenant of the undersigned contained in this Subscription Agreement.

10. Confidentiality.

The undersigned agrees that all information the undersigned has received or will receive from, or as a member of, the Company will be held by the undersigned in the strictest confidence. Such information will not be used by the undersigned for any purpose other than as a member of the Company and, except to the extent required by law, will not be disclosed to any other person by the undersigned, except to the extent required by applicable law. The provisions of this Section 10 shall not apply to information which is currently generally available to the public or becomes generally available to the public other than as a result of a disclosure by the undersigned or the undersigned's agents or representatives.

11. Miscellaneous.

(a) This Subscription Agreement and the rights and obligations of the parties hereunder are to be governed by and construed and interpreted in accordance with the laws of the State of Missouri applicable to contracts made and to be performed wholly within Missouri, without regard to choice or conflict of laws rules.

(b) This Subscription Agreement and the documents referenced herein constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no other agreements, written or oral, between the parties related to the subject matter hereof.

(c) If more than one person is signing this Subscription Agreement, each representation, warranty and undertaking herein shall be a joint and several representation, warranty and undertaking of each such person.

(d) This Subscription, upon acceptance by the Company, shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the undersigned.

(e) The undersigned recognizes that if the undersigned fails to perform, observe or discharge any of the undersigned's obligations under this Agreement, no remedy at law will provide adequate relief to the Company. Therefore, the Company is hereby authorized to demand specific performance of this Subscription Agreement, and is entitled to temporary and permanent injunctive relief, in a court of competent jurisdiction at any time when the undersigned fails to comply with any of the provisions of this Subscription Agreement applicable to the undersigned. To the extent permitted by applicable law, the undersigned hereby irrevocably waives any defense that the undersigned might have based on the adequacy of a remedy at law which might be asserted as a bar to such remedy of specific performance or injunctive relief.

(f) If a dispute arises out of this Subscription Agreement, and if the disputants cannot settle this dispute through negotiation, the disputants shall try in good faith to settle the dispute through mediation administered by the Commercial Mediation Rules of the American Arbitration Association. If the parties fail to resolve the dispute within twenty–one (21) days after starting mediation, then upon notice by any disputant to the others, the disputants shall settle the dispute by binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The county and state of the Company's principal place of business shall serve as the place of the arbitration. An arbitrator may not consolidate arbitration proceedings under this Subscription Agreement with other pending arbitration proceedings without the prior written consent of all disputants. An arbitrator with at least five years of experience in the relevant area shall handle the arbitration. Subject to the control of the arbitrator or as the disputants may otherwise mutually agree, the disputants shall have the right to conduct reasonable discovery for a period of forty–five (45) days after the filing of an answer or other responsive pleading. The arbitrator may not award punitive damages and may not make any ruling, finding or award inconsistent with this Subscription Agreement. Any disputant may enter a judgment upon the award rendered by the arbitrator in any court having jurisdiction over the dispute. Neither a party nor an arbitrator may disclose the existence, content or results of any arbitration proceeding. A

non–prevailing disputant shall reimburse a prevailing disputant's legal and arbitration fees and expenses. The award of the arbitrator shall include a reasoned opinion. This Subscription Agreement involves interstate commerce and is therefore enforceable as provided in the Federal Arbitration Act, 9 U.S.C. § 1 et seq. Nothing contained herein shall prevent a party from seeking injunctive relief in a court of competent jurisdiction to restrain any breach or threatened breach of this Subscription Agreement.

* * *

[Remainder of Page Intentionally Left Blank]

GMIC SAMPLECO, LLC

SIGNATURE PAGE FOR INDIVIDUAL, AGENT, CUSTODIAN OR TRUSTEE

This page constitutes the Signature Page for the GMIC Sampleco, LLC Subscription Agreement. The undersigned represents to the Company that (i) the information provided by the undersigned in this Subscription Agreement is complete and accurate on the date hereof and may be relied on by the Company, and (ii) the undersigned will notify the Company immediately of any change in any of such information occurring prior to the acceptance of this Subscription Agreement by the Company and will promptly send the Company written confirmation of such change. The undersigned hereby certifies that the undersigned has read and understands this Subscription Agreement.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

Date: _____, 2011

_____
Signature

_____
Name (Please Print)

Residence Address_____

_____

Tax Identification or Social
Security No._____

_____
Signature

_____
Name (Please Print)

Residence Address_____

_____

Tax Identification or Social
Security No._____

Amount of Subscription: _____ Units

(Check One)
___ Purchasing individually
___ Purchasing as Joint Tenants with right of survivorship (each owner must sign)
___ Purchasing as Tenants in Common (each owner must sign)
___ Purchasing as Agent, custodian or trustee for (circle appropriate capacity)

_____
Name of entity

GMIC SAMPLECO, LLC

SIGNATURE PAGE FOR PARTNERSHIP, LIMITED LIABILITY COMPANY

This page constitutes the Signature Page for the GMIC Sampleco, LLC Subscription Agreement. The undersigned represents to the Company that (i) the information provided by the undersigned in this Subscription Agreement is complete and accurate on the date hereof and may be relied on by the Company, and (ii) the undersigned will notify the Company immediately of any change in any of such information occurring prior to the acceptance of this Subscription Agreement by the Company and will promptly send the Company written confirmation of such change. The undersigned hereby certifies that the undersigned has read and understands this Subscription Agreement.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

_____
Official Name of Subscriber

Date: _____, 2011

By_____
Signature

_____
Name (Please Print)

Title:_____

Tax Identification No. _____

Principal Place of Business:_____

_____

Amount of Subscription: _____ Units

(Check One)

_____ Purchasing as a Partnership

_____ Purchasing as a Limited Liability Company

_____ Purchasing as a Corporation

GMIC SAMPLECO, LLC

ACCEPTANCE OF SUBSCRIPTION

The undersigned, as an officer of GMIC Sampleco, LLC, a Missouri limited liability company, does hereby accept the foregoing subscription for Units on the terms contained in this Subscription Agreement.

Date: _____, 2011 GMIC SAMPLECO, LLC

By_____
Name:_____
Title:_____

H:\8936\001\Corporate documents\Subscription Agreement 2.18.2011 FINAL V 2.doc

EXHIBIT 15

SAMPLE CAPITAL CONTRIBUTION ESCROW AGREEMENT

THIS SAMPLE CAPITAL CONTRIBUTION ESCROW AGREEMENT (this "*Agreement*") is made as of this _____ day of _____, 2011, among **GMIC SAMPLECO, LLC**, a Missouri limited liability company (the "*Company*"), _____, a _____ corporation, as escrow agent ("*Escrow Agent*"), and _____, an individual (the "*Investor*").

RECITALS

A. The Company is offering to sell (the "Offering") an aggregate of ____ of its membership interests to investors as described in that certain Confidential Private Placement Memorandum dated as of _____, 2011 (the "*PPM*").

B. Under the terms of the Offering as set forth in the PPM and the subscription agreement executed by the Investor (the "*Subscription Agreement*"), subscriptions for purchase the membership interests will not be accepted unless and until the conditions set forth in the Subscription Agreement are satisfied in full or waived, including payment of the purchase price for the membership interests (collectively the "Closing Conditions").

C. The Company and the Investor desire that the Escrow Agent serve as the escrow agent and hold all funds tendered by the Investor to the Company for the membership units pursuant to the Subscription Agreement (the "Escrowed Subscription Funds") pending the closing or termination of the Offering, and the Escrow Agent is willing to serve in such capacity under the terms and conditions herein.

AGREEMENT

In consideration of the foregoing, the mutual covenants herein contained and other good and valuable consideration (the receipt, adequacy and sufficiency of which are hereby acknowledged by the parties by their execution hereof), the parties agree as follows.

1. Appointment of Escrow Agent. The Company and the Investor hereby appoint Escrow Agent to act as Escrow Agent hereunder, and Escrow Agent hereby accepts such appointment and agrees to perform the duties of Escrow Agent hereinafter set forth, subject to the terms and conditions of this Agreement.

2. Delivery of Escrowed Subscription Funds. Concurrently with the execution of this Agreement by the parties, Investor has delivered to Escrow Agent by check, draft, wire, or money order, the Escrowed Subscription Funds. Escrow Agent acknowledges receipt of the Escrowed Subscription Funds, which Escrowed Subscription Funds are to be held and disposed of by Escrow Agent in accordance with the terms and conditions of this Agreement.

3. Maintenance of Escrowed Subscription Funds. Pending disbursement of the Escrowed Subscription Funds as set forth in this Agreement, the Escrow Agent shall invest and reinvest the Escrowed Subscription Funds in any combination of Permitted Investments at the written direction of the Company, provided that the Escrow Agent shall not be required to make

investments which it determines in its sole good faith discretion to be administratively or operationally impracticable. For purposes of this Agreement, "Permitted Investments" means (i) money market funds registered under the Investment Company Act of 1940 (the "*1940 Act*"), as amended, the portfolios of which are limited to Government Securities (as defined in the 1940 Act), (ii) marketable obligations fully guaranteed by the United States of America with a maturity of 90 days or less, and (iii) such other investments as may be specified from time to time to the Escrow Agent by written instruction of the Company. All earnings realized from the investments of all or any portion of the Escrowed Subscription Funds shall become part of the Escrowed Subscription Funds and shall be distributed in the same manner as the Escrowed Subscription Funds, as provided in this Agreement.

4. Delivery of Escrowed Subscription Funds. The Escrowed Subscription Funds shall be distributed by the Escrow Agent to the Company or the Investor, as set forth below, within five (5) business days after the earliest to occur of the following:

(i) the date on which the Company delivers written notice to the Escrow Agent that the Investor's Subscription Agreement has been accepted by the Company and that all conditions to release of the Escrowed Subscription Funds have been satisfied, including without limitation that the I-526 Petition required to be filed by Investor under the Subscription Agreement has been approved by the United States Citizenship and Immigration Services ("*USCIS*"), in which case the Escrow Agent shall distribute the full amount of the Escrowed Subscription Funds to the Company;

(ii) the date on which the Company delivers written notice to the Escrow Agent that the Investor's Subscription Agreement has been denied by the Company or that the I-526 Petition required to be filed by Investor under the Subscription Agreement has been denied by the USCIS, in which case the Escrow Agent shall distribute the full amount of the Escrowed Subscription Funds to the Investor; or

(iii) the expiration of 12 months from the date of the Subscription Agreement executed by the Investor, in which case the Escrow Agent shall distribute the full amount of the Escrowed Subscription Funds to the Investor.

5. Termination of Agreement. This Agreement terminates at such time as the Escrowed Subscription Funds have been delivered in accordance with Section 4.

6. Liability and Compensation of Escrow Agent.

6.1. Representations to Escrow Agent. Escrow Agent has been induced to accept its duties under this Agreement by the following terms, conditions, agreements and representations of the other parties hereto.

6.1.1. Liability. Escrow Agent is not liable to any party hereto, or any of their representatives, successors or assigns, for any action or failure to act by Escrow Agent hereunder, except for Escrow Agent's own gross negligence or willful misconduct. The other parties hereto agree to jointly and severally indemnify and hold harmless Escrow Agent and any successor, representative, employee or agent of Escrow Agent, from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees

and disbursements, arising out of or in connection with this Agreement, except for claims against Escrow Agent based upon gross negligence or willful misconduct that are successfully asserted against Escrow Agent. This indemnification survives the termination of this Agreement.

6.1.2. Escrow Agent's Reliance. Escrow Agent is entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give any notice or receipt or advice or to make any statement or executing any document in connection with the provisions hereof has been duly authorized to so do. If Escrow Agent is in doubt as to what action it should take hereunder, Escrow Agent is entitled to deposit that portion of the Escrowed Subscription Funds as to which it has such doubt with a court of competent jurisdiction and interplead the other parties for a determination of the matter. Escrow Agent may not undertake such deposit and interpleader unless it has given each of the parties a written notice ten days before such deposit and interpleader as to the intentions of Escrow Agent.

6.1.3. Entire Agreement. This Agreement expressly sets forth all the duties of Escrow Agent with respect to any and all matters pertinent hereto. Escrow Agent is not bound by the provisions of any other agreement, including the Subscription Agreement.

6.1.4. Duty of Care. Escrow Agent is not under any duty to give the Escrowed Subscription Funds held by it hereunder any greater degree of care than it gives its own similar property.

6.1.5. Advice of Counsel. Escrow Agent may act in good faith pursuant to the advice of its counsel with respect to any matter relating to this Agreement.

6.2. Fees. For its services hereunder, Escrow Agent is entitled to reasonable compensation at the rates set forth on Exhibit A, which compensation shall be paid by the Company.

7. Resignation and Removal of Escrow Agent.

7.1. Resignation and Removal. Escrow Agent may resign at any time by giving written notice of such resignation to the Company and the Investor. Upon such notice of resignation, a successor escrow agent (the "*Successor*") is to be appointed by the Company and the Investor. Escrow Agent also may be removed as escrow agent hereunder by the Company and the Investor.

7.2. Successor Escrow Agent. Any appointed Successor must execute, acknowledge and deliver to its predecessor escrow agent (the "*Predecessor*") and the Company and the Investor an instrument accepting such appointment and agreeing to the terms of this Agreement. The resignation or removal of the Predecessor will thereupon become effective and the Successor succeeds to the rights and duties of the Predecessor hereunder. The Predecessor will immediately deliver to the Successor the Escrowed Subscription Funds and any documents then held by the Predecessor pursuant to this Agreement.

7.3. Failure to Appoint a Successor Escrow Agent. Should the Company and the Investor fail to appoint a Successor as set forth herein upon Escrow Agent's resignation, Escrow Agent may petition a court of competent jurisdiction for the appointment of a Successor. Any costs incurred by Escrow Agent with respect to such petition, including reasonable attorneys' fees and expenses, are to be paid by the Company.

8. Adverse Claims. In the event of any disagreement or the presentation of adverse claims or demands in connection with or for any item affected hereby, Escrow Agent is at its option entitled to refuse to comply with any such claims or demands during the continuance of such disagreement and may refrain from delivering any item affected hereby. In so doing, Escrow Agent does not become liable to the other parties hereto, or any of them, or to any other Person, due to its failure to comply with any such adverse claim or demand. Escrow Agent is entitled to continue, without liability, to refrain and refuse to act: (i) until all rights of the adverse claimants have been finally adjudicated by a court or arbitrators having jurisdiction of the parties and the items affected thereby, after which time Escrow Agent is entitled to act in conformity with such adjudication; or (ii) until all differences have been adjusted by agreement and Escrow Agent has been notified thereof and has been directed in writing signed jointly or in counterpart by the Company and the Investor and by all persons making adverse claims or demands, at which time Escrow Agent is protected in acting in compliance therewith.

9. Amendment and Modification. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, nor consent to any departure therefrom, will in any event be effective unless the same is in writing and is signed by the party against whom enforcement of the same is sought. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given.

10. Assignments. Except as otherwise set forth herein, no party may assign or transfer any of its rights or obligations under this Agreement to any other person without the prior written consent of the other parties.

11. Captions. Captions contained in this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

12. Construction. Unless the context of this Agreement clearly requires otherwise: (i) references to the plural include the singular and vice versa; (ii) references to any person include such person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; (iii) references to one gender include all genders; (iv) "including" is not limiting; (v) "or" has the inclusive meaning represented by the phrase "and/or"; (vi) the words "hereof," "herein," "hereby," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (vii) section and Exhibit references are to this Agreement unless otherwise specified; and (viii) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof.

13. Counterpart Facsimile Execution. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other telecommunications mechanism will be effective as delivery of a manually executed counterpart of this Agreement. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine, telecopier, or electronically scanned and transmitted in a .pdf file format is to be treated as an original document. The signature of any party thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any party, any facsimile, or electronically scanned document is to be re-executed in original form by the parties who executed the facsimile, telecopy or electronically scanned document. No party may raise the use of a facsimile machine, telecopier or electronic transmission permitted in this Section 13 or the fact that any signature was transmitted through the use of a facsimile, telecopier machine or electronically in a .pdf file format as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this Section 13.

14. Exhibits. All of the Exhibits attached to this Agreement are deemed incorporated herein by reference.

15. Failure or Delay. No failure on the part of any party to exercise, and no delay in exercising, any right, power or privilege hereunder operates as a waiver thereof; nor does any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand on any party in any case entitles such party to any other or further notice or demand in similar or other circumstances.

16. Further Assurances. The parties will execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement. The Investor shall deliver to Escrow Agent such documentation as Escrow Agent may reasonably request pursuant to applicable law.

17. Governing Law. This Agreement and the rights and obligations of the parties hereunder are to be governed by and construed and interpreted in accordance with the laws of the State of Missouri applicable to contracts made and to be performed wholly within Missouri, without regard to choice or conflict of laws rules.

18. Notices. Unless otherwise specified, any notice or other communication hereunder must be given in writing and (i) delivered in person; (ii) transmitted by facsimile or other telecommunications mechanism; (iii) delivered via an overnight courier service of national reputation; or (iv) mailed by certified or registered mail, postage prepaid, receipt requested as follows: If to Escrow Agent: _____, _____, _____, _____, Attention: _____, Facsimile: _____. If to Company:_____,_____,_____, _____, Attention: _____, Facsimile:_____. If to

Investor:_____,_____,_____,
_____, Attention: _____, Facsimile: _____, or to such other address or to such other person as any party has last designated by such notice to the other parties. Each such notice or other communication will be effective (i) if given by facsimile or other telecommunication, when transmitted to the applicable number so specified in this Section 18 and an appropriate confirmation is received; (ii) if given by mail, three (3) business days after such communication is deposited in the mails with first class postage prepaid, addressed as above; (iii) if given by overnight courier service of national reputation, one (1) business day after such communication is deposited with such courier service; or (iv) if given by any other means, when actually received at such address.

19. Submission to Jurisdiction. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO MAY BE BROUGHT IN THE COURTS OF THE COUNTY OF ST. LOUIS, STATE OF MISSOURI OR ANY COURT OF THE UNITED STATES OF AMERICA FOR THE EASTERN DISTRICT OF MISSOURI AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF SUCH COURTS. THE PARTIES IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH ANY OF THEM MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS. EACH PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF SUCH COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO EACH OF THE OTHER PARTIES AT ITS ADDRESS PROVIDED HEREIN, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING.

20. Successors and Assigns. All provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the parties and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

21. Third-Party Beneficiary. This Agreement is solely for the benefit of the parties and their respective successors and permitted assigns, and no other person has any right, benefit, priority or interest under or because of the existence of this Agreement.

* * *

[Signatures appear on next page.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

[ESCROW AGENT]

By:_____
Name:_____
Title:_____

GMIC SAMPLECO, LLC

By:_____
Name:_____
Title:_____

[INVESTOR]

By:_____
Name:_____
Title:_____

EXHIBIT A
TO
ESCROW AGREEMENT

ESCROW AGENT'S FEES

Gateway to the Midwest Investment Center
Proposed Escrow Agents

Wachovia Corporation
One Wachovia Center
Charlotte, North Carolina 28288-0013
Phone: 704-374-6565

Bank of America Corporation
100 North Tryon Street
Charlotte, North Carolina
Phone: 704-386-5681

Citibank
399 Park Ave.
New York, NY 10022
Phone: 212-559-1000

EXHIBIT 16

SAMPLE FEES ESCROW AGREEMENT

THIS SAMPLE FEES ESCROW AGREEMENT (this "*Agreement*") is made as of this _____ day of _____, 2011, among **GMIC SAMPLECO, LLC,** a Missouri limited liability company (the "*Company*"), _____, a _____ corporation, as escrow agent ("*Escrow Agent*"), and _____, an individual (the "*Investor*").

RECITALS

A. The Company is offering to sell an aggregate of ____ of its membership interests to investors as described in that certain Confidential Private Placement Memorandum dated as of _____, 2011.

B. The Company and the Investor desire that the Escrow Agent serve as the escrow agent and hold funds tendered by the Investor for certain initial fees payable by the Investor to the Company (the "Fees Escrow Fund"); and the Escrow Agent is willing to serve in such capacity under the terms and conditions herein.

AGREEMENT

In consideration of the foregoing, the mutual covenants herein contained and other good and valuable consideration (the receipt, adequacy and sufficiency of which are hereby acknowledged by the parties by their execution hereof), the parties agree as follows.

1. Appointment of Escrow Agent. The Company and the Investor hereby appoint Escrow Agent to act as Escrow Agent hereunder, and Escrow Agent hereby accepts such appointment and agrees to perform the duties of Escrow Agent hereinafter set forth, subject to the terms and conditions of this Agreement.

2. Delivery of Fees Escrow Fund. Concurrently with the execution of this Agreement by the parties, Investor has delivered to Escrow Agent by wire transfer of immediately available funds the Fees Escrow Fund. Escrow Agent acknowledges receipt of the Fees Escrow Fund, which Fees Escrow Fund is to be held and disposed of by Escrow Agent in accordance with the terms and conditions of this Agreement.

3. Maintenance of Fees Escrow Fund. Pending disbursement of the Fees Escrow Fund as set forth in this Agreement, the Escrow Agent shall invest and reinvest the Fees Escrow Fund in any combination of Permitted Investments at the written direction of the Company, provided that the Escrow Agent shall not be required to make investments which it determines in its sole good faith discretion to be administratively or operationally impracticable. For purposes of this Agreement, "Permitted Investments" means (i) money market funds registered under the Investment Company Act of 1940 (the "*1940 Act*"), as amended, the portfolios of which are limited to Government Securities (as defined in the 1940 Act), (ii) marketable obligations fully guaranteed by the United States of America with a maturity of 90 days or less, and (iii) such other investments as may be specified from time to time to the Escrow Agent by joint written instructions of the Company. All earnings realized from the investments of all or any portion of the Fees Escrow Fund shall become part of the Fees Escrow Fund and shall be distributed in the

same manner as the Fees Escrow Fund, as provided in this Agreement. All investment losses realized on investments of all or any portion of the Fees Escrow Fund shall be charged to the Fees Escrow Fund.

4. Delivery of Fees Escrow Fund. At any time following the date hereof, the Manager of the Company may request a disbursement from the Fees Escrow Fund to reimburse the Company for expenses incurred on behalf of the Investor. If any net earnings from investments are held in the Fees Escrow Fund as of the end of any calendar year, such amounts shall be distributed to the Company, and to the extent applicable, the Company shall be deemed the owner of such net earnings for all purposes.

5. Termination of Agreement. This Agreement terminates at such time as the Fees Escrow Fund has been delivered in accordance with Section 4.

6. Liability and Compensation of Escrow Agent.

6.1. Representations to Escrow Agent. Escrow Agent has been induced to accept its duties under this Agreement by the following terms, conditions, agreements and representations of the other parties hereto.

6.1.1. Liability. Escrow Agent is not liable to any party hereto, or any of their representatives, successors or assigns, for any action or failure to act by Escrow Agent hereunder, except for Escrow Agent's own gross negligence or willful misconduct. The other parties hereto agree to jointly and severally indemnify and hold harmless Escrow Agent and any successor, representative, employee or agent of Escrow Agent, from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of or in connection with this Agreement, except for claims against Escrow Agent based upon gross negligence or willful misconduct that are successfully asserted against Escrow Agent. This indemnification survives the termination of this Agreement.

6.1.2. Escrow Agent's Reliance. Escrow Agent is entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give any notice or receipt or advice or to make any statement or executing any document in connection with the provisions hereof has been duly authorized to so do. If Escrow Agent is in doubt as to what action it should take hereunder, Escrow Agent is entitled to deposit that portion of the Fees Escrow Fund as to which it has such doubt with a court of competent jurisdiction and interplead the other parties for a determination of the matter. Escrow Agent may not undertake such deposit and interpleader unless it has given each of the parties a written notice ten days before such deposit and interpleader as to the intentions of Escrow Agent.

6.1.3. Entire Agreement. This Agreement expressly sets forth all the duties of Escrow Agent with respect to any and all matters pertinent hereto. Escrow Agent is not bound by the provisions of any other agreement, including the Subscription Agreement.

6.1.4. Duty of Care. Escrow Agent is not under any duty to give the Fees Escrow Fund held by it hereunder any greater degree of care than it gives its own similar property.

6.1.5. Advice of Counsel. Escrow Agent may act in good faith pursuant to the advice of its counsel with respect to any matter relating to this Agreement.

6.2. Fees. For its services hereunder, Escrow Agent is entitled to reasonable compensation at the rates set forth on Exhibit A, which compensation shall be shared 50% by the Company and 50% by the Investor.

7. Resignation and Removal of Escrow Agent.

7.1. Resignation and Removal. Escrow Agent may resign at any time by giving written notice of such resignation to the Company and the Investor. Upon such notice of resignation, a successor escrow agent (the "*Successor*") is to be appointed by the Company and the Investor. Escrow Agent also may be removed as escrow agent hereunder by the Company and the Investor.

7.2. Successor Escrow Agent. Any appointed Successor must execute, acknowledge and deliver to its predecessor escrow agent (the "*Predecessor*") and the Company and the Investor an instrument accepting such appointment and agreeing to the terms of this Agreement. The resignation or removal of the Predecessor will thereupon become effective and the Successor succeeds to the rights and duties of the Predecessor hereunder. The Predecessor will immediately deliver to the Successor the Fees Escrow Fund and any documents then held by the Predecessor pursuant to this Agreement.

7.3. Failure to Appoint a Successor Escrow Agent. Should the Company and the Investor fail to appoint a Successor as set forth herein upon Escrow Agent's resignation, Escrow Agent may petition a court of competent jurisdiction for the appointment of a Successor. Any costs incurred by Escrow Agent with respect to such petition, including reasonable attorneys' fees and expenses, are to be paid 50% by the Company and 50% by the Investor.

8. Adverse Claims. In the event of any disagreement or the presentation of adverse claims or demands in connection with or for any item affected hereby, Escrow Agent is at its option entitled to refuse to comply with any such claims or demands during the continuance of such disagreement and may refrain from delivering any item affected hereby. In so doing, Escrow Agent does not become liable to the other parties hereto, or any of them, or to any other Person, due to its failure to comply with any such adverse claim or demand. Escrow Agent is entitled to continue, without liability, to refrain and refuse to act: (i) until all rights of the adverse claimants have been finally adjudicated by a court or arbitrators having jurisdiction of the parties and the items affected thereby, after which time Escrow Agent is entitled to act in conformity with such adjudication; or (ii) until all differences have been adjusted by agreement and Escrow Agent has been notified thereof and has been directed in a writing signed jointly or in counterpart by the Company and the Investor and by all persons making adverse claims or demands, at which time Escrow Agent is protected in acting in compliance therewith.

9. Amendment and Modification. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, nor consent to any departure therefrom, will in any event be effective unless the same is in writing and is signed by the party against whom enforcement of the same is sought. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given.

10. Assignments. Except as otherwise set forth herein, no party may assign or transfer any of its rights or obligations under this Agreement to any other person without the prior written consent of the other parties.

11. Captions. Captions contained in this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

12. Construction. Unless the context of this Agreement clearly requires otherwise: (i) references to the plural include the singular and vice versa; (ii) references to any person include such person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; (iii) references to one gender include all genders; (iv) "including" is not limiting; (v) "or" has the inclusive meaning represented by the phrase "and/or"; (vi) the words "hereof," "herein," "hereby," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (vii) section and Exhibit references are to this Agreement unless otherwise specified; and (viii) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof.

13. Counterpart Facsimile Execution. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other telecommunications mechanism will be effective as delivery of a manually executed counterpart of this Agreement. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine, telecopier, or electronically scanned and transmitted in a .pdf file format is to be treated as an original document. The signature of any party thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any party, any facsimile or electronically scanned document is to be re-executed in original form by the parties who executed the facsimile, telecopy or electronically scanned document. No party may raise the use of a facsimile machine, telecopier or electronic transmission permitted in this Section 13 or the fact that any signature was transmitted through the use of a facsimile, telecopier machine or electronically in a .pdf file format as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this Section 13.

14. Exhibits. All of the Exhibits attached to this Agreement are deemed incorporated herein by reference.

15. Failure or Delay. No failure on the part of any party to exercise, and no delay in exercising, any right, power or privilege hereunder operates as a waiver thereof; nor does any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand on any party in any case entitles such party to any other or further notice or demand in similar or other circumstances.

16. Further Assurances. The parties will execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement. The Investor shall deliver to Escrow Agent the Investor's passport and such other documentation as Escrow Agent may reasonably request pursuant to applicable law.

17. Governing Law. This Agreement and the rights and obligations of the parties hereunder are to be governed by and construed and interpreted in accordance with the laws of the State of Missouri applicable to contracts made and to be performed wholly within Missouri, without regard to choice or conflict of laws rules.

18. Notices. Unless otherwise specified, any notice or other communication hereunder must be given in writing and (i) delivered in person; (ii) transmitted by facsimile or other telecommunications mechanism; (iii) delivered via an overnight courier service of national reputation; or (iv) mailed by certified or registered mail, postage prepaid, receipt requested as follows: If to Escrow Agent: _____, _____, _____, _____, Attention: _____, Facsimile: _____. If to Company:_____,_____,_____, _____, Attention: _____, Facsimile:_____. If to Investor:_____,_____,_____, _____, Attention: _____, Facsimile: _____, or to such other address or to such other person as any party has last designated by such notice to the other parties. Each such notice or other communication will be effective (i) if given by facsimile or other telecommunication, when transmitted to the applicable number so specified in this Section 18 and an appropriate confirmation is received; (ii) if given by mail, three (3) business days after such communication is deposited in the mails with first class postage prepaid, addressed as above; (iii) if given by overnight courier service of national reputation, one (1) business day after such communication is deposited with such courier service; or (iv) if given by any other means, when actually received at such address.

19. Submission to Jurisdiction. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO MAY BE BROUGHT IN THE COURTS OF THE COUNTY OF ST. LOUIS, STATE OF MISSOURI OR ANY COURT OF THE UNITED STATES OF AMERICA FOR THE EASTERN DISTRICT OF MISSOURI AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF SUCH COURTS. THE PARTIES IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH ANY OF THEM MAY NOW OR HEREAFTER HAVE TO

THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS. EACH PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF SUCH COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO EACH OF THE OTHER PARTIES AT ITS ADDRESS PROVIDED HEREIN, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING.

20. Successors and Assigns. All provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the parties and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

21. Third-Party Beneficiary. This Agreement is solely for the benefit of the parties and their respective successors and permitted assigns, and no other person has any right, benefit, priority or interest under or because of the existence of this Agreement.

* * *

[Signatures appear on next page.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

[ESCROW AGENT]

By:_____
Name:_____
Title:_____

GMIC SAMPLECO, LLC

By:_____
Name:_____
Title:_____

[INVESTOR]

By:_____
Name:_____
Title:_____

EXHIBIT A
TO
ESCROW AGREEMENT

ESCROW AGENT'S FEES

Gateway to the Midwest Investment Center
Proposed Escrow Agents

Wachovia Corporation
One Wachovia Center
Charlotte, North Carolina 28288-0013
Phone: 704-374-6565

Bank of America Corporation
100 North Tryon Street
Charlotte, North Carolina
Phone: 704-386-5681

Citibank
399 Park Ave.
New York, NY 10022
Phone: 212-559-1000

H:\8686\001\Escrow Agents.doc

EXHIBIT 17

GMIC GATEWAY TO THE MIDWEST INVESTMENT CENTER

GMIC INVESTOR EVALUATION

This document and all information within is personal and confidential for GMIC internal use only
Please fill out the following information about yourself so that we may review and recommend various options that may be available to you.

PERSONAL INFORMATION:			
Applicant/Investor Name			
Cell phone number	Home phone/work phone number	Email address	
Gender: _____ Male _____Female		Marital Status: _____ Single _____ Married _____ Divorced _____ Widowed	
Date of Birth (month/day/year)	Place of birth (city/country)	Country of Citizenship	
Passport issued by (Country)	Passport number	Passport issued (date)	Passport expiry

IF YOU ARE CURRENTLY INSIDE THE UNITED STATES, PLEASE PROVIDE THE FOLLOWING:		
Type of US Visa	Visa issuance date: Visa expiry date:	I-94 issuance date (attach copy) I-94 expiry date:
Date of last entry into US	Place of last entry into US	

PRESENT ADDRESS:			
Street address			
City	State/Province	Country	Postal/Zip Code

St. Louis County Economic Council · 121 S. Meramec Avenue · Suite 1117 · St. Louis, MO 63105
Douglas A. Potts – 314.615.7616, dpotts@slcec.com

GMIC GATEWAY TO THE MIDWEST INVESTMENT CENTER

INFORMATION ABOUT YOUR SPOUSE:			
Full legal name		Maiden name	Gender: _____ Female _____ Male
Date of Birth (month/day/year)	Place of birth (city/country)	Country of Citizenship	
Passport issued by (Country)	Passport number	Passport issued (date)	Passport expiry

CURRENT EMPLOYMENT			
Employer (Name of business)		Business Address	
City	State/Province	Country	Postal/Zip Code
Position		Start Date	
Annual Salary		Other Compensation	

Have you or your spouse ever filed for Bankruptcy?
_____ Yes _____ No

- If yes, explain (use separate page if necessary)

Have you or your spouse ever been convicted of a crime?
_____ Yes _____ No

- If yes, explain (use separate page if necessary)

FINANCIAL CONDITION:

Does your family meet one or both of the following?

1. US$200,000 Annual income for the past 3 years

_____ Yes _____ No

2. Net worth in excess of US $1,000,000

_____ Yes _____ No

INVESTMENT ACKNOWLEDGEMENT:

Proposed Minimum Investment Amount:

_____ US$500,000 _____ US$1,000,000

INVESTOR I-526 AND I-829 DISCLOSURE ACKNOWLEDGEMENT:

I am willing to provide all other necessary documentation and other information as needed to the GMIC and the U.S. Citizen & Immigration Service (USCIS) under the I-526 and I-829 process and submit to necessary background checks in filing these documents with GMIC and the USCIS:

_____ Yes _____ No

VERIFICATION:

Please supply copies or send via fax or email two (2) of the following for the Applicant/Investor and Spouse:

1. Valid government issued drivers license including photograph;
2. Valid passport (copy of picture page);
3. National Identity card if available;
4. Copy of current US visa (if inside the United States);
5. Copy of I-94 (if inside the United States).

_____

Signature DATE

Notice of Entry of Appearance as Attorney or Accredited Representative

Department of Homeland Security

DHS
Form G-28
OMB No. 1615-0105
Expires 03/31/2018

Part 1. Information About Attorney or Accredited Representative

1. USCIS ELIS Account Number *(if any)*

Name and Address of Attorney or Accredited Representative

2.a. Family Name *(Last Name)*: LUNDY

2.b. Given Name *(First Name)*: DANIEL

2.c. Middle Name:

3.a. Street Number and Name: 1601 MARKET STREET

3.b. Apt. ☐ Ste. ☒ Flr. ☐ 2600

3.c. City or Town: PHILADELPHIA

3.d. State: PA 3.e. ZIP Code: 19103

3.f. Province:

3.g. Postal Code:

3.h. Country: USA

4. Daytime Telephone Number: 2158258600

5. Fax Number: 2158258699

6. E-Mail Address *(if any)*: DLUNDY@KLASKOLAW.COM

7. Mobile Telephone Number *(if any)*:

Part 2. Notice of Appearance as Attorney or Accredited Representative

This appearance relates to immigration matters before *(Select only one box)*:

1.a. ☒ USCIS

1.b. List the form numbers: I-924

2.a. ☐ ICE

2.b. List the specific matter in which appearance is entered:

3.a. ☐ CBP

3.b. List the specific matter in which appearance is entered:

I enter my appearance as attorney or accredited representative at the request of:

4. Select only one box:

☒ Applicant ☐ Petitioner ☐ Requestor

☐ Respondent (ICE, CBP)

Information About Applicant, Petitioner, Requestor, or Respondent

5.a. Family Name *(Last Name)*: Sweeney

5.b. Given Name *(First Name)*: Sheila

5.c. Middle Name: M

6. Name of Company or Organization *(if applicable)*: Gateway to the Midwest Invest

Part 2. Notice of Appearance as Attorney or Accredited Representative *(continued)*

Information About Applicant, Petitioner, Requestor, or Respondent (continued)

7. USCIS ELIS Account Number *(if any)*

▶

8. Alien Registration Number (A-Number) or Receipt Number

9. Daytime Telephone Number

3146158151

10. Mobile Telephone Number *(if any)*

11. E-Mail Address *(if any)*

ssweeney@stlpartnership.com

Mailing Address of Applicant, Petitioner, Requestor, or Respondent

NOTE: Provide the mailing address of the applicant, petitioner, requestor, or respondent. If the applicant, petitioner, requestor, or respondent has used a safe mailing address on the application, petition, or request being filed with this Form G-28, provide it in these spaces.

12.a. Street Number and Name: 7733 Forsyth Blvd

12.b. Apt. ☐ Ste. ☒ Flr. ☐ 2200

12.c. City or Town: St Louis

12.d. State: MO 12.e. ZIP Code: 63105

12.f. Province

12.g. Postal Code

12.h. Country

USA

Part 3. Eligibility Information for Attorney or Accredited Representative

Select **all applicable** items.

1.a. ☒ I am an attorney eligible to practice law in, and a member in good standing of, the bar of the highest courts of the following states, possessions, territories, commonwealths, or the District of Columbia. *(If you need additional space, use **Part 6.**)*

Licensing Authority

NEW YORK

1.b. Bar Number *(if applicable)*

4479747

1.c. Name of Law Firm

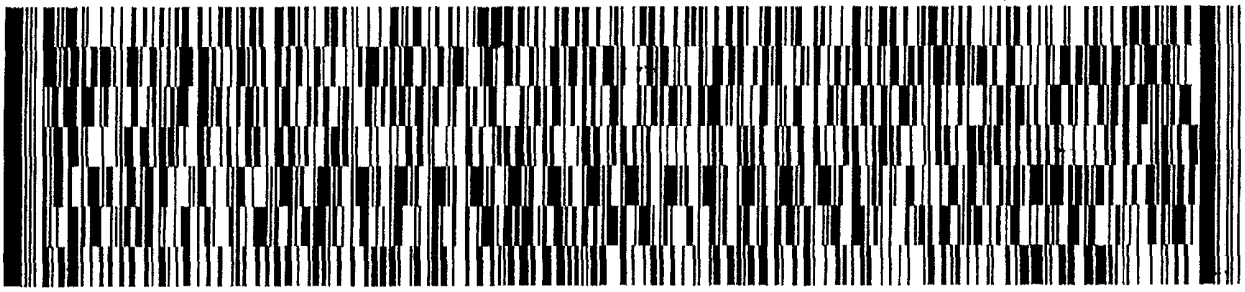
KLASKO IMMIGRATION LAW PARTNER

1.d. I *(choose one)* ☒ *am not* ☐ *am* subject to any order of any court or administrative agency disbarring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law. If you are subject to any orders, explain in the space below. *(If you need additional space, use **Part 6.**)*

2.a. ☐ I am an accredited representative of the following qualified nonprofit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals, in accordance with 8 CFR 292.2. Provide the name of the organization and the expiration date of accreditation.

2.b. Name of Recognized Organization

2.c. Date accreditation expires *(mm/dd/yyyy)* ▶



Part 3. Eligibility Information for Attorney or Accredited Representative *(continued)*

3. ☐ I am associated with

[ ],

the attorney or accredited representative of record who previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request.

NOTE: If you select this item, also complete **Item Numbers 1.a. - 1.b. or Item Numbers 2.a. - 2.c.** in **Part 3.** *(whichever is appropriate).*

4.a. ☐ I am a law student or law graduate working under the direct supervision of the attorney or accredited representative of record on this form in accordance with the requirements in 8 CFR 292.1(a)(2)(iv).

4.b. Name of Law Student or Law Graduate

[ ]

Part 4. Applicant, Petitioner, Requestor, or Respondent Consent to Representation, Contact Information, and Signature

Consent to Representation and Release of Information

1. I have requested the representation of and consented to being represented by the attorney or accredited representative named in **Part 1.** of this form. According to the Privacy Act of 1974 and DHS policy, I also consent to the disclosure to the named attorney or accredited representative of any record pertaining to me that appears in any system of records of USCIS, ICE or CBP.

When you (the applicant, petitioner, requestor, or respondent) are represented, DHS will send notices to both you and your attorney or accredited representative either through mail or electronic delivery.

DHS will also send the Form I-94, Arrival Departure Record, to you **unless** you select **Item Number 2.a.** in **Part 4.** All secure identity documents and Travel Documents will be sent to you (the applicant, petitioner, requestor, or respondent) unless you ask us to send those documents to your attorney of record or accredited representative.

If you do not want to receive original notices or secure identity documents directly, but would rather have such notices and documents sent to your attorney of record or accredited representative, please select **all applicable** boxes below:

2.a ☒ I request DHS send any notice (including Form I-94) on an application, petition, or request to the business address of my attorney of record or accredited representative as listed in this form. I understand that I may change this election at any future date through written notice to DHS.

2.b. ☒ I request that DHS send any secure identity document, such as a Permanent Resident Card, Employment Authorization Document, or Travel Document, that I am approved to receive and authorized to possess, to the business address of my attorney of record or accredited representative as listed in this form. I consent to having my secure identity document sent to my attorney of record or accredited representative and understand that I may request, at any future date and through written notice to DHS, that DHS send any secure identity document to me directly.

3.a. Signature of Applicant, Petitioner, Requestor, or Respondent

[ ]

3.b. Date of Signature *(mm/dd/yyyy)*▶ 04-22-2015

Part 5. Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

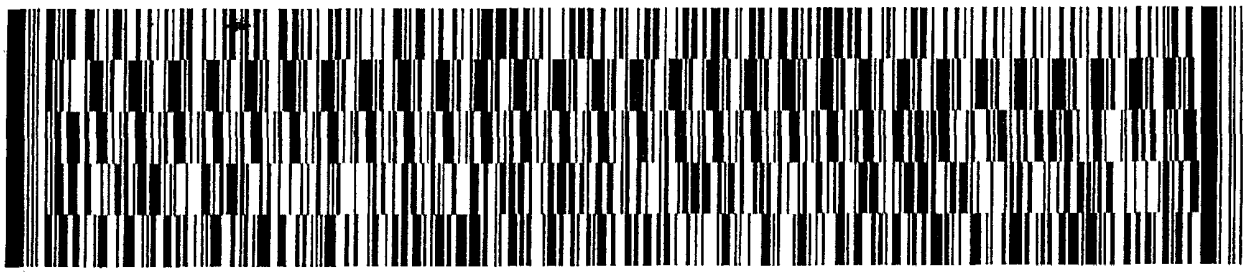
1. Signature of Attorney or Accredited Representative

[ ]

2. Signature of Law Student or Law Graduate

[ ]

3. Date of Signature *(mm/dd/yyyy)*▶ 9/4/15



Part 6. Additional Information

Use the space below to provide additional information pertaining to **Part 3., Item Numbers 1.a. - 1.d.**

Item 6: The full name of the Company is Gateway to the Midwest Investment Center, Inc.

OMB No. 1615-0061; Expires 03/31/2016

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program

RECD CSC'15SEP30 17:54

5135

Do Not Write in This Block - for USCIS Use Only (except G-28 block below)	
Action Block	RCW1527453304 maginger 1924 09/30/2015 ☒ G-28 attached Attorney's State License No. 4479747

Part 1. Information About Principal of the Regional Center

Name: Last	First	Middle
Sweeney	Sheila	M

C/O: St. Louis Economic Development Partnership

Street Address/P.O. Box: 7733 Forsyth Blvd., Suite 2300

City: St. Louis	State: MO	Zip Code: 63105

Date of Birth (mm/dd/yyyy): 07/15/1957	Fax Number (include area code): (314) 615-7666	Telephone Number (include area code): (314) 615-7664

Web site address:

Part 2. Application Type (Select one)

☐ **a.** Initial Application for Designation as a Regional Center

☒ **b.** Amendment to an approved Regional Center application. Note the previous application receipt number, if any (also attach the Regional Center's previous approval notice): RCW1105350166 / ID1105350166

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, Regional Center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: Gateway to the Midwest Investment Center, Inc.

Street Address/P.O. Box: 7733 Forsyth Blvd., Suite 2200

City: St. Louis	State: MO	Zip Code: 63105

Web site address:	Fax Number (include area code):	Telephone Number (include area code):
www.stlouiseb5.com	(314) 615-8140	(314) 615-8151

RCW1527453304
maginger 1924 09/30/2015

RCW1527453304
maginger 1924 09/30/2015

DANIEL LUNDY
RE: SHEILA M SWEENEY
1601 MARKET STREET STE 2600
PHILADELPHIA PA 19103

EL LUNDY
HEILA M SWEENEY
MARKET STREET STE 2600
\DELPHIA PA 19103

Part 3. Information About the Regional Center (Continued)

B. Name of Managing Company/Agency: St. Louis Economic Development Partnership

Street Address/P.O. Box: 7733 Forsyth Blvd., Suite 2300

City: St. Louis	State: MO	Zip Code: 63105
Web site address:	Fax Number (include area code): (314) 615-7666	Telephone Number (include area code): (314) 615-7664

C. Name of Other Agent:

Street Address/P.O. Box:

City:	State:	Zip Code:
Web site address:	Fax Number (include area code):	Telephone Number (include area code):

D. Continuation, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

No change from previously approved application.

Part 3. Information About the Regional Center (Continued)

Note: If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1a. Describe the structure, ownership and control of the regional center entity.

No change from previously approved application.

b. Date the Regional Center was established(mm/dd/yyyy): 09/27/2010

c. Organization Structure for the Regional Center:

- ☐ **1.** Agency of a U.S. State or Territory (identify) _____
- ☒ **2.** Corporation
- ☐ **3.** Partnership (including Limited Partnership)
- ☐ **4.** Limited Liability Company (LLC)
- ☐ **5.** Other (Explain) _____

2. Has this regional center's designation ever been formally terminated by USCIS, or has the regional center ever filed a Form I-924 or regional center proposal or amendment that was denied?

☒ No ☐ Yes - Attach a copy of the adverse decision, with an explanation, the date of decision, and case number, if any.

3. Describe the geographic area of the regional center. **Note:** This area must be contiguous. Provide a map of the geographic area.

No change from previously approved application.

4. Describe the regional center's administration, oversight, and management functions that are or will be in place to monitor all EB-5 capital investment activities and the allocation of the resulting jobs created or maintained under the sponsorship of the regional center.

No change from previously approved application.

Part 3. Information About the Regional Center (Continued)

5. Describe the past, current, and future promotional activities for the regional center. Include a description of the budget for this activity, along with evidence of the funds committed to the regional center for promotional activities. Submit a plan of operation for the regional center that addresses how EB-5 investors will be recruited, the methods by which the capital investment opportunities will be offered to the investors, and how they will subscribe or commit to the investment interest.

No change from previously approved application.

6. Describe whether and how the regional center is engaged in supporting a due diligence screening of its alien investor's lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital. Also, describe the regional center's prospective plans in this regard if they differ from past practice.

No change from previously approved application.

7. Identify each industry that has or will be the focus of EB-5 capital investments sponsored through the regional center.

Industry Category Title:	Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category?
NonResidential Building Construction NAICS Code for the Industry Category: 2 3 6 2	☐ No - Attach an explanation ☒ Yes
Industry Category Title: Residential Building Construction NAICS Code for the Industry Category: 2 3 6 1	Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category? ☐ No - Attach an explanation ☒ Yes
Industry Category Title: Furniture Merchant Wholesalers NAICS Code for the Industry Category: 4 2 3 2 1 0	Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category? ☐ No - Attach an explanation ☒ Yes

The Gateway to the Midwest Investment Center, Regional Center
I-924 Application for Regional Center Designation

Addendum to Part 3, Question 7

Please also note that the Regional Center already been approved for the following NAICS codes and is not seeking pre-approval of the following industry categories.

1. The Residential Building Construction (NAICS 2361);
2. The Nonresidential Building Construction (NAICS 2362);
3. The Furniture Merchant Wholesalers (NAICS 423210); and,
4. The Traveler Accommodation (NAICS 7211).

Part 3. Information About the Regional Center (Continued)

8a. Describe and document the current and/or prospective structure of ownership and control of the commercial entities in which the EB-5 alien investors have or will make their capital investments.

Each EB-5 investor will make a qualifying investment of $500,000 into GL/TL EB-5 Lender, LLC("LLC"). The proceeds of each investor's qualifying investment will be used to loan $6.0 million to GL/TL EB-5 Owner, LLC ("Borrower"). The Borrower will then use these proceeds to finance the costs of developing the Project. See Attached.

b. Date commercial enterprise established, if any (mm/dd/yyyy): 09/14/2015

c. Organization Structure for commercial enterprise:

- ☐ **1.** Corporation
- ☐ **2.** Partnership (including Limited Partnership)
- ☒ **3.** Limited Liability Company (LLC)
- ☐ **4.** Other (Explain) _____

d. Has or will the Regional Center or any of its principals or agents have an equity stake in the commercial enterprise?

☐ No ☒ Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid.

e. Has or will the Regional Center or any of its principals or agents receive fees, profits, surcharges, or other like remittances through EB-5 capital investment activities from this commercial enterprise, beyond the minimum capital investment threshold required of the EB-5 alien entrepreneurs?

☐ No ☒ Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid.

Part 4. Applicant Signature

Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete **Part 5**.

I certify, under penalty of perjury under the laws of the United States of America, that this form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant	**Daytime Phone Number** (Area/Country Codes)	**Date** (mm/dd/yyyy)
Sheila M. Sweeney	(314) 615-7664	09/21/2015
Printed Name of Applicant	**E-Mail Address**	
Sheila M. Sweeney	ssweeney@stlpartnership.com	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.)		
Interim CEO		

Part 5. Signature of Person Preparing This Form, If Other Than Above (Sign Below)

I declare that I prepared this application using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? ☐ No ☒ Yes

Signature of Preparer	Printed Name of Preparer	Date (mm/dd/yyyy)
	Daniel B. Lundy, Esq.	9/24/15

Firm Name and Address
Klasko Immigration Law Partners, LLP
1601 Market Street, Suite 2600
Philadelphia, PA 19130

Daytime Phone Number (Area/Country Codes)	Fax Number (Area/ Country Codes)	E-Mail Address
(215) 825-8600	(215) 825-8699	dlundy@klaskolaw.com

Klasko Immigration Law Partners, LLP
Practice to Immigration and Nationality Law

PHILADELPHIA • NEW YORK • CHICAGO

KLASKO
Immigration and Nationality Law

September 29, 2015

Via FedEx

U.S. Citizenship & Immigration Services
California Service Center
ATTN: EB-5 Processing Unit
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

RE: The Gateway to the Midwest Investment Center, Inc., Regional Center
GL/TL EB-5 Lender, LLC, New Commercial Enterprise
Application to Amend Regional Center Designation (Form I-924)
Exemplar I-526 Petition

Dear Sir/Madam:

We are the attorneys for The Gateway to the Midwest Investment Center, Inc. ("Gateway"). We hereby submit the attached I-924 Application to Amend Regional Center Designation on its behalf. Gateway is submitting this application, in conjunction with an Exemplar I-526 Petition, in order to amend its designation to include an approved project, the development of the construction and operations of two new apartment buildings in St. Louis, Missouri ("Capstone Lofts" or "Project").

In support of this application, please find the following attached:

- Filing fee of $6,230;
- Form G-28;
- Form I-924;
- A detailed Index of Exhibits;
- Supporting documentation; and
- A sample I-526 petition.

Gateway was organized under the laws of the State of Missouri on September 27, 2010 for the purposes of engaging in economic development activity. *See* **Exhibit 2**. Gateway was designated as a USCIS approved Regional Center pursuant to Section 203(b)(5) of the Immigration & Nationality Act and Section 610 of the Appropriations Act of 1993 on March 28, 2013. *See* **Exhibit 1**.

1601 Market Street, Suite 2600
Philadelphia, PA 19103
Telephone: 215.825.8600 Facsimile: 215.825.8699
www.klaskolaw.com

Pursuant to 8 CFR 204.6(m), each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the Assistant Commissioner for Adjudications, which:

> "(i) Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through increased export sales, improved regional productivity, job creation, and increased domestic capital investment;
>
> (ii) Provides in verifiable detail how jobs will be created indirectly through increased exports;
>
> (iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;
>
> (iv) Contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center; and
>
> (v) Is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and/or multiplier tables."

Gateway intends to offer EB-5-compliant capital investment opportunities within the territory for which it was approved. The offered investments will promote economic growth in the region through improved regional productivity, job creation, and increased domestic capital investment, and will benefit both the regional and national economies. Specifically, with this application, Gateway seeks to amend its regional center designation to include the Project as an approved Regional Center project. Gateway intends to sponsor the Project under the program pursuant to a Memorandum of Understanding between the Regional Center and New Commercial Enterprise. *See* **Exhibit 3**.

I. Geographic Area of the Regional Center

Gateway is approved to offer EB-5 investment opportunities within a geographic territory that includes the City of St. Louis, Missouri and the Missouri counties of St. Louis and St. Charles. *See* **Exhibit 1**. As the Project is located in St. Louis, no amendment is currently sought with regard to the geographic territory.

II. Industry Focus

Gateway was approved for the following target industry clusters:

1. The Residential Building Construction (NAICS 2361);
2. The Nonresidential Building Construction (NAICS 2362);
3. The Furniture Merchant Wholesalers (NAICS 423210); and,
4. The Traveler Accommodation (NAICS 7211).

These industry clusters fall within the proposed activities of the Project, which include construction and operations of two new apartment buildings in St. Louis, Missouri. The inclusion of these industry clusters is supported by the attached comprehensive business plan and economic impact report. *See* **Exhibits 5, 6**. No amendment is currently sought with regard to the approved target industry clusters.

III. Regional Center Structure and Operations

Please note that Dennis G. Coleman has stepped down as Chief Executive Officer of the Regional Center. The St. Louis County Office of the Executive has appointed Sheila M. Sweeney as Interim Chief Executive Officer. *See* **Exhibit 4**.

IV. Project Details

A. Project Overview

The Capstone Lofts project consists of the construction and operations of two new residential complexes, the Gerhart Lofts and the Truman Lofts, in St. Louis, Missouri. The construction component of the Project will consist of the renovation of a series of historic buildings original constructed in 1896, which will restore 10,560 square feet of commercial space, add 17 loft-style rental residential units, and provide onsite parking. *See* **Exhibit 5**.

The Project is being developed by Capstone Development Group, LLC ("Capstone" or "Developer") is a St. Louis-based housing developer specializing in high-quality housing

that is affordable for families and seniors. Founded in 1976, Capstone has built approximately 325 neighborhoods in 17 states, containing some 12,500 homes.

The Gerhart Lofts will be located at the intersection of Laclede Avenue and Vandeventer Avenue, adjacent to St. Louis University in St. Louis, Missouri. The addresses of the Gerhart Lofts are 1-17 Vandeventer Avenue, 3900-08 Laclede Avenue, and 3910-12 Laclede Avenue. The Gerhart Lofts component of the Project will feature: 11 ground-floor commercial spaces with 960 square feet each for a total of 10,560 square feet of commercial space; two live-work units totaling 1,113 square feet; and 15 residential apartments. The residential apartment will be comprised of: 10 two bedroom, two-bath units at 972 square feet each; four two-bedroom, two-bath units at 1,113 square feet each; and, one three-bedroom, two-bath unit with 1,250 square feet. A total of 16,535 rentable residential square feet will be available in the Gerhart Lofts. The residential units will have in-unit washers and dryers, energy star-rated appliances (range, refrigerator, garbage disposal, and dishwasher), and an on-demand hot water heater. The fixtures and finishes will be high-end, including hardwood floors, European cabinets, ceiling fans, and concrete countertops. The surrounding area is an urban neighborhood with a mix of commercial, residential, and
institutional land uses. *See id.*

The Gerhart Lofts component is scheduled to begin the residential lease-up in September 2015. At this time, 5ive Point Properties has been chosen as the management agent for the residential portion of the property. When a unit is completed and available for showing, 5ive Point will be engaged to aggressively market. Since construction began on the building, the Developer has fielded calls and maintained a waiting list of possible residents for the project. The commercial space available for lease at the Gerhart Lofts is being handled by Duffe Nuernberger Realty, a local St. Louis firm with over 35 years of experience.

The Truman Lofts will be located at 1322 Dolman Street in St. Louis, Missouri. The Truman Lofts component of the Project will comprise the redevelopment of an existing vacant factory building into a 40-unit apartment complex designed for young professionals. The apartment complex will have a mix of studio, one-bedroom, and two-bedroom units. Each residential unit will feature a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hookups, tile and hardwood flooring, blinds, ceiling fans, and walk-in closet. The property will also have commercial space on the first floor of the building. The neighborhood surrounding the Truman Lofts site is primarily commercial properties and single-family residences. *See id.*

The Truman Lofts component will be marketed and advertised with similar activities and real estate management companies (either the above or companies of equitable experience) during its lease-up period. *See id.*

The Project is expected to cost approximately $19.84 million, including $8.69 million for the Gerhart Lofts component and $11.16 million for the Truman Lofts component. Funding for the project includes $6 million in EB-5 funding through a loan GL/TL EB-5 Lender, LLC (new commercial enterprise), as well as mortgage financing of about $8.1 million, state historic tax credit ("HTC") investor capital of $3.1 million, federal HTC investor capital of $2.6 million, and developer financing. *See* **Exhibits 5, 10-12.**

Investment in the Project totals $19.84 million over the four years of the development timeline, with most of these funds being invested during the construction period of July 2014 to December 2016. Construction on the Gerhart Lofts component began in July 2014 and will end in November of 2015; operations will commence in November 2015. Construction on the Truman Lofts component began in October 2015 and is expected to end in December 2016, with operations activities anticipated to begin in January of 2017. *See* **Exhibit 5**.

B. Project Investment Structure

Each EB-5 investor will make a qualifying investment of $500,000 into GL/TL EB-5 Lender, LLC (the "Company"). GL/TL EB-5 Manager, LLC is the manager of the Company ("Manager").[1] One hundred percent of the proceeds of each investor's qualifying investment will be used to fund the Company's loan of $6 million ("EB-5 Loan") to GL/TL EB-5 Owner, LLC ("Borrower"), owned by the principals of the Developer. The proceeds of the EB-5 Loan will be used by Borrower to finance the costs of developing the Project. *See* **Exhibits 4, 7, 8, 20**. EB-5 funds will be disbursed to the Borrower during the course of construction to fund ongoing costs of the Project. *See* **Exhibit 4**. Note, in order to commence the development of the Project, the Borrower, in reliance on the May 30, 2015 EB-5 Policy Memorandum, may proceed with use of temporary and short term financing sources (and/or "Bridge Financing") to defray the costs of such Project related expenses. The Borrower will rely on the availability of EB-5 financing to help replace such Bridge Financing at a later date.

The EB-5 Loan will have a five year term, subject to up to two one-year extensions ("Maturity Date"). The EB-5 Loan will accrue annual interest equal to 3.5% of the

[1]The Manager is affiliated with the Regional Center and will administer the Company. The Manager and Regional Center are not affiliated with the Developer. *See* **Exhibit** PPM.

outstanding EB-5 Loan. Principal is due upon maturity, either through cash from operations, refinancing or through sale of the Project, subject to restrictions outlined in the documents keeping the EB-5 investor contributions at-risk in compliance with EB-5 policies. *See* **Exhibits 4, 10, 21**.

The EB-5 Loan may be prepaid prior to or upon the Maturity Date even if all investing members have not received final adjudication of their respective Form I-829 Petitions; provided, that the Manager shall have the right, on behalf of the Company, to reinvest the remaining investor money in qualifying alternate investments for the purpose of preserving the investors' "at risk" investment. *See* **Exhibits 10, 21**.

All allocable interest received from the EB-5 Loan will be distributed to the investors in proportion to their capital contributions to the Company. However, principal payments shall not be distributed to an investor until he or she has received final adjudication of his or her I-829 Petition. Accordingly, the primary exit strategy for investors will be the distribution of capital, subject to the restrictions in the Operating Agreement and consistent with the EB-5 regulations. *See* **Exhibits 21, 23**.

V. Economic Impact

A. Economic Model

8 C.F.R. § 204.6(m)(3)(v) provides that an application for regional center designation must be "supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and/or multiplier tables." 8 C.F.R. § 204.6(m)(7)(ii) provides that:

> "To show that 10 or more jobs are actually created indirectly by the business, reasonable methodologies may be used. Such methodologies may include multiplier tables, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and other economically or statistically valid forecasting devices which indicate the likelihood that the business will result in increased employment."

An economic impact report was prepared to analyze the economic impact and job creation that will result from the construction of this Project (the "Economic Impact Report"). The Economic Impact Report was prepared by Economic & Policy Resources, Inc. ("EPR") using the REDYN model, which has been accepted by USCIS as a reasonable economic model and a valid forecasting tool. *See* **Exhibit 6**.

B. Projected Economic Impacts

Please note that the Economic Impact Report is based on the economic impacts and job creation resulting from construction expenditures on EB-5 eligible hard and soft construction costs. *See id.*

According to the Economic Impact Report, construction of the Project will result in the creation of 217 new, full-time, permanent jobs for U.S. workers. This would provide sufficient job creation to support an offering for up to 21 investors. However, the Project offering will be limited to 12 investors. The Project therefore provides sufficient job creation to meet the 10-job-per-investor requirement of the program for all the requested investors, with a significant margin. *See id.*

The Project is expected to generate a significant economic impact within the region in addition to creating 217 jobs. These include $22.82 million in increased economic output and $8.35 million in increased household earnings within the region. *See id.*

The Economic Impact Report demonstrates that Gateway will meet the statutory requirements of the EB-5 program by creating a significant, positive economic impact in the region.

VI. Qualifying Investment

A. New Commercial Enterprise

GL/TL EB-5 Lender, LLC, was formed on September 14, 2015 in the State of Missouri. *See* **Exhibit 6**. Because the company was formed after November 29, 1990, it qualifies as a new commercial enterprise pursuant to 8 C.F.R. § 204.6(e).

B. The Investment is At Risk

Investors will make a $500,000[2] capital contribution ("Subscription Amount") into GL/TL EB-5 Lender, LLC. All subscription proceeds will be held in escrow pursuant to the Escrow Agreement which establishes the Escrow Account. The escrow funds for an investor will be released to the Company upon written notice of the investor's I-526 approval.

[2] Excluding an additional $65,000 for processing and administrative fees.

In addition, escrowed funds will be released to the Company upon written notice from the Company that (i) Gateway remains in good standing, (ii) the earlier to occur of (A) a minimum of six interest in the Company have been subscribed, (B) one investor I-526 Petition has been approved, or (C) the I-924 Exemplar Petition has been approved by USCIS; and (iii) the I-526 Petition for an investor has been filed. *See* **Exhibits 15, 18.** Upon the satisfaction of the above, the escrow agent will disburse 80% of the investor's capital contribution to the Company's general operating account. The remaining 20% ($100,000) (the "Subscription Holdback Amount"), will be held in a holdback subaccount ("Subscription Holdback Account"). Funds held in the Subscription Holdback Account will be disbursed in $100,000 increments as each I-526 Petition is approved; accordingly, the investor has invested a full $500,000 at the time of I-526 Petition approval.

In the event that an investor's I-526 is denied, may be refunded in the following manner. If the denied investor's Subscription Holdback Amount remains in the Subscription Holdback Account, then

i. such Subscription Holdback Amount shall be released from the Subscription Holdback Account and refunded to the investor, and the Company will refund $400,000 to the denied investor; and

ii. $400,000 held in the Subscription Holdback Account shall be released from the Subscription Holdback Account and disbursed to the general operating account of the Company to fund the remainder of the capital contributions of such investors so the Company can continue operations without a deficit being caused by the refund of the denied investor's capital contribution; and

If the denied investor's Subscription Holdback Amount is no longer in the Subscription Holdback Account, then the Company

i. will refund $500,000 to the denied investor; and

ii. will release and disburse $500,000, from the Subscription Holdback Account to the general operating account of the Company to fund the remainder of the capital contributions of such investors so the Company can continue operations without a deficit being caused by the refund of the denied investor's capital contribution.

See **Exhibits 15, 18**. In the event the Company is unable to refund a denied investor, the Company will use best efforts to substitute the denied investor with a substitute investor.

Please note that under any of these arrangements, one investor's money will not be used to refund a denied investor, and the investment funds of all investors whose I-526 petitions are approved will be deployed according to the terms of the EB-5 Loan. *See* **Exhibits 15, 18**.

There is no guarantee that investor money will be returned or the investors will make a profit on their investment. Moreover, the investment is subject to partial or total loss in the event that the Developer is unable to sell or refinance the Project or earn sufficient revenue from operations to repay the loan. *See* **Exhibit 15**.

C. Active Involvement of Investors

Investors in the Project will have a policy making role. Investors in the Project will have all the rights and duties usually accorded to members under the Missouri Limited Liability Company Act, and in accordance with the Operating Agreement, which gives the investors the right to vote on certain, limited decisions. *See* **Exhibit 22**.

D. Targeted Employment Area

The Gerhart portion of Project is located in Census Tract 1186, which when combined with the contiguous Census Tracts listed in the Target Employment Area Designation Letters, had an average unemployment rate of 9.6% in 2014. This is more than 150% of the national average unemployment rate during the same period. The Truman portion of the Project is located in Census Tract 1274, which alone is in the state's published list of high unemployment census tracts. As such, the Project's locations qualify as Targeted Employment Areas, and investors may qualify for an EB-5 visa based on an investment of $500,000 into the project.[3] *See* **Exhibit 9**.

E. The Investment will Create at Least 10 Full-Time, Permanent Jobs Per Investor

As described above, the EB-5 investment into the Project will generate a total of 217 jobs for U.S. workers. *See* **Exhibit 5**. Because Gateway intends to limit the offering to 12 EB-5 investors, this Project will more than satisfy the ten-job-per investor requirement of the EB-5 program.

---

[3] The TEA data provided will be updated as required. However, given the historical trends of this area, NYIF is confident that this area will continue to have an unemployment rate above the national average in the near future.

VII. Conclusion

In light of the foregoing, we respectfully request that you approve the instant application for regional center designation.

Sincerely,

Daniel B. Lundy, Esq.
DBL/tt/re
Enclosures

The Gateway to the Midwest Investment Center, Inc., Regional Center
GL/TL EB-5 Lender, LLC

Index of Exhibits

Forms and Fees (Preceding this Index)

- Attorney Cover Letter;
- Form G-28;
- Form I-924;
- Filing Fee of $6,230.

Part I: Regional Center Documents

Exhibit 1: USCIS Regional Center Designation Letter.

Exhibit 2: Formation documents for Regional Center.

Exhibit 3: Agreement between Regional Center and Project.

Exhibit 4: Appointment Letter of new CEO for Regional Center.

Part II: Project Documents

Exhibit 5: Comprehensive Business Plan.

Exhibit 6: Economic Impact Report.

Exhibit 7: Formation documents for New Commercial Enterprise.

Exhibit 8: Formation documents for Manager of the New Commercial Enterprise.

Exhibit 9: Targeted Employment Area Designation Letters for Gerhart Location and Truman Location.

Exhibit 10: Term Sheet for EB-5 Loan.

Exhibit 11: Commerce Bank Commitment Letter – Truman.

Exhibit 12: Deed for Gerhart; Statement re: Deed for Truman.

Exhibit 13: Detailed Construction Budgets Gerhart and Truman.

Exhibit 14: Detailed Construction Schedules for Gerhart and Truman.

Exhibit 15: Letters from Construction Manager re: Budget and Schedule for Gerhart and Truman.

Exhibit 16: Letters from Architect for Gerhart and Truman.

Exhibit 17: List of Permits for Gerhart and Truman

Exhibit 18: Construction Drawings and Plans for Gerhart and Truman.

Exhibit 19: Appraisals for Gerhart and Truman.

Exhibit 20: Survey for Truman.

Exhibit 21: Market Study for Truman.

Part III: Offering Documents

Exhibit 22: Confidential Private Offering Memorandum.

Exhibit 23: Subscription Agreement.

Exhibit 24: Operating Agreement.

Exhibit 25: Draft Escrow Agreement.[1]

Exhibit 26: Sample I-526 Petition.

---

[1] The Escrow Agreement is currently being negotiated and is substantially in the form of the final agreement. Because escrow is not a USCIS requirement, any changes to the escrow should not constitute a material change from the approved exemplar documents provided the final terms remain complaint with the EB-5 regulations.

ORIGIN ID:REDA (215) 825-8615
DANIEL B. LUNDY
KLASKO IMMIGRATION LAW PARTNERS
1601 MARKET STREET
SUITE 2600
PHILADELPHIA, PA 19103
UNITED STATES US

SHIP DATE: 29SEP15
ACTWGT: 5.00 LB
CAD: 106938157/INET3670

BILL SENDER

TO U.S. CITIZENSHIP AND IMMIGRATION SE
CALIFORNIA SERVICE CENTER
ATTN: EB-5 PROCESSING UNIT
24000 AVILA ROAD, 2ND FLOOR
LAGUNA NIGUEL CA 92677
(215) 825-8615
INV:
PO:
REF: CAPSTONE I-924
DEPT: EB-5

539J2/97D7/31D0

FedEx Express

J1530150910001uv

WED - 30 SEP 3:00P
STANDARD OVERNIGHT

TRK# 0201 7746 1454 9031

NH JORA

92677
SNA CA-US

After printing this label:
1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.
Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com.FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery,misdelivery,or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim.Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental,consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss.Maximum for items of extraordinary value is $1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

EXHIBIT

1

U.S. Department of Homeland Security
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

U.S. Citizenship and Immigration Services

Date: MAR 28 2013

Dennis Coleman
C/O Gateway to the Midwest Investment Center, Inc.
121 Meramec Ave, Suite 900
St. Louis, MO 63105

Application: Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program

Applicant: Dennis Coleman

Re: Initial Regional Center Designation
Gateway to the Midwest Investment Center, Inc.
RCW1105350166 / ID 1105350166

*** Corrected Notice ***

This notice is in reference to the Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on February 22, 2011. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

I. Executive Summary of Adjudication

1. Effective the date of this notice, USCIS approves the Form I-924 request to designate Gateway to the Midwest Investment Center, Inc. as a qualifying participant in the Immigrant Investor Program.

II. Regional Center Designation

USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:

A. Geographic Area

State	Counties/Cities
Missouri	City of St. Louis

	Counties of St. Louis and St. Charles

Note: An amendment request is required if investment opportunities arise outside approved geographic area.

B. Industry Categories

NAICS	Industry Category
2361	Residential Building Construction
2362	Nonresidential Building Construction
423210	Furniture Merchant Wholesalers
7211	Traveler Accommodation

Note: An amendment request is required if investment opportunities arise outside approved industry categories.

III. Job Creation

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this regional center proposal. The job creation methodology presented in the economic impact analysis and underlying business plan is found to be reasonable based on the following inputs, when applying the REDYN economic model:

Activity	NAICS	Input	REDYN Implied Multiplier	Total Jobs
Construction	2361, 2362*	$27.5 million	9.09	250**
Hotel Operation	7211	24 direct jobs	1.50	36

*The output of the REDYN model does not provide results that are itemized by NAICS code.

**Indirect and induced jobs only

The approval of this Form I-924 application is based upon the economically and statistically valid assumptions and estimates provided in the business plan for job creation. Please refer to the input and multiplier analysis table above.

This hypothetical project does not have the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998), and therefore, USCIS's approval of the hypothetical job creation estimates presented in the Form I-924 will not be accorded deference and may not be relied upon by an individual investor when filing the Form I-526. The business plan and job creation estimates will receive a de novo review by USCIS when an individual investor files Form I-526. Once an actual project is adjudicated upon the filing of the initial Form I-526 related to the I-924 hypothetical project approval, USCIS will give deference to subsequent Forms I-526 when the critical assumptions remain materially unchanged from the initially-approved Form I-526.

When filing Form I-526, it will be the responsibility of the individual investor to submit a comprehensive, detailed and credible business plan, showing by a preponderance of the evidence that his or her investment in the new commercial enterprise will create not fewer than 10 full-time positions. If prior to filing a form I-829, the job creation estimated in the business plan submitted by the individual investor materially

changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

V. Guidelines for Filing Form I-526 Petitions

Each individual petition, in order to demonstrate that it is affiliated with the Gateway to the Midwest Investment Center, Inc. in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).

2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.

3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).

4. Legally executed organizational documents of the commercial enterprise. USCIS has reviewed the following organizational document for the hypothetical project and has found it to be EB-5 compliant in principle and may be submitted with an I-526 petition:

   a. Confidential Private Placement Memorandum (Draft submitted February 22, 2011)

   It is noted that the memorandum was submitted without Exhibits A-D so these documents have not been reviewed by USCIS.

VI. Designee's Responsibilities in the Operations of the Regional Center

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at www.uscis.gov.

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

The regional center designation is non-transferable, as any changes in management of the regional center will require the approval of an amendment to the approved regional center designation.

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at USCIS.ImmigrantInvestorProgram@uscis.dhs.gov.

Sincerely,

Donna P. Campagnolo
Acting Director
California Service Center

cc: H. Ronald Klasko, Esq.

EXHIBIT

2

File Number:
N01087938
Date Filed: 09/27/2010
Robin Carnahan
Secretary of State

ARTICLES OF INCORPORATION

OF

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

We, the undersigned, being one or more natural person(s) of the age of eighteen years or more and citizens of the United States, for the purpose of forming a corporation under the "Missouri Nonprofit Corporation Act," Chapter 355 of the Revised Statutes of Missouri, as amended, and any successor provision thereto (the "Act"), do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the Corporation is Gateway to the Midwest Investment Center, Inc.

ARTICLE II

The Corporation is a mutual benefit corporation within the meaning of Section 355.881 of the Act.

ARTICLE III

The address of the initial Registered Office of the Corporation in the State of Missouri is; 121 S. Meramec Avenue, Suite 1117, St. Louis, Missouri 63105, and the name of its initial Registered Agent at said address is Andrew C. Ruben.

ARTICLE IV

The Corporation will not have members within the meaning of Section 355.066 of the Act; however, the Bylaws of the Corporation may establish such class or classes of non-

State of Missouri
Creation - NonProfit 7 Page(s)

T1027019018

social improvements. The purposes for which the Corporation is organized include, but are not limited to:

(a) Serving as an approved U.S. Citizen and Immigration Service EB-5 Regional Center to facilitate foreign direct investment in the St. Louis, Missouri region; and

(b) Creating increased permanent employment within the City of St. Louis, Missouri and the Missouri Counties of St. Louis and St. Charles by promoting and sponsoring the creation of sustainable business projects.

Nothing herein shall be construed to give the Corporation any purpose that is not permitted under section 501(c)(4) of the Internal Revenue Code of 1986, as amended. In furtherance of its permitted purposes, the Corporation may exercise any, all and every lawful power or activity which a corporation organized under the Act may exercise or transact.

ARTICLE VIII

The Corporation is not organized or operated for profit and no part of the net earnings of the Corporation will inure to the benefit of any private shareholder or individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above.

ARTICLE IX

Upon dissolution of the Corporation (after payment of or after provision has been made for the payment of all liabilities of the Corporation), the Board of Directors shall distribute the assets of the Corporation exclusively for the purposes of the Corporation or to such organization or organizations organized and operated exclusively for such purposes. Any such

reason of the fact that such person is or was serving in such capacity; provided, however, that no such person shall be entitled to any indemnification pursuant to this subsection 2 on account of conduct which is finally adjudged to have been knowingly fraudulent or deliberately dishonest or to have constituted willful misconduct.

3. This Corporation may, to the extent that the Board of Directors deems appropriate, make advances of expenses, including attorneys' fees, incurred prior to the final disposition of a civil, criminal, administrative or investigative action, suit, proceeding or claim (including an action by or in the right of the Corporation or a subsidiary) to any person to whom indemnification is or may be available under this Article; provided, however, that prior to making any advances, the Corporation shall receive a written undertaking by or on behalf of such person to repay such amounts advanced in the event that it shall be ultimately determined that such person is not entitled to such indemnification.

4. The indemnification and other rights provided by this Article shall not be deemed exclusive of any other rights to which a person to whom indemnification is or may be otherwise available under these Articles of Incorporation, the Bylaws or any agreement, vote of shareholders or disinterested directors or otherwise, may be entitled. This Corporation is authorized to purchase and maintain insurance on behalf of the Corporation or any person to whom indemnification is or may be available against any liability asserted against such person in, or arising out of, such person's status as director, officer, employee or agent of this Corporation, any of its subsidiaries or another corporation, partnership, joint venture, trust or other enterprise (including an employee benefit plan) which such person is serving at the request of the Corporation.

5. Each person to whom indemnification is granted under subsection 1 of this Article is entitled to rely upon the indemnification and other rights granted hereby as a contract with this Corporation and such person and such person's legal representatives, heirs, executors, administrators and estate shall be entitled to enforce against this Corporation all indemnification and other rights granted to such person by subsections 1 and 3 and this subsection 5 of this Article. The indemnification and other rights granted by subsections 1 and 3 and this subsection 5 of this Article shall survive amendment, modification or repeal of this Article, and no such amendment, modification or repeal shall act to reduce, terminate or otherwise adversely affect the rights to indemnification granted hereby, with respect to any expenses, judgments, fines and amounts paid in settlement incurred by a person to whom indemnification is granted under subsection 1 of this Article with respect to an action, suit, proceeding or claim that arises out of acts or omissions of such person that occurred prior to the effective date of such amendment, modification or repeal.

Any indemnification granted by the Board of Directors pursuant to subsection 2 of this Article shall inure to the person to whom the indemnification is granted, and such person's legal representatives, heirs, executors, administrators and estate; provided, however, that such indemnification may be changed, modified or repealed. at any time or from time to time, at the discretion of the Board of Directors and the survival of such indemnification shall be in accordance with terms determined by the Board of Directors.

6. For the purposes of this Article, "subsidiary" shall mean any corporation, partnership, joint venture, trust or other enterprise of which a majority of the equity or ownership interest is directly or indirectly owned by this Corporation.

ARTICLE XI

These Articles of Incorporation shall be effective as of the date of their filing with the Secretary of State of the State of Missouri.

ARTICLE XII

The name and address of the sole incorporator is Andrew C. Ruben, Economic Council of St. Louis County, 121 S. Meramec, Suite 900, St. Louis, Missouri 63105,

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040 RSMo)

Must be signed by all Incorporator(s):

9/15/10

Andrew C. Ruben Date signed

Name and address to return filed document:

Andrew C. Ruben
Economic Council of St. Louis County
121 S. Meramec, Suite 900
St. Louis, MO 63105

State of Missouri

Robin Carnahan
Secretary of State

CERTIFICATE OF INCORPORATION
MISSOURI NONPROFIT

WHEREAS, Articles of Incorporation of

Gateway to the Midwest Investment Center, Inc.
N01087938

have been received and filed in the Office of the Secretary of State, which Articles, in all respects, comply with the requirements of Missouri Nonprofit Corporation Law;

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of the State of Missouri do by virtue of the authority vested in me by law, do hereby certify and declare this entity a body corporate, duly organized this date and that it is entitled to all rights and privileges granted corporations organized under the Missouri Nonprofit Corporation Law.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 27th day of September, 2010.

Robin Carnahan

Secretary of State

ROBIN CARNAHAN
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

CORPORATIONS
(573) 751-4153

Dear Non-Profit Corporation:

Congratulations! We wish you every success in your new business enterprise. The following information will assist you in maintaining your corporation's good standing status in Missouri.

Your first Registration Report is due by August 31 of the year following the calendar year of incorporation. A reminder notice will be mailed to your corporation's registered agent approximately June 1 of next year. As required by law, all annual report information is mailed to your registered agent's physical address. Any change in registered agent or registered agent address must be filed immediately with our office. Please be sure to file your report on time; **failure to file this report will result in administrative dissolution of your corporation.**

You may file your Registration Report online 24 hours a day on our website at: www.sos.mo.gov. If online filing is not an option, you may print your Registration Report from our website at www.sos.mo.gov or you may call toll free (866) 223-6535 and request a form be sent to you.

	Online Filing Fee	Filing Fee By Mail Or In Person
Annually:		
On or Before August 31	$10	$15
After August 31	$15	$20
Biennially (every two years):		
On or Before August 31	$20	$30
After August 31	$30	$40

Questions regarding any corporate information should be directed to (866) 223-6535. Best wishes on your new business venture!

Sincerely,

Robin Carnahan
Secretary of State

PO BOX 778 • JEFFERSON CITY, MISSOURI • 65102
www.sos.mo.gov

EXHIBIT

3

PROJECT AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made and entered into this ____ day of September, 2015 (the "**Effective Date**") by and between GL/TL EB-5 OWNER, LLC, a Missouri limited liability company (hereinafter referred to as the "Owner" or "**Developer**") and Gateway to the Midwest Investment Center, Inc., a Missouri nonprofit corporation (hereinafter referred to as "**Regional Center**"), an approved United States Citizenship and Immigration Services ("**USCIS**") Regional Center.

WHEREAS, the Developer wishes to engage Regional Center to present its business plan with respect to the project identified in Exhibit A attached hereto (the "**Project**"), and apply on its behalf to the USCIS for approval under the EB-5 Immigrant Investor Pilot Program (the "**Program**"). The Regional Center agrees to provide these services for the compensation described below and otherwise in accordance with the terms and conditions contained in this Agreement; and

WHEREAS, the Regional Center has formed GL/TL EB-5 LENDER, LLC, a Missouri limited liability company, that will serve as the entity to provide EB-5 funding (herein referred to as the "**Company**") to the Project.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, accepted and agreed to, the Developer and Regional Center, intending to be legally bound, agree to the terms set forth below.

a. **TERM**. The term of this Agreement (the "**Term**") will commence as of the Effective Date, and shall terminate automatically and without further action by any party on the earlier to occur of:

a. adjudication of all I-829 petitions relating to the project and full re-payment of the Loan, or

b. termination of the Regional Center's designation as a regional center by USCIS.

b. **DUTIES AND SERVICES**. The Developer will provide the Regional Center the following documentation necessary to enable the Regional Center to review the Program eligibility of the Project, at the expense of the Developer:

a. Regional Center Application and Fee
b. Executive Summary;
c. Comprehensive Matter of Ho Business Plan;
d. Economic Impact Report;
e. Marketing Plan;
f. Real Estate Title Information on the Project;
g. TEA Designation Letter
h. Term Sheet for EB-5 Loan Agreement (the "Loan Agreement")
i. Term Sheet from Senior Lender

j. Construction Budget
k. Construction Schedule
l. Construction Drawings/Plans
m. Applicable Permits
n. Any other appraisals, feasibility, studies, market plans or material agreements affecting the Project.

In addition, the due diligence list set forth in Exhibit C shall also be provided to the extent applicable (collectively, all documents provided to the Regional Center are hereinafter referred to as the "**Application**").

Once the Application package has been completed and approved by the Regional Center, the Developer may utilize the form I-526 petition template (the "**Template**") prepared by an immigration attorney for utilization by the potential investors. If the form I-924 (Amendment to the Regional Center) is applicable, the Regional Center will make the submission to USCIS at the sole cost and expense of the Developer. During the form I-924 approval process, Regional Center will respond to any requests from USCIS for additional information or request for evidence on an expedited basis at the sole cost and expense of the Developer. Upon approval from the USCIS and/ or the Regional Center, the Developer will maintain all records required by the USCIS Program.

c. **REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER**. The Developer represents and warrants to the Regional Center that (a) Developer is duly organized and existing under the laws of the State of Missouri, (b) Developer has full right, power and authority to execute and perform this Agreement, (c) the execution and performance of this Agreement does not and will not violate any law, rule, regulation, order, writ, injunction or decree of any court or government, domestic or foreign, or any commission, bureau or administrative agency, or any agreement or instrument by which the Developer is bound, and (d) upon its execution, this Agreement will constitute the binding obligation of the Developer enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally or by limitations on the availability of equitable remedies.

a. The Regional Center will not be involved in the affairs of the Developer except as necessary to obtain periodic Project and job creation information to effect the Regional Center 's required reporting to the USCIS, as is more specifically detailed in paragraph b below. Similarly, the Developer will not be involved in the affairs of the Regional Center other than as necessary to comply with USCIS requirements.

b. The Developer understands the Regional Center is responsible before the USCIS and other federal regulatory bodies to maintain its status as a Regional Center and to comply with the USCIS and other legal requirements imposed on USCIS approved regional centers. The Developer therefore agrees to provide the Regional Center with, at a minimum, semi-annual financials on the Project and semi-annual job creation reports on the Project. The Developer further agrees to cooperate

with the Regional Center at all times in connection with any information the Regional Center may request or seek from the Developer in connection with the Project, and to provide such information to the Regional Center on an expedited basis. The Developer further agrees to make its principals available upon reasonable notice to review and explain Project status and the books and records it is required to maintain to comply with the EB-5 program, which may include but is not limited to, conformance to the business plan regarding construction costs and schedule, project employees, operational revenues and expenses, and any communication with the USCIS regarding the Project compliance and the status of any foreign investor's conditional or permanent green card petition.

c. The Developer agrees to provide the Regional Center with a copy of any proposed contract with any third party finder or broker engaged to obtain EB-5 investors for the Project, in order to ensure such engagement complies with applicable securities and other applicable laws.

d. In the event a third party finder or broker is engaged, the Developer will participate, collaborate, and cooperate in the investigation and vetting of any potential EB-5 investor seeking to invest in the Project.

d. **PAYMENTS BY DEVELOPER.** The Developer agrees to pay the Regional Center reasonable fees in order for the Regional Center to pay its professionals to undertake the work necessary for the Project inclusion in the Regional Center , estimated in an amount not to exceed $25,000. These fees are based on the following assumptions:

a. The Developer agrees to provide the Regional Center with financials and projections relating to the Project which the RC deems acceptable for purposes of completing the Template;

b. The Developer agrees to provide the Regional Center with a business plan relating to the Project which the Regional Center reasonably deems acceptable for purposes of completing the Application;

c. The Developer agrees to provide the Regional Center with sufficient documentation that includes a private placement memorandum, subscription agreement, investor questionnaire, company documents, organizational charts, company structure, and other legal and business documents and information related to the Project which the Regional Center reasonably requires for purposes of completing the Template; and

d. The Developer agrees to provide the Regional Center with project renderings, analyses and descriptions which the Regional Center deems acceptable for purposes of completing the Template.

e. **DUTIES OF THE REGIONAL CENTER.**

a. In order to maintain compliance with USCIS regulations, the Regional Center's administration, oversight, and management of its regional center will be devised so as to identify projects that offer the best opportunities for meeting established EB-5 program criteria for promoting new economic growth through improved productivity, job creation, and increased capital investment. Regional Center management will actively and closely monitor all investment activities under the sponsorship of the program, and will maintain records, data and information on a quarterly basis in order to report to USCIS annually through the form I-924A process and/or upon request for each Federal fiscal year, commencing with the current year according to the process as described below.

b. After designation, the Regional Center (or through its Agents) will manage and oversee all operations and project activity to ensure compliance with all USCIS requirements through the design and execution of a database and reporting system designed to provide the following information on an annual basis to the USCIS:

1. Current Principal Point of Contact: Maintain a current listing of the principal official and point of contact for the management and administration of the Regional Center.

2. Approved Job Count Methodologies: Maintain a current list of approved methodologies used to evaluate and track job creation that resulted from an approved business enterprise of each specific foreign investor's investment capital.

3. Inventory of I-526 Petition Filers: Maintain an inventory of the name, date of birth, and alien registration number of each alien investor who makes an investment and files an EB-5 I-526 petition with USCIS, specifying whether the petition was approved, denied, or withdrawn by the petitioner.

4. List of Nationality for EB-5 Investors: The country of nationality of each alien investor who makes an investment and files an I-526 Petition with USCIS.

5. Current List of EB-5 Investors by State of Residence: Maintain a current list by U.S. municipality and state of residence of each alien investor who makes an investment and files an EB-5 I-526 petition with USCIS.

6. Current list EB-5 Investment by Approved Activity: Maintain a listing of the categories of approved business activity within the

geographic boundaries of the Regional Center that have received the alien investors' capital, and in what amount.

7. Current List of EB-5 Projects: The names and locations of each of the job creating commercial enterprises located within the geographical boundaries if the Regional Center has received alien investor capital.

8. Sources of Capital by Type: Report the amounts of alien investor capital and the amounts of other domestic capital that have been invested together in each job creating commercial enterprise specified in item 6 above, distinguishing the separate totals for each.

9. EB-5 Investor Count With Conditional Residency: Report the total aggregate number of approved EB-5 alien investor I-526 petitions per Federal Fiscal Year to date made through the Regional Center.

10. EB-5 Investor Count with Permanent Residency: Report the total aggregate number of approved EB-5 alien investor I-829 petitions per Federal Fiscal Year to date through the Regional Center.

11. Total EB-5 Capital Invested: Report the total aggregate of EB-5 alien capital invested through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

12. Total EB-5 Eligible Jobs Created: Provide the combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

13. Total EB-5 Eligible Jobs Preserved: If applicable, the total aggregate of "preserved" jobs by EB-5 alien investors into troubled businesses through the Regional Center for each Federal Fiscal Year to date since the approval and designation.

14. Inactivity Report: If for any given Federal Fiscal Year the Regional Center does not have investors to report, then provide an explanation for the inactivity along with a specific plan which details timelines and steps to actively promote the Regional Center program, and recruit legitimate and viable alien investors.

15. Notification of "Material Changes": Notification to USCIS within 30 days of the occurrence any material change in the structure, operation, administration, focus, or activities relating to the Regional Center's basis for its most recent designation and/or reaffirmation by the USCIS.

c. In order to monitor this data for the Project and facilitate the reporting of data to USCIS on Form I-924A, the Regional Center will maintain a database of alien investors subscribed to the project, along with files for each investor to capture and store relevant data. The database will capture:

- Subscription dates of alien investors;

- Complete contact information for investors [including names, dates of birth, country of citizenship, passport number, foreign address, and U.S. address, along with names and dates of birth of dependent family members];
- Immigration milestone dates [including Form I-526 receipt date/priority date, I-526 approval date, conditional permanent resident approval date, I-829 filing window for the investor, I-829 receipt date, and I-829 approval date, along with any relevant dates for aging out children of the principal investors]; and
- Investment milestone dates (including the date money was received in escrow and the date of actual capital contribution to the new commercial enterprise).

d. In addition to the investor database, the Regional Center will maintain an electronic file on each investor containing the following documents: a copy of the alien investor's passport biographic page and the passport biographic pages of dependent family members, a copy of the I-526 receipt notice and approval notice, a copy of Form I-551 issued to the investor and dependent family members, copies of I-829 receipts and approval notices, a copy of the subscription agreement and accredited investor questionnaire signed by the investor, and copies of the Schedule K-1 tax filings for the investor.

e. Additionally, the Regional Center will monitor the Project's progress and maintain records in support of the alien investor's I-829 petitions. The Regional Center will receive copies of all project updates and investor communications in order to monitor the progress of the EB-5 compliant business plan. The Regional Center will also receive copies of independent auditor reports prepared for the Project to monitor the job creation resulting from the Project. The Regional Center will monitor and store this information for both USCIS reporting purposes and in furtherance of I-829 petition support.

f. **LOAN PROGRAM**. The Developer will be using a loan based formula with their Immigrant Investor's capital contribution. The Developer will pay an interest rate to be determined by the Loan Agreement. The Regional Center will receive a percentage of those interest loan payments as set forth in the compensation schedule attached hereto as Exhibit B.

g. **CONFLICT OF INTEREST**. As a disclosure of potential conflicts of interest, Regional Center represents other Developers. Some of the Regional Center Regional Center 's existing or future clients may operate or seek to operate in your geographical area and/or engage in similar projects. These circumstances create a theoretical conflict of interest for Regional Center . However, Regional Center believes it can properly represent your interest notwithstanding these potential conflicting circumstances. By signing this Agreement, Developer and any and all of its members and representatives agree to Regional Center's representation notwithstanding its conflict and confirm that you have had a full opportunity to carefully consider the effect of Regional Center 's theoretical conflict in respect to Developer. Additionally, the Developer and the Regional Center waive any conflict or claims that may arise due to potential conflicts of interest among legal counsel who are dually representing the Regional Center and the Developer.

h. **NO GUARANTEES**. This Agreement DOES NOT GUARANTEE OR PREDICT a specific outcome for an approved USCIS Developer designation. This Agreement DOES NOT GUARANTEE OR PREDICT REGIONAL CENTER 's ability to find and place investors in the Developer. Any legal documents provided by Regional Center should be reviewed by your Counsel. Your application will be promptly and efficiently filed, however, processing delays may occur that are beyond the control of Regional Center.

i. **CONFIDENTIAL INFORMATION AND PUBLCITY**. The Regional Center and the Developer acknowledge that each may receive certain confidential and/or proprietary information and material which is not publicly known concerning the business and affairs of the other (including without limitation the terms of this Agreement, market plans, customer lists, financial plans and organization structure -- collectively "Confidential Information") in connection with this Agreement, and agree that each of them has a proprietary interest in their respective Confidential Information. All disclosures of Confidential Information to a party, its agents, employees and sublicensees shall be held in strict confidence by such party, its agents, employees and sublicensees, and such party may disclose the Confidential Information only to those of its agents, employees and sublicensees to whom it is necessary in order to properly carry out their duties hereunder. Neither party shall use the Confidential Information of the other after termination or expiration of this Agreement and shall return all copies of the Confidential Information (other than this Agreement) to the other as soon as practicable after the date of such termination or expiration.

Notwithstanding the above, Developer expressly acknowledges that Regional Center is staffed by the St. Louis Economic Development Partnership (the "Partnership"), which is subject to Missouri's Sunshine Act, Section 610.010 of the Revised Statutes of Missouri. If the Partnership is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information of Developer, the Partnership will provide Developer with prompt notice of such request(s) so that Developer may seek an appropriate protective order and/or waive compliance with the provisions of this Agreement. In either event, Developer will advise the Partnership in time for the Partnership to respond to its disclosure deadline. To the extent that Developer elects to assert a legal privilege under Missouri's Sunshine Act, specifically including, but not limited to, the assertion that any Confidential Information constitutes a 'closed record' pursuant to the meaning of Section 610.021 of the Revised Statutes of Missouri,

Developer shall so notify the Partnership and the Partnership shall cause its Custodian of Records to cooperate with Developer to assert any such privilege on Developer's behalf, provided that Developer will defend the Partnership and/or its Custodian of Records in the event of any suit or action initiated by the requesting party or the Missouri Attorney General as a result. Developer will be responsible for all of its own legal fees incurred in such process, and should Developer object to disclosure, and such objection is ultimately determined to be in error, then Developer shall also indemnify and hold harmless the Partnership (and/or the Partnership's Custodian of Records) against all claims, liabilities, damages, losses, and costs of whatsoever kind or nature, including attorney's fees and court costs, arising out of or resulting from said erroneous objection to disclosure.

All dissemination of information with respect to this Agreement or the transactions contemplated hereby including, without limiting the generality of the foregoing, releases to the news media generally and advertising, shall be in such form as the parties may mutually agree upon as to the content thereof and neither party shall disseminate any information with respect to this Agreement or the transactions contemplated hereby at any time without the prior written consent of the other except as may be required by law.

j. **INDEMNITY.** Developer shall defend, indemnify and hold the Partnership and Regional Center (including its officers and directors), and its agents and employees, harmless from and against any and all claims, damages, losses, liabilities and expenses, including without limitation attorneys fees, arising out of or resulting from Developer's failure to comply with the terms or provisions of the Agreement, to the extent in whole or in part caused by any willful or negligent acts or omissions of Developer or anyone for whose acts Developer may be liable. Regional Center shall defend, indemnify and hold the Developer (including its officers and directors), and its agents and employees, harmless from and against any and all claims, damages, losses, liabilities and expenses, including without limitation attorneys fees, arising out of or resulting from Regional Center 's failure to comply with the terms or provisions of the Agreement, to the extent in whole or in part caused by any willful or negligent acts or omissions of the Regional Center or anyone for whose acts Regional Center may be liable.

k. GENERAL PROVISIONS.

a. Entire Agreement. This Agreement sets forth the entire understanding and agreement between and among the parties hereto with reference to the subject matter hereof, and may not be modified or terminated orally, nor shall any oral waiver be binding.

b. Benefits. This Agreement shall be binding upon and inure to the benefit of all of the parties hereto and their respective heirs, legal representatives, successors and assigns hereunder.

c. Severability. In the event that any one or more provisions of this Agreement shall be deemed to be illegal or unenforceable, such illegality or unenforceability shall not affect any of the remaining legal and enforceable provisions hereof which shall be construed as if such illegal or unenforceable provisions had not been inserted.

d. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed, certified or registered mail, return receipt requested, with postage prepaid, to the address of each of the parties set forth below or to such other person and place as any party shall furnish to the other party in writing.

If to the Regional Center:

Gateway to the Midwest Investment Center, Inc.
c/o Laura M. Hughes, Project Manager
7733 Forsyth, suite 2200
St. Louis, MO 63105
Telephone: (314) 615-8151
Email: lhughes@worldtradecenter-stl.com

If to the Developer:

Capstone Development Group, LLC
101 S. Hanley, Suite 1825
Clayton, MO 63105
Telephone: (314) 783-2150
kalthoff@capstonedev.net

e. Litigation. In the event that any of the parties to this Agreement institutes suit against any other party or parties to this Agreement to enforce any of their rights hereunder or under any document executed or delivered in connection herewith, the prevailing party in such action shall be entitled to recover from the other party or parties all reasonable costs thereof, including, without limitation, reasonable attorneys' fees and costs (including appeals).

f. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile executions of this Agreement shall constitute a legal and binding signature.

g. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri, with venue for any action to be in the applicable state or federal court in St. Louis, Missouri.

h. Dispute Resolution. Any dispute arising between the parties out of or in connection with this Agreement will be finally resolved by binding and non-appealable arbitration in Missouri pursuant to the Commercial Arbitration Rules of the American Arbitration Association.

Notwithstanding the foregoing, this paragraph will not prohibit either party from seeking injunctive relief against the other party to enjoin a breach of any provision of this Agreement pending the resolution of a dispute by arbitration. Each party consents to personal jurisdiction in the federal courts of the State of Missouri for the limited purposes of this paragraph, and agrees that personal jurisdiction in any such court will be deemed proper. The parties shall each select an arbitrator and the two selected arbitrators shall select a third arbitrator, and the three arbitrators shall rule the dispute. The parties shall utilize an expedited process where discovery is limited to one hundred and twenty (120) days and the arbitrator must have a hearing within thirty (30) days after completion of discovery and issue his or her ruling within three (3) weeks thereafter. The arbitration selection process shall not take more than thirty (30) days.

i. Costs. In the event of any arbitration and/or litigation to enforce this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and other costs, as assessed by the arbitrator or the court.

j. Interpretation. This Agreement shall be deemed to have been prepared with the input of all parties hereto, and any ambiguity related hereto shall not be construed against any party to this Agreement.

k. Further Assurances. From time to time, as and when reasonably requested by either party or their successors or assigns, the other party shall execute and deliver, or cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably necessary to carry out the purposes set forth herein.

l. Assignment. This Agreement shall inure to the benefit of and be binding on the successors and assigns of each of the parties. This Agreement may not be assigned by either party without the prior written consent of the other party.

m. Amendment. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by both parties.

n. Time is of the Essence. Time is of the essence on all matters related to this Agreement.

o. Covenant to Deal in Good Faith. The parties hereto agree to deal in good faith in all matters pertaining to the transactions contemplated in this agreement.

p. Approvals. To the extent of any approvals required hereunder, same shall not be unreasonably withheld, conditioned or delayed.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year first written above.

The Regional Center:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC., a Missouri nonprofit corporation

By:_____
Sheila M. Sweeney, Interim CEO

The Developer:

GL/TL EB-5 OWNER, LLC,
a Missouri limited liability company

By:_____
Bill Luchini, President

EXHIBIT A

Gerhart Lofts

The Gerhart Lofts will be located at the intersection of Laclede Avenue and Vandeventer Avenue, adjacent to St. Louis University in St. Louis, Missouri. The addresses of the Gerhart Lofts are 1-17 Vandeventer Avenue, 3900-08 Laclede Avenue, and 3910-12 Laclede Avenue. The construction component of the EB-5 Project will consist of the renovation of a series of historic buildings original constructed in 1896, which will restore 10,560 square feet of commercial space, add 17 loft-style rental residential units, and provide onsite parking.

Rendering of the Gerhart Lofts Component

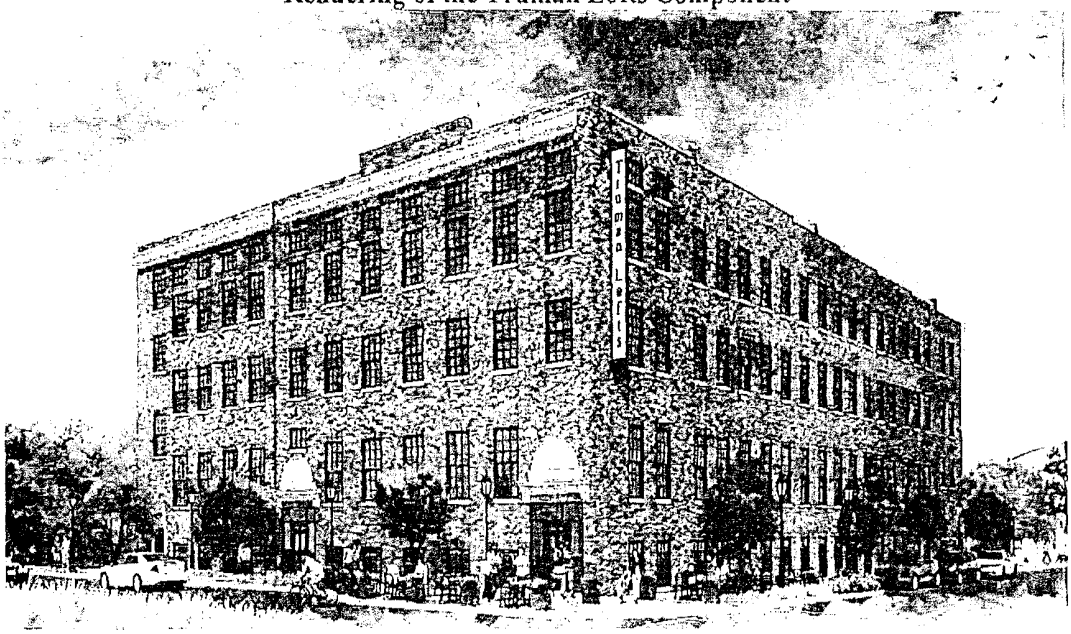
The Gerhart Lofts component of the EB-5 Project will feature: 11 ground-floor commercial spaces with 960 square feet each for a total of 10,560 square feet of commercial space; two live-work units totaling 1,113 square feet; and 15 residential apartments. The residential apartment will be comprised of: 10 two bedroom, two-bath units at 972 square feet each; four two-bedroom, two-bath units at 1,113 square feet each; and, one three-bedroom, two-bath unit with 1,250 square feet. A total of 16,535 rentable residential square feet will be available in the Gerhart Lofts.

The residential units will have in-unit washers and dryers, energy star-rated appliances (range, refrigerator, garbage disposal, and dishwasher), and an on-demand hot water heater. The fixtures and finishes will be high-end, including hardwood floors, European cabinets, ceiling fans, and concrete countertops. The building will have a secure entry system.

Truman Lofts

The Truman Lofts will be located at 1322 Dolman Street in St. Louis, Missouri. The Truman Lofts component of the EB-5 Project will comprise the redevelopment of an existing vacant factory building into a 40-unit apartment complex designed for young professionals. The apartment complex will have a mix of studio, one-bedroom, and two-bedroom units. Each residential unit will feature a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hookups, tile and hardwood flooring, blinds, ceiling fans, and walk-in closet.

Rendering of the Truman Lofts Component



The exterior of the apartment complex will be brick, with landscaping consisting of grass, trees, and shrubs. Amenities of the apartment complex will include a community room, fitness center, picnic area, tenant storage, lounge area, dog run, and walking/bike trail. The property will also have an open parking lot containing 51 parking spaces. The property will also have commercial space on the first floor of the building. The neighborhood surrounding the Truman Lofts site is primarily commercial properties and single-family residences.

EXHIBIT B

The Developer will pay the Regional Center the following consideration.

1. Application Fee. There is a fee to initiate the required due diligence. Along with a signed copy of this letter, we require a non-refundable $5,000 application fee to offset our cost of completing the analysis and engaging economists and specialists to review your project. Regional Center acknowledges receipt of the Application Fee.

2. Administrative Fee. $20,000 in consideration for Regional Center placing the Developer in the Regional Center, which amount shall be funded upon the execution of this Agreement or at such later time as the due diligence approval is obtained from the Regional Center.

3. Annual Administrative Fee. Upon approval of the initial I-526 Petition for the Developer, the Regional Center shall be entitled to an amount equal to 1/2% of the outstanding amount of the EB-5 loan to the Project, which shall accrue annually as interest and be payable from Developer's surplus cash flow pursuant to the EB-5 loan documents.

4. A one-time administration fee of $ 5,000 per EB-5 investor in the Project, payable on a proportionate basis as the EB-5 Expense Amount funds are released from escrow (the "**Escrow Release Conditions**") which are as follows:

   a. The Initial Condition having been met (meaning that the minimum number of two (2) Investing Members have subscribed for Membership Interests; and

   b. The filing of the I-526 Petition for the applicable Subscriber (or I-526 Approval) once the Initial Condition has been satisfied.

   c. This administrative fee shall be paid entirely from the Expense Amount charged in connection with the EB-5 offering and not from the Investor's capital account.

5. Additionally, if an I-924 amendment is necessary, an additional fee of $6,230 will be paid to USCIS by the Developer at the time of submission.

EXHIBIT C

Due Diligence Requirements

During the due diligence process, the Regional Center will review the Project and document each key attribute and assumption. The following is a list of information and documents that are typically required during due diligence, but additional information may be requested as necessary:

- ☐ Comprehensive Matter of Ho Business Plan and Pro-forma Financial Statements
- ☐ Third Party Market Study which Validates Financial Assumptions
- ☐ Completed Economic Model Questionnaire
- ☐ Project Organization Chart
- ☐ Source and Uses of Funds Documents
- ☐ Copy of Any Other Loan / Equity Agreements and Term Sheets with the Developer and Other Sources of Funds in the Capital Stack Each of Which Should Acknowledge EB-5 Financing
- ☐ Copy of Any Land Use Agreements, Title Commitments or related Real Estate Documents
- ☐ Proof of Collateral Ownership and Related Appraisals
- ☐ Copy of Any Lease Agreements, Term Sheets, or LOI Signed with the Tenants
- ☐ Copy of any Signed Agreements or Term Sheets with General Contractors and the Construction Company; Construction Timeline
- ☐ Copies of Applicable Permits
- ☐ Copy of Agreements with Municipalities, etc. for Financing, Zoning, PILOT and Similar Arrangements
- ☐ Copy of the Agreements with Operators Such as Management Companies, Together with Background on Their Experience, Other Operations, etc.
- ☐ Architectural Renderings, Images, Logo Graphics of the Project, Other Investors/Financing Sources, Developers, Key Service Providers, and Principles
- ☐ Developer History and Financials, Including Up-to-Date Resumes
- ☐ Signed Term Sheet

Gathering and providing this information to the Regional Center will be Developer's responsibility and any costs Developer incurs to do so will be Developer's responsibility as well.

EXHIBIT

4

OFFICE OF THE COUNTY EXECUTIVE
SAINT LOUIS COUNTY
41 SOUTH CENTRAL AVENUE
SAINT LOUIS, MISSOURI 63105

STEVEN V. STENGER
COUNTY EXECUTIVE

(314) 615-7016

August 12, 2015

Ms. Sheila M. Sweeney
Interim CEO
St. Louis Economic Development Partnership
7733 Forsyth Blvd., Suite 2300
St. Louis, MO 63105

Re: GMIC Board

Dear Ms. Sweeney,

Please be advised that, pursuant to the bylaws of the Gateway to the Midwest Investment Center, Inc., I am appointing you, Sheila M. Sweeney, Interim CEO of the St. Louis Economic Development Partnership and Joyce Steiger, CFO of the St. Louis Economic Development Partnership to the Board of Directors of the Gateway to the Midwest Investment Center, Inc., for a two year term. These appointments shall replace Dennis G. Coleman and Jacqueline Wellington on the Gateway to the Midwest Investment Center Board.

St. Louis County is proud to be represented on this board and is supportive of its goals to facilitate foreign direct investment and increase employment in the region.

Very truly yours,

Steven V. Stenger
County Executive

EXHIBIT

5

Capstone Lofts EB-5 Project Business Plan

Form I-526 Immigrant Investor Petition Filing

September 1, 2015

PREPARED FOR:

Capstone Development Group, LLC

PREPARED BY:

EPR ECONOMIC & POLICY RESOURCES

This document contains confidential and proprietary information belonging exclusively to Capstone Development Group, LLC (the "Company"). This business plan, including any pro forma financial statements included as an exhibit hereto, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements refer to future plans, objectives, expectations, and intentions of the Company. Words such as "intend," "anticipate," "believe," "estimate," "plan," "expect," "will," "may," "might," and variations of these words, as well as similar expressions, identify those forward-looking statements. All statements other than statements of historical facts contained in this business plan, including statements regarding the Company's future financial position, business strategy, budgets, projected costs, and plans and objectives of the Company, are forward-looking statements.

The Company's management expresses its expectations, beliefs, and projections in good faith and believes the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, the Company cannot assure prospective investors that these expectations, beliefs, and projections will prove to have been correct. Such forward-looking statements reflect the current views of the Company's management with respect to the Company and anticipated future events and are subject to the many risks, uncertainties, assumptions, and factors relating to the Company's proposed operations. Such factors include, among others, the following: general economic and business conditions, both national and in the regions in which the Company will operate; industry capacity; demographic changes; existing laws and government regulations and changes in, or the failure to comply with, such laws and regulations; competition; challenges to our intellectual property rights; technological developments that increase the cost of providing or reduce the demand for the Company's services; changes in business strategy or development plans; the ability to attract and retain qualified personnel; the availability and terms of obtaining capital to fund the Company's business; and other factors referenced in this business plan.

The Company cautions prospective investors that such forward-looking statements, including, without limitation, those relating to the Company's future business prospects, demand for the Company's services, revenues, capital needs, expenses, development and operation costs, and income, wherever they occur in this business plan or in other statements attributable to the Company, are necessarily estimates reflecting the best, good faith judgment of the Company's management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Should one or more of these risks or uncertainties materialize or should the Company's underlying assumptions prove to be incorrect, the Company's actual results may vary significantly from those anticipated, believed, estimated, expected, intended, or planned. In light of these risks, uncertainties, and assumptions, any favorable forward-looking events discussed in this business plan may not occur. The Company undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

Table of Contents

Section 1. Contacts 1

Section 2. Introduction 2
2.1 Purpose 2
2.2 Business Plan Scope 2
2.3 EB-5 Project Summary 3
2.4 Anticipated Capital Raised from Immigrant Investors 3
2.5 The Gateway to the Midwest Investment Center, Inc 4

Section 3. EB-5 Project Details 6
3.1 Detailed Description 6
3.1.1 Gerhart Lofts 6
3.1.2 Truman Lofts 7
3.1.3 Development Timeline 7
3.2 Required Permits 9
3.3 Statement of Sources and Uses of Funds 10
3.4 Operating Budget Details 12
3.5 Marketing Strategy 16
3.6 Staffing 16
3.7 Key Contracts 17

Section 4. Market Analysis 19
4.1 Market Study Summary – Gerhart Lofts 19
4.1.1 Project Location 19
4.1.2 Commercial Market 19
4.1.3 Residential Market 20
4.2 Market Study Summary – Truman Lofts 20
4.2.1 Project Location and Market Area 20
4.2.2 Residential Market 21

Section 5. EB-5 Framework 23
5.1 Summary of the Business Relationships 23
5.2 Industry Focus 24
5.3 Economic Impact Study 24
5.4 EB-5 Timeline 26

Section 6. Professional Team 28
6.1 EB-5 Project Team 28
6.2 Consulting Professionals 30

List of Appendices 32

List of Tables and Figures

Table 1: Development Timeline 8
Table 2: Required Permits and Approvals – Gerhart Lofts Component 9
Table 3: Required Permits and Approvals – Truman Lofts Component 9
Table 4: Statement of Sources and Uses of Funds 11
Table 5: Rental Revenue Assumptions – Gerhart Lofts Component 12
Table 6: Gerhart Lofts Component Income Statement 13
Table 7: Rental Revenue Assumptions – Truman Lofts Component 14
Table 8: Truman Lofts Component Income Statement 15
Table 9: Commercial Market Comparable Properties 20
Table 10: Residential Market Comparable Properties 20
Table 11: Truman Lofts Comparable Properties 22
Table 12: Summary of Model Specifications and Jobs Attributable to the Regional Center 25

Figure 1: Map of the Regional Center 5
Figure 2: Rendering of the Gerhart Lofts Component 6
Figure 3: Rendering of the Truman Lofts Component 7
Figure 4: Business Relationships Structure 23
Figure 5: Immigrant Investor and Project Development Timelines 27

Section 1. Contacts

Sponsor Company:

William Luchini
Capstone Development Group, LLC
101 S. Hanley, Suite 1825
Clayton, MO 63105
Telephone: (314) 783-2150
Email: bluchini@capstonedev.net
Website: www.capstonedev.net

Regional Center:

Laura Hughes
Gateway to the Midwest Investment Center, Inc.
7733 Forsyth Blvd. Suite 2200
St. Louis, MO 63105
Telephone: (314) 615-3902
Email: lhughes@worldtradecenter-stl.com
Website: www.stlouiseb5.com

Economic Impact Study:

Jeffrey B. Carr
Economic & Policy Resources, Inc.
400 Cornerstone Drive, Suite 310
P.O. Box 1660
Williston, VT 05495-1660
Telephone: (802) 878-0346
Email: jbc@epreconomics.com
Website: www.epreconomics.com

Business Plan Development:

Jeffrey B. Carr
Economic & Policy Resources, Inc.
400 Cornerstone Drive, Suite 310
P.O. Box 1660
Williston, VT 05495-1660
Telephone: (802) 878-0346
Email: jbc@epreconomics.com
Website: www.epreconomics.com

Securities Counsel:

Jay M. Rosen
Arnstein & Lehr LLP
200 South Biscayne Blvd., Suite 3600
Miami, FL 33131
Telephone: (305) 428-4500
Email: jmrosen@arnstein.com
Website: www.arnstein.com

Immigration Counsel:

Daniel B. Lundy
Klasko Immigration Law Partners, LLP
31 West 34th Street, 8th Floor
New York, NY 10001
Telephone: (215) 825-8615
Email: dlundy@klaskolaw.com
Website: www.klaskolaw.com

Section 2. Introduction

2.1 Purpose

This EB-5 project business plan is being submitted as part of the evidence in support of immigrant investor Form I-526 petitions to the United States Citizenship and Immigration Services ("USCIS"). These petitions are submitted for consideration under the Immigrant Investor Program ("EB-5 Program"), consistent with the regulations at *8 C.F.R. §204.6*. The petitions seek Form I-526 approval for immigrant investors in GL/TL EB-5 Lender, LLC, a new commercial enterprise which will provide a loan to the job creating entity, GL/TL EB-5 Owner, LLC, facilitating the development of the Capstone Lofts EB-5 Project (the "EB-5 Project). The EB-5 Project consists of the construction and operations of two new apartment buildings in St. Louis, Missouri.

2.2 Business Plan Scope

The May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS provides guidance to applicants regarding the USCIS review standards for an EB-5 project business plan that *"is more likely than not...comprehensive and credible."* An EB-5 project business plan must satisfy these review standards in order to adequately support the job creation claims made therein. These standards are based on those articulated within the Matter of Ho decision issued by the Administrative Appeals Office ("AAO"). Therefore, this document and its supporting appendices have been prepared to meet the Matter of Ho standards as they are understood by the petitioner.[1] In addition to providing a thorough description of the activities that constitute the Capstone Lofts EB-5 Project, this document, together with the market studies prepared by Gill Group and American Marketing Services, Inc., addresses the elements listed within the AAO decision as follows:

- **Description of the Business:** Please refer to *Section 3.1 Detailed Description* for a thorough description of the new business and its activities, including a timeline with major development milestones in *Section 3.1.3 Development Timeline.*
- **Required Permits:** Please refer to *Section 3.2 Required Permits* for a list of the necessary permits for the EB-5 Project. The project developers are familiar with all permits that are required and will obtain all necessary permits as needed to continue the construction and operations of the EB-5 Project according to the development timeline.
- **Sales, Cost, and Income Projections:** Please refer to *Section 3.4 Operating Budget Details* for detail on the projected revenues, costs, and income, as well as the assumptions used in projecting the operating performance of the EB-5 Project.
- **Marketing Strategy:** Please refer to *Section 3.5 Marketing Strategy* for a review of the marketing strategy of the EB-5 Project.
- **Staffing Projections and Position Descriptions:** Please refer to *Section 3.6 Staffing* for detail about the staffing requirements of the EB-5 Project.
- **Contracts:** Please refer to *Section 3.7 Key Contracts* for a list of key contractors for the construction and operations phases of the EB-5 Project. The key contractors for the EB-5 Project will subcontract with suppliers as appropriate for the services they are providing.
- **Market Analysis:** Please refer to *Section 4 Market Analysis* for a summary of the EB-5 Project market studies.

[1] The Matter of Ho standards as laid out in Matter of Ho, 22 I&N Dec. and the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS have been used as a reference by the petitioner in preparing this EB-5 project business plan. Please refer to pages 212-213 of Matter of Ho, 22 I&N Dec. and pages 19-20 of the May 30, 2013 EB-5 Adjudications Policy Memorandum.

- **Organizational Structure and Professional Team:** Please refer to *Section 5.1 Summary of the Business Relationships* for information pertaining to the business relationships within the EB-5 Project. For information about the professional team for the EB-5 Project, including consulting professionals, please refer to *Section 6 Professional Team*.
- **Description of the Manufacturing or Production Process:** This criterion is not applicable to the EB-5 Project given the nature of its activities.

Additionally, while not specifically addressed in the Matter of Ho guidance provided in the May 30, 2013 EB-5 Adjudications Policy Memorandum, this EB-5 project business plan also provides information supporting the capital expenditures and development timeline for the EB-5 Project. Please refer to *Section 3.3 Statement of Sources and Uses of Funds* for a summary of the sources and uses of funds for the EB-5 Project. Additional detail on the uses of funds in provided in *Appendix 1 Detailed Uses of Funds*. *Appendix 2 Construction Support Letter* to this EB-5 project business plan includes two letters from Crestwood Building Associates, Inc., in which it is opined that the development expenditures and construction period for the EB-5 Project are consistent with industry standards in St. Louis, Missouri, based on the firm's extensive experience working on construction projects in the St. Louis, Missouri, area.

This EB-5 project business plan, taken together with the economic impact study, required securities documents, and other required information found elsewhere in this filing, is intended to provide the level of "verifiable detail" required for a positive determination regarding the immigrant investor Form I-526 petitions.

2.3 EB-5 Project Summary

The Capstone Lofts EB-5 Project is comprised of the construction and operations of two mixed-use complexes, the Gerhart Lofts and the Truman Lofts. Both apartment complexes consist of the redevelopment and renovation of historic properties in the city of St. Louis, Missouri. Please refer to *Section 3.1 Detailed Description* for more information on the EB-5 Project.

Investment in the EB-5 Project totals $19.84 million over the four years of the development timeline, with most of these funds being invested during the 24-month construction period. Please refer to *Section 3.1.3 Development Timeline* for additional detail on the development timeline for the EB-5 Project and *Section 3.3 Statement of Sources and Uses of Funds* and *Appendix 1 Detailed Uses of Funds* for additional detail on the use of funds.

2.4 Anticipated Capital Raised from Immigrant Investors

Through the EB-5 Program, the new commercial enterprise, GL/TL EB-5 Lender, LLC, intends to raise up to $6.0 million in capital from immigrant investors to fund the construction and operations of the Capstone Lofts EB-5 Project in St. Louis, Missouri. The capital raised through the EB-5 Program will be contributed by up to 12 immigrant investors.

The EB-5 Project is located within a targeted employment area ("TEA"). The Truman Lofts component of the EB-5 Project is located within a TEA as certified by the Missouri Department of Economic Development in a letter dated June 22, 2015. The Gerhart Lofts component of the EB-5 Project is located within a TEA as certified by the Missouri Department of Economic Development in a letter dated September 17, 2015. TEA designation allows immigrant investors to invest in the EB-5 Project with a

minimum of $500,000 of at-risk capital as opposed to a minimum of $1.0 million of at-risk capital.[2] Please refer to *Appendix 3 TEA Certification Letters* for a copy of the TEA letters.

2.5 The Gateway to the Midwest Investment Center, Inc.

The Gateway to the Midwest Investment Center, Inc. [RCW1105350166] (the "Regional Center") is a USCIS-designated regional center which has been operating as an official regional center since its initial approval on March 28, 2013.[3] The geographic scope of its economic development activities is the City of St. Louis, Missouri and the Missouri counties of St. Louis and St. Charles. Please see *Figure 1 Map of the Regional Center* for a map of the regional center.

The regional center is approved for capital investment opportunities in the following North American Industry Classification System ("NAICS") categories:

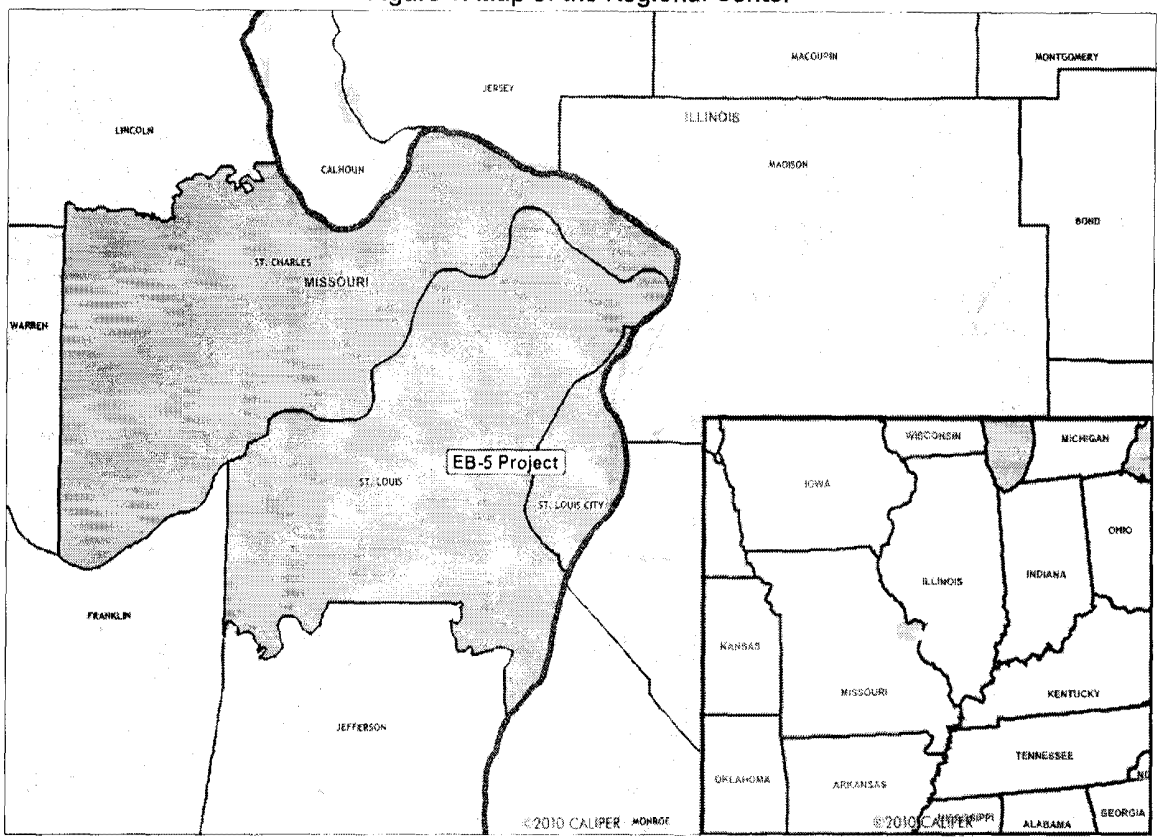
- The Residential Building Construction (NAICS 2361) industry group;
- The Nonresidential Building Construction (NAICS 2362) industry group;
- The Furniture Merchant Wholesalers (NAICS 423210) industry; and,
- The Traveler Accommodation (NAICS 7211) industry group.

Please refer to *Section 5.2 Industry Focus* for a description of the NAICS categories into which the construction activities of the EB-5 Project that were included in the economic impact modeling have been classified.

[2] The petitioner understands that a current TEA certification will need to be submitted with each immigrant investor's Form I-526 petition. Therefore, an update of the certification will be obtained, if necessary, based on the timing of each immigrant investor's petition filing date and the availability of local unemployment data.

[3] As stated in 8 C.F.R. §204.6(e), a regional center is an "economic unit, public or private, which is involved with the promotion of economic growth..." Such an entity must further conform to the rule laid out in 8 C.F.R. §204.6(m)(3)(i), which requires that a regional center focus on promoting growth within a geographical region of the United States. Accordingly, when referring to the economic entity, the Gateway to the Midwest Investment Center, Inc., this business plan uses the term "Regional Center" and when referring to the geographic focus area of that entity uses terms such as "geographic scope," "geographic boundaries," and "geography."

Figure 1: Map of the Regional Center



Section 3. EB-5 Project Details

3.1 Detailed Description

The Capstone Lofts EB-5 Project consists of the construction and operations of two new residential complexes, the Gerhart Lofts and the Truman Lofts, in St. Louis, Missouri.

3.1.1 Gerhart Lofts

The Gerhart Lofts will be located at the intersection of Laclede Avenue and Vandeventer Avenue, adjacent to St. Louis University in St. Louis, Missouri. The addresses of the Gerhart Lofts are 1-17 Vandeventer Avenue, 3900-08 Laclede Avenue, and 3910-12 Laclede Avenue. The construction component of the EB-5 Project will consist of the renovation of a series of historic buildings original constructed in 1896, which will restore 10,560 square feet of commercial space, add 17 loft-style rental residential units, and provide onsite parking.

Figure 2: Rendering of the Gerhart Lofts Component

The Gerhart Lofts component of the EB-5 Project will feature: 11 ground-floor commercial spaces with 960 square feet each for a total of 10,560 square feet of commercial space; two live-work units totaling 1,113 square feet; and 15 residential apartments. The residential apartment will be comprised of: 10 two-bedroom, two-bath units at 972 square feet each; four two-bedroom, two-bath units at 1,113 square feet each; and, one three-bedroom, two-bath unit with 1,250 square feet. A total of 16,535 rentable residential square feet will be available in the Gerhart Lofts. Please refer to *Table 5 Rental Revenue Assumptions – Gerhart Lofts Component* in *Section 3.4 Operating Budget Details* for more information on the unit mix, square footage, and rental rates for the Gerhart Lofts component of the EB-5 Project.

The residential units will have in-unit washers and dryers, energy star-rated appliances (range, refrigerator, garbage disposal, and dishwasher), and an on-demand hot water heater. The fixtures and

finishes will be high-end, including hardwood floors, European cabinets, ceiling fans, and concrete countertops. The building will have a secure entry system.

3.1.2 Truman Lofts

The Truman Lofts will be located at 1322 Dolman Street in St. Louis, Missouri. The Truman Lofts component of the EB-5 Project will comprise the redevelopment of an existing vacant factory building into a 40-unit apartment complex designed for young professionals. The apartment complex will have a mix of studio, one-bedroom, and two-bedroom units. Each residential unit will feature a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hookups, tile and hardwood flooring, blinds, ceiling fans, and walk-in closet. Please refer to *Table 7 Rental Revenue Assumptions – Truman Lofts Component* in *Section 3.4 Operating Budget Details* for more information on the unit mix, square footage, and rental rates for the Truman Lofts component of the EB-5 Project.

Figure 3: Rendering of the Truman Lofts Component

The exterior of the apartment complex will be brick, with landscaping consisting of grass, trees, and shrubs. Amenities of the apartment complex will include a community room, fitness center, picnic area, tenant storage, lounge area, dog run, and walking/bike trail. The property will also have an open parking lot containing 51 parking spaces. The property will also have commercial space on the first floor of the building. The neighborhood surrounding the Truman Lofts site is primarily commercial properties and single-family residences.

3.1.3 Development Timeline

Table 1 Development Timeline shows the development timeline for the Capstone Lofts EB-5 Project with the dates for major development milestones. Construction on the Gerhart Lofts component began in July 2014 and will end in November of 2015; operations will commence in November 2015. Construction on the Truman Lofts component began in October 2015 and is expected to end in December 2016, with operations activities anticipated to begin in January of 2017. Year 1 of the EB-5 Project is the 2014; Year 2

is 2015; etc. Please refer to *Section 3.2 Required Permits* for a more detailed discussion on the permitting process.

Table 1: Development Timeline

Event	Date
Gerhart Lofts	
Property Acquisition	June 2014
Construction Start	July 2014
Construction End	November 2015
Residential/Commercial Operations Start	November 2015
Truman Lofts	
Property Acquisition	September 2015
Construction Start	October 2015
Construction End	December 2016
Residential/Commercial Operations Start	January 2017

Prepared by: Economic & Policy Resources, Inc.

3.2 Required Permits

Please refer to *Table 2 Required Permits and Approvals – Gerhart Lofts Component* and *Table 3 Required Permits and Approvals – Truman Lofts Component* for detail on the permits needed for the EB-5 Project, the approval agencies, the date approved for permits that have been received, and notes on the permits that have not yet been received describing the expected timing. The project developers are familiar with all permits that are required and will obtain all necessary permits as needed to continue the construction and operations of the EB-5 Project according to the development timeline. Please refer to *Appendix 4 Permit Letters* for letters from the project architects explaining the permitting process.

Table 2: Required Permits and Approvals – Gerhart Lofts Component

Gerhart Lofts			
Permit Type	Approval Agency	Date Approved	Notes
Buliding Permit	City of St. Louis Building Division	10/14/2014	
Water Permit	City of St. Louis Water Division	10/13/2014	
Sewer Permit	Metropolitan Sewer District	12/12/2014	
Sewer Field Change Permit	Metropolitan Sewer District	4/24/2015	
Historic Tax Credit Approval - Part I and II	SHPO/National Park Service	11/28/2014	
City Improvement District Approval	CORTEX Innovation Community	9/30/2014	
Commercial Space Building Permit	City of St. Louis	TBD	Each commercial tenant will be responsible for finishing their own space and securing their own permits.
Certificates of Occupancy - Residences	City of St. Louis Building Division	TBD	Permit issued upon completion of each unit prior to new resident moving in.
Conservation District Permit	City of St. Louis Building Division	TBD	Permit issued upon completion of each unit prior to new resident moving in.
Certificate of Occupancy - Commercial	City of St. Louis Building Division	TBD	Permit issued upon completion. Each commercial tenant will be responsible for securing the occupancy permit for their space.
Historic Tax Credit Approval - Part III	SHPO/National Park Service	TBD	Approval issued upon completion of project.
			Prepared by: Economic & Policy Resources, Inc.

Table 3: Required Permits and Approvals – Truman Lofts Component

Truman Lofts		
Permit Type	Approval Entity	Notes
Building Permit	City of St. Louis Building Division	It is anticipated that the permits will be applied for with the City of St. Louis Building Division and the Metropolitan Sewer District in early Fall of 2015.
Water Permit	City of St. Louis Water Division	
Sewer Permit	City of St. Louis Metropolitan Sewer District	
Alley Vacation	City of St. Louis Street Dept./Board of Public Service/Board of Aldermen	The City of St. Louis Street Department is willing to provide additional property to the project through the vacating of an unused alley at the east edge of the property. This process is underway with the Street Department and the Board of Public Service.
Historic Tax Credit Approval - Part I & II	State Historic Preservation Office/National Park Service	The application is currently under review with the National Park Service.
Commercial Space Building Permit	City of St. Louis	The commerical tenant will be responsible for securing their own building permit for the completion of the space.
Certificates of Occupancy - Residences	City of St. Louis Building Division	Permit issued at completion prior to each resident moving into the apartment.
Conservation District Permit	City of St. Louis Building Division	Permit issued at completion prior to each resident moving into the apartment.
Certificate of Occupancy - Commercial	City of St. Louis Building Division	Permit issued upon completion. The commercial tenant will be responsible for securing the occupancy permit for the space.
Historic Tax Credit Approval - Part III	State Historic Preservation Office/National Park Service	Approval issued upon completion of project.
		Prepared by: Economic & Policy Resources, Inc.

3.3 Statement of Sources and Uses of Funds

The total EB-5 Project budget is $19.84 million, including $8.69 million for the Gerhart Lofts component and $11.16 million for the Truman Lofts component. The EB-5 Project will be financed by up to $6.0 million in EB-5 capital, as well as mortgage financing, historic tax credit ("HTC") equity, state HTC investor capital, federal HTC investor capital, and developer financing. Please refer to *Table 4 Statement of Sources and Uses of Funds* below for more information on the sources and uses of funds as well as *Appendix 1 Detailed Uses of Funds* for detail on the annual EB-5 Project uses of funds.

Table 4: Statement of Sources and Uses of Funds

Sources of Funds		
		Total
First Mortgage	$	8,123,473
Federal HTC Investor Capital	$	2,613,788
State HTC Investor Capital	$	3,107,426
EB-5 Capital Raise	$	6,000,000
Total Sources of Funds	**$**	**19,844,687**
Uses of Funds		
		Total
Gerhart Lofts Component		
Land Acquisition & Site Costs	**$**	**1,995,000**
Hard Construction Costs	**$**	**3,617,199**
Residential Construction	$	2,170,319
Non-Residential Construction	$	1,446,880
Construction Contingency	**$**	**457,902**
Architect Expenses	**$**	**272,306**
Engineering Expenses	**$**	**32,844**
Survey Fees	**$**	**6,000**
Financing Fees	**$**	**549,698**
Soft Costs	**$**	**171,623**
Legal & Organizational Costs	$	70,099
Insurance	$	22,002
City Fees	$	15,950
Historic Tax Credits Fees	$	52,272
Third Party Reports	$	11,300
Rent-Up/Marketing Expense	**$**	**22,000**
Accounting Fees	**$**	**60,000**
FF&E Expenditures	**$**	**21,748**
Developer Fees/Reserves	**$**	**1,482,282**
Total Gerhart Lofts	**$**	**8,688,602**
Truman Lofts Component		
Land Acquisition & Site Costs	**$**	**1,366,500**
Hard Construction Costs	**$**	**6,001,000**
Residential Construction	$	5,671,686
Non-Residential Construction	$	329,314
Construction Contingency	**$**	**480,080**
Architect Expenses	**$**	**275,000**
Engineering Expenses	**$**	**65,000**
Survey Fees	**$**	**6,000**
Financing Fees	**$**	**455,500**
Soft Costs	**$**	**251,000**
Legal & Organizational Costs	$	54,500
Insurance	$	20,000
City Fees	$	50,000
Historic Tax Credits Fees	$	86,500
Third Party Reports	$	40,000
Rent-Up/Marketing Expense	**$**	**30,000**
Accounting Fees	**$**	**60,000**
FF&E Expenditures	**$**	**25,000**
Developer Fees/Reserves	**$**	**2,141,004**
Total Truman Lofts	**$**	**11,156,084**
Total Capstone Lofts EB-5 Project	**$**	**19,844,686**

Prepared by: Economic & Policy Resources, Inc.

3.4 Operating Budget Details

Please see *Table 5 Rental Revenue Assumptions – Gerhart Lofts Component, Table 6 Gerhart Lofts Component Income Statement, Table 7 Rental Revenue Assumptions – Truman Lofts Component* and *Table 8 Truman Lofts Component Income Statement* for detail on the operating assumptions, revenue and expenses for the EB-5 Project. The rental revenue assumptions include the unit mix, unit square footage, rent per square foot, and total monthly rent.

Table 5: Rental Revenue Assumptions – Gerhart Lofts Component

Unit Type	Units	Baths	SF per Unit	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Total Monthly Rent
2 Bedroom (Live Work)	2	2	960	$1.75	$1,680	$50	$1,730	$3,360
3 Bedroom (2nd Floor)	1	2	1097	$1.75	$1,920	$75	$1,995	$1,920
2 Bedroom (2nd and 3rd Floor)	14	1	972	$1.75	$1,701	$50	$1,751	$23,814
Commercial Bay 1	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 2	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 3	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 4	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 5	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 6	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 7	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 8	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 9	1	NA	1250	$18.00	$1,875	$200	$2,075	$1,875
Commercial Bay 10	1	NA	1250	$18.00	$1,875	$200	$2,075	$1,875
Commercial Bay 11	1	NA	1250	$18.00	$1,875	$200	$2,075	$1,875
Total	**28**		**28055**					**$46,239**

Prepared by: Economic & Policy Resources, Inc.

Table 6: Gerhart Lofts Component Income Statement

Gerhart Lofts					
Revenue	2015	2016	2017	2018	2019
Residential:					
Rental Revenue	$ 223,025	$ 370,650	$ 356,108	$ 363,230	$ 370,494
Other Revenue	$ 3,051	$ 5,000	$ 5,100	$ 5,202	$ 5,306
Less: Vacancy	$ -	$ (18,783)	$ (18,060)	$ (18,422)	$ (18,790)
Total Residential Revenue	**$ 226,076**	**$ 356,867**	**$ 343,148**	**$ 350,010**	**$ 357,010**
Commercial:					
Base Gross Commercial Revenue	$ 205,740	$ 205,740	$ 209,855	$ 214,052	$ 218,333
Commercial Expense Reimbursement	$ 24,000	$ 24,000	$ 24,480	$ 24,970	$ 25,469
Commercial Vacancy	$ (20,574)	$ (20,574)	$ (20,985)	$ (21,405)	$ (21,833)
Total Commercial Revenue	**$ 209,166**	**$ 209,166**	**$ 213,349**	**$ 217,616**	**$ 221,969**
Total Effective Gross Revenue	**$ 435,242**	**$ 566,033**	**$ 556,497**	**$ 567,626**	**$ 578,979**
Expenses					
Residential:					
Operating Expenses	$ 69,281	$ 109,500	$ 110,985	$ 112,515	$ 114,090
Management Fee	$ 11,151	$ 17,593	$ 16,902	$ 17,240	$ 17,585
Reserve for Replacement	$ -	$ 4,250	$ 4,378	$ 4,509	$ 4,644
Total Residential Expenses	**$ 80,432**	**$ 131,343**	**$ 132,265**	**$ 134,264**	**$ 136,319**
Commercial:					
Total Commercial Expenses	**$ 24,000**	**$ 24,000**	**$ 24,720**	**$ 25,462**	**$ 26,225**
Total Operating Expenses	**$ 104,432**	**$ 155,343**	**$ 156,985**	**$ 159,726**	**$ 162,545**
Net Operating Income	**$ 330,810**	**$ 410,690**	**$ 399,512**	**$ 407,900**	**$ 416,434**

Prepared by: Economic & Policy Resources, Inc.

Table 7: Rental Revenue Assumptions – Truman Lofts Component

Units	Unit Count	Baths	SF per Unit*	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Total Monthly Rent
Studio	1	1	488	$1.54	$750	$50	$800	$750
1BDRM	1	1	719	$1.39	$1,000	$65	$1,065	$1,000
1BDRM	1	1	610	$1.48	$900	$65	$965	$900
1BDRM	1	1	644	$1.40	$900	$65	$965	$900
1BDRM	2	1	711	$1.41	$1,000	$65	$1,065	$2,000
1BDRM	1	1	720	$1.39	$1,000	$65	$1,065	$1,000
1BDRM	1	1	725	$1.45	$1,050	$65	$1,115	$1,050
1BDRM	1	1	633	$1.58	$1,000	$65	$1,065	$1,000
1BDRM	1	1	548	$1.55	$850	$75	$925	$850
2BDRM	1	1	1093	$1.37	$1,500	$75	$1,575	$1,500
1BDRM	1	1	720	$1.11	$800	$75	$875	$800
1BDRM	1	1	670	$1.49	$1,000	$75	$1,075	$1,000
1BDRM	1	1	560	$1.43	$800	$75	$875	$800
1BDRM	1	1.5	555	$1.80	$1,000	$75	$1,075	$1,000
1BDRM	1	1.5	876	$1.37	$1,200	$50	$1,250	$1,200
1BDRM	1	1.5	874	$1.37	$1,200	$65	$1,265	$1,200
1BDRM	1	1.5	871	$1.38	$1,200	$65	$1,265	$1,200
1BDRM	1	1.5	860	$1.40	$1,200	$65	$1,265	$1,200
1BDRM	1	1.5	931	$1.34	$1,250	$65	$1,315	$1,250
1BDRM	1	1.5	880	$1.42	$1,250	$65	$1,315	$1,250
1BDRM	1	1.5	969	$1.39	$1,350	$65	$1,415	$1,350
1BDRM	1	1.5	1138	$1.32	$1,500	$65	$1,565	$1,500
1BDRM	1	1.5	795	$1.32	$1,050	$75	$1,125	$1,050
1BDRM	1	2	876	$1.43	$1,250	$75	$1,325	$1,250
1BDRM	1	2	983	$1.32	$1,300	$75	$1,375	$1,300
2BDRM	1	2	882	$1.36	$1,200	$75	$1,275	$1,200
2BDRM	1	2	869	$1.38	$1,200	$75	$1,275	$1,200
2BDRM	1	2	891	$1.29	$1,150	$75	$1,225	$1,150
2BDRM	1	2	907	$1.43	$1,300	$65	$1,365	$1,300
2BDRM	1	2	882	$1.81	$1,600	$65	$1,665	$1,600
2BDRM	1	2	988	$1.52	$1,500	$65	$1,565	$1,500
2BDRM	1	2	1204	$1.37	$1,650	$65	$1,715	$1,650
2BDRM	1	2	1346	$1.15	$1,550	$65	$1,615	$1,550
2BDRM	1	2	1270	$1.26	$1,600	$75	$1,675	$1,600
2BDRM	1	2	1155	$1.56	$1,800	$75	$1,875	$1,800
2BDRM	1	2	1254	$1.28	$1,600	$75	$1,675	$1,600
2BDRM	1	2	1117	$1.61	$1,800	$75	$1,875	$1,800
2BDRM	1	2	1138	$1.32	$1,500	$75	$1,575	$1,500
2BDRM	1	2	1123	$1.29	$1,450	$75	$1,525	$1,450
Commercial Space	1	NA	2043	$16.00	$2,724	$200	$2,924	$2,724
Total/Average	**41**		**37229**					**$51,924**

Prepared by: Economic & Policy Resources, Inc.

Table 8: Truman Lofts Component Income Statement

Truman Lofts					
Revenue	**2017**	**2018**	**2019**	**2020**	**2021**
Residential:					
Rental Revenue	$ 493,842	$ 611,088	$ 623,310	$ 635,776	$ 648,491
Other Revenue	$ 4,065	$ 5,000	$ 5,100	$ 5,202	$ 5,306
Less: Vacancy	$ (24,895)	$ (30,804)	$ (31,420)	$ (32,049)	$ (32,690)
Total Residential Revenue	**$ 473,012**	**$ 585,284**	**$ 596,990**	**$ 608,929**	**$ 621,107**
Commercial:					
Base Gross Commercial Revenue	$ 32,688	$ 32,688	$ 33,342	$ 34,009	$ 34,689
Commercial Expense Reimbursement	$ 2,400	$ 2,400	$ 2,448	$ 2,497	$ 2,547
Commercial Vacancy	$ (3,269)	$ (3,269)	$ (3,334)	$ (3,401)	$ (3,469)
Total Commercial Revenue	**$ 31,819**	**$ 31,819**	**$ 32,456**	**$ 33,105**	**$ 33,767**
Total Effective Gross Revenue	**$ 504,831**	**$ 617,103**	**$ 629,446**	**$ 642,034**	**$ 654,874**
Expenses					
Residential:					
Operating Expenses	$ 103,048	$ 126,750	$ 129,953	$ 133,251	$ 136,648
Management Fee	$ 23,447	$ 29,014	$ 29,594	$ 30,186	$ 30,790
Reserve for Replacement	$ -	$ 14,350	$ 14,350	$ 14,350	$ 14,350
Total Residential Expenses	**$ 126,495**	**$ 170,114**	**$ 173,897**	**$ 177,787**	**$ 181,788**
Commercial:					
Total Commercial Expenses	**$ 2,520**	**$ 2,520**	**$ 2,596**	**$ 2,673**	**$ 2,754**
Total Operating Expenses	**$ 129,015**	**$ 172,634**	**$ 176,493**	**$ 180,460**	**$ 184,542**
Net Operating Income	**$ 375,816**	**$ 444,469**	**$ 452,953**	**$ 461,574**	**$ 470,332**
					Prepared by: Economic & Policy Resources, Inc.

3.5 Marketing Strategy

Each component of the EB-5 Project will be marketed in keeping with proven strategies with which the operating management teams have had success in previous similar developments. Marketing will follow tenants through a logical flow of actions: promotion, outreach, and leasing activities. Promotional activities will utilize a wide variety of mediums to spread the word about the community using tools such as digital and print advertising, sponsorship, events, and various other avenues of promotion. Outreach efforts will focus on potential tenants that have been identified through promotional efforts. Leasing activities will engage the potential guests and tenants, communicating details such as rental rates, features and options, and terms.

The EB-5 Project will have a marketing plan put in place before the lease-up begins which will include a specific listing of activities as well as a detailed budget of advertising and marketing materials.

The Gerhart Lofts component is scheduled to begin the residential lease-up in September 2015. At this time, 5ive Point Properties has been chosen as the management agent for the residential portion of the property. When a unit is completed and available for showing, 5ive Point will be engaged to aggressively implement a marketing plan. Since construction began on the building the developer (Capstone Development Group, LLC) has fielded calls and maintained a waiting list of possible residents for the project.

The commercial space available for lease at the Gerhart Lofts is being handled by Duffe Nuernberger Realty, a local St. Louis firm with over 35 years of experience. At this time, current prospects for the commercial areas include a clothing store, beauty salon, a textbook store, a micro-brew pub, and a bakery/café. A letter of intent has been signed with a restaurant to be placed in two bays, and a five-year lease has been signed with a clothing store for one commercial bay.

The Truman Lofts component will be marketed and advertised with similar activities and real estate management companies (either the above or companies of equitable experience) during its lease-up period.

3.6 Staffing

One part-time property manager will be employed at each project component, the Gerhart Lofts and the Truman Lofts, after operations commence. All other operations activities (such as landscaping, maintenance, etc.) will be contracted out. Please see a position description below for the property manager.

- The **Property Manager** maintains property rentals by advertising and filling vacancies; negotiating and enforcing leases; and maintaining and securing premises.

3.7 Key Contracts

The Capstone Lofts EB-5 Project will contract for several services required to realize the EB-5 Project development and construction. The general contractor will be Crestwood Building Associates, Inc., the in-house general contract of Capstone Development Group, LLC. The architects will be Webster Design (for the Truman Lofts component of the EB-5 Project) and Cohen Hilberry Architects (for the Gerhart Lofts Component of the EB-5 Project). Please see below for brief biographies of the EB-5 Project contractors.

General Contractor:

Crestwood Building Associates, Inc.
Clayton, MO

Crestwood Building Associates, Inc. ("CBA") was founded in 1999 to bring the general contracting needs of Capstone Development Group, LLC, in house, allowing for a tighter control of costs, quality and construction of affordable and market rate housing projects in both urban and rural settings. While the majority of CBA's projects have been in Missouri, CBA has also completed projects in Illinois and Tennessee. CBA has successfully completed the construction of over 1,300 new and rehab dwelling units, with projects ranging in size from 15 to 200 units, utilizing a variety of construction methods. Many of CBA's new developments are LEED certified and include sustainable and energy saving features.

Architect – Truman Lofts Component:

Webster Design
Clayton, MO

Damon C. Femmer, AIA, LEED-AP, is the President of Webster Design. Mr. Femmer has 41 years of experience practicing architecture and observing construction of a wide variety of projects. His diverse experience in both residential and commercial architecture allows for a blend of methods and materials used by both industries to benefit each individual development. Mr. Femmer strives to incorporate energy conservation and the principles of sustainable building into all of his projects and has received LEED-AP certification from the United States Green Build Council. Mr. Femmer graduated from Washington University School of Architecture, St. Louis, Missouri, and is a registered architect in Missouri, Illinois, Iowa, Kansas, Louisiana, Wisconsin, and Washington State.

Architect – Gerhart Lofts Component:

Cohen Hilberry Architects
St. Louis, MO

Ms. Gina G. Hilberry is president and principal architect of Cohen Hilberry Architects, an adjunct lecturer at Washington University in St. Louis and consulting architect to the Institute for Human Centered Design. She has been providing architectural services related to historic preservation, renovation, conversion, new construction and accessibility since beginning her professional career in the early 1980s. Her completed projects include public improvements, neighborhood master plans, recreational facilities, single and multi-family projects, and renovation of churches, schools, hotels and offices. Her emphasis has been on accessibility, sustainability and affordability to both developers and long term building users

and owners. Her practice includes accessibility evaluations, compliance plans, and consulting services to fellow professionals, attorneys and owner's representatives.

In addition to her practice, Ms. Hilberry regularly teaches and lectures on design and regulatory issues pertaining to universal design and accessibility in public spaces and building projects. Her commitments outside her firm and students have included working with the Federal Access Board on the Public Rights-of-Way Access Advisory Committee (PROWAAC) and with the International Code Council on the ANSI A117 Standards where she co-chairs the current committee; 2008 Edition Development Committee. She is a certified ICC Accessibility Inspector/Plans Examiner and a LEED accredited professional.

Residential Real Estate Management:

5ive Point Properties

5ive Point Properties is a newly-formed company that is owned by Capstone Development Group, LLC. 5ive Point Properties will manage the residential real estate for the EB-5 Project.

Commercial Real Estate Management – Gerhart Lofts Component:

Duffe Nuernberger Realty
St. Louis, MO
www.duffenuernbergerrealty.com

Duffe-Nuernberger Realty is a licensed Missouri real estate brokerage specializing in acquisition, site assembly and all types of commercial real estate. This includes leasing services and property listings.

In 1999 Michele Duffe and Kenneth Nuernberger of The Siedlund Company formed Duffe Nuernberger Realty. In 2002 they formed the ND Consulting Group, a multi-dimensional real estate development and consulting firm. The new partnership provides NDC's clients with considerable experience in real estate, development and financing programs.

Section 4. Market Analysis

4.1 Market Study Summary – Gerhart Lofts

The project developers, Capstone Development Group, LLC, commissioned American Marketing Services, Inc. ("AMS"), to prepare a site and market analysis of the Gerhart Lofts component of the EB-5 Project. AMS examined the subject property, adjacent land uses, and the surrounding neighborhood in order to assess the overall marketability of the Gerhart Lofts. Market data for the commercial and residential uses of the Gerhart Lofts was examined to assess the feasibility of the Gerhart Lofts. The results of AMS's market analysis are summarized below.[4]

4.1.1 Project Location

The subject property is located in the Midtown neighborhood directly west of the campus of St. Louis University. The surrounding area is an urban neighborhood with a mix of commercial, residential, and institutional land uses. The Gerhart Block consists of a large, L-shaped, two-story building and a smaller three-story building fronting Laclede Avenue. The buildings were originally constructed in 1896, and are currently vacant. Their exterior is buff Roman brick and terracotta, with a turret on the corner of Laclede Avenue and Vandeventer Avenue. The architecture and materials are in a "French Renaissance" or "Chateauesque" style.

The subject property is close to Interstate 64/40 within a half mile, and a Metrolink station at Grand Avenue is located 0.6 miles southeast of the site. Several bus routes serve the area.

4.1.2 Commercial Market

AMS examined comparable retail spaces for lease in the market and neighboring areas, as well as recently leased spaces. AMS also examined recent and proposed development activity in the Midtown neighborhood to better understand market conditions. St. Louis University has over 14,000 students and is located in the Midtown neighborhood. Barnes-Jewish Hospital campus, a regional healthcare center, is located in Midtown and is one of the city's major employers.

Table 9 Commercial Market Comparable Properties below contains information about comparable commercial properties for rent in the nearby area. Three of the comparable properties offer spaces of a size comparable to the subject property (700-916 square feet).

Based on the most comparable properties in the market and the excellent location of project, AMS finds a NNN rent range of $16.00 to $18.00 to be achievable. Anticipated commercial tenants would be: food and beverage stores, restaurants and bars, clothing and footwear boutiques, specialty retailers, and technology stores.

[4] American Marketing Services, Inc. Site and Market Analysis: Gerhart Block Redevelopment, St. Louis, Missouri. Prepared for Capstone Development Group. March 3, 2014.

Table 9: Commercial Market Comparable Properties

Property	Distance from Gerhart Lofts (Miles)	Mixed Use	Number of Floors	Built	Total Space in Square Feet	Minimum Space Available	Lease Type	Rent per Square Foot
3684 Forest Park	0.3	No	2	1920	20,000	1,500	NNN	$16.00
4100 Forest Park	0.3	Yes	4	1913	85,000	2,227	NNN	$15.00
4191 Manchester Circle	0.9	No	1	N/A	11,845	916	NNN	$14.50
2016 Locust	1.0	Yes	2	1920	1,450	1,450	NNN	$13.00
2 North Sarah	0.3	No	2	2000's	8,000	2,067	M Gross	$12.00
4253 Laclede	0.6	No	1	N/A	2,350	2,350	M Gross	$13.00
4501 Olive	1.1	Yes	2	N/A	22,970	22,970	M Gross	$12.00
3867 Shenandoah	1.8	Yes	3	1899	1,500	700	M Gross	$12.00

Prepared by: Economic & Policy Resources, Inc.

4.1.3 Residential Market

AMS examined the multifamily residential market within one mile of the development site in order to assess potential rents for the proposed units. Six nearby properties were the most comparable to the proposed Gerhart Lofts. Each property is located within 0.5 miles of the subject property.

Table 10: Residential Market Comparable Properties

Property	Total Units	# of Baths	Average 2-Bedroom Rent	Unit Size	Per Square Foot Rent	Utility, Amenity, Cable Adjustment	Adjusted Rent	Adjusted Per Square Foot Rent
6 North (Small Units)	56	2	$1,180	956	$1.23	($20)	$1,160	$1.21
6 North (Large Units)	56	2	$1,315	1,094	$1.20	($20)	$1,295	$1.18
The Melrose	30	2	$1,395	1,100	$1.27	($196)	$1,119	$1.09
Lindell-Vandeventer	30	1	$1,425	910	$1.57	($116)	$1,309	$1.44
Spring Street Lofts	48	1	$1,615	N/A	N/A	($7)	$1,608	N/A
Laclede Lofts	50	2	$1,495	1,045	$1.43	($129)	$1,367	$1.31
West End Lofts	120	2	$1,650	1,259	$1.31	($87)	$1,563	$1.24
Totals/Averages	**390**	**N/A**	**$1,439**	**1061**	**$1.34**	**($82)**	**$1,345.86**	**$1.25**

Prepared by: Economic & Policy Resources, Inc.

The average two-bedroom unit in the market rents for $1,345 a month, or $1.25 per square foot, after discounting utility, amenity, or cable costs included in the monthly rent. Based on the comparable properties within the market, AMS finds that a rent range of $1.26 to $1.30 per square foot would be achievable for the proposed subject property.

4.2 Market Study Summary – Truman Lofts

The project developers, Capstone Development Group, LLC, commissioned Gill Group to prepare a market analysis of the Truman Lofts component of the EB-5 Project. Market data for the residential uses of the Gerhart Lofts was examined to assess the feasibility of the Gerhart Lofts. The results of Gill Group's market analysis are summarized below.[5]

4.2.1 Project Location and Market Area

The Truman Lofts component of the EB-5 Project is located in a commercial neighborhood in the eastern portion of the city of St. Louis, at 1322 Dolman Street. The surrounding neighborhood is comprised of commercial properties and single-family residences. The subject property is located north of Interstate

[5] American Marketing Services, Inc. Site and Market Analysis: Gerhart Block Redevelopment, St. Louis, Missouri. Prepared for Capstone Development Group. March 3, 2014.

44, south of Interstate 64, and west of Interstate 55. The site has good visibility and easy access to local transportation networks.

The project market area is the city of St. Louis, Missouri. In 2014, the civilian labor force in St. Louis was 139,879 with an annual unemployment rate of 7.3%, down from 9.1% in 2013 and reached a peak of 12.3% in 2010 during the recent recession. The unemployment rate for the state of Missouri was 5.3% in 2014, 6.5% in 2013, and reached a peak of 9.6% in 2010.

Companies in St. Louis that employ over 10,000 workers include: BJC Health System, Boeing-McDonnell Defense System, Schnuck Markets, and Unity Health System. Other notable employers, who employ over 2,000 employees each, include: Anheuser-Busch; Chrysler Motor; City of St. Louis; May Department Stores; McDonald's Corporation; NationsBank; St. Louis Public Schools; St. Louis University; Southwestern Bell Telephone; Special School Districts; SSM Health Care System; Tenet St. Louis; U.S. Air Force; U.S. Postal Service; Wal-Mart Stores, Inc.; and, Washington University. The average annual wage of employees in St. Louis was $52,851 in 2013.

4.2.2 Residential Market

The subject property's proposed mix of studio, one-bedroom, and two-bedroom units is suitable for the market area. Adjusted market rents range from $627 to $897 a month for studio units, $712 to $1,002 a month for one-bedroom units, and $945 to $1,640 a month for two-bedroom units. Adjusted market rents of $750 a month for the studio units, $925 a month for the one-bedroom units, and $1,495 a month for the two-bedroom units would be considered reasonable for the subject property.

The total demand in the market for all units (within the proposed income range of $30,000 to $53,680) is 2,385 units, including 437 studio units, 688 one-bedroom units, and 113 two-bedroom units. The subject property would need to capture 1.8% of the total renter housing demand for the units, including 0.2% of total demand for studio units, 3.3% of total demand for one-bedroom units, and 17.8% of total demand for two-bedroom units. Sufficient demand exists for the proposed Truman Lofts.

Please refer to *Table 11 Truman Lofts Comparable Properties* for information about comparable, competitive properties within the project market. *Table 11* contains information about competitors' occupancy rates, unit mixes, unit square footage, and rental rates.

Table 11: Truman Lofts Comparable Properties

Competitor Name	Location	Occupancy Rate	Total No. of Units	Unit Mix	No. of Units	Size SF	Rent per Month	Monthly Rent per SF
Old Frenchtown II	1129 Hickory St. St. Louis, MO	97%	148	1 Bedroom/1 Bath	38	726	$569	$0.78
				2 Bedroom/1 Bath	32	961	$869	$0.90
				2 Bedroom/1.5 Bath	16	961	$869	$0.90
				2 Bedroom/2 Bath	38	1,044	$869	$0.83
				3 Bedroom/1 Bath	8	1,261	$1,027	$0.81
				3 Bedroom/2.5 Bath	16	1,261	$1,027	$0.81
King Louis Square I & II	1414-1520 South 13th St. St. Louis, MO	98%	152	1 Bedroom/1 Bath	N/A	606	$569	$0.94
				1 Bedroom/1 Bath		661	$569	$0.86
				2 Bedroom/1 Bath		807	$739	$0.92
				2 Bedroom/1 Bath		949	$739	$0.78
				2 Bedroom/1.5 Bath		1,102	$883	$0.80
				2 Bedroom/2 Bath		1,133	$602	$0.53
				3 Bedroom/2 Bath		1,324	$1,027	$0.77
				3 Bedroom/2.5 Bath		1,204	$1,027	$0.85
				4 Bedroom/2.5 Bath		1,486	$1,027	$0.69
Soulard Market Lofts	1531 South 8th St. St. Louis, MO	94%	132	Studio	N/A	636	$775	$1.22
				1 Bedroom/1 Bath		681	$885	$1.30
				1 Bedroom/1 Bath		1,025	$1,145	$1.12
				2 Bedroom/2 Bath		930	$1,225	$1.32
				2 Bedroom/2 Bath		1,400	$1,650	$1.18
Theresa Park Lofts	1517 South Theresa Ave. St. Louis, MO	100%	34	Studio	N/A	525	$825	$1.57
				1 Bedroom/1 Bath		650	$925	$1.42
				1 Bedroom/1 Bath		802	$1,100	$1.37
				2 Bedroom/1 Bath		900	$1,500	$1.67
				2 Bedroom/1 Bath		1,000	$1,500	$1.50
				3 Bedroom/1 Bath		1,040	$1,700	$1.63
				3 Bedroom/2 Bath		1,402	$1,900	$1.36
Caroline Apartments	2729 Park Ave. St. Louis, MO	95%	112	1 Bedroom/1 Bath	N/A	660	$550	$0.83
				1 Bedroom/1 Bath		700	$610	$0.87
				2 Bedroom/1 Bath		860	$710	$0.83
Saum Apartments	1919 South Grand Blvd. St. Louis, MO	99%	120	Efficiency	29	300	$470	$1.57
				Studio	54	500	$580	$1.16
				1 Bedroom/1 Bath	9	600	$670	$1.12
				1 Bedroom/1 Bath		660	$670	$1.02
				1 Bedroom/1 Bath	18	775	$770	$0.99
				2 Bedroom/2 Bath	9	1,000	$920	$0.92
				2 Bedroom/3 Bath	1	2,600	$2,400	$0.92
Hutcheson Arms Apartments	2109 South Grand Blvd. St. Louis, MO	100%	64	Efficiency	9	300	$475	$1.58
				Studio	18	400	$510	$1.28
				1 Bedroom/1 Bath	36	550	$595	$1.08
				2 Bedroom/3 Bath	1	2,000	$1,970	$0.99
Senate Square Apartments	1921 Sidney St. St. Louis, MO	99%	100	1 Bedroom/1 Bath	N/A	700	$575	$0.82
				1 Bedroom/1 Bath		700	$645	$0.92
				2 Bedroom/1 Bath		820	$675	$0.82
				2 Bedroom/1 Bath		820	$1,100	$1.34
				3 Bedroom/1.5 Bath		1,000	$850	$0.85
				3 Bedroom/1.5 Bath		1,000	$1,200	$1.20

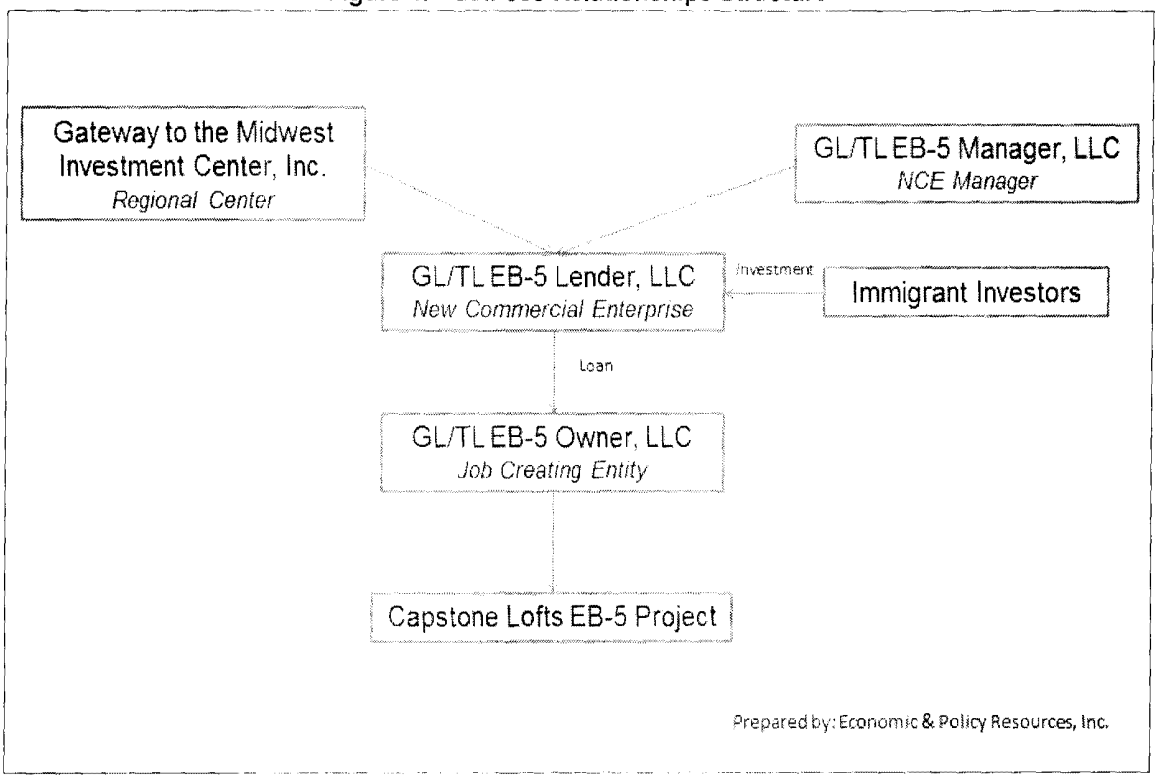
Prepared by: Economic & Policy Resources, Inc.

Section 5. EB-5 Framework

5.1 Summary of the Business Relationships

Please refer to *Figure 4 Business Relationships* Structure below. Immigrant investors will invest in the new commercial enterprise, GL/TL EB-5 Lender, LLC, which will provide 100% of those funds in the form of a loan to the job creating entity, GL/TL EB-5 Owner, LLC. The manager of the new commercial enterprise will be GL/TL EB-5 Manager, LLC.

Figure 4: Business Relationships Structure



5.2 Industry Focus

As previously discussed in *Section 2.5 The Gateway to the Midwest Investment Center, Inc.*, the Regional Center is approved for capital investment in a variety of NAICS categories. The approved NAICS categories may encompass activities associated with the initial application for designation of the Regional Center and other EB-5 projects that have been sponsored by the Regional Center. Therefore, it is important to note the NAICS categories into which the construction activities that are included in the economic impact study have been classified for the Capstone Lofts EB-5 Project. The EB-5 Project activities included in the economic impact study are classified into the following NAICS categories:[6]

- The **Residential Building Construction (NAICS 2361)** industry group comprises establishments primarily responsible for the construction or remodeling and renovation of single-family and multifamily residential buildings. Included in this industry group are residential housing general contractors (i.e., new construction, remodeling, or renovating existing residential structures), for-sale builders and remodelers of residential structures, residential project construction management firms, and residential design-build firms.

- The **Nonresidential Building Construction (NAICS 2362)** industry group comprises establishments primarily responsible for the construction (including new work, additions, alterations, maintenance, and repairs) of nonresidential buildings. This industry group includes nonresidential general contractors, nonresidential for-sale builders, nonresidential design-build firms, and nonresidential project construction management firms.

If approved, the construction activities associated with the EB-5 Project will create new jobs in the NAICS categories listed above, and across a wide range of other NAICS categories of significance in the economy within the geographic boundaries of the Regional Center, the economy of the remainder of the United States outside the geography of the Regional Center, and, consequently, the economy of the United States as a whole.

5.3 Economic Impact Study

The economic impact study, entitled Economic Impact of the Capstone Lofts EB-5 Project, was prepared by Economic & Policy Resources, Inc. ("EPR"). EPR has considerable experience in evaluating projects within the context of Form I-924 applications for new and expanding regional centers, immigrant investor Form I-526 petitions for approval of conditional permanent residency, and Form I-829 petitions for removal of conditions submitted to the USCIS under the EB-5 Program. EPR's economic impact studies demonstrate the economic impacts, including job creation, of an EB-5 project within the geographic scope of a regional center and within the United States as a whole, in accordance with *8 C.F.R. §204.6(m)*. The impact study of the Capstone Lofts EB-5 Project was completed using the REDYN model, which has been previously recognized as a reasonable methodology for use by economic analysts measuring impacts of projects for consideration under the EB-5 Program.

For each NAICS category included in the modeling, *Table 12 Summary of Model Specifications and Jobs Attributable to the Regional Center* below summarizes the following: 1) the construction expenditures in millions of dollars per year; 2) the total job creation within the United States by year; and 3) the requested jobs for attribution to the Regional Center under the EB-5 Program. The request for jobs attributable to

[6] All descriptions for the NAICS categories are paraphrased from the materials distributed by the United States Census Bureau on its website (http://www.census.gov/eos/www/naics/).

the Regional Center totals 217 new jobs. This total includes indirect construction jobs occurring in Years 2 and 3.

Table 12: Summary of Model Specifications and Jobs Attributable to the Regional Center

Project Component	NAICS Activity Code	Model Inputs ($Millions)	Total United States Job Creation	Job Creation Attributable to the Regional Center
CONSTRUCTION - Gerhart Component				
Residential Construction	2361	Year 1: $0.15 **Year 2: $2.02** Year 3: $0	Year 1: 5 **Year 2: 71** Year 3: 0	**55** *[Indirect, Year 2]*
Non-Residential Construction	2362	Year 1: $0.10 **Year 2: $1.35** Year 3: $0	Year 1: 3 **Year 2: 48** Year 3: 0	**37** *[Indirect, Year 2]*
CONSTRUCTION - Truman Component				
Residential Construction	2361	Year 1: $0 Year 2: $1.19 **Year 3: $4.48**	Year 1: 0 Year 2: 42 **Year 3: 153**	**119** *[Indirect, Year 3]*
Non-Residential Construction	2362	Year 1: $0 Year 2: $0.07 **Year 3: $0.26**	Year 1: 0 Year 2: 2 **Year 3: 8**	**6** *[Indirect, Year 3]*
Total Job Creation Attributable to the Regional Center (Gerhart + Truman Construction):				**217**
Prepared by: Economic & Policy Resources, Inc.				

Based on the EB-5 Program rules and regulations, the petitioner is requesting that 217 new jobs be attributed to the Regional Center under the EB-5 Program. These jobs are a subset of the total job creation that is estimated to result from the construction activities associated with the EB-5 Project. The following is a summary of the request for jobs attributable to the Regional Center:

- The subset of jobs being requested as new jobs attributable to the Regional Center was determined from the total expected job creation based upon the following EB-5 Program rules and regulations:
  - The EB-5 Program allows indirect jobs created outside the geographic scope of the Regional Center to be attributed to the Regional Center.[7]
  - The EB-5 Program requires that the requested jobs occur within a reasonable time, which is generally considered to be within two years and six months of the adjudication of the immigrant investors' Form I-526 petitions.[8]
- The requested jobs arising from construction activities include only indirect jobs.
  - The requested indirect jobs include those that are estimated to be created both inside and outside the geographic scope of the Regional Center (i.e., throughout the entire United States).
- All requested jobs are expected to be created within two years and six months of the adjudication of immigrant investors' Form I-526 petitions.

Please refer to *Section 4.3 Request for Jobs Attributable to the Regional Center* of the Economic Impact of the Capstone Lofts EB-5 Project for further discussion on how the EB-5 Program requirements were applied to the total job creation expected to result from the construction activities of the EB-5 Project to determine the request for jobs attributable to the Regional Center.

[7] Ibid., page 18.
[8] Ibid., pages 19 and 22.

5.4 EB-5 Timeline

Figure 5 Immigrant Investor and Project Development Timelines on the next page has been compiled to show how the immigrant investor and project development timelines associated with the Capstone Lofts EB-5 Project align. It should be noted that variations in immigrant investor timelines due to the adjudication and processing of Form I-526 petitions, the change of status (Form I-485) or consular process, and each immigrant investor's establishment of conditional permanent residency in the United States are expected and are outside the control of the development team for the EB-5 Project. The timeline shown in *Figure 5* therefore tries to account for these differences by presenting two alternative timeline scenarios, "Investor A" and "Investor B." These can be thought of as encompassing a range of possible adjudication and processing experiences that the immigrant investors are likely to face.

Using Investor A timeline as an example, it is assumed that the first immigrant investor submits a Form I-526 petition to the USCIS in October of 2015, which is Month 10 of Year 2. The Form I-526 petition is assumed to be approved in September of 2016, based on the assumption of a 12-month adjudication period.[9] The timeline adopts a six-month time period for each immigrant investor to complete the Form 1-485 or consular process. This assumption is inherent in the two year and six month timeline requirement described in the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS.[10] The official establishment of conditional permanent residency is followed by the two-year conditional residency period, which ends for the Investor A timeline in March of 2019, which corresponds to Month 3 of Year 6. An allowance of three months of variation from the Investor A timeline is reflected in the Investor B timeline.

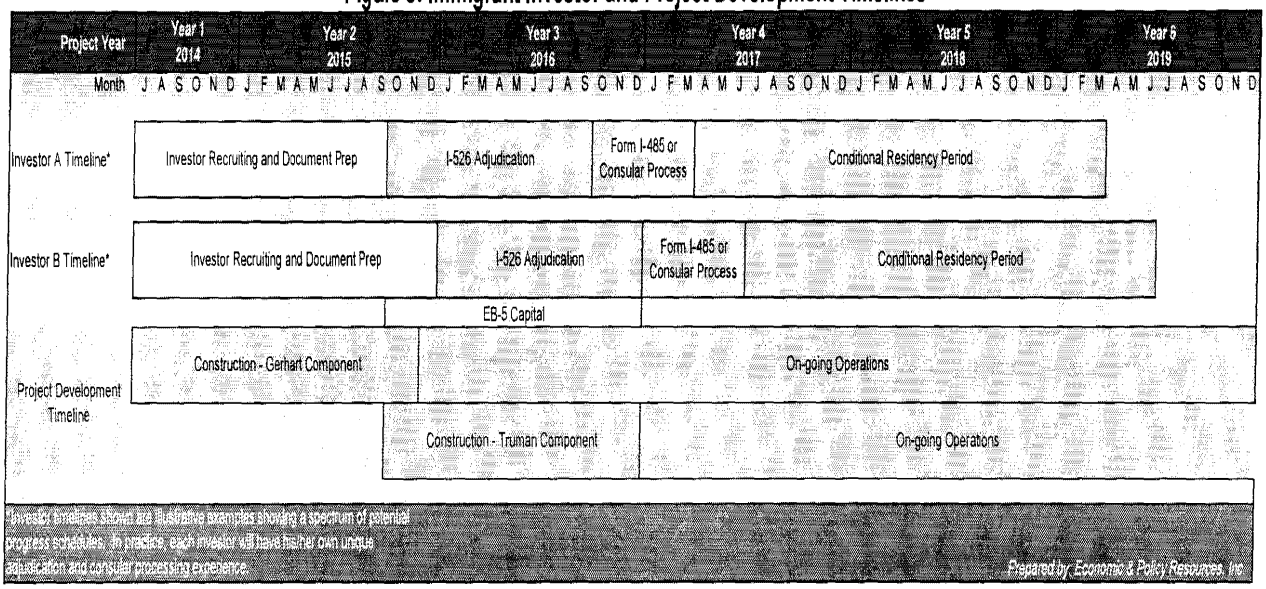
All capital contributions received from EB-5 investors will be held in escrow accounts with Signature Bank, as escrow agent, pursuant to an escrow agreement, until (i) the first to occur of (A) the receipt by the company of executed subscription agreements from at least six (6) subscribers under this offering (the "Initial Condition"); or (B) one (1) I-526 Petition or a Project Exemplar has been approved by USCIS; and (ii) upon satisfaction of clause (i) above, the I-526 Petition for the applicable subscriber has been filed, but no later than the approval of such subscriber's I-526 Petition.

Based current EB-5 Program processing times, as reported by the USCIS on its website, it is important to recognize that the adjudication process for Form I-526 petitions and/or the time period needed to establish residency in the United States may take longer than the periods assumed in the immigrant investor timelines. As such, these immigrant investor timelines should be considered conservative when being used to determine whether or not the activities generating the jobs that are requested for attribution to the Gateway to the Midwest Investment Center will occur prior to the end of the conditional permanent residency period and the removal of conditions for the immigrant investors.

[9] The assumed Form I-526 adjudication time is believed to be reasonable based on previous experiences of the legal team advising the project developers and is conservatively early relative to the times reported by the USCIS for the Immigrant Investor Program Office on its website (https://egov.uscis.gov/cris/processTimesDisplay.do). As retrieved at the time of this writing, the June 30, 2015 report shows that the average Form I-526 processing timeframe is 13.5 months.

[10] Op. Cit., page 19.

Figure 5: Immigrant Investor and Project Development Timelines



Section 6. Professional Team

6.1 EB-5 Project Team

Capstone Development, LLC

Capstone Development Group, LLC ("Capstone") is a St. Louis-based housing developer specializing in high-quality housing that is affordable for families and seniors. Founded in 1976, Capstone Development Group has built approximately 325 neighborhoods in 17 states, containing some 12,500 homes.

Capstone is focused on the use of innovative finance programs to help build communities. Capstone has extensive experience with a full array of affordable housing finance tools, and successful partnerships with a variety of State Housing Finance Agencies, lenders, non-profit entities, equity syndicators and local housing authorities.

Capstone recognizes that the success of a neighborhood is measured over many years, not just at the time the property is complete. Their team possesses a thorough understanding of project design and construction, and Capstone uses sustainable building materials that yield an aesthetically pleasing product while requiring minimal maintenance.

Bill Luchini
President of Capstone Development, LLC

Since purchasing Capstone Development Group, LLC, in 2009, Bill Luchini has been instrumental in creating a nationally recognized industry powerhouse known for building affordable housing communities for families and seniors around the country. To date, the company is responsible for more than 325 affordable housing communities in 17 states.

Perhaps most impressive has been Mr. Luchini's incorporation of green and sustainable elements into affordable housing. In fact, Capstone is proud to be the developer of the nation's first 100% renewable, net-zero energy, green, affordable community, Lexington Farms Subdivision in Jerseyville, IL. Here, all 32 homes include roof-mounted solar panels, and wind turbines are utilized throughout the neighborhood. Not only did Lexington Farms earn the prestigious Platinum LEED certification, but Mr. Luchini has been honored with the Illinois Governor's Award for Excellence in Affordable Housing for his renewable solutions there.

Mr. Luchini's notable innovations in creating green affordable housing also can be seen at Sugar Hill Crossing Subdivision, the first net-zero energy affordable housing community in Louisiana. At this 100-unit community, solar panels power nearly all of the electricity, providing extremely low utility costs for residents.

Throughout his 30-year career in housing and real-estate development projects, Mr. Luchini has worked extensively with federal, state, and community agencies and other financing organizations to build thousands of affordable housing units across the country. In addition, his expertise has helped further housing and economic growth in communities throughout the region.

Mr. Luchini has extensive experience with a full array of financing tools, including Federal Low Income Housing Tax Credits (LIHTC), HUD programs, FHI-insured Financing, USDA Rural Development

Funding, Federal Home Loan Bank Programs, Tax-exempt Bond Financing, HOME Investment Partnership Loans, Community Development Block Grant Funds, and various State and Local Tax Credits and Urban Redevelopment Techniques.

Mr. Luchini is a board member of the Illinois Housing Council and has professional certifications in Housing Development Finance and Construction Management. He received his Bachelor of Science degree in business from Southern Illinois University-Edwardsville.

6.2 Consulting Professionals

Immigration Counsel:

Klasko Immigration Law Partners, LLP
Philadelphia, PA

Daniel B. Lundy is a Partner and a member of the Firm's EB-5 practice. Mr. Lundy has successfully represented numerous immigrant investors in their EB-5 petitions and applications, including investors seeking permanent residence through investment in their own businesses and investors seeking permanent residence through investments into USCIS approved regional centers. Mr. Lundy also represents developers and others who seek to use foreign investment funds under the EB-5 program to fund their projects, either through the formation of a regional center or by joining with an existing regional center. Mr. Lundy works with various securities lawyers, economists, business plan writers and other professionals in the preparation and filing of regional center designation and regional center amendment applications. Mr. Lundy is experienced in reviewing regional center and project business plans, economic reports, securities offering documents, and corporate documents for compliance with the EB-5 program requirements, and in consulting and advising clients on the specific immigration requirements of the EB-5 program.

Mr. Lundy is admitted to the bar in the State of New York, the U.S. Courts of Appeals for the First, Second, Third, Fourth, Fifth, Seventh and Eleventh Circuits, and the U.S. District Courts for the Southern and Eastern Districts of New York.

Mr. Lundy is a graduate of Hunter College (B.A., 2000) and Fordham University School of Law (J.D. 2006). He is a member of the New York County Lawyer's Association and American Immigration Lawyers Association (AILA).

Securities Counsel:

Arnstein & Lehr LLP
Miami, FL

Jay M. Rosen is a partner in the Miami office of Arnstein & Lehr LLP. He is a member of the firm's Corporate Transactions & Counseling and Securities Practice Groups.

Mr. Rosen focuses his practice in general corporate and securities law. He has represented both public and private companies in connection with mergers and acquisitions, public and private offerings of securities and SEC disclosure, as well as corporate governance, debt and equity financing and general corporate matters. Mr. Rosen's practice also includes specializing in private offerings under the EB-5 immigrant investor visa program. He serves as lead attorney on numerous projects from inception to closing, including contract negotiation and preparation.

Mr. Rosen's practice includes serving in the role as outside general counsel to various corporate clients, coordinating all legal issues related to their day-to-day business operations. In addition, he has represented various clients with respect to mergers and acquisitions transactions, including drafting and negotiating complex stock and asset purchase agreements, operating agreements, letters of intent, due

diligence documentation, non-competes, confidentiality, and non-disclosure agreements and related financing documentation.

Economic Impact Study and Business Plan Preparation:

Economic & Policy Resources, Inc.
Williston, VT

Since the founding of EPR in 1983, the professionals at EPR have been providing clients with objective research, analysis, forecasting, and advisory services in multiple aspects of economics, finance, public policy, and strategic planning. The firm has completed successful projects for government, business, and institutional clients, allowing clients to move forward decisively to embrace their opportunities and/or address their problems.

The team of professionals at EPR has experience that includes a wide range of assignments. Completed projects range from performing economic impact studies for clients who need to understand how their industry or project will affect a community, state, regional, or national economy to developing solutions and implementation strategies for dealing with the most complex economic, financial, public policy, or strategic planning problems. The firm also evaluates and drafts business plans for the EB-5 Program.

Jeffrey B. Carr, President and Senior Economist, has more than 30 years of experience in economic analysis, economic forecasting, fiscal impact analysis, economic impact analysis (including studies for the EB-5 Program), financial analysis, economic-tax revenue forecasting, and preparing and presenting state economic-fiscal data to Wall Street bond rating agencies. In addition to more than 200 completed economic impact studies in his consulting practice, Mr. Carr has served as the consulting State Economist and Principal Tax Revenues Analyst-Forecaster for the past five governors of the State of Vermont, including 4 years for the current Governor Peter Shumlin, 8 years for former Governor James Douglas, and 12 years for former Governor Howard Dean. He has been the State Economic Forecast Manager for Vermont for the past 20 years for the New England Economic Partnership ("NEEP").

List of Appendices

Appendix 1: Detailed Uses of Funds

Appendix 2: Construction Support Letter

Appendix 3: TEA Certification Letter

Appendix 4: Permit Letters

Appendix 1

Uses of Funds	Year 1: 2014	Year 2: 2015	Year 3: 2016	Year 4: 2017	Total
Gerhart Lofts Component					
Land Acquisition & Site Costs	$ 1,995,000	$ -	$ -	$ -	$ 1,995,000
Hard Construction Costs	$ 246,758	$ 3,370,441	$ -	$ -	$ 3,617,199
Residential Construction	$ 148,055	$ 2,022,265	$ -	$ -	$ 2,170,319
Non-Residential Construction	$ 98,703	$ 1,348,176	$ -	$ -	$ 1,446,880
Construction Contingency	$ -	$ 457,902	$ -	$ -	$ 457,902
Architect Expenses	$ 261,845	$ 10,461	$ -	$ -	$ 272,306
Engineering Expenses	$ 32,844	$ -	$ -	$ -	$ 32,844
Survey Fees	$ 6,000	$ -	$ -	$ -	$ 6,000
Financing Fees	$ 236,058	$ 313,640	$ -	$ -	$ 549,698
Soft Costs	$ 171,623	$ -	$ -	$ -	$ 171,623
Legal & Organizational Costs	$ 70,099	$ -	$ -	$ -	$ 70,099
Insurance	$ 22,002	$ -	$ -	$ -	$ 22,002
City Fees	$ 15,950	$ -	$ -	$ -	$ 15,950
Historic Tax Credits Fees	$ 52,272	$ -	$ -	$ -	$ 52,272
Third Party Reports	$ 11,300	$ -	$ -	$ -	$ 11,300
Rent-Up/Marketing Expense	$ -	$ 22,000	$ -	$ -	$ 22,000
Accounting Fees	$ 50,000	$ 10,000	$ -	$ -	$ 60,000
FF&E Expenditures	$ 21,748	$ -	$ -	$ -	$ 21,748
Developer Fees/Reserves	$ -	$ 1,482,281	$ -	$ -	$ 1,482,282
Total Gerhart Lofts	$ 3,021,875	$ 5,666,726	$ -	$ -	$ 8,688,602
Truman Lofts Component					
Land Acquisition & Site Costs	$ -	$ 1,366,500	$ -	$ -	$ 1,366,500
Hard Construction Costs	$ -	$ 1,260,210	$ 4,740,790	$ -	$ 6,001,000
Residential Construction	$ -	$ 1,191,054	$ 4,480,632	$ -	$ 5,671,686
Non-Residential Construction	$ -	$ 69,156	$ 260,158	$ -	$ 329,314
Construction Contingency	$ -	$ -	$ 480,080	$ -	$ 480,080
Architect Expenses	$ -	$ 275,000	$ -	$ -	$ 275,000
Engineering Expenses	$ -	$ 44,000	$ 21,000	$ -	$ 65,000
Survey Fees	$ -	$ 6,000	$ -	$ -	$ 6,000
Financing Fees	$ -	$ 159,408	$ 222,518	$ 73,574	$ 455,500
Soft Costs	$ -	$ 251,000	$ -	$ -	$ 251,000
Legal & Organizational Costs	$ -	$ 54,500	$ -	$ -	$ 54,500
Insurance	$ -	$ 20,000	$ -	$ -	$ 20,000
City Fees	$ -	$ 50,000	$ -	$ -	$ 50,000
Historic Tax Credits Fees	$ -	$ 86,500	$ -	$ -	$ 86,500
Third Party Reports	$ -	$ 40,000	$ -	$ -	$ 40,000
Rent-Up/Marketing Expense	$ -	$ -	$ 30,000	$ -	$ 30,000
Accounting Fees	$ -	$ 50,000	$ 10,000	$ -	$ 60,000
FF&E Expenditures	$ -	$ -	$ 25,000	$ -	$ 25,000
Developer Fees/Reserves	$ -	$ 278,546	$ 278,546	$ 1,583,912	$ 2,141,004
Total Truman Lofts	$ -	$ 3,690,664	$ 5,807,934	$ 1,657,486	$ 11,156,084
Total Capstone Lofts EB-5 Project	$ 3,021,875	$ 9,357,390	$ 5,807,934	$ 1,657,486	$ 19,844,686

Prepared by: Economic & Policy Resources, Inc.

Appendix 2

CRESTWOOD BUILDING
Associates

50 South Bemiston Avenue | Suite 202 | Clayton, MO 63105
P: 314.783.2155 | F: 314.925.5897

August 25, 2015

To Whom It May Concern:

Per your request, we are happy to provide you with the following information on our company, a brief history of our involvement in the construction of the Gerhart Lofts project, and our understanding of the future plans for the development.

Crestwood Building Associates, Inc. (CBA) founded in 1999 to bring the general contracting needs of Capstone Development Group, LLC in house, allowing for a tighter control of costs, quality and construction of affordable and market rate housing projects in both urban and rural settings. While the majority of CBA's projects have been in Missouri, CBA has also completed projects in Illinois and Tennessee. Crestwood has successfully completed the construction of over 1,300 new and rehab dwelling units, with projects ranging in size from the 15 to 200 units, utilizing a variety of construction methods. Many of Crestwood's new developments are LEED certified and include sustainable and energy saving features.

Our history and experience with historic buildings gives us an intimate familiarity with historic rehabilitation. Our recently completed project, CityParc at Pine in Downtown St. Louis, was also awarded Missouri State and Federal Historic Tax Credits, and had a total construction cost of $21,535,230. We have worked closely with our architect and engineers in the development of plans and cost estimates for this project. Total construction cost for the Gerhart Lofts project is $8.69 Million. Our estimate is based on the plans and specifications developed by the design team and have been cross-referenced with prior costs and industry standards.

We appreciate the opportunity to outline our experience with this project. Please contact me with any additional questions, concerns, or if additional information is required.

Sincerely,

William Luchini
President

CRESTWOOD BUILDING
Associates

50 South Bemiston Avenue | Suite 202 | Clayton, MO 63105
P: 314.783.2155 | F: 314.925.5897

August 25, 2015

To Whom It May Concern:

Per your request, we are happy to provide you with the following information on our company, a brief history of our involvement in the construction of the Truman Lofts project, and our understanding of the future plans for the development.

Crestwood Building Associates, Inc. (CBA) founded in 1999 to bring the general contracting needs of Capstone Development Group, LLC in house, allowing for a tighter control of costs, quality and construction of affordable and market rate housing projects in both urban and rural settings. While the majority of CBA's projects have been in Missouri, CBA has also completed projects in Illinois and Tennessee. Crestwood has successfully completed the construction of over 1,300 new and rehab dwelling units, with projects ranging in size from the 15 to 200 units, utilizing a variety of construction methods. Many of Crestwood's new developments are LEED certified and include sustainable and energy saving features.

Our history and experience with historic buildings gives us an intimate familiarity with historic rehabilitation. Our recently completed project, CityParc at Pine in Downtown St. Louis, was also awarded Missouri State and Federal Historic Tax Credits, and had a total construction cost of $21,535,230. We have worked closely with our architect and engineers in the development of plans and cost estimates for this project. Total construction cost for the Truman Lofts project is $11.16 Million. Our estimate is based on the plans and specifications developed by the design team and have been cross-referenced with prior costs and industry standards.

We appreciate the opportunity to outline our experience with this project. Please contact me with any additional questions, concerns, or if additional information is required.

Sincerely,

William Luchini
President

Appendix 3

Jeremiah W. (Jay) Nixon
Governor

MISSOURI
Department of Economic Development

Mike Downing, CEcD
Director

September 17, 2015

William Luchini
Capstone Development Group, LLC
101 S. Hanley, Suite 1825
Clayton, MO 63105

Dear Mr. Luchini:

This is in reply to your request for Targeted Employment Area (TEA) designation for the Gerhart Lofts project located at 3900 Laclede, St. Louis, MO 63108 and adjoining addresses.

This address is located in St. Louis city census tract 1186. The proposed TEA includes this tract plus two tracts north of the site, 1193 and 1111. The calculated unemployment rate for this contiguous three-tract area is 9.6 percent, which exceeds the required threshold of 9.3 percent. The proposed area thus qualifies as a TEA.

Please note that these data are updated annually, and that the TEA designation applies to 2015. After the end of 2015, a new TEA designation should be requested.

Please let me know if you have questions or want further information.

Sincerely,

Mike Downing, CEcD
Director

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700

Jeremiah W. (Jay) Nixon
Governor

MISSOURI
Department of Economic Development

Mike Downing, CEcD
Director

June 22, 2015

Ms. Krystal Althoff
Development Manager
Capstone Development Group, LLC
101 South Hanley
Suite 1825
Clayton, MO 63105

Dear Ms. Althoff:

This is in reply to your request for Targeted Employment Area (TEA) designation for the Truman Lofts project located at 1322 Dolman Ave., St. Louis, MO 63104.

This address is located in St. Louis City census tract 1274, and this tract is the area that you proposed as the TEA.

Census tract 1274 is on our currently published list of high unemployment census tracts and thus qualifies as a TEA.

Please note that these data are updated annually, and that the TEA designation applies to 2015. After the end of 2015, a new TEA designation should be requested.

Please let me know if you have questions or want further information.

Sincerely,

Mike Downing, CEcD
Director

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700

Appendix 4

COHEN HILBERRY ARCHITECTS 4941 McPHERSON AVE. ST. LOUIS MO 63108 TEL 314-367-8300 OFFICE@COHENHILBERRY.COM

August 24, 2015

RE: Gerhart Lofts
3900-12 Laclede Ave.
St. Louis, Missouri

To Whom It May Concern:

The following is a brief summary of the permit process for the Gerhart Lofts project, located at 3900-12 Laclede in the City of St. Louis.

The project has been approved for construction by the Building Division of the City of St. Louis. This process ensures that the plans and specifications are seen by all members of the building division. This review includes a plans examiner and a representative from the zoning department. Plumbing, mechanical, electrical and fire protection permits are reviewed and issued by separate offices serving the various individual trades. The building permit was approved on October 14, 2014. The building permit documentation is attached to this letter.

Additional permits were issued by the City of St. Louis Water Division for water service on October 13, 2014, and by the Metropolitan Sewer District (MSD) for sewer service on December 12, 2014. A field change permit was issued by MSD on April 24, 2015 for changes to a drop connection. Additional approval came from the CORTEX Innovation Community on September 30, 2014, for construction within the improvement district. The additional permits and approval letters are attached to this letter.

Please contact me if you have any questions.

Sincerely,

Gina Hilberry, AIA LEED AP

DUE-7 #30,430.

3900-12 LACLEDE AV

1 APPLICATION # AB513353-14

17 2 11 23 3919.04
Ward Pre Dist SDist City Blk No
Application Date 04/24/14

APPLICATION FOR PERMIT
DIVISION OF BUILDING AND INSPECTION
DEPARTMENT OF PUBLIC SAFETY
CITY OF ST LOUIS

Project Address: 3900-12 LACLEDE AV Unit No.:

12 ROUTING

	DATE	INIT
Bldg.		
Elec.		
Mech.		
Plumb.		
Air Pol.		
Fire Mar.		
Street		
Min. Ext.	04/24/14	
Plan Exam	04/24/14	
C.R.O.		
Zoning		
A.D.A.		
353		
99/100		

2 OCCUPANT
Name: VACANT
Address:
Phone:
C/O :
City : ST: ZIP: 0

3 SEND ALL CORRESPONDENCE TO:
Name: CRESTWOOD BLDG ASSOCIATES
Address: 50 SOUTH BEMISTON AV
Phone: 783-2147
C/O : BILL LUCINI
City : CLAYTON ST: MO ZIP: 63105

4 OWNER
Name: A C Y REALTY CO
Address: 9060 SARANAC DR
Phone: 783-2150
C/O : BILL LUCINI
City : ST LOUIS ST: MO ZIP: 63117

5 APPLICATION TO: INT/EXT ALTER TOTAL REHAB COMMERCIAL/MULTI FAMILY [redacted]

6 TYPE OF PROJECT: Alteration

7 SPECIAL REQUIREMENTS:
CORTEX
HOUSING CONS.
ENTERPRISE ZONE
FBD
SPECIAL NOTIFICATION: PG. 168

8 100 Bldg Chk

9 TYPE OF STRUCTURE:
Commercial
Multi Family
Class: D Units: 17

10 CURRENT ZONING: J
Non-Conforming:

11 PERMIT INFO
Date Issued:
Permit No. : - 0
Expiration :

13 BUILDING INFORMATION
New Use: COMMERCIAL Group: R2
Old Use: Group:
Fire Cons Type:
Floor Location: 0 Room/Apt #:
# of Plans : 2 Specifications:
Sprinkler Sys.:
Length : ft Width : ft
Area : sqft Height : ft
Volume : cuft Stories:
Live Load: Occ Load: Fire Grade: 0
Constr Type: Basement: 3500+ sqft:
Permit Fee = $2043.00

14 PROJECT COST: 3,043,000 ~~$5,000,000.00~~

19 PERMIT DATA
Processed by: GLADYS HUNTER
Approved by:
Issued by:

20 REMARKS:

21 ARCHITECT
License #: 2003027164 Phone:
Name : GINA G HILBERRY

23 CONTRACTOR
License #: D Phone:
Name : CRESTWOOD BLDG ASSOCIATES
Address : 50 SOUTH BEMISTON AVE
City : CLAYTON ST: MO ZIP: 63105

22 FEES

Building	$	2043.00
Blasting	$	0.00
Demolition	$	0.00
Electrical	$	0.00
Mechanical	$	0.00
Plumbing	$	0.00
Occupancy	$	0.00
LRF	$	0.00
Signs	$	0.00
Appl. Fee	$	25.00
SDF	$	0.00
Surcharge	$	0.00
TOTAL	$	25.00
PAID	$	0.00

24 I the undersigned do hereby affirm: the above statements are true and correct and also agree to comply with the provision of the ordinances of the City of St. Louis. The proposed work is authorized by the owner in fee and I have obtained the authorization to make this application. Upon notification of approval permit fee must be paid and permit obtained within thirty (30) days, or application will be cancelled.

[ ] Owner
[X] Owner Rep.
[ ] Contractor

PRINT NAME: CLANCY OLSEN
SIGNATURE :

PAID
APR 24 2014
Dept. of Public Safety
Div. of Building & Inspection

OFFICE USE ONLY

INSPECTION REPORT [ ] O.K. to Issue PMT [ ] Job Card

INSPECTOR NAME ID # DATE OF INSPECTION

Int & ext alt.

CITY OF ST. LOUIS
DEPARTMENT OF PUBLIC SAFETY
DIVISION OF BUILDING AND INSPECTION

Date 10-14-14 Address 3900-12 Laclede

Your application for a Building Permit has been approved.

The charge for your permit is $ 30,430.00. (Make checks payable to City of St. Louis).

Please bring this card with you to Room 425, City Hall, between 8 a.m. and 4:30 p.m., Monday - Friday.

513353

620-605 (ML1/07)

3900 Laclede	22,822.50
3910 Laclede	7,607.50
	30,430.00

City of St. Louis

OFFICE OF THE SECRETARY
1200 MARKET STREET, ROOM 300
ST. LOUIS, MISSOURI 63103-2806
PHONE NO.: (314) 622-4650 OR (314) 622-4627
Fax No.: (314) 589-6598

FRANCIS G. SLAY
MAYOR

RICHARD T. BRADLEY, P.E.
PRESIDENT

PERMIT ISSUED: October 13, 2014

OFFICE OF THE SECRETARY
300 CITY HALL

PERMIT NUMBER
120842

Permission is hereby granted Gerhart Lofts, LLC, to consolidate land at 3900-12 Laclede Avenue in C.B. 3919W, subject to the attached conditions.

1. Please note the location of Water Division facilities in the area of the proposed work and as shown on the accompanying drawings. A minimum clearance and lateral separation of two feet (2') is necessary when crossing or nearing Water Division facilities.

2. Private service lines 3" or larger are shown on Water Division drawings but are owned by the property owner. Smaller service lines are **not shown** on the accompanying drawings. Information regarding the location of small service lines can be obtained by viewing city block records at the Water Division offices located at 4600 McRee Avenue. Please contact Karen Peters at 314-633-9024, to set up an appointment to view these records. All service lines belong to and are the responsibility of the property owner.

cc: Utilities
Safety
Files

By order of the
Board of Public Service, September 23, 2014

Cherise D. Thomas

Cherise D. Thomas, Secretary

Metropolitan St. Louis Sewer District Visit www.stlmsd.com

Plan Review Information

This page has been set up for our customers to quickly track the status of their projects. To check the status of your project, please enter your P (project) number in the box below, and click the Search button. Please do not use any dashes or spaces when entering the project number.

Project Number: P003016100 Search

* Do not use any dashes or spaces

Project: P003016100 -C.B. 3919 W (GERHART LOFTS - 3900 LACLEDE)
Reviewer: Susan J. Whitener PH:314-768-6317
Status: Approved as of 12/04/14

Plan Requirements

#	TYPE	DESCRIPTION	RECEIVED	TOTAL	RECORDED	WAIVED	COMMENTS
2	RV	Review Fee	08/15/2014	$150.34		N	
1	SC	Submittal Charge	07/21/2014	$450.00		N	
3	AD	Addresses & Zip Code	07/31/2014	$0.00		N	
4	CF	Connection Fee		$0.00		Y	no fee required, jca
5	CS	Consolidation Plat	11/25/2014	$0.00		N	
6	PA	Plumbing Strapped	07/31/2014	$0.00		N	

Plans Requested and Received

Type	DESCRIPTION	SETS	REQUESTED	SENT	RECEIVED
C	Corrected Copies	2	08-01-2014	08-04-2014	08-14-2014
L	Letter		11-19-2014	11-20-2014	
R	Required Number	9	08-18-2014	08-19-2014	11-17-2014

The following must be received before permits can be issued

Permit Status

Description	Total	Received
Construction Deposit	N/A	N/A
BMP Deposit	N/A	N/A
As-Built Deposit	N/A	N/A
Construction Deposit Agreement		N/A
BMP Deposit Agreement		N/A

Copyright 2014, Metropolitan St. Louis Sewer District, All Rights Reserved

Metropolitan
St. Louis Sewer
District

2350 Market Street
St. Louis, MO 63103-2555
(314) 768-6200

NOTICE OF APPROVAL OF FIELD CHANGE

April 24, 2015

Civil Engineering Design Consultants, Inc.
Attn: Paul K. Boyer, P. E.
11402 Gravois Rd., Ste. 100
St. Louis MO 63126

Re: C.B. 3919 W (Gerhart Lofts - 3900 Laclede)
M.S.D. P #30161-00

Mr. Boyer:

On this date a field change on the above project has been approved by MSD. The sanitary connection to the manhole was changed to an outside drop connection.

These plans will require no additional permits or formal plan revisions. The changes will be picked up on final measurements for this project. If you have any further questions, please contact me at the number listed below, thank you.

Sincerely,

Susan J. Whitener

Susan J. Whitener 768-6317, Engineer
Engineering Department

pc: Developer – Gerhart Lofts LLC
Municipality – City of St. Louis
Engineering Department – MSD
Permit Department – MSD
Construction Department – MSD
Contractor – C.E. Bollmeier Co., Inc.

SJW/es

CORTEX
innovation community

4320 Forest Park Avenue, Suite 201
Saint Louis, Missouri 63108 USA

P: +1.314.531.4500
F: +1.314.531.4501

September 30, 2014

City of St. Louis
Building Department
St. Louis, City Hall
1200 Market Street
St. Louis, MO 63103

RE: Request for Building Permit
Building Owner: Gerhart Lofts, LLC
Property Address: 3900-3912 Laclede Avenue
Description of improvements: Mixed Use Historic Rehab
Construction Drawings prepared by Cohen Hilberry Architects, Inc. dated 6-30-14, Sheets G1.0 through A9.4
Project Specifications dated 6-30-14 listing Webster Design, Inc. as the Record Architect and Cohen Hilberry Architects, Inc. as the Design Architect

CORTEX hereby approves the construction plans for the renovation of the premises located at 3900-3912 Laclede Avenue and authorizes you to issue a permit to Gerhart Lofts, LLC or its general contractor, Crestwood Building Associates, for the Historic Renovation of the referenced premises.

CORTEX West Redevelopment Corporation,
a Missouri Urban Redevelopment Corporation

By:_____
Dennis E. Lower, President

cc: Gene Norber (via e-mail)

cortexstl.com

WebsterDesign 50 South Bemiston Avenue | Suite 202 | Clayton, MO 63105 | P: 314.783.2151 | F: 314.925.5897

August 26, 2015

RE: Truman Lofts

To Whom It May Concern:

At this time, the building permits for the Truman Lofts Project have not yet been applied for with the City of St. Louis. We anticipate that the application will be submitted within the next 60 days, and at this time, foresee no issues with its issuance.

Permitting will be done through the Building Division in the City of St. Louis. At the time of approval, plans and specifications are reviewed by a Plan Examiner and representatives from the Zoning Division, Plumbing Division, Electrical Division, Mechanical Systems Division, Street Department, and the Fire Marshall. Additionally, as the project is located in a City of St. Louis Historic District, Lafayette Square, a representative from the City's Cultural Resources office will also review the plans and provide approval that the plan for the property is in keeping with the standards of the Lafayette Square Historic District.

Having completed a number of similar projects over the last 20 years, the permitting process should move smoothly within the building division, taking no more than seven working days to complete. The City of St. Louis Plan Exam division has worked diligently to reduce the amount of time and complexity in having plans reviewed and approved.

Please contact me if you have any questions.

Webster Design Inc.

Damon C Femmer, AIA, LEED-AP
President

EXHIBIT

6

EPR
ECONOMIC & POLICY RESOURCES

Letter of Transmittal

September 16, 2015

William Luchini
Capstone Development Group, LLC
101 S. Hanley, Suite 1825
Clayton, MO 63105

Dear Mr. Luchini:

Attached with this letter a report outlining the economic and job impacts of the proposed Capstone Lofts EB-5 Project, which our firm prepared at your request. The report is intended to accompany an application to be filed with the United States Citizenship and Immigration Services ("USCIS") for approval of an exemplar Form I-526 under the Immigrant Investor Program ("EB-5 Program") consistent with the regulations at 8 C.F.R. §204.6.

We have prepared our analysis using assumptions and estimates from the project developers, third party data sources, including authoritative federal government sources, and research and knowledge of the NAICS activities and region from our many years of applied economic practice. Where we have used information from the project developers and third party data, we have assumed that information to be correct. In completing our analysis, we have performed a number of tests and cross checks to verify the internal consistency of the results and find them to be reasonable.

The study on the economic and job creation impacts of the proposed Capstone Lofts EB-5 Project concludes that the EB-5 project will result in the creation of a significant number of new jobs for workers in the United States, consistent with the intent of Congress when creating the EB-5 Program. Therefore, approval of the Capstone Lofts EB-5 Project by the USCIS would be consistent with the stated purpose of the EB-5 Program, which is *"to promote the immigration of people who can help create jobs for U.S. workers through their investment of capital into the U.S. economy."*

400 Cornerstone Drive, Suite 310 | P.O. Box 1660 | Williston, VT 05495-1660
(802) 878-0346 | (800) 765-1377 | info@epreconomics.com | www.epreconomics.com
ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

Thank you for the opportunity to work with you and your EB-5 project team on this assignment.

Sincerely,

Jeffrey B. Carr
President and Senior Economist
Economic & Policy Resources, Inc.

The Economic Impact of the Capstone Lofts EB-5 Project

September 16, 2015

PREPARED BY:

400 Cornerstone Drive, Suite 310 | P.O. Box 1660 | Williston, VT 05495-1660
(802) 878-0346 | (800) 765-1377 | info@epreconomics.com | www.epreconomics.com

ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

Table of Contents

Section 1: Introduction 1
1.1 Purpose of the Study 1
1.2 Study Highlights 1

Section 2. Methods of Analysis 4
2.1 Input-Output Modeling 4

Section 3. Description of the Regional Center and EB-5 Project 6
3.1 The Gateway to the Midwest Investment Center, Inc. 6
3.2 The Capstone Lofts EB-5 Project 6
3.2.1 Overview of the Gerhart Lofts Component 6
3.2.2 Overview of the Truman Lofts Component 7
3.2.3 Use of Funds 8

Section 4. Economic Impact Analysis 10
4.1 Impact Study Assumptions and Inputs 10
4.1.1 Geographic Scope 10
4.1.2 Impact Study Inputs 12
4.2 Overview of Project Impacts 14
4.2.1 Job Creation and Other Economic Impacts 14
4.2.2 Direct and Indirect Jobs 15
4.3 Request for Jobs Attributable to the Regional Center 17

Section 5. Conclusion 20

Appendix 1. Required Reporting of Impacts in Select NAICS Categories 21

Appendix 2. About Economic & Policy Resources, Inc. 24

Appendix 3. Limitations and Contingent Conditions 25

Appendix 4. The REDYN Model 26

List of Tables and Figures

Table 1: Summary of Model Specifications and Jobs Attributable to the Regional Center 3
Table 2: Use of Funds Detail 9
Table 3: Economic Impact Study Inputs 13
Table 4: Summary of the Total Project Impacts 14
Table 5: Direct and Indirect Jobs 16
Table 6: Model Simulation Direct and Indirect Jobs Calculations 17
Table 7: Summary of Model Specifications and Jobs Attributable to the Regional Center 19

Figure 1: Map of the Gateway to the Midwest Investment Center 6
Figure 2: Rendering of the Gerhart Lofts Component 7
Figure 3: Rendering of the Truman Lofts Component 8

Section 1: Introduction

1.1 Purpose of the Study

This study is intended to assist the United States Citizenship and Immigration Services ("USCIS") in their evaluation of the proposed Capstone Lofts EB-5 Project (the "Project") in conjunction with immigrant investor Form I-526 petitions under the Immigrant Investor Program ("EB-5 Program"). In compliance with guidance issued by the USCIS, this study sets forth the likely new economic impacts, including job creation, associated with the Project, which is located in the St. Louis, Missouri, which lies within Independent City of St. Louis, Missouri. Changes in the number of jobs, output, labor income, and household earnings that the Project is expected to generate are identified for the following regions: 1) within the geographic scope of the Gateway to the Midwest Investment Center, Inc. (the "Regional Center"); 2) the remainder of the United States outside the geography of the Regional Center; and 3) the United States as a whole.[1] This study therefore demonstrates how the Project will promote economic growth within the geographic scope of the Regional Center through job creation and increased capital investment consistent with *8 C.F.R. §204.6*, assuming the USCIS approves the Project as proposed.[2]

1.2 Study Highlights

- Input-output modeling for the Capstone Lofts EB-5 Project was performed utilizing the REDYN model. Please refer to *Section 2.1 Input-Output Modeling* for further discussion on input-output methodologies for modeling the economic impacts of a project.
- The Project is an actual EB-5 project sponsored by the Gateway to the Midwest Investment Center, Inc. Please refer to *Section 3.1 The Gateway to the Midwest Investment Center, Inc.* for more detail on the Regional Center, including a map of its geographic scope.
- The Project, which is located in St. Louis, Missouri, consists of the construction of two mixed-use complexes, the Gerhart Lofts and the Truman Lofts. Please refer to *Section 3.2 The Capstone Lofts EB-5 Project* for additional information pertaining to the Project.
- Three geographic regions were defined in the impact study for the Project. These three regions allow for the reporting of new economic impacts within the geographic boundaries of the Regional Center, in the remainder of the United States outside the Regional Center, and, consequently, for the United States as a whole. Please refer to *Section 4.1.1 Geographic Scope* for more detail on how the geographic regions that were defined in the modeling were determined.
- Impact study inputs were derived from information provided by the project developers, checked for internal consistency, and adjusted to exclude those expenditures which do not impact the regional economy, such as land acquisition, contingencies, certain fees, professional services expenses, and financing and interest costs, as well as other items that were expected to have relatively minor economic impacts. Please refer to *Section 4.1.2 Model Inputs* for more detail on the inputs used in the economic impact study.

[1] As stated in *8 C.F.R. §204.6(e)*, a regional center is an *"economic unit, public or private, which is involved with the promotion of economic growth..."* Such an entity must further conform to the rule laid out in *8 C.F.R. §204.6(m)(3)(i)*, which requires that a regional center focus on promoting growth within a geographical region of the United States. Accordingly, when referring to the economic entity, Gateway to the Midwest Investment Regional Center, LLC, this report uses the term "Regional Center" and when referring to the geographic focus area of that entity uses terms such as "geographic scope," "geographic boundaries," and "geography."

[2] This economic impact study, taken together with the Capstone Lofts EB-5 Project Business Plan, presents the specific details of how the Project will result in new economic growth within the geographic scope of the Regional Center, the remainder of the United States outside the geographic scope of the Regional Center, and correspondingly, the United States as a whole.

- Please refer to *Section 4.2 Overview of Project Impacts* for detail on the total economic impacts of the Project, including detail on the number of indirect jobs.[3]
- Based on the EB-5 Program rules and regulations, the petitioner is requesting that 217 new jobs be attributed to the Regional Center under the EB-5 Program. These jobs are a subset of the total job creation that is estimated to result from the construction activities associated with the Project. The request for jobs attributable to the Regional Center is summarized in *Table 1 Summary of Model Specifications and Jobs Attributable to the Regional Center* on the next page.
    - The subset of jobs being requested as new jobs attributable to the Regional Center was determined from the total expected job creation based upon the following EB-5 Program rules and regulations:
        - The EB-5 Program allows indirect jobs created outside the geographic scope of the Regional Center to be attributed to the Regional Center.[4]
        - The EB-5 Program requires that the requested jobs occur within a reasonable time, which is generally considered to be within two years and six months of the adjudication of the immigrant investors' Form I-526 petitions.[5]
    - The requested jobs arising from construction activities include only indirect jobs.[6]
        - The requested indirect jobs include those that are estimated to be created both inside and outside the geographic scope of the Regional Center (i.e., throughout the entire United States).
    - All requested jobs arising from construction activities are expected to be created within two years and six months of the adjudication of immigrant investors' Form I-526 petitions.
    - Please refer to *Section 4.3 Request for Jobs Attributable to the Regional Center* for further discussion on how the EB-5 Program requirements were applied to the job creation expected to result from the construction of the EB-5 Project and the request for jobs attributable to the Regional Center.

[3] Direct jobs are defined herein as those that are created as a direct result of the incremental change in final demand for a given project (e.g., the developer hires a construction management firm). Indirect jobs are created as materials and other inputs to production are supplied to the project (e.g., the supplier of steel to the construction firm hires additional staff). It should be noted that induced jobs, which are a subset of indirect jobs, are created when the new workers occupying the direct and indirect jobs spend their new income resulting from the project at other businesses (e.g., the workers patronize restaurants and retail stores).

[4] Ibid., page 18.

[5] Ibid., pages 19 and 22.

[6] Please refer to *Section 4.2.2 Direct and Indirect Jobs* for information pertaining to the method in which the REDYN model calculates direct and indirect jobs.

Table 1: Summary of Model Specifications and Jobs Attributable to the Regional Center

Project Component	NAICS Activity Code	Model Inputs ($Millions)	Total United States Job Creation	Job Creation Attributable to the Regional Center
CONSTRUCTION - Gerhart Component				
Residential Construction	2361	Year 1: $0.15 **Year 2: $2.02** Year 3: $0	Year 1: 5 **Year 2: 71** Year 3: 0	**55** *[Indirect, Year 2]*
Non-Residential Construction	2362	Year 1: $0.10 **Year 2: $1.35** Year 3: $0	Year 1: 3 **Year 2: 48** Year 3: 0	**37** *[Indirect, Year 2]*
CONSTRUCTION - Truman Component				
Residential Construction	2361	Year 1: $0 Year 2: $1.19 **Year 3: $4.48**	Year 1: 0 Year 2: 42 **Year 3: 153**	**119** *[Indirect, Year 3]*
Non-Residential Construction	2362	Year 1: $0 Year 2: $0.07 **Year 3: $0.26**	Year 1: 0 Year 2: 2 **Year 3: 8**	**6** *[Indirect, Year 3]*
Total Job Creation Attributable to the Regional Center (Gerhart + Truman Construction):				**217**
				Prepared by: Economic & Policy Resources, Inc.

Section 2. Methods of Analysis

2.1 Input-Output Modeling

In contrast to proving the direct job count of an EB-5 project through the provision of payroll records to the USCIS, regional centers can provide evidence based on "reasonable methodologies" to demonstrate that they satisfy the job creation requirements of the EB-5 Program.[7] Regional centers have some latitude under the "reasonable methodologies" requirement. The most common of the reasonable methodologies is to provide economic impact estimates developed through the use of input-output ("I-O") tools or models.

Even though the approaches used in various I-O tools and models differ in complexity and structure, the general approach to the estimating process is essentially the same for all of those tools and models that have been previously recognized as reasonable by the USCIS. All of the I-O tools and models use calculated coefficients based on detailed federal data, including data from the United States Bureau of Economic Analysis ("BEA"), the United States Bureau of Labor Statistics ("BLS"), and the United States Census Bureau. Compilation of these data series, which are updated each year to varying degrees, involves assembling and updating data regarding how much input is used for producing a given amount of output.

Dynamic I-O models, such as Regional Dynamics ("REDYN") and Regional Economic Models, Inc. ("REMI"), simulate the economic relationships between sectors of an economy on several geographic levels through time. Linkages exist between sectors and regions because their economies use outputs from other sectors and regions. I-O models are founded on these linkages and allow analysts to see how changes in final demand in individual or multiple sectors in a regional economy ripple throughout the system and geography simultaneously. For example, effects of a new investment are felt in linked sectors and regions as increased employment, output, labor income, and household earnings. IMPLAN Group, LLC, the owner of the Impact Analysis for Planning ("IMPLAN") tool, describes I-O analysis in another way as "*...a means of examining relationships within an economy, both between businesses and between businesses and final customers. It captures all monetary market transactions for consumption in a given time period. The result mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy.*"[8]

In that way, the I-O process depicts the so called "ripple effect" of the impacts caused by an economic change in a region. In the long run, a project is shown to materially alter the regional and national economies through a significant amount of new investment and related business development activities. Therefore, it is expected that the regional economy of the area included in the geographic scope of the Regional Center, the economy of the remainder of the United States outside the geographic scope of the Regional Center, and, consequently, the economy of the United States as a whole will all have a correspondingly higher level of investment, employment, output, labor income, and household earnings than would otherwise be the case in the absence of the Capstone Lofts EB-5 Project.

[7] On page 18, the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS states that *"for a new commercial enterprise that is located within a regional center, the EB-5 Program provides that the full-time positions can be created either directly or indirectly by the new commercial enterprise. 8 C.F.R. §204.6(j)(4)(iii). Investors investing in a regional center are subject to all the same program requirements except that they may rely on indirect job creation as demonstrated through reasonable methodologies. 8 C.F.R. §204.6(m)(1), (7)."*

[8] IMPLAN Professional: Version 2.0: Social Accounting & Impact Analysis Software, MIG, Inc., page 95.

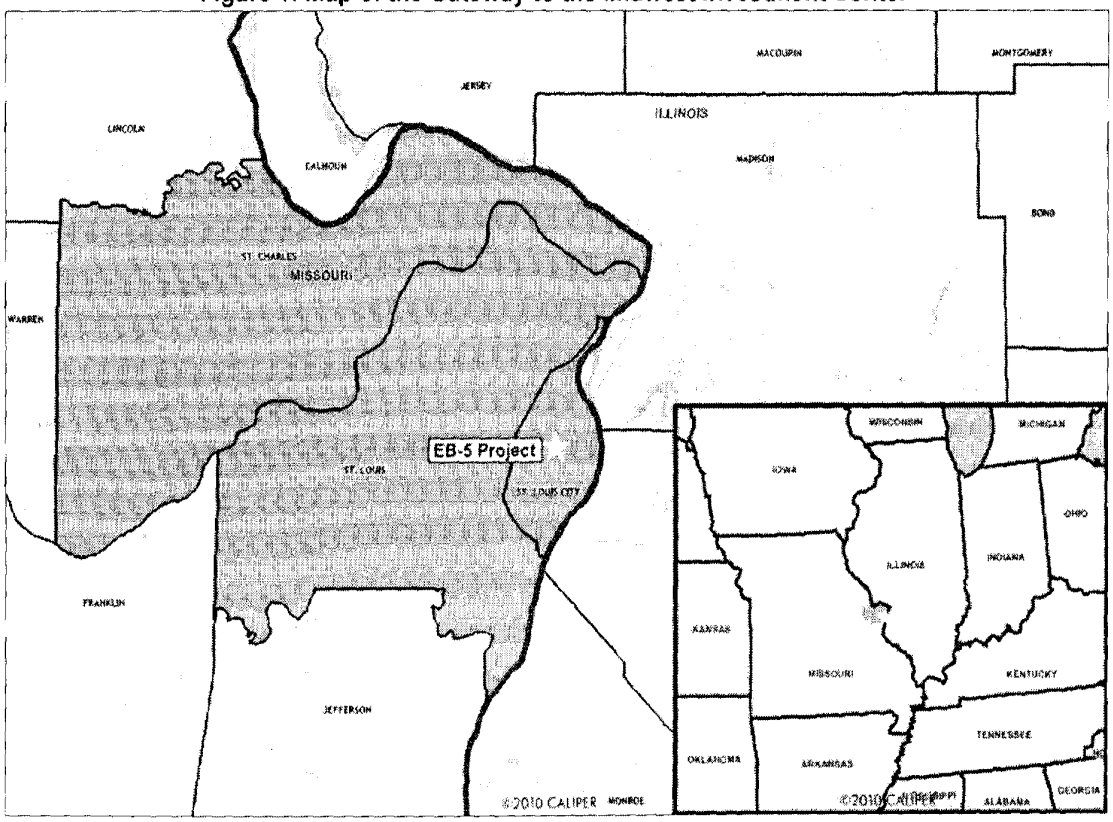
This economic impact study utilized REDYN for the purpose of determining the likely new economic impacts associated with the Project. REDYN has been used to assess the new economic impacts associated with economic development projects, new businesses, certain types of public policy changes, the effectiveness of government and private sector programs, and utility power projects in various states throughout the country in a variety of analytical settings. Economic & Policy Resources, Inc. ("EPR") has used REDYN in more than 175 studies overall, including more than 150 economic impact studies submitted for consideration under the EB-5 Program. REDYN has been previously used in numerous adjudications that have been approved by the USCIS under the EB-5 Program.

Section 3. Description of the Regional Center and EB-5 Project

3.1 The Gateway to the Midwest Investment Center, Inc.

The Gateway to the Midwest Investment Center, Inc. [RCW1105350166] (the "Regional Center") is a USCIS-designated regional center which has been operating as an official regional center since its initial approval on March 28, 2013. The geographic scope of its economic development activities includes the City of St. Louis and the contiguous counties of St. Louis and St. Charles in Missouri, which forms part of the core of the St. Louis, MO-IL Metropolitan Statistical Area.

Figure 1: Map of the Gateway to the Midwest Investment Center



3.2 The Capstone Lofts EB-5 Project

The Capstone Lofts EB-5 Project consists of the construction and operations of two new residential complexes, the Gerhart Lofts and the Truman Lofts, in St. Louis, Missouri.

3.2.1 Overview of the Gerhart Lofts Component

The Gerhart Lofts will be located at the intersection of LaClede Avenue and Vandeventer Avenue, adjacent to St. Louis University in St. Louis, Missouri. The addresses of the Gerhart Lofts are 1-17 Vandeventer Avenue, 3900-08 Laclede Avenue, and 3910-12 Laclede Avenue. The construction component of the EB-5 Project will consist of the renovation of a series of historic buildings originally constructed in 1896, which will restore 10,560 square feet of commercial space, add 17 loft-style rental residential units, and provide onsite parking.

Figure 2: Rendering of the Gerhart Lofts Component

The Gerhart Lofts component of the EB-5 Project will feature: 11 ground-floor commercial spaces with 960 square feet each for a total of 10,560 square feet of commercial space; two live-work units totaling 1,113 square feet; and 15 residential apartments. The residential apartment portion will be comprised of: ten (10) two-bedroom, two-bath units at 972 square feet each; four (4) two-bedroom, two-bath units at 1,113 square feet each; and, one (1) three-bedroom, two-bath unit with 1,250 square feet. A total of 16,535 rentable residential square feet will be available in the Gerhart Lofts.

The residential units will have in-unit washers and dryers, energy star-rated appliances (range, refrigerator, garbage disposal, and dishwasher), and an on-demand hot water heater. The fixtures and finishes will be high-end, including hardwood floors, European cabinets, ceiling fans, and concrete countertops. The building will have a secure entry system.

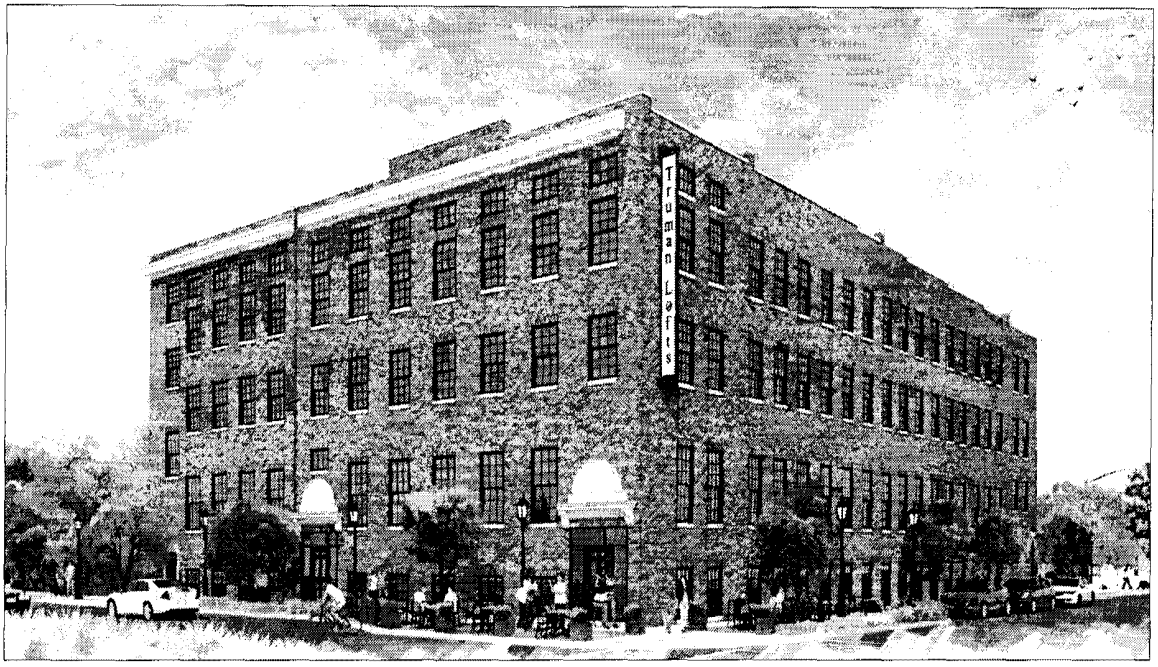
3.2.2 Overview of the Truman Lofts Component

The Truman Lofts will be located at 1322 Dolman Street in St. Louis, Missouri. The Truman Lofts component of the EB-5 Project will comprise the redevelopment of an existing vacant factory building into a 40-unit apartment complex designed for young professionals. The apartment complex will have a mix of studio, one-bedroom, and two-bedroom units. Each residential unit will feature a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hookups, tile and hardwood flooring, blinds, ceiling fans, and walk-in closet.

The exterior of the apartment complex will be brick, with landscaping consisting of grass, trees, and shrubs. Amenities of the apartment complex will include a community room, fitness center, picnic area, tenant storage, lounge area, dog run, and walking/bike trail. The property will also have an open parking lot containing 51 parking spaces. The property will also have commercial space on the first floor of the

building. The neighborhood surrounding the Truman Lofts site is primarily commercial properties and single-family residences.

Figure 3: Rendering of the Truman Lofts Component



3.2.3 Use of Funds

The total budget for the construction of the Project is $19.84 million. As shown in *Table 2 Use of Funds Detail* on the following page, the construction expenditures are divided into the following major categories describing the Gerhart Lofts Component and The Truman Lofts Component. Within these categories are detailed line items, each of which is labeled with the code of the NAICS category into which it was classified for the economic modeling; line items that were not included in the economic modeling are indicated as not modeled ("N/M"). In addition, the expenditures associated with each line item are presented on an annual basis.[9,10]

[9] In accordance with the Capstone Lofts EB-5 Project Business Plan, expenditures are presented here on a calendar year basis. In this case, Year 1 corresponds to 2014; Year 2 corresponds to 2015; and so on.

[10] This table was adapted from *Appendix 1 Detailed Uses of Funds* of the Capstone Lofts EB-5 Project Business Plan.

Table 2: Use of Funds Detail

Uses of Funds	*NAICS*	Total
Gerhart Lofts Component		
Land Acquisition & Site Costs	**N/M**	**$ 1,995,000**
Hard Construction Costs		**$ 3,617,199**
Residential Construction	2361	$ 2,170,319
Non-Residential Construction	2362	$ 1,446,880
Construction Contingency	**N/M**	**$ 457,902**
Architect Expenses	**N/M**	**$ 272,306**
Engineering Expenses	**N/M**	**$ 32,844**
Survey Fees	**N/M**	**$ 6,000**
Financing Fees	**N/M**	**$ 549,698**
Soft Costs		**$ 171,623**
Legal & Organizational Costs	N/M	$ 70,099
Insurance	N/M	$ 22,002
City Fees	N/M	$ 15,950
Historic Tax Credits Fees	N/M	$ 52,272
Third Party Reports	N/M	$ 11,300
Rent-Up/Marketing Expense	**N/M**	**$ 22,000**
Accounting Fees	**N/M**	**$ 60,000**
FF&E Expenditures	**N/M**	**$ 21,748**
Developer Fees/Reserves	**N/M**	**$ 1,482,282**
Total Gerhart Lofts		**$ 8,688,602**
Truman Lofts Component		
Land Acquisition & Site Costs	**N/M**	**$ 1,366,500**
Hard Construction Costs		**$ 6,001,000**
Residential Construction	2361	$ 5,671,686
Non-Residential Construction	2362	$ 329,314
Construction Contingency	**N/M**	**$ 480,080**
Architect Expenses	**N/M**	**$ 305,000**
Engineering Expenses	**N/M**	**$ 35,000**
Survey Fees	**N/M**	**$ 6,000**
Financing Fees	**N/M**	**$ 455,500**
Soft Costs		**$ 251,000**
Legal & Organizational Costs	N/M	$ 54,500
Insurance	N/M	$ 20,000
City Fees	N/M	$ 50,000
Historic Tax Credits Fees	N/M	$ 86,500
Third Party Reports	N/M	$ 40,000
Rent-Up/Marketing Expense	**N/M**	**$ 30,000**
Accounting Fees	**N/M**	**$ 60,000**
FF&E Expenditures	**N/M**	**$ 25,000**
Developer Fees/Reserves	**N/M**	**$ 2,141,004**
Total Truman Lofts		**$ 11,156,084**
Total Capstone Lofts EB-5 Project		**$ 19,844,686**

Prepared by: Economic & Policy Resources, Inc.

Section 4. Economic Impact Analysis

4.1 Impact Study Assumptions and Inputs

4.1.1 Geographic Scope

The use of REDYN provides the analyst with flexibility in examining the impacts of a project by geographic region. REDYN allows the analyst to examine impacts down to the county level, for states as a whole, for custom regions, and for the United States economy overall. Therefore, the first step for the analyst is to determine the regions of importance for conducting the economic impact study based upon the particulars of the project being assessed. There are several key considerations for the analyst to take into account when determining the geographic regions for study, which are as follows: 1) the county in which the project is located; 2) the region where a significant number of the workers occupying the direct jobs created as a result of the project are expected to live; 3) the nature of the supply chain supporting project activities; and 4) geographic regions of importance for reporting results relative to the purpose of the study (e.g., regions that are of importance to an economic development program, such as the EB-5 Program).

The first key consideration for the analyst when specifying the regions of importance for the study is the county in which the project is located. I-O models determine impacts based on linkages between sectors and regions. Counties are the smallest geographic unit for which these data are available in most of the I-O tools and models in common usage. Therefore, the most appropriate geographic unit for determining impacts of a particular project is often the county (or in this case, independent city) in which the project is located. The Capstone Lofts EB-5 Project is located in the Independent City of St. Louis, Missouri; hence, one of the regions specified in the modeling.

The second key consideration for the analyst when specifying model regions is considering the geographic composition of the regional center to which the job impacts are being attributed. The geography of the regional center encompasses the two counties and one independent city making up the central area of the St. Louis, MO-IL Metropolitan Statistical Area (the "St. Louis MSA"), as defined by the United States Office of Management and Budget ("OMB"). Therefore, the area has been identified as a functional economy by its designation as an EB-5 Regional Center. Given that the Regional Center corresponds to a functional region which includes the county in which the EB-5 Project is located, the geography of the Regional Center is a region of importance for specification in the modeling.

The third key consideration when specifying regions in the model is the nature of the supply chain supporting project activities. Given the nature of their respective economic linkages, certain activities tend to have more geographically extensive or localized economic impacts as they draw inputs to production from other industries. Some examples of activities that tend to have extensive geographic impacts are those in the Construction (NAICS 23) sector and the Manufacturing (NAICS 31-33) sector. Industries in sectors such as these are typically referred to as goods-producing industries. Examples of activities that tend to have more localized economic impacts are those in the Retail Trade (NAICS 44-45) sector and the Accommodation and Food Services (NAICS 72) sector. Industries in sectors like these are typically referred to as service-providing industries.[11]

[11] The examples of sectors within the goods-producing and service-providing classifications were taken from the list of those classified as belonging to those groups provided by BLS on their website (http://www.bls.gov/iag/tgs/iag_index_naics.htm).

Goods-producing industries tend to have more extensive geographic impacts because they require an on-going supply of material inputs to production in order to be carried out. For example, major materials involved in building construction include masonry and concrete, metal and steel, and wood products and lumber. Furthermore, certain geographic areas tend to specialize in the production of the materials used as inputs to production, such as Pittsburgh with steel or Eugene, Oregon with lumber and other wood products. Therefore, projects needing these inputs throughout the country will source the materials from these regions despite the geographic location of the project. This specialization in the production of materials suggests that economic linkages will extend job creation to other regions of the United States.[12]

Another reason why goods-producing industries tend to have more geographically extensive economic impacts is that they and their geographically extensive, goods-producing suppliers tend to have higher average wages than many of the service-providing industries. For example, in the United States in 2014 the weighted average wages in goods-producing industries was $60,256, compared to only $49,381 for the service-providing industries. A similar divergence was seen in the State of Missouri, with weighted average wages of $53,722 and $42,852 for the goods-producing and service-providing industries, respectively.[13] The higher wages in goods-producing industries typically lead to greater induced impacts. Therefore, the induced impacts from a project in a goods-producing industry with higher average wages in its broad supply chain would be expected to be more geographically extensive than those from a service-providing industry with lower average wages and fewer material inputs to production.[14]

It should be noted that all of the new construction activity associated with the Project included in the modeling occurs within the Construction (NAICS 23) sector. Therefore, as the Construction (NAICS 23) sector falls under the categorization of goods-producing, which in turn means that the EB-5 Project is likely to have geographically extensive economic impacts, it is important that the analyst specify a region in the model that includes the remainder of the United States outside the geographic scope of the Regional Center.

The fourth key consideration for the analyst when specifying regions in the model is the purpose of the study. In the case of this economic impact study, the purpose is to assess the economic impacts of a project for consideration under the EB-5 Program. As such, regions of importance in the EB-5 Program should be included as regions specified in the model for the reporting of economic impacts. On page 13 of the May 30, 2013 EB-5 Adjudications Policy Memorandum, the USCIS identifies the regions of importance to the EB-5 Program by stating that a regional center must provide "*...a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy.*"[15] Therefore, the two regions of importance for the reporting of economic impacts under the EB-5 Program are the geographic scope of the Regional Center and the United States as a whole.

[12] One way to examine specialization is through the use of location quotients. Location quotients represent the ratio of a sector's employment share in a given geography to the same share in another. Examining the location quotient for the Pittsburgh, Pennsylvania Metropolitan Statistical Area in the Iron and Steel Mills and Ferroalloy Manufacturing (NAICS 3311) industry group for 2014, one finds that the share of employment in that industry group in Pittsburgh was 8.79 times the share of employment in that industry group in the United States. Similarly, the location quotient for the Wood Products Manufacturing (NAICS 321) subsector in the Eugene, Oregon Metropolitan Statistical Area reveals that the share of employment in that subsector in 2014 for Eugene was 9.07 times for that for the nation as a whole. These location quotients indicate that regions do specialize in the production of materials used in goods-producing sectors, as discussed above. Therefore, it stands to reason that other regions would import goods from these specialized areas. [Note: The location quotient data was obtained from the BLS website.]

[13] The wage data was obtained from the Quarterly Census of Employment and Wages data published by BLS.

[14] Additionally, there will be indirect effects associated with the new spending.

[15] Op. cit., page 13.

The importance of the United States as a region for specification in the modeling is further demonstrated by the following quote from page 15 of the May 30, 2013 EB-5 Adjudications Policy Memorandum:

> *"In developing the EB-5 Program, Congress intended to promote the immigration of people who invest capital into our nation's economy and help create jobs for U.S. workers. Therefore, the creation of jobs for U.S. workers is a critical element of the EB-5 Program."*[16]

Based on these two quotes from the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS, it is important that the analyst specify the regions in the model such that economic impacts can be reported for the geographic scope of the Regional Center and the United States as a whole.

Given the considerations discussed above, the analyst specified a three-region model in order to complete this economic impact study for the Project. The three specified regions were as follows: 1) the Independent City of St. Louis, Missouri; 2) the remainder of the geographic scope of the Regional Center; and 3) the remainder of the United States. Region 1 was specified as it represents the location of the project within an "independent city," which is a geographical entity equivalent to a county in this case. Region 2 was specified in the model because it represents the remainder of the larger functional economy that includes the Independent City of St. Louis, Missouri and in order to be able to examine the impacts of the Project within the geographic scope of the Regional Center to which the jobs are requested to be attributed. Region 3 was specified in the model in order to examine the effects of the Project on the total United States economy, given that the construction activities of the Project are in a goods-producing sector and given the focus of the EB-5 Program on the creation of jobs for workers in the United States.

The sum of the impacts in the Independent City of St. Louis, Missouri (Region 1) and the remainder of the geographic scope of the Regional Center (Region 2) represent the new economic impacts within the geographic scope of the Regional Center. The impacts within the geographic boundaries of the Regional Center plus the impacts in the remainder of the United States (Region 3) sum to the total expected new economic impacts for the United States as a whole. This model structure, when employed with the assumptions listed below and using the specific data inputs specified in *Table 3 Inputs* in *Section 4.1.2 Model Inputs* would enable an analyst to replicate the I-O model simulations employed in this study.

4.1.2 Impact Study Inputs

The relevant information and data used to develop the I-O model inputs for this study of the Capstone Lofts EB-5 Project included the amount and timing of the construction expenditures for the Project on an annual timeline and an income statement projecting revenues and expenses for the first five years of operations activity. The data from the project developers are laid out in a comprehensive and detailed business plan that will be filed along with the other materials in the petition. Using these project parameters, the analyst quantified the new business activity of the Project in each year and assigned it to the proper NAICS activity category, as shown in *Table 3 Economic Impact Study Inputs* below.

[16] Op. cit., page 15.

Table 3: Economic Impact Study Inputs

		Year 1	Year 2	Year 3
Construction Expenditures ($ Millions)	**NAICS**			
Gerhart Lofts				
Residential Construction	2361	$0.15	$2.02	
Non-Residential Construction	2362	$0.10	$1.35	
Truman Lofts				
Residential Construction	2361		$1.19	$4.48
Non-Residential Construction	2362		$0.07	$0.26

Note: All dollar values are presented in millions of nominal dollars.

Prepared by: Economic & Policy Resources, Inc.

Beyond the discussion above, key impact study details and assumptions for the Project are described below:

- In accordance with *Section 3.1.3 Development Timeline* of the Capstone Lofts EB-5 Project Business Plan, modeling was carried out on a calendar year basis. In this case, Year 1 corresponds to 2014; Year 2 corresponds to 2015; and so on.
- The detailed use of funds information contained in *Appendix 1 Detailed Uses of Funds* of the Capstone Lofts EB-5 Project Business Plan is the source of the impact study inputs associated with the construction activities for the Project. The table in the business plan appendix was adapted herein as *Table 2 Use of Funds Detail* in *Section 3.2.3 Use of Funds*.
- Total expenditures for both components total $19.84 million for the Project. Out of the total expenditures, only $9.62 million was included in the impact study. These included expenditures were categorized for use in the model as follows:
    - For the Gerhart Lofts component:
        - Residential Construction expenditures totaling $2.17 million in Years 1 and 2 (for a period of 19 months from start to finish or from May 2014 to November of 2015;
        - Non-Residential Construction expenditures totaling $1.45 million in Years 1 and 2 (for a period of 19 months from start to finish or from May 2014 to November of 2015).
    - For the Truman Lofts component:
        - Residential Construction expenditures totaling $5.67 million in Years 2 and 3 (for a period of 15 months from start to finish or from October 2015 through December of 2016);
        - Non-Residential Construction expenditures totaling $0.33 million in Years 2 and 3 (for a period of 19 months from start to finish or from October 2015 to December 2016).
- All project expenditures not detailed in the list above and *Table 3* were excluded from the impact study either because they are not appropriate for inclusion or because they are expected to have relatively insignificant impacts on the economy. The expenditures excluded from the impact study over the three-year period total $10.22 million.
    - Expenditures not appropriate for inclusion in the impact study are land acquisition, contingencies, certain fees, and financing and interest costs.
    - The expenditures that are not expected to have significant impacts on the economy are professional services expenditures and FF&E expenditures.

Operations of the Gerhart Lofts component will begin in November of 2015, in Year 2, and will consist of commercial business activities and apartment leasing activities. Operations of the Truman Lofts component will begin in January of 2017, in Year 4, and will consist of commercial building activities and apartment leasing activities. However, job creation arising from the operations phase was not included in the job count requested for support of the EB-5 capital raise.

4.2 Overview of Project Impacts

4.2.1 Job Creation and Other Economic Impacts

REDYN is capable of estimating all measurable linkages associated with the incremental economic activity in the NAICS categories modeled to describe the Capstone Lofts EB-5 Project.[17] This incremental activity will create and sustain employment. The EB-5 Project is expected to add new jobs within the geographic scope of the Gateway to the Midwest Investment Center due to the expended business activity related to the Project, an increase which has a ripple effect throughout the economy of the United States. As shown in *Table 4 Summary of the Total Project Impacts*, this study finds that, as a result of this new business activity and the subsequent ripple effects stemming from it, the Project will have significant economic impacts on the economy within the geographic boundaries of the Regional Center, the remainder of the United States outside the Regional Center geography, and, consequently, the United States as a whole.[18]

Table 4: Summary of the Total Project Impacts

	Year 1	Year 2	Year 3
Regional Center Economy			
Total Jobs	5	77	76
Output ($ Millions)	$0.60	$11.09	$11.14
Labor Income ($ Millions)	$0.31	$5.78	$5.79
Household Earnings ($ Millions)	$0.22	$4.06	$4.07
Outside the Regional Center Economy			
Total Jobs	3	86	85
Output ($ Millions)	$0.69	$15.47	$15.77
Labor Income ($ Millions)	$0.24	$5.41	$5.51
Household Earnings ($ Millions)	$0.27	$5.88	$5.97
Total United States Economy			
Total Jobs	8	163	161
Output ($ Millions)	$1.29	$26.55	$26.91
Labor Income ($ Millions)	$0.55	$11.18	$11.30
Household Earnings ($ Millions)	$0.49	$9.94	$10.05

Note: All dollar values are presented in millions of 2015 dollars.

Prepared by: Economic & Policy Resources, Inc.

[17] With regard to I-O tools and models, such as the REDYN model, the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS states on page 17 that *"due to the nature of accepted job creation modeling practices, which do not distinguish whether jobs are full- or part-time, USCIS relies upon the reasonable economic models to determine that it is more likely than not that the indirect jobs are created and will not request additional evidence to validate the job creation estimates in the economic models to prove by a greater level of certainty that the indirect jobs created, or to be created, are full-time or permanent."*

[18] All values are reported in constant 2015 dollars.

This economic impact study finds that the Project through planned construction activity will result in new and significant economic impacts for the economy within the geographic scope of the Regional Center as follows:

- The new job totals in each year are as follows:
  - 5 jobs in Year 1;
  - 77 jobs in Year 2;
  - 76 jobs in Year 3.
- A 3-year cumulative increase of $22.82 million in output.
- A 3-year cumulative increase of $11.88 million in labor income.
- A 3-year cumulative increase of $8.35 million in household earnings.

This economic impact study finds that the EB-5 Project, through planned construction activity, is expected to generate new and significant economic impacts for the United States economy outside the geographic scope of the Regional Center as follows:

- The new job totals in each year are as follows:
  - 3 jobs in Year 1;
  - 86 jobs in Year 2;
  - 85 jobs in Year 3.
- A 3-year cumulative increase of $31.93 million in output.
- A 3-year cumulative increase of $11.16 million in labor income.
- A 3-year cumulative increase of $12.12 million in household earnings.

This economic impact study finds that the EB-5 Project, through planned construction activity, will generate new and significant economic impacts for the United States economy as a whole as follows:

- The new job totals in each year are as follows:
  - 8 jobs in Year 1;
  - 163 jobs in Year 2;
  - 161 jobs in Year 3.
- A 3-year cumulative increase of $54.74 million in output.
- A 3-year cumulative increase of $23.04 million in labor income.
- A 3-year cumulative increase of $20.48 million in household earnings.

4.2.2 Direct and Indirect Jobs

Table 5 Direct and Indirect Jobs on the following page presents the United States job creation associated with the Capstone Lofts EB-5 Project separated into those jobs that are direct and those that are indirect.[19] By definition, all direct jobs are assumed to occur within the Independent City of St. Louis, Missouri, where the project activity is located. The number of direct and indirect jobs created as a result of the Project was determined using the REDYN model. The numbers highlighted in red correspond to the job

[19] Direct jobs are defined herein as those that are created immediately by the incremental change in final demand for a given project (e.g., the developer hires a construction management firm). Indirect jobs are created as materials and other inputs to production are supplied to the project (e.g., the supplier of steel to the construction firm hires additional staff). It should be noted that induced jobs, which are a subset of indirect jobs, are created when the new workers occupying the direct and indirect jobs spend their new income resulting from the project at other businesses (e.g., the workers patronize restaurants and retail stores).

impact numbers used by petitioners to support the EB-5 program job benefits request as presented in *Table 7 Summary of Model Specifications and Jobs Attributable to the Regional Center.*

Table 5: Direct and Indirect Jobs

	Year 1	Year 2	Year 3
Gerhart Lofts			
NAICS 2361 - Residential Construction			
Direct Jobs	1	16	0
Indirect Jobs	4	55	0
Total Jobs	5	71	0
NAICS 2362 - Non-Residential Construction			
Direct Jobs	1	11	0
Indirect Jobs	2	37	0
Total Jobs	3	48	0
Truman Lofts			
NAICS 2361 - Residential Construction			
Direct Jobs	0	9	34
Indirect Jobs	0	33	119
Total Jobs	0	42	153
NAICS 2362 - Non-Residential Construction			
Direct Jobs	0	1	2
Indirect Jobs	0	1	6
Total Jobs	0	2	8

Prepared by: Economic & Policy Resources, Inc.

Table 6 Model Simulation Direct and Indirect Jobs Calculations on the following page has been included to demonstrate how the REDYN model determines which jobs are direct and which are indirect. *Table 6* shows the REDYN calculations for the model simulation of the residential hard costs expenditures for the Project in Year 2. The REDYN model calculates direct jobs based on a productivity concept (i.e., based on the average output per employee). As such, the REDYN model divides the change in final demand in the specific NAICS category (Item D) by the average output per employee (Item C) for that NAICS category in the region in which the inputs were modeled in order to determine the number of new direct jobs that will be created (Item E). The number of indirect jobs (Item G) is calculated by subtracting the number of direct jobs (Item E) from the total number of new jobs (Item F). This same method was used for each NAICS category included in the modeling.

Table 6: Model Simulation Direct and Indirect Jobs Calculations

Gerhart Lofts Residential Construction [NAICS 2361] -- Year 2

NAICS 2361 Baseline Output ($000):	$34,056	[A]	Input Expenditures ($000):	$1,566	[D]
NAICS 2361 Baseline Employment:	347	÷ [B]	NAICS 2361 Baseline Output ($000)/Employee:	$98	÷ [C]
NAICS 2361 Baseline Output ($000)/Employee:	$98	= [C]	NAICS 2361 Direct Jobs	16	= [E]
			NAICS 2361 Total United States Jobs:	71	[F]
			NAICS 2361 Direct Jobs:	16	- [E]
			NAICS 2361 Indirect Jobs:	55	= [G]

Notes:
1. All output and expenditure figures are presented in millions of 2015 dollars.
2. The REDYN model baseline output and employment figures are those for the specific NAICS activity listed as calculated by the REDYN model for the Independent City of St. Louis, Missouri.
4. By definition, all direct jobs are assumed to occurr within the region in which the project activity is located. The economic activity for the Capstone Lofts EB-5 Project was modeled in the Independent City of St. Louis, Missouri, where the EB-5 project is located. Therefore, the input-output model assumes that all direct jobs occur within Independent City of St. Louis, Missouri.
5. Output per employee is a productivity concept. It measures the average output per employee in the specific NAICS activity being analyzed.

Prepared by: Economic & Policy Resources, Inc.

4.3 Request for Jobs Attributable to the Regional Center

It is requested that a subset of the total jobs estimated to be created by the construction activities of the Capstone Lofts EB-5 Project be attributed to the Gateway to the Midwest Investment Center. These jobs include indirect jobs arising from construction-related activities for both project components created in the total U.S. in Years 2 & 3. The rationale behind attributing the requested jobs to the Regional Center is based on the following: 1) the EB-5 Program requirement that direct jobs must last for at least two years; 2) the admissibility of a request to attribute jobs, including jobs both inside and outside the geographic scope of the Regional Center, to the Regional Center; and 3) the EB-5 Program requirement that the requested jobs occur within a reasonable time.

First, EPR would like to address the EB-5 Program requirement that direct jobs must last for at least two years. The following quote from the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS provides guidance:

> *"Direct jobs that are intermittent, temporary, seasonal, or transient in nature do not qualify as full-time jobs for EB-5 purposes. Consistent with prior USCIS interpretation, however, jobs that are expected to last for at least two years generally are not intermittent, temporary, seasonal, or transient in nature."*[20]

In the case of the Gerhart Lofts component of the project, construction activity lasts for less than two years. Therefore, only indirect jobs for each NAICS activity associated with construction are included in the request for jobs attributable to the Regional Center. The project construction timeline includes 8 months of construction in Year 1 and 14 months of construction in Year 2, totaling 19 months. Based on this information, Year 2 was chosen as the most appropriate year in which to count the indirect jobs as it represents the year in which a majority of the construction-related activity occurs.

In the case of the Truman Lofts component of the project, construction activity lasts for less than two years. Therefore, only indirect jobs for each NAICS activity associated with construction are included in the request for jobs attributable to the Regional Center. The project construction timeline includes 3 months of construction in Year 2 and 11 months of construction in Year 3, totaling 15 months. Based on

[20] Op. cit., page 17.

this information, Year 3 was chosen as the most appropriate year in which to count the indirect jobs as it represents the year in which a majority of the construction-related activity occurs.[21]

Next, EPR would like to address the admissibility of the request that jobs attributable to the Regional Center include jobs both inside and outside the geographic scope of the Regional Center. The following quote from the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS provides guidance:

> *"Indirect jobs can qualify and be counted as jobs attributable to a regional center, based on reasonable economic methodologies, even if they are located outside of the geographical boundaries of a regional center."*[22]

As previously mentioned in *Section 4.1.1 Geographic Scope*, based on the definition of direct jobs and the fact that the Regional Center encompasses a significant portion of the locations where the workers occupying the new jobs created as a result of the Project are expected to live, all direct jobs are assumed to be located within the geographic scope of the Regional Center. As such, all of the jobs outside the geographic boundaries of the Regional Center are indirect jobs and have been shown to be admissible under the EB-5 Program. Furthermore, it is to be expected that a project component comprised primarily of goods-producing activities would create jobs for workers throughout the economy of the United States.

Finally, EPR would like to address the EB-5 Program requirement that jobs attributable to a regional center occur within a reasonable time. The May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS states as follows:

> *"For purposes of the Form I-526 adjudication and the job creation requirements, the two-year period described in 8 C.F.R. §204.6(j)(4)(i)(B) is deemed to commence six months after the adjudication of the Form I-526. The business plan filed with the Form I-526 should reasonably demonstrate that the requisite number of jobs will be created by the end of this two-year period."*[23]

The jobs the petitioner is requesting be attributed to the Regional Center are estimated to arise in Years 2 and 3, depending on the specific project component. Therefore, both of these years need to fall within two years and six months of the adjudication of immigrant investor Form I-526 petitions. *Figure 4 Immigrant Investor and Project Development Timelines* in *Section 5.4 EB-5 Timeline* of the Capstone Lofts EB-5 Project Business Plan shows how the immigrant investor and project development timelines associated with the EB-5 Project align. As shown in *Figure 4*, the job-generating construction activities occurring in Years 2 and 3 will occur within two years and six months of the expected adjudication of immigrant investor Form I-526 petitions. Consequently, the request for jobs attributable to the Regional Center under the EB-5 Program satisfies the requirement that the jobs occur within a reasonable time.

For each NAICS category included in the modeling, *Table 7 Summary of Model Specifications and Jobs Attributable to the Regional Center* on the next page summarizes the following: 1) the model input specifications by year; 2) the total number of jobs created in the United States by year; and 3) the jobs the petitioner is requesting be attributed to the Regional Center under the EB-5 Program.

[21] With regard to indirect jobs, the May 30, 2013 EB-5 Adjudications Policy Memorandum states on page 17 as follows: *"Due to the nature of accepted job creation modeling practices, which do not distinguish whether jobs are full- or part-time, USCIS relies upon the reasonable economic models to determine that it is more likely than not that the indirect jobs are created and will not request additional evidence to validate the job creation estimates in the economic models to prove by a greater level of certainty that the indirect jobs created, or to be created, are full-time or permanent."*
[22] Op. cit., page 18.
[23] Op. cit., page 19.

Table 7: Summary of Model Specifications and Jobs Attributable to the Regional Center

Project Component	NAICS Activity Code	Model Inputs ($Millions)	Total United States Job Creation	Job Creation Attributable to the Regional Center
CONSTRUCTION - Gerhart Component				
Residential Construction	2361	Year 1: $0.15 **Year 2: $2.02** Year 3: $0	Year 1: 5 **Year 2: 71** Year 3: 0	**55** *[Indirect, Year 2]*
Non-Residential Construction	2362	Year 1: $0.10 **Year 2: $1.35** Year 3: $0	Year 1: 3 **Year 2: 48** Year 3: 0	**37** *[Indirect, Year 2]*
CONSTRUCTION - Truman Component				
Residential Construction	2361	Year 1: $0 Year 2: $1.19 **Year 3: $4.48**	Year 1: 0 Year 2: 42 **Year 3: 153**	**119** *[Indirect, Year 3]*
Non-Residential Construction	2362	Year 1: $0 Year 2: $0.07 **Year 3: $0.26**	Year 1: 0 Year 2: 2 **Year 3: 8**	**6** *[Indirect, Year 3]*
Total Job Creation Attributable to the Regional Center (Gerhart + Truman Construction):				**217**
				Prepared by: Economic & Policy Resources, Inc.

As shown, the request for jobs attributable to the Regional Center totals 217 new jobs. This total consists of indirect jobs arising in the total U.S. from construction-related activity in Years 2 & 3.

Section 5. Conclusion

EPR was commissioned to examine the economic impacts, including job creation, of the Capstone Lofts EB-5 Project for the purposes of a petition to the USCIS seeking immigration benefits under the EB-5 Program. Based on information and data supplied by the project developers, and additional research conducted as necessary by the analyst, model simulations of the Project were conducted using the REDYN model. The results of those model simulations showed new and significant economic impacts.

Out of the total economic impacts estimated to result from the Project, it is requested that 217 new jobs be attributed to the Gateway to the Midwest Investment Center. These requested jobs consist entirely of new indirect jobs arising in the total U.S. from construction-related activity in Years 2 & 3. All job creation included in the request is created within 2 ½ years of the expected approval of the first immigrant investor I-526 petition.

The economic impact estimates presented in this study demonstrate specifically how a project consistent with the parameters of the Project will promote economic growth within the economy of the geography of the Regional Center, in the economy of the remainder of the United States outside the geography of the Regional Center, and, consequently, in the economy of the United States as a whole. Therefore, EPR has concluded that approval of the petition containing this impact study by the USCIS under the EB-5 Program will result in the creation of a significant number of new jobs for workers in the United States.

The May 30, 2013 EB-5 Adjudications Policy Memorandum issued by the USCIS states as follows on page 15:

> *"In developing the EB-5 Program, Congress intended to promote the immigration of people who invest capital into our nation's economy and help create jobs for U.S. workers. Therefore, the creation of jobs for U.S. workers is a critical element of the EB-5 Program."*[24]

As such, the approval of the petition containing this impact study by the USCIS under the EB-5 Program will result in the creation of a significant number of new jobs for workers in the United States, consistent with the intent of Congress when creating the EB-5 Program.

[24] Op. cit., page 15.

Appendix 1. Required Reporting of Impacts in Select NAICS Categories

The new economic impact totals described in *Section 4.2.1 Job Creation and Other Economic Impacts* are comprised of impacts in numerous NAICS categories important to the regional and national economies. The regulations at *8 C.F.R. §204.6(m)(3)(iv)* require that employment and economic output estimates generated by reasonable methodologies be reported for certain NAICS categories. The categories identified in the regulations are as follows: 1) the Utilities (NAICS 221) subsector; 2) the Construction (NAICS 23) sector; 3) the Professional, Scientific and Technical [Business] Services (NAICS 541) subsector; and 4) the Maintenance and Repair (NAICS 811) subsector.[25] To be in compliance with this reporting requirement, detailed predictions of impacts associated with the Capstone Lofts EB-5 Project within the identified NAICS categories are reported for the economy within the geography of the Gateway to the Midwest Investment Center, the economy of the remainder of the United States outside the geographic scope of the Regional Center, and the United States economy as a whole.[26]

Within the Regional Center Employment and Output Impacts in Required NAICS Activities

	NAICS Activity	Year 1	Year 2	Year 3
Employment Impacts	Utilities (NAICS 221)	0	0	0
	Construction (NAICS 23)	2	38	37
	Construction of Buildings (NAICS 236)	*2*	*38*	*36*
	Heavy and Civil Engineering Construction (NAICS 237)	*0*	*0*	*0*
	Specialty Trade Contractors (NAICS 238)	*0*	*0*	*1*
	Professional, Scientific, and Technical Services (NAICS 541)	0	4	4
	Repair and Maintenance (NAICS 811)	0	0	0
	Subtotal	**2**	**42**	**41**
Output Impacts ($2015, Millions)	Utilities (NAICS 221)	$0.00	$0.00	$0.01
	Construction (NAICS 23)	$0.26	$4.83	$4.84
	Construction of Buildings (NAICS 236)	*$0.26*	*$4.69*	*$4.70*
	Heavy and Civil Engineering Construction (NAICS 237)	*$0.00*	*$0.01*	*$0.01*
	Specialty Trade Contractors (NAICS 238)	*$0.00*	*$0.13*	*$0.13*
	Professional, Scientific, and Technical Services (NAICS 541)	$0.04	$0.59	$0.63
	Repair and Maintenance (NAICS 811)	$0.00	$0.05	$0.05
	Subtotal	**$0.30**	**$5.47**	**$5.53**

The table above describes the employment and output impacts of the Project by required NAICS category for the economy within the geography of the Regional Center. These impacts included increased demand as follows:

- A 3-year cumulative impact of $0.01 million for the Utilities (NAICS 221) subsector.
- A 3-year cumulative impact of $9.93 million for the Construction (NAICS 23) sector.
- A 3-year cumulative impact of $1.26 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.
- A 3-year cumulative impact of $0.10 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within most of the examined NAICS activities.

[25] The EB-5 Program regulations at 8 C.F.R. §204.6(m)(3)(iv) state that the petitioner shall submit a petition which "*contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings,* ***greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center.***" [Emphasis added].

[26] All values are reported in constant 2015 dollars.

Outside the Regional Center Employment and Output Impacts in Required NAICS Activities

	NAICS Activity Name	Year 1	Year 2	Year 3
Employment Impacts	Utilities (NAICS 221)	0	0	0
	Construction (NAICS 23)	0	3	4
	Construction of Buildings (NAICS 236)	*0*	*0*	*1*
	Heavy and Civil Engineering Construction (NAICS 237)	*0*	*0*	*1*
	Specialty Trade Contractors (NAICS 238)	*0*	*3*	*2*
	Professional, Scientific, and Technical Services (NAICS 541)	0	7	6
	Repair and Maintenance (NAICS 811)	0	1	1
	Subtotal	**0**	**11**	**11**
Output Impacts ($2015, Millions)	Utilities (NAICS 221)	$0.01	$0.26	$0.27
	Construction (NAICS 23)	$0.01	$0.40	$0.41
	Construction of Buildings (NAICS 236)	*$0.00*	*$0.09*	*$0.09*
	Heavy and Civil Engineering Construction (NAICS 237)	*$0.00*	*$0.05*	*$0.06*
	Specialty Trade Contractors (NAICS 238)	*$0.01*	*$0.26*	*$0.26*
	Professional, Scientific, and Technical Services (NAICS 541)	$0.04	$0.87	$0.88
	Repair and Maintenance (NAICS 811)	$0.00	$0.15	$0.17
	Subtotal	**$0.06**	**$1.68**	**$1.73**

The Project will also have employment and output impacts in the required output NAICS categories in the economy of the remainder of the United States outside the geography of the Regional Center. These impacts included increased demand for the required output NAICS activities as follows:

- A 3-year cumulative impact of $0.54 million for the Utilities (NAICS 221) subsector.
- A 3-year cumulative impact of $0.82 million for the Construction (NAICS 23) sector.
- A 3-year cumulative impact of $1.79 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.
- A 3-year cumulative impact of $0.32 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within most of the examined NAICS activities.

Total United States Employment and Output Impacts in Required NAICS Activities

	NAICS Activity Name	Year 1	Year 2	Year 3
Employment Impacts	Utilities (NAICS 221)	0	0	0
	Construction (NAICS 23)	2	41	41
	Construction of Buildings (NAICS 236)	*2*	*38*	*37*
	Heavy and Civil Engineering Construction (NAICS 237)	*0*	*0*	*1*
	Specialty Trade Contractors (NAICS 238)	*0*	*3*	*3*
	Professional, Scientific, and Technical Services (NAICS 541)	0	11	10
	Repair and Maintenance (NAICS 811)	0	1	1
	Subtotal	**2**	**53**	**52**
Output Impacts ($2015, Millions)	Utilities (NAICS 221)	$0.01	$0.26	$0.28
	Construction (NAICS 23)	$0.27	$5.23	$5.25
	Construction of Buildings (NAICS 236)	*$0.26*	*$4.78*	*$4.79*
	Heavy and Civil Engineering Construction (NAICS 237)	*$0.00*	*$0.06*	*$0.07*
	Specialty Trade Contractors (NAICS 238)	*$0.01*	*$0.39*	*$0.39*
	Professional, Scientific, and Technical Services (NAICS 541)	$0.08	$1.46	$1.51
	Repair and Maintenance (NAICS 811)	$0.00	$0.20	$0.22
	Subtotal	**$0.36**	**$7.15**	**$7.26**

The table above describes the employment and output impacts by required output NAICS activity for the United States economy as a whole. These impacts include increased demand for the required output NAICS activities as follows:

- A 3-year cumulative impact of $0.55 million for the Utilities (NAICS 221) subsector.
- A 3-year cumulative impact of $10.75 million for the Construction (NAICS 23) sector.

- A 3-year cumulative impact of $3.05 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.
- A 3-year cumulative impact of $0.42 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within most of the examined NAICS activities.

Appendix 2. About Economic & Policy Resources, Inc.

Economic & Policy Resources, Inc. began providing consulting services to public and private clients in 1983. Our staff is comprised of 10 full-time employees. We deliver economic, financial, planning, and public policy services to support our clients' critical decision-making processes. Our staff of economic, financial, planning, and policy analysts uses state-of-the-art analytical tools and methods to inform and address client issues. EPR has developed and has access to extensive data (including proprietary data) and analytical tools to provide credible, fully considered analyses and results. We have a proven record of accomplishment on a wide-range of studies involving economic, socioeconomic, community and economic development, and public policy topics. Our completed projects list includes over 150 economic impact studies submitted for consideration under the EB-5 Program over the past 10 years.

Appendix 3. Limitations and Contingent Conditions

The results of this economic impact study should be viewed with certain limitations. This analysis is intended to assist the USCIS and interested parties in estimating the economic impact potential associated with the proposed EB-5 Project for the economy within the geographic scope of the Regional Center, the economy for the remainder of the United States outside the geography of the Regional Center, and for the economy of the United States as a whole.

- In undertaking this assignment, we employed accepted practices and assumptions designed to produce conservative estimates for purposes of understanding the potential impacts of the EB-5 Project. Actual results could differ.
- It should also be noted that specific estimates of year-to-year impacts are difficult to make with a high degree of accuracy. The expected impacts of the EB-5 Project in any one year could deviate from those presented in this report due to factors that are beyond the scope of this analysis, such as interest rates and business cycles.
- The authors believe the study is a reasonable and conservative estimate of the likely economic impacts of this development activity under the assumptions employed in this study as of the date of this report.

Data and information utilized in the analysis was obtained from the project developers, various industry sources, (e.g., selected trade associations), and other third party publications (e.g., from authoritative federal government departments and agencies) which are commonly used and relied upon by economic analysts. Information supplied by the project developers has been accepted as correct without further verification, although we conducted routine quality control checks for reasonableness and internal consistency. We express no opinion on the accuracy of the information provided to us by the project developers. The report reflects facts and conditions existing and known as of the date of the report. Subsequent events and additional information may require a review and alteration of the opinions and conclusions presented herein.

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the prior written consent of the client or of EPR and, in any event, not without proper attribution. The opinions expressed herein are valid only for the purposes described herein.

EPR has no present or prospective interest in the entity that is the subject of this report and has no personal interest or bias with respect to the parties involved. EPR is paid an hourly rate for time spent in analyzing and preparing its conclusions and opinions. EPR's fees are not contingent upon the outcome of any event for which this report may be used.

Appendix 4. The REDYN Model

I. Introduction to the REDYN Model

Economic impact modeling to determine the likely economic impacted associated with the EB-5 Project was performed using the REDYN model. The REDYN model has been used to assess the new economic benefits associated with economic development projects, new businesses, certain types of policy changes, and utility power projects in various states throughout the country in a variety of analytical settings. EPR has used the REDYN model in more than 175 studies overall, including more than 150 economic impact studies submitted for consideration under the EB-5 Program.

The REDYN model employed for this economic impact study estimates the impact a specific investment will generate throughout a set of regions, in this case the impact of the EB-5 Project in the economies of the geographic scope of the Regional Center, the remainder of the United States outside the geography of the Regional Center, and the United States as a whole. The I-O model uses a dynamic (or longitudinal) approach that simulates not only the relationships between activities in an economy (e.g., the Construction (NAICS 23) sector is linked to the Architectural, Engineering, and Related Services (NAICS 5413) industry group), but also the interconnectivity of regions (e.g., that goods and services are exchanged between the New York-Jersey City-White Plains, NY-NJ Metropolitan Division and the Newark, NJ-PA Metropolitan Division). The dynamic element of the model has a well-developed impedance database that is able to account for temporal effects due to competitive differences between either geographic regions and/or different economic activities. Over time, these competitive pressures emerge and then tend to bring the regional economy back to equilibrium. The process, in that way, depicts the so called "ripple effect" impact that economic changes have on a region.

The REDYN model has been used previously in adjudications that were approved by the USCIS under the EB-5 Program. The REDYN model is one of four I-O tools and models that have been recognized as accepted methodologies for estimating indirect job creation in the Adjudicator's Field Manual issued by the USCIS, with the others being the RIMS II tool, the IMPLAN tool, and the REMI model. The following sections explain in detail how the REDYN model software works and why it is a valid and preferred approach for determining the economic impacts of EB-5 projects. In addition to this explanation, further detail on the REDYN model can be found in the exhibits appended to the end of this report, which are listed below in the schedule of exhibits.

II. Advantages of the REDYN Model

The internet based REDYN model was principally developed by the late Thomas Tanner, Ph.D., a former model manager at REMI of Amherst, Massachusetts. Dr. Tanner was a former member of the faculty at the University of Georgia, and was most recently employed at the Strom Thurmond Institute of Government and Public Affairs at Clemson University at the time of his death in May of 2009. Dr. Tanner's work experience at REMI gave him the expertise to create an alternative to the REMI model. The result is an integrated I-O model of the counties and cities of the United States which has significant advantages over the existing menu of retail I-O models.

The REDYN model employs a concept known as New Economic Geography, a theory first developed by Nobel Laureate Dr. Paul Krugman while he was at the Massachusetts Institute of Technology (please refer to Exhibit 1). This philosophy employs "fully general equilibrium" models that "derive aggregate behavior from individual maximization." This competitive framework is translated into a model that

makes the assumption that "commodities produced by an industry are truly joint in the production process, as prescribed by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry."

New Economic Geography also focuses on agglomeration economies and the relationships between them in different levels of geographic space.[27] To illustrate this, consider a tight group of commercial establishments configured as a mall, which is an agglomeration of retail establishments. This is the smallest level of an agglomeration economy. It is related to the regional commercial market which is part of the national and world markets. It is the linkages between these levels of economic agglomeration that New Economic Geography seeks to explain and illustrate.

Like all I-O tools and models, the REDYN model calculates the effects of a new final demand stimulus into three general categories. Category 1 includes the direct effects, which measure the change in the NAICS activities where the final demand change was effectuated. Category 2 effects include the indirect effects, which are those changes in inter-sector purchases as they respond to the new final demand change in the directly affected NAICS activities. Category 3 effects include induced effects, which are due to changes in spending from affected workers and their households as labor income either increases or decreases due to the change in final demand. The REDYN I-O model software calculates all three of these effects just like any other I-O tool, but as a dynamic I-O model, like the dynamic REMI model, the REDYN model has the capability through its structure to analyze the impacts over time of the entire EB-5 project and its components as part of a single integrated development scenario.

In its simplest form, the estimation process is comprised of two fundamental steps. These steps are as follows: 1) calculations to determine what are commonly referred to as national coefficients, which are based on production functions;[28] and 2) determinations as to what proportion of those goods and services are purchased within the region. The first calculations estimate how much input is used in any given year to produce a given amount of output in that same year. The second group of calculations referred to above involves calculations of what are referred to as regions purchase coefficients ("RPCs"). These RPCs estimate what proportion of those goods and services are purchased within the region in question.

The REDYN model, like the IMPLAN tool and the REMI model, handles all these calculations within the model software based on the geography and type of stimulus specified by the analyst. The REDYN model is geographically specified so that RPCs are calculated for all involved sectors based on purchases of goods and services from firms within the region. The matrix can be, and usually is, large and complex. RPCs tend to be higher for service-providing sectors and lower for goods-producing sectors. The REDYN model calculates indirect jobs through the I-O simulation process using quantified national relationships from the I-O tables and RPCs as calculated within software algorithms embedded in the REDYN model.

There is a crucial distinction to be made between I-O models, such as the REDYN and REMI models, and tools that use an extracted single number I-O coefficient which measures an impact in a single year, such as the RIMS II tool. The multiplier approach involves simple multiplication where a single number estimate of a change in final demand can be done in a spreadsheet. The REDYN and REMI models do not employ single multiplier calculations, but derive their predictive ability on interconnected matrices of make-and-use tables for specific sectors and specific regions. Therefore, I-O models use a large matrix of

[27] Agglomeration economies refer to circumstances where economic units, although competing, find it mutually advantageous to co-locate or to locate sufficiently close enough to share production resources and/or customers.

[28] This is a process whereby the amount of input (and the corresponding number of jobs and amount of income) required to produce an amount of output of a final product or service is estimated.

multipliers that literally includes hundreds, and sometimes thousands, of multipliers. Impact studies undertaken using the REDYN model can treat a project as a single integrated development scenario and compare the economy under that scenario to a "base case" for the regional economy, with the base case being a scenario in which the project was not undertaken.

III. REDYN Model Data Sources

The REDYN model, like the other recognized I-O tools and models, is based on the concept of a production function, which determines what are called the make-and-use tables. These tables quantify the amount of inputs that are required to produce a unit of output across a number of sectors. The basic data underlying these tables are collected by the United States Department of Commerce, principally through its sub-agency, the BEA. The vast amount of data come from a variety of sources and the data collected are converted into production accounts on a national income basis and I-O accounts basis, called the National Income and Product Accounts ("NIPA"). These accounts are assembled into various tables including transactions tables, which track the economic flows between producers and users of commodities, as well as the commodity taxes, transportation charges, wholesale and retail trade margins between producers and users, and final use tables. These tables are the building blocks for the I-O accounts, from which various multipliers are derived.[29]

Regional I-O models can be constructed using a geographically tailored I-O matrix. Such a matrix takes into account RPCs, which are calculated based on the proportion of goods and services required to produce one unit of output that are produced *within a defined geographical region*. These RPCs for most I-O models are based on subsets of the same national data described above. For the REDYN model, the underlying matrix has all these coefficients embedded in the model, as it is for the REMI model and the IMPLAN tool.

In addition, the REDYN model uses a variety of supplemental data provided by entities of the United States government. The industry structure for the model is the North American Industry Classification System to the five-digit level. This allows the model to provide detail for 713 industries and over 180 commodities for the geographic regions specified in the model (please refer to Exhibit 2). This classification system and level of detail makes the REDYN model's output compatible for comparison to government reported statistics as this is the system used for publishing economic data by the BEA, the BLS, and the Census Bureau.

The REDYN model also employs data from the Census Bureau's County Business Patterns ("CBP"). The Census Bureau's CBP data is the source for wage bill payroll data and employment data used in the REDYN model. The model's developers preferred this approach since it is an annual series that is more complete in its coverage of the workforce than the BLS' Quarterly Census of Employment and Wages ("QCEW") series, as it includes self-employed persons, employees of private households, agricultural production workers, and railroad workers. These workers are not covered by most state unemployment insurance systems and are therefore not reported in the QCEW series.

The CBP data set also is preferred because it provides detail about wages and employment down to the zip code level where concentration of industry is high enough to provide reportable data. The suppression of data due to confidentiality issues is a common problem for all types of wage and

[29] United States Department of Commerce, Bureau of Economic Analysis. Concepts and Methods of the U.S. Input-Output Accounts. September 2006, Updated April 2009.

employment data used in specifying I-O models. The REDYN model has developed a method to fill in the blanks called row-and-column sum ("RAS").

After performing the RAS analytics on the CBP data it is reconciled with Regional Economic Information System ("REIS") data from the BEA to confirm consistency. The REIS data are especially helpful for providing data in the agriculture and governmental sectors. The REIS data are also used to allocate national consumption numbers to the roughly 3,100 counties in the United States that are provided on the aggregate level by the NIPA. The levels of consumption of sectors and households are a key building block in the creation of I-O models (please refer to Exhibit 3).

The I-O tables themselves are created using BEA I-O make-and-use tables (described above). The data in these tables are augmented by the biennial 10-year I-O forecast tables from the BLS. A major difference between the REDYN model and other I-O models is its use of a new distance impedance database supplied by the Oak Ridge National Laboratory (please refer to Exhibit 4). This allows the REDYN model to add elements of trade flow and gravity theory based on distance impedance specific to road, rail, water, air, and proxy transport. The combination of these data sources gives the REDYN model the power to predict the economic impacts of a wide range of economic changes with greater accuracy than ever before.

IV. Schedule of Exhibits

- Exhibit 1: The Business of Regional Dynamics, Inc.: Economic Modeling Redefined.
- Exhibit 2: How the Regional Dynamics Economic Model Works: The REDYN Model in a Nutshell.
- Exhibit 3: REDYN Model Data Sources and Baseline Estimation Process: Where the REDYN Model Gets Data.
- Exhibit 4: The Regional Dynamics Economic Analysis Model: What the REDYN Model Does.

Exhibit 1:
The Business of Regional Dynamics, Inc.:
Economic Modeling Redefined – Source: Regional Dynamics, Inc.

The Business of Regional Dynamics, Inc.

Economic Modeling Redefined

Regional Dynamics is an economic modeling company. We offer the REDYN advanced economic model by web subscription or batch services to consultants, agencies, firms, planners, and analysts (users). REDYN runs on the Internet. Subscriptions include advice to apply and interpret the model. Our model estimates the multi-regional impacts and year-by-year (dynamic) nonlinear effects on industries, consumers, and governments from changes in company sales, jobs, wages, or investments; changes in taxes or personal or government spending; or public policy changes such as energy, environment, school, health, or security measures. The results are called simulation forecasts, or simulations.

Our model is a fundamental re-envisioning of economic theory applied to estimating multi-regional, dynamic effects. It reflects advances in New Economic Geography, especially gravity theory (regional attraction) and trade flow (regional imports/exports), based on a new distance impedance database from Oak Ridge National Laboratories that enables calculating trade flow by commodity by road, rail, water, air, and proxy transport. The breakthrough in design is the commodity production linkage between the trade flow process and an entity-based data structure for the economy. Entities include industries, workers, governments, investors, etc., and commodities are the goods they use and make.

The upshot—users can build and run multiple online custom models on the fly for solid project analysis. These features make REDYN more flexible, complete, and accessible than any other modeling process—in a nutshell: *No sticker shock; better solutions.*

Because our model runs on the Internet for all 3,100+ US counties, it meets the need for multi-regional tools usable by state, regional, Federal, and consulting organizations who share policy or forecasting interests or economic impact interests in the same geographic areas. The model's fresh, efficient design and its Internet accessibility make it ideal for supporting long-term collaborative efforts as well as for doing individual studies.

The model also is ideal for studying effects of sequential regional inputs, or generating a schedule of responses from a large set of alternative inputs, across a very large number of counties. Repetitive changes across many regions may be better handled as an offline batch job following an analytic script rather than as an Internet project. However, the batch approach has an engagement element as follows: After a user calls us, we accept and review the user's study information, set up and run the script, then produce and deliver agreed brief script reports in hard copy or electronic format from the simulation results. Alternatively, users can subscribe online to their simulation results so they can create their own simulation-based script reports at will for open-ended multiple studies.

We offer model subscriptions to consultants, but we're not in the consulting business. We're happy to initiate or partner with consultants if an agency, company, or other group issues a request for proposals (RFP) to do a study involving economic modeling and consulting. However, we'd prefer that the consultants do the modeling and produce the study defined in the RFP, and mention our name and modeling process in the study.

Exhibit 2:
How the Regional Dynamics Economic Model Works:
The REDYN Model in a Nutshell – Source: Regional Dynamics, Inc.

How the Regional Dynamics Economic Model Works

The REDYN Model in a Nutshell

REDYN is a dynamic, nonlinear, endogenous, Input-Output (I-O), computable general equilibrium (CGE) economic and demographic forecasting and analysis engine based on the North American Industrial Classification System (NAICS). REDYN's online model-building edge excels at providing a uniquely complete and consistent Internet tool to configure and access plans, policies, events, and risks fully and very rapidly.

The REDYN model reflects advances in New Economic Geography (NEG) for gravity theory and trade flow to estimate all local and multi-regional trade flow effects by commodity by distance by transport mode by direction in response to any output or demand changes. It does not lock each industry into a straight-line industry transport cost within one implied universal transport distance, mode, and direction between county pairs. In addition, its multi-regional scope always includes the whole regionalized US economy in every forecast and simulation.

REDYN's breakthrough design links three elements into one core activity: its continuous make-and-use commodity transformation production function, its NEG trade flows, and its entity-based data structure for the economy (social accounting matrix). All industries and entities including labor both use and make one or more commodities (goods and services). All commodities use appropriate transport modes, or communications mode if non-material.

The REDYN model moves all commodities including labor both within counties and between all county pairs and the automatic rest-of-US area by five transport modes (road, rail, water, air, and estimated). It uses I-O transport demand and Cobb-Douglas step-wise adjustments (equal proportion changes, i.e., constant elasticity of substitution) to assign commodities to modes, and a detailed Oak Ridge National Laboratory impedance database to account for accessibility (impedance) by mode, distance, and travel direction by commodity (accounting for net elevation difference effects) between all origin-destination pairs.

Users can control access (impedance) either at a mode level, or at a commodity-by-mode level. The Cobb-Douglas shift of commodities toward transport mode(s) with increased accessibility (reduced impedance values) induces changes in delivered prices for all affected commodities including labor. The industries or entities producing or using the affected commodities then adjust their output and thus their need for inputs.

The price-driven output and input adjustment process also applies if a user models a non-transport change or policy, such as an impact, demand, cost, tax, or price scenario. These changes affect local and remote supply and demand for one or more commodities, and thus their delivered prices after they pass through the transportation system. To varying degrees, the process then affects delivered prices, outputs, and inputs for all commodities through the continuous commodity transformation production function applied by every industry and entity wherever located. Expressed over time and distance, this ongoing cycle is the essence of modern CGE-NEG modeling and forecasting defined by REDYN.

Operationally, REDYN's multi-processor Internet server carries active regions for over 3,100 counties, 700 industries, 820 occupations, hundreds of commodities, and a 50-year forecast in a 2-terabyte database. It offers much more power, flexibility, and multi-user access, including consultant and institutional collaboration, than desktop systems offer.

The REDYN model framework takes the traditional economic concept of the circular flow diagram absolutely seriously, and discards the artificial primacy given to the idea of factor inputs to production. The framework views the economy as a comprehensive, continuous process in which industries and entities convert input commodities into output commodities. For example, producers or industries clearly do this, as is seen in the classic I-O table structure based on real-world business behavior.

Labor too can be viewed as an "industry" or entity. It converts consumer goods and services into a wage bill, which is a market commodity behaviorally identical to any other. Similarly, remittance cohorts, defined as the unemployed as well as all individuals such as retired persons and others who receive government payments through transfers, can be seen as entities that convert consumer goods and services into transfer payments.

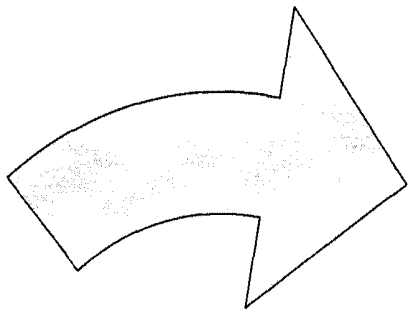
Likewise, governments convert purchases of commodities including industry goods and services and labor's wage bill into government goods and services that are "purchased" primarily through tax revenue. Finally, the model includes "investors" to produce financial capital, "speculators" to produce physical capital, and "land" to anchor each regional economy with its particular attributes so that the regions do not collapse together as would occur if all regions had the same basic labor, farm, water, mineral, and infrastructure resources when multiregional transport costs are considered.

The REDYN model can be visualized as regional entities using, making, and moving commodities in an organized circular process that captures supply (making goods and services), demand (using goods and services), and delivered price (costs for making and moving goods and services) to clear the supply and demand for all commodities in and across all regions.

The charts on the next five pages summarize the model's operation as follows...

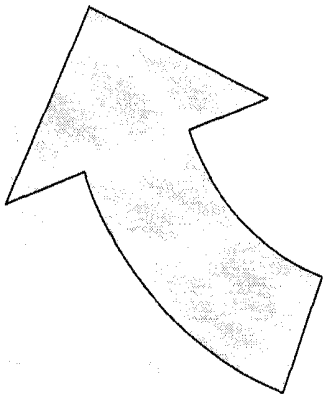
- Circular Flow Economic Entity Process
- Commodity Make Table by Entity
- Commodity Use Table by Entity
- Entity Production Function Form by Region
- Demographics and Migration
- Economic Model Schematic Summary
- Economic Model Production Function and Commodities by Entity
- Economic Model Prices and Trade Flow

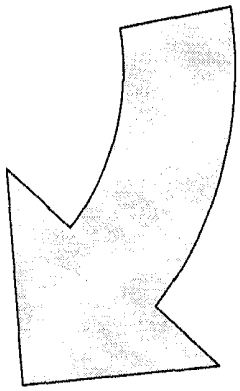
CIRCULAR FLOW ECONOMIC ENTITY PROCESS In & Between All Regions



USE Commodities:
Demand
(Delivered Price = ExWorks Price + Transport Cost)

MAKE Commodities:
Supply
(ExWorks Price, i.e., price at source of good or service)





MOVE Commodities:
Trade Flow
(Transport Cost by Commodity, Distance, Mode, and Direction for all Regional Pairs)
5 Modes: Road, Rail, Water, Air, Other

ENTITIES MAKE:	Producer Goods	Wage Bills	Transfr Pmts	Govt Goods	Fincl Cap (Div-Int-Rent)	Phys Cap (Resid, P&E)	Land
Producers	x						
Labor		x					
Remittance Cohorts			x				
Governments				x			
Financial Capital Providers (Investors)					x		
Physical Capital Makers (Speculators)						x	
Land							x

ENTITIES	Producers	Labor	Remits	Govts	Investors	Spec	Land
USE—							
Producer Goods&Svcs	x	x	x	x	x	x	
Labor (Wage Bill)	x			x		x	
Transfr Pmts/Taxes				x			
Govt Goods&Svcs	x	x	x	x	x	x	
Fincl Cap (Div-Int-Rent)						x	x
Phys Cap (Resid, P&E)	**P&E**	**Res**	**Res**	**P&E**	**Res**		
Land	x	x	x	x	x	x	

Entity PRODUCTION FUNCTION FORM by Region

Input Demanded					Output (Sales) Supplied			
Commodity	Qty	RPC	Dlvrd Price	Jobs	Commodity	Qty	ExWorks Price	Intl Pct
Land	x	**1.0**	x		Primary	x	x	x
Residential	x	x	x		2nd	x	x	x
Financial	x	x	x		3rd	x	x	x
Plant&Equip	x	x	x		4th	x	x	x
Wage Bill	x	x	x	x	Others/Misc	x	x	x
Goods&Svcs	x	x	x		Scrap	x	x	x

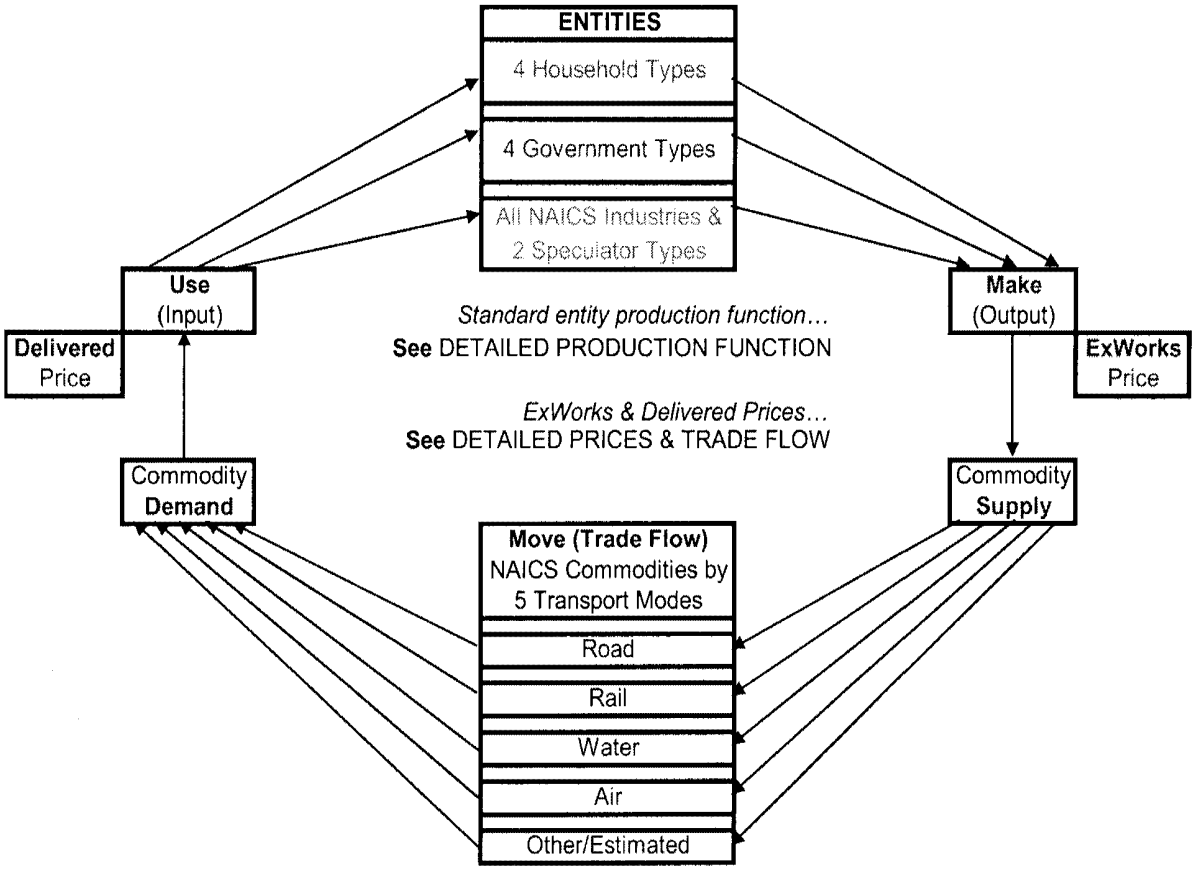
DEMOGRAPHICS: Cohort-survival estimation

- White, non-Hispanic
- Black, non-Hispanic
- Other, non-Hispanic
- Hispanic
- Male or Female
- Ages 0-1, 2-99 by year, 100+ years

MIGRATION: Induced by economic activity

- Intrinsic behavior of economic labor's wage bill commodity (historical relationships by region across wage bill, output, jobs, and people)
- Estimate wage bill and output changes, then scale to jobs and people (rational expectations notion)
- Subject to regional constants by cohort (controls for demographic composition)

REDYN Economic Model Schematic-SUMMARY
1/21/2006



REDYN Economic Model Schematic-DETAILED ENTITY PRODUCTION FUNCTION

1/21/2006

Standard Make & Use Production Function for All Entities

Entities ... Producers, Labor, Remittance Cohorts, Govts, Investors, Speculators

Standard Make & Use Production Function by Entity Group ...

Industries (By NAICS Code); **Speculators** (Capital Goods Makers: Residential, and Nonres Plant & Equip)

Use Commodites: Land, P&E (Indus only), Financial (Spec only), Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Producer Indus (Primary, Others, Misc, Scrap); Spec (Res, P&E) [ExWorks Prices]

Households (Workers; Unemployed & Retired; and Savers)

Use Commodites: Land, Res, Goods&Svcs [Dlvrd Prices]

Make Commodities: Wage Bill, Proprietors Income, Transf Pmts, Div-Int-Rent [ExWorks Prices]

Govts (Fed Mil & Nonmil, and State & Local Educ & Noneduc)

Use Commodites: Land, Transf Pmts/Fees&Taxes, P&E, Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Primary, Others, Misc, Scrap [ExWorks Prices]

Commodites

All NAICS Commodities ... Supplied & Demanded ...

Aggregated by Detailed NAICS Commodity Across All Entities by Region ...

Supplied Categories (Make By)

Land (Fixed by Region)
Residential (Speculators)
Div-Int-Rent (Households)
Plant & Equip (Speculators)
Wage Bill & Prop Income (HH)
Transf Pmt/Fee/Tax (HH/Indus/Spec)
Primary/Others/Misc/Scrap (Producers & Govts)

Demanded Categories (Use By)

Land (HH, Govts, Indus, Spec)
Residential Capital (HH)
Financial/D-I-R Capital (Spec)
Plant & Equip Capital (Govts, Indus)
Labor (Govts, Indus, Spec)
Transf Pmts/Fees&Taxes (Govts)
Goods&Svcs (HH, Govts, Indus, Spec)

REDYN Economic Model Schematic-DETAILED PRICES & TRADE FLOW

1/21/2006

Prices & Trade Flow ...

ExWorks Price by Commodity by Source (Supplying or Output) Region	+	Transport Cost by Commodity by Mode, by Distance, & by Direction Within & Between All Regions	=	Delivered Price by Commodity by Using (Demanding) Region

Details on Prices & Flows ...

Supplied at ExWorks Price specific in each output region based on delivered prices for the commods to each entity's production function in the region	→	Transport each commodity within & between all regions A, B, C, ... by demanded mode at a cost for mode, distance, & direction (elevation cost effect)	→	Demanded at Delivered Price from an output region to each specific demanding region (*Note*)

Note on Delivered Price

In any demanding region, the delivered price by commodity is the blend across the supplying output regions ranked by lowest delivered price to the demanding region until the total quantity demanded has been met for the demanding region.

Exhibit 3:
REDYN Model Data Sources and Baseline Estimation Process:
Where the REDYN Model Gets Data – Source: Regional Dynamics, Inc.

REDYN Model Data Sources and Baseline Estimation Process

Where the REDYN Model Gets Data

Regional Dynamics uses several sources to estimate county-level employment and output for its baseline database. The REDYN model applies the North American Industrial Classification System (NAICS) at the five-digit detail level (703 industries), and also uses NAICS to identify all the goods and services (over 180 commodities) consumed and produced by the detailed industries. NAICS is used by the US Government to classify and organize information about all the various industries making up the US economy, such as retail stores, automobile manufacturing, insurance firms, and so forth. NAICS reports five levels of detail. The two-digit level aggregates all activity into 24 broad economic industries, and the five-digit level identifies activity across 703 specific industries.

The primary data sources are the County Business Patterns (CBP) from the Bureau of the Census, and the Regional Economic Information System (REIS) from the Bureau of Economic Analysis (BEA). Wage Bill (payroll) data are derived from the same sources and with the same techniques as the employment data. The CBP reports the total annual payroll for each NAICS code up to the five-digit level of detail for the US as a whole and for every region, state, and county. However, total employment data and total payroll data are subject to data suppressions for privacy. Regional Dynamics developed a sophisticated row-and-column sum (RAS) analytic system to fill all data suppressions by using all information available in the CBP series and guaranteeing internal consistency with unsuppressed wage and employment data. All the furnished and estimated CBP wage bill and employment data are then totaled and scaled to match the wage bill and employment data reported in the BEA's REIS, which includes all county and state wage bill data at three-digit NAICS detail and employment data at two-digit NAICS detail.

The REIS directly provides wage bill and employment data for the government and agriculture sectors, and also disposable personal income data by county. The REIS county income data are used to allocate national consumption to counties from the BEA's National Income and Product Accounts (NIPA).

Annual Input-Output (IO) tables are constructed using BEA IO make-and-use tables, as well as biennial 10-year IO forecast tables from the Bureau of Labor Statistics (BLS). Make tables describe all the commodities made by each economic entity, and use tables describe all the commodities used by each economic entity. The very detailed BEA IO make-and-use tables are extended year-by-year to match the annual changes in make-and-use composition implied by the current 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

Each county's wage bill by industry is used to allocate each industry's national output to counties from the NIPA, and then the regional output by industry is allocated to commodities based on the national IO make table proportions. This assumes that the commodities produced by an industry are truly joint in the production process, as dictated by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry.

Exhibit 4:
The Regional Dynamics Economic Analysis Model:
What the REDYN Model Does – Source: Regional Dynamics, Inc.

The Regional Dynamics Economic Analysis Model

What the REDYN Model Does

Regional Dynamics offers REDYN, a fundamentally new, web-based, massively multi-regional, dynamic, nonlinear New Economic Geography analysis engine with a complete economic database and baseline forecast. After subscribing to the system, users input online changes by region and year: e.g., jobs, wages, output, income, intermediate demand, and final consumption, investment, and government demand. REDYN then estimates detailed, annual, gravity-based trade flows and impacts in all US counties and industries. The model is a live, online Internet service. It's also available to run batch mode jobs to process massively multi-regional tasks (3,100+ regions) for automated or scripted work.

The REDYN model applies a fresh I-O methodology based on very detailed make-and-use tables with social accounting matrix features for all entities, a comprehensive commodity production transformation function, and impedance-based commodity trade flows by five transport modes. Oak Ridge National Laboratories developed the impedance measures.

The model automatically includes an explicit extra region for all US counties outside any given simulation to identify the full US output and trade flow response. The model also automatically seeks the suppliers of suppliers to find the complete US supply chain response by region and industry in any simulation.

REDYN excels at offering a uniquely complete and consistent model-building edge that no other modeling process can replicate for configuring and assessing plans, events, and risks fully and rapidly across regions and years.

Here's how it works. At run time, users apply their subscribed resources as an online tool kit to build and run custom models at will. This design flexibility lets users quickly build models scaled correctly for any studies, event analysis, overlapping or alternative analytic perspectives, or backcast analysis.

The REDYN model estimates employment, output, wages, occupations, income, gross product, demand, self-supply, trade flow, etc. Within a user's subscription, the model generates year-by-year reports by county and year, for all subscribed counties, or for any aggregation into user-defined areas for each study. For easy regional comparison at no extra cost, each report focuses on one concept (jobs, output, wages, and so forth) arranged by region by year on a sheet in a spreadsheet book. Users then can apply full spreadsheet tools for sorting and charting. Online and phone support are included.

The model is available to all users across agency levels. Clients can offer access to other users through user-group web pages with discounts or rebates based on the size of the client's subscription. Clients subscribe to a regional area (one or more counties, states, or groups); to 703 industries (North American Industrial Classification System); and to an analytic type (I-O only, or equilibrium and I-O). The client sets the number and identity of its subscribing users; one user is free. Subsequently added users including consultants or staff can be managed by one or more additional users on an incremental fee basis.

EXHIBIT

7

State of Missouri
Jason Kander, Secretary of State
Corporations Division
PO Box 778 / 600 W. Main St., Rm. 322
Jefferson City, MO 65102

LC001461294
Date Filed: 9/14/2015
Jason Kander
Missouri Secretary of State

Articles of Organization

(Submit with filing fee of $105.00)

1. The name of the limited liability company is
GL/TL EB-5 Lender, LLC
(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "L.L.C.," or "LLC")

2. The purpose(s) for which the limited liability company is organized:

The transaction of any lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act, Chapter 347 RSMo.

3. The name and address of the limited liability company's registered agent in Missouri is:

Name	Street Address: May not use PO Box unless street address also provided	City/State/Zip
Andrew Ruben	7733 Forsyth Blvd. Suite 2300	St. Louis MO 63105

4. The management of the limited liability company is vested in: ☒ managers ☐ members *(check one)*

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual
(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer *(PO box may only be used in addition to a physical street address)*:
(Organizer(s) are not required to be member(s), manager(s) or owner(s)

Name	*Address*	*City/State/Zip*
Gateway to the Midwest Investment Center, Inc.	7733 Forsyth Blvd, Suite 2300	St. Louis MO 63105

7. ☐ Series LLC (OPTIONAL) Pursuant to Section 347.186, the limited liability company may establish a designated series in its operating agreement. The names of the series must include the full name of the limited liability company and are the following:

New Series:
☐ The limited liability company gives notice that the series has limited liability.

New Series:
☐ The limited liability company gives notice that the series has limited liability.

New Series:
☐ The limited liability company gives notice that the series has limited liability.

(Each separate series must also file an Attachment Form LLC 1A.)

Name and address to return filed document:

Name: Sarah B Markenson

Address: Email: smarkenson@stlpartnership.com

City, State, and Zip Code:

8. The effective date of this document is the date it is filed by the Secretary of State of Missouri unless a future date is otherwise indicated: _____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

All organizers must sign:

Gateway to the Midwest Investment Center, Inc. - Sheila M Sweeney	GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC. - SHEILA M SWEENEY	09/14/2015
Organizer Signature	*Printed Name*	*Date of Signature*

STATE OF MISSOURI

Jason Kander
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

GL/TL EB-5 Lender, LLC
LC001461294

filed its Articles of Organization with this office on the 14th day of September, 2015, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, Jason Kander, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 14th day of September, 2015, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 14th day of September, 2015.

JASON KANDER
Secretary of State

EXHIBIT

8

State of Missouri
Jason Kander, Secretary of State
Corporations Division
PO Box 778 / 600 W. Main St., Rm. 322
Jefferson City, MO 65102

LC001461293
Date Filed: 9/14/2015
Jason Kander
Missouri Secretary of State

Articles of Organization

(Submit with filing fee of $105.00)

1. The name of the limited liability company is
GL/TL EB-5 Manager, LLC
(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "L.L.C.," or "LLC")

2. The purpose(s) for which the limited liability company is organized:

The transaction of any lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act, Chapter 347 RSMo.

3. The name and address of the limited liability company's registered agent in Missouri is:

Name	Street Address: May not use PO Box unless street address also provided	City/State/Zip
Andrew Ruben	7733 Forsyth Blvd. Suite 2300	St. Louis MO 63105

4. The management of the limited liability company is vested in: ☒ managers ☐ members *(check one)*

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual
(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer *(PO box may only be used in addition to a physical street address)*:
(Organizer(s) are not required to be member(s), manager(s) or owner(s)

Name	*Address*	*City/State/Zip*
Gateway to the Midwest Investment Center, Inc.	7733 Forsyth Blvd, Suite 2300	St. Louis MO 63105

7. ☐ Series LLC (OPTIONAL) Pursuant to Section 347.186, the limited liability company may establish a designated series in its operating agreement. The names of the series must include the full name of the limited liability company and are the following:

New Series:
☐ The limited liability company gives notice that the series has limited liability.

New Series:
☐ The limited liability company gives notice that the series has limited liability.

New Series:
☐ The limited liability company gives notice that the series has limited liability.

(Each separate series must also file an Attachment Form LLC 1A.)

Name and address to return filed document:

Name: Sarah B Markenson

Address: Email: smarkenson@stlpartnership.com

City, State, and Zip Code:

8. The effective date of this document is the date it is filed by the Secretary of State of Missouri unless a future date is otherwise indicated: ;_____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

All organizers must sign:

Gateway to the Midwest Investment Center, Inc. - Sheila M Sweeney	GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC. - SHEILA M SWEENEY	09/14/2015
Organizer Signature	*Printed Name*	*Date of Signature*

STATE OF MISSOURI

Jason Kander
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

GL/TL EB-5 Manager, LLC
LC001461293

filed its Articles of Organization with this office on the 14th day of September, 2015, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, Jason Kander, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 14th day of September, 2015, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 14th day of September, 2015.

JASON KANDER
Secretary of State

EXHIBIT

9

Jeremiah W. (Jay) Nixon
Governor

MISSOURI
Department of Economic Development

Mike Downing, CEcD
Director

September 17, 2015

William Luchini
Capstone Development Group, LLC
101 S. Hanley, Suite 1825
Clayton, MO 63105

Dear Mr. Luchini:

This is in reply to your request for Targeted Employment Area (TEA) designation for the Gerhart Lofts project located at 3900 Laclede, St. Louis, MO 63108 and adjoining addresses.

This address is located in St. Louis city census tract 1186. The proposed TEA includes this tract plus two tracts north of the site, 1193 and 1111. The calculated unemployment rate for this contiguous three-tract area is 9.6 percent, which exceeds the required threshold of 9.3 percent. The proposed area thus qualifies as a TEA.

Please note that these data are updated annually, and that the TEA designation applies to 2015. After the end of 2015, a new TEA designation should be requested.

Please let me know if you have questions or want further information.

Sincerely,

Mike Downing, CEcD
Director

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700

Jeremiah W. (Jay) Nixon
Governor

MISSOURI
Department of Economic Development

Mike Downing, CEcD
Director

June 22, 2015

Ms. Krystal Althoff
Development Manager
Capstone Development Group, LLC
101 South Hanley
Suite 1825
Clayton, MO 63105

Dear Ms. Althoff:

This is in reply to your request for Targeted Employment Area (TEA) designation for the Truman Lofts project located at 1322 Dolman Ave., St. Louis, MO 63104.

This address is located in St. Louis City census tract 1274, and this tract is the area that you proposed as the TEA.

Census tract 1274 is on our currently published list of high unemployment census tracts and thus qualifies as a TEA.

Please note that these data are updated annually, and that the TEA designation applies to 2015. After the end of 2015, a new TEA designation should be requested.

Please let me know if you have questions or want further information.

Sincerely,

Mike Downing, CEcD
Director

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700

EXHIBIT

10

GL/TL EB-5 LENDER, LLC
Gateway to the Midwest Investment Center, Inc.
c/o Laura M. Hughes, Project Manager
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 631015
Tel: 314-615-8141
Fax: 314-615-8140
E-mail: lhughes@worldtradecenter-stl.com

September 1, 2015

TERM SHEET

EB-5 Financing of Gerhart and Truman Lofts Project

The following term sheet ("**Term Sheet**") is an outline of the major terms and conditions of that certain loan pursuant to the above-referenced financing. Capitalized terms that are used but not defined herein shall have the meanings ascribed to such terms in the Private Placement Memorandum prepared by Lender, dated as of the date hereof (the "**Offering Memorandum**").

1. **BORROWER:** **GL/TL EB-5 OWNER, LLC,** a Missouri limited liability company (also, the "**Developer**").

2. **LENDER:** **GL/TL EB-5 LENDER, LLC,** a Missouri limited liability company (the "**Lender**"), which is managed by **GL/TL EB-5 MANAGER, LLC,** a Missouri limited liability company (the "**Manager**").

3. **EB-5 LOAN:** The Lender is providing financing to the Borrower for the development of the Project (defined below) in the form of a second mortgage loan (the "**Loan**") in a form and manner allowing for an investment in the Lender to be a qualifying investment under the EB-5 Program. The term "**Project**" as used herein means the development two (2) new residential complexes, the Gerhart Lofts and the Truman Lofts, in St. Louis, Missouri. The Gerhart Lofts will be located at the intersection of Laclede Avenue and Vandeventer Avenue in St. Louis, and the Truman Lofts will be located at 1322 Dolman Street in St. Louis.

4. **PRINCIPAL:** The maximum principal amount of the Loan is up to $6,000,000.

5. **INTEREST RATE, PAYMENT AND MATURITY:** During the Loan Term, the unpaid principal balance shall accrue interest at the rate of 3.5% per annum, for a term of five (5) years, subject to two (2) one (1) year extensions ("**Maturity**").

6. **LOAN TERM:** The Loan shall have an initial term of five (5) years, subject to two (2) one (1) year extensions ("**Loan Term**").

7. **COLLATERAL:** The Loan will initially be secured by a second mortgage on each of the properties where the Project is located.

   All payments beyond obligations to the Senior Indebtedness, which

may include, but not limited to, related parties fees, management fees, incentive fees, developer fees, and developer equity, etc., are required to be subordinated to the Loan.

The Senior Loan (as described below) will take priority on repayment in the event of the liquidation or sale of the Project and shall be limited to no more than approximately $8,123,473, bringing the total debt service to no more than approximately $14,123,473, although this sum may increase to the extent the Project budget increases.

8. LOAN REPAYMENT STRATEGIES: The primary Loan repayment strategy for the Lender is anticipated to be the repayment of Loan either through the rental and leasing operation of the residential and retail portion of the Project and/or the refinancing and/or sale of the Project in whole or in part, with funds disbursed to the Investing Members in proportion to their Capital Contributions.

9. SENIOR LOAN: The Project will obtain Senior Loan financing for a portion of the development cost of the Project in order to bridge a portion of the financing required to develop the Project. The amount of the Senior Loan is estimated to equal approximately $ 8,123,473 for a term estimated to be eighteen to twenty-four (18-24) months, plus one (1) or two (2) one (1) year extension options.

10. ADMINISTRATIVE FEES TO REGIONAL CENTER AND MANAGER: The Regional Center and the Manager shall receive separate fees for services rendered, calculated on a percentage of the outstanding loan amount, paid directly by the Developer, or same shall be separately agreed upon.

The foregoing Term Sheet is intended as a general summary of the terms and conditions of the EB-5 financing for the Project.

LENDER:

GL/TL EB-5 LENDER, LLC

By: _____
Name: _____
Title: _____

BORROWER:

GL/TL EB-5 OWNER, LLC,

By: _____
Name: William Lucchini
Title: _____

REGIONAL CENTER:

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

By: _____
Name: _____
Title: _____

EXHIBIT

11

Commerce Bank

8000 Forsyth Boulevard
Saint Louis, Missouri 63105-1797
314-726-2255
commercebank.com

December 11, 2014

Bill Luchini
Capstone Development, LLC
50 South Bemiston
Suite 201
Clayton, MO 63105

Re: Acquisition of Missouri Historic Rehabilitation Tax Credits

Dear Bill:

This letter sets forth the commitment of Commerce Bank, N.A. ("Commerce") to purchase, and the commitment of **Truman Lofts, LLC (or their assigns)**, a Missouri Limited Liability Corporation ("Owner") to sell, certain Missouri historic rehabilitation tax credits issued by the Missouri Department of Economic Development pursuant to § 253.545 RSMo ("Tax Credits").

1. Description of Project -- The project is the **Truman Lofts** (*former Bouras Mop Factory Building*) located at the corner of **Park Ave and Dolman in St. Louis, Missouri,** which is a certified historic structure or a structure in a certified historic district that satisfies the requirements of § 253.550 RSMo (or nomination pending/under consideration). **Owner is under no obligation under this letter if the project is never started within the time periods herein, or if tax credits are never issued to owner or related party on subject building.**

2. Amount of Tax Credit -- Pursuant to § 253.550 RSMo, the amount of available Tax Credits is 25% of the total costs and expenses of Qualified Rehabilitation as defined by the Internal Revenue Code of 1986, as amended. The *anticipated* amount of the total costs and expenses of Qualified Rehabilitation of this project is **$ 8,000,000** with anticipated Tax Credits of approximately **$ 2,000,000 (25% x $ 8,000,000)**.

3. Purchase Price -- Commerce will pay to Owner the amount of **$0.91 per $1.00** of Tax Credits, provided that the Tax Credits delivered to Commerce on or before the expiration date set forth in Section 5 below. Notwithstanding anything herein to the contrary, Commerce is not obligated to pay the purchase price until the tax credit certificate has been issued in Commerce's name.

4. Delivery Date -- The Tax Credits are *anticipated* to be available on **October 1, 2016.**

5. Expiration -- Commerce's obligation to acquire the Tax Credits **shall expire on December 31, 2020.** Commerce shall send written notice to Owner if Commerce elects to terminate this commitment on or after such date. Termination shall be effective on the date notice of said election is deposited in the U.S. mail, postage prepaid, to the address stated above. In no event shall Commerce's obligation to acquire the Tax Credits extend beyond the useable date for the Tax Credits. In addition, Commerce may terminate this commitment, and Commerce shall have no obligation under this commitment, if any of the following shall occur: (a) Owner shall become subject to any bankruptcy, reorganization or insolvency proceeding, (b) any default has occurred in the performance of any of Owner's obligations with respect to the Tax Credits or with respect to this commitment, (c) any material adverse change occurs in the financial condition of Owner or the State of Missouri, or (d) the Missouri legislature, the Missouri Department of Economic Development, the Missouri Department of Revenue or any other agency or department, changes the statutes, regulations, interpretations or procedures with respect to any aspect of Missouri historic rehabilitation tax credits in general or the Tax Credits specifically.

6. Exclusivity -- Owner grants Commerce the exclusive right to purchase the Tax Credits from Owner pursuant to the terms and conditions hereof. Owner shall not negotiate with any other party during the term of this commitment. Owner agrees that they will cause the Tax Credits to be sold to Commerce, whether the Tax Credits are owned by Owner or any affiliate.

7. Owner Authority -- Owner represents and warrants to Commerce as follows:

a) Owner will diligently pursue the applicable approval of the Missouri Department of Economic Development for the Tax Credits, including but not limited to, making all the appropriate filings in a timely manner. Owner will diligently prosecute such application and do and perform all acts necessary to obtain the applicable approval and necessary documents to transfer the Tax Credits to Commerce. Owner will provide Commerce with a copy of all such applications and correspondence within five days of filing or receipt. The applications submitted by Owner will be true and correct in all material respects, including without limitation, the computation of qualified rehabilitation basis for the project.

b) Owner has the authority to enter into this commitment and to consummate the transactions contemplated hereby. This commitment shall be binding upon Owner and its successors and assigns.

c) Upon receipt of approval by the Missouri Department of Economic Development of the Tax Credits, Owner will execute Commerce's standard Tax Credit Purchase Agreement which includes Owner's indemnity of Commerce and its assigns in the

event of a recapture or reduction in the amount of Tax Credits or in the event that the timing of the use of the Tax Credits is subsequently restricted. Owner will execute such other documents and will take such other action, as may be reasonably requested by Commerce.

d) Owner is the rightful owner of the Tax Credits, the Tax Credits when issued are assignable, the Tax Credits can be used by Commerce or its successors and assigns to offset their tax liability in the year in which the Tax Credits are issued and the Tax Credits may be carried back to any of the three preceding years and may be carried forward to any of the succeeding 10 years, and Owner shall transfer the Tax Credits to Commerce or its successors and assigns. Commerce may assign its right to purchase the Tax Credits to a third party.

e) Owner has disclosed to Commerce all material facts concerning the Tax Credits. Owner will provide Commerce with such other information as Commerce shall request from time to time.

f) Owner will develop, rehabilitate, construct, operate, use and manage the project in such manner so as to not cause the revocation, cancellation, termination or disallowance of the Tax Credits, or otherwise prevent Commerce from receiving the Tax Credits.

8. Commerce Authority -- Commerce represents and warrants to Owner as follows:

a) Commerce has the authority to enter into this commitment and to consummate the transactions contemplated hereby.

b) This commitment shall be binding upon Commerce and its successors and assigns.

9. Each Party Responsible -- Each party acknowledges that it has relied upon its own tax and legal consultants. Each party is responsible for paying its own costs and expenses associated with the establishment and transfer of the Tax Credits.

10. **Special State Investor** - Owner has the authority to allocate the Tax Credits to a special state tax credit investor provided that such investor is obligated to sell the Tax Credits to Commerce under the terms of this commitment letter.

11. Governing Law -- This commitment shall be governed by and construed in accordance with the laws of the State of Missouri.

12. Final Agreement -- All prior representations and agreements between the parties with respect to the Tax Credits are merged into this commitment. This commitment can be changed only by a writing signed by the parties hereto.

13. Fees – Owner shall pay any and all fees charged by the State of Missouri, the Missouri Department of Economic Development, the Missouri Department of Revenue or any other agency, to process the tax credit application and to transfer the Tax Credits to Commerce.

If this commitment is acceptable to you, please sign a copy of this letter and return it to Commerce Bank by December 25, 2014. **If Commerce does not receive your executed copy of this letter by such date, this commitment will expire unless Commerce extends this commitment by signing a written extension agreement.**

We are pleased to have the opportunity to work with you.

Yours very truly,

COMMERCE BANK, N.A.

By: _____
Printed Name: PETER T. NOONAN
Title: Senior Vice President
Commerce Bank

The undersigned on behalf of **Truman Lofts, LLC, or its assigns**, by his/her signature hereto agrees to the terms and conditions contained in this letter.

Truman Lofts, LLC

By: _____
Printed Name: William Cuchini
Title: Member
Date: 12/17/14

EXHIBIT

12

TITLE: Special Warranty Deed

DATE: April 17, 2014

GRANTOR(S): A.C. Y. Realty Company

GRANTEE(S): Gerhart Lofts LLC

GRANTOR'S MAILING ADDRESS: 9060 Saranac
St. Louis MO 63117

GRANTEE'S MAILING ADDRESS: 50 S. Bemiston
Clayton MO 63105

LEGAL DESCRIPTION: Lots 1, 2, E 40' of 3, CB 3919-W
3900-12 Laclede
39190401957
39190401907

REFERENCE BOOK & PAGE NUMBER: n/a

SPECIAL WARRANTY DEED
(Corporation)

THIS DEED, Made and entered into this **17th** day of **April** , **2014** , by and between

A. C. Y. REALTY, COMPANY

Address: 9060 Saranac Dr, St. Louis Missouri 63117

a corporation, organized and existing under the laws of the State of Missouri, with its principal office in the City of St. Louis City, State of Missouri, party of the first part, GRANTOR, and

GERHART LOFTS LLC

Address: 50 S. Bemiston, Suite 201, Clayton, MO 63105

of the City of St. Louis City, State of Missouri, party of the second part, GRANTEE.

WITNESSETH, that the said party of the first part, for and in consideration of the sum of One Dollar and other valuable considerations paid by the said party of the second part, the receipt of which is hereby acknowledged, does by these presents **BARGAIN AND SELL, CONVEY AND CONFIRM** unto the said party of the second part, the following described Real Estate, situated in the City of St. Louis City, State of Missouri, to-wit:

> Lots 1, 2, and the Eastern 40 feet of Lot 3 of Subdivision of part of Block 26 of P. Lindell's 2nd Addition by E.L. Davis, et al, and in block 3919W of the City of St. Louis containing together a front of 140 feet on the South line of Laclede Avenue by a depth Southwardly of 177 feet 6 inches to an alley 20 feet wide, bounded East by Vandeventer Avenue and West by the remaining portion of said Lot 3.

TO HAVE AND TO HOLD the same, together with all rights and appurtenances to the same belonging, unto the said party of the second part, and to the heirs and assigns of such party forever.

The said party of the first part hereby covenants that it and its heirs, executors and administrators shall and will **WARRANT AND DEFEND** the title to the premises unto the said party of the second part, and to the heirs and assigns of such party forever, against the lawful claims of all persons claiming by, through or under the party of the first part, but none other, excepting, however, the general taxes for the calendar year **2014** and thereafter and the special taxes becoming a lien after the date of this deed.

IN WITNESS WHEREOF, the parties of the first and second parts have hereunto set their hands the day and year first above written, the said party of the first part having caused these presents to be signed by its President and its corporate seal to be hereunto affixed.

PARTY OF THE FIRST PART:

A. C. Y. REALTY, COMPANY

By Linda Yatkeman

Linda Yatkeman, president

STATE OF MISSOURI }
City of St. Louis City }

On this 17th day of April, 2014, before me personally appeared **Linda Yatkeman, president**, who, being by me duly sworn, did say that he/she is the President of **A. C. Y. Realty, Company**, a corporation of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and the said **Linda Yatkeman, president** acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the jurisdiction aforesaid, the day and year first above written.

Notary Public

My term expires: Mary M Knyff

MARY M KNYFF
Notary Public, Notary Seal
State of Missouri
St. Louis County
Commission # 12515644
My Commission Expires February 26, 2016

GRANTEE:

Gerhart Lofts, LLC, by:

William Luchini
Managing Member

STATE OF MISSOURI)
) ss.
COUNTY OF St. Louis)

On this 17thday of April, 2014, before me personally appeared **William Luchini**, managing member of **Gerhart Lofts LLC**, to me known to be the person described herein and that he acknowledged that he executed the above deed as the free act and deed of said LLC..

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

My Commission Expires: Notary Public

ROBERT HUNT
NOTARY PUBLIC
NOTARY SEAL
City of St. Louis
Comm# 10803669
My Commission Expires 05-23-2014
STATE OF MISSOURI

Development Group, LLC
CAPSTONE

101 South Hanley Road | Suite 1825 | Clayton, MO 63105 | P: 314.783.2150 | F: 314.925.5897

8/28/15

RE: Truman Lofts Deed for Property

To Whom It May Concern:

1322-32 Dolman, also known as Truman Lofts, is currently under contract to purchase by Capstone Development Group, LLC.

The estimated date for closing on the property is September 4, 2015.

The Deed for the Property will be provided once that purchase is complete.

Thank you,

William Luchini

EXHIBIT

13

Truman Lofts
Construction Draw Schedule and Construction Period Interest Estimate

Necessary Construction Loan	$ 8,195,884				Total Budgeted	Capitalized	Ineligible During Construction	Expensed	Paid from CF																
Construction Interest Rate A	4.00%		2015 Expense		74,520	74,520	-	-	-																
Construction Interest Rate B	0.00%		2016 Expense		241,868	119,551	-	122,337	-																
Number of construction months	18		2017 Expense		(85)	-	-	(85)	-																
					316,323	194,071	-	122,252	-																
		June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	Completion September 2016	October 2016	November 2016	Part III & Conversion December 2016	Cash Flow 2017-XXX		
SOURCES OF FUNDS		Closing	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	26	Total	Check
First Mortgage	5,966,202	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,966,202	-	5,966,202	-
State HTC Investor Capital	1,810,078	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,810,078	-	1,810,078	-
EB-5 Investor Debt	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	-	-	-	-	1,500,000	-
Federal HTC Investor Capital	1,522,534	456,760	-	-	-	-	-	-	-	-	-	-	-	-	-	-	565,774	-	-	500,000	-	1,522,534	-
Developer Financing	357,270	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	357,270	357,270	-
Sterling Bank Construction Loan	0	1,940,786	429,539	490,981	372,598	373,840	375,086	376,336	437,601	499,069	440,723	617,212	321,229	332,300	503,438	685,146	(1,219,818)	23,254	23,331	(7,026,229)	-	0	-
Construction Interest Paid from CASH FLOW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources Of Funds	11,156,084	2,397,546	429,539	490,981	372,598	373,840	375,086	376,336	437,601	499,069	440,723	617,212	321,229	332,300	503,438	685,146	845,956	23,254	23,331	1,250,051	357,270	11,156,084	-
	Total Loan A	1,940,786	2,370,325	2,861,306	3,233,904	3,607,744	3,982,830	4,359,166	4,796,767	5,296,636	5,736,559	6,353,771	6,675,000	7,007,300	7,510,738	8,195,884	6,976,066	6,999,319	7,022,650	(3,579)	0	0	
	Constr Interest	6,469	7,901	9,538	10,780	12,026	13,276	14,531	15,989	17,653	19,122	21,179	22,250	23,358	25,036	27,320	23,254	23,331	23,409	(12)	0	316,323	
USES OF FUNDS		0%	7%	8%	6%	6%	6%	6%	7%	8%	7%	5%	5%	5%	6%	7%	9%	0%	0%				
Acquisition & Site Costs																							
Land Costs	200,000	200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	-
Building Cost	1,166,500	1,166,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,166,500	-
Construction Costs																							
Construction Contract	6,001,000	-	420,070	480,080	360,060	360,060	360,060	360,060	420,070	480,080	420,070	300,050	300,050	300,050	480,080	420,070	540,090	-	-	-	-	6,001,000	-
Construction Contingency	480,080	-	-	-	-	-	-	-	-	-	-	240,040	-	-	-	240,040	-	-	-	-	-	480,080	-
Engineering & Architectural																							
Architect Design	275,000	275,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	275,000	-
Architect - Supervision	30,000	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-	-	-	-	-	-	-	-	-	30,000	-
Engineering	35,000	35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,000	-
Survey	6,000	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,000	-
Financing Fees																							
Construction Loan Interest	320,000	-	6,469	7,901	9,538	10,780	12,026	13,276	14,531	15,989	17,653	19,122	21,179	22,250	23,358	25,036	27,320	23,254	23,331	23,409	-	316,323	3,677
Real Estate Taxes during construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Loan Costs	120,500	120,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120,500	-
Title & Recording	15,000	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	-
Bond Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Permanent Financing																							
Permanent Loan Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Soft Costs																							
Legal & Organizational Costs	54,500	54,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,500	-
Insurance	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	-
Consultants & Agency Fees	50,000	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	-
LIHTC Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historic Tax Credits Fees	86,500	86,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86,500	-
Third Party Reports	40,000	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent-up/Marketing Expense	30,000	-	-	-	-	-	-	-	-	-	-	30,000	-	-	-	-	-	-	-	-	-	30,000	-
Third Party Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting	60,000	50,000	-	-	-	-	-	-	-	-	-	-	-	10,000	-	-	-	-	-	-	-	60,000	-
FF&E	25,000	-	-	-	-	-	-	-	-	-	-	25,000	-	-	-	-	-	-	-	-	-	25,000	-
Syndication Costs																							
Syndication Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Fees / Reserves																							
Developer Fee	1,750,000	278,546	-	-	-	-	-	-	-	-	-	-	-	-	-	-	278,546	-	-	835,638	357,270	1,750,000	-
Debt Service Reserve	200,000	-																		200,000		200,000	-
Reserves and Escrows	181,004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	181,004	-	181,004	-
Replacement Reserve	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000	-
Impound Accounts	-	-																				-	-
Total Uses Of Funds	11,156,084	2,397,546	429,539	490,981	372,598	373,840	375,086	376,336	437,601	499,069	440,723	617,212	321,229	332,300	503,438	685,146	845,956	23,254	23,331	1,250,051	357,270	11,152,407	3,677
Check:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,677	(3,677)

Gerhart Lofts

SWC Laclede and Vandeventer; St. Louis, MO

7/30/2015

Financial Analysis of Transaction with EB-5 Funds, Federal & State HTC's, and Private Debt

PROJECT INFORMATION

Partnership		**Gerhart Lofts**
County		St. Louis PSMA
MFI	$	69,500
Number of Units		28
LP Formation		
Year		2014
Month		6
Construction Start		
Year		2014
Month		6
Construction Period		14
Operations		
Year		2015
Month		10
Placed in Service Date		
Year		2015
Month		8
Day		1
Starting Month of Depreciation		1
Starting Month of Lease-Up		1
Absorption Rate (Mos.)		8

FINANCING ASSUMPTIONS

Construction Loan A	$	7,653,402
Interest rate		4.00%
Term (months)		24
First Mortgage	$	4,800,000
Interest Rate		4.00%
Amortization		25
Term		7
Lender Required DCR		1.2
Start Year		2015
Start Month		10
EB-5 Funds	$	1,500,000
Interest Rate		1.00%
Amortization		0
Term		0
Start Year		2015
Start Month		12
Deferred Developer Fee	$	1
Interest Rate		0.00%

SYNDICATION INFORMATION

General Partner's Capital Contribution		
Entry Date:	Year	2014
	Month	6
	Day	1
Total Investor Capital		$2,388,602
LIHTC Investor Capital		0
Federal HTC Investor Capital		1,091,254
State HTC Investor Capital		1,297,348
Investor Federal Tax Rate		38.00%
1st Contribution Closing	Date:	6/1/2014
0.00% HTC		0
0.00%		0
	Total	$0
2nd Contribution Construction Completion	Date:	6/1/2015
0.00% HTC		0
0.00%		0
	Total	$0
3rd Contribution Part III	Date:	9/1/2015
218.89% HTC		2,388,602
		0
	Total	$2,388,602

Project Cost	**$**	**8,688,603**
First Mortgage	$	4,800,000
State HTC Investor Capital		1,297,348
EB-5 Funds		1,500,000
Federal HTC Investor Capital		1,091,254
Developer Financing		1

Price Per Credit		
State Historic Rehab (NET)	$	0.8750
Federal Historic Rehab	$	0.9200

Gerhart Lofts
PROJECT ASSUMPTIONS

RESIDENTIAL OPERATING EXPENS	Total	Per Unit
Administrative	17,750	634
Maintenance	5,000	179
Operating	26,750	955
Other (RE Taxes)	60,000	2,143
	109,500	3,911
Replacement Reserve	4,250	152
Property Management Fee	16,583	592
Total	130,333	4,655

Commercial Expenses		
Total	$ 24,000	Allowance
Expense Increase	3.00%	

Annual Operating Exp. Increase	3.00%
Annual Real Estate Tax Increase	3.00%
Annual Management Fee Increase	3.00%
Annual Reserve Increase	3.00%
Interest rate on reserves	0.15%

CASH FLOW DISTRIBUTION

Cash Flow Reserve	-
Partnership Management Fee	-
Asset Management Fee	5,000
LIHTC Compliance Fee	-
Annual Fee	-
GP Incentive Management Fee	80.00%

RENTAL INCOME

Number of Bedrooms	Units	Baths	SF per Unit*	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Total Monthly Rent
2Bdrm (Live Work)	2	2	960	$ 1.75	$1,680	$50	1,730	3,360
3 Bedroom (2nd Floor)	1	2	1,097	$ 1.75	$1,920	$75	1,995	1,920
2 Bedroom (2nd and 3rd Flr)	14	1	972	$ 1.75	$1,701	$50	1,751	23,814
Commercial Bay 1	1	NA	960	$ 18.00	$1,440	$200	1,640	1,440
Commercial Bay 2	1	NA	960	$ 18.00	$1,440	$200	1,640	1,440
Commercial Bay 3	1	NA	960	$ 18.00	$1,440	$200	1,640	1,440
Commercial Bay 4	1	NA	960	$ 18.00	$1,440	$200	1,640	1,440
Commercial Bay 5	1	NA	960	$ 18.00	$1,440	$200	1,640	1,440
Commercial Bay 6	1	NA	960	$ 18.00	$1,440	$200	1,640	1,440
Commercial Bay 7	1	NA	960	$ 18.00	$1,440	$200	1,640	1,440
Commercial Bay 8	1	NA	960	$ 18.00	$1,440	$200	1,640	1,440
Commercial Bay 9	1	NA	1,250	$ 18.00	$1,875	$200	2,075	1,875
Commercial Bay 10	1	NA	1,250	$ 18.00	$1,875	$200	2,075	1,875
Commercial Bay 11	1	NA	1,250	$ 18.00	$1,875	$200	2,075	1,875
Total	**28**		**28,055**					**46,239**

Gerhart Lofts

E5 Investment & Princial Return Projections
8/28/2014

Sources & Uses

Sources		Rate	Amort (yrs)	Term (yrs)	Notes
First Mortgage	4,800,000	4.00%	25	7	First mortgage from Sterling Bank
State HTC Investor Capital	1,297,348	NA	NA	NA	Procceds from sale of State HTC Certificate
Fed HTC Investor Capital	1,091,254				
EB-5 Funds	1,500,000	0.50%	Interest Only	5	Interest only payments during hold period
Developer Financing	1	0.00%	0	9	Repaid with project cashflow by year 9
Total Sources	8,688,603				

Uses	
Acquisition	1,995,000
Construction	4,075,102
Design & Engineering	311,150
Financing Fees	534,698
Soft Costs	290,371
Developer Fee and Reserves	1,482,282
Total Uses	8,688,603

Cash Flow Projections

	2015	2016	2017	2018	2019	2020	Total
	1	2	3	4	5	6	
Residential:							
Rental Income	223,025	370,650	356,108	363,230	370,494	377,904	2,061,411
Other Income	3,051	5,000	5,100	5,202	5,306	5,412	29,071
Vacancy	0	(18,783)	(18,060)	(18,422)	(18,790)	(19,166)	(93,221)
EGI Residential	226,076	356,867	343,148	350,010	357,010	364,150	1,997,261
Commercial:							
Base Gross Commercial Income	205,740	205,740	209,855	214,052	218,333	222,700	1,276,419
Commercial Expense Reimburser	24,000	24,000	24,480	24,970	25,469	25,978	148,897
Commercial Vacancy	(20,574)	(20,574)	(20,985)	(21,405)	(21,833)	(22,270)	(127,642)
EGI Commercial	209,166	209,166	213,349	217,616	221,969	226,408	1,297,674
Total Effective Gross Income	435,242	566,033	556,497	567,626	578,979	590,558	3,294,935
EXPENSES							
Residential							
Operating Expenses	69,281	109,500	110,985	112,515	114,090	115,713	632,084
Management Fee	11,151	17,593	16,902	17,240	17,585	17,937	98,409
Reserve for Replacement	0	4,250	4,378	4,509	4,644	4,783	22,564
Residential Operating Expenses	80,432	131,343	132,265	134,264	136,319	138,433	753,057
Commercial Operating Expenses	24,000	24,000	24,720	25,462	26,225	27,012	151,419
Total Operating Expenses	104,432	155,343	156,985	159,726	162,545	165,446	904,476
Net Operating Income	330,810	410,690	399,512	407,900	416,434	425,113	2,390,459
Debt Service							
First Mortgage	76,009	304,034	304,034	304,034	304,034	304,034	1,596,179
EB-5 Funds	1,250	15,000	15,000	15,000	15,000	15,000	76,250
Total Debt Service	77,259	319,034	319,034	319,034	319,034	319,034	1,672,429
DSCR- 1st		1.35	1.31	1.34	1.37	1.40	
DSCR- 2nd		1.29	1.25	1.28	1.31	1.33	
Cash Flow	253,551	91,656	80,478	88,866	97,400	106,079	718,030
Cashflow for EB5 Principal Repayment	69,012	24,947	21,905	24,188	26,511	28,873	195,435
Cashflow for Developer Financing Repayment	1	0	0	0	0	0	1
Remaining Cash Flows	184,538	66,709	58,573	64,678	70,890	77,206	522,594
Max new debt amount based on refinance*		5,266,324	5,122,991	5,230,554	5,339,987	5,451,274	
First Mortgage EOY Bal Due		4,656,642	4,536,691	4,411,852	4,281,927	4,146,709	
Net Proceeds from Refinance		609,682	586,300	818,702	1,058,060	1,304,565	

Summary of funds to return EB-5 Investor principal in year 2020 (5 full years)			
Balance Due for EB5 Equity Repayment	$	1,500,000	
50% of cashflow reserved for eb5 principal repayment	$	(195,435)	27.2% of annual projected cashflow
Net Proceeds from Refinance	$	(1,304,565)	
Surplus/Gap	$	-	

* Assumes refinance with current lender debt requirements and 1.5% in new mortgage refinance expenses.

Gerhart Lofts

STATEMENT OF FORECASTED SOURCES AND USES

SOURCES OF FUNDS	Construction	Post Construction	Permanent		
First Mortgage	$ -	$ 4,800,000	$ 4,800,000		
Federal HTC Investor Capital	-	1,091,254	1,091,254		
State HTC Investor Capital	-	1,297,348	1,297,348		
EB-5 Funds	-	1,500,000	1,500,000		
Developer Financing	-	1	1	0%	deferred developers fee
Construction Loan A	7,653,402	(7,653,402)	-		
Total Sources Of Funds	$ 7,653,402	$ 1,035,201	$ 8,688,603		

USES OF FUNDS	Construction	Post Construction	Total Permanent	Residential Building 27.5 Yr/SL	Commercial Building 39 Yr/SL	Personal Property 5 Yr/200%	Land Impr. 15 Yr/150%	Amortization	Non Depreciable/ Amortizable	Historic Eligible Basis
Acquisition & Site Costs										
Land Costs	-	-	-						-	
Building Cost	1,995,000	-	1,995,000	1,197,000	798,000	-	-	-	-	-
Construction Costs										
Construction Contract	3,617,200	-	3,617,200	2,170,320	1,446,880	-	-	-	-	3,436,340
Construction Contingency	457,902	-	457,902	274,741	183,161	-	-	-	-	343,427
Engineering & Architectural										
Architect Design	220,000	-	220,000	132,000	88,000	-	-	-	-	220,000
Architect - Supervision	52,306		52,306	31,384	20,922	-	-	-	-	52,306
Engineering	32,844	-	32,844	19,706	13,138	-	-	-	-	32,844
Survey	6,000	-	6,000	3,600	2,400	-	-	-	-	6,000
Financing Fees										
Construction Loan Interest	310,948	-	310,948	186,569	124,379	-	-	-	-	204,000
Construction Loan Costs	100,000	-	100,000	60,000	40,000	-	-	-	-	100,000
Title & Recording	21,250	-	21,250	12,750	8,500	-	-	-	-	21,250
Permenant Loan Costs	102,500	-	102,500	-	-	-	-	102,500	-	-
Soft Costs										
Real Estate Taxes during construction	15,000	-	15,000	9,000	6,000	-	-	-	-	-
Legal & Organizational Costs	70,099	-	70,099	42,059	28,040	-	-	-	-	52,574
Insurance	22,002	-	22,002	13,201	8,801	-	-	-	-	22,002
City Fees	15,950	-	15,950	15,950	-	-	-	-	-	-
Historic Tax Credits Fees	52,272	-	52,272	-	-	-	-	52,272	-	-
Third Party Reports	11,300	-	11,300	6,780	4,520	-	-	-	-	11,300
Rent-up/Marketing Expense	22,000	-	22,000	-		-	-	-	22,000	-
Accounting	60,000	-	60,000	36,000	24,000	-	-	-	-	60,000
FF&E	21,748	-	21,748	-	-	21,748	-	-	-	-
Developer Fees / Reserves										
Developer Fee	447,081	922,201	1,369,282	821,569	547,713	-	-	-	-	1,369,282
Reserves and Escrows	-	103,000	103,000						103,000	
Replacement Reserve	-	10,000	10,000						10,000	
Total Uses Of Funds	$ 7,653,402	$ 1,035,201	$ 8,688,603	$ 5,032,630	$ 3,344,453	$ 21,748	$ -	$ 154,772	$ 135,000	$ 5,931,325

HISTORIC REHAB CREDIT

	Total
Total Qualified Rehab Expenditures	5,931,325
Federal Historic Tax Credit	20.00%
Annual Federal Historic Credit	1,186,265
Total Depreciable Building Basis	5,931,325
State Historic Tax Credit	25.00%
Annual State Historic Credit	1,482,831

CREDIT ANALYSIS	Fed Historic	State Historic
Total Tax Credit	1,186,265	1,482,831
Investor Percentage	99.99%	99.99%
Tax Credits for Syndication	1,186,146	1,482,683
Price per Credit	0.920	0.87500
Tax Credit Equity Raised	1,091,254	1,297,348

Gerhart Lofts

FORECAST OF NET CASH FLOW FROM OPERATIONS

		1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029	16 2030	TOTAL
INCOME																		
Residential:																		
Rental Income		$ 223,025	$ 370,650	$ 356,108	$ 363,230	$ 370,494	$ 377,904	$ 385,462	$ 393,171	$ 401,035	$ 409,056	$ 417,237	$ 425,581	$ 434,093	$ 442,775	$ 451,630	$ 460,663	$ 6,282,114
Other Income		3,051	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	89,518
Vacancy	-5.00%	-	(18,783)	(18,060)	(18,422)	(18,790)	(19,166)	(19,549)	(19,940)	(20,339)	(20,746)	(21,161)	(21,584)	(22,015)	(22,456)	(22,905)	(23,363)	(307,279)
EGI Residential		226,076	356,867	343,148	350,010	357,010	364,150	371,434	378,862	386,439	394,168	402,051	410,092	418,295	426,660	435,193	443,897	6,064,353
Commercial:																		
Base Gross Commercial Income		205,740	205,740	209,855	214,052	218,333	222,700	227,154	231,697	236,331	241,057	245,878	250,796	255,812	260,928	266,147	271,470	3,763,688
Commercial Expense Reimbursement		24,000	24,000	24,480	24,970	25,469	25,978	26,498	27,028	27,568	28,120	28,682	29,256	29,841	30,438	31,047	31,667	439,042
Commercial Vacancy	-10.00%	(20,574)	(20,574)	(20,985)	(21,405)	(21,833)	(22,270)	(22,715)	(23,170)	(23,633)	(24,106)	(24,588)	(25,080)	(25,581)	(26,093)	(26,615)	(27,147)	(376,369)
EGI Commercial		209,166	209,166	213,349	217,616	221,969	226,408	230,936	235,555	240,266	245,071	249,973	254,972	260,072	265,273	270,579	275,990	3,826,361
Effective Gross Income		435,242	566,033	556,497	567,626	578,979	590,558	602,370	614,417	626,705	639,239	652,024	665,065	678,367	691,933	705,772	719,888	9,890,714
EXPENSES																		
Residential																		
Operating Expenses		69,281	109,500	110,985	112,515	114,090	115,713	117,384	119,105	120,878	122,705	109,287	112,566	115,943	119,422	123,004	126,694	1,819,072
Management Fee		11,151	17,593	16,902	17,240	17,585	17,937	18,296	18,662	19,035	19,415	19,804	20,200	20,604	21,016	21,436	21,865	298,742
Reserve for Replacement	3.00%	-	4,250	4,378	4,509	4,644	4,783	4,927	5,075	5,227	5,384	5,545	5,712	5,883	6,059	6,241	6,429	79,045
Residential Operating Expenses		80,432	131,343	132,265	134,264	136,319	138,433	140,607	142,841	145,140	147,504	134,636	138,478	142,430	146,497	150,682	154,987	2,196,859
Commercial Operating Expenses		24,000	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	470,374
Total Operating Expenses		104,432	155,343	156,985	159,726	162,545	165,446	168,429	171,499	174,657	177,907	165,951	170,732	175,652	180,716	185,927	191,289	2,667,233
Net Operating Income		330,810	410,690	399,512	407,900	416,434	425,113	433,941	442,919	452,049	461,332	486,073	494,333	502,715	511,218	519,845	528,598	7,223,481
	1.20	(4,306,616)	(5,346,522)	(5,201,006)	(5,310,207)	(5,421,307)	(5,534,288)	(5,649,213)	(5,766,092)	(5,884,949)	(6,005,810)	(6,327,896)	(6,435,426)	(6,544,543)	(6,655,235)	(6,767,555)	(6,881,504)	
Source for Construction		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Debt Service																		
Debt Service - 1st mortgage		76,009	304,034	304,034	304,034	304,034	304,034	304,034	304,034	304,034	304,034	304,034	304,034	304,034	304,034	304,034	304,034	4,636,519
EB-5 Funds		1,250	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	16,250	227,500
Construction Loan Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service		77,259	319,034	319,034	319,034	319,034	319,034	319,034	319,034	319,034	319,034	319,034	319,034	319,034	319,034	319,034	320,284	4,864,019
DSCR- 1st		-	1.35	1.31	1.34	1.37	1.40	1.43	1.46	1.49	1.52	1.60	1.63	1.65	1.68	1.71	1.74	
DSCR- 2nd			1.29	1.25	1.28	1.31	1.33	1.36	1.39	1.42	1.45	1.52	1.55	1.58	1.60	1.63	1.65	
Cash Flow		253,551	91,656	80,478	88,866	97,400	106,079	114,907	123,885	133,015	142,298	167,039	175,299	183,681	192,184	200,811	208,314	2,359,462
Asset Management Fee	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	80,000
Accrued Asset Management Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Flow		248,551	86,656	75,478	83,866	92,400	101,079	109,907	118,885	128,015	137,298	162,039	170,299	178,681	187,184	195,811	203,314	2,279,462
Deferred Developer Fee																		
Payment	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Current Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Flow		248,550	86,656	75,478	83,866	92,400	101,079	109,907	118,885	128,015	137,298	162,039	170,299	178,681	187,184	195,811	203,314	2,279,461

Gerhart Lofts

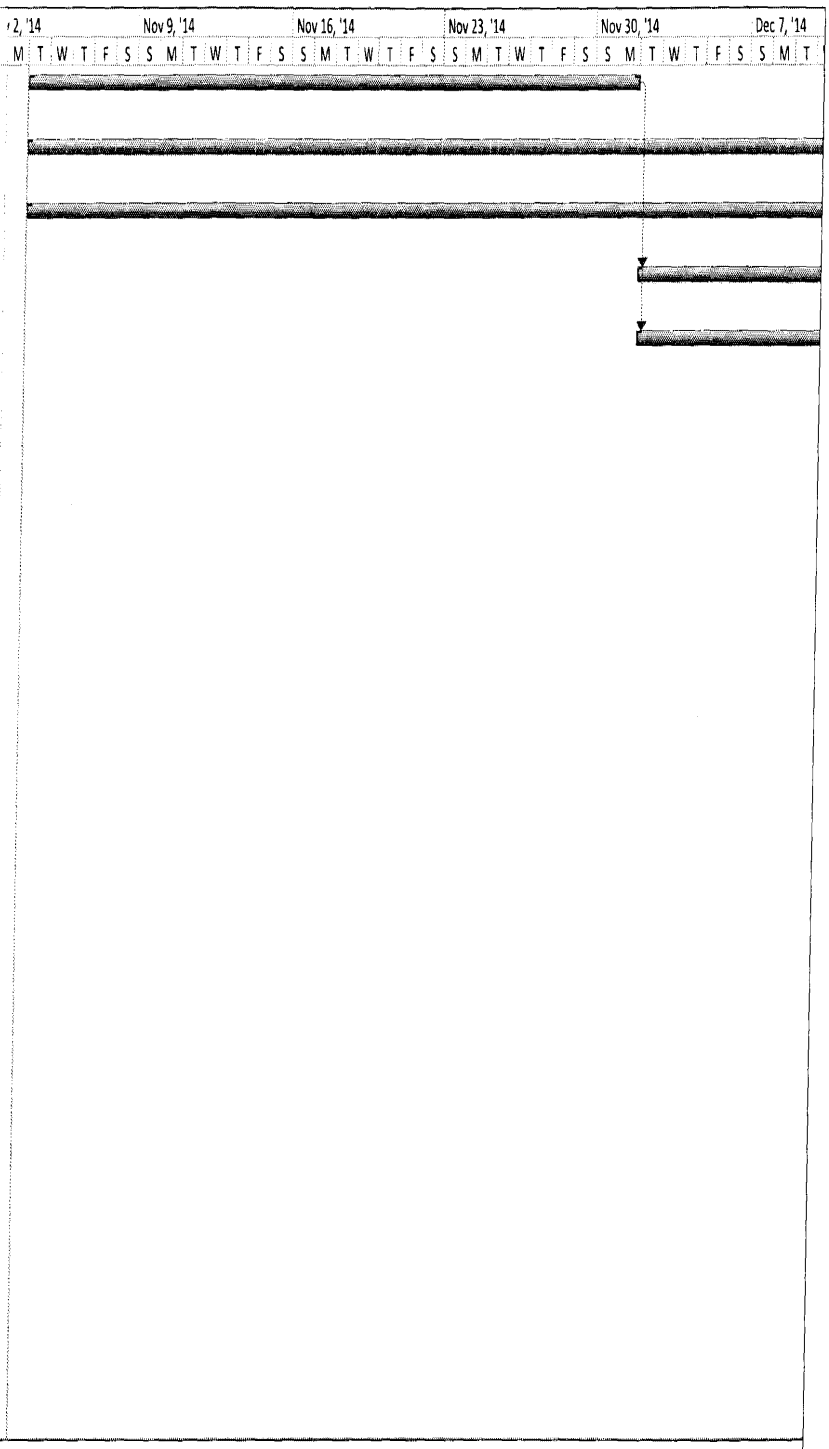
OPERATING EXPENSE ANALYSIS - Residential Component Only

	Annual Expense	Expense per Unit 17	% Gross Potential Rent
Administrative			
Office/Advertising	1,500	88.24	0.4%
Management Fee 5.00%	16,583	975.50	4.8%
Legal/Partnership		0.00	0.0%
Accounting/Legal	1,250	73.53	0.4%
Personnel	15,000	882.35	4.3%
Subtotal Administrative	34,333	2,019.61	9.8%
Maintenance:			
Repairs & Maint.	5,000	294.12	1.4%
Subtotal Maintenance	5,000	294.12	1.4%
Operating:			
Utilities	2,500	147.06	0.7%
Water/Sewer	8,000	470.59	2.3%
Trash Removal	5,000	294.12	1.4%
Insurance	10,250	602.94	2.9%
Snow Removal	1,000	58.82	0.3%
Subtotal Operating	26,750	1,573.53	7.7%
Other (RE Tax)	60,000	3,529.41	17.2%
Total Annual Expenses	126,083	7,416.67	36.1%
Replacement Reserve:	4,250	250.00	1.2%
Total Annual Expenses w/Reserves	130,333	7,667	37.3%
PUPM	$388		7,241

EXHIBIT

14

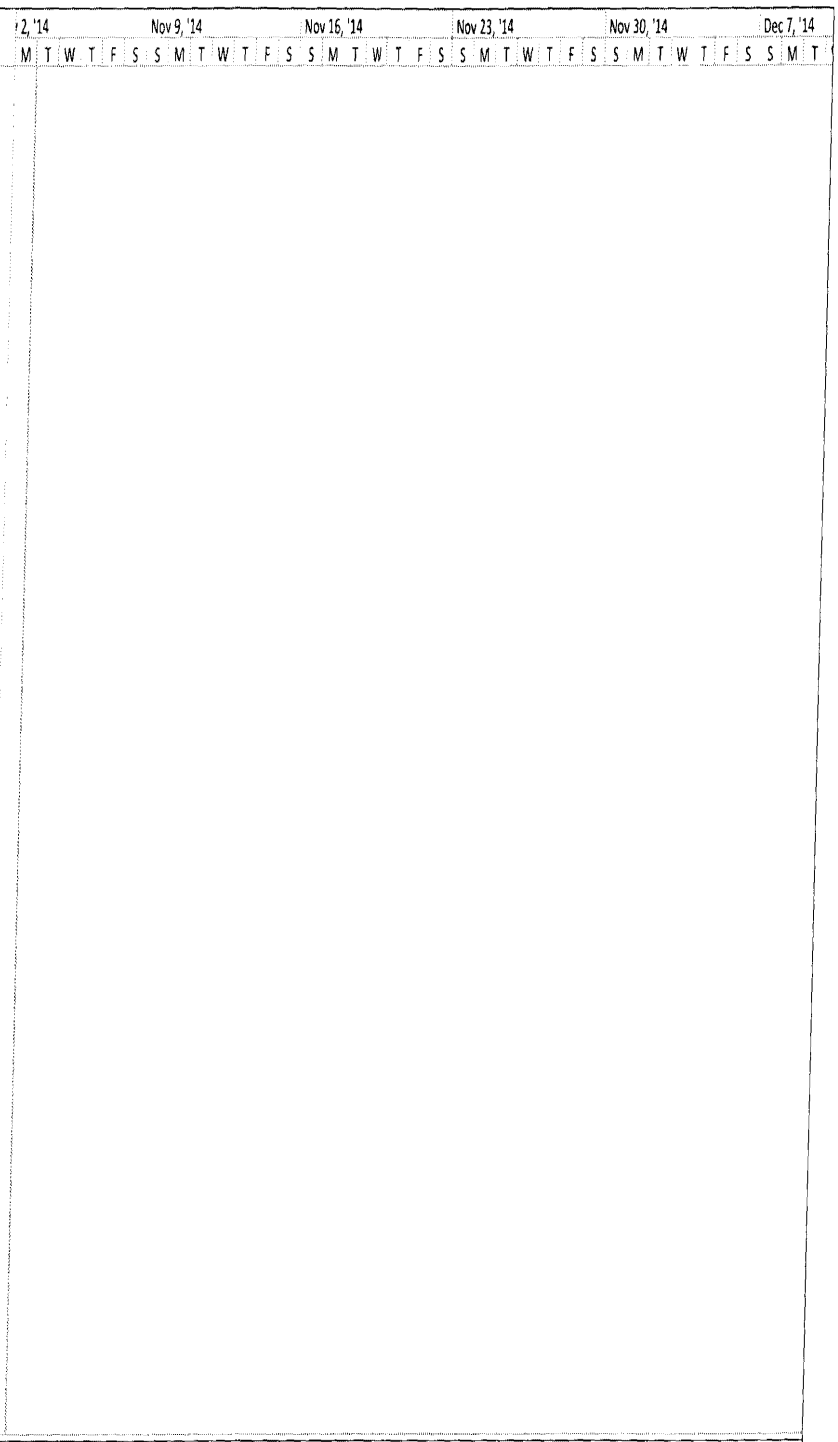
ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
1		Demo 1st floor Vandeventer	20 days	Tue 11/4/14	Mon 12/1/14	
32		Exterior masonry 3910-12 Laclede	60 days	Tue 11/4/14	Mon 1/26/15	
33		Interior masonry 3910-12 Laclede	30 days	Tue 11/4/14	Mon 12/15/14	
2		Install fire rated ceilings 1st floor Vandeventer	9 days	Tue 12/2/14	Fri 12/12/14	1
5		Demo 2nd floor Vandeventer	20 days	Tue 12/2/14	Mon 12/29/14	1
3		Install sub-floors 1st floor Vandeventer	9 days	Mon 12/15/14	Thu 12/25/14	2
		Interior masonry 3906-08 Laclede	10 days	Tue 12/16/14	Mon 12/29/14	33
4		Frame exterior walls 1st floor Vandeventer	5 days	Fri 12/26/14	Thu 1/1/15	3
6		Level floors 2nd floor Vandeventer	10 days	Tue 12/30/14	Mon 1/12/15	5
7		Install sub-floor 2nd floor Vandeventer	10 days	Tue 12/30/14	Mon 1/12/15	
8		Level ceilings 2nd floor Vandeventer	4 days	Tue 12/30/14	Fri 1/2/15	5
10		Demo 3906-08 Laclede	10 days	Tue 12/30/14	Mon 1/12/15	5
35		Interior masonry Vandeventer	10 days	Tue 12/30/14	Mon 1/12/15	34
41		Interior wiring rough in Vandeventer	40 days	Fri 1/2/15	Thu 2/26/15	4
11		Level floors 3906-08 Laclede	4 days	Mon 1/5/15	Thu 1/8/15	8
23		Remove existing decks on rear of buildings	2 days	Mon 1/5/15	Tue 1/6/15	
24		Install new decks on rear of Vandeventer	15 days	Wed 1/7/15	Tue 1/27/15	23
		Install subfloors 3906-08 Laclede	4 days	Fri 1/9/15	Wed 1/14/15	11
9		Intstall interior partition walls 2nd floor Vandeventer	20 days	Tue 1/13/15	Mon 2/9/15	7
69		MEPF trim out Vandeventer	66 days	Tue 1/13/15	Tue 4/14/15	10
13		Level ceilings 2nd floor 3906-08 Laclede	2 days	Thu 1/15/15	Fri 1/16/15	12



Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
14		Install fire rated ceilings 1st & 2nd floors 3906-08 Laclede	4 days	Thu 1/15/15	Tue 1/20/15	12
17		Level 2nd floor ceilings 3910-12 Laclede	2 days	Mon 1/19/15	Tue 1/20/15	13
15		Frame exterior walls 1st floor 3906-08 Laclede	1 day	Wed 1/21/15	Wed 1/21/15	14
18		Install fire rated ceilings 1st & 2nd floors 3910-12 Laclede	4 days	Wed 1/21/15	Mon 1/26/15	17
16		Demo 3910-12 Laclede	1 day?	Mon 1/26/15	Mon 1/26/15	
		Tear out store fronts on Vandeventer	4 days	Tue 1/27/15	Fri 1/30/15	16
36		Exterior masonry 3906-08 Laclede	30 days	Tue 1/27/15	Mon 3/9/15	32
19		Level floors and install sub-floors in 3910-12 Laclede	4 days	Mon 2/2/15	Thu 2/5/15	
21		Tearout store fronts on rear of Vandeventer building	4 days	Mon 2/2/15	Thu 2/5/15	20
22		Rebuild store fronts on Vandeventer	30 days	Mon 2/2/15	Fri 3/13/15	20
44		Interior plumbing rough in Vandeventer	60 days	Mon 2/2/15	Fri 4/24/15	
47		Interior HVAC rough in Vandenter	40 days	Mon 2/2/15	Fri 3/27/15	
25		Install new decks on 3906-08 Laclede	12 days	Mon 2/9/15	Tue 2/24/15	
28		Tear out store fronts on 3906-08 Laclede	1 day	Mon 2/9/15	Mon 2/9/15	
50		Sprinklers Vandeventer	30 days	Mon 2/9/15	Fri 3/20/15	
		Tear out store fronts on 3910-12 Laclede	1 day	Tue 2/10/15	Tue 2/10/15	28
38		Install windows Vandeventer	3 days	Tue 2/10/15	Thu 2/12/15	
81		Install interior partitions 2nd floor 3906-08 Laclede	5 days	Tue 2/10/15	Mon 2/16/15	9
82		Install interior partitions 2nd &3rd floors 3910-12 Laclede	8 days	Tue 2/17/15	Thu 2/26/15	81



Project: g2
Date: Thu 8/20/15

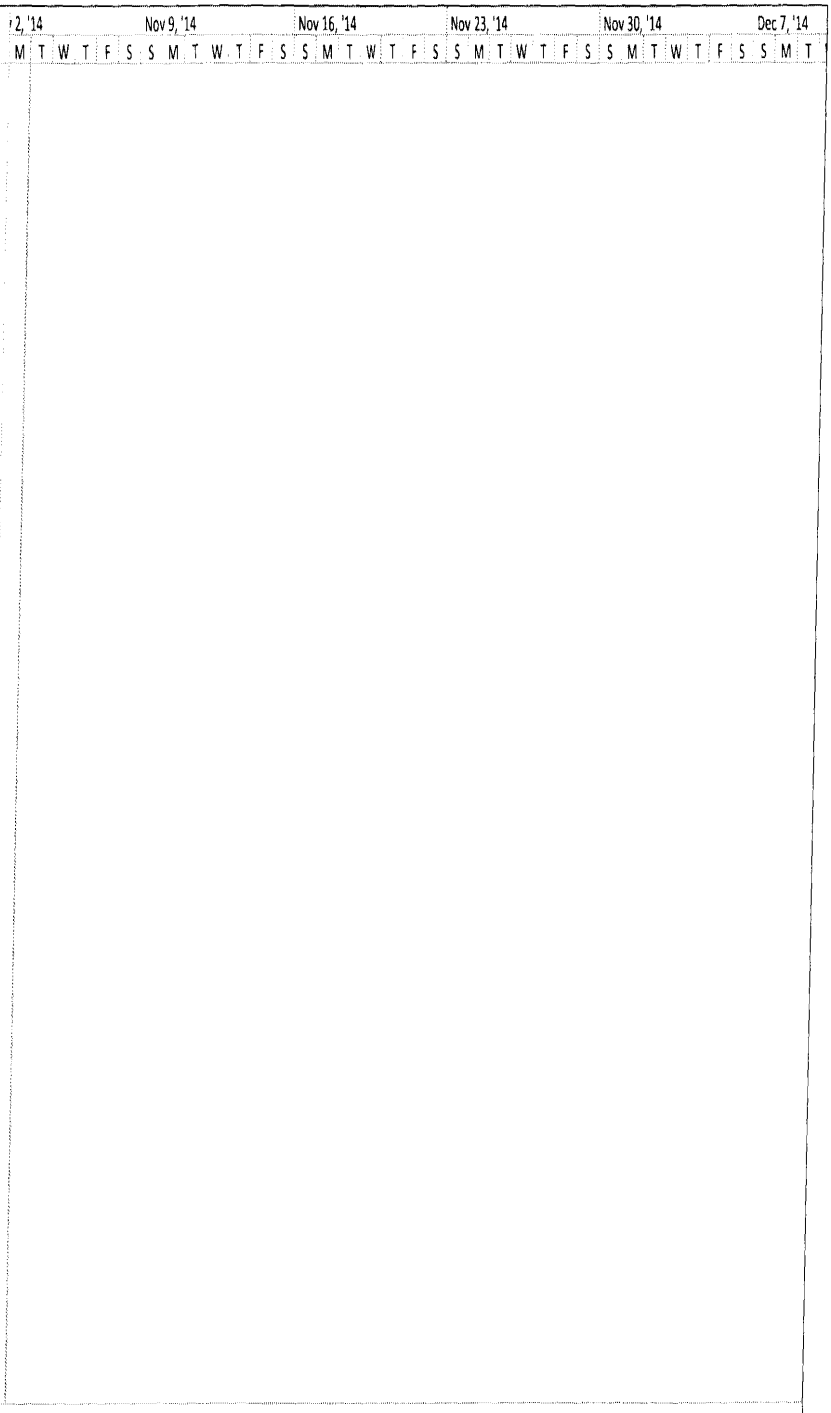
Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
39		Install windows 3906-08 Laclede	3 days	Tue 2/24/15	Thu 2/26/15	
26		Install new decks on 3910-12 Laclede	15 days	Tue 3/3/15	Mon 3/23/15	
37		Exterior masonry Vandeventer	45 days	Tue 3/10/15	Mon 5/11/15	36
40		Install windows 3910-12 Laclede	10 days	Wed 3/11/15	Tue 3/24/15	
27		Rebuild store fronts on rear of Vandeventer	20 days	Mon 3/16/15	Fri 4/10/15	22
51		Sprinklers 3906-08 Laclede	10 days	Mon 3/23/15	Fri 4/3/15	50
		Interior wiring rough in 3906-08 Laclede	15 days	Fri 3/27/15	Thu 4/16/15	41
48		Interior HVAC rough in 3906-08 Laclede	15 days	Mon 3/30/15	Fri 4/17/15	47
53		Drywall install and finish Vandeventer	30 days	Mon 3/30/15	Fri 5/8/15	
75		Repair and recoat roofs on all buildings	10 days	Wed 4/1/15	Tue 4/14/15	
77		Install all exterior underground plumbing	15 days	Wed 4/1/15	Tue 4/21/15	
52		Sprinklers 3910-12 Laclede	15 days	Mon 4/6/15	Fri 4/24/15	51
29		Rebuild storefronts on 3906-08 Laclede	7 days	Mon 4/13/15	Tue 4/21/15	27
76		New guttering on South and East elevations	2 days	Wed 4/15/15	Thu 4/16/15	75
49		Interior HVAC rough in 3910-12 Laclede	30 days	Mon 4/20/15	Fri 5/29/15	48
31		Rebuild store fronts on 3910-12 Laclede	7 days	Wed 4/22/15	Thu 4/30/15	29
78		Install new parking lot	5 days	Wed 4/22/15	Tue 4/28/15	77
		Interior wiring rough in 3910-12 Laclede	15 days	Fri 4/24/15	Thu 5/14/15	42
45		Interior plumbing rough in 3906-08 Laclede	10 days	Mon 4/27/15	Fri 5/8/15	44
58		Drop ceiling below MEPF 2nd floor 3910-12 Laclede	4 days	Mon 4/27/15	Thu 4/30/15	52
79		Install new fence and gates at parking lot	3 days	Wed 4/29/15	Fri 5/1/15	78

Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

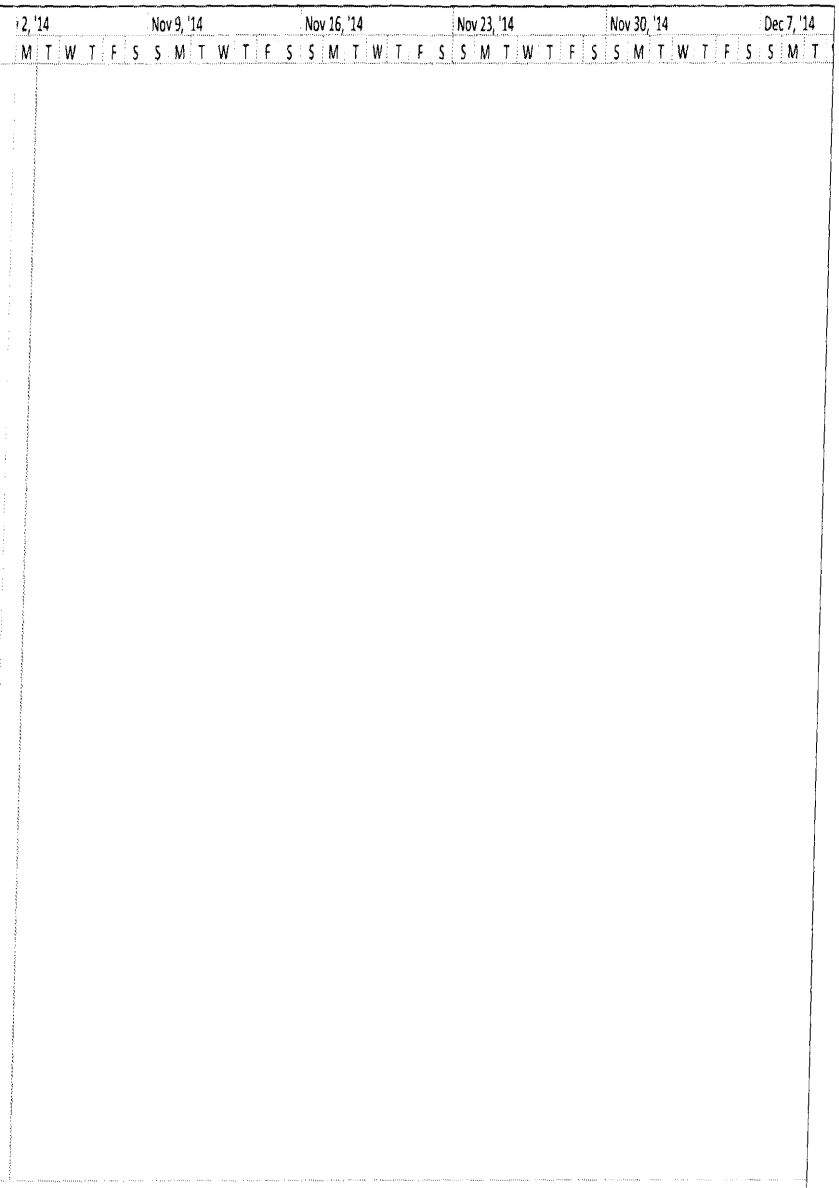
ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
55		Drywall install and finish 3910-12 Laclede	10 days	Fri 5/1/15	Thu 5/14/15	58
80		Exterior painting all buildings	45 days	Mon 5/4/15	Fri 7/3/15	
46		Interior plumbing rough in 3910-12 Laclede	20 days	Mon 5/11/15	Fri 6/5/15	45
54		Drywall install and finish 3906-08 Laclede	10 days	Mon 5/11/15	Fri 5/22/15	53
56		Prime and 1st coat paint 2nd floor Vandeventer	7 days	Mon 5/11/15	Tue 5/19/15	53
59		Prime and paint 1st coat paint 3910-12 Laclede	3 days	Fri 5/15/15	Tue 5/19/15	55
		Install wood flooring 2nd floor Vandeventer	12 days	Wed 5/20/15	Thu 6/4/15	56
62		Install wood flooring 3910-12 Laclede	6 days	Wed 5/20/15	Wed 5/27/15	59
66		Kitchen and bath tile Vandeventer	20 days	Wed 5/20/15	Tue 6/16/15	56
57		Prime and 1st coat paint 2nd floor 3906-08 Laclede	2 days	Mon 5/25/15	Tue 5/26/15	54
61		Install wood flooring 3906-08 Laclede	2 days	Wed 5/27/15	Thu 5/28/15	57
63		Install doors, casing, base and cabinets Vandeventer	20 days	Fri 6/5/15	Thu 7/2/15	60
67		Kitchen and bath tile 3906-08 Laclede	5 days	Wed 6/17/15	Tue 6/23/15	66
68		Kitchen and bath tile 3910-12 Laclede	10 days	Wed 6/24/15	Tue 7/7/15	67
70		MEPF trim out 3906-08 Laclede	2 days	Wed 6/24/15	Thu 6/25/15	67
72		Final coat of paint Vandeventer	15 days	Wed 6/24/15	Tue 7/14/15	69
64		Install doors, casing, base and cabinets 3906-08 Laclede	4 days	Fri 7/3/15	Wed 7/8/15	63
		MEPF trim out 3910-12 Laclede	6 days	Wed 7/8/15	Wed 7/15/15	68
65		Install doors, casing, base and cabinets 3910-12 Laclede	10 days	Thu 7/9/15	Wed 7/22/15	64
73		Final coat of paint 3906-08 Laclede	7 days	Wed 7/15/15	Thu 7/23/15	72



Project: g2
Date: Thu 8/20/15

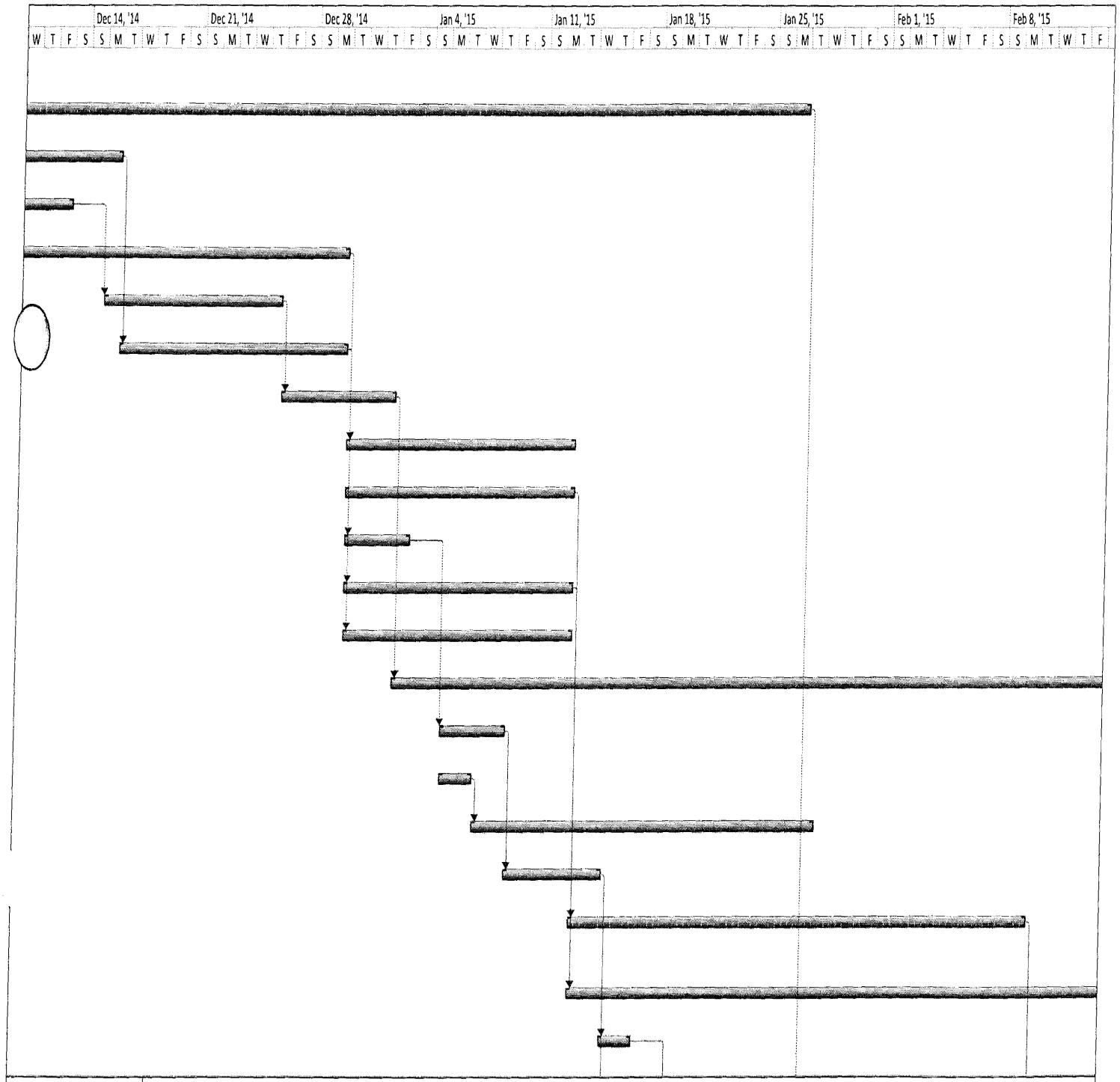
Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
74		Final coat of paint 3910-12 Laclede	15 days	Fri 7/24/15	Thu 8/13/15	73
83		Punchlist, final cleaning, inspections, etc. for all buildings	30 days	Fri 8/14/15	Thu 9/24/15	74
84		Install windows Vandeventer	3 days	Tue 9/1/15	Thu 9/3/15	
85		Drywall install and finish Vandeventer	30 days	Mon 8/17/15	Fri 9/25/15	
86		New guttering on South and East elevations	2 days	Mon 9/28/15	Tue 9/29/15	
[illegible]		Install new parking lot	5 days	Mon 9/7/15	Fri 9/11/15	85
[illegible]		Install new fence and gates at parking lot	3 days	Mon 9/14/15	Wed 9/16/15	87
89		Drywall install and finish 3910 Laclede	10 days	Tue 9/1/15	Mon 9/14/15	
90		Prime and 1st coat paint Vandeventer	7 days	Mon 9/14/15	Tue 9/22/15	88
91		Install wood flooring Vandeventer	12 days	Thu 10/1/15	Fri 10/16/15	90
92		Install wood flooring 3910Laclede	8 days	Mon 9/7/15	Wed 9/16/15	
93		Kitchen and bath tile Vandeventer	20 days	Thu 9/17/15	Wed 10/14/15	89
94		Install doors, casing, base anc	20 days	Mon 9/21/15	Fri 10/16/15	92
95		MEPF trim out 3900 Vandeve	12 days	Mon 10/5/15	Tue 10/20/15	
96		Final coat of paint Vandevent	10 days	Mon 10/12/15	Fri 10/23/15	
97		Final coat of paint 3910- Lacle	10 days	Thu 10/1/15	Wed 10/14/15	
98		Punchlist, final cleaning, inspe	22 days	Thu 10/1/15	Fri 10/30/15	94



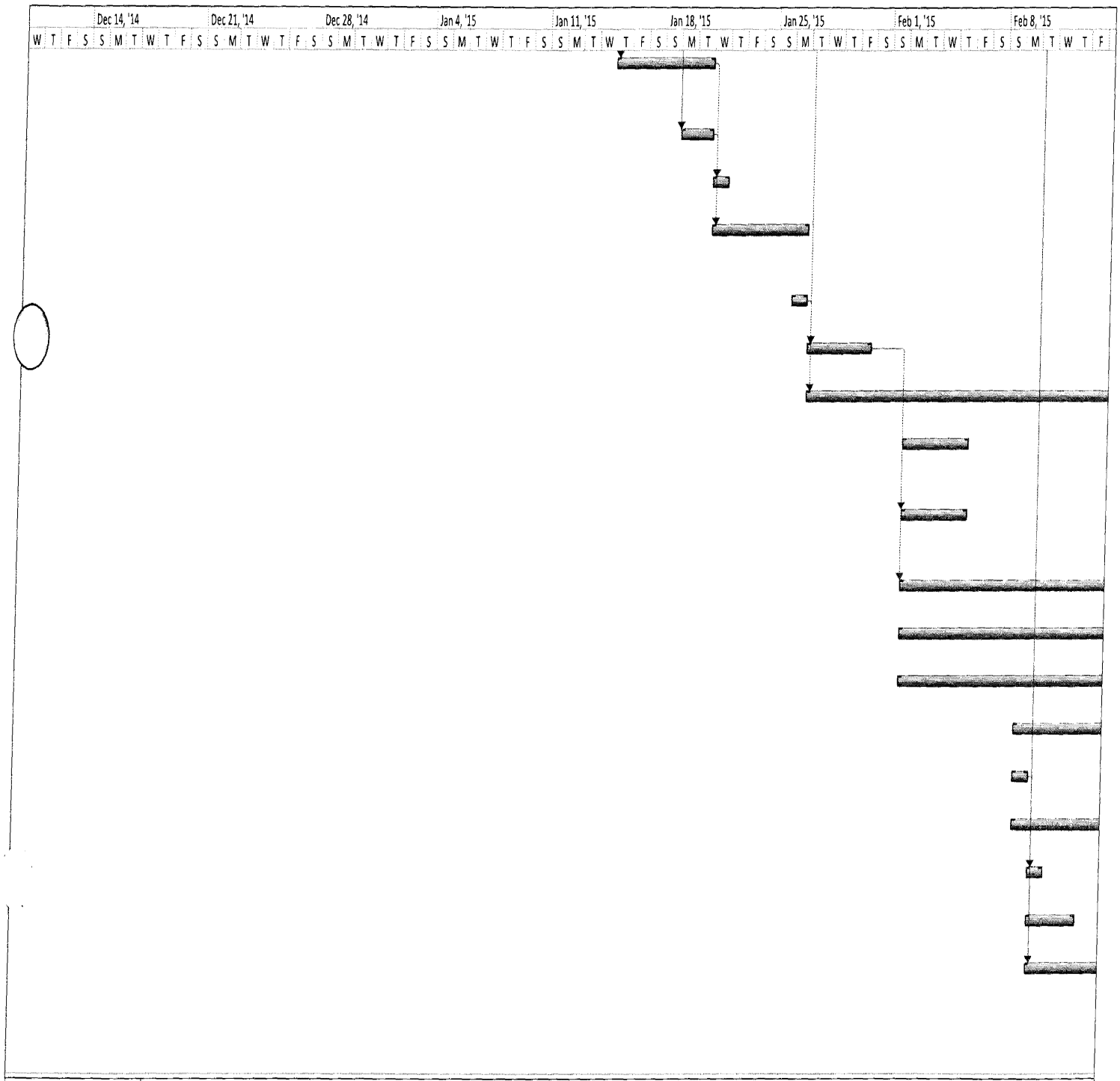
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

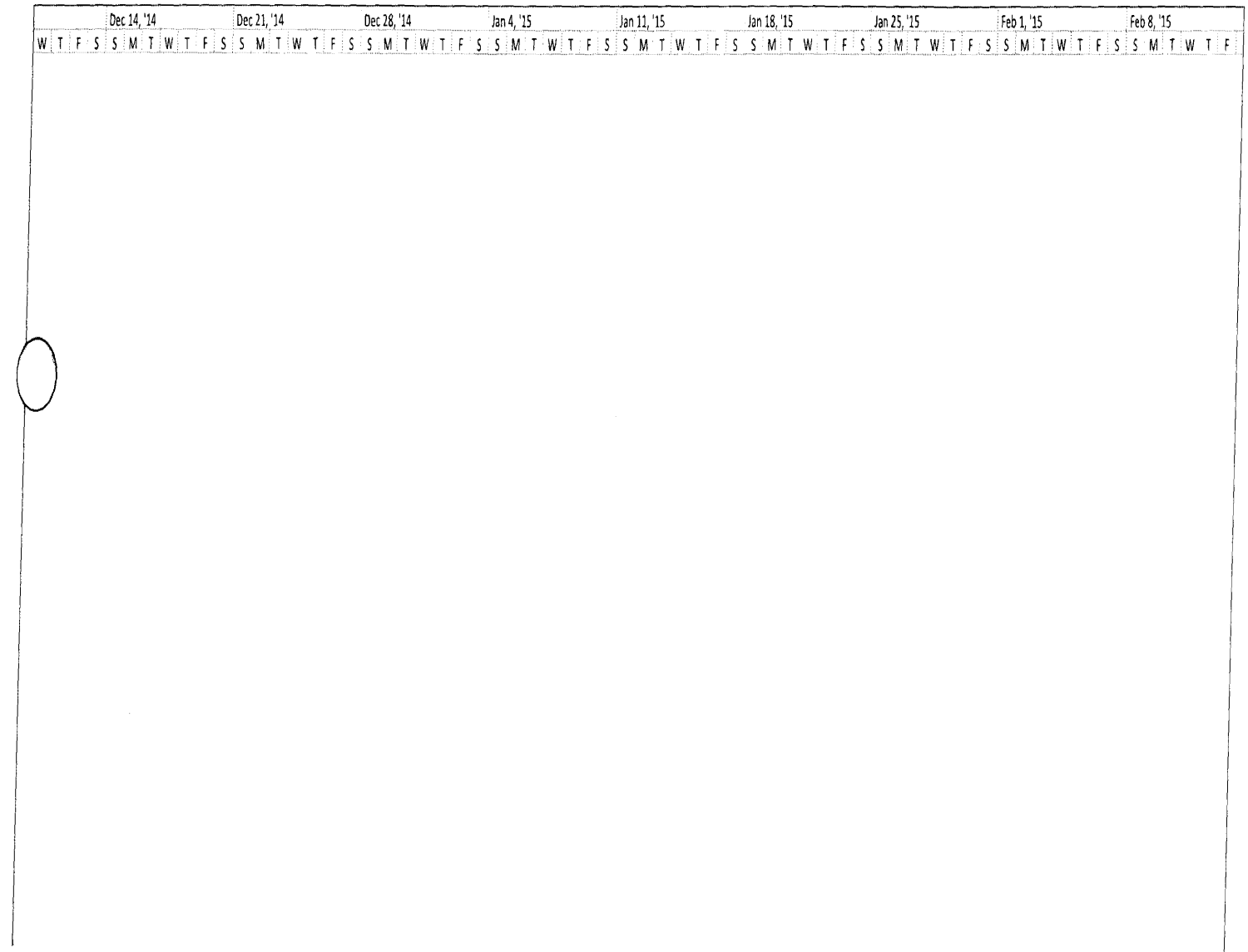


Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline			
Split		External Tasks		Inactive Summary		Manual Summary		Progress			
Milestone		External Milestone		Manual Task		Start-only					
Summary		Inactive Task		Duration-only		Finish-only					

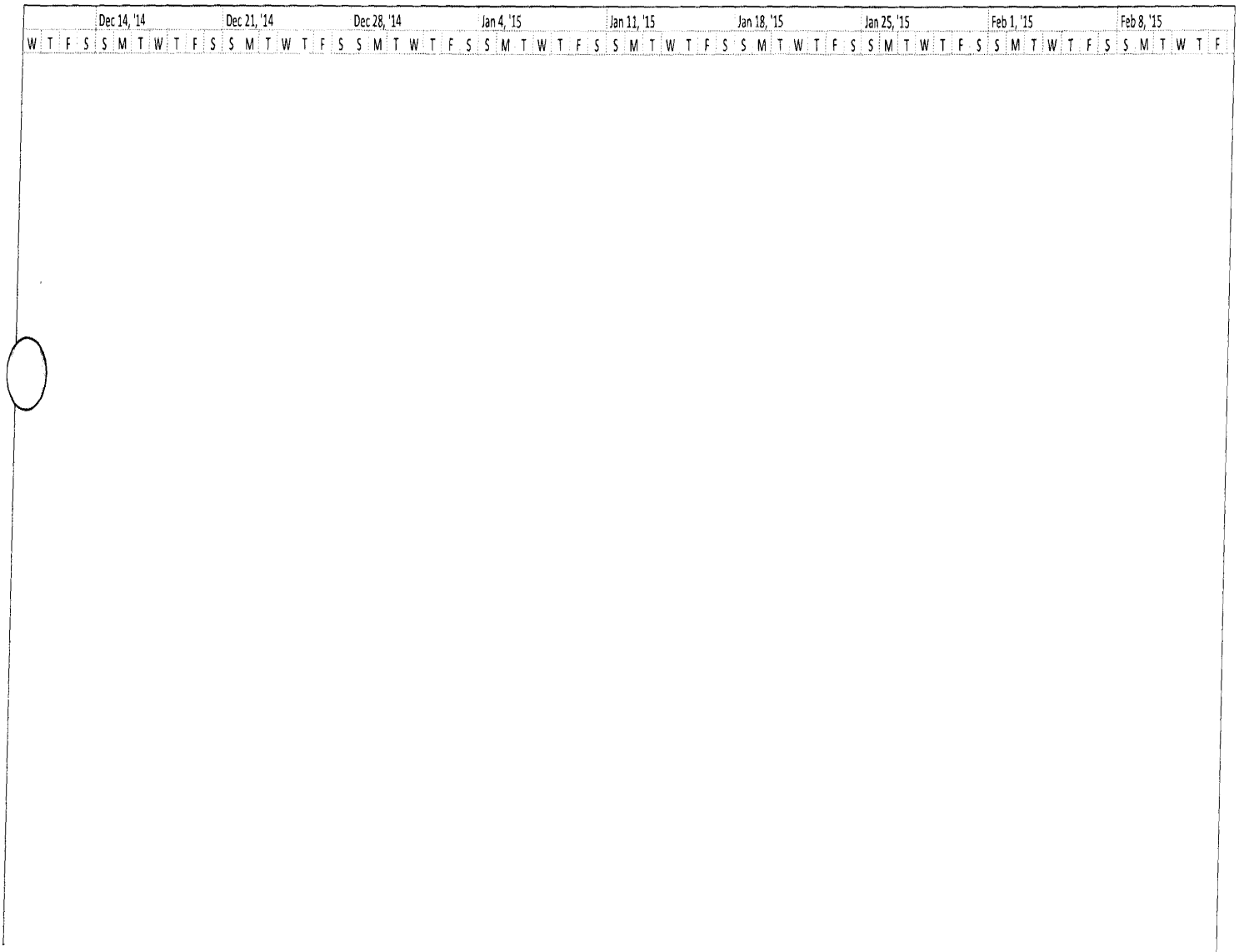


Project: g2 Date: Thu 8/20/15	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline				
	Split		External Tasks		Inactive Summary		Manual Summary		Progress				
	Milestone		External Milestone		Manual Task		Start-only						
	Summary		Inactive Task		Duration-only		Finish-only						

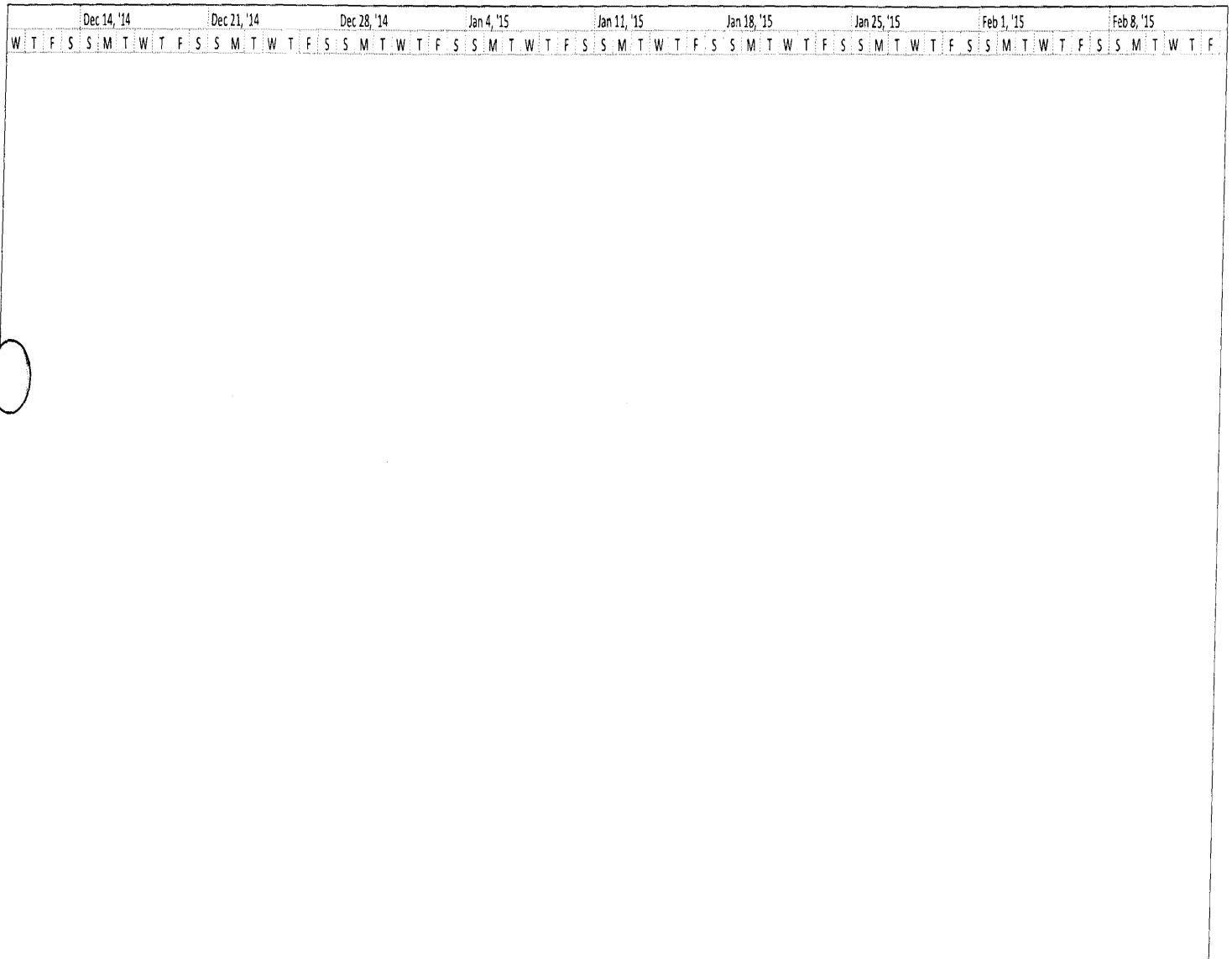


Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline			
Split		External Tasks		Inactive Summary		Manual Summary		Progress			
Milestone		External Milestone		Manual Task		Start-only					
Summary		Inactive Task		Duration-only		Finish-only					

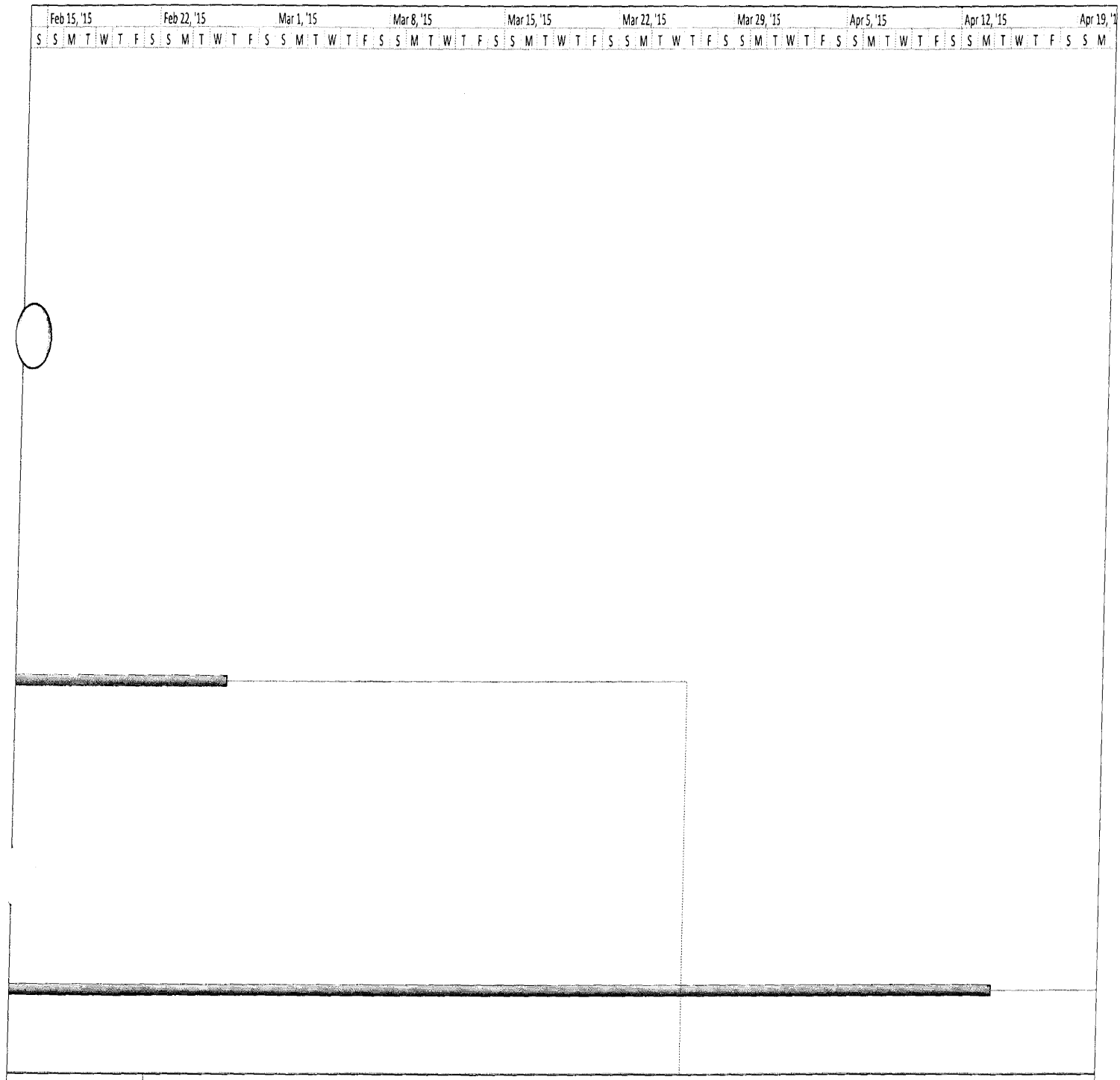


Project: g2 Date: Thu 8/20/15	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline								
	Split		External Tasks		Inactive Summary		Manual Summary		Progress								
	Milestone		External Milestone		Manual Task		Start-only										
	Summary		Inactive Task		Duration-only		Finish-only										



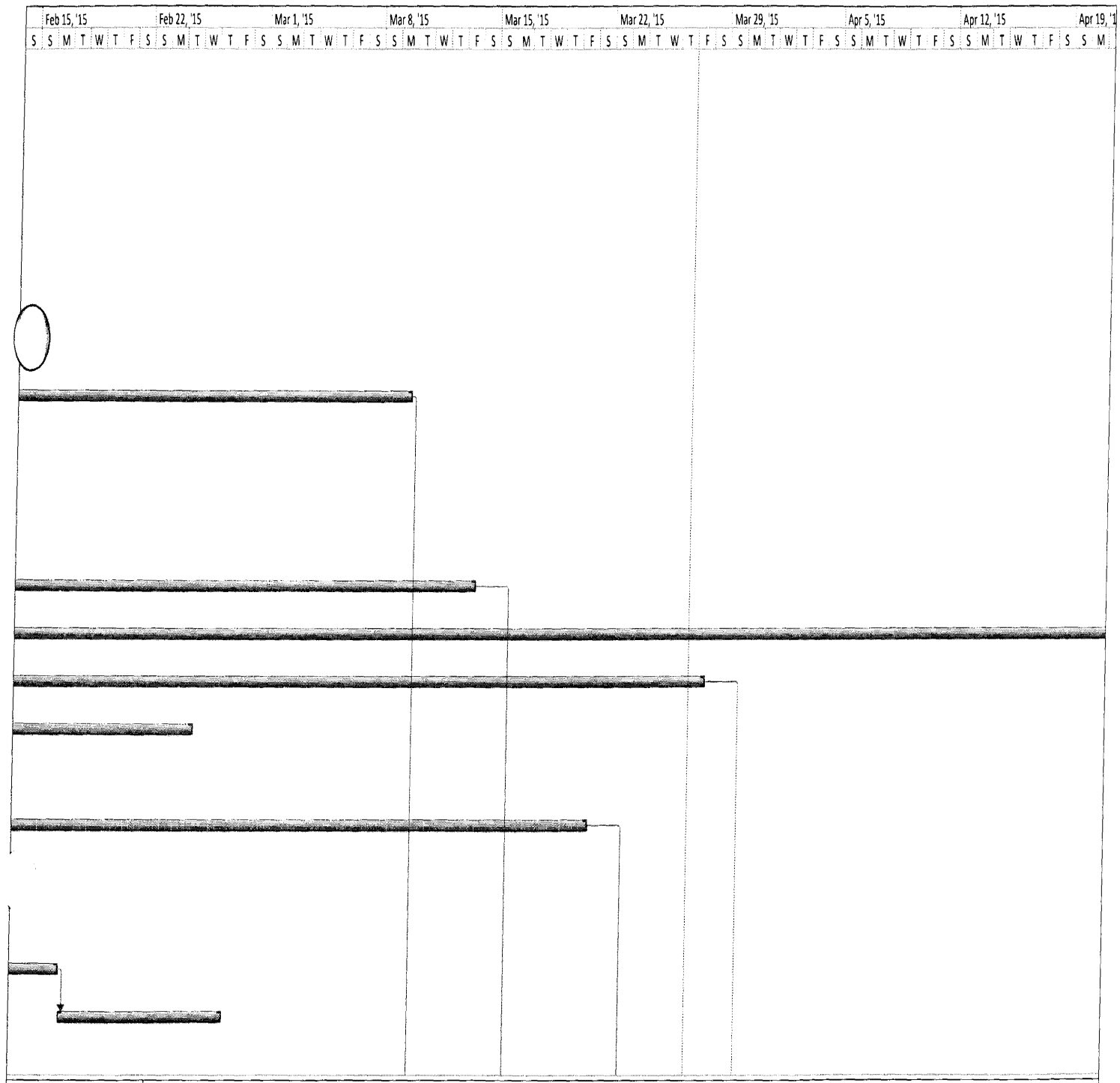
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



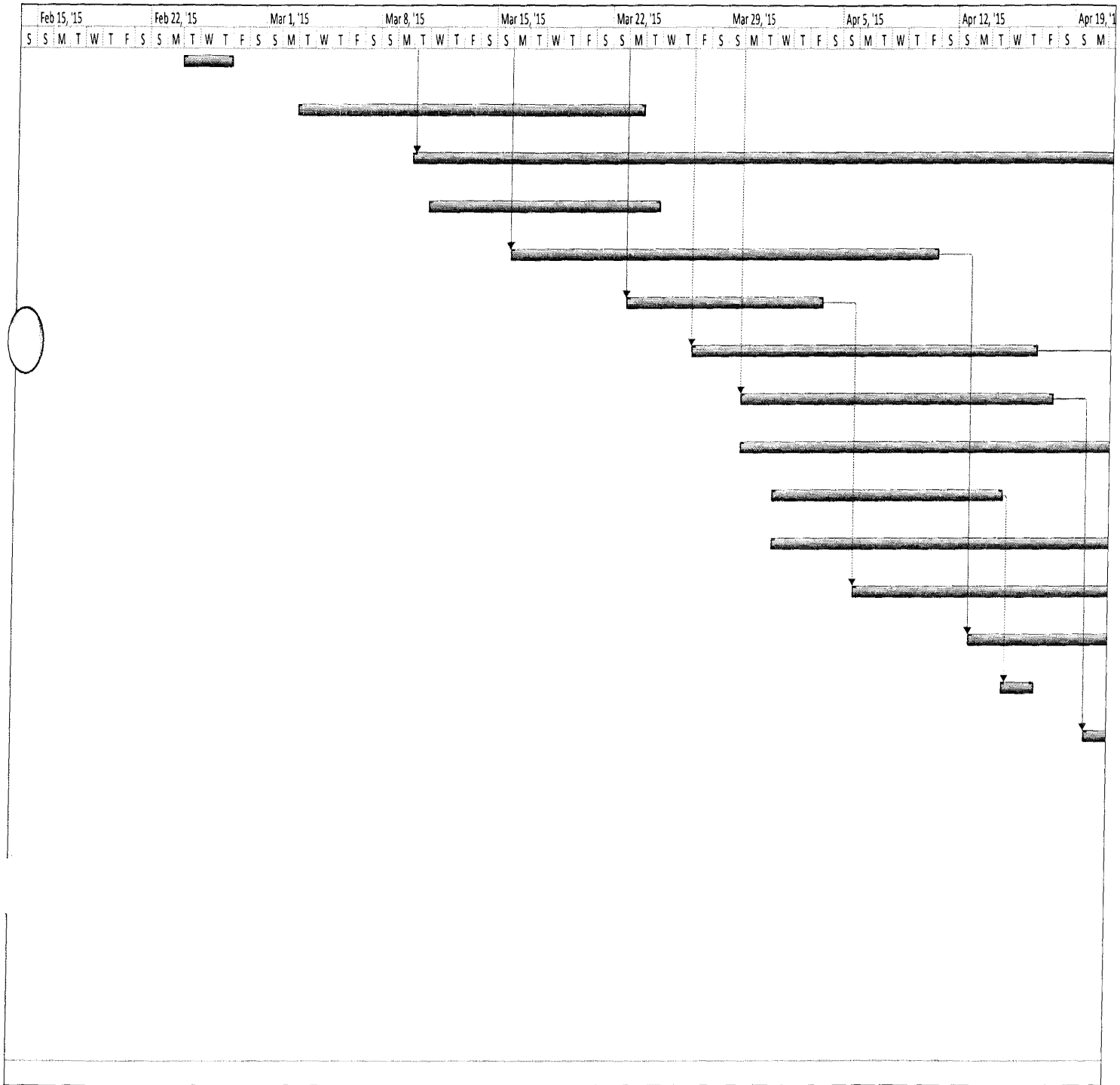
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline			
Split		External Tasks		Inactive Summary		Manual Summary		Progress			
Milestone		External Milestone		Manual Task		Start-only					
Summary		Inactive Task		Duration-only		Finish-only					

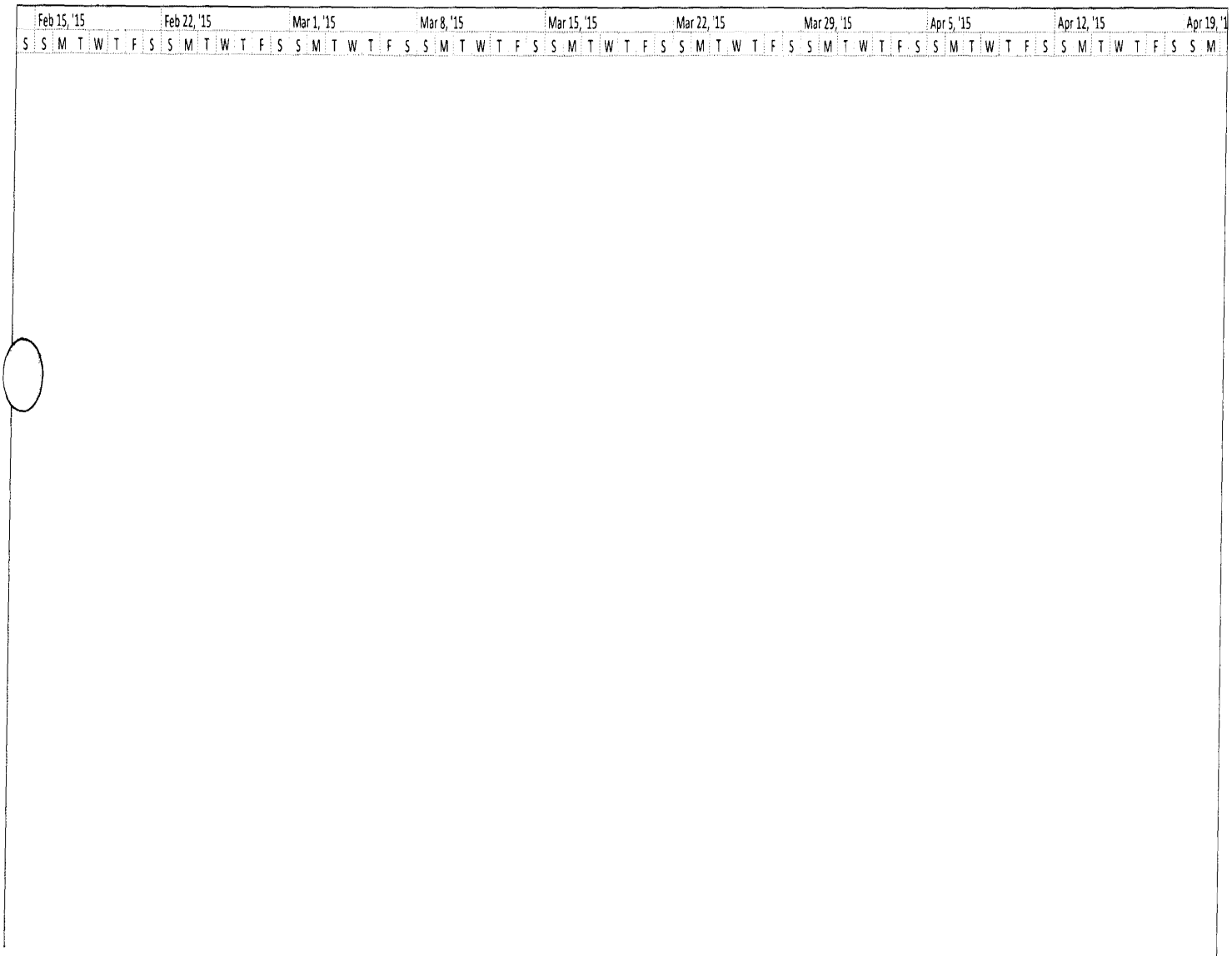


Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

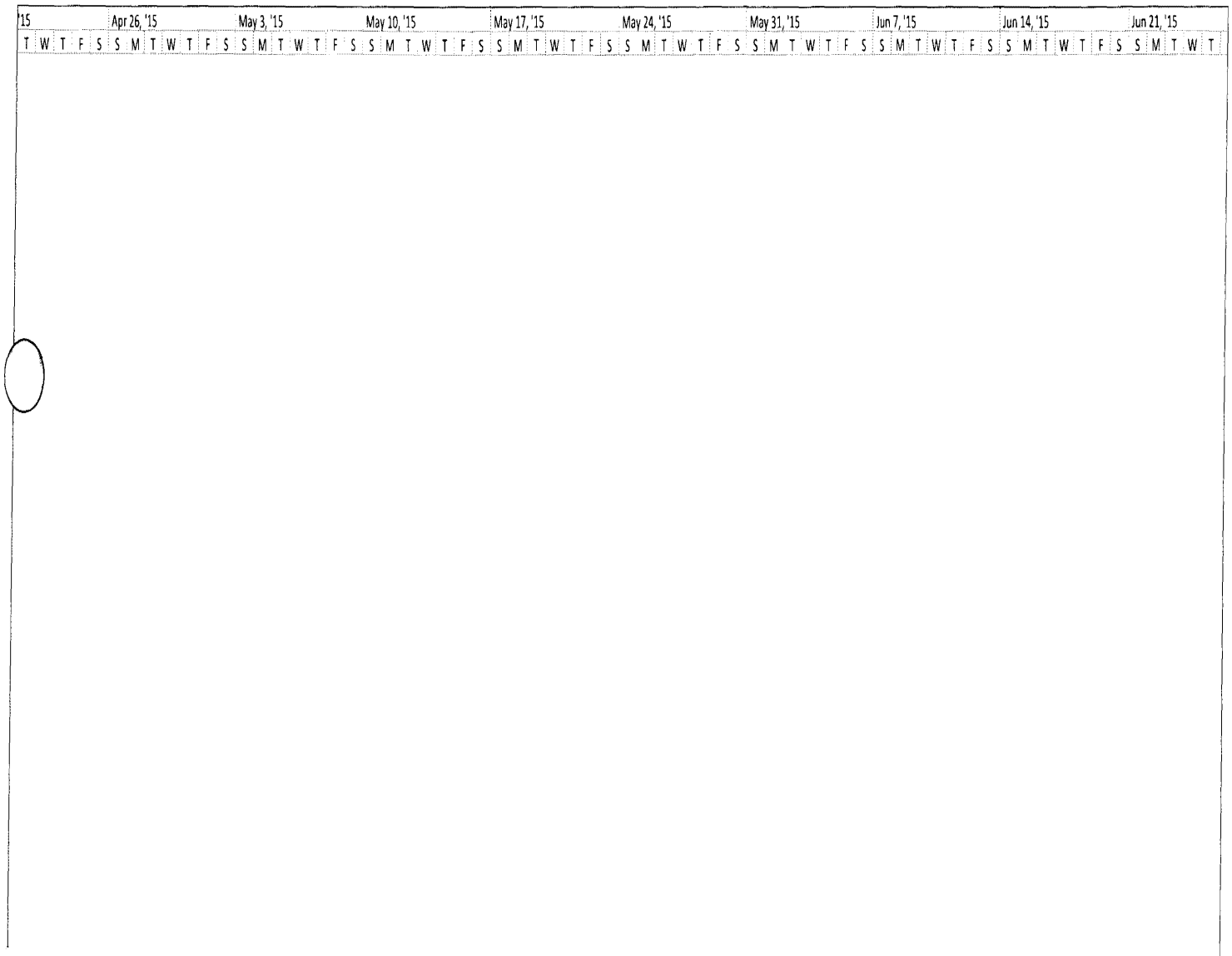
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



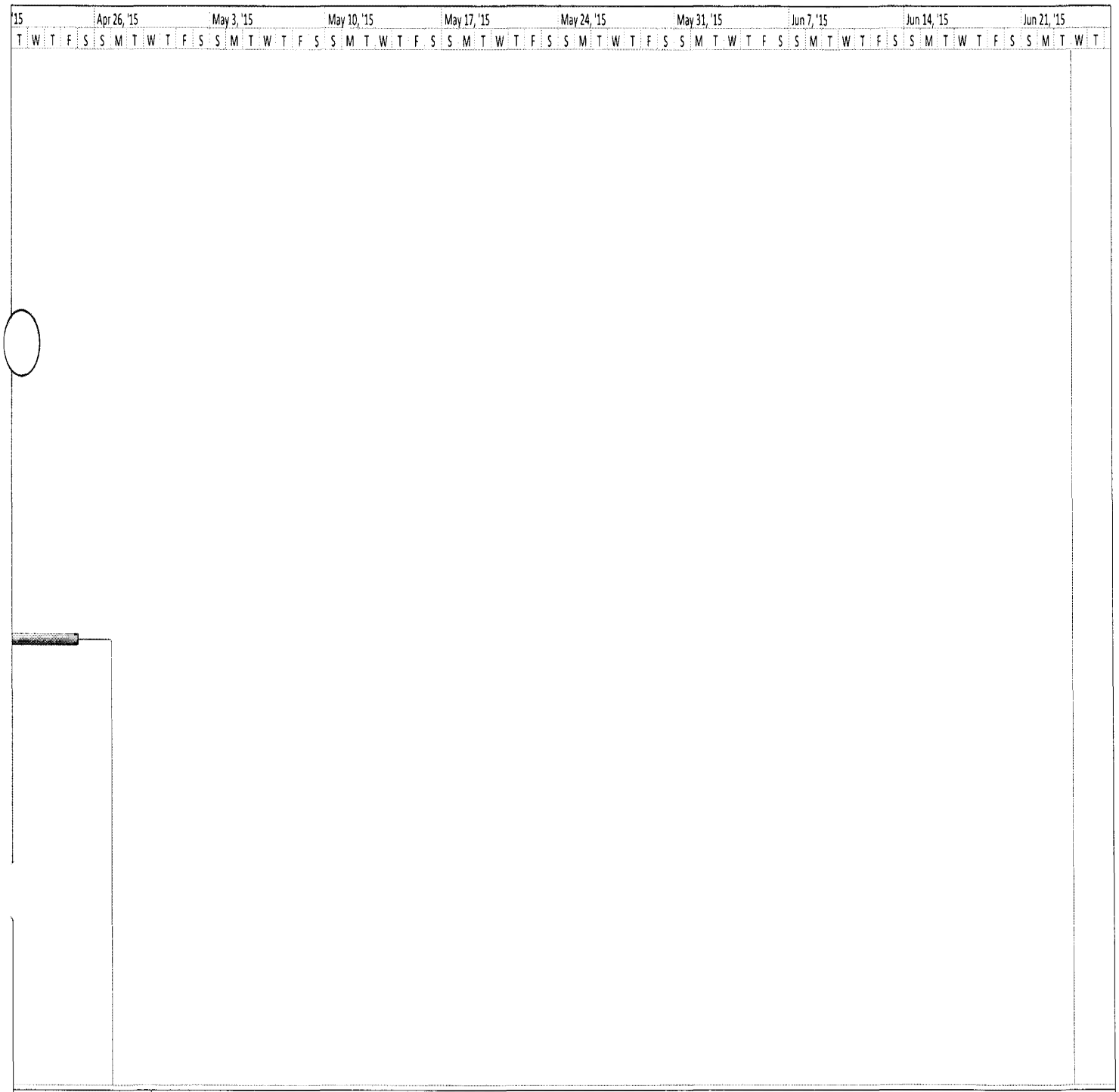
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



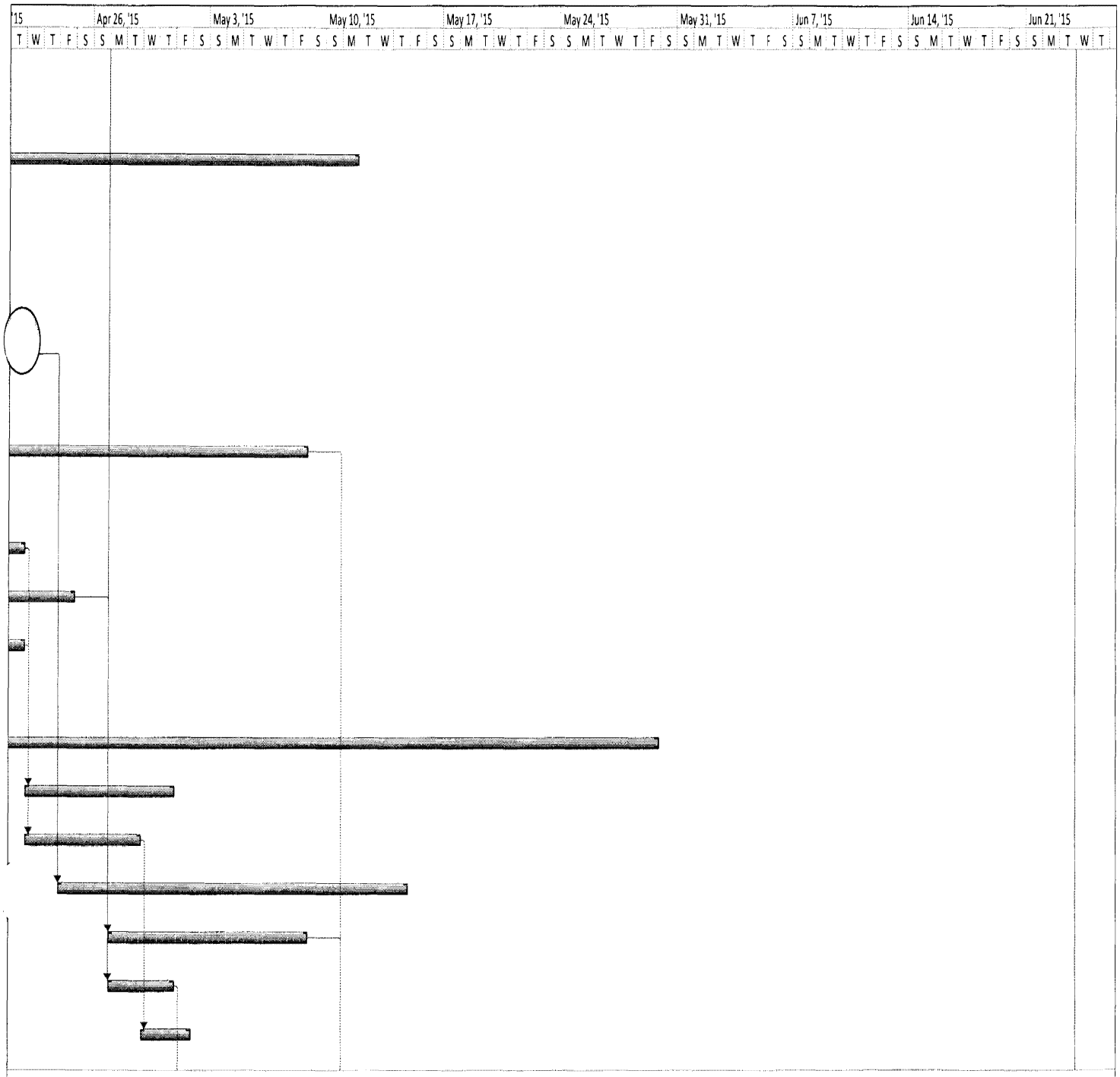
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

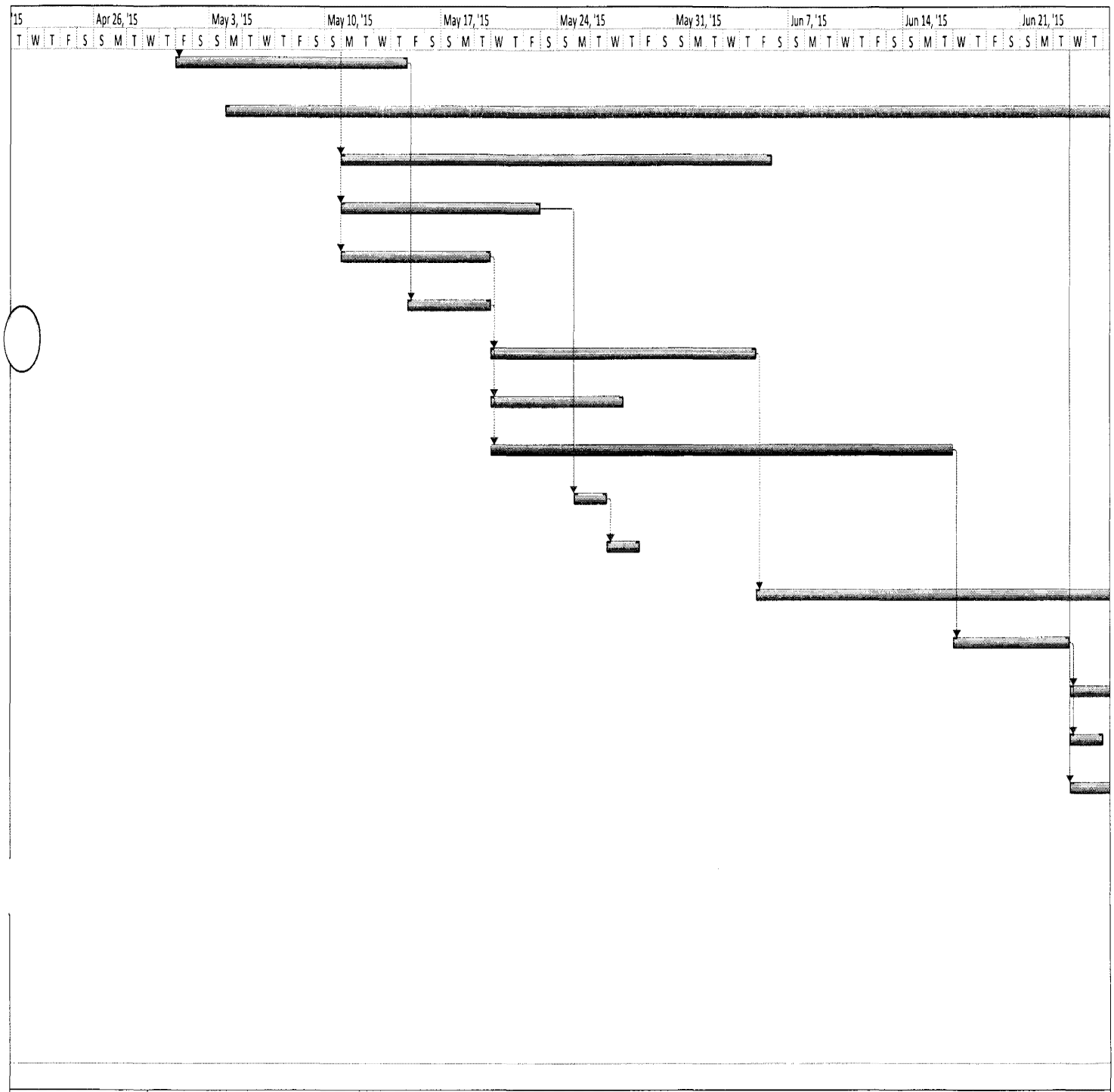


Project: g2
Date: Thu 8/20/15

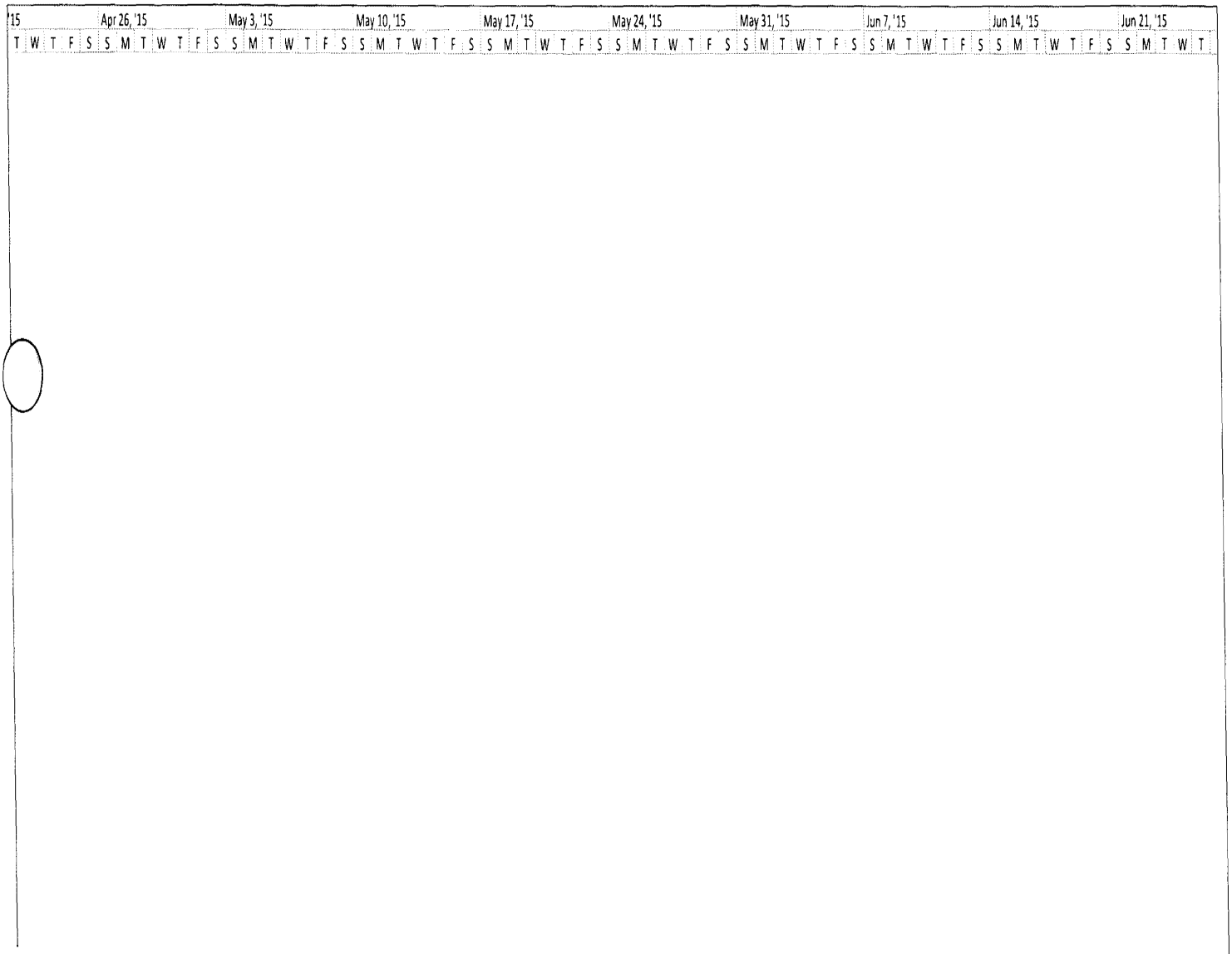
Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



Project: g2 Date: Thu 8/20/15	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline				
	Split		External Tasks		Inactive Summary		Manual Summary		Progress				
	Milestone		External Milestone		Manual Task		Start-only						
	Summary		Inactive Task		Duration-only		Finish-only						

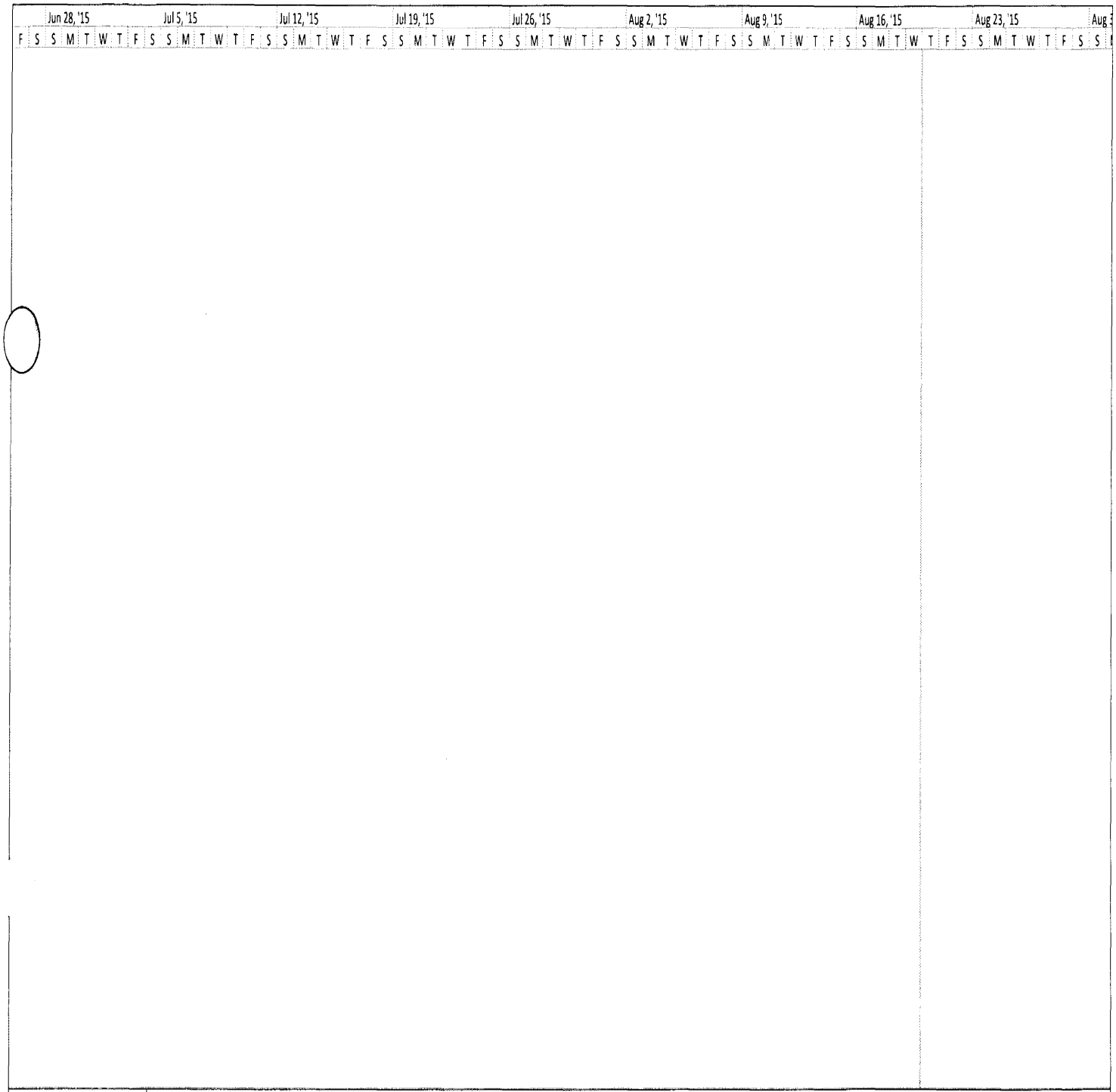


Project: g2 Date: Thu 8/20/15	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline				
	Split		External Tasks		Inactive Summary		Manual Summary		Progress				
	Milestone		External Milestone		Manual Task		Start-only						
	Summary		Inactive Task		Duration-only		Finish-only						



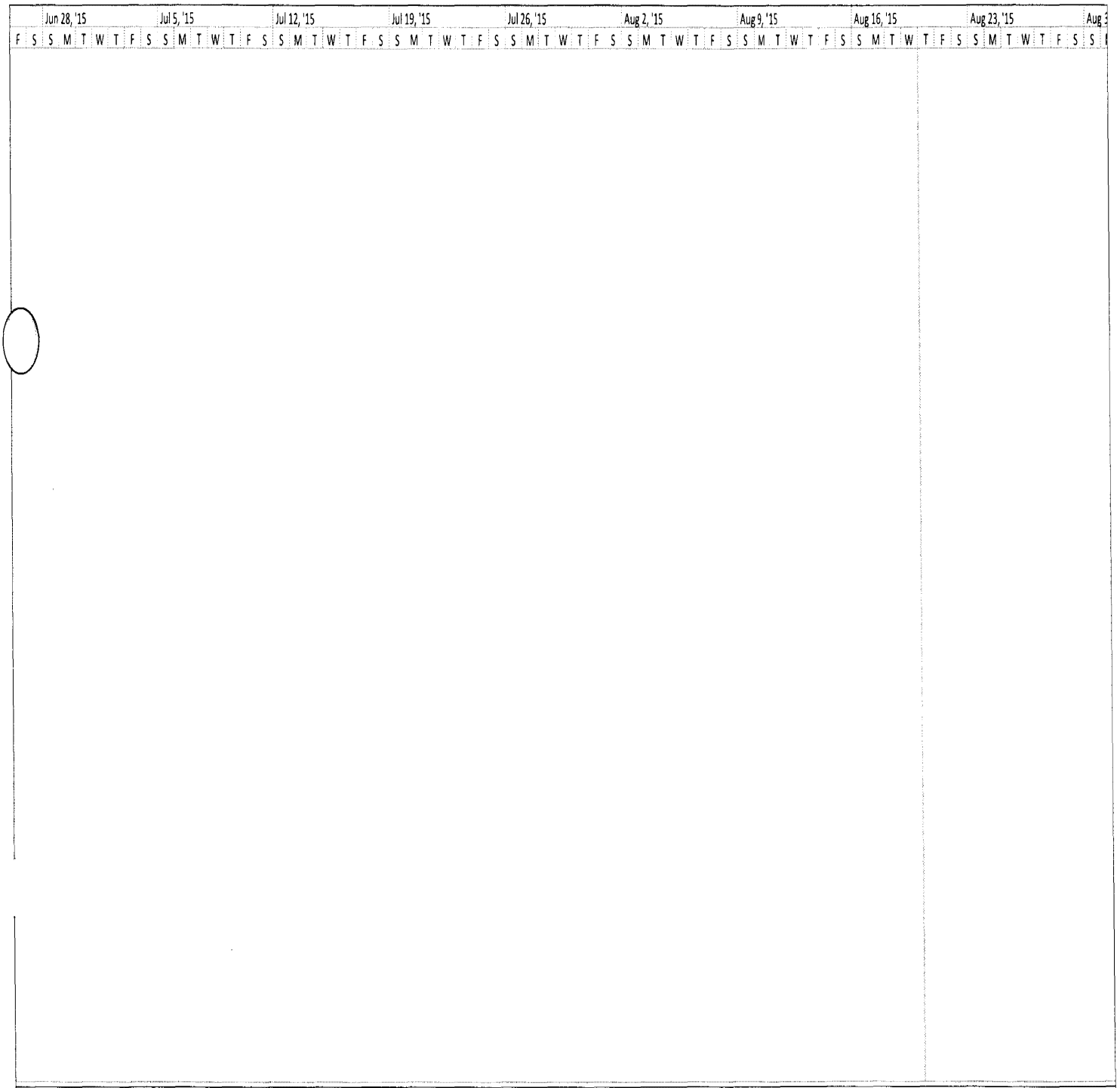
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



Project: g2
Date: Thu 8/20/15

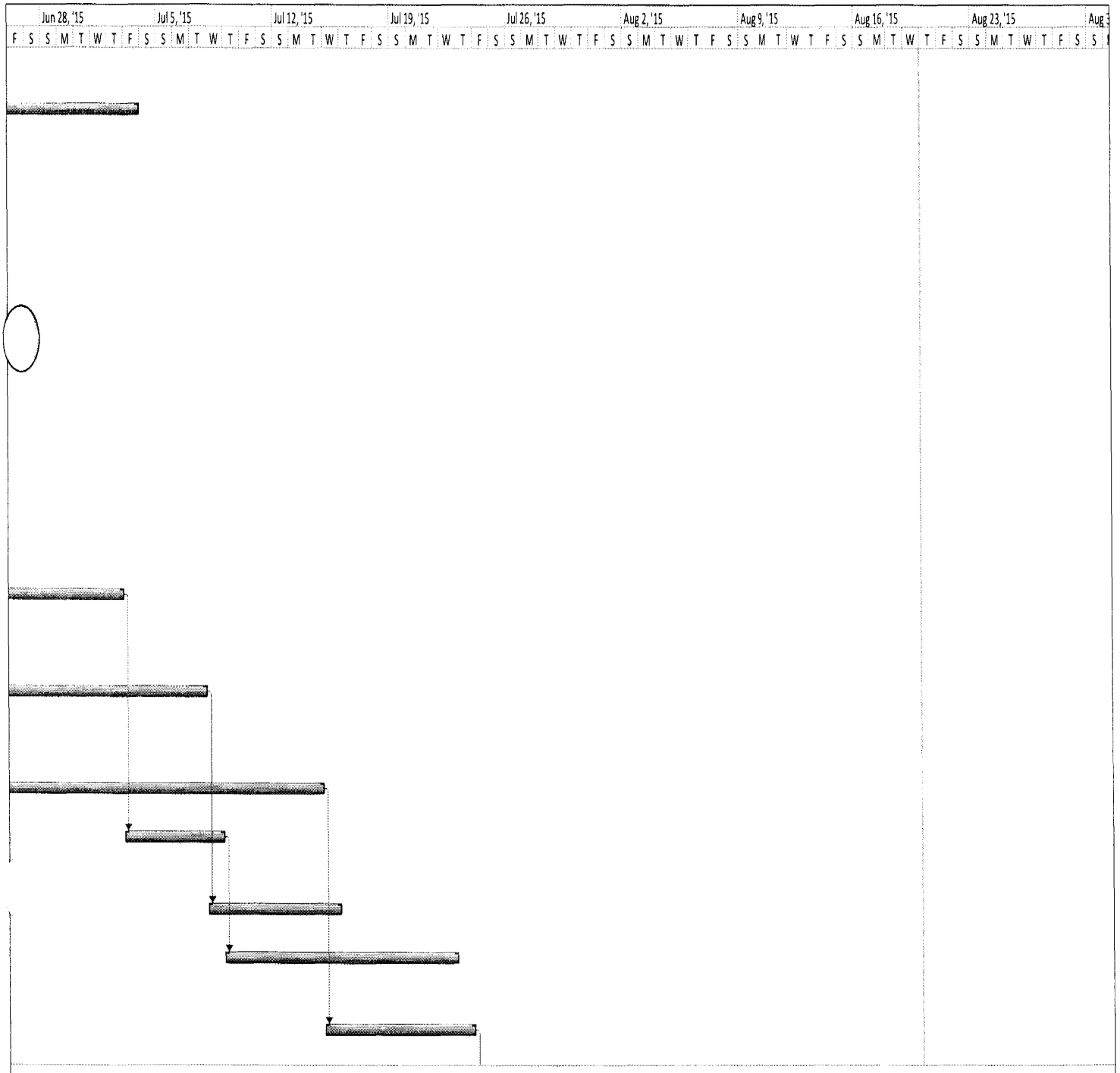
Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



Project: g2
Date: Thu 8/20/15

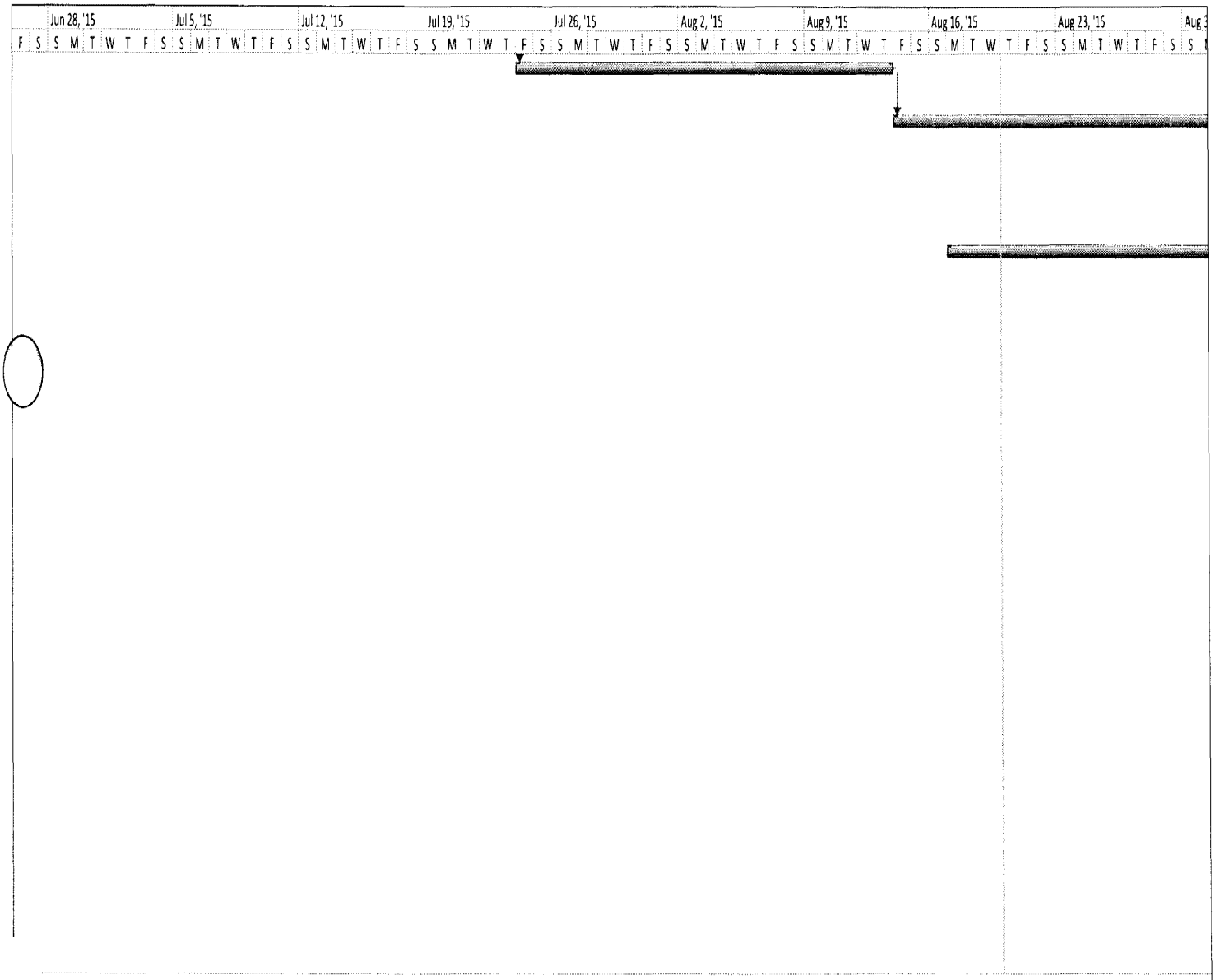
Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

Project: g2 Date: Thu 8/20/15	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline						
	Split		External Tasks		Inactive Summary		Manual Summary		Progress						
	Milestone		External Milestone		Manual Task		Start-only								
	Summary		Inactive Task		Duration-only		Finish-only								



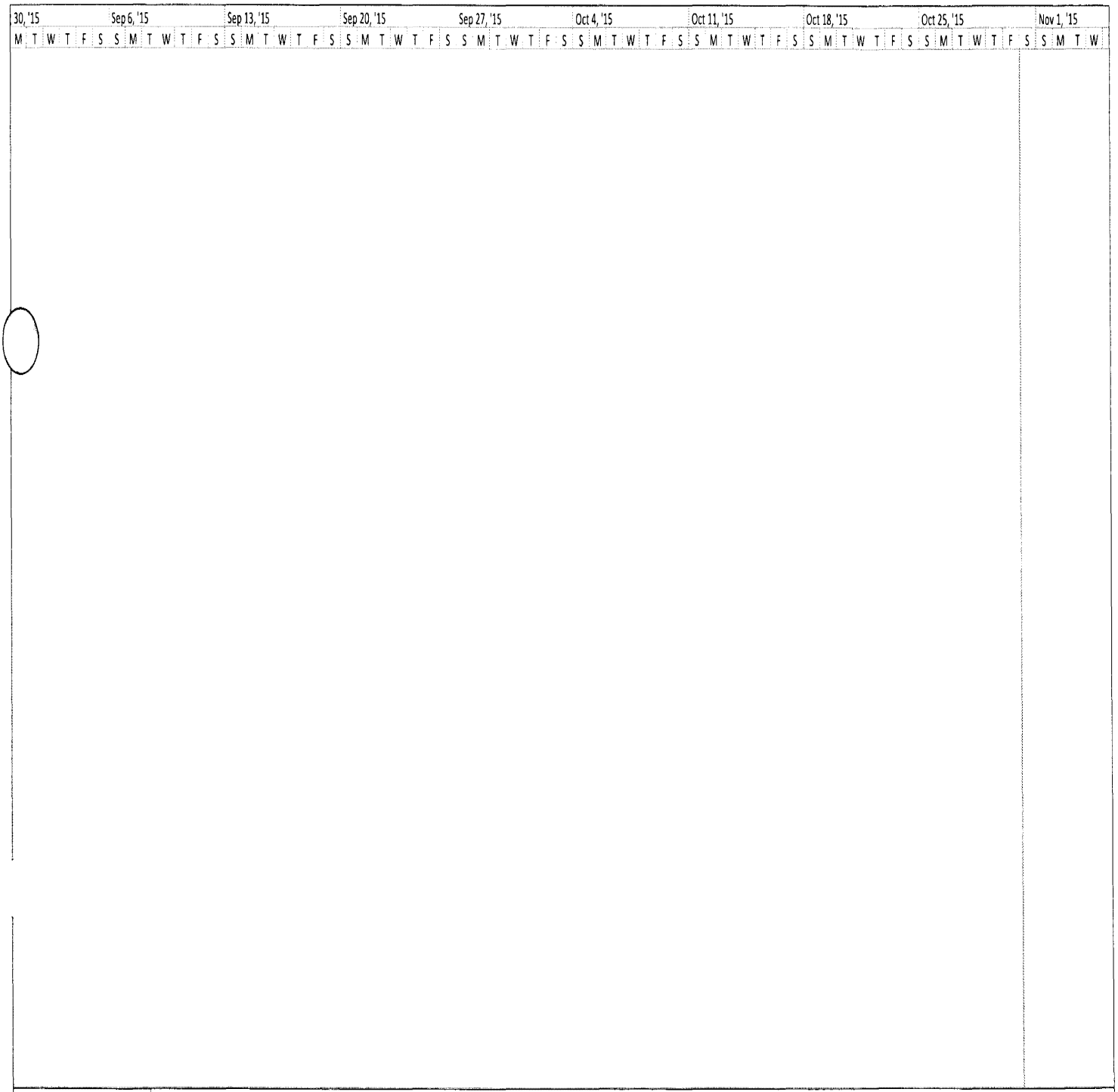
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



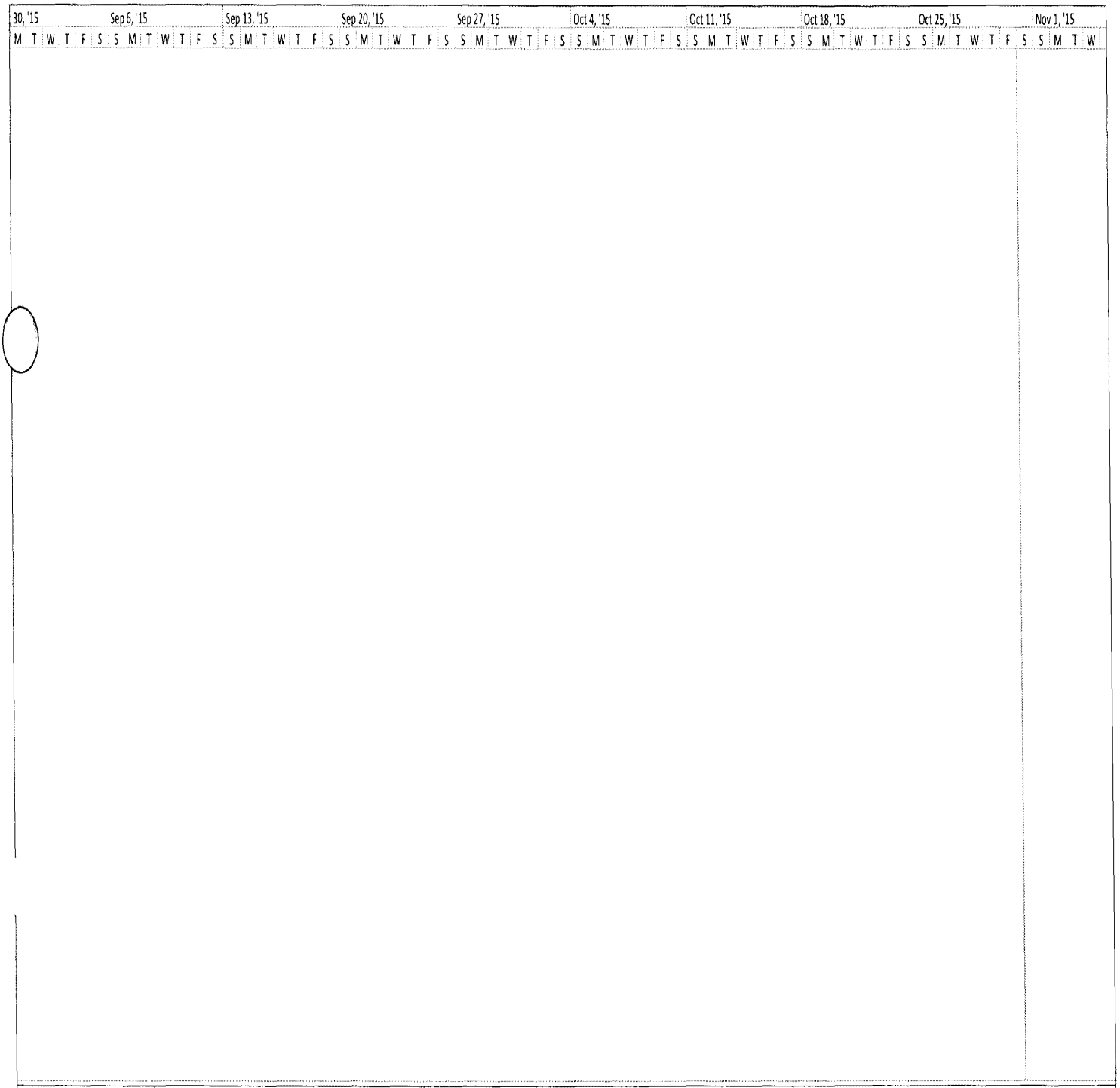
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



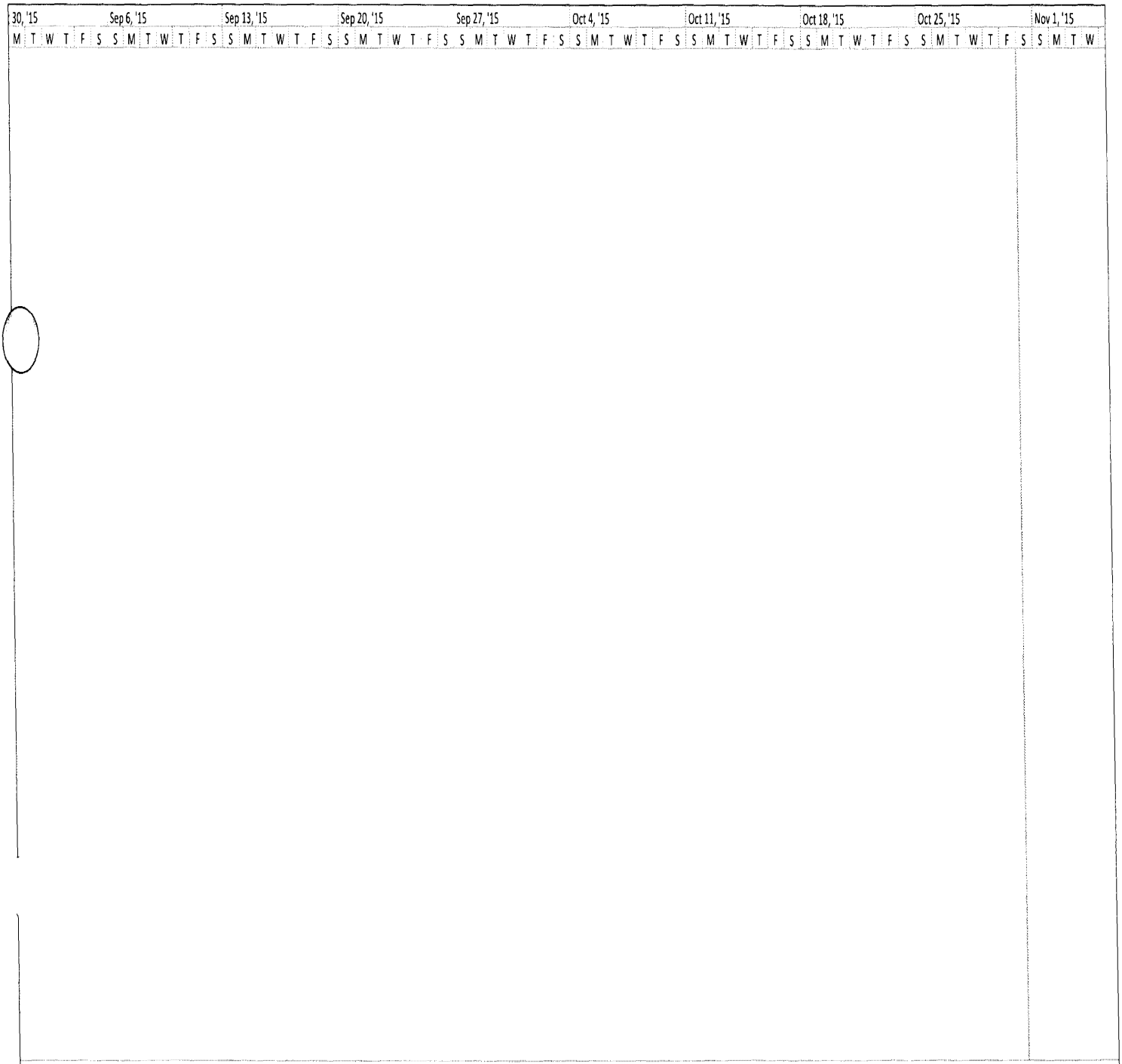
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



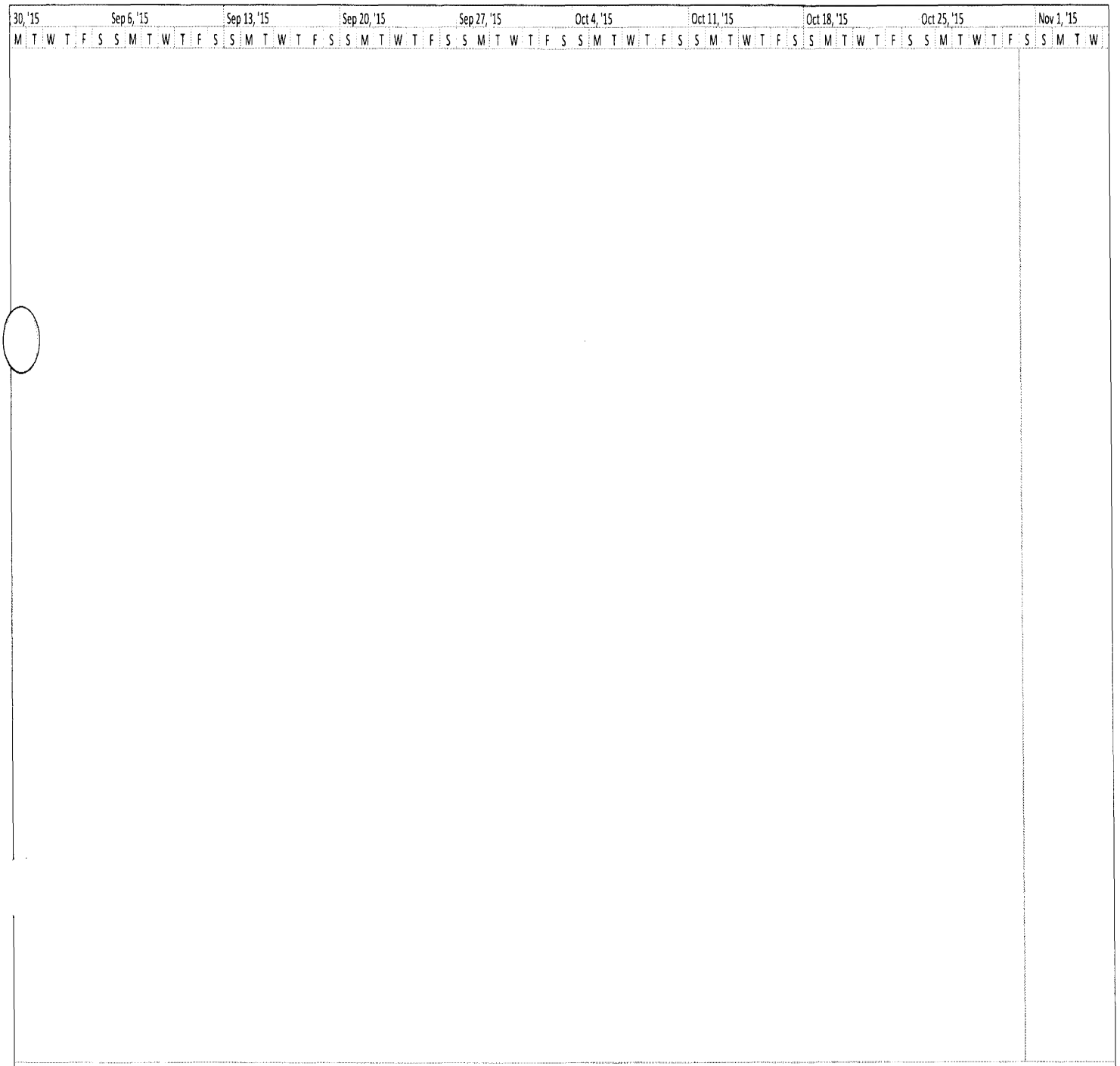
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



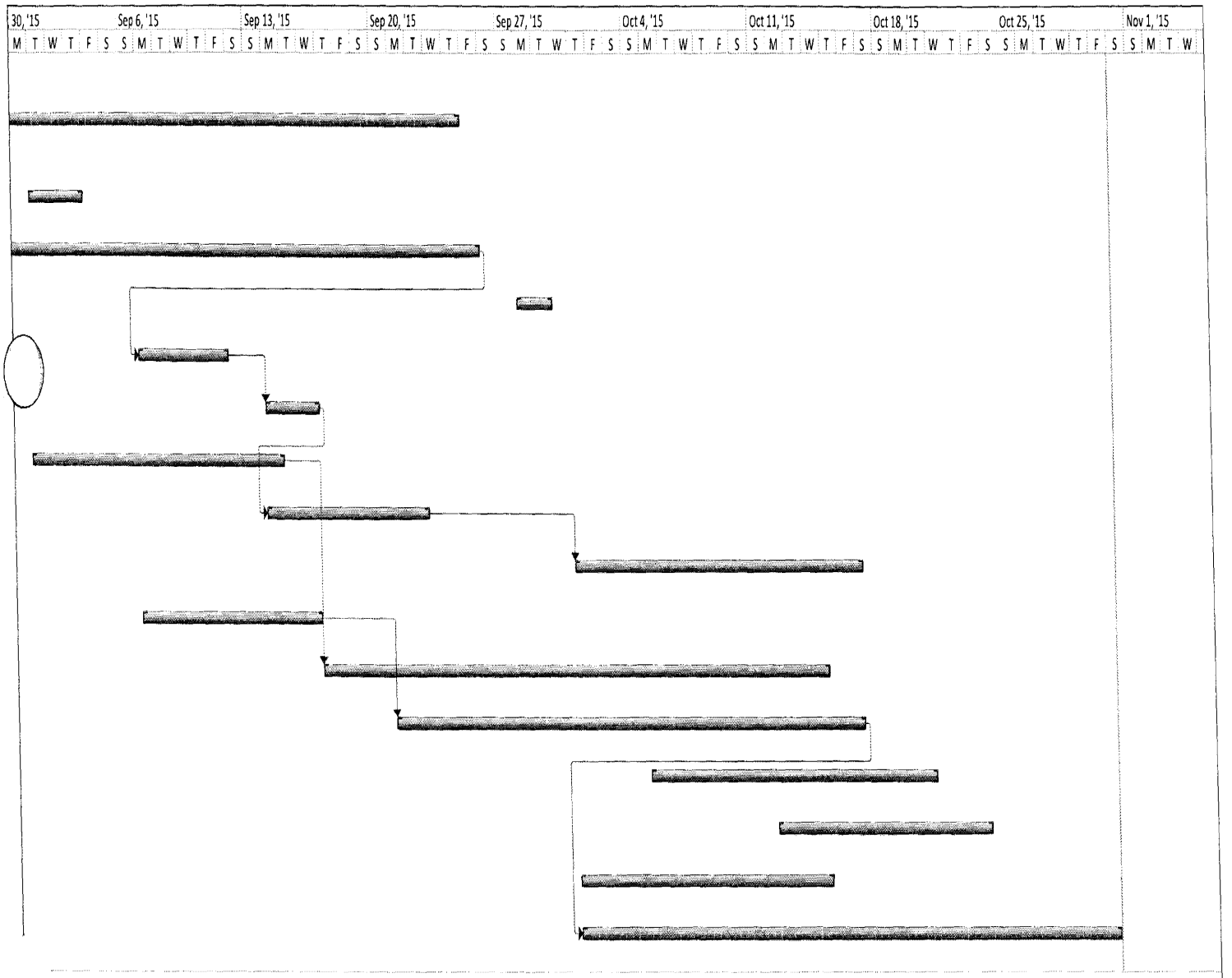
Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



Project: g2
Date: Thu 8/20/15

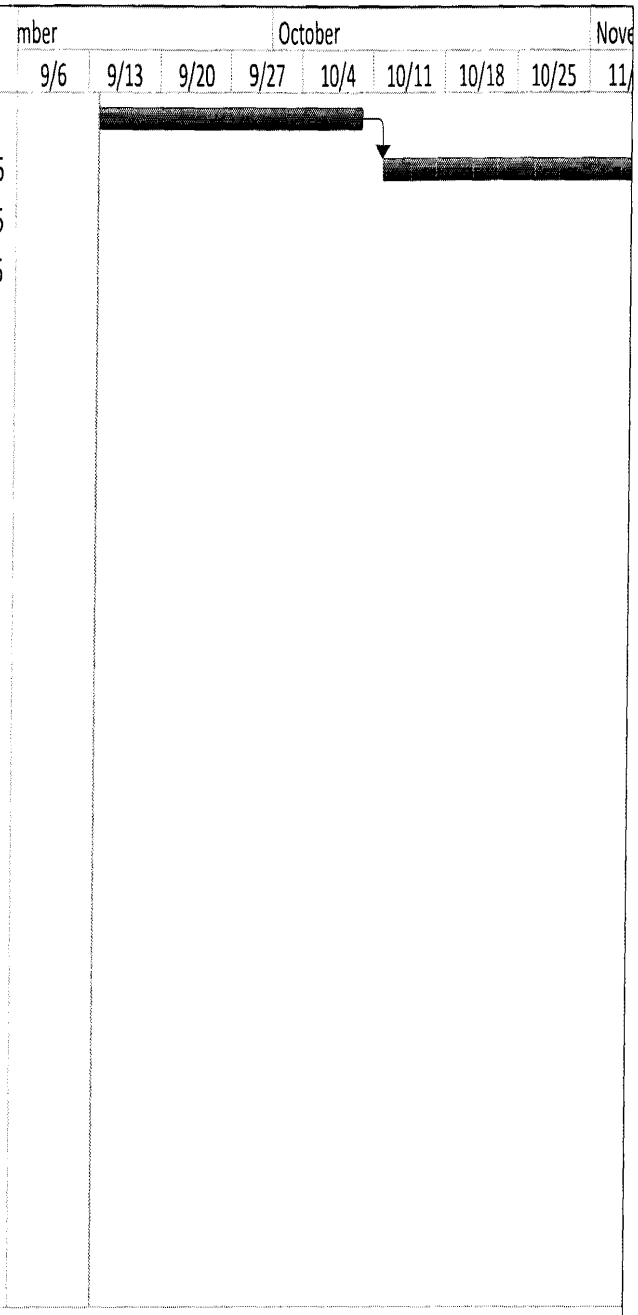
Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			



Project: g2
Date: Thu 8/20/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

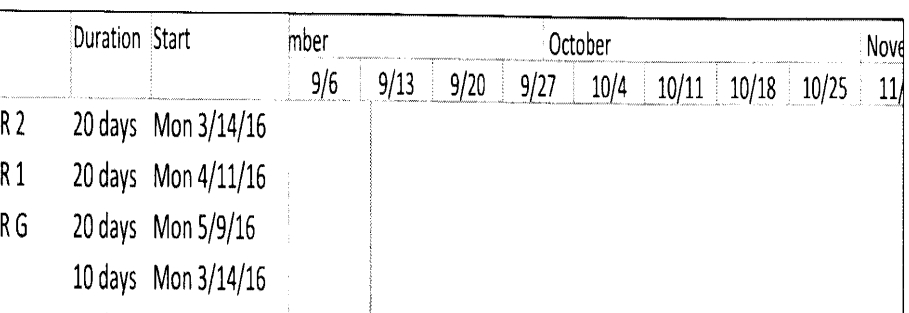
ID		Task Mode	Task Name	Duration	Start
1			SITE CLEAR / DEMOLITION	20 days	Mon 9/14/15
2			MISC BUILDING DEMOLITION	30 days	Mon 10/12/15
3			SITE UTILTIES	20 days	Mon 11/23/15
4			EXTERIOR RENOVATIONS	40 days	Mon 12/21/15
5			EXTERIOR WINDOWS / DOORS	20 days	Mon 1/18/16
6			ROOFING AND TRIMS	20 days	Mon 2/15/16
7			DECKING	20 days	Mon 3/14/16
8			SITE GRADING	10 days	Mon 6/13/16
9			SITE CONCRETE	10 days	Mon 6/27/16
10			SITE PAVING	10 days	Mon 7/11/16
11			SITE AMENITIES	15 days	Mon 7/25/16
12			FENCING AND GATES	10 days	Mon 8/15/16
13			LANDSCAPING	10 days	Mon 8/29/16
14			ELEVATOR INSTALLATION	60 days	Mon 11/23/15
15			STAIR INSTALLATION	20 days	Mon 11/23/15
16			FRAMING FLOOR 3	20 days	Mon 12/21/15
17			FRAMING FLOOR 2	20 days	Mon 1/18/16
18			FRAMING FLOOR 1	20 days	Mon 2/15/16
19			FRAMING FLOOR G	20 days	Mon 3/14/16
20			MEP ROUGH IN FLOOR 3	20 days	Mon 1/18/16
21			MEP ROUGH IN FLOOR 2	20 days	Mon 2/15/16
22			MEP ROUGH IN FLOOR 1	20 days	Mon 3/14/16
23			MEP ROUGH IN FLOOR G	20 days	Mon 4/11/16
24			INSULATION / DRYWALL FLOOR 3	20 days	Mon 2/15/16



Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			

ID		Task Mode	Task Name	Duration	Start
25			INSULATION / DRYWALL FLOOR 2	20 days	Mon 3/14/16
26			INSULATION / DRYWALL FLOOR 1	20 days	Mon 4/11/16
27			INSULATION / DRYWALL FLOOR G	20 days	Mon 5/9/16
28			PAINT FLOOR 3	10 days	Mon 3/14/16
29			PAINT FLOOR 2	10 days	Mon 4/11/16
30			PAINT FLOOR 1	10 days	Mon 5/9/16
31			PAINT FLOOR G	10 days	Mon 6/6/16
32			MEP FINISHES FLOOR 3	15 days	Mon 3/28/16
33			MEP FINISHES FLOOR 2	15 days	Mon 4/25/16
34			MEP FINISHES FLOOR 1	15 days	Mon 5/23/16
35			MEP FINISHES FLOOR G	15 days	Mon 6/20/16
36			FLOORING FLOOR 3	15 days	Mon 4/18/16
37			FLOORING FLOOR 2	15 days	Mon 5/16/16
38			FLOORING FLOOR 1	15 days	Mon 6/13/16
39			FLOORING FLOOR G	15 days	Mon 7/11/16
40			FINISH CARPENTRY FLOOR 3	15 days	Mon 5/9/16
41			FINISH CARPENTRY FLOOR 2	15 days	Mon 6/6/16
42			FINISH CARPENTRY FLOOR 1	15 days	Mon 7/4/16
43			FINISH CARPENTRY FLOOR G	15 days	Mon 8/1/16
44			MISC FINISHES FLOOR 3	15 days	Mon 5/30/16
45			MISC FINISHES FLOOR 2	15 days	Mon 6/27/16
46			MISC FINISHES FLOOR 1	15 days	Mon 7/25/16
47			MISC FINISHES FLOOR G	15 days	Mon 8/22/16
48			FINAL INSPECTIONS	10 days	Mon 9/12/16



Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			

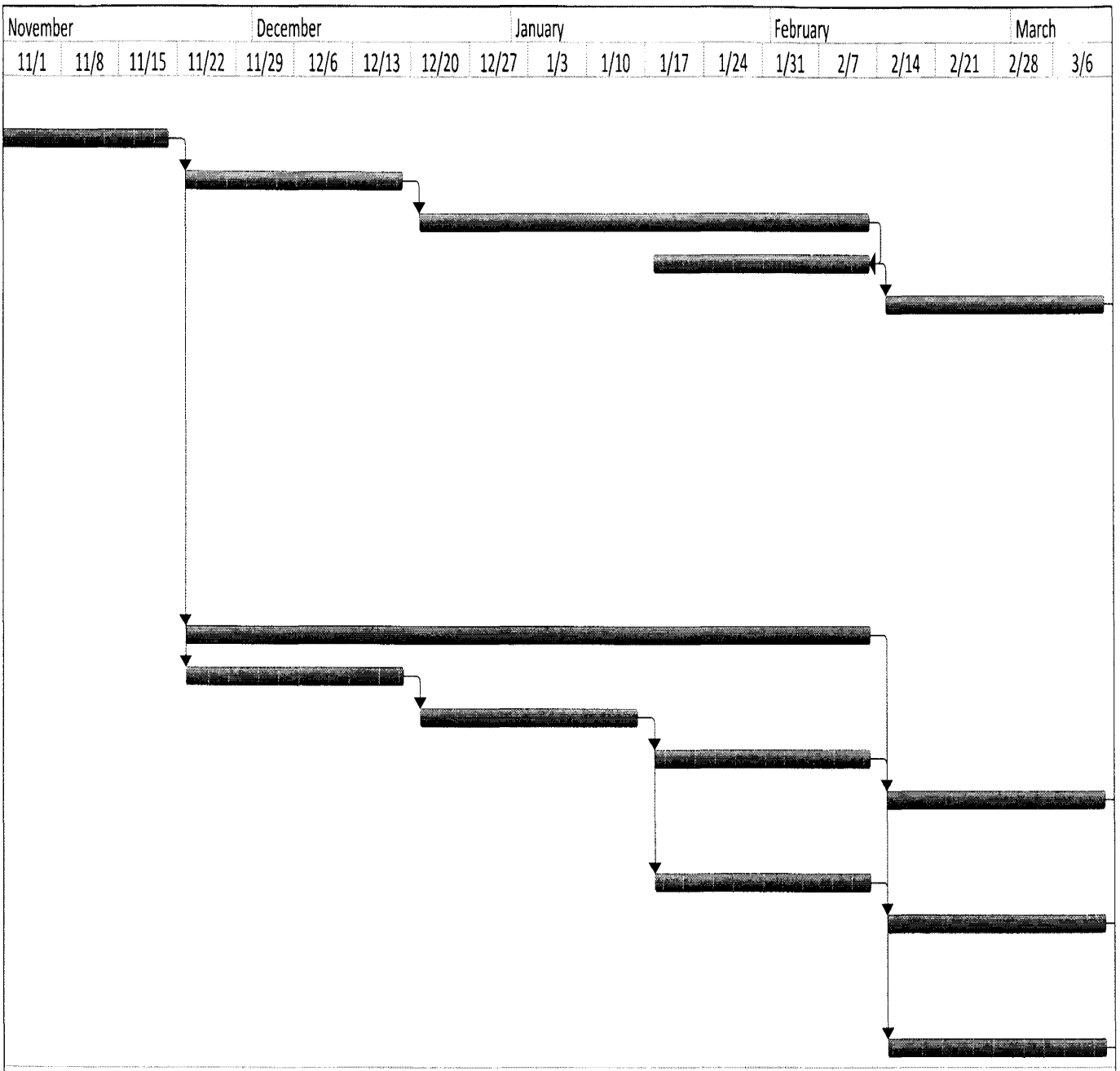
ID		Task Mode	Task Name	Duration	Start
49			PUNCH LIST	20 days	Mon 9/26/16
50			FINAL CLEAN	15 days	Mon 10/24/16
51			PROJECT TURNOVER	1 day	Fri 11/11/16

mber | October | Nove

9/6 | 9/13 | 9/20 | 9/27 | 10/4 | 10/11 | 10/18 | 10/25 | 11/

Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			



Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only			
Split		Inactive Milestone		Finish-only			
Milestone		Inactive Summary		Deadline			
Summary		Manual Task		Critical			
Project Summary		Duration-only		Critical Split			
External Tasks		Manual Summary Rollup		Progress			
External Milestone		Manual Summary					

November				December					January				February				March	
11/1	11/8	11/15	11/22	11/29	12/6	12/13	12/20	12/27	1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28	3/6

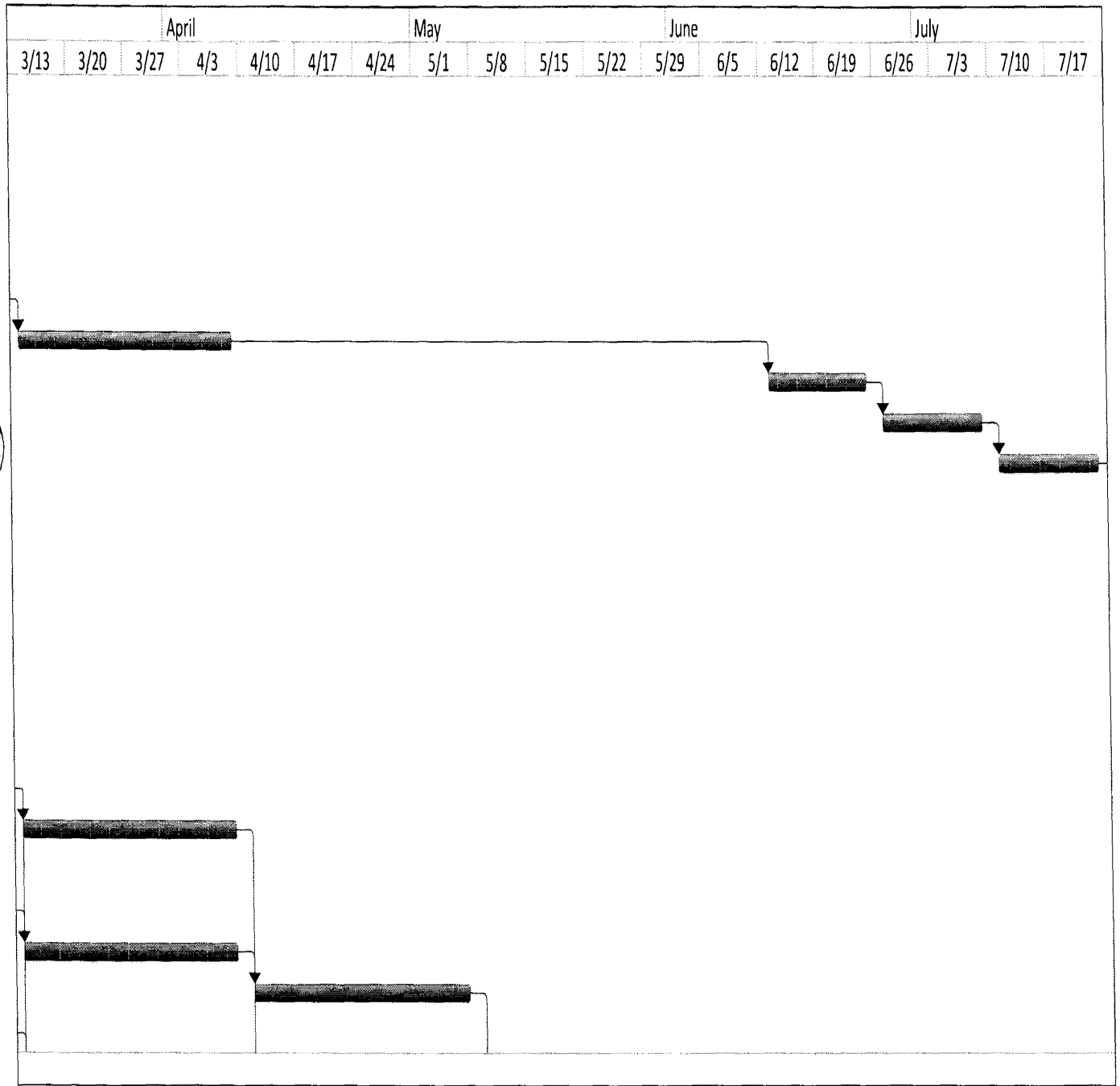
Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			

November				December					January				February				March	
11/1	11/8	11/15	11/22	11/29	12/6	12/13	12/20	12/27	1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28	3/6

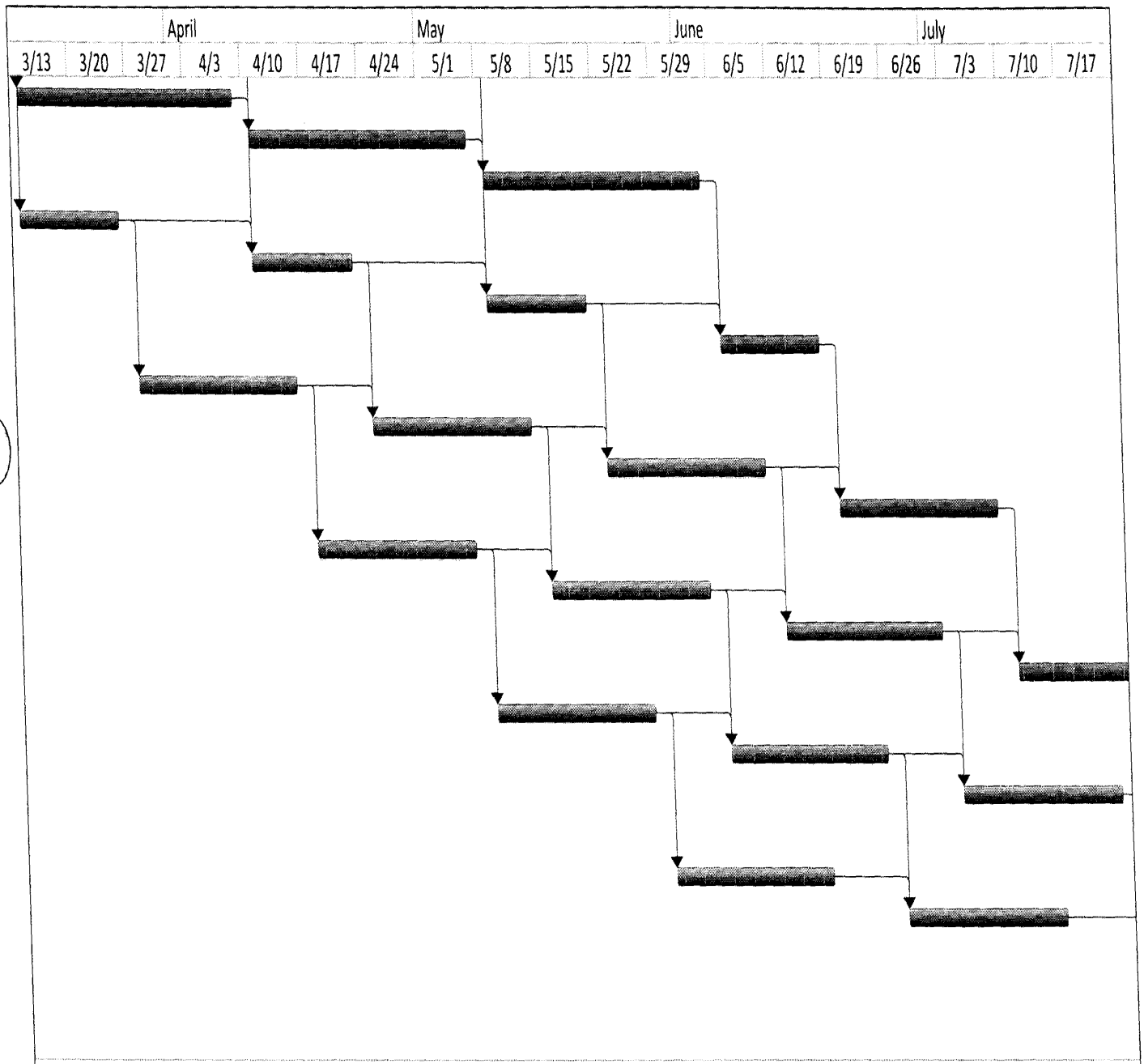
Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			



Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			



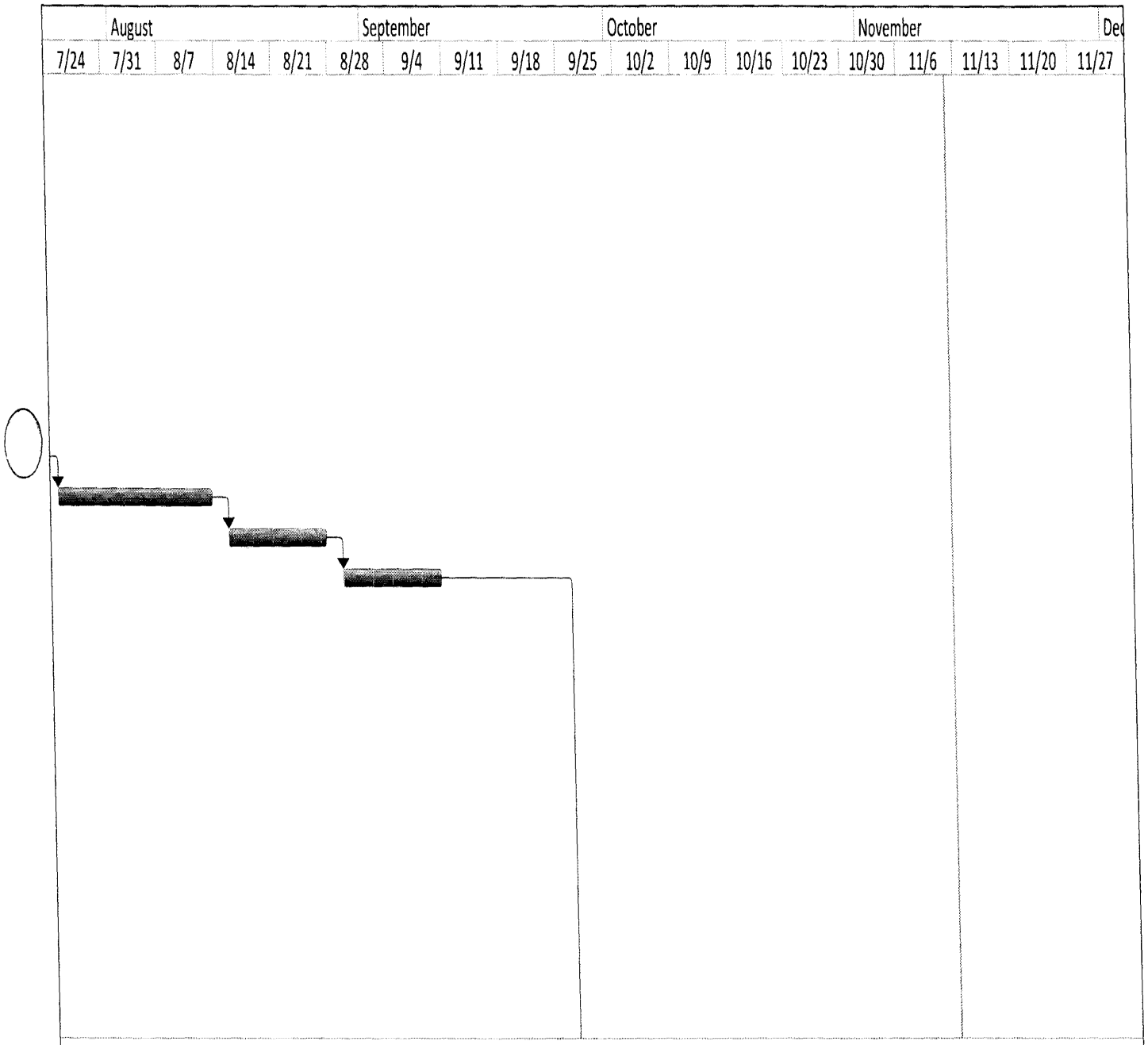
Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			

April							May					June					July		
3/13	3/20	3/27	4/3	4/10	4/17	4/24	5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26	7/3	7/10	7/17

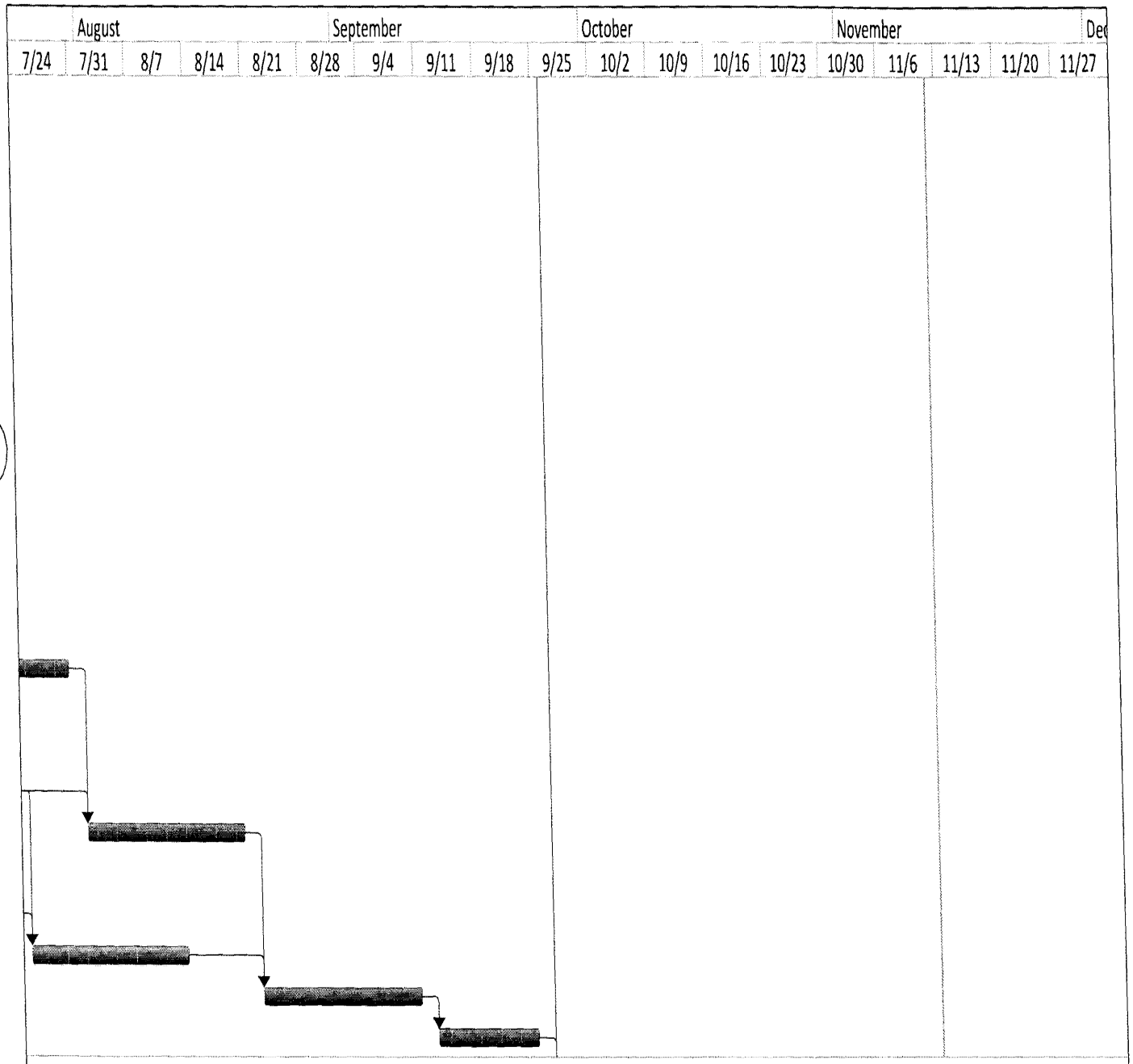
Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			



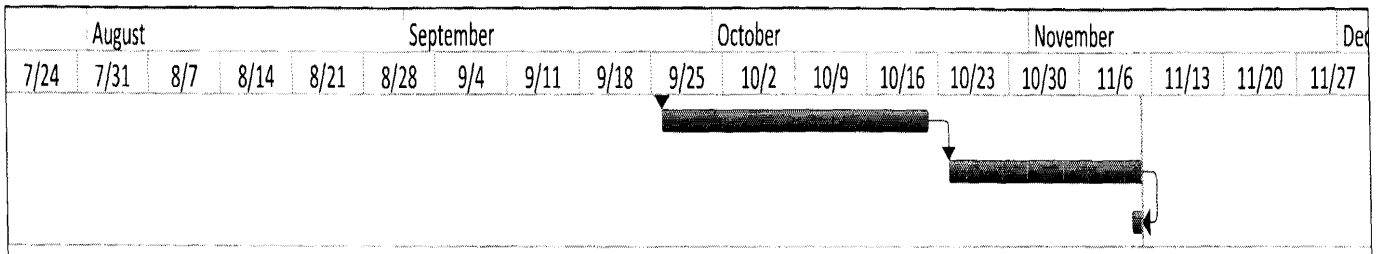
Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only			
Split		Inactive Milestone		Finish-only			
Milestone		Inactive Summary		Deadline			
Summary		Manual Task		Critical			
Project Summary		Duration-only		Critical Split			
External Tasks		Manual Summary Rollup		Progress			
External Milestone		Manual Summary					



Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only			
Split		Inactive Milestone		Finish-only			
Milestone		Inactive Summary		Deadline			
Summary		Manual Task		Critical			
Project Summary		Duration-only		Critical Split			
External Tasks		Manual Summary Rollup		Progress			
External Milestone		Manual Summary					



Project: truman lofts prelim
Date: Thu 8/20/15

Task		Inactive Task		Start-only	
Split		Inactive Milestone		Finish-only	
Milestone		Inactive Summary		Deadline	
Summary		Manual Task		Critical	
Project Summary		Duration-only		Critical Split	
External Tasks		Manual Summary Rollup		Progress	
External Milestone		Manual Summary			

EXHIBIT

15

CRESTWOOD BUILDING
Associates

50 South Bemiston Avenue | Suite 202 | Clayton, MO 63105
P: 314.783.2155 | F: 314.925.5897

August 25, 2015

To Whom It May Concern:

Per your request, we are happy to provide you with the following information on our company, a brief history of our involvement in the construction of the Gerhart Lofts project, and our understanding of the future plans for the development.

Crestwood Building Associates, Inc. (CBA) founded in 1999 to bring the general contracting needs of Capstone Development Group, LLC in house, allowing for a tighter control of costs, quality and construction of affordable and market rate housing projects in both urban and rural settings. While the majority of CBA's projects have been in Missouri, CBA has also completed projects in Illinois and Tennessee. Crestwood has successfully completed the construction of over 1,300 new and rehab dwelling units, with projects ranging in size from the 15 to 200 units, utilizing a variety of construction methods. Many of Crestwood's new developments are LEED certified and include sustainable and energy saving features.

Our history and experience with historic buildings gives us an intimate familiarity with historic rehabilitation. Our recently completed project, CityParc at Pine in Downtown St. Louis, was also awarded Missouri State and Federal Historic Tax Credits, and had a total construction cost of $21,535,230. We have worked closely with our architect and engineers in the development of plans and cost estimates for this project. Total construction cost for the Gerhart Lofts project is $8,535,201. Our estimate is based on the plans and specifications developed by the design team and have been cross-referenced with prior costs and industry standards.

We appreciate the opportunity to outline our experience with this project. Please contact me with any additional questions, concerns, or if additional information is required.

Sincerely,

William Luchini
President

CRESTWOOD BUILDING
Associates

50 South Bemiston Avenue | Suite 202 | Clayton, MO 63105
P: 314.783.2155 | F: 314.925.5897

August 25, 2015

To Whom It May Concern:

Per your request, we are happy to provide you with the following information on our company, a brief history of our involvement in the construction of the Truman Lofts project, and our understanding of the future plans for the development.

Crestwood Building Associates, Inc. (CBA) founded in 1999 to bring the general contracting needs of Capstone Development Group, LLC in house, allowing for a tighter control of costs, quality and construction of affordable and market rate housing projects in both urban and rural settings. While the majority of CBA's projects have been in Missouri, CBA has also completed projects in Illinois and Tennessee. Crestwood has successfully completed the construction of over 1,300 new and rehab dwelling units, with projects ranging in size from the 15 to 200 units, utilizing a variety of construction methods. Many of Crestwood's new developments are LEED certified and include sustainable and energy saving features.

Our history and experience with historic buildings gives us an intimate familiarity with historic rehabilitation. Our recently completed project, CityParc at Pine in Downtown St. Louis, was also awarded Missouri State and Federal Historic Tax Credits, and had a total construction cost of $21,535,230. We have worked closely with our architect and engineers in the development of plans and cost estimates for this project. Total construction cost for the Truman Lofts project is $10,758,564. Our estimate is based on the plans and specifications developed by the design team and have been cross-referenced with prior costs and industry standards.

We appreciate the opportunity to outline our experience with this project. Please contact me with any additional questions, concerns, or if additional information is required.

Sincerely,

William Luchini
President

EXHIBIT

16

COHEN HILBERRY ARCHITECTS 4941 McPHERSON AVE. ST LOUIS MO 63108 TEL 314-367-8300 OFFICE@COHENHILBERRY.COM

August 24, 2015

RE: Gerhart Lofts
3900-12 Laclede Ave.
St. Louis, Missouri

To Whom It May Concern:

The following is a brief summary of the permit process for the Gerhart Lofts project, located at 3900-12 Laclede in the City of St. Louis.

The project has been approved for construction by the Building Division of the City of St. Louis. This process ensures that the plans and specifications are seen by all members of the building division. This review includes a plans examiner and a representative from the zoning department. Plumbing, mechanical, electrical and fire protection permits are reviewed and issued by separate offices serving the various individual trades. The building permit was approved on October 14, 2014. The building permit documentation is attached to this letter.

Additional permits were issued by the City of St. Louis Water Division for water service on October 13, 2014, and by the Metropolitan Sewer District (MSD) for sewer service on December 12, 2014. A field change permit was issued by MSD on April 24, 2015 for changes to a drop connection. Additional approval came from the CORTEX Innovation Community on September 30, 2014, for construction within the improvement district. The additional permits and approval letters are attached to this letter.

Please contact me if you have any questions.

Sincerely,

Gina Hilberry, AIA LEED AP

DUE-7 #30,430.

3900-12 LACLEDE AV

1 | 17 2 11 23 3919.04 Ward Prc Dist SDist City Blk No | APPLICATION FOR PERMIT DIVISION OF BUILDING AND INSPECTION DEPARTMENT OF PUBLIC SAFETY CITY OF ST LOUIS

APPLICATION # AB513353-14 | Application Date 04/24/14

Project Address: 3900-12 LACLEDE AV | Unit No.:

12 ROUTING

	DATE	INIT
Bldg.		
Elec.		
Mech.		
Plumb.		
Air Pol.		
Fire Mar.		
Street		
Min. Ext.	04/24	
Plan Exam		
C.R.O.		
Zoning		
A.O.K.		
353		
99/100		

2 OCCUPANT
Name: VACANT
Address:
Phone:
C/O :
City : ST: ZIP: 0

3 SEND ALL CORRESPONDENCE TO:
Name: CRESTWOOD BLDG ASSOCIATES
Address: 50 SOUTH BEMISTON AV
Phone: 783-2147
C/O : BILL LUCINI
City : CLAYTON ST: MO ZIP: 63105

4 OWNER
Name: A C Y REALTY CO
Address: 906D SARANAC DR
Phone: 783-2150
C/O : BILL LUCINI
City : ST LOUIS ST: MO ZIP: 63117

5 APPLICATION TO: INT/EXT ALTER TOTAL REHAB COMMERCIAL/MULTI FAMILY [redacted]

6 TYPE OF PROJECT: Alteration

7 SPECIAL REQUIREMENTS:
CORTEX
HOUSING CONS.
ENTERPRISE ZONE
FBD
SPECIAL NOTIFICATION: PG. 168

9 TYPE OF STRUCTURE:
Commercial
Multi Family
Class: D Units: 17

10 CURRENT ZONING: J
Non-Conforming:

11 PERMIT INFO
Date Issued:
Permit No. : - 0
Expiration :

13 BUILDING INFORMATION
New Use: COMMERCIAL Group: R2
Old Use: Group:
Fire Cons Type:
Floor Location: 0 Room/Apt #:
# of Plans : 2 Specifications:
Sprinkler Sys.:
Length : ft Width : ft
Area : sqft Height : ft
Volume : cuft Stories:
Live Load: Occ Load: Fire Grade: 0
Constr Type: Basement: 3500+ sqft:
Permit Fee = $30430.00

8 100 Bldg Chg

14 PROJECT COST: 3,043,000 ~~$5,000,000.00~~

19 PERMIT DATA
Processed by: GLADYS HUNTER
Approved by:
Issued by:

21 ARCHITECT
License #: 2003027164 Phone:
Name : GINA G HILBERRY

22 FEES

Building	$	25.00 ~~0.00~~
Blasting	$	0.00
Demolition	$	0.00
Electrical	$	0.00
Mechanical	$	0.00
Plumbing	$	0.00
Occupancy	$	0.00
LRF	$	0.00 ~~0.00~~
Signs	$	0.00
Appl. Fee	$	25.00
SDF	$	0.00 ~~0.00~~
Surcharge	$	0.00
TOTAL	$	25.00
PAID	$	0.00

20 REMARKS:

23 CONTRACTOR
License #: 0 Phone:
Name : CRESTWOOD BLDG ASSOCIATES
Address : 50 SOOUTH BEMISTON AVE
City : CLAYTON ST: MO ZIP: 63105

24 I the undersigned do hereby affirm: the above statements are true and correct and also agree to comply with the provision of the ordinances of the City of St. Louis. The proposed work is authorized by the owner in fee and I have obtained the authorization to make this application. Upon notification of approval permit fee must be paid and permit obtained within thirty (30) days, or application will be cancelled.

[ ] Owner
[X] Owner Rep.
[ ] Contractor

PRINT NAME: CLANCY OLSEN
SIGNATURE : [signature]

PAID
APR 24 2014
Dept. of Public Safety
Div. of Building & Inspection

OFFICE USE ONLY

INSPECTION REPORT [ ] O.K. to Issue PMT [ ] Job Card

INSPECTOR NAME ID # DATE OF INSPECTION

Int & ext alt.

CITY OF ST. LOUIS
DEPARTMENT OF PUBLIC SAFETY
DIVISION OF BUILDING AND INSPECTION

Date 10-14-14 Address 3900-12 Laclede

Your application for a Building Permit has been approved.

The charge for your permit is $ 30,430.00. (Make checks payable to City of St. Louis).

Please bring this card with you to Room 425, City Hall, between 8 a.m. and 4:30 p.m., Monday - Friday.

513353

620-605 (ML1/07)

3900 Laclede	22,822.50
3910 Laclede	7,607.50
	30,430.00

City of St. Louis

OFFICE OF THE SECRETARY
1200 MARKET STREET, ROOM 300
ST. LOUIS, MISSOURI 63103-2806
PHONE NO.: (314) 622-4650 OR (314) 622-4627
Fax No.: (314) 589-6598

FRANCIS G. SLAY
MAYOR

RICHARD T. BRADLEY, P.E.
PRESIDENT

PERMIT ISSUED: October 13, 2014

OFFICE OF THE SECRETARY
300 CITY HALL

PERMIT NUMBER
120842

Permission is hereby granted Gerhart Lofts, LLC, to consolidate land at 3900-12 Laclede Avenue in C.B. 3919W, subject to the attached conditions.

1. Please note the location of Water Division facilities in the area of the proposed work and as shown on the accompanying drawings. A minimum clearance and lateral separation of two feet (2') is necessary when crossing or nearing Water Division facilities.

2. Private service lines 3" or larger are shown on Water Division drawings but are owned by the property owner. Smaller service lines are **not shown** on the accompanying drawings. Information regarding the location of small service lines can be obtained by viewing city block records at the Water Division offices located at 4600 McRee Avenue. Please contact Karen Peters at 314-633-9024, to set up an appointment to view these records. All service lines belong to and are the responsibility of the property owner.

cc: Utilities
Safety
Files

By order of the
Board of Public Service, September 23, 2014

Cherise D. Thomas

Cherise D. Thomas, Secretary

Metropolitan St. Louis Sewer District Visit www.stlmsd.com

Plan Review Information

This page has been set up for our customers to quickly track the status of their projects. To check the status of your project, please enter your P (project) number in the box below, and click the Search button. Please do not use any dashes or spaces when entering the project number.

Project Number: P003016100 Search

* Do not use any dashes or spaces

Project: P003016100 -C.B. 3919 W (GERHART LOFTS - 3900 LACLEDE)
Reviewer: Susan J. Whitener PH:314-768-6317
Status: Approved as of 12/04/14

Plan Requirements

#	TYPE	DESCRIPTION	RECEIVED	TOTAL	RECORDED	WAIVED	COMMENTS
2	RV	Review Fee	08/15/2014	$150.34		N	
1	SC	Submittal Charge	07/21/2014	$450.00		N	
3	AD	Addresses & Zip Code	07/31/2014	$0.00		N	
4	CF	Connection Fee		$0.00		Y	no fee required, jca
5	CS	Consolidation Plat	11/25/2014	$0.00		N	
6	PA	Plumbing Strapped	07/31/2014	$0.00		N	

Plans Requested and Received

Type	DESCRIPTION	SETS	REQUESTED	SENT	RECEIVED
C	Corrected Copies	2	08-01-2014	08-04-2014	08-14-2014
L	Letter		11-19-2014	11-20-2014	
R	Required Number	9	08-18-2014	08-19-2014	11-17-2014

The following must be received before permits can be issued

Permit Status

Description	Total	Received
Construction Deposit	N/A	N/A
BMP Deposit	N/A	N/A
As-Built Deposit	N/A	N/A
Construction Deposit Agreement		N/A
BMP Deposit Agreement		N/A

Copyright 2014, Metropolitan St. Louis Sewer District, All Rights Reserved

Metropolitan
St. Louis Sewer
District

2350 Market Street
St. Louis, MO 63103-2555
(314) 768-6200

NOTICE OF APPROVAL OF FIELD CHANGE

April 24, 2015

Civil Engineering Design Consultants, Inc.
Attn: Paul K. Boyer, P. E.
11402 Gravois Rd., Ste. 100
St. Louis MO 63126

Re: C.B. 3919 W (Gerhart Lofts - 3900 Laclede)
M.S.D. P #30161-00

Mr. Boyer:

On this date a field change on the above project has been approved by MSD. The sanitary connection to the manhole was changed to an outside drop connection.

These plans will require no additional permits or formal plan revisions. The changes will be picked up on final measurements for this project. If you have any further questions, please contact me at the number listed below, thank you.

Sincerely,

Susan J. Whitener

Susan J. Whitener 768-6317, Engineer
Engineering Department

pc: Developer – Gerhart Lofts LLC
Municipality – City of St. Louis
Engineering Department – MSD
Permit Department – MSD
Construction Department – MSD
Contractor – C.E. Bollmeier Co., Inc.

SJW/es

CORTEX
innovation community

4320 Forest Park Avenue, Suite 201
Saint Louis, Missouri 63108 USA

P: +1.314.531.4500
F: +1.314.531.4501

September 30, 2014

City of St. Louis
Building Department
St. Louis, City Hall
1200 Market Street
St. Louis, MO 63103

RE: Request for Building Permit
Building Owner: Gerhart Lofts, LLC
Property Address: 3900-3912 Laclede Avenue
Description of improvements: Mixed Use Historic Rehab
Construction Drawings prepared by Cohen Hilberry Architects, Inc. dated 6-30-14, Sheets G1.0 through A9.4
Project Specifications dated 6-30-14 listing Webster Design, Inc. as the Record Architect and Cohen Hilberry Architects, Inc. as the Design Architect

CORTEX hereby approves the construction plans for the renovation of the premises located at 3900-3912 Laclede Avenue and authorizes you to issue a permit to Gerhart Lofts, LLC or its general contractor, Crestwood Building Associates, for the Historic Renovation of the referenced premises.

CORTEX West Redevelopment Corporation,
a Missouri Urban Redevelopment Corporation

By:_____
Dennis E. Lower, President

cc: Gene Norber (via e-mail)

cortexstl.com

Webster Design 50 South Bemiston Avenue | Suite 203 | Clayton, MO 63105 | P: 314.783.2151 | F: 314.925.5897

August 26, 2015

RE: Truman Lofts

To Whom It May Concern:

At this time, the building permits for the Truman Lofts Project have not yet been applied for with the City of St. Louis. We anticipate that the application will be submitted within the next 60 days, and at this time, foresee no issues with its issuance.

Permitting will be done through the Building Division in the City of St. Louis. At the time of approval, plans and specifications are reviewed by a Plan Examiner and representatives from the Zoning Division, Plumbing Division, Electrical Division, Mechanical Systems Division, Street Department, and the Fire Marshall. Additionally, as the project is located in a City of St. Louis Historic District, Lafayette Square, a representative from the City's Cultural Resources office will also review the plans and provide approval that the plan for the property is in keeping with the standards of the Lafayette Square Historic District.

Having completed a number of similar projects over the last 20 years, the permitting process should move smoothly within the building division, taking no more than seven working days to complete. The City of St. Louis Plan Exam division has worked diligently to reduce the amount of time and complexity in having plans reviewed and approved.

Please contact me if you have any questions.

Webster Design Inc.

Damon C Femmer, AIA, LEED-AP
President

EXHIBIT

17

Gerhart Lofts

Permit Application & Approval Matrix

Type of Permit	Agency Providing	Date Approved	Notes
Building Permit	City of St. Louis Building Division	10/14/2014	
Water Permit	City of St. Louis Water Division	10/13/2014	
Sewer Permit	Metropolitan Sewer District	12/12/2014	
Sewer Field Change Permit	Metropolitan Sewer District	4/24/2015	
Historic Tax Credit Approval - Part I and II	SHPO/National Park Service	11/28/2014	
CID Approval	CORTEX Innovation Community	9/30/2014	
Commercial Space Building Permit	City of St. Louis	TBD	Each commercial tenant will be responsible for finishing their own space and securing their own permits.
Certificates of Occupancy - Residences	City of St. Louis Building Division	TBD	Permit issued upon completion of each unit prior to new resident moving in.
Conservation District Permit	City of St. Louis Building Division	TBD	Permit issued upon completion of each unit prior to new resident moving in.
Certificate of Occupancy - Commercial	City of St. Louis Building Division	TBD	Permit issued upon completion. Each commercial tenant will be responsible for securing the occupancy permit for their space.
Historic Tax Credit Approval - Part III	SHPO/National Park Service	TBD	Approval issued upon completion of project.

Truman Lofts

Permit Application & Approval Matrix

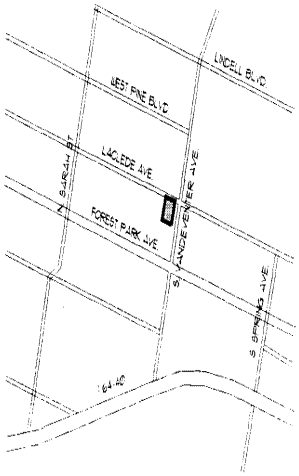
Type of Permit	Agency Providing	Date Approved	Notes
Building Permit	City of St. Louis Building Division	TBD	It is anticipated that the permits will be applied for with the City of St. Louis Building Division and the Metropolitan Sewer District in the next 30 days.
Water Permit	City of St. Louis Water Division	TBD	
Sewer Permit	Metropolitan Sewer District	TBD	
Alley Vacation	City of St. Louis Street Dept. / Board of Public Service / Board of Aldermen	TBD	The City of St. Louis Street Department is willing to provide additional property to the project through the vacating of an unused alley at the East edge of the property. This process is underway with the Street Department and BPS.
Historic Tax Credit Approval - Part I & II	SHPO/National Park Service	TBD	The application is currently under review with the National Park Service.
Commercial Space Building Permit	City of St. Louis	TBD	The commerical tenant will be responsible for securing their own building permit for the completion of the space.
Certificates of Occupancy - Residences	City of St. Louis Building Division	TBD	Permit issued at completion prior to each resident moving into the apartment.
Conservation District Permit	City of St. Louis Building Division	TBD	Permit issued at completion prior to each resident moving into the apartment.
Certificate of Occupancy - Commercial	City of St. Louis Building Division	TBD	Permit issued upon completion. The commercial tenent will be responsible for securing the occupancy permit for the space.
Historic Tax Credit Approval - Part III	SHPO/National Park Service	TBD	Approval issued upon completion of project.

EXHIBIT

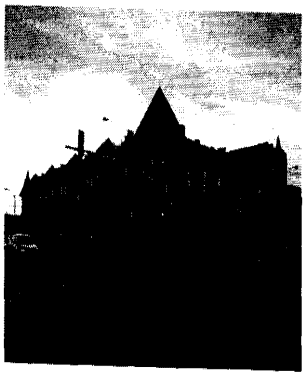
18

Gerhart Lofts

1-19 South Vandeventer Ave. & 3906-3912 Laclede Ave. St. Louis, MO 36108

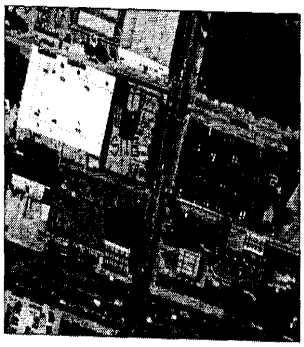


LOCATION MAP



STREET VIEW

(PHOTO FROM THE CORNER OF S. VANDEVENTER AND LACLEDE)



SITE LOCATION

SHEET INDEX

GENERAL

G1.0 TITLE SHEET

CIVIL

C-1 SURVEY

ARCHITECTURE

L1.0 SITE PLAN
L2.0 SITE DETAILS

D1.1 FIRST FLOOR DEMO PLAN
D1.2 SECOND FLOOR DEMO PLAN
D1.3 THIRD FLOOR AND ROOF DEMO PLANS

A1.0 BASEMENT FLOOR PLAN
A1.1 FIRST FLOOR PLAN
A1.2 SECOND FLOOR PLAN
A1.3 THIRD FLOOR AND ROOF PLANS

A2.1 BUILDING ELEVATIONS
A2.2 BUILDING ELEVATIONS
A2.3 BUILDING ELEVATIONS

A4.1 ENLARGED PLANS
A4.2 ENLARGED PLANS

A5.1 DETAILS
A5.2 DETAILS
A5.3 DETAILS
A5.4 DETAILS
A5.5 DETAILS

A6.1 WINDOW SCHEDULE
A6.2 DOOR SCHEDULES
A6.3 NOT USED
A6.4 DOOR DETAILS

A7.1 ENLARGED PLANS/ INTERIOR ELEVATIONS
A7.2 ENLARGED PLANS/ INTERIOR ELEVATIONS

A9.1 REFLECTED CEILING PLANS
A9.2 REFLECTED CEILING PLANS
A9.3 FINISH FLOOR PLANS
A9.4 FINISH FLOOR PLANS

CODE

2009 INTERNATIONAL EXISTING BUILDING CODE AND COMPANION VOLUMES

CONSTRUCTION TYPE

TYPE IIIB

EXTERIOR MASONRY WALLS ARE 2 HR. CONSTRUCTION. WEST WALL OF 3911 LACLEDE IS 3.84 FEET FROM THE PROPERTY LINE.

USE GROUPS

MIXED. NO CHANGE TO EXISTING

R-2: RESIDENTIAL (6 UNITS AND 2 LIVE-WORK UNITS)

A-3 / B: FIRST FLOOR COMMERCIAL TENANT IN 2-STORY BUILDINGS MAY BE OFFICES, SMALL RETAIL AND/OR COFFEE SHOP/CAFE USES

FIRE SUPPRESSION

FULLY SPRINKLERED

FIRE SEPARATIONS

FIRST TO SECOND FLOOR: 1 HR. (POSSIBLE CAFE USE)

BETWEEN RESIDENTIAL UNITS: 1 HR (1/2 HR REQUIRED)

BETWEEN COMMERCIAL BAYS: 1 HR

INTERIOR STAIRS: 1 HR

TOP FLOOR CEILING: NONE AT 1-17 S. VANDEVENTER OR 3906-3908 LACLEDE - DEMISING MASONRY EXTENDS THROUGH ROOF STRUCTURE & MEMBRANE. 1 HR AT 3910-3912 LACLEDE.

BASEMENTS: COMMON TO FIRST FLOOR TENANTS, NO RATING.

HEIGHT AND AREA

1-17 S. VANDEVENTER	HT. (FT)	STORIES	AREA (SF)
ALLOWABLE	55	2	9,500
ACTUAL	35-30	2	8,815

3906-3908 LACLEDE	HT. (FT)	STORIES	AREA (SF)
ALLOWABLE	55	2	9,500
ACTUAL	35-30	2	2,000

3910-3912 LACLEDE	HT. (FT)	STORIES	AREA (SF)
ALLOWABLE	55	4	6,000
ACTUAL	35-45	3	2,308

ACOUSTICAL SEPARATIONS

FIRST FLOOR CEILING: STC 50 IIC 50

BETWEEN TENANTS: STC 50

AT RESTROOMS/BATHROOMS: STC 40 +-

ACCESSIBILITY REQUIREMENTS

FIRST FLOOR COMMERCIAL ASSEMBLY USES: (WHITE BOX / FRONT ENTRY) INTERIOR SPACES AND ONE RESTROOM. ADDITIONAL RESTROOMS MAY BE REQUIRED IF CAFE USE COMBINES MULTIPLE BAYS. ROUTES AND INTERIOR SPACES TO COMPLY WITH CHAPTER 11 AND ADA 2010 STANDARDS.

LIVE-WORK UNITS: WORK AREAS TO COMPLY WITH COMMERCIAL REQUIREMENTS AND ADA 2010 STANDARDS. RESIDENTIAL AREAS TO BE TYPE A (ANSI A117.1 2003)

PARKING

SEPARATE PERMIT FOR 14-35 PROPOSED SPACES. AT LEAST 1 VAN ACCESSIBLE SPACE WILL BE PROVIDED IN BACK AND 1 CAR ACCESSIBLE SPACE ON STREET.

SUMMARY

LEVEL	GROSS S.F.	CONSTRUCTION TYPE	USE
B	11,768	IIB	A-3/B
1ST	13,143	IIB	A-3/B
2ND	13,143	IIB	R-2
3RD	2,308	IIB	R-2

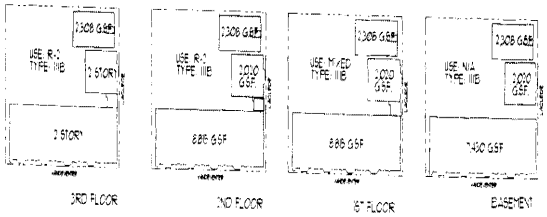
COMMERCIAL SUMMARY

UNIT TYPE	NET S.F.
3906 LACLEDE	755
3908 LACLEDE	755
1 S. VANDEVENTER	1,150
3 S. VANDEVENTER	755
5 S. VANDEVENTER	755
7 S. VANDEVENTER	755
9 S. VANDEVENTER	755
11 S. VANDEVENTER	755
13 S. VANDEVENTER	755
15 S. VANDEVENTER	755
17 S. VANDEVENTER	755

APARTMENT SUMMARY

UNIT TYPE	NET S.F.	BEDROOMS
3906A LACLEDE*	800	2
3908A LACLEDE	875	2
3910 LACLEDE*	940	2
3910A LACLEDE	940	2
3910B LACLEDE	940	2
3912 LACLEDE*	915	2
3912A LACLEDE	940	2
3912B LACLEDE	940	2
1A S. VANDEVENTER	1,100	3
3A S. VANDEVENTER	810	2
5A S. VANDEVENTER	890	2
7A S. VANDEVENTER	810	2
9A S. VANDEVENTER	890	2
11A S. VANDEVENTER	810	2
13A S. VANDEVENTER	890	2
15A S. VANDEVENTER	810	2
17A S. VANDEVENTER	895	2

* LIVE-WORK UNIT



ABBREVIATIONS

AFF	ABOVE FINISH FLOOR
ALUM.	ALUMINUM
CAB	CABINET
DIA.	DIAMETER
GALV.	GALVANIZED
GYP. BD	GYPSUM BOARD
EA	EACH
EQ.	EQUAL
EXT.	EXTERIOR
FFE	FINISH FLOOR ELEVATION
FOF	FACE OF FINISH
FOT	FACE OF TILE
MIN.	MINIMUM
MR BD	MOISTURE RESISTANT GYPSUM BOARD
O.C.	ON CENTER
OSB	ORIENTED STRAND BOARD
PPC	PLAIN CEMENT CONCRETE
R.O.	ROUGH OPENING
SED.	SEE ELECTRICAL DRAWINGS
SMD.	SEE MECHANICAL DRAWINGS
SPD.	SEE PLUMBING DRAWINGS
SSD	SEE STRUCTURAL DRAWINGS
STL	STEEL
TBD	TO BE DETERMINED
UNO	UNLESS NOTED OTHERWISE

Review Set 5/9/2014

DESIGN ARCHITECT
Cohen Architects
4341 McPherson Ave.
Saint Louis, Missouri 63108
Contact: Hilary Berry
314.367.8300
office@cohenhilberry.com

GENERAL CONTRACTOR
Crestwood Building Associates
Rockwood Corporate Center
Suite 207
Crestwood, MO 63126
Contact: David Warren
314.843.3141

ARCHITECT
Watershed Design
8400 Delmar Blvd.
Suite 203
University City, MO 63130
Contact: Dalton Fenner
314.863.2550

DEVELOPER/OWNER
Gerhart Lofts LLC
8400 Delmar Blvd.
Suite 201
University City, MO 63130
Contact: Bill Luchini
314.863.2550

GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

TITLE SHEET

G1.0

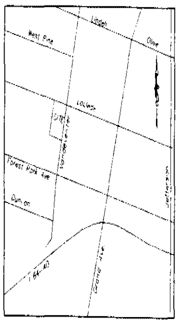
PROJECT # 1402

ALTA/ACSM LAND TITLE SURVEY

SUBDIVISION OF PART OF BLOCK 26 OF P. LINDELL'S 2ND ADDITION

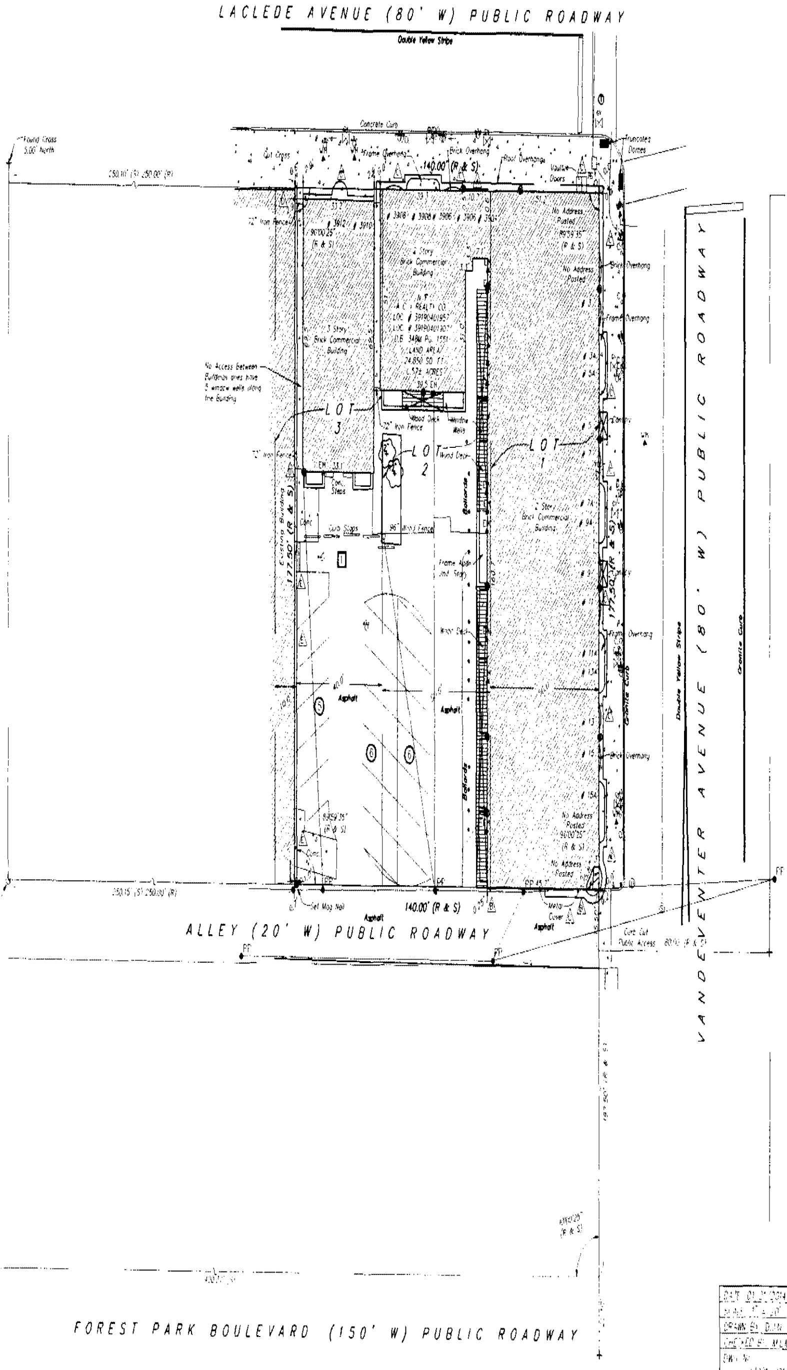
CITY BLOCK 3919-W
CITY OF ST. LOUIS, MISSOURI

VICINITY MAP
NOT TO SCALE



0 20 40
SCALE
1 inch = 20 ft

∘ - Denotes Set 1/2" x 18" Rebar with cap stamped "Marler L.S.-347-D"
○ - Denotes Found 1/2" Iron Pipe



LEGEND

PP	UTILITY POLE	(R & S)	RECORD and SURVEYED
	GUY WIRE	D.B.	DEED BOOK
	LIGHT STANDARD	PG.	PAGE
	ELEC. YARD LIGHT	N/F	NOW OR FORMERLY
GM	GAS METER	—TL—	TELEPHONE LINE
GV	GAS VALVE	—G—	GAS LINE MARK
	FIRE HYDRANT	—UE—	UNDERGROUND ELEC.
WM	WATER METER	—OU—	OVERHEAD UTILITY
	DOWNSPOUT	—W—	WATERLINE
	MANHOLE		TREE WITH SIZE
C.O.	CLEAN-OUT		WATER MANHOLE
	HANDICAP PARKING COUNT		WATER SHUTOFF VALVE
	REGULAR PARKING SPACES	BH	BORE LOCATION

GENERAL NOTES

1. The basis of bearing of this survey is Plat Book 61 Page 33 of the City of St. Louis Land Records.
2. ...y has an area of 24,850 square feet or 0.57± acres of land.
...is designated by City of St. Louis parcel #'s 39190401957 & 39190401907.
...d reference is Deed Book 348M Page 1551.
...nd S. = Surveyed.

SCHEDULE "B" TITLE EXCEPTION NOTES

This survey is based on a title report prepared by WFG National Title Insurance Company File No. 201955, dated 10/16/13.
Items not listed below are standard exceptions and/or are not matters or issues that pertain to this survey.

(a)-(g) Standard exceptions, not land survey related.

(h) Building lines, easements and restrictions according to the plat of the Subdivision of Part of Block 26 of P. Lindell's 2nd Addition by E. L. Davis, et al, filed in the St. Louis City Records. (No building lines or easements referenced on the record plat).

(i) Terms and conditions of Ordinance No. 66985 of the City of St. Louis recorded December 7, 2006 in Book 12072006 Page 0271 of the St. Louis City Records. (An ordinance approving the Cortex West Redevelopment Area, the subject parcel lies within, contains conditions and restrictions that encumber the subject parcel, but are not land survey related items)

NOTES OF INTEREST

A. Existing building extends into the right of way of Laclede Avenue as shown on this survey.

B. Existing building extends into the right of way of the 20' wide alley, as shown on this survey.

C. Existing frame overhangs, brick overhangs, roof overhangs, canopies and downspouts extend into the right of ways as shown on this survey.

D. Existing 72" iron fences and concrete extend from building to building as shown on this survey.

E. Existing asphalt and concrete pavement extends to the adjoiner's building as shown on this survey.

NOTE:

The underground utilities have been plotted from available sources and their locations must be considered approximate only. The verification of the actual locations of all underground utilities, either shown or not shown on this drawing, shall be the responsibility of the contractor and shall be located prior to grading or construction of improvements.

ZONING NOTES

Zoned: "J" Industrial

Existing site conditions may fall within permitted uses as listed in the City of St. Louis zoning regulations. Zoning regulations are subject to change, interpretation and exception. For further information contact the City of St. Louis planning and zoning department at (314)-622-3666.

FLOOD ZONE NOTES

By graphic plotting only, this property does not lie within any special flood zone areas according to the flood insurance rate map panel number 29510C0063 D and community number 290385 (City of St. Louis). No special flood hazard areas, panel not printed.

TABLE A

OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS

NOTE: The items of Table A must be negotiated between the surveyor and client. It may be necessary for the surveyor to qualify or expand upon the description of these items (e.g., in reference to item 6(b), there may be a need for an interpretation of a restriction). The surveyor cannot make a certification on the basis of an interpretation or opinion of another party. Notwithstanding Table A Items 5 and 11(b), if an engineering design survey is desired as part of an ALTA/ACSM Land Title Survey, such services should be negotiated under Table A, item 22.

If checked, the following optional items are to be included in the ALTA/ACSM LAND TITLE SURVEY, except as otherwise qualified (see note above).

1. _X_ Monuments placed (or a reference monument or witness to the corner) at all major corners of the boundary of the property, unless already marked or referenced by existing monuments or witnesses.
2. _X_ Address(es) if disclosed in Record Documents, or observed while conducting the survey.
3. _X_ Flood zone classification (with proper annotation based on federal Flood Insurance Rate Maps or the state or local equivalent) depicted by scaled map location and graphic plotting only.
4. _X_ Gross land area (and other areas if specified by the client).
5. ____ Vertical relief with the source of information (e.g. ground survey or aerial map), contour interval, datum, and originating benchmark identified.
6. _X_ (a) Current zoning classification, as provided by the insurer.
   ____ (b) Current zoning classification and building setback requirements, height and floor space area restrictions as set forth in that classification, as provided by the insurer. If none, so state.
7. _X_ (a) Exterior dimensions of all buildings at ground level.
   (b) Square footage of:
   ____ (1) exterior footprint of all buildings at ground level.
   ____ (2) other areas as specified by the client.
   ____ (c) Measured height of all buildings above grade at a location specified by the client. If no Location is specified, the point of measurement shall be identified.
8. _X_ Substantial features observed in the process of conducting the survey (in addition to the improvements and features required under Section 5 above) such as parking lots, billboards, signs, swimming pools, landscaped areas, etc.
9. _X_ Striping, number and type (e.g. handicapped, motorcycle, regular, etc.) of parking spaces in parking areas, lots and structures.
10. ____ (a) Determination of the relationship and location of certain division or party walls designated by the client with respect to adjoining properties (client to obtain necessary permissions).
    ____ (b) Determination of whether certain walls designated by the client are plumb (client to obtain necessary permissions).
11. Location of utilities (representative examples of which are listed below) existing on or serving the surveyed property as determined by:
    _X_ (a) Observed evidence
    ____ (b) Observed evidence together with evidence from plans obtained from utility companies or provided by client, and markings by utility companies and other appropriate sources (with reference as to the source of information).
    - Railroad tracks, spurs and sidings;
    - Manholes, catch basins, valve vaults and other surface indications of subterranean uses;
    - Wires and cables (including their function, if readily identifiable) crossing the surveyed property, and all poles on or within ten feet of the surveyed property. Without expressing a legal opinion as to the ownership or nature of the potential encroachment, the dimensions of all encroaching utility pole crossmembers or overhangs; and
    - utility company installations on the surveyed property.

    Note – With regard to Table A, item 11(b), source information from plans and markings will be combined with observed evidence of utilities to develop a view of those underground utilities. However, lacking excavation, the exact location of underground features cannot be accurately, completely and reliably depicted. Where additional or more detailed information is required, the client is advised that excavation may be necessary.
12. ____ Governmental Agency survey-related requirements as specified by the client, such as for HUD surveys, and surveys for leases on Bureau of Land Management managed lands.
13. _X_ Names of adjoining owners of platted lands according to current public records.
14. ____ Distance to the nearest intersecting street as specified by the client.
15. ____ Rectified orthophotography, photogrammetric mapping, laser scanning and other similar products, tools or technologies as the basis for the showing the location of certain features (excluding boundaries) where ground measurements are not otherwise necessary to locate those features to an appropriate and acceptable accuracy relative to a nearby boundary. The surveyor shall (a) discuss the ramifications of such methodologies (e.g. the potential precision and completeness of the data gathered thereby) with the insurer, lender and client prior to the performance of the survey, and (b) place a note on the face of the survey explaining the source, date, precision and other relevant qualifications of any such data.
16. ____ Observed evidence of current earth moving work, building construction or building additions.
17. ____ Proposed changes in street right of way lines, if information is available from the controlling jurisdiction. Observed evidence of recent street or sidewalk construction or repairs.
18. ____ Observed evidence of site use as a solid waste dump, sump or sanitary landfill.
19. ____ Location of wetland areas as delineated by appropriate authorities.
20. ____ (a) Locate improvements within any offsite easements or servitudes benefitting the surveyed property that are disclosed in the Record Documents provided to the surveyor and that are observed in the process of conducting the survey (client to obtain necessary permissions).
    ____ (b) Monuments placed (or a reference monument or witness to the corner) at all major corners of any offsite easements or servitudes benefitting the surveyed property and disclosed in Record Documents provided to the surveyor (client to obtain necessary permissions).
21. ____ Professional Liability Insurance policy obtained by the surveyor in the minimum amount of $ 1,000,000 to be in effect throughout the contract term. Certificate of Insurance to be furnished upon request.
22. _X_ Easements from title commitment as provided by client.

LAND DESCRIPTION

Lots 1, 2 and the Eastern 40 feet of Lot 3 of Subdivision of part of Block 26 of P. Lindell's 2nd Addition by E. L. Davis, et al, and in Block 3919-W of the City of St. Louis, containing together a front of 140 feet on the South line of Laclede Avenue, by a depth Southwardly of 177 feet 6 inches to an alley 20 feet wide; bounded East by Vandeventer Avenue and West by the remaining portion of said Lot 3.

ALTA/ACSM LAND TITLE SURVEY

3900-3912 LACLEDE AVE.
CITY OF ST. LOUIS, MISSOURI

To WFG NATIONAL TITLE INSURANCE COMPANY AND CAPSTONE DEVELOPMENT GROUP, LLC

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2011 minimum standards detail requirements for Alta/Acsm Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 2, 3, 4, 6(a), 7(a), 8, 9, 11(a), 13 and 22 of Table A thereof, and according to the accuracy standards in effect on the date this certification of an urban survey, and in accordance with the current requirements and standards for property boundary surveys as set forth by the Missouri Board for Architects, Professional Engineers and Professional Land Surveyors, the field work was completed on 01/16/2014. Date of map or plat ______

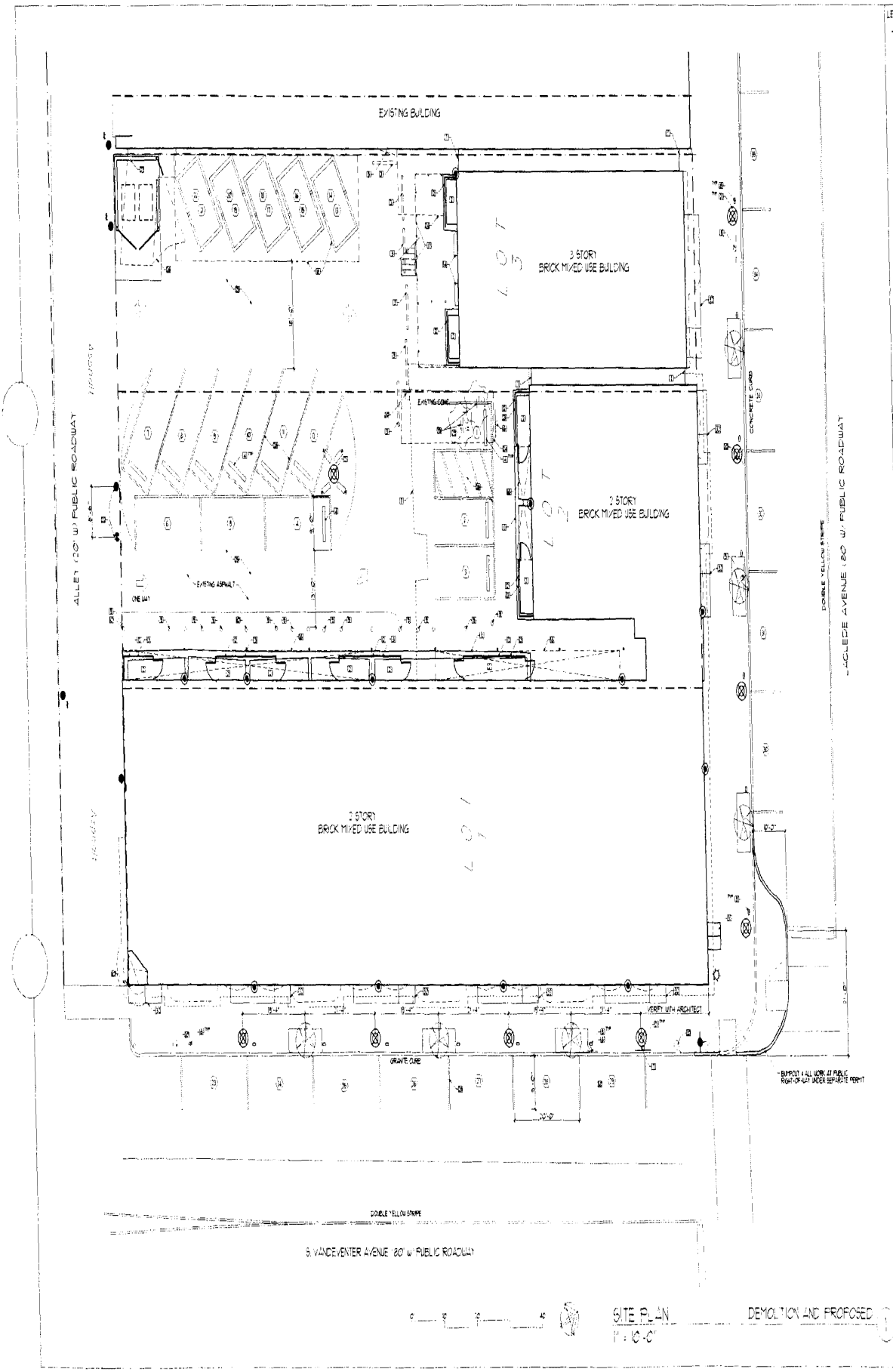
LAFAYETTE & ASSOCIATES
SURVEYING SERVICES
MO CORP. NO.: LS2009007548

MARTY L. MARLER
MISSOURI P.L.S. 2517

PROJECT NAME: 3900-3912 LACLEDE AVE.	PROJECT No.: L1401-001
ADDRESS: 3900-3912 LACLEDE AVE.	CITY OF ST. LOUIS, MISSOURI

DATE: 01/21/2014	REVISION DATES
SCALE: 1" = 20'	
DRAWN BY: DJN	
CHECKED BY: MLM	
DWG. No.: L1401-001	
SHEET: 1 of 1	

Lafayette Associates Surveying Services
705 New Ballas Road, Suite 300
St. Louis, Missouri 63141
Ph. 314-993-3361 Fax. 314-210-8837



SITE PLAN DEMOLITION AND PROPOSED
1" = 10'-0"

LEGEND

- PROPERTY LINE
- EXISTING DOWNSPOUT
- EXISTING LIGHT POLE
- EXISTING STREET SIGN
- EXISTING POWERPOLE
- EXISTING FIRE HYDRANT
- NEW STREET TREE SEE DETAILS 2/A8.0 & 3/A8.0
- NEW POST TOP LUMINAIRE, LEGACY SERIES BY GE
- TAG INDICATES A PARKING SPACE (NOTE SPACES WILL NOT BE PAINTED BUT THERE NUMBERS)
- PROPOSED SECURITY CAMERA LOCATION

KEYNOTES

1. EXISTING 10' IRON FENCE
2. EXISTING WINDOW WELLS
3. REMOVE WHEEL STOP
4. NEW CONCRETE WHEEL STOP AT POST PARKING SPACES
5. REMOVE SIGN
6. NEW ACCESSIBLE PARKING SIGN SEE DETAIL 5/L1.0
7. NEW SIGN "NO PARKING HERE TO CORNER" - SEPARATE PERMIT
8. NEW PARKING METER - SEPARATE PERMIT
9. REMOVE BOLLARD
10. NEW BOLLARD SEE DETAIL 4/L1.0
11. REMOVE WOODEN FENCE
12. REMOVE METAL PIPE RAILING
13. NEW METAL RAILING SEE DETAIL 1/L3.0
14. REMOVE CONCRETE STEPS
15. NOT USED
16. REPLACE WOOD DECKS AT SECOND FLOOR
17. NEW WOOD DECK AND STAIR SEE DETAIL 1/A8.1
18. NEW PARKING: FTS FL-1000HB BY BENCHPARK WOOD OR STEEL PRIMED WOOD COVER T.B.D.
19. REMOVE EXISTING TREES
20. REMOVE LIGHT POLE
21. NEW POST TOP LUMINAIRE
22. RELOCATE POWER POLE AS SHOWN
23. NOT USED
24. REMOVE UNEVEN CONCRETE FOR PARKING REPLACEMENT
25. REPAIR PARKING LOT
26. REMOVE CONCRETE AND PAVING FOR NEW TRASH ENCLOSURE FOOTINGS AND PAD
27. NEW TRASH ENCLOSURE SEE DETAIL 4/L1.0
28. NEW PARKING STRIPES 4" WIDE ANGLED SPACES ARE 8' LONG 85° WIDE AND ANGLED 60 DEGREES PARALLEL SPACES ARE 20' LONG AND 8' WIDE
29. VAN ACCESSIBLE PARKING SPACE SEE DETAIL 1/L1.0
30. CAR ACCESSIBLE PARKING SPACE SEE DETAIL 1/L1.0
31. EXISTING VAULT DOORS
32. NEW ACCESSIBILITY RAMP AT EACH COMMERCIAL FRONT ENTRANCE

NOTES

1. NOT USED
2. NOT USED

Revised Set
5/9/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
[illegible] Laclede Ave
Saint Louis Missouri 63108
Contact: Scott Hilberry
314.[illegible]
office@cohenhilberry.com

GENERAL CONTRACTOR
Construction Building Associates
[illegible] Bayard Avenue
Saint Louis MO 63108
Contact: Daniel Warren
314.[illegible]

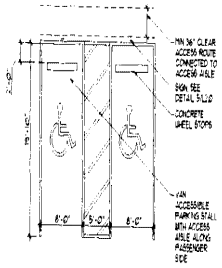
ARCHITECT
Walsh Architecture
[illegible] Bayard Ave
Suite 203
Saint Louis MO 63108
Contact: Carey Fennie
314.[illegible]

OWNER/DEVELOPER
Gerhart Lofts LLC
[illegible] Bayard Ave
Suite [illegible]
Clayton MO 63105
Contact: Carey Fennie
314.[illegible]

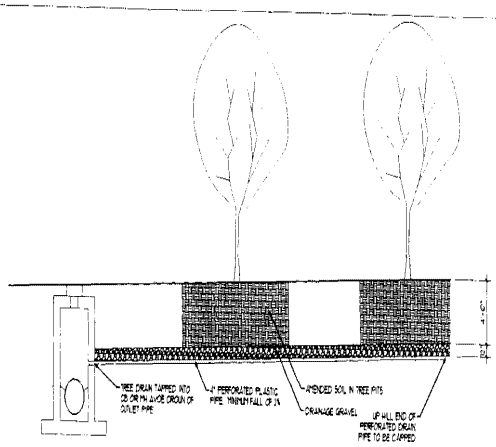
GERHART LOFTS
2900-12 LACLEDE AVE
ST. LOUIS MO 63108

SITE PLAN

PROJECT # [illegible]



ACCESSIBLE PARKING STRIPING (7)
1/8" = 1'-0"



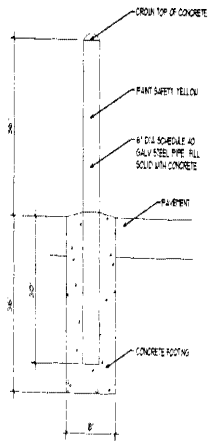
STREET TREE DRAINAGE (3)
NOT TO SCALE

STREET TREE IS VELVET PILLAR CRABAPPLE

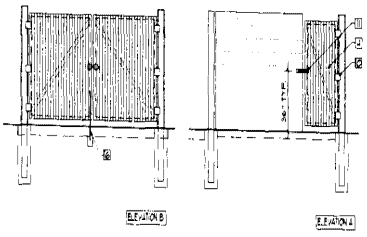
TREE SHALL BE HEALTHY AND VIGOROUS AND RELATIVELY FREE OF PESTS. AN INSPECTION OF THE TREE WILL FIND THE FOLLOWING CHARACTERISTICS: THE CROWN LEAFED BRANCHES TRUNK TREE SIZE AND ROOTS ARE ALL TYPICAL FOR THE SPECIES/CULTIVAR. THE TREE IS NOT SIGNIFICANTLY DEFORMED, STUNTED, TATTERED, DISCOLORED, DISEASED OR BROKEN. THE TREE DOES NOT HAVE SERIOUS INJURIES, GIRDLING OR KINKED ROOTS, WOOD CRACKS, BLEEDING AREAS, SIGNS OF BORING INSECTS, GALLS, CANKERS, LESIONS, OR GROWTHS.

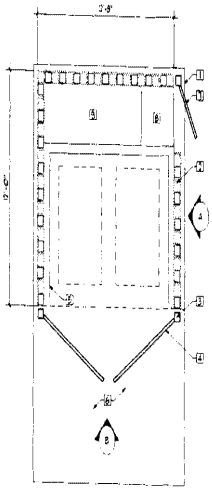
TRUNK DIAMETER AT 6" ABOVE THE SOIL SURFACE WILL BE 1.5" TO 2.5" MINIMUM. TRUNK DIAMETER AND TAPER SHALL BE SUFFICIENT SO THAT THE TREE WILL REMAIN VERTICAL WITHOUT THE SUPPORT OF A NURSERY STAKE. THE TREE WILL BE WELL ROOTED IN THE SOIL MIX WHEN THE CONTAINER IS REMOVED. THE ROOTBALL WILL REMAIN INTACT.

AT TIME OF INSPECTION AND DELIVERY, THE ROOTBALL WILL BE MOIST THROUGHOUT. THE CROWN WILL SHOW NO SIGNS OF MOISTURE STRESS AS INDICATED BY WILTED, SHRIVELED OR DEAD LEAVES OR BRANCH DIEBACK. THE ROOTS WILL SHOW NO SIGNS OF EXCESS SOIL MOISTURE CONDITIONS AS INDICATED BY POOR ROOT GROWTH, ROOT DISCOLORATION, DISTORTION, DEATH OR FOUL ODOR.



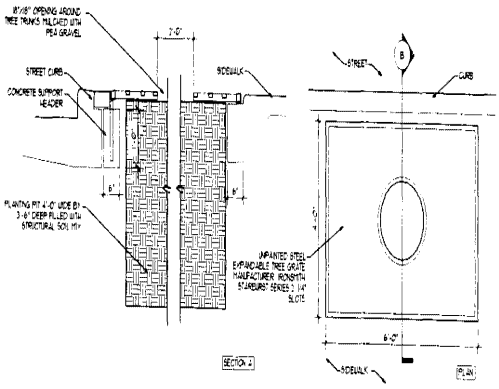
BOLLARD (6)
1/2" = 1'-0"



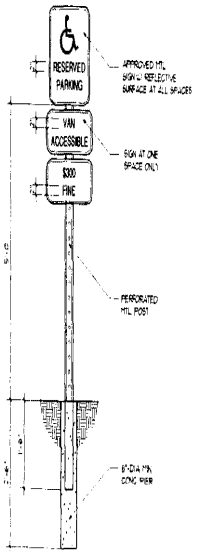


1. 4" PCC FOUNDATION EXTENDING 4" BEYOND ENCLOSURE WALLS, OVER 90% COMPACTED BASE.
2. 8"X8"X16" 8" HIGH MASONRY WALLS
3. 6" SQUARE 3/16" THICK STEEL JAMB TUBES, CONCRETE FILLED. 1" CLEARANCE BETWEEN TUBE AND WALLS
4. 16 GA RIBBED METAL GATES WITH 2"X2"X1/4" STEEL ANGLE IRON FRAME AND DIAGONAL BRACING. CONTINUOUS WELD ALL JOINTS
5. 6"X6" PCC CURB
6. 6" THICK PCC LOADING PAD OVER 90% COMPACTED BASE, 1% MAXIMUM SLOPE
7. PEDESTRIAN GATE: 16 GA RIBBED METAL GATES WITH 2"X2"X1/4" STEEL ANGLE IRON FRAME AND DIAGONAL BRACING. CONTINUOUS WELD ALL JOINTS
8. ACCESS RAMP
9. 6" RAISED PCC WALKWAY, 36" WIDE
10. METAL HINGE CONTINUOUSLY WELDED TO GATE AND JAMB TUBE
11. 3/8" METAL PLATE WITH SLIDE BOLT ASSEMBLY WELDED IN PLACE.
12. 14"X36" PCC FOOTING
13. #4 HORIZONTAL RE-BAR
14. #4 VERTICAL RE-BAR @ 32" OC IN PCC FILLED CELLS
15. #4 RE-BAR CONTINUOUS IN FOOTING UNDER WALLS AND GATE OPENINGS
16. CANE BOLT AND CANE BOLT RECEPTACLE

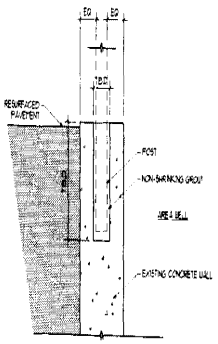
TRASH ENCLOSURE (4)
NOT TO SCALE

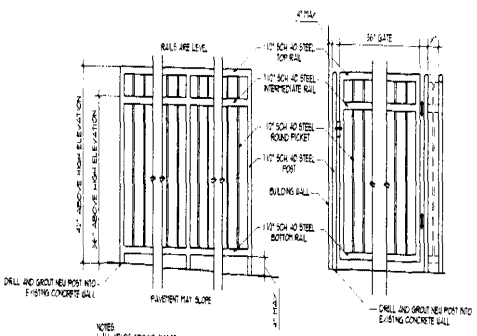


STREET TREE PIT AND GRATE (2)
NOT TO SCALE



ACCESSIBLE PARKING SIGN (5)
NOT TO SCALE





NOTES
1. ALL WELDS GROUND SMOOTH
2. PAINT WITH RUST INHIBITIVE PRIMER AND COMPATIBLE RUST INHIBITIVE ENAMEL. COLOR TBD
3. IF DIMENSION "X" IS GREATER THAN 4" THEN TOP RAIL, INTERMEDIATE RAIL, BOTTOM RAIL AND PICKETS WILL BE INSTALLED BETWEEN RAILING POST AND GATE POST

SITE GUARDRAIL (1)
NOT TO SCALE

Review Set
5/9/2014

DESIGN ARCHITECT
Cohen Hillerry Architects
1541 Hampton Ave
Saint Louis, MO 63139
Contact: Chris Hillerry
314.367.8300
chris@cohenhillerry.com

GENERAL CONTRACTOR
Crosswood Building Associates
80 South Bemiston Ave
Suite 200
Clayton, MO 63105
Contact: Daniel Warner
314.863.2147

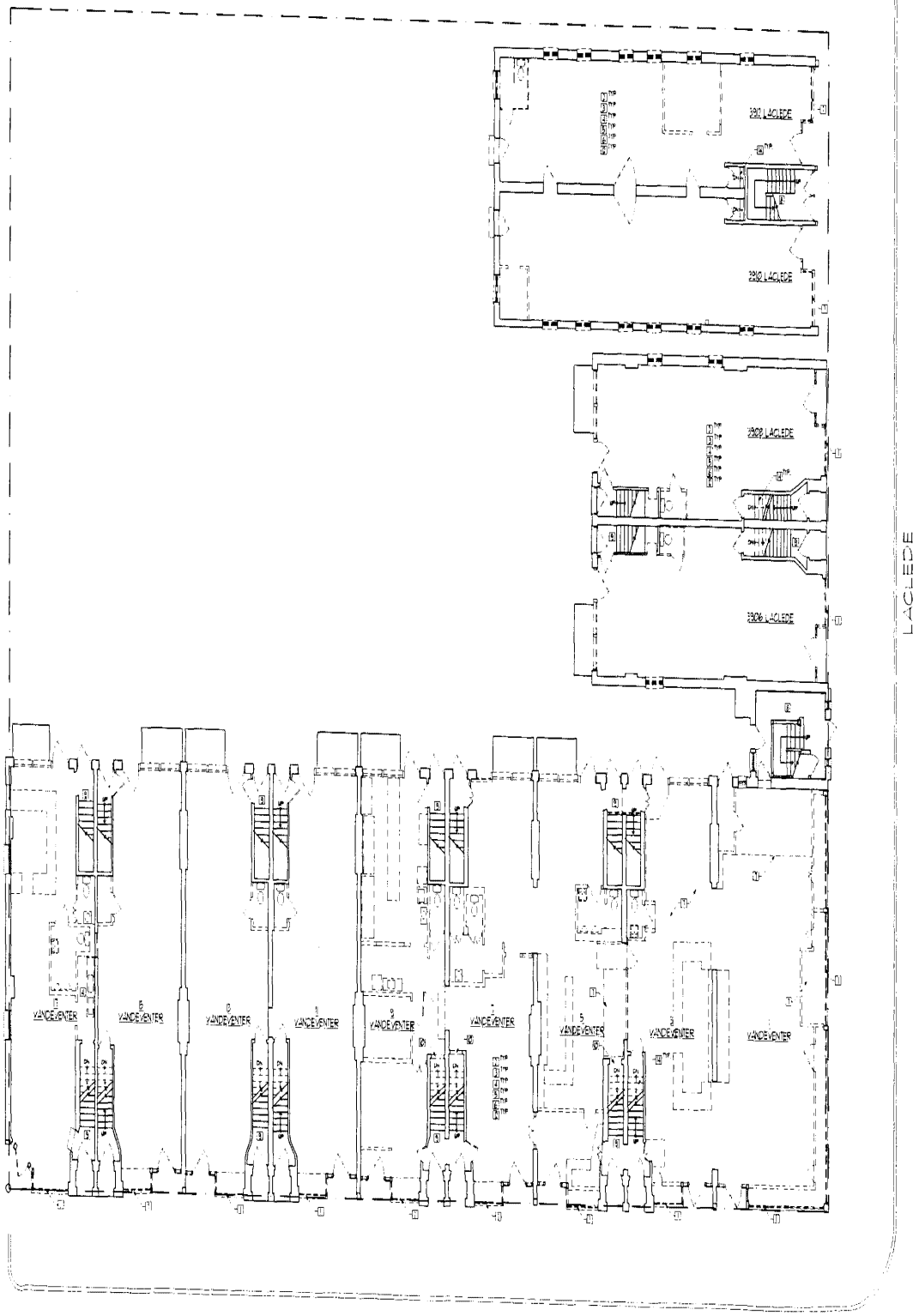
ARCHITECT
Weekter Design
80 South Bemiston Ave
Suite 200
Clayton, MO 63105
Contact: Daniel Weekter
314.863.2700

OWNER/DEVELOPER
Gerhart Lofts LLC
80 South Bemiston Ave
Suite 200
Clayton, MO 63105
Contact: Bill Ludwig
314.863.2700

GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS, MO 63108

SITE DETAILS

PROJECT # 1407



1ST FLOOR DEMOLITION PLAN
1/8" = 1'-0"

LEGEND

ELEMENT TO BE DEMOLISHED OR SALVAGED

KEYNOTES

1. SELECTIVE DEMOLITION SCOPE TO BE DETERMINED INDIVIDUALLY AT EACH STOREFRONT. CORNER POSTS TO REMAIN DURING DEMO WORK. ALL EXISTING ORIGINAL DECORATIVE MATERIALS ARE TO BE PRESERVED
2. REMOVE ALL APPLIANCES, FURNITURE AND DEBRIS
3. REMOVE CASEWORK AND CABINETRY
4. REMOVE ALL PLUMBING FIXTURES, FITTINGS AND ALL ASSOCIATED PIPING
5. REMOVE MECHANICAL EQUIPMENT AND ASSOCIATED DUCTWORK
6. REMOVE ELECTRICAL FIXTURES AND ASSOCIATED WIRING
7. REMOVE RAISED FLOOR
8. EXISTING STAIRS AND HANDRAILS TO REMAIN - PROTECT
9. CONFIRM WITH ARCHITECT THAT SHARED LANDING HEIGHT IS RESOLVED BEFORE CLOSING OFF STAIR. COORDINATE SALVAGE OF STAIR RAILING AND BANISTER WITH COVERING STAIR
10. REOPEN ORIGINAL WALL OPENING
11. REMOVE CEILING FINISH TO WOOD JOISTS
12. REMOVE CARPET OR VINYL TILE DOWN TO ORIGINAL WOOD FLOOR OR CONCRETE SLAB
13. REMOVE WALL FINISH DOWN TO BRICK OR STUDS
14. REMOVE BASEMENT STAIRS WHEN READY TO INSTALL NEW STRINGERS AND TREADS

NOTES

1. SEE ELEVATION DRAWINGS FOR ADDITIONAL EXTERIOR WINDOW AND DOOR INFORMATION
2. COMPLY WITH LOCAL HAULING & DEMOLITION REQUIREMENTS
3. LEAVE BUILDING SECURE AT ALL TIMES
4. COORDINATE REMOVAL OF ANY ASBESTOS OR LEAD MATERIALS WITH OWNER. SEE ENVIRONMENTAL REPORT

BASEMENT DEMOLITION NOTES

BASEMENT PLANS WILL NOT CHANGE. REMOVE ALL EXISTING DEBRIS AND THEIR MATERIALS AND EQUIPMENT.

DAMAGED BEAM S1 TO BE REMOVED REPLACED AS PART OF RENOVATION WORK.

DO NOT REMOVE STAIRS UNTIL READY TO INSTALL NEW STRINGERS AND TREADS

Revised Set
3/3/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
4341 Hampton
St. Louis, MO 63109
Contact: Gene Hilberry
314.367.8466
office@cohenhilberry.com

GENERAL CONTRACTOR
Crestwood Building Associates
50 South Bemiston Ave
Suite 400
Clayton, MO 63105
Contact: Daniel Warren
314.863.4314

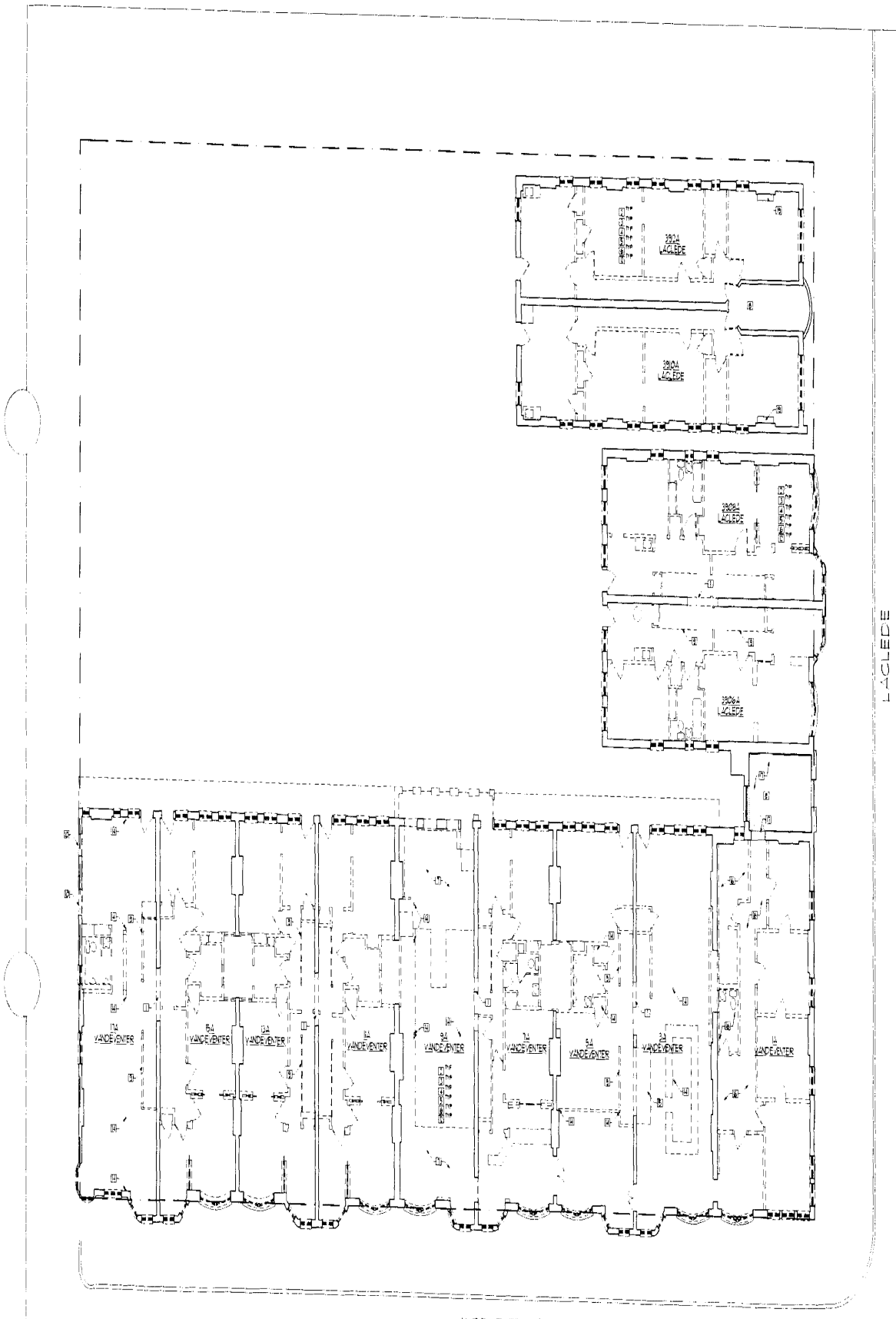
ARCHITECT
Webster Design
50 South Bemiston Ave
Suite 400
Clayton, MO 63105
Contact: Darren Farmer
314.863.1350

OWNER/DEVELOPER
Gerhart Lofts, LLC
50 South Bemiston Ave
Suite 400
Clayton, MO 63105
Contact: Bill Judpini
314.863.1350

GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS MO 63108

FIRST FLOOR
DEMO PLAN

PROJECT # 400



2ND FLOOR DEMOLITION PLAN
1/8" = 1'-0"

LEGEND

- - - - - ELEMENT TO BE DEMOLISHED OR SALVAGED

KEYNOTES

1. CONFIRM WITH ARCHITECT THAT SHARED LANDING HEIGHT IS RESOLVED BEFORE CREATING NEW OPENING IN WALL. PROVIDE LINTEL AT NEW OPENING. SEE DETAIL (S-A-1)
2. REMOVE ALL APPLIANCES, FURNITURE AND DEBRIS
3. REMOVE CASEWORK AND CABINETRY
4. REMOVE ALL PLUMBING FIXTURES, FITTINGS AND ALL ASSOCIATED PIPING
5. REMOVE MECHANICAL EQUIPMENT AND ASSOCIATED DUCTWORK
6. REMOVE ELECTRICAL FIXTURES AND ASSOCIATED WIRING
7. REMOVE RAISED FLOOR
8. EXISTING STAIRS AND HANDRAILS TO REMAIN - PROTECT
9. CONFIRM WITH ARCHITECT THAT SHARED LANDING HEIGHT IS RESOLVED BEFORE DECOMMISSIONING STAIR. COORDINATE SALVAGE OF STAIR RAILING AND BANISTER WITH COVERING STAIR
10. REOPEN ORIGINAL WINDOW OPENING
11. REMOVE CEILING FINISH TO WOOD JOISTS
12. REMOVE CARPET OR VINYL TILE DOWN TO ORIGINAL WOOD FLOOR OR CONCRETE SLAB
13. REMOVE WALL FINISH DOWN TO BRICK OR SPACE
14. REMOVE ALL FINISHES AND SYSTEMS AND LEAVE COLUMNS AND BEAMS IN PLACE FOR REVIEW BY ARCHITECT BEFORE PROCEEDING. COLUMNS AND BEAMS MAY REMAIN IN SOME LOCATIONS
15. REOPEN ORIGINAL STAIR OPENING
16. SALVAGE MARBLE TILE AND THRESHOLDS (001)
17. MARBLE TILE AND THRESHOLDS TO REMAIN (001)
18. REMOVE CONCRETE FLOOR TOPPING (001)
19. FIREPLACE TO BE REINSTALLED IN PLACE AS NON-FUNCTIONAL FIREPLACE. SELECTIVE REPAIRS (003)

NOTES

1. SEE ELEVATION DRAWINGS FOR ADDITIONAL EXTERIOR WINDOW AND DOOR INFORMATION.
2. COMPLY WITH LOCAL HAULING & DEMOLITION REQUIREMENTS
3. LEAVE BUILDING SECURE AT ALL TIMES
4. COORDINATE REMOVAL OF ANY ASBESTOS OR LEAD MATERIALS WITH OWNER. SEE ENVIRONMENTAL REPORT

Review Set
5/9/2014

PRIMARY ARCHITECT
Cohen Hilberry Architects
3911 Hunkerson
St. Louis, Missouri 63116
314.781.8300
office@cohenhilberry.com

GENERAL CONTRACTOR
Crosswood Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Warne
314.863.1141

ARCHITECT
Warren Lemmon Design
50 South Bemiston Ave
Suite 200
Clayton, MO 63105
Contact: Daniel Farmer
314.863.1360

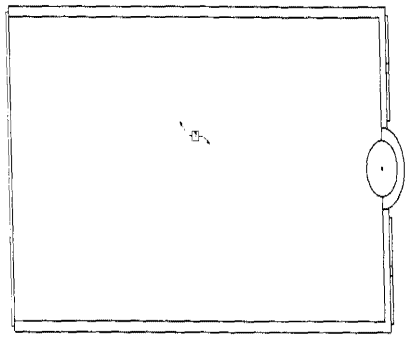
OWNER REPRESENTATIVE
Gerhart Lofts, LLC
50 South Bemiston Ave
Suite 200
Clayton, MO 63105
Contact: Bill Luchini
314.863.1360

GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS, MO 63108

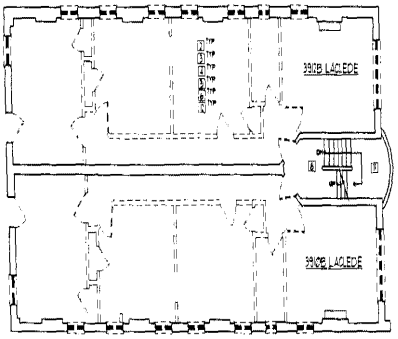
SECOND FLOOR
DEMO PLAN

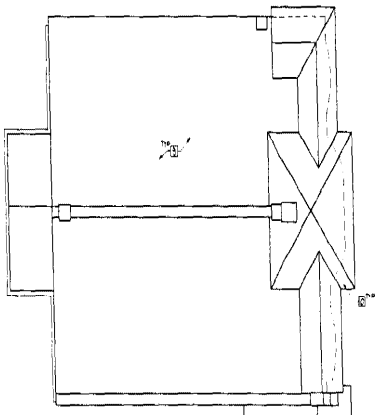
D1.2

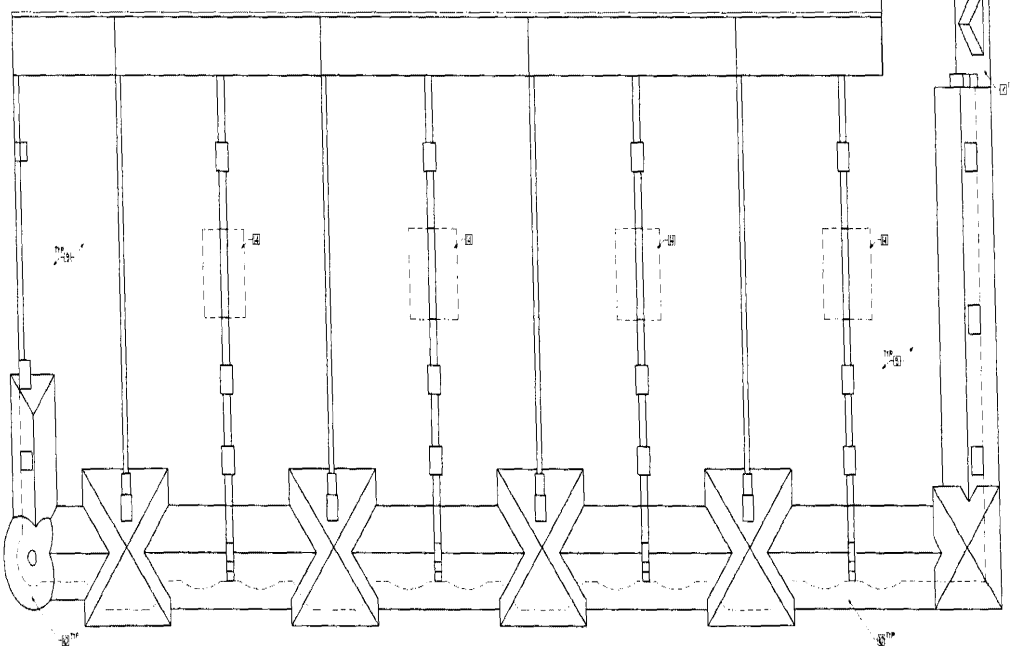
PROJECT # 400



HIGH ROOF DEMOLITION PLAN
1/8" = 1'-0"







3RD FLOOR AND ROOF DEMOLITION PLANS
1/8" = 1'-0"

LEGEND

- - - - - ELEMENT TO BE DEMOLISHED OR SALVAGED

KEYNOTES

1. REMOVE WATER DAMAGED FLOORING. STRUCTURE TO BE EVALUATED BY ARCHITECT'S ENGINEER FOR REPLACEMENT
2. REMOVE ALL APPLIANCES, FURNITURE AND DEBRIS.
3. REMOVE CASEWORK AND CABINETRY.
4. REMOVE ALL PLUMBING FIXTURES, FITTINGS AND ALL ASSOCIATED PIPING
5. REMOVE MECHANICAL EQUIPMENT AND ASSOCIATED DUCTWORK.
6. REMOVE ELECTRICAL FIXTURES AND ASSOCIATED WIRING
7. NEW ROOF - PROTECT.
8. EXISTING STAIRS AND HANDRAILS TO REMAIN - PROTECT.
9. REMOVE ROOFING AND EQUIPMENT AT FLAT ROOFS.
10. PROTECT FRONT ROOFING
11. REMOVE CEILING FINISH TO WOOD JOISTS
12. REMOVE CARPET OR VINYL TILE DOWN TO ORIGINAL WOOD FLOOR OR CONCRETE SLAB
13. REMOVE WALL FINISH DOWN TO BRICK OR STUDS
14. REMOVE RAISED ROOF AT ORIGINAL OPENING
15. FIREPLACE TO BE REINSTALLED IN PLACE AS NON-FUNCTIONAL FIREPLACE. SELECTIVE REPAIRS. D03

NOTES

1. SEE ELEVATION DRAWINGS FOR ADDITIONAL EXTERIOR WINDOW AND DOOR INFORMATION

Review Set
5/9/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
Saint Louis Missouri 63108
Contact: Ira Cohen
314.533.0400
office@cohenhilberry.com

GENERAL CONTRACTOR
Crosswood Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Lurie
314.863.2111

ARCHITECT
Lumpkin Design
50 South Bemiston Ave
Suite 200
Clayton, MO 63105
Contact: Damon Farmer
314.863.2150

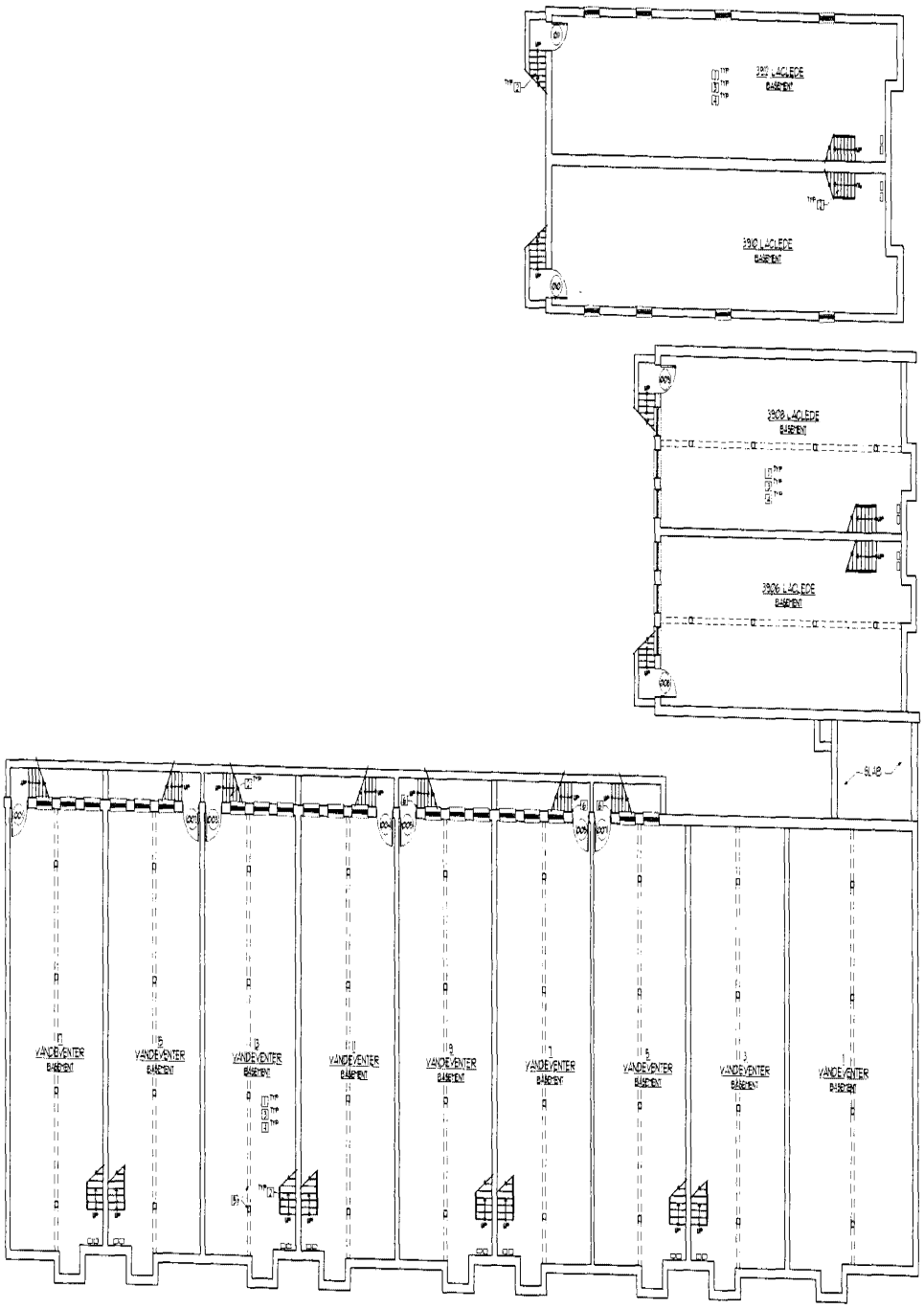
OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Suite 100
Clayton, MO 63105
Contact: Ed Gaum
314.863.1150

GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

THIRD FLOOR & ROOF DEMO PLAN

D2

PROJECT # 1400



BASEMENT FLOOR PLAN
1/8" = 1'-0"

LEGEND

KEYNOTES

1. SCOPE AND CLEAN OUT ALL AREA DRAINS, FLOOR DRAINS AND STORM WATER CONNECTIONS. REPLACE BROKEN LINES
2. REMOVE AND REPLACE BASEMENT STAIRS. MATCH EXISTING RISE AND RUN.
3. CHECK ALL FLUES TO BE REUSED. VERIFY FLUES ARE CLEAR AND UNOBSTRUCTED
4. REMOVE DETERIORATED FOUNDATION MORTAR IN 4 FOOT SECTIONS REPOINT EACH SECTION BEFORE MOVING FORWARD
5. REPLACE DAMAGED BEAM AND UNDERSIZED COLUMN
6. SELECTIVE RELAY OF BRICK PIER

NOTES

1. SEE ELEVATION DRAWINGS FOR ADDITIONAL EXTERIOR WINDOW AND DOOR INFORMATION

Review Set
5/9/2014

DESIGN ARCHITECT
Cohen Hillberry Architects
Paul Hillberry
San Luis Obispo, CA 93408
Contact: Chris Hillberry
314.367.2300
office@cohenhillberry.com

GENERAL CONTRACTOR
Greenwood Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: David Warne
314.863.2214

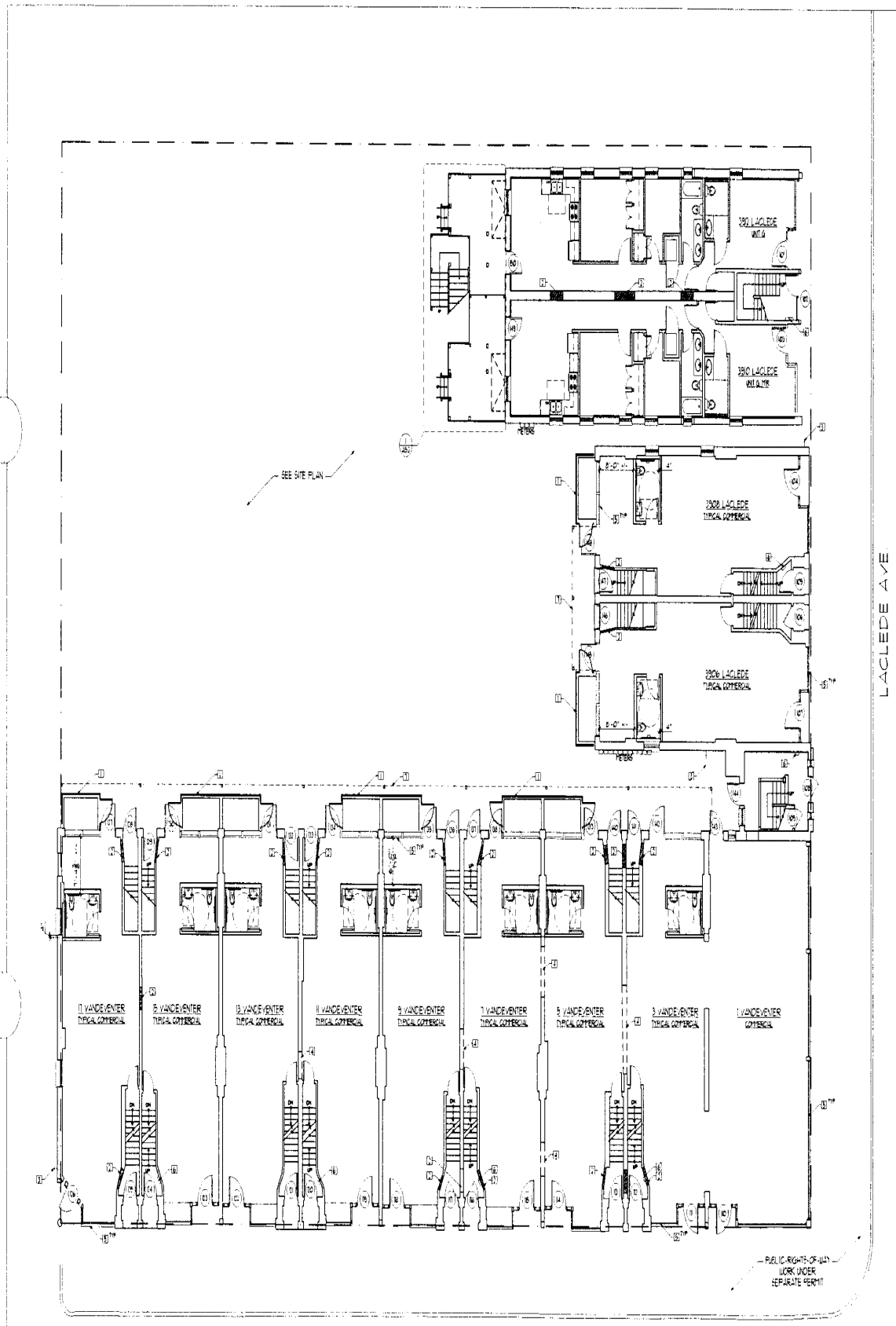
ARCHITECT
Webster Design
50 South Bemiston Ave
Suite 200
Clayton, MO 63105
Contact: Darren Perrine
314.863.7100

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Suite 200
Clayton, MO 63105
Contact: Bill Luchini
314.863.7100

GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS, MO 63108

BASEMENT
FLOOR PLAN
A0

PROJECT # 1401



1ST FLOOR PLAN
1/8" = 1'-0"

LEGEND

(01) DOOR NUMBER. INTERIOR UNIT AND COMMERCIAL DOORS ARE CENTRED BY SPACE ON SHEET "ALL DOOR SCHEDULE"

METERS ELECTRIC METERS

KEYNOTES

1. NEW RAILING CENTERED ON EXISTING AREA WELL WALL. VERIFY DIMENSIONS IN FIELD. SEE DETAIL V.1.0
2. INFILL OPENING WITH BRICK OR PARTITION TYPE P4. ALIGN FACE FLUSH WITH ADJACENT WALLS
3. HOSE BIB WITH REMOVABLE KEY
4. OPTION: EXISTING OPENING BETWEEN BAY MAY BE INFILLED USING PARTITION TYPE P4
5. REBUILD/RENOVATE STOREFRONT AND ENTRIES. SEE NOTES ON ELEVATIONS + DETAIL V.4.X.X
6. MAILBOX. SEE DETAIL V.4.X.X
7. DECKS ABOVE

GENERAL NOTES

1. ALL DIMENSIONS ARE TO FACE OF GYPSUM WALL BOARD UNLESS NOTED OTHERWISE
2. FOR WINDOW TAGS SEE ELEVATION DRAWINGS
3. FOR KITCHEN AND BATH CALLOUTS AND FRAMING DIMENSIONS SEE ENLARGED PLANS
4. FOR INTERIOR DOOR TAGS NOT SHOWN ON THESE PLANS SEE DOOR SCHEDULE
5. FIRST FLOOR COMMERCIAL TOILETS ARE SUBJECT TO RELOCATION WHERE BAYS ARE COMBINED. RESTROOMS MAY BE OMITTED
6. FOR LIGHTING AND ELECTRICAL INFORMATION SEE REFLECTED CEILING PLANS
7. FOR FLOOR FINISHES SEE FINISH FLOOR PLANS

ENLARGED PLAN KEY

ADDRESS	TYPE	ENLARGED PLAN
COMMERCIAL SPACE	TYPICAL	4.2.X1
3910 LACLEDE	UNIT G	4.2.X2
3910 LACLEDE	UNIT G *MIRRORED	4.2.X3

Revision Date
5/13/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
4941 Northgate
Saint Louis, MO 63108
Contact: Greg Hilberry
314.367.2300
office@cohenhilberry.com

GENERAL CONTRACTOR
Construction Building Associates
80 South Bemiston Ave
Clayton, MO 63105
Contact: Dennis Warren
314.863.2141

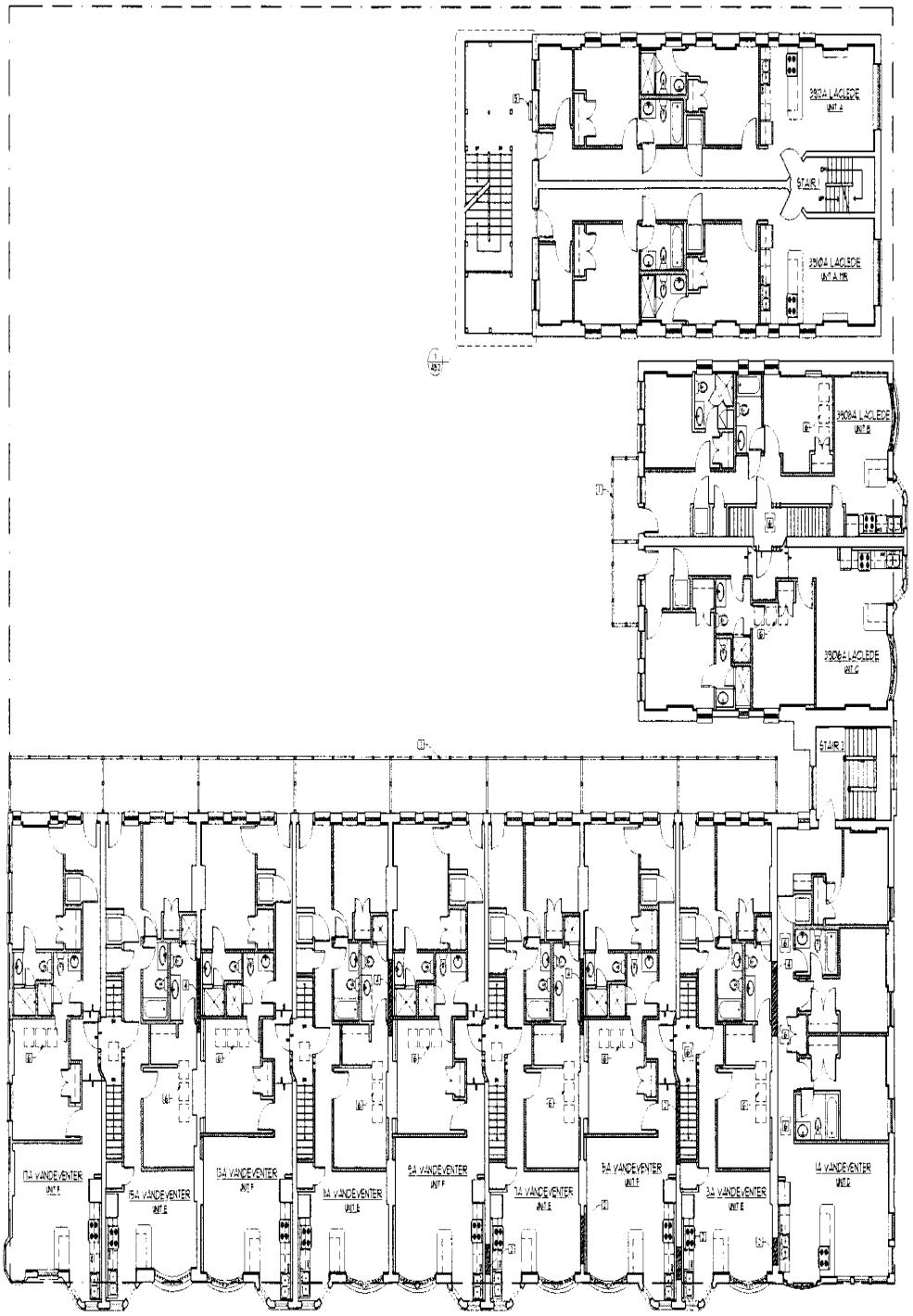
ARCHITECT
Webster Design
80 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Ramos
314.863.2190

OWNER/DEVELOPER
Gerhart Lofts LLC
80 South Bemiston Ave
Clayton, MO 63105
Contact: Bill Luchini
314.863.2190

GERHART LOFTS
3900-10 LACLEDE AVE
ST. LOUIS, MO 63108

FIRST FLOOR PLAN

PROJECT # 1401



2ND FLOOR PLAN
1/8" = 1'-0"

LEGEND

CHANGE IN FLOOR ELEVATIONS

KEYNOTES

1. NEW DECK. SEE DETAIL X/A4.X
2. INFILL OPENING WITH BRICK OR PARTITION TYPE P4 ALIGN FLUSH WITH ADJACENT WALLS
3. PROVIDE LINTEL AT NEW OPENING IN MASONRY WALL. SEE DETAIL 3/A3.1
4. INFILL OPENING WITH NEW BRICK DEFINING WALL. CONTINUE WALL THROUGH ROOF. ALIGN FLUSH WITH ADJACENT WALLS. SEE DETAIL 5/A3.5
5. SECURABLE ROOF ACCESS LADDER
6. SKYLIGHT. SEE ROP FOR LOCATION

GENERAL NOTES

1. ALL DIMENSIONS ARE TO FACE OF GYPSUM WALL BOARD UNLESS NOTED OTHERWISE.
2. FOR WINDOW TAGS SEE ELEVATION DRAWINGS
3. FOR KITCHEN AND BATH CALLOUTS AND FRAMING DIMENSIONS SEE ENLARGED PLANS
4. FOR INTERIOR DOOR TAGS NOT SHOWN ON THESE PLANS SEE DOOR SCHEDULE
5. FIRST FLOOR COMMERCIAL TOILETS ARE SUBJECT TO RELOCATION UNDER BA'S ARE COMBINED. RESTROOMS MAY BE OMITTED
6. FOR LIGHTING AND ELECTRICAL INFORMATION SEE REFLECTED CEILING PLANS
7. FOR FLOOR FINISHES SEE FINISH FLOOR PLANS

APARTMENT ENLARGED PLAN KEY

ADDRESS	TYPE	ENLARGED PLAN
2812A LACLEDE	UNIT A	1/A4.1
2810A LACLEDE	UNIT A MIRRORED	1/A4.1
2808A LACLEDE	UNIT B	2/A4.1
2806A LACLEDE	UNIT C	3/A4.1
1A VANDEVENTER	UNIT D	1/A4.2
3A VANDEVENTER	UNIT E	2/A4.2
5A VANDEVENTER	UNIT F	3/A4.2
7A VANDEVENTER	UNIT E	2/A4.2
9A VANDEVENTER	UNIT F	3/A4.2
11A VANDEVENTER	UNIT E	2/A4.2
13A VANDEVENTER	UNIT F	3/A4.2
15A VANDEVENTER	UNIT E	2/A4.2
17A VANDEVENTER	UNIT F SIMILAR	3/A4.2

Review Set
5/8/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
5411 Nottingham
Saint Louis, MO 63109
Contact: Gina Hilberry
314.533.4400
office@cohenhilberry.com

GENERAL CONTRACTOR
Greenwood Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Warren
314.863.2411

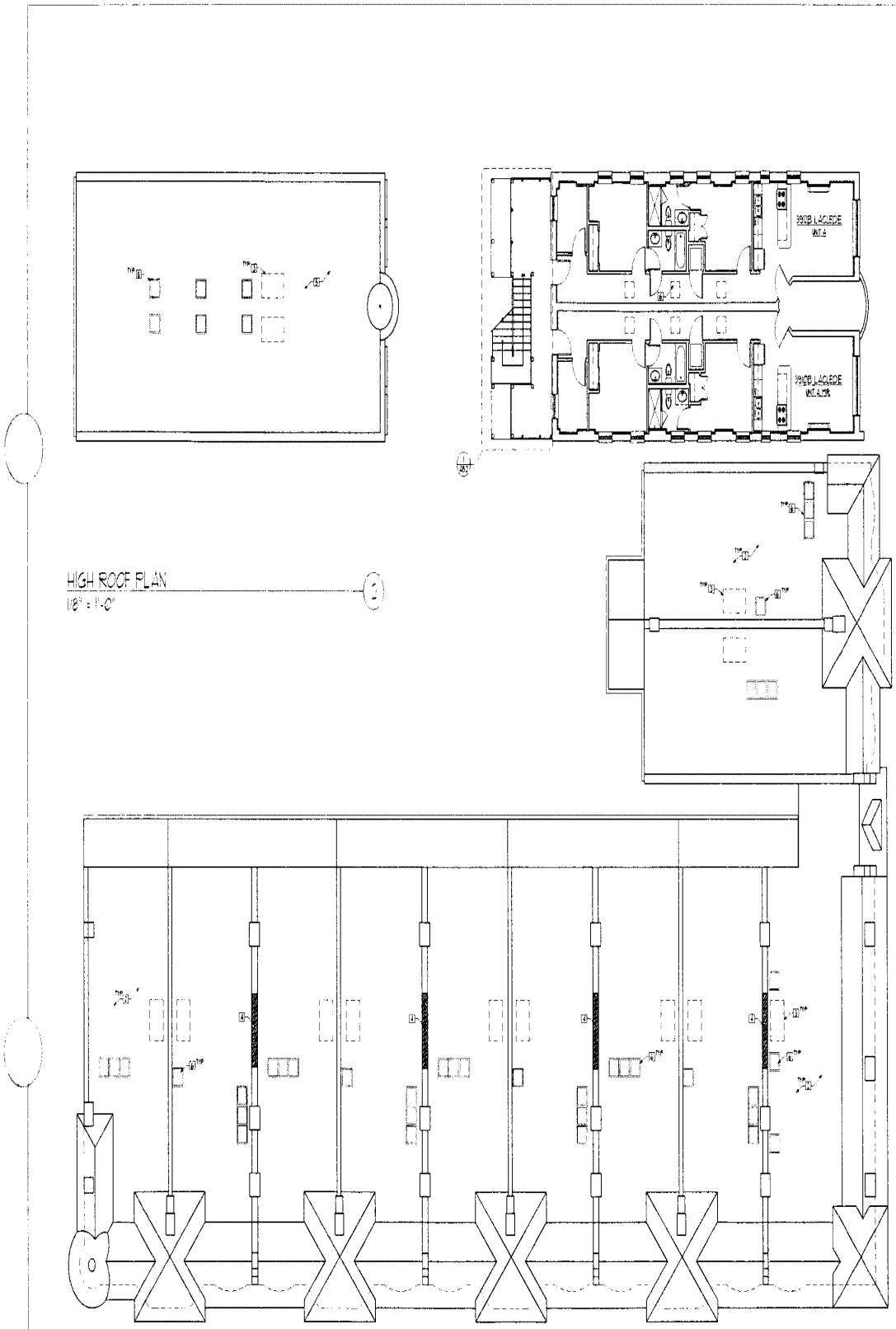
ARCHITECT
Webster Design
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Warren
314.863.2411

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Clayton, MO 63105
Contact: Bill Luchini
314.862.3040

GERHART LOFTS
3900-16 LACLEDE AVE.
ST. LOUIS, MO 63108

SECOND FLOOR PLAN

PROJECT # 1401



LEGEND

SKYLIGHTS

SUGGESTED LOCATION FOR ROOF TOP EQUIPMENT

KEYNOTES

1. NOT USED
2. NEW ROOF
3. LOCATE NEW ROOF TOP HVAC EQUIPMENT NEAR LOAD BEARING MASONRY WALL BELOW. SET ON CURBS AS RECOMMENDED BY ROOFING MANUFACTURER.
4. NEW MASONRY DEMISING WALL. SEE DETAIL 5/A3.5
5. PROTECT EXISTING ROOF DURING CONSTRUCTION
6. SKYLIGHT. SEE RCP FOR LOCATION

GENERAL NOTES

1. ALL DIMENSIONS ARE TO FACE OF FINISH UNLESS NOTED OTHERWISE
2. FOR WINDOW TAGS SEE ELEVATION DRAWINGS
3. FOR KITCHEN AND BATH CALLOUTS AND FRAMING DIMENSIONS SEE ENLARGED PLANS
4. FOR INTERIOR DOOR TAGS NOT SHOWN ON THESE PLANS SEE DOOR SCHEDULE
5. FIRST FLOOR COMMERCIAL TOILETS ARE SUBJECT TO RELOCATION WHERE BATHS ARE COMBINED. RESTROOMS MAY BE OMITTED
6. FOR ELECTRICAL INFORMATION SEE REFLECTED CEILING PLANS

APARTMENT ENLARGED PLAN KEY

ADDRESS	TYPE	ENLARGED PLAN
3908 LACLEDE	UNIT A MIRRORED	1/A4
3908 LACLEDE	UNIT A	1/A4

Review Set
5/9/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
4641 Maryland
St. Louis, Missouri 63108
Contact: Gina Hilberry
314-533-4040
office@cohenhilberry.com

GENERAL CONTRACTOR
Crossroad Building Associates
50 South Bemiston Ave
Clayton MO 63105
Contact: Jonathan Warren
314-721-2111

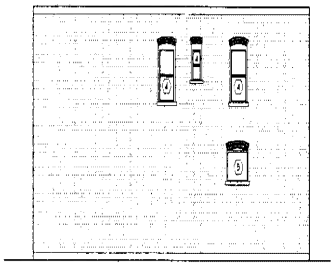
ARCHITECT
Webster Design
50 South Bemiston Ave
Clayton MO 63105
Contact: Dennis Webster
314-721-2111

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Clayton MO 63105
Contact: Bill Suchini
314-721-2111

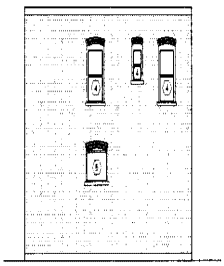
GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS MO 63108

THIRD FLOOR & ROOF PLANS

PROJECT # 1400



WEST ELEVATION DEMOLITION AND NEW (5)
1/8" = 1'-0"



EAST ELEVATION DEMOLITION AND NEW (3)
1/8" = 1'-0"

EAST ELEVATION (VANDEVENTER AVE.) DEMOLITION AND NEW (2)
1/8" = 1'-0"

NORTH ELEVATION (LACLEDE AVE.) DEMOLITION AND NEW (1)
1/8" = 1'-0"

LEGEND

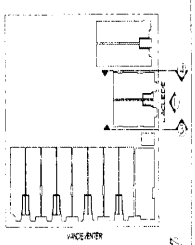
NEW WINDOW TYPE AS NOTED ON SHEET A6.1
IN ALL LOCATIONS REMOVE EXISTING WINDOW, WINDOW REPAIRS AND/OR PLYWOOD

KEYNOTES

1. RESTORE CAST IRON PATCH WITH BONDO AS NEEDED AND PAINT
2. NOT USED
3. NOT USED
4. TUCKPOINT BY HISTORIC GUIDELINES. SEE SPEC.
5. SELECTIVE DEMOLITION. SCOPE TO BE DETERMINED INDIVIDUALLY AT EACH STOREFRONT. REBUILD STOREFRONT AND PAINT (PT-1)
6. REMOVE ASSEMBLY OF WINDOW, DOOR FRAME AND TRIM AT REAR ENTRY
7. REBUILD WOOD ASSEMBLY OF WINDOW, DOOR FRAME AND TRIM AT REAR ENTRY. SEE DETAIL X/A6.X. PAINT (PT-1)
8. REMOVE WINDOW AND INFILL OPENING WITH BRICK. SEE DETAIL X/A6.X
9. REPLACE WINDOW WITH SMALLER WINDOW AND INFILL OPENING DIFFERENCE WITH BRICK. SEE DETAIL X/A6.X
10. EXISTING WINDOW TO REMAIN. CLEAN AND RESTORE AS NECESSARY.
11. UNCOVER ORIGINAL OPENING. REPLACE WINDOW
12. REMOVE AWNING
13. NEW IRON STANDOFF SIGNAGE. SEE DETAIL X/A6.X
14. DEMOLISH WOOD DECKS AND REPLACE. SEE DETAIL X/A6.X
15. NEW MULTI-STORY WOOD DECK AND STAIR. SEE A6.1
16. REPLACE GUTTER AND DOWNSPOUT
17. PAINT SOFFITS WITH (PT-1)
18. PAINT CEILING WITH (PT-1)
19. PAINT BAY (PT-1)
20. PAINT TRIM (PT-1)
21. REMOVE EXTERIOR LIGHT FIXTURE
22. LED ACCENT LIGHTS AT SOFFIT
23. NEW LIGHT FIXTURE
24. REMOVE SATELLITE DISH
25. REMOVE SIGNAGE
26. REMOVE WINDOW BARS
27. REMOVE METERS AND CONDUIT
28. SELECTIVE REPAIR OF BRICK PIER

NOTES

1. NOT USED
2. NOT USED



Review Set
5/8/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
1541 Hampton
Saint Louis, Missouri 63139
Contact: Chris Hilberry
314.647.8800
chris@cohenhilberry.com

GENERAL CONTRACTOR
Crestwood Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Warren
314.721.2341

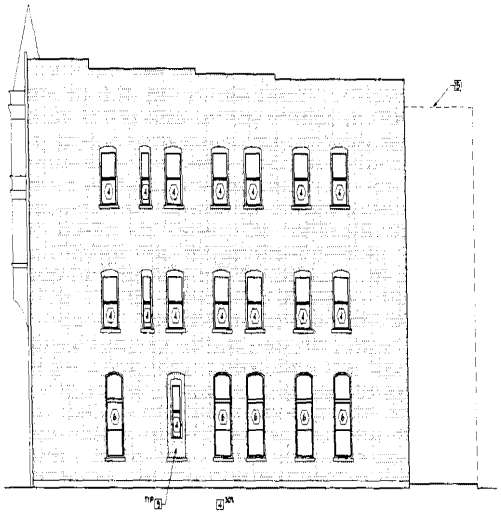
ARCHITECT
Webster Design
50 South Bemiston Ave
Clayton, MO 63105
Contact: Carson Penner
314.721.2750

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Clayton, MO 63105
Contact: Bill Luchina
314.721.2750

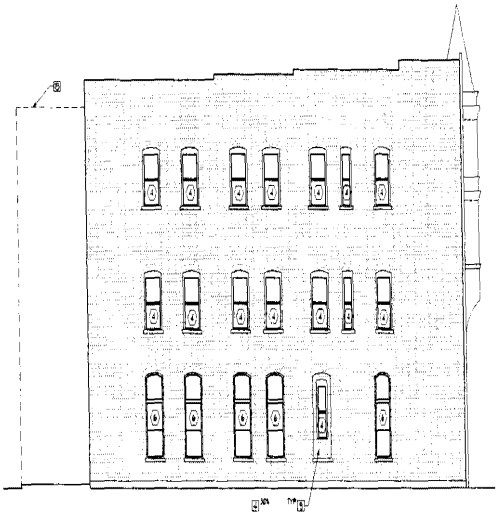
GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS, MO 63108

BUILDING ELEVATIONS

PROJECT # 1401



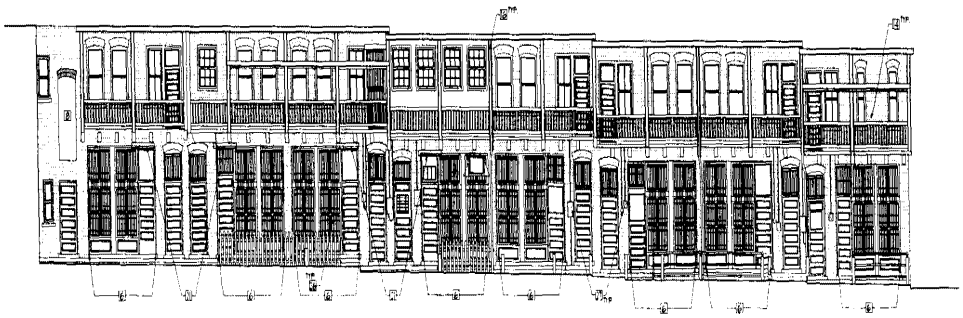
WEST ELEVATION DEMOLITION AND NEW (4)
1/8" = 1'-0"



EAST ELEVATION DEMOLITION AND NEW (3)
1/8" = 1'-0"

FOR CLARITY BOLLARDS AND NEW GROUND FLOOR RAILINGS ARE NOT SHOWN. SEE SITE PLAN AND DETAIL 1/A8.0 FOR ADDITIONAL INFORMATION

WEST ELEVATION (PARKING LOT) NEW (2)
1/8" = 1'-0"



WEST ELEVATION (PARKING LOT) DEMOLITION (1)
1/8" = 1'-0"

LEGEND

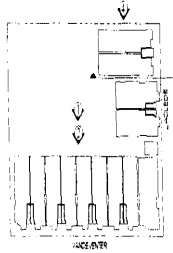
(X) NEW WINDOW TYPE AS NOTED ON SHEET A4.1
IN ALL LOCATIONS REMOVE EXISTING WINDOW WINDOW REMNANTS AND/OR PLYWOOD

KEYNOTES

1. RESTORE CAST IRON; PATCH WITH BONDO AS NEEDED AND PAINT
2. NOT USED
3. NOT USED
4. TUCKPOINT BY HISTORIC GUIDELINES. SEE SPEC
5. SELECTIVE DEMOLITION; SCOPE TO BE DETERMINED INDIVIDUALLY AT EACH STOREFRONT. REBUILD STOREFRONT AND PAINT PT-3
6. REMOVE ASSEMBLY OF WINDOW, DOOR FRAME AND TRIM AT REAR ENTRY
7. REBUILD WOOD ASSEMBLY OF WINDOW, DOOR FRAME AND TRIM AT REAR ENTRY. SEE DETAIL X/AX.X. PAINT PT-2
8. REMOVE WINDOW AND INFILL OPENING WITH BRICK. SEE DETAIL X/AX.X
9. REPLACE WINDOW WITH SMALLER WINDOW AND INFILL OPENING DIFFERENCE WITH BRICK. SEE DETAIL X/AX.X
10. EXISTING WINDOW TO REMAIN. CLEAN AND RESTORE AS NECESSARY.
11. UNCOVER ORIGINAL OPENING. REPLACE WINDOW
12. REMOVE AWNING
13. NEW IRON STANDOFF SIGNAGE. SEE DETAIL X/AX.X
14. DEMOLISH WOOD DECKS AND REPLACE. SEE DETAIL X/AX.X
15. NEW MULTI-STORY WOOD DECK AND STAIR. SEE 1/A8.2
16. REPLACE GUTTER AND DOWNSPOUT
17. PAINT SOFFITS WITH PT-3
18. PAINT COLUMNS WITH PT-2
19. PAINT BAY PT-1
20. PAINT TRIM PT-2
21. REMOVE EXTERIOR LIGHT FIXTURE
22. LED ACCENT LIGHTS AT SOFFIT
23. NEW LIGHT FIXTURE
24. REMOVE SATELLITE DISH
25. REMOVE SIGNAGE
26. REMOVE WINDOW BARS
27. REMOVE METERS AND CONDUIT
28. SELECTIVE RE-LAY OF BRICK PIER

NOTES

1. NOT USED
2. NOT USED



Review Set
5-9-2014

DESIGN ARCHITECT
Cohen Hilberry Architects
Saint Louis, Missouri 63108
Contact: John Hilberry
office@cohenhilberry.com

GENERAL CONTRACTOR
Crosswood Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: David Warren
314.863.5411

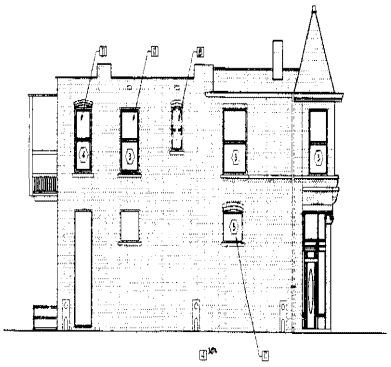
ARCHITECT
Wright Bernson Kohn
50 South Bemiston Ave.
Clayton, Suite 105
Clayton, MO 63105
Contact: David Fennie
314.863.1860

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave.
Suite 101
Clayton, MO 63105
Contact: Bill Eckohn
314.863.1860

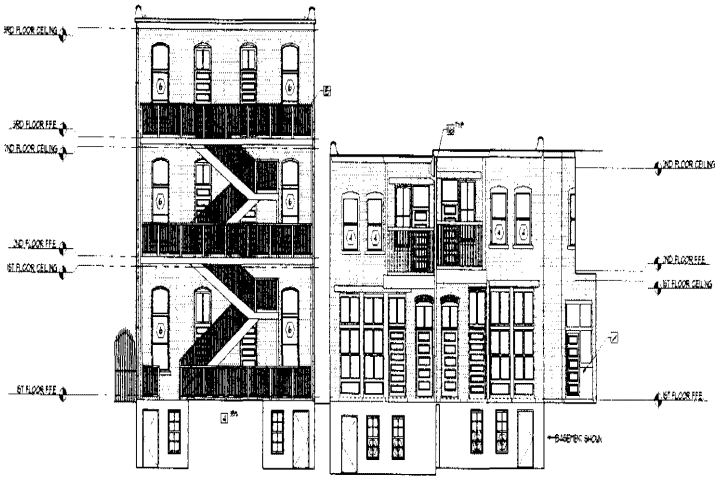
GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS, MO 63108

BUILDING ELEVATIONS
A1.0

PROJECT # 1401

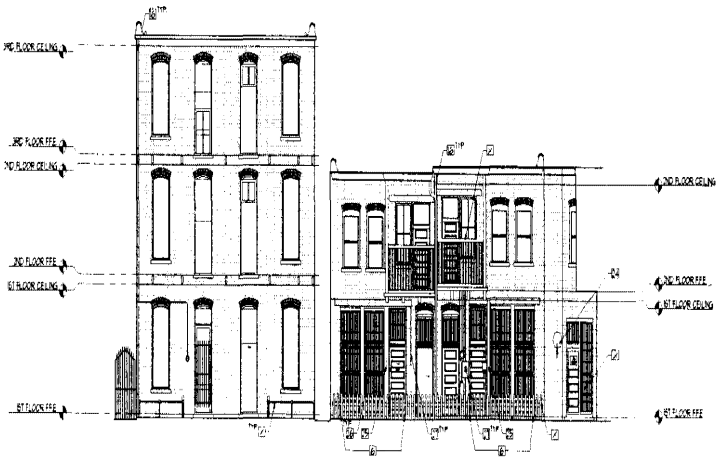


SOUTH ELEVATION (ALLEY) DEMOLITION AND NEW (3)
1/8" = 1'-0"



FOR CLARITY, BOLLARDS AND NEW GROUND FLOOR RAILINGS ARE NOT SHOWN. SEE SITE PLAN AND DETAIL 1/A8.3 FOR ADDITIONAL INFORMATION.

SOUTH ELEVATION (PARKING LOT) NEW (2)
1/8" = 1'-0"



SOUTH ELEVATION (PARKING LOT) DEMOLITION
1/8" = 1'-0"

LEGEND

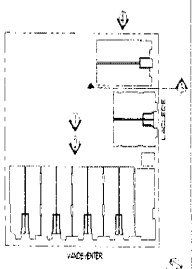
(W) NEW WINDOW TYPE AS NOTED ON SHEET A6.1
IN ALL LOCATIONS REMOVE EXISTING WINDOW REMNANTS AND/OR PLYWOOD.

KEYNOTES

1. RESTORE CAST IRON PATCH WITH BONDO AS NEEDED AND PAINT.
2. NOT USED
3. NOT USED
4. TUCKPOINT BY HISTORIC GUIDELINES. SEE SPEC
5. SELECTIVE DEMOLITION, SCOPE TO BE DETERMINED INDIVIDUALLY AT EACH STOREFRONT. REBUILD STOREFRONT AND PAINT PT-2.
6. REMOVE ASSEMBLY OF WINDOW DOOR FRAME AND TRIM AT REAR ENTRY.
7. REBUILD WOOD ASSEMBLY OF WINDOW DOOR FRAME AND TRIM AT REAR ENTRY. SEE DETAIL X/A.X.X. PAINT PT-2.
8. REMOVE WINDOW AND INFILL OPENING WITH BRICK. SEE DETAIL X/A.X.X
9. REPLACE WINDOW WITH SMALLER WINDOW AND INFILL OPENING DIFFERENCE WITH BRICK. SEE DETAIL X/A.X.X
10. EXISTING WINDOW TO REMAIN. CLEAN AND RESTORE AS NECESSARY.
11. UNCOVER ORIGINAL OPENING. REPLACE WINDOW.
12. REMOVE AWNING
13. NEW IRON STANDOFF SIGNAGE. SEE DETAIL X/A.X.X
14. DEMOLISH WOOD DECKS AND REPLACE. SEE DETAIL X/A.X.X
15. NEW MULTI-STORY WOOD DECK AND STAIR. SEE (1/A5.)
16. REPLACE GUTTER AND DOWNSPOUT
17. PAINT SOFFITS WITH PT-3
18. PAINT CEILING WITH PT-2
19. PAINT BAY PT-1
20. PAINT TRIM PT-2
21. REMOVE EXTERIOR LIGHT FIXTURE
22. LED ACCENT LIGHTS AT SOFFIT
23. NEW LIGHT FIXTURE
24. REMOVE SATELLITE DISH
25. REMOVE SIGNAGE
26. REMOVE WINDOW BARS
27. REMOVE METERS AND CONDUIT
28. SELECTIVE RELAY OF BRICK PIER

NOTES

1. NOT USED
2. NOT USED



Review Set
5/8/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
3644 Hampton
Saint Louis, MO 63109
Contact: Gina Hilberry
314.481.8306
office@cohenhilberry.com

GENERAL CONTRACTOR
Crosswood Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Lamm
314.863.2121

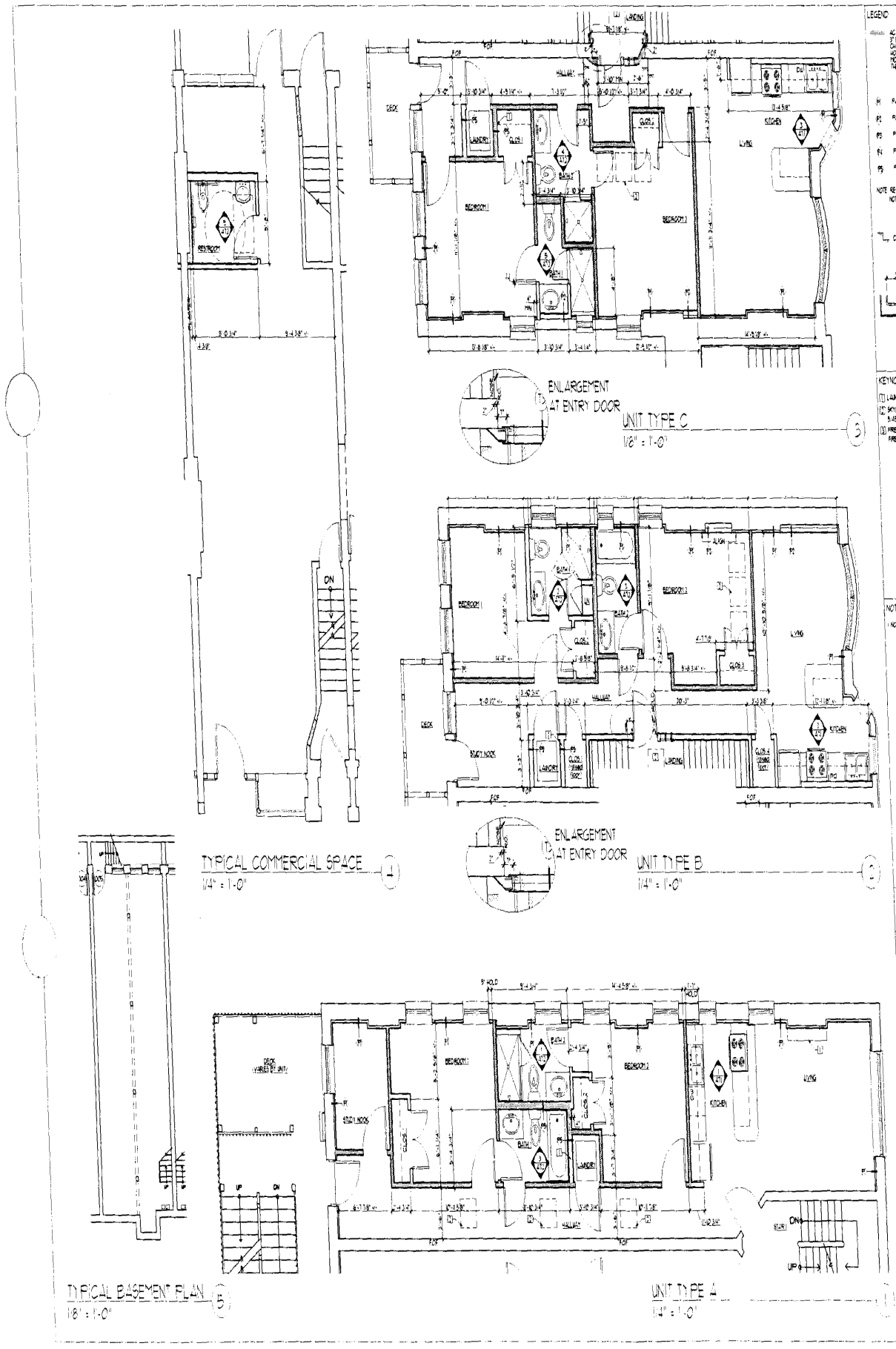
ARCHITECT
Webster Design
50 South Bemiston Ave
Clayton, MO 63105
Contact: Bence Benner
314.863.2190

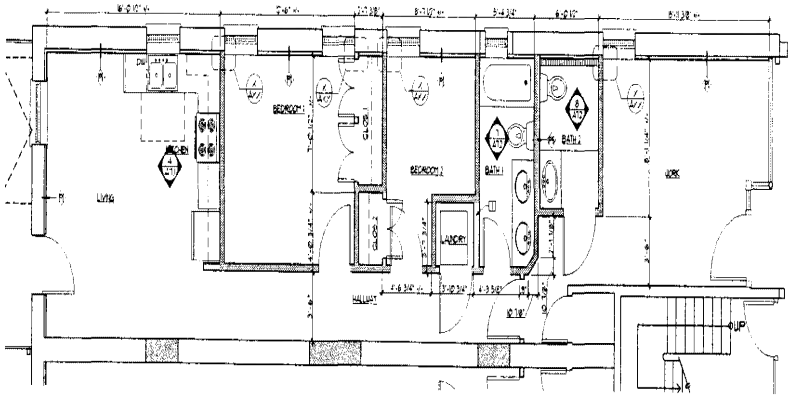
OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Clayton, MO 63105
Contact: Bill Luchini
314.863.2190

GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

BUILDING ELEVATIONS

PROJECT # 1407

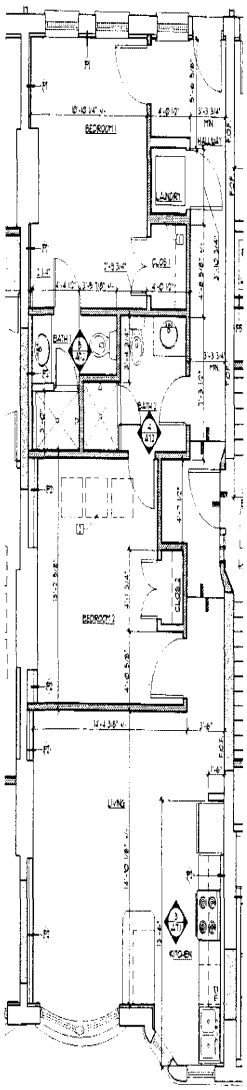

TYPICAL COMMERCIAL SPACE
1/4" = 1'-0"
ENLARGEMENT AT ENTRY DOOR
UNIT TYPE C
1/8" = 1'-0"
ENLARGEMENT AT ENTRY DOOR
UNIT TYPE B
1/4" = 1'-0"
TYPICAL BASEMENT PLAN
1/8" = 1'-0"
UNIT TYPE A
1/4" = 1'-0"
LEGEND
KEYNOTES
NOTES
KEY PLANS
GERHART LOFTS
3300-12 LACLEDE AVE.
ST. LOUIS, MO 63108
ENLARGED UNIT PLANS



UNIT TYPE G

1/4" = 1'-0"

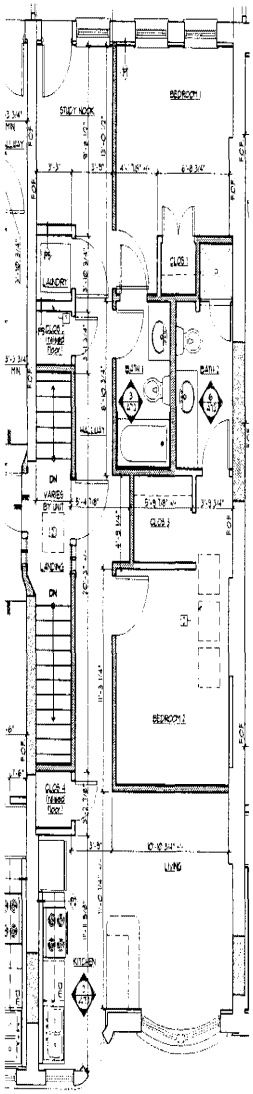
4



UNIT TYPE F

1/4" = 1'-0"

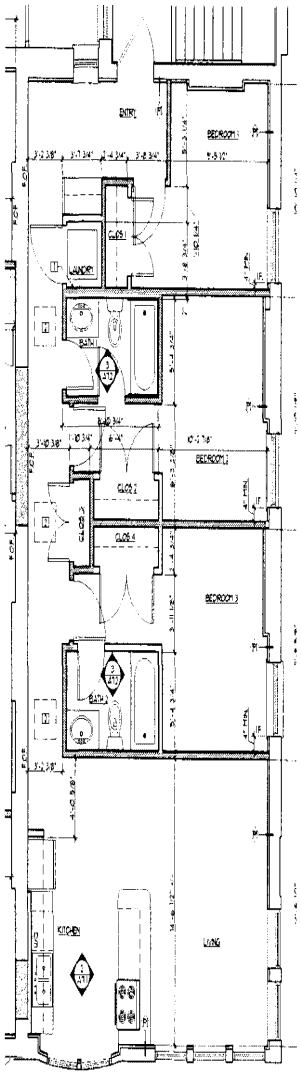
3



UNIT TYPE E

1/4" = 1'-0"

2



UNIT TYPE D

1/4" = 1'-0"

1

LEGEND

ACOUSTICALLY TREATED WALL WITH 1/2" RESILIENT CHANNEL AND 3" ROCKWOOL SAFE N SOUND INSULATION. FOLLOW RESILIENT CHANNEL MANUFACTURER'S INSTALLATION GUIDELINES. USE 1/2" HOMOSOTE BOARD IN LIEU OF RESILIENT CHANNEL. WHERE WALL MOUNTED CABINETRY, FIXTURES OR WALL TILE WILL COMPROMISE THE PERFORMANCE OF RESILIENT CHANNEL

P1 PARTITION TYPE P1, SEE DETAIL 1/A8.1

P2 PARTITION TYPE P2, SEE DETAIL 2/A8.1

P3 PARTITION TYPE P3, SEE DETAIL 3/A8.1

P4 PARTITION TYPE P4, SEE DETAIL 4/A8.1

P5 PARTITION TYPE P5, SEE DETAIL 5/A8.1

NOTE: RESIDENTIAL UNIT PARTITION TYPES ARE P3 UNLESS NOTED OTHERWISE

CHANGE IN FLOOR ELEVATION

3'-10"

18" INSIDE RUFFE OF DOOR OR WINDOW

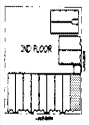
KEYNOTES

1. LAUNDRY ROOM CHASE WALL SEE DETAIL 5/A8.1
2. SKYLIGHT - AT HIGHEST UNIT / SEE ROOF FOR LOCATION, SEE DETAIL 5/A8.1 FOR FRAMING
3. FIREPLACE AND MANTLE SALVAGED FROM SITE. SELECTIVE REPAIR. FIREPLACE IS SEALED AND NON-FUNCTIONAL

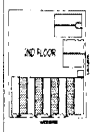
NOTES

1. NOT USED

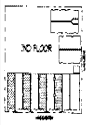
KEY PLANS



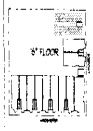
UNIT D
3 BEDROOM / 3 BATH
1120 SF
UNIT 1



UNIT E
3 BEDROOM / 3 BATH
910 SF
UNITS 4



UNIT F
3 BEDROOM / 3 BATH
910 SF
UNITS 4



UNIT G
3 BEDROOM / 3 BATH
934 SF
(BASEMENT APPROX. EQUAL SF)
UNITS 2

Review Set
5-9-2014

DESIGN ARCHITECT
Cohen Hilberry Architects
1540 Hampton
St. Louis, MO 63139
Contact: Gina Hilberry
office@cohenhilberry.com

GENERAL CONTRACTOR
Crestwood Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Lemmer
314-863-1100

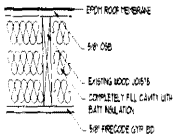
ARCHITECT
Lodestar Design
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Lemmer
314-863-1100

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Clayton, MO 63105
Contact: Bill Loomis
314-863-1100

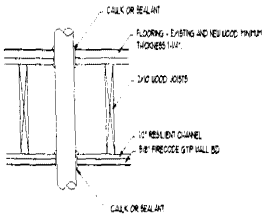
GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS MO 63108

ENLARGED UNIT PLANS

PROJECT # 1401



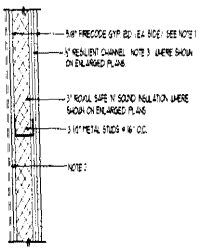
ROOF ASSEMBLY — 14



UL DETAILS
METALIC PIPES F-C-1006
NON METALIC PIPES F-C-1008
ELECTRICAL CABLES F-C-3001
INSULATED PIPE F-C-5002
MUX 10" DUCT F-C-7012

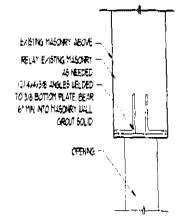
PENETRATION AT FLOOR — 11

UNRATED FLOOR/CEILING ASSEMBLY — 7

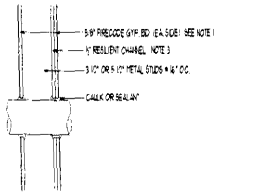


P3 - INTERIOR WALL — 3

UL U415 STC 50DB

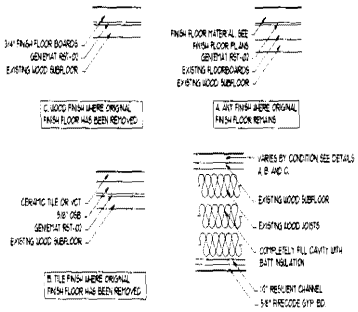


LINTEL AT NEW OPENING — 13



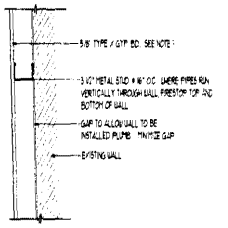
UL DETAILS
METALIC PIPES
NON METALIC PIPES
ELECTRICAL CABLES
INSULATED PIPE
MUX 10" DUCT

PENETRATION AT WALL — 10



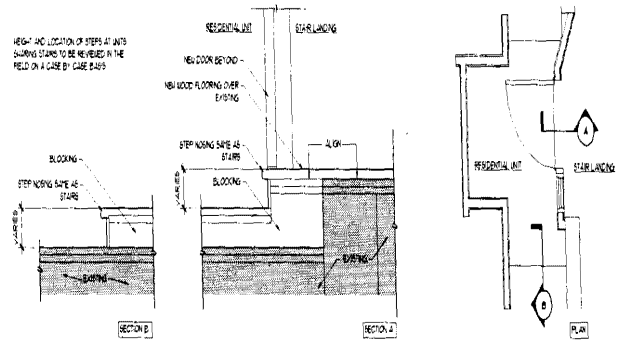
1 HOUR RATED FLOOR/CEILING ASSEMBLY — 6

UL U314 STC 50DB



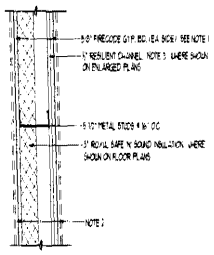
P2 - FURRING — 2

UNRATED

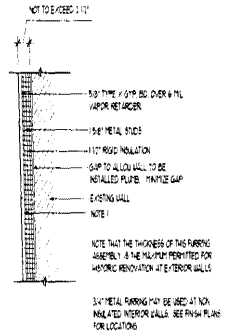


UNIT STEPS — 9

DOORS BETWEEN UNIT PAIRS 3-208A & 3-209A, 3-4 & 3-5A, 3-6 & 3-6A, 3-7A & 3-8A, 3-9A & 3-10A

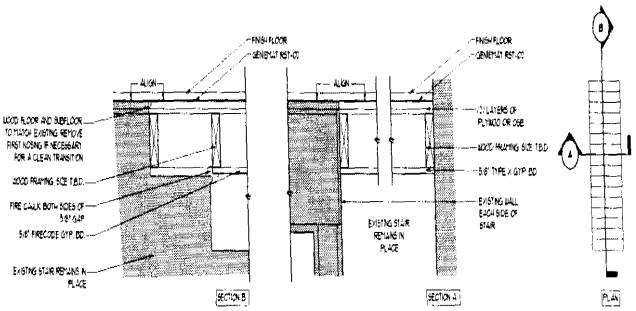


P5 - INTERIOR WALL — 5

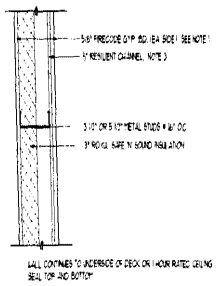


P1 - FURRING — 1

UNRATED



NEW FLOOR AT DECOMMISSIONED STAIR — 8



P4 - INTERIOR DEMISING WALL 1 HR

UL U305

NOTES

1. USE 5/8" MOISTURE RESISTANT GYPSUM WALLBOARD IN LIEU OF REGULAR GYPSUM WALLBOARD AT LOCATION OF PLUMBING FIXTURES
2. USE 1/2" CONC TILE BACKER BOARD OVER HR BD WHERE WALL FINISH IS SPECIFIED AS TILE
3. FOLLOW MANUFACTURER'S INSTALLATION GUIDELINES. USE 1/2" NONPOROUS BOARD IN LIEU OF RESILIENT CHANNEL WHERE WALL MOUNTED CABINETRY, FIXTURES, OR WALL TILE WILL COMPROMISE THE PERFORMANCE OF RESILIENT CHANNEL.
4. WHERE GYPSUM WALLBOARD OCCURS ON BOTH SIDES OF A WALL, STAGGER JOINTS 24"

Review Set
5/9/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
4341 Hampton
St. Louis, MO 63109
Contact: Greg Hilberry
314.367.8820
office@cohenhilberry.com

GENERAL CONTRACTOR
Greenwood Building Associates
50 South Bemiston Ave
Suite 201
Clayton, MO 63105
Contact: Bill Lumpe
314.863.3141

ARCHITECT
Webster Design
50 South Bemiston Ave
Suite 201
Clayton, MO 63105
Contact: Bill Webster
314.863.3190

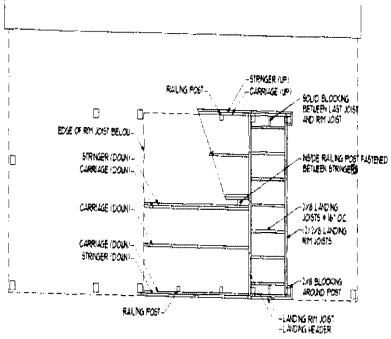
OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Clayton, MO 63105
Contact: Bill Lumpe
314.863.3141

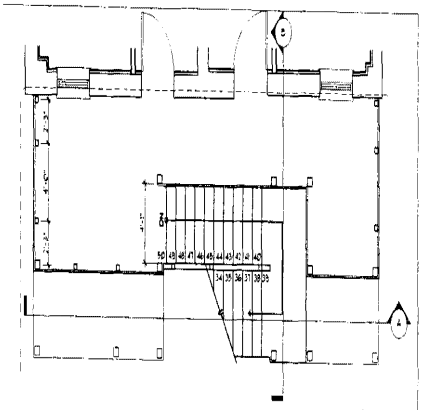
GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

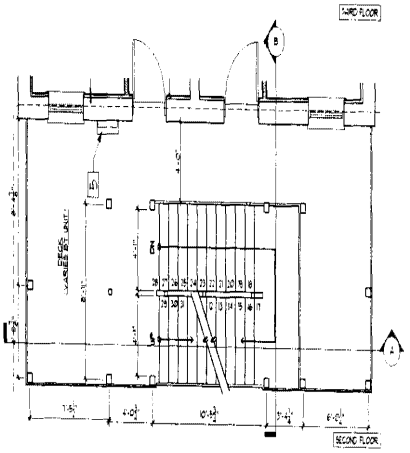
DETAILS
A5.1

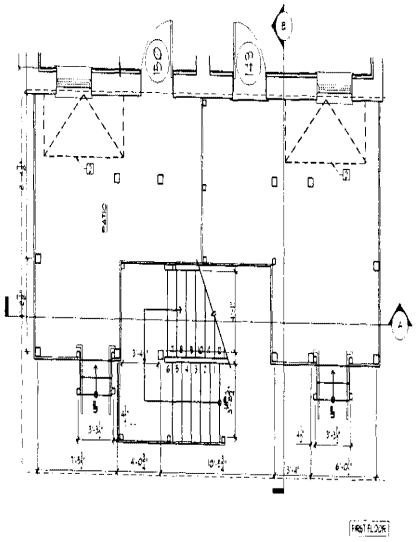
PROJECT # 1405

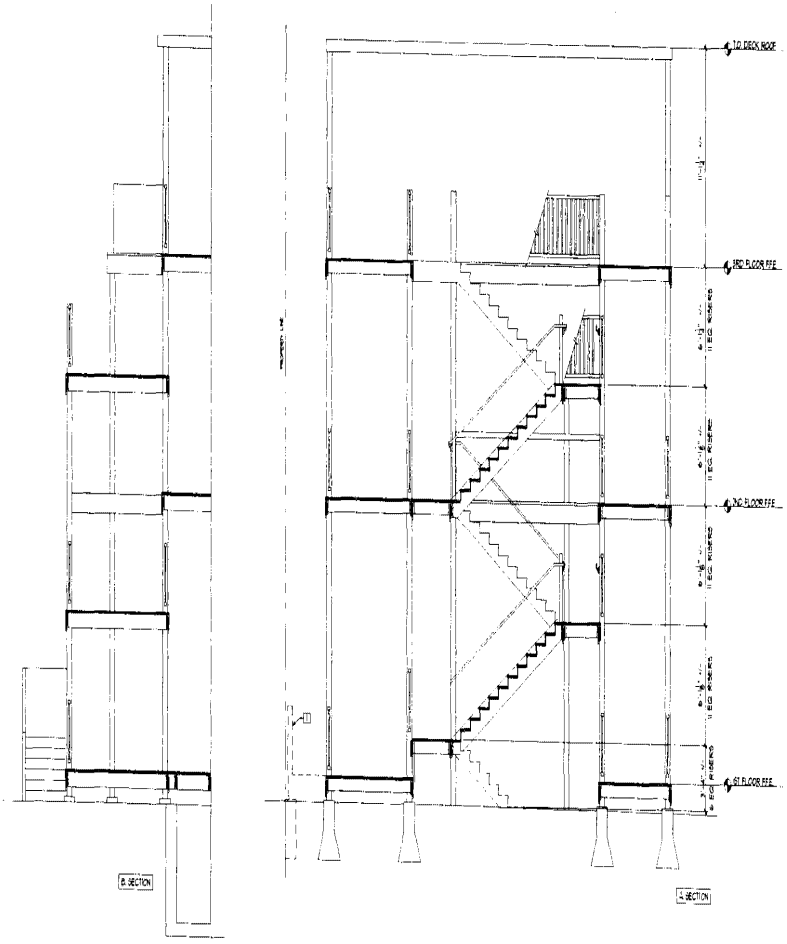
1535











EXTERIOR DECK AND STAIR

1/4" = 1'-0"

KEYNOTES	GENERAL NOTES
1 FUTURE RUN - NOT IN CONTRACT 2 MATCH FOR BASEMENT ACCESS	1. VERIFY DIMENSIONS IN FIELD

Revised Set
5/9/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
Sam Jaal Hanover
Contact: Gina Hilberry
314-241-8100
office@cohenhilberry.com

GENERAL CONTRACTOR
Crossroad Building Associates
50 South Bemiston Ave
Clayton, MO 63105
Contact: Daniel Warren
314-863-4311

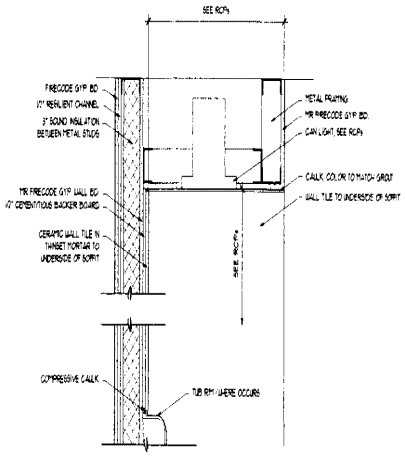
ARCHITECT
Webster Design
50 South Bemiston Ave
Clayton, MO 63105
Contact: Darrick Farmer
314-863-7110

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Clayton, MO 63105
Contact: Bill Suchini
314-863-7110

GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

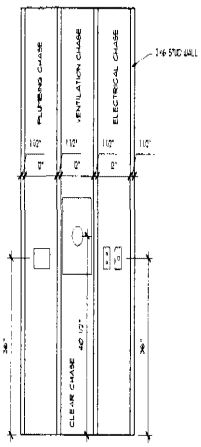
DECK SECTION AND DETAILS

PROJECT # 1401



SOFFIT AND SOUNDWALL AT BATHTUB/SHOWER — 6

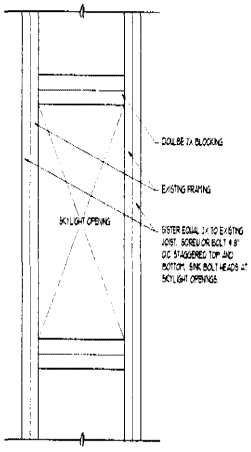
1/4" = 1'-0"



NOTE: SEE SUPERVISOR IF ALTERNATIVE ROUTE IS NEEDED BEFORE USING ANOTHER CHASE

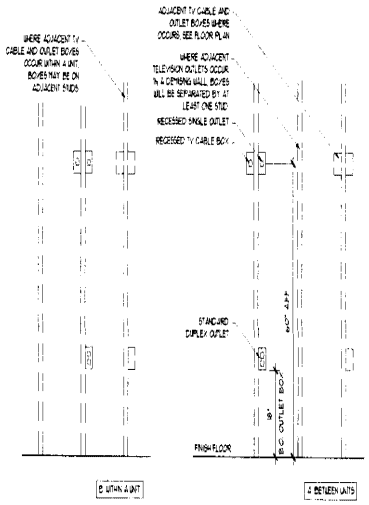
WASHER/DRYER WALL HOOK-UP — 3

NOT TO SCALE



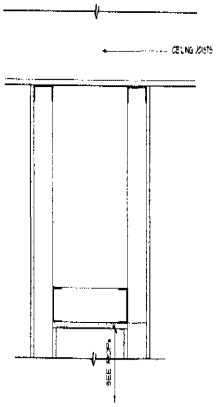
SKYLIGHT FRAMING — 5

1/4" = 1'-0"



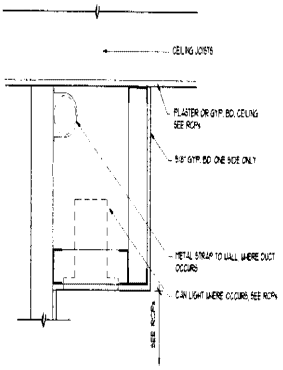
TV CABLE AND OUTLET BOX LOCATIONS — 2

NOT TO SCALE



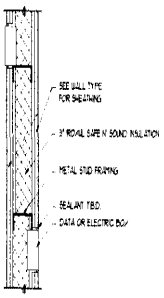
LOWERED CEILING — 1

1/4" = 1'-0"



TYPICAL SOFFIT — 4

1/4" = 1'-0"



ADJACENT ELECTRICAL BOXES AT SOUND WALL — 5

3" = 1'-0"

Review Set
5/8/2014

DESIGN ARCHITECT
Conner Hilberry Architects
4941 Hampton
San Antonio, Texas 78230
314.367.8300
office@connerhilberry.com

GENERAL CONTRACTOR
Greenwood Building Associates
50 South Bemiston Ave
Clayton, Suite 200
Contact: Gene Wolach
Contact: Dennis Warren
314.863.1241

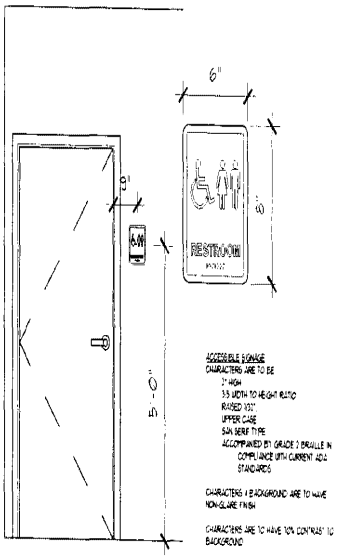
ARCHITECT
Walker Design
50 South Bemiston Ave.
Suite 200
Clayton, MO 63105
Contact: Dennis Fremmer
314.768.3190

OWNER/DEVELOPER
Gerhart Lofts, LLC
50 South Bemiston Ave.
Clayton, Suite 200
Clayton, MO 63105
Contact: Bill Buchini
314.768.3190

GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS MO 63108

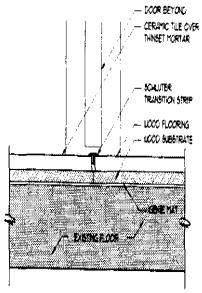
DETAILS
A5.3

PROJECT # 1400



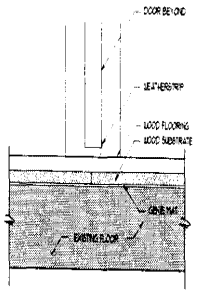
PUBLIC RESTROOM SIGNAGE (9)
NOT TO SCALE

NOT USED (8)
3" = 1'-0"

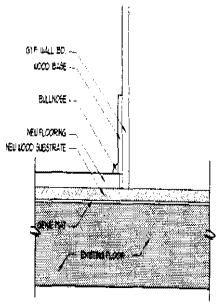


TRANSITION: CERAMIC TILE TO WOOD (4)
3" = 1'-0" AT DOORWAYS

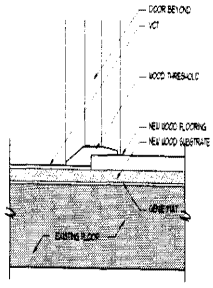
NOT USED (7)
3" = 1'-0"



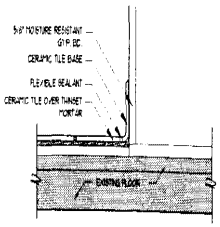
TRANSITION: WOOD TO WOOD (3)
3" = 1'-0" AT DOORWAYS



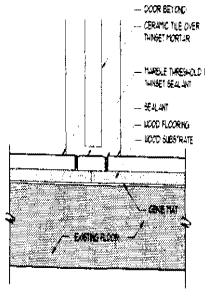
BASE: WOOD (6)
3" = 1'-0"



TRANSITION: VCT TO WOOD (2)
3" = 1'-0" AT DOORWAYS



BASE: CERAMIC TILE (5)
3" = 1'-0"



TRANSITION: CERAMIC TILE TO WOOD (1)
3" = 1'-0" AT DOORWAYS

Review Set
5/8/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
4941 McPherson
Saint Louis, Missouri 63108
314.367.8300
office@cohenhilberry.com

GENERAL CONTRACTOR
Crosswood Building Associates
50 South Bannister Ave
Suite 200
Clayton, MO 63105
Contact: Daniel Warren
314.726.3141

ARCHITECT
Webster Design
50 South Bannister Ave
Suite 200
Clayton, MO 63105
Contact: Damon Farmer
314.726.3150

OWNER'S REPRESENTATIVE
Gerhart Lofts LLC
50 South Bannister Ave
Suite 200
Clayton, MO 63105
Contact: Bill Luchini
314.726.3150

GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS, MO 63108

DETAILS

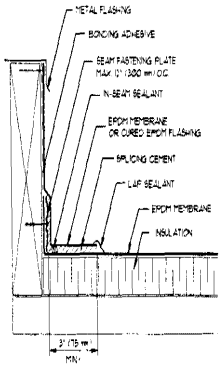
PROJECT # 1401

Review Set
1-9-2014

NOT USED

NOT TO SCALE

(4)



NOTES:

1. FASTEN MEMBRANE FLASHING 12" / 300 mm ON CENTER. IF FASTENER PENETRATES METAL COUNTERFLASHING USE EPDM GASKET. APPLY WATER CUT-OFF MASTIC OR CAULK FASTENER HEAD.

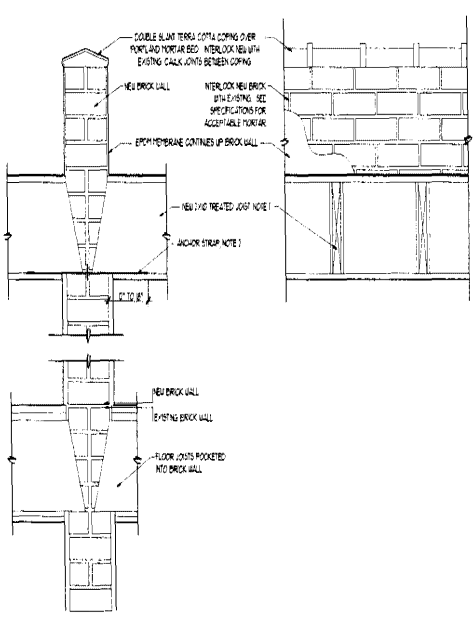
2. IF VERTICAL SPLICE IS NOT LOCATED AT CORNER, 6" / 150 mm WIDE UNCURED ELASTOMERIC FLASHING OR PRESSURE-SENSITIVE FLASHING MUST BE CENTERED OVER WELD SPLICE AT ANGLE CHANGE.

3. FASTENING PLATES MAY BE INSTALLED HORIZONTALLY.

PLATFORM CURB

NOT TO SCALE

(3)



NOTES:

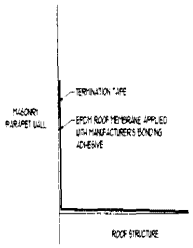
1. NEW JOIST IS FREE CUT AT MASONRY WALL. MINIMUM 3" BEARING ON MASONRY. LEAVE 2-1/2" GAP BETWEEN JOIST AND MASONRY AT BACK AND SIDES OF POCKET.

2. 1 1/2" x 3-1/2" METAL ANCHOR STRAP EMBEDDED IN MORTAR. OCCURS AT FIRST AND LAST NEW JOIST IN OPENING. OCCURS NO LESS THAN EVERY 4TH JOIST.

NEW DEMISING WALL

NOT TO SCALE

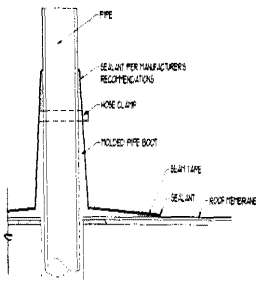
(5)



EPDM AT PARAPET WALL

NOT TO SCALE

(2)



PIPE THROUGH ROOF

NOT TO SCALE

(1)

DESIGN ARCHITECT
Cohen Hilberry Architects
1111 Hampton Avenue
Saint Louis, Missouri 63108
Contact: Gina Hilberry
314-533-4400
office@cohenhilberry.com

GENERAL CONTRACTOR
Crosswood Building Associates
80 South Bemiston Ave
Suite 210
Clayton, MO 63105
Contact: Carmen Barner
314-863-3141

ARCHITECT
Webster Design
80 South Bemiston Ave
Suite 210
Clayton, MO 63105
Contact: Carmen Barner
314-863-3180

OWNER & DEVELOPER
Gerhart Lofts LLC
80 South Bemiston Ave
Suite 210
Clayton, MO 63105
Contact: Bill Lugrini
314-863-3180

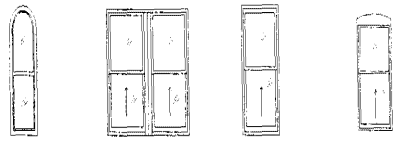
GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS, MO 63108

ROOF DETAILS
A5.1

PROJECT # 1402

WINDOW AND STOREFRONT TYPES

MATCH EXISTING SIZES AND PROFILES IN ALL LOCATIONS, EXCEPT WHERE CHANGES ARE NOTED ON BUILDING ELEVATIONS

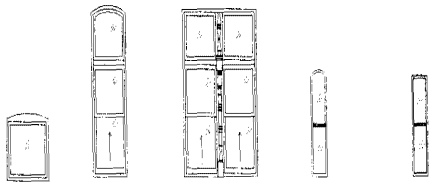


1 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

2 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

3 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

4 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2



5 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

6 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

7 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

8 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

9 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

10 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

11 MFR: TBD
MODEL: TBD
MATL: WOOD
FINISH: PAINT PT-2

NOTES

1. ALL WINDOW AND EXTERIOR DOOR LABELS SHALL REMAIN IN PLACE UNTIL FINAL BUILDING INSPECTION AND FINAL ARCHITECTURAL PUNCHLIST INSPECTION

KEYNOTES

G-1 1/4" LOW-E
U-VALUE: XX
SHGC: XX
VT: XX

G-2 TEMPERED, LOW-E
U-VALUE: XX
SHGC: XX
VT: XX

Review Set
3/9/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
Saint Louis Missouri 63108
Contact: Cohen Hilberry
314.361.8300
office@cohenhilberry.com

GENERAL CONTRACTOR
Greenwood Building Associates
50 South Bemiston Ave
Suite 201
Clayton MO 63105
Contact: Dave Kaufman
314.725.3141

ARCHITECT
Webster Design
50 South Bemiston Ave
Suite 201
Clayton MO 63105
Contact: Carole Pennie
314.725.2150

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Suite 201
Clayton MO 63105
Contact: Bill Luchini
314.725.2150

GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS, MO 63108

WINDOW DETAILS
AND SCHEDULE

A0.1

PROJECT # 401

UNIT DOOR SCHEDULE

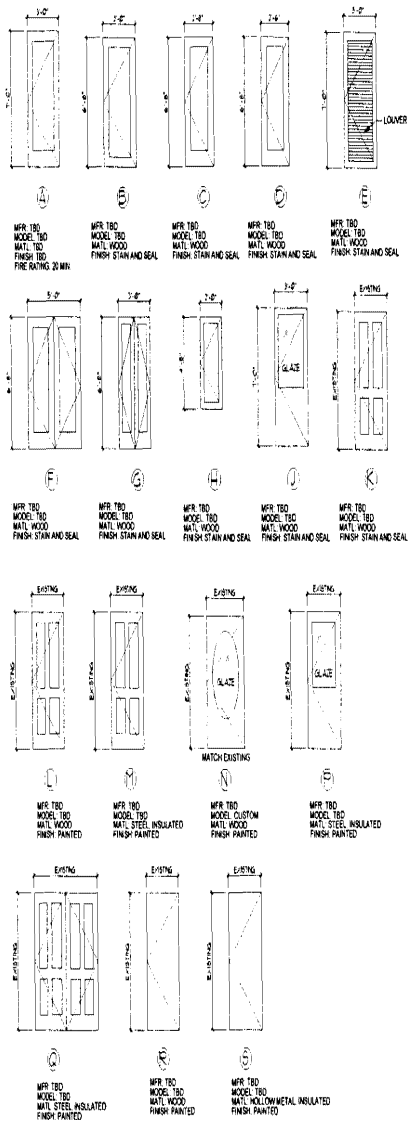
ALL UNITS (UNLESS NOTED BELOW)

	SPACE	DOOR TYPE	FRAME	HARDWARE	REMARKS
	INTERIOR ENTRY	A	F2	20	
	BEDROOM	B	F2	1	
	BATHROOM	C	F2	1	
	LAUNDRY	E	F2	2	
	CLOSET	G	F2	2	
	CLOSET (mirrored door)	H	F2	2	
	DECK	J	F4	20	
UNIT A	ENTRY	K	F6		
UNIT A	CLOSET 1	F	F2		
UNIT A	STUDY NOOK	A	F2		
UNIT C	CLOSET 2	F	F2		
UNIT D	CLOSET 1	F	F2		
UNIT D	CLOSET 2	F	F2		
UNIT D	CLOSET 4	F	F2		
UNIT G	BATH 1	D	F2		
UNIT G	BATH 2	B	F2		
UNIT G	HALLWAY	A	F2		
UNIT G	BASEMENT	R	F2		

DOOR SCHEDULE

DOOR NO	DOOR TYPE	FRAME	HARDWARE	REMARKS
001	S	F1	18	WEATHERSTRIP & ALUMINUM THRESHOLD
002	S	F1		
003	S	F1		
004	S	F1		
005	S	F1		
006	S	F1		
007	S	F1		
008	S	F1		
009	S	F1		
010	S	F1		
011	S	F1		
101	N	F5		
102	Q	F7		
103	N	F5		
104	N	F5		
105	L	F3		
106	L	F3		
107	N	F5		
108	-			EXISTING DOOR REPAINTED
109				EXISTING DOOR REPAINTED
110	N	F5		
111	N	F5		
112	L	F3		
113	L	F3		
114	N	F5		
115	N	F5		
116	L	F3		
117	L	F3		
118	N	F5		
119	N	F5		
120	L	F3		
121	L	F3		
122	N	F5		
123	N	F5		
124	L	F3		
125	L	F3		
126	N	F5		
127	P	F6		
128	M	F4		
129	M	F4		
130	P	F6		
131	P	F6		
132	M	F4		
133	M	F4		
134	P	F6		
135	P	F6		
136	M	F4		
137	M	F4		
138	P	F6		
139	P	F6		
140	M	F4		
141	M	F4		
142	P	F6		
143	P	F1		
144	P	F1		
145	P	F6		
146	M	F4		
147	M	F4		
148	P	F6		
149	M	F4		
150	M	F4		

DOOR TYPES



A — MFR: TBD, MODEL: TBD, MATL: TBD, FINISH: TBD, FIRE RATING: 20 MIN

B — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

C — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

D — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

E — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

F — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

G — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

H — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

J — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

K — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: STAIN AND SEAL

L — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: PAINTED

M — MFR: TBD, MODEL: TBD, MATL: STEEL INSULATED, FINISH: PAINTED

N — MFR: TBD, MODEL: CUSTOM, MATL: WOOD, FINISH: PAINTED

P — MFR: TBD, MODEL: TBD, MATL: STEEL INSULATED, FINISH: PAINTED

Q — MFR: TBD, MODEL: TBD, MATL: STEEL INSULATED, FINISH: PAINTED

R — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: PAINTED

S — MFR: TBD, MODEL: TBD, MATL: HOLLOW METAL INSULATED, FINISH: PAINTED

HARDWARE SCHEDULE

NO	ITEM	MFG	MODEL NO.	FINISH	REMARKS
1	PRIVACY SET	SCHLAGE OR EQ	TBD	NICKEL	
2	PASSAGE SET	SCHLAGE OR EQ	TBD	NICKEL	
3	EXTERIOR LEVER	SCHLAGE OR EQ	TBD	NICKEL	
4	EXTERIOR LEVER	SCHLAGE OR EQ	TBD	NICKEL	
5	DOOR PULL	IVES OR EQ	TBD	NICKEL	
6	DOOR PULL	SCHLAGE OR EQ	TBD	NICKEL	
7	PULL PLATE, PREP FOR PULL	IVES OR EQ	TBD	NICKEL	
8	PULL PLATE, PREP FOR PULL	SCHLAGE OR EQ	TBD	NICKEL	
9	PUSH PLATE	IVES OR EQ	TBD	NICKEL	
10	PUSH PLATE	IVES OR EQ	TBD	NICKEL	
11	KICK PLATE	IVES OR EQ	TBD	NICKEL	
14	PANIC HARDWARE	VON DUPRIN OR EQ	TBD	NICKEL	
15	OVERHEAD CLOSER	SCHLAGE OR EQ	TBD	NICKEL	
16	OVERHEAD CLOSER	SCHLAGE OR EQ	TBD	NICKEL	
17	HEAD, JAMB AND THRESHOLD GASKETS	DHS OR EQ	TBD	NICKEL	
18	MORTISE LOCK	STANLEY-BEST	TBD	NICKEL	
19	CLASSROOM CYLINDER LOCK SET	STANLEY-BEST	TBD	NICKEL	
20	ENTRY CYLINDER LOCK SET	STANLEY-BEST	TBD	NICKEL	
21	OFFICE CYLINDER LOCK SET	STANLEY-BEST	TBD	NICKEL	

HARDWARE

GROUP 1

GROUP 2

GROUP 3

DOOR NOTES

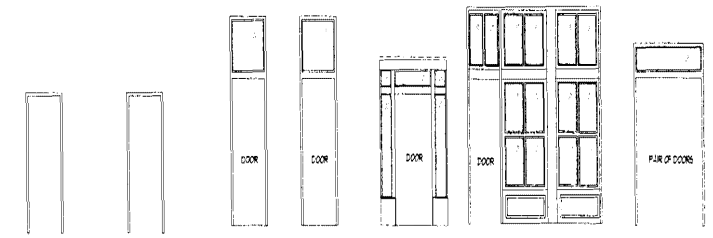
1 EXIT DOORS SHALL BE OPENABLE FROM THE INSIDE WITHOUT THE USE OF KEYS, SPECIAL KNOWLEDGE OR EFFORT

2 MAXIMUM EFFORT TO OPERATE DOORS SHALL NOT EXCEED 8-10 LBS FOR EXTERIOR DOORS AND 5 LBS FOR INTERIOR DOORS. SUCH PULL OR PUSH EFFORT (BEING APPLIED AT RIGHT ANGLES TO HINGED DOORS AND AT THE CENTER PLANE OF SLIDING OR FOLDING DOORS. WHEN FIRE DOOR IS REQUIRED, MAXIMUM EFFORT TO OPERATE DOOR MAY BE INCREASED TO MINIMUM ALLOWABLE BY THE APPROPRIATE AUTHORITY, NOT TO EXCEED 15 LBS

3 PROVIDE PANIC HARDWARE FOR A ROOM WITH OCCUPANT LOAD GREATER THAN OR EQUAL TO 50. (CAPE)

4 ALL GLAZING IN DOORS TO BE TEMPERED.

FRAME TYPES



F1 — MFR: TBD, MODEL: TBD, MATL: METAL, FINISH: PAINTED

F2 — MFR: TBD, MODEL: TBD, MATL: WOOD, FINISH: FINISH TO MATCH DOOR

F3 — MATCH EXISTING, MATL: WOOD, FINISH: PAINT

F4 — MATCH EXISTING, MATL: WOOD, FINISH: PAINT

F5 — MATCH EXISTING, MATL: WOOD, FINISH: PAINT

F6 — MATCH EXISTING, MATL: WOOD, FINISH: PAINT

F7 — MATCH EXISTING, MATL: WOOD, FINISH: PAINT

Review Set
E 03/04

DESIGN ARCHITECT
Cohen Hilberry Architects
Kevin Hilberry, Principal
Sam Louis, Principal
Contact: 314.436.0900
office@schemiberry.com

GENERAL CONTRACTOR
Crestwood Building Associates
50 South Bemiston Ave
Clayton MO 63105
Contact: David Warren
314.725.3141

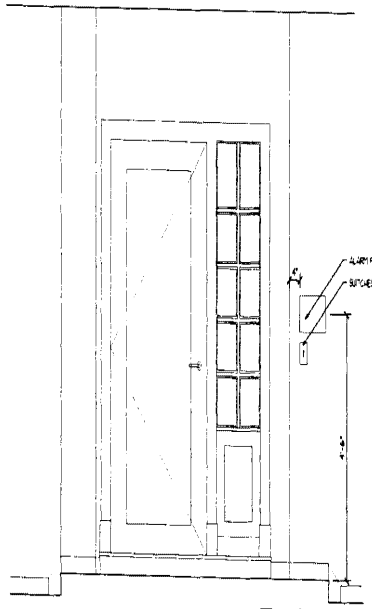
ARCHITECT
Webster Design
50 South Bemiston Ave
Clayton MO 63105
Contact: Terrence Webster
314.725.3150

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Clayton MO 63105
Contact: Bill Luchini
314.725.3150

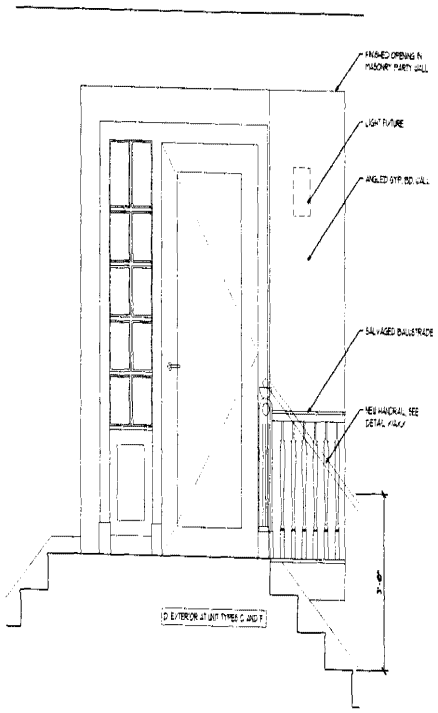
GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

DOOR SCHEDULE
A6.1

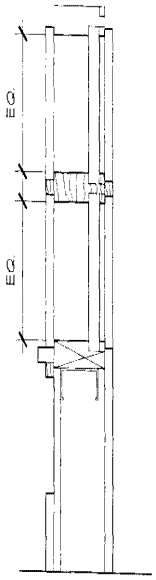
PROJECT # 1401



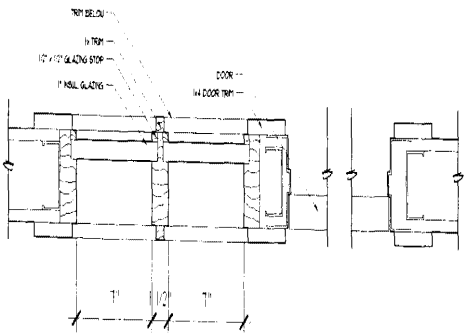
C INTERIOR AT UNIT TYPES C AND F



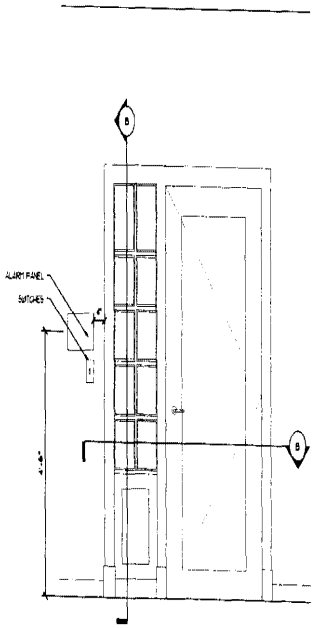
D EXTERIOR AT UNIT TYPES C AND F



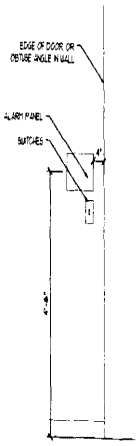
F SECTION THROUGH SIDELIGHT



E PLAN SECTION THROUGH DOOR AND SIDELIGHT



B INTERIOR AT UNIT TYPES B AND E



A INTERIOR AT UNIT TYPES A, C AND G

RESIDENTIAL ENTRY ELEVATIONS

SCALE: 1"=1'-0"

Review Set
5/9/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
3841 Hampton
Saint Louis, MO 63109
Contact: Greg Hilberry
314-772-4400
office@cohenhilberry.com

GENERAL CONTRACTOR
Crestwood Building Associates
90 South Bemiston Ave
Clayton MO 63105
Contact: David Warren
314-863-2400

ARCHITECT
Webster Design
90 South Bemiston Ave
Clayton MO 63105
Contact: David Fenner
314-863-2400

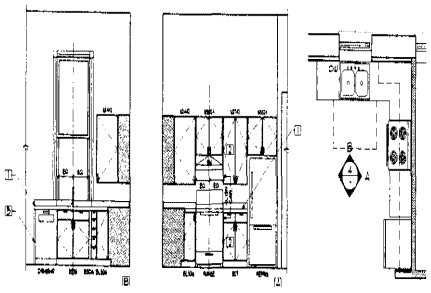
OWNER/DEVELOPER
Gerhart Lofts LLC
90 South Bemiston Ave
Clayton MO 63105
Contact: Bill Luchini
314-863-2400

GERHART LOFTS
5800-12 LACLEDE AVE
ST. LOUIS MO 63108

DOOR AND SIDELIGHT DETAILS

A0.4

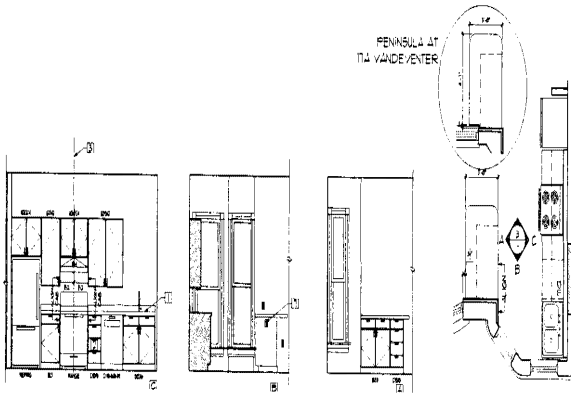
PROJECT # 401



KITCHEN TYPE D

1/4" = 1'-0"

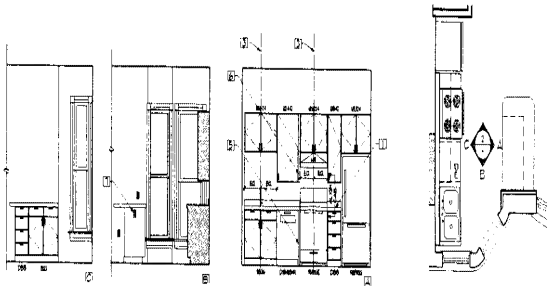
OCCURS AT UNIT G



KITCHEN TYPE C

1/4" = 1'-0"

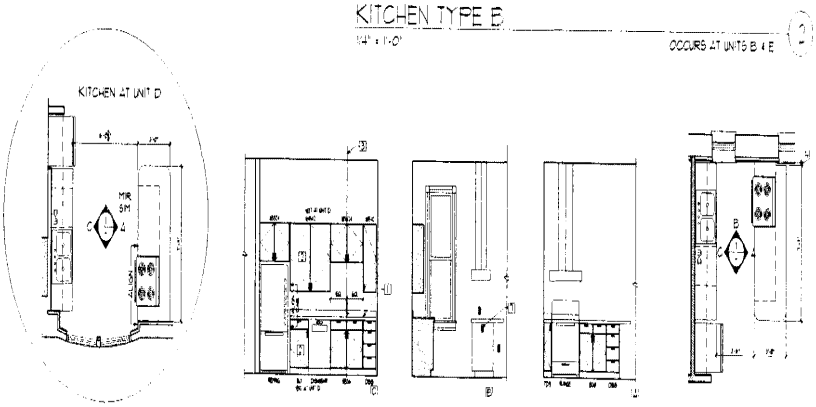
OCCURS AT UNITS C & F



KITCHEN TYPE B

1/4" = 1'-0"

OCCURS AT UNITS B & E



KITCHEN TYPE A

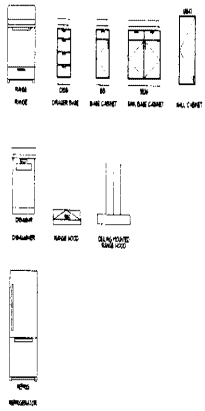
1/4" = 1'-0"

OCCURS AT UNIT A & D

GENERAL NOTES

1. FIELD DIMENSIONS ARE CURRENT PRIOR TO ANY FUNCTIONAL CHANGE CONTRACTOR SHALL CHANGE THE CABINET SIZE + / - 2" AND OR ADD FILLER PIECE AS NECESSARY TO RESPOND TO FIELD DIMENSIONS. IF FIELD DIMENSIONS ALLOW/REQUIRE A CHANGE OF MORE THAN 2" VERIFY CHANGE WITH ARCHITECT

LEGEND



KEYNOTES

1. CONTOUR TYPICAL
2. THIS CABINET MUST BE ADJUSTED IN FIELD. SEE GENERAL NOTE 1
3. 4.5" CENTER OF WALL CABINET WITH BASE CABINET OR OPENING BELOW
4. DRAWER END PANEL
5. UPPER CABINET END PANEL, ALIGN FACE WITH DRAWERS END PANEL BELOW
6. BASE CABINET PENINSULA SEE DETAIL 1/A4.0
7. SEE ARCHITECT CEILING PLAN FOR ADDITIONAL SOFFIT AND BUTCH LOCATIONS

Review Set
5/8/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
4941 McPherson
Saint Louis, Missouri 63108
Contact: Gina Hilberry
314.361.3500
office@cohenhilberry.com

GENERAL CONTRACTOR
Greenwood Building Associates
50 South Bemiston Ave
Clayton MO 63105
Contact: David Warren
314.863.3141

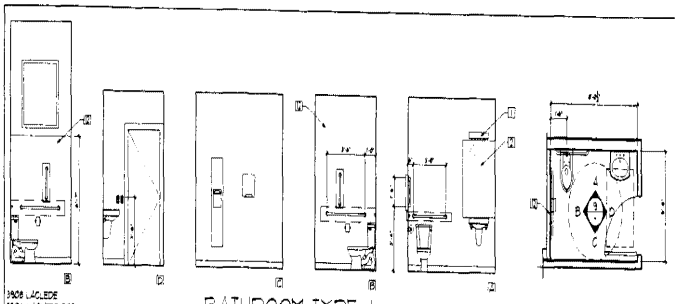
ARCHITECT
Webster Design
50 South Bemiston Ave.
Clayton MO 63105
Contact: Darron Fennner
314.863.3500

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave.
Clayton MO 63105
Contact: Bill Luchini
314.863.3500

GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

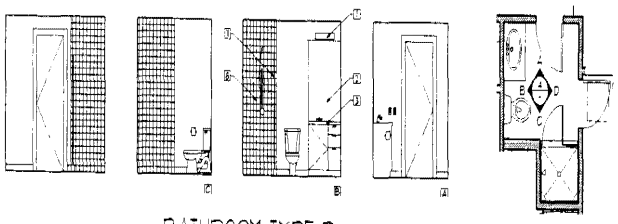
ENLARGED PLANS AND INTERIOR ELS.

PROJECT # 1402

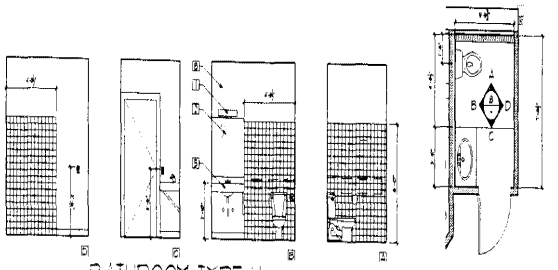


3908 LACLEDE
3906 LACLEDE (MIR)
11 VANDEVENTER (MIR)

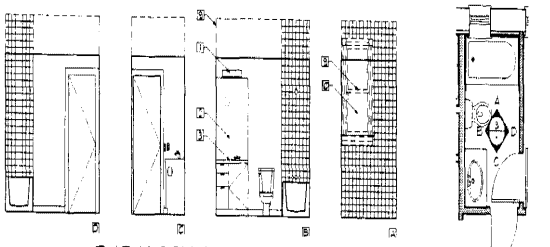
BATHROOM TYPE J — 9
1/4" = 1'-0"



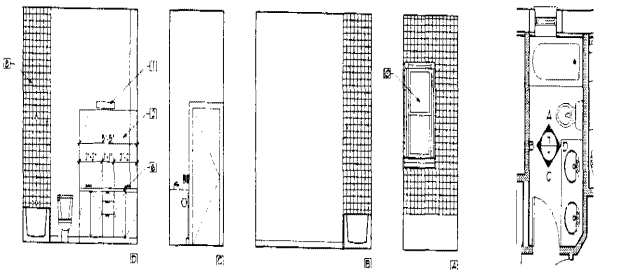
BATHROOM TYPE D — 4
1/4" = 1'-0"



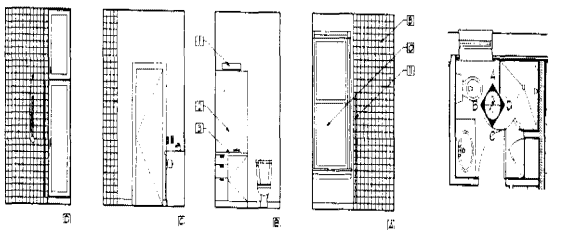
BATHROOM TYPE H — 8
1/4" = 1'-0"



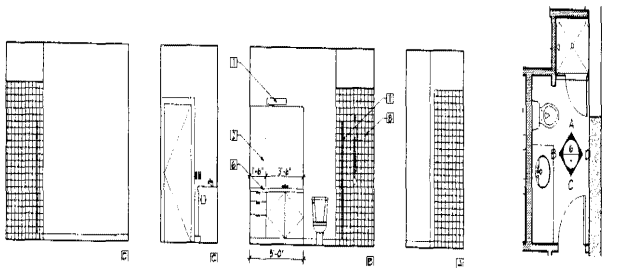
BATHROOM TYPE C — 3
1/4" = 1'-0"



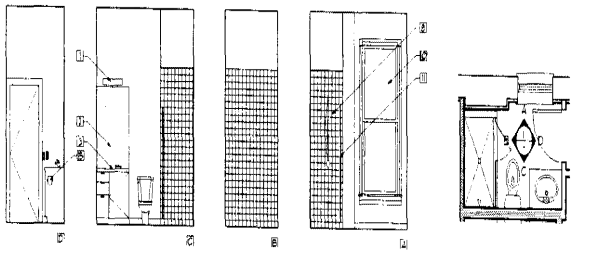
BATHROOM TYPE G — 7
1/4" = 1'-0"



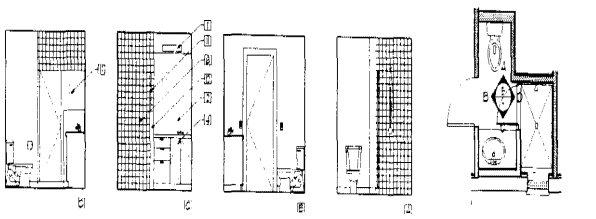
BATHROOM TYPE B — 2
1/4" = 1'-0"



BATHROOM TYPE F — 6
1/4" = 1'-0"



BATHROOM TYPE A — 1
1/4" = 1'-0"



BATHROOM TYPE E — 5
1/4" = 1'-0"

KEYNOTES

1. VANITY SCONCE
2. MIRROR FULL WIDTH OF VANITY
3. 36" WIDE VANITY. SEE DETAIL X/AX.X
4. 48" WIDE VANITY. SEE DETAIL X/AX.X
5. WALL-BRACKED VANITY. SEE DETAIL X/AX.X
6. VANITY WIDTH AS DIMENSIONED. SEE DETAIL X/AX.X
7. MIRROR FULL WIDTH OF VANITY
8. TILE TO CEILING OR SOFFIT WHERE SOFFIT OCCURS
9. HIGHER CEILING AND UPSCOO OCCURS AT 3908A AND 3906 A LACLEDE
10. OBSCURE GLAZING AND CULTURED MARBLE SILL AT BATHROOM UNIQUE
11. GLASS SHOWER SURROUND
12. FUR OUT EXISTING WALL FOR GRAB BAR BLOCKING (PARTITION TYPE P-2)
13. MIRROR 36" WIDE X 48" TALL
14. NOT USED
15. WHERE TP DISPENSER IS ATTACHED TO VANITY, POSITION AS CLOSE TO VANITY FRONT AS POSSIBLE. TYPICAL

LEGEND

- TOILET PAPER DISPENSER
- GFCI OUTLET CENTER AT 44" AFF
- THREE GANG ELECTRICAL SWITCH CENTER AT 44" AFF
- 12" TOILET BAR
- 24" TOILET BAR
- GRAB BARS
- BLOCKING FOR GRAB BARS
- SHOWER HEAD
- SHOWER CURTAIN ROD
- BATHTUB FAUCET
- BATHTUB
- REQUIRED CLEAR FLOOR AREAS

GENERAL NOTES

1. LOCATE TOILET FLUSH HANDLE ON THE ROOM'S SIDE NOT WALL SIDE (OF THE TOILET)
2. SEE REFLECTED CEILING PLAN DRAWINGS FOR ADDITIONAL SWITCH, OUTLET AND LIGHT FIXTURE INFORMATION.
3. ALL DIMENSIONS ARE TO FINISH FACE UNLESS NOTED OTHERWISE

Revise Set
5/9/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
4241 Pattison
Saint Louis, MO 63108
Contact: Gina Hilberry
314.361.8300
office@cohenhilberry.com

GENERAL CONTRACTOR
Crestwood Building Associates
50 South Bemiston Ave.
Clayton, MO 63105
Contact: David Warren
314.863.2-1

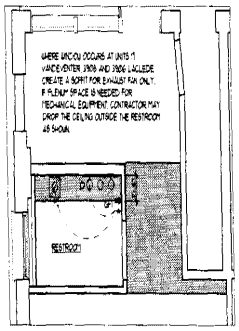
ARCHITECT
Widmer Design
50 South Bemiston Ave.
Clayton, MO 63105
Contact: Damon Farmer
314.863.1360

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave.
Clayton, MO 63105
Contact: Bill Luchini
314.863.1360

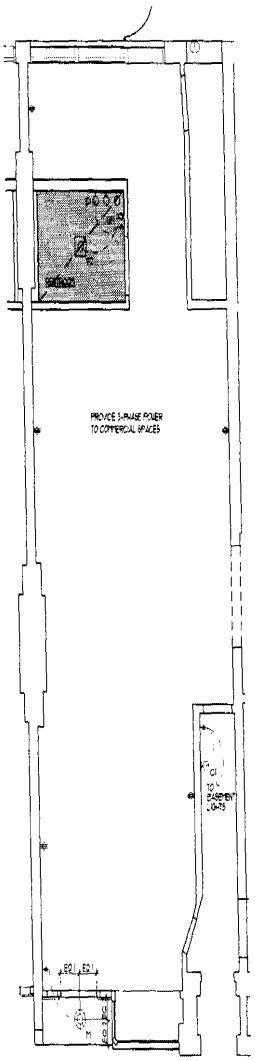
GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

ENLARGED PLANS AND INTERIOR ELS.

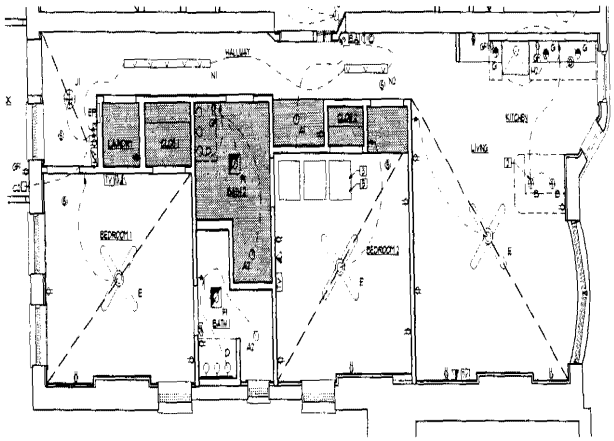
PROJECT # 1401



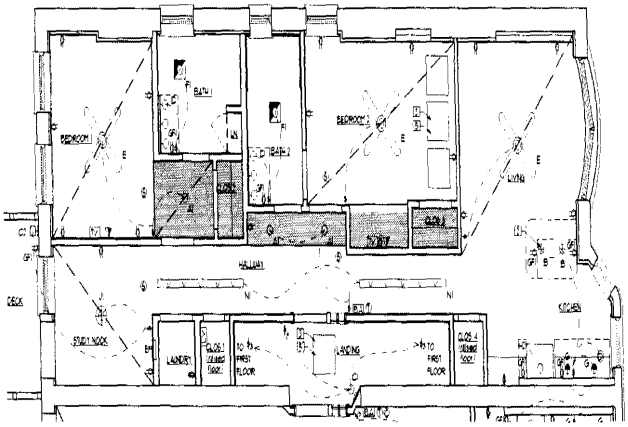
ATYPICAL COMMERCIAL SPACE PARTIAL RCP (6)
1/4" = 1'-0"



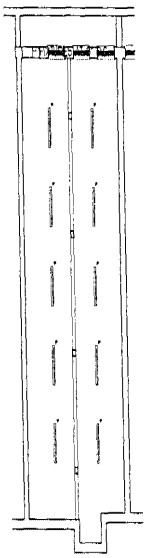
TYPICAL COMMERCIAL SPACE RCP (4)
1/4" = 1'-0"



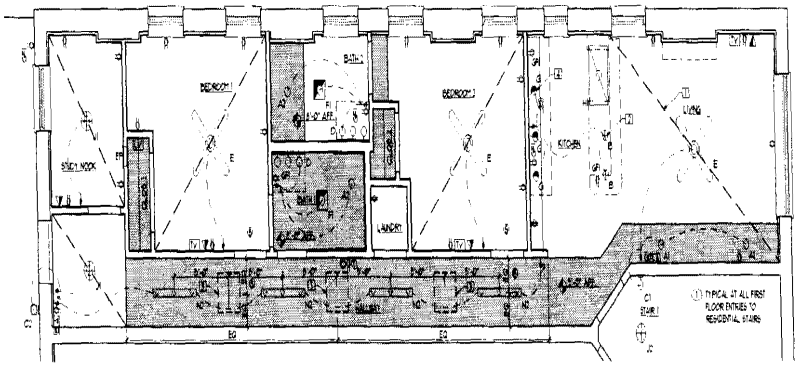
UNIT TYPE C REFLECTED CEILING PLAN (3)
1/8" = 1'-0"



UNIT TYPE B REFLECTED CEILING PLAN (2)
1/4" = 1'-0"



TYPICAL BASEMENT RCP (5)
1/8" = 1'-0"



UNIT TYPE A REFLECTED CEILING PLAN (1)
1/4" = 1'-0"

LEGEND

- SWITCH - 1 POLE 3 POLE OR 3 GANG AS NECESSARY TO CONTROL FIXTURES SHOWN
- SWITCH THREE WAY
- 220V EQUIPMENT OUTLET
- STD DUPLEX 4 1/2" TO BOTTOM OF OUTLET BOX
- DUPLEX GFCI 4 42" AFF ABOVE COUNTERS AND 4 30" AFF AT PENINSULA ISLAND
- COMBO CABLE/PHONE OUTLET - 18" AFF
- TV CONNECTION - ONE OUTLET AND ONE COAXIAL 4 60" AFF
- LOW VOLTAGE DISTRIBUTION PANEL
- RECESSED ELECTRICAL PANEL
- SECURITY CAMERA (SEE SITE PLAN)
- ELECTRONIC LOCK INTERCONNECTED WITH INTERCOMS IN RESIDENTIAL UNITS
- BURGLAR ALARM PANEL 44" AFF MOTION SENSOR TO PICK UP INTERIOR ENTRY DOORS
- SMOKE DETECTORS INTERCONNECTED WITHIN UNITS BATTERY BACKUP
- THERMOSTAT - 44" AFF
- CARBON MONOXIDE DETECTOR
- GARBAGE DISPOSAL
- 4" CAN LIGHT BY ECOLIGHT
- 3.5" CAN LIGHT BY ECOLIGHT WITH SHOWER TRIM
- PENDANT LIGHT FIXTURE LOW VOLTAGE SHADE AT 30"-36" ABOVE SURFACE (CONSIDER)
- WALL-MOUNT LIGHT FIXTURE INCANDESCENT 84" AFF
- WALL-MOUNT LIGHT FIXTURE EXTERIOR INCANDESCENT DUSK TO DAWN WHEN USED AT 1ST FLOOR LEVEL 84" AFF.
- WALL-MOUNT LIGHT FIXTURE (FOR LOCATIONS SEE BUILDING ELEVATIONS)
- VANITY LIGHT 3 BULB INCANDESCENT
- CEILING FAN W/ LIGHT KIT 24" DOWNROD
- COMBINATION LIGHT EXHAUST FAN AND HEATER - VENT DIRECTLY TO EXTERIOR
- COMBINATION LIGHT AND EXHAUST FAN - VENT DIRECTLY TO EXTERIOR
- UNDER COUNTER PUCK LIGHT
- CEILING MOUNTED RANGE HOOD WITH HALOGEN TASK LIGHTS
- WALL MOUNTED RANGE HOOD WITH HALOGEN TASK LIGHTS
- PENDANT FIXTURE
- PENDANT FIXTURE
- EXTERIOR LED ACCENT LIGHTING
- EXTERIOR SIGNAGE FIXTURE (FOR LOCATIONS SEE BUILDING ELEVATIONS)
- EXTERIOR ENTRY FIXTURE
- 8' TRACK LIGHTING 5 HEADS
- 4' TRACK LIGHTING 3 HEADS
- FLUORESCENT STRIP FIXTURE
- LOWERED GYPSUM BOARD CEILING HEIGHT 8'-8"-6" AFF UNLESS NOTED OTHERWISE SEE DETAIL X/A-X

KEYNOTES

1. CENTER FIXTURE ON DASHED LINE TYPICAL
2. CENTER PENDANT LIGHTS ON PENINSULA COUNTER, SPACE 24" APART
3. VELUX SKYLIGHTS (AT HIGHEST FLOOR) SEE DETAIL X/A-X
4. CENTER PUCK LIGHT ON SINK OR COUNTER BELOW TYPICAL
5. LOCATE SKYLIGHTS TO FIT EXISTING FRAMING SEE DETAIL S-A-X3

NOTES

1. USE GFCI OUTLETS IN LOCATIONS WITHIN 6' OF A WATER SOURCE. USE GFCI OUTLETS IN ALL KITCHEN, BATHROOM AND RESTROOM LOCATIONS
2. USE THREE-POLE SWITCH TO CONTROL COMBINATION LIGHT EXHAUST FAN AND HEATER IN RESIDENTIAL BATHROOMS
3. IN COMMERCIAL RESTROOMS COMBINATION LIGHT AND EXHAUST FAN IS CONTROLLED BY A SINGLE-POLE SWITCH
4. UNLESS NOTED OTHERWISE CENTER PUCK LIGHTS ON COUNTER OR SINK BELOW

Review Set
5/8/2014

DESIGN ARCHITECT
Cohen Hillerry Architects
Saint Louis Missouri 63108
Contact: Jeff Hillerry
314.367.8300
office@cohenhillerry.com

GENERAL CONTRACTOR
Greatwood Building Associates
50 South Bemiston Ave
Clayton MO 63105
Contact: Dan Lupton
314.863.3750

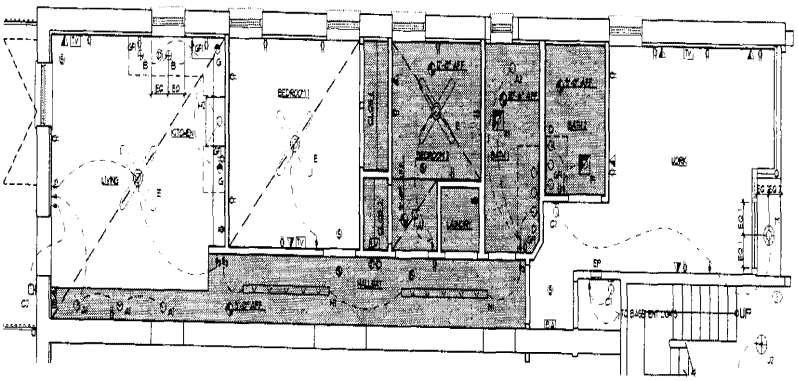
ARCHITECT
Webster Design
50 South Bemiston Ave
Suite 201
Clayton MO 63105
Contact: Dan Ferrer
314.863.3750

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave
Suite 201
Clayton MO 63105
Contact: Bill Lupton
314.863.3750

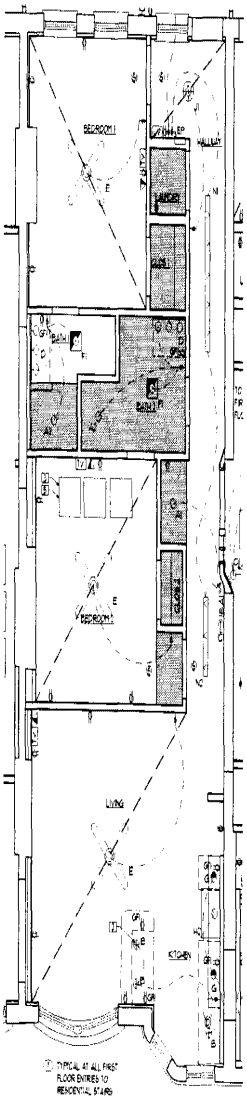
GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

REFLECTED CEILING PLANS
10

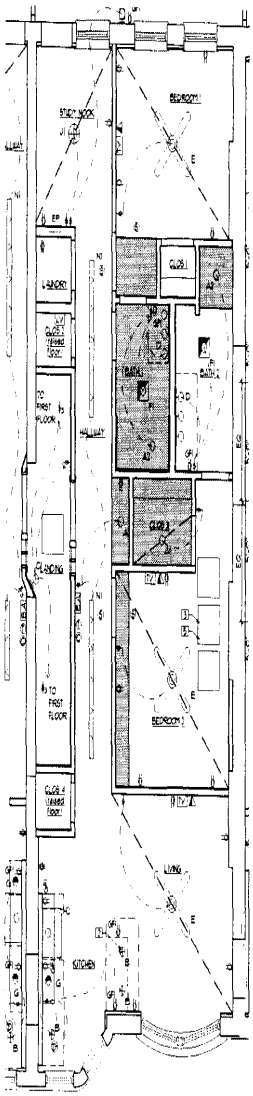
PROJECT # 140



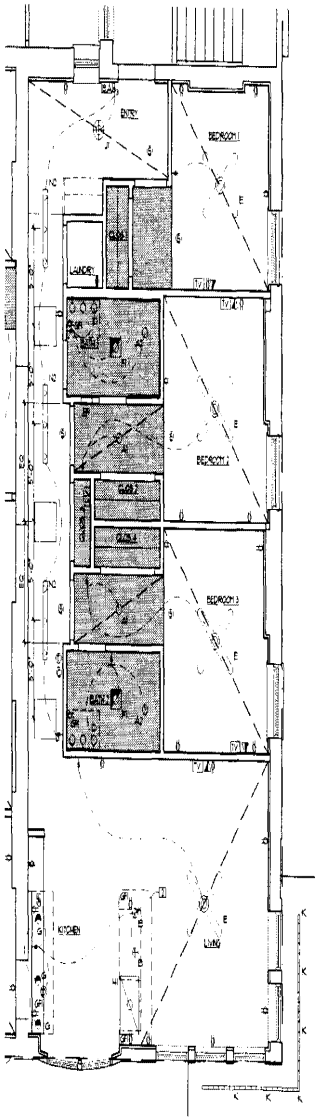
UNIT TYPE G REFLECTED CEILING PLAN (4)
1/4" = 1'-0"



UNIT TYPE F RCP (3)
1/4" = 1'-0"



UNIT TYPE E RCP (2)
1/4" = 1'-0"



UNIT TYPE D RCP (1)
1/4" = 1'-0"

LEGEND

- SWITCH - 1 POLE 3 POLE OR 3 GANG AS NECESSARY TO CONTROL FIXTURES SHOWN
- SWITCH THREE WAY
- 220V EQUIPMENT OUTLET
- STD DUPLEX # 14" TO BOTTOM OF OUTLET BOX
- DUPLEX GFCI # 42" AFF ABOVE COUNTERS AND # 30" AFF AT PENINSULAR ISLAND
- COMBO CABLE/PHONE OUTLET - 18" AFF
- TV CONNECTION - ONE OUTLET AND ONE COAXIAL # 60" AFF
- LOW VOLTAGE DISTRIBUTION PANEL
- RECESSED ELECTRICAL PANEL
- SECURITY CAMERA (SEE SITE PLAN)
- ELECTRONIC LOCK INTERCONNECTED WITH INTERCOMS IN RESIDENTIAL UNITS
- BURGLAR ALARM PANEL 44" AFF MOTION SENSOR TO PICK UP INTERIOR ENTRY DOORS
- SMOKE DETECTORS INTERCONNECTED WITH UNITS BATTERY BACKUP
- THERMOSTAT - 44" AFF
- CARBON MONOXIDE DETECTOR
- GARBAGE DISPOSAL

- 4" CAN LIGHT BY ECONOLIGHT
- 3 1/2" CAN LIGHT BY ECONOLIGHT WITH SHOWER TRIM
- PENDANT LIGHT FIXTURE LOW VOLTAGE SHADE AT 30"-36" ABOVE SURFACE (CONSISTENT)
- WALL-MOUNT LIGHT FIXTURE INCANDESCENT 84" AFF
- WALL-MOUNT LIGHT FIXTURE EXTERIOR INCANDESCENT DUSK TO DAWN (WHEN USED) AT 1ST FLOOR LEVEL 84" AFF
- WALL-MOUNT LIGHT FIXTURE (FOR LOCATIONS SEE BUILDING ELEVATIONS)
- VANITY LIGHT 3 BULB INCANDESCENT
- CEILING FAN W/ LIGHT KIT 24" DOWNROD
- COMBINATION LIGHT, EXHAUST FAN AND HEATER - VENT DIRECTLY TO EXTERIOR
- COMBINATION LIGHT AND EXHAUST FAN - VENT DIRECTLY TO EXTERIOR
- UNDER COUNTER puck LIGHT
- CEILING MOUNTED RANGE HOOD WITH HALOGEN TASK LIGHTS
- WALL MOUNTED RANGE HOOD WITH HALOGEN TASK LIGHTS
- PENDANT FIXTURE
- PENDANT FIXTURE
- EXTERIOR LED ACCENT LIGHTING
- EXTERIOR SIGNAGE FIXTURE (FOR LOCATIONS SEE BUILDING ELEVATIONS)
- EXTERIOR ENTRY FIXTURE
- 2' TRACK LIGHTING 4 HEADS
- 4' TRACK LIGHTING 3 HEADS
- FLUORESCENT STRIP FIXTURE
- LOWERED GYPSUM BOARD CEILING HEIGHT IS 8'-4" AFF UNLESS NOTED OTHERWISE SEE DETAIL X/AX.X

KEYNOTES

1. CENTER FIXTURE ON DASHED LINE TYPICAL
2. CENTER PENDANT LIGHTS ON PENINSULA COUNTER SPACE 24" APART
3. VELUX SKYLIGHTS (AT HIGHEST FLOOR) SEE DETAIL X/AX.X
4. CENTER puck LIGHT ON SINK OR COUNTER BELOW TYPICAL
5. LOCATE SKYLIGHTS TO FIT EXISTING FRAMING SEE DETAIL 5/A5.1

NOTES

1. USE GFCI OUTLETS IN LOCATIONS WITHIN 6' OF A WATER SOURCE. USE GFCI OUTLETS IN ALL KITCHEN, BATHROOM AND RESTROOM LOCATIONS
2. USE THREE-POLE SWITCH TO CONTROL COMBINATION LIGHT, EXHAUST FAN AND HEATER IN RESIDENTIAL BATHROOMS
3. IN COMMERCIAL RESTROOMS COMBINATION LIGHT AND EXHAUST FAN IS CONTROLLED BY A SINGLE-POLE SWITCH
4. UNLESS NOTED OTHERWISE CENTER puck LIGHTS ON COUNTER OR SINK BELOW

Revision Set
5/9/2014

DESIGN ARCHITECT
Cohen Hilferty Architects
4931 Tholozan
St. Louis, Missouri 63116
314.367.8300
office@cohenhilferty.com

GENERAL CONTRACTOR
Crestwood Building Associates
80 South Bemiston Ave.
Suite 100
Clayton, MO 63105
Contact: Donna Berner
314.863.4141

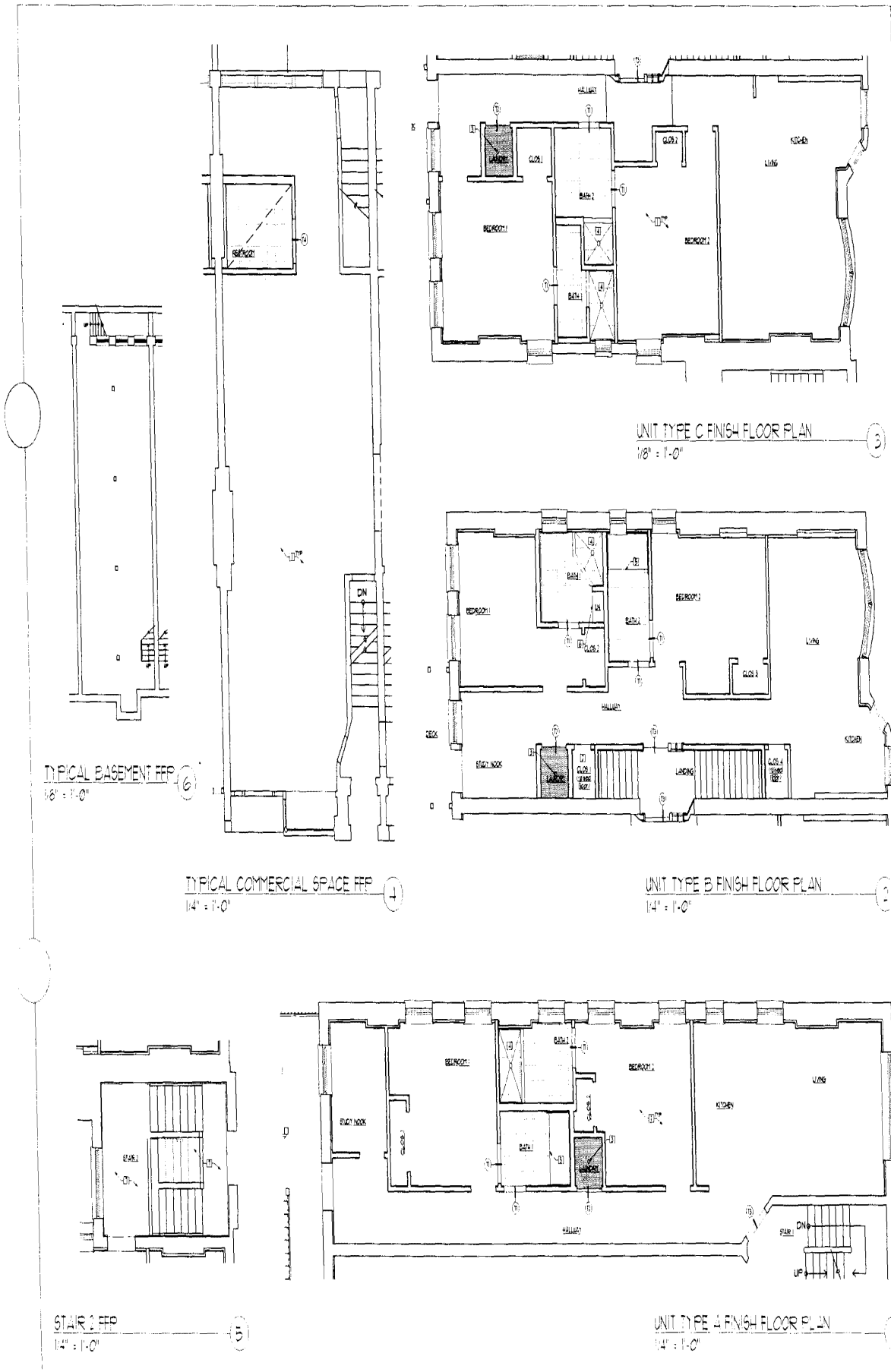
ARCHITECT
Webster Design
80 South Bemiston Ave.
Suite 200
Clayton, MO 63105
Contact: Carlton Fenner
314.293.1390

OWNER/DEVELOPER
Gerhart Lofts, LLC
80 South Bemiston Ave.
Suite 200
Clayton, MO 63105
Contact: Bill Luchini
314.293.1390

GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

REFLECTED CEILING PLAN
A0.1

PROJECT # 1420



LEGEND

FLOOR FINISHES

- REFINISHED ORIGINAL WOOD FLOORING, PATCHED USE WOOD BASE DETAIL 6/A5.4
- NEW WOOD FLOORING USE WOOD BASE DETAIL 6/A5.4
- RESILIENT FLOORING USE WOOD BASE DETAIL 6/A5.4
- CERAMIC TILE USE TILE BASE DETAIL 5/A5.4
- CONCRETE NO BASE IN BASEMENT

FLOOR TRANSITIONS

- (T1) TRANSITION 1 SEE DETAIL 1/A5.4
- (T2) TRANSITION 2 SEE DETAIL 2/A5.4
- (T3) TRANSITION 3 SEE DETAIL 3/A5.4
- (T4) TRANSITION 4 SEE DETAIL 4/A5.4

WALL FINISHES

WALL IS GYP. BD. PAINTED FI UNLESS NOTED OTHERWISE

- (F1) EXPOSED BRICK SEALED
- (F2) PATCH EXISTING PLASTER, PAINT FI
- (F3) CERAMIC TILE SEE INTERIOR ELEVATIONS

WINDOW FINISHES

NEW WOOD SLAT BLINDS AT ALL WINDOWS.

KEY NOTES

1. USE ORIGINAL WOOD FLOORING HARVESTED FROM 2ND FLOOR UNITS TO PATCH 1ST FLOOR SPACES. SEE FLOOR ASSEMBLY DETAIL X/A7.X
2. RAISED PANTRY CLOSET SEE DETAIL X/A7.X
3. LAUNDRY ROOM DRAIN SEE DETAIL X/A7.X
4. TILED SHOWER SEE DETAIL X/A7.X
5. TILE TO EDGE OF TUB SEE DETAIL X/A7.X
6. LINEN CLOSET SEE DETAIL X/A7.X
7. USE MARBLE TILE SALVAGED FROM 'A' VANDEVENTER TO REPLACE BROKEN TILES AT ALL LEVELS OF STAIR 2
8. SLOT DRAIN SEE DETAIL X/A7.X

NOTES

1. WHEN FLOOR FINISH TRANSITIONS OCCUR AT DOORWAYS CENTER THE TRANSITION BENEATH THE DOOR.
2. UNLESS NOTED OTHERWISE, HATCH USED TO INDICATE TILE DOES NOT INDICATE PRECISE LOCATION OF TILE JOINTS. CENTER TILE IN ROOM, SHOWER OR WALL IN A WORKMANLIKE MANNER.

EASEMENT NOTES

1. SEAL EXISTING CONCRETE IN BASEMENT.

Review Set
5/9/2014

DESIGN ARCHITECT
Cohen Hillsberg Architects
Saint Louis, Missouri 63108
Contact: Jeffrey Hillsberg
314.367.8300
off.cee@cohenhillsberg.com

GENERAL CONTRACTOR
Cedarwood Building Associates
50 South Bemiston Ave
Clayton MO 63105
Contact: Darren Farmer
314.863.1147

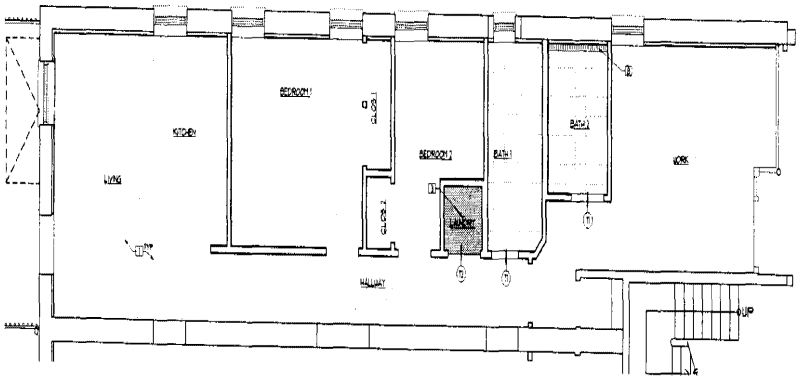
ARCHITECT
Webster Design
50 South Bemiston Ave
Suite 210
Clayton MO 63105
Contact: Darren Farmer
314.863.1150

SUBCONSULTANT
Gershman Bartlett A.I.C.
50 South Bemiston Ave
Suite 210
Clayton MO 63105
Contact: Bill Luchini
314.863.1150

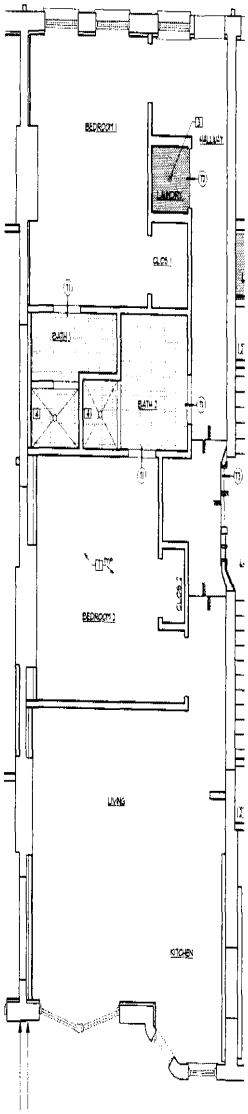
GERHART LOFTS
3900-12 LACLEDE AVE
ST. LOUIS MO 63108

FINISH FLOOR PLAN
A0.3

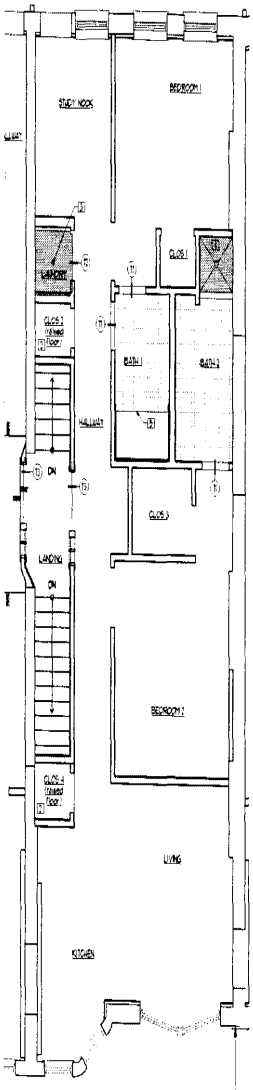
PROJECT # 1401



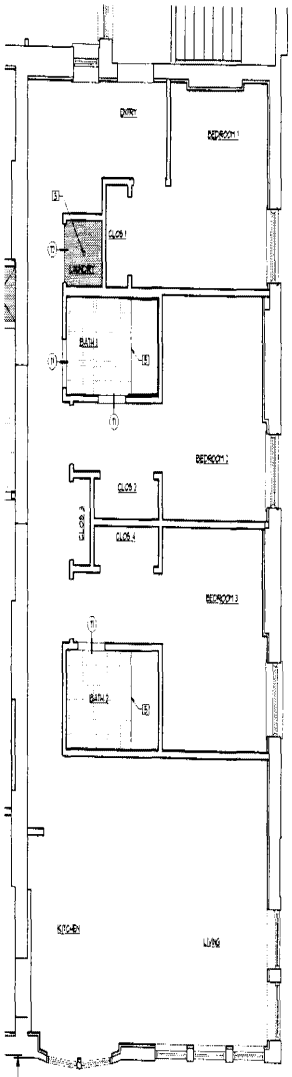
UNIT TYPE G FINISH FLOOR PLAN
1/4" = 1'-0"



UNIT TYPE F FFP
1/4" = 1'-0"



UNIT TYPE E FFP
1/4" = 1'-0"



UNIT TYPE D FFP
1/4" = 1'-0"

LEGEND

FLOOR FINISHES

- REFINISHED ORIGINAL WOOD FLOORING PATCHED. USE WOOD BASE DETAIL 6/A5.4
- NEW WOOD FLOORING USE WOOD BASE DETAIL 6/A5.4
- RESILIENT FLOORING USE WOOD BASE DETAIL 6/A5.4
- CERAMIC TILE USE TILE BASE DETAIL 5/A5.4
- CONCRETE NO BASE IN BASEMENT

FLOOR TRANSITIONS

- (T1) TRANSITION 1 SEE DETAIL 1/A5.4
- (T2) TRANSITION 2 SEE DETAIL 2/A5.4
- (T3) TRANSITION 3 SEE DETAIL 3/A5.4
- (T4) TRANSITION 4 SEE DETAIL 4/A5.4

WALL FINISHES

WALL IS GYP. BD. PAINTED (P) UNLESS NOTED OTHERWISE

- (F1) EXPOSED BRICK SEALED
- (P1) PATCH EXISTING PLASTER, PAINT (P)
- (T1) CERAMIC TILE SEE INTERIOR ELEVATIONS

WINDOW FINISHES

NEW WOOD BLAT BLINDS AT ALL WINDOWS

KEYNOTES

1. USE ORIGINAL WOOD FLOORING HARVESTED FROM 2ND FLOOR UNITS TO PATCH 1st FLOOR SPACES. SEE FLOOR ASSEMBLY DETAIL X/A5.X
2. RAISED PANTRY CLOSET SEE DETAIL X/A5.X
3. LAUNDRY ROOM DRAIN SEE DETAIL X/A5.X
4. TILED SHOWER SEE DETAIL X/A5.X
5. TILE TO EDGE OF TUB SEE DETAIL X/A5.X
6. LINEN CLOSET SEE DETAIL X/A5.X
7. USE MARBLE TILE SALVAGED FROM 1st VANDE-ENTER TO REPLACE BROKEN TILES AT ALL LEVELS OF STAIR 3
8. SLOT DRAIN SEE DETAIL X/A5.X

NOTES

1. WHEN FLOOR FINISH TRANSITIONS OCCUR AT DOORWAYS CENTER THE TRANSITION BENEATH THE DOOR.
2. UNLESS NOTED OTHERWISE HATCH USED TO INDICATE TILE DOES NOT INDICATE PRECISE LOCATION OF TILE JOINTS. CENTER TILE IN ROOM, SHOWER OR WALL IN A WORKMANLIKE MANNER.

BASEMENT NOTES

1. SEAL EXISTING CONCRETE IN BASEMENT

Review Set
5/8/2014

DESIGN ARCHITECT
Cohen Hilberry Architects
Sam Hilberry
4341 Hampton Ave
St. Louis, MO 63109
314-361-8300
Contact: Sam Hilberry
office@cohenhilberry.com

GENERAL CONTRACTOR
Crossroads Building Associates
50 South Bemiston Ave.
Clayton, MO 63105
Contact: Daniel Warren
314 863-2141

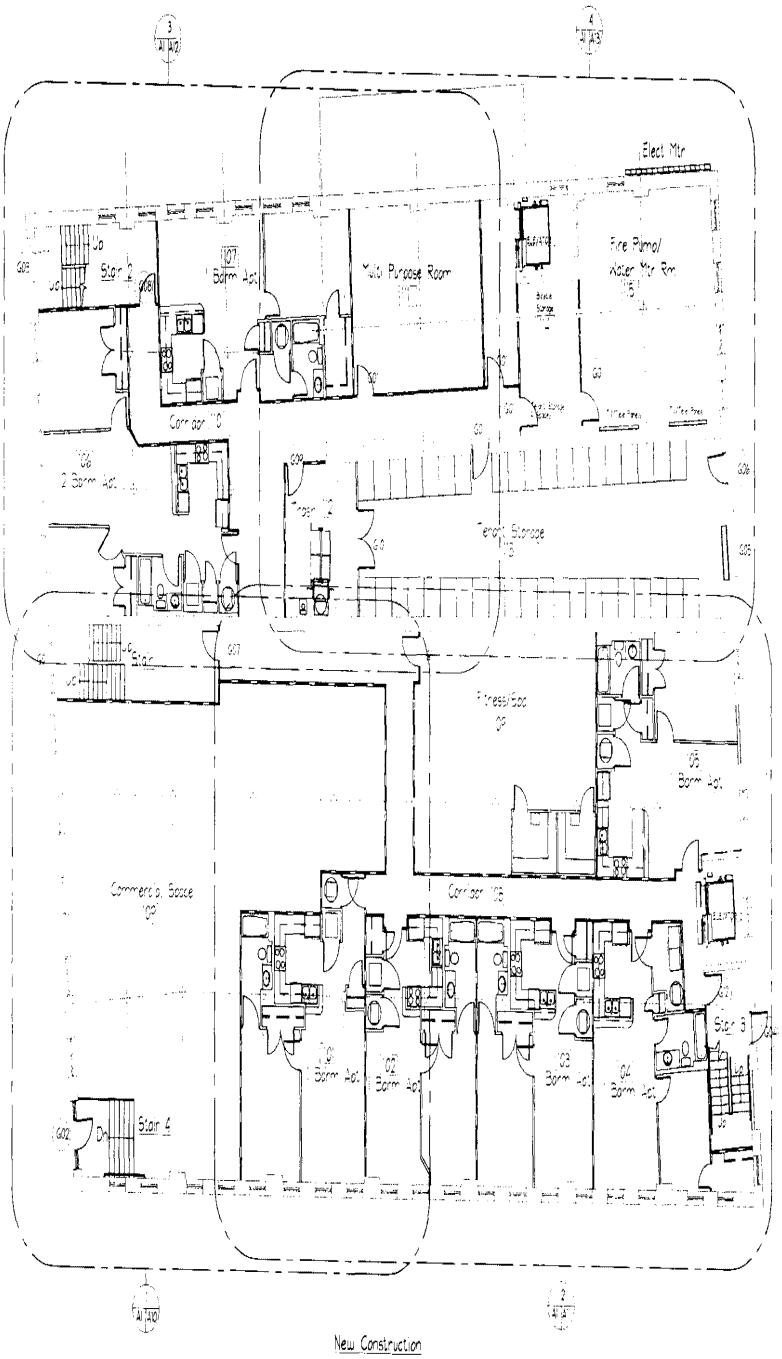
ARCHITECT
Webster Design
50 South Bemiston Ave.
Clayton, MO 63105
Contact: Damon Farmer
314 863-2160

OWNER/DEVELOPER
Gerhart Lofts LLC
50 South Bemiston Ave.
Clayton, MO 63105
Contact: Bill Lugani
314 863-2160

GERHART LOFTS
3900-12 LACLEDE AVE.
ST. LOUIS, MO 63108

FINISH FLOOR PLAN
A0.1

PROJECT # 1401



New Construction
Ground Floor Plan
Scale: 1/8"=1'-0"

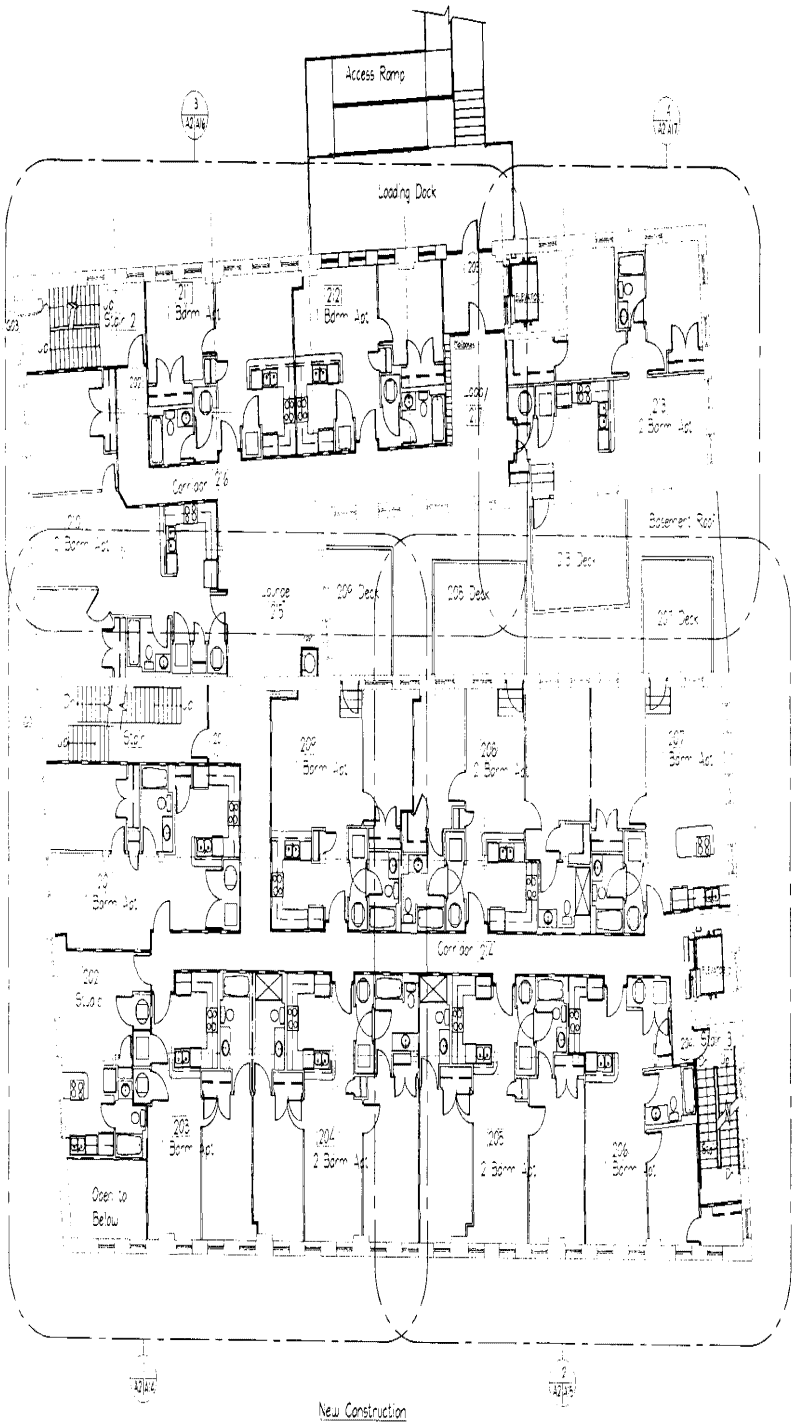
Contractor to Verify all Conditions and Dimensions in Field.

REVISIONS

DESIGN/
ARCHITECTS AND ENGINEERS
CERTIFICATE OF AUTHORITY NO 000548

Fairmont Hotels
Copperstone Development Group Inc
Copperstone Place
Calgary, Alberta

JOB NO. C-T_-3015
DRN BY: DCF
DATE 7-30-15
SHEET NO: A-1
OF SHEETS



New Construction
First Floor Plan
Scale 1/8"=1'-0"

Contractor to Verify all Conditions and Dimensions in Field

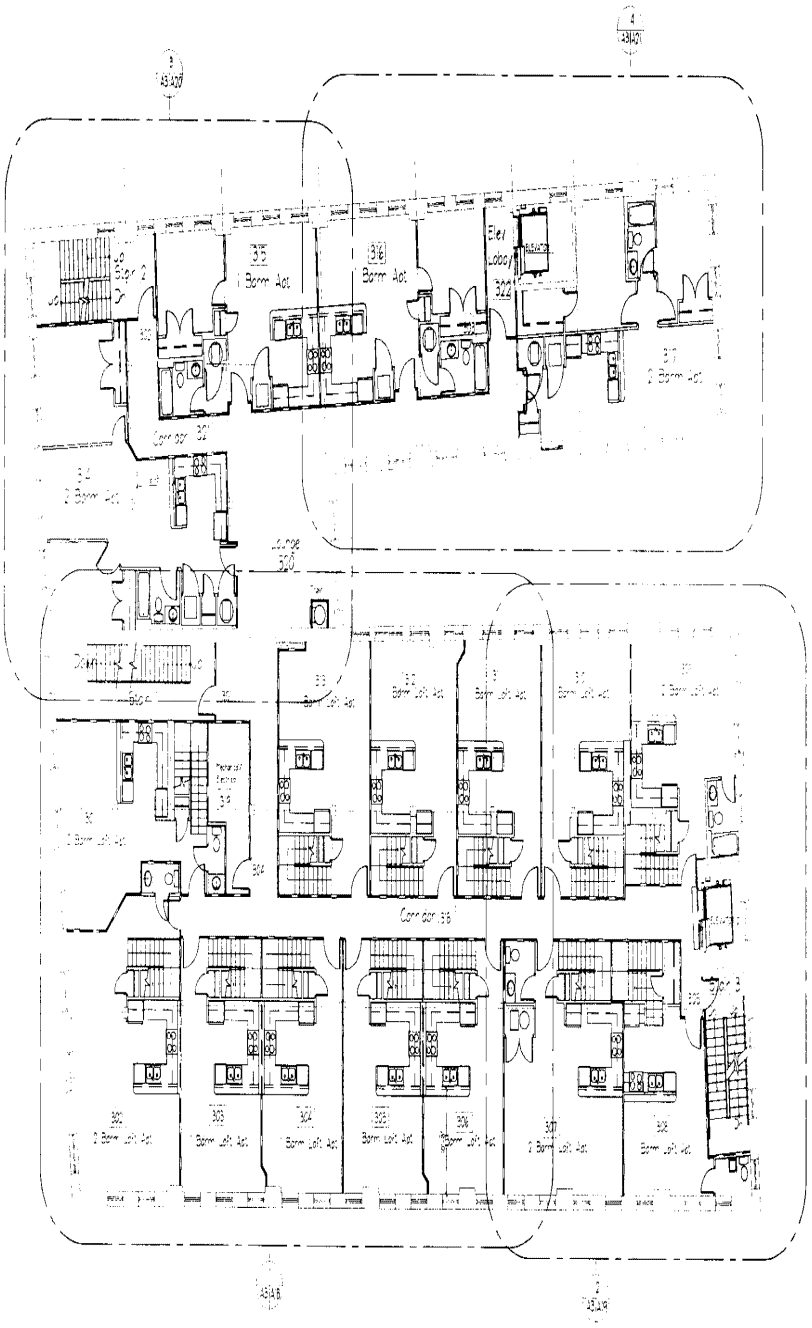
REVISIONS

Damon E. Ferrier
License # 14556

SEMPER CONSULTING
1400 Tacoma Ave. S. Suite 101
Tacoma, WA 98402
(253) 627-0000 Fax 627-0825
SEMPER PROJECT NO. 000548

Truman Lofts
1800 Block of Jefferson Street
Cornerstone Development
Tacoma, WA 98402

JOB NO. C-TL-3015
DRN BY: DCF
DATE: 7-30-15
SHEET NO. A-2
OF SHEETS

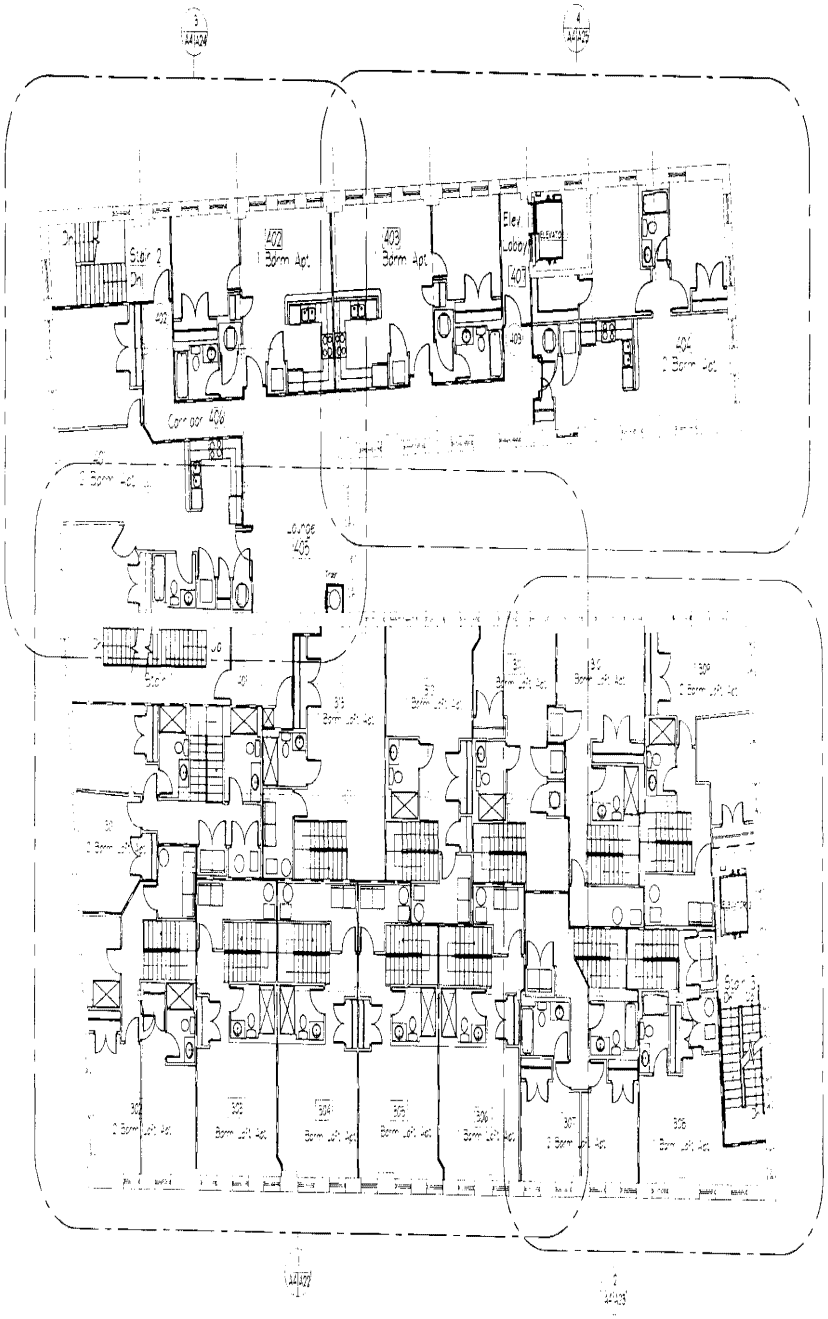


New Construction
Second Floor Plan
Scale: 1/8"=1'-0"

Contractor to Verify all Conditions and Dimensions in Field

REVISIONS

JOB NO.
G-TL-3015
DRN BY: DCF
DATE: 7-30-15
SHEET NO.
A-3
OF SHEETS



New Construction
Third Floor Plan
Scale 1/8"=1'-0"

Contractor to Verify all Conditions and Dimensions in Field.

REVISIONS

Carron C. Fleming
License # 14836

ARCHITECTS & ENGINEERS INC.
CERT. OF AUTHORIZATION 000548
0 Cuyler Rd Rockville, Maryland 20850

Tamarac Lofts
Tamarac Lofts Condominium, Group C
Condominium Development
Cuyler Rd Rockville, Maryland 20850

JOB NO. C-TL-3015
DRN BY: DCF
DATE: 7-30-15
SHEET NO. A-4
OF SHEETS

EXHIBIT

19

APPRAISAL REPORT
REAL ESTATE APPRAISAL

Of
Gerhart Lofts

3900-3908 & 3910-3912 Laclede Avenue, Saint Louis,
Saint Louis City County, Missouri, 63108

As of
April 8, 2014

Prepared For
First Community Bank
29111 North Westwood Boulevard
Poplar Bluff, Missouri 63901
Client File: C2039C1267

Prepared by
GILL GROUP, INC.
Samuel T. Gill, MO-RA002563

GILL GROUP, INC.

PO Box 784
Dexter
Missouri, 63841

www.gillgroup.com

573-624-6614
Fax: 573-624-2942
cash.gill@gillgroup.com

April 10, 2014

First Community Bank
29111 North Westwood Boulevard
Poplar Bluff, Missouri 63901

Re: Appraisal Report, Real Estate Appraisal
Gerhart Lofts
3900-3908 & 3910-3912 Laclede Avenue, Saint Louis,
Saint Louis City County, Missouri, 63108

File Name: C2039C1267

Dear Sir or Madam:

At your request, we have prepared an appraisal for the above referenced property. Please reference page 13 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 11). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- None.

Extraordinary Assumptions:

- The 'as complete' values have been completed under the extraordinary assumption that the subject has been rehabilitated as detailed in the report.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Current As Is Market Value:
The "As Is" market value of the Fee Simple estate of the property, as of April 8, 2014, is

$2,420,000

Two Million Four Hundred Twenty Thousand Dollars

Current As Complete Market Value:
The "As Complete" market value of the Fee Simple estate of the property including the value of tax credits, as of April 8, 2014, is

$8,900,000

Eight Million Nine Hundred Thousand Dollars

The market exposure time[1] preceding April 8, 2014 would have been 12 months and the estimated marketing period[2] as of April 8, 2014 is 12 months.

Respectfully submitted,

William W. Dolan
Appraiser Trainee

Samuel T. Gill
State Certified General
Real Estate Appraiser
MO-RA002563

[1] Exposure Time: see definition on page 9.
[2] Marketing Time: see definition on page 9.

TABLE OF CONTENTS

Summary of Important Facts and Conclusions 6
Definitions 8
Limiting Conditions and Assumptions 11
Scope of Work 13
Market Area Analysis 15
Regional and Area Data 15
Property Description 18
City Map 20
Subject Photographs 26
Assessment and Taxes 31
Zoning 32
Highest and Best Use 33
Valuation Methodology 34
Analyses Applied 34
Cost Approach 35
Land Value 35
Sales Comparison Approach – Land Valuation 35
Land Comparables 36
Comparables Map 38
Analysis Grid 39
Comparable Land Sale Adjustments 41
Sales Comparison Approach Conclusion – Land Valuation 42
Cost Analysis 42
Depreciation Analysis 42
Cost Approach Conclusion As Is 43
Cost Approach Conclusion As Complete 46
Sales Comparison Approach 49
Comparables 49
Comparables Map 53
Analysis Grid 54
Comparable Sale Adjustments As Complete 56
Sales Comparison Approach Conclusion As Complete 57
Sales Approach Conclusion As Complete 57
Income Approach 58
Direct Capitalization Analysis 58
Potential Gross Income (PGI) 58
Market Rent 59
Market Rent Comparables - Retail 59
Comparables Map - Retail 62
Market Rent Comparables - Apartments 63
Comparables Map - Apartments 69
Vacancy and Collection Loss 70
Expenses 70
Capitalization Rate 72

Capitalization to Value 74
Direct Capitalization Analysis Conclusion As Complete 74
Valuating Tax Credits 75
Final Reconciliation 76
Value Indications 76
Value Conclusion 77
Certification Statement 78
Addendum A (Legal) 79
Addendum B (Sales Contract) 81
Addendum C (Permitted Uses) 96
Addendum D (Flood Map) 100
Addendum E (Certification) 102
Addendum F (Qualifications) 104

Summary of Important Facts and Conclusions

GENERAL	
Subject:	Gerhart Lofts 3900-3908 & 3910-3912 Laclede Avenue, Saint Louis, Saint Louis City County, Missouri, 63108 The site is improved with two two- and three-story buildings containing a total of 29,373 square feet. Each building contains both retail space and apartments. The subject is currently vacant and will be rehabilitated. After rehabilitation the subject will contain the same breakdown of units. The rehabilitation is expected to be complete in the summer of 2015 and cost approximately $3,617,200. The scope of work is comprehensive and includes site utilities, roads and walks, masonry, structural metals, carpentry, cabinets, insulation, roofing, gutters, doors and hardware, windows, drywall, flooring, painting, signage, bathroom and closet accessories, appliances, plumbing, HVAC, electrical, fire alarm, special equipment and landscaping.
Owner:	A C Y Realty Co.
Legal Description:	See Addendum A
Date of Report:	April 10, 2014
Intended Use:	The intended use is for mortgage financing.
Intended User(s):	The client and property owner.
Assessed Value:	$129,550 at 100% Implied Market Value: $129,550
Taxes:	$11,666.12
Sale History:	The subject has not sold in the last three years, according to public records.

Current Listing/Contract(s):
The subject is under contract for sale for $1,995,000.
Contract Date: November 19, 2013
Financing Terms: Normal
Buyer: Capstone Development Group, LLC

PROPERTY

Land Area: Total: 24,850 square feet; 0.57 acres

Improvements:

	Building 1	Building 2	
Building ID:	3900 Laclede Avenue	3910 Laclede Avenue	
Year Built:	1896	1891	
Renovations:	Yes	Yes	
Condition:	Poor	Poor	
Number of Stories:	2	3	
Gross Building Area (GBA):	22,542	6,831	
Rentable Area (RA):	18,522	5,592	
Gross Leasable Area (GLA):	18,522	5,592	
Number of Units:	22	6	
Property Totals:	**GBA***	**RA**	**Units**
*See area definitions, page 10.	29,373	24,114	28

Zoning: J

Highest and Best Use of the Site: as mixed use

Highest and Best Use as Improved: as improved

VALUE INDICATIONS	
Land Value:	$200,000
Cost Approach: As Is	$2,420,000
As Complete	$5,900,000
Sales Comparison Approach:	$6,955,000
Income Approach:	$6,780,000
Value of Tax Credits:	$1,945,000
Reconciled Value(s):	**As Complete**
Value Conclusion(s)	**$8,900,000**
Effective Date(s)	April 8, 2014
Property Rights	Fee Simple

Definitions

Market Value: As defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows.

> Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby,
>
> 1. Buyer and seller are typically motivated;
> 2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
> 3. A reasonable time is allowed for exposure in the open market;
> 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
> 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

A **Fee Simple** interest is defined[3] as:

> Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

A **Leased Fee** interest is defined[3] as:

> An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Marketing Time is defined[3] as:

1. The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.

2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

Exposure Time is defined[3] as:

1. The time a property remains on the market.

2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal

[3] Appraisal Institute, The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002).

Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions")

Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values.) See also marketing time.

Gross Building Area (GBA) is the total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded.[3]

Rentable Area (RA) is the amount of space on which the rent is based; calculated according to local practice.[3]

Gross Leasable Area (GLA) the total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines, and measured from the center of interior partitioning to outside wall surfaces; the standard measure for determining the size of shopping centers where rent is calculated based on the GLA occupied. The area for which tenants pay rent. [3]

As Is Value
The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. [3]

Stabilized Value

1. A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods, when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value.

A value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a bonus or premium for material, the abnormal inefficiency of labor, the cost of delay or an excessive sale price, e.g., a premium paid due to a temporary shortage of supply.[3]

The prospective value of a property after construction has been completed and market occupancy and cash flow have been achieved is known as the stabilized value.

As Complete Value
The prospective value of a property after all construction has been completed. This value reflects all expenditures for lease-up and occupancy that may be expected to have occurred at that point in time, which may or may not put the property at stabilized value. [3]

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Gill Group, Inc.. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise state in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Gill Group, Inc.'s regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990
A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Gill Group, Inc. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for First Community Bank. The problem to be solved is to estimate the 'as is' and 'as complete' market value of the subject property. The intended use is for mortgage financing. This appraisal is intended for the use of client and property owner.

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	A complete interior and exterior inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains a comprehensive database for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Valuation Analyses

Cost Approach:	A cost approach was applied as there is adequate data to develop a land value and the depreciation accrued to the improvements can be reasonably measured.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was applied as the subject is an income producing property and there is adequate data to develop a value estimate with this approach.
Hypothetical Conditions:	None.
Extraordinary Assumptions:	The 'as complete' values have been completed under the extraordinary assumption that the subject has been rehabilitated as detailed in the report.

Market Area Analysis

Area Description & Boundaries

The neighborhood boundaries are defined by the following: north - Lindell Boulevard; east - South Grand Boulevard; south - Forest Park Avenue; and west - North Sarah Street.

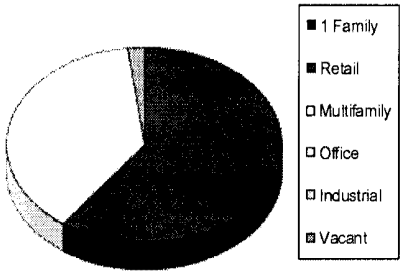
Area & Property Use Characteristics

					Up	Stbl	Dn
Location	X Urban	Suburban	X Rural	Population Trend		X	
Build Up	X Over 75%	25% to 75%	Under 25%	Employment Trend		X	
Built Up ☐ Fully Dev.	Rapid	X Steady	Slow	Personal Income Level		X	
Property Values	Increasing	X Stable	Declining	Retail Sales		X	
Demand/Supply	Shortage	X In Balance	Over Supply	New Construction		X	
Vacancy Trend	Increasing	X Stable	Declining	Vacancy Trend		X	
Change in Economic Base	Likely	X Unlikely	Taking Place	Rental Demand		X	

Land Use Trends

Present Land Use		Supply/Demand Under	In Bal.	Over
0%	1 Family		X	
60%	Retail		X	
38%	Multifamily		X	
0%	Office		X	
0%	Industrial		X	
2%	Vacant		X	
100%				

Land Use



Change in Land Use		
	Likely	
	Not Likely	X
	Taking Place	

Land uses in the neighborhood consist of commercial properties, multifamily residences and vacant land.

Adjacent Property Use

Adjacent property uses include the following: north - Public Storage; east - Saint Louis University; south - vacant land; and west - Saint Louis Metropolitan Police Department Fleet Services.

Regional and Area Data

The following data on the City of Saint Louis and Saint Louis City County is included to give the reader an insight into the social, economic, governmental and environmental factors which provide the setting and ultimate stability for the subject neighborhood and the property which is the subject of this appraisal. The various social, economic, governmental and environmental factors within any city are the underlying forces which create, modify or destroy real property values.

Location

The city of Saint Louis is located approximately 100 miles from Springfield, Illinois; 125 miles from Columbia; 135 miles from Jefferson City; and 350 miles from Kansas City. St. Louis City has the following borders: North – St. Louis County; East – Mississippi River and State of Illinois; South – St. Louis County; and West – St. Louis County.

Utilities
Water is provided to the city by City of Saint Louis Water Division. Natural gas is provided by Laclede Gas Company. AmerenUE provides electricity to the city, and basic phone service is provided by SBC Southwestern Bell Telephone.

Population
The 2000 population for Saint Louis, according to the U.S. Census Bureau, was 319,294. There were 142,057 total households, with 77,632 renter-occupied households. The rental vacancy rate was 15.1 percent. The population for the State of Missouri in 2000 was 5,988,927, with 2,375,611 total households. The number of renter-occupied households was 742,001, with an 11.1 percent rental vacancy rate.

Health Services
Hospitals or clinics nearby include The St. Louis Metropolitan Area has over 50 hospitals and two major medical schools. Some of the hospitals in the city include Barnes-Jewish Hospital, Saint Louis University Hospital, Cardinal Glennon Children's Hospital, St. Louis Children's Hospital, Christian Hospital, Connectcare, Des Peres Hospital and St. Alexius Hospital.

Transportation
Major roadways in the Saint Louis area include Interstates 55, 64, 70, 170, 255 and 270. The average travel time to work for residents of Saint Louis is 15 to 25 minutes with 70 percent of those driving a car alone. Another 15 percent carpool, and the remaining 15 percent work from home or use some other form of transportation.

Employment Factors
The average civilian labor force for 2000 for the City of Saint Louis was 161,815, with 153,333 employed. The number unemployed, according to the U.S. Bureau of Labor Statistics, was 8,482, for a 5.2 percent unemployment rate. The average for 2010 showed 144,977 for the total civilian labor force for the city and 126,458 employed. The number unemployed was 18,519. The unemployment rate was 12.8 percent. Preliminary estimates for January 2014 for the city show a civilian labor force of 138,211, with 125,839 employed. There are 12,372 unemployed, and the unemployment rate was 9.0 percent.

The average civilian labor force for 2000 for the Saint Louis, Missouri-Illinois Metropolitan Statistical Area (MSA) was 1,423,746, with 1,373,227 employed. The number unemployed, according to the U.S. Bureau of Labor Statistics, was 50,519, for a 3.5 percent unemployment rate. The average for 2010 showed 1,444,169 for the total civilian labor force for the MSA and 1,302,851 employed. The number unemployed was 141,318. The unemployment rate was 9.8 percent. Preliminary estimates for January 2014 for the MSA show a civilian labor force of 1,403,075, with 1,297,517 employed. There are 105,558 unemployed, and the unemployment rate was 7.5 percent.

The total civilian labor force for 2000 for the State of Missouri was 2,973,092, with 2,875,336 employed. The number unemployed, according to the U.S. Bureau of Labor Statistics, was 97,756, for a 3.3 percent unemployment rate. The average for 2010

showed 3,038,651 for the total civilian labor force for the state and 2,751,298 employed. The number unemployed was 283,353, and the unemployment rate was 9.3 percent. Preliminary estimates for January 2014 for the state show a civilian labor force of 3,007,134, with 2,801,695 employed. There are 205,439 unemployed, and the unemployment rate was 6.8 percent.

Major employers in the City of Saint Louis include the following

EMPLOYER	TYPE OF OPERATION	NO. OF EMPLOYEES
BJC Healthcare	Healthcare	24,815
Boeing Defense	Defense Contractor	14,982
SSM Health Care	Healthcare	14,686
Washington University	Education	13,728
Wal-Mart Stores	Retail	13,000
Scott Air Force Base	Military	12,865
Archdiocese of St. Louis	Religious	11,000
Schnuck Markets	Retail	10,640
Mercy Health	Healthcare	10,311
McDonald's	Fast Food	9,560
USPS	Postal Service	6,704
Special School District of St. Louis City	Education	6,240
Wells Fargo	Financial	6,126
St. Louis University	Education	5,946
St. Louis Community College	Education	5,409
Nat. Geospatial-Intelligence Agency	Government	5,300

Summary and Conclusions

Saint Louis is a city located in Saint Louis City County in the southeast portion of Missouri. The economic outlook for future growth and development appears to be stable.

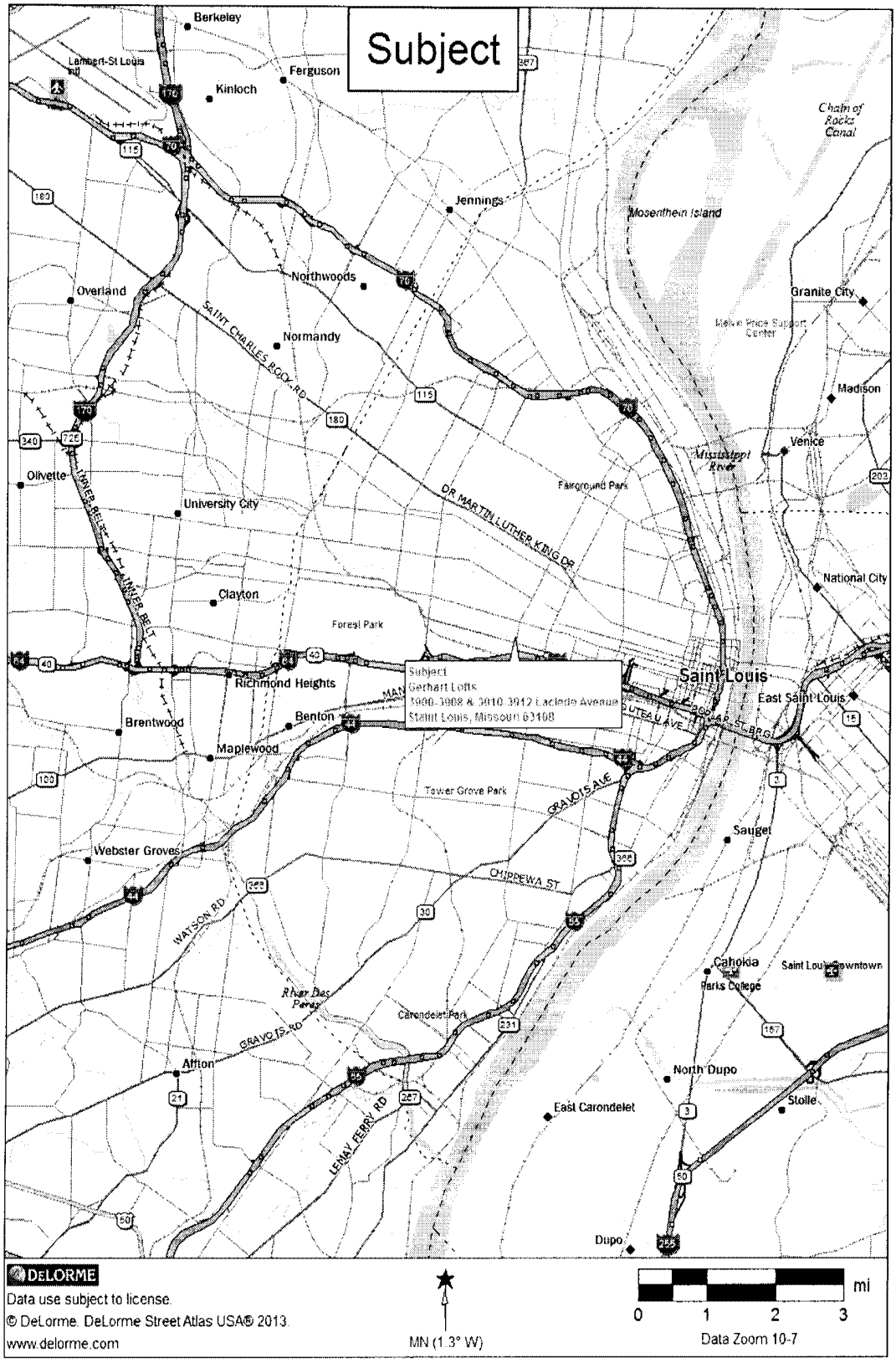
Property Description

The following description is based on our property inspection, assessment records, and property deeds and information provided by property manager, owner, and broker.

SITE	
Location:	The subject is located on the south side of Laclede Avenue, at the central portion of the city of Saint Louis.
Site Size:	Total: 0.57 acres; 24,850 square feet
Shape:	The site is roughly rectangular.
Frontage/Access:	The subject property has average access with frontage as follows: • Laclede Avenue • North Vandeventer Avenue It is a corner lot.
Visibility:	Average
Topography:	The subject has level topography at grade and no areas of wetlands.
Utilities:	Electricity: AmerenUE Sewer: City sewer Water: City of Saint Louis Water Division Natural Gas: Laclede Gas Company
Site Improvements:	The subject has average landscaping.
Flood Zone:	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area. FEMA Map Number: 2903850063 FEMA Map Date: May 24, 2011 The subject is not in a flood zone.

Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
Encumbrance / Easements:	Typical utility easements that are not adverse to the site's development run on the property. A title insurance report was not provided to the appraisers with this assignment. No significant easements are known. No encroachments were observed. A survey was not provided with this assignment. The appraiser is not qualified to determine whether or not the adjacent properties encroach on the subject site.

City Map


Subject
Berkeley
Ferguson
Kinloch
Jennings
Northwoods
Normandy
Overland
Olivette
University City
Clayton
Richmond Heights
Brentwood
Benton
Maplewood
Webster Groves
Affton
Forest Park
Fairground Park
Tower Grove Park
Carondelet Park
Mosenthein Island
Chain of Rocks Canal
Granite City
Madison
Venice
National City
Saint Louis
East Saint Louis
Sauget
Cahokia
Saint Louis Downtown
Parks College
North Dupo
Stolle
East Carondelet
Dupo
SAINT CHARLES ROCK RD
DR MARTIN LUTHER KING DR
GRAVOIS AVE
CHIPPEWA ST
WATSON RD
GRAVOIS RD
LEMAY FERRY RD
Subject
Gerhart Lofts
3900-3908 & 3910-3912 Laclede Avenue
Saint Louis, Missouri 63108
DELORME
Data use subject to license.
© DeLorme. DeLorme Street Atlas USA® 2013.
www.delorme.com
MN (1.3° W)
mi
0 1 2 3
Data Zoom 10-7

IMPROVEMENTS DESCRIPTION

Development/Property Name:	Gerhart Lofts
Property Type:	Retail/Multifamily
Overview:	The site is improved with two two- and three-story buildings containing a total of 29,373 square feet. Each building contains both retail space and apartments. The subject is currently vacant and will be rehabilitated. After rehabilitation the subject will contain the same breakdown of units. The rehabilitation is expected to be complete in the summer of 2015 and cost approximately $3,617,200. The scope of work is comprehensive and includes site utilities, roads and walks, masonry, structural metals, carpentry, cabinets, insulation, roofing, gutters, doors and hardware, windows, drywall, flooring, painting, signage, bathroom and closet accessories, appliances, plumbing, HVAC, electrical, fire alarm, special equipment and landscaping.

MULTIPLE BUILDINGS SUMMARY - 2 BUILDINGS

Construction:	Brick
Quality:	The predominant quality level is good.
Year Built Range:	The buildings were built from 1891 to 1896.
Year Renovated:	Unknown
Effective Age Range:	The buildings have an effective age of 25 years.
Condition:	The predominant condition is average.
Areas, Ratios & Numbers:	Gross Building Area: 29,373 Rentable Area: 24,114 Number of Units: 28

GENERAL - 3900 LACLEDE AVENUE

Building Identification: 3900 Laclede Avenue

Building Description: The building contains 22,542 gross square feet. There are 11 apartments with a total of 9,602 square feet and 11 commercial spaces with a total of 8,920 square feet. The following shows the breakdown of units.

Number of Units	Square Foot	Type of Unit	Rent per Month	Utility/CAM Charge
8	740	Retail	$1,280	$200
2	950	Retail	$1,667	$200
1	1,100	Retail	$1,667	$200
1	803	2/2 w/Den	$1,458	$50
4	810	2/2 w/Den	$1,458	$50
1	877	2/2	$1,458	$50
4	890	2/2	$1,458	$50
1	1,122	3/2	$1,646	$75

Construction: Brick

Construction Quality: Good

Year Built: 1896

Renovations: Yes/Proposed

Effective Age: 25 years

Remaining Useful Life: 25

Condition: Poor

Appeal/Appearance: Good

Areas, Ratios & Numbers:
Number of Stories: 2
Gross Building Area: 22,542
Gross Leasable Area: 18,522
Rentable Area: 18,522
Number of Units: 22

FOUNDATION, FRAME & EXTERIOR - 3900 LACLEDE AVENUE

Foundation: Poured concrete slab

Structural Frame: Heavy Concrete Frame

Exterior: Brick

Roof/Cover: Gable / Asphalt Singles

INTERIOR - 3900 LACLEDE AVENUE

Floor Cover: Carpet, Tile

Walls: Painted drywall

Ceilings & Ceiling Height: Drywall / 8

Lighting: A mix of florescent and incandescent lighting.

MECHANICAL SYSTEMS - 3900 LACLEDE AVENUE

Heating: Central Electric

Cooling: Central Electric

Electrical: Poor

Plumbing Condition: Poor

GENERAL - 3910 LACLEDE AVENUE

Building Identification: 3910 Laclede Avenue

Building Description: The building contains 6,831 gross square feet. There are six apartments with a total of 5,592 square feet. The following shows the breakdown of units.

Number of Units	Square Foot	Type of Unit	Rent per Month	Utility/CAM Charge
2	914	2/2w/Retail and Basement	$1,440	$50
4	941	2/2 w/Den	$1,458	$50

Construction: Brick

Construction Quality: Good

Year Built: 1891

Renovations: Yes/Proposed

Effective Age: 25 years

Remaining Useful Life:	25
Condition:	Poor
Appeal/Appearance:	Good
Areas, Ratios & Numbers:	Number of Stories: 3 Gross Building Area: 6,831 Gross Leasable Area: 5,592 Rentable Area: 5,592 Number of Units: 6

FOUNDATION, FRAME & EXTERIOR - 3910 LACLEDE AVENUE

Foundation:	Poured concrete slab
Structural Frame:	Heavy Concrete Frame
Exterior:	Brick
Roof/Cover:	Asphalt Shingles/ Asphalt Shingles

INTERIOR - 3910 LACLEDE AVENUE

Floor Cover:	Carpet, Tile
Walls:	Painted drywall
Ceilings	Drywall / 8
Lighting:	A mix of florescent and incandescent lighting.

MECHANICAL SYSTEMS - 3910 LACLEDE AVENUE

Heating:	Central Electric
Cooling:	Central Electric
Electrical:	Poor
Plumbing Condition:	Poor

Americans with Disabilities Act

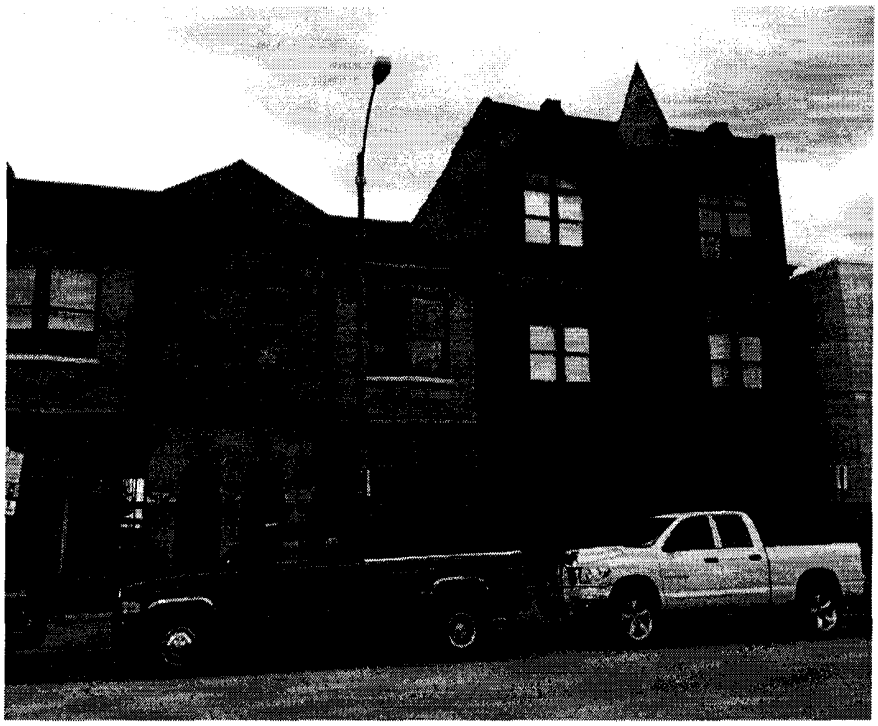
Please reference the Limiting Conditions and Assumptions section of this report on page 12.

Hazardous Substances

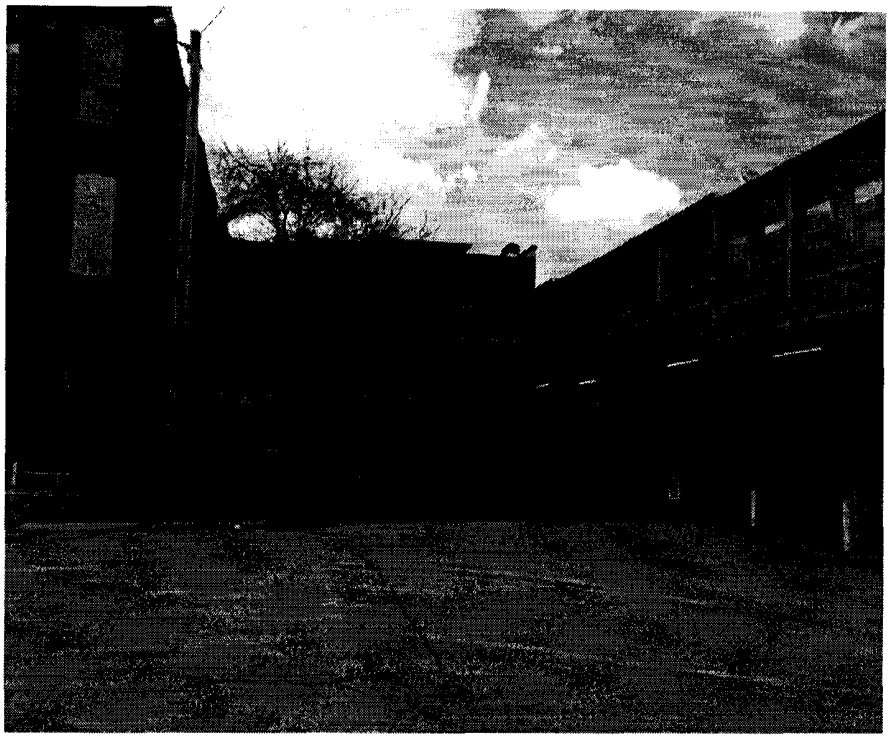
Please reference the Limiting Conditions and Assumptions section of this report on page 12.

Subject Photographs

View of Exterior

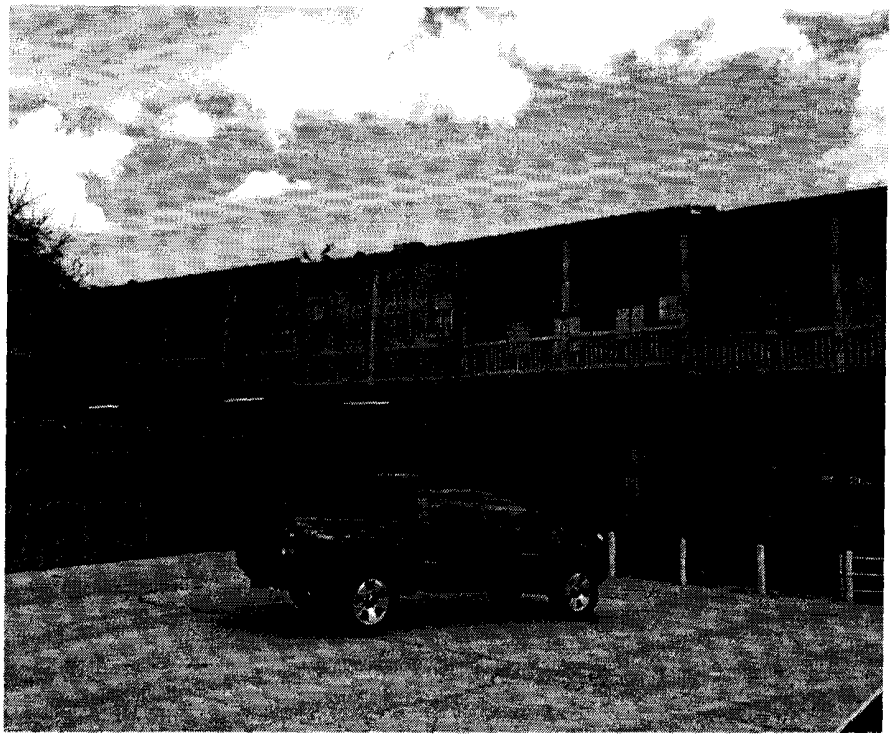


View of Exterior

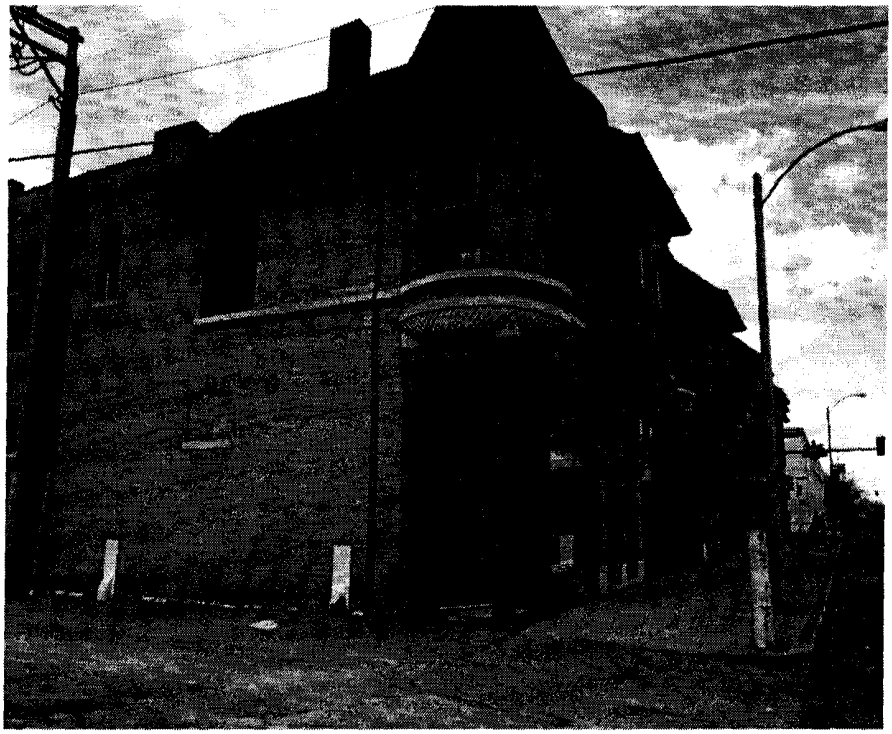


View of Exterior

View of Exterior



View of Exterior



View of Exterior

View of Commercial Space

View of Commercial Space

View of Apartment

View of Apartment

Assessment and Taxes

REAL ESTATE ASSESSMENT AND TAXES	
Taxing Authority	City of Saint Louis Assessor
Assessment Year	2013

ASSESSED VALUES	
Tax Identification Number	391904195
Land Assessed Value	$22,980
Building Assessed Value	$90,660
Other Property Assessed Value	$0
Total Assessed Value	$113,640
Tax Identification Number	391904190
Land Assessed Value	$5,600
Building Assessed Value	$10,310
Other Property Assessed Value	$0
Total Assessed Value	$15,910

Totals	
Total Land Assessed Value	$28,580
Total Building Assessed Value	$100,970
Total Other Assessed Value	$0
Total Assessment	$129,550
Total Assessment per GBA	$4.41
Total Assessment per Land Acre	$227,090

Rates, Taxes, More	
City Tax Rate	$9.01
County Tax Rate	$0.00
Other Property Tax Rate	$0.00
Combined Tax Rate	$9.01
Total Tax Amount	$11,666.12
Assessment Ratio	100%
Implied Value	$129,550

Zoning

LAND USE CONTROLS	
Zoning Code	J
Zoning Description	Industrial District
Current Use Legally Conforming	Current Use Legally Conforming
Zoning Change Likely	A zoning change is unlikely.

Highest and Best Use

Highest and best use may be defined as:

> The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.[4]

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?

2. **Physically Possible:** To what use is the site physically adaptable?

3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?

4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use of the site, as vacant, is as mixed use.

Based on the analysis of the previous elements, it is reasonable to assume, if the site were vacant and available for development on the date of valuation, the highest and best use would be for commercial property.

Highest and Best Use as Improved

The highest and best use of the subject as improved is as improved.

Based on the adjacent property uses and the zoning restrictions for the subject, the highest and best use of the subject site is as currently improved.

[4] *The Appraisal of Real Estate* 12th Edition, Page 305, Appraisal Institute

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

Cost New
- Depreciation
+ Land Value
= Value

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was developed because there is adequate data to develop a land value and the depreciation accrued to the improvements can be reasonably measured.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was developed because the subject is an income producing property and there is adequate data to develop a value estimate with this approach.

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

- Estimate the land value according to its Highest and Best Use. We have used the Sales Comparison Approach; the process is as follows:
    - Comparable sales, contracts for sale and current offerings are researched and documented.
    - Each comparable is analyzed and adjusted to equate with the subject property.
    - The value indication of each comparable is analyzed and the data reconciled for a land value indication.
- Estimate the replacement cost of the building and site improvements.
- Estimate the physical, functional and/or external depreciation accrued to the improvements.
- Sum the depreciated value of the improvements with the value of the land for an indication of value.

Land Value

The subject's land value has been developed via the sales comparison approach.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.

- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

We have researched three comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

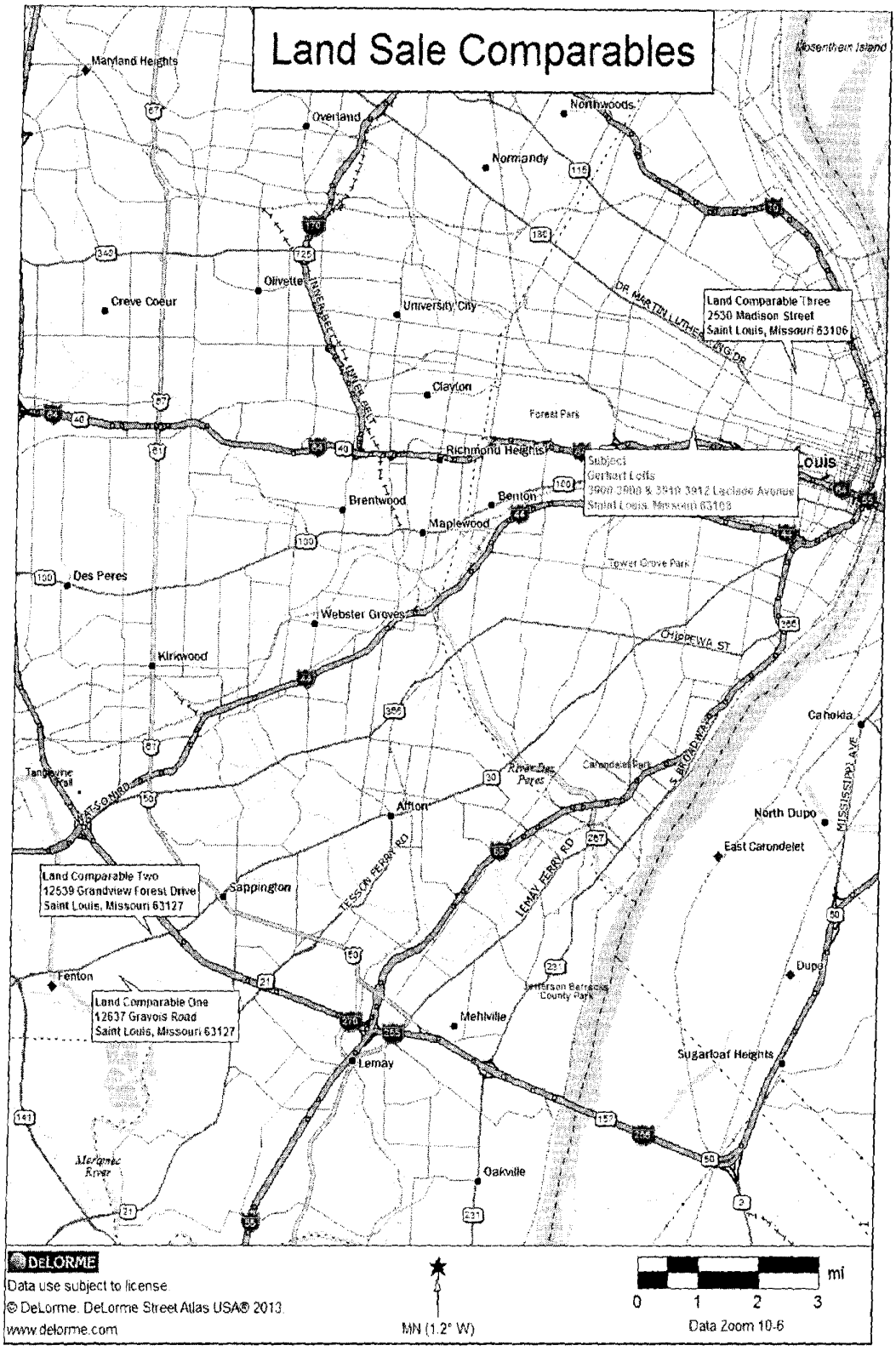
Comparable	Address	Date	Price	Acre Unit Price	Acres	Land SF	Zoning
1	12637 Gravois Road	6/28/2012	$565,000	$330,409	1.71	74,488	PD
2	12539 Grandview Forest Drive	6/28/2012	$120,000	$333,333	0.36	15,682	PD
3	2530 Madison Street	12/28/2012	$275,360	$399,072	0.69	30,056	D

12637 Gravois Road			
Land Comparable 1			
Address	12637 Gravois Road	**Date**	6/28/12
City	Saint Louis	**Price**	$565,000
County	Saint Louis	**Acre Unit Price**	$330,409
State	Missouri	**Financing**	Conventional
Zip	63127	**Property Rights**	Fee Simple
Grantor	IMO Carl & Kelly	**Verification Source**	Assessor
Grantee	William Johnson		
Site			
Acres	1.71	**Topography**	Nearly Level
Land SF	74,488	**Zoning**	PD
Utilities	E, G, W, S	**Road Frontage**	Gravois Road
Shape	Irregular	**Visibility/Access**	Average

12539 Grandview Forest Drive			
Land Comparable 2			
Address	12539 Grandview Forest	**Date**	6/28/2012
City	Saint Louis	**Price**	$120,000
County	Saint Louis	**Acre Unit Price**	$333,333
State	Missouri	**Financing**	Conventional
Zip	63127	**Property Rights**	Fee Simple
Grantor	Mayer Custom Homes	**Verification Source**	Assessor
Grantee	Mcbride & Sons Residential		
Site			
Acres	0.36	**Topography**	Nearly Level
Land SF	15,682	**Zoning**	PD
Utilities	E, G, W, S	**Road Frontage**	Grandview Forest Drive
Shape	Irregular	**Visibility/Access**	Average

2530 Madison Street, St. Louis, Missouri			
Land Comparable 3			
Address	2530 Madison Street	**Date**	12/28/2012
City	Saint Louis	**Price**	$275,360
County	Saint Louis City	**Acre Unit Price**	$399,072
State	Missouri	**Financing**	Conventional
Zip	63106	**Property Rights**	Fee Simple
Grantor	Friedman Development	**Verification Source**	Assessor
Grantee	Northsdie Regeneration, LLC		
Site			
Acres	0.69	**Topography**	Nearly Level
Land SF	30,056	**Zoning**	D
Utilities	E, G, W, S	**Road Frontage**	Madison Street
Shape	Irregular	**Visibility/Access**	Average

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid			Comp 1	Comp 2	Comp 3
Address	3900-3908 & 3910-3912 Laclede Avenue		12637 Gravois Road	12539 Grandview Forest Drive	2530 Madison Street
City	Saint Louis		Saint Louis	Saint Louis	Saint Louis
State	Missouri		Missouri	Missouri	Missouri
Date	4/8/2014		6/28/2012	6/28/2012	12/28/2012
Price	$0		$565,000	$120,000	$275,360
Acres	0.57		1.71	0.36	0.69
Acre Unit Price	$0		$330,409	$333,333	$399,072
Transaction Adjustments					
Property Rights	Fee Simple		Fee Simple	Fee Simple	Fee Simple
Financing	Conventional		Conventional	Conventional	Conventional
Conditions of Sale	Normal		Normal	Normal	Normal
Adjusted Acre Unit Price			**$330,409**	**$333,333**	**$399,072**
Market Trends Through	4/8/14	0.0%	0.0%	0.0%	0.0%
Adjusted Acre Unit Price			$330,409	$333,333	$399,072
Location	Average		Similar	Similar	Similar
% Adjustment			0%	0%	0%
$ Adjustment			$0	$0	$0
Acres	0.57		1.71	0.36	0.69
% Adjustment			0%	0%	0%
$ Adjustment			$0	$0	$0
Topography	Level		Nearly Level	Nearly Level	Nearly Level
% Adjustment			0%	0%	0%
$ Adjustment			$0	$0	$0
Utilities	E, G, W, S		E, G, W, S	E, G, W, S	E, G, W, S
% Adjustment			0%	0%	0%
$ Adjustment			$0	$0	$0
Zoning	J		PD	PD	D
% Adjustment			0%	0%	0%
$ Adjustment			$0	$0	$0
Adjusted Acre Unit Price			**$330,409**	**$333,333**	**$399,072**
Net Adjustments			0.0%	0.0%	0.0%
Gross Adjustments			0.0%	0.0%	0.0%

Reconciled Value per Acre: $355,000
Subject Size: 0.57
Reconciled Value: $202,350
Rounded: $200,000

Comparable Land Sale Adjustments

Adjustment Notes

The sale prices of the comparables range from **$330,409** to **$399,072** per acre before adjustments. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

Conditions of Sale

In an "arm's length" sale, there should not be any unusual motivations affecting the willingness of each party to the transaction. Neither party should be acting in any manner other than what they consider to be their best interests. No other adjustments for conditions of the sale are considered to be necessary.

Location

Consideration was given to the location of the subject and each of the comparables. The subject was considered similar to Comparables 1, 2 and 3 in terms of location. No adjustment was needed.

Size

Consideration was given to the size of the subject site as compared to the comparables. Size can have an impact on site value based on the premise that smaller parcels often sell for a higher price per unit than larger parcels with equal utility. The subject site consists of a total area of 0.57 acres. The comparables range in size from 0.36 to 1.71 acres. The market did not indicate a need for adjustment due to size. Therefore, no adjustments were made.

Topography

Consideration was given to the topography of the subject and each of the comparables. Comparables 1, 2 and 3 were considered similar to the subject and no adjustment was needed.

Utilities

Consideration was given to the utilities on site for the subject and all comparables. They were all similar in utility setup and no adjustments were needed.

Zoning

Consideration was given to the zoning of the subject and each of the comparables. The subject is zoned J. Comparables 1 and 2 are zoned PD. Comparable 3 is zoned D. The market did not indicate a need for adjustment due to zoning. Therefore, no adjustments were made.

Sales Comparison Approach Conclusion – Land Valuation

The adjusted values of the comparable properties range from **$330,409** to**$399,072** per acre; the average is **$354,272**. All of the value indications have been considered, and in the final analysis, all comparables have been given equal weight in arriving at our final reconciled per acre value of **$355,000**.

As Is Market Value	
Indicated Value per Acre:	**$355,000**
Subject Size:	**0.57**
Indicated Value:	**$202,350**
Rounded:	**$200,000**

Cost Analysis

The next step in the Cost Approach is to estimate the replacement cost of the buildings and site improvements. The replacement cost of the subject site and building improvements are based on Marshall & Swift, a nationally recognized cost service.

Marketing & Leasing Commissions

It is often appropriate to add marketing expenses and leasing commissions necessary to bring an income producing property to stabilized occupancy to the cost schedule. In this case, these costs have been estimated at $0.

Developer's Profit

This factor reflects the profit necessary for the developer to undertake the management, responsibility and risks of construction associated with the subject property. Current valuation theory states that the four components that create value are land, labor, capital and coordination. Developer's profit as used in the Cost Approach reflects the coordination component of value. Typically, developer's profit runs 10.0% to 20%: we have computed developer's profit at 10.0% of construction costs.

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable.

External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable.

Depreciation Accrued to the Subject As Is

Depreciation: Section 1 of 2				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	25	50	50%	$832,565
Physical Depreciation: Site	10	20	50%	$16,500
Functional Obsolescence Building			0%	$0
External Obsolescence Building			0%	$0
			Total Depreciation	$849,065
			Depreciated Value of Improvements	$849,065
			Cost Per Square Foot Gross Building Area	$28.91

The subject has an effective age of 25 year. Properties of this type are anticipated to have an economic life of 50 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject is 25/50, or 50 percent.

Cost Approach Conclusion As Is

Based on the analysis detailed on the following page, as of April 8, 2014 we have reconciled to an as is cost approach value of:

$2,420,000

Two Million Four Hundred Twenty Thousand Dollars

Cost Analysis - Section 1 of 2

Marshall & Swift

Cost Source:	Marshall & Swift	# 13: Stores & Commercials	
No. of Stories Multiplier:	1.000	**Local Multiplier:**	1.120
Height/Story Multiplier:	1.000	**Current Cost Multiplier:**	1.050
Perimeter Multiplier:	1.000	**Combined Multipliers:**	1.176

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Good Class B Retail Stores	Sq. Ft.	$118.44	10,868	1.176	$1,513,754
				Total Building Improvement Costs	**$1,513,754**
				Price per SF Gross Building Area	$51.54

Site Improvements

Item	Unit Type	Cost	Quantity	Total
Paving	Lump Sum	$30,000	1	$30,000
			Total Site Improvement Costs	**$30,000**
			Subtotal: Building & Site Costs	**$1,543,754**
			Price per SF Gross Building Area	$52.56

Total Costs

Subtotal: Building, Site & Soft Costs		$1,543,754
Developer's Profit	10.0%	$154,375
Total Cost		**$1,698,130**
Price per SF Gross Building Area		$57.81

Depreciation: Section 1 of 2

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	25	50	50%	$832,565
Physical Depreciation: Site	10	20	50%	$16,500
Functional Obsolescence Building			0%	$0
External Obsolescence Building			0%	$0
			Total Depreciation	**$849,065**
			Depreciated Value of Improvements	**$849,065**
			Cost Per Square Foot Gross Building Area	$28.91

Additional Cost Sections

Cost Section 2	$1,367,598
Cost Section 3	$0

Land Value

Land Value	$200,000
Other	$0
Cost Approach Value Indication	**$2,416,663**
Rounded	**$2,420,000**
Price per SF Gross Building Area	**$82.39**

Cost Analysis - Section 2 of 2

Marshall & Swift

Cost Source:	Marshall & Swift	# 12: Dwellings, Multiples, Motels	
No. of Stories Multiplier:	1.000	**Local Multiplier:**	1.120
Height/Story Multiplier:	1.000	**Current Cost Multiplier:**	1.040
Perimeter Multiplier:	1.000	**Combined Multipliers:**	1.165

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Good Class C Shell Multiple Residences	Sq. Ft.	$57.68	18,505	1.165	$1,243,271
				Total Building Improvement Costs	**$1,243,271**
				Price per SF Gross Building Area	$182.00

Total Costs

Subtotal: Building, Site & Soft Costs		$1,243,271
Developer's Profit	10.0%	$124,327
Total Cost		**$1,367,598**
Price per SF Gross Building Area		$200.20

Depreciation Accrued to the Subject As Complete

Depreciation: Section 1 of 2				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	1	50	2%	$53,452
Physical Depreciation: Site	5	20	25%	$26,125
Functional Obsolescence Building			0%	$0
External Obsolescence Building			0%	$0
			Total Depreciation	$79,577
			Depreciated Value of Improvements	$2,697,519

Depreciation: Section 2 of 2				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	1	50	2%	$61,317
Physical Depreciation: Site	0	0	0%	$0
Functional Obsolescence Building			0%	$0
External Obsolescence Building			0%	$0
			Total Depreciation	$61,317
			Depreciated Value of Improvements	$3,004,555
			Price per SF Gross Building Area	$439.84

The subject has an effective age of one year. Properties of this type are anticipated to have an economic life of 50 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject is 1/50, or two percent.

Cost Approach Conclusion As Complete

Based on the analysis detailed on the following page, as of April 8, 2014 we have reconciled to an as complete cost approach value of:

$5,900,000

Five Million Nine Hundred Thousand Dollars

Marshall & Swift

Cost Source:	Marshall & Swift	# 13: Stores & Commercials	
No. of Stories Multiplier:	1.000	**Local Multiplier:**	1.120
Height/Story Multiplier:	1.000	**Current Cost Multiplier:**	1.050
Perimeter Multiplier:	1.000	**Combined Multipliers:**	1.176

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Good Class B Retail Stores	Sq. Ft.	$158.65	10,868	1.176	$2,027,669
				Total Building Improvement Costs	**$2,027,669**
				Price per SF Gross Building Area	$69.03

Site Improvements

Item	Unit Type	Cost	Quantity	Total
Paving	Lump Sum	$30,000	1	$30,000
Site Utilities	Lump Sum	$60,000	1	$60,000
Signage	Lump Sum	$5,000	1	$5,000
			Total Site Improvement Costs	**$95,000**
			Subtotal: Building & Site Costs	**$2,122,669**
			Price per SF Gross Building Area	$72.27

Soft Costs

Item		Percent Type	Total
Bond Premium and Oher Fees	3.0%	% of Building Cost building cost	$60,830
Architectural	5.0%	% Bld. & Site Cost building and site costs	$106,133
Carrying Charges and Financing			$150,000
Permits & Legal			$55,000
Other			$30,000
		Total Soft Costs	**$401,964**

Total Costs

Subtotal: Building, Site & Soft Costs		$2,524,632
Developer's Profit	10.0%	$252,463
Total Cost		**$2,777,096**
Price per SF Gross Building Area		$94.55

Depreciation: Section 1 of 2

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	1	50	2%	$53,452
Physical Depreciation: Site	5	20	25%	$26,125
Functional Obsolescence Building			0%	$0
External Obsolescence Building			0%	$0
			Total Depreciation	**$79,577**
			Depreciated Value of Improvements	**$2,697,519**
			Cost Per Square Foot Gross Building Area	$91.84

Additional Cost Sections

Cost Section 2	$3,004,555
Cost Section 3	$0

Land Value

Land Value	$200,000
Other	$0
Cost Approach Value Indication	**$5,902,074**
Rounded	**$5,900,000**
Price per SF Gross Building Area	**$200.86**

Cost Analysis - Section 2 of 2

Marshall & Swift

Cost Source:	Marshall & Swift	# 12: Dwellings, Multiples, Motels	
No. of Stories Multiplier:	1.000	**Local Multiplier:**	1.120
Height/Story Multiplier:	1.000	**Current Cost Multiplier:**	1.040
Perimeter Multiplier:	1.000	**Combined Multipliers:**	1.165

Building Improvements

Item	Unit Type	Cost	Quantity	Multiplier	Total
Good Class C Multiple Residences	Sq. Ft.	$127.01	18,505	1.165	$2,737,653
Built-Ins	Per Unit	$2,500.00	17	1.165	$49,504
				Total Building Improvement Costs	**$2,787,157**
				Price per SF Gross Building Area	$408.02

Total Costs

Subtotal: Building, Site & Soft Costs		$2,787,157
Developer's Profit	10.0%	$278,716
Total Cost		**$3,065,872**
Price per SF Gross Building Area		$448.82

Depreciation: Section 2 of 2

Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	1	50	2%	$61,317
Physical Depreciation: Site	0	0	0%	$0
Functional Obsolescence Building			0%	$0
External Obsolescence Building			0%	$0
			Total Depreciation	**$61,317**
			Depreciated Value of Improvements	**$3,004,555**
			Price per SF Gross Building Area	$439.84

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

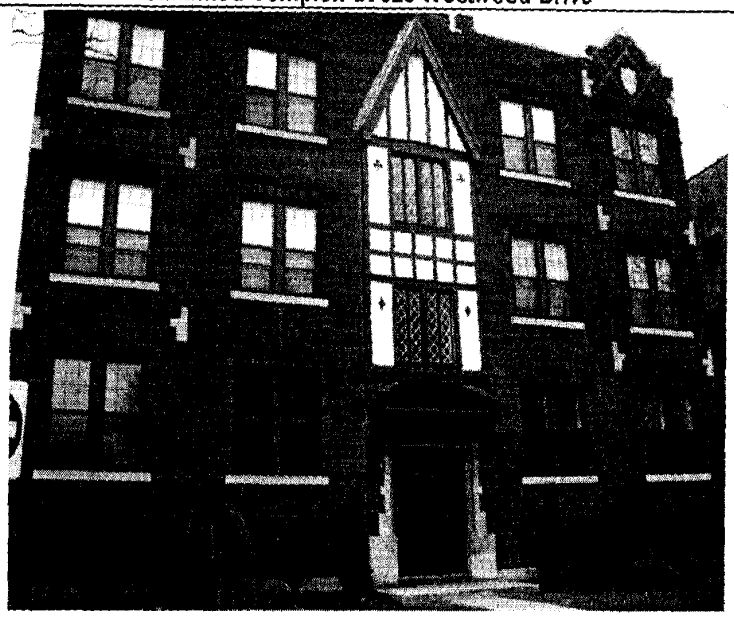
- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparables

We have researched three comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comparable	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	625 Westwood Drive	3/6/2012	$1,915,000	$319,166.67	6	1929/2012
2	2425 Laclede Station Road	9/5/2012	$3,325,000	$237,500.00	14	1969
3	7553 Cromwell Drive	1/17/2013	$1,272,500	$318,125.00	4	1956

Unnamed Complex at 625 Westwood Drive



Comparable 1

Address	625 Westwood Drive	**Date**	3/6/2012
City	Clayton	**Price**	$1,915,000
County	St. Louis	**Price per Unit**	$319,166.67
State	Missouri	**Transaction Type**	Closed
Tax ID	19J-41-0011	**Financing**	Conventional
Grantor	Cornerstone Westwood,	**Property Rights**	Fee Simple
Grantee	Eastgate Investments, Inc.	**Verification Source**	Assessor
Property Type	Multifamily	**Deed Book/Page**	19888-2758

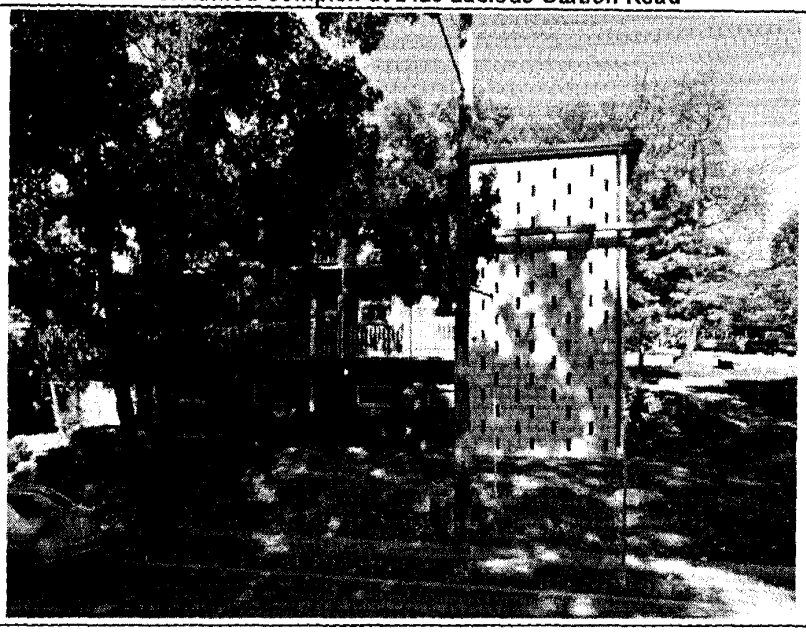
Site

Acres	0.14	**Topography**	Nearly Level
Land SF	6,098	**Zoning**	Multifamily
Road Frontage	Westwood Drive	**Utilities**	E, G, W, S

Improvements & Financial Data

GBA	8,488	**Construction Type**	Brick
Rentable Area	8,488	**HVAC**	Central Electric/Central
Total No. of Units	6	**Parking**	L/0
Year Built/Renovated	1929/2012	**Structure/Stories**	WU/3
Condition/Street Appeal	Similar	**Utilities with Rent**	Water, Sewer, Trash
Unit Amenities	Refrigerator, Range/Oven, Dishwasher, Microwave, Washer, Dryer, Hardwood, Tile, Blinds, Coat Closet		
Project Amenities	Security		

Unnamed Complex at 2425 Laclede Station Road



Comparable 2

Address	2425 Laclede Station Road	**Date**	9/5/2012
City	Maplewood	**Price**	$3,325,000
County	St. Louis	**Price per Unit**	$237,500.00
State	Missouri	**Transaction Type**	Closed
Tax ID	21J-41-0980	**Financing**	Conventional
Grantor	Yorkshire Investments, Inc.	**Property Rights**	Fee Simple
Grantee	Laclede Station Partners,	**Verification Source**	
Property Type	Multifamily	**Deed Book/Page**	20144-3295

Site

Acres	1.63	**Topography**	Nearly Level
Land SF	71,003	**Zoning**	Multifamily
Road Frontage	Laclede Station Road	**Utilities**	E, G, W, S

Improvements & Financial Data

GBA	45,126	**Construction Type**	Brick
Rentable Area	45,126	**HVAC**	Central Elecric/Wall Electric
Total No. of Units	14	**Parking**	L/0
Year Built/Renovated	1969	**Structure/Stories**	WU/3
Condition/Street Appeal	Similar	**Utilities with Rent**	Water, Sewer, Trash
Unit Amenities	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Coat Closet		
Project Amenities	None		

Unnamed Complex at 7553 Cromwell Drive

Comparable 3

Address	7553 Cromwell Drive	**Date**	1/17/2013
City	St. Louis	**Price**	$1,272,500
County	St. Louis	**Price per Unit**	$318,125.00
State	Missouri	**Transaction Type**	Closed
Tax ID	19J-11-0326	**Financing**	Conventional
Grantor	Hu Real Estate, LLC	**Property Rights**	Fee Simple
Grantee	Western Continental	**Verification Source**	
Property Type	Multifamily	**Deed Book/Page**	20336-2015

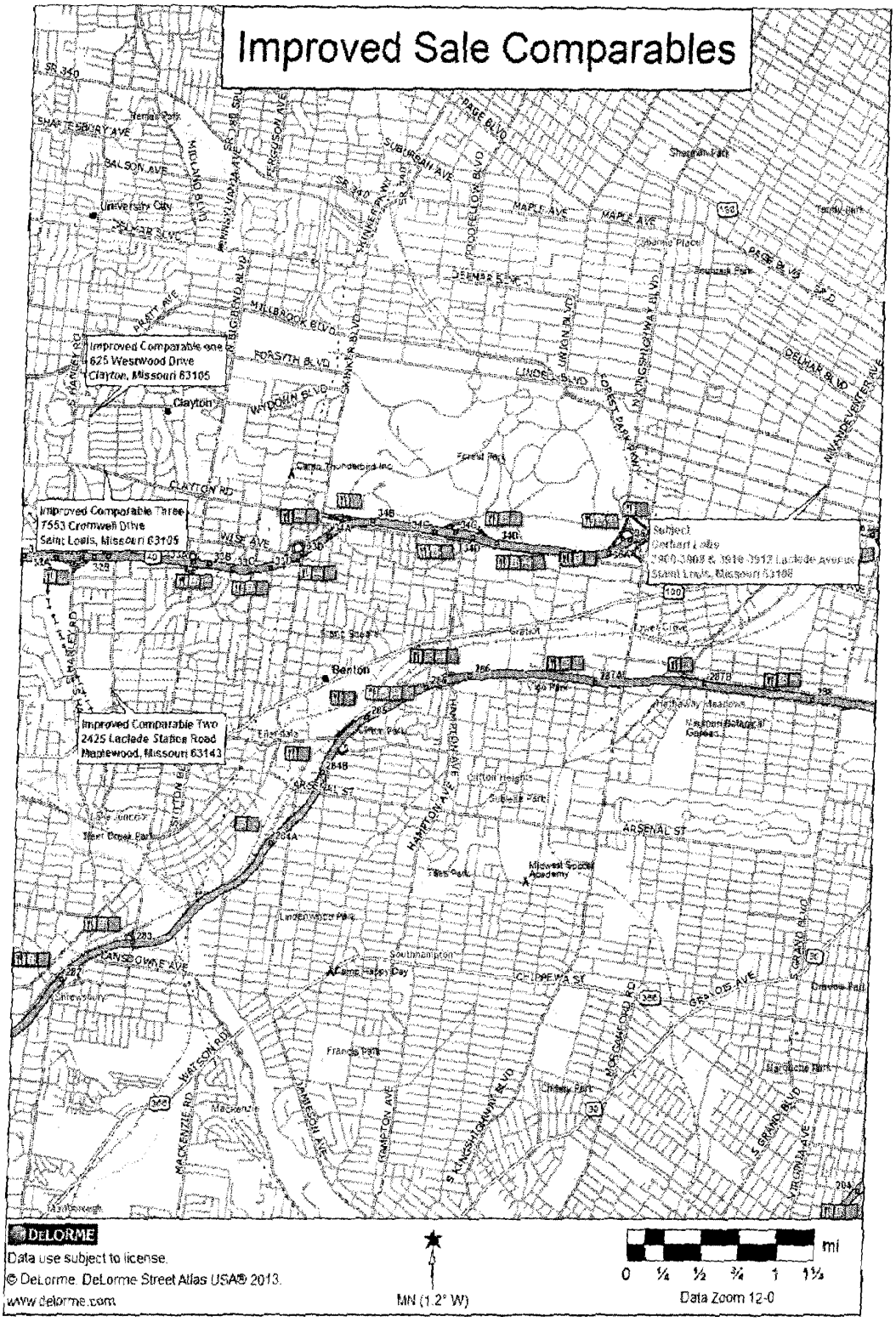
Site

Acres	0.42	**Topography**	Nearly Level
Land SF	18,295	**Zoning**	Multifamily
Road Frontage	Cromwell Drive	**Utilities**	E, G, W, S

Improvements & Financial Data

GBA	18,798	**Construction Type**	Brick
Rentable Area	18,798	**HVAC**	Central Electric/Central
Total No. of Units	4	**Parking**	Parking Garage
Year Built/Renovated	1956	**Structure/Stories**	WU/2
Condition/Street Appeal	Similar	**Utilities with Rent**	Water, Sewer, Trash
Unit Amenities	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Coat Closet		
Project Amenities	None		

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Analysis Grid		Comp 1	Comp 2	Comp 3
Address	3900-3908 & 3910-3912 Laclede Avenue	625 Westwood Drive	2425 Laclede Station Road	7553 Cromwell Drive
City	Saint Louis	Clayton	Maplewood	St. Louis
State	Missouri	Missouri	Missouri	Missouri
Date	4/8/2014	3/6/2012	9/5/2012	1/17/2013
Price	$0	$1,915,000	$3,325,000	$1,272,500
Total No. of Units	17	6	14	4
Price per Unit	0	$319,166.67	$237,500.00	$318,125.00
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Cash	Normal	Normal	Normal
Adjusted Price per Unit		**$319,166.67**	**$237,500.00**	**$318,125.00**
Market Trends Through 4/8/14	0.0%	0.0%	0.0%	0.0%
Adjusted Price per Unit		$319,166.67	$237,500.00	$318,125.00
Location	Average	Superior	Superior	Superior
% Adjustment		-15%	-5%	-15%
$ Adjustment		-$47,875.00	-$11,875.00	-$47,718.75
Total No. of Units	17	6	14	4
% Adjustment		0%	0%	0%
$ Adjustment		$0.00	$0.00	$0.00
Year Built/Renovated	1891 & 1896/Proposed	1929/2012	1969	1956
% Adjustment		0%	0%	0%
$ Adjustment		$0.00	$0.00	$0.00
Condition/Street Appeal	Average	Inferior	Inferior	Inferior
% Adjustment		10%	25%	25%
$ Adjustment		$31,916.67	$59,375.00	$79,531.25
HVAC	Central Electric/Central Electric	Central Electric/Central Electric	Central Elecric/Wall Electric	Central Electric/Central Electric
% Adjustment		0%	0%	0%
$ Adjustment		$0.00	$0.00	$0.00
Parking	Parking Lot	Street Parking	Parking Lot	Parking Garage
% Adjustment		1%	0%	-2%
$ Adjustment		$3,191.67	$0.00	-$6,362.50
Unit Amenities	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Ice Maker, Carpet, Tile, Blinds, Ceiling Fans, Fireplace, Walk-In Closet Coat Closet	Refrigerator, Range/Oven, Dishwasher, Microwave, Washer, Dryer, Hardwood, Tile, Blinds, Coat Closet	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Coat Closet	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Coat Closet
% Adjustment		1%	2%	2%
$ Adjustment		$3,191.67	$4,750.00	$6,362.50
Project Amenities	Finess Center, Transportation	Security	None	None
% Adjustment		1%	2%	2%
$ Adjustment		$3,191.67	$4,750.00	$6,362.50
Retail Space	Yes	No	No	No
% Adjustment		30%	30%	30%
$ Adjustment		$95,750.00	$71,250.00	$95,437.50
Adjusted Price per Unit		**$408,533.33**	**$365,750.00**	**$451,737.50**
Net Adjustments		28.0%	54.0%	42.0%
Gross Adjustments		58.0%	64.0%	76.0%

Reconciled Value per Unit: $409,000.00
Subject Size: 17
Reconciled Value: $6,953,000
Rounded: $6,955,000

Comparable Sale Adjustments As Complete

Adjustment Notes

The sale prices of the comparables range from **$237,500** to **$319,167** per unit before adjustments. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

Conditions of Sale

In an "arm's length" sale, there should not be any unusual motivations affecting the willingness of each party to the transaction. Neither party should be acting in any manner other than what they consider to be their best interests. No other adjustments for conditions of the sale are considered to be necessary.

Location

Consideration was given to the location of the subject and each of the comparables. The subject was considered slightly inferior to Comparables 1, 2 and 3 in terms of location Comparables 1 and 3 were adjusted downward 15 percent. Comparable 2 was adjusted downward five percent.

Total Number of Units

Consideration was given to the size of the subject as to the comparables. The subject contains 17 units. The comparables range from four to 14 units. No adjustments were needed.

Year Built/Renovated

Consideration was given to the year built of the subject and each of the comparables. The subject was built in 1891 and 1896 and will be renovated. Comparable 1 was built in 1929 and renovated in 2012. Comparable 2 was constructed in 1969. Comparable 3 was built in 1956. Any adjustments needed were made in the condition/street appeal section.

Condition/Street Appeal

Consideration was given to the condition of the subject and each of the comparables. Comparables 1, 2 and 3 will be considered inferior to the subject. Comparable 1 was adjusted upward 10 percent and Comparables 2 and 3 were adjusted upward 25 percent.

Parking

The subject and Comparable 2 contains parking lots. Comparable 1 contains street parking and was adjusted upward one percent. Comparable 3 contains a parking garage and was adjusted downward two percent.

Unit Amenties

The subject will contain a range/oven, refrigerator, garbage disposal, dishwasher, microwave, ice maker, carpet, tile, blinds, ceiling fans, fireplace, walk-in closet and coat closet. Comparable 1 contains a range/oven, refrigerator, dishwasher, microwave, washer, dryer, hardwood, tile, blinds and coat closet and was adjusted upward one percent. Comparable 2 contains a range/oven, refrigerator, dishwasher, washer/dryer

hook-ups, carpet, tile, blinds and coat closet and was adjusted upward two percent. Comparable 3 contains a range/oven, refrigerator, dishwasher, washer/dryer hook-ups, carpet, tile, blinds and coat closet and was adjusted upward two percent.

Project Amenities

The subject will contains a fitness center and transportation. Comparable 1 contains security and was adjusted upward one percent. Comparables 2 and 3 do not contain any project amenities and were adjusted upward two percent.

Retail Space

The subject contains retail space on the first floor of one of the buildings. None of the comparables contain any retail space and were adjusted upward 30 percent.

Sales Comparison Approach Conclusion As Complete

The adjusted values of the comparable properties range from to $365,750 to$451,738; the average is $408,674. All of the value indications have been considered, and in the final analysis, all comparables have been given equal weight in arriving at our final reconciled per unit value of **$409,000.00**.

As Complete Market Value	
Indicated Value per Unit:	**$409,000.00**
Subject Size:	**17**
Indicated Value:	**$6,953,000**
Rounded:	**$6,955,000**

Sales Approach Conclusion As Complete

Based on the analysis detailed on the following page, as of April 8, 2014 we have reconciled to a cost approach value of:

$6,955,000

Six Million Nine Hundred Fifty-Five Thousand Dollars

Income Approach

The Income Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for value of the property.

Direct Capitalization Analysis

The steps involved in capitalizing the subject's net operating income are as follows:

- Develop the subject's Potential Gross Income (PGI) through analysis of the subject's actual historic income and an analysis of competitive current market income rates.
- Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
- Develop and subtract operating expenses to derive the Net Operating Income (NOI).
- Develop the appropriate capitalization rate (R_o).
- Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

Potential Gross Income (PGI)

Current Income

The table below outlines the subject's proposed income.

Income	
Unit/Occupant	**2015**
8 Commercial Units with 740 SF	$142,080
2 Commercial Units with 950 SF	$44,808
Commercial Unit with 1,100 SF	$22,404
2BR / 2BA with 803 SF	$18,096
4 2BR / 2BA with 810 SF	$72,384
2BR / 2BA with 877 SF	$18,096
4 2BR / 2BA with 890 SF	$72,384
2 2BR / 2BA with 914 SF	$35,760
4 2BR / 2BA with 941 SF	$72,384
2BR / 2BA with 1,122 SF	$20,652
Totals	$519,048

Market Rent

Market Rent Comparables - Retail

We have researched five comparables for this analysis; these are documented on the following pages followed by a location map. The subject's proposed rental rate is $20.37 per square foot per month for one of the units; $23.58 per square foot per month for two of the units; and $24.00 per square foot per month for eight of the units. The comparables in the area indicated a range of $13.00 to $36.61 per square foot. Due to the condition of the subject and the area rental rates, the subject's actual rental rate was determined to be an accurate indicator of the current market rent. Therefore, it was utilized in the net operating income calculation.

Comp #	Name	Unt Type	Size	Rent/Month	Rent/SF
1	Euclid Hall Storefront	Retail	900	$24,300	$27.00
2	4253 Laclede Avenue	Retail	2,350	$30,550	$13.00
3	226 North Euclid Avenue	Retail	844	$30,899	$36.61
4	115 North Euclid Avenue	Retail	2,100	$46,200	$22.00
5	Park East Tower	Retail	1,431	$45,792	$32.00

Euclid Hall Storefront			
Lease Comparable 1			
Address	393 North Euclid Avenue	**Date**	4/8/2014
City	Saint Loius	**Rent Measure**	SF Per Year
County	Saint Louis City	**Rent per SF**	$27.00
State	Missouri	**Annual Lease**	$291,600
Zip	63108	**SF Leased**	900
Lessor	Rothschild Development Ltd	**GBA**	21903
Lessee	Mary Janes	**Property Type**	Retail
Year Built/Renovated	1905	**Condition**	

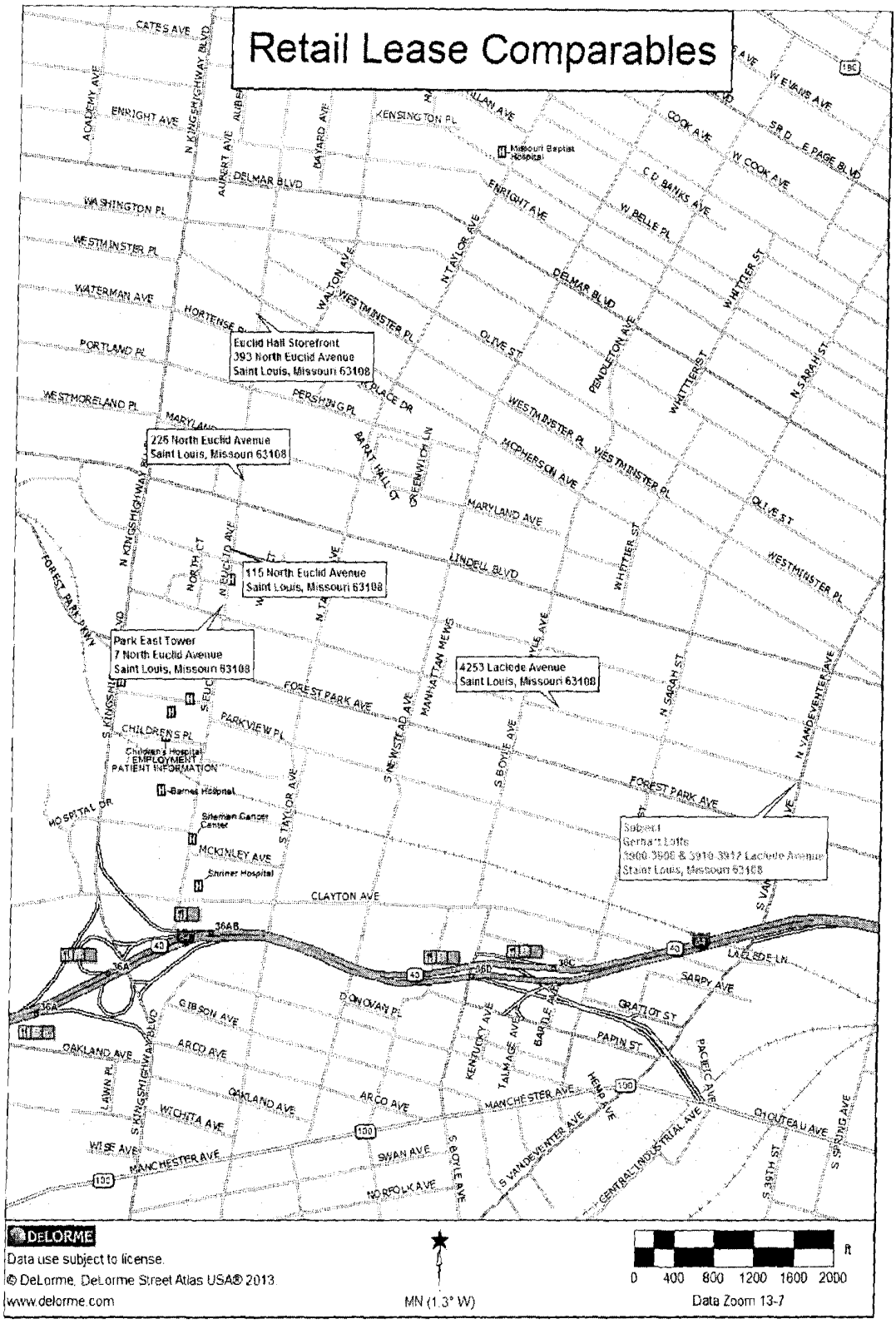
4253 Laclede Avenue			
Lease Comparable 2			
Address	4253 Laclede Avenue	**Date**	4/8/2014
City	Saint Louis	**Rent Measure**	SF Per Year
County	Saint Louis City	**Rent per SF**	$13.00
State	Missouri	**Annual Lease**	$366,600
Zip	63108	**SF Leased**	2350
Lessor	Duffe-Nuernberger Realty	**GBA**	2350
Lessee		**Property Type**	Commercial
Year Built/Renovated	1925/2014	**Condition**	

226 North Euclid Avenue			
Lease Comparable 3			
Address	226 North Euclid Avenue	**Date**	4/8/2014
City	Saint Louis	**Rent Measure**	SF Per Year
County	Saint Louis City	**Rent per SF**	$36.61
State	Missouri	**Annual Lease**	$30,899
Zip	63108	**SF Leased**	844
Lessor	Red Brick Management	**GBA**	844
Lessee	Cecil Wittakers Pizzeria	**Property Type**	Restaurant
Year Built/Renovated	1927	**Condition**	

115 North Euclid Avenue			
Lease Comparable 4			
Address	115 North Euclid Avenue	**Date**	4/8/2014
City	Saint Louis	**Rent Measure**	SF Per Year
County	Saint Louis City	**Rent per SF**	$22.00
State	Missouri	**Annual Lease**	$46,200
Zip	63108	**SF Leased**	2100
Lessor	AH Realty Advisors	**GBA**	8000
Lessee	Subway	**Property Type**	Retail
Year Built/Renovated	1926	**Condition**	

Park East Tower			
Lease Comparable 5			
Address	7 North Euclid Avenue	**Date**	4/8/2014
City	Saint Louis	**Rent Measure**	SF Per Year
County	Saint Louis City	**Rent per SF**	$32
State	Missouri	**Annual Lease**	$45,792
Zip	63108	**SF Leased**	1431
Lessor	Hutkin Development	**GBA**	1431
Lessee	Clarkson Eye Care	**Property Type**	Retail
Year Built/Renovated	2009	**Condition**	

Comparables Map - Retail

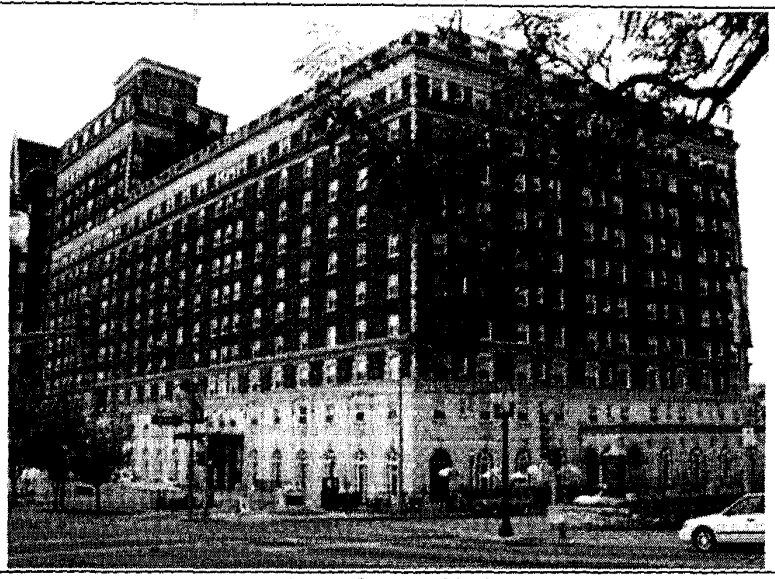


Market Rent Comparables - Apartments

We have researched ten comparables for this analysis; these are documented on the following pages followed by a location map. The subject's proposed rental rate is $1,490 per month for two of the units; $1,508 per month for 14 of the units; and $1,721 per month for one of the units. The comparables in the area indicated a range of $1,300 to $2,050 for two-bedroom units. Due to the condition of the subject and the area rental rates, the subject's actual rental rate was determined to be an accurate indicator of the current market rent. Therefore, it was utilized in the net operating income calculation.

Comp #	Name	Unt Type	Size	Rent/Month	Rent/SF
1	3701 Lindell Boulevard	2BR 2BA	955	$2,050	$2.15
2	229 Vandeventer Place	2BR 1BA	900	$1,550	$1.72
3	3747 Lindell Boulevard	2BR 1BA	575	$1,300	$2.26
4	3821 Lindell Boulevard	2BR 2BA	985	$1,980	$2.01
5	4400 Lindell Boulevard	2BR 2BA	1,300	$1,489	$1.15

Coronada Place



Lease Comparable 1

Name	Coronada Place	**Verification Date**	4/8/2014
Address	3701 Lindell Boulevard	**Verification Source**	Catherine
City	Saint Louis	**Phone Number**	314-773-0100
County	Saint Louis City	**Type Affordable Housing**	Market
State	Missouri	**Property Type**	Multifamily
Zip	63108	**Structure/Stories**	E/15
Total No. of Units	148	**Year Built/Renovated**	1925/2003
No. Buildings	1	**Project Occupancy%**	97%
Utilities with Rent	Gas, Electric, Water, Sewer, Trash	**Rent/Inc. Restrictions**	None

Leased Space

No. of Units	Bedrooms	Baths	Interior Size	Average Rent
8	Studio	1.0	394	$1,000
24	1	1.0	494 - 576	$1,035 - $1,095
52	2	1.0	815	$2,000
52	2	2.0	955	$2,050
12	3	2.0	1,205	$2,300

Building

Unit Amenities	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Carpet, Blinds, Ceiling Fans, Coat Closet
Project Amenities	Clubhouse, Community Room, Swimming Pool, Fitness Center, Laundry Facility, Intercom/Electric Entry, Video Surveillance
Parking	S/0
Comments	This complex does not maintain a waiting list. The annual turnover rate was unknown.

Lindell-Vandeventer

Lease Comparable 2

Name	Lindell-Vandeventer	**Verification Date**	4/8/2014
Address	229 Vandeventer Place	**Verification Source**	Catherine
City	Saint Louis	**Phone Number**	314-773-0100
County	Saint Louis City	**Type Affordable Housing**	Market
State	Missouri	**Property Type**	Multifamily
Zip	63108	**Structure/Stories**	E/4
Total No. of Units	30	**Year Built/Renovated**	1920/2000
No. Buildings	1	**Project Occupancy%**	97%
Utilities with Rent	Gas, Electric, Water, Sewer, Trash	**Rent/Inc. Restrictions**	None

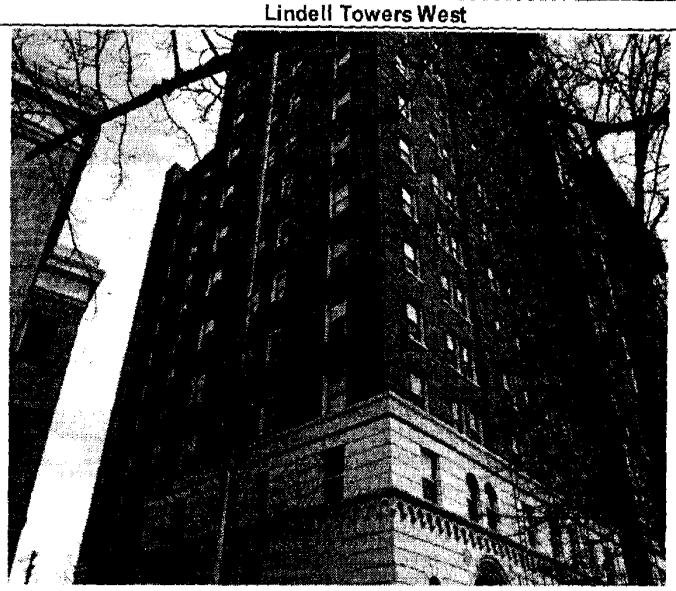
Leased Space

Used in RCS?	No. of Units	Bedrooms	Baths	Interior Size	Average Rent
Y	22	2	1.0	900	$1,550
Y	8	3	1.0	1,200	$1,650

Building

Unit Amenities	Range/Oven, Refrigerator, Dishwasher, Carpet, Blinds, Coat Closet
Project Amenities	Laundry Facility, Intercom/Electric Entry, Video Surveillance
Parking	PG/65, S/0
Comments	This complex does not maintain a waiting list. The annual turnover rate was unknown.

Lindell Towers West



Lease Comparable 3

Name	Lindell Towers West	**Verification Date**	4/8/2014
Address	3745 Lindell Boulevard	**Verification Source**	Meg
City	Saint Louis	**Phone Number**	314-446-4501
County	Saint Louis City	**Type Affordable Housing**	Market
State	Missouri	**Property Type**	Multifamily
Zip	63108	**Structure/Stories**	E/14
Total No. of Units	84	**Year Built/Renovated**	1925/2004
No. Buildings	1	**Project Occupancy%**	100%
Utilities with Rent	Gas, Electric, Water, Sewer, Trash	**Rent/Inc. Restrictions**	None

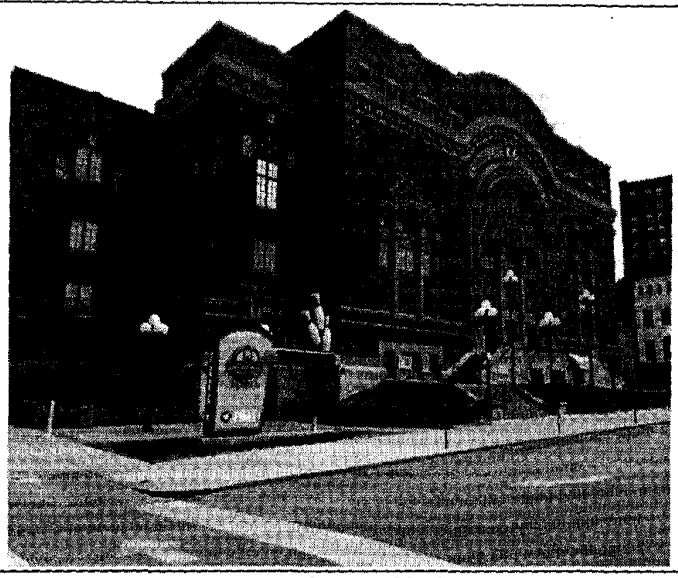
Leased Space

No. of Units	Bedrooms	Baths	Interior Size	Average Rent
24	Studio	1.0	275	$1,015
Unknown	Studio	1.0	325	$325
48	1	1.0	375	$1,248
Unknown	1	1.0	450	$1,252
12	2	1.0	575	$1,300

Building

Unit Amenities	Range/Oven, Refrigerator, Dishwasher, Tiel, Blinds, Ceiling Fans
Project Amenities	Community Room, Swimming Pool, Fitness Center, Laundry Facility, On-Site Management, Intercom/Electric Entry
Parking	PG/60
Comments	The waiting list and annual turnover rate were not disclosed. There is a $30 application fee and the security deposit is the same as the first month's rent.

Moolah Place



Lease Comparable 4

Name	Moolah Place	**Verification Date**	4/8/2014
Address	3821 Lindell Boulevard	**Verification Source**	Catherine
City	Saint Louis	**Phone Number**	314-773-0100
County	Saint Louis City	**Type Affordable Housing**	Market
State	Missouri	**Property Type**	Multifamily
Zip	63108	**Structure/Stories**	E/4
Total No. of Units	22	**Year Built/Renovated**	1912/2005
No. Buildings	1	**Project Occupancy%**	100%
Utilities with Rent	Water, Sewer, Trash	**Rent/Inc. Restrictions**	None

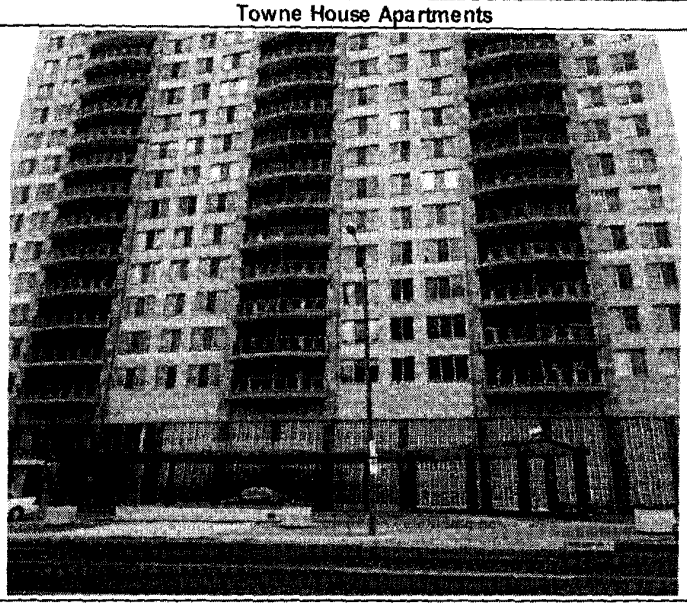
Leased Space

No. of Units	Bedrooms	Baths	Interior Size	Average Rent
2	Studio	1.0	960	$1,500
2	1	1.0	695 - 725	$1,875
3	2 (TH)	1.5	865 - 950	$1,955
1	2	2.0	985	$1,980
4	3	1.5	1,190 - 1,280	$2,000
9	3	2.0	1,085 - 1,405	$2,275
1	3 (TH)	2.5	1,160	$2,300

Building

Unit Amenities	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Washer/Dryer, Hardwood, Blinds, Coat Closet
Project Amenities	Community Room, Swimming Pool, Fitness Center, Intercom/Electric Entry, Video Surveillance, Bar/Lounge
Parking	PG/65
Comments	This complex does not maintain a waiting list. The annual turnover rate was unknown.

Towne House Apartments



Lease Comparable 5

Name	Towne House Apartments	**Verification Date**	4/8/2014
Address	4400 Lindell Boulevard	**Verification Source**	Grace
City	Saint Louis	**Phone Number**	314-535-4400
County	Saint Louis City	**Type Affordable Housing**	Market
State	Missouri	**Property Type**	Multifamily
Zip	63108	**Structure/Stories**	E/23
Total No. of Units	301	**Year Built/Renovated**	1966/1998
No. Buildings	1	**Project Occupancy%**	96%
Utilities with Rent	None	**Rent/Inc. Restrictions**	None

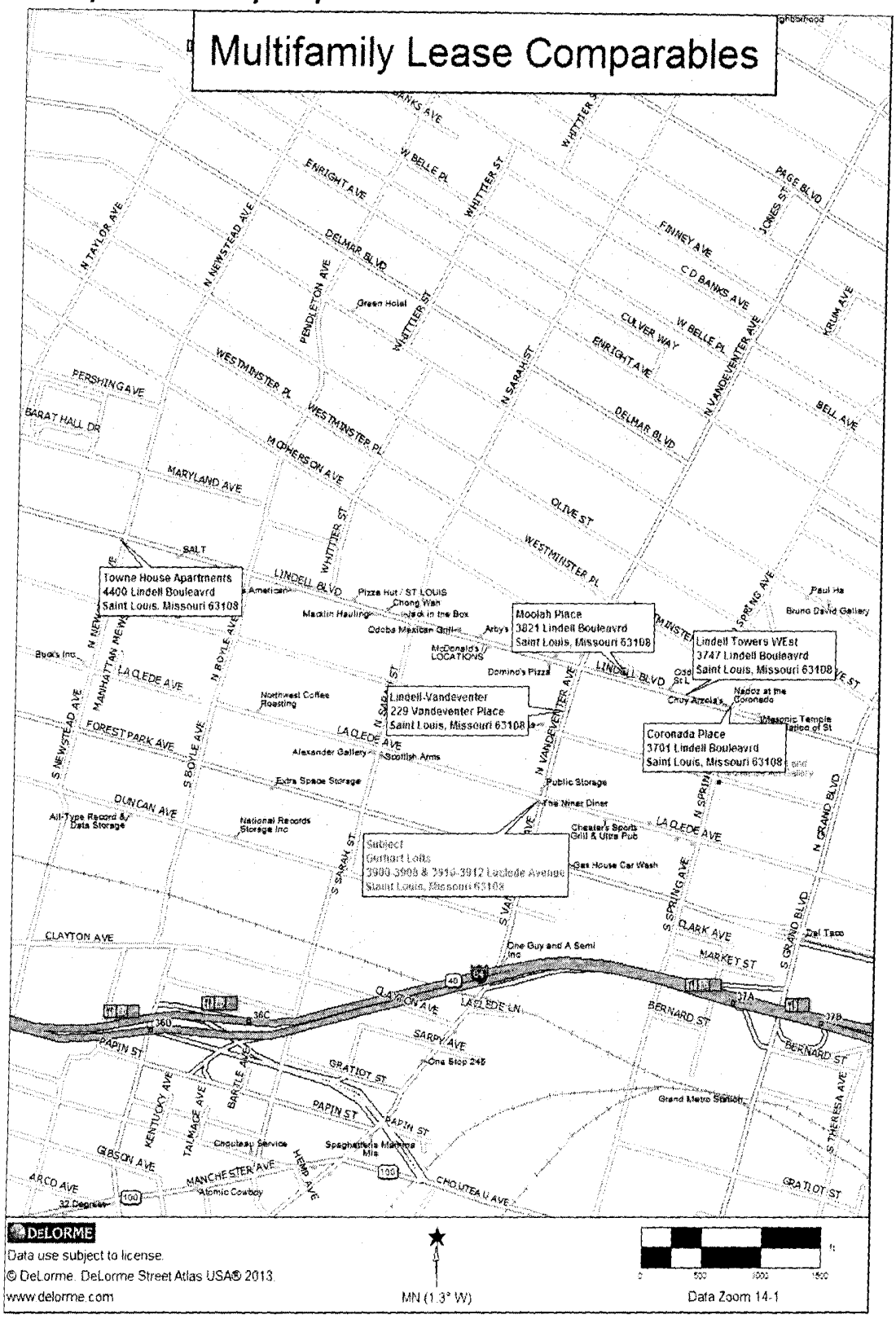
Leased Space

No. of Units	Bedrooms	Baths	Interior Size	Average Rent
13	Studio	1.0	600	$1,000
95	1	1.0	750 - 850	$1,025
92	1	2.0	1,000	$1,270
88	2	2.0	1,300	$1,489
14	3	3.0	1,600	$2,095

Building

Unit Amenities	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Carpet, Blinds, Walk-In Closet, Coat Closet, Balcony
Project Amenities	Swimming Pool, Fitness Center, Extra Storage, Business Center, Laundry Facility, On-Site Maintenance, On-Site Management, Intercom/Electric Entry, Sun Deck
Parking	G/70
Comments	This complex does not maintain a waiting list. The annual turnover rate is approximately 25 percent. There is a $30 application fee.

Comparables Map - Apartments



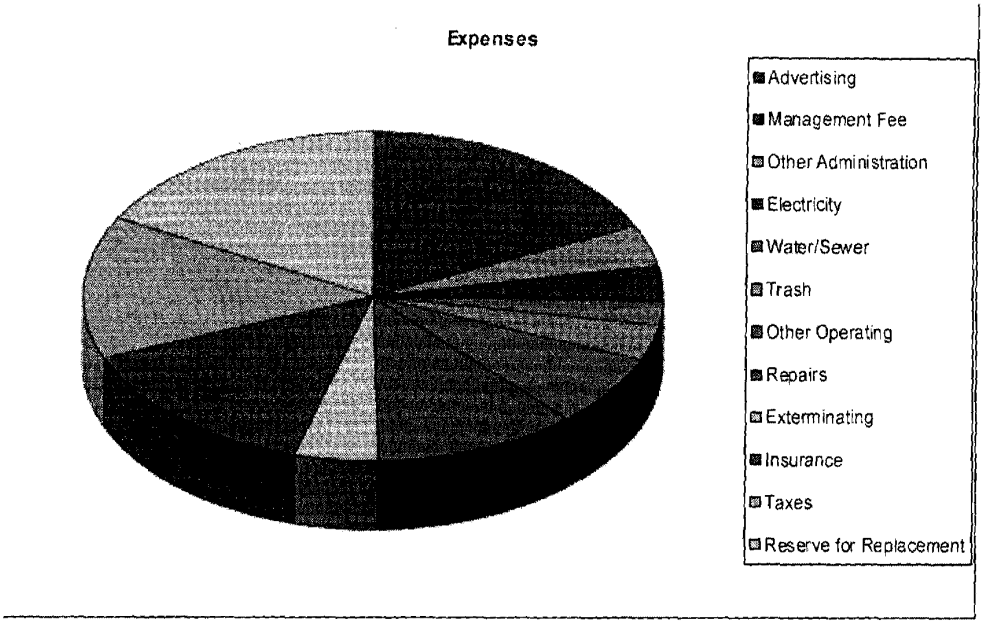
Vacancy and Collection Loss

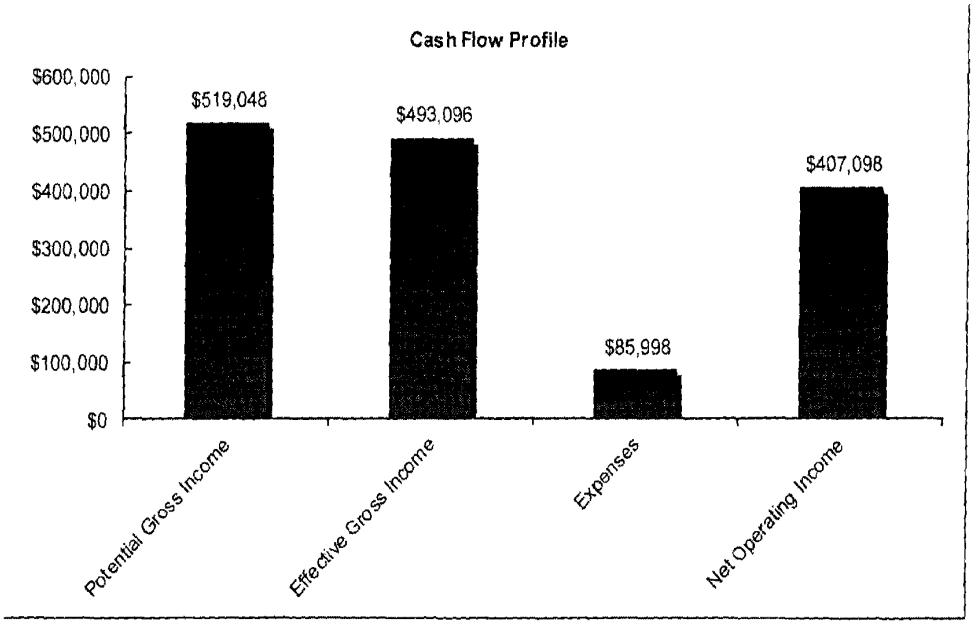
In the operation of an income producing property, some loss in income may be anticipated as a result of vacancy and uncollectible rent. Even assuming a reasonably stable tenant base, gaps may occur due to relocation or unavailability of the premises during renovation. These gaps in income equate to an annual vacancy rate serving to reduce somewhat the overall income level. Assuming a lease for this analysis, similar leased properties show a vacancy and collection loss due to the period of vacancy before a tenant can be found and for vacancies between tenants. Based on a review of market conditions and the subject's operating history we have projected vacancy and collection loss at 5.00%.

Expenses

The table below details the subject's proposed expenses.

Expenses	
Expense Item	**2015**
Advertising	$650
Management Fee	$14,705
Other Administration	$3,500
Electricity	$3,000
Water/Sewer	$2,000
Trash	$3,000
Other Operating	$6,100
Repairs	$9,750
Exterminating	$4,000
Insurance	$12,500
Taxes	$12,000
Reserve for Replacement	$20,000
Totals	$91,205





Cash Flow	Potential Gross Income	Effective Gross Income	Expenses	Net Operating Income
Amount	$519,048	$493,096	$85,998	$407,098

Capitalization Rate

The capitalization rate is the factor that coverts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

NOI ÷ Sale Price = Capitalization Rate

For example, if a property sells for $500,000, and has a stabilized NOI of $50,000, the indicated capitalization rate is 10%.

Band of Investment

This technique utilizes lender and real estate investor investment criteria to develop, or synthesize a capitalization rate. There are four key inputs necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The equity cap rate or equity dividend rate (R_E)

The mortgage variables are used to build the mortgage constant (R_M), which is the total amount of the payments made in one year, expressed as a percentage of the original loan amount.

Payments x 12 / Original Loan Amount = Mortgage Constant (R_M)

The equity cap rate is the annual return to the investor, expressed as a percent of the original amount invested. The annual return to the investor is also known as the equity dividend rate; it is the profit remaining after debt service and all other expenses.

After Debt Service Profit / Equity Investment = Equity Cap Rate (R_E)

Note that the equity cap rate is not the same (usually, that is) as the equity yield rate. The equity yield rate reflects the total return to the investor over the life of the investment. Factors such as appreciation and mortgage pay down affect and usually increase this return to a point higher than the equity dividend rate. In markets where substantial appreciation is expected, investors will often accept a low or even negative equity dividend rate, anticipating a compensating payoff when the property is eventually sold. In markets where little appreciation is expected, much more weight is given to the annual equity dividend.

Formula:

R_M x M = rate
R_E x (1-M) = rate
= Cap Rate (R_o)

Debt Coverage Ratio Analysis

This technique develops a capitalization rate based on typical mortgage terms. There are four variables necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The debt coverage ratio (DCR)

Items 1 through 3 are discussed above under the Band of Investment section. In this method it is also used to develop the mortgage constant (R_M). The debt coverage ratio is the factor by which income exceeds debt on an annual basis.

Formula:

Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant = R_o
or: DCR x M x R_M = R_o

We have researched mortgage rates and terms typical for the subject within the market area. The table below details the Band of Investment and Debt Coverage Ratio Analyses calculations.

Capitalization Rate Calculations

Capitalization Rate Variables

Mortgage Interest Rate	5.00%
Loan Term (Years)	35
Loan To Value Ratio	90.%
Debt Coverage Ratio	1.25
Equity Dividend Rate	6.00%

Band of Investment Analysis

Mortgage Constant		Loan Ratio	Contributions	
0.060562521	x	90.%	=	5.45%
Equity Dividend Rate		Equity Ratio		
6.00%	x	10.%	=	0.60%
		Band of Investment Capitalization Rate		**6.05%**

Debt Coverage Ratio Analysis

Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant		
1.25 x 0.9 x 0.0605625209119067	=	6.81%
Debt Coverage Ratio Capitalization Rate		**6.81%**

Capitalization Rate Conclusion

Due to lack of information concerning income and expenses for comparable properties in the area, the band of investment approach was utilized in order to determine the appropriate capitalization rate for the subject. The chart on the preceding page shows a 6.05 percent capitalization rate based on the band of investment analysis. Based on this

analysis, a capitalization rate of 6.00 was utilized in this report. The band of investment analysis was determined to be the most accurate indicator of the appropriate capitalization rate.

Capitalization to Value

Income Capitalization Analysis					
Unit	**Income**	**Method**	**Units/SF**	**Annual**	**% of PGI**
Annual Income	$17.67	$/Year	29,373	$519,048	100.00%
			Potential Gross Income:	$519,048	100.0%
		Vacancy & Collection Loss	5.00%	$25,952	
			Other Income:	$0	
			Effective Gross Income (EGI):	$493,096	95.0%

Expense	**Amount (% or $)**	**Method**	**Annual**	**$/SF**
Advertising	$650	$/Year	$650	$0.02
Management Fee	$14,705	$/Year	$14,705	$0.50
Other Administration	$3,500	$/Year	$3,500	$0.12
Electricity	$3,000	$/Year	$3,000	$0.10
Water/Sewer	$2,000	$/Year	$2,000	$0.07
Trash	$3,000	$/Year	$3,000	$0.10
Other Operating	$6,100	$/Year	$6,100	$0.21
Repairs	$9,750	$/Year	$9,750	$0.33
Exterminating	$4,000	$/Year	$4,000	$0.14
Insurance	$12,500	$/Year	$12,500	$0.43
Taxes	$12,000	$/Year	$12,000	$0.41
Reserve for Replacement	3.00%	% of EGI	$14,793	$0.50
		Total Expenses:	$85,998	$2.93
		Expense Ratio (Expenses/EGI):	17.44%	
		Net Operating Income (NOI):	$407,098	$13.86
		Capitalization Rate:	6.00%	
		Value (NOI/Cap Rate):	$6,784,962	$230.99
		Rounded:	$6,780,000	$230.82

Direct Capitalization Analysis Conclusion As Complete

Based on the above analysis detailed above, as of April 8, 2014 we have reconciled to an as complete direct capitalization approach value of:

$6,780,000

Six Million Seven Hundred Eighty Thousand Dollars

Income Approach – As Is

"As Is" values could not be determined as the subject is not currently in rentable condition. Therefore, this approach is not valid or applicable in the analysis.

Valuating Tax Credits

For the purposes of this analysis, the likely market value of the tax credits allocated to the subject has been estimated. The subject is a proposed rehabilitation. The following information is based on the assumption that the development will receive tax credit allocations. The developer is assuming that the subject will receive an annual allocation of $228,786.90 from the Missouri Housing Development Commission for low-income housing tax credits. The total for the 10-year period will be $2,287,869. To determine the value of the tax credits, the average price for tax credits in the area was established by utilizing interviews with syndicators, developers and mortgage lenders as well as published sources.

ANALYSIS OF TAX CREDITS

The following analysis is used to develop a present value for the subject's tax credits. Percentages utilized were based on similar transactions as well as interviews with state and federal authorities to arrive at an accurate market value for the allocated tax credits.

TAX CREDIT CALCULATION:

ASSUMED STATE AND FEDERAL ALLOCATION:		=	$2,287,869.00	
PRICE	**x 0.85**	=	**$1,944,688.65**	**$1,945,000.00**

Total Value Tax Credits = $1,945,000.00

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other. All three approaches were utilized with the "as complete" value. As the subject cannot currently be rented and there are no shell building sales available within the market the coat approach was used to determine the "as is" valuation.

Value Indications

Land Value:	**$200,000**
Cost Approach: As Is	**$2,420,000**
As Complete	**$5,900,000**
Sales Comparison Approach:	**$6,955,000**
Income Approach:	
Direct Capitalization	**$6,780,000**
Value of Tax Credits	**$1,945,000**

Cost Approach

The Cost Approach should be most reliable when the improvements are new and little or no accrued depreciation has accumulated, or for a special use building. The value indicated by the Cost Approach is given secondary consideration in the final value conclusion

Sales Comparison Approach

The Sales Comparison Approach is a reflection of the buying and selling public based on physical and/or financial units of comparison. The range of unit values after adjustments was relatively narrow. Therefore, significant weight is accorded to the indication via the Sales Comparison Approach in the final value conclusion.

Income Approach – Direct Capitalization

The Income Approach is typically used when the real estate is commonly developed, or bought and sold for the anticipated income stream. Properties such as the subject are often renter-occupied and are typically purchased for the anticipated rental income. Income and expense data of similar properties in the area were used in this analysis. Therefore, the Income Approach is accorded substantial weight in the final value conclusion.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of April 8, 2014, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s):	Premise: As Complete with the value of tax credits Interest: Fee Simple Value Conclusion: **Eight Million Nine Hundred Thousand Dollars, $8,900,000**

Certification Statement

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP).
- William W. Dolan made a personal inspection of the property that is the subject of this report and gathered data concerning the subject property. Samuel T. Gill performed all analysis contained in the appraisal.
- No one outside of the signatories below provided significant professional assistance in the development of the conclusions contained in this report.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The value conclusion(s) and other opinions expressed herein are not based on a requested minimum value, a specific value or approval of a loan.

William W. Dolan	Samuel T. Gill
Appraiser Trainee	MO-RA002563

Addendum A (Legal)

Legal Description
C.B. 3919 W LACLEDE AVE
100 FT X 177 FT 6 IN
ELLEN DAVIS ADDN
BLOCK 26 LOTS 1 & 2

Legal Description
C.B. 3919 W LACLEDE AVE
40 FT X 177 FT 6 IN
ELLEN DAVIS ADDN
BLOCK 26 LOT E 3

Addendum B (Sales Contract)

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

COMMERCIAL SALE CONTRACT
IMPROVED PROPERTY

1. PARTIES AND PROPERTY.

Chamone Development Group, LLC or assigned	("Buyer") agrees to purchase from
A C Y REALTY CO	("Seller") and Seller agrees to sell

to buyer the property ("Property"), located in the:

County of:	City of Saint Louis
City of (if any):	Saint Louis
Address of:	Parcel 1: 3900 - 3908 Laclede Avenue Parcel 2: 3910 Laclede Avenue

2. INCLUSIONS AND EXCLUSIONS.
The Property includes all right, title and interest of Seller in any and all existing improvements, buildings, structures, fixtures, equipment, apparatus, machinery, appliances, heating and air conditioning systems, heat, gas, water, light, power, laundry, garbage disposal, fire prevention, elevator, solarium or pool equipment, air rights, water rights, mineral rights, crops, trees, shrubbery, rents, profits, royalties, toilt, earnings, leases, tenancies, inherited rights, appurtenances, security deposits, easements and rights-of-way as well as all assignable agreements, licenses and permits pertaining to the Property, whether now or hereafter placed or installed on the Property or used in connection with the operation of the Property.

The following additional items are included in the sale:
Fee simple
The following items are excluded in the sale:

3. PURCHASE PRICE. Buyer shall pay for the Property as follows:

A. EARNEST MONEY

Twenty Thousand	Dollars	$20,000.00

B. ADDITIONAL EARNEST MONEY (if any)

Not applicable	Dollars	$0.00

Additional Earnest Money (if any) shall be payable upon waiver or expiration of Buyer's Due Diligence Period or as further specified herein.

C. CASH DUE AT CLOSING

One Million Nine Hundred Seventy Five Thousand	Dollars	$1,975,000.00

Amount to be paid at Closing ("Cash Due at Closing") (subject to adjustments described herein) in United States funds payable and delivered to Escrow Agent in the form of cashier's check, bank check or wire transfer by Closing.

D. PURCHASE PRICE

One Million Nine Hundred Ninety Five Thousand	Dollars	$1,995,000.00

Total of A, B and C is D the Purchase Price.

Seller's initial & Date 11/18/13

Buyer's Initial & Date

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

COMMERCIAL SALE CONTRACT
IMPROVED PROPERTY

1. PARTIES AND PROPERTY.

Capstone Development Group, LLC or assigned	("Buyer") agrees to purchase from
A C Y REALTY CO	("Seller") and Seller agrees to sell

to buyer the property ("Property") located in the:

County of:	City of Saint Louis
City of (if any):	Saint Louis
Address of:	Parcel 1: 3900 – 3908 Laclede Avenue Parcel 2: 3910 Laclede Avenue

2. INCLUSIONS AND EXCLUSIONS.
The Property includes all right, title and interest of Seller in any and all existing improvements, buildings, structures, fixtures, equipment, apparatus, machinery, appliances, heating and air conditioning systems, heat, gas, water, light, power, laundry, garbage disposal, fire prevention, elevator, antenna or pool equipment, air rights, water rights, mineral rights, crops, trees, shrubbery, rents, profits, royalties, tolls, earnings, leases, tenements, inherited rights, appurtenances, security deposits, easements and rights-of-way as well as all assignable agreements, licenses and permits pertaining to the Property, whether now or hereafter placed or installed on the Property or used in connection with the operation of the Property.

The following additional items are included in the sale:
Fee simple
The following items are excluded in the sale:

3. PURCHASE PRICE. Buyer shall pay for the Property as follows:

A. EARNEST MONEY

Twenty Thousand	**Dollars**	**$20,000.00**

B. ADDITIONAL EARNEST MONEY (if any)

Not applicable	**Dollars**	**$0.00**

Additional Earnest Money (if any) shall be payable upon waiver or expiration of Buyer's Due Diligence Period or as further specified herein:

C. CASH DUE AT CLOSING

One Million Nine Hundred Seventy Five Thousand	**Dollars**	**$1,975,000.00**

Amount to be paid at Closing ("Cash Due at Closing") (subject to adjustments described herein) in United States funds payable and delivered to Escrow Agent in the form of cashier's check, bank check or wire transfer by Closing.

D. PURCHASE PRICE

One Million Nine Hundred Ninety Five Thousand	**Dollars**	**$1,995,000.00**

Total of A, B and C is D the Purchase Price.

Seller's Initial & Date 11/13/13 **Buyer's Initial & Date**

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

3. PURCHASE PRICE. (Continued)
Earnest money ("Earnest Money") in the amount set forth herein shall be tendered by Buyer with this Contract in the form of good, United States funds, payable and delivered to the herein identified Escrow Agent.

("Escrow Agent") Lafayette Title Company

(NOTE: This Commercial Sale Contract assumes that "Escrow Agent" is a title insurance company or agency.)

If any Earnest Money check tendered by Buyer is returned for insufficient funds, or otherwise, Seller may promptly terminate this Contract by written notice to Buyer. Escrow Agent shall deposit the Earnest Money promptly upon acceptance of this Contract in an ✓ non-interest bearing or ☐ interest bearing (select one) account (if interest bearing the account will be insured by the Federal Deposit Insurance Corporation). Interest (if any) shall accrue to the benefit of Buyer.

4. CLOSING AND CONVEYANCE OF TITLE.
The closing of this sale ("Closing") shall take place __30__ calendar days after waiver or expiration of Buyer's Due Diligence Period, no later than 5:00 p.m. or on any other date and time that both parties agree to in writing, at the office of Escrow Agent.
(NOTE: Item 8. BUYER'S DUE DILIGENCE PERIOD, paragraph (b) – Extension of Due Diligence Period and paragraph (i) Extension of Closing Date.)

5. SELLER'S OBLIGATIONS.
(a) Within ten (10) calendar days of acceptance of this Contract between Buyer and Seller (hereafter referred to as the "Effective Date"), Seller shall provide Buyer with originals, or photocopies if originals are not available, of improvement drawings, blueprints, surveys, flood plain maps, plats, deeds, easements, covenants, trustee agreements, flood plain policies, title insurance policies, environmental reports, engineering studies, contractor estimates, accepted bids for work, contractor lien waivers for completed work, all warranties, certificates of occupancy, licenses, permits, correspondence, notices, authorizations and approvals issued by all governmental authorities having jurisdiction over the Property, in Seller's possession.

(b) If the Property is Tenant occupied or has other leasehold interests, (1) within ten (10) calendar days of the of Effective Date, Seller shall provide Buyer, a "rent roll", current as of issuance date, including the name of each tenant, the amount of monthly rent payable, the last rent paid date, amount of security deposit held, amount of any prepaid rent and expenses and the commencement and termination dates of each tenancy and originals, or photocopies if originals are not available, of all leases or rental agreements and all contracts or agreements affecting the Property, in Seller's possession; (2) Seller shall promptly submit to all tenants the attached "Tenant Estoppel Certificate" form or Seller's form, that incorporates the following minimum requirements: (a) indicate what rental payment amounts and other payment amounts such as base year or CAM (Common Area Maintenance) payments are due; (b) indicate the lease term expiration date and state option terms such as any option to renew or option to purchase (if any); (c) security deposits or guarantees (if any); (d) a statement there are no defaults of the terms and conditions by either tenant or Landlord; (e) amount of any offsets or other obligations of Landlord to tenant; (f) and by attached exhibit to the certificate a true copy of the lease agreements(s), addendums, amendments, written notices to either party or payment notices by Landlord; (3) Seller shall copy to Buyer the Estoppel Certificate, correspondence and attachments delivered to the tenant(s). **Seller acknowledges that Buyer's contingency time period to review any Tenant Estoppel Certificates may extend the "Closing" date to the lease time period for any tenant(s) to respond to an estoppel request.**

(c) Seller shall promptly execute and deliver, when requested, the following documents or items to Escrow Agent or Buyer or Buyer's representatives at the Closing for recording or delivery to Buyer prior to Closing, as appropriate: (1) Special Warranty Deed to the Property constituting realty in recordable form; (2) any keys, security cards or garage door openers in Seller's possession to any part of the Property (3) provide evidence of Seller's good standing, authority, related customary documents and instruments as may be reasonably required by the Escrow Agent; (4) a Certification of Non-Foreign Status under penalty of perjury, including Seller's United States Taxpayer Identification Number, stating that Seller is not a foreign person; (5) affidavits, as to rights of parties in possession, mechanics' liens and claims, as may be reasonably required by the Escrow Agent in order to issue Buyer's Owner's Policy of Title Insurance with mechanic's lien coverage; (6) the Closing statement; (7) any other documents reasonably necessary to consummate the transaction contemplated by this Contract and (8) deliver possession of the Property as of Closing, subject to any herein permitted tenancy.

Seller's Initial & Date
11/18/13

Buyer's Initial & Date

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract. It is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

(d) Buyer shall not be obligated to close hereunder unless: (1) Seller delivers, pays and executes all monies, items and other instruments required to be delivered, paid and/or executed by Seller herein no later than Closing; (2) Seller's Covenants, Representations and Warranties (defined below) are true and correct as of Closing; (3) If improvements or repairs have been performed within six (6) months prior to Closing, Seller shall, furnish reasonable security against mechanic's liens or evidence of payment of bills satisfactory to Escrow Agent to issue mechanics lien coverage to Buyer; (4) Buyer can obtain from Escrow Agent at Closing an Owner's Policy of Title Insurance insuring fee simple title to and ownership of the Property in Buyer in the amount of the Purchase Price on ALTA Form B with exceptions on Schedule B thereof only for the Permitted Exceptions (defined herein) and with the standard exceptions as to rights of parties in possession (except tenants under leases) and mechanics liens deleted ("Buyer's Owners Policy of Title Insurance") and (5) Seller delivers possession of the Property as of Closing, subject to any herein permitted tenancy.

6. BUYER'S OBLIGATIONS.
(a) Buyer shall execute and/or deliver the following to Escrow Agent at the Closing for recording or delivery to Seller as appropriate: (1) cash due at Closing; (2) Buyer's share of the Closing costs, prorations and any other expenses provided to be paid by Buyer by this Contract; (3) the Closing statement; (4) the Special Warranty Deed; (5) a Real Property Certificate of Value, as may be required in the city or county in which the Property is located and (6) any other documents reasonably necessary to consummate the transaction contemplated by this Contract.

(b) Seller shall not be obligated to close hereunder unless: (1) Buyer delivers, pays and executes all monies, items and any other instruments required to be delivered, paid and/or executed by Buyer herein no later than Closing and (2) Buyer's Covenants, Representations and Warranties (defined below) are true and correct as of Closing.

7. CLOSING COSTS AND PRORATIONS.
Closing costs and prorations are agreed to be paid by the parties as follows:

(a) Buyer and Seller shall prorate and adjust between them on the basis of the actual number of days in the year with Seller to pay expenses and to receive income until midnight the day of Closing, the following: (1) general taxes (based on assessment and rate for current year, if both are available, otherwise based on previous year); (2) subdivision assessments (if any); (3) utility charges which are capable of becoming a lien against the Property; (4) rents, profits, royalties, tolls or earnings arising out of or in connection with the Property ("Income"), provided that no proration shall be made to any Income of which any portion is more than thirty (30) calendar days past due. Buyer shall, upon receipt, turn over to Seller any Income received by Buyer after Closing pertaining to any time period prior to Closing and for which no adjustment has been made, after deducting and crediting any amounts due to Buyer for any time period after Closing.

Note: Who pays for "Title Insurance Premium" must be identified by the appropriate section per Item 23 herein.

(b) Seller shall pay for (where applicable): (1) Title Insurance Premium for the Owner's Policy of Title Insurance and title company charges (including closing, releasing and escrow fees) and other charges customarily paid by a seller of real estate in the county where the Property is located; (2) existing liens (recorded or unrecorded) and existing loans on the Property; (3) all security deposits or prepaid rent and expenses held by Seller at Closing; (4) municipal or conservation district inspection fee; (5) special taxes and assessments levied before Closing and (6) Broker's commission or fee as specifically agreed to herein or by prior written agreement.

(OR)

Seller's Initial & Date
ay 11/18/13

Buyer's Initial & Date
AC

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

7. CLOSING COSTS AND PRORATIONS. (Continued)
(c) Buyer shall pay for (where applicable): (1) Title Insurance Premium for the Owner's Policy of Title Insurance and title company charges (including closing, recording and escrow fees) and other charges customarily paid by a buyer of real estate in the county where Property is located; (2) regardless of who pays for the Owner's Policy of Title Insurance, Buyer shall pay for any title policy endorsements thereto including, but not limited to, a Lender's Policy of Title Insurance (if any); (3) hazard insurance premium on the Property from and after Closing; (4) flood insurance premium on the Property from and after Closing, if any; (5) any fees for appraisals or surveys ordered by or for Buyer; (6) any fees for building or environmental studies ordered by or for Buyer; (7) special taxes and assessments levied after Closing; (8) municipal occupancy permit and (9) Broker's commission or fee as specifically agreed to herein or by prior written agreement.

All of the above Closing costs and prorations shall be itemized on a Closing statement prepared by Escrow Agent and executed by Buyer and Seller at or prior to Closing ("Closing Statement").

8. BUYER'S DUE DILIGENCE PERIOD.
This Contract and Buyer's obligations hereunder are specifically made contingent upon Buyer's satisfaction of the following items on or before the date indicated:

(a) **Title and Survey Inspection.** Approval by Buyer by 5:00 p.m. __90__ calendar days after the Effective Date. Buyer, at its option and expense, may obtain a survey of the Property ("Survey") and a title examination of the Property ("Title Report"). If Buyer obtains a Survey and/or Title Report, then within the time period stated herein, Buyer may notify Seller in writing of any matters shown by the Survey and/or Title Report that are unacceptable to Buyer ("Buyer's Title Objections"). If Buyer notifies Seller of any Buyer's Title Objections, Buyer must also deliver a copy of the Survey and/or Title Report to Seller with such objections. Failure by Buyer to notify Seller of Buyer's Title Objections within the stated time period will constitute a waiver by Buyer of any objections to the Survey or Title Report and to matters which could have been shown by a Survey or Title Report. Seller shall be responsible for removing any exceptions to title which arise between the Effective Date and Closing unless created by or with the written consent of Buyer. Any item shown on the Title Report for which Buyer does not deliver Buyer's Title Objections within the stated time period or for which Buyer agrees to waive Buyer's Title Objections will be deemed approved by Buyer and are called "Permitted Exceptions".

(b) **Property and Records Inspection.** Approval of the physical condition and records inspection by Buyer by 5:00 p.m. __90__ calendar days after the Effective Date. During the stated time period, Buyer and Buyer's representatives may, at Buyer's option, expense and sole liability conduct such examinations, tests, inspections, structural and systems reports, environmental studies and other studies of the Property as Buyer shall deem desirable, and obtain copies of such books, computer records, records, reports, leases, Estoppel Certificates as executed by tenant(s), agreements, contracts, rent rolls, financial records, permits, licenses, approvals and such other records necessary and appropriate for the use and occupancy of the Property or reflecting the income or expenses of the Property ("Buyer's Property and Records Inspection"). Seller agrees to permit Buyer or its representatives to enter the Property for such purposes during reasonable business hours and upon reasonable notice to Seller and to allow Buyer access to such books, computer records, records, reports, leases, agreements, contracts, rent rolls, financial records, permits, licenses, approvals and other records, provided that such investigations do not unreasonably disrupt the operation of Seller's business and do not cause any damage to the Property and that any such damage is immediately repaid by Buyer. Buyer shall be liable to Seller for the acts of any person or persons, employee(s), representative, contractor or consultant that Buyer may engage, and Buyer shall maintain adequate insurance or cause each to maintain adequate insurance at all times while performing any property inspection. Buyer agrees that the results of any inspection or test and the reports or conclusions of Buyer and Buyer's representatives shall be kept confidential (except as required by law) by Buyer and Buyer's representatives; provided that Buyer may disclose such items to Buyer's attorney, accountants, lenders and other parties reasonably necessary to enable Buyer to purchase the Property. During the stated time period, Buyer may notify Seller in writing of any matters pertaining to Buyer's Property and Records Inspection Contingency that are unacceptable to Buyer ("Buyer's Property and Records Objections"). Failure by Buyer to notify Seller of Buyer's Property and Records Objections within the time period stated herein shall constitute a waiver by Buyer of any objections thereto or any right not to close by reason thereof.

(c) Buyer shall have ten (10) calendar days to review the executed Tenant Estoppel Certificate(s). Buyer's estoppel review period shall commence upon the date the last executed Tenant Estoppel Certificate(s) are delivered to Buyer from either Seller or Seller's tenant(s).

Seller's Initial & Date LY 11/18/13 **Buyer's Initial & Date** AL

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

8. BUYER'S DUE DILIGENCE PERIOD. (Continued)
Note: It is solely the responsibility of the Buyer to determine if the Property requires flood plain insurance or access to the Property is public or private (and if private, may require annual maintenance).

(d) Permanent Loan. Receipt by Buyer by 5:00 p.m. _90___ calendar days after the Effective Date of a written commitment for a conventional loan to be secured by a first deed of trust on the Property, repayable in equal monthly installments of principal and interest. The loan shall bear interest at the prevailing market rate, but not exceed the interest rate per annum set forth herein. Buyer shall use reasonable diligence to obtain such a loan.

Loan Amount (Percent of Purchase Price or Dollar Amount):	To be determined
Interest Rate Per Annum (Percent):	
Amortization Period (Number of Years):	
Term of Loan (Number of Years to Balloon Payment):	
Loan Points and/or Application Fees:	
Buyer Shall Apply for a Loan Within Calendar Days of:	

(e) Satisfaction/Waiver of Contingencies. Each of the above contingencies is for the sole benefit of Buyer. Subject to subparagraphs (f) and (h) below, if Buyer notifies, in writing, Seller that it has not satisfied or waived each of the above contingencies by 5:00 p.m. on or before the date specified for each, this Contract shall, at the close of business on the applicable date, terminate without further action of the parties, and in such event, all earnest money and interest thereon, shall be promptly returned to Buyer. If Buyer fails to notify Seller, in writing, within the applicable stated period that any contingency has not been satisfied or waived, such contingency shall be deemed satisfied.

(f) Seller's Time to Respond. If Buyer does timely notify Seller (within the stated time periods), in writing, of Buyer's Title Objections and/or Buyer's Property and Records Objections, Seller has five (5) calendar days from receipt of said notice to either: **(a)** agree in writing to correct Buyer's Title Objections and/or Buyer's Property and Records Objections, at Seller's expense, on or before Closing or **(b)** refuse to correct some or all of Buyer's Title Objections and/or Buyer's Property and Records Objections. Failure by Seller to respond, in writing, within the stated time period shall constitute a refusal to correct all objections of Buyer.

(g) Buyer's Time to Respond. In the event Seller refuses to correct any or all of permitted objections of Buyer, Buyer has ten (10) calendar days from the expiration date of the applicable contingency to either: (i) waive Buyer's objections and proceed to Closing hereunder or (ii) terminate this Contract, whereupon all earnest money and interest thereon shall be promptly returned to Buyer.

(h) Buyer's Extension of Due Diligence Period. Buyer has the right to extend the Due Diligence and Contingency Period by an additional sixty (60) days if Buyer is able to waive all contingencies except for the financing contingency by the waiver date. Buyer to notify Seller in writing, within the applicable stated period that the financing contingency has not been satisfied or waived for this additional extension of Due Diligence Period and Contingency Period to be in effect.

(i) Extension of Closing Date. If Buyer's or Seller's time to respond extends beyond the date set for Closing, the Closing shall be automatically extended to the date by which the response must be received by the other party.

(j) Buyer's Due Diligence Period. The period from the Effective Date until the end of the longest contingency period described above is referred to in this Contract as the "Buyer's Due Diligence Period".

9. SELLER'S COVENANTS, REPRESENTATIONS AND WARRANTIES.
Seller covenants, represents and warrants to Buyer as follows ("Seller's Covenants, Representations and Warranties") which covenants, representations and warranties shall be considered made as of the Effective Date and again as of Closing except to the extent that Seller obtains knowledge or notice after the date Seller executes this Contract of any fact or facts which would make any covenant, representation or warranty untrue or misleading in any material respect and discloses such fact or facts to Buyer in writing prior to Closing, in which case Buyer shall not be obligated to close hereunder:

Seller's Initial & Date
LY 11/18/13

Buyer's Initial & Date
RC

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

9. SELLER'S COVENANTS, REPRESENTATIONS AND WARRANTIES. (Continued)
(a) from the Effective Date until Closing, Seller shall not execute any leases or contracts affecting the Property which shall be binding on the Property or Buyer after Closing without the prior written consent of Buyer; (b) from the Effective Date until Closing, Seller shall maintain the Property in the same condition existing as of the Effective Date, ordinary wear and tear and casualty excepted, and shall be broom clean with all personal property removed upon Closing. Seller shall pay on a timely basis all bills and discharge all of Seller's obligations arising from ownership, operation, management, repair and maintenance of the Property as payments become due; (c) Seller is the owner in fee simple of the Property; (d) Seller has the authority and capacity to enter into and perform this Contract, and the person who executes this Contract on behalf of Seller represents and warrants such person has been authorized to do so; (e) Seller is not bankrupt or insolvent; (f) to the best of Seller's knowledge and without any independent inquiry or investigation, Seller knows of no violations or alleged violations of any federal, state or local law that affects the Property, and Seller has not received notice of and is not aware of any pending or threatened litigation, suit, proceeding or eminent domain action affecting the Property; (g) there shall be no tenancies or occupancies affecting the Property as of Closing except as Seller has disclosed to Buyer in writing and the rent roll is true, accurate and complete; (h) As of Closing there shall be no service, supply, maintenance or management contracts or agreements affecting the Property which will be binding on the Property or Buyer after Closing except as disclosed by Seller to Buyer in writing; (i) there are, and as of Closing there shall be, no recorded or unrecorded contracts and/or options to which Seller is a party pertaining to or affecting title to or the sale of the Property, or any part thereof; (j) to the best of Seller's knowledge without independent inquiry or investigation, and except as disclosed to Buyer in writing, there are and have been no hazardous or toxic substances or materials, including without limitation, oil, PCB's, urea formaldehyde foam insulation, asbestos or underground storage tanks of any kind, as those terms are used in any applicable federal, state and/or local environmental laws, which regulate such substances or materials or tanks, brought or placed on the Property except for asbestos at various locations in the buildings or as to other matters to disclosed to the Buyer in writing. and (k) Seller shall deliver possession of the Property as of Closing, subject to any herein permitted tenancy.

Seller's Covenants, Representations and Warranties and Seller's liability for breach thereof shall survive Closing and shall not be merged into any deed or other document given at Closing, but shall expire and shall be of no further force or effect on the date that is the one-year anniversary of closing.

10. BUYER'S COVENANTS, REPRESENTATIONS AND WARRANTIES.
Buyer covenants, represents and warrants to Seller as follows ("Buyer's Covenants, Representations and Warranties") which covenants, representations and warranties shall be considered made as of the Effective Date and again as of Closing except to the extent that Buyer obtains knowledge or notice after the date Buyer executes this Contract of any fact or facts which would make any covenant, representation or warranty untrue or misleading in any material respect and discloses such fact or facts to Seller in writing prior to Closing in which case Seller shall not be obligated to close hereunder.

(a) Except as specifically set forth in Seller's Covenants, Representations and Warranties, Buyer is relying on its own investigation and inspection of the Property, Title Report, Survey, Buyer's Property and Records Inspection or any other permitted contingencies, all to the extent conducted by Buyer in Buyer's judgment, and Buyer will take title to the Property in its AS IS, WHERE IS condition based solely on such investigation and inspection. Buyer acknowledges and agrees that Seller and its representative(s) have not made any warranty or representation, express or implied, written or oral concerning the Property except as set forth in Seller's Covenants, Representations and Warranties; (b) Buyer has the authority and capacity to enter into and perform this Contract, and the person who executes this Contract on behalf of Buyer represents and warrants that such person has been authorized to do so; (c) Buyer is not bankrupt or insolvent and (d) Buyer shall neither encumber nor cause any liens to be created against the Property in any way, nor record this Contract or a memorandum hereof, prior to Closing.

Buyer's Covenants, Representations and Warranties and Buyer's liability for breach thereof shall survive Closing and shall not be merged into any deed or other document given at Closing.

11. REMEDIES UPON DEFAULT.
If either party defaults in the performance of any obligation of this Contract, the party claiming a default shall notify the other party in writing of the nature of the default. In the event of litigation (including mediation/arbitration, if applicable) between the parties, the prevailing party shall recover, in addition to damages or equitable relief, the cost of litigation including reasonable attorney's fees. This provision shall survive Closing.

Seller's Initial & Date
LY 11/18/13

Buyer's Initial & Date
AM

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

(a) If Buyer defaults, Seller may either accept the earnest money and interest thereon as liquidated damages and release Buyer from the Contract (in lieu of making any claim in court).

(b) If Seller defaults, Buyer may either release Seller from liability upon Seller's release of the earnest money (including interest) and reimbursement to Buyer for all direct costs and expenses, as specified in Buyer's notice of default (in lieu of making any claim in court), or Buyer may pursue any remedy at law or in equity, including enforcement of sale.

12. CASUALTY AND EMINENT DOMAIN.
(a) Casualty. Risk of loss to the improvements on the Property shall be borne by Seller until Closing. If the Property is damaged or destroyed after the Effective Date and prior to Closing, Seller shall immediately notify Buyer, in writing, of the damage or destruction and the amount and terms of insurance proceeds available, if any. Buyer may either (i) proceed with the Closing and be entitled to all insurance proceeds, if any, payable to Seller under all policies insuring the property or (ii) terminate this Contract, whereupon all earnest money shall be returned promptly to Buyer. Buyer shall give written notice of its election to Seller within five (5) calendar days after Buyer has received Seller's written notice of such damage or destruction and the amount of insurance proceeds available, and Closing will be extended accordingly, if required to permit such notices to be given. Failure by Buyer to so notify Seller in writing shall constitute an election to close. A termination hereunder does not constitute a default by Seller or Buyer.

(b) Eminent Domain. In the event that prior to Closing, any portion of the Property is taken by eminent domain, or becomes the subject of eminent domain proceedings, threatened or commenced, Seller shall immediately notify Buyer in writing thereof, and provide Buyer with copies of any written communication from any condemning authority. If any of said events shall occur, Buyer may terminate this Contract by written notice to Seller within five (5) calendar days after Buyer has received Seller's written notice, in which event the earnest money shall be returned to Buyer. If Buyer elects to close, then: (i) if the transfer to the condemning authority takes place prior to Closing hereunder, the remainder of the Property shall be conveyed to Buyer at Closing hereunder; (ii) if the transfer to the condemning authority has not taken place prior to Closing, the entire Property shall be conveyed to Buyer at Closing hereunder; (iii) if Seller has received payment for such condemnation or taking prior to the Closing hereunder, the amount of such payment shall be a credit against the Purchase Price payable by Buyer hereunder; and (iv) if Seller has not received such payment at the time of Closing, Seller shall assign to Buyer all claims and rights to or arising out of such taking, including the right to conduct any litigation in respect of such condemnation.

13. NOTICES.
Any and all notices required or permitted hereunder shall be in writing and shall be deemed given upon receipt and shall be delivered by: (i) personal delivery; (ii) United States registered or certified mail, return receipt requested; (iii) overnight commercial package courier or local delivery service or (iv) facsimile transmission, in all events prepaid and addressed:

In the Case of Seller to (Attention):	Linda Yatkeman
Company Name:	A C Y REALTY CO
Mailing Address:	9060 Sarannac Drive St. Louis, MO 63117
Email Address:	lyatkememan@aol.com
Fax Number:	

Seller's Initial & Date
LY 11/18/13

Buyer's Initial & Date
BL

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

With Copy to (Attention):	Frank Yocum
Company Name:	Hilliker Corporation
Mailing Address:	2001South Hanley Road Suite 300 Saint Louis, Missouri 63144
Email Address:	fyocum@hilliker.com.com
Fax Number:	314-781-1159
In the Case of Buyer to (Attention):	Bill Luchini
Company Name:	Capstone Development Group, LLC
Mailing Address:	50 South Bemiston Avenue Suite 201 Saint Louis, Missouri 63105
Email Address:	bluchini@capstonedev.com
Fax Number:	314.925.5817
With Copy to (Attention):	Kyle J. Pershing
Company Name:	Schlafly Corporation
Mailing Address:	2 North Meramec Avenue 3rd Floor Saint Louis, Missouri 63105
Email Address:	kyle@schlaflycorporation.com
Fax Number:	314.725.0117

Each party shall have the right to change its foregoing address by written notice to the other party.

14. ASSIGNABILITY OF CONTRACT.
Buyer shall have the right to assign its rights under this Contract provided that Seller consents to such assignment, which consent shall not be unreasonably withheld or delayed. Upon Buyer's assignment of this Contract, such assignee shall be deemed substituted, for the named Buyer, and such assignee shall be deemed to have assumed Buyer's obligations hereunder, without any release of Buyer unless Seller releases Buyer in writing.

15. TIME IS OF THE ESSENCE.
Time is of the essence in the performance of the obligations of the parties under this Contract.

16. BINDING EFFECT.
This Contract shall be binding on and for the benefit of the parties and their respective heirs, personal representatives, executors, administrators, successors and assigns.

17. GOVERNING LAW.
This Contract shall be considered a Contract for the sale of real property and shall be construed in accordance with the laws of the state where the Property is located.

Seller's Initial & Date
UY 11/18/13

Buyer's Initial & Date
BL

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

18. ENTIRE AGREEMENT.
This Contract and any riders, addenda and exhibits attached hereto constitute the entire agreement between the parties hereto and there are no other understandings, written or oral, relating to the subject matter hereof. This Contract may not be changed, modified or amended, in whole or in part, except in writing signed by both Buyer and Seller.

19. CONSTRUCTION.
Words and phrases shall be construed as in the singular or plural number, and as masculine, feminine or neuter in gender, according to the context.

20. SATURDAYS, SUNDAYS AND HOLIDAYS.
If any date for the occurrence of an event or act under this Contract falls on a Saturday, Sunday or legal holiday in the state where the Property is located, then the time for the occurrence of such event or act shall be extended to the next succeeding business day.

21. EFFECTIVE DATE.
The "Effective Date" of this Contract is the date of the last of Buyer or Seller to execute this Contract as an accepted Contract. Facsimile transmission of the Contract and Riders shall constitute one acceptable method to provide notice of acceptance ("Effective Date") between Buyer and Seller, and each agree to deliver executed originals of Contracts and Riders promptly thereafter.

22. LIKE-KIND EXCHANGE.
A qualified like-kind exchange requires adherence to specific rules and regulations as set forth by the Internal Revenue Service. Seller and Buyer are advised to obtain appropriate legal and tax advice to implement any such exchange.

CHECK APPLICABLE BOX

☐ **Buyer.** Seller acknowledges that Buyer is contracting to acquire the Property in contemplation of completing a like-kind exchange of certain other property previously owned by Buyer in a manner which will qualify as a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code. In this regard, Seller agrees to cooperate reasonably with Buyer so as to structure the transaction in a manner which will qualify as a like-kind exchange under Section 1031; provided, however, that (i) Seller shall in no event be required to incur any costs or expenses with respect to such cooperation; (ii) Buyer shall fully indemnify and hold harmless Seller from all losses, costs, expenses and liabilities incurred as a result of such cooperation; (iii) Seller makes no warranty or representation whatsoever with respect to the qualification of the transaction for like-kind exchange treatment under Section 1031; and (iv) Seller shall have no responsibility, obligation or liability with respect to the tax consequences of the transaction to Buyer.

X **Seller.** Seller has advised Buyer of Seller's intention to seek to effect a non-simultaneous like-kind exchange pursuant to Section 1031 of the Internal Revenue Code in connection with the conveyance of the Property. In this regard, prior to the transfer of the Property to Buyer, Seller intends to convey the Property to a neutral third party (an "Exchange Facilitator"), subject to the terms of this Contract. The Exchange Facilitator will assume and fulfill the contractual obligations of Seller contained herein, and the Property shall be transferred by the Exchange Facilitator to Buyer pursuant to the terms of this Contract at the time and in the manner set forth herein. Buyer agrees to cooperate reasonably with Seller with respect to such exchange; provided, however (i) Buyer shall in no event be required to incur any costs or expenses in this transaction as a result of or connected with the structuring of this transaction as a like-kind exchange under Section 1031 of the Internal Revenue Code; (ii) Seller shall fully indemnify and hold Buyer harmless from all loss, cost, expenses and liabilities incurred as a result of Buyer's cooperation in structuring this transaction as a like-kind exchange; (iii) Buyer makes no warranty or representation whatsoever with respect to the qualification of the transaction for like-kind exchange treatment under Section 1031; and (iv) Buyer shall have no responsibility, obligation or liability with respect to the tax consequences of the transaction to Seller.

23. TITLE INSURANCE. (Per Item 7 – Closing Costs & Prorations)
☒ Buyer or ☐ Seller (select one) agrees to pay for the Title Insurance Premium for the Owner's Policy for Title Insurance. Regardless of who pays for the Owner's Policy of Title Insurance, Buyer shall pay for any title policy endorsements thereto including, but not limited to, a Lender's Policy of Title Insurance (if any).

Seller's Initial & Date LY 11/18/13 **Buyer's Initial & Date** AC

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

24. RIDERS or SPECIAL TERMS AND CONDITIONS.
The following riders or supplements are attached hereto and incorporated herein as part of this Contract:

☐ **Estoppel Rider** ☐ **Mediation/Arbitration**

Attached Exhibit A – Due Diligence Materials

Exhibit A is a comprehensive list of due diligence materials to be provided by Seller.

25. AGENCY DISCLOSURE AND BROKERAGE COMMISSION.
Buyer and Seller by signature to this Commercial Sale Contract acknowledge and consent to the representations and payment of commission(s) or fee(s) disclosed herein.

Seller shall pay Seller's Broker a commission or fee per separate written agreement.
☑ Seller or ☐ Buyer shall pay Buyer's Broker a commission or fee as indicated herein or per separate written agreement.

Three Percent (3.0%) of Purchase Price at Closing

Broker(s) and affiliated licensee(s) duties and responsibilities are governed by the selection below (check appropriate category):

SELLER'S BROKER and Agent/Licensee(s)		BUYER'S BROKER and Agent/Licensee(s)	
☐	SELLER NOT REPRESENTED	☐	BUYER NOT REPRESENTED
☐	Seller's Limited Agent	☐	Buyer's Limited Agent
☐	Sub-Agent	☐	Sub-Agent
☐	Disclosed Dual Agent	☐	Disclosed Dual Agent
☑	Designated Agent	☑	Designated Agent
☐	Transaction Broker	☐	Transaction Broker

Seller's Initial & Date
LY 11/18/13

Buyer's Initial & Date
AC

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

25. AGENCY DISCLOSURE AND BROKERAGE COMMISSION. (Continued)
Disclosure. Buyer and Seller confirm that disclosure of the licensee's relationship was made no later than the first showing of the Property, upon first contact or immediately upon the occurrence of a change to the relationship. Buyer and Seller acknowledge that they have received and read the Missouri Real Estate Commission Broker Disclosure Form.

No Other Brokers. Buyer and Seller warrant and represent that no Broker or other person other than Broker or Broker(s) named herein are entitled to a commission or fee, finder's fee or other compensation in connection with this Commercial Sale Contract, and Buyer and/or Seller shall indemnify and hold harmless the other party from any and all claims, liabilities, losses, damages, costs and expenses arising from the claim of any other Broker, finder or other person for such compensation arising by, under or through the indemnifying party.

Commission Payable to Brokers Upon Default.
(1) Upon Seller's failure to close due to Seller's default, Seller shall immediately pay in full the commissions or fee due Broker(s) by Seller, as set forth above. (2) Upon Buyer's failure to close due to Buyer's default, Buyer shall immediately pay in full the commissions or fee due Buyer's broker, as set forth above (or by separate written agreement).

Principal Status.
☐ Seller *and/or* ☐ Buyer is a real estate licensee and is acting as a principal party in this Contract.

By signature below, the licensee(s) confirm making disclosure of the brokerage relationship to the appropriate parties.

Seller's Broker:	HILLIKER CORPORATION
Seller's Broker's Agent Licensee:	Frank Yocum
Signature of Licensee:	

Buyer's Broker:	SCHLAFLY CORPORATION
Buyer's Broker's Agent Licensee:	Kyle J. Pershing
Signature of Licensee:	Kyle Pershing

Seller's Initial & Date LY 11/18/13 **Buyer's Initial & Date** BL

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

OFFER BY BUYER.

	Date	Time
Buyer Executes Offer:	November 15, 2013	
Buyer's Executed Offer To Be Accepted By:	November 18, 2013	3:00 PM CST

BUYER:	Capstone Development Group, LLC or assigned
Signature:	Bill Lachini
Title:	President
Print Full Name:	Bill Lachini
Tax Identification Number(s):	

ACCEPTANCE OR COUNTER-OFFER BY SELLER.

	Date	Time
Seller Accepts Offer:		
OR		
Seller Executes 1st Counter-Offer:	November 18, 2013	3:00 p.m. CST
Seller's 1st Counter-Offer To Be Accepted By:	November 19, 2013	3:00 p.m. CST

SELLER:	A C Y REALTY CO
Signature:	Linda Yatkeman
Title:	President
Print Full Name:	Linda Yatkeman
Tax Identification Number(s):	

ACCEPTANCE OR COUNTER-OFFER BY BUYER.

	Date	Time
Buyer Accepts 1st Counter-Offer:		
OR		
Buyer Executes 2nd Counter-Offer:		
Buyer's Executed 2nd Counter-Offer To Be Accepted By:		

BUYER:	
Signature:	

ACCEPTANCE OR COUNTER-OFFER BY SELLER.

	Date	Time
Seller Accepts 2nd Counter-Offer:		
OR		
Seller Executes 3rd Counter-Offer:		
Seller's Executed 3rd Counter-Offer To Be Accepted By:		

SELLER:	
Signature:	

Contract accepted 11:00AM Tuesday 11/19/2013 - Kyle Pershing Schwartz Corporation

Seller's Initial & Date: LY 11/18/13 — Buyer's Initial & Date: BL

EXHIBIT A
DUE DILIGENCE REQUIREMENTS

We request that Seller forward to us the following information as soon as possible for the Property.

- Most current rent roll, schedule of rents, lease expirations
- Detailed operating statements for the last three (3) calendar years, year-to-date operating statements, and approved management company budgets
- Tax bills and paid receipts for the last three (3) years and any current year tax assessment or valuation information
- Copies of any building plans and specifications in Seller's possession
- Current Phase 1 Environmental studies and testing reports on soils for the Property
- Current "As Built" Survey
- Copies of all contracts for all services on the Property
- All engineering or related construction reports, if available, together with all warranties and guarantees for work performed
- Copy of the current title report, including a legal description, and one copy of all documents listed as exceptions to the title report
- Current insurance policies or written insurance quotes
- Summary of all capital improvements completed during the last three (3) years, including documentation and/or bids for any proposed capital improvements
- Certificates of occupancy on all buildings, if in Seller's possession
- Flood plain letter
- Current termite inspection report indicating no infestation, copies of all termite and insect reports
- Personal property inventory
- Copies of all leases (to be reviewed on the Property)
- Copies of utility bills - house vacancies
- Personnel list, job descriptions, and salaries
- Litigation for or against the Property
- Insurance claims
- Copies of all licenses
- Information on all url's/website's Seller owns

Additional requirements may arise prior to Closing as our Underwriting proceeds.

During the course of our Due Diligence process, the Property will be visited and inspected by our own personnel, consulting engineers, environmental specialists, appraisers, and other consultants that we deem necessary. We will coordinate these visits with Seller as our work progresses.

***The obligation of the Seller to deliver any of the following information is limited to that information in the possession of the Seller and the Seller shall have no obligation to obtain or pay for any information not in the Seller's possession.**

UY 11/18/13 [illegible]

Addendum C (Permitted Uses)

ST. LOUIS PUBLIC LIBRARY
PREMIER LIBRARY SOURCES
HOME KIDZONE CATALOG SEARCH HINTS

St. Louis City Revised Code Chapter 26.56 J Industrial District

St. Louis City Revised Code (anantated) has been converted to electronic format by the staff of the St. Louis Public Library. This electronic version has been done for the interest and convenience of the user. These are unofficial versions and should be used as unofficial copies.

Official printed copies of St. Louis City Revised Code may be obtained from the Register's Office at the St. Louis City Hall.

Chapter 26.56
J Industrial District

Sections:

26.56.010 District regulations.
26.56.020 Use regulations.
26.56.025 Conditional uses.
26.56.030 Parking and loading regulations.
26.56.040 Height regulations.
26.56.050 Area regulations.

McQuillin:

25.116 Industrial zones.

26.56.010 District regulations.

The regulations set forth in the chapter or set forth elsewhere in the zoning code and referred to in this chapter are the district regulations in the J industrial district.

(Ord. 59979 § 15 (part), 1986.)

26.56.020 Use regulations.

The use regulations are the same as those in the I central business district, except that motor fuel pumping stations that meet the site requirements specified in Section 26.40.027 shall be permitted; carry-out restaurants that sell to customers who are in cars or who consume the sold products in cars parked on the carry-out restaurant premises, or sell products through a sales window, to customers who are in cars, for immediate consumption by the customer either on or off the premises that meet the site requirements specified in Section 26.40.026 B1 or 2 as appropriate shall be permitted; and a building or premises may be used for an automobile body, fender repair shop, used car lot, or car leasing or rental lot; and provided further that no building shall be in any case hereinafter erected nor shall any existing building be converted, reconstructed or structurally altered for dwelling purposes except where forty percent (40%) or more of the frontage is occupied by dwellings.
(Ord. 59979 § 15 (part), 1986.)

City Counselor Ops.: 10420

26.56.025 Conditional uses.

The following conditional uses may be allowed in the I industrial district subject to the provisions of Section 26.80.010:

Telephone, outdoor pay, if the proposed telephone is located on a lot that is located contiguous with or directly across a street, alley, public or private easement from a dwelling district.
(Ord. 64167 § 8, 1997.)

26.56.030 Parking and loading regulations.

The parking and loading regulations are the same for uses enumerated in Chapters 26.20 through 26.50, inclusive.
(Ord. 59979 § 15 (part), 1986.)

26.56.040 Height regulations.

The height regulations are the same as those in the E multiple-family dwelling district.
(Ord. 59979 § 15 (part), 1986.)

City Counselor Ops.: 8311

26.56.050 Area regulations.

The area regulations are the same as those in the E multiple-family dwelling district.
(Ord. 59979 § 15 (part), 1986.)

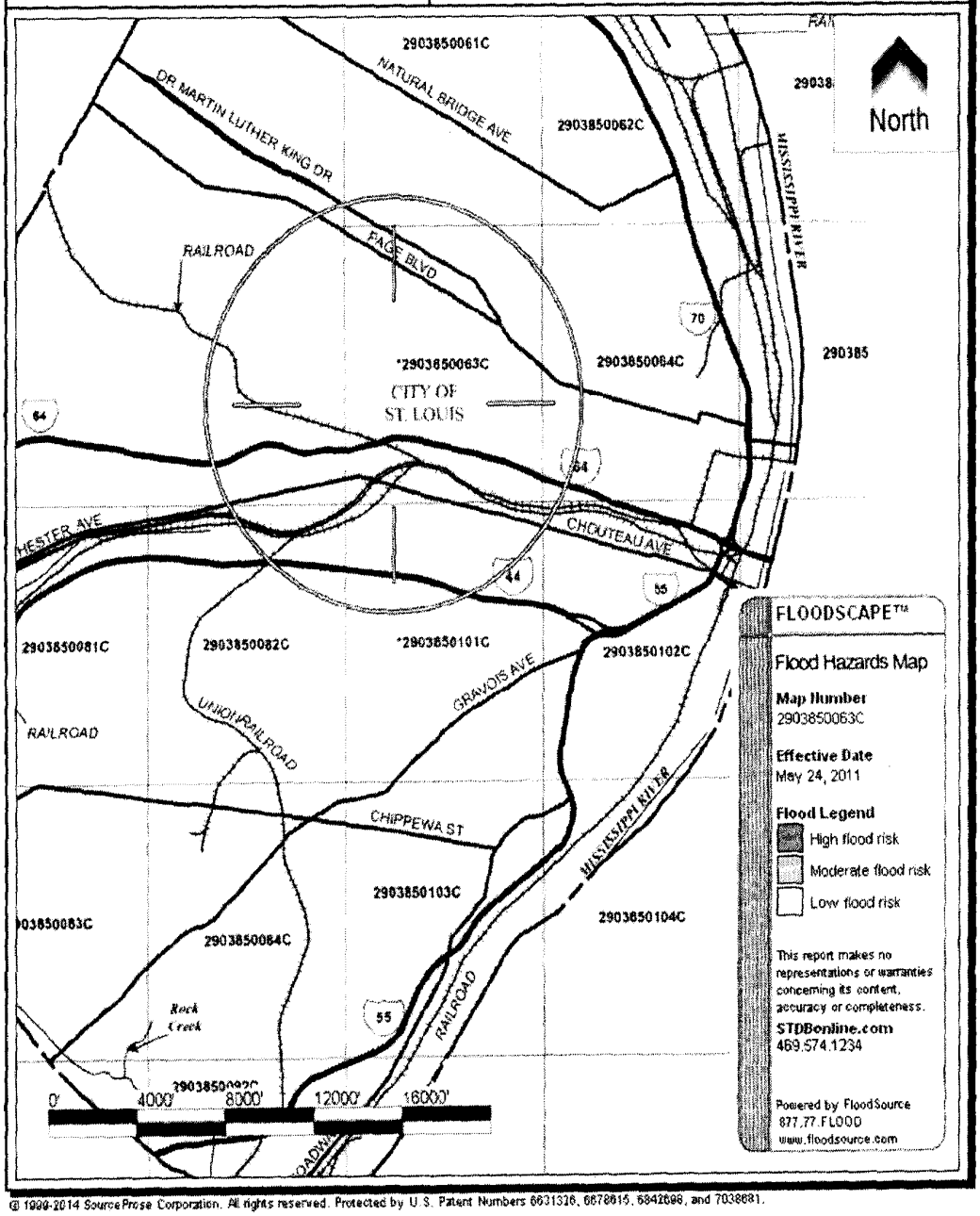
Return to Revised Charter, Code and Ordinances
Return to Title 26
Return to Code Table of Contents

HOME | KID ZONE | CALENDAR | CONTACT US | SEARCH | LINKS

Addendum D (Flood Map)

STDBONLINE.com
FLOODSOURCE
FLOODSCAPE™

PROPERTY ADDRESS:
3900 Laclede Ave, Saint Louis, Missouri, 63108



© 1999-2014 Source Prose Corporation. All rights reserved. Protected by U.S. Patent Numbers 6631316, 6678615, 6842698, and 7038681.

Addendum E (Certification)

State of Missouri

Division of Professional Registration
State Certified General Real Estate Appraiser

VALID THROUGH JUNE 30, 2014
ORIGINAL CERTIFICATE/LICENSE NO. RA002563
SAMUEL TODD GILL
GILL APPRAISAL SERVICE
512 N ONE MILE RD, P O BOX 784
DEXTER MO 63841
USA

SAMUEL TODD GILL
GILL APPRAISAL SERVICE
512 N ONE MILE RD, P O BOX 784
DEXTER MO 63841
USA

State of Missouri

Department of Insurance, Financial Institutions and Professional Registration
Division of Professional Registration
Real Estate Appraisers Commission
State Certified General Real Estate Appraiser

VALID THROUGH JUNE 30, 2014
ORIGINAL CERTIFICATE/LICENSE NO. RA002563

SAMUEL TODD GILL
GILL APPRAISAL SERVICE
512 N ONE MILE RD, P O BOX 784
DEXTER MO 63841
USA

EXECUTIVE DIRECTOR

DIVISION DIRECTOR

Addendum F (Qualifications)

AN APPRAISAL OF THE

"PROPOSED TRUMAN LOFTS"

1322-1332 Dolman Street
St. Louis City, Missouri 63104

PREPARED FOR

Mr. Timothy P. Kelley
Senior Vice President
Enterprise Bank & Trust
1281 North Warson Road
St. Louis, Missouri 63132

Enterprise Bank Appraisal # 2015-292a

PREPARED BY

The Lauer Appraisal Company
3948 Lindell, Suite 200
St. Louis, Missouri 63108
Project #15-222A

AS OF

July 10, 2015, August 1, 2016, and March 1, 2017

LAUER APPRAISAL COMPANY

3948 Lindell Blvd., Suite 200
St. Louis, Missouri, 63108
(314)531-4000 / (314)533-3359 Fax

August 13, 2015

Mr. Timothy P. Kelley
Senior Vice President
Enterprise Bank & Trust
1281 North Warson Road
St. Louis, Missouri 63132

Dear Mr. Kelley:

At your request, we have made a personal inspection and prepared the following appraisal of a property located at 1322-1332 Dolman Street in the Lafayette Square neighborhood of St. Louis City, Missouri. The property consists of a 34,401 square foot (0.79 acre) site. The site is improved with a vacant 4 story (including exposed basement level) masonry former industrial building that was constructed in about 1908 with an addition in about 1913. The building has a gross area of approximately 48,572 square feet including the raised basement level.

The purchaser under contract proposes to renovate the building and convert it to a 41-unit apartment development, plus approximately 2,248 square feet of commercial/retail space. The redevelopment will fully utilize the exposed basement level and conceives of the building as a four story structure. A more detailed description of the property, together with the sources of information and the basis of estimates, are stated in the accompanying sections of this report.

The purpose of our appraisal is to estimate the market value of the subject property on an "as is" basis as well as "as completed" and "as stabilized" following completion of the renovation/conversion and lease-up. The date to which our "as is" value estimate applies is July 10, 2015 which was the date of our property inspection. The prospective valuation dates for the "as completed" and "as stabilized" valuations are August 1, 2016 and March 1, 2017. These are the anticipated dates of completion of the renovation and lease-up to stabilized occupancy, respectively. *We previously appraised the subject property using the same dates of value but have provided this new appraisal based on updated unit count and unit configurations and updated expense projections provided by the client.*

The intended user of the appraisal report is the client, Enterprise Bank & Trust. The intended use to is to provide the client with a basis for evaluating a loan request to be secured by a mortgage on the subject property and/or for other risk management purposes. The interest appraised is the fee simple estate. Your attention is called to the relevant assumptions, limiting conditions and certification found later in this report.

It is our opinion that the **"as is"** market value market value of the fee simple interest in the subject property, as of July 10, 2015 is as follows

ONE MILLION NINETY THOUSAND DOLLARS
$ 1,090,000

It is our opinion that the prospective **"as completed"** market value of the fee simple estate in the subject property (including personal property required for the operation of an apartment complex) as of August 1, 2016, will be as follows:

FIVE MILLION NINE HUNDRED THOUSAND DOLLARS
$ 5,900,000

Finally, it is our opinion that the prospective **"as stabilized"** market value of the fee simple interest in the subject property (including personal property required for the operation of an apartment complex) as of March 1, 2017 will be as follows:

SIX MILLION SEVENTY FIVE THOUSAND DOLLARS
$ 6,075,000

The accompanying prospective financial analyses are based on estimates and assumptions developed in connection with the appraisal. Some assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our prospective financial analysis may vary from our estimates and the variations may be material. *Our value conclusion is based upon descriptions of the proposed renovations supplied to us by the developer and is subject to revision based upon the quality of materials and workmanship in the completed building.*

We understand that the proposed renovation will be funded in part by state and federal historic tax credits. The value for these tax credit incentives has been estimated based on the budgeted costs and typical ranges of eligible expenses, but will change depending on the final eligible expenses and the price paid by the tax credit purchaser(s). The ***state historic tax credits*** *have been valued at* ***$1,810,255*** *and the* ***federal historic tax credits*** *have been valued at* ***$1,506,136.*** ***The value of the tax credits is an intangible asset rather than real estate****, and are dependent upon approval by proper authorities. The property is also expected to receive a 10 year real estate tax abatement, the value of which is included in the "as completed" and "as stabilized" figures.*

This letter is invalid as an opinion of value if detached from the report and related exhibits that support the value conclusion(s) stated above.

Respectfully submitted,

THE LAUER APPRAISAL COMPANY

Russell J. Lauer, MAI
President

Timothy M. Schoemehl
Vice President

THE LAUER APPRAISAL COMPANY

CERTIFICATION

We certify that, to the best of our knowledge and belief, ...

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- we previously appraised the subject property using the same date(s) of value but are providing an updated analysis based on revised unit configurations and revised expense projections
- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Mr. Schoemehl made a personal inspection of the property that is the subject of this appraisal report. Mr. Lauer has not inspected the property as part of this assignment.
- no one provided significant professional assistance to the person(s) signing this certification.
- as of the date of this report, Russell J. Lauer has completed the continuing education program for Designated Members of the Appraisal Institute and Timothy M. Schoemehl has completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.

Russell J. Lauer, MAI
Missouri Certified General R.E. Appraiser
License Number RA-001184

Timothy M. Schoemehl
Missouri Certified General R.E. Appraiser
License Number 2009025506

TABLE OF CONTENTS

1322-1332 Dolman Street
St. Louis City, Missouri 63104

STATEMENT OF BASIC ASSUMPTIONS AND LIMITING CONDITIONS 1

SUBJECT PHOTOGRAPHS 5

INTRODUCTION 13
- IDENTIFICATION OF THE PROPERTY 14
- OWNERSHIP AND RECENT HISTORY 14
- PURPOSE OF THE APPRAISAL 14
- INTENDED USE AND INTENDED USER OF THE APPRAISAL 15
- EXTRAORDINARY ASSUMPTIONS 15
- PROPERTY RIGHTS APPRAISED 16
- MARKETING PERIOD 16
- EXPOSURE TIME 16
- SCOPE OF THE APPRAISAL 17
- DEFINITION OF MARKET VALUE 18

DESCRIPTIVE SECTION 19
- REGIONAL ANALYSIS 20
- NEIGHBORHOOD DESCRIPTION 31
- SITE DESCRIPTION 36
- ZONING 41
- ASSESSMENT AND CURRENT TAXES 43
- IMPROVEMENT DESCRIPTION 45
- HIGHEST AND BEST USE 49

VALUATION SECTION 51
- INCOME CAPITALIZATION APPROACH 53
  - Comparable Apartment Rentals Map 59
- SALES COMPARISON APPROACH 77
  - Comparable "As Is" Sales Map 84
  - Comparable Apartment Sales Map 96
- VALUE OF STATE AND FEDERAL HISTORIC TAX CREDITS 103
- RECONCILIATION AND CONCLUSION 105

ADDENDA SECTION 107
- EXHIBIT A - QUALIFICATIONS 108
- EXHIBIT B - ENGAGEMENT LETTER 111
- EXHIBIT C - SALE CONTRACT 112
- EXHIBIT D - DEVELOPER PRO-FORMA 113
- EXHIBIT E - TITLE REPORT AND LEGAL DESCRIPTION 114

STATEMENT OF BASIC ASSUMPTIONS AND LIMITING CONDITIONS

The following Standard Conditions apply to the real estate appraised herein by The Lauer Appraisal Company.

The appraisers assume:

1. that the appraised estate is marketable and that the property is free and clear of all liens, encumbrances, easements, and restrictions which might affect value, unless otherwise noted.

2. no liability for matters legal in nature.

3. that the property will not operate in violation of any applicable government regulations, codes, ordinances, or statutes.

4. that, in the absence of any available soil boring data, there are no concealed or dubious conditions of the subsoil or subsurface waters including water table and flood plain. We further assume there are no regulations of any government entity to control or restrict the use of the property except as may be specifically referred to in this report.

5. no significant change in the supply and demand patterns as revealed in our current research and as indicated in this report. This report is an appraisal of the property under market conditions observed as of July 10, 2015 the date of inspection, and does not constitute a market feasibility study. Market conditions have been extensively investigated and analyzed, and conclusions resulting therefrom are believed to be correct; however, the appraisers assume no liability should future market conditions materially change because of unusual or unforeseen circumstances.

6. that the improvements are constructed in accordance with applicable government regulations, codes, ordinances, and statutes.

The report is subject to the following contingent or limiting conditions.

1. All of the facts, conclusions and observations contained herein are consistent with information available as of the date of valuation. The value of real estate is affected by many related and unrelated economic conditions, local and national. We assume no liability for unforeseen changes in the future economy or for the inability of the property owner to find a purchaser at the values reported herein.

2. The valuation applies only to the property described herein. Allocation of total value between the land and the improvements as shown herein may be invalidated if used separately or in conjunction with any other report.

3. All maps, sketches, and site plans prepared by others are assumed to be correct but, in the absence of surveys prepared or authorized for this report, we assume no responsibility for their accuracy.

4. Information furnished by others is presumed to be reliable, and where so specified in the report, has been verified; but no responsibility, whether legal or otherwise, is assumed for its accuracy. No single item of information was completely relied upon to the exclusion of other information.

5. The signatories herein shall not be required to give testimony or attend court or any governmental hearing with reference to the subject property unless prior arrangements have been made with the client or with The Lauer Appraisal Company.

6. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the Appraisal Institute. Neither this letter nor any portions thereof (especially any conclusions as to value, the identity of the appraiser, the Lauer Appraisal Company, or any reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through public relations, news media, advertising media, sales media or any other public means of communication without the prior written consent and approval of the appraiser or The Lauer Appraisal Company.

7. This report reflects the opinion of the appraisers and conclusions expressed herein are in no way contingent upon any restrictions, limitations, or influences.

8. The date as of which the value estimate conclusions apply is set forth in the letter of transmittal and within the body of the report. The value is based on the purchasing power of the United States dollar as of the effective date of appraisal.

9. The legal description shown herein has been included for the sole purpose of identifying the subject property. The figures have not been verified by a licensed surveyor or legal counsel and should not be used in any conveyance or any other legal document.

10. It should be specifically noted by any prospective mortgagee that this appraisal assumed that the property will be competently managed and maintained by financially sound owners over the estimated period of ownership. Due to the importance of underwriting, we do not presume to advise the amount which should be loaned with the property held as security.

11. We were not aware of, and the report does not take into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks containing hazardous material. The report does not consider the cost of encapsulation, treatment, or removal of such material. If the client/property owner has a concern over the existence of such conditions in the subject property, the appraisers consider it imperative to retain the services of a qualified engineer or contractor to determine the existence and extent of such hazardous conditions. Such consultation should include the estimated cost associated with any required treatment or removal of hazardous material.

12. Possession of this report or a copy thereof does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client without the prior written consent of the appraisers, and then only with proper qualification.

13. Zoning information contained in this report was obtained from zoning officials or published codes and may be subject to unintentional errors or omissions pertaining to the present and future legal use and occupancy of the property.

14. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider non-compliance with the requirements of ADA in estimating the value of the property.

15. It is assumed that the improvements will be renovated in accordance with the building codes of St. Louis City, Missouri.

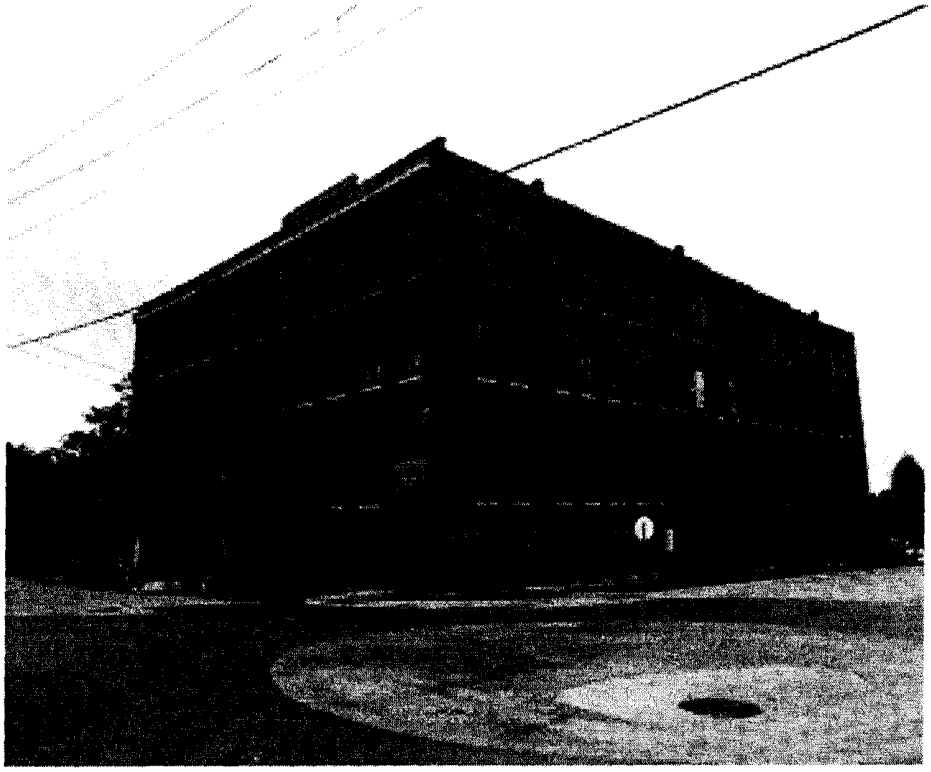
SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

KNOWN AS:	The Proposed Truman Lofts
LOCATION:	1322-1332 Dolman Street St. Louis City, Missouri 63104
PARCEL NUMBER(S):	0483-03-00100
OWNER OF RECORD:	Nick Karakas
INTEREST APPRAISED:	Fee Simple Estate
TOTAL LAND AREA:	34,401 square feet or 0.79 acres
ZONING:	"F" Neighborhood Commercial District and "C" Multiple Family Residential District
PRINCIPAL IMPROVEMENTS:	A vacant four story (including exposed basement) masonry industrial/loft building that was constructed in 1908 and expanded in 1913, with a total gross building area of approximately 48,572 square feet, including exposed basement. The purchasers under contract propose a renovation and conversion to a 41-unit apartment complex, plus ground level retail/commercial space
HIGHEST AND BEST USE:	Renovation as apartments with first floor commercial as proposed

INDICATED MARKET VALUES:	"As Is"	"As Completed"	"As Stabilized"
Income Capitalization Approach	N/A	$ 5,985,000	$ 6,155,000
Sales Comparison	$1,090,000	$ 5,220,000	$ 5,390,000
CONCLUDED VALUE	$1,090,000	$ 5,900,000	$ 6,075,000

DATES OF VALUE:	July 10, 2015 "As Is" August 1, 2016 "As Completed" March 1, 2017 "As Stabilized"
DATE OF INSPECTION:	July 10, 2015
DATE OF REPORT:	August 13, 2015

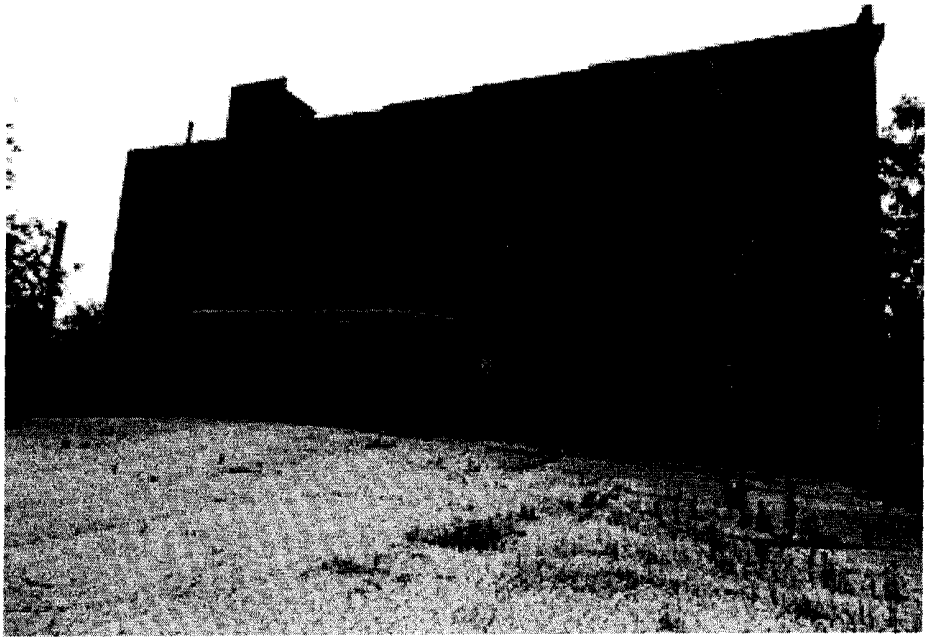
SUBJECT PHOTOGRAPHS



Subject exterior - south and west elevations viewed from corner of Park & Dolman

Subject exterior - west elevation along Dolman

Subject exterior - south elevation along Park Avenue

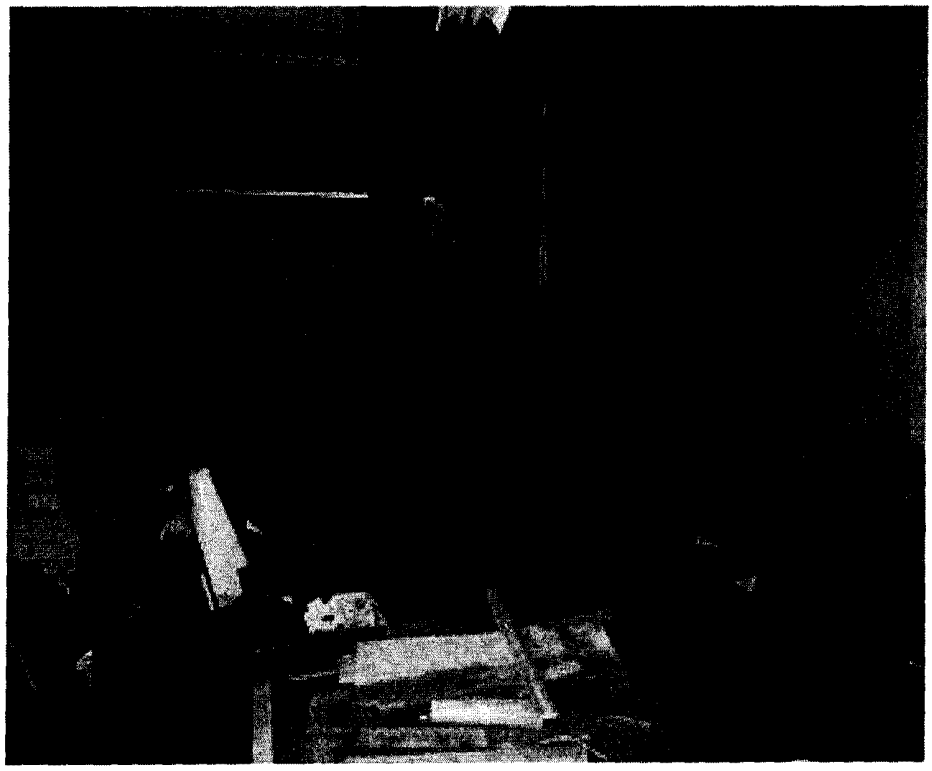


Subject exterior - north elevation

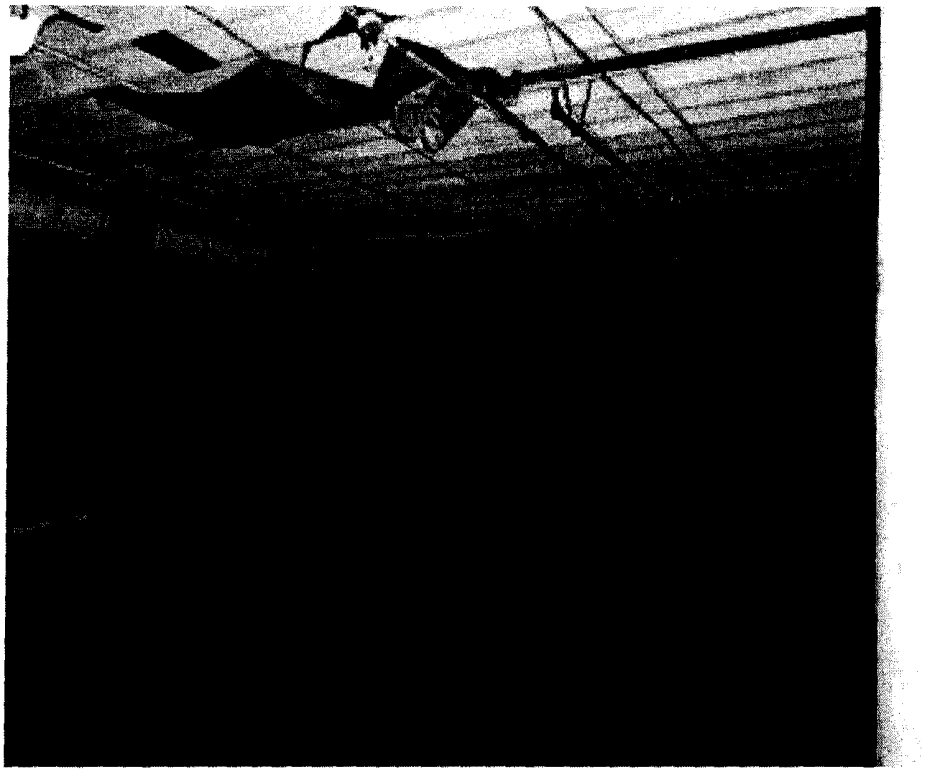
Subject exterior - east elevation

Subject interior - typical view of main floor space

Subject interior - main floor former office area

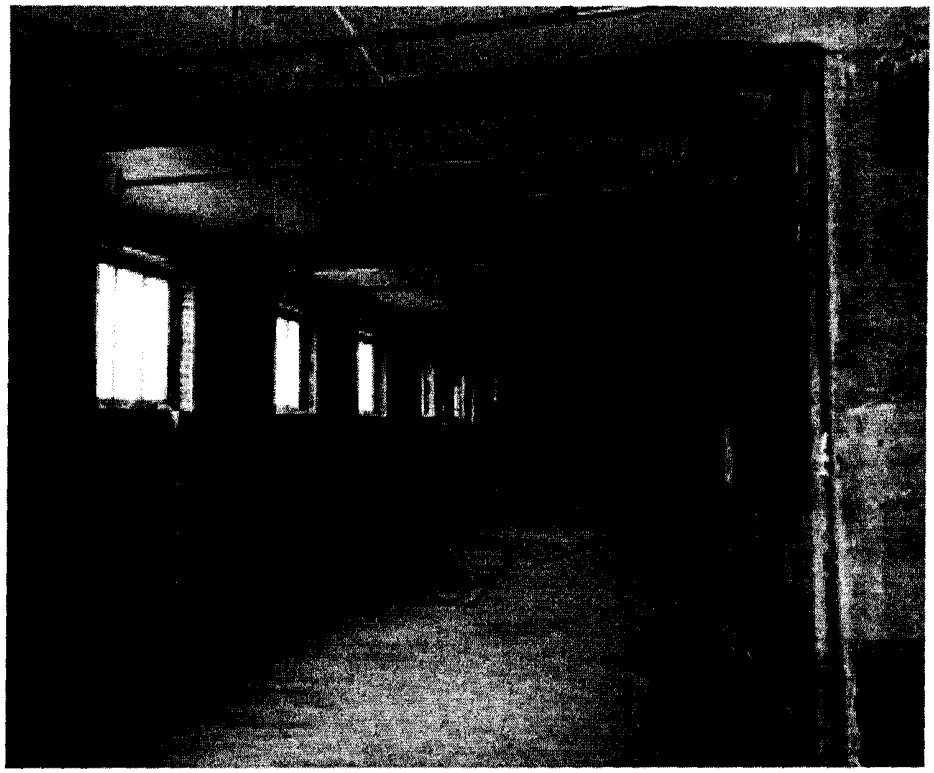


Subject interior - main floor near dock area (north end of building)

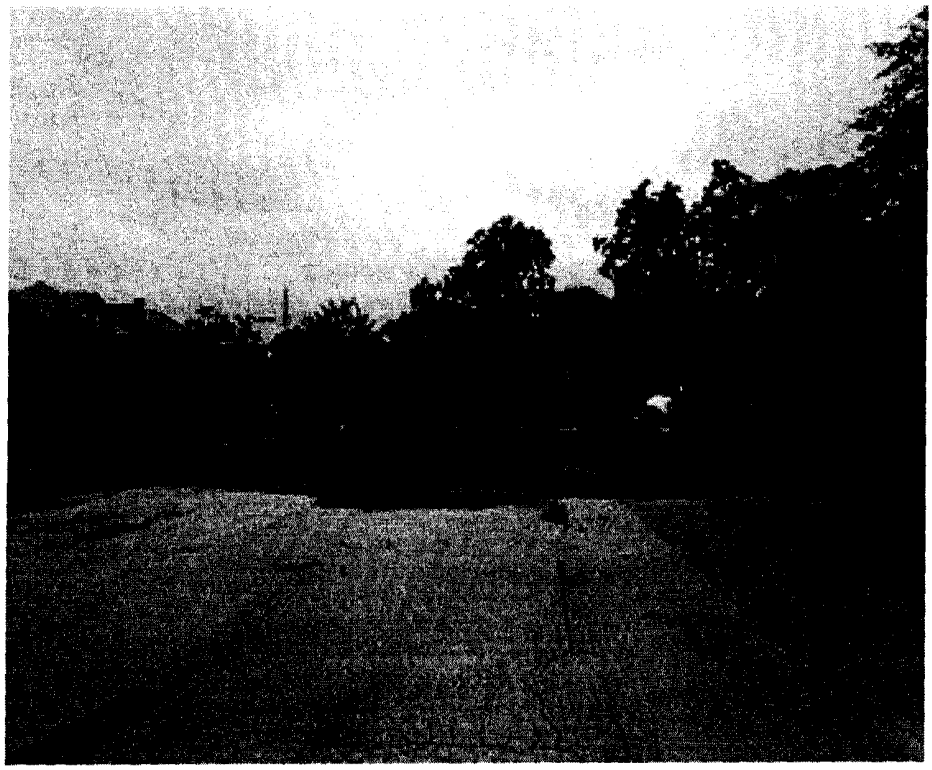


Subject interior - exposed lower level with windows (to be re-opened in renovation)

Subject interior - typical view of third level

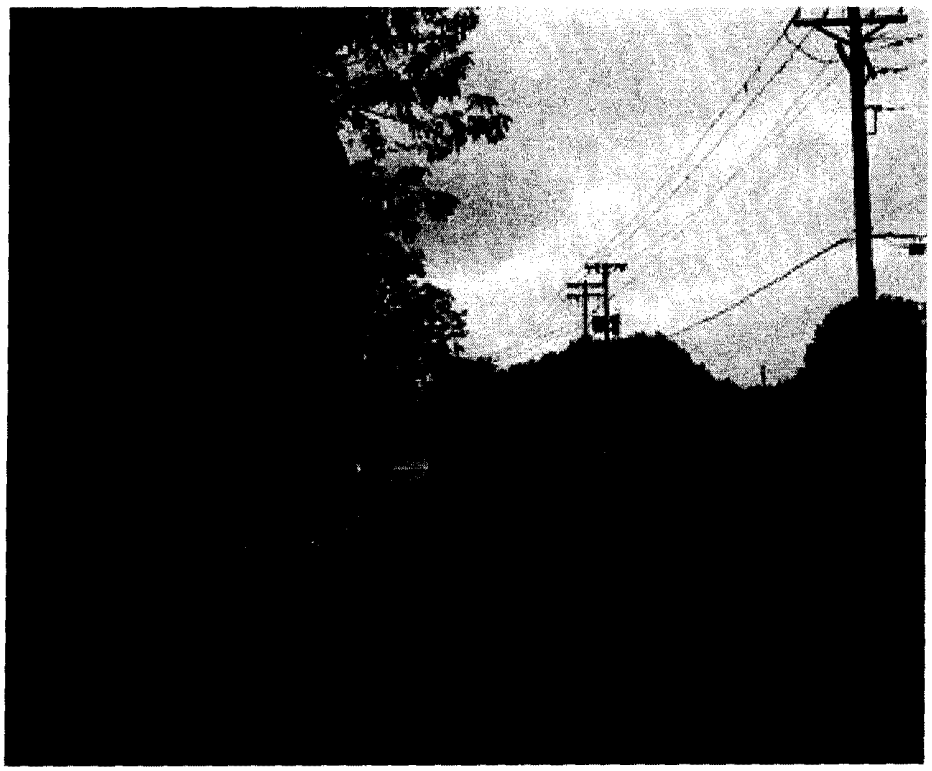


Subject interior - typical view of top level



Subject exterior - view of parking lot looking north from building

Street scene - Dolman Street looking north



Street scene - Dolman Street looking south

Street scene - Park Avenue looking east

Street scene - Park Avenue looking west

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

The subject property is located at the northeast corner of Dolman Street and Park Avenue in the Lafayette Square area of St. Louis City, Missouri. The property is addressed as 1322-1332 Dolman Street. Historically, 1330 Dolman has been used as the primary address for the property, while St. Louis City uses 1322 Dolman as the primary reference address. St. Louis City also identifies the property with parcel number 0483-03-00100. The full legal description for the property is included in the title report in the addenda of the appraisal.

The property is improved with a four story (including exposed basement level) masonry loft industrial building. Historically the building was known as the Zittlosen Manufacturing Building, and the historic name for the building still appears on an older entry way on the Dolman side of the building. More recently it was occupied by a number of small industrial operations, including the Bouras Mop Manufacturing Company. The purchasers under contract plan to renovate the property as the "Truman Lofts" referencing the nearby Truman Parkway.

OWNERSHIP AND RECENT HISTORY

According to St. Louis City records, and the title report provided to us, title to the subject property is vested in the name of Mr. Nick Karakas. Title was transferred to Mr. Karakas by warranty deed from Bouras Redevelopment, LLC. The transfer was recorded as Document #209 on August 12, 2009. The recorded purchase price was $1,000,000. Our research revealed no sale or transfer of the subject property in the last five years.

The property is under contract for sale to Truman Lofts, LP (Mr. William Luchini of Capstone Development Group, LLC). The original contract is dated February 19, 2015 and has been amended three times, with the most recent amendment dated June 25, 2015. A copy of the contract, with amendments, as provided to the appraisers is included in the addenda of this report. The original contract purchase price was $1,366,500. Two of the contract amendments have involved extensions of the closing date, with additional non-refundable earnest money paid by the purchaser and added to the contract price. This has increased the total purchase price to $1,377,500.

The property has been marketed for sale by Schlafly Corporation with an asking price of $1,445,000. The property has been on-and-off the market for approximately 5 years. We understand that other buyers have had the property under contract at various times, but the prior sale contracts have not closed.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject real property on an "as is" basis and also to estimate the value "as completed" and "as stabilized" following the proposed renovation/conversion to apartments and lease-up to stabilized occupancy. **(The "as completed" and "as stabilized" values are inclusive of personal property and fixtures typically**

required for the operation of an apartment complex). Personal property required for the operation of an apartment complex typically includes appliances, display and office furniture, and sometimes fitness equipment. The depreciated value of these items is not significant and is not typically broken out in an apartment appraisal.

We understand the developer intends to provide some units fully furnished but the additional furnishings have not been included in our valuation. Furnished rentals often rent for a premium, but also have a cost associated with leasing and/or maintaining the furnishings, and often reflect short term leases which can increase administrative costs. We have analyzed the subject on the basis of typical apartment rentals, unfurnished except for appliances.

The date to which our "as is" value estimate shall apply is July 10, 2015 which is the date of our property inspection. We have used August 1, 2016 and March 1, 2017 as the prospective "as completed" and "as stabilized" dates.

INTENDED USE AND INTENDED USER OF THE APPRAISAL

The intended user of the appraisal report is the client, Enterprise Bank & Trust. The intended use is to provide the client with a basis for evaluating a loan request to be secured by a mortgage on the subject property and/or for other risk management purposes.

EXTRAORDINARY ASSUMPTIONS

The Dictionary of Real Estate Appraisal, Fourth Edition, (The Appraisal Institute, 2002) defines an extraordinary assumption as follows: *"An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis."*

By their very nature, the prospective "as completed" and "as stabilized" valuations require the use of one or more extraordinary assumptions. For the subject property, the "as completed" analysis is based on the extraordinary assumption that by the "as completed" valuation date the property will be renovated consistent with the descriptions and budget provided by the purchaser/developer. The "as stabilized" value is based ion the assumption that the property will be renovated and leased to stabilized occupancy by that date.

For the "as completed" and "as stabilized" analysis, we have also made the extraordinary assumption that the developer/purchaser will obtain legal approval (such as a zoning variance or conditional use permit) to allow the proposed 41 units and small commercial space. Based on our analysis, commercial use would not be permitted and the proposed unit density also exceeds what is allowable under existing zoning.

Finally, we understand that the developer is seeking to have the city vacate the 20 foot wide alley to the east of the subject property, and incorporate the alley area into the property. This would increase the site size by approximately 5,450 square feet. We understand that this will be needed to configure all of the proposed parking on the site. In our analysis, we have used the existing site size for the property. However, our "as completed" and "as stabilized" analysis assumes that the developer will be able to configure their anticipated parking on the site, which may require the additional land area. Use of these extraordinary assumptions may have impacted our value conclusions.

PROPERTY RIGHTS APPRAISED

The property rights appraised for the subject are the fee simple interest. The Dictionary of Real Estate Appraisal, Fourth Edition, (The Appraisal Institute,© 2002) defines fee simple as follows: *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.* For the "as stabilized" valuation the individual units will be leased, but the leases are expected to be at market rate and are expected to be one year or less. When leases are at market and/or have less than one year remaining, it is typical to identify the value as fee simple rather than leased fee.

MARKETING PERIOD

Marketing period is defined as *"the amount of time necessary to expose a property to the open market in order to achieve a sale."* Consideration is given to the current and expected future supply and demand of the physical and location characteristics of the subject property compared with market supply of available similar properties, along with marketing period histories of recent transactions. Given the current demand for similar properties in the subject's neighborhood, the physical and locational characteristics of the subject, and the availability of typical market financing, it is our opinion that an "arms length" sale of the subject would occur within twelve months. Market value estimates made in this appraisal are based upon a marketing period of up to one year following the effective date of the appraisal.

EXPOSURE TIME

Exposure time is presumed to occur prior to the effective date of the appraisal. It is the estimated time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is different for various types of real estate and various market conditions or price ranges. Value estimates made in this appraisal assume an exposure period of up to one year with a reasonable asking price. The subject has actually been on the market for several years. However, we have concluded a lower "as is" value than the contract price, which we believe would be more in keeping with a typical 12 month exposure time.

SCOPE OF THE APPRAISAL

This appraisal report summarizes, in an appropriate level of detail, the pertinent information regarding the nature of the assignment, the property being appraised, and the level of activity in the local economy, particularly as it pertains to and affects the value of the property. Recent trends in real estate development, are also discussed and analyzed, along with relevant market data regarding occupancy rates, rental rates, and property values. In this report, we have utilized the income capitalization approach and the sales comparison approach to value the subject property following the renovation and conversion to multi-family residential use. For the "as is" value, only the sales comparison approach has been developed. The cost approach was not considered applicable. Given the age of the improvements, the estimate for depreciation would have been too large and too subjective to provide a reliable value indication. In this particular appraisal, the scope of analysis included but was not limited to:

* An interior and exterior physical inspection of the subject property and a review of the budget and plans for the proposed renovation

* An analysis of all pertinent physical and economic data.

* Interviews with real estate brokers active in the apartment market in the St. Louis Metropolitan area.

* Request for public information made to the local city and county offices.

* A narrative appraisal report prepared in accordance with guidelines set forth by the Office of the Comptroller of Currency.

* An appraisal that exceeds the minimum Standards of Professional Practice as regulated by the Appraisal Institute and Missouri Appraisal License Law.

DEFINITION OF MARKET VALUE

For the purpose of this report, market value is defined as follows: *"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."* Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

a. buyer and seller are typically motivated;
b. both parties are well informed or well advised, and acting in what they consider their own best interests;
c. a reasonable time is allowed for exposure in the open market;
d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
e. the price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

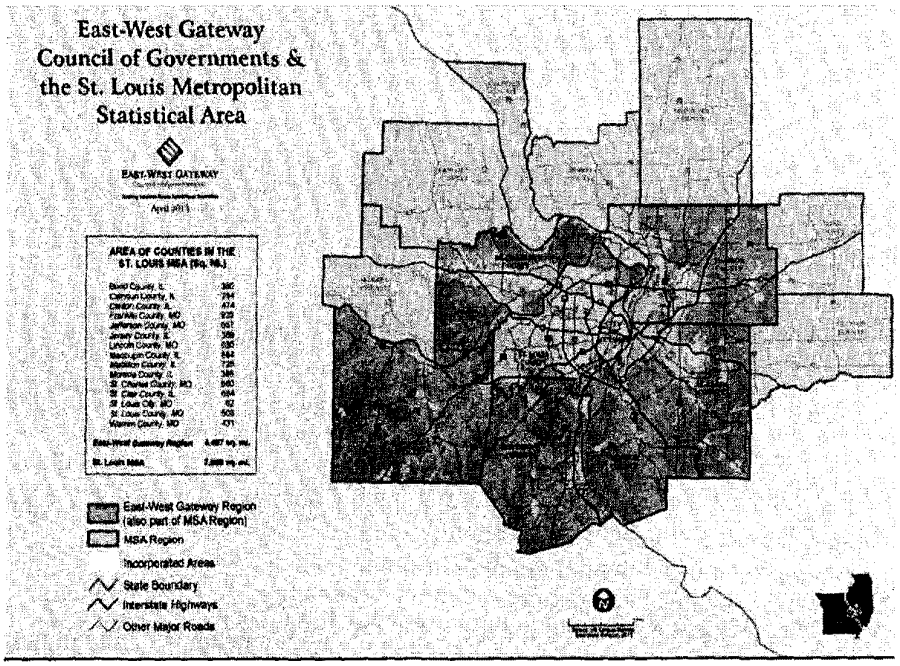
The definition of "market value" provided above is the current definition required by the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), and the Office of Comptroller of the Currency (OCC). The definition appears in the Federal Register Vol. 55, No. 165, 12 CFR, Part 545, Section 34.42(f).

DESCRIPTIVE SECTION

REGIONAL ANALYSIS

Location

The St. Louis Metropolitan Statistical Area (MSA) is located in the central portion of the United States within 120 miles of the country's population center, and is situated just south of the confluence of the Missouri and Mississippi Rivers. Following the 2000 Census, the area was expanded by the addition of four counties to cover 8,649 square miles in sixteen counties in two states including the City of St. Louis, the Missouri counties of Franklin, Jefferson, Lincoln, St. Charles, St. Louis, Warren, and Washington, and the Illinois counties of Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe, and St. Clair. As a result of the 2010 Census, Washington County in Missouri was dropped from the St. Louis MSA as of February 2013. Thus, the MSA now includes fifteen counties in two states and covers an area of 7,889 square miles. At the heart of the MSA is the "Gateway Region", comprised of the City of St. Louis, and the Missouri counties of St. Louis, St. Charles, Jefferson and Franklin, and the Illinois counties of Madison, St. Clair, and Monroe. Together, these major jurisdictions hold approximately 90 percent of the population and employment base of the larger MSA.



Physical Forces

The northern portion of the St. Louis region is situated on a glacial till plain that exhibits a gently-rolling topography with few serious physical limitations for urban use. The southern portion, located on the Ozark fringe, has a more varied topography. Many areas in extreme south St. Louis County and Jefferson County have steep ridges that severely limit urban development. The natural barriers formed by the rivers have also affected the development of the region. Although an adequate bridge system connects St. Louis City with Illinois and St. Louis County with St. Charles County the rivers act as natural barriers with St. Louis City and County being the core area. The

demand for commercial and industrial land in St. Louis County is positively affected by these barriers.

The region possesses abundant natural resources such as productive agricultural land, water, and minerals which are mainly beneficial to its economy. The rivers provide drinking water, transportation, and recreational activities although periodic flooding has caused problems for the region. St. Louis is also adjacent to the productive agricultural regions of southern and central Illinois and northern Missouri.

The central location of the region and a good system of highways, trucking and rail facilities, airports, and waterways, have combined to make it a leading transportation center. Shipping costs are among the lowest of any region nationwide, making St. Louis ideal for companies focused on logistics, transportation and distribution, or heavily reliant on those components.

St. Louis lies at the confluence of three major rivers, the Mississippi, Missouri and Illinois, with 14 active ports and more than 100 docking facilities extending 70 miles along the Illinois and Missouri banks. St. Louis is the second largest inland port by tonnage in the United States and handles more than 24 million tons of goods and materials annually, including petroleum, chemicals, grain and other cargo. It is the northernmost ice-free port on the Mississippi, Illinois, and Missouri River system, and the southernmost point with lock-free access to New Orleans and international waterways.

St. Louis has a well established rail system with six major railroads, and is ranked second largest in the country in terms of jobs and third largest in rail lines. St. Louis has state-of-art intermodal facilities providing many advantages to the freight transportation business, including reductions in cargo handling, improved security, reduced damages and loss, and allowing freight to be transported faster. In addition to the commercial rail system, Amtrak provides public rail transportation to most major cities in the United States.

Lambert-St. Louis International Airport is located 10 miles from downtown and is the region's major airport. It is a national hub with two terminals, five concourses and serves nine mainline passenger airlines, three all-cargo airlines and a few charter carries. Southwest Airlines has focused on St. Louis as a growth market and with increased service now has the largest carrier presence in the airport.

MidAmerica Airport serves as the St. Louis Region's second full service commercial airport and as a reliever to Lambert-St. Louis International Airport. Located 24 miles from downtown St. Louis in Mascoutah, Illinois, just north of Scott Air Force Base, it is a joint civilian-military use airport, it provides state-of-the-art facilities for passengers, traffic, and cargo, including an adjacent 800-acre industrial park. It has a 10,000 foot and an 8,000 foot runway and serves cargo, commercial, and military flights. Much of the area surrounding the airport is an Illinois Tax Increment Financing (TIF) District designed to help appropriate new businesses locate nearby and the airport is part of a Foreign Trade Zone.

The region is also served by eleven public-use general aviation airports, four of which have jet traffic capability. Spirit of St. Louis Airport in Chesterfield Valley has been St. Louis' premier general aviation airport since 1964 and it has been the second busiest airport in the FAA Central Region (Missouri, Arkansas, Iowa and Kansas). Spirit is a prime reliever for Lambert Airport and works in conjunction with them to avoid flight delays. Although Spirit Airport is owned and operated by the St. Louis County Government, funding for Spirit comes from the airport's users, not general revenue tax dollars.

The region's central location has also helped to establish it as a major trucking area. The region is served by four interstate highways (I-70, I-44, I-55, and I-64), as well as four interstate linkage highways (I-270, I-255, I-170, and I-370). This highway system along with 1,200 miles of arterial roads and the recent improvements in bridges across both the Missouri and Mississippi Rivers also provides for relatively fast commuting times to all parts of the metropolitan area. The new Stan Musial Veterans Memorial Bridge opened to traffic in February 2014 and is the first bridge to be built connecting downtown St. Louis and southwestern Illinois in more than 40 years. Previously, the only urban interstate bridge between Illinois and Missouri was the Poplar Street Bridge, which is one of two bridges in the United States that carry three interstates.

Metro (formerly known as the Bi-State Development Agency) owns and operates the region's public transportation system. The Metro System includes MetroLink, the region's light rail system and MetroBus, the region's bus system. The light rail system connects Lambert Airport, downtown St. Louis, and Illinois, with expanded service to MidAmerica Airport, Clayton and Shrewsbury. MetroBus, with a fleet of 413 and 75 fixed routes, provides bus service to a large part of the region.

Governmental Forces

As previously mentioned the St. Louis Metropolitan Statistical Area encompasses fifteen counties in two states, including the City of St. Louis. Within this region there are numerous individual municipalities with varied government types and zoning requirements. The region's governmental structure reportedly ranks second in the nation in terms of fragmentation. The fragmented nature of the region's political structure does not allow efforts to encourage growth and development to be of a concerted nature. Despite the fragmented political nature of the region, regulatory procedures and services, including zoning regulations, and fire and police protection, are generally fashioned after those of the central governing body of St. Louis County. A relatively low rate of business taxation relative to the government services provided is an asset to the region.

Economic Forces

The economy of the St. Louis region reflects the current and possibly the future supply/demand conditions for all forms of real estate. The St. Louis Metropolitan Statistical Area has a diversified economic base with services and retail trade accounting for the largest portions of the approximate 1.3 million person labor force. Non-farm employment in the St. Louis MSA by industry classification is shown in the table on the following page. The largest growth in the region's economy has occurred in service-oriented activity, which, until 2007, encouraged unprecedented office construction, particularly in the downtown St. Louis, Clayton, and west St. Louis County areas. As compared with year end 2012, as of year-end 2013, the total workforce had increased by

0.6%, with the largest increase in jobs being in the financial activities and professional and business services sectors, and the largest decrease being in the information and government sectors. This trend continued throughout 2014, with an increase in the total workforce being reported at 1.3% in November 2014 as compared with November 2013.

NOVEMBER 2014 PAYROLL EMPLOYMENT BY INDUSTRY

Sector	November 2014 Employment (in 1,000's)	Percent of Workforce (St. Louis, MO-IL MSA)	Percent Change Nov 2013 to Nov 2014
Construction & Mining	63.4	4.7%	4.6%
Manufacturing	111.6	8.3%	1.8%
Trade, Transportation, and Utilities	252.2	18.8%	0.4%
Information	29.4	2.2%	-1.0%
Financial Activities	90.1	6.7%	4.2%
Professional & Business Services	207.4	15.4%	4.1%
Educational & Health Services	239.5	17.8%	1.4%
Leisure & Hospitality	141.7	10.5%	2.4%
Other Services	46.1	3.4%	0.4%
Government	162.1	12.1%	-1.5%
TOTAL NON-FARM	1,343.5	100.0%	1.3%

Source: U.S. Bureau of Labor Statistics November 2014

According to the St. Louis Regional Chamber, four key industry clusters Financial and Information Services, Health Science and Services, Bioscience, and Multimodal Logistics and Advanced Manufacturing will drive Greater St. Louis' job creation in the coming years. The single biggest driver of the regional economy, and to an extent beyond most other major metropolitan areas, is healthcare. St. Louis is recognized as a national and world leader in health science and services. This cluster is a large and comprehensive, with businesses spanning the health care value chain; from insurers, healthcare providers and facilities to product manufacturers. This industry cluster has consistently added jobs since 2004, employing over 195,000 in over 6,500 companies in 2012

St. Louis is also emerging as one of the nation's leading financial service centers and is reportedly the third most concentrated market for investment advisors, just behind New York and Boston. Capitalizing on a base of major investment firms headquartered in St. Louis and the increasing integration of information technology and financial services, the region''s financial services sector has received national attention for its growth. An exceptional mix of investment companies lead to the sectors quick recovery from the great recession. The cluster, employing 81,500 in 6,200 companies, is aligning to become an increasingly competitive force in the national market.

The region is also gaining recognition as a high technology center. Recent reports indicate the region is home to more than 1,000 high tech companies employing over 100,000 workers including scientists and engineers in a variety of fields. With its world renowned scientists, research institutions and bioscience companies, St. Louis is a center of innovation, producing cutting-edge research in the medical and plant sciences. The region has numerous business incubators where new firms can find inexpensive office or lab space, advice and nurturing.

St. Louis is also a hub for information technology professionals and advanced manufacturing businesses, such as aerospace and automobile production. The Multimodal Logistics Industry cluster is an integral part of the region's economy, supporting the manufacturing base as well as distribution sectors with inbound and outbound shipments around the country and the globe. This cluster's assets include the region's geographic location, infrastructure, workforce, and existing businesses

The 2013 Forbes list of "America's Largest Private Companies" identifies seven that are based in the St. Louis region including Enterprise Holdings, Graybar Electric, World Wide Technology, Edward Jones, Apex Oil, McCarthy Holdings, and Schnuck Markets. St. Louis serves as national headquarters for eighteen Fortune 1000 companies, nine of which are in the Fortune 500. These nine include Express Scripts Holding, Emerson Electric, Monsanto Company, Centene, Reinsurance Group of America, Peabody Energy, Ameren, Jones Financial, and Graybar Electric.

Major employers in the region based on the number of local full-time and part-time employees are listed in the following table

St. Louis Metropolitan Area - Largest Employers by # of Employees - As of June 1, 2014		
BJC Healthcare	Health Care	24,082
Boeing Defense, Space & Security	Manufacturing	15,000
Washington University	Higher Education	14,170
Scott Air Force Base	U.S. Military	13,000
SSM Health	Health Care	12,697
Mercy	Health Care	12,013
Schnuck Markets Inc.	Retail	11,008
Wal-Mart Stores, Inc.	Retail	10,550
McDonalds	Retail	9,500
City of St. Louis	Government	7,463
U.S. Postal Service	Public Administration	7,227
St. Louis University	Higher Education	6,803
AT&T	Communications	6,800

Source: St. Louis Business Journal

According to the U.S. Bureau of Labor Statistics, as of July 2008, the total regional labor force was 1,458,683 with non-farm employment of 1,348,000. The unemployment rate as of July 2008 was 7.1%. However, the Bureau of Labor Statistics indicates that the region lost 43,900 jobs in the 12 months that began in July 2008. Manufacturing, construction, and trade, transportation, and utilities were the sectors that lost the most jobs over the year, while education, health services, and government added payroll. As of July 2009, the total labor force for the region stood at 1,439,278 with non-farm employment of 1,304,100 for an overall unemployment rate of 9.9% for the MO-IL MSA. As of December 2013, the total labor force had decreased to 1,403,123, with non-farm employment of 1,319,500 and the unemployment rate for the region was estimated at 6.6%. As of November 2014, total non-farm employment in the region stood at 1,343,500 with a reported unemployment rate of 5.6%. The unemployment rate for the five Missouri counties comprising the St. Louis Metro area stood at 5.4%. It is noted that as employment has grown over the past year or two and unemployment rates have decreased, the pace of individuals leaving the workforce has also grown.

Local Area Unemployment Statistics November 2014

Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
Franklin County	51,544	48,807	2,737	5.3%
Jefferson County	115,108	108,859	6,249	5.4%
St. Charles County	200,895	192,141	8,754	4.4%
St. Louis County	515,098	487,853	27,245	5.3%
St. Louis City	139,227	128,937	10,290	7.4%
St. Louis MSA (MO-IL)	**1,427,071**	**1,347,155**	**79,916**	**5.6%**

Source: US Bureau of Labor Statistics

Office Market

As a result of the economic downturn in 2008, many corporations reduced their overhead by reducing employment. Like most cities in the country, the office market in St. Louis experienced an increase in vacancy and a decrease in lease rates, but the market started to turn around in 2012, with 2013 being a year of economic recovery. Total positive absorption in 2012 was 112,672 square feet. In comparison, total positive absorption in 2013 was 827,000 square feet which is double the amount seen in a typical pre-recession year and the largest annual total since 2007. Overall vacancy in the area fell to 14.7% at year end 2013 from 16.5% at year end 2012. As of 3rd Quarter 2014, overall year-to-date net absorption is reported at around 480,000 square feet, almost evenly shared between Class A and Class B buildings, and the overall vacancy rate is reported at 13.5%, the lowest it has been since the end of 2007. However, there is a large disparity between Class A and Class B vacancy rates, with Class A vacancy at 9.5% and Class B vacancy at 19.2%.

No new properties came on the market during 2013 and the only new construction underway in 2014 are two build-to-suit properties. The sustained demand for office space coupled with the lack of new supply is beginning to drive prices higher. Average asking rates increased slightly over

2013 to end the year at $18.66 per square foot, and represented the first annual increase in overall asking rates in five years. As of 3Q 2014, rental rates are nearly $0.25/sq. ft. higher than in 3Q 2013.

During 2013, Class A properties accounted for 88% of the total positive absorption. Class A buildings absorbed 5.3 million square feet over the year, while Class B buildings lost 1.9 million square feet. Some market participants speculated that one cause for this split is the growing presence of the millennial generation in the workforce, who tend to have a strong preference for open, modern, creative office space. However, as noted, year-to-date absorption as of 3Q 2014 was evenly shared between Class A and Class B buildings. As the amount of available Class A space continues to decline, tenants may be forced to consider leasing Class B space. A lack of large contiguous blocks of space as well as increasing Class A asking rates points to a higher probability for new construction within the new few years.

Industrial Market

Since bottoming out in 2011, the industrial real estate market in the St. Louis region has been consistently improving. As of 3rd Quarter 2014, the overall vacancy rate for the St. Louis industrial market was reported to have declined for the sixth straight quarter, with an overall regional vacancy of 7.3%. This is nearly three percentage points lower than the peak vacancy rate of 10.2% in the third quarter of 2011 and even below the average five year pre-recession rate (2003-2007) of 7.6%. Decreasing vacancy rates have started to put upward pressure on asking rental rates, and as large contiguous spaces become increasingly hard to find, rates are expected to continue to rise.

As of 3rd Quarter 2014, year to date leasing activity was 14% higher than in 2013, with leasing activity in the Earth City submarket accounting for 33% of the total. Owner occupier purchases made up 65% of the sales activity year to date, an increase of 105% over the previous year, which indicates that companies are becoming more confident in their economic positions and are investing in long-term strategic plans.

All industrial types except service centers showed positive absorption over 2013, with modern bulk warehouse buildings seeing the largest decrease in vacancy. Among the various property types, modern bulk buildings had the lowest 3Q 2014 vacancy rate at 4.1%. As bulk warehouse options continue to be in short supply, speculative development is making a return to the St. Louis industrial market. Construction of a 672,000 square foot bulk warehouse building in Gateway Commerce Center is underway and is expected to be delivered by March 2015. This TriStar Development project is the first speculative development in the St. Louis Metro area since 2007. Other new construction underway includes a 114,000 square foot steel stamping plant being constructed for GM in Wentzville, a 30,000 square foot warehouse in St. Charles, an 18,000 square foot warehouse in Fenton, and a 56,000 square foot build-to suit service and sales facility for CSTK, Inc. in St. Louis City.

Retail Market

The St. Louis retail market saw steady improvement over the course of 2013 and 2014 in line with improvements in the overall economy. Construction of two new regional outlet malls in Chesterfield was completed in 2013. The overall vacancy rate for the St. Louis retail market dropped slightly in the 3Q 2014 to 8.09% as compared with 8.35% one year earlier. Direct asking

rates are stable and absorption is positive. Increased consumer confidence should lead to higher consumer spending and rising retail sales. The job market is also improving and 2015 is primed to be a year of high growth and substantial retail market activity. The first IKEA in the St. Louis market is currently under construction and scheduled for completion in 2015, as is the first Whole Foods grocery store in the St. Louis City submarket.

Apartment Market

One of the bright spots in the commercial real estate market in the last few years has been in the multi-family sector. The local job market expanded by 22,000 jobs in 2014, more than double the amount created in each of the two previous years, triggering new household demand. Although manufacturing has not returned to pre-recession levels, more than 5,000 jobs have been created, and more are expected. Boeing's decision to move some of its airline production to St. Louis, creating up to 2,000 jobs in coming years reflects this trend. Strong economic growth has increased apartment demand and enticed developers to fill the construction pipeline with rental units. New supply over the next year will be highest in the Central West End/Forest Park submarket. This is home to Washington University and St. Louis University, and the Cortex district, which was formed with the aim of becoming a hub for science research and attracting young professionals. Some softening is expected at apartments that cater to students as new supply comes online.

Roughly 1,500 units were completed in the metro area in 2014, the most active year since the recession. Another 1,000 units are projected for 2015, although only one-third will be conventional units. The performance of the various submarkets varies considerably but according to the 3rd Quarter 2014 survey by Marcus and Millichap, the overall vacancy rate fell 90 basis points to 6% over the past year. Vacancies are tightest in St. Charles and West St. Louis County where rates are under 4% Effective rents averaged $801 per month in the third quarter, a 2.3% annual increase.

Apartment sales are on the rise and strong demand has compressed cap rates throughout the quality scale. As of 3Q 2014, the trailing median cap rate was in the mid-6% range, down 15 basis points year over year. First-year yields range as low as 4.7% for Class A properties to 9.8% for value-added assets. The sales market is expected to remain extremely competitive. Local investors are focusing on Class C assets, which are the most plentiful, while out of state buyers are competitive on the small number of Class A listings.

Social Forces

The St. Louis Metropolitan Statistical Area (MSA) is ranked the eighteenth largest in population of U.S. major metropolitan areas. As of the 2010 Census, the population of the region stood at over 2.8 million. The table on the following page reveals general population characteristics of the region. The region was expanded in 2003 with the addition of the Illinois counties of Bond, Calhoun, and Macoupin, and Washington County in Missouri. However, based on the results of the 2010 Census, Washington County was dropped from the MSA in 2013.

REGIONAL POPULATION TRENDS 1990 TO 2013

	1990	2000	2010	July 2013	1990-2000 % Change	2000-2013 % Change
St. Louis SMSA	2,492,525	2,698,687	2,812,896	2,801,056	8.3%	3.7%
St. Louis City, MO	396,685	348,189	319,294	318,416	-12.2%	-9.4%
St. Louis County, MO	993,529	1,016,315	998,954	1,001,444	2.3%	-1.5%
Jefferson County, MO	171,380	198,099	218,733	221,396	15.6%	10.5%
Franklin County, MO	80,603	93,807	101,492	101,816	16.4%	7.9%
St. Charles County, MO	212,907	283,883	360,485	373,495	33.3%	24.0%
Lincoln County, MO	28,892	38,944	52,566	53,860	34.8%	27.7%
Warren County, MO	19,534	24,525	32,513	32,999	25.6%	25.7%
Bond County, IL		17,633	17,768	17,470		-0.9%
Calhoun County, IL		5,084	5,089	5,059		-0.5%
Clinton County, IL	33,944	35,535	37,762	37,907	4.7%	6.3%
Jersey County, IL	20,539	21,668	22,985	22,641	5.5%	4.3%
Macoupin County, IL		49,019	47,765	46,880		-4.6%
Madison County, IL	249,238	258,941	269,282	267,225	3.9%	3.1%
Monroe County, IL	22,422	27,619	32,957	33,493	23.2%	17.5%
St. Clair County, IL	262,852	256,082	270,056	266,955	-2.6%	4.1%

Source: U.S. Census Bureau

The population of the region has remained fairly stable, growing at the rate of only about 0.4% per year. However, there has been considerable migration to the outlying areas of the region. The suburbs have received, in addition to new economic growth and business, a significant portion of the shifting population. Lincoln, St. Charles, and Warren Counties in Missouri and Monroe County in Illinois are the fastest growing, with annual increases of about 3%. The heaviest population losses have been seen in St. Louis City and St. Louis County in Missouri and in Macoupin County and Calhoun County in Illinois. Within St. Louis County, the suburbs of north county have accounted for most of the loss over the last ten years.

St. Louis City experienced almost five decades of steady population loss, corresponding in general with deteriorating property values and commercial and industrial plant closings. Although in a number of city neighborhoods, the trend has turned around with increasing population and property values, according to 2010 U.S. Census Bureau figures, as well as more recent projections, the City continues to lose population. A big change for the city is reflected in the steady decline in the number of school children. The development of an increasing number of charter schools along with the existing good private schools will hopefully improve the reputation of educational opportunities available in the city and will reverse the trend.

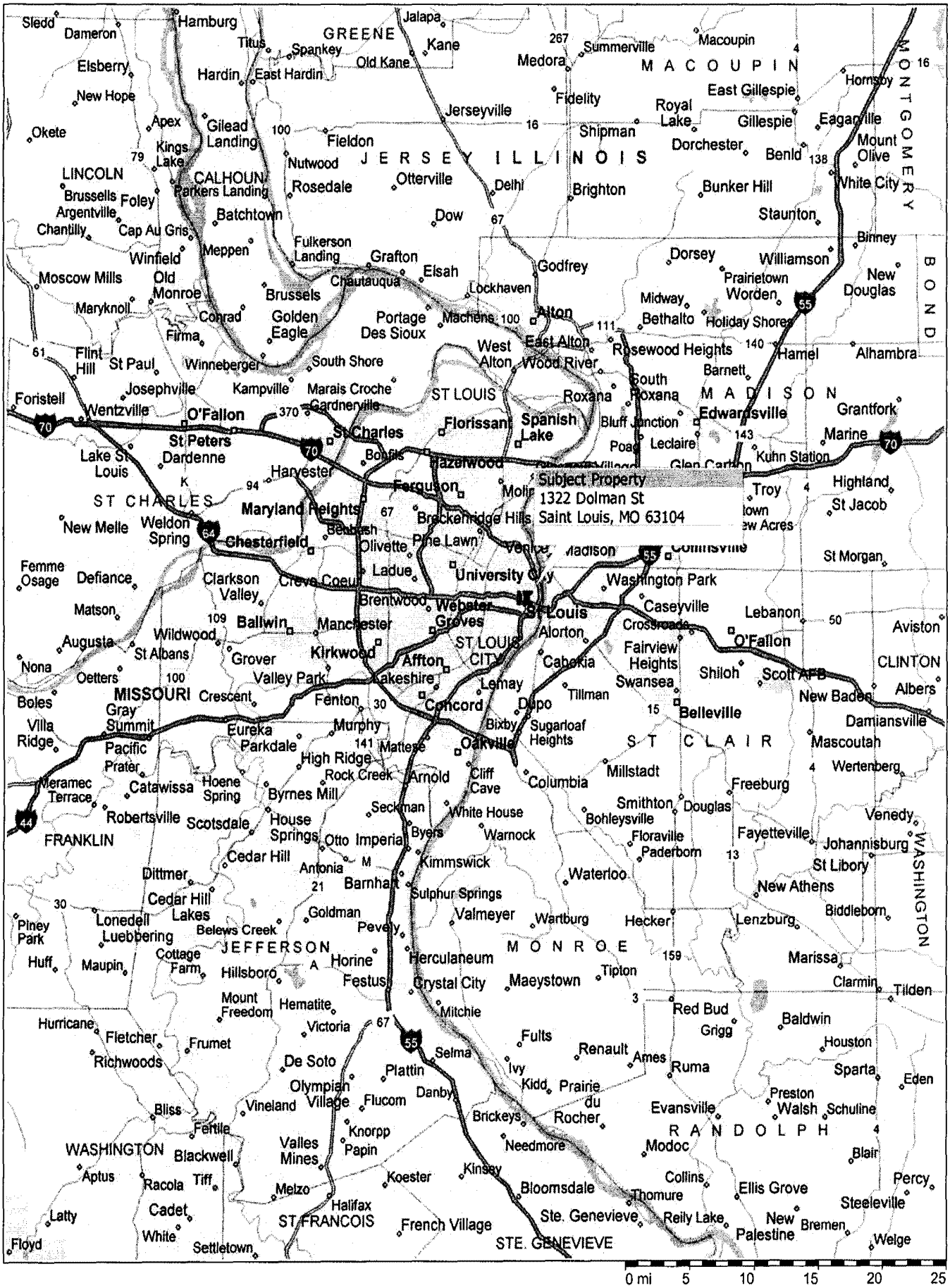
St. Louis compares favorably with other major metropolitan areas as being a good place to work and live due to the area's reasonable housing costs and relatively short commutes. St. Louis also ranked high in quality of life issues such as the availability of cultural opportunities and educational excellence. The cultural aspects of the region are diverse and highly rated. Forest Park in St. Louis City is home to such respected institutions as the St. Louis Zoo, the St. Louis Art Museum, and the St. Louis Science Center all of which are open free of charge to the public. St. Louis also is home to the world class Missouri Botanical Garden and St. Louis Symphony Orchestra. The renovated Fox Theatre attracts many touring Broadway shows. Other major tourist attractions include the Gateway Arch, Grant's Farm, Busch Stadium, Scottrade Center, and Six Flags over Mid-America. St. Louis is home to three professional sports teams, the St. Louis Cardinals baseball team, the St. Louis Rams football team, and the St. Louis Blues hockey team.

The St. Louis region has 115 public school districts with an enrollment of approximately 405,000, which accounts for about 80% of the enrollment of school-aged children in the area. The remaining 20% attend a mix of private, independent, and parochial schools. The area has 54 private high schools and 288 private elementary schools. A wide variety of private and state institutions of higher education are available in the area. The region's five universities are Washington University, St. Louis University, the University of Missouri-St. Louis, Webster University, and Southern Illinois University at Edwardsville (SIUE). Both Washington University and St. Louis University have medical schools which support research and teaching hospitals, resulting in St. Louis being well respected across the country as a strong medical center. These medical schools are complemented by the St. Louis College of Pharmacy, Logan College of Chiropractic, SIUE School of Dental Medicine, the University of Missouri-St. Louis School of Optometry, and several schools for nursing, hospital administration, and allied health services.

Summary of Regional Description

The value of residential and commercial property is affected by the physical, governmental, economic, and social forces of the region. The central location of the St. Louis region affords excellent distribution center possibilities. The region's transportation network minimizes freight costs for consumer and industrial markets from this location. A large number of major corporations are headquartered in the region. These firms are attracted to St. Louis by an excellent work force and below average cost of living, as well as excellent recreational and cultural opportunities. The recent economic downturn had a negative impact on property values and increased the number of unemployed workers. However, over the course of the last two years, employment has increased, and most markets are seeing signs of recovery. Although some sectors and sub-markets are doing better than others, there is optimism that 2015 will bring furthered positive momentum.

REGIONAL MAP



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. http://www.microsoft.com/streets/
Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

NEIGHBORHOOD DESCRIPTION

A neighborhood can be defined as a group of complementary land uses. The purpose of the neighborhood analysis is to define the boundaries and identify the factors having a specific impact on the subject property. St. Louis City is divided into approximately 79 different neighborhoods. The subject is located in the Lafayette Square neighborhood, which is generally bounded on the north by Chouteau Avenue, on the west by Jefferson Avenue, on the east by Dolman Avenue, and on the south by Interstate 44.

Although Dolman is officially the eastern boundary of the neighborhood, since the completion of the Truman Parkway, this street is now more commonly seen as the dividing line between Lafayette Square and the adjoining "Near Southside" neighborhood. Because the subject property is on the border between these neighborhoods, developments in both areas impact the subject and will be discussed in our analysis.

History and Economic Forces

The neighborhood first developed in the mid-19th Century around Lafayette Park, which was set aside for public use in 1836. By the late 1870's, the park was one of the city's finest in terms of recreation, landscaping and ornamentation. During this period, the greatest construction activity for what is known as the "Second Empire Style Victorian" town houses began. They were usually built with two full stories topped by a third floor mansard roof with dormer windows. After 1890 the prevailing architectural mode turned to houses displaying a Germanic influence with wide arches, turrets, and classical columned porches. In 1896 a tornado nearly devastated the park, and destroyed much of the elegant neighborhood.

The area deteriorated through much of the 20th century, with industrial uses and highway development encroaching on the edges of the neighborhood. Some of the elegant homes were converted to rooming houses. Others were simply abandoned and boarded shut. This decline continued through the late 1960's. Around that time a new group of neighborhood residents, attracted by the large attractive homes at affordable price, became active in the neighborhood. The neighborhood was declared a historic district in 1972 and today nearly all of the 375 historic homes have been restored. The neighborhood is known for the restored Victorian homes which surround Lafayette Park and select homes are showcased during a well-attended house tour each year.

The most recent aspect of the neighborhood's revitalization has been the development of new construction townhouses and condominiums. Developments of this type allow the neighborhood to attract residents who enjoy the urban lifestyle that the area offers but who do not want the challenges of updating or maintaining an older home.

Though some older light industrial developments still exist, today the neighborhood is largely residential. In addition to the restored Victorian style homes, residential housing consists of small multi-family housing with some condominiums and town-houses. The neighborhood has also seen the development of small scale commercial and retail developments. The commercial development has clustered along Park Avenue between Mississippi Avenue and 18th Street. The

design of the buildings gives this stretch the feel of a small town main street and the recently developed Park Avenue Plaza serves as a focal point for the commercial district.

For many years, redevelopment efforts in the neighborhood were hindered by the proximity of the high rise public housing complex known as Darst-Webbe, other subsidized housing complexes, and the long vacant City Hospital complex. The situation began to change substantially with the demolition of Darst-Webbe in the mid-1990's. The complex has now been replaced with lower density mixed-income housing, which blends market rate tenants along with those receiving rent subsidies. The mixture of low-income and market rate tenants and the low-rise design are more in keeping with the architecture and character of the surrounding neighborhood.

After many years of setbacks and delays, the redevelopment of City Hospital has also moved forward. Developers Chris Goodson and Trace Shaughnessy have converted the main building to 104 residential condominiums and the building is now known as the Georgian. Additional work includes the redevelopment of some of the outbuildings at the former City Hospital complex. The former laundry building in the City Hospital complex has now been renovated as an event venue known as the Palladium. The venue is operated by The Butler's Pantry, which is the largest catering company in Missouri. The Butler's Pantry has also constructed a new 20,000 square foot headquarters building with offices and commissary kitchen on the site next to The Palladium. The most recent building renovated in the complex is the former Power Plant. The core and shell renovation of this +/- 28,000 square foot building was completed in March 2012. Most of the first floor space is occupied by an approximate 10,000 square foot rock climbing gym, one of the top five such facilities in the country. A restaurant also opened in this building in December 2013.

Some of the excess land that is part of the City Hospital complex has recently been developed with a new dental clinic which also serves as a training location for 3rd & 4th year dental students. AT Still University in partnership with Affinia Healthcare completed a 79,000 square foot $24 million facility, which opened at 1500 Park Avenue in June 2015. In addition to the main complex, the developers of the City Hospital complex acquired approximately 5 acres of vacant ground south of Lafayette Avenue for additional commercial development. In October 2009, a new 14,820 square foot Walgreens, developed in conjunction with Koman Properties, opened on a +/- 1.5 acre portion of the site. An additional 2.0 acres of the site has been developed with Fields Foods, an upscale independent grocer which opened in January 2014.

Physical Forces

The subject is located just southwest of St. Louis City's Central Business District (CBD), the core of the city's concentration of office buildings, sports venues (ScottTrade Center, Busch Stadium and the Edward Jones Dome), Union Station and other shopping destinations, and numerous cultural and entertainment sites. Lafayette Square is located approximately six miles southeast of the St. Louis County Government Center in Clayton, Missouri. Access to the neighborhood is good from Interstates 44, 64, 55, and 70, though traffic volume can cause some congestion.

A newer four lane north/south parkway known as "Truman Parkway" was completed in 2005 and connects Lafayette Avenue, Interstate 44 and Interstate 55 up to Chouteau Avenue at the

Ameren office complex. The Truman Parkway aids in access between Lafayette Square and downtown and is helping ease traffic congestion in the neighborhood. The other main north/south arterial for the subject neighborhood is Jefferson Avenue. The primary east/west arterials for the subject neighborhood are Chouteau Avenue and Interstate 44, with Lafayette and Park Avenues serving as secondary east west collector streets.

Governmental Forces

The subject is located in the City of St. Louis, Missouri which provides for its own local government including zoning, fire and police departments. The St. Louis City Assessor's Office is given the task of appraising the value of all real property within its boundaries.

An additional factor that has aided the neighborhood's redevelopment is the Lafayette Square Urban Design Plan. This is a four phased community participatory planning process that began in April of 2000. General use regulations are intended to reinforce the urban character of the neighborhood and the experience and sense of safety of the pedestrian with all new land uses reinforcing the residential character or serving a residential function. Additional use regulations encourage new and infill residential development with a variety of sizes and building types that will encourage a diversity of neighborhood residents. The City Planning Commission has officially approved the Lafayette Square Urban Design Plan, making available a total of $8,000,000 in Tax Increment Financing (TIF) to be funded over the next ten to fifteen year period, which will be utilized for public improvements, such as the construction of new street entrance monuments, new street lights and new sidewalks.

Social Forces

The neighborhood is located in close proximity to schools, businesses, churches, and government centers. Cultural and entertainment and educational sites such as the Fox Theater, Powell Symphony Hall, Union Station, the Arch, Forest Park, the Missouri Botanical Gardens, Washington University, and Saint Louis University are all within a 5 mile radius of the subject.

While St. Louis City as a whole has continued to lose population over the last decade, the 2010 Census revealed an increase in the population of the Lafayette Square and Near South Side neighborhoods. The combined population of the two neighborhoods increased from 3,221 in 2000 to 4,456 in 2010, an increase of approximately 38% over the decade, or 3.8% annually. The population increase in the Near South Side neighborhood was especially dramatic due to the new housing which was constructed at City Hospital, and the replacement of the former public housing complexes. More modest population growth in the neighborhood can be expected to continue for the foreseeable future.

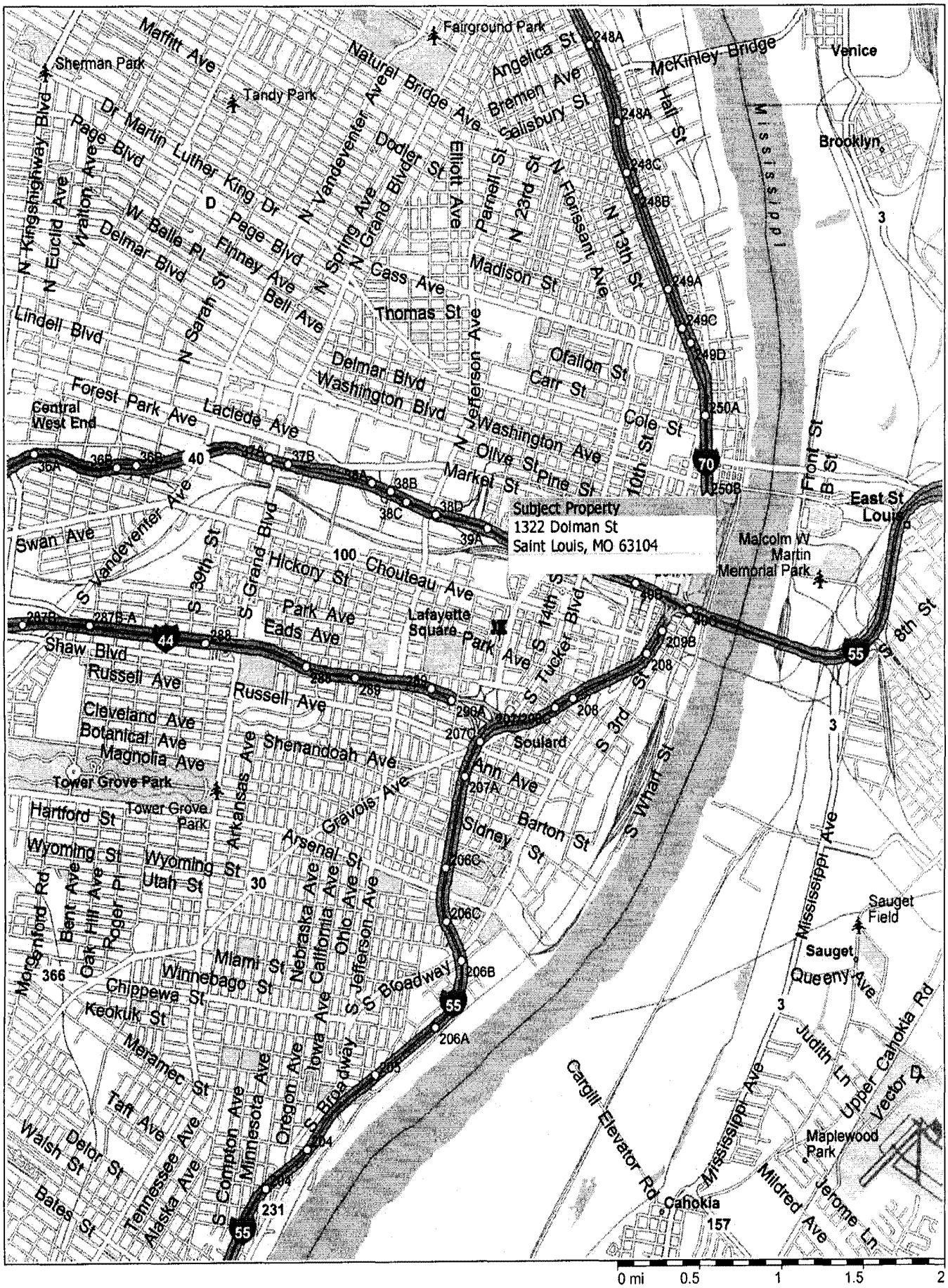
The subject neighborhood is located in ZIP Code 63104, which also includes a number of other neighborhoods south and west of Downtown St. Louis. According to the website City-data.com, the median household income for this ZIP Code as of 2011 is $41,473, which is slightly below the statewide figure for Missouri of $45,247. However, the median home value for ZIP Code 63104 is reported as $218,200, which is substantially above the statewide figure of $136,900. This split reflects the economic diversity of the area. In general, the Lafayette Square neighborhood

would tend to be more prosperous than most of the other neighborhoods in this ZIP Code and would tend to reflect higher income levels.

Conclusion of Neighborhood Analysis

The subject neighborhood is one of the oldest in St. Louis City. Lafayette Square is St. Louis' oldest historic district, and is centered around the 30-acre Lafayette Park. After experiencing a period of decline, the neighborhood is in the midst of a striking rebirth. Access to all major highways is only minutes away, thus access to and from the neighborhood is good. In fact, access to and from the neighborhood has improved with completion of the Truman Parkway. The economic and environmental features of the neighborhood vary significantly from one block to the next but the overall economic trend for the subject's neighborhood appears to be positive with new residential development, retail shops, neighborhood commercial developments, and bistros appearing throughout the community. The neighborhood is expected to enjoy continued stability and moderate population growth as redevelopment continues. The expectation is also for stable to moderately increasing real estate values.

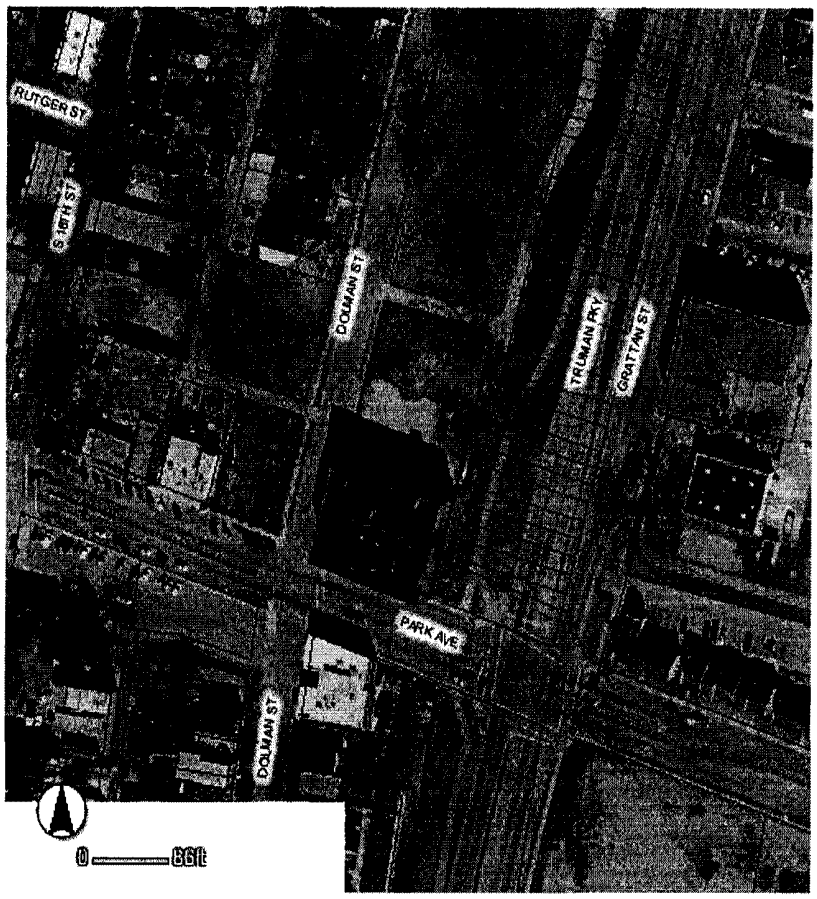
NEIGHBORHOOD MAP



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. http://www.microsoft.com/streets/
Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

SITE DESCRIPTION

The subject property is located at the northeast corner of Dolman Street and Park Avenue in the City of St. Louis. A parcel map from the City of St. Louis's Geo St. Louis website is presented below.



Size, Shape, and Frontage

The property is located at the northeast corner of Dolman Street and Park Avenue. We were provided with a survey of the subject site prepared by Cole Civil Engineering which is dated January 26, 2015. A copy of the survey is included at the end of this section of the appraisal report. The survey indicates a site size of 34,401 square feet or 0.79 acres. St. Louis City records indicate a slightly smaller site size of 34,112 square feet but we have used the survey figure in our analysis.

The property is nearly rectangular in shape. The property has approximately 128.1 feet of frontage on the north line of Park Avenue and approximately 266.5 feet of frontage on the east line of Dolman Street based on the survey. The property also backs up to the right-of-way for the Truman Parkway (formerly Grattan Street) and a unutilized alley which formerly served the properties on the east side of Grattan Street. The right of way for Truman Parkway includes a landscaped buffer and bike path.

We have been informed that the developer is seeking to have the city vacate the 20 foot wide alley to the east of the site, and incorporate the alley area into the property. This would increase the site size by approximately 5,450 square feet. We understand that this will be needed to configure all of the proposed parking and amenities on the site. In our analysis, we have used the existing site size for the property. However, our "as completed" and "as stabilized" analysis assumes that the developer will be able to configure their anticipated parking on the site, which may require the additional land area.

Accessibility/Visibility/Topography

Access to the subject property is considered good. The property is located off of the Truman Parkway, which is a major north/south thoroughfare connecting the Lafayette Square neighborhood with Downtown St. Louis. Access to Interstate 44 is about ½ mile south of the subject and Interstate 64 (US Highway 40) about ½ mile north of the subject. Park Avenue is a collector street in the neighborhood and the intersection with Truman Parkway is signalized. Dolman Street is a mostly residential street carrying local traffic. The property has good visibility from Park Avenue, Dolman Street and Truman Parkway.

Flood Plain

The subject property is located within the defined area of the Flood Insurance Rate Map identified as Community Panel Number 290385-0102-C dated May 24, 2011 for the City of St. Louis. Based on a review of the map, it appears that the property is not located in a special flood hazzard area. The Flood Insurance Rate Map was prepared by the Federal Emergency Management Agency (FEMA) for the National Flood Insurance Agency. We recommend that the client obtain a professional flood letter to accurately identify the flood status and elevation of the subject, because flood maps are not site specific.

Utilities and Services

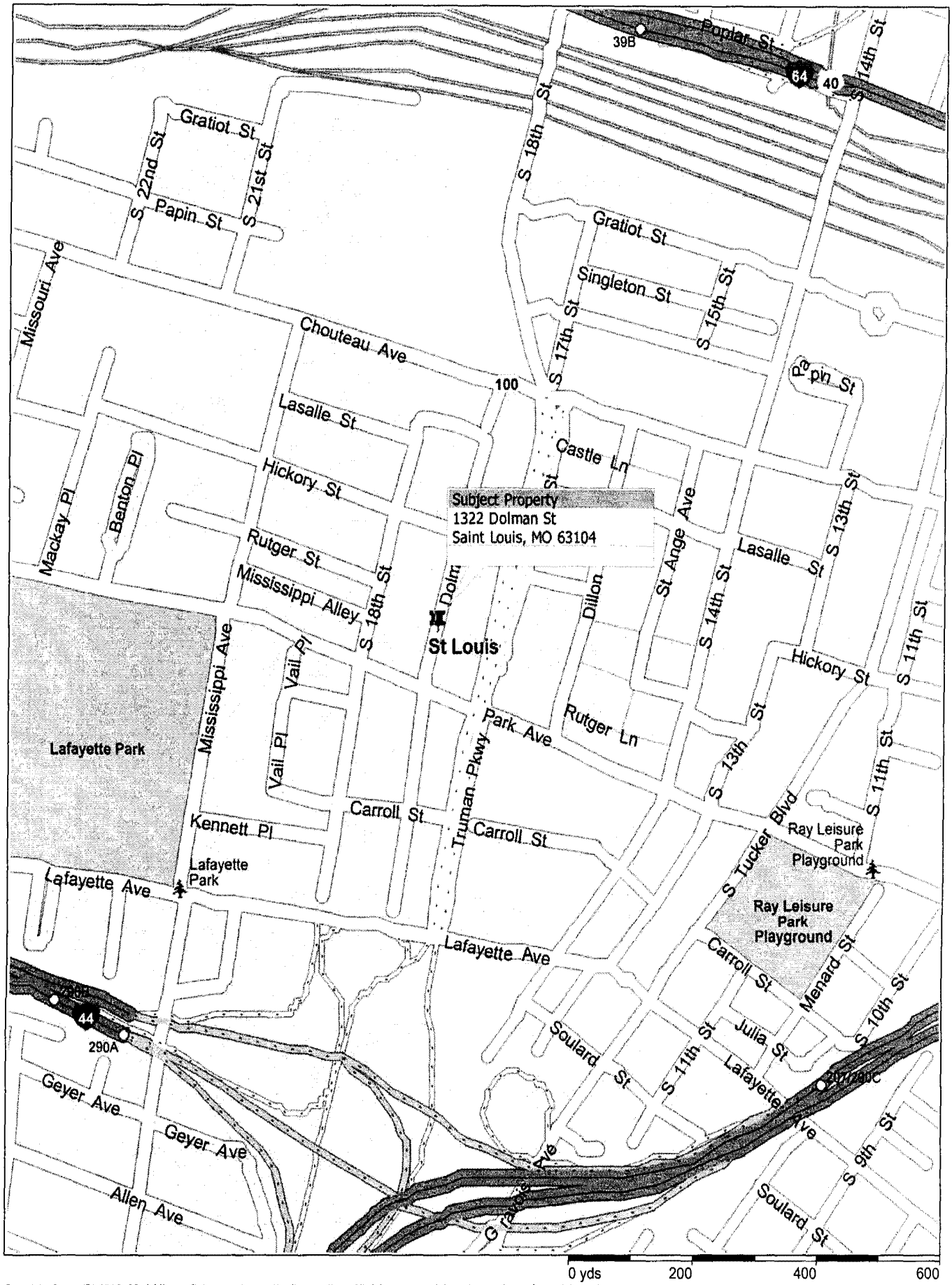
The following utilities and public services are available to the subject property:

Utility/Public Service	Provided By
Sanitary Sewer	Metropolitan St. Louis Sewer District (MSD)
Water Service	St. Louis City Water
Electricity	Ameren Missouri
Natural Gas	Laclede Gas Company
Fire and Police	St. Louis City
Refuse Collection:	Outside Contractors

Encroachments and Easements

The survey provided indicates some minor possible building encroachments into the right of way and a possible fencing encroachment. Such encroachments are common in an urban environment such as the subject neighborhood. The survey and the title report reveal no easements that would have a negative impact on the utility or value of the property.

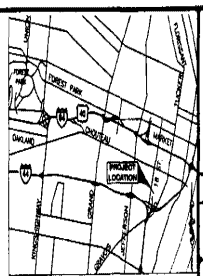
LOCATION MAP



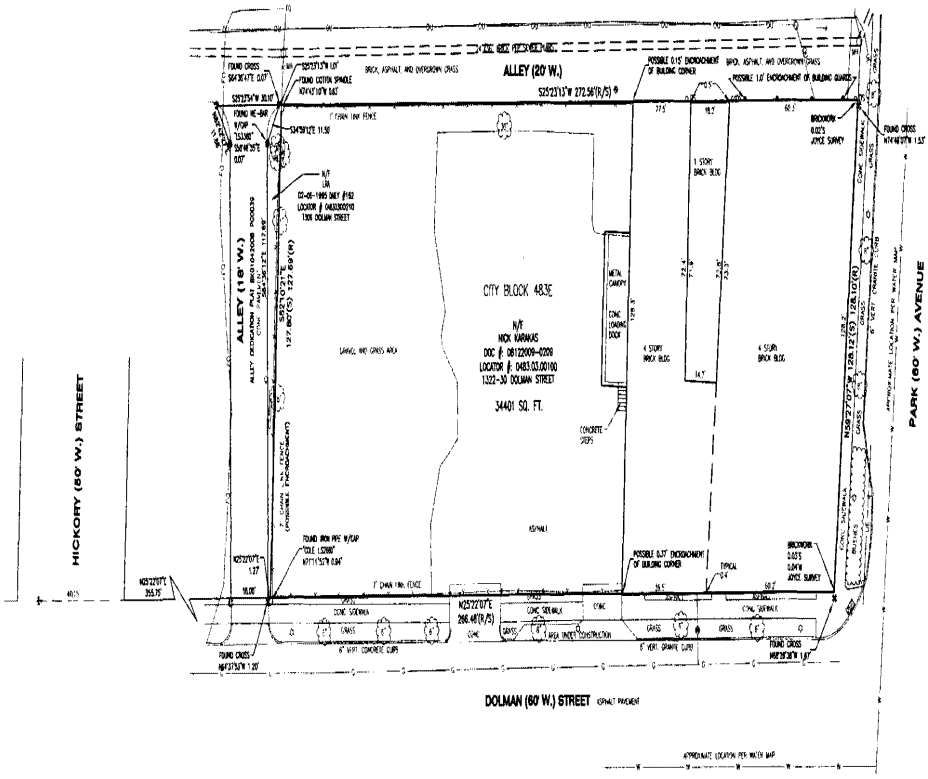
Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. http://www.microsoft.com/streets/
Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

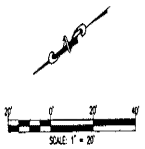
ALTA/ACSM LAND TITLE SURVEY

PART OF CITY BLOCK 483E
CITY OF ST. LOUIS, MISSOURI



LOCATION MAP
(NOT TO SCALE)





LEGEND

BENCHMARK	BOLLARD	COMMUNICATION SPLICE BOX	TRAFFIC SIGNAL POLE
FOUND IRON PIPE	UTILITY POLE	FIBER OPTIC SIGN	TRAFFIC MANHOLE
FOUND IRON ROD	GUY WIRE	GAS METER	TRAFFIC CONTROL BOX
FOUND CROSS	CURB INLET	GAS VALVE	TRAFFIC PULL BOX
FOUND ANCHOR	GRATED INLET	GAS DRIP	PARKING METER
FOUND RIGHT OF WAY MARKER	STORM MANHOLE	SIGN	GATE CONTROL BOX
SET IRON ROD "COLE LS-2860"	AREA INLET	DOUBLE POST SIGN	
TREE STUMP	GRATE MANHOLE	MAILBOX	
BUSH	FLARED END SECTION	LIGHT STANDARD	
TREE	DRAINAGE PIPE	YARD LIGHT	
SPRINKLER CONTROL BOX	DOWN SPOUT	ELECTRIC PULL BOX	
WATER MANHOLE	SANITARY MANHOLE	ELECTRIC METER	
FIRE HYDRANT	CLEANOUT	ELECTRIC BOX	
WATER VALVE	UNKNOWN MANHOLE	ELECTRIC MANHOLE	
WATER METER	HANDICAP STRIPING	ELECTRIC TRANSFORMER	
WATER FAUCET	PARKING STALLS	ELECTRIC OUTLET	
MONITORING WELL	COMMUNICATION MANHOLE	AIR CONDITIONING UNIT	
BOREHOLE	CABLE SPLICE BOX		

STORM SEWER
WATER LINE (UNDERGROUND)
ELECTRIC LINE (UNDERGROUND)
ELECTRIC LINE (OVERHEAD)
OVERHEAD UTILITY
GAS LINE (UNDERGROUND)
TELEPHONE LINE (UNDERGROUND)
FIBER OPTIC LINE
SANITARY SEWER
FENCE LINE
TRAFFIC LIGHTS

LAND DESCRIPTION (PER TITLE COMMITMENT):

A LOT IN BLOCK 483-E OF THE CITY OF ST. LOUIS, FRONTING 266 FEET 6 INCHES, MORE OR LESS, ON THE EAST LINE OF DOLMAN ST., BY A DEPTH EASTERWARLY OF 128 FEET 1-1/4 INCHES ALONG THE SOUTH LINE OF SAID PROPERTY AND OF 127 FEET 8-1/4 INCHES ALONG THE NORTH LINE OF SAID PROPERTY TO AN ALLEY, HAVING A WIDTH THEREON OF 272 FEET 8-3/4 INCHES, MORE OR LESS; BOUNDED ON THE SOUTH BY PARK AVENUE AND ON THE NORTH BY A LINE 375 FEET SOUTH OF THE SOUTH LINE OF HICKORY STREET MEASURED ALONG THE EAST LINE OF DOLMAN STREET.

TITLE COMMITMENT:

LAFAYETTE TITLE COMPANY
FILE NO. 202288
EFFECTIVE DATE: DECEMBER 8, 2014

SCHEDULE B - SECTION II

ITEMS 14-17: STANDARD EXCEPTIONS PER TITLE POLICY NOT PLOTTABLE OR WITH INFORMATION THAT CAN NOT BE SHOWN HEREON.

ITEM 16. BUILDING LINES, EASEMENTS, CONDITIONS AND RESTRICTIONS, IF ANY. TERMS AND CONDITIONS OF REDEVELOPMENT AGREEMENT RECORDED IN BOOK 7819 PAGE 1151. NOT PLOTTABLE

ITEM 19. TERMS AND CONDITIONS OF ORDINANCES 56148 AND 62232 OF THE CITY OF ST. LOUIS. NOT PLOTTABLE

GENERAL NOTES:

1. ALL BEARINGS AND DISTANCES ARE RECORDED (R) AND SURVEYED (S), UNLESS OTHERWISE NOTED.
2. BASIS OF BEARINGS: SOUTH 19 DEGREES 29 MINUTES 30 SECONDS LOCATED ON THE NORTHERLY RIGHT OF WAY LINE OF DOLMAN, AS SHOWN ON CARROLL ESTATES AS RECORDED IN PLAT BOOK 7222011 PAGE 73 OF THE CITY OF ST. LOUIS RECORDS.
3. THIS SURVEY WAS BEEN EXECUTED IN ACCORDANCE WITH THE CURRENT MINIMUM STANDARDS FOR PROPERTY BOUNDARY SURVEYS FOR THE STATE OF MISSOURI (10CSR30-16.010), AND MEETS THE REQUIREMENTS OF AN URBAN CLASS SURVEY, AS DEFINED THEREIN.
4. TOTAL AREA OF BOUNDARY OF SURVEY = 34,401 SQUARE FEET
5. AS DETERMINED THROUGH GRAPHIC PLOTTING ONLY, SUBJECT TRACT FALLS IN ZONE "X"; AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN, PER THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP FOR CITY OF ST. LOUIS, MISSOURI, PANEL 102 OF 175 MAP NUMBER 29510510102, EFFECTIVE DATE OF MAY 24, 2011.
6. CURRENT ZONING "C" MULTIPLE FAMILY RESIDENTIAL, "F" NEIGHBORHOOD COMMERCIAL PER THE CITY OF ST. LOUIS.

SURVEYOR'S CERTIFICATION

TO: CAPSTONE DEVELOPMENT GROUP, LLC
TRUMAN LOFTS LP,
LAFAYETTE TITLE COMPANY,
NATIONAL TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6(a), 7(a), 8, 9, 11(b), AND 13 OF TABLE A THEREON. THE FIELD WORK WAS COMPLETED ON 01-16-15.

COLE AND ASSOCIATES INC.
L.S. 286-D

PROJECT NO. 15-0007

STATE OF MISSOURI
LS-2863
STEVEN A. BORGMANN
PROFESSIONAL LAND SURVEYOR

STEVEN A. BORGMANN, PLS
MISSOURI CERT. NO. LS 2863

DATE OF PLAT OR MAP 01/26/2015

DEVELOPER/OWNER: TRUMAN LOFTS LP
50 SOUTH BRIDGE WAY, SUITE 201
CLAYTON, MO 63105
PHONE 314-705-5901

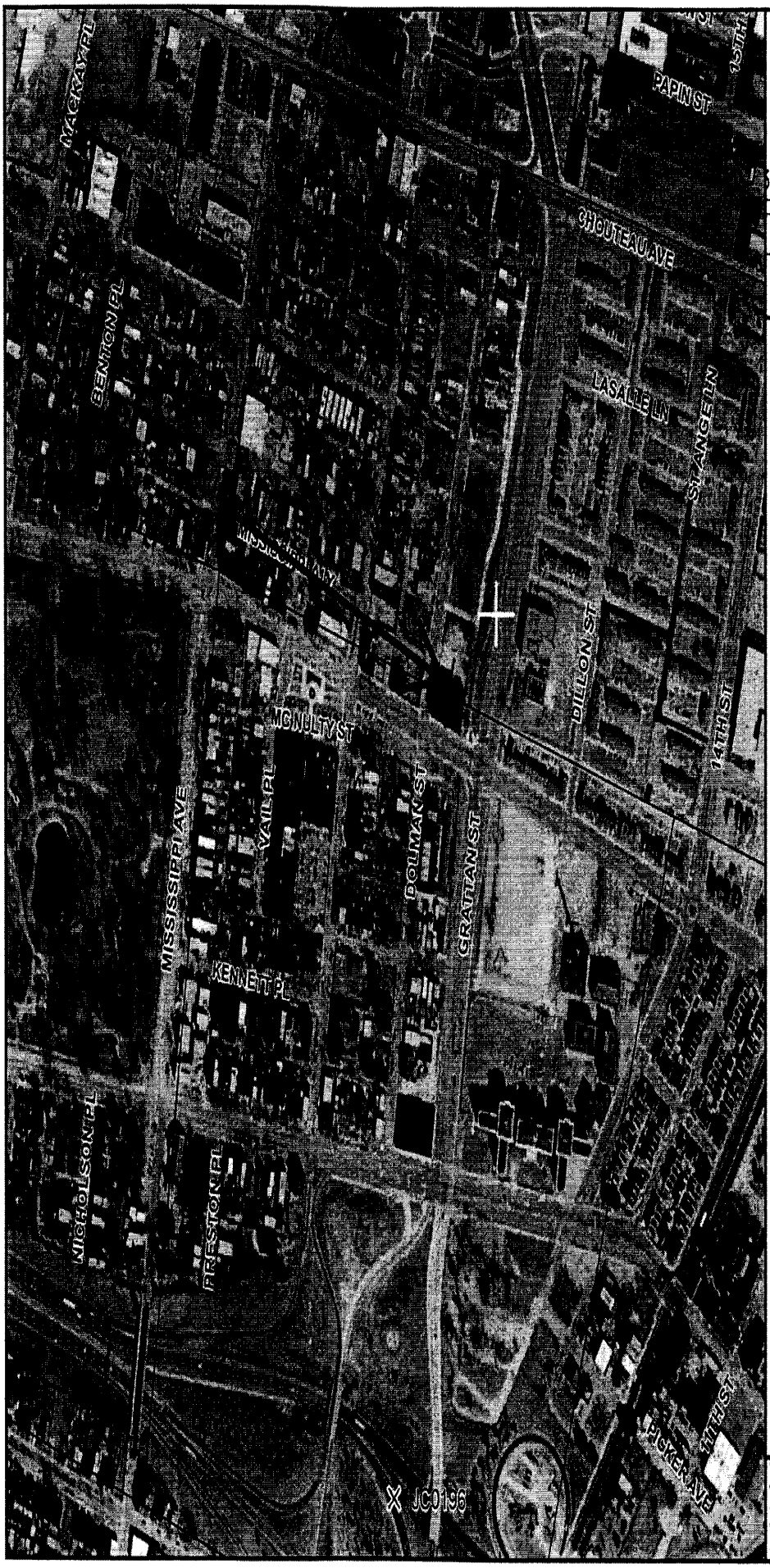
NO.	REVISION DESCRIPTION	DATE

1322-1330 DOLMAN STREET
CITY OF ST. LOUIS, MO.
ALTA/ACSM LAND TITLE SURVEY

cole
ST. LOUIS
4144 LINDELL BLVD.
SUITE 200
ST. LOUIS, MO 63108
314.993.0007 ref
CIVIL ENGINEERING / SURVEYING / GIS & ASSOCIATES, INC. / LANDSCAPE ARCHITECTURE

DESIGN/CALC BY	
DRAWN BY	MSS
CHECKED BY	SAB
DRAWING SCALE	1" = 20'
DATE	01-26-2015
Job Number	15-0007
Sheet Number	1 OF 1

DATE: Sunday, January 25, 2015 1:48:31 PM
DRAWING: S:\JOBS\2015\15-0007\CADD\15-0007.dwg



MAP SCALE 1" = 500'

0 500 1000 FEET

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0102C

FIRM

FLOOD INSURANCE RATE MAP

CITY OF
ST. LOUIS,
MISSOURI
INDEPENDENT CITY

PANEL 102 OF 125
(SEE LOCATOR DIAGRAM OR MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
ST. LOUIS, CITY OF	290385	0102	C

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.

MAP NUMBER
2903850102C

MAP REVISED
MAY 24, 2011

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

ZONING

Use of the subject property is controlled by the Zoning Ordinance of the City of St. Louis. According to the City of St. Louis website, the property is partially zoned"F" Neighborhood Commercial District and partially zoned "C" Multiple Family Dwelling District. A review of the zoning map indicates that the southern portion of the site along Park Avenue is zoned "F" Neighborhood Commercial, while the northern portion of the site has the "C" Multiple Family Dwelling zoning. The requirements of these districts are discussed in greater detail below.

"F" Neighborhood Commercial District

The purpose of this district is to establish and preserve those commercial and professional facilities that are especially useful in close proximity to residential areas. The district is designed to provide convenient shopping and servicing establishments for persons residing in the immediate neighborhood to satisfy those basic home and personal shopping and service needs which occur frequently and so require retail and service facilities in relative proximity to places of residence, so long as such uses are compatible with and do not detract from adjacent residential uses.

The use regulations for this zoning include any use permitted in the "E" Multiple-Family Dwelling District; art galleries, bakery shops, barber/beauty shops, bookstores, butcher shops, computer shops, day care centers, drug stores, dry cleaning, financial institutions, florists, general offices, grocery, hardware, professional offices, shoe repair, and video stores. Residential uses are permitted in the "F" Neighborhood Commercial District. Conditional uses include bars, liquor stores, parking lots, private clubs, restaurants, theaters, and motor fuel pumping stations. The following restrictions apply to the "F" Neighborhood Commercial District:

Minimum Area:	For non-residential structures, the required site size is one and one half times the building square footage for one story office buildings. For residential uses, the requirement is to meet the zoning requirement for the least restrictive adjoining residential district.
Front Setback:	Average front yard line on the street
Side Setback:	Four feet if adjoining residential properties, otherwise none
Rear Setback:	None
Maximum Height:	Three stories or 50 feet in height
Minimum Parking:	Retail stores require one space per 700 square feet in excess of 3,000 square feet. Banks and office buildings require one space plus one additional space for each 1,250 square feet above 7,500 square feet. Residential uses require one space per new dwelling unit and three spaces per four renovated units

"C" Multiple Family Dwelling District

The purpose of this district is to establish and preserve medium density residential districts free from other uses except those both compatible and convenient to the residents of such district. Permitted uses in this zoning district are single family dwellings, multiple family dwellings, parks, and playgrounds. Conditional uses in the "C" Multiple Family Dwelling district include day care centers and bed and breakfast inns. Zoning restrictions/requirements are as follows:

Front Setback:	Average front yard line within two city blocks
Rear Setback:	15 feet unless a side yard of 12 feet is provided
Maximum Height:	Three stories or 45 feet
Minimum Parking:	One space per new dwelling unit and three spaces per four renovated units
Density:	Multi-family dwellings shall have a lot area of not less than 1,500 square feet for each dwelling unit or as lawfully provided in an existing building prior to rehabilitation

Analysis of Subject Compliance

As we have noted, the subject property has two different zoning classifications, although it is a single parcel. Based on conversations with St. Louis City zoning officials, when a single parcel has multiple zoning classifications, the more restrictive zoning controls. In this case, the more restrictive zoning is the "C" Multiple Family Dwelling District.

A variety of potential compliance issues are noted pertaining to the current zoning and the proposed use of the subject property. First, the proposed use of a portion of the property as commercial/retail space is consistent with the "F" neighborhood commercial zoning, but would not be permitted by the "C" Multi Family Dwelling district. The proposed unit density of 40 residential units would also exceed the allowable density requirements of the "C" Multiple Family district. Finally, the existing building does not appear to meet the current setback requirements. The subject would currently be considered a legal non-conforming use with regards to the setbacks.

It is relatively common for redevelopment projects in the City of St. Louis to require re-zoning or a zoning variance to address issues of density, setback, parking, etc. We have been provided with a redevelopment agreement between the developer and the City of St. Louis Land Clearance for Redevelopment Authority indicating approval for the developer's project and offering tax abatement assistance to the project. This indicates that city officials are supportive of the project. ***Our "as completed" and "as stabilized" analysis are based on the extraordinary assumption that the development will receive legal approval from the City of St. Louis to proceed.***

ASSESSMENT AND CURRENT TAXES

The state law of Missouri mandates the assessment of properties within the state at 19% of market value for residential properties and 32% of market value for commercial properties. Real estate is assessed by individual counties within the State of Missouri. Per state law, ad valorem valuation occurs every two years, with tax year 2015 triggering the beginning of a new assessment cycle. The property is currently being assessed and taxed as a commercial property. Following the proposed renovation/conversion, we expect the property would instead be assessed and taxed primarily as a residential property, with a small commercial component.

The 2014 tax rate in the City of St. Louis was $7.5850 per $100 of assessed valuation for residential property and $9.2250 per $100 for commercial property. The preliminary 2015 tax rate is $7.6688 per $100 of assessed value for residential property and $9.3088 per $100 of assessed value for commercial property. These rates are still subject to change, but can be used to estimate the 2015 taxes. The 2015 assessment and estimated tax information for the subject property is summarized in the table below.

2015 Assessment & Estimated Tax Information

Parcel Number	Assessed Land	Assessed Improvements	Total Assessment	Assessor's Market Value	2015 Estimated Tax
0483-30-00100	$ 43,600	$ 132,000	$ 175,700	$549,100	$ 16,355.56

The 2014 taxes for the subject property were $16,208 and have been paid in full. The 2015 total assessment for the property is unchanged from the 2014 assessment. The estimated 2015 taxes are slightly higher than 2014 because of the anticipated increase in the tax rate. The current taxes are based on the un-renovated condition of the property and are based on a commercial assessment. If not for a tax abatement (discussed below) the taxes for the property could increase substantially.

Discussion of Unabated Taxes after Renovation

Following the proposed renovation and conversion, we would expect that the assessment and taxes for the majority of the property to be based on a residential rather than a commercial assessment, with a small portion of the property expected to be commercially assessed. However, the assessment could be substantially higher due to the renovation.

However, we have been provided with a signed redevelopment agreement between the developer of the subject property and the Land Clearance for Redevelopment Authority (LCRA) a City of St. Louis agency. The agreement includes a provision for 10 year real estate tax abatement of the property following the renovation. In our analysis, we will use the estimated unabated taxes for the subject property in our valuation. We will separately calculate the value of the 10 year abatement and include this in our analysis of the property. The first step in this analysis is to consider what the taxes are likely to be following the proposed renovation and conversion, without abatement. For this analysis we have sought information on the assessment levels for other renovated properties which do not have tax abatement.

The best tax comparables are considered to be other large mixed-use apartment/commercial redevelopment projects in the Lafayette Square area. One of the best examples is the M Lofts located at 1105 Mississippi Avenue. As of 2015 the M Lofts has a residential assessment of $600,500 or $16,681/unit for the 36 residential units. The commercial assessment is $364,600 which equates to $28.53/sf based on the commercial area of 12,781 square feet at this property.

Applying the residential assessment of $16,681/unit to the proposed 41 residential units at the subject property suggests an unabated residential assessment of $683,921. Applying the residential tax rate to this figure indicates unabated residential taxes of $52,449 (7.6688% x $683,921) or $1,279/unit. The commercial assessment is estimated at $64,135 ($28.53/sf x 2,248 sf) with estimated commercial taxes of $5,970 ($64,135 x 9.3088%). Total taxes without abatement are therefore estimated as **$58,419** ($52,449 residential + $5,970 commercial).

Value of Tax Abatement

The current taxes are approximately $16,356. However, after the building is renovated and converted to primarily residential use, the taxes with abatement may actually go down, because the assessment and taxes will be based on a residential rather than commercial classification of the property. We spoke with Mr. David Donald of the City of St. Louis assessor's office, who confirmed that under a Chapter 99 real estate tax abatement, the office will adjust the assessment to reflect the lower assessment ratio when an abated property changes from a commercial to residential use.

The current assessed value for the property is $175,700 based on an assessor's market value of $549,100. Following the renovation, approximately 94% of the subject's floor area will be residential and approximately 6% commercial. We would expect a similar percentage of the value to be assigned to the residential and commercial space for assessment purposes. Therefore, we estimate the abated assessment following renovation as $98,069 residential ($549,100 x 94% residential space x 19% residential assessment ratio) and $10,543 commercial ($549,100 x 6% commercial space x 32% commercial assessment ratio). Abated taxes are estimated as $7,521 residential ($98,069 x7.6688% residential tax rate) and $981 commercial ($10,543 x 9.3088% commercial tax rate). **Total abated taxes are estimated as $8,502 ($7,521 + $981)**

The estimated taxes without abatement are estimated as $58,419. This results in an annual tax savings of approximately $49,917 annually ($58,419 - $8,502) during the abatement period. The estimated tax savings from the abatement can be discounted to a present value using an appropriate discount rate. With the redevelopment agreement granting the abatement signed, the abatement is assured and considered quite safe. Therefore, a relatively low discount rate of 6% would be considered appropriate. Discounting the estimated $49,917 annual tax savings at 6% over a 10 year period results in a present value of $367,393 which is **rounded to $365,000**. This additional contributory value for the tax abatement would be attributable to the "as completed" value of the subject.

IMPROVEMENT DESCRIPTION

The subject property is improved with a four story (including raised basement level) masonry former loft/industrial building. The building is currently vacant and in need of substantial renovation. The purchaser under contract plans a renovation and conversion to residential (multi-family apartment) use with a small commercial component. We will describe the current condition of the building as observed during our inspection, and then describe the proposed renovations as indicated by the purchaser.

Current Building Description

The building was apparently built in two phases, with the south portion (along Park Avenue) constructed 1908 and the north portion added in 1913. St. Louis City records indicate a blended construction date on 1910. The building is of masonry construction with wood floors and a combination of heavy wood posts and beams and metal posts for interior support. The clear ceiling heights on the ground floor/raised basement is about 9 ½ feet. The clear ceiling height on the second floor is just under 13 feet, while the height on the top two floors is about 11 feet.

The first floor (an exposed full basement level) is approximately 12,800 square feet. The three upper floors are approximately 35,772 square feet (11,924 square feet per floor) for a total gross building area of 48,572 square feet including the raised basement. The upper floors are a bit smaller than the first floor/basement level because of a cut-out light well on the east elevation of the building. St. Louis City records reflect a building area of 37,710 square feet, which seems not to include the raised basement.

The building has reportedly been used through the years for various industrial/manufacturing operations but has been vacant for about 10 years. Two older and non-functioning freight elevators were noted. The building has a sprinkler system but it is not believed to be in working condition. Older radiators were observed, again not believed to be functioning. There were some office areas on the first floor with older finish and peeling paint. The only working systems noted in the building were some areas with electric lights. The building's roof is reportedly in poor condition and areas of water damaged from roof leaks were observed.

Overall the building is a 100+ year old vacant former industrial property that has reached the end of its economic life and is in need of a complete renovation. The purchaser under contract proposes a renovation and conversion to multi-family residential use with a small commercial component. The proposed renovation is described in greater detail below.

Environmental

As discussed in the assumptions and limiting conditions portion of this report, we are not considered experts in environmental issues. We were provided with two environmental reports pertaining to the subject property, which were both prepared by Terracon Consultants, Inc. These documents are an asbestos and lead based paint survey dated May 14, 2015 and limited site investigation dated May 18, 2015. These reports have been retained in our files.

These reports outline a number of potential environmental issues related to the subject property, including the presence of asbestos containing materials and the presence of lead-based paint. The limited site investigation involved soil sampling and sub-slab vapor sampling, both of which revealed areas of potential environmental concern that would need to be addressed in the proposed renovation.

The reports provided do not detail the costs of any remediation that may be required to address these environmental issues in the proposed renovations. We understand that some additional testing will be conducted regarding the soil vapor issues. Most older properties in an urban environment that are purchased for redevelopment have some environmental issues that need to be addressed during renovation. For the purposes of our "as is" analysis, we assume that the costs of required remediation at the subject will be similar to most other projects of this type. For our "as completed" and "as stabilized" analysis, we assume that the property will have all environmental issues addressed in accordance with applicable laws and regulations.

Proposed Renovation/Conversion

The purchasers under contract propose to renovate the property and convert it to multi-family residential use with a small commercial component. The renovated/converted property will be known as the Truman Lofts. When we previously appraised the property we were provided with floor plans showing the proposed unit configurations as well as a projected rent schedule.

For this appraisal, we have been provided with a revised schedule of unit sizes and proposed rents, but updated floor plans have not been provided. We have assumed that the amenity areas will be generally unchanged. The plans for the prior appraisal showed the third floor and fourth floor being combined to create two-level "loft" units, but the revised unit schedule shows some two-story loft units on the third floor, some single story units on the third floor, and some single story units on the fourth floor. The revised unit configuration is discussed in more detail below.

The developer will fully utilize the exposed basement/lower level of the building. This will include a 2,248 square foot commercial space at the corner of Dolman and Park Avenue, 7 residential units, tenant storage, fitness center, and community room. The second floor will have 13 residential units. Four of these units will have private deck/patio areas on the light well above the larger first floor footprint. The third floor will have 17 units based on the updated unit list provided. 13 of these units will be two level "loft" or townhouse style units which will incorporate the fourth floor space above. The other four units will be single level units, and an identical 4 units will be located above them on the 4th floor. The details regarding the mix of units and the unit sizes are summarized in the table on the following page.

TRUMAN LOFTS - UNIT SUMMARY

Unit Type	Number of Units	Average Size	Size Range
Studio	1	359 sf	359 sf
1 Bedroom/1 Bath	24	709 sf	549 sf to 893 sf
1 Bedroom/1.5 Bath	1	956 sf	956 sf
2 Bedroom/1 Bath	7	905 sf	891 sf to 924 sf
2 Bedroom/2 Bath	5	1,069 sf	884 sf to 1,176 sf
2 Bedroom/2.5 Bath	3	1,262 sf	1,215 sf to 1,346 sf

Based on the updated information provided, the total rentable area of the residential units will be 33,331 for an overall average unit size of 813 square feet. The commercial space will be 2,248 square feet for a total rentable area after renovation of 35,579 square feet (33,331 square feet residential + 2,248 square feet commercial). The proposed development will include a number of amenity areas. The site plan shows approximately 51 surface parking spaces (1.24 spaces per unit) with controlled, gated access. A dog park is shown on the eastern portion of the site along with a picnic pavilion, and barbeque area with tables and an area with yard games. The first floor will have a fitness center/spa with two saunas, tenant storage spaces, and a community room. A large roof deck will be located on the Park Avenue side of the property, with hot tub, and four units on the second floor will have private patios/decks.

We were provided with limited details on the exact scope of the proposed renovation and unit finishes. However, we understand this will be a completed "gut" renovation which will involve all new plumbing, electrical and mechanical system, new roof, new windows, etc. Each unit will have individually controlled electric central HVAC and electric hot water heater. The original hardwood floors will reportedly be retained and refinished where possible, with new hardwood floors placed in areas too badly deteriorated to be refinished. Units will have washer/dryers in unit and we assume kitchen and bath finishes will be similar to other high end apartment renovations completed in the subject's market area over the last several years. ***Our analysis is based on our understanding of the proposed scope of renovations and is subject to revision if the actual scope of renovations is materially different.***

Renovation Budget

The developer's renovation budget (provided for our prior appraisal) is included in the addenda. The total project cost is $11,156,084. This includes acquisition costs of $1,366,500, construction hard costs of $6,001,000, construction contingency of $480,080, architectural and engineering costs of $346,000, financing costs of $455,500, a developer fee of $1,750,000, reserves totaling $391,004 and other soft costs of $366,000. The project sources include permanent loan financing of $5,966,202, historic tax credit proceeds to $1,522,534 (federal) and $1,810,078 (state), funding from one or more EB-5 investors totaling $1,500,000 and a deferred developer fee of $357,270.

We understand that the EB-5 financing is related to a federal visa program which allows a foreign investor to obtain lawful permanent resident status in the United States through an investment in a qualified commercial enterprise. Construction financing of $9,065,960 is indicated, although we understand there may be separate components of the construction financing, with a "bridge" loan covering the expected state and federal historic tax credit proceeds and a construction financing component that converts to a mini-perm loan upon construction completion.

HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Fourth Edition, (The Appraisal Institute,© 2002) defines highest and best use as follows:

"The reasonably probable and legal use of vacant land or of an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

Analysis of the highest and best use includes consideration of both the property as though vacant and the property as improved. When a site contains improvements, the highest and best use may be determined to be different from the existing use. The existing use will continue unless and until the land value in its highest and best use exceeds the value of the property in its current use, plus the cost to remove the improvements. The procedure used to estimate the highest and best use of a property as vacant and as improved is to separately test these two situations on the basis of the criteria discussed in the definition.

HIGHEST AND BEST USE - AS IF VACANT

Physically Possible Use - As Vacant

The usual constraint imposed on the possible use of a property is that which is dictated by the physical aspects of the space. Size, location, shape, topography, soil conditions, availability of utilities, and accessibility are important determinants in value. In general, the larger the space, the greater the potential for achieving economies of scale and flexibility in development.

The subject property consists of 34,401 square foot (0.79 acre) parcel on the eastern end of the Lafayette Square neighborhood. The site is nearly rectangular in shape and is mostly level and at grade. The site would be physically possible to develop with a variety of uses, including single or multi-family housing. The neighborhood has seen a good amount of redevelopment activity over the last few years, and new single family homes are being built on the same block as the subject.

Permissible Use - As Vacant

Legal restrictions as they apply to the subject site are of two types, private restrictions (deed restriction easements) and public restrictions, namely zoning. No data regarding private restrictions affecting title to the subject site was provided with this assignment. As we have discussed, the parcel has mixed zoning, with part of site zoned "F" Neighborhood Commercial and part zoned "C" Multiple Family Dwelling District. We understand that when a property has two zoning classifications on a single parcel, the more restrictive zoning controls. In this case, that would be the "C" Multiple Family Dwelling. This zoning would allow the development of new housing at the site (single family or multi-family), but would generally not allow a commercial component. Under the zoning, the maximum unit density is one unit per 1,500 square feet of land area, which would allow up to 22 units based on the site size.

Feasible Use - As Vacant

Feasible uses include only physically possible and legally permissible uses which provide a return on and return of capital. If a specific land use cannot be utilized profitably, no investor would develop the site for that specific use. The subject property is located in the Lafayette Square neighborhood, which has seen some redevelopment activity. While most of the development has been renovation of existing buildings, there has been some new construction activity as well, including new single family homes under construction on the same block as the subject.

Based on development trends in the neighborhood, we believe that if the sites were vacant and available for development, we believe the site as vacant would be suitable for development with either a small-scale apartment development (up to 22 units as allowed by zoning) would be feasible, or a smaller number of single family homes could be appropriate based on trends in the immediate vicinity.

Highest And Best - As Vacant - Conclusion

Based on the uses for the subject site which have been considered physically possible, legally permissible, and financially feasible, it is our opinion that the highest and best use of the subject site as vacant and available for development would be to develop with up to 22 multi-family residential housing units, as permitted by zoning with a possible alternative of developing a smaller number of single family lots similar to the current construction on the block.

HIGHEST AND BEST USE - AS IMPROVED

The property is currently improved with a 100+ year old vacant former industrial property. The purchaser under contract proposes to renovate the building and convert it to residential use with a small commercial component. A residential conversion is physically possible and legally permissible, but the unit density proposed by the developer exceeds what is allowed by the zoning and the commercial component is not permitted by the more restrictive "C" Multi Family zoning. ***Our "as completed" and "as stabilized" analysis assumes that the buyer will receive permission for their proposed unit density and for the commercial component.***

As discussed in the neighborhood description, the subject's neighborhood has seen an increasing population while the City of St. Louis population continues to decline. The ongoing redevelopment activity is fueled by a demand for good quality housing in the neighborhood. Our analysis indicates that the proposed residential conversion would generate a positive net operating income for the property. A comparison of the buyer's renovation budget with the value after completion suggests that the proposed redevelopment is not feasible based on the developer's current budget, even with the expected subsidies. For the project to be feasible the costs may have to be restructured (including possibly developer fee and contingency) or the developer may have to identify additional subsidy options. The feasibility of the project depends on a variety of subsidies, including state and federal historic tax credits. The use of federal historic tax credits would not allow the sale of the units as condominiums, at least for a period of time. If the conversion moves forward, the only realistic use for the property will be the residential multi-family use with small commercial component.

VALUATION SECTION

VALUATION PROCEDURES

The following appraisal techniques can be used to estimate the market value of a property:

The Cost Analysis

The cost analysis is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and no comparable properties are on the market. Using the cost analysis approach, the current reproduction and/or replacement cost of the improvements and equipment is estimated, and the depreciation cost is deducted. A summation of the market value of the land assumed vacant, along with the depreciated cost of the improvements and equipment, provides an indication of the total value of the property.

The Income Capitalization Analysis

Income analysis converts anticipated benefits derived from property ownership into a value estimate. Income Analysis is widely applied in appraising income producing property. Anticipated future income and/or reversions are discounted to a present worth estimate through this analysis.

The Sales Comparison Analysis

The direct sales comparison analysis produces an estimate of value by comparing the subject property to sales and/or listings of similar properties in the same or comparable areas. It is based on the assumption that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. This analysis is most useful when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. Direct sales comparison analysis is relatively unreliable in an inactive market and in estimating the value of properties for which no truly comparable sales data are available.

Reconciliation

In the final analysis, the three approaches are correlated and reconciled to arrive at a final value estimate. This process reflects the strengths and weaknesses of each approach with emphasis placed on those approaches considered most reliable. In this report, we have utilized the income capitalization approach and the sales comparison approach to value the subject property following the renovation and conversion to multi-family residential use. For the "as is" value, only the sales comparison approach has been developed. The cost approach was not considered applicable. Given the age of the improvements, the estimate for depreciation would have been too large and too subjective to provide a reliable value indication.

INCOME CAPITALIZATION APPROACH

The capitalization of income is made on the premise that the value of the subject property is represented by the present worth of anticipated net income. The projected income stream is based on an analysis of the quality, as well as the quantity and duration of the income expectancy. This income stream is capitalized into an indication of value using a capitalization rate developed from market data and deemed sufficient to attract investment capital.

The subject property was built as a multi-story industrial property but has been vacant for about 10 years. The purchaser under contract proposes to renovate the property with a total of 41 residential units, plus a small commercial space. The proposed unit mix following renovation includes 1 studio unit, 25 one bedroom units and 15 two bedroom units.

The developer has made a more detailed break-out of the unit types, including the number of bathrooms, the size of the units, whether the unit includes a balcony, whether it is a two-level loft unit, etc. While there is likely to be variation in rents among the subject units depending on these and other factors, it is usually not possible to obtain sufficiently detailed information from the rental comparables to analyze each of the factors for individual units. Therefore, we will focus on the likely average rent in each of the major unit type groupings, recognizing that there will be variation in each category.

Our income analysis will focus on the property on an "as stabilized" basis following the renovation. We will then deduct the estimated costs to lease up the property to estimate its "as completed" value.

Overview of Developer's Pro-Forma

For our prior appraisal we were provided with a pro-forma for the project which includes the developer's anticipated operating income and expenses following renovation of the property and lease-up to stabilized occupancy. An updated rent schedule was provided with this assignment reflecting the revisions to the proposed unit mix/configuration. A copy of the updated rent schedule and other portions of the pro-forma are attached in the addenda of this report. The pro-forma rents are summarized below.

DEVELOPER RENT PROJECTIONS - TRUMAN LOFTS

Unit Type	Rent Range	Average Rent	Average Size	Average Rent/SF
Studio	$950*	$950*	359 sf	$2.65/sf*
1 Bedroom	$1,075 to $1,155	$1,097	719 sf	$1.53/sf
2 Bedroom	$1,350 to $1,600	$1,460	999 sf	$1.46/sf

**The developer plans to lease the studio unit and four other units as furnished rentals*

Based on the most recent rent schedule provide by the developer (summarized above) their projected residential rent is $50,285 monthly. The rental figures provided by the developer are based on five units being leased as furnished rentals (the studio unit, plus two 1 bedroom units and two 2 bedroom units). Some properties do offer furnished rentals, but they are not the norm in this market. Additional costs to the owner/developer are associated with the furnished rental, including increased administrative costs/turnover, and costs associated with obtaining and maintaining the furniture. **Therefore we have based our analysis of the subject on market-typical terms, which reflects unfinished units (except appliances) and typical 1 year leases.**

We have conducted a search for comparable rental data at properties considered to have some similarity with the subject, which are considered useful in establishing whether the developer's proposed rents for the subject are a reasonable reflection of market. The rental comparables used are presented and analyzed on the following pages.

Since our prior appraisal, we have received updated occupancy information for Rental 2 and updated rental rate, size and occupancy information for Rental 4. Our analysis incorporates this updated information.

Comparable Apartment Rental No. 1

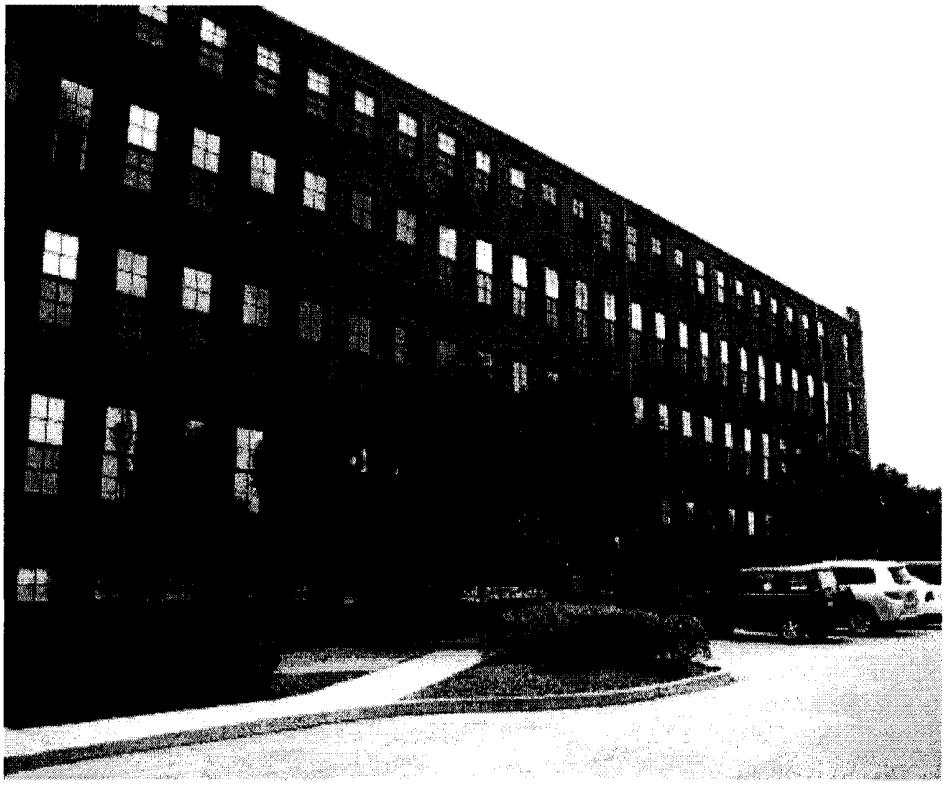
Identification

Project Name:	Lofts at Lafayette Square
Address:	1119 Mississippi Avenue St. Louis, Missouri 63104
Year Built:	1903/Renovated 2002
Number of Units:	109 market rate (Mix of 1BR and 2 BR)
Occupancy Rate/Survey Date:	98% as of July 2015
Concessions:	Reduced Deposit

Unit Type	Unit Size Range	Mid-Range Size	Rent Range	Mid Range Rent	Est. Rent/SF
1BR/1Ba	770 SF to 1,130 SF	950 SF	$1,090 to $1,550	$1,320	$1.39
2 BR/2 Ba	1,160 SF to 1,790 SF	1,475 SF	$1,655 to $2,320	$1,988	$1.35

Comments: This project is a renovated apartment property along Mississippi Avenue in the Lafayette Square neighborhood. Units have in-unit washers and dryers and black or stainless steel kitchen appliances. Secured parking on a surface lot is included in the rent. The apartment complex amenities include controlled access, fitness center, community room. The property offers short-term leases of less than 1 year and an option for furnished units, which drives up the average rent.

Comparable Apartment Rental No. 2



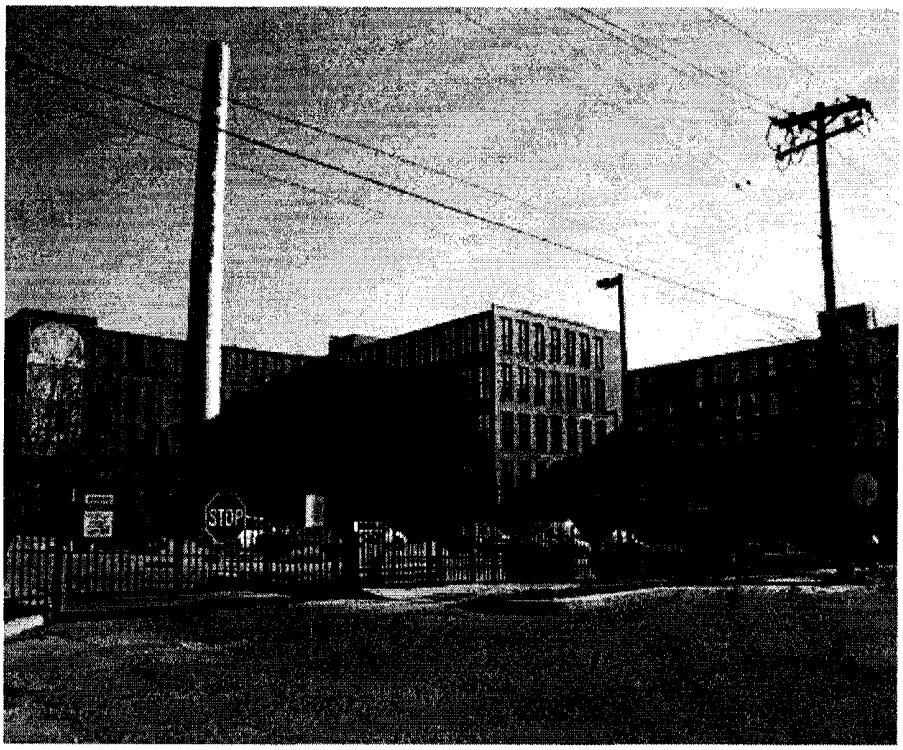
Identification

Project Name:	M Lofts
Address:	1105 Mississippi Avenue St. Louis, Missouri 63104
Year Built:	1908-1912 and renovated 2003-2004
Number of Units:	36 market rate (9 - 1BR units, and 24 - 2BR units)
Occupancy Rate/Survey Date:	100% as of August 2015
Concessions:	None Noted

Unit Type	Avg Unit Size (SF)	Reported Rent	Rent/SF
1BR/1Ba	921	$1,100	$1.19
2BR/2 Ba	1,221	$1,275 to $1,350	$1.04

Comments: This project is a renovated apartment property in a converted former industrial building along Mississippi Avenue in the Lafayette Square neighborhood. Units have in-unit washers and dryers, stainless steel appliances, laminate counters and a mix of carpeting, vinyl tile and laminate wood flooring. Secured parking on a surface lot is included in the rent. The apartment complex amenities include controlled access, fitness center, patio/bbq area and tenant storage units.

Comparable Apartment Rental No. 3



Identification

Project Name:	Soulard Market Lofts
Address:	1531 South 8th Street St. Louis, Missouri 63104
Year Built:	1889/Renovated 2006/Good
Number of Units:	132 market rate (Mix of Studio, 1BR and 2 BR)
Occupancy Rate/Survey Date:	100% as of July 2015
Concessions:	None noted

Unit Type	Reported Unit Size	Rent Range	Mid Range Rent	Est. Rent/SF
Studio	636 SF	$795	$795	$1.25
1BR/1Ba	681 SF	$885 to $1,145	$1,015	$1.15
2 BR/2 Ba	990 SF	$1,225 to $1,650	$1,438	$1.17

Comments: Appliances provided include range, microwave, refrigerator, garbage disposal, and dishwasher. Kitchens include granite counter tops and wood cabinets. Units include in-unit washer/ dryers, free satellite/cable tv, and some fireplaces. Basic utilities (water, sewer, trash) included. Complex amenities include controlled access, free gated parking, pool, courtyard, fitness center, business center, game room, on-site management/maintenance.

Comparable Apartment Rental No. 4

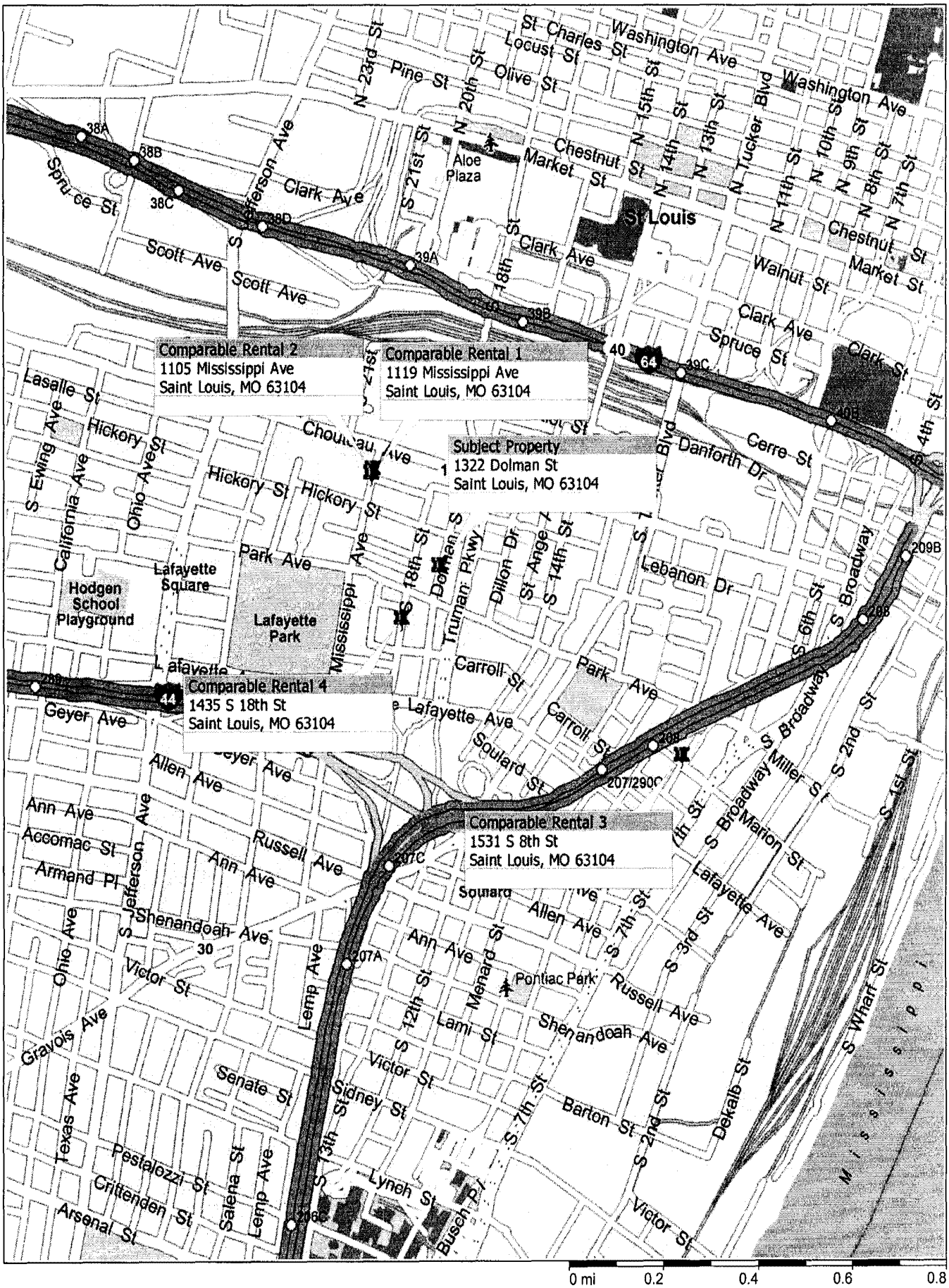
Identification

Project Name:	Wireworks Lofts
Address:	1435 S. 18th Street St. Louis, Missouri 63104
Year Built:	1902/renovated 2001
Number of Units:	79 market rate units
Occupancy Rate/Survey Date:	96% as of July 2015
Concessions:	None Noted

Unit Type	Size Range	Average Unit Size	Rental Range	Average Rent	Average Rent/SF
Studio	906sf to 899sf	903 sf	$995 to $1,025	$1,010	$1.12
1BR/1Ba	831 to 1,239 sf	986 sf	$880 to $1,280	$1,067	$1.08
2BR/1&2Ba	1,035 to 1,670 sf	1,364 sf	$1,075 to $1,665	$1,418	$1.04

Comments: This property is located in the Lafayette Square neighborhood just south of Park Avenue on 18th Street. The units were renovated nearly 15 years ago, and finishes are older than some other units in the neighborhood, with white appliances, laminate counters, and polished concrete floors. Gated off-street parking is provided. Amenities include a fitness center, some balconies, pool/Jacuzzi and courtyard.

COMPARABLE RENTALS MAP



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. http://www.microsoft.com/streets/
Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

Apartment Rental Analysis

The rental comparables presented include three complexes located in the subject neighborhood (Lafayette Square) and one located in the nearby Soulard neighborhood. The Soulard comparable was included because it has units more similar in size to those proposed at the subject. No one comparable is identical to the subject, as each differs in the sizes of units, the quality of the finishes, and the amenities offered. We have compared the comparable properties with the subject and have adjusted for these factors in order to estimate the market rents for the subject units.

As previously noted, the subject units will vary in terms of the location in the building, the size, amenities such as balcony, and other factors. Most of the comparable properties also have variations in rent depending upon the size of a particular unit, its location within the building, its layout, etc. Our goal is to estimate the overall market rent for the subject's major unit types, recognizing that some units will rent for below average and others for above this average.

The comparable rentals can be compared with the subject units based on the rent per square foot or based on the total monthly rent. We have chosen to analyze the subject based on the total monthly rent, because we believe it is more similar to how a typical tenant considers their rental options. A tenant may not be aware of small differences in unit size, but they can discern a relatively small unit from a relatively large unit, and will generally be willing to pay more for the larger unit.

For the subject property, most of the units are either 1 bedroom or 2 bedroom, so we have focused our analysis on these unit types. The subject will also include one studio unit, which we will consider at the end of our analysis. Only two of the comparables offer studio units for comparison.

1 Bedroom Rental Rate Analysis

Each of the comparables considered in comparison with the subject has one bedroom market-rate units. The average or midrange market rents for the one bedroom comparable units range from $1,010 to $1,320 with an average of $1,111.

Concessions: To the best of our knowledge, none of the comparables are currently offering significant concessions that lower the effective rent for tenants. No adjustments are required.

Location: All of the comparables are located within a mile of the subject property in the subject's neighborhood or the adjoining Soulard neighborhood. Overall, the locations are considered similar and no adjustments are required.

Unit Size: Based on the updated unit schedule provided by the client, the subject's 1 bedroom units will average 719 square feet. The units at Rental 3 are a bit smaller and warrant an upward adjustment, while the other comparables have larger units and are adjusted downward.

Age/Condition: The subject will be a newly renovated property and will be in good condition reflecting the recently completed work and the quality of proposed finishes. This is similar to Rental 3 which is the newest renovation of the comparables and most similar in the proposed unit finishes.

We have made no adjustment to this comparable. Rental 1 and Rental 2 are a bit older renovations with somewhat inferior finishes and warrant upward adjustments in comparison. Rental 4 is the oldest renovation and has significantly inferior finishes. It received a larger adjustment.

Utilities: We are informed that the subject units will be all electric, and will be separately metered, with tenants responsible for their own electric bill. It is assumed the landlord will pay water, sewer and trash which are not usually separately metered. All of the rentals are similar in this regard and require no adjustments.

Parking: Parking is an important consideration for apartment properties, especially in densely developed urban neighborhoods. The subject property has a parking lot which will provide at least one space for each of the units. We have assumed that parking will not be charged separately since it is not reflected on the pro-forma. The comparables are similar in this regard and require no adjustment.

Furnishings: The subject units will offer a full package of appliances, and will offer a few units fully furnished. However, as we have discussed, we are analyzing the property based on typical unfurnished rental terms. Most of the comparables are similar in this regard. The exception is Rental 1 which offers a mix of typical unfurnished rentals on 1 year leases and furnished rentals on a shorter term lease. A premium is charged for both the furnishings and the short-term arrangement, which drives up the rental range on this comparable. A significant downward adjustment is warranted.

Amenities: This adjustment considers the in-unit amenities as well as the amenities for the complex. The subject will have good amenities, with the units featuring a full appliance package, including dishwashers and washer/dryer in each unit. Some units will have their own patio/deck and there will be a large community roof deck with hot tub, a fitness center with sauna, a community room, and an outdoor community area with dog park, barbeque pits, and lawn games. Rental 3 and Rental 4 offer similar amenities overall, including a pool. Rentals 1 and 2 have more limited amenities and are adjusted upward.

A grid summarizing our adjustments is presented on the following page.

Conclusion - 1 Bedroom Rental Rates

Following all adjustments, the comparable rents for the subject's one bedroom units range from $1,056 to $1,100 with an average adjusted rent of $1,071. The comparables form a relatively close range of indicated market rental rates. Rentals 2 and 3 require less adjustment than the other rentals and have adjusted rents of $1,100 and $1,066 with an average of $1,083/month. The developer's projected average rent for the 1 bedroom units is $1,097 which falls in this range, but includes furnishings. Overall, we believe the monthly rent for the subject's propose 1 bedroom units is reasonably represented at **$1,075/month** which is a bit below the developer's figure. This gives consideration to all of the rent comparables but places most weight on Rentals 2 and 3.

COMPARABLE RENTALS ADJUSTMENT GRID - 1 BEDROOM UNITS

	Subject Truman Lofts 1322 Dolman	**Rental 1 Lofts at Lafayette Sq. 1119 Mississippi**	**Rental 2 M Lofts 1105 Mississippi**	**Rental 3 Soulard Market Lofts - 1531 S. 8th**	**Rental 4 Wireworks Lofts 1435 S. 18th Street**
Avg. Rent		$1,320	$1,100	$1,015	$1,010
Location		Similar	Similar	Similar	Similar
Concessions		0%	0%	0%	0%
Adjusted Rent		$1,320	$1,100	$1,015	$1,010
Avg. Size	719 sf	950 sf	921 sf	681 sf	986 sf
Age/Condition	New Renovation Good	2002 Ren. Above Average	2003/2004 Ren. Above Avg.	2006 Renovation Good	2001 Renovation Average
Utilities	Water/Sewer/ Trash	Similar	Similar	Similar	Similar
Parking	Surface - Free	Similar	Similar	Similar	Similar
Furnishings	N/A	Some Furnished	Similar	Similar	Similar
Amenities	Good	Inferior	Inferior	Similar	Similar
Adjustments					
Location		0%	0%	0%	0%
Unit Size		-10%	-10%	5%	-10%
Age/Condition		5%	5%	0%	15%
Utilities		0%	0%	0%	0%
Parking		0%	0%	0%	0%
Furnishings		-20%	0%	0%	0%
Amenities		5%	5%	0%	0%
Net Adjust.		**-20%**	**0%**	**5%**	**5%**
Adj. Rent		**$1,056**	**$1,100**	**$1,066**	**$1,061**

2 Bedroom Rental Rate Analysis

Each of the comparables also have 2 bedroom/2 bath market-rate units. The average or midrange market rents for the two bedroom comparable units range from $1,313 to $1,988 with an average of $1,539. The rationale for many of our adjustments was already discussed in the 1 bedroom rental analysis, and for brevity it will not be repeated here.

The only adjustment which is different between the 1 bedroom and 2 bedroom analysis is for average unit size. The proposed 2 bedroom units will average 999 square feet based on the updated unit schedule provided. The units at Rental 3 are most similar in size and require no adjustment. All of the other comparables have larger two bedroom units and require various downward adjustments.

COMPARABLE RENTALS ADJUSTMENT GRID - 2 BEDROOM UNITS

	Subject Truman Lofts 1322 Dolman	**Rental 1 Lofts at Lafayette Sq. 1119 Mississippi**	**Rental 2 M Lofts 1105 Mississippi**	**Rental 3 Soulard Market Lofts - 1531 S. 8th**	**Rental 4 Wireworks Lofts 1435 S. 18th Street**
Avg. Rent		$1,988	$1,313	$1,438	$1,418
Location		Similar	Similar	Similar	Similar
Concessions		0%	0%	0 %	0%
Adjusted Rent		$1,988	$1,313	$1,438	$1,418
Avg. Size	999 sf	1,475 sf	1,221 sf	990 sf	1,364 sf
Age/Condition	New Renovation Good	2002 Ren. Above Average	2003/2004 Ren. Above Avg.	2006 Renovation Good	2001 Renovation Average
Utilities	Water/Sewer/ Trash	Similar	Similar	Similar	Similar
Parking	Surface - Free	Similar	Similar	Similar	Similar
Furnishings	N/A	Some Furnished	Similar	Similar	Similar
Amenities	Good	Inferior	Inferior	Similar	Similar
Adjustments					
Location		0%	0%	0%	0%
Unit Size		-10%	-5%	0%	-5%
Age/Condition		5%	5%	0%	15%
Utilities		0%	0%	0%	0%
Parking		0%	0%	0%	0%
Furnishings		-20%	0%	0%	0%
Amenities		5%	5%	0%	0%
Net Adjustment		**-20%**	**5%**	**0%**	**10%**
Adj. Rent/Month		**$1,590**	**$1,379**	**$1,438**	**$1,560**

Conclusion - 2 Bedroom Rental Rates

Following all adjustments, the comparable rents for the subject's 2 bedroom units range from $1,379 to $1,590 with an average adjusted rent of $1,492. The comparables again form a relatively tight range of adjusted prices. In this case, Rental 3 requires no adjustment and can be considered the best comparable, with an adjusted price of $1,438/month. Overall, we believe a reasonable market rent conclusion for the subject 2 bedroom units is **$1,450/month**. This is slightly lower than the developers' average figure of $1,460 but as we have discussed the developer is including a premium for some furnished units, which is not included in our analysis.

Studio Unit

We have focused our rental analysis on the 1 and 2 bedroom units at the subject property, because these reflect the largest number of units and because of the abundant market data. However, the subject will also have one small studio unit (359 square feet per plans). The developer previously proposed a rent of $750/month for this unit but now proposes a rent of $950 per month based on a plan to lease this as a furnished unit. As we have discussed, our analysis is based on more market-typical terms, which reflects unfurnished rental (except for appliances).

Rentals 3 and 4 offer studio units which are rented at $795/month and $1,010/month respectively. Rental 3 is most similar to the subject in amenities, unit quality, etc. The studio units at this property are $795/month but are larger than the subject. The studio units also start about $100 below the price of the lowest-priced one bedroom units. The studio units at Rental 4 are lower quality than the subject, but are nearly triple the size of the proposed subject units. Overall, we would expect the rents for the subject's studio unit to be lower than $795 but probably not much lower. A rent of **$750/month** (which the developer proposed before deciding to convert this to a furnished rental) is considered reasonable.

Commercial Space

Besides the residential units, the subject will also include one commercial space, with about 2,248 square feet based on the plans provided. The space will be located at Park Avenue and Dolman, with Park Avenue being a commercial corridor in the neighborhood. We were told that the developer is targeting a coffee shop or café as a likely user for this space.

The developer previously used$16.00/sf as a pro-forma rent for this space. The pro-forma has been updated to reflect a monthly rent of $3,500 or $42,000 annually which equates to $18.68/sf based on the size of 2,248 square feet.

We are aware of two larger restaurant spaces in renovated buildings in the subject neighborhood which are leased for $15.80/sf NNN (for a 4,551 square foot space) and $15.25/sf NNN (for a 5,400 square foot space). We are also aware of a current listing for a 2,780 square foot space in a mixed use building at 1920 Park Avenue, which has an asking rent of $17.00/sf NNN. This is a newer construction building, rather than an older building that has been renovated and is closer to the heart of the neighborhood's commercial district. Finally, we are aware of an older building with limited renovations located at 1931 Park which has a 4,000 square foot retail space for lease at $13.80/sf modified gross.

Overall, the market data above for commercial space in the neighborhood suggests that the developer's initial pro-forma rental rate of $16.00/sf NNN would be reasonable. The market data would not tend to support the higher rent the developer is now suggesting. With a listing down the street at $17.000/sf NNN in a newer construction building, closer to the heart of the neighborhood, we believe the rent for the subject should be below $17.00/sf NNN. Applied to the 2,248 square foot size, we would expect annual rent of $35,968 from a commercial tenant, which we have rounded to $36,000 annually or **$3,000 per month**.

Potential Gross Rent

Based on our analysis, the following potential gross rent is forecast for the subject property after renovation and conversion to residential units with a small commercial component.

Studio Unit	1 @ $750/month	$ 750
1 Bedroom Units	25 @ $1,075/month	$ 26,875
2 Bedroom Units	15 @ $1,450/month	$ 21,750
Commercial Space	1 @ $3,000/month	$ 3,000
Monthly Total		$ 52,375

The monthly potential gross rent total of $52,375 equates to **$628,500** on an annual basis. Our projected income is somewhat lower than the developer's revised pro-forma of $645,420. We have used a lower commercial rent and slightly lower residential rents as discussed above.

Commercial Space - Pass Through Income

We anticipate that the commercial space will be leased on a triple net (NNN) basis with the tenant responsible for a share of taxes, insurance and common area maintenance (CAM) charges. For most commercial properties in renovated St. Louis City properties, these charges are in the range of $2.00/sf to $3.50/sf. We will use a figure of $3.00/sf or **$6,744** (2,248 sf @ $3.00/sf)

Other Income

Most apartments have some miscellaneous other income from sources such as application fees, forfeited deposits, and late fees. (Some properties also have laundry income, or parking income. These would not be a factor at the subject since each unit will have a washer/dryer and surface parking is assumed to be included in the rent). In our experience a property that does not have on-site laundry or parking income usually has other income of 1% to 2% of potential gross rent. We will use other income of 1% in our analysis or **$6,285** (1% x $628,500).

Potential Gross Income

Adding the potential gross rent, the pass-through charges for the commercial tenant and the miscellaneous other income sources yields potential gross income of **$641,529** ($628,500 + $6,744 + $6,285) for the subject property.

Stabilized Vacancy & Collection Loss

A vacancy and collection loss is an allowance for reductions in gross potential income attributable to vacancies, tenant turnover and nonpayment of rent. The allowance is usually estimated as a percentage of potential gross income, which varies depending on the type and characteristics of the physical property, the quality of its tenants, current and projected supply and demand relationships, and general and local economic conditions.

A number of market sources track vacancy rates for apartment properties in the St. Louis region. Recent apartment vacancy rate information obtained from market research firms is provided in the grid below. Differences in vacancy rates between the surveys can be attributed to the different submarkets and differences in the date of the research.

Summary of Apartment Vacancy Rate Surveys

Source	Survey Date	Submarket	Vacancy Rate
Hendricks Berkadia	3rd Quarter 2014	St. Louis City	5.0%
Colliers International	3rd Quarter 2014	St. Louis City	6.0%
Marcus & Millichap	4th Quarter 2014	St. Louis Metro	6.4%
		Average	5.8%

We have also given consideration to the reported occupancy level at the rent comparables from which we were able to obtain occupancy data in our apartment rent analysis. Updated occupancy information was obtained for two comparables compared to our prior appraisal and these properties are now all reporting very high occupancy rates ranging from 96% to 100% with an average of 98.5%. The corresponding vacancy is 2.5%. This is quite a bit lower than the surveys noted above. While it reflects a small subset of properties, it does suggest very strong demand in the subject neighborhood. For retail properties, as of the 1st Quarter 2015 Co-Star reports retail vacancy rates of 7.3% for the St. Louis Metro area as a whole, and a slightly lower rate of 6.3% for St. Louis City. Some allowance must also be made for collection loss.

Given the strong rental market in the subject neighborhood, we believe a prudent purchaser would anticipated a relatively low stabilized vacancy and collection loss for the subject property as a whole (residential and commercial component) in the range of 5% to 6% of potential gross income. We will use a figure of 5.5%. Applied to the potential gross income of $641,529 this yields vacancy and collection loss of **$35,284**.

Stabilized Effective Gross Income

Effective gross income is the anticipated income from all operations of the real property after allowance is made for vacancy and collection loss. Deducting the $35,284 vacancy and collection loss from potential gross income of $641,529 leaves effective gross income of **$606,245**.

Stabilized Operating Expenses

In the income capitalization approach, an analysis of the property's annual expenses is essential. Operating expense estimates usually list fixed expenses, variable expenses and a replacement allowance. The developer's updated pro-forma calculates per-unit costs based on 40 units (which does not reflect the project being reconfigured as 41 units and does not include the commercial space). For our analysis, we will consider the cost per unit based on 42 units, which treats the commercial space as an additional unit for analysis purposes.

The most recent pro-forma provided by the client does not segregate the residential and commercial expenses. We will also analyze the subject based on expected overall operating costs. We will use available market data to estimate the expenses for the property and will compare our estimate with the developer's estimates. One of the main sources we have considered in our analysis is the 2014 *Apartment Stats* published by Rubin Brown, LLP.

Management Fee: Whether a property is professionally managed or managed by the owner there is a cost associated with management time which must be accounted for in the income analysis. The purchaser's revised pro-forma is based on a 4.7% management fee which is reportedly consistent with their experience at other properties. We typically see management fees for properties of this type in the range of 5%, so the developer's figure is similar. Applying a rate of 4.7% to our effective gross income estimate yields a management cost of **$28,494** ($606,245 x 4.7%).

Payroll/Personnel: In addition to the management fee, a professional management firm will usually pass along payroll expenses related to the manager's salary and hourly staff time for repair/maintenance items. The developer's revised pro-forma reflects **$35,000** for personnel expenses or $833/unit. This is a downward revision from their prior pro-forma which showed the expense as $40,000. RubinBrown *ApartmentStats* reports average salary and personnel costs of $939/unit for market rate apartments. We will use a figure of $900/unit or **$37,800** which is between the developer's revised figure and the RubinBrown benchmark.

Other Administrative: Other administrative expenses include items such as marketing/ advertising, city inspection fees, permits, office expenses, etc. The developer's pro-forma shows **$11,500** for these expenses which equates to $274/unit or just under 2% of our effective gross income estimate. We are familiar with a 39 unit apartment property in the subject neighborhood which had 2014 annualized administrative expenses of $366/unit. Overall, the developer's figure is at the low end of the range of what might reasonably be expected and we will use the developer's figure in our analysis.

Real Estate Taxes: As discussed in the assessment and current taxes section of this report, the current taxes for the subject property are $16,356 annually based on its commercial assessment and its vacant condition. We have projected that with the change to a mostly residential assessment following the renovation and the City of St. Louis offering tax abatement, the taxes are actually likely to drop with abatement to approximately $8,502 annually. In their revised pro-forma, the developer uses this estimate of the abated taxes. However, in our analysis, we must use our

unabated tax estimate of **$58,419** and separately add the present value of the real estate tax abatement as calculated in the assessment and taxes portion of the appraisal.

Insurance: Insurance costs vary widely depending on the amount and type of coverage purchased, whether earthquake coverage is included, and other variables. In our experience most apartment properties have insurance costs of $0.25/sf to $0.50/sf with a typical figure around $0.35/sf. The purchaser's pro-forma shows an insurance expense of **$10,250** which equates to $244/unit or $0.29/sf based on a total rentable area of 35,579 square feet. As with the administrative costs, the developer's figure is a bit lower than we would normally expect but is within a credible range. For example RubinBrown reports average insurance costs of $311/unit. We will use the developer's figure.

Utilities: Utilities to be paid by the owner would include water and sewer, trash removal, common area electric and utilities on vacant units. The developer's revised pro-forma lists utility expenses as $12,000 which equates to $286/unit or $0.33/sf based on 35,579 square feet of rentable area. The revised pro-forma is less than half the developer's figure of $25,000 provided for our prior appraisal.

The developer provided information on their proposed plumbing features and an analysis of estimated water savings for an apartment property in Georgia where these were reportedly installed. However, the plumbing features noted (such as 1 gallon per flush toilets and energy star rated dishwashers and washing machines) have largely become standard on newer apartment projects, so there does not seem to be a significant savings associated with these items compared to what a developer would normally expect for a newer project.

RubinBrown reports average utility expenses nationally as $664/unit or $0.73/sf of living area. This may include some older properties with outdated energy and water systems. St. Louis tends to be a relatively low-cost market for utilities, but utility companies have been raising their rates consistently over the last few years. Locally, we are familiar with a newer renovated loft apartment property in the Downtown West neighborhood which had utility costs of $478/unit or $0.50/sf in 2012. However, we are also familiar with a newer construction apartment property in the Lafayette Square neighborhood where the 2012 utility costs were $658/unit or $0.53/sf of rentable area. Rates have risen somewhat since that time.

Overall, we believe the developer may be able to achieve some cost savings in the utilities category, but we are skeptical that the cost can go below much below $400 per unit or $0.50/sf on a stabilized basis. We consider a low but credible figure for the subject to be in the range of $400/unit or **$16,800** which equates to $0.47/sf based on 35,579 square feet of rentable area.

Repairs and Maintenance: This category includes common area expenses such as snow removal, exterior repairs and maintenance, maintaining the lobby and corridors, as well as repairs and turnover expenses for the apartment units. RubinBrown *Apartment Stats* reports that average repair/maintenance and contract services for market rate apartment properties are $1,050 per unit.

The developer's updated pro-forma uses **$25,000** for maintenance/repairs and contract services, which equates to $595/unit. Once again this is below typical benchmarks, but after renovation the units will be new and will probably have few repairs. The units are also relatively small which should keep costs manageable, but there will be routine maintenance costs including maintaining the landscaping and common area features, maintaining the elevator, common area janitorial, etc. Overall, we consider the developer's figure reasonable and will use it in our analysis.

Reserve for Replacements: The replacement reserve is an allowance for long-lived items which will require replacement before the building itself wears out. For the subject this would include the asphalt paved parking areas, the roof, HVAC equipment, water heaters, and apartment appliances. A typical allowance for residential apartments is $250 to $350 per unit. When we previously appraised the property the developer used a reserve of $350/unit. The developer's updated figure is $12,300 which equates to $300/unit applied to the residential units only.

The $300/unit figure is near the middle of the range for most apartment properties and is considered reasonable for a good quality market rate development with relatively small unit sizes. We will apply the reserve to 42 units including commercial space to calculate a figure of **$12,600**.

Total Expenses: We have estimated total operating expenses for the subject property at **$200,863** including reserves. The table below compares our expense estimate for the subject with the expenses estimated by the developer. Our expenses estimate is substantially higher, with nearly all of the difference attributable to the use of an unabated tax estimate in our analysis. The value of the tax abatement will be added separately.

EXPENSE COMPARISON - DEVELOPER PRO-FORMA AND APPRAISER ESTIMATE

Expense Category	Developer Pro-Forma	Appraiser Estimate
Management	$30,335	$28,494
Payroll/Personnel	$35,000	$37,800
Other Administrative	$11,500	$11,500
Real Estate Taxes	$8,502	$58,419
Insurance	$10,250	$10,250
Utilities	$12,000	$16,800
Repairs/Maintenance	$25,000	$25,000
Reserves for Replacement	$12,300	$12,600
TOTAL	$144,887	$200,863

Throughout our expense analysis, we have considered data from the 2014 RubinBrown *Apartment Stats* publication. We are also familiar with the actual 2013 expenses for a newer construction 39-unit apartment property in the Lafayette Square neighborhood. In the table below, we present a comparison of our total expense estimates for the subject property with these two benchmarks.

COMPARISON OF EXPENSES - SUBJECT FORECAST AND COMPARABLES

	Subject - Appraiser Estimate	Lafayette Square Expense Comp.	RubinBrown, LLP *Apartment Stats*
Effective Gross Income	$606,245	$531,839	N/A
Total Expenses	$200,863	$258,582	N/A
# Units	42	39	263 (Avg.)
Total Rentable Area	35,579 sf	48,804 sf	N/A
Expense/Unit	$4,782/Unit	$6,630/Unit	$4,935/Unit
Expense/SF	$5.65/sf	$5.29/sf	$5.43/sf
Expense % of EGI	33.1%	48.6%	52.7%

Our total expense estimate equates to $4,782/unit based on a total of 42 units (including commercial space as one unit) or $5.65/sf based on the rentable area of 35,579 square feet. Our expenses can also be analyzed as a percentage of effective gross income, and equate to a figure of 33.1%. Comparing our figures with the two benchmarks we have considered, our expenses fall just below the range of RubinBrown and the actual expense comparable in terms of total expenses per unit and well below the benchmarks in terms of the expense ratio. However, our expense figure is slightly higher than either benchmark in terms of the expenses per square foot. Considering the subject's relatively high rents and new renovation, we would expect the expense ratio to be on the low side. The relatively small unit sizes proposed for the subject would also support a somewhat lower per unit expense than the comparables. Because the per square foot cost is similar to the comparables we believe the overall expense estimate is reasonable.

Stabilized Net Operating Income

Deducting the subject's estimated operating expenses of $200,863 from effective gross income of $606,245 leaves net operating income for the subject of **$405,382**. The estimated income and expenses for the subject property "as stabilized" are presented on the following page.

STABILIZED INCOME AND EXPENSE STATEMENT

Estimated Market Rent (Potential Gross Rent)		$ 628,500
Plus Commercial Pass-Through Charges		$ 6,744
Plus Other Income		$ 6,285
Potential Gross Income		$ 641,529
Less Vacancy & Collection Loss (5.5%)		$ (35,284)
Effective Gross Income		$ 606,245
Less Operating Expenses		
Management Fee	($ 28,494)	
Payroll/Personnel	($ 37,800)	
Administrative Expenses	($ 11,500)	
Real Estate Taxes - Unabated	($ 58,419)	
Insurance	($ 10,250)	
Maintenance/Repairs	($ 25,000)	
Utilities	($ 16,800)	
Replacement Reserve	($ 12,600)	
Total Operating Expenses		($ 200,863)
Net Operating Income		**$ 405,382**

Direct Capitalization

To estimate value by the direct capitalization approach, the anticipated net operating income is divided by a capitalization rate appropriate for the quantity, quality and durability of the income stream. An overall capitalization rate is a rate which reflects the direct relationship between a property's income potential and value. To be meaningful, the rate should be derived from current criteria of investors and lenders in the marketplace. We have considered three methods of estimate a capitalization rate for the subject property. These are market extraction, market surveys, and band of investment.

Market Extraction Method

In the market extraction method, actual net operating income for sales of comparable properties found in the market are used to estimate the applicable overall capitalization rate for the subject property. We have collected data on the reported capitalization rates from several apartment sales in the City of St. Louis that have sold over the past few years. The data on these sales is presented in the table on the following page.

SUMMARY OF CAPITALIZATION RATE COMPARABLES

Property Name	Year Built	Total Units	Sale Date	Overall Rate
4205Botanical/2317Klemm	1913/Ren	12	1/14	7.8%
1209 Washington - 63101	1901/Ren. 2006	114 + Comm.	5/12	6.50%
1110 Washington - 63101	1902/Ren. 2004	82 + Comm.	11/13	7.00%
501-525 North Clara - 63112	1908/Ren. 1986	53	1/15	6.60%
			Average	**6.97%**

The sales presented above have capitalization rates ranging from 6.5% to 7.8% with an average capitalization rate of just under 7.0%. The properties are all older buildings renovated in the last few years, which makes them similar to the subject on an "as completed" and "as stabilized" basis. The property at Botanical and Klemm is a small property in the Shaw neighborhood south and west of the subject. We would expect the subject to have a lower capitalization rate. The other comparables are located Downtown on Washington Avenue and in the DeBaliviere Place neighborhood and have rates ranging from 6.5% to 7.0%. A rate towards the upper end of this range seems reasonable given the relative locations. Overall, the sales data would tend to support a capitalization rate around 7.0% for the subject property on a stabilized basis.

Market Survey Data

Various investor surveys (local, regional and national) have also been reviewed and considered in order to estimate an overall rate for the subject. Greatest emphasis is placed on the 1st Quarter 2015 Real Estate Research Corporation (RERC) Real Estate Report. This report provides market data on a national, regional (Midwest) and local (Greater St. Louis) basis.

According to the RERC report, capitalization rates for "1st Tier" apartment properties in the St. Louis Region are approximately 6.0%. "1st Tier"investment properties are described as "new or newer quality construction in prime to good locations," while "2nd Tier" properties are described as "aging former first tier properties in good to average locations."

RERC does not provide data on 2nd Tier properties in St. Louis, but for the Midwest Region, RERC reports that capitalization rates for "2nd tier" apartment properties range from 5.3% to 9.0% with an average of 7.4%. For the Midwest region, "1st Tier" capitalization rates are reported as 4.3% to 8.5% with an average of 6.3%.

Considering the location, quality of renovation, and tenant profile for the subject property, we believe it would be considered a "1st Tier" property, but it would tend towards the upper end of the range for 1st Tier Midwest properties. As a renovated urban property (even in a good neighborhood) we would not expect it to have the same capitalization rate as a new build property in a premier suburban market. Overall, we would expect a capitalization rate for the subject to fall between the "1st Tier" and 2nd Tier" averages, or between 6.3% and 7.4%, call 7.0%.

Band of Investment

In addition, we have surveyed the market and requirements of investors and lenders. The following information was utilized in deriving a capitalization rate. The loan terms currently available for this type of property vary from one lender to another and will also vary depending on the strength of the borrower.

The developer's pro-forma is based on 30 years amortization at 4.25% interest, with a 7 year balloon. In our experience, local lenders have been more willing to extend low rates but less willing to extend amortization period beyond 25 years (with most unwilling to extend beyond 20 years for renovated properties). Therefore, for this type of property, the available loan terms would tend to be a 4.0% loan amortized over no more than 25 years.

The typical loan-to-value ratio would be 80/100 which represents a 80% loan amount and 20% equity investment. We believe that an investor would want a 10% equity return on an investment of this type. The Band of Investment is summarized on the table below.

Loan to Value Ratio:	80% mortgage
Interest Rate:	4.00%
Amortization Period:	25 years
Mortgage Constant:	0.063340
Equity Dividend:	20% equity @ 10%

The calculation for the capitalization rate is:

.80 x .06334 =	.05067
.20 x .10000 =	.02000
Overall Rate	.07067
Round To:	7.1%

Conclusion

A summary of overall rates indicated by the market extraction method, the investor surveys and the band of investment is presented in the next table.

Market Extraction	7.0%
Investor Survey	7.0%
Band of Investment	7.1%

The market extraction method, the market survey data, and the band of investment, all suggest a capitalization rate between 7.0% and 7.1%. All of these methods are considered and suggest that a rate of around 7.0% would be reasonable for the subject property. The value indication is summarized below.

Our value conclusion for the subject property by the income capitalization approach is summarized below.

Income Approach Summary - "As Stabilized"

Estimated Net Operating Income	$ 405,382
Capitalized at 7.0%	$ 5,791,171
Plus Value of Tax Abatement	$ 365,000
Total Value	$ 6,156,171
Rounded to:	**$ 6,155,000**

"As Completed" Value Estimate

Using the income capitalization approach, we have estimated the "as stabilized" market value for the subject property at $6,155,000. Next, we must estimate the "as completed" value after the renovation is completed, but before the property is leased to stabilized occupancy. The difference between the "as stabilized" and "as completed" value is usually considered to be the rent loss during lease up, and other expenses which will be needed to bring the property to stabilized occupancy. It is also generally appropriate to include some entrepreneurial incentive to compensate for the risks associated with the lease-up.

Absorption and Rent Loss During Lease Up

The developer estimates an 11 to 15 month construction period for the subject, which is similar to what we have seen on other properties of this type. Assuming closing in August 2015, this would bring the property to completion around August 2016. The developer indicates that they expect to lease 6-7 units per month, but this is more rapid than the absorption we have seen recently at similar projects.

The most recent example we are familiar with is the Millennium Center/Gallery 515 apartments at 515 Olive Street in Downtown St. Louis. The developer told us that lease-up at this project was in the range of 5 units per month, which was lower than he had expected. He attributed some of the slow leasing to delays in the construction, which resulted on the units coming on-line in the fall and winter rather than Spring. However, this is also a larger development than the subject (92 residential units as opposed to 41 residential units) and a larger property with more units to choose from will usually absorb more units per month.

Overall, we would expect lease-up for a project of this size to be in the range of 3-5 units per month. To reach stabilized occupancy of 95% used in our income analysis, the subject will have to rent approximately 40 of the 42 units (including commercial space). We expect that the property should be able to start pre-leasing about 3-4 months before construction is completed, and take advantage of the spring and early summer months which are generally a good time in the local real

estate market. We would expect the subject to have about 15 units pre-leased and ready for occupancy by completion. We estimate absorption will continue at a pace of 4 units per month following completion, before tapering off to 3 units per month in the slower fall and winter months and picking up again at the end of the lease-up period. With this pace of absorption, we estimate the property would reach stabilized occupancy by March 1, 2017.

Including commercial income, NNN charges and miscellaneous other income, we have estimated the potential gross income for the subject at $641,529 annually which equates to $53,461 per month or $1,273 per month for each of the 42 units (including commercial space). Therefore, the lost income during lease up is calculated by multiplying the difference between the number of units expected to be occupied that month and the number of units required for stabilized occupancy by the average income potential of $1,273. The rent loss during lease-up is calculated as $123,481 which we have rounded to **$125,000**. Our calculations are shown in the table below.

LOST RENT DURING ABSORPTION PERIOD

Time Period	Units Occupied	Stabilized Occupancy	Units to Absorb	Income Lost @ $1,273/Unit
August 2016	15	40	25	$31,825
September 2016	19	40	21	$26,733
October 2016	23	40	17	$21,641
November 2016	27	40	13	$16,549
December 2016	30	40	10	$12,730
January 2017	33	40	7	$8,911
February 2017	36	40	4	$5,092
March 2017	40	40	0	$0
TOTAL				$123,481

Rent Concessions

Another cost to consider in the lease-up analysis is any concessions the owner may have to offer to fill the property in a timely fashion. The developer has indicated that they do not plan to offer any concessions during lease-up. Most market-rate properties offer a discount or promotion such as 1 month's free rent in order to lease the property more quickly. (Such concessions are not typical for commercial space).

With rental properties in Lafayette Square reflecting very strong occupancy levels, the developer may not have to offer concessions, or at least may not have to offer them on all of the units. However, they may find it advantageous to do so on at least some of the units such as those with less desirable floor plans or during the slower leasing months in the fall and winter. We will assume a 1 month free rent concession on half the units. For the residential space only, the potential rent has been estimated as $49,375 for an average of $1,204/unit. The cost of incentives to fill the

residential units to stabilized occupancy would be $24,080 ($1,204/unit x 40 units needed for stabilized occupancy x 50% assumed to have concessions) which we have **rounded to $25,000**.

Entrepreneurial Incentive

In addition to the other costs associated with bringing the property to stabilized occupancy, we believe it is necessary to include some margin for entrepreneurial incentive to compensate a developer/owner for the risks and efforts involved in leasing a property to stabilized level. At a minimum, we believe a buyer would want a profit margin of about 10% to 15% over the other costs outlined above. The other costs associated with leasing the property to stabilized occupancy are $150,000 ($125,000 + $25,000). An additional **$20,000 allowance** would be equal to 13.3% and is considered reasonable.

"As Completed" Value Summary

Deducting the costs noted above from the "as stabilized" value of the subject property yields the following value indication on an "as completed" basis.

"As Stabilized" Market Value	$ 6,155,000
Less Rent Loss During Lease-Up	$ 125,000
Less Rent Concessions	$ 25,000
Less Profit Margin	$ 20,000
"As Completed" Market Value:	**$ 5,985,000**

SALES COMPARISON APPROACH

The Sales Comparison Approach is an appraisal technique in which a market value estimate is based on prices paid in actual market transactions with some recognition of current listings. It is a process of analyzing recently sold properties which are similar to the subject. The reliability of this technique depends on (1) the degree of comparability of the property appraised with each sale or listing, (2) the length of time since the sale, (3) the accuracy of the sale data and (4) the absence of unusual conditions affecting the sale.

This section provides factual, descriptive data of recent sales and generalized analyses of sale data relative to the direct sales comparison approach. The estimate of value is derived by comparing recent transactions involving similar and competitive properties on the basis of sale price per unit of comparison such as a price per square foot.

We have selected two different sets of comparables in the analysis of the subject property. One set of comparables is considered more reflective of the subject on an "as is" basis while the other set is considered more reflective of the subject on an "as stabilized" basis following renovation and lease-up. The "as is" comparables reflect properties which were mostly in below average or poor condition and in need of renovation at the time of sale. The "as stabilized" comparables reflect properties which have been renovated and are in reasonably good condition. First, we present and analyze the "as is" comparables. The "as stabilized" comparables will be presented and analyzed following the "as is" value conclusion.

At the end of our analysis we discuss the tax credits that the property is expected to qualify for and consider how the developer's purchase price compares with the "as completed" and "as stabilized" value and the costs of renovation less expected tax credits.

Comparable "As Is" Sale No. 1

Identification

Location:	1917 Rutger Street St. Louis, Missouri 63104
Tax Parcel No.:	0485-00-02800

Improvement Data

Year Built:	1912 - Later additions
Building Area (SF):	32,656
Condition:	Fair/Average
Description:	Two story masonry industrial office/warehouse.

Site Data

Land Area:	32,363 square feet or 0.74 acres
Land to Building Ratio:	0.99 to 1.0
Zoning:	"D" Multiple Family Dwelling District
Topography/Utilities:	Modest slope/All available
Parking:	Surface lot +/- 38 spaces or 1.16 per 1,000 sf

Transaction Data

Date of Sale:	September 17, 2012
Grantor:	B E Hospital Equipment Company
Grantee:	JLSK Properties, LLC
Sale Price:	$700,000
Price/Sq.Ft.:	$21.44
Source/Verification:	St. Louis City records, our subsequent appraisal of this property

Comments:

This two-story industrial office/warehouse building is located in the Lafayette Square neighborhood. The building has a two story design with a portion of the lower level underground due to the slope of the site. The building was in fair to average condition and was functionally obsolete due to the two-story industrial design.

The purchaser acquired the building in an "arms length" transaction, planning a renovation and conversion to mostly residential use. The proposed renovation includes 30 apartment units and a small commercial/office component. Permits for the renovation were issued in September 2014, and construction is continuing as of July 2015.

Comparable "As Is" Sale No. 2

Identification

Location:	4242 Lindell Boulevard St. Louis, Missouri 63108
Tax Parcel No.:	3915-00-00200

Improvement Data

Year Built:	1952
Building Area (SF):	22,170
Condition:	Fair - purchased for renovation/conversion
Description:	Two story masonry former office building purchased for residential renovation and conversion

Site Data

Land Area:	21,419 sf or 0.49 acres
Land to Building Ratio:	0.96 to 1.0
Zoning:	"H" Area Commercial
Topography:	Level, at street grade
Parking:	Covered parking area with 24 spaces or 1.08 per 1,000 sf

Transaction Data

Date of Sale:	September 3, 2014
Grantor:	Williams J. Willis Trust
Grantee:	Helix Realty (Amy & Steven Levin)
Sale Price:	$600,000 (contract price)
Price/Sq.Ft.:	$27.06
Verification:	Copy of sale contract, St. Louis City records, and our appraisal of this property

Comments:

This property consists of a vacant two-story office building which was in fair condition and was purchased for renovation/conversion to residential apartments. The square footage includes a second floor area which extends over the covered but not fully enclosed parking area. This rear portion of the second floor was unfinished at the time of sale but was included in the buyer's plans for renovation.

The property had been listed for sale for about a year and a half, with an initial asking price of $825,000 which was eventually lowered to $599,000. The buyers placed the property under contract just above the reduced asking price.

Comparable "As Is" Sale No. 3

Identification

Location:	1910 Pine Street St. Louis, Missouri 63103
Tax Parcel No.:	0902-00-00100 and 0902-00-00150

Improvement Data

Year Built:	1889/Renovated as offices in 1980's
Building Area (SF):	84,186
Condition:	Fair - office space was vacant and building was purchased for renovation/conversion to residential use
Description:	Six story masonry former industrial building that had been converted to office 30 years ago and was purchased for residential renovation and conversion

Site Data

Land Area:	1.513 acres or 65,906 square feet
Land to Building Ratio:	0.78 to 1.0
Zoning:	"I" Central Business District
Topography:	Level, at street grade
Parking:	Large surface lot surrounding building with 127 surface spaces or 1.51/1,000 square feet

Transaction Data

Date of Sale:	July 9, 2014
Grantor:	Forty Four Forty Four Redevelopment Corporation
Grantee:	Station Plaza, LP (Sherman Associates)
Sale Price:	$1,575,000
Price/Sq.Ft.:	$18.71
Source:	St. Louis City Records; St. Louis Post-Dispatch

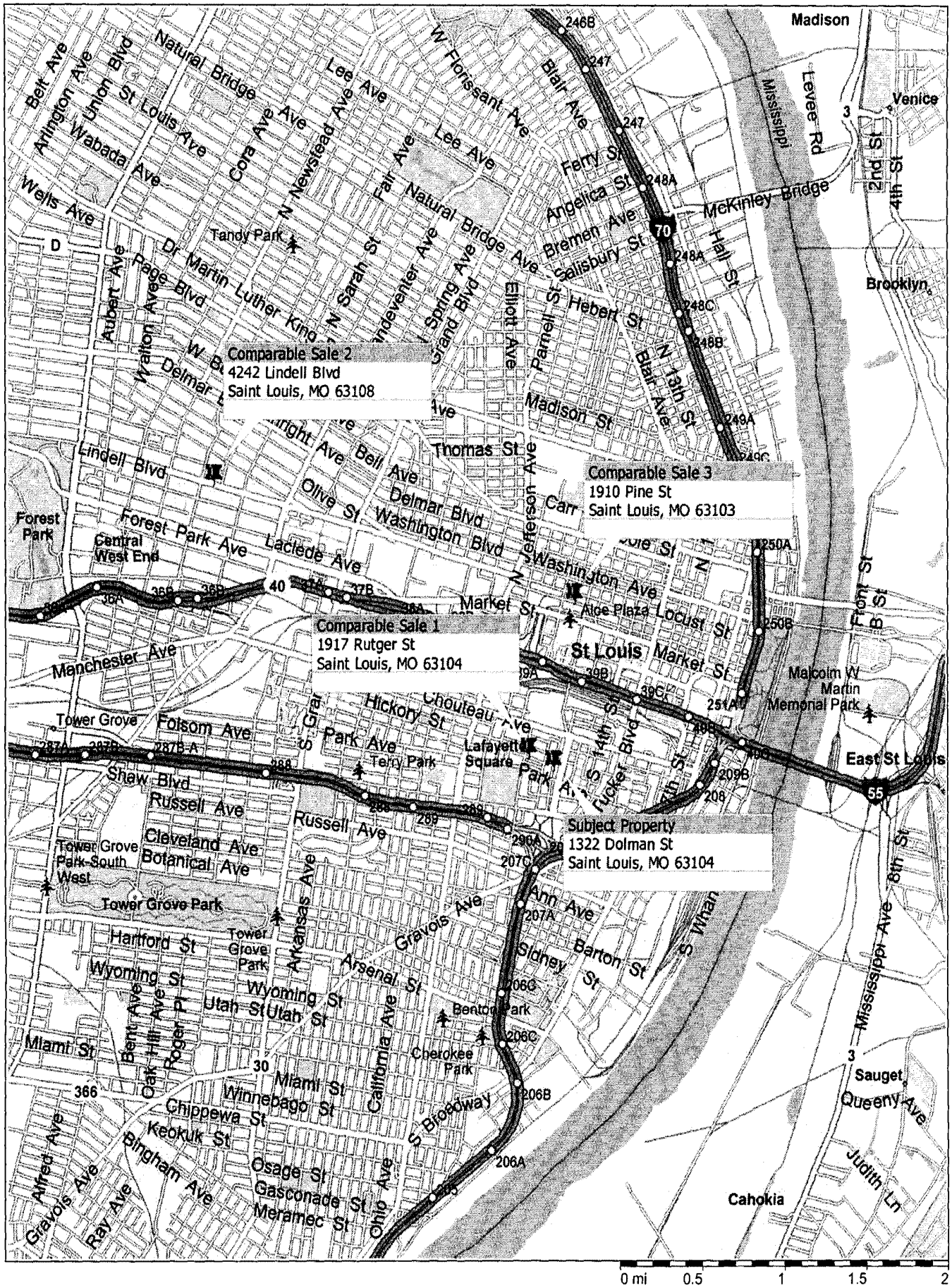
Comments:

This property consists of a six story masonry structure in the Downtown West area of St. Louis City. It was originally constructed as a warehouse for a tobacco company in 1889. In the 1980's it underwent a renovation as office. However the office space was vacant and the finishes had become worn and dated.

The building was purchased by Minneapolis-based Sherman and Associates, which has undertaken several other redevelopment projects in St. Louis. The prior office finishes will be removed and the building will be fully renovated for multi-family residential use with 87 apartment units. The property will be known as Station Plaza.

The renovation project will utilize state and federal historic tax credits as well as low income housing tax credits. Units will have rent and income restrictions due to the use of low income historic tax credits.

COMPARABLE AS IS SALES MAP



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. http://www.microsoft.com/streets/
Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

Analysis of Comparable "As Is" Sales

We have identified three comparable sales which are considered useful in the analysis of the subject property on an "as is" basis. All of the properties were vacant or underutilized properties that were purchased for substantial renovation as multi-family residential. The sales range in unadjusted price from $18.71/sf to $27.06/sf with an unadjusted average of $22.40/sf. The comparative analysis of the subject property and the comparable sales is discussed in the following paragraphs. Note that the adjustments are made to the comparable properties, to derive an indication of value for the subject property.

Conditions of Sale: To the best of our knowledge, the comparable sales were all "arms length" transaction between unrelated parties. However, Sale 2 was placed under contract just above the reduced listing price, which is unusual. (Properties typically sell for less than asking price). We have considered a small downward adjustment for condition of sale appropriate since the buyer seems to have paid a premium. The other sales require no adjustment.

Market Conditions: The US economy underwent a financial crisis in late 2008, which triggered a severe recession. Prices for nearly all property types declined steeply in late 2008 and 2009. During 2010 and 2011 some sectors of the real estate market stabilized and began to see modest price recovery, while others stagnated or continued a modest decline. Since 2012 the economy has been recovering more strongly and we are seeing increased demand for properties available for residential redevelopment.

The comparable sales occurred between September 2012 and September 2014 and reflect a time period when prices have been increasing for residential redevelopment properties. We have made upward adjustments to the sales at a rate of about 4% annually to reflect the increasing prices during this time frame.

Location: The subject is located in the Lafayette Square neighborhood, which has seen significant redevelopment activity. Sale 1 is also in Lafayette Square and is not adjusted. Sale 2 is located in the Central West End (CWE) neighborhood. The CWE is the most successful and best established redevelopment neighborhood in the city but Lafayette Square tends to compete with it. This property is located near the eastern end of the neighborhood, close to redevelopment activity also occurring in Midtown neighborhood around the campus of Saint Louis University. Overall, the location is considered slightly superior to the subject and a small downward adjustment is warranted.

Sale 3 is located in the Downtown West neighborhood. This neighborhood is also seeing redevelopment activity, but it is more sporadic than the Central West End of Lafayette Square and an upward location adjustment is considered appropriate.

Size: Other factors being equal, a smaller property tends to sell for more per square foot than a larger one, due to the principle of economies of scale. Including the subject's exposed lower level/basement space, the subject has a gross building area of approximately 48,572 square feet. Sales 1 and 2 are smaller and are adjusted downward, while Sale 3 is larger and warrants an upward adjustment.

Parking: Parking is an important consideration for redevelopment properties in a dense urban neighborhood. The subject includes a surface parking lot with approximately 50 spaces, providing a parking ratio of just over 1.0 per 1,000 square feet. The comparables have similar parking ratios and are not adjusted.

Design: The subject is a four story masonry former industrial building, including the exposed lower level/basement space. The exposed lower level has been included in the gross building area for analysis. However, level space may not be as attractive or useable as fully above-grade space. Sale 1 was similar in that the exposed lower level was included in the building area. No adjustment is required. The other properties do not include basement/lower level space in the building area and warrant small downward adjustments.

Age/Condition: The age and condition of a property can have a substantial impact on value. The subject was constructed in two stages (1908 and 1913) and has been vacant for about 10 years. It is in need of a major renovation. The comparable sales are all older buildings which were vacant and in need of renovation at the time of sale. No adjustments are considered necessary.

The individual adjustments made to the comparable sales are summarized in the adjustment grid on the following page.

Conclusion - Sales Comparison Approach "As Is"

After all adjustments, the comparable sales indicate an "as is" value ranging from $21.39/sf to $22.81/sf for the subject with an adjusted average of $21.87/sf. Sale 1 is located in the subject neighborhood and requires the least adjustment in comparison with the subject; however it is also the oldest sale used in our analysis. The adjusted price of Sale 1 is $22.81/sf. Overall, we believe the "as is" value for the subject based on the sales comparison approach is reasonably reflected at $22.50/sf. This gives consideration to all of the sales but places most emphasis on Sale 1. The value calculation is $1,092,870 (48,572 sf @ $22.50/sf) which we have **rounded to $1,090,000**.

Our concluded value is substantially lower than the price for which the developer has the property under contract. At the end of our analysis, we compare the developer's purchase price with their renovation budget and the offset in tax credits the property is expected to receive. Additionally, we are familiar with a similar loft conversion property located in the Downtown West neighborhood which is currently under contract for sale. The sale has not closed and for reasons of client confidentiality we are not at liberty to provide the address or a detailed analysis. However, the building is similar in size to the subject and it also has an exposed basement level that the buyer intends to renovate with residential units and common area amenities. The building is under contract for approximately $18.54/sf. The buyer has a separate contract to purchase a nearby parking lot which raises the total acquisition price to $22.33/sf. This would tend to provide additional support to our concluded value for the subject on an "as is" basis and would provide further evidence that the developer's contract price of $1,377,500 or $28.36/sf is not supported.

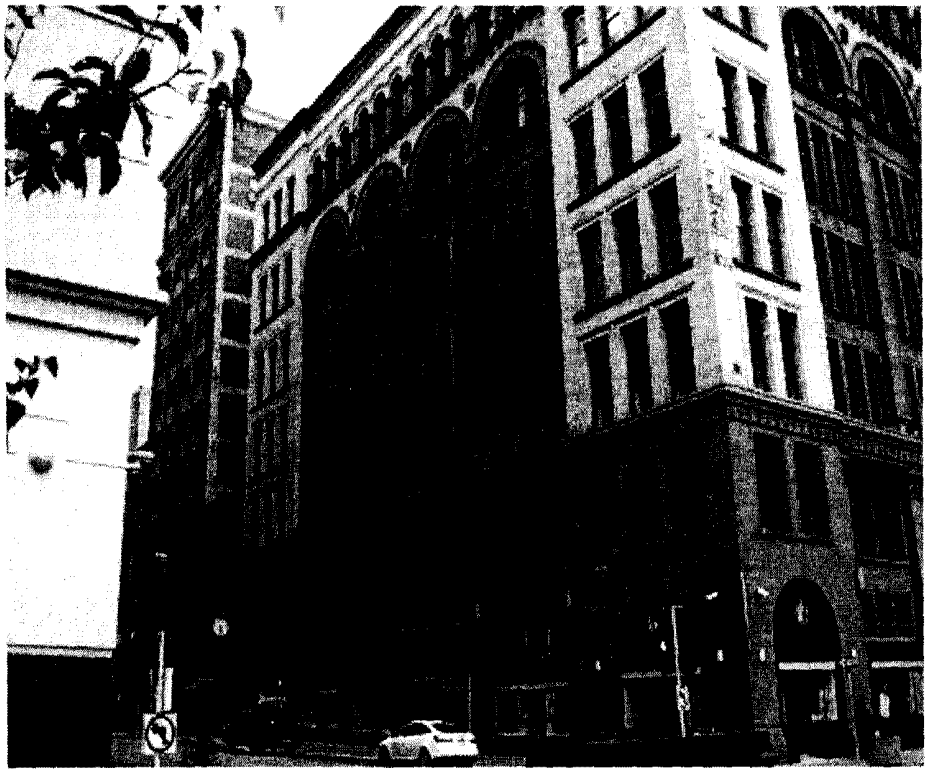
Next, we consider the applicable sales for the "as stabilized" condition of the property.

COMPARABLE "AS IS" SALES ADJUSTMENT GRID

	SUBJECT 1322 Dolman	**SALE 1 1917 Rutger**	**SALE 2 4242 Lindell**	**SALE 3 1910 Pine**
Date of Sale	as of 7/10/2015	9/17/2012	9/3/2014	7/9/2014
Location	Lafayette Square	Lafayette Square	Central West End	Downtown West
Size	48,572 sf*	32,656 sf	22,170 sf	84,186 sf
Parking	Surface lot 1.0 per 1,000 sf	Surface lot 1.2 per 1,000 sf	Covered Parking 1.1 per 1,000 sf	Surface Lot 1.5 per 1,000 sf
Design	Includes Partially Exposed Basement	Similar	Superior	Superior
Age/Condition	1908-1913/Fair to Poor Needs Ren.	1912/Fair/Average Needs Renovation	1952/Fair Needs Renovation	1889/Prior Renovation/Fair
Sale Price		$ 700,000	$ 600,000	$ 1,575,000
Price/Sq. Ft.		$ 21.44	$ 27.06	$ 18.71
Adjustments				
Condition of Sale		0%	-5%	0%
Market Conditions		12%	4%	4%
Adjusted Price		$ 24.01	$ 26.74	$ 19.46
Location		0%	-5%	5%
Size		-5%	-10%	10%
Parking		0%	0%	0%
Design		0%	-5%	-5%
Age/Condition		0%	0%	0%
Net Adjust		**-5%**	**-20%**	**10%**
Adj. Price/SF		**$ 22.81**	**$ 21.39**	**$ 21.40**

**Includes exposed lower level/basement area*

Comparable "As Stabilized" Sale No. 1



Identification

Project Name:	Lofts on the Plaza
Location:	901-911 Locust Street St. Louis, Missouri 63101
Tax Parcel No.:	0272-00-00461, 0272-00-00471

Improvement Data

Year Built:	1892; renovated 2004/2005
Gross Building Area (SF):	133,607 sf
Rentable Area (SF):	72,272 sf (62,010 residential + 10,262 commercial)
Description:	Seven story masonry building constructed as an office and converted to 47 apartments plus commercial space
Unit Mix:	(15) 1BR (average 922 SF); (27) 2BR (average 1,378 SF); (5) 3 BR Penthouses (average 2,195 SF)
Parking:	None on site; adjoining public parking garage (not included in sale)
Amenities:	Fitness center; in unit laundry facilities
Condition:	Residential space good; commercial space below average to good

Site Data

Land Area:	14,264 square feet or 0.33 acres
Land-to-Building Ratio:	0.11 to 1.0 (based on gross building area)
Zoning:	"I" Central Business District
Topography:	Level lot at street grade
Utilities:	All available

Transaction Data

Date of Sale:	October 23, 2012
Sale Price:	$4,900,000
Price/Unit:	$ 104,255 (based on residential units only)
Price/SF Gross Area:	$ 36.67
Price/SF Net Area:	$ 67.80
Grantor:	Roberts Old School House Lofts, LP (Steven and Michael Roberts)
Grantee:	STL Loft Partners, LLC (Urban Street Group)
Recording:	10/24/2012 #140
Financing:	All cash to seller
Verification:	Copy of closing statement; St. Louis City records; our prior appraisal of this property

Comments:

This downtown building was formerly the headquarters office building for the St. Louis Board of Education. It was vacant for several years when local developers Steven and Michael Roberts acquired the property and renovated/converted it to loft apartments with first floor retail space. This project was reasonably successful. However, the Roberts Brothers also heavily invested in other less-successful redevelopment projects, including the construction of a condominium tower just before the market crash. The tower was left in an uncompleted state and the Roberts Brothers placed a number of their real estate holdings on the market.

This property was purchased along with the nearby uncompleted tower and several vacant buildings the Roberts Brothers owned. According to the closing statement provided to us by a party to the transaction, the allocated price for this building was $4,900,000. At the time of sale, the occupancy for the apartments was around 80% to 85%. The commercial space had been less successful and was essentially all vacant at the time of sale.

Comparable "As Stabilized" Sale No. 2

Identification

Project Name:	The Bogen Lofts
Location:	1209 Washington Avenue St. Louis, Missouri 63103
Tax Parcel No.:	0519-00-00312, et al (116 individual parcel numbers)

Improvement Data

Year Built:	1901; renovated 2006/2007
Rentable Area (SF):	173,635 sf (163,885 residential + 9,750 commercial). Includes only the portions of building included in sale
Description:	8-story masonry loft building converted to 125 residential condominiums plus first floor commercial space. 114 residential units were converted to rentals and sold in this transaction, along with the commercial space.
Unit Mix:	(25) 1BR (average 1,289 sf); (77) 2BR (average 1,456 SF); (12) 3 BR (1,627 SF)
Parking:	133 garage spaces in the building
Amenities:	Fitness center; rooftop deck; clubhouse; in-unit washer/dryer
Condition:	Very Good; units have condominium level finish including high-end appliances and granite counter tops.

Site Data

Land Area:	29,185 square feet or 0.67 acres (entire condo complex)
Land-to-Building Ratio:	N/A (sale includes only part of building)
Zoning:	"I" Central Business District
Topography:	Level lot at street grade
Utilities:	All available

Transaction Data

Date of Sale:	May 1, 2012
Sale Price:	$10,850,000
Price/Unit:	$ 95,175 (based on residential units only)
Price/SF Net Area:	$ 62.49
Grantor:	Bogen Building Landlord, LLC (Jacob Development - Andy Hillen, et al)
Grantee:	Bogen Acquisition, LLC (Maxus Properties)
Recording:	5/2/2012 #190
Financing:	All cash to seller
Source(s)/Verification:	Secondary verification with buyer contact through Troy Smith of Veracity Valuation. Additional information from prior appraisal by Matthew Bauer of Development Strategies and from St. Louis City records.

Comments:

This building is located at the corner of Washington Avenue and Tucker Boulevard, a major intersection in Downtown St. Louis. The building was formerly a loft warehouse/industrial building, but was renovated in 2007 and converted to 125 residential condominiums, plus first floor commercial space and garage parking. The project was completed as the condominium market was beginning to be oversupplied and buyers were having trouble obtaining financing. Few condominium units sold. As a result, the developers converted 114 units to rentals. It is these rental units (plus the commercial space) which sold in this transaction.

The property was not listed on the open market, but there is not believed to be any connection between buyer and seller. The buyer is a REIT based in Kansas City. Occupancy for the apartments had fluctuated, but was reportedly over 90% at the time of sale. In contrast the commercial space has struggled to attract tenants, and was only about 20% occupied at the time of sale. Specific financial details were not provided, but it was reported that the sale was based on a capitalization rate of 6.5%.

Comparable "As Stabilized" Sale No. 3

Identification

Project Name:	Vangard Lofts
Location:	1110 Washington Avenue St. Louis, Missouri 63101
Tax Parcel No.:	0836-00-00461, 0836-00-00462, 0836-00-00471, 0836-00-00472, 0836-00-00501, 0836-00-00502

Improvement Data

Year Built:	1902; renovated 2004
Gross Building Area (SF):	133,596
Rentable Area (SF):	91,523 sf (76,723 residential + 14,800 est. commercial)
Description:	8-story masonry loft building with retail space on first floor and apartments above
Unit Mix:	82 one-bedroom units, with an average reported size of 936 square feet.
Amenities:	Fitness center; business center; clubhouse
Parking:	65 basement garage spaces and 27 surface spaces total of 92 spaces or 1.12 per unit
Condition:	Good

Site Data

Land Area:	29,799 square feet or 0.68 acres
Land-to-Building Ratio:	0.22 to 1.0
Zoning:	"I" Central Business District
Topography:	Level lot at street grade
Utilities:	All available

Transaction Data

Date of Sale:	November 5, 2013
Grantor:	1110 Partners, LP (Bruce Development)
Grantee:	Vangard Acquisitions, LLC (Maxus Properties)
Sale Price:	$ 10,688,800
Price/Unit:	$ 130,351 (based on residential units only)
Price/SF Gross:	$ 80.00
Price/SF Rentable:	$ 116.79
Financing:	Buyer assumed a HUD loan with a 40 year term and 4.5% interest rate (+/- $9.5 million remaining balance and approximately 30 years remaining on term)
Verification:	Co-Star; St. Louis City records; and Ken Aston, listing broker
Comments:	This is a renovated loft apartment building with first floor commercial space located at Washington Avenue and 11th Street in the heart of the Central Business District in Downtown St. Louis. The building was gut renovated in 2004. The property was listed for sale with an asking price of $11,500,000 and sold for the above-noted price (93% of asking price). The residential units were reportedly 96% occupied at the time of sale, with rents ranging from $750 to $1,150 per month. The commercial space was fully-occupied. The commercial tenant's space reportedly extends into an adjoining building, which was not included in the sale. Based on the listing agent's pro-forma the forecasted NOI was $747,779, so the capitalization rate was 7.0% for this sale.

Comparable "As Stabilized" Sale No. 4

Identification

Project Name:	Kingsbury Apartments
Location:	501-525 Clara Avenue St. Louis, Missouri 63112
Parcel Number:	5618-00-01600

Improvement Data

Year Built:	1908; renovated 1986
Gross Building Area (SF):	68,948
Net Living Area (SF):	53,060
Description:	Three and eight story masonry structures with 53 units
Unit Mix:	(11) 1BR (average 700 SF) and (42) 2BR (average 1,080 SF)
Amenities:	Off-street parking (55 spaces or 1.0 space/unit)
Condition:	Good

Site Data

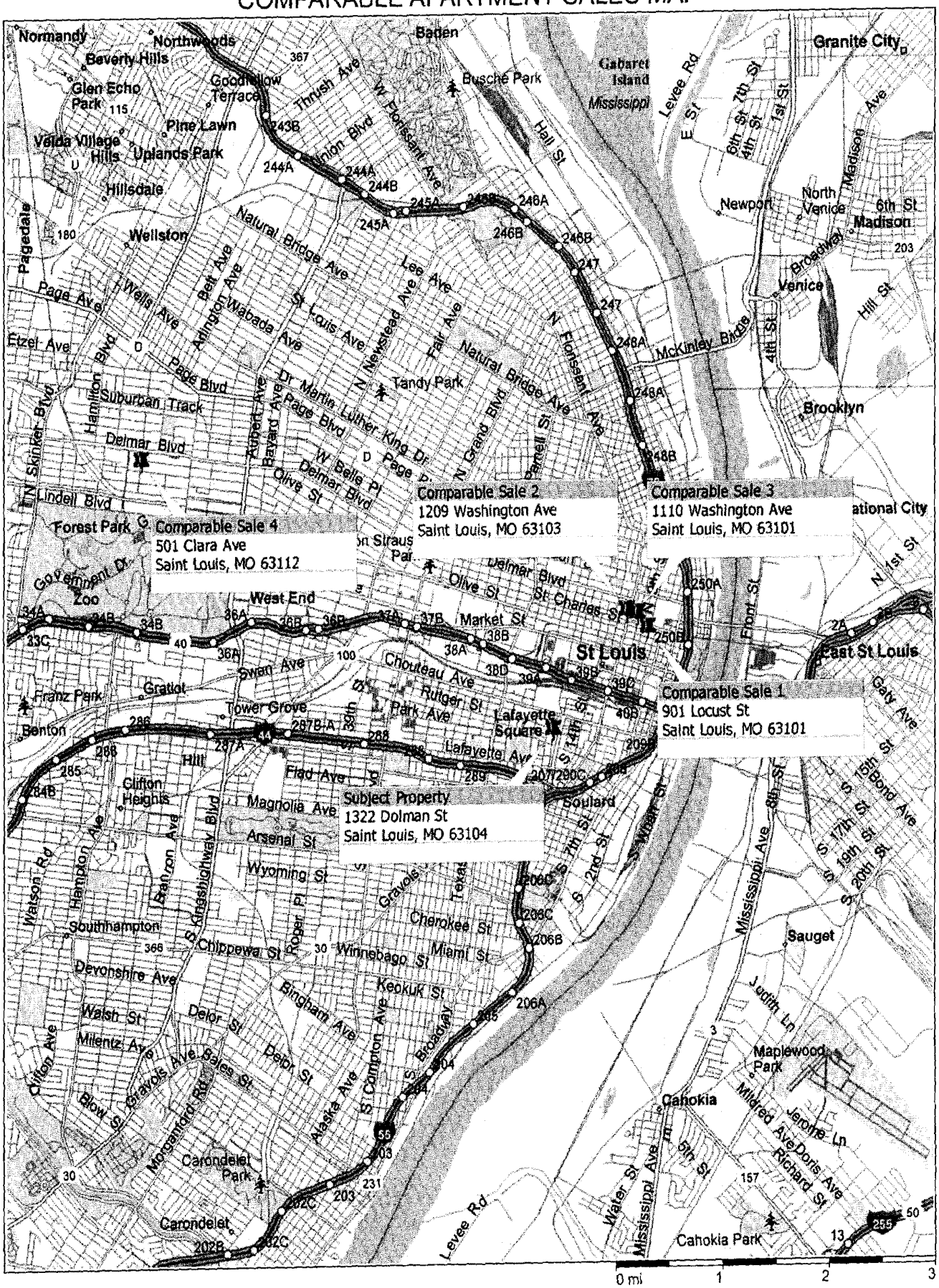
Land Area:	41,818 square feet or 0.96 acres
Land-to-Building Ratio:	0.61 to 1.0
Zoning:	"E" Multiple Family Dwelling District
Developed Density:	55 units/acre
Topography:	Level lot at street grade
Utilities:	All available

Transaction Data

Date of Sale:	January 30, 2015
Grantor:	City Center Sq Clara St. Louis
Grantee:	Kingsbury-STL LLC
Sale Price:	$5,600,000
Price/Unit:	$105,660
Price/SF Gross:	$81.22
Price/SF Rentable:	$105.54
Recording:	1/30/15 #161
Financing:	All cash to seller
Verification:	Matt Bukhshtaber, listing agent with CBRE (3/31/15), and St. Louis City records

Comments: These two buildings are on the national Register of Historic Places not far from Washington University and Forest Park. The units average 1,001 sf in size and include washers and dryers in all units. Most of the units have two baths. The building was gut renovated in 1986 and has individual heating and air and modern floor plans with walk in closets. The property was purchased in 2001 for $3,325,000 and in 2011 for $4,500,000. The sales agent indicated that the seller had been updating the kitchens and baths and had been replacing the carpet with hardwood. The listing agent indicated that the cap rate was 6.6%

COMPARABLE APARTMENT SALES MAP



Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. http://www.microsoft.com/streets/
Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

Analysis of Comparable Sales

The comparable sales considered in our analysis of the subject property "as stabilized" occurred between May 2012 and January 2015. The sales are analyzed based on the price per residential unit and range in unadjusted price from $95,175/unit to $130,351/unit, averaging $108,860/unit. The comparative analysis is discussed below.

Conditions of Sale: To our knowledge, all of the comparables were "arms length" sales. That is, neither the buyer nor seller were unduly motivated to purchase or sell. Other factors which may warrant adjustments include adjoining ownerships, special financing, or other restrictions. Sale 3 reportedly involved favorable HUD financing on the property, which the buyer was able to assume. A downward adjustment is considered appropriate for this favorable financing. No special conditions are known regarding the other sales, so no further adjustments are considered necessary.

Market Conditions: Property values declined steeply in 2008 and 2009 due to a severe recession. Prices were mostly stable to slightly declining in 2010 and 2011. Since 2012, we have started to see evidence of prices increasing for certain property types, especially multi-family. We have seen evidence multi-family prices increasing at 3 to 5% annually during the recovery.

We have applied an upward adjustment of 4% annually or 0.33% per month to each of the sales to reflect improving market conditions over the last few years. The subject is being analyzed on a prospective "as completed" basis. Because we cannot know with certainty whether an upward price trend will continue, we have made the upward adjustment only through the "as is" valuation date of July 2015. (It should be noted that in the income capitalization approach, we based our market rent estimates on current rents at the comparable properties, rather than an estimate of inflated future rents. Therefore, applying the time adjustment only through the "as is" date is consistent with our analysis in the income capitalization approach).

Location: The subject property is located in the Lafayette Square neighborhood of St. Louis City. Sales 1, 2 and 3 are all located in the downtown area, which tends to have higher density development and higher land values. Sale 4 is located in the DeBaliviere Place neighborhood on the western end of St. Louis, close to Forest Park and Washington University. Overall, these locations are considered marginally superior to the subject's neighborhood, and small downward adjustments are considered appropriate.

Size: In general, smaller properties will sell for more per unit than larger properties which are similar in other respects. After renovation, the subject will consist of 41 residential units plus a small commercial space. All of the comparable properties are larger than the subject (more units) but Sale 1 and Sale 4 are close enough in size that no adjustment is considered necessary. Sale 2 and Sale 3 are adjusted upward because of their larger size.

Configuration/Unit Size: In general, a property with larger units or larger unit types will generate higher rents, leading to a higher value per unit. The subject property will have a mix of studio, 1 bedroom and 2 bedroom units, but the largest number of units will be 1 bedroom (25 of 41 units or 61%). The average residential unit size will be 813 square feet. All of the comparables have larger average unit sizes than the subject, but for Sale 3 the difference is relatively small, and

the inclusion of some 2 bedroom units at the subject is an offsetting factor. No adjustment is required. The other comparables received downward adjustments to reflect their larger unit sizes and their preponderance of 2 bedroom units.

Additional Space: Although the comparables are analyzed based on the price per residential unit, most of the comparable properties also include some commercial space, which has some contributory value. The subject property will have a small commercial space on the first floor, which accounts for a little over 5% of the floor area and a similar percentage of the anticipated income stream. Sale 4 lacks any commercial space and is adjusted upward accordingly.

The other sales included some commercial space. The commercial space at Sale 2 comprised a fairly small percentage of the total rentable area, similar to the subject. Overall, no adjustment is considered necessary. Sale 1 had a larger percentage of commercial space, but it was essentially all vacant at the time of sale. A small downward adjustment is warranted. Finally, Sale 3 had a similar percentage of commercial space as Sale 1, but the space was occupied and generating income. A larger downward adjustment is considered appropriate.

Parking: Parking is an important consideration for properties in a dense urban area, and is sometimes an additional source of revenue for a multi-family property. The subject will have approximately 51 surface parking spaces, providing a parking ratio of 1.28 spaces per residential unit. The comparables all have similar parking ratios and are not adjusted for this factor.

Age/Condition: The subject property was built in two stages in 1908 and 1913. For the "as stabilized" analysis, we assume that the property will have been newly renovated and in good condition. The comparables are all older buildings which have also been thoroughly renovated. In terms of the overall quality and condition, the subject is considered most similar to Sale 2, which is a bit older renovation but has very good quality finishes. This sale requires no adjustment. Sale 1, Sale 3 and Sale 4 are somewhat older renovations with somewhat lower-end finishes. Upward adjustments are considered appropriate.

Tax Abatement: As previously discussed, the subject property is expected to receive a 10 year real estate tax abatement from the City of St. Louis. The value of the abatement has been calculated separately and will be added at the end of our analysis. Sale 1 and Sale 4 did not have tax abatement and require no adjustment. Sale 2 had approximately 5 years of abatement remaining at the time of sale and warrants a downward adjustment. Sale 3 had just over 1 year of abatement remaining at the time of sale but the contributory value of such a short abatement period would be minimal. Therefore no adjustment is required.

Ownership Structure: The subject property is a free-standing building, which is being appraised in fee-simple ownership. Most of the sales are similar in this regard. The exception is Sale 2 which had been legally subdivided as condominiums. Prior to the market downturn, a few units in the building were sold to individual owners. After the change in the market, the owners rented out the unsold units. It is the unsold residential units plus the commercial space in the condominium complex which were sold in this transaction.

In our experience, units which are rented as part of a condominium complex often have higher expenses than properties where the owner is able to operate the whole building directly. Furthermore, a purchaser of condominium units is buying into this larger condominium association, rather than acquiring the full bundle of rights that a purchaser can acquire with the subject and the other comparables. An upward adjustment is considered appropriate for Sale 2 to account for the difference in ownership structure, which may result in higher expenses and less control for the purchaser when compared with a typical building purchase.

Amenities: The subject property will have good amenities including a fitness center, community room, tenant storage, roof deck with hot tub, and outdoor area including barbeque and picnic area. The comparables are all considered inferior in this regard and upward adjustments are warranted.

An adjustment grid summarizing our comparison of the subject property and the comparables is presented on the following page.

COMPARABLE SALES ADJUSTMENT GRID - "AS STABILIZED"

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Address	1322 Dolman	901 Locust	1209 Washington	1110 Washington	501 Clara
Sale Date	As of 3/1/17*	10/23/2012	5/1/2012	11/5/2013	1/30/2015
Size (# of Units)	41 + Commercial	47 + Commercial	114 + Comm.	82 + Commercial	53
Unit Mix	Studio/1BR/2BR	57% 2 BR	68% 2 BR	All 1 BR	79% 2 BR
Average Size	813 sf	1,319 sf	1,438 sf	936 sf	1,001 sf
Parking	Surface - 1.22 spaces per unit	None included	Garage - 1.1 spaces per unit	Garage & Surface 1.12 per unit	Surface - 1.0 spaces per unit
Year Built	1908-1913, New Renovation	1892; Ren. 2004	1901/Ren. 2006	1902, ren 2004	1908/Renovated 1986
Condition	Good	Avg to Good	Very Good	Good	Good
Tax Abatement	Added Separately	None	5 years remain	1 Year Remain	None
Amenities	Good	Average	Average	Average	Limited
Sale Price		$4,900,000	$10,850,000	$10,688,800	$5,600,000
Price/Unit		$104,255	$95,175	$130,351	$105,660
Adjustments					
Sale Condition		0%	0%	-10%	0%
Adj. Price/Unit		$104,255	$95,175	$117,316	$105,660
Time		11.00%	12.67%	6.67%	2.00%
Time Adj. P/Unit		$115,723	$107,234	$125,141	$107,774
Location		-5%	-5%	-5%	-5%
Size (# Units)		0%	10%	5%	0%
Unit Size/Mix		-10%	-10%	0%	-5%
Additional Space		-5%	0%	-10%	5%
Parking		10%	0%	0%	0%
Age/Condition		10%	0%	5%	5%
Tax Abatement		0%	-3%	0%	0%
Ownership Struct.		0%	10%	0%	0%
Amenities		5%	5%	5%	10%
Net Adjustments		**5%**	**7%**	**0%**	**10%**
Adj. Price/Unit		**$121,510**	**$114,741**	**$125,141**	**$118,551**

**Estimated "as stabilized" value date. Time adjustments are applied only up to the "as is" valuation date of July 2015.*

Sales Comparison - "As Stabilized" - Conclusion

After all adjustments, the comparable sales range from $114,741/unit to $125,141/unit with an average of $119,986/unit. All of the sales require adjustment in comparison with the subject, but Sale 3 requires the least net adjustment. This comparable has an adjusted price of $125,141/unit and should be given greatest weight in our analysis. Overall, we believe the market value of the subject property on an "as stabilized" basis by the sales comparison approach can be reasonably represented at $122,500/unit. The value indication is summarized below.

"As Stabilized" Value	41 Residential Units @ $122,500	$ 5,022,500
Plus Tax Abatement Value		$ 365,000
TOTAL		$ 5,387,500
ROUNDED		**$ 5,390,000**

Discussion of Additional Sale

In addition to the sales presented and analyzed, we are familiar with the Union Club, a multi-family property located at 2340 Lafayette in the subject neighborhood. This property was completed in 2009 and was intended to be a condominium project. However, with the change in market conditions the developer instead completed the units as multi-family rentals. The units were never legally subdivided. The property includes 39 residential units, which are all 2 bedroom/2 bath and have an average size of 1,251 square feet. There is garage parking (1 per unit) and a community courtyard, but few other amenities. The property also includes a 5,170 square foot commercial space which was never fully built out and never leased.

In 2014, the owners listed this property for sale as part of a package that also included the Motor Lofts, a failed condominium development located at 2307 Washington in the Downtown West neighborhood. The Motor Lofts offering consisted of 56 units held as rentals in the larger 75 unit condominium complex. The asking price for the combined package was $10,350,000 or $108,947/unit for the combined 95 unit package.

The owners reportedly had good interest in the Union Club property, but buyers were less willing to take on the Motor Lofts due to the issues with the partial condominium ownership structure. For the Union Club only, the owners reportedly received offers in the range of $4,500,000 ($115,385/unit) with some buyers reportedly willing to go as high as $5,000,000 ($128,205/unit) for the Union Club. However, these buyers were uninterested in the Motor Lofts and the owners were unwilling to sell the Union Club without also resolving the Motor Lofts. Therefore, the transaction did not move forward.

The reported offers for the Union Club can also be considered in the analysis of the subject property. The property is similar in size to the subject property and similar in terms of location. The units would also be considered generally similar in terms of age/condition and quality and in terms of parking. The units are larger than the subject, which would warrant a downward adjustment but there would be an offsetting adjustment for amenities. The union club has a larger commercial space than the subject, but it was never fully built out or rented. The subject property is expected to have tax abatement, while the Union Club used tax increment financing and the buyer would have

reportedly received an income stream from the tax increment financing similar to the benefit of tax abatement. Overall, the property would probably require little or no net adjustment in comparison with the subject.

Buyers were reportedly willing to pay between for between $115,385/unit and $128,205/unit for this property. This is very similar to the adjusted range of closed sales used in our analysis, which was from $114,741 to $125,141. While this property ultimately did not sell, we believe the reported range of price negotiations for this similar property in the subject neighborhood provides additional support for our concluded value by the sales comparison approach.

"As Completed" Valuation

As previously noted, the comparable sales used in our analysis of the subject property after renovation are considered most similar to the subject on an "as stabilized" basis. In the income capitalization approach, we have calculated the difference between the "as completed" and "as stabilized" values based on the anticipated rent loss during absorption, anticipated rent concessions, and a small profit margin to account for the risks associated with lease-up. The total of these items was $170,000. We will deduct this figure from our "as stabilized" value in the sales approach to develop an "as completed" value for the subject.

"As Completed" Sales Comparison Summary

"As Stabilized" Market Value:	$ 5,390,000
Less Rent Up Adjustment	$ (170,000)
Indicated "As Completed" Value	**$ 5,220,000**

VALUE OF STATE AND FEDERAL HISTORIC TAX CREDITS

As a part of the proposed renovation of the subject property, the owner expects to receive a variety of subsidies or development incentives. As part of this assignment, we have considered these incentives and their likely impact on the value of the subject property.

First, the developer expects to receive a 10 year real estate tax abatement. The abatement would transfer to a new owner upon sale of the property. We have valued the abatement separately and included it in our "as stabilized" valuation for the subject. The developer also plans to apply for state and federal historic tax credits on the renovation of the property. These are discussed in greater detail below.

State and Federal Historic Tax Credits

To qualify for state and federal historic tax credits, a property must be located in a qualifying historic district or be placed individually on the National Register of Historic Places. Based on the City of St. Louis Geo St. Louis website, the property is located in the Lafayette Square National Register Historic District. This District was created in 1972 according to the National Park Service website. Therefore, the property is located within a qualifying historic district. Repairs and renovations planned for the buildings must also meet historic restoration standards and we assume this will take place.

As discussed in the improvement description, the developer's total project cost is $11,156,084. Certain expenses are excluded from eligibility for state and federal historic tax credits, including acquisition costs, some financing costs and other costs which we are not qualified to determine. Slightly different requirements apply to qualifying expenses for federal and state credits. The developer's pro-forma indicates qualifying rehabilitation expenditures of $8,275,472 for both the state and federal historic credits. We assume this figure has been prepared or reviewed by someone who is qualified to determine eligible expenditures.

The state credit is equal to 25% of eligible expenses and the federal credit is equal to 20% of eligible expenses. Therefore, the total amount of the state credit is estimated at $2,068,868 (25% of $8,275,472) and the total amount of the federal credit is estimated at $1,655,094 (20% x $8,275,472).

The tax credits can be sold to an investor to generate revenue for the development. The state credits can be sold directly while the federal credits require a more complicated syndication process. The developer's pro-forma reflects a sale price of $0.92 per $1.00 of credits for the federal historic tax credits and $0.875 per $1.00 of credits for the state historic credits. We were also provided with a letter of intent from Twain Financial Partners, dated May 26, 2015 indicating their interest in acquiring the federal historic credits for the property at $0.91 per $1.00 of credits. This is a bit lower pricing that what is reflected on the developer's pro-forma, but since it reflects an offer from an actual investor, we will use this figure in our analysis. This is within the range of pricing we have seen for other federal investors in historic tax credit properties.

For the state credits, historic tax credits, no investor letter was provided, but the pro-forma pricing of $0.875 per $1.00 of credits is similar to what we have seen on other projects of this type. Typically the pricing for state credits is a bit lower than the pricing for federal credits because of the more limited universe of buyers (only buyers with a Missouri tax liability would have use for the credits). We will use the developer's pro-forma figure of $0.875 per $1.00 of credits.

The calculated value for the **federal historic tax credit** is **$1,506,136** (0.91 x $1,655,094). For the **state historic credits** the calculation is **$1,810,255** ($2,068,868 x 0.875). ***The value of the state and federal tax credits is considered an intangible asset and not real estate.***

It should be noted that due to state budget constraints, there have been efforts to cap, reduce or eliminate various state tax credits, including the historic tax credits. Our appraisal assumes that these credits will continue to be available. The value of the credits will ultimately be determined by the actual final eligible costs of the project as well as to whom and when the credits are sold.

Comparison of "As Is" Value - Based on Costs and Subsidies

Using the sales comparison approach, we have concluded a value of $1,090,000 for the subject property "as is" which is well below the indicated contract sale price of $1,377,500 ($1,366,500 original price + $11,000 additional non-refundable earnest money payments).

Having considered the budgeted costs of the proposed renovation and the subsidies the developer is likely to receive, we can consider also analyze the "as is" property value based on the value after renovation, the costs of renovation and the subsidies for which the property will likely qualify.

The developer's total project budget excluding acquisition is $9,789,584. This includes construction hard costs, contingency, soft costs, and a developer fee (which is effectively a profit margin). However, these costs are expected to be offset by state historic tax credits with an estimated net value of $1,810,255 and federal historic tax credits with an estimated net value of $1,506,136. Deducting these from the total renovation costs, the net cost of renovation would be $6,473,193 ($9,789,584 - $1,810,255 state credits - $1,506,136 federal credits).

However, the "as stabilized" value of the property based on the income capitalization approach (the higher of the two approaches) is only $6,155,000 indicating a project deficit of just over $300,000 ($6,473,193 net cost - $6,155,000 maximum stabilized value). This analysis would suggest that even if the building were free to the developer, the project as currently structured is not feasible. Therefore, the project may require reduced costs (possibly a reduced contingency or reduced developer fee), additional subsidy or some other restructuring to be feasible as currently proposed.

RECONCILIATION AND CONCLUSION

For the subject property, we have used the sales comparison approach to develop an "as is" value opinion. The income approach and cost approach are not considered applicable for the "as is" value, so no reconciliation is needed. The indicated "as is" value is substantially lower than the developer/purchaser's contract price.

We have also compared the contract price with the developer's renovation budget and expected tax credit subsidies. This analysis indicates that the project as currently structured would not be feasible even if the building were free to the developer. For the project to be feasible, it may require restructuring included reduced contingency or reduced developer fee, or some additional subsidy. The indicated "as is" value is based on prices paid by other buyers for similar properties in need of renovation and is not tied to the developer's specific proposal.

Therefore, based on our inspection of the subject property and the analysis presented in this report, it is our opinion that the "**as is**" market value for the subject property as of July 10, 2015 is as follows:

ONE MILLION NINETY THOUSAND DOLLARS
$1,090,000

For the "as completed" and "as stabilized" values both the income capitalization and sales comparison approaches are developed. The value for the subject under each value scenario, as indicated by the applicable approaches, is summarized as follows:

"AS COMPLETED" VALUE - AUGUST 1, 2016

Income Capitalization Approach	$ 5,985,000
Sales Comparison Approach	$ 5,220,000

"AS STABILIZED" VALUE - MARCH 1, 2017

Income Capitalization Approach	$ 6,155,000
Sales Comparison Approach	$ 5,390,000

Reconciliation involves the weighing of the approaches in relation to their importance to typical users and investors in the market. Consideration is given to the quantity and quality of the data in each approach and the advantages and disadvantages of each approach.

The cost approach is most effective when the improvements are new, or nearly new, and fully utilized for their designed intent. The subject property consists of an older vacant industrial building which will now be renovated and converted to residential use. The cost approach was not considered applicable for any of the valuation scenarios.

The income capitalization approach reflects current economic conditions and is most appropriate in valuing investment properties. It is also useful when there is an active rental market for properties similar to the subject. Following the renovation, the property will be rented as multi-family apartments with a small commercial component. Adequate rental information was available to develop a market rent estimate for the proposed apartments. The developer's pro-forma was considered along with available market data to support the expense estimates. Overall, the income capitalization approach is considered a good approach to value for the subject after renovation. Most market participants would value the property based on its income potential.

The sales comparison approach reflects prices paid for similar property. It is most useful when valuing owner occupied properties, and when good comparable sales information is available. For the subject property we have used sales of other renovated apartment properties. The sales were considered the best available, but none is especially similar to the subject property nor are they located in the subject's immediate neighborhood. However, we did also consider the recent reported price negotiations for another good quality multi-family property located in the subject's neighborhood. While this transaction ultimately did not close, it indicated a value in a similar range as the closed sales used in our analysis.

Considering the quantity and quality of data we believe the income approach is the more reliable value indicator. It would be given primary consideration by a buyer. The risk for the income capitalization approach with a proposed project is that the income and expenses are untested. While we have agreed with many of the developer's expense projections, there is a risk that the expenses could be higher. If this occurs, the value for the subject could be more in line with the sales comparison approach. Overall, we have placed about 90% weight on the income capitalization approach and about 10% weight on the sales comparison approach.

It is our opinion that the prospective "**as completed**"market value for the subject property as of August 1, 2016 will be as follows:

FIVE MILLION NINE HUNDRED THOUSAND
$5,900,000

It is further our opinion that the prospective "**as stabilized**"market value for the subject property as of March 1, 2017 will be as follows:

SIX MILLION SEVENTY FIVE THOUSAND DOLLARS
$6,075,000

The developer is expected to apply for state and federal historic tax credits related to the proposed renovation of the subject property. The amount of the credits will be based on the final eligible project costs. Based on the current budget, we have estimated the net value of the ***state historic tax credits*** *associated with the proposed renovation at* ***$1,810,255*** *and the net value of the* ***federal historic tax credits*** *associated with the project at* ***$1,506,136****. The tax credit values are for intangible assets rather than real estate.*

ADDENDA SECTION

EXHIBIT A - QUALIFICATIONS

EXHIBIT B - ENGAGEMENT LETTER

Russ Lauer

From: Tim Kelley <tkelley@enterprisebank.com>
Sent: Tuesday, August 11, 2015 1:37 PM
To: Russ Lauer
Subject: 2015-292 - Truman Lofts LP Address 1322 Dolman City St Louis State MO Zip 63104 County Saint Louis City

Russ,

This is a supplement to our original engagement letter authorizing you to proceed with the revise appraisal report based up the new information that was provided to you regarding the above referenced property.

The additional fee for this work will be

Regards,

Tim Kelley
--

(b)(6)

Tim Kelley | SVP, Facilities & Purchasing | Enterprise Bank & Trust
1281 N Warson Road | St. Louis, MO 63132 Phone 314-810-3619 | Cell [redacted] www.enterprisebank.com

--
****
NOTICE TO RECIPIENT: The information contained in this electronic mail message and in all attachments hereto are confidential, privileged and/or proprietary and are intended for the exclusive use of the addressee(s). If you are not an intended addressee of this message, your interception, copying, distribution, disclosure or other use of this message, any attachment or the information contained therein is strictly prohibited and any prohibited use may subject you to criminal and civil penalties. If you received this message and are not an addressee hereof, immediately notify the sender by e-mail and destroy every electronic, paper and other copy of this message and all attachments hereto and every digest or other summary of the information contained herein or in any attachment. All e-mail sent to this address will be recèived by the Enterprise Financial Services Corp.
corporate e-mail system and is subject to archiving and review by someone other than the recipient.

ENTERPRISE BANK & TRUST
TALENT · STRENGTH · PASSION

6/28/2015

Russell Lauer
Lauer Appraisal Company
3948 Lindell Blvd
St. Louis, MO 63108

RE: Commercial
Truman Lofts LP
1322 Dolman
St Louis, MO 63104

Dear Russell Lauer:

Enterprise Bank & Trust would like to engage your services for an appraisal of the above referenced property.

For said appraisal, the value being sought must conform to the definition of market value set forth by the Office of the Federal Deposit Insurance Corporation 12 CFR Park 323. The interest to be appraised is the current market value of the fee simple estate or leased fee estate. Please contact Bill Luchini at (314) 783-2150 x103 to arrange an appointment to inspect the property.

The appraisal is to be prepared in accordance with the appraisal standards of Enterprise Bank & Trust. If you do not have a copy of these standards, one will be furnished upon request. The appraisal must also conform to the minimum appraisal standards set forth by the Office of the Federal Deposit Insurance Corporation 12 CFR Park 323.4 and must comply with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Foundation. All parties acknowledge that the employment of the appraiser was not conditioned upon the appraisal producing a specific value, or a value within a given range.

You are instructed to appraise the property on an "as is" basis and "as stabilized" basis, if appropriate. For construction projects you should value the project upon completion, as per the plans and specifications provided as well as providing the two values as stated above.

Income property should be valued on the basis of the current actual net income and a separate value should be given based upon the property reaching a stabilized net income under current market conditions.

When a sale within twelve months is unlikely based on market conditions or lease up of the property, please discount all future cash flows generated by the property with consideration being given to completion costs, brokerage fees, operating expenses, etc. Marketing time, discount and capitalization rates should be fully explained and documented.

It is our understanding that the fee for this assignment will not exceed and that a complete electronic copy of the appraisal will be received by 7/23/2015. A physical copy of the appraisal is not required unless specifically requested by Enterprise Bank & Trust.

Please address the report to include the following intended users:

Enterprise Bank & Trust or its assigns, our address is:
1281 N. Warson Road, Saint Louis, Missouri 63132.

It is our understanding that you or a qualified individual, whose resume and license is on file with Enterprise Bank & Trust, will conduct the appraisal and the report will be signed by you.

By accepting, completing, and submitting appraisal assignments, you acknowledge to have received, read, understand, and agree to abide by these policies and procedures. The appraiser also acknowledges the appraisal is prepared solely for the use of Enterprise Bank & Trust. At its sole and absolute discretion, information contained in the appraisal may be disseminated as the Bank deems appropriate.

If you are in agreement with the above, please sign and return the original to my attention. A copy of the fully executed engagement letter must also be included in the final appraisal report.

Sincerely,

ENTERPRISE BANK & TRUST

Timothy P. Kelley
Senior Vice President

Accepted:
Lauer Appraisal Company

By: Russell J Lauer
Russell Lauer

Title: President

Date: 6/29/15

NOTE: Please reference our Appraisal Number: 2015-292 on your invoice to ensure prompt payment.

ENTERPRISE BANK - APPRAISAL ORDER

Order Date:	6/28/2015	Estimated Completion:	7/23/2015
Appraisal Co:	Lauer Appraisal Company	Appraisal Order #:	2015-292
Appraiser:	Russell Lauer	Fee Amount:	
Phone #:	314-531-4000	Verbal Needed By:	7/23/2015
Fax#:	314-533-3350	Foreclosure/OREO:	No
Email:			

Property Type: CM - Com Constr - Mixed Use Bldg (Com & Ret)

Required Attachments:

Special Instructions: Please use calendar days when entering the time needed to complete the assignment. Also keep in mind the due date of 7/20/2015 when placing your bid. Thank you. SCOPE: "as is" value; as completed" value and "as stabilized" value. Leased fee. Property Description and Details: Historic rehab of the building into 40 market rate apartments and 2,924 SF of commercial space; Sub-Category - Retail/Multi-Family For Rent; Commercial Building Area Sq. Ft - 2,924; Number of Residential Units - 40; Total Land Area/Acres - 0.78; Number of Out Lots - 0; Tax Credit: Yes;

Contact person to arrange for Appraiser to review the property

Name:	Bill Luchini	Phone:	(314) 783-2150 x103
Email:	bluchini@capstonedev.net	Phone:	
Property Address:	1322 Dolman St Louis, MO 63104		

Description of any improvements to subject property made by owner or previous owner

Additional Comments

Important notice to all successful bidders receiving an engagement letter from Enterprise Bank & Trust.

Within three (3) business days following receipt of the engagement letter please provide Enterprise Bank & Trust with the name, phone number and e-mail address of the appraiser who will be performing the appraisal. Send this information to Enterprise Bank & Trust at the following e-mail address, appraisalreview@enterprisebank.com.

Within five (5) business days provide confirmation to Enterprise Bank & Trust that the appraiser has made arrangements, with the individual listed under "Contact Info" on the appraisal order form, to inspect the subject property. Provide Enterprise Bank & Trust with the date, time and individual the appraiser will be meeting with - again this information should be sent to appraisalreview@enterprisebank.com.

Should there be a problem reaching this contact person within the aforementioned five (5) business days immediately call Karen Leary at 314-587-2727 or Tim Kelley at 314-283-9470.

Information requested by the appraiser that is not received within three (3) days should be immediately reported to Enterprise Bank & Trust at the e-mail address appraisalreview@enterprisebank.com.

Thank You.

The completed electronic appraisal report and one (1) electronic copy of the signed appraisal order form must be delivered to:

Ordered By:	Timothy P. Kelley, SVP	314-283-9470
Address:	1281 N. Warson Road St. Louis, MO 63132	
Appraisal Review Team:	Sue Herrmann Karen Leary	314-810-3618 314-587-2727
Email Address:	appraisalreview@enterprisebank.com	

Engagement Letter

6/28/2015

To: Russell Lauer
3948 Lindell Blvd
St. Louis, MO 63108

From: Tim Kelley

Re: Truman Lofts LP
1322 Dolman
St Louis, MO 63104

To return the completed Engagement Letter, click here.

EXHIBIT C - SALE CONTRACT

The St. Louis Association of Realtors ©2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

COMMERCIAL SALE CONTRACT
IMPROVED PROPERTY

1. PARTIES AND PROPERTY.

Capstone Development Group, LLC or assigned	("Buyer") agrees to purchase from
Nick Karakas	("Seller") and Seller agrees to sell

to buyer the property ("Property") located in the:

County of:	City of Saint Louis
City of (if any):	Saint Louis
Address of:	1322 Dolman Street 63104

2. INCLUSIONS AND EXCLUSIONS.

The Property includes all right, title and interest of Seller in any and all existing improvements, buildings, structures, fixtures, equipment, apparatus, machinery, appliances, heating and air conditioning systems, heat, gas, water, light, power, laundry, garbage disposal, fire prevention, elevator, antenna or pool equipment, air rights, water rights, mineral rights, crops, trees, shrubbery, rents, profits, royalties, tolls, earnings, leases, tenements, inherited rights, appurtenances, security deposits, easements and rights-of-way as well as all assignable agreements, licenses and permits pertaining to the Property, whether now or hereafter placed or installed on the Property or used in connection with the operation of the Property.

The following additional items are included in the sale:
Fee simple
The following items are excluded in the sale:

3. PURCHASE PRICE. Buyer shall pay for the Property as follows:

A. EARNEST MONEY

Ten Thousand	Dollars	$10,000.00

B. ADDITIONAL EARNEST MONEY (if any)

Sixteen Thousand Five Hundred	Dollars	$16,500.00

Additional Earnest Money shall be payable directly to Seller in three equal installments of $5,500.00, first installment due March 1st 2015, second April 1st 2015, and third May 1st 2015.

C. CASH DUE AT CLOSING

One Million Three Hundred Forty Thousand	Dollars	$1,340,000.00

Amount to be paid at Closing ("Cash Due at Closing") (subject to adjustments described herein) in United States funds payable and delivered to Escrow Agent in the form of cashier's check, bank check or wire transfer by Closing.

D. PURCHASE PRICE

One Million Three Hundred Sixty Six Thousand Five Hundred	Dollars	$1,366,500.00

Total of A, B and C is D the Purchase Price.

Seller's Initial & Date: NK 2/19/15 File Date: February 19, 2015 (not acceptance date) Buyer's Initial & Date: 2/19/15

3. PURCHASE PRICE. (Continued)
Earnest money ("Earnest Money") in the amount set forth herein shall be tendered by Buyer with this Contract in the form of good, United States funds, payable and delivered to the herein identified Escrow Agent.

("Escrow Agent") Lafayette Title Company

(NOTE: This Commercial Sale Contract assumes that "Escrow Agent" is a title insurance company or agency.)

If any Earnest Money check tendered by Buyer is returned for insufficient funds, or otherwise, Seller may promptly terminate this Contract by written notice to Buyer. Escrow Agent shall deposit the Earnest Money promptly upon acceptance of this Contract in an ✓ non-interest bearing or ☐ interest bearing (select one) account (if interest bearing the account will be insured by the Federal Deposit Insurance Corporation). Interest (if any) shall accrue to the benefit of Buyer.

4. CLOSING AND CONVEYANCE OF TITLE.
The closing of this sale ("Closing") shall take place __15__ calendar days after waiver or expiration of Buyer's Due Diligence Period, no later than 5:00 p.m. or on any other date and time that both parties agree to in writing, at the office of Escrow Agent.
(NOTE: Item 8. BUYER'S DUE DILIGENCE PERIOD, paragraph (h) – Extension of Due Diligence Period and paragraph (i) Extension of Closing Date.)

5. SELLER'S OBLIGATIONS.
(a) Within five (5) calendar days of acceptance of this Contract between Buyer and Seller (hereafter referred to as the "Effective Date"), Seller shall provide Buyer with originals, or photocopies if originals are not available, of improvement drawings, blueprints, surveys, flood plain maps, plats, deeds, easements, covenants, trustee agreements, flood plain policies, title insurance policies, environmental reports, engineering studies, contractor estimates, accepted bids for work, contractor lien waivers for completed work, all warranties, certificates of occupancy, licenses, permits, correspondence, notices, authorizations and approvals issued by all governmental authorities having jurisdiction over the Property, in Seller's possession.

(b) If the Property is Tenant occupied or has other leasehold interests, (1) within five (5) calendar days of the of Effective Date, Seller shall provide Buyer; a "rent roll", current as of issuance date, including the name of each tenant, the amount of monthly rent payable, the last rent paid date, amount of security deposit held, amount of any prepaid rent and expenses and the commencement and termination dates of each tenancy and originals, or photocopies if originals are not available, of all leases or rental agreements and all contracts or agreements affecting the Property, in Seller's possession; (2) Seller shall promptly submit to all tenants the attached "Tenant Estoppel Certificate" form or Seller's form, that incorporates the following minimum requirements: (a) indicate what rental payment amounts and other payment amounts such as base year or CAM (Common Area Maintenance) payments are due; (b) indicate the lease term expiration date and state option terms such as any option to renew or option to purchase (if any); (c) security deposits or guarantees (if any); (d) a statement there are no defaults of the terms and conditions by either tenant or Landlord; (e) amount of any offsets or other obligations of Landlord to tenant; (f) and by attached exhibit to the certificate a true copy of the lease agreements(s), addendums, amendments, written notices to either party or payment notices by Landlord; (3) Seller shall copy to Buyer the Estoppel Certificate, correspondence and attachments delivered to the tenant(s). **Seller acknowledges that Buyer's contingency time period to review any Tenant Estoppel Certificates may extend the "Closing" due to the lease time period for any tenant(s) to respond to an estoppel request.**

(c) Seller shall promptly execute and deliver, when requested, the following documents or items to Escrow Agent or Buyer or Buyer's representatives at the Closing for recording or delivery to Buyer prior to Closing, as appropriate: (1) Special Warranty Deed to the Property constituting realty in recordable form; (2) any keys, security cards or garage door openers in Seller's possession to any part of the Property (3) provide evidence of Seller's good standing, authority, related customary documents and instruments as may be reasonably required by the Escrow Agent; (4) a Certification of Non-Foreign Status under penalty of perjury, including Seller's United States Taxpayer Identification Number, stating that Seller is not a foreign person; (5) affidavits, as to rights of parties in possession, mechanics' liens and claims, as may be reasonably required by the Escrow Agent in order to issue Buyer's Owner's Policy of Title Insurance with mechanic's lien coverage; (6) the Closing statement; (7) any other documents reasonably necessary to consummate the transaction contemplated by this Contract and (8) deliver possession of the Property as of Closing, subject to any herein permitted tenancy.

(d) Buyer shall not be obligated to close hereunder unless: (1) Seller delivers, pays and executes all monies, items and other instruments required to be delivered, paid and/or executed by Seller herein no later than Closing; (2) Seller's Covenants, Representations and Warranties (defined below) are true and correct as of Closing; (3) If improvements or repairs have been performed within six (6) months prior to Closing, Seller shall, furnish reasonable security against mechanic's liens or evidence of payment of bills satisfactory to Escrow Agent to issue mechanics lien coverage to Buyer; (4) Buyer can obtain from Escrow Agent at Closing an Owner's Policy of Title Insurance insuring fee simple title to and ownership of the Property in Buyer in the amount of the Purchase Price on ALTA Form B with exceptions on Schedule B thereof only for the Permitted Exceptions (defined herein) and with the standard exceptions as to rights of parties in possession (except tenants under leases) and mechanics liens deleted ("Buyer's Owners Policy of Title Insurance") and (5) Seller delivers possession of the Property as of Closing, subject to any herein permitted tenancy.

6. BUYER'S OBLIGATIONS.

(a) Buyer shall execute and/or deliver the following to Escrow Agent at the Closing for recording or delivery to Seller as appropriate: (1) cash due at Closing; (2) Buyer's share of the Closing costs, prorations and any other expenses provided to be paid by Buyer by this Contract; (3) the Closing statement; (4) the General Warranty Deed; (5) a Real Property Certificate of Value, as may be required in the city or county in which the Property is located and (6) any other documents reasonably necessary to consummate the transaction contemplated by this Contract.

(b) Seller shall not be obligated to close hereunder unless: (1) Buyer delivers, pays and executes all monies, items and any other instruments required to be delivered, paid and/or executed by Buyer herein no later than Closing and (2) Buyer's Covenants, Representations and Warranties (defined below) are true and correct as of Closing.

7. CLOSING COSTS AND PRORATIONS.

Closing costs and prorations are agreed to be paid by the parties as follows:

(a) Buyer and Seller shall prorate and adjust between them on the basis of the actual number of days in the year with Seller to pay expenses and to receive income until midnight the day of Closing, the following: (1) general taxes (based on assessment and rate for current year, if both are available, otherwise based on previous year); (2) subdivision assessments (if any); (3) utility charges which are capable of becoming a lien against the Property; (4) rents, profits, royalties, tolls or earnings arising out of or in connection with the Property ("Income"), provided that no proration shall be made to any Income of which any portion is more than thirty (30) calendar days past due. Buyer shall, upon receipt, turn over to Seller any Income received by Buyer after Closing pertaining to any time period prior to Closing and for which no adjustment has been made, after deducting and crediting any amounts due to Buyer for any time period after Closing.

Note: Who pays for "Title Insurance Premium" must be identified by the appropriate section per Item 23 herein.

(b) Seller shall pay for (where applicable): (1) Title Insurance Premium for the Owner's Policy of Title Insurance and title company charges (including closing, releasing and escrow fees) and other charges customarily paid by a seller of real estate in the county where the Property is located; (2) existing liens (recorded or unrecorded) and existing loans on the Property; (3) all security deposits or prepaid rent and expenses held by Seller at Closing; (4) municipal or conservation district inspection fee; (5) special taxes and assessments levied before Closing and (6) Broker's commission or fee as specifically agreed to herein or by prior written agreement.

(OR)

7. CLOSING COSTS AND PRORATIONS. (Continued)
(c) Buyer shall pay for (where applicable): (1) Title Insurance Premium for the Owner's Policy of Title Insurance and title company charges (including closing, recording and escrow fees) and other charges customarily paid by a buyer of real estate in the county where Property is located; (2) regardless of who pays for the Owner's Policy of Title Insurance, Buyer shall pay for any title policy endorsements thereto including, but not limited to, a Lender's Policy of Title Insurance (if any); (3) hazard insurance premium on the Property from and after Closing; (4) flood insurance premium on the Property from and after Closing, if any; (5) any fees for appraisals or surveys ordered by or for Buyer; (6) any fees for building or environmental studies ordered by or for Buyer; (7) special taxes and assessments levied after Closing; (8) municipal occupancy permit and (9) Broker's commission or fee as specifically agreed to herein or by prior written agreement.

All of the above Closing costs and prorations shall be itemized on a Closing statement prepared by Escrow Agent and executed by Buyer and Seller at or prior to Closing ("Closing Statement").

8. BUYER'S DUE DILIGENCE PERIOD.
This Contract and Buyer's obligations hereunder are specifically made contingent upon Buyer's satisfaction of the following items on or before the date indicated:

(a) **Title and Survey Inspection.** Approval by Buyer by 5:00 p.m. __90__ calendar days after the Effective Date. Buyer, at its option and expense, may obtain a survey of the Property ("Survey") and a title examination of the Property ("Title Report"). If Buyer obtains a Survey and/or Title Report, then within the time period stated herein, Buyer may notify Seller in writing of any matters shown by the Survey and/or Title Report that are unacceptable to Buyer ("Buyer's Title Objections"). If Buyer notifies Seller of any Buyer's Title Objections, Buyer must also deliver a copy of the Survey and/or Title Report to Seller with such objections. Failure by Buyer to notify Seller of Buyer's Title Objections within the stated time period will constitute a waiver by Buyer of any objections to the Survey or Title Report and to matters which could have been shown by a Survey or Title Report. Seller shall be responsible for removing any exceptions to title which arise between the Effective Date and Closing unless created by or with the written consent of Buyer. Any item shown on the Title Report for which Buyer does not deliver Buyer's Title Objections within the stated time period or for which Buyer agrees to waive Buyer's Title Objections will be deemed approved by Buyer and are called "Permitted Exceptions".

(b) **Property and Records Inspection.** Approval of the physical condition and records inspection by Buyer by 5:00 p.m. __90__ calendar days after the Effective Date. During the stated time period, Buyer and Buyer's representatives may, at Buyer's option, expense and sole liability conduct such examinations, tests, inspections, structural and systems reports, environmental studies and other studies of the Property as Buyer shall deem desirable, and obtain copies of such books, computer records, records, reports, leases, Estoppel Certificates as executed by tenant(s), agreements, contracts, rent rolls, financial records, permits, licenses, approvals and such other records necessary and appropriate for the use and occupancy of the Property or reflecting the income or expenses of the Property ("Buyer's Property and Records Inspection"). Seller agrees to permit Buyer or its representatives to enter the Property for such purposes during reasonable business hours and upon reasonable notice to Seller and to allow Buyer access to such books, computer records, records, reports, leases, agreements, contracts, rent rolls, financial records, permits, licenses, approvals and other records, provided that such investigations do not unreasonably disrupt the operation of Seller's business and do not cause any damage to the Property and that any such damage is immediately repaid by Buyer. Buyer shall be liable to Seller for the acts of any person or persons, employee(s), representative, contractor or consultant that Buyer may engage, and Buyer shall maintain adequate insurance or cause each to maintain adequate insurance at all times while performing any property inspection. Buyer agrees that the results of any inspection or test and the reports or conclusions of Buyer and Buyer's representatives shall be kept confidential (except as required by law) by Buyer and Buyer's representatives; provided that Buyer may disclose such items to Buyer's attorney, accountants, lenders and other parties reasonably necessary to enable Buyer to purchase the Property. During the stated time period, Buyer may notify Seller in writing of any matters pertaining to Buyer's Property and Records Inspection Contingency that are unacceptable to Buyer ("Buyer's Property and Records Objections"). Failure by Buyer to notify Seller of Buyer's Property and Records Objections within the time period stated herein shall constitute a waiver by Buyer of any objections thereto or any right not to close by reason thereof.

(c) Buyer shall have ten (10) calendar days to review the executed Tenant Estoppel Certificate(s). Buyer's estoppel review period shall commence upon the date the last executed Tenant Estoppel Certificate(s) are delivered to Buyer from either Seller or Seller's tenant(s).

8. BUYER'S DUE DILIGENCE PERIOD. (Continued)
Note: It is solely the responsibility of the Buyer to determine if the Property requires flood plain insurance or access to the Property is public or private (and if private, may require annual maintenance).

(d) Permanent Loan. Receipt by Buyer by 5:00 p.m. _90___ calendar days after the Effective Date of a written commitment for a conventional loan to be secured by a first deed of trust on the Property, repayable in equal monthly installments of principal and interest. The loan shall bear interest at the prevailing market rate, but not exceed the interest rate per annum set forth herein. Buyer shall use reasonable diligence to obtain such a loan.

Loan Amount (Percent of Purchase Price or Dollar Amount):	Loan terms, and acceptance thereof, to be determined at Buyer's sole discretion.
Interest Rate Per Annum (Percent):	
Amortization Period (Number of Years):	
Term of Loan (Number of Years to Balloon Payment):	
Loan Points and/or Application Fees:	
Buyer Shall Apply for a Loan Within Calendar Days of:	

(e) Satisfaction/Waiver of Contingencies. Each of the above contingencies is for the sole benefit of Buyer. Subject to subparagraphs (f) and (h) below, if Buyer notifies, in writing, Seller that it has not satisfied or waived each of the above contingencies by 5:00 p.m. on or before the date specified for each, this Contract shall, at the close of business on the applicable date, terminate without further action of the parties, and in such event, all earnest money and interest thereon, shall be promptly returned to Buyer. If Buyer fails to notify Seller, in writing, within the applicable stated period that any contingency has not been satisfied or waived, such contingency shall be deemed satisfied.

(f) Seller's Time to Respond. If Buyer does timely notify Seller (within the stated time periods), in writing, of Buyer's Title Objections and/or Buyer's Property and Records Objections, Seller has five (5) calendar days from receipt of said notice to either: (a) agree in writing to correct Buyer's Title Objections and/or Buyer's Property and Records Objections, at Seller's expense, on or before Closing or (b) refuse to correct some or all of Buyer's Title Objections and/or Buyer's Property and Records Objections. Failure by Seller to respond, in writing, within the stated time period shall constitute a refusal to correct all objections of Buyer.

(g) Buyer's Time to Respond. In the event Seller refuses to correct any or all of permitted objections of Buyer, Buyer has ten (10) calendar days from the expiration date of the applicable contingency to either: (i) waive Buyer's objections and proceed to Closing hereunder or (ii) terminate this Contract, whereupon all earnest money and interest thereon shall be promptly returned to Buyer.

~~**(h) Buyer's Extension of Due Diligence Period.** Buyer has the right to extend the Due Diligence and Contingency Period~~ by an additional fifteen (15) days if Buyer is able to waive all contingencies except for the financing contingency by the waiver date, Buyer to notify Seller in writing, within the applicable stated period that the financing contingency has not been satisfied or waived for this additional extension of Due Diligence Period and Contingency Period to be in effect. RL

(i) Extension of Closing Date. If Buyer's or Seller's time to respond extends beyond the date set for Closing, the Closing shall be automatically extended to the date by which the response must be received by the other party.

(j) Buyer's Due Diligence Period. The period from the Effective Date until the end of the longest contingency period described above is referred to in this Contract as the "Buyer's Due Diligence Period".

9. SELLER'S COVENANTS, REPRESENTATIONS AND WARRANTIES.
Seller covenants, represents and warrants to Buyer as follows ("Seller's Covenants, Representations and Warranties") which covenants, representations and warranties shall be considered made as of the Effective Date and again as of Closing except to the extent that Seller obtains knowledge or notice after the date Seller executes this Contract of any fact or facts which

would make any covenant, representation or warranty untrue or misleading in any material respect and discloses such fact or facts to Buyer in writing prior to Closing, in which case Buyer shall not be obligated to close hereunder:

9. SELLER'S COVENANTS, REPRESENTATIONS AND WARRANTIES. (Continued)
(a) from the Effective Date until Closing, Seller shall not execute any leases or contracts affecting the Property which shall be binding on the Property or Buyer after Closing without the prior written consent of Buyer; (b) from the Effective Date until Closing, Seller shall maintain the Property in the same condition existing as of the Effective Date, ordinary wear and tear and casualty excepted, and shall be broom clean with all personal property removed upon Closing. Seller shall pay on a timely basis all bills and discharge all of Seller's obligations arising from ownership, operation, management, repair and maintenance of the Property as payments become due; (c) Seller is the owner in fee simple of the Property; (d) Seller has the authority and capacity to enter into and perform this Contract, and the person who executes this Contract on behalf of Seller represents and warrants such person has been authorized to do so; (e) Seller is not bankrupt or insolvent; (f) to the best of Seller's knowledge and without any independent inquiry or investigation, Seller knows of no violations or alleged violations of any federal, state or local law that affects the Property, and Seller has not received notice of and is not aware of any pending or threatened litigation, suit, proceeding or eminent domain action affecting the Property; (g) there shall be no tenancies or occupancies affecting the Property as of Closing except as Seller has disclosed to Buyer in writing and the rent roll is true, accurate and complete; (h) As of Closing there shall be no service, supply, maintenance or management contracts or agreements affecting the Property which will be binding on the Property or Buyer after Closing except as disclosed by Seller to Buyer in writing; (i) there are, and as of Closing there shall be, no recorded or unrecorded contracts and/or options to which Seller is a party pertaining to or affecting title to or the sale of the Property, or any part thereof; (j) to the best of Seller's knowledge without independent inquiry or investigation, and except as disclosed to Buyer in writing, there are and have been no hazardous or toxic substances or materials, including without limitation, oil, PCB's, urea formaldehyde foam insulation, asbestos or underground storage tanks of any kind, as those terms are used in any applicable federal, state and/or local environmental laws, which regulate such substances or materials or tanks, brought or placed on the Property except for asbestos at various locations in the buildings or as to other matters to disclosed to the Buyer in writing. and (k) Seller shall deliver possession of the Property as of Closing, subject to any herein permitted tenancy.

Seller's Covenants, Representations and Warranties and Seller's liability for breach thereof shall survive Closing and shall not be merged into any deed or other document given at Closing, but shall expire and shall be of no further force or effect on the date that is the one-year anniversary of closing.

10. BUYER'S COVENANTS, REPRESENTATIONS AND WARRANTIES.
Buyer covenants, represents and warrants to Seller as follows ("Buyer's Covenants, Representations and Warranties") which covenants, representations and warranties shall be considered made as of the Effective Date and again as of Closing except to the extent that Buyer obtains knowledge or notice after the date Buyer executes this Contract of any fact or facts which would make any covenant, representation or warranty untrue or misleading in any material respect and discloses such fact or facts to Seller in writing prior to Closing in which case Seller shall not be obligated to close hereunder.

(a) Except as specifically set forth in Seller's Covenants, Representations and Warranties, Buyer is relying on its own investigation and inspection of the Property, Title Report, Survey, Buyer's Property and Records Inspection or any other permitted contingencies, all to the extent conducted by Buyer in Buyer's judgment, and Buyer will take title to the Property in its AS IS, WHERE IS condition based solely on such investigation and inspection. Buyer acknowledges and agrees that Seller and its representative(s) have not made any warranty or representation, express or implied, written or oral concerning the Property except as set forth in Seller's Covenants, Representations and Warranties; (b) Buyer has the authority and capacity to enter into and perform this Contract, and the person who executes this Contract on behalf of Buyer represents and warrants that such person has been authorized to do so; (c) Buyer is not bankrupt or insolvent and (d) Buyer shall neither encumber nor cause any liens to be created against the Property in any way, nor record this Contract or a memorandum hereof, prior to Closing.

Buyer's Covenants, Representations and Warranties and Buyer's liability for breach thereof shall survive Closing and shall not be merged into any deed or other document given at Closing.

11. REMEDIES UPON DEFAULT.
If either party defaults in the performance of any obligation of this Contract, the party claiming a default shall notify the other party in writing of the nature of the default. In the event of litigation (including mediation/arbitration, if applicable)

between the parties, the prevailing party shall recover, in addition to damages or equitable relief, the cost of litigation including reasonable attorney's fees. This provision shall survive Closing.

(a) If Buyer defaults, Seller may either accept the earnest money and interest thereon as liquidated damages and release Buyer from the Contract (in lieu of making any claim in court).

(b) If Seller defaults, Buyer may either release Seller from liability upon Seller's release of the earnest money (including interest) and reimbursement to Buyer for all direct costs and expenses, as specified in Buyer's notice of default (in lieu of making any claim in court), or Buyer may pursue any remedy at law or in equity, including enforcement of sale.

12. CASUALTY AND EMINENT DOMAIN.
(a) Casualty. Risk of loss to the improvements on the Property shall be borne by Seller until Closing. If the Property is damaged or destroyed after the Effective Date and prior to Closing, Seller shall immediately notify Buyer, in writing, of the damage or destruction and the amount and terms of insurance proceeds available, if any. Buyer may either (i) proceed with the Closing and be entitled to all insurance proceeds, if any, payable to Seller under all policies insuring the property or (ii) terminate this Contract, whereupon all earnest money shall be returned promptly to Buyer. Buyer shall give written notice of its election to Seller within five (5) calendar days after Buyer has received Seller's written notice of such damage or destruction and the amount of insurance proceeds available, and Closing will be extended accordingly, if required to permit such notices to be given. Failure by Buyer to so notify Seller in writing shall constitute an election to close. A termination hereunder does not constitute a default by Seller or Buyer.

(b) Eminent Domain. In the event that prior to Closing, any portion of the Property is taken by eminent domain, or becomes the subject of eminent domain proceedings, threatened or commenced, Seller shall immediately notify Buyer in writing thereof, and provide Buyer with copies of any written communication from any condemning authority. If any of said events shall occur, Buyer may terminate this Contract by written notice to Seller within five (5) calendar days after Buyer has received Seller's written notice, in which event the earnest money shall be returned to Buyer. If Buyer elects to close, then: (i) if the transfer to the condemning authority takes place prior to Closing hereunder, the remainder of the Property shall be conveyed to Buyer at Closing hereunder; (ii) if the transfer to the condemning authority has not taken place prior to Closing, the entire Property shall be conveyed to Buyer at Closing hereunder; (iii) if Seller has received payment for such condemnation or taking prior to the Closing hereunder, the amount of such payment shall be a credit against the Purchase Price payable by Buyer hereunder; and (iv) if Seller has not received such payment at the time of Closing, Seller shall assign to Buyer all claims and rights to or arising out of such taking, including the right to conduct any litigation in respect of such condemnation.

13. NOTICES.
Any and all notices required or permitted hereunder shall be in writing and shall be deemed given upon receipt and shall be delivered by: (i) personal delivery; (ii) United States registered or certified mail, return receipt requested; (iii) overnight commercial package courier or local delivery service or (iv) facsimile transmission, in all events prepaid and addressed:

In the Case of Seller to (Attention):	Nick Karakas
Company Name:	
Mailing Address:	4400 Woodson Road Saint Louis, Missouri 63134
Email Address:	
Fax Number:	

Seller's Initial & Date NK 2/1/15 File Date: February 19, 2015 (not acceptance date) Buyer's Initial & Date AK 2/19/15

With Copy to (Attention):	Joe Allison
Company Name:	Schlafly Corporation
Mailing Address:	2 North Meramec Avenue 3rd Floor Saint Louis, Missouri 63105
Email Address:	joe@schlaflycorporation.com
Fax Number:	314.725.0117
In the Case of Buyer to (Attention):	Bill Luchini
Company Name:	Capstone Development Group, LLC
Mailing Address:	50 South Bemiston Avenue Suite 201 Saint Louis, Missouri 63105
Email Address:	bluchini@capstonedev.com
Fax Number:	314.925.5817
With Copy to (Attention):	Kyle J. Pershing
Company Name:	Schlafly Corporation
Mailing Address:	2 North Meramec Avenue 3rd Floor Saint Louis, Missouri 63105
Email Address:	kyle@schlaflycorporation.com
Fax Number:	314.725.0117

Each party shall have the right to change its foregoing address by written notice to the other party.

14. ASSIGNABILITY OF CONTRACT.
Buyer shall have the right to assign its rights under this Contract provided that Seller consents to such assignment, which consent shall not be unreasonably withheld or delayed. Upon Buyer's assignment of this Contract, such assignee shall be deemed substituted, for the named Buyer, and such assignee shall be deemed to have assumed Buyer's obligations hereunder, without any release of Buyer unless Seller releases Buyer in writing.

15. TIME IS OF THE ESSENCE.
Time is of the essence in the performance of the obligations of the parties under this Contract.

16. BINDING EFFECT.
This Contract shall be binding on and for the benefit of the parties and their respective heirs, personal representatives, executors, administrators, successors and assigns.

17. GOVERNING LAW.
This Contract shall be considered a Contract for the sale of real property and shall be construed in accordance with the laws of the state where the Property is located.

18. ENTIRE AGREEMENT.
This Contract and any riders, addenda and exhibits attached hereto constitute the entire agreement between the parties hereto and there are no other understandings, written or oral, relating to the subject matter hereof. This Contract may not be changed, modified or amended, in whole or in part, except in writing signed by both Buyer and Seller.

19. CONSTRUCTION.
Words and phrases shall be construed as in the singular or plural number, and as masculine, feminine or neuter in gender, according to the context.

20. SATURDAYS, SUNDAYS AND HOLIDAYS.
If any date for the occurrence of an event or act under this Contract falls on a Saturday, Sunday or legal holiday in the state where the Property is located, then the time for the occurrence of such event or act shall be extended to the next succeeding business day.

21. EFFECTIVE DATE.
The "Effective Date" of this Contract is the date of the last of Buyer or Seller to execute this Contract as an accepted Contract. Facsimile transmission of the Contract and Riders shall constitute one acceptable method to provide notice of acceptance ("Effective Date") between Buyer and Seller, and each agree to deliver executed originals of Contracts and Riders promptly thereafter.

22. LIKE-KIND EXCHANGE.
A qualified like-kind exchange requires adherence to specific rules and regulations as set forth by the Internal Revenue Service. Seller and Buyer are advised to obtain appropriate legal and tax advice to implement any such exchange.

CHECK APPLICABLE BOX

☐ Buyer. Seller acknowledges that Buyer is contracting to acquire the Property in contemplation of completing a like-kind exchange of certain other property previously owned by Buyer in a manner which will qualify as a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code. In this regard, Seller agrees to cooperate reasonably with Buyer so as to structure the transaction in a manner which will qualify as a like-kind exchange under Section 1031; provided, however, that (i) Seller shall in no event be required to incur any costs or expenses with respect to such cooperation; (ii) Buyer shall fully indemnify and hold harmless Seller from all losses, costs, expenses and liabilities incurred as a result of such cooperation; (iii) Seller makes no warranty or representation whatsoever with respect to the qualification of the transaction for like-kind exchange treatment under Section 1031; and (iv) Seller shall have no responsibility, obligation or liability with respect to the tax consequences of the transaction to Buyer.

☐ Seller. Seller has advised Buyer of Seller's intention to seek to effect a non-simultaneous like-kind exchange pursuant to Section 1031 of the Internal Revenue Code in connection with the conveyance of the Property. In this regard, prior to the transfer of the Property to Buyer, Seller intends to convey the Property to a neutral third party (an "Exchange Facilitator"), subject to the terms of this Contract. The Exchange Facilitator will assume and fulfill the contractual obligations of Seller contained herein, and the Property shall be transferred by the Exchange Facilitator to Buyer pursuant to the terms of this Contract at the time and in the manner set forth herein. Buyer agrees to cooperate reasonably with Seller with respect to such exchange; provided, however (i) Buyer shall in no event be required to incur any costs or expenses in this transaction as a result of or connected with the structuring of this transaction as a like-kind exchange under Section 1031 of the Internal Revenue Code; (ii) Seller shall fully indemnify and hold Buyer harmless from all loss, cost, expenses and liabilities incurred as a result of Buyer's cooperation in structuring this transaction as a like-kind exchange; (iii) Buyer makes no warranty or representation whatsoever with respect to the qualification of the transaction for like-kind exchange treatment under Section 1031; and (iv) Buyer shall have no responsibility, obligation or liability with respect to the tax consequences of the transaction to Seller.

23. TITLE INSURANCE. (Per Item 7 – Closing Costs & Prorations)
☑ Buyer or ☐ Seller (select one) agrees to pay for the Title Insurance Premium for the Owner's Policy for Title Insurance. Regardless of who pays for the Owner's Policy of Title Insurance, Buyer shall pay for any title policy endorsements thereto including, but not limited to, a Lender's Policy of Title Insurance (if any).

24. RIDERS or SPECIAL TERMS AND CONDITIONS.
The following riders or supplements are attached hereto and incorporated herein as part of this Contract:

☐ Estoppel Rider ☐ Mediation/Arbitration

25. AGENCY DISCLOSURE AND BROKERAGE COMMISSION.
Buyer and Seller by signature to this Commercial Sale Contract acknowledge and consent to the representations and payment of commission(s) or fee(s) disclosed herein.

Seller shall pay Seller's Broker a commission or fee per separate written agreement.
☑ Seller or ☐ Buyer shall pay Buyer's Broker a commission or fee as indicated herein or per separate written agreement.

Per Listing Agreement.

Broker(s) and affiliated licensee(s) duties and responsibilities are governed by the selection below (check appropriate category):

SELLER'S BROKER and Agent/Licensee(s)		BUYER'S BROKER and Agent/Licensee(s)	
☐	SELLER NOT REPRESENTED	☐	BUYER NOT REPRESENTED
☐	Seller's Limited Agent	☐	Buyer's Limited Agent
☐	Sub-Agent	☐	Sub-Agent
☐	Disclosed Dual Agent	☐	Disclosed Dual Agent
☑	Designated Agent	☑	Designated Agent
☐	Transaction Broker	☐	Transaction Broker

Seller's Initial & Date NK 2/11/15 File Date: February 19, 2015 (not acceptance date) Buyer's Initial & Date MK 2/19/15

25. AGENCY DISCLOSURE AND BROKERAGE COMMISSION. (Continued)

Disclosure. Buyer and Seller confirm that disclosure of the licensee's relationship was made no later than the first showing of the Property, upon first contact or immediately upon the occurrence of a change to the relationship. Buyer and Seller acknowledge that they have received and read the Missouri Real Estate Commission Broker Disclosure Form.

No Other Brokers. Buyer and Seller warrant and represent that no Broker or other person other than Broker or Broker(s) named herein are entitled to a commission or fee, finder's fee or other compensation in connection with this Commercial Sale Contract, and Buyer and/or Seller shall indemnify and hold harmless the other party from any and all claims, liabilities, losses, damages, costs and expenses arising from the claim of any other Broker, finder or other person for such compensation arising by, under or through the indemnifying party.

Commission Payable to Brokers Upon Default.
(1) Upon Seller's failure to close due to Seller's default, Seller shall immediately pay in full the commissions or fee due Broker(s) by Seller, as set forth above. (2) Upon Buyer's failure to close due to Buyer's default, Buyer shall immediately pay in full the commissions or fee due Buyer's broker, as set forth above (or by separate written agreement).

Principal Status.
☐ Seller and/or ☐ Buyer is a real estate licensee and is acting as a principal party in this Contract.

By signature below, the licensee(s) confirm making disclosure of the brokerage relationship to the appropriate parties.

Seller's Broker:	SCHLAFLY CORPORATION
Seller's Broker's Agent Licensee:	Joseph Allison
Signature of Licensee:	

Buyer's Broker:	SCHLAFLY CORPORATION
Buyer's Broker's Agent Licensee:	Kyle J. Pershing
Signature of Licensee:	

The St. Louis Association of Realtors © 2006, COMMERCIAL DIVISION

Counsel approved this form for the exclusive use by its members.
This is a legally binding contract, it is recommended that you seek legal advice to make certain you fully understand your rights and obligations.

OFFER BY BUYER.

	Date	Time
Buyer Executes Offer:	February 28, 2015	8:00 AM CST
Buyer's Executed Offer To Be Accepted By:	March 1, 2015	4:00 PM CST

BUYER:	Capstone Development Group, LLC or assigned
Signature: William Luchini	
Title:	President
Print Full Name:	Bill Luchini
Tax Identification Number(s):	

ACCEPTANCE OR COUNTER-OFFER BY SELLER.

	Date	Time
Seller Accepts Offer:	March 1, 2015	12:00 PM CST
OR		
Seller Executes 1st Counter-Offer:	March 1, 2015	11:00 AM CST
Seller's 1st Counter-Offer To Be Accepted By:	March 4, 2015	12:00 pm CST

SELLER:	Nick Karakas
Signature:	Nick Karakas
Title:	Individual
Print Full Name:	Nick Karakas
Tax Identification Number(s):	

ACCEPTANCE OR COUNTER-OFFER BY BUYER.

	Date	Time
Buyer Accepts 1st Counter-Offer:	March 1, 2015	
OR		
Buyer Executes 2nd Counter-Offer:		
Buyer's Executed 2nd Counter-Offer To Be Accepted By:		

BUYER:	William Luchini
Signature:	William Luchini

ACCEPTANCE OR COUNTER-OFFER BY SELLER.

	Date	Time
Seller Accepts 2nd Counter-Offer:		
OR		
Seller Executes 3rd Counter-Offer:		
Seller's Executed 3rd Counter-Offer To Be Accepted By:		

SELLER:	
Signature:	

Seller's Initial & Date: NK 3/1/15 File Date: February 19, 2015 (not acceptance date) Buyer's Initial & Date: WL 2/19/15

FIRST AMENDMENT TO
THE COMMERCIAL SALE CONTRACT FOR IMPROVED PROPERTY

THIS FIRST AMENDMENT TO THE COMMERCIAL SALE CONTRACT FOR IMPROVED PROPERTY (the "First Amendment") is made and entered into this 26th day of May, 2015 by and between Capstone Development Group, LLC, a Missouri limited liability company ("Buyer"); and Nick Karakas an individual ("Seller") (Buyer and Seller are hereinafter sometimes collectively referred to as the "parties"); for the property located at 1322 Dolman Street, Saint Louis Missouri 63104 (the "Property").

WITNESSETH:

WHEREAS, the parties entered into the Commercial Sale Contract for Improved Property with an Effective Date of March 01, 2015 (the "Contract") with respect to the matters specified therein; and

WHEREAS, the parties desire to modify the Contract as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

1. The Buyer's Due Diligence Period as defined in Paragraph 8 shall be extended to June 30, 2015.

2. Buyer shall pay Additional Earnest Money of $5,500.00 directly to the Seller, due by June 1st 2015. The Additional Earnest Money shall be added to the Purchase Price as defined in Paragraph 3 (d), therefore the Purchase Price equals $1,372,000.00.

3. Except as modified hereby, the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of day and year first above written.

SELLER: Nick Karakas

By: Nick Karakas

BUYER: Capstone Development Group, LLC

By: William Luchini

William Luchini, President

SECOND AMENDMENT TO
THE COMMERCIAL SALE CONTRACT FOR IMPROVED PROPERTY

THIS SECOND AMENDMENT TO THE COMMERCIAL SALE CONTRACT FOR IMPROVED PROPERTY (the "Second Amendment") is made and entered into this 4th day of June, 2015 by and between Capstone Development Group, LLC, a Missouri limited liability company ("Buyer"); and Nick Karakas an individual ("Seller") (Buyer and Seller are hereinafter sometimes collectively referred to as the "parties"); for the property located at 1322 Dolman Street, Saint Louis Missouri 63104 (the "Property").

WITNESSETH:

WHEREAS, the parties entered into the Commercial Sale Contract for Improved Property with an Effective Date of March 01, 2015 (the "Contract") with respect to the matters specified therein; and

WHEREAS, the parties desire to modify the Contract as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

1. Pursuant to Paragraph 14 of the Sale Contract, Buyer, Capstone Development Group, LLC, shall assign the Sale Contract to Truman Lofts, LP a Missouri Limited Partnership.

2. Except as modified hereby, the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of day and year first above written.

SELLER: Nick Karakas

By: Nick Karakas

BUYER: Capstone Development Group, LLC

By: Willi Luchini

William Luchini, President

Scanned by CamScanner

THIRD AMENDMENT TO
THE COMMERCIAL SALE CONTRACT FOR IMPROVED PROPERTY

THIS THIRD AMENDMENT TO THE COMMERCIAL SALE CONTRACT FOR IMPROVED PROPERTY (the "Third Amendment") is made and entered into this 25th day of June, 2015 by and between Truman Lofts, LP a Missouri Limited Partnership ("Buyer"); and Nick Karakas an individual ("Seller") (Buyer and Seller are hereinafter sometimes collectively referred to as the "parties"); for the property located at 1322 Dolman Street, Saint Louis Missouri 63104 (the "Property").

WITNESSETH:

WHEREAS, the parties entered into the Commercial Sale Contract for Improved Property with an Effective Date of March 01, 2015 (the "Contract"), a First Amendment dated May 26, 2015, and a Second Amendment dated June 4th 2015, with respect to the matters specified therein; and

WHEREAS, the parties desire to modify the Contract as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

1. The Buyer's Due Diligence Period as defined in Paragraph 8 shall be extended to July 31, 2015.

2. Buyer shall pay Additional Earnest Money of $5,500.00 directly to the Seller, due by July 1st 2015. The Additional Earnest Money shall be added to the Purchase Price as defined in Paragraph 3 (d), therefore the Purchase Price equals $1,377,500.00.

3. Except as modified hereby, the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of day and year first above written.

SELLER: Nick Karakas

By:_____

BUYER: Truman Lofts, LP

By:_____
William Luchini, Member

EXHIBIT D - DEVELOPER PRO-FORMA

Truman Lofts

STATEMENT OF FORECASTED SOURCES AND USES

SOURCES OF FUNDS	Construction	Post Construction	Permanent		
First Mortgage	$ -	$ 5,966,202	$ 5,966,202		
Federal HTC Investor Capital	456,760	1,065,774	1,522,534		
State HTC Investor Capital	-	1,810,078	1,810,078		
EB-5 Investor Debt	-	1,500,000	1,500,000		
Developer Financing	-	357,270	357,270	20%	deferred developers fee
Construction Loan A	9,065,960	(9,065,960)	-		
Total Sources Of Funds	$ 9,522,720	$ 1,633,364	$ 11,156,084		
	$0	$0	$0		

USES OF FUNDS	Construction	Post Construction	Total Permanent	Residential Building 27.5 Yr/SL	Commercial Building 39 Yr/SL	Personal Property 5 Yr/200%	Land Impr. 15 Yr/150%	Amortization	Non Depreciable/ Amortizable	Historic Eligible Basis
Acquisition & Site Costs										
Land Costs	200,000	-	200,000						200,000	
Building Cost	1,166,500	-	1,166,500	1,108,175	58,325	-	-	-	-	-
Construction Costs										
Construction Contract	6,001,000	-	6,001,000	5,700,950	300,050	-	-	-	-	5,260,900
Construction Contingency	480,080	-	480,080	456,076	24,004	-	-	-	-	432,072
Engineering & Architectural										
Architect Design	275,000	-	275,000	261,250	13,750	-	-	-	-	275,000
Architect - Supervision	30,000		30,000	28,500	1,500	-	-	-	-	30,000
Engineering	35,000	-	35,000	33,250	1,750	-	-	-	-	35,000
Survey	6,000	-	6,000	5,700	300	-	-	-	-	6,000
Financing Fees										
Insurance	-	-	-	-	-	-	-	-	-	-
Construction Loan Interest	195,000	125,000	320,000	304,000	16,000	-	-	-	-	180,000
Construction Loan Costs	120,500	-	120,500	114,475	6,025	-	-	-	-	120,500
Title & Recording	15,000	-	15,000	14,250	750	-	-	-	-	15,000
Soft Costs										
Legal & Organizational Costs	54,500	-	54,500	51,775	2,725	-	-	-	-	37,500
Insurance	20,000	-	20,000	19,000	1,000	-	-	-	-	20,000
Consultants & Agency Fees	50,000	-	50,000	50,000	-	-	-	-	-	-
Historic Tax Credits Fees	33,500	53,000	86,500	-	-	-	-	86,500	-	21,000
Third Party Reports	40,000	-	40,000	38,000	2,000	-	-	-	-	32,500
Rent-up/Marketing Expense	30,000	-	30,000	-		-	-	-	30,000	-
Accounting	50,000	10,000	60,000	57,000	3,000	-	-	-	-	60,000
FF&E	25,000	-	25,000	-	-	25,000	-	-	-	-
Developer Fees / Reserves										
Developer Fee	695,640	1,054,360	1,750,000	1,662,500	87,500	-	-	-	-	1,750,000
Debt Service Reserve	-	200,000	200,000	-	-	-	-	-	200,000	
Reserves and Escrows	-	181,004	181,004						181,004	
Replacement Reserve	-	10,000	10,000						10,000	
Total Uses Of Funds	$ 9,522,720	$ 1,633,364	$ 11,156,084	$ 9,904,901	$ 518,679	$ 25,000	$ -	$ 86,500	$ 621,004	$ 8,275,472

Unit Breakdown	# Units	Total SF	Ave SF/Unit	Mthly Rent	Ave Rent/Unit	Rent PSF	Ann. Rent
Studio Furnished	1	359	359	$950	$950	$2.65	$11,400
1 BR 1 BA	13	8,262	636	$13,990	$1,076	$1.69	$167,880
1BR 1 BA Furnished	2	1,150	575	$2,255	$1,128	$1.96	$27,060
1BR 1 BA Balcony	2	1,348	674	$2,300	$1,150	$1.71	$27,600
1BR 1 BA Loft	7	6,265	895	$7,735	$1,105	$1.23	$92,820
1 BR 1.5 BA Loft	1	956	956	$1,155	$1,155	$1.21	$13,860
2 BR 1 BA Furnished	1	891	891	$1,350	$1,350	$1.52	$16,200
2BR 1 BA	5	4,521	904	$6,950	$1,390	$1.54	$83,400
2BR 1 BA Balcony	1	924	924	$1,450	$1,450	$1.57	$17,400
2 BR 2 BA Furnished	1	884	884	$1,600	$1,600	$1.81	$19,200
2BR 2 BA	1	858	858	$1,400	$1,400	$1.63	$16,800
2BR 2BA Balcony	1	907	907	$1,450	$1,450	$1.60	$17,400
2BR 2BA Loft	2	2,221	1111	$2,900	$1,450	$1.31	$34,800
2BR 2.5BA Loft	3	3,785	1262	$4,800	$1,600	$1.27	$57,600
Total/Ave	**41**	**33,331**	**813**	**$50,285**	**$1,226**	**$1.51**	**$603,420**
Commerical	1	2248	2248	$3,500	3500	$18.68	$42,000
Total Inc. Comm		**35,579**		**$53,785**			**$645,420**

Unit #	SF	Bedrooms	Baths	Rent	Other
101	701	1	1	$1,075	NA
102	590	1	1	$1,105	Furnished
103	617	1	1	$1,075	NA
104	667	1	1	$1,075	NA
105	747	1	1	$1,075	NA
106	894	2	1	$1,350	Furnished
107	[illegible]	[illegible]	1	$1,075	NA
201	657	[illegible]	1	$1,090	NA
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
205	858	2	2	$1,400	NA
206	549	[illegible]	[illegible]	$1,075	NA
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
211	560	1	1	$1,150	Furnished
302	595	[illegible]	1	$1,075	NA
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
301	1215	2	2.5	$1,600	Loft
302	1346	2	2.5	$1,600	Loft
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
307	1224	2	2.5	$1,600	Loft
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
401	600	1	1	$1,075	NA
403	646	1	1	$1,075	NA
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
402	600	1	1	$1,075	NA
403	646	1	1	$1,075	NA
[illegible]	972	2	1	$1,400	NA
Commercial	2248			$3,500	
Total	35,579			$53,785	

	$	% Tot Income	Per Unit
Potential Residential Rents	$603,420	97.00%	$15,086
Vacancy 5.5%	$33,188	5.34%	$830
Effect Residential Rents	$570,232	91.67%	$14,256
Potential Retail Rents	$42,000	6.75%	$1,050
Vacancy 5.5%	$2,310	0.37%	$58
Effective Retail Rents	$39,690	6.38%	$992
Other Income	$12,855	2.07%	$321
Vacancy on Other Income 5.5%	$707	0.11%	$18
Effective Other Income	$12,148	1.95%	$304
Total Effective Income	$622,070	100.00%	$15,552
Expenses			
Management Fee 4.7%	$30,335	4.88%	$758
Insurance	$10,250	1.65%	$256
RE Taxes	$8,502	1.37%	$213
Utilities	$12,000	1.93%	$300
Salaries	$35,000	5.63%	$875
Repairs, Maint	$25,000	4.02%	$625
Rep Reserve	$12,300	1.98%	$308
Other Admin	$11,500	1.85%	$288
Total Op Ex	$144,887	23.29%	$3,622
NOI	$477,183	76.71%	$11,930
Annual Debt Service	$321,937	51.75%	
Net Cash Flow	$155,247	24.96%	
DSCR	1.48	0.00%	
Perm Debt	$5,453,522		
Rate	4.25%		
Amo	30		
Payment	-$26,828		
Value at 7% Cap Rate	$6,816,902		
LTV	80%		

HISTORIC REHAB CREDIT

	Total
Total Qualified Rehab Expenditures	8,275,472
Federal Historic Tax Credit	20.00%
Annual Federal Historic Credit	1,655,094
Total Depreciable Building Basis	8,275,472
State Historic Tax Credit	25.00%
Annual State Historic Credit	2,068,868

CREDIT ANALYSIS	Fed Historic	State Historic
Annual LIH Credit Calculated		
Annual LIH Credit Reserved		
Minimum Credit or Allocation		
Total Tax Credit	1,655,094	2,068,868
Investor Percentage	99.99%	99.99%
Tax Credits for Syndication	1,654,928	2,068,661
Price per Credit	0.920	0.87500
Tax Credit Equity Raised	1,522,534	1,810,078

EXHIBIT E - TITLE REPORT AND LEGAL DESCRIPTION

WFG National Title Insurance Company
a Williston Financial Group company

SCHEDULE A
ALTA COMMITMENT

File No.: **202280**

Effective Date: **December 8, 2014**

1. Policy or Policies to be issued:

   ___ (a) A.L.T.A. Owner's Policy (ALTA form 6/17/06) Amount of Policy: **$1,350,000.00**

   Proposed Insured: **Capstone Development Group LLC**

   ___ (b) ALTA Loan Policy (ALTA form 6/17/06): Amount of Policy: **$TBD**

   Proposed Insured: **TBD**

2. The estate or interest in the land described or referred to in this Commitment and covered herein is an estate or interest designated as follows: **FEE SIMPLE**

3. Title to the estate or interest in the land described or referred to in this Commitment and covered herein (and designated as indicated in No. 2 above) is, at the effective date hereof, vested in:
   Nick Karakas, a married man

4. The land referred to in this Commitment is in the State of **MO**, County of City of St. Louis and described as follows:

A lot in Block 483-E of the City of St. Louis, fronting 266 feet 6 inches, more or less, on the East line of Dolman St., by a depth Eastwardly of 128 feet 1-1/4 inches along the South line of said property and of 127 feet 8-1/4 inches along the North line of said property to an alley, having a width thereon of 272 feet 6-3/4 inches, more or less; bounded on the South by Park Avenue and on the North by a line 375 feet South of the South line of Hickory Street measured along the East line of Dolman Street.
1322-30 Dolman
04830300100

By: Lafayette Title Company

_____
Authorized Signatory

WFG National Title Insurance Company
a Williston Financial Group company

SCHEDULE B-I
ALTA COMMITMENT

Requirements

1. The following requirements must be met:

   a. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
   b. Pay us the premiums, fees and charges for the policy.
   c. Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded:

      Execution of a Warranty Deed by **Nick Karakas, a married man** conveying the property described in Schedule "A" hereof to **Capstone Development Group** .

      Satisfy and release of record of a Deed of Trust executed byNick Karakas, a married man in favor of **Southern Commercial Bank**, dated **July 24, 2009**, in the original amount of **1000000.00**, recorded in: Book **08122009** at Page **0210**. Date Recorded: **08/12/09**

   d. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

WFG National Title Insurance Company
a Williston Financial Group company

SCHEDULE B-II
ALTA COMMITMENT

Exceptions

1. Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

   a. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

   b. Rights or Claims of parties in possession not shown by the public records.

   c. Encroachments, overlaps, boundary line disputes, shortages in area or other matters which would be disclosed by an accurate survey or inspection of the premises.

   d. Easements, or claims of easements, not shown by public records.

   e. Any liens, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

   f. Taxes or special assessments which are not shown as existing liens by the public records.

   g. Building lines, easements, conditions and restrictions, if any. Terms and conditions of Redevelopment Agreement recorded in Book 781M page 1151.
   h. Terms and conditions of Ordinances 56248 and 62232 of the City of St. Louis.

WFG National Title Insurance Company
a Williston Financial Group company

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.

3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

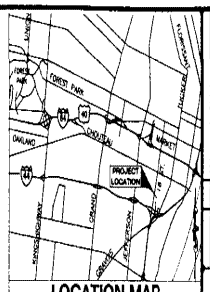
2

EXHIBIT

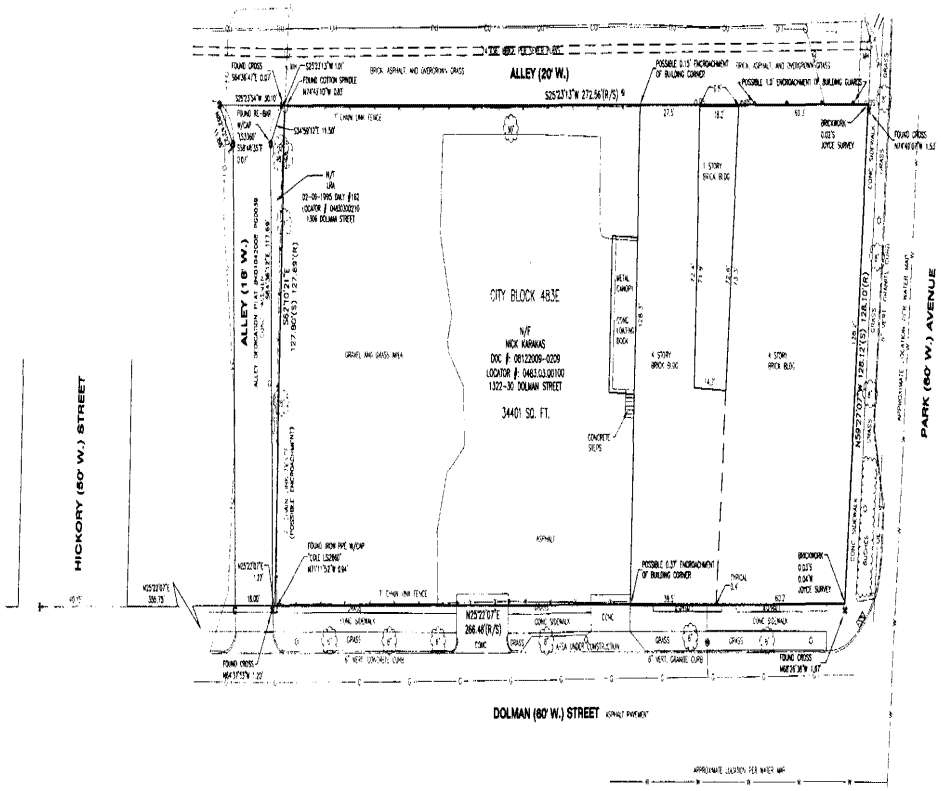
20

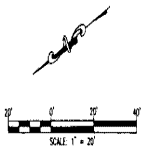
ALTA/ACSM LAND TITLE SURVEY

PART OF CITY BLOCK 483E
CITY OF ST. LOUIS, MISSOURI



LOCATION MAP
(NOT TO SCALE)





LEGEND

BENCHMARK	BOLLARD	COMMUNICATION SPLICE BOX	TRAFFIC SIGNAL POLE
FOUND IRON PIPE	UTILITY POLE	FIBER OPTIC SIGN	TRAFFIC MANHOLE
FOUND IRON ROD	GUY WIRE	GAS METER	TRAFFIC CONTROL BOX
FOUND CROSS	CURB INLET	GAS VALVE	TRAFFIC PULL BOX
FOUND ANCHOR	GRATED INLET	GAS DRIP	PARKING METER
FOUND RIGHT OF WAY MARKER	STORM MANHOLE	SIGN	GATE CONTROL BOX
SET IRON ROD "COLE LS-2960"	AREA INLET	DOUBLE POST SIGN	
TREE STUMP	GRATE MANHOLE	MAILBOX	
BUSH	FLARED END SECTION	LIGHT STANDARD	
TREE	DRAINAGE PIPE	YARD LIGHT	
SPRINKLER CONTROL BOX	DOWN SPOUT	ELECTRIC PULL BOX	
WATER MANHOLE	SANITARY MANHOLE	ELECTRIC METER	
FIRE HYDRANT	CLEANOUT	ELECTRIC BOX	
WATER VALVE	UNKNOWN MANHOLE	ELECTRIC MANHOLE	
WATER METER	HANDICAP STRIPING	ELECTRIC TRANSFORMER	
WATER FAUCET	PARKING STALLS	ELECTRIC OUTLET	
MONITORING WELL	COMMUNICATION MANHOLE	AIR CONDITIONING UNIT	
BOREHOLE	CABLE SPLICE BOX		

STORM SEWER
WATER LINE (UNDERGROUND)
ELECTRIC LINE (UNDERGROUND)
ELECTRIC LINE (OVERHEAD)
OVERHEAD UTILITY
GAS LINE (UNDERGROUND)
TELEPHONE LINE (UNDERGROUND)
FIBER OPTIC LINE
SANITARY SEWER
FENCE LINE
TRAFFIC LIGHTS

LAND DESCRIPTION (PER TITLE COMMITMENT):

A LOT IN BLOCK 483-E OF THE CITY OF ST. LOUIS, FRONTING 266 FEET 8 INCHES, MORE OR LESS, ON THE EAST LINE OF DOLMAN ST., BY A DEPTH EASTERWARDLY OF 126 FEET 1-1/4 INCHES ALONG THE SOUTH LINE OF SAID PROPERTY AND OF 127 FEET 6-1/4 INCHES ALONG THE NORTH LINE OF SAID PROPERTY TO AN ALLEY, HAVING A WIDTH THEREON OF 272 FEET 6-1/4 INCHES, MORE OR LESS, BOUNDED ON THE SOUTH BY PARK AVENUE, AND ON THE NORTH BY A LINE 375 FEET SOUTH OF THE SOUTH LINE OF HICKORY STREET MEASURED ALONG THE EAST LINE OF DOLMAN STREET.

TITLE COMMITMENT:

LAFAYETTE TITLE COMPANY
FILE NO. 202290
EFFECTIVE DATE: DECEMBER 8, 2014

SCHEDULE B - SECTION I

ITEMS 1A-1F: STANDARD EXCEPTIONS PER TITLE POLICY NOT PLOTTABLE OR WITH INFORMATION THAT CAN NOT BE SHOWN HEREON.

ITEM 1G: BUILDING LINES, EASEMENTS, CONDITIONS AND RESTRICTIONS, IF ANY, TERMS AND CONDITIONS OF REDEVELOPMENT AGREEMENT RECORDED IN BOOK 1916 PAGE 1151. NOT PLOTTABLE

ITEM 1H: TERMS AND CONDITIONS OF ORDINANCES 56148 AND 62222 OF THE CITY OF ST. LOUIS. NOT PLOTTABLE.

GENERAL NOTES:

1. ALL BEARINGS AND DISTANCES ARE RECORDED (R) AND SURVEYED (S), UNLESS OTHERWISE NOTED.
2. BASIS OF BEARINGS: SOUTH 18 DEGREES 29 MINUTES 30 SECONDS LOCATED ON THE NORTHERLY RIGHT OF WAY LINE OF DOLMAN, AS SHOWN ON CARROLL ESTATES AS RECORDED IN PLAT BOOK 7320011 PAGE 73 OF THE CITY OF ST. LOUIS RECORDS.
3. THIS SURVEY HAS BEEN EXECUTED IN ACCORDANCE WITH THE CURRENT MINIMUM STANDARDS FOR PROPERTY BOUNDARY SURVEYS FOR THE STATE OF MISSOURI (10CSR30-16.010), AND MEETS THE REQUIREMENTS OF AN URBAN CLASS SURVEY, AS DEFINED THEREIN.
4. TOTAL AREA OF BOUNDARY OF SURVEY = 34,401 SQUARE FEET
5. AS DETERMINED THROUGH GRAPHIC PLOTTING ONLY, SUBJECT TRACT FALLS IN ZONE "X", AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN. PER THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP FOR CITY OF ST. LOUIS, MISSOURI, PANEL 102 OF 125 MAP NUMBER 29510510102C, EFFECTIVE DATE OF MAY 24, 2011.
6. CURRENT ZONING: "C" MULTIPLE FAMILY RESIDENTIAL, "F" NEIGHBORHOOD COMMERCIAL PER THE CITY OF ST. LOUIS.

SURVEYOR'S CERTIFICATION

TO: CAPSTONE DEVELOPMENT GROUP, LLC
TRUMAN LOFTS LP,
LAFAYETTE TITLE COMPANY
NATIONAL TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6(a), 7(a), 8, 9, 11(b) AND 13 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON 01-16-15.

COLE AND ASSOCIATES INC.
L.S. 206-D

PROJECT NO. 15-0007

STATE OF MISSOURI
LS-2960
STEVEN A. BORGMANN
REGISTERED LAND SURVEYOR

STEVEN A. BORGMANN, PLS
MISSOURI CERT. NO. LS 2960

DATE OF PLAT OR MAP: 01/26/2015

TRUMAN LOFTS LP
50 SOUTH BEMISTON AVE, SUITE 201
CLAYTON, MO 63105
PHONE: 314-726-5001

1322-130 DOLMAN STREET
CITY OF ST. LOUIS, MO.

ALTA/ACSM LAND TITLE SURVEY

COLE + ASSOCIATES INC.
CIVIL ENGINEERING / SURVEYING / PLAN
CAPE ARCHITECTURE

DESIGN/FIELD BY	
DRAWN BY	MSS
CHECKED BY	SAB
DRAWING SCALE	1" = 20'
DATE	01-26-2015
Job Number	15-0007
Sheet Number	1 OF 1

EXHIBIT

21

Need and Demand Analysis For
Truman Lofts
1322 Dolman Street
St. Louis, Missouri 63104

Prepared For
Capstone Development
50 South Bemiston, Suite 201
St. Louis, Missouri 63105

Effective Date
January 14, 2015

Date of Report
February 20, 2015

Prepared By

Gill Group
P.O. Box 784
512 N. One Mile Road
Dexter, MO 63841

Gill Group

512 North One Mile Road * Dexter, MO 63841 Ph: 573-624-6614 * Fax: 573-624-2942

February 20, 2015

Ms. Lisa Kortkamp
Capstone Development
50 South Bemiston, Suite 201
St. Louis, Missouri 63105

Dear Ms. Kortkamp:

Following is a market study which was completed for Capstone Development, according to the guidelines set forth by the National Council of Housing Market Analysts. The subject is located at 1322 Dolman Street in St. Louis, Missouri. Truman Lofts is a proposed redevelopment of an existing vacant factory building into a 40-unit apartment complex designed for young professionals. The property will consist of one four-story elevator building with brick exterior. Each unit will contain a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, tile and hardwood flooring, blinds, ceiling fans and walk-in closet. Project amenities will include community room, fitness center, picnic area, tenant storage, lounge area, dog run and walking/bike trail. In addition, the property will contain an open parking lot containing 51 parking spaces. The property will also contain commercial space on the first floor.

The purpose of the following market study is to determine if the community has a need for the subject units. To do so, the analyst (Jeffrey L. Hansen and Samuel L. Gill) utilized data from the Census Bureau, Nielsen Claritas and Ribbon Demographics and various other demographic resources. Community information and opinion was also utilized. This information was collected during a field survey conducted by Jeffrey L. Hansen while visiting the site. An attempt was made to survey 100 percent of all housing in the area. Any and all recommendations and conclusions are based solely on professional opinion and best efforts. The subject property was inspected on January 14, 2015. I have read the 2015 National Council of Housing Market Analysts' market study guidelines.

I certify that there is not now, nor will there be, an identity of interest between or among the applicant, contractor, architect, engineer, attorney interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to National Council of Housing Market Analysts and written consent to such identity of interest by National Council of Housing Market Analysts. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

Jeffrey L. Hansen
Market Analyst

Samuel L. Gill
Market Analyst

TABLE OF CONTENTS

Title Page **1**
Letter of Transmittal **2**
Table of Contents **3-4**

A: EXECUTIVE SUMMARY
Executive Summary 6-8
NCHMA Market Study Index 9-10

B: INTRODUCTION AND SCOPE OF WORK
Introduction and Scope of Work 12

C: SITE
Site 14-16

D: PROJECT DESCRIPTION
Project Description 18-19
Subject Photos 20-24

E: NEIGHBORHOOD
Neighborhood 26
Location Map 27
Vicinity Map 28
Proximity to Services 29
Adverse Influences 30
Public Safety and Crime 30
Neighborhood Map 32
Community Service Legend 33
Community Service Map 34

F: PRIMARY MARKET AREA
Delineation of Market Area 36-37
Primary Market Area Map 38

G: EMPLOYMENT AND ECONOMY
Employment and Economy 40
Labor Force and Employment Trends 40-41
Major Employers 42
Place of Work Employment Data 42
Annual Wage 43
Employment Outside the County 43

H: DEMOGRAPHIC CHARACTERISTICS
Population Household Trends and Analysis 45-46
Housing Market 46
Tenure 47-50
Household Income Trends and Analysis 51-53

I: COMPETITIVE ENVIRONMENT
Competitive Environment 55
Comparable Market Properties 56-71
Existing Housing Map 72
Planned Projects 72-76
Vacancy Rates 76-77
Evaluation of the Proposed Development 78-79

Summary of Developments Strengths and Weaknesses 79
Determining the Adjusted Market Rent 80

J: AFFORDABILITY ANALYSIS
Sources of Demand 82
Required Unit Mix 82
Eligible Households 83

K: DEMAND ANALYSIS
Demand Analysis 85-86

L: CAPTURE RATE AND PENETRATION RATE
Required Capture Rate 88
Penetration Rate 88

M: FINAL CONCLUSIONS 90-92

N: OTHER REQUIREMENTS
Certification, Identity of Interest, NCHMA Member Certification ..... Appendix A
Market Study Terminology ..... Appendix B
Subject Data ..... Appendix C
Nielsen Claritas and Ribbon Demographics ..... Appendix D
Utility Allowance Schedule ..... Appendix E
Flood Map ..... Appendix F
Analyst Resume ..... Appendix G

A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

It is the opinion of the analyst that a market exists for the proposed 40-unit development and that there is no need for alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project is completed as detailed in this report. Any changes to the subject as proposed could alter the findings in this report.

Site Characteristics

The subject is located in a commercial neighborhood in the eastern portion of the City of St. Louis. The site is located at 1322 Dolman Street. The property is located north of Interstate 44, south of Interstate 64 and west of Interstate 55.

Surrounding Land Use

The subject's neighborhood is comprised primarily of commercial properties and single-family residences. Single-family residences are located north of the subject. Office properties are located south of the subject. Office properties are located east of the subject. Single-family residences and retail properties are located west of the subject.

Project Location and Market Area

Truman Lofts is located in the City of St. Louis, Missouri. The City of St. Louis is located in the eastern portion of the state. St. Louis is an urban community. The city is approximately 250 miles from Kansas City, Missouri; 250 miles from Indianapolis, Indiana; 300 miles from Chicago, Illinois; and 300 miles from Memphis, Tennessee. The city has an estimated population of 103,035 in 2015, according to Nielsen Claritas and Ribbon Demographics.

The subject is located in the eastern portion of St. Louis. The primary market area consists of Census Tracts 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1161, 1162, 1163.01, 1163.02, 1164, 165, 1171, 1172, 1174, 1181, 1184, 1186, 1231, 1232, 1233, 1241, 1242, 1243, 1246, 1273, 1274 and 1276. The primary market area encompasses the area within the following boundaries: North – Barnes Jewish Hospital Plaza, South Euclid Avenue, Park View Place, Duncan Avenue, South Boyle Avenue, Laclede Avenue, North Ewing Avenue and Market Street; East – South 21st Street, Clark Avenue, Interstate 64 and the Mississippi River; South – Dover Street, South Virginia Avenue, Bates Street, Morganford Road and Gravois Avenue; and West – South Kingshighway Boulevard.

Project Description

The subject is a proposed market-rate development that will contain 40 studio, one-, and two-bedroom units. Households who have one and four persons and incomes between $30,000 and $42,960 and $46,000 and $53,680 are potential tenants for the proposed units.

Economic and Demographic Profile

The economy of St. Louis is based on retail trade; professional and related services; educational, health and social services; and entertainment and recreation services sectors. Employment in the City of St. Louis has been decreasing an average of 1.0 percent per year since 2000. Employment within the State of Missouri has been decreasing an average of 0.1 percent per year since 2000.

Between 2000 and 2010 the market area gained 39 households per year. The market area gained an average of 305 household per year between 2010 and 2015. The market area is projected to gain households through 2020.

The subject will attract multifamily tenants with incomes between $30,000 and $42,960 and $46,000 and $53,680. Approximately sixteen percent (16.4%) of the market area renters are within this income range.

Evaluation of Proposed Project

The subject will consist of one elevator four-story building located at 1322 Dolman Street. The property is located north of Interstate 44, south of Interstate 64 and west of Interstate 55. Therefore, the subject site has good visibility and easy access. The subject's proposed site and project design is competitive with existing developments in the neighborhood. The subject's proposed unit mix of studio, one- and two-bedroom units is suitable in the market area.

Market Rent

The analyst determined adjusted rents ranging from $627 to $897 for the studio units, from $712 to $1,002 for the one-bedroom units and from $945 to $1,640 for the two-bedroom units. Therefore, the analyst determined the adjusted market rents to be $750 for the studio units, $925 for the one-bedroom units and $1,495 for the two-bedroom units.

Required Demand

The pool of potential tenants is limited to renters who are likely to move and change units during the next year and have household sizes suitable for the subject units. The following table shows the demand by bedroom type.

DEMAND BY INCOME LIMITS				
Income Limit	**All Units**	**Studio**	**1 BR**	**2 BR**
All Units at Subject	2,385	437	688	113

Capture Rate for Proposed Project

The tenant pool will include households with one and four persons that have incomes between $30,000 and $42,960 and $46,000 and $53,680. The following table shows the capture rates by bedroom type at each income level. It indicates that, overall, the development would need to capture 1.8 percent of the total renter housing demand for the units; 0.2 percent of the total renter housing demand for the studio units; 3.3 percent of the total renter housing demand for the one-bedroom units; and 17.8 percent of the total renter housing demand for the two-bedroom units.

CAPTURE RATE BY INCOME LIMITS				
Income Limit	**All Units**	**Studio**	**1 BR**	**2 BR**
All Units at Subject	1.8%	0.2%	3.3%	17.8%

Overall, the capture rates for the subject appear to be favorable. Therefore, the analyst believes that sufficient demand exists for the proposed development.

Conclusion

The subject can attain its required share of the market area for the following reasons:

- Its proposed design is competitive with existing developments.
- The proposed unit mix is compatible with the comparables in the market area.
- Proposed project and unit amenities at the subject are similar to the comparables in the market area.
- The subject will not have a negative impact the market area as it will be a viable addition to family housing in the market area.
- The subject property is a proposed development that will contain 40 units. It is estimated the subject will reach a stabilized occupancy within six months.

MARKET STUDY INDEX

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
	Executive Summary	
1	Executive Summary	6-8
	Scope of Work	
2	Scope of Work	12
	Project Description	
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	18-19
4	Utilities (and utility sources) included in rent	18-19
5	Target market/population description	18
6	Project description including unit features and community amenities	18-19
7	Date of construction/preliminary completion	18
8	If rehabilitation, scope of work, existing rents, and existing vacancies	N/A
	Location	
9	Concise description of the site and adjacent parcels	14-16
10	Site photos/maps	20-24, 27-28
11	Map of community services	34
12	Site evaluation/neighborhood including visibility, accessibility, and crime	29-32
	Market Area	
13	PMA description	36-37
14	PMA Map	38
	Employment and Economy	
15	At-Place employment trends	40
16	Employment by sector	42
17	Unemployment rates	40-41
18	Area major employers/employment centers and proximity to site	42
19	Recent or planned employment expansions/reductions	40
	Demographic Characteristics	
20	Population and household estimates and projections	45-50
21	Area building permits	72
22	Population and household characteristics including income, tenure, and size	45-50
23	For senior or special needs projects, provide data specific to target market	N/A
	Competitive Environment	
24	Comparable property profiles and photos	56-71
25	Map of comparable properties	72
26	Existing rental housing evaluation including vacancy and rents	72-79
27	Comparison of subject property to comparable properties	78-79
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	79

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
29	Rental communities under construction, approved, or proposed	72
30	For senior or special needs populations, provide data specific to target market	N/A
	Affordability, Demand, and Penetration Rate Analysis	
31	Estimate of demand	85-86
32	Affordability analysis with capture rate	88
33	Penetration rate analysis with capture rate	88
	Analysis/Conclusions	
34	Absorption rate and estimated stabilized occupancy for subject	75
35	Evaluation of proposed rent levels including estimate of market/achievable rents	80
36	Precise statement of key conclusions	90-92
37	Market strengths and weaknesses impacting project	92
38	Product recommendations and/or suggested modifications to subject	92
39	Discussion of subject property's impact on existing housing	72
40	Discussion of risks or other mitigating circumstances impacting subject	72
41	Interviews with area housing stakeholders	N/A
	Other Requirements	
42	Certifications	Appendix A
43	Statement of qualifications	Appendix G
44	Sources of data not otherwise identified	Appendix A

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

The purpose of this Comprehensive Market Analysis Full Narrative Report is to determine if the community has a need for the subject units. To do so, the analysts utilize data from the U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and various other demographic resources. Community information and opinion was also utilized.

This information was collected during a field survey conducted by the analysts while visiting the site. An attempt was made to survey 100 percent of all housing in the area.

The client is Capstone Development, and the project developer of the subject property is Capstone Development.

The site was inspected by Jeffrey L. Hansen on January 14, 2015. The exterior was viewed on January 14, 2015 by Samuel L. Gill, the primary analyst on this particular assignment. Aside from the inspection, Mr. Gill supervised and/or completed all aspects of the report.

C. SITE

Site Characteristics

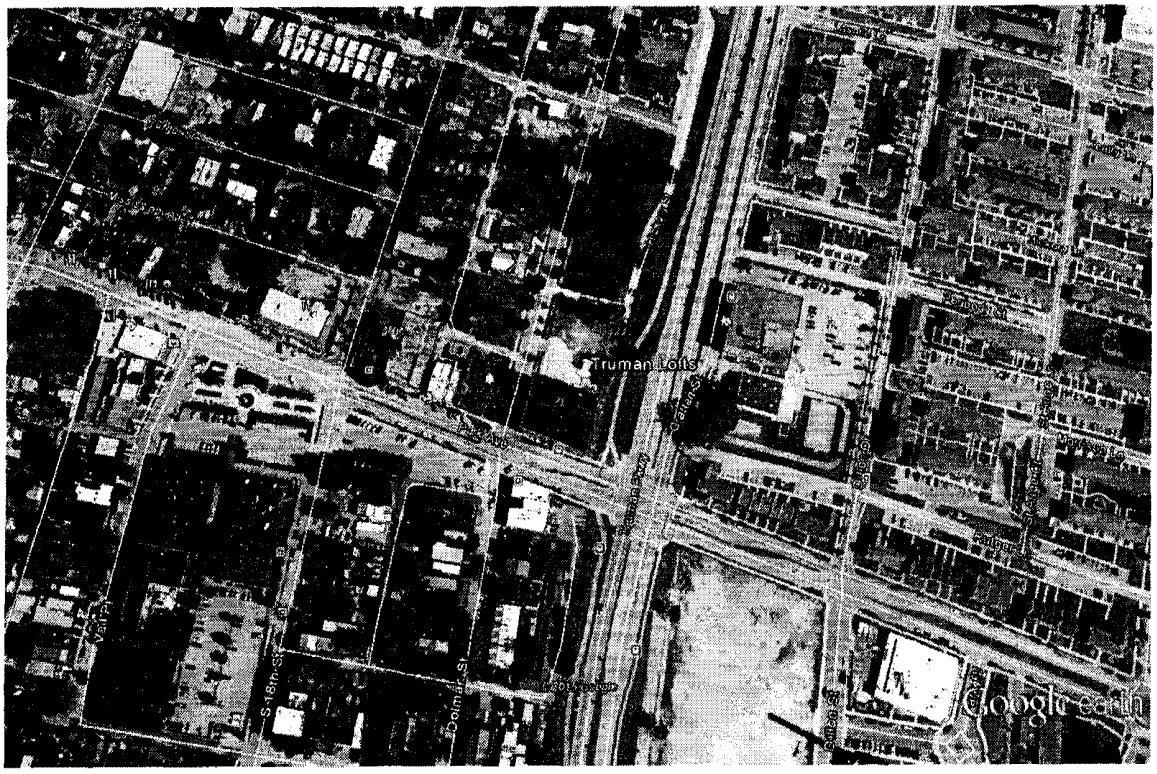
The sites are located in a predominantly commercial neighborhood in the eastern portion of the City of St. Louis. This neighborhood is typical for St. Louis. The property is located north of Interstate 44, south of Interstate 64 and west of Interstate 55.

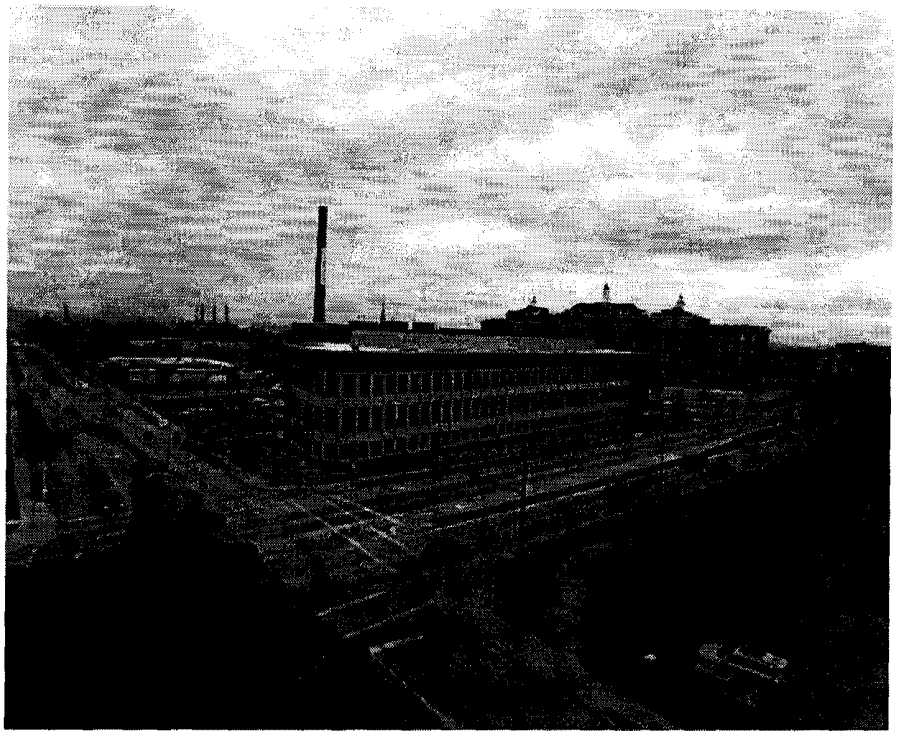
The site is easily accessed via Dolman Street. Dolman Street connects to Park Avenue which connects to South Jefferson Avenue. South Jefferson Avenue provides access to Interstate 44. The subject site is a nearly level, rectangular-shaped tract of land containing a total of 0.78+/- acres. There are no known nuisances in the neighborhood.

Surrounding Land Uses

The subject's neighborhood is comprised primarily of commercial and single-family properties. Commercial properties comprise approximately 70 percent of the land use. Single-family residences make up the remaining 30 percent of the land use.

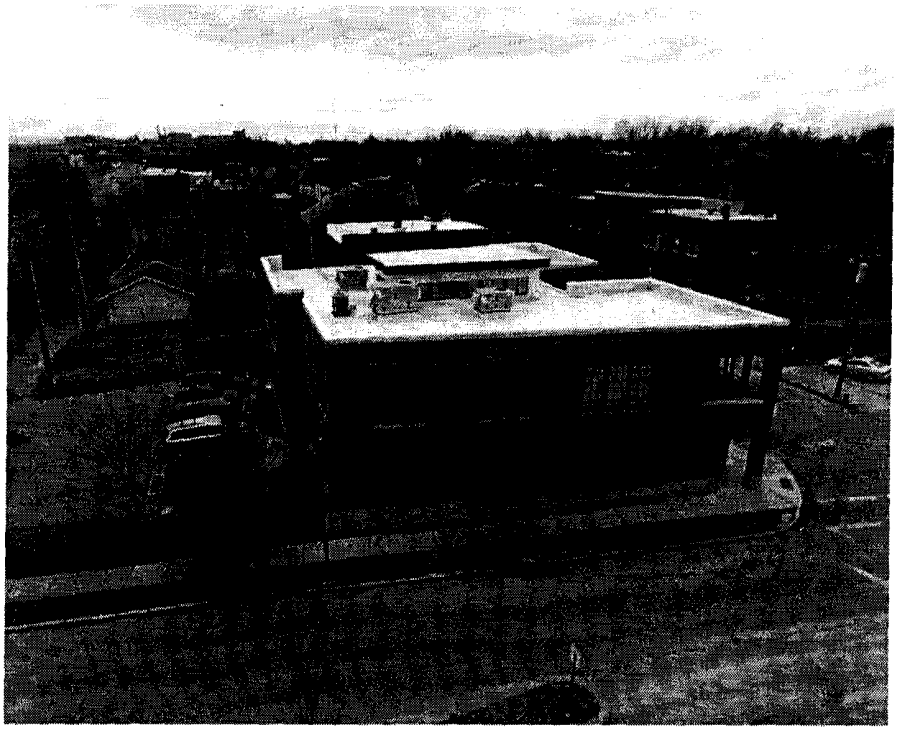
Single-family residences are located north of the subject. Office properties are located south and east of the subject. Single-family residences and retail properties are located west of the subject. The area is mostly urban. None of the surrounding land uses will have a negative impact on the subject.





View to the East

View to the West



View to the South

View to the North

D. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Name:	Truman Lofts
Location:	1322 Dolman Street, St. Louis, Missouri 63104
Project Type:	Family
Developer:	Capstone Development
2014 Area Median Income:	$67,100
Anticipated Construction Start:	Fall 2015
Anticipated Construction Complete:	Fall 2016

The subject property is a proposed development that will consist of one existing elevator four-story building. The exterior of the building is brick. The complex will contain a total of 40 units. The buildings will contain a total net rentable area of approximately 35,177 square feet. The unit mix is shown in the following table:

Unit Type	# of Units	Avg. Square Footage	Total Square Footage
Studio/1	1	488	488
1/1	23	548-983	17,432
1/1.5	1	1,138	1,138
2/1	2	882	1,764
2/1.5	4	1,093-1,254	4,640
2/2	5	869-1,117	4,772
2/2.5	4	1,204-1,346	4,943
			35,177

Upon completion of construction, the property will operate as a market-rate property. The analyst obtained the proposed square footage information from unit plans which are included in Appendix D.

Project Location

The subject property is located in the eastern portion of the City of St. Louis. The property is located north of Interstate 44, south of Interstate 64 and west of Interstate 55.

Flood Plain Hazard

According to FloodSource FloodScape, Flood Map Number 290385-0102C, dated May 24, 2011, the subject is zoned X, an area outside the 100- and 500-year flood plains. Federal flood insurance is available but is not required.

Project Design

The property will contain one four-story elevator building. The exterior of the building is brick. The landscaping consists of grass, trees and shrubs. The property is designed for young professionals. Once constructed, the property will be market-rate. The development will contain studio, one- and two-bedroom units.

Unit Features, Project Amenities and Services

Each unit will contain a refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, tile and hardwood flooring, blinds, ceiling fans, walk-in closet and coat closet. Project amenities include community room, fitness center, picnic area, storage, lounge area, dog run, walking/bike trail and commercial space.

Parking

The property will contain open parking containing 51 parking spaces.

Utilities

The following table describes the project's proposed utility combination.

UTILITY SCHEDULE		
Utility	**Type**	**Who Pays**
Heat	Central Electric	Tenant
Air Conditioning	Central Electric	Tenant
Hot Water	Electric	Tenant
Cooking	Electric	Tenant
Cold Water/Sewer	N/A	Landlord
Trash Collection	N/A	Landlord

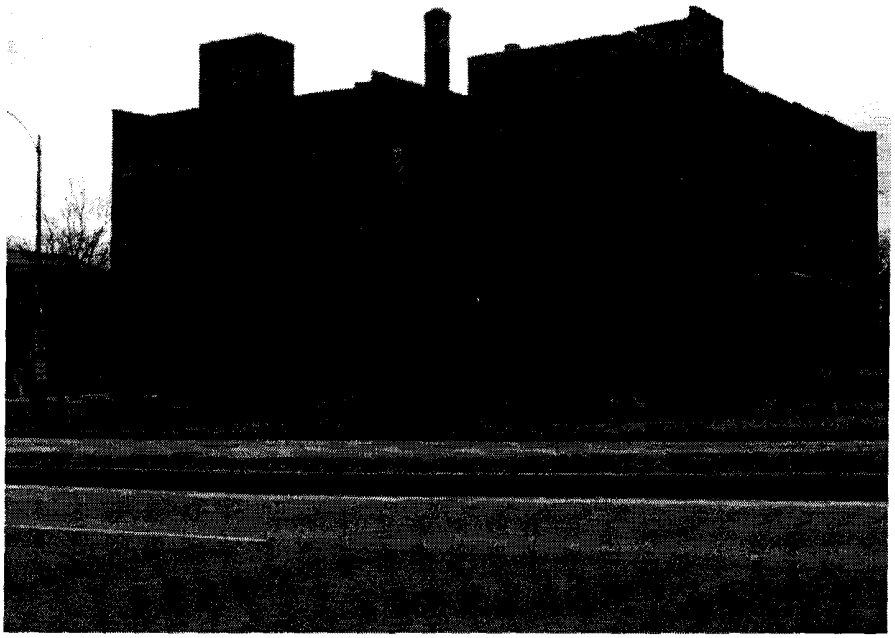
Proposed Rents

The following table shows the developer's proposed rents.

Unit Type	# of Units	Unit Size	Proposed Rent
Studio/1	1	488	$750
1/1	23	548-983	$800-$1,350
1/1.5	1	1,138	$1,500
2/1	2	882	$1,600
2/1.5	4	1,093-1,254	$1,500-$1,800
2/2	5	869-1,117	$1,200-$1,800
2/2.5	4	1,204-1,346	$1,450-$1,650

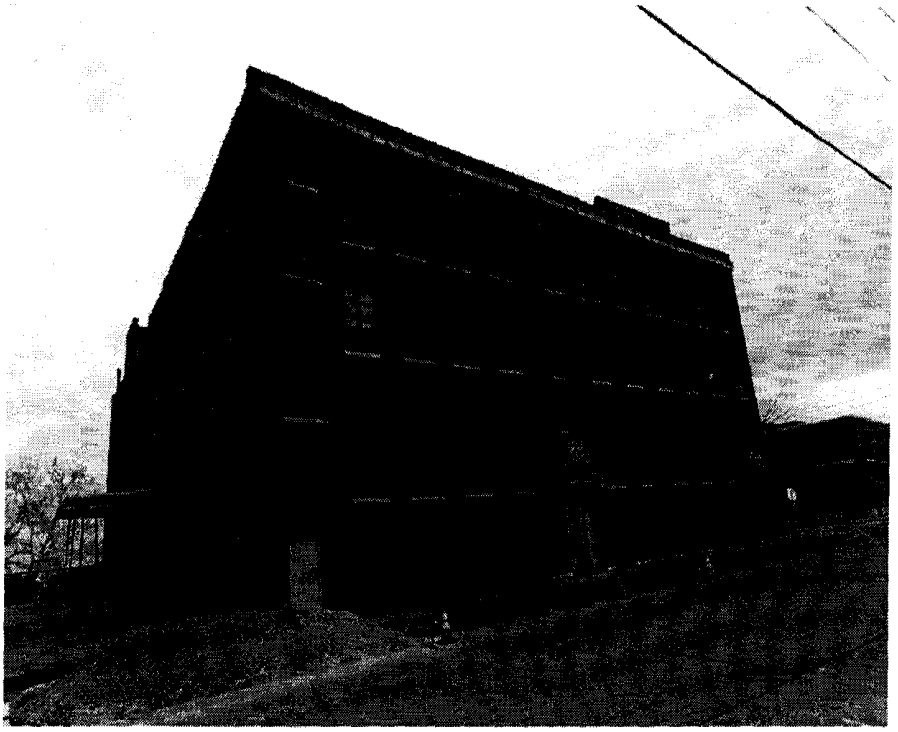
Eligibility

Households who have one to four persons and annual incomes between $30,000 and $42,960 and $46,000 and $53,680 are potential tenants for the units at the proposed development.

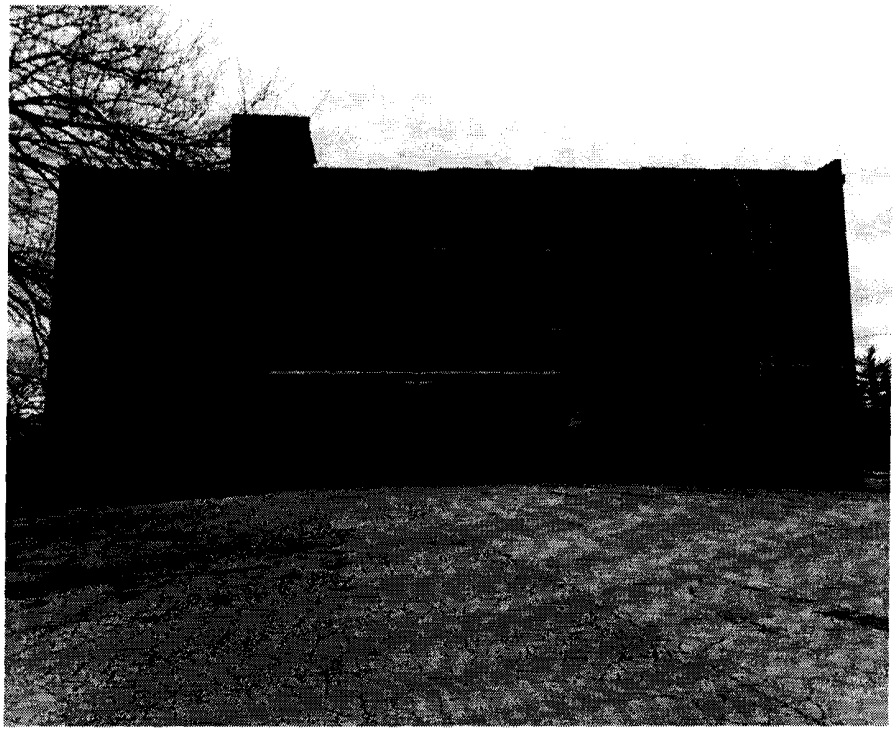


View of Exterior

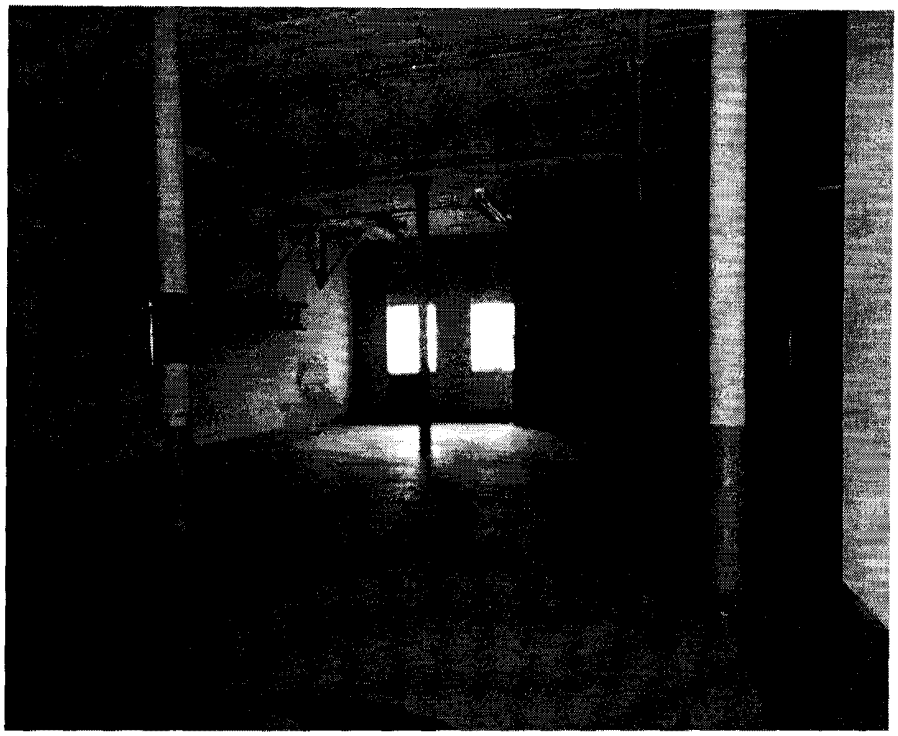
View of Exterior



View of Exterior



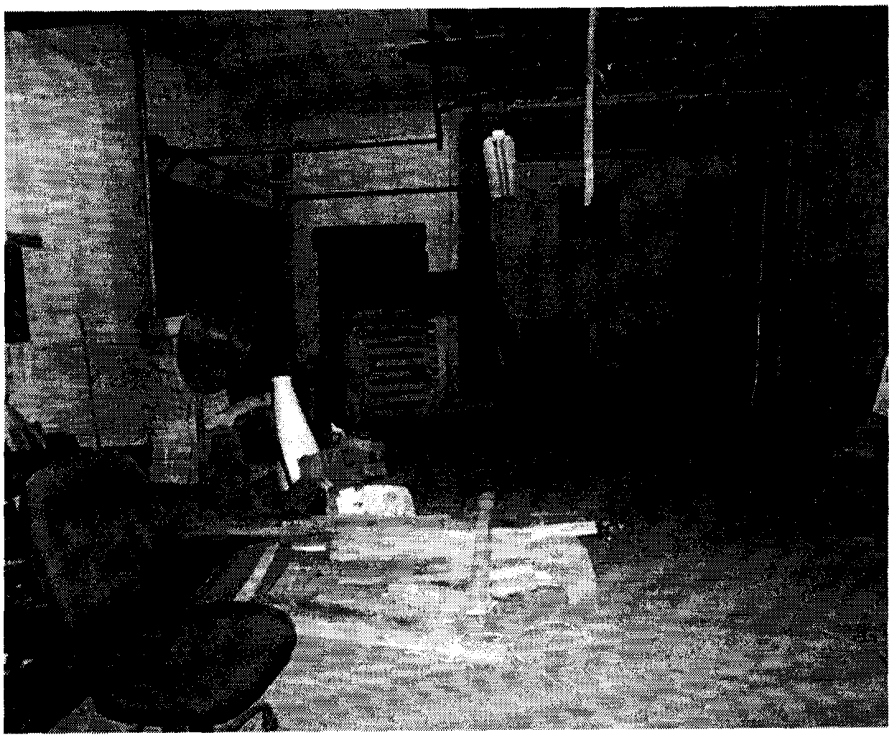
View of Exterior



View of Interior

View of Interior

View of Interior



View of Interior

View of Parking

View of Street

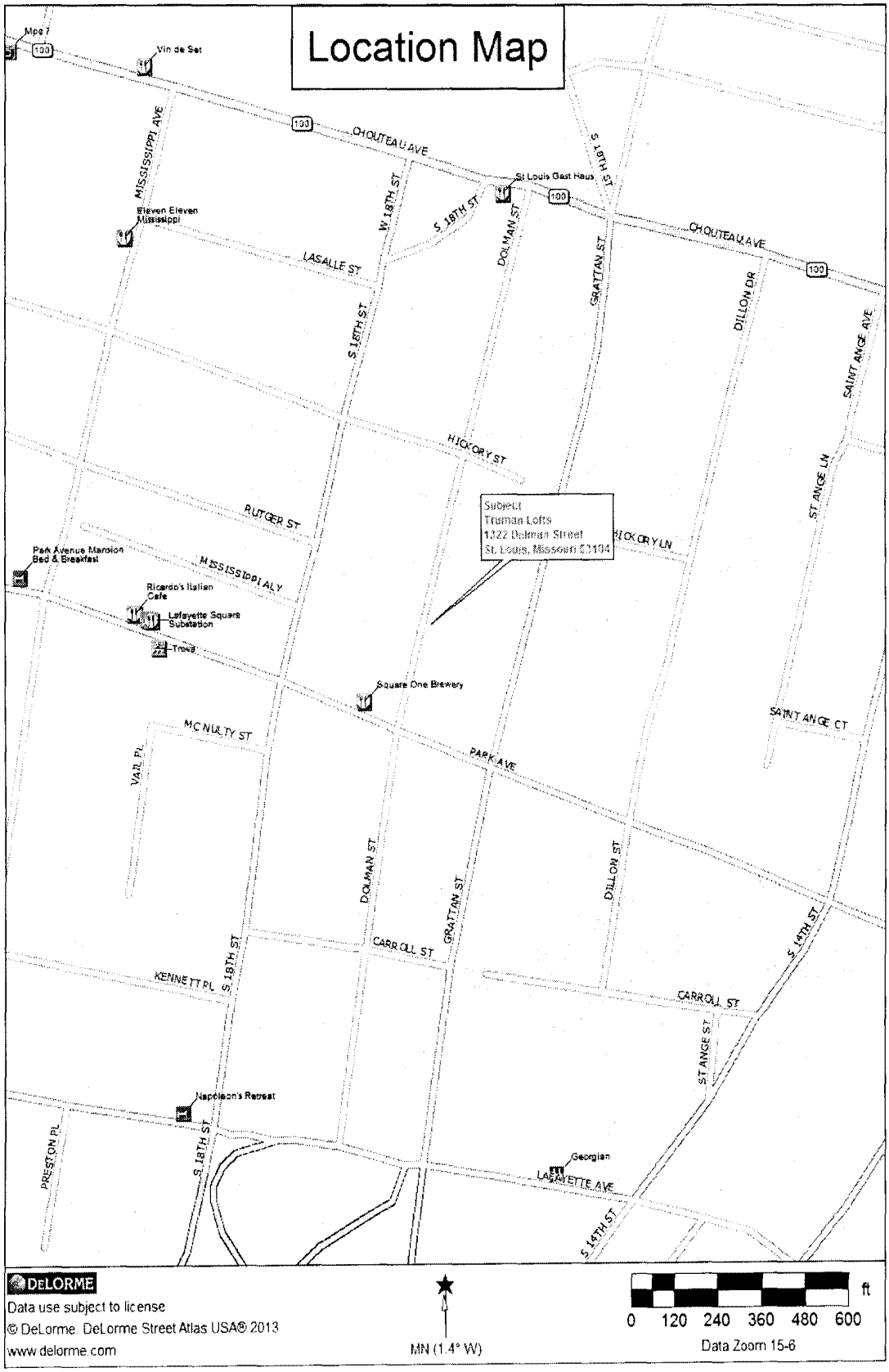
E: NEIGHBORHOOD

NEIGHBORHOOD

Project Location

Truman Lofts is located in the City of St. Louis, Missouri. The City of St. Louis is located in the eastern portion of the state. St. Louis is an urban community. The city is approximately 250 miles from Kansas City, Missouri; 250 miles from Indianapolis, Indiana; 300 miles from Chicago, Illinois; and 300 miles from Memphis, Tennessee. The city has an estimated population of 103,035 in 2015, according to Nielsen Claritas and Ribbon Demographics.

The subject is located in the eastern portion of St. Louis. The primary market area consists of Census Tracts 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1161, 1162, 1163.01, 1163.02, 1164, 165, 1171, 1172, 1174, 1181, 1184, 1186, 1231, 1232, 1233, 1241, 1242, 1243, 1246, 1273, 1274 and 1276. The primary market area encompasses the area within the following boundaries: North – Barnes Jewish Hospital Plaza, South Euclid Avenue, Park View Place, Duncan Avenue, South Boyle Avenue, Laclede Avenue, North Ewing Avenue and Market Street; East – South 21st Street, Clark Avenue, Interstate 64 and the Mississippi River; South – Dover Street, South Virginia Avenue, Bates Street, Morganford Road and Gravois Avenue; and West – South Kingshighway Boulevard. According to Nielsen Claritas and Ribbon Demographics, the 2015 population for the primary market area is 103,035.


Location Map
Vin de Set
CHOUTEAU AVE
MISSISSIPPI AVE
St Louis Gast Haus
Eleven Eleven Mississippi
W 18TH ST
S 18TH ST
DOLMAN ST
GRATTAN ST
LASALLE ST
DILLON DR
SAINT ANGE AVE
HICKORY ST
RUTGER ST
Subject
Truman Lofts
1322 Dolman Street
St. Louis, Missouri 63104
HICKORY LN
ST ANGE LN
Park Avenue Mansion Bed & Breakfast
MISSISSIPPI ALY
Ricardo's Italian Cafe
Lafayette Square Substation
Trova
Square One Brewery
MCNULTY ST
PARK AVE
SAINT ANGE CT
VAIL PL
CARROLL ST
KENNETT PL
S 14TH ST
ST ANGE ST
Napoleon's Retreat
PRESTON PL
Georgian
LAFAYETTE AVE
DELORME
Data use subject to license
© DeLorme. DeLorme Street Atlas USA® 2013
www.delorme.com
MN (1.4° W)
0 120 240 360 480 600 ft
Data Zoom 15-6

Vicinity Map
Saint Louis
Subject
Truman Lofts
1322 Dolman Street
St. Louis, Missouri 63104
DELORME
Data use subject to license.
© DeLorme. DeLorme Street Atlas USA® 2013.
www.delorme.com
MN (1.4° W)
0 600 1200 1800 2400 3000 ft
Data Zoom 13-3

Location

The subject property is located in the eastern portion of the City of St. Louis, Missouri. The neighborhood has good attractiveness and appeal. The neighborhood has the following boundaries: North – Chouteau Avenue; East – South 14th Street; South – Lafayette Avenue; and West – South Jefferson Avenue.

Access

The neighborhood is accessed by Chouteau Avenue, South 14th Street, Lafayette Avenue and South Jefferson Avenue. Street widths and patterns appear to be adequate for the surrounding uses. There are additional roads running north to south and west to east which provide access to the neighborhood as well.

Adverse Influences

There are no major adverse influences or hazards observed or known by the appraiser, including vacant or abandoned buildings, in the immediate surrounding area.

Schools

According to www.education.com, the subject property is located within the St. Louis City School District. It includes 90 public schools serving 26,311 students in grades PK through 12. The St. Louis City School District has 12 students for every full-time teacher which is slightly lower than the state average of 14 students per teacher. Herzog Elementary School has a TestRating of 4, Yeatman-Liddell Middle School has a TestRating of 1 and Metro High School did not disclose a TestRating score.

Health Services

The St. Louis Metropolitan Area has over 50 hospitals and two major medical schools. Some of the hospitals in the city include: Barnes-Jewish Hospital, St. Louis University Hospital, Cardinal Glennon Children's Hospital, St. Louis Children's Hospital, Christian Hospital, Connectcare, Des Peres Hospital and St. Alexius Hospital.

Social Services

The city offers several social services including Big Brother Big Sisters of Eastern Missouri, YMCA and YWCA.

Parks and Recreational Opportunities

St. Louis hosts several recreation and entertainment facilities such as Meramec State Park and Springs and Forest Park in the heart of the city. Fox Theatre and Powell Symphony Hall are located downtown. Downtown St. Louis is also home to several sports stadiums including Busch

Stadium, home of the Major League Baseball St. Louis Cardinals; Edward Jones Dome, home of the NFL St. Louis Rams; Savvis Center, home of the St. Louis Blues hockey team; St. Louis University Basketball Billikens and Vipers Roller Hockey. The St. Louis Centre Mall is also located in the downtown area. There are several other attractions in St. Louis, including The American Theatre, Bissell Mansion Mystery Dinner Theater, Grant's Farm, The St. Louis Municipal Opera, Lemp Mansion, Royal Dumpe Dinner Theater, Edison Theater, Goldenrod Steamboat, Kramer Marionette Theater, Omnimax, Planetarium, Riverport Ampitheatre, Sheldon Concert Hall and Westport Playhouse.

Public Transportation

Travel in and around St. Louis is available through the MetroLink, a light rail commuter train line; taxi services and public buses which run throughout the metropolitan area. The Lambert–St. Louis International Airport is the largest airport in St. Louis and provides all major airlines. Amtrak and Greyhound also provide rail and bus services to the city. St. Louis contains a network of interstates including Interstates 55, 64, 70, 170, 255 and 270. Public transportation through the MetroBus is available near the subject site.

Utilities

AmerenUE provides electric service for St. Louis, and Laclede Gas Company provides natural gas services. The Metropolitan Sewer District provides sewer services, and the City of St. Louis Water Division provides water. AT&T, Cingular, Verizon and Sprint provide wireless telephone service. Southwestern Bell Telephone, Harrisonville Telephone Company and Ameritech provide regular telephone service. Cable services are provided by American Cablevision, Cable America Corporation, Cable One, Charter Communications, People's Choice-TV, TCI Cablevision and United Video.

Public Safety

The St. Louis County Police and Fire Department are located less than three miles from the subject.

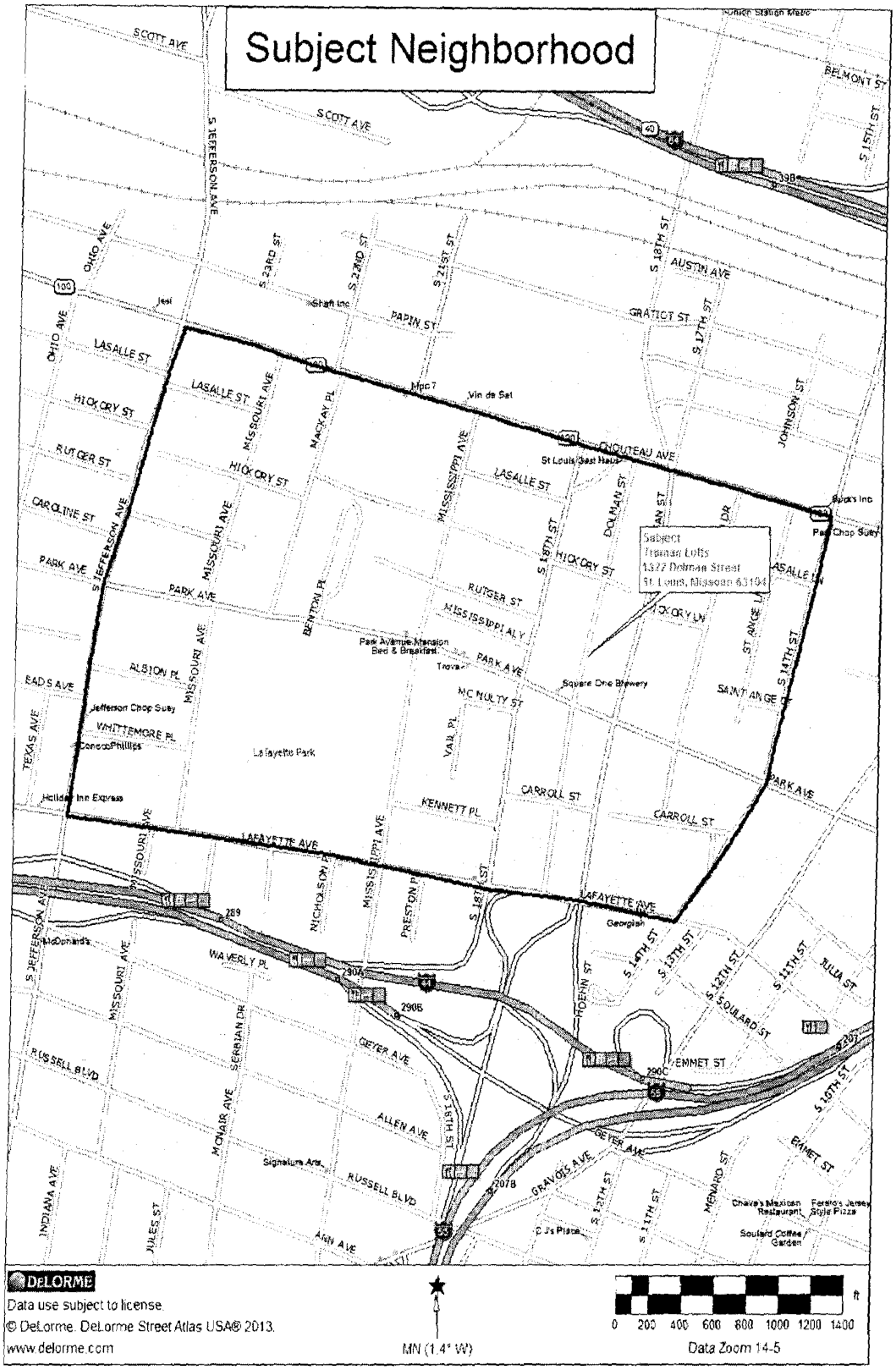
Crime

The crime index for the subject is 3, with 100 being the safest. There is a 1 in 24 chance of being the victim of a violent crime and a 1 in 16 chance of being the victim of a property crime. The neighborhood has a violent crime rate of 41.64 per 1,000 residents and a property crime rate of 61.37 per 1,000 residents. The national median is 3.8 and 27.3, respectively. There are no negative factors that affect the subject.

Community and Site Strengths and Weaknesses

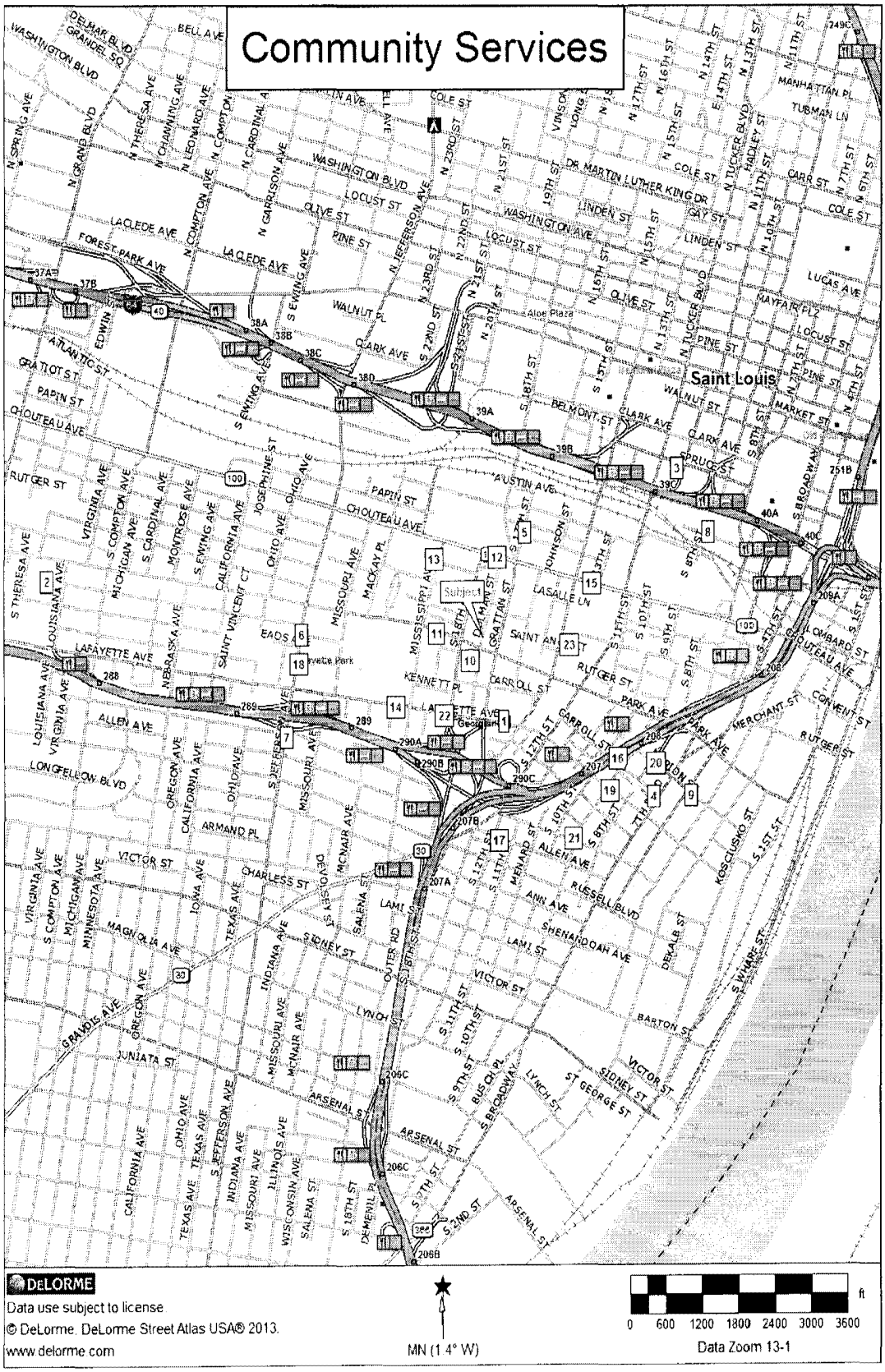
Strengths – The site has good visibility. The subject is located in an area suitable for the proposed development. It is close to many major services. The development is a proposed property that is viable in the market as there is a demand for rental units within the market area. The proposed rental rates are competitive.

Weaknesses – The crime rate in the area is elevated; however, the subject will have security features in place to minimize the impact on the subject property. In addition, the area has shown recent growth despite the elevated crime rate.


Subject Neighborhood
SCOTT AVE
S. JEFFERSON AVE
BELMONT ST
S. 15TH ST
OHIO AVE
S. 23RD ST
S. 22ND ST
S. 21ST ST
S. 18TH ST
AUSTIN AVE
PAPIN ST
GRATIOT ST
S. 17TH ST
LASALLE ST
HICKORY ST
RUTGER ST
CAROLINE ST
PARK AVE
MISSOURI AVE
MACKAY PL
MISSISSIPPI AVE
DOUDTEAU AVE
JOHNSON ST
S. 18TH ST
DOLMAN ST
HICKORY ST
RUTGER ST
MISSISSIPPI ALY
BENTON PL
ALSION PL
EADS AVE
TEXAS AVE
WHITTEMORE PL
Lafayette Park
MC NULTY ST
VAIL PL
CARROLL ST
KENNETT PL
LAFAYETTE AVE
S. 14TH ST
SAINT ANGE
PARK AVE
NICHOLSON PL
PRESTON PL
WAVERLY PL
S. JEFFERSON AVE
RUSSELL BLVD
SERRIAN DR
GEYER AVE
ALLEN AVE
MCNAIR AVE
INDIANA AVE
JULES ST
ANN AVE
GRAVOIS AVE
HOBIN ST
S. 14TH ST
S. 13TH ST
S. 12TH ST
S. 11TH ST
JULIA ST
S. SOULARD ST
EMMET ST
S. 10TH ST
MENARD ST
Subject
Truman Lofts
1322 Dolman Street
St. Louis, Missouri 63104
DeLORME
Data use subject to license.
© DeLorme. DeLorme Street Atlas USA® 2013.
www.delorme.com
MN (1.4° W)
0 200 400 600 800 1000 1200 1400 ft
Data Zoom 14-5

Community Services Legend

Name	Distance from Subject
Hospitals and Medical Clinics	
1. Georgian Hospital	0.3 Miles
2. Incarnate Word Hospital	1.4 Miles
Pharmacies	
1. Walgreens	0.3 Miles
3. Globe Drug	0.8 Miles
Grocery Stores	
4. Brengard's Market	0.7 Miles
Retail Stores	
5. S-T Leather Company	0.4 Miles
6. Mimi's Discount Beauty Shop	0.6 Miles
7. Logo Masters	0.7 Miles
8. St. Louis Carriage Company	0.8 Miles
9. Gravity Strings	0.8 Miles
Restaurants	
10. Square One Brewery	0.0 Miles
11. Chocolate Bar	0.1 Miles
Park Avenue Coffee	
Ricardo's Italian Café	
12. St. Louis Gast Haus	0.2 Miles
13. Eleven Eleven Mississippi	0.3 Miles
14. Rue Lafayette	0.3 Miles
15. Park Chop Suey	0.4 Miles
16. Domino's Pizza	0.6 Miles
17. Soulard Gyro & Deli	0.6 Miles
CJ's Place	
18. Jefferson Chop Suey	0.6 Miles
19. Carsons	0.6 Miles
Llwelyn's Pub	
20. Franco Bistro and Wine Bar	0.6 Miles
21. Chava's Mexican Restaurant	0.6 Miles
Feraro's Jersey Style Pizza	
Schools	
22. Missouri Charter Public School	0.2 Miles
23. Peabody Elementary School	0.3 Miles


Community Services
Saint Louis
Subject
DELORME
Data use subject to license
© DeLorme. DeLorme Street Atlas USA® 2013.
www.delorme.com
MN (1.4° W)
0 600 1200 1800 2400 3000 3600
ft
Data Zoom 13-1

F. PRIMARY MARKET AREA

Delineation of Market Area

Following is a list of considerations used when determining the market area:

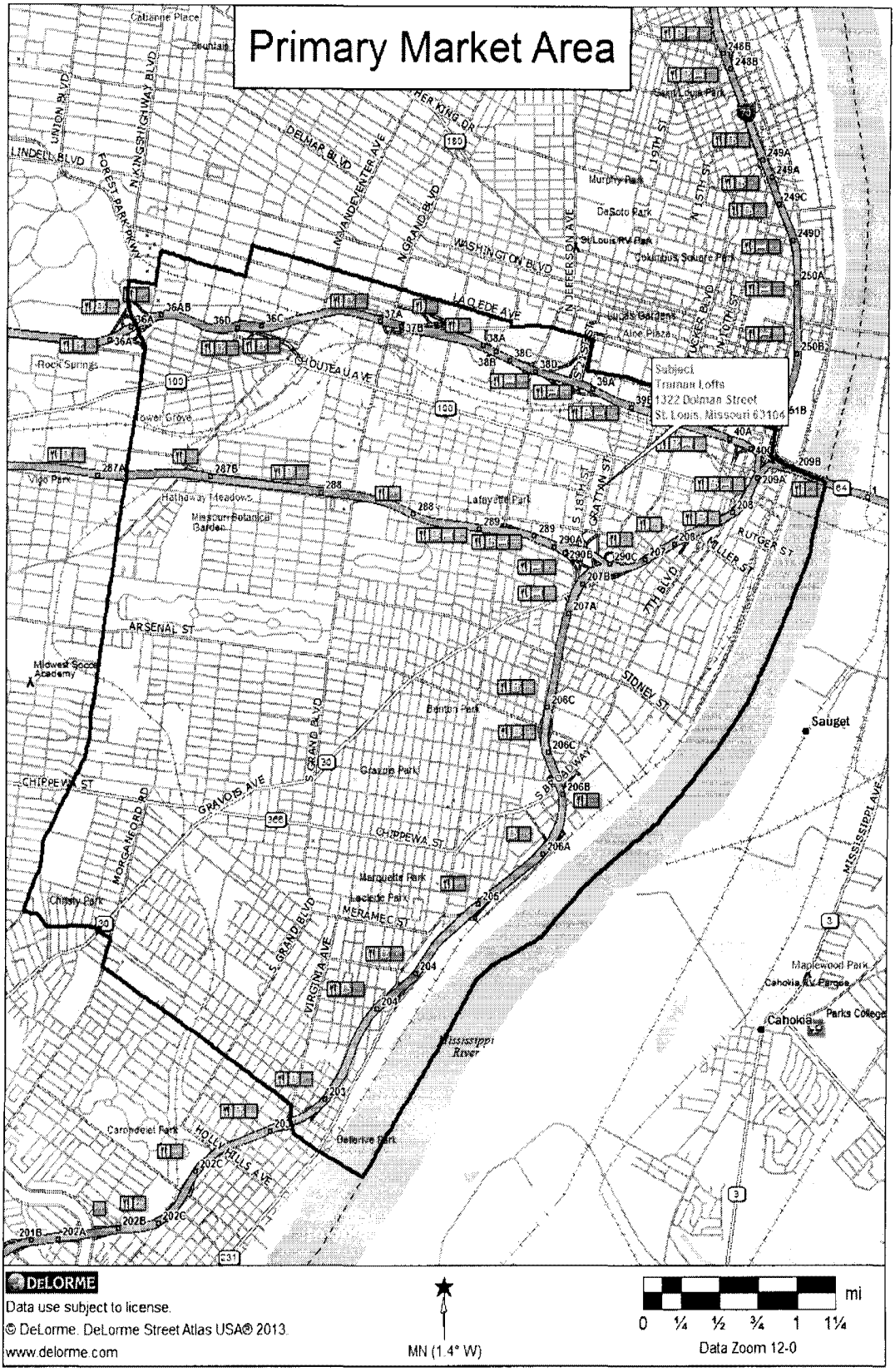
- Population and Households Counts: The number of households in a market area is directly proportionate to its geographic size within an individual market. Total householders residing in a market area can greatly influence demand calculations.
- General Demographics: The socio-economic composition of a market area including income, household size and tenure can be largely influenced by the erroneous inclusion or exclusions of non-comparable areas.
- Demand: Too large of a market may result in overstating demand for a proposed development. Conversely, too conservative of a market area may discount the demand for new product, especially if a lack of quality housing currently exists.
- Supply Analysis: While a larger market area generally includes higher household totals, it likewise may include a higher number of directly comparable units. If using demand methodologies that net out recently constructed and comparable rental units from the demand estimate, the increase in the number of comparable units can outweigh the increase in demand.
- Competitive Stock: The existing rental stock surveyed for a market study is dependent on the number of rental properties in a given market and therefore the boundaries of a primary market area. If existing developments are going to be used as "comparables", they should be located in the primary market area, if possible.
- Attainable Rents: If the market area includes non-comparable areas, the analysis may use comparables projects that suggest that a project can achieve rents that area significantly higher or lower than the rents its micro location will support.
- Location of Competitive Properties: A primary consideration in defining a market area is identifying those locations that offer alternative opportunities to a potential renter for a subject site. The managers of existing comparable properties near the site are excellent sources in determining those competitive locations.
- Accessibility: Available transportation linkages including both traffic arteries and mass transit options can influence the size of the market. Mass transit can have a significant impact on projects addressing very low income households for which transportation options may be limited.
- Natural Boundaries: Natural boundaries including rivers and mountains can restrict the mover-ship within a market due to a lack of accessibility.
- Housing Project Characteristics: The availability of a unique structure type such as a high rise may alter the typical draw of a potential project.
- Market Perceptions: Whether grounded in reality or not, market perceptions can be a significant determinant of market area boundaries. Social stigmas often exist within sub-

markets, with residents from one side of a submarket may not move to a close by neighborhood, regardless of housing opportunities. The construction of a new, attractive rental community may not necessarily relieve this perception.

- Commuting Patterns: The time spent commuting and employment destination could often reveal distinct patterns. High percentages of workers with long commutes or working in neighboring counties are often indicators of a lack of affordable housing options near employment centers.
- Target Market: Proposed developments targeting a special needs population such as families generally draw from a larger geographic region. Given the smaller pool of qualified householders, the location and quantity of comparable stock is of additional importance. An acceptable market area for a family-oriented rental community will often be too conservative for a rental community targeting senior rental householders.
- Jurisdictional Boundaries: Differences in the quality and services provided by school districts, municipalities, or counties often influence consumer location choices.
- Local Agency Service Boundaries: The geographic areas covered by local agencies, such as housing authorities, senior citizen centers, community-based organizations, or churches can be a strong indicator of market area boundaries, especially when the project has a community-based sponsor or co-sponsor.
- Non-Geographic Factors: Employees who might be expected to reside in a development as a result of planned or existing job opportunities and special needs households who are served by a multi-jurisdictional agency that covers communities that are clearly distinct market areas.

The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or city boundaries become the boundaries of the market area. Apartment managers within the vicinity of the subject were interviewed to determine the area from which the majority of their tenant bases originate. The information obtained from the apartment managers was reconciled with the governmental boundaries in the city to determine an appropriate market area for the proposed subject.

The primary market area consists of Census Tracts 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1161, 1162, 1163.01, 1163.02, 1164, 165, 1171, 1172, 1174, 1181, 1184, 1186, 1231, 1232, 1233, 1241, 1242, 1243, 1246, 1273, 1274 and 1276. The primary market area encompasses the area within the following boundaries: North – Barnes Jewish Hospital Plaza, South Euclid Avenue, Park View Place, Duncan Avenue, South Boyle Avenue, Laclede Avenue, North Ewing Avenue and Market Street; East – South 21st Street, Clark Avenue, Interstate 64 and the Mississippi River; South – Dover Street, South Virginia Avenue, Bates Street, Morganford Road and Gravois Avenue; and West – South Kingshighway Boulevard.


Primary Market Area
Subject
Truman Lofts
1322 Dolman Street
St. Louis, Missouri 63106
DELORME
Data use subject to license.
© DeLorme. DeLorme Street Atlas USA® 2013.
www.delorme.com
MN (1.4° W)
0 ¼ ½ ¾ 1 1¼ mi
Data Zoom 12-0

G: EMPLOYMENT AND ECONOMY

EMPLOYMENT AND ECONOMY

The economy of St. Louis is based on retail trade; professional and related services; educational, health and social services; and entertainment and recreation services sectors. The subject's tenants have numerous employment opportunities. Therefore, St. Louis's economy should not have a negative effect on the subject.

Employment in the City of St. Louis has been decreasing an average of 1.0 percent per year since 2000. Employment within the State of Missouri has been decreasing an average of 0.1 percent per year since 2000.

Labor Force and Employment Trends

LABOR FORCE AND EMPLOYMENT TRENDS FOR ST. LOUIS					
	CIVILIAN	EMPLOYMENT		UNEMPLOYMENT	
ANNUALS	LABOR	TOTAL	%	TOTAL	%
2000	161,815	153,333	94.8%	8,482	5.2%
2001	163,490	152,517	93.3%	10,973	6.7%
2002	163,410	150,606	92.2%	12,804	7.8%
2003	161,226	147,548	91.5%	13,678	8.5%
2004	161,129	146,949	91.2%	14,180	8.8%
2005	157,595	144,886	91.9%	12,709	8.1%
2006	157,242	146,430	93.1%	10,812	6.9%
2007	158,592	147,454	93.0%	11,138	7.0%
2008	158,208	145,989	92.3%	12,219	7.7%
2009	158,525	140,011	88.3%	18,514	11.7%
2010	158,404	138,966	87.7%	19,438	12.3%
2011	145,576	128,480	88.3%	17,096	11.7%
2012	139,727	126,647	90.6%	13,080	9.4%
2013	139,643	126,964	90.9%	12,679	9.1%
2014**	139,879	129,664	92.7%	10,215	7.3%

* Data based on place of residence.
**Preliminary - based on monthly data through December 2014.
Source: U.S. Bureau of Labor Statistics Data

Unemployment in the city reached a high of 12.3 percent in 2010. The low was 5.2 percent in 2000. The unemployment rate in December 2014 was 7.3 percent.

LABOR FORCE AND EMPLOYMENT TRENDS FOR MISSOURI					
	CIVILIAN	EMPLOYMENT		UNEMPLOYMENT	
ANNUALS	LABOR	TOTAL	%	TOTAL	%
2000	2,973,100	2,875,341	96.7%	97,759	3.3%
2001	3,002,725	2,867,863	95.5%	134,862	4.5%
2002	2,985,933	2,829,984	94.8%	155,949	5.2%
2003	2,979,201	2,813,578	94.4%	165,623	5.6%
2004	2,987,786	2,815,882	94.2%	171,904	5.8%
2005	3,011,462	2,849,712	94.6%	161,750	5.4%
2006	3,036,020	2,889,467	95.2%	146,553	4.8%
2007	3,054,210	2,899,699	94.9%	154,511	5.1%
2008	3,054,654	2,869,573	93.9%	185,081	6.1%
2009	3,051,131	2,768,147	90.7%	282,984	9.3%
2010	3,014,315	2,725,529	90.4%	288,786	9.6%
2011	3,046,311	2,785,798	91.4%	260,513	8.6%
2012	2,996,789	2,787,460	93.0%	209,329	7.0%
2013	3,018,070	2,820,751	93.5%	197,319	6.5%
2014**	3,060,510	2,899,588	94.7%	160,922	5.3%

* Data based on place of residence.
**Preliminary - based on monthly data through December 2014.
Source: U.S. Bureau of Labor Statistics Data

The State of Missouri reached a high of 9.6 percent in 2010. The low was 3.3 percent in 2000. The unemployment rate for December 2014 was 5.3 percent. According to the U.S. Bureau of Labor Statistics, unemployment trends for St. Louis are in line with the unemployment trends for the State of Missouri.

CHANGE IN TOTAL EMPLOYMENT FOR ST. LOUIS				
	NUMBER		PERCENT	
PERIOD	TOTAL	ANNUAL	TOTAL	ANNUAL
2000-2005	(8,447)	(1,689)	-5.5%	-1.1%
2005-2010	(5,920)	(1,184)	-4.1%	-0.8%

Source: U.S. Bureau of Labor Statistics

The changes in employment since 2000 by time period are listed above. The data shows that the number of persons employed in the City of St. Louis decreased an average of 1.8 percent per year between 2000 and 2010.

RECENT CHANGES IN EMPLOYMENT FOR ST. LOUIS			
YEAR	NUMBER EMPLOYED	ANNUAL CHANGE	% OF LABOR FORCE UNEMPLOYED
2005	144,886	(2,063)	8.1%
2006	146,430	1,544	6.9%
2007	147,454	1,024	7.0%
2008	145,989	(1,465)	7.7%
2009	140,011	(5,978)	11.7%
2010	138,966	(1,045)	12.3%
2011	128,480	(10,486)	11.7%
2012	126,647	(1,833)	9.4%
2013	126,964	317	9.1%

Source: U.S. Bureau of Labor Statistics

The unemployment rate has fluctuated from 6.9 percent to 12.3 percent for the city. These fluctuations are in line with the unemployment rates for the State of Missouri.

The St. Louis companies who employ over 10,000 workers are as follows: BJC Health System, Boeing-McDonnell Defense System, Schnuck Markets and Unity Health System. Companies who employ over 2,000 workers include: Anheuser-Busch, Chrysler Motors, City of St. Louis, May Department Stores, McDonald's Corporation, NationsBank, St. Louis Public Schools, St. Louis University, Southwestern Bell Telephone, Special School Districts, SSM Health Care System, Tenet St. Louis, U.S. Air Force, U.S. Postal Service, Wal-Mart Stores, Inc., and Washington University.

PLACE OF WORK EMPLOYMENT DATA				
	ST. LOUIS		MARKET AREA	
INDUSTRY	TOTAL	%	TOTAL	%
Agriculture, Forestry, Fisheries & Mining	334	0.2%	62	0.1%
Construction	6,492	4.4%	2,177	4.4%
Manufacturing	12,810	8.7%	4,280	8.7%
Wholesale Trade	3,483	2.4%	1,041	2.1%
Retail Trade	14,425	9.8%	4,806	9.8%
Transportation, Communication & Utilities	7,199	4.9%	2,054	4.2%
Information	3,810	2.6%	1,402	2.9%
Finance, Insurance & Real Estate	9,382	6.4%	3,076	6.3%
Professional & Related Services	16,308	11.1%	6,174	12.6%
Educational, Health & Social Services	39,514	26.9%	12,309	25.1%
Entertainment & Recreation Services	18,285	12.4%	7,023	14.3%
Other	7,275	4.9%	2,813	5.7%
Public Administration	7,836	5.3%	1,839	3.7%

Source: U.S. Census Bureau

The above chart shows the number of people employed in different sectors of the St. Louis and market area economies in 2010. According to interviews conducted by the analyst, employers in the area indicate that the area economy should remain stable in the next two to five years.

Wages

The average annual wage of the City of St. Louis employees was $52,851 in 2013. Wages have been decreasing 1.0 percent per year.

AVERAGE ANNUAL WAGE BY SECTOR			
INDUSTRY	2012	2013	ANNUAL PERCENT INCREASE
Agriculture, Forestry & Fisheries	N/A*	N/A*	N/A*
Mining	N/A*	N/A*	N/A*
Construction	N/A*	N/A*	N/A*
Manufacturing	$73,220	$65,676	-10.3%
Transportation and Warehousing	$45,577	$45,829	0.6%
Utilities	N/A*	N/A*	N/A*
Wholesale Trade	$59,537	$59,397	-0.2%
Retail Trade	$27,336	$27,280	-0.2%
Leisure and Hospitality	$27,843	$28,453	2.2%
Education and Health Services	$49,179	$50,161	2.0%
Professional and Business Services	$71,552	$69,806	-2.4%
Financial Activities	$75,432	$75,159	-0.4%
Information	$80,150	$81,146	1.2%
Other Services	$29,356	$32,565	10.9%
Public Administration (Local Government)	$47,972	$45,892	-4.3%

Source: U.S. Bureau of Labor Statistics

Employment Outside the County

For residents employed in market area, the travel time to work from the site is less than 20 minutes. For the majority of those employed in other parts of the city, the travel time would be within 30 minutes. According to the chart below, 42.7 percent have a travel time of less than 19 minutes; 38.5 percent have a travel time of 20 to 34 minutes; and 18.8 percent have a travel time of over 35 minutes. This relatively low travel time indicates that the subject site is in an area in close proximity to employment centers.

ESTIMATED TRAVEL TIME TO WORK FOR MARKET AREA RESIDENTS		
TRAVEL TIME IN MINUTES	NUMBER OF COMMUTERS	PERCENT
5 or less	1,280	2.7%
5-9	4,143	8.8%
10-19	14,582	31.1%
20-24	7,054	15.1%
25-34	10,973	23.4%
35-44	2,819	6.0%
45-59	3,096	6.6%
60-89	1,982	4.2%
90+	885	1.9%
Total Commuters	46,814	

Source: U.S. Census Bureau

H: DEMOGRAPHIC CHARACTERISTICS

POPULATION AND HOUSEHOLDS

Population Household Trends and Analysis

The housing Market Area for the proposed apartments is an area in which people could locate their residences and have fairly equal access to the same job market, community services and amenities and be in the socio-economic community they choose.

The primary market area consists of the City of St. Louis, Missouri. The primary market area encompasses the area within the following boundaries: Census Tracts 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1161, 1162, 1163.01, 1163.02, 1164, 165, 1171, 1172, 1174, 1181, 1184, 1186, 1231, 1232, 1233, 1241, 1242, 1243, 1246, 1273, 1274 and 1276. The primary market area encompasses the area within the following boundaries: North – Barnes Jewish Hospital Plaza, South Euclid Avenue, Park View Place, Duncan Avenue, South Boyle Avenue, Laclede Avenue, North Ewing Avenue and Market Street; East – South 21st Street, Clark Avenue, Interstate 64 and the Mississippi River; South – Dover Street, South Virginia Avenue, Bates Street, Morganford Road and Gravois Avenue; and West – South Kingshighway Boulevard.

In 2000 this geographic market area contained an estimated population of 108,163. By 2010 population in this market area had decreased 5.5 percent to 102,221. It is estimated that by 2015 population in this market area increased 0.8 percent to 103,035. It is projected that between 2015 and 2020 population in the market area will increase 1.1 percent to 104,174.

CHANGE IN TOTAL POPULATION						
			TOTAL		ANNUAL	
SUBJECT	YEAR	POPULATION	CHANGE	PERCENT	CHANGE	PERCENT
ST. LOUIS	2000	348,189				
	2010	319,294	(28,895)	-8.3%	(2,890)	-0.8%
Estimated	2015	317,677	(1,617)	-0.5%	(323)	-0.1%
Projected	2020	317,673	(4)	0.0%	(1)	0.0%
MARKET AREA	2000	108,163				
	2010	102,221	(5,942)	-5.5%	(594)	-0.5%
Estimated	2015	103,035	814	0.8%	163	0.2%
Projected	2020	104,174	1,139	1.1%	228	0.2%

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

CHANGE IN POPULATION BY AGE GROUPS						
ST. LOUIS						
AGE	2010	2015	CHANGE	2015	2020	CHANGE
0-4	21,247	21,497	1.2%	21,497	20,486	-4.7%
5-9	17,428	19,772	13.4%	19,772	20,840	5.4%
10-14	19,474	17,238	-11.5%	17,238	19,196	11.4%
15-17	13,002	11,056	-15.0%	11,056	11,020	-0.3%
18-20	15,411	13,461	-12.7%	13,461	12,589	-6.5%
21-24	22,337	18,486	-17.2%	18,486	14,964	-19.1%
25-34	55,004	58,382	6.1%	58,382	53,565	-8.3%
35-44	41,418	41,114	-0.7%	41,114	44,507	8.3%
45-54	45,269	39,681	-12.3%	39,681	37,014	-6.7%
55-64	32,009	39,056	22.0%	39,056	38,811	-0.6%
65-74	17,618	21,360	21.2%	21,360	27,667	29.5%
75-84	13,036	11,087	-15.0%	11,087	11,760	6.1%
85+	5,556	5,487	-1.2%	5,487	5,254	-4.2%
MARKET AREA						
AGE	2010	2015	CHANGE	2015	2020	CHANGE
0-4	7,392	7,738	4.7%	7,738	7,357	-4.9%
5-9	6,568	7,038	7.2%	7,038	7,404	5.2%
10-14	6,853	6,140	-10.4%	6,140	6,883	12.1%
15-17	4,284	3,513	-18.0%	3,513	3,735	6.3%
18-20	5,155	4,200	-18.5%	4,200	4,112	-2.1%
21-24	7,182	5,544	-22.8%	5,544	4,591	-17.2%
25-34	19,032	19,742	3.7%	19,742	17,177	-13.0%
35-44	15,195	14,537	-4.3%	14,537	15,771	8.5%
45-54	13,733	13,065	-4.9%	13,065	12,669	-3.0%
55-64	9,326	11,722	25.7%	11,722	12,151	3.7%
65-74	4,217	5,835	38.4%	5,835	7,970	36.6%
75-84	2,806	2,594	-7.6%	2,594	3,009	16.0%
85+	1,402	1,367	-2.5%	1,367	1,345	-1.6%

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

Housing Market

The demand for additional housing in a market area is a function of population growth, household formations, and also a replacement of units lost through demolition and extreme obsolescence. Also, within the overall demand are segments of the market asking for more or less expense (related to income) and for ownership or rental.

Some of the demand has been or is satisfied by units which have been built or is built by the time the project is renting. The difference between demand and supply, the residual, is the total market of which the project's market is a share.

The "tenure" of existing housing is examined first as a guide to the future proportion of ownership and rentals; then characteristics of the housing stock are noted.

The most important analysis is that of demand, supply and residual demand which follows. Its product is the number of type rental units which is demanded.

Tenure

The percentage of renters in the market area in 2015 was estimated at 59.5 percent, and the percentage of renters for St. Louis was 55.0 percent. According to the U.S. Census Bureau, the state rental percentage was 32.5 percent showing that the percentage of renters for the market area was similar to the state. This percentage is utilized to segment the number of existing households in the demand section of this report.

HOUSEHOLDS BY TENURE						
		TOTAL	OWNER		RENTER	
SUBJECT	YEAR	HOUSEHOLDS	NO.	%	NO.	%
ST. LOUIS	2000	147,286	69,150	46.9%	78,136	53.1%
	2010	142,057	64,425	45.4%	77,632	54.6%
Estimated	2015	144,085	64,840	45.0%	79,245	55.0%
Projected	2020	145,849	65,196	44.7%	80,653	55.3%
MARKET AREA	2000	43,906	17,507	39.9%	26,399	60.1%
	2010	44,295	17,987	40.6%	26,308	59.4%
Estimated	2015	45,821	18,540	40.5%	27,281	59.5%
Projected	2020	47,041	18,974	40.3%	28,067	59.7%

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

TENURE BY AGE				
SUBJECT	AGE	OWNER	RENTER	TOTAL
ST. LOUIS	25-34	10,347	21,481	31,828
	35-44	10,878	13,000	23,878
	45-54	13,695	13,797	27,492
	55-64	12,954	10,048	23,002
	65-74	7,567	5,142	12,709
	75+	8,154	4,982	13,136
MARKET AREA	25-34	3,245	7,860	11,105
	35-44	3,755	4,807	8,562
	45-54	4,188	4,783	8,971
	55-64	3,605	3,115	6,720
	65-74	1,677	1,489	3,166
	75+	1,285	1,434	2,719

Source: U.S. Census Bureau

The breakdown of households according to size and type in 2010 is shown below. Renter household size for the market area is shown below.

HOUSEHOLDS BY SIZE AND TYPE		
OWNER-OCCUPIED	**ST. LOUIS**	**MARKET AREA**
1 person	21,633	5,593
2 persons	21,635	6,261
3 persons	9,650	2,767
4 persons	6,340	1,819
5 persons	2,935	852
6 persons	1,240	384
7 or more persons	992	311
RENTER-OCCUPIED		
1 person	38,835	12,054
2 persons	18,763	6,611
3 persons	8,886	3,313
4 persons	5,581	2,123
5 persons	2,934	1,178
6 persons	1,377	556
7 or more persons	1,256	473

Source: U.S. Census Bureau

According to the U.S. Census Bureau, in 2010 there were 2.24 persons per household in the market area and 2.16 persons per household in the city. The subject's units are most suitable for households with one to four persons, who account for 91.6 percent of the market area renters.

RENTER HOUSEHOLD SIZE IN THE MARKET AREA		
RENTER-OCCUPIED	**NUMBER**	**PERCENT**
1 person	12,054	45.8%
2 persons	6,611	25.1%
3 persons	3,313	12.6%
4 persons	2,123	8.1%
5 persons	1,178	4.5%
6 persons	556	2.1%
7 or more persons	473	1.8%
TOTAL	26,308	100.0%

Source: U.S. Census Bureau

The following table represents the number of households with one or more person ages 60 and older living alone, with family or with someone who is not a family member.

HOUSEHOLDS BY SIZE/TYPE/AGE OF MEMBERS		
Households With:	**ST. LOUIS**	**MARKET AREA**
1+ Persons Age 60+		
1 Person Household	19,426	4,857
2+ Persons (Family)	17,865	4,351
2+ Persons (Non-Family)	1,747	574
1+ Persons Age 65+		
1 Person Household	14,424	3,458
2+ Persons (Family)	12,697	2,825
2+ Persons (Non-Family)	1,050	318

Source: U.S. Census Bureau

The following table shows significant characteristics of the Market Area housing stock in 2010. According to the U.S. Census Bureau, in 2010, there were 19,939 single-family housing units, 24,392 multifamily housing units and 110 mobile homes in the Market Area. Of the 110 mobile homes in the market area, 31 of those mobile homes are rental homes. The data in the table also shows that there were 111 rental units lacking complete plumbing and 1,152 rental units that are overcrowded. There were 16,336 units built prior to 1939. According to the U.S. Census Bureau, there were 796 rental units built after 2000.

CHARACTERISTICS OF THE MARKET AREA HOUSING STOCK		
	ST. LOUIS	**MARKET AREA**
TOTAL HOUSING UNITS	176,002	55,063
OCCUPANCY AND TENURE		
Occupied Housing Units	142,057	44,295
Owner-Occupied	64,425	17,987
Percent Owner-Occupied	45.4%	40.6%
Renter-Occupied	77,632	26,308
VACANT HOUSING UNITS		
For seasonal, recreational, etc.	660	192
Persons per owner-occupied unit	2.32	1.95
Persons per renter-occupied unit	2.04	1.77
TENURE BY YEAR STRUCTURE BUILT RENTER-OCCUPIED		
2005 or later	1,679	356
2000-2004	1,791	440
1990-1999	2,838	624
1980-1989	4,300	782
1970-1979	5,322	1,663
1960-1969	5,928	1,415
1950-1959	7,241	1,592
1940-1949	7,258	2,068
1939 or earlier	37,821	16,336
PERSONS PER ROOM: RENTER		
0.50 or less	50,940	16,710
0.51-1.00	20,647	7,414
1.01-1.50	1,741	672
1.51-2.00	727	357
2.01 or more	123	123
PLUMBING FACILITES - PERSON/ROOM: RENTER-OCCUPIED		
Lacking Complete Plumbing Facilities:		
1.00 or less	317	111
1.01-1.50	26	0
1.51 or more	28	0

Source: U.S. Census Bureau

ADDITIONAL HOUSING STOCK CHARACTERISTICS				
HOUSING UNITS IN STRUCTURE	OWNER-OCCUPIED		RENTER-OCCUPIED	
ST. LOUIS	NUMBER	PERCENT	NUMBER	PERCENT
1, Detached	53,052	80.1%	11,642	15.7%
1, Attached	3,008	4.5%	2,721	3.7%
2	6,196	9.4%	14,641	19.7%
3 to 4	1,101	1.7%	16,584	22.4%
5 to 9	771	1.2%	7,032	9.5%
10 to 19	310	0.5%	3,475	4.7%
20 to 49	834	1.3%	5,333	7.2%
50 or more	811	1.2%	12,507	16.9%
Mobile Home, Trailer, Other	178	0.3%	243	0.3%
TOTAL	**66,261**	**100.0%**	**74,178**	**100.0%**
MARKET AREA				
1, Detached	14,221	74.2%	3,272	12.9%
1, Attached	1,420	7.4%	1,026	4.1%
2	2,387	12.5%	6,175	24.4%
3 to 4	430	2.2%	7,223	28.6%
5 to 9	210	1.1%	2,341	9.3%
10 to 19	83	0.4%	1,456	5.8%
20 to 49	216	1.1%	1,270	5.0%
50 or more	119	0.6%	2,482	9.8%
Mobile Home, Trailer, Other	79	0.4%	31	0.1%
TOTAL	**19,165**	**100.0%**	**25,276**	**100.0%**

Source: U.S. Census Bureau

Household Income Trends and Analysis

Income is a key characteristic in analyzing housing markets. The following table shows household incomes for the City of St. Louis and the market area for all renter households. However, we are primarily concerned with incomes of renters within the target incomes ranging from $30,000 to $53,680, or 16.4 percent, for the development. Target incomes for the different unit types are derived by the analyst. For the low end of the range, the lowest rent charged for a unit is divided by 30 percent. The resulting number is then multiplied by 12 to derive an annual income ($750 / 30% = $2,500 x 12 = $30,000). This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent. For the high end of the range, the analyst elected to utilize the HUD income limits for 80 percent of the area median income.

The following table shows the minimum target income required for each unit and the maximum income limits to determine the upper range of eligibility for each unit type.

INCOME ELIGIBLE HOUSEHOLDS					
Unit Type	**Gross Rent**	**Lower Range**	**Upper Range**	**Percent Qualified**	**Renter Households**
Studio	$750	$30,000	$37,600	9.7%	2,440
One-Bedroom	$800	$32,000	$42,960	11.5%	2,905
Two-Bedroom	$1,150	$46,000	$53,680	2.0%	501
TOTAL UNITS		**$30,000**	**$53,680**	**16.4%**	**4,143**

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

HOUSEHOLD INCOME BY GROSS RENT AS A PERCENTAGE		
INCOME	**ST. LOUIS**	**MARKET AREA**
Less than $10,000		
Less than 20%	209	13
20-24%	327	130
25-29%	1,139	342
30-34%	776	192
35%+	12,370	4,247
Not Computed	3,086	1,039
$10,000 - $19,999		
Less than 20%	539	185
20-24%	474	145
25-29%	932	403
30-34%	1,376	489
35%+	12,049	4,552
Not Computed	563	141
$20,000 - $34,999		
Less than 20%	1,782	624
20-24%	2,403	950
25-29%	3,913	1,250
30-34%	2,900	947
35%+	5,459	1,784
Not Computed	536	118
$35,000 - $49,999		
Less than 20%	3,709	1,354
20-24%	3,159	845
25-29%	1,477	441
30-34%	1,019	424
35%+	582	257
Not Computed	267	18
$50,000 - $74,999		
Less than 20%	5,805	2,035
20-24%	1,340	438
25-29%	815	241
30-34%	82	26
35%+	135	10
Not Computed	279	108
$75,000 or more		
Less than 20%	4,182	1,395
20-24%	168	22
25-29%	49	0
30-34%	31	7
35%+	9	0
Not Computed	237	104
TOTAL	**74,178**	**25,276**

Source: U.S. Census Bureau

HOUSEHOLDS BY INCOME GROUP BY AGE									
	2010			2015			2020		
INCOME	25-44	45-64	65+	25-44	45-64	65+	25-44	45-64	65+
ST. LOUIS									
Less than $15,000	10,405	11,078	8,266	12,530	11,898	8,098	11,727	11,071	8,939
$15,000 - $24,999	6,922	6,116	5,424	6,615	7,303	5,523	6,304	6,873	6,252
$25,000 - $34,999	7,672	5,211	3,431	7,070	6,255	3,845	6,663	5,788	4,388
$35,000 - $49,999	9,165	6,974	3,211	8,435	6,353	3,403	8,465	6,211	4,179
$50,000 - $74,999	10,166	8,147	2,603	9,144	7,417	3,373	8,988	7,106	4,110
$75,000 - $99,999	5,624	4,364	1,058	5,856	4,591	1,737	5,933	4,502	2,211
$100,000 - $149,999	4,480	4,301	975	5,329	3,956	1,361	5,949	4,231	1,917
$150,000 - $199,999	1,075	1,163	208	1,741	1,552	452	1,927	1,615	612
$200,000+	711	1,045	221	759	1,546	366	976	1,864	583
TOTAL	130,016			136,508			139,384		
MARKET AREA									
Less than $15,000	4,304	3,523	2,083	4,737	3,922	2,167	4,230	3,805	2,550
$15,000 - $24,999	2,580	1,873	1,299	2,613	2,310	1,426	2,429	2,299	1,763
$25,000 - $34,999	2,878	1,695	694	2,646	1,958	745	2,463	1,921	959
$35,000 - $49,999	3,214	2,178	636	2,970	2,059	892	2,944	2,069	1,162
$50,000 - $74,999	3,417	2,552	488	2,749	2,568	713	2,744	2,581	957
$75,000 - $99,999	1,635	1,264	334	1,810	1,437	493	1,813	1,431	671
$100,000 - $149,999	1,627	1,297	112	1,822	1,215	323	1,987	1,306	462
$150,000 - $199,999	277	331	26	526	423	124	596	473	193
$200,000+	315	253	79	267	441	54	335	556	94
TOTAL	40,964			43,410			44,793		

Source: U.S. Census Bureau and Nielsen Clantas; Ribbon Demographics

I: COMPETITIVE ENVIRONMENT

COMPETITIVE ENVIRONMENT

The following pages indicate the conventional apartment communities in the subject's market area. The comparables provide a good indication of what amenities and services are offered in the market area.

Multi-Family Lease No. 1

Property Identification

Record ID	1994
Property Type	Walk-Up
Property Name	Old Frenchtown II
Address	1129 Hickory Street, St. Louis, Missouri 63104
Market Type	Market
Verification	Rolethia Miller; 314-241-6256, January 14, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1	38	726	$569	$0.78
2/1	32	961	$869	$0.90
2/1.5	16	961	$869	$0.90
2/2	38	1,044	$869	$0.83
3/1	8	1,261	$1,027	$0.81
3/2.5	16	1,261	$1,027	$0.81

Multi-Family Lease No. 1 (Cont.)

Occupancy	97%
Rent Premiums	N
Total Units	148
Unit Size Range	726 - 1261
Avg. Unit Size	971
Avg. Rent/Unit	$818
Avg. Rent/SF	$0.84
SF	143,652

Physical Data

No. of Buildings	16
HVAC	Central Elec/Central Elec
Stories	2,3
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	2005
Condition	Good

Amenities

Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Washer/Dryer, Carpet, Tile, Blinds, Walk-In Closet, Coat Closet, Balcony, Patio, Playground, On-Site Management, On-Site Maintenance

Remarks

This complex does not maintain an active waiting list. The annual turnover rate is one every three months.

Multi-Family Lease No. 2

Property Identification

Record ID	1995
Property Type	Walk-Up
Property Name	King Louis Square I & II
Address	1414-1520 South 13th Street, St. Louis, Missouri 63014
Market Type	Market
Verification	Lonnell; 314-621-6256, January 14, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1		606	$569	$0.94
1/1		661	$569	$0.86
2/1		807	$739	$0.92
2/1		949	$739	$0.78
2/1.5(TH)		1,102	$883	$0.80
2/2		1,133	$602	$0.53

Multi-Family Lease No. 2 (Cont.)

3/2	1,324		
3/2.5(TH)	1,204	$1,027	$0.85
4/2.5(TH)	1,486		

Occupancy	98%
Rent Premiums	N
Total Units	152

Physical Data

No. of Buildings	45
HVAC	Central Gas/Central Elec
Stories	2,3
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0, G/0
Year Built	2001
Condition	Good

Amenities

Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Washer/Dryer, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony, Patio, Community Room, Playground, Exterior Storage, On-Site Management, Courtesy Patrol

Remarks

The property does not maintain an active waiting list.

Multi-Family Lease No. 3

Property Identification

Record ID	2000
Property Type	Elevator
Property Name	Soulard Market Lofts
Address	1531 South 8th Street, St. Louis, Missouri 63104
Market Type	Market
Verification	Debbie; 314-588-9990, January 14, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
0/1		636	$775	$1.22
1/1		681	$885	$1.30
1/1		1,025	$1,145	$1.12
2/2		930	$1,225	$1.32
2/2		1,400	$1,650	$1.18

Multi-Family Lease No. 3 (Cont.)

Occupancy	94%
Rent Premiums	N
Total Units	132

Physical Data

No. of Buildings	1
HVAC	Central Elec/Central Elec
Stories	5
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1889/2005
Condition	Good

Amenities

Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer, Carpet, Tile, Blinds, Clubhouse, Swimming Pool, Fitness Center, Picnic Area, Extra Storage, Laundry Facility, On-Site Management, On-Site Maintenance, Intercom Entry, Video Surveillance

Remarks

The complex does not maintain an active waiting list.

Multi-Family Lease No. 4

Property Identification

Record ID	1996
Property Type	Elevator
Property Name	Theresa Park Lofts
Address	1517 South Theresa Avenue, St. Louis, Missouri 63104
Market Type	Market
Verification	Chris; 314-446-4501, January 14, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
0/1		525	$825	$1.57
1/1		650	$925	$1.42
1/1		802	$1,100	$1.37
2/1		900	$1,500	$1.67
2/1		1,000	$1,500	$1.50
3/1		1,040	$1,700	$1.63

Multi-Family Lease No. 4 (Cont.)

3/2		1,402	$1,900	$1.36

Occupancy	100%
Rent Premiums	N
Total Units	34

Physical Data

No. of Buildings	1
HVAC	Central Elec/Central Elec
Stories	3
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1904/2005
Condition	Good

Amenities

Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Up, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Hot Tub, Fitness Center, Picnic Area, On-Site Management, Courtesy Patrol, Video Surveillance

Remarks

This complex does keep an active waiting list. with seven applicants. The annual turnover rate is 25%.

Multi-Family Lease No. 5

Property Identification

Record ID	1999
Property Type	Walk-Up
Property Name	Caroline Apartments
Address	2729 Park Avenue, St. Louis, Missouri 63104
Market Type	Market
Verification	Sharnese; 314-772-5203, January 14, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1		660	$550	$0.83
1/1		700	$610	$0.87
2/1		860	$710	$0.83

Occupancy	95%
Rent Premiums	N

Multi-Family Lease No. 5 (Cont.)

Total Units	112

Physical Data

No. of Buildings	10
HVAC	Central Elec/Central Elec
Stories	3
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1982
Condition	Good

Amenities

Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Picnic Area, Laundry Facility, On-Site Management, On-Site Maintenance, Intercom Entry, Limited Access Gate

Remarks

The complex does not maintain an active waiting list.

Multi-Family Lease No. 6

Property Identification

Record ID	1976
Property Type	Elevator
Property Name	Saum Apartments
Address	1919 South Grand Boulevard, St. Louis, Missouri 63104
Market Type	Market
Verification	Rob; 314-685-1130, January 14, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
Efficiency/1	29	300	$470	$1.57
Studio/1	54	500	$580	$1.16
1/1	9	600	$670	$1.12
1/1		660	$670	$1.02
1/1	18	775	$770	$0.99
2/2	9	1,000	$920	$0.92

Multi-Family Lease No. 6 (Cont.)

2/3	1	2,600	$2,400	$0.92

Occupancy	99%
Rent Premiums	N
Total Units	120
SF	66,650

Physical Data

No. of Buildings	1
HVAC	Central Gas Boiler/Window Elec
Stories	9
Parking	L/0, G/50
Year Built	1926/2009
Condition	Good

Amenities

Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Carpet, Tile, Blinds, Walk-In Closet, Community Room, Fitness Center, Laundry Facility, On-Site Management, On-Site Maintenance, Intercom Entry, Courtesy Patrol, Video Surveillance

Remarks

This complex does keep an active waiting list with five applicants. The annual turnover rate is 40 percent. The property offers a utility bundle which are as follows: Efficiency-$80; Studio-$100; 1BR-$140; 2BR-$165.

Multi-Family Lease No. 7

Property Identification

Record ID	1997
Property Type	Elevator
Property Name	Hutcheson Arms Apartments
Address	2107 South Grand Boulevard, St. Louis, Missouri 63104
Market Type	Market
Verification	Rebecca; 314-685-1130, January 14, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
Efficiency	9	300	$475	$1.58
0/1	18	400	$510	$1.28
1/1	36	550	$595	$1.08
2/3	1	2,000	$1,970	$0.99

Occupancy 100%

Multi-Family Lease No. 7 (Cont.)

Rent Premiums	N
Total Units	64
Unit Size Range	300 - 2000
Avg. Unit Size	495
Avg. Rent/Unit	$576
Avg. Rent/SF	$1.16
SF	31,700

Physical Data

No. of Buildings	1
HVAC	Central Gas/Wall Elec
Stories	11
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0, G/25
Year Built	1926/2002
Condition	Good

Amenities

Range/Oven, Refrigerator, Garbage Disposal, Carpet, Tile, Blinds, Hardwood, Ceiling Fans, Community Room, Extra Storage, Fitness Center, Laundry Facility, On-Site Management, On-Site Maintenance, Intercom Entry, Courtesy Patrol, Video Surveillance

Remarks

This complex does not maintain an active waiting list. The annual turnover rate was 40 units last year.

Multi-Family Lease No. 8

Property Identification

Record ID	1998
Property Type	Walk-Up
Property Name	Senate Square Apartments
Address	1921 Sidney Street, St. Louis, Missouri 63104
Market Type	Market
Verification	Alex; 314-771-0118, January 14, 2015

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1		700	$575	$0.82
1/1		700	$645	$0.92
2/1		820	$675	$0.82
2/1		820	$1,100	$1.34
3/1.5		1,000	$850	$0.85
3/1.5		1,000	$1,200	$1.20

Multi-Family Lease No. 8 (Cont.)

Occupancy	99%
Total Units	100

Physical Data

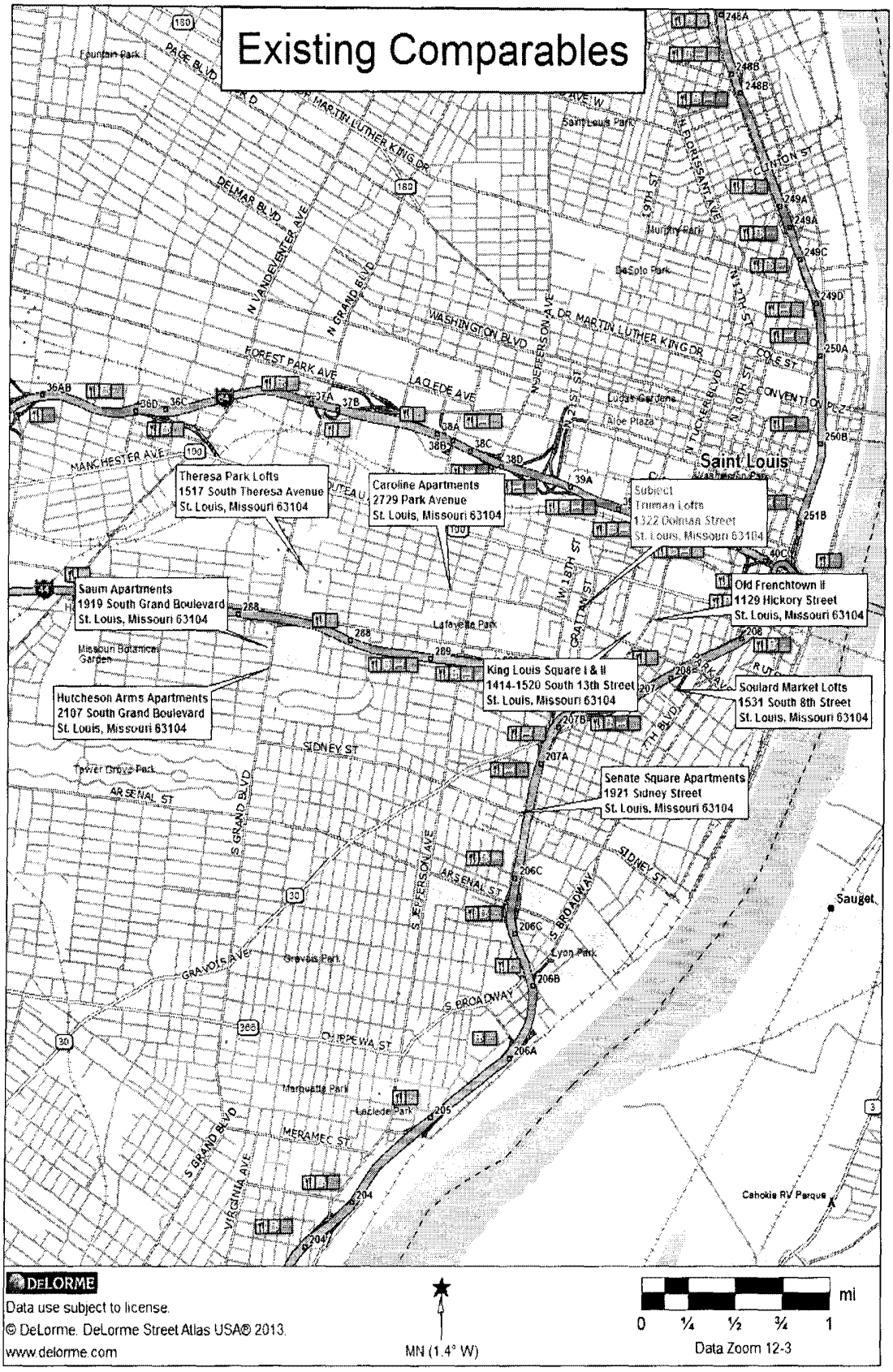
No. of Buildings	25
HVAC	Central Gas/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1920/1980
Condition	Good

Amenities

Range/Oven, Refrigerator, Dishwasher, Hardwood, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Business Center, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

The complex does not maintain an active waiting list.


Existing Comparables
Theresa Park Lofts
1517 South Theresa Avenue
St. Louis, Missouri 63104
Caroline Apartments
2729 Park Avenue
St. Louis, Missouri 63104
Subject
Truman Lofts
1322 Dolman Street
St. Louis, Missouri 63104
Saum Apartments
1919 South Grand Boulevard
St. Louis, Missouri 63104
Old Frenchtown II
1129 Hickory Street
St. Louis, Missouri 63104
King Louis Square I & II
1414-1520 South 13th Street
St. Louis, Missouri 63104
Hutcheson Arms Apartments
2107 South Grand Boulevard
St. Louis, Missouri 63104
Soulard Market Lofts
1531 South 8th Street
St. Louis, Missouri 63104
Senate Square Apartments
1921 Sidney Street
St. Louis, Missouri 63104
Saint Louis
Sauget
DELORME
Data use subject to license.
© DeLorme. DeLorme Street Atlas USA® 2013.
www.delorme.com
MN (1.4° W)
0 ¼ ½ ¾ 1 mi
Data Zoom 12-3

Market Area Overview

The rental housing stock in the market area is comprised of single-family homes as well as market-rate and restricted apartment complexes. The majority of the housing stock was built prior to 1939. However, the majority of these comparables have been renovated.

Housing Inventory

From 2001 through December 2014, permit-issuing jurisdictions in the City of St. Louis authorized the construction of 6,101 new single- and multifamily dwelling units. Multifamily units accounted for 68.3 percent of the planned construction activity.

BUILDING PERMITS ISSUED			
YEAR	SINGLE-FAMILY	MULTIFAMILY	TOTAL
2001	126	52	178
2002	150	141	291
2003	167	1,048	1,215
2004	171	284	455
2005	310	370	680
2006	340	106	446
2007	89	156	245
2008	157	222	379
2009	71	141	212
2010	102	157	259
2011	41	177	218
2012	69	480	549
2013	50	190	240
2014*	91	643	734
TOTAL	**1,934**	**4,167**	**6,101**

**Preliminary Numbers through December 2014*
Source: U.S. Census Bureau

Projects Under Construction

At the time of the writing of this report, there were no new multifamily developments under construction in the market area that would compete with the subject.

Planned Projects

According to the City of St. Louis, there are no planned multifamily developments in the market area.

Unit Types

Single-family homes comprise 17.0 percent of the rental units, while multifamily units comprise 82.9 percent of the rental units.

RENTER HOUSING UNITS BY UNIT TYPE		
TYPE	NUMBER	PERCENT
Single-Family	4,298	17.0%
Multifamily	20,947	82.9%
Mobile Homes & Other	31	0.1%
TOTAL	**25,276**	**100.0%**

Source: U.S. Census Bureau

Age of Rental Units

Rental housing construction in the market area declined considerably in the 1980s compared to the preceding decades.

AGE OF RENTAL UNITS		
YEAR BUILT	NUMBER	PERCENT
2005 or later	356	1.4%
2000-2004	440	1.7%
1990-1999	624	2.5%
1980-1989	782	3.1%
1970-1979	1,663	6.6%
1960-1969	1,415	5.6%
1950-1959	1,592	6.3%
1940-1949	2,068	8.2%
1939 or earlier	16,336	64.6%
TOTAL	**25,276**	**100.0%**

Source: U.S. Census Bureau

Unit Condition

The market area's rental housing stock is in varying condition. Overall the market-rate developments are older but are well maintained.

Bedroom Distribution

In 2010, 4.1 percent of the market area's rental units were efficiency units; 47.2 percent were one-bedroom units; and 34.3 percent were two-bedroom units. Dwellings with three or more bedrooms accounted for 14.4 percent of the market area's rental housing.

BEDROOMS IN OCCUPIED RENTAL UNITS		
TYPE	NUMBER	PERCENT
No Bedrooms	1,026	4.1%
One-Bedrooms	11,928	47.2%
Two-Bedrooms	8,679	34.3%
Three-Bedrooms	2,862	11.3%
Four-Bedrooms	620	2.5%
Five or More Bedrooms	161	0.6%
TOTAL	**25,276**	**100.0%**

Source: U.S. Census Bureau

Unit Size

The average size of the studio units in the surveyed developments is 444 square feet; the average size of the one-bedroom units in the surveyed developments is 700 square feet; and the average size of the two-bedroom units in the surveyed developments is 1,149 square feet. The subject's proposed three-bedroom units are smaller than the average of the existing developments in the area. However, the proposed unit sizes are within the comparable range. Therefore, the proposed square footage will not impact the subject's stability or marketability.

AVERAGE APARTMENT SIZE OF COMPARABLE APARTMENTS					
	COMPARABLES				
Unit Type	Minimum (SF)	Maximum (SF)	Average (SF)	Subject (SF)	Subject's Advantage
0 BR	300	636	444	488	10.0%
1 BR	550	1,025	700	774	10.6%
2 BR	807	2,600	1,149	1,075	-6.4%

Source: Gill Group Field Survey

Lease Terms and Concessions

The typical lease is twelve months. At the time of the field survey, none of the comparables were currently offering concessions.

Turnover Rates

The Institute of Real Estate Management (IREM) was consulted to determine the appropriate turnover rate for the market area. The annual turnover rate for Region VII is 33.8 percent for elevator buildings and 47.7 percent for garden-style buildings. In addition, the reported turnover rates for the comparables surveyed were also analyzed. The annual turnover rate of the comparables surveyed indicated a range of 2.7 percent to 62.5 percent, with an average of 26.7 percent. The turnover rates of the comparables are shown in the following table. A turnover rate of 26.7 percent was utilized in the capture rate analysis.

TURNOVER RATES	
Property Name	**Avg. Annual Turnover Rate**
Old Frenchtown II	2.7%
King Louis Square I & II	20.0%
Theresa Park Lofts	25.0%
Saum Apartments	40.0%
Hutcheson Arms Apartments	62.5%
Senate Square Apartments	10.0%
Average Annual Turnover	**26.7%**

Absorption Rates

The subject is a proposed development that will contain 40 units. After researching the vacancy rates of the existing units in the area, it is firmly believed that the new construction development will satisfy a portion of the continued demand for the units within the market. The analyst was unable to locate any new construction properties by which to develop an absorption rate. Therefore, it was necessary to discuss potential absorption with apartment managers and management agents in the market area. Based on our interviews, it is estimated that a 95 percent occupancy level can be achieved in a five- to six-month time frame. It is believed that the proposed development will absorb six to eight units per month; therefore, it will reach a stable occupancy level within six months. The structure type of the proposed development is desirable in the market area and will likely result in a quicker absorption rate than the typical family apartment complex in the market area.

Likely Impact of Proposed Development on Rental Occupancy Rates

The proposed development will not have an adverse impact on the market area. Its proposed studio, one- and two-bedroom units will be suitable in the market. Additionally, the project can attract tenants from the waiting lists of restricted developments.

Rental Vacancy Rates

Historic Trends

According to the U.S. Census Bureau, the national vacancy rates for the fourth quarter in 2014 were 7.0 percent in rental housing. The rental vacancy rate of 6.9 percent was 1.2 percentage points lower than the rate recorded in the fourth quarter 2013 and approximately 0.4 percentage points lower than the rate last quarter.

For rental housing by area, the fourth quarter 2014 vacancy rates inside the principal cities (6.9 percent) was not statistically different from the rates in the suburbs (6.8 percent). The rate was lower than the rate outside Metropolitan Statistical Areas (MSAs) (8.3 percent). The rental

vacancy rates inside principal cities, in the suburbs and outside MSAs were all lower than the rates from the fourth quarter 2013.

Among regions, the rental vacancy rate was highest in the South (9.1 percent), followed by the Midwest (7.5 percent). The rates in the Northeast (5.8 percent) and the West (4.8 percent) were lower than the remaining areas. The rental vacancy rates in all areas were lower than the corresponding fourth quarter 2013 rate.

RESIDENTIAL VACANCY RATES				
QUARTER	4th Quarter 2013	4th Quarter 2014	% of 2014 Rate	% of Difference
United States	8.2%	7.0%	0.3%	0.4%
Inside MSAs	7.9%	6.8%	0.4%	0.4%
Outside MSAs	10.6%	8.3%	1.3%	1.4%
In Principal Cities	8.3%	6.9%	0.5%	0.5%
Not In Principal Cities	7.4%	6.8%	0.5%	0.6%
4TH QUARTER 2014 VACANCY RATES BY REGION				
NORTHEAST	MIDWEST	SOUTH	WEST	
5.8%	7.5%	9.0%	4.8%	

Source: U.S. Census Bureau

Market Area Vacancies

The field survey was completed during the second week of January 2015. Overall, the vacancy of apartments in the market area was approximately 2.2 percent.

MARKET VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Old Frenchtown II	148	3	2.0%
King Louis Square I & II	152	2	1.3%
Soulard Market Lofts	132	7	5.3%
Theresa Park Lofts	34	0	0.0%
Caroline Apartments	112	5	4.5%
Saum Apartments	120	1	0.8%
Hutcheson Arms Apartments	64	0	0.0%
Senate Square Apartments	100	1	1.0%
Totals	**862**	**19**	**2.2%**

Evaluation of the Proposed Development

Location

The subject site is located in a commercial neighborhood. Its location provides it with good access and visibility. The properties surrounding the site are in average to good condition. The site's access to major arterials, regional shopping malls and grocery stores is comparable to that of its competitors. Its overall location is comparable to its competitors.

Project Design

The subject is a proposed market-rate development that will contain 40 studio, one- and two-bedroom units. The property will be the conversion of an existing four-story elevator building. The exterior of the building is brick.

Project Amenities

The subject property will contain the following project amenities: community room, fitness center, picnic area, storage, lounge area, dog run and walking/bike trail. The project amenities will be superior to the existing comparables surveyed.

Parking

The subject will offer open parking with 51 parking spaces. This arrangement is similar to the majority of other developments in the market area.

Unit Mix

The subject's proposed unit mix of studio, one- and two-bedroom units will be suitable in the market area.

Unit Amenities

Each unit will contain the following unit amenities: refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, tile and hardwood flooring, blinds, ceiling fans and walk-in closet. These unit amenities are superior to most surveyed developments.

Tenant Services

The subject property does not provide any tenant services. The comparables in the market area do not offer these services.

Utilities

The units will use electricity for heating, cooking, hot water and air conditioning. The landlord will provide water, sewer and trash. This arrangement is comparable to the majority of rentals

surveyed in the market area and inferior to the majority of the apartment complexes surveyed in the market area.

The subject's location is comparable to other developments. Its proposed unit sizes, in-unit and common amenities are relatively similar to most comparables. When these factors are taken into consideration, the subject's proposed units will provide a good value to prospective tenants.

Summary of Developments Strengths and Weaknesses

Strengths

- The subject site is on a collector street with good access and visibility.
- The subject's proposed site plan and design is similar to the surveyed comparables.
- The proposed development will be superior in condition to the comparable developments.
- The proposed subject's unit sizes will be competitive with surveyed comparables.

Weaknesses

- There are no weaknesses.

Determining the Adjusted Market Rent

The market analyst researched rental housing in the market area and identified several apartment communities in and around the market area of the subject. The analyst identified the market-rate communities in the area that would directly compete with the subject. These comparables were then compared to the subject and adjusted for differences in amenities. These differences include, but are not limited to, location, structure, condition, unit size, number of bedrooms, number of baths, unit amenities (range/oven, refrigerator, microwave, dishwasher, etc.), project amenities (parking, storage, clubhouse, meeting room, pool, recreation area, etc.) and utilities provided. The adjustments made were based on the experience of the analyst, interviews with local officials, apartment managers and residents and information received from third-party sources (rent-to-own facilities, utility providers and housing authorities. Additional adjustments were also determined using paired rental analysis. The paired rental analysis ranges are determined by comparing comparables with different numbers of bedrooms and factoring out any other differences (amenities, utilities provided, etc.) The resulting difference is assumed to be attributable to the differing number of bedrooms. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected.

The analyst determined adjusted rents ranging from $627 to $897 for the studio units, from $712 to $1,002 for the one-bedroom units and from $945 to $1,640 for the two-bedroom units. Therefore, the analyst determined the adjusted market rents to be $750 for the studio units, $925 for the one-bedroom units and $1,495 for the two-bedroom units.

J: AFFORDABILITY ANALYSIS

AFFORDABILITY ANALYSIS

Sources of Demand

The potential tenants for the proposed development include households who now live within the market area. It will appeal to potential tenants who have adequate incomes to pay the proposed rents and find the development more attractive in terms of price, unit features and project amenities than other available rental units. It also will attract households that the market area gains between now and when the development is ready for occupancy.

Required Unit Mix

We expect that 100 percent of one-person households and fifty percent of two-person households will occupy one-bedroom units. Fifty percent (50%) of two-person households and 50 percent of three-person will also occupy two-bedroom units. Fifty percent (50%) of three-person, 50 percent of four-person and 50 percent five-person households will occupy three-bedroom units. Fifty percent of four-person, fifty percent of five-person households and 100 percent of six-person households will occupy four-bedroom units

The following table illustrates the ratio of units required by each household size. These occupancy patterns suggest that efficiency and one-bedroom units should account for 58.4 percent of the renter housing demand; two-bedroom units account for 18.9 percent; three-bedroom units should account for 12.6 percent; and units with four or more bedrooms account for 10.2 percent of the renter housing demand.

RENTAL HOUSING DEMAND BY NUMBER OF BEDROOMS						
HOUSEHOLD SIZE	0/1 BR	1 BR	2 BR	3 BR	4 BR	TOTAL
1 Person	6,027	6,027	0	0	0	12,054
2 Persons	0	3,306	3,306	0	0	6,611
3 Persons	0	0	1,657	1,657	0	3,313
4 Persons	0	0	0	1,062	1,062	2,123
5 Persons	0	0	0	589	589	1,178
6 Persons	0	0	0	0	556	556
7 or More Persons	0	0	0	0	473	473
TOTAL	**6,027**	**9,333**	**4,963**	**3,308**	**2,680**	**26,308**
PERCENT	**22.9%**	**35.5%**	**18.9%**	**12.6%**	**10.2%**	**100.0%**

Eligible Households

Landlords evaluate a potential tenant's income and credit to decide if applicant can pay the required rents. Commercial underwriters and owners of conventional market rate developments generally require that the monthly contract rent should not exceed one-third of a tenant's income.

The following table shows the minimum target income required for each unit and the maximum income limits to determine the upper range of eligibility for each unit type.

INCOME ELIGIBLE HOUSEHOLDS					
Unit Type	**Gross Rent**	**Lower Range**	**Upper Range**	**Percent Renter**	**Renter Households**
Studio	$750	$30,000	$37,600	9.7%	2,440
One-Bedroom	$800	$32,000	$42,960	11.5%	2,905
Two-Bedroom	$1,150	$46,000	$53,680	2.0%	501
TOTAL UNITS		**$30,000**	**$53,680**	**16.4%**	**4,143**

Source: U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics and HUD

K: DEMAND ANALYSIS

DEMAND ANALYSIS

The following demand explanation is for all units. However, the same calculations were utilized to determine demand for each unit type.

Demand from New Household Growth

The demand from new household growth is calculated by taking the new households projected between 2015 and 2020 divided by five years (5). The market area is projected to gain a total of 1,220 households from 2015 to 2020 (47,041 – 45,821). The total gain in households was divided by five years to determine the annual household growth (1,220 / 5 years). Therefore, new households are projected at 244. The new household projection was multiplied by the percent income qualified and percent plan to rent. (244 x 16.4% x 59.5% = 24) The demand from new household growth is 24.

Demand from Existing Renter Households

The demand from existing renter households is calculated by taking the number of existing renter households in 2015 multiplied by the percent income qualified multiplied by the percent appropriate household size multiplied by the annual turnover rate (27,281 x 16.4% x 77.3% x 26.7% = 923). The demand from existing renter households is 923.

Demand from Renter Substandard Housing

The demand from renter substandard housing is calculated by taking the number of total substandard households in 2010 multiplied by the percent income qualified multiplied by the percent appropriate household size (1,263 x 16.4% x 77.3% = 160). The demand from renter substandard households is 160.

Demand from Rent Overburdened Households

The demand from existing rent overburdened households is calculated by taking the number of existing rent overburdened households in 2010 multiplied by the percent appropriate household size (1,364 x 77.3% = 1,054). The number of rent overburdened households is determined using the percentage of renter households spending 30 percent or more of their gross income towards rent that are within the income band of the subject. The demand from rent overburdened households is 1,054.

Total Demand

The total demand is calculated by adding together the demand from each section (24 + 923 + 160 + 1,054). The total demand is 2,161.

Required Demand

The pool of potential tenants is limited to renters who are likely to move and change units during the next year and have household sizes suitable for the subject units. The following table shows the demand at each income level by bedroom type.

REQUIRED CAPTURE RATE				
	All Units	Studio	1 BR	2 BR
Demand from New Household Growth				
Average Annual Household Growth (2015-2020)	244	244	244	244
Percent Income Qualified	19.7%	9.7%	11.5%	5.3%
Percent Plan to Rent	59.5%	59.5%	59.5%	59.5%
Demand from New Household Growth	29	14	17	8
Demand from Existing Households				
Total Existing Renter Households (2015)	27,281	27,281	27,281	27,281
Percent Income Qualified	19.7%	9.7%	11.5%	5.3%
Percent Appropriate Household Size	77.3%	22.9%	35.5%	18.9%
Percent Annual Turnover	26.7%	26.7%	26.7%	26.7%
Demand from Existing Households	1,109	162	297	73
Demand from Renter Substandard Housing				
Total Substandard Households	1,263	1,263	1,263	1,263
Percent Income Qualified	19.7%	9.7%	11.5%	5.3%
Percent Appropriate Household Size	77.3%	22.9%	35.5%	18.9%
Demand from Substandard Housing	192	28	52	13
Demand from Rent Overburdened				
Total Rent Overburdened Households	1,364	1,017	907	102
Percent Appropriate Household Size	77.3%	22.9%	35.5%	18.9%
Demand from Rent Overburdened	1,054	233	322	19
Total Demand				
Demand from Household Growth	29	14	17	8
Demand from Existing Households	1,109	162	297	73
Demand from Substandard Housing	192	28	52	13
Demand from Rent Overburdened	1,054	233	322	19
TOTAL	**2,385**	**437**	**688**	**113**
Subject Units	44	1	23	20
Capture Rate	**1.8%**	**0.2%**	**3.3%**	**17.8%**

L: CAPTURE RATE AND PENETRATION RATE

CAPTURE RATE AND PENETRATION RATE

Required Capture Rate

The pool of potential tenants is limited to renters who are likely to move and change units during the next year and have household sizes suitable for the proposed units. As noted earlier in the report, 26.7 percent of the renters change units each year, and households with one to four persons, the likely occupants of the units, comprise 77.3 percent of all market area renters.

The following table shows the capture rates by bedroom type at each income level. It indicates that, overall, the development would need to capture 1.8 percent of the total renter housing demand for the units; 0.2 percent of the total renter housing demand for the studio units; 3.3 percent of the total renter housing demand for the one-bedroom units; and 17.8 percent of the total renter housing demand for the two-bedroom units.

CAPTURE RATE BY INCOME LIMITS				
Income Limit	**All Units**	**Studio**	**1 BR**	**2 BR**
All Units at Subject	1.8%	0.2%	3.3%	17.8%

Penetration Rate

There are no developments under construction. There were 19 vacant units in the market area. The subject is a proposed property with 40 units. Therefore, the total inventory is 59 units. If this unit attains full occupancy, they will have an aggregate penetration rate of 1.2 percent.

REQUIRED PENETRATION RATE	
Income Eligible Renter Households	4,973
Existing Vacant Units	19
Units Planned	0
Units in Subject	40
Total Inventory	59
Penetration Rate	1.2%

M: FINAL CONCLUSIONS

FINAL CONCLUSIONS

Project Location and Market Area

Truman Lofts is located in the City of St. Louis, Missouri. The City of St. Louis is located in the eastern portion of the state. St. Louis is an urban community. The city is approximately 250 miles from Kansas City, Missouri; 250 miles from Indianapolis, Indiana; 300 miles from Chicago, Illinois; and 300 miles from Memphis, Tennessee. The city has an estimated population of 103,035 in 2015, according to Nielsen Claritas and Ribbon Demographics.

The subject is located in the eastern portion of St. Louis. The primary market area consists of Census Tracts 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1161, 1162, 1163.01, 1163.02, 1164, 165, 1171, 1172, 1174, 1181, 1184, 1186, 1231, 1232, 1233, 1241, 1242, 1243, 1246, 1273, 1274 and 1276. The primary market area encompasses the area within the following boundaries: North – Barnes Jewish Hospital Plaza, South Euclid Avenue, Park View Place, Duncan Avenue, South Boyle Avenue, Laclede Avenue, North Ewing Avenue and Market Street; East – South 21st Street, Clark Avenue, Interstate 64 and the Mississippi River; South – Dover Street, South Virginia Avenue, Bates Street, Morganford Road and Gravois Avenue; and West – South Kingshighway Boulevard.

The subject has good access to transportation and community services. The proposed development will not have a negative effect on the market.

Project Description

The subject is a proposed market-rate development that will contain 40 studio, one- and two-bedroom units. Households who have one to four persons and incomes between $30,000 and $42,960 and $46,000 and $53,680 are potential tenants for the proposed units.

The subject property is a proposed development that will consist of one existing elevator four-story building. The exterior of the building is brick. The complex will contain a total of 40 units. The buildings will contain a total net rentable area of approximately 35,177 square feet. The unit mix is shown in the following table:

Unit Type	# of Units	Avg. Square Footage	Total Square Footage
Studio/1	1	488	488
1/1	23	548-983	17,432
1/1.5	1	1,138	1,138
2/1	2	882	1,764
2/1.5	4	1,093-1,254	4,640
2/2	5	869-1,117	4,772
2/2.5	4	1,204-1,346	4,943
			35,177

Upon completion of construction, the property will operate as a market-rate property. The analyst obtained the proposed square footage information from unit plans which are included in Appendix C.

Each unit will contain a refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, tile and hardwood flooring, blinds, ceiling fans, walk-in closet and coat closet. Project amenities include community room, fitness center, picnic area, storage, lounge area, dog run, walking/bike trail and commercial space. The property will contain open parking containing 56 parking spaces.

The tenant pool will include households with one to four persons that have incomes between $30,000 and $42,960 and $46,000 and $53,680.

Housing Profile

Single-family homes comprise 17.0 percent of the rental units, while multifamily units comprise 82.9 percent of the rental units. The rental housing stock is in varying condition. In general, the market-rate developments are older but well maintained. There are a few developments with similar unit types to the subject within the market area.

The subject is a proposed market-rate property. The proposed subject will be a great asset to the market area.

Market Rent Advantage

The analyst determined adjusted rents ranging from $627 to $897 for the studio units, from $712 to $1,002 for the one-bedroom units and from $945 to $1,640 for the two-bedroom units. Therefore, the analyst determined the adjusted market rents to be $750 for the studio units, $925 for the one-bedroom units and $1,495 for the two-bedroom units.

The proposed development will not have an adverse impact on the market area. Its studio, one- and two-bedroom units will be suitable in the market.

Required Demand

The pool of potential tenants is limited to renters who are likely to move and change units during the next year and have household sizes suitable for the subject units. The following table shows the demand by bedroom type.

DEMAND BY INCOME LIMITS				
Income Limit	All Units	Studio	1 BR	2 BR
All Units at Subject	2,385	437	688	113

The tenant pool will include households with one and four persons that have incomes between $30,000 and $42,960 and $46,000 and $53,680. The following table shows the capture rates by bedroom type at each income level. It indicates that, overall, the development would need to capture 1.8 percent of the total renter housing demand for the units; 0.2 percent of the total renter housing demand for the studio units; 3.3 percent of the total renter housing demand for the one-bedroom units; and 17.8 percent of the total renter housing demand for the two-bedroom units.

CAPTURE RATE BY INCOME LIMITS				
Income Limit	**All Units**	**Studio**	**1 BR**	**2 BR**
All Units at Subject	1.8%	0.2%	3.3%	17.8%

Overall, the capture rates for the subject appear to be favorable. Therefore, the analyst believes that sufficient demand exists for the proposed development.

Conclusions

As the competing development in the primary market area have high occupancy rates, and the nearest existing recently constructed developments have high occupancy rates, it appears there is a shortage of multifamily one-bedroom units in the market area. The subject should be highly competitive in this market. It is believed that the development is viable in the market place and enhances the overall appearance of the neighborhood. It is the recommendation of the analyst that the development be approved based on the following conclusions:

1. The total demand for all units within the income qualified strata is 2,385 units. The capture rate for all units is 1.8 percent. It is believed this is a conservative estimate as it only reflects current data available for the primary market area.
2. The subject will consist of the proposed conversion of an existing vacant factory building into a 40-unit apartment complex. Not only will the construction enhance the overall appearance of the neighborhood, but it will provide housing for prospective residents.

Information used in the market study was obtained from various sources including; the U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics, U.S. Bureau of Labor Statistics, interviews with local city and government officials and interview with local property owners or managers.

N: OTHER REQUIREMENTS

APPENDIX A

LIST OF SOURCES FOR DATA

Information used in the market study was obtained from various sources including; the U.S. Census Bureau, Nielsen Claritas and Ribbon Demographics, U.S. Bureau of Labor Statistics, interviews with local city and government officials and interviews with local property owners or managers.

CERTIFICATION

This is to certify that a field visit was made by the market analyst or one of his associates and information was obtained from publications of Federal, State and Local agencies. Interviews were held with apartment owners or managers, local officials and others as appropriate who may be knowledgeable of the housing market in St. Louis.

In accordance with National Council of Housing Market Analysts, I hereby certify that the information provided in this Market Study was written according to National Council of Housing Market Analysts' market study requirements and is truthful and accurate to the best of my knowledge and belief. The estimates of demand for multifamily housing made by this report are based on the assumption of a free market situation, unencumbered by local mores, affirmative fair housing marketing or prejudice toward the site location.

This is to affirm that I will receive no fees which are contingent upon approval of the project by National Council of Housing Market Analysts, before or after the fact, and that I will have no interest in the housing project. The document is assignable to lenders and/or syndicators that are parties to the development's financial structure. I understand that the market study will be shared with other parties that will assist National Council of Housing Market Analysts in the analysis of the market study.

Jeffrey L. Hansen
Market Analyst

Samuel L. Gill
Market Analyst

Tax ID Number: 43-1352932

February 20, 2015

IDENTITY OF INTEREST

I understand and agree that National Council of Housing Market Analysts will consider an identity of interest to exist between the loan applicant as the party of the first part and general contractors, architects, engineers, attorneys, interim lenders, subcontractors, material suppliers or equipment lessors as parties of the second part under any of the following conditions:

1. When there is any financial interest of the party of the first part in the party of the second part;

2. When one or more of the officers, directors, stockholders or partners of the party of the first part is also an officer, director, stockholder or partner of the party of the second part;

3. When any officer, director, stockholder or partner of the party of the first part has any financial interest whatsoever in the party of the second part;

4. When the party of the second part advances any funds to the party of the first part other than an interim lender advancing funds to enable the applicant to pay for construction and other authorized and legally eligible expenses during the construction period;

5. When the party of the second part provides and pays on behalf of the party of the first part, the cost of any legal services, architectural services or interim financing other than those of the survey, general superintendent or engineer employed by a general contractor in connection with obligations under the construction contract;

6. When the party of the second part takes stock or any interest in the party of the first part as part of the consideration to be paid them; and

7. When there exists or comes into being any side deals, agreements, contracts or undertakings entered into thereby altering, amending or canceling any of the required closing documents or approval conditions as approved by National Council of Housing Market Analysts.

I certify that there is not now, nor will there be, an identity of interest between or among the applicant, contractor, architect, engineer, attorney interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to National Council of Housing Market Analysts and written consent to such identity of interest by National Council of Housing Market Analysts. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

There is no identity of interest between the loan applicant and the Market Analyst or Gill Group.

Jeffrey L. Hansen
Market Analyst

Samuel L. Gill
Market Analyst

February 20, 2015

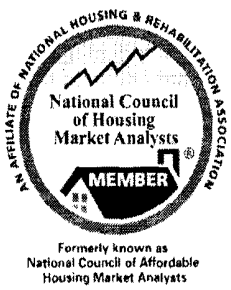
NCHMA MEMBER CERTIFICATION

This market study has been prepared by Gill Group, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects* and *Model Content Standards for the Content of Market Studies for Housing Projects.* These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Gill Group is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in the National Council of Housing Market Analysts' (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Gill Group is an independent market analyst. No principal or employee of Gill Group has any financial interest whatsoever in the development for which this analysis has been undertaken.

Samuel L. Gill
Gill Group
NCHMA Member

February 20, 2015



APPENDIX B

MARKET STUDY TERMINOLOGY

Absorption Period

The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of Occupancy. The Absorption Period begins when the first certificate of occupancy is issued and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption Rate

The average number of units rented each month during the Absorption Period.

Acceptable Rent Burden

The rent-to-income ratio used to qualify tenants for both income-restricted and non-income-restricted units. The Acceptable Rent Burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Affordable Housing

Housing where the tenant household pays no more than 30 percent of its annual income on Gross Rent.

Amenity

Tangible or intangible benefits offered to a tenant at no fee, typically on-site recreational facilities or planned programs, services and activities.

Annual Demand

The total estimated demand present in the market in any one year for the type of units proposed.

Area Median Income (AMI)

One-hundred percent of the gross median household income for a specific metropolitan statistical area, county or non-metropolitan area established annually by HUD.

Assisted Housing

Housing where the monthly costs to the tenants are subsidized by federal, state or other programs.

Attached Housing

Two or more dwelling units connected with party walls (e.g. townhouses or flats).

Basic Rent

The minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223 (d)(3) Below Market Interest Rate Program. The Basic Rent is calculated on the rent as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate Program (BMIR)

Program targeted to renters with income not exceeding 80 percent of area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract to subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Capture Rate

The percentage of age, size, and income-qualified renter households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income-qualified renter households in the Primary Market Area. See Penetration Rate for rate for entire market area.

Census Tract

A small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD)

The center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC)

Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Comparable Property

A property that is representative of the rental housing choices of the subject's Primary Market Area and that is similar in construction, size, amenities, or age. These Comparables and Competitives are generally used to derive market rent.

Competitive Property

A property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Concession

Discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specified lease term or for free amenities which are normally charged separately (i.e. washer/dryer, parking).

Condominium

A form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract Rent

1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenants, to the owner, inclusive of all terms of the lease (HUD & RD).
2. The monthly rent agreed to between a tenant and a landlord (Census).

Demand

The total number of households in a defined market area that would potentially move into proposed new or renovated housing units. These households must be of the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

Difficult Development Area (DDA)

An area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130 percent of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached Housing

A freestanding dwelling unit, typically single-family, situated on its own lot.

Effective Rents

Contract Rent less concessions.

Elderly or Senior Housing

Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80 percent of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely Low Income

Person or household with income below 30 percent of Area Median Income adjusted for household size.

Fair Market Rent (FMR)

The estimates established by HUD of the Gross Rents (Contract Rent plus Tenant-Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40 percent of the rental units have rents below the FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Garden Apartments

Apartments in low-rise buildings (typically two to four stories) that feature low density, ample open-space around the buildings, and on-site parking.

Gross Rent

The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all Tenant-Paid Utilities.

High-rise

A residential building having more than ten stories.

Household

One or more people who occupy a housing unit as their usual place of residence.

Household Trends

Changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.g. at marriage or separation) and in average household size.

Housing Unit

House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program)

Federal rent subsidy program under Section 8 of the U.S. Housing Act which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30 percent of adjusted income (or 10 percent of gross income, whichever is greater). In cases where 30 percent of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (HFA)

State or local agencies responsible for financing housing and administering Assisted Housing programs.

HUD Section 8 Program

Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants adjusted income.

HUD Section 202 Program

Federal program, which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50 percent of Area Median Income. The program is limited to housing owned by

501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30 percent of tenant income.

HUD Section 811 Program

Federal program, which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50 percent of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

HUD Section 236 Program

Federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80 percent of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income Band

The range of incomes of households that can pay a specific rent but do not have more income than is allowed by the Income Limits of a particular housing program. The minimum household income typically is based on a defined Acceptable Rent Burden percentage and the maximum typically is pre-defined by specific programmatic requirements or by general market parameters.

Income Limits

Maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30, 50, 60 or 80 percent of AMI. HUD publishes Income Limits each year for 30 percent median, Very Low Income (50%), and Low-Income (80%), for households with 1 through 8 people.

Infrastructure

Services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Low Income

Person or household with gross household income below 80 percent of Area Median Income adjusted for household size.

Low Income Housing Tax Credit

A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60 percent or less of Area Median Income, and that the rents on these units be restricted accordingly.

Low Rise Building

A building with one to three stories.

Market Advantage

The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.

Market Analysis

A study of real estate market conditions for a specific type of property.

Market Area or Primary Market Area

A geographic area from which a property is expected to draw the majority of its residents.

Market Demand

The total number of households in a defined market area that would potentially move into new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining demand.

Market Rent

The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the open market considering its location, features, amenities. Market rent should be adjusted for concessions and owner-paid utilities included in the rent.

Market Study

A comprehensive review of the housing market in a defined market area. A market study can be used to determine the demand for specific proposed development or to examine the overall condition of an area's housing market. Project specific market studies are often used by developers, sydicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography. At a minimum, market studies include a review of location, economic conditions, demographics, and existing and proposed housing stock.

Marketability

The manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market Vacancy Rate – Physical

Average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same Market Area, excluding units in properties which are in the lease-up stage.

Market Vacancy Rate – Economic

Percentage of rent loss due to concessions and vacancies.

Metropolitan Statistical Area (MSA)

A geographic entity defined by the federal Office of Management and Budget, for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise

A building with four to ten stories.

Mixed Income Property

An apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more Income Limits (i.e. Low Income Tax Credit property with income limits of 30, 50 and 60 percent).

Mobility

The ease with which people move from one location to another.

Moderate Income

Person or household with gross household income between 80 and 120 percent of Area Median Income adjusted for household size.

Move-up Demand

An estimate of how many consumers are able and willing to relocate to more expensive or desirable units, such as tenants who move up from Class C properties to Class B; and Class B tenants that move up to Class A properties; and tenants that move from Class C and B properties to a new superior Low Income Tax Credit property.

Multifamily

Structures that contain more than two or more housing units.

Neighborhood

An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net Rent (also referred to as Contract or Lease Rent)

Gross Rent less Tenant-Paid Utilities.

Penetration Rate

The percentage of age and income-qualified renter households in the Primary Market Area that live in all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. See Capture Rate for property specific rate.

Pent-up Demand

A market in which there is a scarcity of supply and vacancy rates are very low.

Population Trends

Changes in population levels for a particular area over a specific period of time – which is a function of the levels of births, deaths, and net migration.

Primary Market Area

See Market Area

Programmatic Rents

The proposed rents for a Tax Credit or other income restricted property relative to comparable market rate properties and rents being achieved at another Low Income Housing Tax Credit or other income restricted properties in the market. Can be no greater than maximum rents permitted by the Low Income Housing Tax Credit or other program regulations.

Project Based Rent Assistance

Rental assistance from a federal, state or local program that is allocated to the property or a specific number of units in the property and is available to each income-eligible tenant of the property or an assisted unit.

Public Housing or Low Income Conventional Public Housing

HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income Households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT)

Any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income less than 60 percent of Area Median Income or where the poverty rate is at least 25 percent. A project located in a QCT and receiving Low Income Housing Tax Credits may qualify for up to 130 percent of eligible basis for the purpose of calculating the Tax Credit allocation.

Rural Development (RD) Market Rent

A monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD property.

Rural Development (RD) Program

Federal program which provides low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, whichever is higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Redevelopment

The redesign or rehabilitation of existing properties.

Rent Burden

Gross rent divided by gross monthly household income.

Rent Burdened Households

Households with Rent Burden above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.

Restricted Rent

The rent charged under the restrictions of a specific housing program or subsidy.

Saturation

The point at which there is no longer demand to support additional units.

Secondary Market Area

The portion of a market area that supplies additional support to an apartment property beyond that provided by the Primary Market Area.

Single-Family Housing

A dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Special Needs Population

Specific market niche that is typically not catered to in a conventional apartment property. This population should exhibit certain criteria, which can be well-defined, in order, for example, to assess the need and demand from this source. Examples of special needs populations include: substance abusers, visually impaired person or persons with mobility limitations.

Stabilized Level of Occupancy

The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

State Date Center (SDC)

A state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

Subsidy

Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's Contract Rent and the amount paid by the tenant toward rent.

Substandard Conditions

Housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target Income Band

The Income Band from which the subject property will draw tenants.

Target Population

Market niche a development will appeal or cater to. State agencies often use Target Population to refer to various income set asides, elderly v. family, etc.

Tenant

One who rents real property from another.

Tenant-Paid Utilities

The cost of utilities necessary for the habitation of a dwelling unit, which are paid by the tenant. Tenant-Paid Utilities do not include costs for telephone or cable service.

Tenure

The distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House)

Single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and backyards; also called a row house.

Turnover

1. An estimate of the number of housing units in a Market Area as a percentage of total housing units in the Market Area that will likely change occupants in any one year. See Vacancy Period.
2. **Turnover Period** – The percent of occupants in a given apartment complex that move in one year.

Unmet Housing Need

New units required in the Market Area to accommodate household growth, homeless households, and housing in substandard conditions.

Unrestricted Rents

The recommended rents for the market rate units at a Mixed-Income Property.

Vacancy Period

The amount of time that an apartment remains vacant and available for rent.

Vacancy Rate – Economic

Maximum potential revenue less actual rent revenue divided by maximum potential rent revenue.

Vacancy Rate – Physical

The number of total habitable units that are vacant divided by the total number of units in the property.

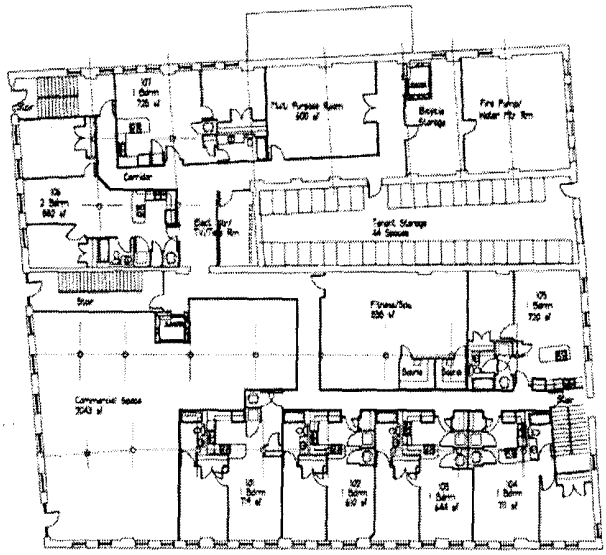
Very Low Income

Person or household whose gross household income does not exceed 50 percent of Area Median Income adjusted for household size.

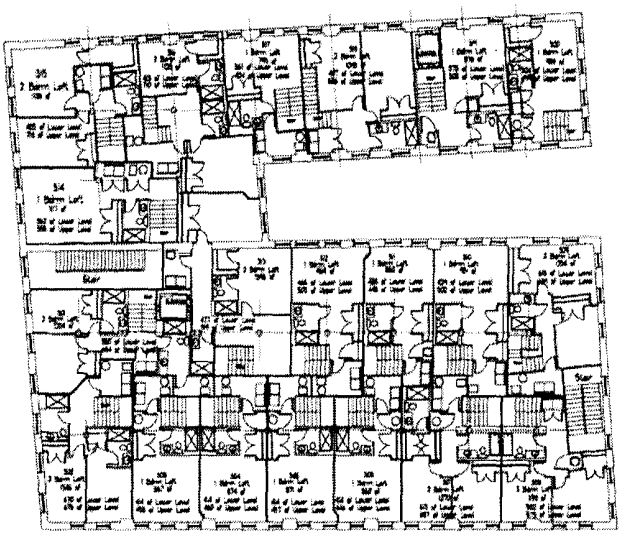
Zoning

Classification and regulation of land by local governments according to use categories (zones); often also includes density designations.

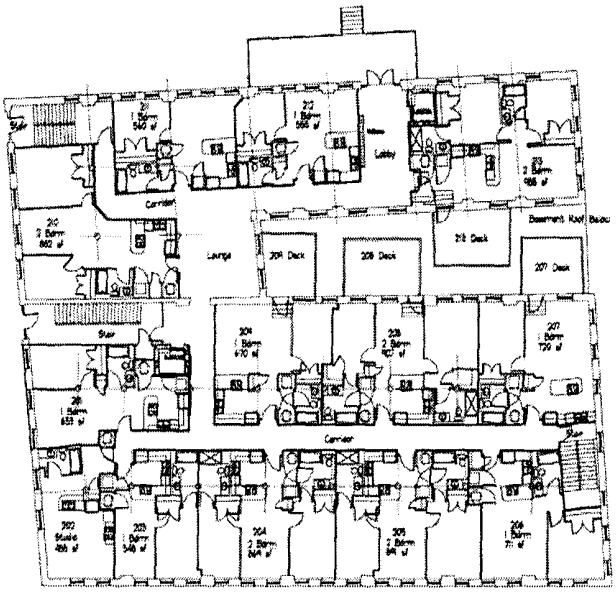
APPENDIX C



Typical Layout
First Floor
13,236 Gross Sq Ft



Typical Layout
Fourth Floor
11,984 Gross Sq Ft



Typical Layout
Second Floor
11,984 Gross Sq. Ft

Typical Layout
Third Floor
11,984 Gross Sq Ft

Number of Bedrooms	Units	Baths	SF per Unit*	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Total Monthly Rent
Studio	1	1	488	$ 1.54	$750	$50	800	750
1BDRM	1	1	719	$ 1.39	$1,000	$65	1,065	1,000
1BDRM	1	1	610	$ 1.48	$900	$65	965	900
1BDRM	1	1	644	$ 1.40	$900	$65	965	900
1BDRM	2	1	711	$ 1.41	$1,000	$65	1,065	2,000
1BDRM	1	1	720	$ 1.39	$1,000	$65	1,065	1,000
1BDRM	1	1	725	$ 1.45	$1,050	$65	1,115	1,050
1BDRM	1	1	633	$ 1.58	$1,000	$65	1,065	1,000
1BDRM	1	1	548	$ 1.55	$850	$75	925	850
2BDRM	1	1.5	1,093	$ 1.37	$1,500	$75	1,575	1,500
1BDRM	1	1	720	$ 1.11	$800	$75	875	800
1BDRM	1	1	670	$ 1.49	$1,000	$75	1,075	1,000
1BDRM	1	1	560	$ 1.43	$800	$75	875	800
1BDRM	1	1	555	$ 1.80	$1,000	$75	1,075	1,000
1BDRM	1	1	867	$ 1.38	$1,200	$50	1,250	1,200
1BDRM	1	1	874	$ 1.37	$1,200	$65	1,265	1,200
1BDRM	1	1	871	$ 1.38	$1,200	$65	1,265	1,200
1BDRM	1	1	860	$ 1.40	$1,200	$65	1,265	1,200
1BDRM	1	1	931	$ 1.34	$1,250	$65	1,315	1,250
1BDRM	1	1	880	$ 1.42	$1,250	$65	1,315	1,250
1BDRM	1	1	969	$ 1.39	$1,350	$65	1,415	1,350
1BDRM	1	1.5	1,138	$ 1.32	$1,500	$65	1,565	1,500
1BDRM	1	1	795	$ 1.32	$1,050	$75	1,125	1,050
1BDRM	1	1	876	$ 1.43	$1,250	$75	1,325	1,250
1BDRM	1	1	983	$ 1.32	$1,300	$75	1,375	1,300
N/A				$ -			0	0
2BDRM	1	2	869	$ 1.38	$1,200	$75	1,275	1,200
2BDRM	1	2	891	$ 1.29	$1,150	$75	1,225	1,150
2BDRM	1	2	907	$ 1.43	$1,300	$65	1,365	1,300
2BDRM	2	1	882	$ 1.81	$1,600	$65	1,665	3,200
2BDRM	1	2	988	$ 1.52	$1,500	$65	1,565	1,500
2BDRM	1	2.5	1,204	$ 1.37	$1,650	$65	1,715	1,650
2BDRM	1	2.5	1,346	$ 1.15	$1,550	$65	1,615	1,550
2BDRM	1	2.5	1,270	$ 1.26	$1,600	$75	1,675	1,600
2BDRM	1	1.5	1,155	$ 1.56	$1,800	$75	1,875	1,800
2BDRM	1	1.5	1,254	$ 1.28	$1,600	$75	1,675	1,600
2BDRM	1	2	1,117	$ 1.61	$1,800	$75	1,875	1,800
2BDRM	1	1.5	1,138	$ 1.32	$1,500	$75	1,575	1,500
2BDRM	1	2.5	1,123	$ 1.29	$1,450	$75	1,525	1,450
Commercial Space	1	NA	2,043	$ 16.00	$2,724	$200	2,924	2,724
Total	**41**		**36,338**					**52,324**
		residenital	34,295					

APPENDIX D

ribbon demographics
www.ribbondata.com

HOUSEHOLD DATA

© 2015 All rights reserved

nielsen
Nielsen Claritas

Households by Income and Age
Market Area
Census Data - 2000

Income	Age 15 - 24 Years	Age 25 - 34 Years	Age 35 - 44 Years	Age 45 - 54 Years	Age 55 - 64 Years	Age 65 - 74 Years	Age 75 - 84 Years	Age 85+ Years	Total	*Percent*
Less than $15,000	1,816	2,875	2,637	1,602	1,136	1,546	1,527	487	13,426	*29.5%*
$15,000 - $24,999	894	2,150	2,053	1,239	728	669	724	212	8,669	*19.1%*
$25,000 - $34,999	436	1,887	1,841	1,210	665	444	338	80	6,901	*15.2%*
$35,000 - $49,999	412	1,778	2,005	1,472	758	377	305	73	7,180	*15.8%*
$50,000 - $74,999	137	1,097	1,578	1,339	728	366	218	47	5,450	*12.0%*
$75,000 - $99,999	53	453	575	649	222	68	60	11	2,091	*4.6%*
$100,000 - $124,999	0	102	196	243	113	17	51	11	733	*1.6%*
$125,000 - $149,999	21	22	81	134	54	20	11	4	347	*0.8%*
$150,000 - $199,999	9	77	102	117	16	22	0	0	343	*0.8%*
$200,000 and up	8	35	85	45	81	34	9	1	298	*0.7%*
Total	**3,786**	**10,476**	**11,153**	**8,050**	**4,501**	**3,503**	**3,043**	**926**	**45,438**	***100.0%***
Percent	***8.3%***	***23.1%***	***24.5%***	***17.7%***	***9.9%***	***7.7%***	***6.7%***	***2.0%***	***100.0%***	

Source: Nielsen Claritas; Ribbon Demographics

ribbon demographics
www.ribbondata.com

HOUSEHOLD DATA

© 2015 All rights reserved

nielsen
Nielsen Claritas

Households by Income and Age
Market Area
Current Year Estimates - 2015

Income	Age 15 - 24 Years	Age 25 - 34 Years	Age 35 - 44 Years	Age 45 - 54 Years	Age 55 - 64 Years	Age 65 - 74 Years	Age 75 - 84 Years	Age 85+ Years	Total	*Percent*
Less than $15,000	1,099	2,900	1,837	1,881	2,041	1,087	689	391	11,925	*26.0%*
$15,000 - $24,999	408	1,550	1,063	1,109	1,201	732	478	216	6,757	*14.7%*
$25,000 - $34,999	285	1,559	1,087	982	976	448	216	81	5,634	*12.3%*
$35,000 - $49,999	238	1,642	1,328	1,045	1,014	589	228	75	6,159	*13.4%*
$50,000 - $74,999	218	1,483	1,266	1,358	1,210	524	132	57	6,248	*13.6%*
$75,000 - $99,999	141	906	904	793	644	392	85	16	3,881	*8.5%*
$100,000 - $124,999	18	521	649	424	305	137	28	8	2,090	*4.6%*
$125,000 - $149,999	2	291	361	276	210	118	24	8	1,290	*2.8%*
$150,000 - $199,999	2	192	334	243	180	97	22	5	1,075	*2.3%*
$200,000 and up	0	88	179	257	184	42	9	3	762	*1.7%*
Total	**2,411**	**11,132**	**9,008**	**8,368**	**7,965**	**4,166**	**1,911**	**860**	**45,821**	***100.0%***
Percent	***5.3%***	***24.3%***	***19.7%***	***18.3%***	***17.4%***	***9.1%***	***4.2%***	***1.9%***	***100.0%***	

Source: Nielsen Claritas; Ribbon Demographics

ribbon demographics
www.ribbondata.com

HOUSEHOLD DATA

© 2015 All rights reserved

nielsen
Nielsen Claritas

Households by Income and Age
Market Area
Five Year Projections - 2020

Income	Age 15 - 24 Years	Age 25 - 34 Years	Age 35 - 44 Years	Age 45 - 54 Years	Age 55 - 64 Years	Age 65 - 74 Years	Age 75 - 84 Years	Age 85+ Years	Total	*Percent*
Less than $15,000	1,012	2314	1916	1756	2049	1404	783	363	11,597	*24.7%*
$15,000 - $24,999	388	1,287	1,142	1,061	1,258	988	549	226	6,879	*14.6%*
$25,000 - $34,999	247	1,305	1,158	933	988	633	267	79	5,590	*11.9%*
$35,000 - $49,999	218	1,499	1,445	1,012	1,057	809	277	76	6,393	*13.6%*
$50,000 - $74,999	219	1,364	1,380	1,326	1,255	732	163	62	6,501	*13.8%*
$75,000 - $99,999	132	842	971	773	658	547	105	19	4,047	*8.6%*
$100,000 - $124,999	24	527	769	437	340	191	38	12	2,338	*5.0%*
$125,000 - $149,999	3	289	402	290	259	179	32	10	1,444	*3.1%*
$150,000 - $199,999	2	198	398	261	212	157	30	6	1,264	*2.7%*
$200,000 and up	3	103	232	310	246	73	18	3	988	*2.1%*
Total	**2,248**	**9,728**	**9,813**	**8,159**	**8,282**	**5,693**	**2,262**	**856**	47,041	*100.0%*
Percent	*4.8%*	*20.7%*	*20.9%*	*17.3%*	*17.6%*	*12.1%*	*4.8%*	*1.8%*	*100.0%*	

Source: Nielsen Claritas; Ribbon Demographics

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **Market Area** nielsen

© 2010 All rights reserved

Renter Households

Age 15 to 54 Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	2,002	997	745	484	607	4,335
$10,000-20,000	1,735	945	535	302	486	4,026
$20,000-30,000	1,590	1,066	472	298	252	3,479
$30,000-40,000	1,119	572	496	305	103	2,586
$40,000-50,000	681	453	302	247	156	1,841
$50,000-60,000	183	519	394	55	170	1,601
$60,000-75,000	323	260	165	102	96	946
$75,000-100,000	87	143	61	74	35	686
$100,000-125,000	79	151	100	27	10	366
$125,000-150,000	51	58	7	9	40	165
$150,000-200,000	38	19	18	6	23	104
$200,000+	32	18	9	6	19	85
Total	**8,020**	**5,207**	**3,232**	**1,888**	**1,773**	**20,220**

Renter Households

Aged 55+ Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	1,155	186	51	41	19	1,451
$10,000-20,000	1,383	322	36	42	37	1,842
$20,000-30,000	481	161	22	32	49	748
$30,000-40,000	244	252	52	30	28	590
$40,000-50,000	217	76	17	10	22	402
$50,000-60,000	145	102	29	17	20	304
$60,000-75,000	136	91	22	10	9	280
$75,000-100,000	100	92	27	36	9	264
$100,000-125,000	75	29	12	11	4	131
$125,000-150,000	45	22	6	4	2	79
$150,000-200,000	36	24	2	4	2	68
$200,000+	36	17	2	2	4	61
Total	**4,057**	**1,351**	**341**	**272**	**196**	**6,220**

Renter Households

Aged 62+ Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	748	75	32	23	9	885
$10,000-20,000	977	187	30	36	12	1,245
$20,000-30,000	347	63	8	32	9	459
$30,000-40,000	152	116	4	14	26	312
$40,000-50,000	15	23	8	9	22	216
$50,000-60,000	80	40	5	14	16	155
$60,000-75,000	61	27	3	8	5	107
$75,000-100,000	83	29	10	14	8	144
$100,000-125,000	31	17	5	4	2	59
$125,000-150,000	24	6	1	2	2	37
$150,000-200,000	12	7	0	1	1	21
$200,000+	21	6	1	2	1	31
Total	**2,661**	**698**	**107**	**162**	**113**	**3,671**

Renter Households

All Age Groups

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	3,138	987	834	525	512	5,786
$10,000-20,000	3,120	1,276	611	340	523	5,868
$20,000-30,000	1,877	1,227	494	328	301	4,227
$30,000-40,000	1,367	824	488	335	211	3,176
$40,000-50,000	950	529	319	287	158	2,243
$50,000-60,000	828	621	414	57	190	1,905
$60,000-75,000	449	351	209	112	105	1,226
$75,000-100,000	187	523	88	107	45	950
$100,000-125,000	155	180	112	38	14	497
$125,000-150,000	96	80	13	13	42	244
$150,000-200,000	74	43	20	10	25	172
$200,000+	58	40	11	8	22	140
Total	**12,037**	**6,651**	**3,573**	**2,160**	**1,969**	**26,440**

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **Market Area** nielsen

© 2006 All rights reserved

Owner Households

Age 15 to 54 Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	182	123	116	[illegible]	[illegible]	535
$10,000-20,000	241	75	53	34	30	486
$20,000-30,000	301	117	172	129	71	790
$30,000-40,000	549	292	143	94	253	1,331
$40,000-50,000	321	202	154	137	262	1,186
$50,000-60,000	301	285	187	145	196	1,122
$60,000-75,000	357	476	292	251	216	1,592
$75,000-100,000	335	677	265	240	255	1,756
$100,000-125,000	288	574	199	179	168	1,268
$125,000-150,000	50	221	128	102	71	572
$150,000-200,000	74	145	76	113	23	431
$200,000+	32	198	48	61	39	378
Total	**3,018**	**3,456**	**1,861**	**1,561**	**1,521**	**11,417**

Owner Households

Aged 55+ Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	324	218	42	11	15	609
$10,000-20,000	649	263	48	13	32	1,027
$20,000-30,000	443	369	101	36	30	1,049
$30,000-40,000	287	447	96	25	19	884
$40,000-50,000	210	327	43	50	19	649
$50,000-60,000	157	259	36	36	13	501
$60,000-75,000	142	247	136	10	44	561
$75,000-100,000	143	293	103	23	30	592
$100,000-125,000	46	182	49	16	18	311
$125,000-150,000	40	86	5	17	12	160
$150,000-200,000	35	45	11	6	17	114
$200,000+	15	80	22	5	5	127
Total	**2,521**	**2,781**	**692**	**251**	**326**	**6,581**

Owner Households

Aged 62+ Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	217	111	30	3	14	377
$10,000-20,000	510	219	41	9	19	798
$20,000-30,000	356	288	85	26	27	782
$30,000-40,000	189	269	65	31	14	578
$40,000-50,000	107	198	12	32	19	369
$50,000-60,000	73	147	30	6	11	252
$60,000-75,000	78	153	54	6	18	309
$75,000-100,000	96	142	55	4	25	322
$100,000-125,000	24	49	12	5	5	95
$125,000-150,000	17	27	4	7	2	57
$150,000-200,000	15	14	1	5	7	40
$200,000+	7	41	10	4	2	64
Total	**1,698**	**1,628**	**399**	**148**	**154**	**4,043**

Owner Households

All Age Groups

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	486	259	158	68	93	1,144
$10,000-20,000	890	311	151	69	82	1,513
$20,000-30,000	784	486	273	165	151	1,839
$30,000-40,000	836	779	239	179	283	2,215
$40,000-50,000	531	609	197	187	281	1,805
$50,000-60,000	538	542	225	181	139	1,623
$60,000-75,000	511	693	428	251	260	2,153
$75,000-100,000	465	970	366	282	285	2,348
$100,000-125,000	254	756	248	195	126	1,579
$125,000-150,000	90	307	133	119	83	732
$150,000-200,000	109	190	87	119	40	545
$200,000+	47	239	32	9	42	505
Total	**5,539**	**6,240**	**2,553**	**1,822**	**1,847**	**18,001**

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data — Market Area — nielsen

© 2015 All rights reserved

Renter Households

Age 15 to 54 Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	2,198	904	836	458	298	4,694
$10,000-20,000	1,989	986	556	285	493	4,339
$20,000-30,000	1,173	928	437	273	219	3,072
$30,000-40,000	1,019	493	345	242	171	2,270
$40,000-50,000	757	394	282	226	142	1,801
$50,000-60,000	361	371	341	28	98	1,169
$60,000-75,000	342	242	159	76	49	868
$75,000-100,000	161	538	80	76	41	892
$100,000-125,000	112	155	124	37	12	450
$125,000-150,000	72	71	14	10	32	199
$150,000-200,000	37	25	24	10	31	127
$200,000+	12	18	13	6	19	88
Total	8,250	5,128	3,191	1,767	1,625	19,969

Renter Households

Aged 55+ Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	1,256	187	83	39	10	1,564
$10,000-20,000	1,722	449	76	34	41	2,316
$20,000-30,000	543	211	30	33	53	870
$30,000-40,000	230	220	53	34	28	615
$40,000-50,000	271	58	11	12	8	390
$50,000-60,000	195	139	15	14	14	375
$60,000-75,000	176	86	48	11	10	323
$75,000-100,000	176	109	50	32	9	355
$100,000-125,000	134	37	16	8	5	173
$125,000-150,000	57	21	6	11	3	138
$150,000-200,000	72	29	4	8	4	117
$200,000+	43	21	3	4	5	76
Total	1,932	1,561	367	261	190	7,312

Renter Households

Aged 62+ Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	751	78	28	17	6	880
$10,000-20,000	1,205	287	42	32	16	1,582
$20,000-30,000	352	93	11	30	9	505
$30,000-40,000	139	113	15	17	23	357
$40,000-50,000	136	23	5	9	8	231
$50,000-60,000	116	49	6	18	12	194
$60,000-75,000	132	33	6	9	5	177
$75,000-100,000	141	45	8	8	8	210
$100,000-125,000	63	25	9	4	2	101
$125,000-150,000	73	8	2	9	1	93
$150,000-200,000	44	12	4	5	4	69
$200,000+	23	6	2	2	4	38
Total	3,278	748	136	159	100	4,417

Renter Households

All Age Groups

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	3,454	1,089	892	528	298	6,258
$10,000-20,000	3,711	1,435	662	319	531	6,665
$20,000-30,000	1,718	1,139	467	306	312	3,942
$30,000-40,000	1,389	713	398	276	199	2,885
$40,000-50,000	1,028	452	293	269	150	2,191
$50,000-60,000	554	510	326	42	112	1,544
$60,000-75,000	518	328	199	37	59	1,191
$75,000-100,000	340	640	110	108	50	1,248
$100,000-125,000	216	202	140	45	17	620
$125,000-150,000	139	92	20	21	35	337
$150,000-200,000	109	54	28	18	35	244
$200,000+	73	45	18	10	29	165
Total	13,191	5,689	3,558	2,028	1,815	27,281

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **Market Area** nielsen

© 2015 All rights reserved

Owner Households

Age 15 to 54 Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	18[illegible]	102	1[illegible]	50	69	535
$10,000-20,000	199	[illegible]	55	74	31	437
$20,000-30,000	243	10	163	122	63	676
$30,000-40,000	455	227	151	93	234	1,160
$40,000-50,000	271	245	130	123	260	1,029
$50,000-60,000	320	159	126	79	99	784
$60,000-75,000	360	470	276	217	181	1,504
$75,000-100,000	376	719	311	233	213	1,852
$100,000-125,000	246	469	156	177	114	1,162
$125,000-150,000	85	299	141	155	51	731
$150,000-200,000	89	284	108	119	44	644
$200,000+	41	184	63	104	55	436
Total	**2,872**	**3,316**	**1,835**	**1,531**	**1,306**	**10,050**

Owner Households

Aged 55+ Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	365	213	59	19	15	671
$10,000-20,000	580	315	33	20	44	1,117
$20,000-30,000	530	396	129	40	81	1,176
$30,000-40,000	567	502	124	40	25	1,056
$40,000-50,000	225	350	19	63	20	687
$50,000-60,000	183	313	43	51	14	631
$60,000-75,000	193	335	177	39	40	624
$75,000-100,000	185	359	180	38	39	781
$100,000-125,000	62	151	44	17	24	338
$125,000-150,000	58	114	8	21	21	222
$150,000-200,000	41	85	20	21	20	187
$200,000+	22	101	25	4	8	160
Total	**2,911**	**3,127**	**840**	**354**	**358**	**7,590**

Owner Households

Aged 62+ Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	220	97	47	16	13	393
$10,000-20,000	527	274	45	33	15	878
$20,000-30,000	366	311	134	22	17	850
$30,000-40,000	256	310	95	28	16	706
$40,000-50,000	117	255	20	56	10	458
$50,000-60,000	95	107	33	18	10	352
$60,000-75,000	99	152	54	16	14	335
$75,000-100,000	119	205	95	7	30	457
$100,000-125,000	34	83	13	9	10	144
$125,000-150,000	26	52	3	18	5	104
$150,000-200,000	23	38	6	21	9	97
$200,000+	9	15	13	2	5	59
Total	**1,891**	**1,987**	**534**	**226**	**152**	**4,790**

Owner Households

All Age Groups

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	552	315	146	69	84	1,206
$10,000-20,000	379	595	111	93	75	1,251
$20,000-30,000	775	176	262	165	146	1,852
$30,000-40,000	822	779	255	133	257	2,216
$40,000-50,000	496	575	179	186	280	1,716
$50,000-60,000	503	463	176	130	113	1,385
$60,000-75,000	553	705	403	237	230	2,128
$75,000-100,000	561	1,078	471	271	252	2,633
$100,000-125,000	308	630	200	194	138	1,470
$125,000-150,000	143	413	149	156	72	953
$150,000-200,000	130	369	128	140	64	831
$200,000+	63	302	92	110	42	609
Total	**5,783**	**6,443**	**2,675**	**1,885**	**1,754**	**18,540**

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **Market Area** nielsen

© 2014 All rights reserved

Renter Households

Age 15 to 54 Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	2,045	526	84	461	261	4,285
$10,000-20,000	1,788	891	541	278	436	3,534
$20,000-30,000	1,113	378	436	235	247	2,567
$30,000-40,000	1,049	459	360	226	173	2,275
$40,000-50,000	797	595	266	255	128	1,621
$50,000-60,000	562	366	313	31	91	1,167
$60,000-75,000	374	250	178	81	55	942
$75,000-100,000	185	361	94	73	20	955
$100,000-125,000	141	209	151	30	25	556
$125,000-150,000	95	74	20	17	39	245
$150,000-200,000	68	30	26	14	37	175
$200,000+	55	31	16	7	27	136
Total	**8,115**	**4,970**	**3,193**	**1,713**	**1,567**	**19,558**

Renter Households

Aged 55+ Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	1,352	212	95	58	17	1,752
$10,000-20,000	1,915	468	91	46	42	2,600
$20,000-30,000	628	245	34	39	50	996
$30,000-40,000	553	157	50	37	32	729
$40,000-50,000	330	69	11	18	15	443
$50,000-60,000	229	136	17	19	14	415
$60,000-75,000	252	101	44	13	8	400
$75,000-100,000	225	123	36	33	11	431
$100,000-125,000	140	44	18	14	9	228
$125,000-150,000	121	29	11	8	5	174
$150,000-200,000	106	37	12	12	3	170
$200,000+	68	32	8	8	5	121
Total	**5,795**	**1,763**	**425**	**316**	**211**	**8,500**

Renter Households

Aged 62+ Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	883	100	32	23	13	1,051
$10,000-20,000	1,418	300	36	41	14	1,829
$20,000-30,000	438	120	14	37	8	617
$30,000-40,000	248	136	11	19	28	443
$40,000-50,000	239	31	6	10	11	303
$50,000-60,000	156	62	5	17	12	244
$60,000-75,000	170	29	10	10	4	233
$75,000-100,000	186	58	12	10	8	274
$100,000-125,000	92	28	11	9	4	144
$125,000-150,000	95	13	4	7	5	124
$150,000-200,000	70	20	6	10	3	109
$200,000+	36	12	5	3	5	61
Total	**1,026**	**922**	**170**	**196**	**118**	**5,432**

Renter Households

All Age Groups

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	3,435	1,038	877	503	284	6,137
$10,000-20,000	3,711	1,355	662	32	178	6,534
$20,000-30,000	1,751	1,123	470	292	297	3,563
$30,000-40,000	1,457	716	418	261	105	3,004
$40,000-50,000	1,127	464	277	285	143	2,304
$50,000-60,000	592	512	330	53	105	1,592
$60,000-75,000	612	351	222	94	63	1,342
$75,000-100,000	411	584	130	106	53	1,286
$100,000-125,000	28-	253	189	44	34	784
$125,000-150,000	216	105	31	25	44	419
$150,000-200,000	17-	67	38	26	40	348
$200,000+	123	62	34	12	24	252
Total	**13,910**	**6,733**	**3,618**	**2,028**	**1,778**	**28,067**

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data — Market Area — nielsen

© 2015 All rights reserved

Owner Households
Age 15 to 54 Years
Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	148	93	115	45	62	449
$10,000-20,000	184	55	44	62	34	359
$20,000-30,000	213	75	151	117	38	592
$30,000-40,000	377	198	136	89	204	996
$40,000-50,000	254	183	117	120	241	915
$50,000-60,000	385	123	156	72	93	729
$60,000-75,000	359	439	210	213	191	1,451
$75,000-100,000	391	641	379	332	207	1,763
$100,000-125,000	261	488	159	192	109	1,201
$125,000-150,000	80	293	185	126	55	739
$150,000-200,000	190	311	110	124	59	684
$200,000+	53	220	77	128	35	512
Total	**2,705**	**3,092**	**1,736**	**1,508**	**1,349**	**10,390**

Owner Households
Aged 55+ Years
Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	399	251	60	13	14	717
$10,000-20,000	716	352	36	18	43	1,165
$20,000-30,000	642	447	158	39	72	1,358
$30,000-40,000	402	561	147	46	23	1,209
$40,000-50,000	251	379	12	61	21	757
$50,000-60,000	269	360	43	46	13	671
$60,000-75,000	226	367	153	71	59	716
$75,000-100,000	225	402	192	38	41	898
$100,000-125,000	71	177	57	25	23	353
$125,000-150,000	79	140	15	28	24	286
$150,000-200,000	60	99	25	29	22	235
$200,000+	28	142	35	9	8	219
Total	**3,310**	**3,535**	**982**	**371**	**356**	**8,581**

Owner Households
Aged 62+ Years
Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	241	113	31	10	12	429
$10,000-20,000	578	294	49	12	17	950
$20,000-30,000	456	368	147	19	18	1,009
$30,000-40,000	324	373	122	35	16	870
$40,000-50,000	187	288	19	61	10	616
$50,000-60,000	114	241	35	15	11	416
$60,000-75,000	120	197	71	19	14	421
$75,000-100,000	164	251	123	7	31	576
$100,000-125,000	43	90	22	10	12	177
$125,000-150,000	44	75	8	20	4	151
$150,000-200,000	36	55	8	28	9	134
$200,000+	12	58	11	2	5	88
Total	**2,269**	**2,405**	**666**	**230**	**158**	**5,737**

Owner Households
All Age Groups
Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	547	332	173	58	76	1,165
$10,000-20,000	890	587	100	80	77	1,521
$20,000-30,000	855	526	298	156	133	1,959
$30,000-40,000	899	751	283	135	227	2,295
$40,000-50,000	505	562	159	184	262	1,672
$50,000-60,000	514	483	179	118	108	1,403
$60,000-75,000	585	706	401	284	241	2,167
$75,000-100,000	616	1,046	571	290	253	2,661
$100,000-125,000	352	657	216	215	134	1,554
$125,000-150,000	159	433	200	154	79	1,025
$150,000-200,000	160	410	135	153	61	919
$200,000+	93	480	123	132	44	734
Total	**6,045**	**6,627**	**2,718**	**1,879**	**1,705**	**18,974**

ribbon demographics

www.ribbondata.com

POPULATION DATA

© 2015 All rights reserved

nielsen

Nielsen Claritas

Population by Age & Sex

Market Area

Census 2010				Current Year Estimates - 2015				Five-Year Projections - 2020			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	3,885	3,775	7,660	0 to 4 Years	3,987	3,751	7,738	0 to 4 Years	3,761	3,596	7,357
5 to 9 Years	3,207	2,943	6,150	5 to 9 Years	3,608	3,430	7,038	5 to 9 Years	3,812	3,592	7,404
10 to 14 Years	2,886	2,840	5,726	10 to 14 Years	3,175	2,965	6,140	10 to 14 Years	3,521	3,362	6,883
15 to 17 Years	2,014	1,927	3,941	15 to 17 Years	1,790	1,723	3,513	15 to 17 Years	1,937	1,798	3,735
18 to 20 Years	2,328	2,425	4,753	18 to 20 Years	2,036	2,164	4,200	18 to 20 Years	2,047	2,065	4,112
21 to 24 Years	3,447	3,940	7,387	21 to 24 Years	2,687	2,857	5,544	21 to 24 Years	2,353	2,238	4,591
25 to 34 Years	9,718	10,279	19,997	25 to 34 Years	9,386	10,356	19,742	25 to 34 Years	7,994	9,183	17,177
35 to 44 Years	7,206	6,807	14,013	35 to 44 Years	7,373	7,164	14,537	35 to 44 Years	7,911	7,857	15,771
45 to 54 Years	7,246	6,922	14,168	45 to 54 Years	6,667	6,398	13,065	45 to 54 Years	6,435	6,233	12,669
55 to 64 Years	4,812	5,162	9,974	55 to 64 Years	5,702	6,020	11,722	55 to 64 Years	6,054	6,097	12,151
65 to 74 Years	2,026	2,472	4,498	65 to 74 Years	2,097	3,738	5,835	65 to 74 Years	3,694	4,276	7,970
75 to 84 Years	888	1,744	2,632	75 to 84 Years	983	1,611	2,594	75 to 84 Years	1,235	1,773	3,009
85 Years and Up	320	1,002	1,322	85 Years and Up	324	1,043	1,367	85 Years and Up	336	1,009	1,345
Total	49,983	52,238	102,221	Total	50,415	52,620	103,035	Total	51,095	53,079	104,174
62+ Years	n/a	n/a	10,722	62+ Years	n/a	n/a	12,830	62+ Years	n/a	n/a	15,762
		Median Age:	32.0			Median Age:	32.9			Median Age:	35.5

Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
www.ribbondata.com
Tel: 916-380-4644

ribbon demographics

www.ribbondata.com

HOUSEHOLD DATA

© 2015 All rights reserved

nielsen

Nielsen Claritas

Households by Income and Age

St. Louis city, Missouri

Census Data - 2000

Income	Age 15 - 24 Years	Age 25 - 34 Years	Age 35 - 44 Years	Age 45 - 54 Years	Age 55 - 64 Years	Age 65 - 74 Years	Age 75 - 84 Years	Age 85+ Years	Total	*Percent*
Less than $15,000	5,004	7,228	6,917	5,594	4,571	5,721	5,438	2,036	42,309	*28.7%*
$15,000 - $24,999	2,379	5,280	5,284	3,354	2,416	3,408	3,185	929	26,235	*17.8%*
$25,000 - $34,999	2,167	5,063	4,951	3,609	2,083	2,190	1,836	454	21,353	*14.5%*
$35,000 - $49,999	964	5,303	5,734	4,441	2,453	2,108	1,475	325	22,803	*15.5%*
$50,000 - $74,999	497	4,049	5,091	4,552	2,567	1,696	1,035	230	19,695	*13.4%*
$75,000 - $99,999	132	1,434	2,221	2,321	964	587	397	74	8,130	*5.5%*
$100,000 - $124,999	43	509	891	692	555	213	140	27	2,980	*2.0%*
$125,000 - $149,999	38	161	359	395	250	146	59	19	1,427	*1.0%*
$150,000 - $199,999	23	180	293	309	141	109	57	17	1,120	*0.8%*
$200,000 and up	8	91	250	307	256	154	139	29	1,234	*0.8%*
Total	10,255	29,298	31,901	25,354	16,256	16,323	13,759	4,140	147,286	*100.0%*
Percent	*7.0%*	*19.9%*	*21.7%*	*17.2%*	*11.0%*	*11.1%*	*9.3%*	*2.8%*	*100.0%*	

Source: Nielsen Claritas; Ribbon Demographics

ribbon demographics
www.ribbondata.com

HOUSEHOLD DATA

© 2015 All rights reserved

nielsen
Nielsen Claritas

Households by Income and Age
St. Louis city, Missouri
Current Year Estimates - 2015

Income	Age 15 - 24 Years	Age 25 - 34 Years	Age 35 - 44 Years	Age 45 - 54 Years	Age 55 - 64 Years	Age 65 - 74 Years	Age 75 - 84 Years	Age 85+ Years	Total	*Percent*
Less than $15,000	3,684	7,770	4,760	5,407	6,491	3,651	2,733	1,714	36,410	*25.3%*
$15,000 - $24,999	1,037	3,997	2,618	3,269	4,034	2,525	1,976	1,022	20,478	*14.2%*
$25,000 - $34,999	828	4,216	2,854	2,977	3,278	2,033	1,245	567	17,998	*12.5%*
$35,000 - $49,999	624	4,867	3,568	3,038	3,315	2,055	996	352	18,815	*13.1%*
$50,000 - $74,999	781	5,140	4,004	3,742	3,675	2,345	779	249	20,715	*14.4%*
$75,000 - $99,999	364	3,083	2,773	2,392	2,199	1,265	369	103	12,548	*8.7%*
$100,000 - $124,999	46	1,753	1,877	1,335	1,110	617	134	51	6,923	*4.8%*
$125,000 - $149,999	5	818	881	810	701	416	106	37	3,774	*2.6%*
$150,000 - $199,999	5	702	1,059	841	711	348	84	20	3,750	*2.6%*
$200,000 and up	3	266	493	844	702	288	64	14	2,674	*1.9%*
Total	**7,577**	**32,612**	**24,867**	**24,655**	**26,216**	**15,543**	**8,486**	**4,129**	**144,085**	***100.0%***
Percent	***5.3%***	***22.6%***	***17.3%***	***17.1%***	***18.2%***	***10.8%***	***5.9%***	***2.9%***	***100.0%***	

Source: Nielsen Claritas; Ribbon Demographics

ribbon demographics
www.ribbondata.com

HOUSEHOLD DATA

© 2015 All rights reserved

nielsen
Nielsen Claritas

Households by Income and Age
St. Louis city, Missouri
Five Year Projections - 2020

Income	Age 15 - 24 Years	Age 25 - 34 Years	Age 35 - 44 Years	Age 45 - 54 Years	Age 55 - 64 Years	Age 65 - 74 Years	Age 75 - 84 Years	Age 85+ Years	Total	*Percent*
Less than $15,000	3,249	6793	4934	4865	6206	4532	2816	1591	34,986	*24.0%*
$15,000 - $24,999	872	3,547	2,757	2,966	3,907	3,194	2,074	984	20,301	*13.9%*
$25,000 - $34,999	685	3,686	2,977	2,651	3,157	2,543	1,308	537	17,524	*12.0%*
$35,000 - $49,999	564	4,551	3,914	2,872	3,359	2,721	1,105	353	19,419	*13.3%*
$50,000 - $74,999	692	4,674	4,514	3,467	3,639	3,038	833	239	20,896	*14.3%*
$75,000 - $99,999	329	2,876	3,057	2,278	2,224	1,699	413	99	12,975	*8.9%*
$100,000 - $124,999	48	1,779	2,237	1,369	1,218	882	164	61	7,758	*5.3%*
$125,000 - $149,999	10	853	1,080	848	796	627	140	43	4,397	*3.0%*
$150,000 - $199,999	10	705	1,222	851	764	498	95	19	4,164	*2.9%*
$200,000 and up	6	394	672	987	877	468	92	23	3,429	*2.4%*
Total	**6,465**	**29,768**	**27,164**	**23,154**	**26,107**	**20,202**	**9,040**	**3,949**	**145,849**	***100.0%***
Percent	***4.4%***	***20.4%***	***18.6%***	***15.9%***	***17.9%***	***13.9%***	***6.2%***	***2.7%***	***100.0%***	

Source: Nielsen Claritas; Ribbon Demographics

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **St. Louis city, Missouri** nielsen

© 2016 All rights reserved Nielsen Claritas

Renter Households

Age 15 to 54 Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	6,598	2,654	1,146	1,138	[illegible]	12,681
$10,000-20,000	4,141	2,500	1,204	755	1,145	9,706
$20,000-30,000	4,336	2,387	1,208	777	887	9,595
$30,000--0,000	3,162	1,597	1,070	653	587	7,069
$40,000-50,000	2,118	1,211	870	459	402	5,060
$50,000-60,000	1,511	1,365	726	525	269	4,100
$60,000-75,000	1,015	919	492	328	284	2,978
$75,000-100,000	[illegible]	991	593	195	143	1,984
$100,000-125,000	531	403	217	90	81	1,314
$125,000-150,000	159	148	41	26	67	432
$150,000-200,000	179	114	113	30	51	487
$200,000+	139	71	27	24	69	384
Total	**24,110**	**14,376**	**7,955**	**4,699**	**4,749**	**55,889**

Renter Households

Aged 55+ Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	3,861	537	147	151	59	4,755
$10,000-20,000	4,341	573	259	135	100	5,709
$20,000-30,000	1,724	400	135	137	102	2,724
$30,000--0,000	1,056	414	124	103	93	1,974
$40,000-50,000	817	272	86	98	52	1,325
$50,000-60,000	513	309	68	65	57	1,014
$60,000-75,000	465	216	87	68	45	891
$75,000-100,000	319	189	65	72	34	670
$100,000-125,000	300	108	42	55	20	525
$125,000-150,000	188	73	26	28	18	333
$150,000-200,000	136	56	15	20	14	241
$200,000+	113	40	12	17	18	200
Total	**13,751**	**3,893**	**1,136**	**955**	**605**	**20,341**

Renter Households

Aged 62+ Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	2,474	271	101	88	52	2,984
$10,000-20,000	3,218	377	136	107	69	4,107
$20,000-30,000	1,239	327	64	107	46	1,783
$30,000--0,000	606	309	43	65	78	1,101
$40,000-50,000	506	101	51	11	15	711
$50,000-60,000	276	114	37	52	48	527
$60,000-75,000	294	72	32	50	19	474
$75,000-100,000	227	96	35	42	25	425
$100,000-125,000	121	54	17	34	15	241
$125,000-150,000	106	35	12	19	14	184
$150,000-200,000	65	27	9	11	10	121
$200,000+	53	16	5	11	7	104
Total	**9,184**	**1,997**	**513**	**632**	**126**	**12,792**

Renter Households

All Age Groups

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	10,199	3,171	1,313	1,209	934	17,416
$10,000-20,000	9,192	3,373	1,563	851	1,215	15,115
$20,000-30,000	6,060	2,993	1,363	911	889	12,319
$30,000--0,000	4,168	2,315	1,194	760	675	9,043
$40,000-50,000	2,935	1,483	965	557	445	6,385
$50,000-60,000	2,029	1,674	794	593	326	5,213
$60,000-75,000	1,480	1,165	499	595	329	3,869
$75,000-100,000	741	1,185	557	195	175	2,654
$100,000-125,000	831	511	259	135	101	1,839
$125,000-150,000	338	221	67	54	85	765
$150,000-200,000	315	170	128	50	65	728
$200,000+	243	114	39	23	34	584
Total	**37,851**	**18,269**	**9,091**	**5,655**	**5,354**	**76,230**

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **St. Louis city, Missouri** nielsen

© 2010 All rights reserved Nielsen Claritas

Owner Households

Age 15 to 54 Years

Base Year 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	469	524	312	127	199	1,631
$10,000-20,000	576	286	375	169	225	1,639
$20,000-30,000	944	345	471	314	297	2,369
$30,000-40,000	1,486	1,017	474	318	568	3,877
$40,000-50,000	1,403	744	557	459	507	3,670
$50,000-60,000	1,252	1,070	518	626	507	3,958
$60,000-75,000	1,075	1,567	318	613	489	4,563
$75,000-100,000	1,179	2,415	376	963	795	6,278
$100,000-125,000	548	1,416	767	596	277	3,604
$125,000-150,000	184	595	356	354	162	1,651
$150,000-200,000	211	448	223	310	104	1,296
$200,000+	124	247	192	186	99	948
Total	**9,895**	**10,824**	**6,032**	**5,065**	**4,059**	**35,875**

Owner Households

Aged 55+ Years

Base Year 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	1,771	875	230	91	105	3,072
$10,000-20,000	3,074	1,453	388	109	164	5,188
$20,000-30,000	2,022	1,554	383	149	231	4,379
$30,000-40,000	1,299	1,449	408	143	141	3,442
$40,000-50,000	941	1,057	371	151	138	2,581
$50,000-60,000	625	983	203	112	75	1,998
$60,000-75,000	418	1,068	391	175	149	2,347
$75,000-100,000	590	930	485	154	160	2,319
$100,000-125,000	232	597	267	71	94	1,265
$125,000-150,000	177	354	120	55	65	731
$150,000-200,000	138	246	59	30	55	508
$200,000+	169	247	73	19	32	501
Total	**11,187**	**10,806**	**3,379**	**1,210**	**1,113**	**28,331**

Owner Households

Aged 62+ Years

Base Year 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	1,112	607	133	61	72	2,047
$10,000-20,000	2,646	1,203	279	93	153	4,344
$20,000-30,000	1,645	1,253	289	109	156	3,482
$30,000-40,000	889	1,044	209	110	104	2,446
$40,000-50,000	553	759	235	118	106	1,771
$50,000-60,000	349	651	171	40	44	1,207
$60,000-75,000	347	712	198	63	65	1,385
$75,000-100,000	387	479	170	53	65	1,155
$100,000-125,000	140	244	119	26	51	580
$125,000-150,000	107	152	72	27	31	389
$150,000-200,000	59	84	31	6	25	205
$200,000+	65	111	24	7	19	226
Total	**8,339**	**7,351**	**1,992**	**634**	**889**	**19,235**

Owner Households

All Age Groups

Base Year 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	2,540	1,210	442	248	244	4,703
$10,000-20,000	3,917	1,723	763	269	349	7,021
$20,000-30,000	2,966	2,127	854	463	528	6,948
$30,000-40,000	2,770	2,447	883	461	709	7,319
$40,000-50,000	2,267	1,801	928	613	645	6,254
$50,000-60,000	1,877	2,053	713	738	472	5,953
$60,000-75,000	1,693	2,635	1,210	734	638	6,910
$75,000-100,000	1,719	3,345	1,161	1,117	955	8,597
$100,000-125,000	720	2,013	1,034	667	375	4,869
$125,000-150,000	361	909	476	409	227	2,382
$150,000-200,000	329	694	282	340	159	1,804
$200,000+	293	294	298	212	131	1,449
Total	**21,382**	**21,630**	**9,411**	**6,284**	**5,532**	**64,209**

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data St. Louis city, Missouri nielsen

© 2015 All rights reserved

Renter Households

Age 15 to 54 Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	7,153	2,885	1,925	1,165	715	13,842
$10,000-20,000	4,609	2,582	1,188	701	1,158	10,209
$20,000-30,000	3,886	2,042	1,093	713	849	8,593
$30,000-40,000	3,069	1,453	890	577	499	6,488
$40,000-50,000	2,248	1,094	810	446	398	4,995
$50,000-60,000	1,525	1,033	580	245	186	3,369
$60,000-75,000	1,210	1,002	423	289	227	3,151
$75,000-100,000	734	1,143	358	353	174	2,470
$100,000-125,000	572	426	222	78	60	1,360
$125,000-150,000	155	243	55	31	59	547
$150,000-200,000	239	146	142	38	56	582
$200,000+	131	59	104	42	39	465
Total	28,530	14,071	7,776	4,477	4,408	56,062

Renter Households

Aged 55+ Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	3,359	549	191	156	56	4,751
$10,000-20,000	3,144	1,069	275	142	93	6,724
$20,000-30,000	2,067	736	189	128	185	3,214
$30,000-40,000	1,247	671	121	124	101	2,264
$40,000-50,000	670	299	72	105	37	1,276
$50,000-60,000	601	382	61	37	48	1,129
$60,000-75,000	639	224	86	56	95	1,090
$75,000-100,000	437	245	85	30	37	934
$100,000-125,000	344	141	67	34	22	608
$125,000-150,000	251	74	33	26	19	403
$150,000-200,000	235	77	23	31	17	381
$200,000+	198	66	14	21	20	319
Total	15,920	4,196	1,208	969	590	23,183

Renter Households

Aged 62+ Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	2,248	259	88	71	32	2,692
$10,000-20,000	3,708	711	152	103	61	4,739
$20,000-30,000	1,672	399	63	90	35	1,959
$30,000-40,000	754	276	53	34	32	1,149
$40,000-50,000	550	100	19	11	32	785
$50,000-60,000	359	123	42	52	47	623
$60,000-75,000	356	90	46	51	78	661
$75,000-100,000	356	151	49	45	38	639
$100,000-125,000	203	91	36	24	15	371
$125,000-150,000	167	43	11	20	12	255
$150,000-200,000	148	41	15	16	13	233
$200,000+	115	27	9	13	14	178
Total	10,156	2,113	503	623	394	14,489

Renter Households

All Age Groups

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	10,992	3,352	2,113	1,290	851	18,593
$10,000-20,000	9,757	3,651	1,155	912	1,251	16,933
$20,000-30,000	5,953	2,798	1,273	945	848	11,807
$30,000-40,000	4,316	2,124	1,011	701	600	8,752
$40,000-50,000	3,118	1,586	891	551	425	6,371
$50,000-60,000	1,926	1,355	641	320	236	4,478
$60,000-75,000	1,849	1,246	509	355	282	4,241
$75,000-100,000	1,200	1,537	423	383	161	3,404
$100,000-125,000	916	569	289	112	82	1,968
$125,000-150,000	406	317	92	57	78	950
$150,000-200,000	442	217	165	69	70	963
$200,000+	279	162	118	54	72	785
Total	43,250	18,567	8,984	5,446	4,998	79,245

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **St. Louis city, Missouri** nielsen

© 2015 All rights reserved

Nielsen Company

Owner Households

Age 15 to 54 Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-19,000	[illegible]	346	232	[illegible]	142	**1,607**
$19,000-29,000	780	252	370	192	237	**1,791**
$29,000-39,000	738	406	407	289	216	**2,047**
$39,000-49,000	1,108	748	429	289	467	**3,041**
$49,000-59,000	1,175	581	451	581	453	**3,041**
$59,000-69,000	952	753	422	592	294	**2,813**
$69,000-75,000	1,172	1,182	712	558	414	**4,344**
$75,000-100,000	1,735	2,189	954	838	590	**6,142**
$100,000-125,000	516	1,561	781	622	271	**3,651**
$125,000-150,000	220	766	447	402	132	**1,967**
$150,000-200,000	288	803	345	429	140	**2,005**
$200,000+	152	356	266	257	109	**1,140**
Total	**9,175**	**10,248**	**5,878**	**4,777**	**3,574**	**33,649**

Owner Households

Aged 55+ Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-19,000	1,577	849	267	105	95	**3,213**
$19,000-29,000	2,992	1,174	382	109	196	**5,253**
$29,000-39,000	2,273	1,627	500	172	236	**4,813**
$39,000-49,000	1,408	1,398	451	185	186	**3,828**
$49,000-59,000	911	1,051	317	173	151	**2,651**
$59,000-69,000	579	1,180	156	137	70	**2,252**
$69,000-75,000	753	1,187	470	158	179	**2,587**
$75,000-100,000	761	1,232	606	201	195	**3,002**
$100,000-125,000	280	567	279	79	108	**1,304**
$125,000-150,000	206	357	140	56	98	**857**
$150,000-200,000	211	350	95	56	70	**782**
$200,000+	162	387	113	46	41	**749**
Total	**12,550**	**11,782**	**3,806**	**1,448**	**1,605**	**31,191**

Owner Households

Aged 62+ Years

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-19,000	1,126	356	159	74	65	**1,991**
$19,000-29,000	2,521	1,212	227	65	150	**4,185**
$29,000-39,000	1,729	1,254	346	117	146	**3,592**
$39,000-49,000	395	1,187	343	134	131	**2,790**
$49,000-59,000	596	779	227	143	95	**1,840**
$59,000-69,000	477	904	117	53	53	**1,568**
$69,000-75,000	423	744	245	66	76	**1,554**
$75,000-100,000	516	705	262	90	117	**1,690**
$100,000-125,000	192	281	144	27	58	**702**
$125,000-150,000	124	200	83	32	36	**475**
$150,000-200,000	120	159	55	31	18	**382**
$200,000+	99	182	35	15	26	**357**
Total	**8,863**	**8,141**	**2,303**	**847**	**972**	**21,126**

Owner Households

All Age Groups

Year 2015 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-19,000	2,651	1,195	519	274	237	**4,880**
$19,000-29,000	3,752	1,706	752	301	193	**6,911**
$29,000-39,000	3,016	2,033	907	452	452	**6,860**
$39,000-49,000	2,517	2,146	850	473	653	**6,869**
$49,000-59,000	2,119	1,635	768	556	584	**5,692**
$59,000-69,000	1,631	1,933	658	529	364	**5,065**
$69,000-75,000	1,923	2,591	1,164	660	593	**6,931**
$75,000-100,000	1,981	3,641	1,590	1,038	894	**9,144**
$100,000-125,000	896	1,928	1,060	693	379	**4,955**
$125,000-150,000	426	1,123	587	458	230	**2,824**
$150,000-200,000	499	1,153	440	485	210	**2,787**
$200,000+	314	43	379	306	129	**1,889**
Total	**21,725**	**22,027**	**9,684**	**6,225**	**5,179**	**64,840**

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **St. Louis city, Missouri** nielsen

© 2011 All rights reserved Report Date

Renter Households

Age 15 to 54 Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	6,290	2,562	1,551	1,015	156	**12,327**
$10,000-20,000	4,241	2,544	1,100	674	1,047	**9,606**
$20,000-30,000	3,650	1,539	1,075	653	807	**8,672**
$30,000-40,000	3,145	1,490	905	568	495	**6,511**
$40,000-50,000	2,330	1,121	783	449	390	**5,073**
$50,000-60,000	1,317	1,015	597	227	177	**3,360**
$60,000-75,000	1,240	1,012	447	306	253	**3,258**
$75,000-100,000	807	1,221	381	153	117	**2,679**
$100,000-125,000	683	524	251	67	76	**1,603**
$125,000-150,000	209	282	74	50	69	**684**
$150,000-200,000	259	152	163	51	60	**685**
$200,000+	241	142	124	70	58	**636**
Total	**24,772**	**12,605**	**7,769**	**4,353**	**4,265**	**54,764**

Renter Households

Aged 55+ Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	4,091	610	190	142	53	**5,086**
$10,000-20,000	5,310	1,137	290	149	58	**7,244**
$20,000-30,000	2,220	894	170	141	113	**3,478**
$30,000-40,000	1,435	740	129	155	102	**2,549**
$40,000-50,000	1,056	325	71	107	16	**1,585**
$50,000-60,000	747	366	70	88	41	**1,282**
$60,000-75,000	771	362	98	65	46	**1,242**
$75,000-100,000	640	287	103	75	44	**1,149**
$100,000-125,000	451	187	74	44	23	**779**
$125,000-150,000	321	107	34	34	18	**514**
$150,000-200,000	319	99	35	36	14	**503**
$200,000+	314	87	26	34	15	**478**
Total	**17,915**	**5,020**	**1,289**	**1,050**	**605**	**25,885**

Renter Households

Aged 62+ Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	2,564	369	89	82	45	**3,089**
$10,000-20,000	4,187	798	167	113	56	**5,319**
$20,000-30,000	1,570	455	61	160	45	**2,231**
$30,000-40,000	926	439	51	94	86	**1,596**
$40,000-50,000	699	131	50	16	37	**963**
$50,000-60,000	467	163	46	73	35	**784**
$60,000-75,000	577	96	46	48	37	**704**
$75,000-100,000	492	194	56	43	32	**817**
$100,000-125,000	283	127	45	53	17	**503**
$125,000-150,000	222	64	32	29	14	**341**
$150,000-200,000	210	58	20	24	13	**325**
$200,000+	186	41	15	19	12	**273**
Total	**12,393**	**2,873**	**656**	**706**	**417**	**17,035**

Renter Households

All Age Groups

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	10,681	3,175	2,041	1,237	789	**17,913**
$10,000-20,000	9,831	3,381	1,390	923	1,135	**16,550**
$20,000-30,000	5,930	2,665	1,245	794	920	**11,550**
$30,000-40,000	4,576	2,125	1,132	703	598	**9,660**
$40,000-50,000	3,366	1,446	854	556	436	**6,658**
$50,000-60,000	2,064	1,378	667	312	218	**4,642**
$60,000-75,000	2,011	1,274	565	371	279	**4,500**
$75,000-100,000	1,447	1,508	484	228	161	**3,828**
$100,000-125,000	1,116	711	325	111	99	**2,282**
$125,000-150,000	530	389	105	84	87	**1,198**
$150,000-200,000	578	251	198	87	73	**1,188**
$200,000+	582	198	149	103	51	**1,084**
Total	**42,697**	**18,625**	**9,058**	**5,403**	**4,870**	**80,553**

ribbon demographics

www.ribbondata.com

HISTA 2.2 Summary Data **St. Louis city, Missouri** nielsen

© 2016 All rights reserved Nielsen Company

Owner Households

Age 15 to 54 Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	644	291	219	148	125	1,447
$10,000-20,000	611	459	308	429	222	1,439
$20,000-30,000	555	357	324	275	180	1,771
$30,000-40,000	967	593	386	267	404	2,617
$40,000-50,000	1,077	469	405	366	403	2,723
$50,000-60,000	998	651	369	319	253	2,180
$60,000-75,000	1,144	1,319	675	505	403	4,043
$75,000-100,000	1,253	1,210	893	533	691	5,861
$100,000-125,000	660	1,387	552	675	275	3,830
$125,000-150,000	244	806	508	409	140	2,107
$150,000-200,000	327	558	353	447	138	2,103
$200,000+	214	409	128	278	134	1,363
Total	**8,704**	**9,459**	**5,598**	**4,649**	**3,377**	**32,787**

Owner Households

Aged 55+ Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	1,519	877	282	95	96	3,269
$10,000-20,000	3,002	1,449	573	107	173	5,104
$20,000-30,000	2,441	1,082	529	440	245	5,043
$30,000-40,000	1,578	1,752	475	171	205	4,171
$40,000-50,000	1,011	1,169	459	177	133	2,813
$50,000-60,000	731	1,267	190	163	67	2,398
$60,000-75,000	786	1,259	451	141	189	2,827
$75,000-100,000	987	1,322	659	265	193	3,285
$100,000-125,000	341	672	317	92	123	1,545
$125,000-150,000	268	457	189	68	110	1,092
$150,000-200,000	244	369	124	69	74	873
$200,000+	243	496	144	46	53	982
Total	**13,181**	**12,732**	**4,086**	**1,480**	**1,628**	**33,109**

Owner Households

Aged 62+ Years

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	1,181	575	189	68	63	2,077
$10,000-20,000	2,575	1,216	249	69	134	4,239
$20,000-30,000	1,589	1,362	390	119	143	3,903
$30,000-40,000	1,183	1,346	375	125	147	3,176
$40,000-50,000	671	887	244	131	104	2,060
$50,000-60,000	487	1,001	147	60	54	1,749
$60,000-75,000	464	904	285	78	84	1,811
$75,000-100,000	655	814	310	97	117	1,993
$100,000-125,000	252	362	183	33	71	901
$125,000-150,000	180	286	124	38	35	663
$150,000-200,000	149	189	75	39	15	462
$200,000+	184	261	48	39	28	521
Total	**9,843**	**9,200**	**2,614**	**893**	**1,005**	**23,555**

Owner Households

All Age Groups

Year 2020 Projections

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	2,563	1,168	501	263	221	4,715
$10,000-20,000	3,613	1,908	883	236	395	6,543
$20,000-30,000	3,696	2,039	953	441	395	6,814
$30,000-40,000	2,545	2,535	861	438	609	6,788
$40,000-50,000	2,091	1,608	755	543	541	5,538
$50,000-60,000	1,639	1,898	559	462	320	4,878
$60,000-75,000	1,940	2,578	1,126	646	583	6,875
$75,000-100,000	2,160	2,552	1,552	1,016	887	9,147
$100,000-125,000	1,001	2,059	1,149	767	403	5,375
$125,000-150,000	512	1,263	697	477	252	3,199
$150,000-200,000	571	1,198	475	516	214	2,975
$200,000+	427	992	474	324	130	2,345
Total	**22,188**	**22,191**	**9,683**	**6,129**	**5,005**	**65,196**

ribbon demographics

www.ribbondata.com

POPULATION DATA

© 2015 All rights reserved

nielsen

Nielsen Claritas

Population by Age & Sex

St. Louis city, Missouri

Census 2010				*Current Year Estimates - 2015*				*Five-Year Projections - 2020*			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	10,779	10,310	**21,089**	0 to 4 Years	11,085	10,112	**21,197**	0 to 4 Years	10,177	10,009	**20,186**
5 to 9 Years	8,851	8,528	**17,379**	5 to 9 Years	10,168	9,604	**19,772**	5 to 9 Years	10,731	10,109	**20,840**
10 to 14 Years	8,521	8,390	**16,911**	10 to 14 Years	8,769	8,469	**17,238**	10 to 14 Years	9,869	9,327	**19,196**
15 to 17 Years	6,183	5,977	**12,160**	15 to 17 Years	5,616	5,440	**11,056**	15 to 17 Years	5,665	5,354	**11,020**
18 to 20 Years	7,835	8,079	**15,914**	18 to 20 Years	6,593	6,868	**13,461**	18 to 20 Years	6,291	6,298	**12,589**
21 to 24 Years	10,925	12,404	**23,329**	21 to 24 Years	8,946	9,540	**18,486**	21 to 24 Years	7,651	7,313	**14,964**
25 to 34 Years	28,158	29,503	**57,661**	25 to 34 Years	28,080	30,302	**58,382**	25 to 34 Years	25,316	28,249	**53,565**
35 to 44 Years	20,306	19,938	**40,244**	35 to 44 Years	20,[illegible]10	20,6[illegible]	**41,114**	35 to 44 Years	22,068	22,439	**44,507**
45 to 54 Years	22,451	22,360	**44,811**	45 to 54 Years	20,020	19,661	**39,681**	45 to 54 Years	18,604	18,410	**37,014**
55 to 64 Years	16,669	17,952	**34,621**	55 to 64 Years	18,837	20,219	**39,056**	55 to 64 Years	18,997	19,814	**38,811**
65 to 74 Years	7,662	10,027	**17,689**	65 to 74 Years	9,611	11,749	**21,360**	65 to 74 Years	12,685	14,982	**27,667**
75 to 84 Years	4,309	7,799	**12,108**	75 to 84 Years	4,155	6,932	**11,087**	75 to 84 Years	4,677	7,083	**11,760**
85 Years and Up	1,522	3,856	**5,378**	85 Years and Up	1,557	3,930	**5,487**	85 Years and Up	1,503	3,751	**5,254**
Total	154,171	165,123	**319,294**	Total	153,877	163,800	**317,677**	Total	154,535	162,138	**317,673**
62+ Years	n/a	n/a	43,391	62+ Years	n/a	n/a	48,088	62+ Years	n/a	n/a	55,984
		Median Age:	**34.2**			Median Age:	**34.8**			Median Age:	**36.4**

Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
www.ribbondata.com
Tel: 919-380-1944

APPENDIX E

Allowances for Tenant-Furnished Utilities And Other Services

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

Locality: St Louis, MO	Unit Type: Low Rise/Multi Family Attached Flat (3,4 or more Family Fla), Garden/Walk-Up, High Rise/Elevator Structure (5+ floors)	Date: 1/1/2015

		Monthly Dollar Allowances; Number of Bedrooms								
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR
Heating	a. Natural Gas	32	36	39	43	48	52	57	62	68
	b. Electric: Resistance	15	19	21	24	30	35	40	46	53
Cooking	a. Natural Gas	5	6	8	10	13	14	17	19	22
	b. Electric	6	8	10	13	16	18	21	24	28
Other Electric/Lighting		24	30	36	42	51	57	65	73	83
Air Conditioning		7	9	12	15	19	21	25	28	32
Water Heating	a. Natural Gas	10	14	18	22	28	32	37	42	48
	b. Electric	15	21	27	33	42	48	55	63	73
Water	a. St Louis City	13	15	19	26	33	39	46	53	59
	b. St Louis County	21	25	31	41	50	60	70	79	89
Sewer	[All areas]	24	27	35	45	56	66	77	87	98
Trash Collection	a. St Louis City	11	11	11	11	11	11	11	11	11
	b. St Louis County	11	11	11	11	11	11	11	11	11
Range/Microwave		14	14	14	14	14	14	14	14	14
Refrigerator		14	14	14	14	14	14	14	14	14

Actual Family Allowances To be used by the family to compute allowance. Complete below for the actual unit rented.

Name of Family

Address of Unit

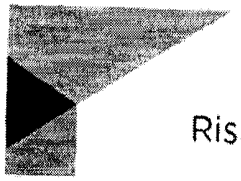
Number of Bedrooms

Utility or Service	Monthly Cost
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	**$**

Adapted from form HUD-52667

File: Utility Allowance Sheets 2015
Sheet: HUD-52667_Apartment 12/23/2014 7:09 AM

APPENDIX F



RiskMeter Online™ Report

CoreLogic

Address

Policy Number:
Output Address: 1322 DOLMAN ST, SAINT LOUIS MO 63104
Input Address: 1322 Dolman Street, Saint Louis MO
FloodResult: $$ (Flood Accurate)

Flood Zone Determinations

Panel Date	May 24, 2011
Map Number	29510C0102C
FIPS Code	29510
Census Tract	1274.00

FloodMap Legend

Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Copyright 2006, CSC Business Mapping. All rights reserved.

CoreLogic

APPENDIX G

EXHIBIT

22

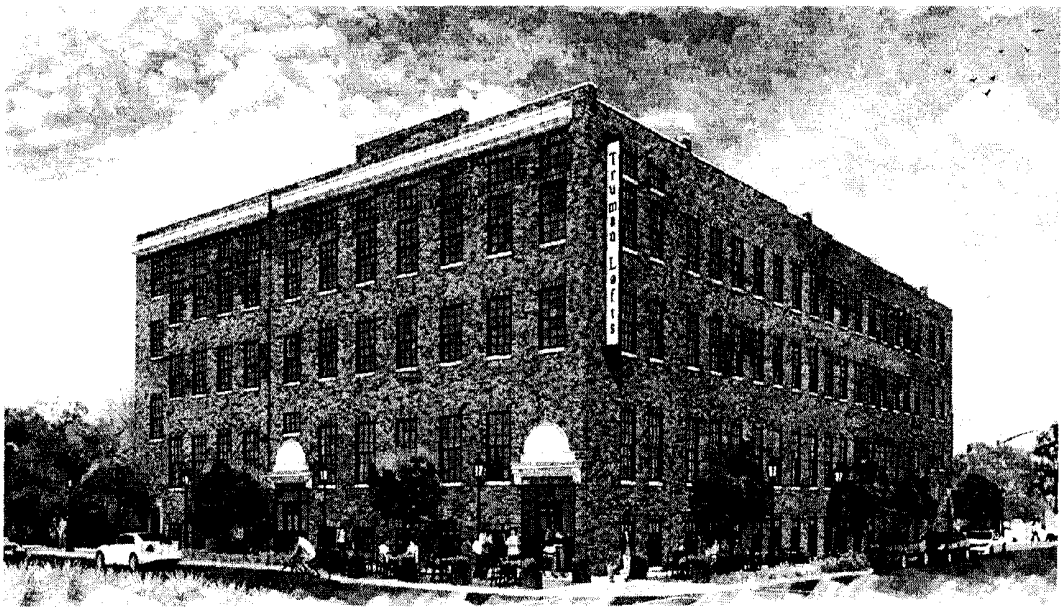
(Loan Program)

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

September 1, 2015

GL/TL EB-5 LENDER, LLC
(a Missouri limited liability company)

Rendering of the Truman Lofts Component



Rendering of the Gerhart Lofts Component

GL/TL EB-5 LENDER, LLC (the "**Company**") has been organized to provide a loan (the "**Loan**" or "**EB-5 Loan**") to **GL/TL EB-5 OWNER, LLC**, a – Missouri limited liability company (the "**Developer**" or "**Borrower**"), for the development of two (2) new residential complexes, the Gerhart Lofts and the Truman Lofts, in St. Louis, Missouri. The Gerhart Lofts will be located at the intersection of Laclede Avenue and Vandeventer Avenue in St. Louis, and the Truman Loft will be located at 1322 Dolman Street in St. Louis (collectively, the "**Project**"). The main principals of the Developer are Bill Luchini (sometimes hereinafter collectively referred to as the "**Developer Principals**". (Please refer to **Exhibit E** for detailed background information on the Developer Principals.)

Gateway to the Midwest Investment Center, Inc., a Missouri corporation (the "**Regional Center**"), is an approved regional center under the EB-5 program (the "**EB-5 Program**") with the United States Citizenship and Immigration Service ("**USCIS**") authorized under The Immigration Act of 1990 (IMMACT 90), effective November 29, 1991 ("**Immigration Act**"), for purposes of authorizing foreign investors in the Company to include both direct and indirect job creation from investment in participating businesses toward qualification for the EB-5 Program, and it will be granting the Project the rights to utilize the EB-5 program to raise capital for the development and operation of the Project. The Regional Center will agree to sponsor the Project for participation in the EB-5 Program pursuant to a Project Agreement with the Developer and the Company to utilize the EB-5 Regional Center designation in connection with the Loan to the Developer, whereby the Project will, in turn, create jobs (the "**Project Agreement**"). The principals of the Regional Center are not affiliated with the Developer.

The Regional Center is regional center sponsored by the City of St. Louis, St. Louis County and St. Charles County, Missouri

The Company will be managed by its manager, GL/TL EB-5 Manager, LLC, a Missouri limited liability company (the "**Manager**").

The Units have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or applicable state securities laws. The Units are being sold in reliance on exemptions from the registration requirements of the Securities Act provided by Regulation S (pursuant to which the Units may not be offered or sold in the United States or to U.S. persons, as described below) and/or Section 4(a)(2) of the Securities Act or Regulation D, and may not be transferred or resold except as permitted under such laws. Hedging transactions involving the securities may not be conducted, unless in compliance with the Securities Act and the documents governing the Company.

Neither the Securities and Exchange Commission nor any state securities regulatory authority has approved or disapproved the offer and sale of these Units or determined if this confidential private placement memorandum (the "Offering Memorandum") is accurate or complete. Any representation to the contrary is a criminal offense.

Investment in the Units involves a high degree of risk (See "V. RISK FACTORS") and there are substantial restrictions on transferability of the Units. Investing Members should not

invest in the Units unless such Investing Members can bear the complete loss of their investment. See "V. C. 2. and 3. RISK FACTORS – Risks Related to the Offering."

NO PARTY EXCEPT THE COMPANY IS RESPONSIBLE FOR THE CONTENTS OF THIS OFFERING MEMORANDUM, AND NO OTHER PARTY EXCEPT AUTHORIZED SALES AGENTS WILL BE INVOLVED IN THE OFFERING OF UNITS UNDER THIS OFFERING MEMORANDUM OR THE ACCEPTANCE OF SUBSCRIPTIONS FROM SUBSCRIBERS. NEITHER THE DEVELOPER NOR ITS PRINCIPALS ASSUME ANY RESPONSIBILITY FOR THIS OFFERING MEMORANDUM EXCEPT FOR THE INFORMATION PROVIDED BY IT PURSUANT TO THIS OFFERING.

This is an offering (the "**Offering**") of up to twelve (12) units (the "**Units**") with each Unit consisting of a limited liability membership interest in the Company ("**Membership Interest**").

Offering Price:	$500,000	per Unit
Maximum Offering Amount:	$6,000,000	*or* 12 Units
Minimum Subscription:	$500,000	*or* 1 Unit

The offering price ("**Offering Price**") does not include the amount of Sixty Five Thousand Dollars ($65,000) per Unit payable by a subscriber for Offering costs, migration agent and/or brokerage fees and administrative expenses ("**Expense Amount**"). The Offering Price and Expense Amount must be paid by wire transfer upon subscription for a Unit.

The Economic Study (as defined below) anticipates that sufficient jobs should be created to meet the requirements of the EB-5 Program with respect to the Maximum Offering Amount.

The Company is making the Offering only to a limited number of individual persons who are (i) not "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act, in compliance with Regulation S, on a limited and private basis, or (ii) "accredited investors," as defined in Rule 501 under the Securities Act and pursuant to Regulation D of the Securities Act ("**Accredited Investors**"). Such Units shall be described in the Operating Agreement to be entered into by and among the Manager and each of the subscribers for Units (each, a "**Subscriber**," or, once such subscription has been accepted, an "**Investing Member**") whose subscriptions are accepted by the Company pursuant to the Subscription Agreement between each Investing Member and the Company (the "**Subscription Agreement**"). See "II. A. THE OFFERING - General," "VII. SUBSCRIPTION AGREEMENT" and the form of Subscription Agreement attached hereto as **Exhibit A**.

Each Investing Member must make a capital contribution to the Company in the amount of Five Hundred Thousand Dollars ($500,000) per Unit (the "**Capital Contribution**"), and must pay the Expense Amount. Investing Members, in the aggregate, will own one hundred percent (100%) of the membership interests in the Company, and each Investing Member shall be issued a Unit that

represents a limited liability company membership interest in the Company, as more fully described in the Operating Agreement.

A detailed description of the Project, including, without limitation, the construction budget, scheduled timetable and financial projections, is set forth in "III. DESCRIPTION OF THE PROJECT."

The Company is being formed to provide financing in connection with the Project. The terms and conditions of the financing are set forth in this Offering Memorandum.

The Offering has been structured so that each Investing Member, by subscribing for a Unit and becoming a member of the Company, will have made an investment that qualifies as the investment component required for an I-526 Immigrant Petition by Alien Entrepreneur ("**I-526 Petition**") that entitles the Investing Member to seek permanent United States residency and, ultimately, to apply for U.S. citizenship, provided that the Investing Member otherwise satisfies the non-investment criteria for an EB-5 visa ("**EB-5 Visa**"). For further information, see "IV. IMMIGRATION MATTERS" and "V. E. RISK FACTORS - Immigration Risk Factors." The Company has arranged for an immigration attorney to file an I-526 Petition on behalf of each Investing Member, at the Investing Member's sole cost and expense, which petition will be filed following acceptance of the subscription and admission of the Investing Member as a member of the Company. An Investing Member may elect to use his or her own attorney to file the I-526 Petition, at the Investing Member's sole cost and expense, provided that the Company may require that an immigration attorney selected by the Company review the Investing Member's I-526 Petition to ensure consistency with this Offering Memorandum, in which case the Investing Member will be required to pay such immigration attorney's fee for performing such review.

The Offering will end on September 30, 2016 at 5:00 p.m. EST, unless extended by mutual agreement of the Manager and Developer until December 31, 2016, in the Manager's sole discretion ("**Offering Period**"). Notwithstanding the foregoing, the Company reserves the right, following the end of the Offering Period, to substitute an Investing Member who receives an I-526 Petition Denial with a Substitute Investing Member.

The Units are being offered for sale on a "best efforts" basis. All Capital Contributions received from Subscribers will be held in escrow accounts with Signature Bank, as escrow agent (the "**Escrow Agent**"), pursuant to an Escrow Agreement (the "**Escrow Agreement**"), until (i) the first to occur of (A) the receipt by the Company of executed subscription agreements from at least six (6) Subscribers under this Offering (the "**Initial Condition**"); or (B) one (1) I-526 Petition or a Project Exemplar has been approved by USCIS; and (ii) upon satisfaction of clause (i) above, the I-526 Petition for the applicable Subscriber has been filed (collectively, the "**Escrow Release Conditions**"), but no later than the approval of such Subscriber's I-526 Petition. After the Escrow Release Conditions (defined below) are satisfied, the Investing Member's Capital Contribution, less a twenty percent (20%) Holdback amount, as described below, will be utilized to fund the Loan even before the I-526 Petition approval has been received. Once the I-526 Petition has been approved, then the 20% Holdback amount shall be funded to the Company and used as part of the Loan, as more fully described under "I. OFFERING SUMMARY – Escrow Accounts". The Subscriber's Expense Amount shall be paid directly to the Manager upon the Subscriber's

subscribing for Units hereunder. If the Investing Member's I-526 Petition is denied by USCIS (an "**I-526 Petition Denial**"), without certification of the denial to the USCIS Administrative Appeals Office (AAO) or upon denial by the AAO upon certification, and if the Investing Member demands return of his or her Capital Contribution and Expense Amount, then the Company shall (1) to the extent that such denied Investing Member's Holdback Amount (as defined in "I. OFFERING SUMMARY – Escrow Accounts) remains in the Subscription Holdback Account (as defined in "I. OFFERING SUMMARY – Escrow Accounts) then the Holdback Amount shall be released from the Subscription Holdback Account and refunded to the Investing Member, and (2) the Company will use reasonable efforts to obtain a substitute Investing Member ("**Substitute Investing Member**") promptly following such demand, as provided below. The denied Investing Member's Membership Interest shall be repurchased by the Company upon the return of his or her Capital Contribution, using available cash. See "I. OFFERING SUMMARY – Escrow Accounts," below. Subject to satisfaction of the Escrow Release Conditions, the Company may offer and close subscriptions for Units until either (i) the Offering Period (as defined below) expires or is terminated; or (ii) twelve (12) Units, representing Capital Contributions of Six Million Dollars ($6,000,000) (the "**Maximum Offering Amount**") have been subscribed for. The Escrow Agreement will be substantially in the form of **Exhibit B** attached hereto.

IN FURNISHING THIS OFFERING MEMORANDUM, THE MANAGER RESERVE THE RIGHT TO SUPPLEMENT, AMEND OR REPLACE THIS OFFERING MEMORANDUM AT ANY TIME, BUT HAVE NO OBLIGATION TO PROVIDE THE RECIPIENT WITH ANY SUPPLEMENTAL, AMENDED, REPLACEMENT OR ADDITIONAL INFORMATION.

NOTICES TO INVESTORS

THIS OFFERING MEMORANDUM IS BEING PROVIDED TO EACH PROSPECTIVE INVESTOR ("**PROSPECTIVE INVESTOR**") IN CONNECTION WITH SUCH PROSPECTIVE INVESTOR'S INTEREST IN PURCHASING ONE OR MORE UNITS. THE PURPOSE OF THIS OFFERING MEMORANDUM IS TO FURNISH PROSPECTIVE INVESTORS WITH CERTAIN INFORMATION REGARDING A PROSPECTIVE INVESTMENT IN THE UNITS AND CERTAIN OF THE RISKS ATTENDANT THERETO. THE INFORMATION CONTAINED AND PLANS DESCRIBED IN THIS OFFERING MEMORANDUM ARE BASED ON CURRENT MARKET CONDITIONS. INFORMATION REGARDING THE COMPANY CONTAINED IN THIS OFFERING MEMORANDUM IS BASED ON INFORMATION AVAILABLE TO THE COMPANY AS OF THE DATE HEREOF AND BELIEVED BY THE COMPANY TO BE ACCURATE. CAPITALIZED TERMS USED IN THIS OFFERING MEMORANDUM BUT NOT DEFINED HEREIN SHALL HAVE THE MEANINGS SET FORTH IN THE COMPANY'S OPERATING AGREEMENT (ATTACHED HERETO AS **EXHIBIT C**) OR THE SUBSCRIPTION AGREEMENT (ATTACHED HERETO AS **EXHIBIT A**).

ANY AND ALL INFORMATION, STATISTICS, BUDGETS AND GRAPHICS RELATING TO THE PROJECT, THE SOURCES AND USES OF CAPITAL TO COMPLETE THE PROJECT, THE CONSTRUCTION BUDGET, AND CONSTRUCTION TIMELINE DESCRIBED HEREIN HAVE BEEN COMPILED BY THE DEVELOPER AND DELIVERED TO THE COMPANY AND THE MANAGER. THE DEVELOPER AND PRINCIPALS OF THE DEVELOPER EACH CONFIRMED TO THE COMPANY AND THE MANAGER THAT SUCH INFORMATION ACCURATELY DESCRIBES THE DEVELOPMENT OF THE PROJECT. NEITHER THE COMPANY, THE MANAGER NOR ANY OF THEIR RESPECTIVE AFFILIATES HAVE UNDERTAKEN ANY INDEPENDENT INVESTIGATION TO CONFIRM THE ACCURACY OR COMPLETENESS OF SUCH FINANCIAL INFORMATION, ALTHOUGH THEY HAVE NO REASON TO BELIEVE THAT SUCH INFORMATION CONTAINS ANY UNTRUE INFORMATION OF A MATERIAL FACT OR OMITS TO STATE ANY MATERIAL FACT REQUIRED TO BE STATED OR NECESSARY TO MAKE ANY STATEMENT MADE HEREIN NOT MISLEADING.

AN INVESTMENT IN THE UNITS OFFERED HEREBY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE INFORMATION SET FORTH HEREIN UNDER "RISK FACTORS." PROSPECTIVE INVESTORS MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD AND BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT.

THE UNITS ARE RESTRICTED SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE UNITS MAY NOT BE SOLD, TRANSFERRED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL

ACCEPTABLE TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED. ADDITIONALLY, THE TRANSFER OF UNITS WILL BE RESTRICTED UNDER THE OPERATING AGREEMENT. ACCORDINGLY, INVESTORS WILL BE REQUIRED TO HOLD THE UNITS INDEFINITELY.

NEITHER THE DELIVERY OF THIS OFFERING MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAVE BEEN NO CHANGES IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS OFFERING MEMORANDUM. THIS OFFERING MEMORANDUM SUPERSEDES AND REPLACES ANY AND ALL INFORMATION DELIVERED OR MADE AVAILABLE BY OR ON BEHALF OF THE COMPANY TO THE RECIPIENTS OF THIS OFFERING MEMORANDUM PRIOR TO THE DATE HEREOF.

WITH RESPECT TO THE UNITS AND THIS OFFERING MEMORANDUM, ONLY THE REGIONAL CENTER AND THE COMPANY HAVE BEEN AUTHORIZED TO MAKE REPRESENTATIONS OR GIVE INFORMATION OTHER THAN AS CONTAINED HEREIN; AND, IF GIVEN BY THEM, SUCH REPRESENTATIONS AND INFORMATION ARE NOT TO BE RELIED UPON UNLESS GIVEN IN A WRITTEN MEMORANDUM FURNISHED BY THE REGIONAL CENTER OR THE COMPANY. NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHOULD BE RELIED UPON IN CONNECTION WITH THIS OFFERING EXCEPT FOR THIS OFFERING MEMORANDUM, AND ANY OTHER INFORMATION FURNISHED BY THE REGIONAL CENTER OR THE COMPANY IN RESPONSE TO A PROSPECTIVE INVESTOR'S REQUEST. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION (WHETHER ORAL OR WRITTEN) NOT CONTAINED IN THIS OFFERING MEMORANDUM (WHETHER ORAL OR WRITTEN), AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE REGIONAL CENTER OR THE COMPANY.

THE COMPANY WILL, UPON WRITTEN REQUEST, MAKE AVAILABLE TO A PROSPECTIVE INVESTOR'S OFFSHORE AGENT, LICENSED BROKER-DEALER OR "FINDER" ALL DOCUMENTS RELATING TO THIS OFFERING AND ANY ADDITIONAL INFORMATION REGARDING THE COMPANY AND THIS OFFERING TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE. REQUESTS FOR SUCH DOCUMENTS OR INFORMATION SHOULD BE MADE IN WRITING TO GL/TL EB-5 LENDER, LLC, C/O **LAURA M. HUGHES, PROJECT MANAGER, GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC., 7733 FORSYTH BLVD., SUITE 2200, ST LOUIS, MO 63105, TELEPHONE 314-615-8151. EMAIL: LHUGHES@WORLDTRADECENTER-STL.COM.**

PROSPECTIVE SUBSCRIBERS WILL BE REQUIRED TO ACKNOWLEDGE AND AGREE THAT (I) THE MANAGER, THE REGIONAL CENTER AND DEVELOPER HAVE NOT GIVEN, AND HAVE NO AUTHORITY TO GIVE, ANY INVESTMENT ADVICE WITH RESPECT TO THE PURCHASE OF A SECURITY; AND (II) A PROSPECTIVE SUBSCRIBER HAS NOT REQUESTED OR OTHERWISE SOUGHT ANY SUCH INVESTMENT ADVICE FROM THE MANAGER, THE REGIONAL CENTER AND/OR DEVELOPER.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY OR PROFESSIONALS ASSOCIATED WITH THIS OFFERING AS LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN PERSONAL ATTORNEY, ACCOUNTANT AND OTHER ADVISORS, AT HIS OR HER OWN EXPENSE, AS TO THE LEGAL, TAX, ECONOMIC, AND OTHER CONSEQUENCES AND RISKS OF AN INVESTMENT IN THE UNITS AND THE SUITABILITY OF SUCH INVESTMENT FOR HIM/HER.

THIS OFFERING MEMORANDUM CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DOCUMENTS RELATING TO THIS INVESTMENT AND VARIOUS PROVISIONS OF RELEVANT STATUTES AND APPLICABLE REGULATIONS THEREUNDER; HOWEVER, SAID SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXT OF THE ORIGINAL DOCUMENTS, STATUTES AND REGULATIONS.

EACH PROSPECTIVE INVESTOR WHO SUBSCRIBES TO INVEST WILL BE REQUIRED TO REPRESENT AND WARRANT TO THE REGIONAL CENTER AND THE COMPANY IN HIS OR HER SUBSCRIPTION AGREEMENT THAT AMONG OTHER THINGS HE/SHE: (1) IS BUYING THE UNITS FOR HIS OR HER OWN ACCOUNT AND NOT WITH ANY VIEW TO THEIR DISTRIBUTION OR RESALE IN THE FORESEEABLE FUTURE; (2) POSSESSES SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SO THAT HE/SHE IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE UNITS; (3) IS ABLE TO BEAR THE ECONOMIC RISKS OF SUCH AN INVESTMENT; (4) COULD AFFORD A COMPLETE LOSS OF SUCH AN INVESTMENT; (5) UNDERSTANDS THE TERMS, RIGHTS, DUTIES, OBLIGATIONS, AND RESTRICTIONS CONTAINED IN THIS OFFERING MEMORANDUM, THE OPERATING AGREEMENT AND THE SUBSCRIPTION AGREEMENT; AND (6) HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND REVIEW ALL ADDITIONAL INFORMATION DETERMINED BY HIM OR HER TO BE NECESSARY TO REVIEW THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND TO OTHERWISE MAKE AN INFORMED INVESTMENT DECISION. AT THE OPTION OF THE MANAGER, A SUBSCRIPTION MAY BE CANCELED AND MADE VOID IF ANY REPRESENTATIONS MADE BY THE PROSPECTIVE INVESTOR IN HIS OR HER SUBSCRIPTION AGREEMENT OR OTHERWISE MADE TO THE REGIONAL CENTER ARE UNTRUE.

THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON RESIDING IN A JURISDICTION WHERE SUCH OFFER

OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING THE OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO.

FOR ALL NON-U.S. INVESTORS GENERALLY

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE FOR THE PURCHASE OF UNITS OFFERED HEREBY TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THE UNITS OFFERED HEREBY, AND ANY FOREIGN EXCHANGE OR OTHER NON-U.S. RESTRICTIONS THAT MAY BE RELEVANT THERETO.

IF THE INVESTOR IS (I) A PURCHASER IN A SALE THAT OCCURS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (II) A "DISTRIBUTOR," "DEALER" OR PERSON "RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION" IN RESPECT TO SECURITIES SOLD, PRIOR TO THE EXPIRATION OF THE APPLICABLE "DISTRIBUTION COMPLIANCE PERIOD" (AS DEFINED BELOW), IT ACKNOWLEDGES THAT (A) UNTIL THE EXPIRATION OF SUCH "DISTRIBUTION COMPLIANCE PERIOD" ANY OFFER OR SALE OF THE SECURITIES SHALL NOT BE MADE BY IT TO A U.S. PERSON OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON WITHIN THE MEANING OF RULE 902(K) OF THE SECURITIES ACT AND (B) UNTIL THE EXPIRATION OF THE "DISTRIBUTION COMPLIANCE PERIOD," IT MAY NOT, DIRECTLY OR INDIRECTLY, REFER, RESELL, PLEDGE OR OTHERWISE TRANSFER A SECURITY OR ANY INTEREST THEREIN EXCEPT TO A PERSON WHO CERTIFIES IN WRITING TO THE COMPANY THAT SUCH TRANSFER SATISFIES, AS APPLICABLE, THE REQUIREMENTS OF THE LEGENDS DESCRIBED HEREIN AND THAT THE SECURITIES WILL NOT BE ACCEPTED FOR REGISTRATION OF ANY TRANSFER PRIOR TO THE END OF THE APPLICABLE "DISTRIBUTION COMPLIANCE PERIOD" UNLESS THE TRANSFEREE HAS FIRST COMPLIED WITH THESE CERTIFICATION REQUIREMENTS. THE "DISTRIBUTION COMPLIANCE PERIOD" MEANS THE ONE-YEAR PERIOD FOLLOWING THE ISSUE DATE FOR THE UNITS.

CONFIDENTIALITY AND UNDERTAKINGS

The information contained in this Offering Memorandum is confidential and proprietary to the Company. By accepting delivery of this Offering Memorandum, the Investing Member is deemed to have acknowledged and agreed to the following:

(i) The information contained in this Offering Memorandum will be used by the Investing Member solely for the purpose of deciding whether to proceed with a further investigation of the Company;

(ii) This Offering Memorandum or information derived from this Offering Memorandum will be kept in strict confidence by the Investing Member and will not, whether in whole or in part, be released or discussed by the Investing Member for any purpose other than an analysis of the merits of an eventual investment in the Units by the Investing Member, nor will recipient make any reproductions of such information; and

(iii) Upon the written request of the Company, this Offering Memorandum, and any other documents or information furnished to the Investing Member and any and all reproductions thereof and notes relating thereto will be promptly returned to the Company.

NOTICE REGARDING NATIVE LANGUAGE TRANSLATION

Subscriber hereby agrees that it is the sole responsibility of Subscriber to ensure proper translation of this Offering Memorandum into their native language if necessary for Subscriber's understanding of the rights and obligations contained herein. Any language translation of this Offering Memorandum provided by any of the parties hereto is not a binding legal document and is provided solely for the Subscriber's convenience. None of the parties hereto are liable for any inaccuracies in any language translation or for any misunderstandings due to differences in language usage or dialect. In the event of any inconsistencies between this Offering Memorandum as set forth in English and any language translation, this Offering Memorandum as set forth in English and as executed shall govern. The Subscriber assumes the responsibility for fully understanding the nature and terms of the rights and obligations under this Offering Memorandum.

FORWARD-LOOKING STATEMENTS - IMPORTANT FACTORS AND ASSOCIATED RISKS

This Offering Memorandum contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, and Company intends that such forward-looking statements be subject to the safe harbors created thereby. These forward-looking statements include the plans and objectives of management for future operations, including plans and objectives relating to the future economic performance of the Project. The forward-looking statements and associated risks set forth in this Offering Memorandum include or relate to the successful implementation and operation of Developer's investment strategies and the Project business plan (the "**Project Business Plan**"), available upon request.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on various assumptions regarding Developer and its proposed operations. Such assumptions involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of Developer. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking information will be realized. In addition, as disclosed elsewhere and under "Risk Factors," the business and operations of Developer are subject to substantial risks, which increase the uncertainty inherent in such forward-looking statements. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should **not** be regarded as a representation by Developer, the Company or any other person that the objectives or plans of Developer will be achieved.

THE WORDS "ESTIMATE," "APPROXIMATE", "PLAN," "INTEND," "EXPECT," "PROPOSED," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE AND ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE (FINANCIAL OR OPERATING) OF THE COMPANY OR ACHIEVEMENTS TO DIFFER MATERIALLY FROM THE OUTCOMES, EXPRESSED OR IMPLIED, BY SUCH FORWARD-LOOKING STATEMENTS OR THE PROJECTIONS SET FORTH HEREIN. PROSPECTIVE INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF. THE REGIONAL CENTER AND THE COMPANY SPECIFICALLY DISCLAIM ANY OBLIGATION TO RELEASE ANY REVISIONS TO THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

TABLE OF CONTENTS

I. OFFERING SUMMARY 22
II. THE OFFERING 31
- A. General 31
- B. The I-526 Petition 31
- C. The Project 32
- D. Economic Study 32
- E. The Subscription Procedure 32
- F. Closings 32
- G. Risk Factors 33
- H. Senior Indebtedness and Bridge Financing 33
- I. Payment of Company Expenses and Administration 33
- J. Formation 33
- K. Regional Center-Related Responsibilities 33
- L. Transfer Restrictions; Suitability Standards 34
- M. How to Subscribe 35
- N. Miscellaneous 36
- O. Conflicts of Interest 36

III. DESCRIPTION OF THE PROJECT 39
- Project Overview 39

IV. IMMIGRATION MATTERS 43
- A. Overview 43
- B. The I-526 Petition Process 43
- C. Regional Centers 44
- D. Economical and Statistical Analysis 44
- E. Approval of I-526 Petition Not Guaranteed 45
- F. Consular Processing or Adjustment of Status 46
- G. Consular Processing 46
- H. Visa Issuance Not Guaranteed 47
- I. Admission After Immigrant Visa Issued Not Guaranteed 47
- J. Adjustment of Status 47
- K. Travel During Adjustment of Status Processing 48
- L. Employment During The Adjustment of Status Processing 49
- M. Adjustment of Status Cannot Be Guaranteed 49
- N. Removal of Conditions 50
- O. Removal of Conditions Not Guaranteed 51
- P. Preservation of Eligibility for Removal of CLPR Status 51

V. RISK FACTORS 52
- A. Risks Related to Company's Proposed Business-General 52
- B. Special Risks Associated with the Project 54
- C. Risks Related To The Offering 57
- D. Tax Risks 62
- E. Risks Related to Immigration 64
- F. Risks Related to the Escrow Agreement 74
- G. Risks Related to the Loan 74

VI. SUMMARY OF THE OPERATING AGREEMENT 78
VII. SUBSCRIPTION AGREEMENT 84
VIII. ESCROW AGREEMENT 88
IX. TAX MATTERS 89
X. ADDITIONAL INFORMATION 97

LIST OF EXHIBITS

Exhibit A	-	Subscription Agreement
Exhibit B	-	Escrow Agreement
Exhibit C	-	Operating Agreement
Exhibit D	-	Confidential Prospective Investor Questionnaire
Exhibit E	-	Background of Principals of the Developer, its management and the Regional Center
Exhibit F	-	Executive Summary, Description of the Project and Financial Projections
Exhibit G	-	TEA Letter

Note:

Other documents as listed below will be made available to Prospective Investors upon request (if available).

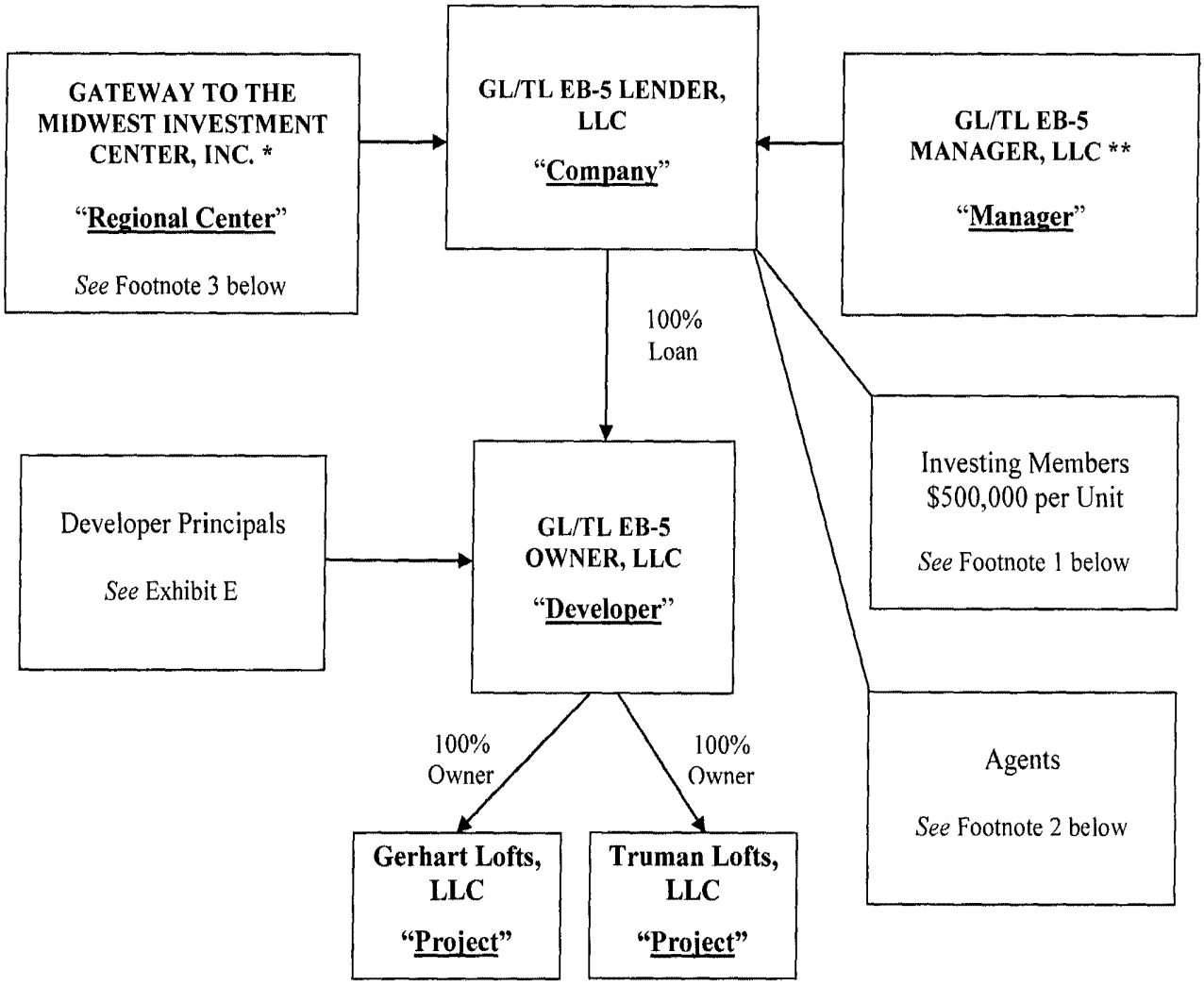
1. Copies of Title Information for Project
2. Certificate of Formation for the Company, the Manager, the Developer and the Regional Center
3. Regional Center Letter of Approval from USCIS
4. Zoning and Site Plan Information
5. Economic Report prepared by Economic and Policy Resources, Inc.
6. Business Plan
7. Feasibility Studies, marketing studies and appraisal

DEFINED TERMS INDEX

The meanings of the following defined terms set forth in this Offering Memorandum appear on the following pages:

13Fl 1
Accredited Investors 3
Adler 1
Advisers Act 61
Project Agreement 2
AILA 19
AOS 45
BEA 72
Borrower 1
Bridge Financing 21
BSA 87
Capital Contribution 3
CLPR 21
Company 1
Developer 1
Developer Principals 1
EB-5 Loan 1
EB-5 Program 2
EB-5 Visa 3
Economic Study 31
Economist 31
Escrow Agent 4
Escrow Agreement 4
Escrow Release Conditions 4
Expense Amount 3
HOA 55
Holdback Amount 25
Subscription Holdback Account 25
I-525 Petition Denial 4
I-526 Petition 3
I-829 Petition 21
Immigration Act 2
INA Act 41
Initial Condition 4
Investing Member 3
IRS 62
Loan 1
Loan Agreement 21
Management Fee 23
Manager 1
Manager Parties 79
Manager Party 79
Maturity Date 21
Maximum Offering Amount 4
Membership Interest 2
non-U.S. Investor 94
NVC 45
Offering 2
Offering Memorandum 2
Offering Period 4
Offering Price 3
Original Issue Discount 91
Project 1
Project Business Plan 11
Property 1
Prospective Investor 6
Regional Center 2
REDYN 42
Securities Act 1
Securities Laws 84
Senior Indebtedness 20
Senior Lender 20
Senior Loan 20
Subscriber 3
Subscription Agreement 3
Substitute Investing Member 4
TEA 41
Total Subscription Payment 23
U.S. Investor 90
Units 2
USA Patriot Act 87
USCIS 2

OVERVIEW STRUCTURE



* The Regional Center will enable the Company to utilize its regional center approval to create jobs pursuant to the Project Agreement.

** The Manager is affiliated with the Regional Center and will administer the Company. The Manager and Regional Center are not affiliated with the Developer.

Footnotes:

1. Excludes $65,000 per Unit for the Expense Amount which shall be funded into an expense escrow account ("**Expense Escrow Account**") and the $500,000 per Unit Capital Contribution shall be funded in a project escrow account ("**Project Escrow Account**"), as described herein.

2. Certain parties may be appointed by the Company to serve as its agents, such as a Construction Disbursement Agent.

3. The Regional Center has agreed to sponsor the Project for participation in the EB-5 Program pursuant to a Project Agreement with the Developer and the Company to utilize the EB-5 Regional Center designation in connection with the Loan to the Developer, whereby the Project will, in turn, create jobs.

DEVELOPMENT TEAM

The Developer has assembled a world-class development team of leading architects, engineers, attorneys and consultants:

DEVELOPER AND ITS MANAGEMENT

Capstone Development Group, LLC, Bill Luchini, President

Please refer to **Exhibit E** for detailed background information on the Developer Principals.

ARCHITECTURAL & ENGINEERING

Truman Lofts: Webster Design, Clayton, Missouri.
Gerhart Lofts: Cohen Hillberry Architects, St. Louis Missouri.

Please refer to **Exhibit E** for detailed background information on the Architects.

GENERAL CONTRACTOR

Crestwood Building Associates, Inc., Clayton, Missouri

Please refer to **Exhibit E** for detailed background information on the General Contractor.

RESIDENTIAL REAL ESTATE MANAGEMENT

5ive Point Properties

Please refer to **Exhibit E** for detailed background information on the Residential Real Estate Management.

COMMERCIAL REAL ESTATE MANAGEMENT – GERHART LOFTS

Duffe Nuernberger Realty, St. Louis, Missouri.

REGIONAL CENTER

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC.

Please refer to **Exhibit E** for detailed background information on the Regional Center

EB-5 CONSULTANTS AND ATTORNEYS

Immigration Counsel

Klasko Immigration Law Partners, LLP is nationally renowned for providing creative solutions to many of the most complex issues in immigration law to multinational corporations, small businesses, hospitals, universities, research institutions and individual clients. All four (4) founding partners have been selected by their peers as "Best Lawyers in America." The firm's Chairman, H. Ronald Klasko, was rated by the International Who's Who of Business Lawyers in the 2007 and 2008 editions as the most respected corporate immigration lawyer in the world. This rating was based upon nominations from both clients and other immigration lawyers. The firm's partners include a past president of the American Immigration Lawyers Association ("**AILA**"), the former Chairman of the board of trustees of the American Immigration Law Foundation, current members of AILA's Board of Governors, and current chairs of AILA committees. Additional information can be found at www.klaskolaw.com.

Corporate and Securities Counsel

Arnstein & Lehr LLP is one of the country's oldest and most respected law firms. Since its founding in 1893, the firm has served clients large and small throughout the U.S. and in many foreign countries. More than a century later, Arnstein & Lehr has established itself as a sophisticated, full-service practice that addresses the diverse and complex needs of its clients with vision, expertise, and a commitment to quality and service. Ronald R. Fieldstone, a partner specializing in corporate/securities and taxation law, is a graduate of the University of Pennsylvania's Wharton School (undergraduate and graduate) and the University of Pennsylvania Law School. Since 2009, Mr. Fieldstone and his partners, Jay M. Rosen and Julián F. Montero, have actively been involved in serving as corporate/securities counsel for multifaceted industries involving EB-5 offerings. Mr. Fieldstone represents a vast number of Regional Centers and developers in EB-5 offerings which include more than 200 projects including the preparation of private placement memoranda and related documents. Mr. Fieldstone actively lectures and publishes in the EB-5 corporate/securities fields throughout the United States and in China. He also served on the Best Practices Committee of Invest In the USA ("**IIUSA**") and currently serves on the Compliance Committee of IIUSA. Additional information can be found at www.arnstein.com.

Economist & Policy Resources, Inc., Williston, VT

Since the founding of EPR in 1983, the professionals at EPR have been providing clients with objective research, analysis, forecasting, and advisory services in multiple aspects of economics, finance, public policy, and strategic planning. The firm has completed successful projects for government, business, and institutional clients, allowing clients to move forward decisively to embrace their opportunities and/or address their problems.

The team of professionals at EPR has experience that includes a wide range of assignments. Completed projects range from performing economic impact studies for clients who need to understand how their industry or project will affect a community, state, regional, or national

economy to developing solutions and implementation strategies for dealing with the most complex economic, financial, public policy, or strategic planning problems. The firm also evaluates and drafts business plans for the EB-5 Program.

Jeffrey B. Carr, President and Senior Economist, has more than 30 years of experience in economic analysis, economic forecasting, fiscal impact analysis, economic impact analysis (including studies for the EB-5 Program), financial analysis, economic-tax revenue forecasting, and preparing and presenting state economic-fiscal data to Wall Street bond rating agencies. In addition to more than 200 completed economic impact studies in his consulting practice, Mr. Carr has served as the consulting State Economist and Principal Tax Revenues Analyst-Forecaster for the past give governors of the State of Vermont, including 4 years for the current Governor Peter Shumlin, 8 years for former Governor James Douglas, and 12 years for former Governor Howard Dean. He has been the State Economic Forecast Manager for Vermont for the past 20 years for the New England Economic Partnership ("NEEP").

I. OFFERING SUMMARY

This Offering Summary should not be considered comprehensive or complete and is qualified by the more detailed information appearing elsewhere in this Offering Memorandum, including the Exhibits hereto. Prospective Investors should carefully read this entire Memorandum, especially the matters discussed under "V. RISK FACTORS".

The Company:	**GL/TL EB-5 LENDER, LLC**, a Missouri limited liability company.
The Manager:	The Company will be administered by its manager, GL/TL EB-5 Manager, LLC, a Missouri limited liability company (*i.e.*, the Manager. The Manager is affiliated with the Developer, but not with the Regional Center.
Subscriber Investment Objective:	To provide financing for the Project in the form of making the Loan to Developer in a form and manner allowing for an investment in the Company to be a "qualifying investment" under the EB-5 Program.
The Developer:	GL/TL EB-5 Owner, LLC, a Missouri limited liability company.
The Developer Principals:	The main principals of the Developer are Bill Luchini (*i.e.*, the Developer Principals) (See background information of the Developer Principals in **Exhibit E** attached hereto).
Regional Center:	Gateway to the Midwest Investment Center, Inc. (*See* background information of the Regional Center in **Exhibit E** attached hereto).
Maximum Offering Amount:	$6,000,000 *or* 12 Units.
Minimum Subscription:	$500,000 *or* 1 Unit.
Offering Price:	$500,000 per Unit as the Capital Contribution, plus the $65,000 Expense Amount per Unit, payable by wire transfer upon subscription.
Senior Indebtedness:	The Developer has obtained senior indebtedness (the "**Senior Indebtedness**" or "**Senior Loans**") from two (2) senior lenders (collectively, the "**Senior Lender**") in an amount of approximately $8,123,473. The Senior Loans will provide construction funding and have a maturity date estimated to be eighteen to twenty-four (18-24) months plus one (1) or two (2) one year extension options. The terms will otherwise be in accordance with industry standards. The Loan is expected to be junior and subordinate to the Senior Indebtedness and the Company is expected to enter into an Intercreditor Agreement with the Senior Lenders.
Bridge Financing:	To commence predevelopment and construction activities the Developer has obtained bridge financing to acquire the two (2) parcels where the Project is being developed (the "**Bridge Financing**"). The Loan proceeds may in part be utilized to repay a portion of this Bridge Financing which

such Bridge Financing when obtained, is contemplated to be replaced, in part, by Investing Members' Capital Contributions.

The Company may also obtain a line of credit to cover general operating costs in the ordinary course of business.

Leverage and Loan Terms:

The Company will be providing financing to the Developer in connection with the construction of the Project. It is contemplated that the Company will make a loan (*i.e.*, the Loan) in order to fund development of the Project by means of replacing a portion of the Bridge Financing (as defined below):

(1) Borrower: GL/TL EB-5 Owner, LLC (*i.e.*, the Developer).

(2) Loan Amount: Up to $6,000,000 (*i.e.*, Maximum Offering Amount). Loan proceeds shall be released to the Developer at such times and in such amounts as requested by the Developer in accordance with the terms as will be set forth in the proposed loan agreement governing the terms and conditions of the Loan (the "**Loan Agreement**").

(3) Interest Rate: Three and one-half percent (3.5%) of the outstanding Loan amount advanced per annum, all of which shall be allocable to the Investing Members.

(4) Repayment Terms: Payable from available cash from operations and/or the sale or refinancing of the Project, but not later than five (5) years following the last advance made under the Loan, subject to two (2) one (1) year extensions (the "**Maturity Date**").

Notwithstanding the foregoing, the Loan may be prepaid prior to or upon the Maturity Date even if all Investing Members have not received final adjudication of their respective Form I-829 Petition by Entrepreneur to Remove Conditions ("**I-829 Petition**"); provided, that the Manager shall have the right, on behalf of the Company, to reinvest the remaining Capital Contribution amounts of the Investing Members in alternate investments that qualify under the EB-5 Program for the purpose of preserving the Investing Members' "at risk" investment and eligibility for removal of conditional lawful permanent residents ("**CLPR**") status, subject to the provisions of "IV. P. IMMIGRATION MATTERS - Preservation of Eligibility for Removal of CLPR Status," below.

(5) Collateral: The Loan will be secured by a subordinate, second position mortgage on each of the properties where the Project is located.

To the extent that the Loan amount is less than the Maximum Offering Amount, the Developer reserves the right to obtain further mortgage financing that is senior and superior in status to the Loan to bridge the difference in total funding available.

(6) Guaranty of Completion. The Developer will provide a Completion Guaranty.

All allocable interest received from the Loan, as well as the principal payment amount, will be distributed to the Investing Members in proportion to their Capital Contributions to the Company. However, principal payments shall not be distributed to an Investing Member until he or she has received final adjudication of his or her I-829 Petition.

The aggregate amount of the total indebtedness in the Project (consisting of the Loan and Senior Indebtedness hereunder) shall not exceed approximately eighty percent (80%) of the total Project cost. See "III. M. DESCRIPTION OF THE PROJECT – Sources and Uses," below.

Developer Equity: The Developer is contributing Federal and State Historic Tax Credits to the Project as detailed in the Capitalization Summary below.

Project Capitalization Summary:

Project Capitalization Summary		
Funding Source	**Amount ($)**	**Percentage (%)**
Historic Tax Credits	$5,721,214*	29%
EB-5 Loan	$6,000,000	30%
Senior Loans	$8,123,473	41%
TOTAL:	$19,844,687	**100.00%**

* Total sum of Federal HTC Investor Capital ($2,613,778) and State HTC Investor Capital (3,107,426)

Management Fee: The Developer shall pay to the Manager a management fee equal to approximately .5% of the total Loan amount advanced per annum (the "**Management Fee**") in accordance with the terms of the Loan Agreement, in consideration for the Manager's services as a Manager hereunder, as well as to pay for Company operating expenses, offshore migration agents and other marketing costs and expenses. The Manager will use substantially all or a portion of the Management Fee to pay marketing costs and fees.

The Management Fee shall not be paid from the Investing Member's $500,000 Capital Contribution.

Offering Proceeds:

	Purchase Price	Expense Amount[1]	Net Proceeds to Company
Per Unit	$500,000[2]	$65,000	$500,000[2]
Maximum Total Offering[3]	$6,000,000	$300,000	$6,000,000

(1) From the gross proceeds of $565,000 per Unit paid by each Subscriber (sometimes hereinafter referred to as the "**Total Subscription Payment**"), the Subscriber will incur an Expense Amount of $65,000. Although the Company may pay from the Expense Amount fees to certain licensed securities brokers and/or non-licensed "finders," the Company does not anticipate paying fees on certain subscriptions.

(2) NO PORTION OF A SUBSCRIBER'S $500,000 PER UNIT CAPITAL CONTRIBUTION SHALL BE APPLIED TO OFFERING COSTS OR SALES COMMISSIONS OR FOR ADMINISTERING THE COMPANY OR FOR OPERATING THE REGIONAL CENTER, INCLUDING THE PAYMENT OF ANY MANAGEMENT FEES AND OTHER ADMINISTRATIVE FEES.

(3) Assumes all Membership Interests are sold.

I-526 Petition:

The Offering has been structured with the goal that a Subscriber will have made an investment that qualifies for an EB-5 Visa entitling such Subscriber, assuming the Subscriber otherwise satisfies the personal criteria for an EB-5 Visa, to conditional permanent U.S. residency and, ultimately, to unconditional U.S. permanent residency, which itself ultimately gives rise to eligibility for U.S. citizenship. The Project is located within a territory of the Regional Center which has obtained USCIS designation as an approved regional center by USCIS. Accordingly, assuming the Project is approved by USCIS, the factors that will lead to approval or denial of the EB-5 Visa will include personal facts and circumstances of each Subscriber. The Company has arranged for an immigration attorney to file an I-526 Petition on behalf of each Subscriber, at the Subscriber's sole cost and expense, which I-526 Petition will be filed following acceptance of the subscription and admission of the Subscriber as a member of the Company.. A Subscriber may elect to use his or her own attorney to file the I-526 Petition, at the Subscriber's sole cost and expense; provided, that the Company may require that an immigration attorney selected by the Company review the Subscriber's I-526 Petition to ensure consistency with the other investor filings and the approved Project documents, in which case the Subscriber will be required to pay such immigration attorney's fee for performing such review.

If the I-526 Petition is approved, the Subscriber will remain an Investing Member of the Company. Upon an I-526 Petition Denial, the Subscriber may demand the Company repurchase his or her Membership Interest in the Company and a return of his or her subscription amount, as provided in "VI. 15. SUMMARY OF OPERATING AGREEMENT – Mandatory Repurchase," below.

Escrow Agent: The Escrow Agent is Signature Bank. Signature Bank is a full-service commercial bank, which focuses on serving the financial needs of privately owned businesses, their owners and senior managers.

Escrow Accounts: A. The Capital Contribution from each Investing Member will be paid to the Escrow Agent to be held in escrow pursuant to the Escrow Agreement. The funds held in the Escrow Account from an Investing Member will be released to the Company's general operating account upon satisfaction of the Escrow Release Conditions and in no event later than approval of such Investing Member's I-526 Petition.

B. Subscriber recognizes and agrees that the Company has commenced operations and has a need for the Capital Contributions of Investing Members before Investing Members' I-526 Petitions are approved by USCIS. Therefore, a portion or all of an Investing Member's Capital Contribution will be released from escrow prior to I-526 Petition approval as follows:

Upon satisfaction of the Escrow Release Conditions, $400,000 of the Investing Member's total Capital Contribution (*i.e.*, $500,000 less a 20% holdback amount of $100,000 (the "**Holdback Amount**"), shall be funded to the Company's general operating account by the Escrow Agent to partially fund the Investing Member's Capital Contribution so the Company can commence operations. The Holdback Amount will remain with the Escrow Agent in a holdback subaccount (the "**Subscription Holdback Account**") until such Investing Member's I-526 Petition is approved, unless otherwise released prior to I-526 Petition approval as provided below. If an Investing Member's I-526 Petition is approved, the Holdback Amount (if not previously released, as described below) shall be immediately released from the Subscription Holdback Account and disbursed to the Company's general operating account by the Escrow Agent to fund the remainder of the Investing Member's $500,000 Capital Contribution; accordingly, the Investing Member will have invested a full $500,000 at the time of I-526 Petition approval.

If an Investing Member receives an I-526 Petition Denial (without appeal or after denial of any appeal, as provided herein):

(i) if the denied Investing Member's $100,000 Holdback Amount remains in the Subscription Holdback Account, then (A) such $100,000 Holdback Amount shall be released from the Subscription Holdback Account and refunded to the Investing Member, and the Company will, subject to Section C below, (1) refund $400,000 to the denied Investing Member and (2) cancel such Investing Member's subscription; and (B) $400,000 held in the Subscription Holdback Account

attributable to four (4) Investing Members whose I-526 Petitions have been filed (meaning the priority of such four (4) Investing Members' release of funds is based on their I-526 Petition filing date) and who have Holdback Amounts remaining in the Subscription Holdback Account shall be released from the Subscription Holdback Account and disbursed to the general operating account of the Company to fund the remainder of the Capital Contributions of such four (4) Investing Members so the Company can continue operations without a deficit being caused by the refund of the denied Investing Member's Capital Contribution; and

(ii) if the denied Investing Member's $100,000 Holdback Amount no longer remains in the Subscription Holdback Account, then (A) the Company will (1) subject to Section C below, refund $500,000 to the denied Investing Member and (2) cancel such Investing Member's subscription; and (B) $500,000 held in the Subscription Holdback Account attributable to the first five (5) Investing Members whose I-526 Petitions have been filed (meaning the priority of such five (5) Investing Members' release of funds is based on their I-526 Petition filing date) and who have Holdback Amounts remaining in the Subscription Holdback Account shall be released from the Subscription Holdback Account and disbursed to the general operating account of the Company to fund the remainder of the Capital Contributions of such five (5) Investing Members so the Company can continue operations without a deficit being caused by the refund of the denied Investing Member's Capital Contribution. There shall always be at least $500,000 maintained in the Subscription Holdback Account unless a refund is made due to a denial.

Notwithstanding the foregoing, if there is an insufficient amount of Holdback Amounts available in the Subscription Holdback Account to enable the Company to return of all of the Capital Contribution amount to a denied Investing Member and continue operations with the Capital Contributions of other Investing Members, then: such refund will be made to the Investing Member:

(i) by the Company using commercially reasonable efforts to substitute the Denied Investing Member with a Substitute Investing Member at which time a refund of the Capital Contribution shall be made to the Investing Member; and

(ii) on a first priority basis, and solely to the extent of available cash flow, such that each denied Investing Member shall be refunded his or her Capital Contribution in full in an order based on the timing of when each such Investing Member's I-526 Petition was ultimately denied; provided, however, that the Developer agrees to guaranty the full refund of any Subscriber who receives an I-526 Petition Denial and has not received a refund of his or her entire Capital Contribution

(taking into account any portion of the Holdback Amount of such denied Investing Member then remaining in the Subscription Holdback Account which would be applied towards such refund) within six (6) months of the Company receiving notice of such I-526 Petition Denial (See Guaranty Acknowledgment attached as Appendix I to the Operating Agreement).

For purposes of clarification, the foregoing provisions are intended to ensure that each Investing Member (A) who has all or any portion of his or her Holdback Amount remaining in the Subscription Holdback Account and (B) who has not received approval of such Investing Member's I-526 Petition, shall receive a capital credit for such Investing Member's balance of any of his or her Holdback Amount released from the Subscription Holdback Account to the Company's general operating account.

C. The Subscriber's Expense Amount shall be paid directly to the Manager upon the Subscriber's subscribing for Units hereunder; provided, however, that if a Subscriber receives an I-526 Petition Denial (without certification of the denial to the USCIS Administrative Appeals Office, as provided herein), the Manager shall, subject to the provisions of "VI. 15. SUMMARY OF THE OPERATING AGREEMENT – Mandatory Repurchase," below, refund the Subscriber's Expense Amount, less a Twenty-Five Thousand Dollar ($25,000) charge to cover certain Offering costs (subject to the Company's ability to recoup from its marketing agents and other intermediaries their proportionate share thereof); provided further, however, that if the Investing Member is at fault in providing incorrect information related to the I-526 Petition or lies or misrepresents information on his or her I-526 Petition, then the full Sixty-Five Thousand Dollars ($65,000) shall be retained by the Manager for costs incurred on behalf of an individual Subscriber.

If an Investing Member receives an I-526 Petition Denial and elects to appeal that denial to the USCIS Administrative Appeals Office at his or her own expense and the Manager consent to such appeal, the cancellation of such Investing Member's Unit shall be deferred as more fully set forth in "VI. 15. SUMMARY OF THE OPERATING AGREEMENT – Mandatory Repurchase," below.

Any release of an Investing Member's funds from escrow as provided herein shall be reported to the Investing Member by the Regional Center and/or Manager.

Withdrawal of I-526 Petition: Except as otherwise provided above, an Investing Member that withdraws his or her I-526 Petition from review by USCIS prior to adjudication by USCIS may request that the Company return such Member's Capital Contribution. In such event, the Company shall submit such request from

the Investing Member to the Manager and the Manager may determine, in their sole discretion, whether to cause the Company to return the Capital Contribution prior to the Company's termination. If the Manager elect to return such Capital Contribution, the Capital Contribution will be returned without interest at such time as the Manager deem appropriate, but no portion of the Expense Amount will be returned.

Distributions: The primary exit strategy for the Investing Members is funds anticipated to be disbursed to the Investing Members, as follows:

(1) To the Investing Members, *pro rata*, until the interest on the Loan received by the Company has been fully distributed; and

(2) Thereafter, to the Investing Members, *pro rata*, as a return of their Capital Contributions until all Capital Contributions have been repaid.

Notwithstanding the foregoing, no distributions will be made to any Investing Member prior to the final adjudication of the I-829 Petition of such Investing Member.

See "VI. 2. SUMMARY OF THE OPERATING AGREEMENT – Company Finances – *Distributions*."

Transfer Restrictions: The Units may not be offered or sold unless the Units are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Hedging transactions in the Units may not be conducted except in compliance with the Securities Act. If the Investing Member is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance Period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with certification requirements described in this Section. The "distribution compliance period" means the one-year period following the issue date for the Units.

Operating Agreement: The Operating Agreement will be entered into by and among the Manager and each of the Investing Members whose subscriptions are accepted by the Company pursuant to the Subscription Agreement. Agents of the Manager will administer the operations of the Company, subject to the provisions described below and in the Operating Agreement.

Exit Strategies: The primary exit strategy for the Company would be the repayment of the Loan through operations and/or the refinancing or sale of the Project in whole or in part, with funds disbursed to the Investing Members, as more fully set forth in the Operating Agreement.

The Migration Agents: Offshore migration agents may be engaged to find and solicit prospective investors and to assist Subscribers and their U.S. immigration counsel in processing exit and entry documentation for the EB-5 immigration process for Subscribers. In addition to utilizing a portion of the Management Fee to pay marketing costs and fees, a described above, the Manager may pay a portion of the Expense Amount to such offshore agents for completing subscriptions and for documentation services.

THE MANAGER MAY, ON A CASE BY CASE BASIS, USE ALL OR A PORTION OF ANY MANAGEMENT FEES AND OTHER ADMINISTRATIVE FEES AND EXPENSE AMOUNT TO PAY MIGRATION AGENTS FOR SERVICES RENDERED, AND IN NO EVENT FROM ANY INVESTING MEMBER'S $500,000 CAPITAL CONTRIBUTION.

Exemplar Filing: In view of recent changes to the EB-5 Program included in certain legislation being proposed in the U.S. Congress, the Company will be causing the filing of a Project Exemplar with USCIS in order to have USCIS's review and approval of the Project fall within USCIS's current guidelines regarding the minimum investment amount and TEA requirements (*i.e.*, be "grandfathered in") prior to the enactment of any such legislation. See "V. E. 23. RISK FACTORS – Risks Related to Immigration – EB-5 Program's Expiration Date and Possible Changes to EB-5 Program," below.

II. THE OFFERING

A. General

The Company is making the Offering only to a limited number of individual persons who are (i) not "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act, in compliance with Regulation S, on a limited and private basis, or (ii) Accredited Investors, a maximum of twelve (12) Units, representing total Capital Contributions to the Company of up to Six Million Dollars ($6,000,000) (*i.e.*, the Maximum Offering Amount), exclusive of the per Unit Expense Amount. The terms and conditions applicable to holders of the Units are described in the Operating Agreement to be entered into by and among the Manager and each of the subscribers for Units whose subscriptions are accepted by the Manager (*i.e.*, each a Subscriber, or, once such subscription has been accepted, an Investing Member) pursuant to the Subscription Agreement between each Investing Member and the Manager. See "I. OFFERING SUMMARY" and the forms of Subscription Agreement and Operating Agreement attached hereto as **Exhibits A** and **C**, respectively.

Each Prospective Investor will be required to represent and to establish to the satisfaction of the Company that such investor is not a "U.S. Person" or that he or she meets one or more of the criteria for Accredited Investors. The Company reserves the right to refuse a subscription for Units in its sole discretion for any reason, including concern that the Prospective Investor may not meet the requirements for Accredited Investors or that the Units are otherwise an unsuitable investment for the Prospective Investor. Each Prospective Investor must also meet the further suitability criteria and make the representations and warranties set forth in the Subscription Agreement.

The Company is making the Offering only to a limited number of individual persons who are (i) not "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act, in compliance with Regulation S, on a limited and private basis, or (ii) Accredited Investors pursuant to Regulation D of the Securities Act. Accordingly, no offer to sell or sale will be made in the United States and no buy order will be accepted if it is originated from within the United States, unless the requirements of Regulation D are strictly adhered to with respect to sales made in the United States. In order to purchase Units, a Prospective Investor must represent to the Company that he or she is not a resident in the United States at the time of the offer of the Units, will not be a resident in the United States at the time of the sale of the Units and is not acquiring the Units for the benefit of a U.S. Person, unless the Offering is conducted solely under the Regulation D exemption. Any Prospective Investor that lies or misrepresents information on the application will forfeit all or a portion of their funds deposited as provided in this Offering Memorandum. The Company reserves the right to declare any Prospective Investor ineligible to purchase the Units based upon any information which may become known or available to the Company concerning the suitability of such Prospective Investor, for any other reason or for no reason, in the Company's sole discretion. See "I. OFFERING SUMMARY," "VII. SUBSCRIPTION AGREEMENT" and the form of Subscription Agreement attached hereto as **Exhibit A**.

B. The I-526 Petition

The Offering has been structured so that each Investing Member, by subscribing for a Unit and becoming a member of the Company, will have made an investment that qualifies as the investment component required for an EB-5 Visa that is expected to entitle the Investing Member to seek permanent United States residency and, ultimately, to apply for U.S. citizenship, provided that the Investing Member otherwise satisfies the non-investment criteria for an EB-5 Visa. The Project will be sponsored by the Regional Center, which will allow an investment in the Company to be credited with indirect job creation under the EB-5 Program. However, Investing Members must be aware that there are numerous factors that could lead to the grant or denial of the I-526 Petition and EB-5 Visa based upon the nature of the Project and this Offering and personal facts and circumstances of each Investing Member. See "IV. IMMIGRATION MATTERS" and "V. E. RISK FACTORS - Immigration Risk Factors."

All allocable jobs generated as a result of the Project will be allocated as set forth in the EB-5 Job Allocation Addendum attached as a schedule to the Operating Agreement, which is attached hereto as **Exhibit C**.

C. The Project

A detailed description of the Project, including, without limitation, the construction budget, scheduled timetable and financial projections, is set forth in "III. DESCRIPTION OF THE PROJECT."

D. Economic Study

Economic & Policy Resources, Inc. (the "**Economist**") prepared an economic impact analysis (the "**Economic Study**") of the Offering described in this Offering Memorandum. The Economic Study predicts that the Company will create directly or indirectly two hundred seventeen (217) jobs and have a significant positive economic impact for the regional economy.

E. The Subscription Procedure

The period for the Offering will end on September 30, 2016 at 5:00 p.m. EST, unless extended by mutual agreement of the Manager and Developer until December 30, 2016, in the Manager's sole discretion (*i.e.*, the Offering Period).

Subject to the Manager's acceptance of the Investing Member's subscription to the Offering and in addition to executing the Subscription Agreement and remitting the purchase price amount for subscribed Units to the Escrow Agent as described herein, in order to complete his or her subscription the Investing Member will also be required to (i) execute the Operating Agreement (a copy of which is attached as **Exhibit C**) and deliver the executed Operating Agreement to the Company and (ii) fill out a W-8 Form (which is attached to the Subscription Agreement).

F. Closings

Following satisfaction of the Escrow Release Condition, closings of sales of Units will occur periodically and the final closing will occur not more than sixty (60) days following the end

of the Offering Period or the earlier termination of the Offering. Each Investing Member will be notified of the satisfaction or failure of the Escrow Release Condition and the acceptance or rejection in whole or in part of his or her subscription. The Manager will execute and deliver a signature page of the Operating Agreement to each Investing Member whose subscription has been accepted.

G. Risk Factors

An investment in the Units involves substantial risks and significant restrictions on transferability. An investment in the Units should be viewed as highly speculative and is designed only for non-U.S. investors or Accredited Investors who are prepared to maintain their investment over a significant period of time and who can afford the total loss of their investment. See "V. RISK FACTORS."

H. Senior Indebtedness and Bridge Financing

The Senior Indebtedness and any Bridge Financing to be obtained by the Developer will be superior to the Loan. As such, the Project will be subject to additional risks, including the risks that arise from the use of such a superior lien on the Property, including the fixed payment obligations attributable to the leverage which must be met on certain specified dates regardless of revenues derived by the Project from the sale of assets or from operations. In addition, if the amount of the Loan is not sufficient to repay the Bridge Financing in full, the Loan will remain subordinate to both any Bridge Financing and the Senior Indebtedness.

I. Payment of Company Expenses and Administration

The Manager will pay out of its Management Fee and/or the Expense Amount, among other things, all ordinary administrative and operating expenses of the Company incurred by the Company in connection with maintaining and operating its office and the books and records of the Company. The Company will bear all extraordinary costs and expenses.

J. Formation

(1) Formation and Purpose.

The Company is a limited liability company organized under the Missouri Limited Liability Company Act (the "**Missouri Act**").

(2) Investing Members.

The Investing Members will be those investors who (i) purchase one or more Units in this Offering or (ii) subsequently are admitted as substitute Investing Members in the event of a permitted transfer of Units.

K. Regional Center-Related Responsibilities

The Regional Center shall oversee all administrative matters involving the maintenance and compliance of the Regional Center under USCIS guidelines. The Manager, with the assistance of the Regional Center, shall assist Investing Members in providing information with respect to the processing of the I-526 Petition and the approval of the I-829 Petition, which will be required for an Investing Member to gain permanent residency status. In particular, the Manager, with the assistance of the Regional Center, shall obtain from Developer and provide to Investing Members and their counsel necessary information with respect to job creation and confirmation of expenditure of funds in order to support each Investing Member's I-526 Petition and I-829 Petition.

L. Transfer Restrictions; Suitability Standards

The purchase of the Units offered hereby is speculative and involves a high degree of risk. In addition to the suitability standards set forth below, an investment in the Units is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment and can afford a total loss of their investment. Consequently, an investment in the Units offered hereby is not a suitable investment for all potential investors and the sale of the Units hereunder will be made on a selected private basis to a limited number of investors who meet the suitability standards set forth below.

The suitability standards set forth below represent minimum suitability standards for investors. The satisfaction of such suitability standards by a Prospective Investor does not necessarily mean that an investment in the Units is suitable for such Prospective Investor. Prospective Investors are encouraged to consult their personal professional advisors to determine whether an investment in the Units is appropriate for them. The Regional Center or the Manager may reject subscriptions, in whole or in part, in their sole discretion.

There is no established market for the Units. There are only a limited number of investors and there are restrictions on the transferability of the Units, so a market for the Units will likely never develop. The Units cannot be resold unless they are sold in compliance with applicable state securities laws and: (i) they are subsequently registered under the Securities Act or (ii) an exemption from such registration is available.

If the Investing Member is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance Period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with these certifications. The "distribution compliance period" means the one-year period following the issue date for the Units.

The Company is making the Offering only to a limited number of individual persons who are (i) not "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act, in compliance with Regulation S, on a limited and private basis, or (ii) Accredited Investors pursuant to Regulation D of the Securities Act. No offer to sell Units will be made in the United States nor will any buy order be accepted if it is originated from within the United States unless the Offering is conducted under the Regulation D exemption described above. In order to purchase a Unit, a Prospective Investor must represent to the Company that he or she is not a resident of the United States at the time of the offer of the Unit, will not be a resident of the United States at the time of the sale of the Unit and is not acquiring the Unit for the benefit of a U.S. Person or that such person is an Accredited Investor.

The Units are being offered and will be sold (i) pursuant to Regulation S of the Securities Act and (ii) only to individual Accredited Investors, which are defined in Rule 501 under the Securities Act as being: (a) any natural person whose individual net worth, or joint net worth with that person's spouse (excluding primary residence)[1], exceeds $1,000,000; or (b) any natural person whose individual income exceeded $200,000, or whose joint income with that person's spouse exceeded $300,000, in each of the two most recent years and who has a reasonable expectation of reaching that income level in the current year.

Each Prospective Investor will be required to represent and to establish to the satisfaction of the Company or Manager that such investor meets one or more of the criteria for a non-U.S. Person or Accredited Investor. The Company or Manager reserve(s) the right to refuse a subscription for Units in its sole discretion for any reason, including concern that the Prospective Investors may not (i) be a non-U.S. Person or (ii) meet the requirements in order to be deemed an Accredited Investor. Each Prospective Investor must also meet the further suitability criteria and make the representations and warranties set forth in the Subscription Agreement.

M. How to Subscribe

ANY PROSPECTIVE INVESTOR WHO WISHES TO SUBSCRIBE FOR UNITS MUST HAVE HIS OR HER OFFSHORE AGENT, LICENSED BROKER-DEALER OR "FINDER" DELIVER, BY CERTIFIED U.S. MAIL OR OTHER NATIONALLY RECOGNIZED TRACKING DELIVERY SERVICES (FEDERAL EXPRESS, UPS, ETC.), THE FOLLOWING ITEMS TO:

Gateway to the Midwest Investment Center, Inc.
c/o Laura M. Hughes, Project Manager
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105

1 For purposes of calculating "net worth" of a person: (A) The person's primary residence shall not be included as an asset; (B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

Tel: 314-615-8151
Fax: 314-615-8140
E-mail: lhughes@worldtradecenter-stl.com

(i) TWO EXECUTED COPIES OF THE SUBSCRIPTION AGREEMENT (ATTACHED HERETO AS **EXHIBIT A**);

(ii) AN EXECUTED CONFIDENTIAL PROSPECTIVE INVESTOR QUESTIONNAIRE (ATTACHED HERETO AS **EXHIBIT D**);

(iii) TWO EXECUTED COPIES OF THE COUNTERPART SIGNATURE PAGE TO THE COMPANY'S OPERATING AGREEMENT (ATTACHED HERETO AS **EXHIBIT C**);

(iv) A WIRE TRANSFER IN AN AMOUNT EQUAL TO $500,000, PAYABLE TO THE ESCROW AGENT, PURSUANT TO THE TERMS OF THE SUBSCRIPTION AGREEMENT; AND

(v) A WIRE TRANSFER IN AN AMOUNT EQUAL TO $65,000, PAYABLE TO THE MANAGER, PURSUANT TO THE TERMS OF THE SUBSCRIPTION AGREEMENT.

N. Miscellaneous

1. Reports to Investors. Investing Members will receive annual reviewed financial statements of the Company prepared by a third party accountant and will also receive necessary information for tax reporting, together with quarterly financial statements and other regular operating and financial reports as deemed necessary by Developer.

2. Tax Considerations. The Company intends to operate as a partnership for U.S. federal income tax purposes and not be treated as a publicly traded partnership taxable as a corporation. Accordingly, it is expected that the Company should not be subject to U.S. federal income tax, and each Investing Member will be required to report on his or her own annual tax return such Investing Member's distributive share of the Company's taxable income or loss.

3. Foreign Investors. Foreign Investing Members should consult their tax advisors with respect to the U.S. federal and state and the foreign tax consequences of an investment in the Company, including the requirements with respect to withholding relative to amounts distributed to such Investing Members.

O. Conflicts of Interest

The Manager and the Developer are not affiliated. Except and to the extent that specific limitations on self-dealing may be set forth in the Operating Agreement, the Investing Members will be relying on the general fiduciary standards which apply to a general partner of a limited liability company under law to prevent overreaching by the Manager in any transaction with or involving the Company. The following constitutes a summary of important areas in which the interests of

the Manager or its members, managers, or officers may conflict with those of the Company, as well as certain conflicts of interest between the Investing Members and the Regional Center.

1. Lack of Independent Representation. The Company has not been represented by independent counsel. The attorneys that provide services relating to the Company perform their services for the Manager and at its direction and not for the Company. There is no attorney-client relationship or legal representation of the Company.

2. Control of the Company. Subject to significantly limited oversight by the Investing Members as limited partners of the Company, the Manager will be solely responsible for making all decisions of the Company pertaining to the lending of the Offering proceeds and the results therefrom. Additionally, the Manager is generally responsible by the terms of the Operating Agreement for the operations of the Company, including carrying out the specific authorization to lend the Offering proceeds on behalf of the Company to the Developer. The Manager's management of the Company may otherwise be affected as described herein.

3. Finders' Fees. The Company may utilize overseas/offshore finders and agents to seek Prospective Investors in the Company (*i.e.*, Program Locators) and document processors to process immigration paperwork and assisting with their immigration paperwork for those investors (*i.e.*, Processors), and the Company may pay a fee to compensate firms and individuals for those services. All of the Administration Fees are paid to either Program Locators and Processors for capital raising and document processing or to the Manager or Regional Center as payment for their fees.

None of such fees shall be paid out of the capital contribution investment in the Company. Notwithstanding the payment of any such fees, no Program Locator shall be deemed an agent or representative of the Company, and the Company is not bound by, and shall have no liability with respect to, any statements, agreements, or representations made by any such Program Locator. Additionally, none of such fees shall be paid to a Program Locater operating from the United States or selling to any person in the United States.

4. Commissions. The Manager and Regional Center may pay commissions or other fees to one or more licensed and bonded immigration consultants, brokers, "finders" or other parties in connection with the sale of Units pursuant to the Offering. Any such commissions or other fees paid to any party in connection with the sale of Units pursuant to the Offering shall not be paid out of the proceeds of the Capital Contributions of investors, but from the Expense Amount, the Management Fee and other fees payable to the Manager and/or Regional Center.

5. Other Activities; Competition. The Manager does not have any duty to account to the Company for profits derived from activities other than Company activities, and is under no duty, other than the duty as a fiduciary, to engage in such activities in a manner which does not affect the Company's investments. In addition, the Manager is required to devote to the Company's affairs only as much time as the Manager deems necessary. As such, it is possible that the Manager may have potential conflicts of interest with the Company.

6. Compensation. The Manager and its affiliates may receive a substantial economic benefit from participating in the Project and from the Company. To compensate the Manager for its efforts associated with setting up the Company, conducting the Offering, and making the Loan to Developer and/or its assignee, the Manager shall receive certain fees and have the ability to retain certain unexpended portions thereof as a management fee for services rendered.

III. DESCRIPTION OF THE PROJECT

ALTHOUGH THE DEVELOPER BELIEVES THAT THE BELOW DESCRIPTION OF THE PROJECT ACCURATELY REFLECTS THE CURRENT STATUS OF THE PROJECT AND ITS DEVELOPMENT POTENTIAL, THERE ARE NO ASSURANCES THAT FACTS AND CIRCUMSTANCES WILL NOT ARISE THAT WILL NECESSITATE A MODIFICATION OF THE PROJECT BUSINESS PLAN AS SUMMARIZED HEREIN. THE BELOW DESCRIPTION OF THE PROJECT CONTAINS FINANCIAL PROJECTIONS RELATED TO THE PROJECT, WHICH ARE SUBJECT TO THE "FORWARD-LOOKING STATEMENTS - IMPORTANT FACTORS AND ASSOCIATED RISKS" DISCLOSURE SET FORTH IN THIS OFFERING MEMORANDUM.

Project Overview

1. Project: The Project is comprised of the construction and operation of two (2) mixed-use complexes, the Gerhart Lofts and the Truman Lofts. Both apartment complexes consist of the redevelopment and renovation of historic properties in St. Louis.

2. Location.

Gerhart Lofts: The Gerhart Lofts will be located at the intersection of Laclede Avenue and Vandeventer Avenue, in St. Louis, Missouri.

Truman Lofts: The Truman Lofts will be located at 1322 Dolman Street, in St. Louis, Missouri.

3. Project Cost. Development costs for the Project are estimated at approximately $19,844,687, including approximately $3,361.500 in land cost.

4. Sources and Uses of Proceeds

The total EB-5 Project budget is $19.84 million, including $8.69 million for the Gerhart Lofts component and $11.16 million for the Truman Lofts component. The EB-5 Project will be financed by up to $6.0 million in EB-5 capital, as well as mortgage financing, historic tax credit ("HTC") equity, state HTC investor capital, federal HTC investor capital, and developer financing. The following table provides more information on the sources and uses of funds:

Capitalization		
Senior Debt	$8,123,473	29%
Historic Tax Credits	$5,721,214*	30%
EB5 Loan	$6,000,000	41%
Total	$19,844,687	**100.00%**

* Total sum of Federal HTC Investor Capital ($2,613,778) and State HTC Investor Capital (3,107,426)

5. Projected Income. Total projected revenues from the Project are depicted in the table below:

Table 6: Gerhart Lofts Component Income Statement

Gerhart Lofts					
Revenue	**2015**	**2016**	**2017**	**2018**	**2019**
Residential:					
Rental Revenue	$ 223,025	$ 370,650	$ 356,108	$ 363,230	$ 370,494
Other Revenue	$ 3,051	$ 5,000	$ 5,100	$ 5,202	$ 5,306
Less: Vacancy	$ -	$ (18,783)	$ (18,060)	$ (18,422)	$ (18,790)
Total Residential Revenue	**$ 226,076**	**$ 356,867**	**$ 343,148**	**$ 350,010**	**$ 357,010**
Commercial:					
Base Gross Commercial Revenue	$ 205,740	$ 205,740	$ 209,855	$ 214,052	$ 218,333
Commercial Expense Reimbursement	$ 24,000	$ 24,000	$ 24,480	$ 24,970	$ 25,469
Commercial Vacancy	$ (20,574)	$ (20,574)	$ (20,985)	$ (21,405)	$ (21,833)
Total Commercial Revenue	**$ 209,166**	**$ 209,166**	**$ 213,349**	**$ 217,616**	**$ 221,969**
Total Effective Gross Revenue	**$ 435,242**	**$ 566,033**	**$ 556,497**	**$ 567,626**	**$ 578,979**
Expenses					
Residential:					
Operating Expenses	$ 69,281	$ 109,500	$ 110,985	$ 112,515	$ 114,090
Management Fee	$ 11,151	$ 17,593	$ 16,902	$ 17,240	$ 17,585
Reserve for Replacement	$ -	$ 4,250	$ 4,378	$ 4,509	$ 4,644
Total Residential Expenses	**$ 80,432**	**$ 131,343**	**$ 132,265**	**$ 134,264**	**$ 136,319**
Commercial:					
Total Commercial Expenses	**$ 24,000**	**$ 24,000**	**$ 24,720**	**$ 25,462**	**$ 26,225**
Total Operating Expenses	**$ 104,432**	**$ 155,343**	**$ 156,985**	**$ 159,726**	**$ 162,545**
Net Operating Income	**$ 330,810**	**$ 410,690**	**$ 399,512**	**$ 407,900**	**$ 416,434**
					Prepared by: Economic & Policy Resources, Inc.

Table 8: Truman Lofts Component Income Statement

Truman Lofts					
Revenue	2017	2018	2019	2020	2021
Residential:					
Rental Revenue	$ 493,842	$ 611,088	$ 623,310	$ 635,776	$ 648,491
Other Revenue	$ 4,065	$ 5,000	$ 5,100	$ 5,202	$ 5,306
Less: Vacancy	$ (24,895)	$ (30,804)	$ (31,420)	$ (32,049)	$ (32,690)
Total Residential Revenue	**$ 473,012**	**$ 585,284**	**$ 596,990**	**$ 608,929**	**$ 621,107**
Commercial:					
Base Gross Commercial Revenue	$ 32,688	$ 32,688	$ 33,342	$ 34,009	$ 34,689
Commercial Expense Reimbursement	$ 2,400	$ 2,400	$ 2,448	$ 2,497	$ 2,547
Commercial Vacancy	$ (3,269)	$ (3,269)	$ (3,334)	$ (3,401)	$ (3,469)
Total Commercial Revenue	**$ 31,819**	**$ 31,819**	**$ 32,456**	**$ 33,105**	**$ 33,767**
Total Effective Gross Revenue	**$ 504,831**	**$ 617,103**	**$ 629,446**	**$ 642,034**	**$ 654,874**
Expenses					
Residential:					
Operating Expenses	$ 103,048	$ 126,750	$ 129,953	$ 133,251	$ 136,648
Management Fee	$ 23,447	$ 29,014	$ 29,594	$ 30,186	$ 30,790
Reserve for Replacement	$ -	$ 14,350	$ 14,350	$ 14,350	$ 14,350
Total Residential Expenses	**$ 126,495**	**$ 170,114**	**$ 173,897**	**$ 177,787**	**$ 181,788**
Commercial:					
Total Commercial Expenses	**$ 2,520**	**$ 2,520**	**$ 2,596**	**$ 2,673**	**$ 2,754**
Total Operating Expenses	**$ 129,015**	**$ 172,634**	**$ 176,493**	**$ 180,460**	**$ 184,542**
Net Operating Income	**$ 375,816**	**$ 444,469**	**$ 452,953**	**$ 461,574**	**$ 470,332**

Prepared by: Economic & Policy Resources, Inc.

6. Project Timing. The following Development Timeline shows the development timeline for the Capstone Lofts EB-5 Project with the dates for major development milestones. Construction on the Gerhart Lofts component began in July 2014 and will end in November of 2015; operations will commence in November 2015. Construction on the Truman Lofts component began in October 2015 and is expected to end in December 2016, with operations activities anticipated to begin in January of 2017. Year 1 of the EB-5 Project is the 2014; Year 2 Capstone Lofts EB-5 Project Business Plan is 2015; etc. According to the Developer, the timeline for construction of the Project is as follows.

Development Timeline

Event	Date
Gerhart Lofts	
Property Acquisition	June 2014
Construction Start	July 2014
Construction End	November 2015
Residential/Commercial Operations Start	November 2015
Truman Lofts	
Property Acquisition	September 2015
Construction Start	October 2015
Construction End	December 2016
Residential/Commercial Operations Start	January 2017

Prepared by: Economic & Policy Resources, Inc.

IV. IMMIGRATION MATTERS

A. Overview

The EB-5 immigrant visa preference category is intended to encourage the flow of capital into the United States economy and to promote employment of workers in the United States. To accomplish these goals and so that foreign investors may obtain immigration benefits for having made an investment, the program mandates the minimum capital that foreign investors must contribute and it mandates that 10 full-time jobs must be created on account of each investor. In addition to the return that investors hope to achieve on their investment, foreign investors and their qualifying family members are offered the prospect, but not the guarantee, of conditional lawful permanent residence in the United States. Investors are responsible to apply for the lifting of their conditional status by filing I-829 Petition within two (2) years of receiving conditional status. Neither the Company nor Developer is responsible to undertake this process on behalf of any individual investor.

The Offering has been structured so that investors may meet the investment requirements of the EB-5 Program (8 U.S.C. § 1153 (b)(5)(A) - (D); INA § 203(b)(5)(A) - (D) of the Immigration & Nationality Act (the "**INA Act**")) and qualify under this program to become eligible for admission to the United States of America as lawful permanent residents with their spouses and unmarried, minor children.

The State of Missouri has designated an area, which includes the area in which the Project is located, as a high unemployment area for purposes of qualification as a Targeted Employment Area, as defined in the Immigration Act ("**TEA**") for EB-5 projects. However, USCIS makes the final determination of TEA for each Investing Member as of the date of the filing of his or her individual I-526 Petition, and USCIS is not required to accept a state's designation of a TEA.

B. The I-526 Petition Process

For investors seeking lawful permanent residence through the EB-5 Program, the first step in the process is to file an I-526 Petition, together with accompanying evidence in support of the EB-5 Program's requirements. USCIS adjudicates I-526 Petitions by reviewing the following criteria, among others:

1. New Commercial Enterprise. There must be evidence that shows that the enterprise is new and authorized to transact business in the territory of the Regional Center under the applicable terms and conditions of the EB-5 Program.

2. Investment Capital. The petition must be supported by evidence that the petitioner has invested the minimum required capital. USCIS expects these funds to be "at risk", connoting an irrevocable commitment to the enterprise. The funds must be used by the enterprise exclusively to create employment. Funds used to pay administrative costs or other obligations undertaken to promote the investment in the enterprise are not deemed "at risk."

3. Source of Capital. Evidence must support the legal acquisition of capital. Funds earned or obtained in the United States while the investor was in unlawful immigration status are

not deemed to be lawfully acquired. If funds were not lawfully acquired, they may not be deemed "capital."

4. Managerial Role. The EB-5 investor is expected to participate in the management of the new enterprise by assisting in the formulation of the enterprise's business policy, by participating in one or more of the activities permitted in the Missouri Act, and as otherwise set forth in the Operating Agreement, investors in an EB-5 enterprise must have all the rights and duties usually accorded to members applicable under the Missouri Act.

5. Amount of the Investment. The petition must be supported by evidence that the required minimum sum has been invested.

6. Employment Creation. There must be evidence that, as of the end of the two-year period of each EB-5 investor's conditional residence (deemed and projected by USCIS to be two and one-half (2.5) years after adjudication of the I-526 Petition), ten (10) full-time jobs will be created on account of each EB-5 investment. See the following discussion about qualifying jobs and investment in a Regional Center, which may permit counting employment created outside the qualifying enterprise.

C. Regional Centers

In further support of the EB-5 Visa preference program the U.S. Congress created a program that provided for the authorization of regional centers by the U.S. Department of Justice, Immigration and Naturalization Service (now, USCIS) under the Department of Homeland Security. Enterprises located within an area in which the regional center operates are not required to employ 10 workers for each EB-5 qualifying investment. It suffices if the investor demonstrates that at least 10 qualifying jobs will be created directly or indirectly on account of the investment.

The Regional Center received USCIS designation as an approved regional center by USCIS in March 2013 with a geographical scope of portions of St. Louis City, St. Louis County and St. Charles County.

D. Economical and Statistical Analysis

The Economist conducted an economic and statistical analysis to determine the number of jobs expected to be created as a result of foreign investors each contributing $500,000 (U.S. Dollars) (assuming $500,000 funding to the Company per investor) to the Company to enable it to develop the Project. This analysis was conducted using the Regional Dynamics Input-Output Economic Model ("**REDYN**").

REDYN is based on an accounting framework called an I-O table. For each industry, an I-O table shows the industrial distribution of inputs purchased and outputs sold. A typical I-O table in REDYN is derived mainly from two (2) data sources: BEA's national I-O table, which shows the input and output structure of nearly 500 U.S. industries, and BEA's regional economic accounts, which are used to adjust the national I-O table to show a region's industrial structure and trading patterns.

REDYN has been used to access the new economic impacts associated with economic development projects, new businesses, certain types of public policy changes, the effectiveness of government and private sector programs, and utility power projects in various status in a variety of analytical settings.

This analysis demonstrated that new jobs are anticipated from expenditure of the proceeds of this Offering in excess of the 120 jobs required under EB-5 law and regulations if all Membership Interests being marketed in this Offering are sold pursuant to the Maximum Offering Amount of 12 Units.

The summary of the employment estimates is provided below.

Table 12: Summary of Model Specifications and Jobs Attributable to the Regional Center

Project Component	NAICS Activity Code	Model Inputs ($Millions)	Total United States Job Creation	Job Creation Attributable to the Regional Center
CONSTRUCTION - Gerhart Component				
Residential Construction	2361	Year 1: $0.15 Year 2: $2.02 Year 3: $0	Year 1: 5 Year 2: 71 Year 3: 0	55 *[Indirect, Year 2]*
Non-Residential Construction	2362	Year 1: $0.10 Year 2: $1.35 Year 3: $0	Year 1: 3 Year 2: 48 Year 3: 0	37 *[Indirect, Year 2]*
CONSTRUCTION - Truman Component				
Residential Construction	2361	Year 1: $0 Year 2: $1.19 Year 3: $4.48	Year 1: 0 Year 2: 42 Year 3: 153	119 *[Indirect, Year 3]*
Non-Residential Construction	2362	Year 1: $0 Year 2: $0.07 Year 3: $0.26	Year 1: 0 Year 2: 2 Year 3: 8	6 *[Indirect, Year 3]*
Total Job Creation Attributable to the Regional Center (Gerhart + Truman Construction):				217
Prepared by: Economic & Policy Resources, Inc.				

E. Approval of I-526 Petition Not Guaranteed

The I-526 Petition will be approved only if USCIS is satisfied that the foregoing six criteria set forth in "The I-526 Petition Process," above, have been satisfied. The determination of whether these criteria have been satisfied is within the discretion of USCIS. It is also within the power, if not the discretionary authority, of USCIS to seek information about other aspects of the investment and the relationship of the investor to the enterprise. USCIS frequently reinterprets the meaning of qualifying criteria. There can be no certainty that compliance with the foregoing criteria, supported by appropriate documentation, will lead to the approval of the I-526 Petition.

In the event that USCIS denies the I-526 Petition, the investor may not proceed with the next step in the immigration process (*i.e.*, consular processing or adjustment of status). Instead, the investor must decide whether to appeal the denial of the I-526 Petition at his or her own cost and expense with the consent of the Manager or abandon the prospect of investing in the Company and obtaining lawful permanent resident status thereby.

While the Project and Offering have been arranged with the goal of qualifying investors for approval of their I-526 Petitions, it is possible that USCIS would find the Project or Offering non-qualifying, which would prevent approval of any of the petitions. In that event, the Company

would be unlikely to be able to refund investors' funds that had been released from escrow, because the funds would have been used in the Project. Investors would have to wait for the Project to mature to one or more of the exit strategy points mentioned in this Offering Memorandum, with a risk of not recovering all or any funds, and without receiving any immigration benefit. Notwithstanding the foregoing, in such event, the Company will use reasonable efforts to refund the denied Investing Member's Total Subscription Payment (thereby repurchasing his or her Membership Interest), if at all, within a reasonable period of time by substituting the denied Investing Member with an investor that is making the investment not in connection with the EB-5 Program.

F. Consular Processing or Adjustment of Status

Approval of the I-526 Petition means that the alien and the alien's spouse and children under the age of 21 years may apply for admission as conditional lawful permanent residents (*i.e.*, CLPR). Approval of the I-526 Petition does not mean that the investor has been granted admission to the United States as a lawful permanent resident. Approval means that the investment documented by the I-526 Petition has qualified the investor as an alien entrepreneur.

The application for admission is a separate and subsequent process that concerns issues common to all aliens who wish to live in the United States permanently. Admission as a CLPR may be sought using one of two methods: consular processing or adjustment of status.

G. Consular Processing

Consular processing is designed for aliens who are living outside of the United States, who prefer to process at a consulate for strategic reasons or as a matter of convenience, or are ineligible to adjust status. Typically, the consular post, which is chosen at the time the I-526 Petition is filed, is in the country of last residence, *i.e.*, the last principal actual dwelling place. In very limited instances, usually involving a recognized hardship, a different consular post may be used to process for lawful permanent residence.

Before issuing an immigrant visa, the consular post must determine if each alien is admissible to the United States. I-526 Petition approval does not by itself establish admissibility. An alien is admissible if he or she (i) proves that no grounds of inadmissibility exist and (ii) has proper travel documents. (See "V. E. RISK FACTORS - Immigration Risk Factors", below, for a list of the grounds of inadmissibility). Waivers are available for certain of the many grounds of inadmissibility, but the grant of a waiver is in the discretion of the government and aliens seeking waivers experience lengthy delays in adjudication of waiver applications. Investors should consult with independent immigration counsel to determine if any grounds of inadmissibility may affect the investor's admission or the admission of the investor's spouse or children to the United States.

If the consular post finds that the investor is admissible, it will issue an immigrant visa to the investor. The consular post will also determine if the spouse and the qualifying children of the investor are admissible. A determination of admissibility must be made as to each visa applicant. There is no guarantee that all members of the investor's family will be granted an immigrant visa.

If the investor is denied an immigrant visa, applications by the spouse and children of the investor for such a visa will be denied.

Consular processing begins when USCIS transmits the I-526 Petition approval to the National Visa Center ("**NVC**"). At appropriate intervals, the NVC issues instructions and appointment packages and requests required documents and information. In time, the alien will be instructed to obtain fingerprints and a physical examination and to report to a consular interview. Immigrant visas are usually issued shortly after the interview unless the consul detects problems in the visa application, the underlying I-526 Petition or during the interview process. Visa applicants should allow approximately twelve months to complete consular processing, although times for processing vary greatly among consular posts.

H. Visa Issuance Not Guaranteed

Decisions by consuls are discretionary and unreviewable. USCIS and the U.S. Department of State report recent efforts to communicate more efficiently regarding their respective roles in determining the eligibility of EB-5 investors for immigrant visas. There cannot be any assurance that improved communications will occur generally or with respect to a particular investor or the investor's spouse or minor children. Neither may it be assured that improved communications will result in the issuance of a visa. A consul may, with unreviewable discretion, elect to consider other factors that could result in the denial of a visa.

Visa applicants should not change any living, employment, schooling or other lifestyle arrangements in their country of residence before they are issued an immigrant visa based upon an approved I-526 Petition.

I. Admission After Immigrant Visa Issued Not Guaranteed

After issuance, immigrant visas remain valid for six (6) months. During this period, the holder of the visa must use it to apply for admission to the United States at a designated port of entry. The port of entry is frequently in an international airport. When the alien arrives at the port of entry, he or she will present the immigrant visa to a Customs and Border Protection officer who has the authority to admit the investor to the United States as a CLPR. This process is known as inspection. Generally, possession of a valid immigrant visa will result in an admission unless the inspecting officer suspects fraud, the alien's travel documents are not in order, or the alien has become inadmissible in the time between the date of visa issuance and the date admission is sought. Possession of an immigrant visa does not guarantee admission to the United States.

J. Adjustment of Status

The Adjustment of Status ("**AOS**") procedure is designed to permit aliens who have been admitted to the United States as non-immigrants or who have been paroled into the country to apply for admission as permanent residents without leaving the country. These non-immigrants must establish that they are admissible permanently, meeting the same standards as aliens who use consular processing to obtain a permanent resident visa. (See the discussion above on Consular Processing and see "V. E. RISK FACTORS - Immigration Risk Factors", below).

Aliens seeking AOS must also comply with requirements peculiar to the AOS process. Aliens who do not meet these additional requirements will be required to use consular processing to obtain an immigrant visa, which will necessitate a departure from the United States. Aliens admitted in certain non-immigrant statuses may encounter more difficulties (and may not be successful) adjusting status than aliens admitted in other non-immigrant statuses. Investors should consult with immigration counsel regarding these issues before the I-526 Petition is filed.

An alien investor or the investor's spouse or children who are eligible for CLPR may not be eligible for AOS if they: (1) were employed in the U.S. without authorization; (2) were not in lawful status on the date their AOS application was filed or if they failed to maintain lawful status thereafter; (3) were ever out of status during earlier admissions to the U.S.; (4) are admitted in certain non-immigrant statuses, such as "A", "G" or "J" (unless the two-year foreign residency requirement does not apply or a waiver of the requirement has been obtained); (5) have been in removal proceedings in the ten years prior to seeking AOS; (6) were admitted under the visa waiver program at the time AOS is sought; or (7) obtained CLPR as the spouse of a U.S. citizen or as the son or daughter of a spouse of a U.S. citizen and have not abandoned this CLPR prior to seeking AOS. There may be additional reasons why an alien may not adjust status, which is a benefit granted at the discretion of USCIS.

Investors should consult with immigration counsel to determine if they, their spouse and their children are eligible for AOS.

During AOS processing, the applicant will be required to submit a medical examination and will receive instructions from USCIS regarding biometric data collection and an interview. The interview may be waived by USCIS, but the waiver should not be expected. USCIS uses profiling information to determine who will be interviewed and it also interviews some AOS applicants to maintain the integrity of its screening process. There is no formal process to request the waiver of an interview. If the investor is interviewed, the spouse and children of the investor will be required to attend the interview.

K. Travel During Adjustment of Status Processing

An alien investor who leaves the United States without advance permission while an AOS application is pending is deemed to have abandoned that application unless the applicant has been admitted in and continues to hold valid H or L non-immigrant status pending adjudication of the AOS application.

Advance permission to depart the U.S. is issued routinely if the alien articulates a *bona fide* need to travel. It is not necessary to demonstrate an emergent need to travel; any purpose not contrary to law is usually deemed sufficient. Advance permission, known as Advance Parole, is usually granted for multiple entries during the time required to complete the AOS process, but not longer than one year. It may be necessary to re-apply for Advance Parole if the AOS process is not complete within a year.

Advance Parole is not available to aliens who are outside of the U.S. It is important for AOS applicants who wish the right to travel to make application for Advance Parole while they are

in the U.S. They must remain in the U.S. until Advance Parole is granted to avoid abandonment of the AOS application. Advance Parole applications may take about 60-90 days to be granted. Processing times may be longer if an applicant is subjected to extended background checking. In demonstrated emergent circumstances, an AOS applicant may receive expedited Advance Parole.

Alien investors admitted to the United States in any non-immigrant status who have obtained Advance Parole during the AOS process should consult with immigration counsel before traveling. Re-admission to the U.S. using the Advance Parole document may jeopardize the non-immigrant status of the alien's family members who did not travel. The consequences, if any, of this situation should be examined prior to travel.

L. Employment During The Adjustment of Status Processing

Applicants for AOS who wish to work in the United States must obtain employment authorization unless they have been admitted to the U.S. in a non-immigrant status that confers employment authorization that does not end before AOS is granted. Self-employment requires employment authorization.

Employment authorization applications currently take 60-90 days to be adjudicated. Processing times may be longer if an applicant is subjected to extended background checking. Employment authorization is usually granted during the time required to complete the AOS process, but not longer than one year. It may be necessary to re-apply for employment authorization if the AOS process is not complete within a year. To avoid a lapse in employment authorization re-applications should be made sufficiently in advance of the expiry of existing authorization. Employment without authorization at any time in the U.S. is a violation of immigration status and may jeopardize the right to adjust status.

M. Adjustment of Status Cannot Be Guaranteed

AOS is granted in the discretion of USCIS. Its decision is unreviewable. An alien whose AOS application has been denied may request that the case be re-opened or re-considered by the same office that denied AOS. If the request to re-open or re-consider the case is denied, or, if, after such a review, the alien fails to convince USCIS to reverse its original decision, the alien may renew the AOS before an immigration judge if he or she is placed into removal proceedings.

Aliens admitted in unexpired non-immigrant status who are denied AOS to CLPR are usually entitled to remain in the U.S. in that status and may seek an extension of that non-immigrant status or seek a change to a different non-immigrant status for which they are qualified. At such time as the alien's non-immigrant status expires, the alien is expected to depart the U.S. If at the time of the denial of AOS, the alien's non-immigrant status was expired, the alien is expected to depart the U.S. Failure to depart timely is a violation of U.S., immigration law and regulation which may affect the ability of the alien to qualify for future immigration benefits.

If an alien investor is admitted to the U.S., in a non-immigrant status (pending AOS), the spouse and children of the alien investor are frequently admitted for a time coincident with the authorization of the investor to remain in the U.S. If AOS is not granted to the alien investor and

the investor's non-immigrant status expires, the status of the spouse and children will be deemed to have expired at the same time. They, too, will be expected to depart the U.S. at that time.

AOS applicants should not make any permanent connections to the United States or change any permanent living, employment, schooling or other lifestyle arrangements in their country of residence before they are issued AOS based upon an approved I-526 Petition.

N. Removal of Conditions

Approval of an AOS application or the grant of an I-526 Petition followed by entry into the U.S. using an immigrant visa means that the investor and the spouse and qualified children of the investor have been granted CLPR for two years. Such approval is contingent on the visas being "available". If such visas are unavailable because of a quota retrogression impacting the principal investor's country of birth, then such approval of AOS/consular processing to grant entry as a CLPR may be extended until such time as visas once again become available. Please refer to Section "V. E. 9. RISK FACTORS – RISKS RELATED TO IMMIGRATION" below for additional details.

Once the investor and the investor's derivatives are granted CLPR, the investor must apply to remove the "conditions" associated with such status, so that the aliens may become lawful permanent residents, within 21-24 months. Failure to remove the conditions results in the termination of CLPR status and will likely result in the commencement of removal proceedings.

Removal of conditions is sought by the filing of an I-829 Petition in the 90-day period immediately preceding the second anniversary of the grant of CLPR status. In support of the petition, the alien investor must demonstrate full investment in the enterprise and compliance with the requirement that 10 full-time jobs have been created as a result of the investment. The investor must also demonstrate maintenance of the investment continuously since becoming a CLPR. Developer will provide documentation, upon request by a Member, as reasonably necessary and available in support of such Member's application for removal of conditions. Changes to the business from the plan could jeopardize removal of conditions.

USCIS currently has jurisdiction to decide a petition to remove conditions, although that jurisdiction authority may change in the future. It is authorized to approve a petition, seek additional written information before deciding the petition, refer the petition to a local office where information will be elicited in an interview, or, it may deny the petition. If the petition is referred for an interview, the local office of USCIS may decide the petition after the interview.

During the pendency of the petition, aliens admitted in CLPR status remain in valid status even if the petition is not decided before the expiry of the two year period of admission. CLPR is extended in one year increments or until the petition to remove conditions is adjudicated. Unfortunately, some USCIS offices have been reluctant to extend CLPR status, presumably in ignorance of the law. Aliens have also experienced difficulty obtaining advance permission to travel during this period. This difficulty is not experienced in all instances and it may abate as local USCIS offices become more familiar with the law. Delays and improper denials of

documents evidencing extended CLPR status and Advance Parole cannot be ruled out. Denial of such documents does not end the lawful status granted by statute.

O. Removal of Conditions Not Guaranteed

In the history of the EB-5 Program, the U.S. Immigration and Naturalization Service (now USCIS) modified the requirements for removal of conditions after the time that some investors were granted CLPR. As a result of this action, some of those investors were unable to comply with the new requirements, creating the possibility that they would be removed from the United States. Some of these investors contested the change in rules after their investments were made through litigation that resulted in the U.S. Immigration and Naturalization Service being ordered to reconsider their applications to remove conditions by applying the original rules.

There cannot be any assurance that USCIS will not change the requirements for removal of conditions after investors are granted CLPR status through investment in the Project. There cannot be any assurance that an investor will be able to demonstrate to the satisfaction of USCIS that the Project is operating within its business plan, that it has created the requisite jobs at the time required by USCIS or that any other requirements for the removal of conditions have been met.

P. Preservation of Eligibility for Removal of CLPR Status

If the Developer were to sell or refinance the Project before the end of conditional residence of some or all investors without "carving out" the Loan from such transaction, such investors might be found by USCIS to have failed to maintain their investment "at risk" in the Project and might not be able to obtain removal of conditions. Therefore, if, at any time during the CLPR status period for any Investing Member, any Loan amount is prepaid, the Company shall have the right to reinvest the remaining Capital Contribution amounts of the Investing Members in alternate investments that qualify under the EB-5 Program for the purpose of preserving the Investing Members' "at risk" investment and eligibility for removal of CLPR status. USCIS has not set clear policy on the extent to which reinvestment might be considered to constitute a "maintenance of investment" making possible the approval of investors' petition to remove conditions. Until USCIS publishes its final policy memorandum relating to the eligibility criteria, the Manager shall use reasonable discretion to redeploy funds to maintain the "at risk" requirement of the Project. If and when a final policy is issued by USCIS, then the Manager shall have the right to follow USCIS guidelines related to the "at risk" requirement. The Manager agrees to communicate with the Investing Member in connection with this process to keep them informed as to the USCIS policies and the reinvestment plan to be undertaken by the Manager.

V. RISK FACTORS

THE PURCHASE OF UNITS INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL MEANS WHO CAN BEAR THE RISK OF LOSS OF THEIR ENTIRE INVESTMENT AND WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT. IN ADDITION TO ALL OTHER INFORMATION SET FORTH ELSEWHERE IN THIS OFFERING MEMORANDUM, INCLUDING THE EXHIBITS HERETO, A PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS, AND SHOULD CONSULT HIS OR HER OWN LEGAL, TAX, REAL ESTATE AND FINANCIAL ADVISORS WITH RESPECT THERETO, BEFORE MAKING A DECISION TO PURCHASE UNITS. THE ORDER IN WHICH THE FOLLOWING RISKS ARE PRESENTED DOES NOT CORRELATE TO THE MAGNITUDE OF THE RISKS DESCRIBED. THE FACT THAT THE FOLLOWING RISK FACTORS ARE ENUMERATED IN NO WAY IMPLIES THAT THESE ARE THE ONLY RISK FACTORS ASSOCIATED WITH THIS INVESTMENT AND ARE MERELY ILLUSTRATIVE OF THE TYPES OF RISKS INVOLVED IN THIS TYPE OF INVESTMENT.

ANY OF THE RISKS ENUMERATED IN THIS ARTICLE COULD HAVE MATERIAL AND ADVERSE EFFECTS ON THE DEVELOPER'S CASH FLOW OR FINANCIAL CONDITION, THE DEVELOPER'S ABILITY TO PAY THE COSTS OF OPERATION OF THE PROJECT AND/OR THE DEVELOPER'S ABILITY TO REPAY ALL OR A PORTION OF THE LOAN. IF THE DEVELOPER IS UNABLE TO REPAY THE LOAN MADE BY THE COMPANY, IN WHOLE OR IN PART, INVESTING MEMBERS COULD SEE A SUBSTANTIAL, IF NOT TOTAL, LOSS OF THEIR INVESTMENTS.

A. Risks Related to Company's Proposed Business-General

1. The Project has no Operating History. The success of the Loan investment will be directly dependent upon the success of the Project's business operations. The Project should be considered in its development stage and its operations are subject to all of the risks inherent in the establishment of a new business enterprise, including, but not limited to, hurdles or barriers to the implementation of the Project Business Plan. The Developer and/or its affiliates have a significant history of operations for which to evaluate its ability to manage the operations and achieve its goals or the likely performance of the Project. No assurances can be given that the Project will operate profitably.

2. Investing Members Will Bear a Significant Financial Risk. Purchasers of Units will be providing a significant portion of the risk capital to the Project pursuant to the Loan along with the Capital Contribution of the Developer and will be investing at a time when the success of the Project remains uncertain.

3. The Manager and/or its Affiliates will be Subject to Conflicts of Interest. The Manager is not affiliated with the Developer, but is a subsidiary of the Regional Center. As a result, the Company, Manager, Developer, Regional Center and/or its affiliates are or may be related parties through service agreements. This could result in one or more conflicts of interest

between the interests of the Investing Members, Manager, Developer, Regional Center and/or their affiliates. The potential conflicts of interest include, but are not limited to, the following:

(a) The Company, Manager, Developer, Regional Center and/or their affiliates may acquire and operate other real estate projects for their own respective accounts, provided same is not directly competitive with the Project. This shall not be considered to be a conflict of interest.

(b) The Company, Manager, Developer, Regional Center and/or their affiliates will not be required to disgorge any profits or fees or other compensation they may receive from any other business they own separate from the Project, and Investing Members will not be entitled to receive or share in any of the profits, return, fees or compensation from any other business owned and operated by the Company, Manager, Regional Center and/or their affiliates for their own benefit;

(c) The Company, Manager, Developer, Regional Center and/or their affiliates are not required to devote all of their time and efforts to the affairs of the Project and this could result in a conflict of interest for the time and attention of the Company, Manager, Developer, Regional Center and/or their affiliates; and

(d) The Project and the Prospective Investors may or may not be represented by separate counsel in connection with the formation of the Company, the drafting of the Operating Agreement or the Subscription Agreement, this Offering or the Loan Agreement. As a result, the Loan Agreement will not have been negotiated at arms-length and may contain terms not in the interests of the Investing Members.

4. The Manager's Liability will be Limited. Pursuant to the Operating Agreement, the Manager, its agents, and its other affiliates will not be liable to the Company or any Members for any damages, losses, liabilities or expenses (including reasonable legal fees, expenses and related charges and cost of investigation) unless one of those parties is guilty of fraud, deceit, gross negligence or willful misconduct. The Members will have limited recourse against those parties. The Operating Agreement also provides that the Company will indemnify, hold harmless and waive any claim against the Manager, its agents, the Developer and its other affiliates, for any and all losses, damages, liability claims, causes of action, omissions, demands and expenses or any other act or failure to act arising from or out of the performance of their duties to the Company under the Operating Agreement or as a result of any action which the Manager and/or its designated agents are requested to take or refrained from taking by the Company unless such loss has arisen as a result of their gross negligence or willful misconduct.

5. The Project will have no Diversification of its Investment. The Company will invest its capital in one Project through the Loan, thus providing no diversification.

6. The Project's Success is Dependent upon the Successful Implementation of the Project Business Plan by the Developer. The success of the Company will largely depend upon the Developer's success in implementing the Project Business Plan. Because many of the factors necessary for success are beyond the control of the Developer, there can be no assurance that the

Developer will be able to successfully implement the Project Business Plan, or carry out the Project Business Plan as circumstances require.

7. The Project will be Subject to Insurance Risks. The Developer does not intend to obtain and maintain insurance on the Project.

8. Distributions by the Company are not Guaranteed. Payment of distributions and the amounts thereof will be dependent upon returns received by the Company on the Loan. No assurances can be given that the Company will operate profitably or be able to declare and pay any distributions to the Members, or that Investing Members will earn a positive return on their investment or receive a return of any or all of their investment.

9. Marketing. Marketing and operating efforts may not be successful. The Project represents a mixed-use residential and commercial concept and may include certain lease agreements with varying rates and terms. There are no assurances that the Developer will be able to successfully manage the various business elements of the Project and market its concept to the general public in a manner that achieves the projected rates, volume and profit as set forth in the financial projections contained in the Project Business Plan. The marketing and operating efforts may not be successful, and the operating expenses may be higher than anticipated (including real and personal property tax and insurance requirements).

10. Residential General Risks. The Project will be subject to the general risks of the residential housing industry. The Project will be subject to the market risks generally incident to the rental of residential units. In particular, one key risk will be the ability to rent units at a projected rate as provided in the Project Business Plan. The Developer believes that there is a demand for residential units in the areas where the Project is located and that the projected rental rates will be realized, although there are no assurances that this will be accomplished. If projected rental rates of units are not realized, this may depress the rental rates for units in the Project and for retail tenants.

11. Negative Publicity. The residential and commercial businesses are subject to intense competition. The residential and commercial real estate markets are highly competitive, and the Developer's competitors vary in location, size, quality of facilities, brand identities, marketing and growth strategies, financial strength and capabilities, level of amenities, management talent and geographic diversity. The Developer's competitors may have greater financial resources than those available to the Developer and thus be in a better position to: (a) execute their business models, (b) attract key human resources talent in performance-critical areas, and (c) launch and/or carry on important programs and initiatives. There can be no assurances that the Developer will consistently be able to undertake programs and initiatives that could prove profitable to the Developer in view of the intense competition that may be encountered by the Developer in all significant phases of its activities.

B. Special Risks Associated with the Project

1. Timing of Completion is Uncertain. Included in the Project's Business Plan is a time schedule for the completion of the Project. There are no assurances that this time schedule

can be met, and if the timing for the completion of development is delayed by any significant degree, then the cost of development may increase and the receipt of proceeds could be delayed. Additionally, the ability of the investor to obtain an approval of the I-829 Petition and receive a permanent green card is dependent upon the successful implementation of the time schedule for completion of the Project. If the timelines are subject to delays, the delays may affect the investor's ability to show the requisite jobs were created by the Project during the investor's period of conditional permanent resident.

2. Cost Overruns. Cost overruns may be encountered as a result of numerous factors, including not only the delay in the development process, the failure of certain contracted parties to complete their work in accordance with the contracted amount, necessitating the substitution of subcontractors and potential increases in pricing. Furthermore, unforeseen issues may be encountered that otherwise require an increase in the development budget that have not otherwise been reserved for in the contingency fund.

3. Governmental Issues With Respect to Permitting and Operations. Real estate development operations are subject to various local and state regulations. In connection therewith, there may arise both environmental and health and safety issues that may otherwise restrict the ability of the Company to develop the Project. However, virtually all permitting requirements related to the Project have been satisfied.

4. The Investment in the Project is Speculative. Investing in real estate as contemplated by the Developer involves an inherent exposure to fluctuations in the real estate market, including the availability of financing, increases in mortgage rates and borrowing rates and general economic conditions, and there is no assurance that its investment strategy will be successful. Prospective Investors should not subscribe for Units unless they can afford a loss of all their capital invested in the Company as a result of the non-payment of the Loan.

5. The Company's Investment is Illiquid. The Project may not be easy to liquidate or refinance. No assurance can be given that the Loan will be repaid or when it will be repaid.

6. The Project Will be Subject to Real Estate Investment Risks. The risks relating to an investment in real estate will apply to an investment in the Project including, but not limited to, the national, regional and local economic climates, competitive market forces, changes in market values, natural disasters, terrorist acts, changes in market rates of interest and competition from other existing competing properties and new competing properties that may be developed in the future.

7. The Project Is Subject to the Risks of Leverage. If operations of the Project deviate in any material adverse respect from those projected, the Project may not have sufficient cash flow to service the required indebtedness. If the Project cannot do so, regardless of the cause, the Company will face a risk of forfeiture or foreclosure of its interest in the Project.

Additionally, if the time required to sell-out the Project takes longer than projected or the sales price for the condominium units achieved are less than projected, then the Members are subject to increased risk of loss on their investment and possible total loss of their investment in

the Company if the holder of the Senior Indebtedness forecloses out junior interests. Additionally, upon any default under the Senior Indebtedness, the Senior Lender may foreclose on the property and eliminate the rights of the Company under the Loan.

8. The Manager will Receive a Management Fee Regardless of the Project's Performance. The Project will pay the Manager various fees for services rendered regardless of whether the Project is ultimately profitable.

9. Unique Risks of Residential Housing Business. Residential housing construction projects have certain unique risk factors, including the following:

(a) The location of the Project is a key factor in attracting prospective purchasers of units, and any material and adverse change in the surrounding areas of the Project will have a significant adverse effect on sales prices and the ability to operate profitably.

(b) Results of operations are subject to risks inherent in the residential housing industry, such as the demand for rental units in the general vicinity of the Project, which could materially and adversely affect such Project.

(c) Competition from other residential rental properties, located in close proximity to the Project may reduce the demand which could materially and adversely affect the Project.

(d) The success of the Project depends on key management personnel whose continued service is not guaranteed, and their departure could materially and adversely affect the Project.

(e) Adverse economic conditions in general may have had a material and adverse effect on the Project, affecting sales prices, occupancy rates and the ultimate operating results of the Project.

10. The Project may be subject to technical risks and technology risks. The Project may be subject to technical risks, including design errors, defects in construction and materials, mechanical breakdown, failure to perform according to design specifications and other unanticipated events, which adversely affect operations, health, safety and other equipment and/or plant facilities. While the Project will be insured and it is expected that third parties will bear much of this risk, there can be no assurance that any or all such risk can be mitigated or that such parties, if present, will perform their obligations.

11. Subordinated Debt Risk. The Loan to be made by the Company will be subordinate to the Senior Indebtedness to be made by a senior lender, and a default under the Senior Indebtedness could otherwise result in a foreclosure of such loan on the Project and therefore eliminate the position of the Company as a lender under the Loan.

12. Interest Rates. Rising interest rates may impact the Developer's ability to fund debt service. Interest rates for the financing of real estate are at historically low levels, and any increase in rates may have an adverse effect on the Developer's ability to pay debt service associated with

any loans, including the Loan. In addition, increases in interest rates may have an adverse effect on the operation and/or sale of the Project and may have an adverse effect on the ability of the Developer to refinance the Project and, thus, its ability to pay the Loan. Rising interest rates may also adversely affect the condominium's purchaser ability to either afford or qualify for the mortgage or both.

13. Uncertainty of cash flow to meet fixed obligations; adverse changes in general or local economic conditions; excessive hotel openings resulting in an over-supply; relative appeal of particular types of facilities to patrons, customers, and vendors; reduction in the cost of operating competing businesses; decreases in employment, reducing the demand for hospitality; the possible need for unanticipated renovations; adverse changes in interest rates and availability of funds and other changes in operating expenses; changes in governmental rules and fiscal policies; acts of God, including earthquakes, which may cause uninsured losses; the financial condition of patrons and customers of the Project; increases in energy costs and other expenses of travel resulting in less tourism and travel to the Project area; environmental risks; loss to or condemnation of the Property on which the Project is located; and other factors which are beyond the control of the Company and the Developer. Because hotel rooms are rented for relatively short periods of time compared to most commercial properties, hotels are highly impacted much more quickly by adverse economic conditions and competition than other commercial properties that are rented for longer periods of time. Decreases in actual Project income from anticipated amounts, or increases in operating expenses, among other factors, could result in the Company's inability to meet all its cash obligations. Furthermore, any material and adverse effects on the cash flow and financial condition of the Developer could result in the Developer's failure to repay the Company's Loan. If the Developer fails to repay the Loan made by the Company, Investing Members could see a substantial, if not total, loss of their investment.

C. Risks Related To The Offering

1. Determination of the Offering Price and Other Terms of the Units have been Arbitrarily Determined. The Offering Price for the Units, and the returns proposed to be paid to Members and other terms of the Units may not bear an exact correlation to assets acquired or to be acquired, or the value of the Project or any other established criteria, or quantifiable indicia for valuing a business. No representation is being made by the Regional Center or the Developer that the Units have or will have a market value equal to their Offering Price or could be resold (if at all) at their original Offering Price. The Offering Price for the Units should not be considered an indication of the actual value of the Units or the price at which the Units may be transferred following the consummation of this Offering.

2. There will be no Public Market for the Units and the Units are Subject to Significant Restrictions on Transferability. There is no public market for the Units and no such market is expected to develop in the future. The sale of the Units is being made without registration under the Securities Act and applicable state securities laws in reliance upon various exemptions under the Securities Act, including the "private offering" exemption of Section 4(2) and Regulation D and Regulation S promulgated under the Securities Act and available exemptions under applicable state securities laws. Such Federal and state securities laws severely

restrict the transferability of the Units offered hereby. Accordingly, an investment in the Units will be highly illiquid. The Units are considered "restricted securities" under the Securities Act and applicable state securities laws and cannot be resold or otherwise transferred unless they are registered under the Securities Act and any applicable state securities laws or are transferred in a transaction exempt from such registration requirements. Consequently, a holder of the Units may not be able to liquidate his or her investment and each investor's ability to control the timing of the liquidation of his or her investment in the Company will be restricted. Investors should be prepared to hold their Units indefinitely. In addition, an investor should be able to withstand a total loss of his or her investment in the Company.

3. The Operating Agreement also Limits Transferability of Units. Pursuant to the Operating Agreement, the Units are not readily transferable and no transfer of Units may be made unless, among other things, the transferor delivers to the Manager an opinion of counsel satisfactory to the Company that the transfer will not create adverse tax consequences and would not violate federal or state securities laws. Obtaining such an opinion on securities laws would generally require for its basis that the Units be registered under such laws or that an exemption from registration exists and there can be no assurance that an exemption will be available.

4. There are Important Factors Related to Forward-Looking Statements and Associated Risks. This Offering Memorandum contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, and the Company intends that such forward-looking statements be subject to the safe harbors created thereby. These forward-looking statements include the plans and objectives of management for future operations, including plans and objectives relating to the products and future economic performance of the Project.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on assumptions, including but not limited to, the following: that the Project will accurately anticipate market demand; and that there will be no material adverse change in the anticipated operations or business of the Project. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Developer. Although the Developer believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking information will be realized. In addition, as disclosed elsewhere under other risk factors, the business and operations of the Developer are subject to substantial risks, which increase the uncertainty inherent in such forward-looking statements. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should **not** be regarded as a representation or assurance by the Developer or any other person that the objectives or plans of the Developer will be achieved.

5. The Operating Agreement has not been Negotiated at Arm's - Length. The Manager has generally established the terms of the Operating Agreement, which were not negotiated on an arm's-length basis. In addition, legal counsel for the Company and the Manager

have not acted as counsel for or represented the interests of the Prospective Investors. Prospective Investors should consult with their own legal counsel with respect to the investment to the Company.

6. Returns To Investing Members. The costs of developing, selling and operating the Project will not be guaranteed by any party, nor will there be any guaranty of profit on the investment. The return of the Interest and the Capital Contributions of the Investing Member will be directly dependent upon the completion and sellout of the Project by the Developer to an extent necessary to retire the Senior Indebtedness and the Company's Loan.

7. Risks from Insufficient Subscription or I-526 Petition Approvals. The Company will not be obligated to return any of a Subscriber's Capital Contribution once his or her I-526 Petition approval is granted. Failure to realize sufficient capital from Investing Members will require the Developer and/or its assignee to seek additional financing through other means such as loans from other parties to which the Company's Loan will be subordinated. If for any reason the Company cancels the Offering or returns capital investment to any investors, the Regional Center must notify USCIS of this, and USCIS would be expected to take action to terminate permanent residence and possibly seek removal. In addition, failure of the Company to fully subscribe the Project could increase the possibility that the Project will not be financially successful, which could result in loss of permanent residence (see "V. E. RISK FACTORS - Immigration Risks"). If I-526 Petitions of investors are denied in a greater number resulting in amounts to be refunded which are greater than amounts retained in escrow, the Company may lack resources to refund the Capital Contributions of all denied investors. Such denied investors, therefore, may be unable to obtain redemption and may remain Investing Members despite the unavailability of an immigration benefit.

8. Risk of Bridge Financing. To the extent applicable, if bridge financing is obtained before the Loan is fully funded, there is a risk that USCIS may challenge the job creation formula utilized with respect to the Project to the extent of jobs created from any bridge financing that is replaced by the Loan, although the Company believes that it has a supportable position to utilize bridge financing to accelerate the development of the Project.

9. Risks Related to the Investment Company Act of 1940. The Company intends to avoid becoming subject to the Investment Company Act of 1940, as amended (the "1940 Act"); however, the Company cannot assure Prospective Investors that; under certain conditions, changing circumstances or changes in the law, the Company may not become subject to the 1940 Act in the future as a result of the determination that the Company is an "investment company" within the meaning of the 1940 Act which does not qualify for an exemption as set forth below. Becoming subject to the 1940 Act could have a material adverse effect on the Company. Additionally, the Company could be terminated and liquidated due to the cost of registration under the 1940 Act.

In general, the 1940 Act provides that if there are 100 or more investors in a securities offering, then the 1940 Act could apply unless there is an exemption; however, the 1940 Act generally is intended to regulate entities that raise monies where the entity itself "holds itself out as

being engaged primarily, or purposes to engage primarily, in the business of investing, reinvesting or trading in securities." (Section 3(a)(1)(A) of the 1940 Act).

The second key definition of an "investment company" under the 1940 Act considers the nature of an entity's assets. Section 3(a)(1)(C) of the 1940 Act defines "investment company" as any issuer which:

> "...is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis."

The 1940 Act provides that a company is not an "investment company" within the meaning of the 1940 Act if it is:

> "[An] issuer primarily engaged, directly or through a wholly-owned subsidiary or subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities..."

The 1940 Act provides for the following relevant exemptions:

"Notwithstanding subsection (a), none of the following persons is an investment company within the meaning of this title:

> (1) Any issuer whose outstanding securities (other than short-term paper) are beneficially owned ***by not more than one hundred persons*** [emphasis added] and which is not making and does not presently propose to make a public offering of its securities. Such issuer shall be deemed to be an investment company for purposes of the limitations set forth in subparagraphs (A)(i) and (B)(i) of section 12(d)(1) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end investment company to any such issuer. For purposes of this paragraph:
>
> > (A) Beneficial ownership by a company shall be deemed to be beneficial ownership by one person, except that, if the company owns 10 percent or more of the outstanding voting securities of the issuer, and is or, but for the exception provided for in this paragraph or paragraph (7), would be an investment company, the beneficial ownership shall be deemed to be that of the holders of such company's outstanding securities (other than short-term paper).

(B) Beneficial ownership by any person who acquires securities or interests in securities of an issuer described in the first sentence of this paragraph shall be deemed to be beneficial ownership by the person from whom such transfer was made, pursuant to such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title, where the transfer was caused by legal separation, divorce, death, or other involuntary event.

...

(5) Any person who is not engaged in the business of issuing redeemable securities, face-amount certificates of the installment type or periodic payment plan certificates, and who is primarily engaged in one or more of the following businesses: (A) Purchasing or otherwise acquiring notes, drafts, acceptances, open accounts receivable, and other obligations representing part or all of the sales price of merchandise, insurance, and services; (B) making loans to manufacturers, wholesalers, and retailers of, and to prospective purchasers of, specified merchandise, insurance, and services; and (C) ***purchasing or otherwise acquiring mortgages and other liens on and interest in real estate*** [emphasis added]."

Based upon the above, the Company has been advised that the Offering is either exempt under the 1940 Act or that if it is not exempt as an investment company, that one of the above-referenced exemptions from registration will apply; however, although there are no assurances that this will ultimately be the case.

10. Risks Related to the Investment Advisers Act of 1940. None of the Manager, Regional Center or Developer are registered as an "investment adviser" under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). The Company has been advised that Developer, Manager and/or Regional Center likely do not need to register as an "investment adviser" under the Advisers Act; however, there can be no assurance that such is the case.

11. Legal Considerations. LEGAL COUNSEL TO THE COMPANY AND THE REGIONAL CENTER WILL NOT BE ENGAGED TO PROTECT THE INTERESTS OF PROSPECTIVE INVESTORS OR INVESTING MEMBERS AND SHOULD NEVER BE VIEWED AS REPRESENTING ANY PROSPECTIVE INVESTOR OR INVESTING MEMBER. INVESTING MEMBERS AND PROSPECTIVE INVESTORS SHOULD CONSULT WITH AND RELY UPON THEIR OWN COUNSEL CONCERNING INVESTMENT IN THE COMPANY, INCLUDING, WITHOUT LIMITATION, TAX AND CURRENCY EXCHANGE CONSEQUENCES TO THEM AND OTHER ISSUES RELATING TO ANY INVESTMENT IN THE COMPANY. THIS OFFERING MEMORANDUM IS

WRITTEN IN THE ENGLISH LANGUAGE ONLY AND THIS OFFERING MEMORANDUM AS WRITTEN IN ENGLISH SHALL BE CONTROLLING IN ALL RESPECTS. ANY VERSION OF THIS OFFERING MEMORANDUM IN ANY LANGUAGE OTHER THAN ENGLISH IS NOT AUTHORIZED.

D. Tax Risks

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR NO. 230, BE ADVISED THAT ANY INFORMATION RELATING TO U.S. FEDERAL TAXES IN THIS OFFERING MEMORANDUM, INCLUDING ANY ATTACHMENTS OR ENCLOSURES, WAS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY ANY PERSON OR ENTITY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY INTERNAL REVENUE CODE PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON OR ENTITY. SUCH INFORMATION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION(S) OR MATTER(S) ADDRESSED BY THE WRITTEN INFORMATION. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY OR PROFESSIONALS ASSOCIATED WITH THIS OFFERING AS LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN PERSONAL ATTORNEY, ACCOUNTANT AND OTHER ADVISORS, AT HIS OR HER OWN EXPENSE, AS TO THE LEGAL, TAX, ECONOMIC, AND OTHER CONSEQUENCES AND RISKS OF AN INVESTMENT IN THE UNITS AND THE SUITABILITY OF SUCH INVESTMENT FOR HIM/HER.

There are various U.S. federal income tax risks associated with an investment in the Units. Some, but not all, of the various risks associated with the U.S. federal income tax aspects of the Offering of which Prospective Investors should be aware are set forth below and are more fully described in Section IX hereof. The effect of certain tax consequences on an investor will depend, in part, on other items in the investor's tax return. No attempt is made herein to discuss or evaluate the state or local tax effects on any investor. Each investor is urged to consult the investor's own tax advisor concerning the effects of federal, state and local income tax laws on an investment in the Units and on the investor's individual tax situation. Neither the Manager nor its affiliates nor counsel for the Company has provided any tax (or other legal) advice to any holder of Units or Prospective Investor. The following discussion is not tax advice. This summary does not discuss the impact of various proposals to amend the Internal Revenue Code which could change certain of the tax consequences of an investment in the Company.

1. There are Risks Related to the Status of the Company for Federal Income Tax Purposes. The Company has been organized as a limited liability company under the laws of the State of Missouri. The Company will not apply for a ruling from the Internal Revenue Service (the "**IRS**") that it will be treated as a partnership for federal income tax purposes, but intends to file its tax returns as a partnership for federal and state income tax purposes. Investors should recognize

that many of the advantages and economic benefits of an investment in the Units depend upon the classification of the Company as a partnership (rather than as an association taxable as a corporation) for federal income tax purposes. A change in this classification would require the Company to pay a corporate level tax on its income which would reduce cash available to fund distributions to investors, prevent the flow-through of tax benefits, if any, for use on investors' personal tax returns, and could require that distributions be treated as dividends, which together could materially reduce the yield from an investment in the Company. In addition, such a change in the Company's tax status during the life of the Company could be treated by the IRS as a taxable event, in which event the investors could have tax liability without receiving a cash distribution from the Company to enable them to pay such tax liability. The discussion herein assumes that the Company will at all times be treated as a partnership for federal tax purposes. The continued treatment of the Company as a partnership is dependent on present law and regulations, which are subject to change, although there is no current legislation in existence or presently contemplated that would otherwise affect the Company's classification as a partnership for U.S. federal and state income tax purposes.

2. Investors may have Possible Federal Income Tax Liability In Excess of Cash Distributions. Each investor will be taxed on the investor's allocable share of the Company's taxable income, regardless of whether the Company distributes cash to investors. Investors should be aware that although the Company will use its best efforts to make distributions in an amount necessary to pay income tax at the highest effective individual income tax rate on the Company's taxable income, the federal income tax on an investor's allocable share of the Company's taxable income may exceed distributions to such investor. An investor's allocable share of the Company's cash distributions is subject to federal income taxation only to the extent the amount of such distribution exceeds an investor's tax basis in its Units at the time of the distribution. Additionally, distributions that exceed the amount for which an investor is considered "at-risk" with respect to the activity could cause a recapture of previous losses, if any. There is a risk that an investor may not have sufficient basis or amounts "at-risk" to prevent allocated amounts from being taxable. The deductibility of various Company expenses allocable to certain Investing Members may be subject to various limits for U.S. federal income tax purposes. It is possible that losses of the Company or of a particular activity of the Company could exceed income in a given year. Any such losses may be passive losses, which may subject Investing Members to limits on deductions for losses. Additionally, the deductibility of capital losses are also subject to limitations. Investing Members should consult their own tax advisers regarding potential limitations on the deductibility of their allocable share of items of losses and expenses of the Company. Each Investing Member will be required to report on his or her own U.S. federal income tax return his or her share of the Company's income, gains, losses, deductions and credits for the taxable year of the Investing Member, whether or not cash or other property is distributed to that Investing Member.

3. Information Reporting to Investing Members by the Company. The Company will file an information return on IRS Form 1065 and will provide information on Schedule K-1 to each Investing Member following the close of the Company's taxable year. Delivery of this information by the Company will be subject to delay in the event of the late receipt of any necessary tax information from an entity in which the Company holds an interest. It is therefore possible that, in any taxable year, Investing Members will need to apply for extensions of time to file their tax returns.

4. Tax Auditing Procedures will be under Control of the Manager. Any audit of items of income, gain, loss or credits of the Company will be administered at the Company level. The decisions made by the Manager with respect to such matters will be made in good faith consistent with the Manager's fiduciary duties to both the Company and to the investors, but may have an adverse effect upon the tax liabilities of the investors.

5. Changes in Federal and State Income Tax Laws and Policies may Adversely Affect Investors. There can be no assurance that U.S. federal and state income tax laws and IRS administrative policies respecting the income tax consequences described in this Offering Memorandum will not be changed in a manner which adversely affects the interests of investors.

IN VIEW OF THE FOREGOING, IT IS ABSOLUTELY NECESSARY THAT EACH AND EVERY PROSPECTIVE INVESTOR CONSULT WITH THE INVESTOR'S OWN ATTORNEYS, ACCOUNTANTS AND OTHER PROFESSIONAL ADVISORS AS TO THE LEGAL, TAX, ACCOUNTING AND OTHER CONSEQUENCES OF AN INVESTMENT IN THE UNITS.

E. Risks Related to Immigration

AN INVESTING MEMBER SHOULD CONSULT WITH LEGAL COUNSEL FAMILIAR WITH UNITED STATES IMMIGRATION LAWS AND PRACTICE. PURCHASE OF A UNIT DOES NOT GUARANTEE LAWFUL PERMANENT RESIDENCE IN THE UNITED STATES. THE UNITS DESCRIBED IN THIS OFFERING MEMORANDUM INVOLVE A SIGNIFICANT DEGREE OF RISK RELATING TO IMMIGRATION MATTERS. AMONG THE IMMIGRATION RISK FACTORS THAT A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY ARE THE FOLLOWING; HOWEVER, THIS LIST IS NOT EXHAUSTIVE AND DOES NOT PURPORT TO SUMMARIZE ALL RISKS ASSOCIATED WITH THE PURCHASE OF A UNIT. SEE "V. RISK FACTORS" FOR CERTAIN ADDITIONAL RISKS ASSOCIATED WITH A PURCHASE OF A UNIT.

1. General. While best efforts have been made to structure this Offering so that Investing Members may meet EB-5 Program immigrant visa requirements under 8 U.S.C. § 1153 (B)(5)(A) - (D); INA Act § 203 (B)(5)(A) - (D) and qualify as "alien entrepreneurs," which is a preliminary step to becoming eligible for the admission to the United States of the Investing Member, his or her spouse and qualifying children as lawful permanent residents, no representations can be made and no guarantees can be given with respect to the ability of this investment to guarantee or otherwise assure that the application to qualify as an "alien entrepreneur" will be approved or that the Investing Member will be granted conditional or unconditional lawful permanent resident status by USCIS.

2. Approval Of Investments In The Offering. USCIS will review the Project for purposes of approving the Project as part of the Regional Center designation application, and evidence of such approval, if given, will be provided to Investing Members for their use in filing individual I-526 Petitions. However, in adjudicating an Investing Member's I-526 Petition, USCIS may redetermine issues associated with the Project's qualification or may review unfavorably the

Investing Member's proof of the source of capital invested, which may result in an I-526 Petition Denial.

3. Attaining Lawful Permanent Residence. Even after approval of the I-526 Petition, there cannot be any guarantee that the Investing Member, his or her spouse or any of their minor, unmarried children will be granted lawful permanent residence. The grant of such immigration status is dependent, among other things, upon the personal and financial history of each applicant. Any one of the several government agencies may determine in its discretion, sometimes without the possibility of appeal, that an applicant for lawful permanent residence is excludable from the United States. In limited instances, a waiver of a ground of exclusion may be available under the law, but adjudications of waiver applications are themselves made in the unreviewable discretion of the government.

4. Grounds For Exclusion. Persons applying for lawful permanent residence must overcome the statutory presumption of inadmissibility. Applicants must demonstrate, affirmatively, that they are admissible to the United States. There are many grounds of inadmissibility that the government may cite as a basis to deny admission for lawful permanent residence. Various statutes, including for example Sections 212, 237 & 241 of the INA Act, the Antiterrorism & Effective Death Penalty Act of 1996 and the Illegal Immigration Reform & Immigrant Responsibility Act of 1996 set forth grounds of inadmissibility, which may prevent an otherwise eligible applicant from receiving an immigrant visa, entering the United States or adjusting to lawful permanent residence.

Examples of aliens precluded from entering the United States include:

(a) persons who are determined to have a communicable disease of public health significance;

(b) persons who are found to have, or have had, a physical or mental disorder and behavior associated with the disorder which poses or may pose, a threat to the property, safety, or welfare of the alien or of others, or have had a physical or mental disorder and a history of behavior associated with the disorder, which behavior has posed a threat to the property, safety, or welfare of the immigrant alien or others, and which behavior is likely to recur or to lead to other harmful behavior;

(c) persons who have been convicted of a crime involving moral turpitude (other than a purely political offense), or persons who admit having committed the essential elements of such a crime;

(d) persons who have been convicted of violating any law or regulation relating to a controlled substance or have admitted to having committed acts which constitute the essential elements of same;

(e) persons who are convicted of multiple crimes (other than purely political offenses) regardless of whether the conviction was in a single trial or whether the offenses arose from a single scheme of misconduct and regardless of whether such offenses involved moral turpitude;

(f) persons who are known, or for whom there is reason to believe, are, or have been, traffickers in controlled substances;

(g) persons engaged in prostitution or commercialized vice;

(h) persons who have committed in the United States certain serious criminal offenses, regardless of whether such offense was not prosecuted as a result of diplomatic immunity;

(i) persons excludable on grounds related to national security, related grounds, or terrorist activities;

(j) persons determined to be excludable by the Secretary of State of the United States on grounds related to foreign policy;

(k) persons who are or have been a member of a totalitarian party, or persons who have participated in Nazi persecutions or genocide;

(l) persons who are likely to become a public charge at any time after entry;

(m) persons who were previously deported or excluded and deported from the United States;

(n) persons who by fraud or willfully misrepresenting a material fact, seek to procure (or have procured) a visa, other documentation or entry into the United States or other benefit under the INA Act);

(o) persons who have at any time assisted or aided any other alien to enter or try to enter the United States in violation of law;

(p) certain aliens who have departed the United States to avoid or evade U.S. Military service or training;

(q) persons who are practicing polygamists; and

(r) persons who were unlawfully present in the United States for continuous or cumulative periods in excess of 180 days.

5. No Return of Funds if Visa or Adjustment of Status is Denied. Following I-526 Petition approval, the Investing Member, his or her spouse and qualifying children must timely apply for an immigrant visa or adjustment to permanent resident status. As part of this process, the Investing Member will undergo medical, police, security and immigration history checks to determine whether the Investing Member, his or her spouse and qualifying children are inadmissible to the United States for any of the reasons mentioned above or for any other reason. The visa or adjustment of status may be denied notwithstanding I-526 Petition approval. If, following closing of the subscription and disbursement of an Investing Member's Total Subscription Payment held in the Project Escrow Account and/or Subscription Holdback Account, the Investing Member, his or her spouse or any of their children are denied an immigrant visa or

denied adjustment of status to conditional lawful permanent residence such action will not entitle such Investing Member to the return of any funds paid to the Company or its affiliates.

6. Conditional Lawful Permanent Residence. The lawful permanent residence status initially granted to the Investing Member, his or her spouse and their qualifying children is "conditional"; the Investing Member, his or her spouse and their qualifying children must seek removal of conditions before the second anniversary of lawful permanent admission to the United States. There is no assurance that USCIS will consent to the removal of conditions as to the Investing Member, his or her spouse and their qualifying children. If an Investing Member fails to have conditions removed, the Investing Member, his or her spouse and their qualifying children will be required to leave the United States and may be placed in removal proceedings. Even if an Investing Member succeeds in having conditions removed, the Investing Member, his or her spouse and each of their qualifying children, separately, must have conditions removed. Failure to have conditions removed as to any of these family members may require some family members to depart from the United States and such family members may be placed in removal proceedings. Examples of possible reasons for denial of the Investing Member's petition to remove conditions from permanent residence include:

- failure to maintain investment in the Project for the required two years, including as a result of a distribution or return of the Investing Member's invested capital before the time for removal of conditions on the Investing Member's residence, even if 10 jobs were created and are shown to be attributable to the Investing Member's investment in a Unit;

- failure of the Developer and/or its assignee to use all of the Investing Member's invested capital in job-creating activity in a way that is "at risk" to the Member, according to technical requirements of USCIS (some of which are not clearly articulated and which could change over time), even if 10 jobs were created;

- failure to demonstrate that the Investing Member's indirect investment in the Project has created 10 new jobs for U.S. workers that can be allocated to such Investing Member (which may result from failure to meet the Project's economic milestones that were used as assumptions in projecting the indirect jobs that would be created by the Investing Member's indirect investment in the Project); and,

- even if the required 10 jobs were created and are shown to be attributable to the Investing Member's investment in a Unit, the Project's material departure from the business plan presented to USCIS in obtaining the Investing Member's initial I-526 Petition approval. For example, see "VI. IMMIGRATION MATTERS – Preservation of Eligibility for Removal of CLPR Status," regarding the Company's limited right to reinvest Investing Members' Capital Contributions in alternate qualifying investments under the EB-5 Program, which USCIC may deem a material departure from the business plan presented to USCIS.

7. Limited Regulations Regarding Removal of Conditions. USCIS and the courts have determined some standards to be followed by USCIS in some, but not all,

circumstances. The Company may make certain management decisions in the absence of these specific eligibility criteria. The Company will seek as much information as possible from USCIS in an effort to assist Investing Members to qualify for the removal of conditions, where good business practices permit. This notwithstanding, Investing Members should become educated about the standards that will determine eligibility of an investor and the spouse or children of the investor to achieve unconditional lawful permanent residence in the United States pursuant to this program as the standards are constantly evolving. The removal conditions are currently found in 8 Code of Federal Regulation (CFR) § 216.6 and should be reviewed carefully by each Investing Member.

8. Numerical Quotas. Currently, ten thousand (10,000) EB-5 Visas are allocated annually to alien investors and their spouses and qualifying children, of which 3,000 are currently restricted to Regional Centers. EB-5 Visas are available on a first-come, first-served basis. If more visas are sought than are available, there will be a delay in the availability of lawful permanent resident status through the EB-5 Program. There is no reliable means to predict if such a delay will occur, or if it occurs, how long an investor or the spouse and qualifying children of the investor will wait before visa status becomes available for them. Also, the availability of EB-5 Visas may end, the number of available EB-5 Visas may decrease or increase, or the time it takes to acquire an EB-5 Visa may increase significantly. Other changes in the administration of the visa preference system may affect and even preclude the ability to obtain a visa for lawful permanent residence or to adjust to lawful permanent residence.

9. Country Quotas; Visa Retrogression. The U.S. Congress has imposed a limit of 10,000 visas per fiscal year for EB-5 investors and their families.

In addition to the 10,000 worldwide limit, there are per country limitations that only apply if it appears that the 10,000 worldwide limit will be reached. The per country limit is 7% of the annual quota. Since Chinese investors in recent years have accounted for 80% or more of the total EB-5 immigrant visas issued, if the worldwide quota will be reached, the per country limit for China will result in a waiting list for Chinese investors to obtain conditional immigrant visas. The length of the waiting list is unknown, but could likely be at least 2 years or more. This waiting list will not impact the approval of the I-526 Petition, but will result in a delay in the issuance of the immigrant visa and entry to the U.S. as a conditional permanent resident.

The delay in the issuance of the conditional green card status will not result in a delay in the use of the investment proceeds. It is possible that all of the investment proceeds will be used in the investment project and all of the jobs will be created before the investor is able to immigrate to the U.S. The two year conditional residence status will not commence until the investor enters the U.S. as a conditional immigrant.

Another impact of quota retrogression relates to children under age 21. Presently, as long as the child is under age 21 when the I-526 Petition is filed, the child's age is frozen, meaning that the child can immigrate with the parent even if the child is over age 21 at the time of immigration. However, in the event of quota retrogression, although the child's age will remain frozen during the time it takes USCIS to adjudicate the I-526 Petition, the age will no longer be frozen after the approval of the I-526 Petition if the investor is not able to complete the

immigration process because of quota retrogression. This could result in children who were under age 21 at the time of I-526 Petition filing being unable to immigrate under their parent's I-526 approval.

On or about August 13, 2015, the Department of State has reestablished a cutoff date for visas for nationals of China of September 1, 2013, meaning that any Chinese national that filed an I-526 Petition on or after September 1, 2013 is unable to proceed with a visa interview or adjustment of status until the cutoff date advances past the date that the investor filed an I-526 Petition (the "Priority Date"). The Priority Date set by the Department of State may advance or retrogress depending on visa demand and usage. It is currently anticipated that the wait time for an EB-5 visa for nationals of China will be between ten (10) months and two (2) years after I-526 Petition approval, but there is no way to predict the actual delay in obtaining a visa. This limitation could result in a serious and adverse effect on the marketing of the Offering. Legislation has previously been proposed to eliminate the per country quota, but there are no assurances whether such legislation may ultimately be passed.

10. Active Participation in the Company's Business. The EB-5 Program requires that an applicant be actively involved in the business affairs of the company in which the applicant invests. The failure of an Investing Member to be actively involved in the business affairs of the Company may jeopardize the I-526 Petition approval or result in the denial of lawful permanent residence status for the Investing Member, his or her spouse and their qualifying children. The Operating Agreement, reflecting the regulations governing what level of participation is acceptable to meet the EB-5 Program criteria, mandates that each Investing Member shall participate in the management of the Company to the extent reflected therein. The right to approve certain decisions of the Company, as set forth in the Operating Agreement, is expected to be sufficient to meet the requirements of the EB-5 Program, but in the event that such rights are not sufficient, the Manager are expected to cause the Operating Agreement to be amended to conform with such requirements.

11. USCIS Discretion. The EB-5 Program imposes many requirements that must be met to the satisfaction of USCIS. The failure to meet any of these requirements to the satisfaction of USCIS may result in an I-526 Petition Denial.

12. Family Relationships.

(a) Spouses of investors may accompany or follow an investor who has been granted conditional lawful permanent residence into the United States, provided that the investor and the spouse, who is deemed a derivative beneficiary, were married at the time of (i) the investor's first admission to the United States as a conditional lawful permanent resident or (ii) adjustment of such investor's status to conditional lawful permanent residence. USCIS will not recognize common law marriages for the purpose of permitting a spouse to be a qualifying derivative beneficiary.

(b) Children or step-children of investors may accompany or follow an investor who has been granted conditional lawful permanent residence into the United States, provided that the investor can establish parentage or step-parentage at the time of the investor's first admission to the United States as a conditional lawful permanent resident or adjustment of status to conditional

lawful permanent residence. Failure to comply with all applicable requirements may result in the separation of a child from the investor or the investor's spouse for protracted periods, in some instances for years, while other immigration opportunities are attempted in an effort to reunite the family.

(c) A "child" is someone under the age of 21 years who is unmarried. If a child becomes age 21 or marries before being admitted to the U.S. as a lawful permanent resident or adjusting to lawful permanent resident status, the former child, now deemed a son or daughter, may no longer be eligible to accompany or follow to join the investor. In some circumstances, the Child Status Protection Act may assist a son or daughter to qualify as a child by reducing the deemed age of the son or daughter to less than 21 years. Failure to meet the requirements of the Child Status Protection Act may result in the separation of a son or daughter from the investor or the investor's spouse for protracted periods, in some instances for years, while other immigration opportunities are attempted in an effort to reunite the family.

(d) Under some circumstances, a child who becomes 21 years of age or marries while holding conditional lawful permanent resident status may remain eligible to remove conditions. Failure to meet qualifying conditions, most of which are not within the child's control, will result in the child being placed in removal proceedings and may require the child to depart the United States.

(e) Upon the death of an investor before conditions are removed, a spouse and qualifying children of the investor are entitled to seek removal of conditions by submission of the same evidence demonstrating compliance with required criteria that USCIS requires of an investor seeking to remove conditions. Failure of each member of the family to establish these criteria will result in the denial of the application to remove conditions, placement of the family members in removal proceedings and their mandated departure from the United States.

(f) It is unclear under USCIS procedures if a child who becomes a son or daughter before the death of the investor is entitled to seek removal of conditions. USCIS regulations are silent on this matter. If USCIS does not extend this benefit, such a son or daughter may be denied an application to remove conditions, placed in removal proceedings and mandated to depart the United States.

13. The Delays in Project. Delays in the development of the Project could result in jobs not being created timely enough in accordance with applicable EB-5 Program guidelines.

14. Insufficient Number of Investors. Regional center designations are based on the full investment of many different investors in a single project. Although some regional centers' projects are in great demand and even have waiting lists, that is not the case with all regional centers. If a regional center project does not attract a sufficient number of investors, the project may not happen or may be delayed, which could result in the original investors being unable to remove conditions.

15. Issues with Condition Removal. Condition removal may be denied by USCIS when the business assumptions utilized in the Economist's econometric model are not

realized. An I-526 Petition may be approved based upon an economist's report using a recognized econometric model to predict the number of indirect and induced jobs that will be created based upon a specific dollar investment in a specific project in a specific geographical area in a specific industry in a specific timeframe and other specific foundation facts. Although USCIS should not "second guess" the econometric report during review of at the Investing Member's I-829 Petition, USCIS will want proof that the assumptions relied upon in the report have been shown to be accurate. If they have not been shown to be accurate because of economic conditions, a change of plans, construction delays, or other changed circumstances, the Investing Member is at risk that the condition removal petition will not be approved.

16. Job Creation. USCIS rules and policy for crediting investors with indirect job creation are unclear and have changed, and even given the designation of the Regional Center as an approved regional center, Investing Members cannot be certain that USCIS will find that the Project can be credited with job-creation sufficient to qualify all Investing Members for conditional residence or for removal of conditions. Regional center designation or project approval can be re-visited by USCIS when the business assumptions utilized in the econometric model are not realized.

17. Loss of Regional Center Designation. A regional center may lose certification. USCIS is in the process of developing standards to review regional centers. The results of any review process could lead to decertification of the Regional Center.

18. At Risk Requirement. In order for an I-526 petition to be approved, the investor's investment must be "at risk." If adjudication is made that the funds are not truly at risk at either the I-526 Petition or I-829 Petition stage, the petition will be denied. At a minimum, the investor's commitment is a five year commitment. Although there can be no guaranteed right of redemption or specific return, some regional center investments are more risky than others; some have a greater chance of the investor getting his or her money back after five years with the projected rate of return and others are more speculative investments. Although it is permissible to guarantee that an investor will receive a return of the investor's invested capital if the I-526 Petition is not approved, USCIS does not permit a guarantee of redemption of the investment if the I-829 Petition is not approved.

19. Unpredictable Adjudication. Even if none of the circumstances described in this "Immigration Risk Factors" section occur, the investor is subject to the risk inherent in the nature of the adjudicating agency. It is not unusual for there to be contradictory adjudicatory results on identical projects. Often very complicated financial transactions are being adjudicated by immigration examiners with little or no financial background and with relatively minimal training. This can lead to and has led to unpredictable decisions on individual petitions. In addition, USCIS has been known to adopt restrictive positions and change those positions without notice in dealing with matters related to the EB-5 Program.

20. There Can Be No Assurance That USCIS Will Continue to Accept Missouri's Designation of the Project's Targeted Employment Area. The Company expects to rely on a letter from the State of Missouri stating that the Project is located in a geographical area classified as a TEA. At this time, USCIS gives deference to such letters; however, USCIS may, at any time,

change its position and not give deference to state designation letters regarding the classification of geographical areas as TEAs. Such a decision by USCIS may negatively impact a determination by USCIS as to whether the Project is located in a TEA.

21. There Can Be No Assurance That the Company Will Meet the Job Creation Requirements With Respect To A Particular Investing Member. Jobs will be allocated to the Investing Members in the order in which such Investing Member's permanent residency commences. An Investing Member's permanent residency shall be deemed to commence on the date that either (a) such Investing Member's Application for Adjustment of Status (Form I-485) is processed by USCIS or (b) such Investing Member first enters the United States on an Immigrant Visa. This allocation process will continue until all jobs have been allocated to the Investing Members. There is no guarantee that sufficient jobs will be available for allocation to meet the requirements of the EB-5 Program for all Investing Members.

22. Job Creation Risks. The estimated number of jobs that are projected to be created by the development and operation of the Project stem from the Economic Study prepared by the Economist. The estimates are based on assumptions using an economic methodology, REDYN Model and accompanying 2015 data. The issuer believes that this should be sufficient and acceptable to USCIS. While USCIS has never, to issuer's knowledge, challenged the use of 2015 data, it is possible that USCIS may require use of more recent data sometime in the future. If this happens, the econometric report may need to be updated.

23. EB-5 Program's Expiration Date. As of the date of this Memorandum, the EB-5 Program is set to sunset on September 30, 2015. USCIS has not clearly indicated whether an immigrant visa and/or admission as a conditional resident may be approved for an investor with an approved I-526 Petition and his or her family if the EB-5 Program expires before admission as a conditional resident. USCIS has stated previously that expiration of the EB-5 Program will not prevent removal of conditions from residence of persons already approved for conditional residence, but this interpretation is subject to change. Additionally, new legislation has been presented in the U.S. Congress that would significantly modify the EB-5 Program, the results of which are unpredictable. It is expected that the EB-5 Program will be either renewed in accordance with the new legislation or be extended for a short period of time pending deliberation and approval of the legislation. See "Recent Proposed EB-5 Legislation and Possible Changes to EB-5 Program," below

24. Recent Proposed EB-5 Legislation and Possible Changes to EB-5 Program. As a result of recent legislation presented by Senators Grassley and Leahy regarding the EB-5 Program, it is very likely that certain changes to the EB-5 Program will take effect by September 30, 2015 or within a reasonable period of time thereafter. The key components to the proposed legislation include the following:

Increase in the minimum investment amount to $800,000 for investments in a TEA and $1,200,000 for investments not in a TEA. Furthermore, the Secretary of Homeland Security would have the right to increase these amounts at any time during the proposed five-year renewal term; otherwise, an automatic cost of living increase component would apply to both numbers upon the renewal of the EB-5 Program on September 30, 2020.

From an immigration point of view, the more promising proposals include the following:

The extension of the EB-5 Program for five (5) years;

Shorter time periods for processing I-924 exemplars, I-526 petitions and I-829 petitions;

The provision for a project exemplar to be filed before the legislation becomes effective which, in effect, would grandfather all investors investing under the project exemplar if the exemplar is eventually approved;

Once an investor is fully invested and based upon the retrogression in China, there is the ability to directly attempt to have the temporary conditions removed upon the filing of an I-924, rather than waiting for the visa process to be concluded. This would necessitate funds being released from escrow at an earlier period of time in order to start the two (2) year process and have the investor being totally at risk.

TEA designations would apply for two (2) years instead of one (1) year.

The major changes and difficulties with the proposed legislation from an immigration standpoint include the following:

The entire redefinition of how to calculate a TEA which could severely limit the ability of project in certain metropolitan areas from obtaining a TEA approval;

5,000 of the 10,000 annual visas for a project must be in a TEA area.

It is more than likely that the new proposed legislation will not be pass, since it has not received approval from the House of Representatives. It is likely that there will be a short-term extension of the Pilot Program consistent with prior renewal situations until new legislation can be finalized. It is also possible that the new legislation may be finalized by the deadline, although this would seem quite difficult given the extraordinary number of open issues that will need to be debated, negotiated and resolved.

Conclusion

In view of the foregoing, the Company intends to file a Project Exemplar with USCIS in order to fall within the pending legislation that would provide for the minimum investment amount to be grandfathered in prior to the enactment of new legislation that would increase the minimum TEA amount.

The purpose of the foregoing is not to discuss in detail the immigration and securities issues related to the proposed legislation, but to overview some of the key elements of the proposed legislation.

25. Change in Laws. AS INDICATED ABOVE, THE IMMIGRATION LAWS AND THE CORRESPONDING RULES, REGULATIONS AND USCIS INTERPRETATIONS RELATED TO THE EB-5 PROGRAM AND THE APPLICATION OF SUCH LAWS ARE

SUBJECT TO CHANGE AND THERE ARE NO ASSURANCES THAT NEW LAWS AND/OR APPLICATIONS OF SUCH LAWS WILL RESULT IN OTHERWISE MODIFYING THE DISCLOSURES AND INFORMATION SET FORTH IN THIS OFFERING MEMORANDUM.

F. Risks Related to the Escrow Agreement

The Escrow Agreement provides for the disbursement of the Investing Member's Capital Contribution to the Company upon satisfaction of the Escrow Release Condition. If the Investing Member's I-526 Petition is ultimately denied, there is a risk that such Investing Member may not receive a return of his or her Capital Contribution if the Company is unable to or otherwise elects not to return the Capital Contribution in accordance with the provisions of the Operating Agreement. In certain cases, the Investing Member will be dependent on the Company finding a Substitute Investing Member to take the place of the denied Investing Member and enable the refund of the Investing Member's funds. There are no assurances that a Substitute Investing Member will be found, thus resulting in the Investing Member having to maintain his or her investment in the Company for an indefinite period.

G. Risks Related to the Loan

1. The Loan Documents Contain Limited Covenants Regarding the Developer and/or its assignee's Activities. The Loan Agreement is expected to conform to industry standards for a non-recourse loan of a similar nature. The Loan Agreement will only provide certain restrictions on the activities of the Developer and/or its assignee.

2. The Lack of a Sinking Fund or the Requirement To Maintain Financial Ratios Increases The Risk That the Developer and/or its assignee Will Be Unable To Repay the Principal and Interest Under the Loan Agreement When Due. Since there is no sinking fund for the Loan, the Developer and/or its assignee will be required to use proceeds from the Loan to repay the Bridge Financing and a portion of the Senior Indebtedness, and available cash from operations or a sale or refinancing of the Project to repay the Senior Indebtedness. There are no assurances that same can be accomplished, especially, if there is a fallback in the credit markets where refinancing may become unavailable to pay the principal, and accrued interest, due under the Loan Agreement.

3. There Are Increased Risks Involved With Construction Lending Activities. Construction lending, such as the Loan, generally is considered to involve a higher degree of risk than other types of lending due to a variety of factors. These factors include the dependency on successful completion of a Project and the difficulties in estimating construction costs.

4. The Bankruptcy or Insolvency of the Developer and/or its assignee Could Impair the Company's Ability to Secure Repayment of the Loan. There can be no assurance that the Developer and/or its assignee will not become insolvent and, possibly, the subject of voluntary or involuntary bankruptcy proceedings under the federal bankruptcy code. Under the federal bankruptcy code, a bankruptcy court may reduce the rate of interest applicable to a bankrupt estate's debts and/or decrease or stretch out debt servicing payments. Additionally, the trustee of a bankrupt estate, or the estate itself, as debtor-in-possession, has certain special powers to avoid,

subordinate or disallow debts. In certain circumstances, the creditors' claims may be subordinated to financing obtained by a debtor-in-possession subsequent to its bankruptcy.

5. Repayment of the Loan will be dependent upon the repayment of Senior Indebtedness. The Project will be financed in part with Senior Indebtedness from two (2) separate lenders, each of which has obtained a first priority mortgage on the subject property associated with such loan. As a result, the Developer will be subject to separate senior loan agreements with the Senior Lenders, which will govern the terms of the Senior Indebtedness. While the Developer anticipates that it will be able to make appropriate payments on both the Senior Indebtedness and the Loan, any unforeseen difficulty, such as the occurrence of construction delays, hardships in the general economic climate which lead to lessened consumer spending, inability to obtain additional financing necessary for the completion of the Project, or any other difficulty, including, but not limited to, those mentioned in other risk factors herein, may cause the Developer to default on its payments on the Senior Indebtedness. If the Developer does so default, it may prohibit the repayment of the Loan until the balance of the Senior Indebtedness is repaid and the senior liens are discharged. This may leave the Developer with significantly less funds than anticipated to repay the Loan and the Developer may be unable to repay any part of the Loan, or be able to repay only a portion of the Loan. Furthermore, if the Developer default on the Senior Indebtedness, the Senior Lenders may choose to foreclose upon the collateral securing the Senior Loan, which will be used first to satisfy the Developer' obligations to the Senior Lenders and then to satisfy the Developer' obligations to the Company. In the event of such a foreclosure, there may be insufficient assets to satisfy the Developer's obligations to the Company. Thus, because repayment of the Loan is junior to the payment of the Senior Indebtedness, the investments of the Investing Members are at risk of being lost in whole or in part.

Additionally, if the Developer is unable to obtain the necessary financing within the time frame contemplated in the Project schedule on terms consistent with its financing plan and budget, the Developer may be forced to or may choose to (i) delay the Project, (ii) reduce the scope of the Project, or (iii) obtain alternate financing on terms inconsistent with its original financing plan and budget. Such alternative financing, if it were obtained, would likely increase the amounts owed by the Developer to the Senior Lenders, which would adversely affect the financial conditions of the Developer. The Company may be required or may choose to disburse some or all of the proceeds of the Loan before it can be reasonably determined whether the Developer will be able obtain the financing required to complete the Project. Even if the Developer is able to obtain financing consistent with its current financing plan and budget, cost overruns may require the Developer to obtain more financing than originally anticipated. Failure to complete or operate all or portions of the Project as originally conceived will likely impair revenues of the Developer and might result in the inability of the Developer to repay the Loan. Failure to complete or operate all or portions of the Project would also likely result in the creation of fewer jobs than projected in the Economic Study which could result in the Investing Members' immigration related interests adversely affected.

6. Additional debt may be required for completion of the Project or post-completion operations. Although the Company believes that the Developer will successfully raise all of the capital necessary to fund the Project and for working capital after completion of the Project, it is possible that unforeseen difficulties may cause the Developer to fail to raise the additional capital

necessary to operate the Project, or that the proceeds from the Company's Loan to the Developer plus the additional capital raised will be inadequate to satisfy all capital requirements, or that such financing may be untimely procured, requiring the Developer to obtain alternative financing in addition to the Company's Loan to the Developer and the other anticipated sources of financing, including supplementary short-term and long-term debt financing, or equity financing. The terms of such alternative financing, if it can be procured, may be better or worse for the Developer than the terms of the Loan from the Company, and may result in subsequent investors in the Developer having superior rights to those of the Company. Furthermore, if the Developer is unable to obtain such additional financing, it may be unable to operate the Project, which may result in the inability of the Developer to repay the Loan, and could result in a substantial, or total, loss of the Investing Members' investments.

7. The Company may be unable to enforce its rights under the Loan Agreements. Any Intercreditor Agreement with the Senior Lenders may include a requirement that, as long as the Senior Loans are outstanding, the Company must "standstill" in the event of a default under the Loan Agreement as to the exercise of its rights and remedies against the Developer. In the event of such a "standstill", the Company would be unable to take actions generally intended to preserve the value of the Property and other collateral or force immediate repayment of the Loan; in such event, the Investing Members could see a substantial, if not total, loss of their investment.

8. The legal documents for the Loan may contain limited covenants regarding the Developer's activities. The Loan documents are expected to provide only certain limited restrictions on the activities of the Developer, and, therefore, the Company may have only limited control over the activities of the Developer and over the Project, including payments that could be made by the Developer to its affiliates and other parties (e.g., payments to the Developer's affiliates for services rendered and distributions to the Developer's affiliates), which could reduce the amount of financial assets retained by the Developer and could affect the financial ability of the Developer to repay the Loan.

9. Loan Remedies. Remedies for non-performing loans do not assure repayment as expected and the foreclosure process may be timely and expensive. The Loan may become "non-performing" (*i.e.*, the Developer is not complying with its obligations) for a variety of reasons. If the Loan were to become non-performing, substantial workout negotiations or restructuring may be required, which may result in, among other things, a reduction in the interest rate and/or a write-down of the principal of the Loan. However, even if a restructuring were done, a risk exists that, upon maturity of the Loan, replacement "takeout" financing may not be available. It is also possible that the Company may, in certain circumstances, need to foreclose on the collateral securing the Loan. While the collateral secures the Loan, the foreclosure process itself can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the lender including lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take several years or more to conclude. At any time during the foreclosure proceedings, the Developer may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing

leasing and management of the property. These risks mean that the security and other protections against Loan non-performance of the Loan may not work as well as is intended.

VI. SUMMARY OF THE OPERATING AGREEMENT

The following is a summary of certain provisions of the Operating Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Operating Agreement. An electronic version of the Operating Agreement will be available upon request.

The Company is organized under the Missouri Act. The rights and obligations of the Investing Members are governed by the Missouri Act and the Operating Agreement. A copy of the Operating Agreement is attached as **Exhibit C** to this Offering Memorandum. Prospective Investors should review the Operating Agreement carefully before investing in the Company. The following discussion of the Operating Agreement is intended to be a summary only, does not purport to be complete, and is qualified by reference to the Operating Agreement in its entirety.

1. Responsibilities of Manager or its Designated Agents. The Manager and/or its designated agents has the exclusive right to manage and control all aspects of the business of the Company, including overseeing of the administration of the Loan, subject to certain provisions of the Operating Agreement as described below. The duties of the Manager as manager of the Company will include overseeing the Loan, collection of payments of principal and interest on the Loan, distributions to Investing Members and the filing of the Company's tax return.

2. Company Finances.

a. *Capital Accounts.* A member's interest in a limited liability company is reflected in a capital account that is maintained for the member on the books of such company and which is calculated not less frequently than as of the end of each fiscal quarter. The capital account is credited with a member's capital contributions to the Company, as well as the amount of net income allocable to the member, and is charged with the amount of the distributions to the member and the amount of any net losses allocable to the member. The net profits and losses of the Company will be allocated among the Investing Members *pro rata.* However, certain special allocations may, however unlikely, be made on a basis other than *pro rata* in accordance with the provisions of the Operating Agreement in order to prevent Investing Members from having negative capital account balances.

b. *Distributions.* Cash Flow (as defined in the Operating Agreement) in excess of reasonable reserves to pay expenses including management fees, will be distributed at the reasonable discretion of the Manager, as follows:

(1) To the Investing Members, *pro rata*, until the interest on the Loan received by the Company has been fully distributed; and

(2) Then to the Investing Members, *pro rata*, as a return of their Capital Contributions until all Capital Contributions have been repaid.

Notwithstanding the foregoing, no distributions under clause (2) above will be made to any Investing Member prior to the final adjudication of the I-829 Petition of such Investing Member.

The Manager will endeavor to cause the Company to make distributions to Investing Members within ninety (90) days after the close of each calendar year in order to provide funds to Members to satisfy their federal income tax obligations relating to the Company.

3. Affiliated Transactions. The Operating Agreement contains a number of provisions that establish certain procedures and rights in favor of the Investing Members with respect to transactions involving the Company and the Regional Center, Developer or affiliates thereof.

4. Exculpation and Indemnification of the Manager and their Agents. The Operating Agreement exculpates the Manager and their Affiliates and their respective officers, directors, employees, agents, representatives, owners or principals, partners and/or members (collectively, a "**Manager Party**" or the "**Manager Parties**") from liability for acts or omissions, the effect of which causes or results in loss or damage to the Company, if performed or omitted in good faith and in accordance with the terms of the Operating Agreement. The Company, its receiver, or its trustee, as applicable, is obligated to indemnify and save harmless each Manager Party from any claim, loss, expense, liability, action or damage resulting from any such act or omission, including, without limitation, reasonable costs and expenses of litigation and appeal (including reasonable fees and expenses of attorneys engaged by a Manager Party in defense of each such act or omission); but a Manager Party will not be entitled to be indemnified or held harmless to the extent such claim, loss, expense, liability, action or damage results from fraud, bad faith, gross negligence or willful misconduct.

5. Term and Dissolution. The Company may be dissolved at an earlier date if certain contingencies occur. On dissolution of the Company, the Company's assets will be liquidated and the proceeds distributed to the Investing Members in proportion to their respective membership interests in the Company. A final accounting will be made by the Manager and furnished to all Investing Members.

6. Amendments. The Operating Agreement may be amended by the written consent of the Managing Member and a majority in interest of the Investing Members, except that the Managing Member may amend the Operating Agreement without the consent of the Investing Members under certain circumstances, including, without limitation, the addition of additional members in the Company (so long as same does not materially change the terms and conditions of the investment of the Investing Members in the Company) and any amendment required to be made in order to conform with USCIS guidelines or the EB-5 Program.

7. Restrictions on Transfer. An Investing Member may not transfer any portion of its membership interest in the Company without (a) the prior written consent of the Manager, which may be withheld in its sole reasonable discretion and (b) if requested by the Manager, receipt by the Manager of an opinion of counsel that such transfer would not result in a violation of the Securities Act or any applicable state securities laws.

8. Limited Liability. An Investing Member's liability will generally be limited to its Capital Contribution and the return of distributions that the Investing Member knew were made while the Company was insolvent or which rendered the Company insolvent or which the

Investing Member knew were otherwise made in contravention of the Operating Agreement. Under Missouri law, a limited liability company may not make a distribution to its members to the extent that, immediately after giving effect to the distribution, all liabilities of such limited liability company, other than liabilities to members in respect of their capital contributions and liabilities for which the recourse of creditors is limited to specific property of the limited liability company, exceed the fair value of the limited liability company's assets (subject to certain adjustments with respect to nonrecourse indebtedness). If the Company were to make such a prohibited distribution, an Investing Member who received such a distribution would be obligated under Missouri law to return it to the Company if the Investing Member knew that the distribution was made in violation of the foregoing prohibition. Any such liability that a person may incur as an Investing Member of the Company for return of a wrongful distribution would not be released by the sale of its Interest.

9. Distributions Following Loan Repayment. Upon repayment of the Loan, Investing Members will receive distributions pursuant to Section 10 of the Operating Agreement; provided, however, that Investing Members may elect to maintain their capital in the Company for investment in subsequent projects if any such projects are identified, approved, and arranged by the Manager.

10. Insurance Protection. The Company may enter into any contract of insurance that the Manager may reasonably deem appropriate for the protection or conservation of Company property, or for any other purpose beneficial to the Company; provided, however, that the Company shall not seek insurance against normal business risk inherent in loaning money to a job-creating enterprise that may be unable to repay the loan.

11. Authority of Manager. The Manager shall have the following authority to act on behalf of the Company:

(1) to employ attorneys, agents, consultants, accountants and other independent contractors to perform services on behalf of the Company, including affiliates of the Manager; provided that such services are reasonably necessary or advisable and the compensation therefore is reasonable;

(2) to bring or defend legal actions in the name of the Company and to pay, collect, compromise, arbitrate, or otherwise adjust or settle claims or demands of or against the Company or its agents;

(3) to establish reasonable reserve funds from income derived from the Loan in connection with its administration, provided that the Company shall not establish reserves using Capital Contributions of Investing Members prior to repayment of the Loan by the Developer;

(4) to perform or cause to be performed all of the Company's obligations under any agreement to which the Company is a party;

(5) to make the Loan and from time to time modify the conditions of same if reasonably necessary;

(6) to engage third parties to provide administrative services to the Company;

(7) to identify, evaluate, and apply to other projects capital that Members choose not to be distributed after repayment of the Loan; and

(8) to execute, acknowledge and deliver any and all instruments necessary to effectuate any of the foregoing.

13. Compliance with EB-5 Restrictions. The Manager shall operate the Company in a manner that is designed to comply with legal and policy requirements of the EB-5 Program, as advised by the Regional Center. In particular, the Manager shall:

(1) deploy the Capital Contributions of Investing Members in job creating activity constituting the Project, directly or indirectly, and to keep such funds invested (including by loan) in job creating activity until all Investing Members have received adjudication of removal of conditions from permanent residence;

(2) avoid reserve accounts designed to evade at-risk investment, and avoid agreements for redemption (including return on investment) of Investing Members' Capital Contributions before adjudication of the petitions for removal of conditions on their permanent residence;

(3) redeem any Investing Members' Capital Contributions, if at all, only at fair market rates;

(4) maintain an ongoing business deploying capital to job-creating activity;

(5) follow the Project Business Plan as submitted for approval to USCIS, consulting with the Regional Center before implementing any changes that could be considered material;

(6) track, maintain records, and share data and records with the Regional Center concerning the Loan and the underlying Project, including the expenditure of funds, employment of workers, completion of construction, operation of facilities and enterprises;

(7) require Developer perform such tracking, documentation, and sharing of information with the Company and the Regional Center as required to enable the Regional Center to meet its obligations to USCIS and to provide information to Investing Members needed for them to request removal of conditions from their U.S. permanent residence;

(8) obtain approval from the Office of Foreign Assets Control (which the Company refers to herein as OFAC) of the U.S. Treasury Department, or confirmation of no need for approval, before subscribing an Investing Member who is a native or citizen or whose capital derives from a country subject to embargo under regulations administered by OFAC, such as Iran;

(9) cause the Investing Members to participate in making management decisions for the Company to comply with USCIS regulations; and

(10) cause the Company not to sell or otherwise dispose of its interest in the Loan without the consent of all the Investing Members.

12. Voting Rights. Each Investing Member may take part in the management of the Company by (a) exercising that Investing Member's voting rights as set forth in the Company's Operating Agreement and (b) advising the Manager regarding investment decisions and policy as set forth in the Operating Agreement. The Investing Members will have the right, by a majority vote of the Investing Members, to advise the Manager in connection with the business operations of the Company.

13. Mandatory Repurchase. If an Investing Member receives an I-526 Petition Denial (without certification of the denial to the USCIS Administrative Appeals Office), and if the Investing Member demands return of his or her Capital Contribution, then the Company shall use reasonable efforts to obtain a Substitute Investing Member promptly following such demand, as provided above. The denied Investing Member's Membership Interest shall be repurchased by the Company upon the return to such person of his or her Capital Contribution, using available cash, and the Company will return the denied Investing Member's Expense Amount, each subject to the procedures and provisions described herein, including, without limitation, the provisions set forth in "I. OFFERING SUMMARY – Escrow Accounts", above. If an Investing Member receives an I-526 Petition Denial and elects to appeal that denial at his or her own expense and the Manager consent to such appeal, the repurchase of such Investing Member's Membership Interest shall be deferred until (i) the appeal is resolved and such Investing Member receives I-526 Petition approval, in which event no repurchase will occur, or (ii) the denial is affirmed, in which event the repurchase will proceed.

At the sole discretion of the Manager, no additional documents will be necessary to effect such repurchase; it being agreed by the Manager and the Investing Members that the Company's delivery of a wire transfer for such amount to the Investing Member whose Membership Interest was repurchased shall constitute the full and complete repurchase of such Investing Member's Membership Interest. The Manager may unilaterally amend Schedule 1 to the Operating Agreement to reflect the deletion of any Investing Member whose Membership Interest is repurchased.

Notwithstanding anything to the contrary in this Section, (i) if the Manager determine, in their sole and absolute discretion, that the repurchase of a denied Investing Member's Membership Interest would have an adverse effect on the business or immigration objectives of the Company or the ability of other Investing Members to obtain unconditional permanent resident status in the United States pursuant to the EB-5 Program, (ii) if the Company is restricted from repurchasing any Membership Interests under the provisions of the Securities Act or other applicable law or under the terms of any loan agreements with its lenders, or (iii) if the Company does not have the available cash to effect such repurchase of the Membership Interests, then the Company's obligation to repurchase the Membership Interest and refund the Capital Contribution and any portion of the Expense Amount, if at all (as provided in "I. OFFERING SUMMARY – Escrow Accounts", above), shall be suspended until the Manager determine, in their sole and absolute discretion, that such adverse effect will not occur or such condition or restriction does not apply.

14. Withdrawals. An Investing Member may not withdraw from the Company unless the Manager consent to such withdrawal, which consent may be withheld in the Manager's sole discretion. All expenses incurred by the Company in connection with such withdrawal shall be paid for by the withdrawing Investing Member. If an Investing Member withdraws any part of his or her Capital Contribution before removal of conditions on his or her permanent residence, the Manager shall give notice to the Regional Center for prompt reporting to USCIS for possible revocation of immigration benefits arising from the initial investment.

15. Job Creation Allocation. The allocation to each Investing Member of job creation numbers arising from fulfillment of the project business plan will be reported to the Regional Center, avoiding double counting any job. Jobs created by the Project that qualify for approval at the Form I-829 Petition stage shall be allocated to the Investing Members in accordance with the EB-5 Job Allocation Addendum attached as Schedule 2 to the Operating Agreement.

16. Fiduciary Duties. To the fullest extent permitted by law, to the extent that, at law or in equity, the Manager owe any fiduciary duty to the Company pursuant to this Agreement, the Manager shall discharge his or her duty under sections 347.010 to 347.187 of the Missouri Act and the Operating Agreement in good faith, with the care a corporate officer of like position would exercise under similar circumstances, in the manner a reasonable person would believe to be in the best interest of the limited liability company.

VII. SUBSCRIPTION AGREEMENT

1. In General. Each Investing Member will be required to deliver an executed Subscription Agreement to the Company. A form of the Subscription Agreement is attached hereto as **Exhibit A**. By execution of the Subscription Agreement, an Investing Member irrevocably subscribes for and agrees to purchase a Unit and fund the subscription amount. The Manager reserve the right to reject a subscription in its sole discretion. If the Subscription is accepted, the Company will notify the accepted Investing Member of same and will notify Investing Member of the scheduled date of funding. If the Subscription is rejected in full, all funds received from the Investing Member will be returned without interest, and thereafter the Subscription Agreement shall be of no further force or effect with respect to such Investing Member.

2. Representations, Warranties and Covenants. In the Subscription Agreement, a Subscriber makes various representations, warranties and covenants to the Company, including, without limitation, the following:

(a) The Subscriber understands that the offer and sale of the Units have not been registered under the Securities Act, any state securities or "blue sky" laws, or any rules or regulations promulgated thereunder (collectively, "**Securities Laws**"), pursuant to applicable exemptions. The Subscriber acknowledges that the Company is not obligated to register the Unit under the Securities Laws. In addition to restrictions on transferability pursuant to the Operating Agreement, without such registration, such Unit may not be sold, pledged, hypothecated or otherwise transferred at any time whatsoever, except upon delivery to the Company of an opinion of counsel satisfactory to the Manager and the Company that registration is not required for such transfer or the submission to the Manager of such other evidence as may be satisfactory to the Manager and the Company to the effect that any such transfer will not be in violation of the Securities Laws. Subscriber further understands that any transfer of the Unit may be substantially restricted by the absence of a trading market therefor and none is expected to develop, and that any sale or other disposition of the Unit may result in unfavorable tax consequences to the Subscriber. The Subscriber acknowledges that the restrictions on the transferability of the Unit are substantial and may require the Subscriber to hold the Unit indefinitely.

(b) The Subscriber is acquiring the Unit solely for the account of the Subscriber for investment purposes only and not for distribution or resale to others. The Subscriber will not resell or offer to resell all or a portion of the Unit except in strict compliance with all applicable Securities Laws, including, without limitation, Regulation S (Rules 901 through 905 and Preliminary Statement) under the Securities Act and the Operating Agreement. Subscriber will not engage in any hedging transactions involving the Unit, except in compliance with the Securities Laws and the Operating Agreement.

(c) Subscriber (i) is not a U.S. Person, is not a citizen or resident alien of the United States, is not acquiring the Units for the account or benefit of any U.S. Person, did not receive this Offering Memorandum or an offer to purchase the Unit in the United States and did not execute the Subscription Agreement and pay the amounts specified thereunder from within the United States; or (ii) is an Accredited Investor acquiring the Units in a transaction not requiring

registration under the Securities Act in reliance upon Regulation D of the Securities Act. If requested by the Company, Subscriber further agrees to execute and deliver to the Company an executed IRS Form W-8 certifying that he or she is a Non-Resident Alien.

(d) The Subscriber is a bona fide resident of the country set forth in his or her address in the Subscription Agreement, and agrees that if his or her principal residence changes prior to his or her purchase of a Unit, he or she will promptly notify the Manager.

(e) The Subscriber acknowledges that the offer and sale of the Units is not taking place within the United States, but rather in an "offshore transaction," as defined in Rule 902 of Regulation S adopted by the Securities Exchange Commission pursuant to the Securities Act, and that no "directed selling efforts" took place within the United States in compliance with Regulation S, unless the Subscriber is an "accredited investor" as such term is defined in Rule 501(a) under the Securities Act in compliance with Regulation D of the Securities Act. The term "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

(f) The Subscriber's financial condition is such that he or she has no need for liquidity with respect to its investment to satisfy any existing or contemplated undertaking or indebtedness and is able to bear the economic risk of its investment for an indefinite period of time, including the risk of losing all of its investment.

(g) The Subscriber understands that the Project has not yet been established and it has no operating history. The Project is in its early stages of development, is not currently generating any revenue, and its future profitability cannot be assured.

(h) The Subscriber understands that: (i) his or her subscription for a Unit is irrevocable until the Offering Period ends without the Company's written consent; (ii) an investment in the Unit is a speculative investment that involves a high degree of risk, including the risk of loss of the entire investment of the Subscriber in the Company; (iii) no federal or state agency has passed upon the adequacy or accuracy of the information made available to the Subscriber, or made any finding or determination as to the fairness for investment, or any recommendation or endorsement of the Unit as an investment; (iv) any anticipated federal and/or state income tax benefits applicable to the Unit may be lost through changes in, or adverse interpretations of, existing laws and regulations; and (vi) there is no assurance that the Company will ever be profitable, or that the Subscriber's investment in the Unit will ever be recoverable.

(i) The Subscriber acknowledges that there is no assurance that his or her I-526 Petition will be granted or, if it is, that Subscriber will ultimately be approved for conditional or unconditional lawful permanent residence in the U.S. or be able to become a U.S. citizen. Neither the Company, the Regional Center, the Developer, nor the Company's immigration counsel has made any effort to pre-determine Subscriber's personal qualifications and circumstances and whether the Subscriber is likely or not likely to obtain favorable action on its I-526 Petition or EB-5 Visa, and that there are numerous reasons that will result in the Subscriber being denied residency in the United States, including, without limitation, the Project failing to qualify as an approved project for the EB-5 Program.

(j) The Subscriber (i) has been provided with a copy of this Offering Memorandum, including, as exhibits thereto, the Operating Agreement, the Escrow Agreement, a form of the Subscription Agreement, and has reviewed same; (ii) has been given complete access to all documents, records, contracts and books of or relating to the Company and the Unit, and all other information reasonably requested by the Subscriber; and (iii) has performed a complete examination of all such documents, records, contracts and books to the extent deemed necessary by the Subscriber in reaching the Subscriber's decision to invest in the Company. The Subscriber further acknowledges and confirms that the Subscriber has had an opportunity to ask questions of and receive answers from the Company and Developer concerning the Unit, the prospective contemplated business and purpose of the Company, and any other matter the Subscriber has deemed relevant, and all such inquiries have been answered to the Subscriber's satisfaction. In addition, Subscriber acknowledges that he or she has had and may have, at any reasonable hour, after reasonable prior notice, access to the financial and other records of the Company which the Company can obtain without unreasonable effort or expense, and further acknowledges that Subscriber has obtained, in Subscriber's judgment, sufficient information from the Company to evaluate the merits and risks of an investment in the Unit.

(k) The Subscriber acknowledges that: (i) the risks inherent to this investment have been fully considered; (ii) the Manager will have substantial and exclusive authority to conduct the operation of the Company; and (iii) an investment in the Unit has neither been approved nor disapproved by the Securities and Exchange Commission or any other federal, state or local department or agency of any other jurisdiction, and such authorities have not passed upon the adequacy or accuracy of the disclosure provided to investors in connection with an investment in the Unit.

(l) The Subscriber acknowledges that neither the Company, Manager, the Regional Center nor any representative of the Company, the Manager or the Regional Center has made any representations or warranties in respect of Developer's business or profitability. Without limiting the generality of the foregoing, the Subscriber acknowledges and agrees that information, including any business plan or financial projections or forecasts or other information contained in written materials provided or made available to the undersigned, and any oral, visual or other presentations made by the Company, the Manager or the Regional Center or its representatives to the Subscriber shall not be deemed a representation or warranty in respect of the matters therein. Subscriber acknowledges that this Offering Memorandum contains information that the Developer and Company believe is accurate and, as such information relates to the projected revenues and expenses of Developer, data that Developer believes is a reasonable forecast of the results that Developer will achieve; however, as an accredited, experienced and sophisticated investor, Subscriber is aware that there are many foreseeable and unforeseeable events that could cause the assumptions underlying the financial projections to not materialize, and the results of same may cause material adverse consequences to the financial results of Developer and Company.

(m) In making the decision to purchase the Unit, Subscriber has relied solely upon independent investigations made by Subscriber, and the Subscriber further represents and warrants that the Subscriber is not acquiring the Unit as a result of any advertisement, article, notice or other communication published in any newspaper, magazine or similar media distributed in the United States, any seminar in the United States or any solicitation by a person in the United

States not previously known to the Subscriber, and that Subscriber is not aware of any general solicitation within the United States or general advertising within the United States regarding the purchase or sale of the Unit. The Subscriber acknowledges and confirms that he or she is not relying upon any statement, representation or warranty made by the Company or its respective representatives in making a decision to subscribe for the Unit. Subscriber must rely solely on the terms of the Operating Agreement for the terms of Subscriber's participation in the Company and the rights and responsibilities of owning its Unit.

(n) The Subscriber understands that the Company and the Manager will be relying on the accuracy and completeness of all matters set forth in the Subscription Agreement, and the Subscriber represents and warrants to the Company, the Manager and each of their affiliates that the information, representations, warranties, acknowledgments and all other matters set forth in the Subscription Agreement with respect to the Subscriber are complete, true and correct and does not fail to include any material fact necessary to make the facts stated, in light of the circumstances in which they are made, not misleading, and may be relied upon by them in determining whether the offer and sale of a Unit to the Subscriber is exempt from registration under the Securities Laws, and the Subscriber will notify them immediately of any change in any statements made in the Subscription Agreement that occurs prior to the consummation of the purchase of a Unit.

(o) The Subscriber is in compliance with all applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**"), the U.S. Bank Secrecy Act (the "**BSA**") and all other anti-money laundering laws and applicable regulations adopted to implement the provisions of such laws, including policies and procedures that can be reasonably expected to detect and cause the reporting of transactions under Section 5318 of the BSA. The Subscriber is not and shall not be a person: (i) acting, directly or indirectly, on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any of the U.S. Office of Foreign Assets Control (OFAC) lists; (ii) listed on, residing in or having a place of business in a country or territory named on any of such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering (FATF), or whose funds are from or through such a jurisdiction; (iii) that is a "Foreign Shell bank" within the meaning of the USA Patriot Act; or (iv) residing in or organized under the laws of a jurisdiction designated by the U.S. Secretary of the Treasury under Sections 311 or 312 of the USA Patriot Act as warranting special measures due to money-laundering concerns.

(p) If the Subscriber is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance Period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted

for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with certification requirements described in this Section. The "distribution compliance period" means the one-year period following the issue date for the Units.

(q) The Subscriber acknowledges that the Manager, the Company, the Developer and their affiliates are unrelated parties, which could result in one or more conflicts of interest between the interests of the Subscribers and the Manager, the Company, the Developer and their affiliates.

(r) The Subscriber acknowledges and agrees to comply with all of his or her obligations set forth in the EB-5 Job Allocation Addendum attached as a schedule to the Operating Agreement, and all of the Subscriber's representations, warranties and agreements set forth therein are incorporated by reference into the Operating Agreement and Subscription Agreement.

(s) The Subscriber acknowledges and agrees that (i) the Manager, Regional Center and the Developer have not given, and have no authority to give, any investment advice with respect to the purchase of a security; and (ii) a prospective subscriber has not requested or otherwise sought any such investment advice from the Manager, Regional Center and/or Developer.

(t) The Subscriber acknowledges and agrees that (i) the Regional Center is unaffiliated with the Developer; (ii) the Regional Center makes no representations about the Project- and Developer-related information in the Project Business Plan or documents related to the business plan or the investment the Subscriber is making, and (iii) the Subscriber is in no way relying on the Regional Center for providing any service other than filing the annual I-924A report with USCIS.

3. Accredited Investor. A Subscriber will represent and warrant in the Subscription Agreement that Subscriber has accurately completed the Confidential Prospective Investor Questionnaire attached hereto as **Exhibit D**. The Subscriber will represent and warrant that it is also a "sophisticated person" in that Subscriber has such knowledge and experience in financial and business matters that individually and/or with the aid of advisers, it is capable of evaluating the merits and risks of an investment in the Company by making an informed investment decision with respect thereto.

VIII. ESCROW AGREEMENT

1. In General. By execution of the Subscription Agreement, each Subscriber agrees to be bound to the terms and conditions of the Escrow Agreement to the same extent as if the Subscriber had separately executed the Escrow Agreement. Signature Bank, or its successor, is the designated Escrow Agent under the Escrow Agreement, and escrowed funds will be maintained at such bank. All subscription proceeds from this Offering will be held in escrow by the Escrow Agent pursuant to the terms of the Escrow Agreement. A form of the Escrow Agreement is attached hereto as **Exhibit B**.

2. Deposit to Escrow Accounts; Release from Escrow Accounts. From Subscriber's Total Subscription Payment, the Expense Amount will be paid directly to the Manager upon subscription and the Capital Contribution will be deposited in the Project Escrow Account and/or Subscription Holdback Account. Except as may be otherwise provided in the Subscription Agreement, all investment earnings on subscription proceeds shall inure to the benefit of the Company.

A Subscriber's escrowed Capital Contribution held in the Project Escrow Account, and/or Subscription Holdback Account will be released to the Company upon satisfaction of the Escrow Release Conditions, but in no event later than approval of the Subscriber's I-526 Petition. See further description of release of escrowed funds and the refunding of said funds as set forth in "I. OFFERING SUMMARY – Escrow Accounts."

IX. TAX MATTERS

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR NO. 230, BE ADVISED THAT ANY FEDERAL TAX ADVICE IN THIS COMMUNICATION, INCLUDING ANY ATTACHMENTS OR ENCLOSURES, WAS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY ANY INDIVIDUAL OR ENTITY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY INTERNAL REVENUE CODE PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON OR ENTITY. SUCH ADVICE WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION(S) OR MATTER(S) ADDRESSED BY THE WRITTEN ADVICE. EACH PERSON OR ENTITY SHOULD SEEK ADVICE BASED ON THE ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PRIOR TO INVESTMENT, A PROSPECTIVE INVESTOR THAT IS NOT A U.S. PERSON SHOULD CONSULT WITH HIS OR HER NON-U.S. AND U.S. TAX ADVISORS WITH REGARD TO THE TAX CONSEQUENCES OF BECOMING A LAWFUL PERMANENT RESIDENT OF THE UNITED STATES, AND, FURTHER, OF INVESTING IN, OWNING AND DISPOSING OF THE UNITS, AND ALL OTHER TAX CONSEQUENCES IN CONNECTION WITH AN INVESTMENT IN THE UNITS.

THE FOLLOWING DISCUSSION IS NOT TAX ADVICE. PROSPECTIVE INVESTORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

The following discussion summarizes certain U.S. federal income tax considerations relating to the Company and an investment in the Company. This discussion is based on the Code, Treasury Regulations promulgated thereunder, administrative rulings and pronouncements of the IRS and judicial decisions, all as in effect on the date hereof and which are subject to change or differing interpretations possibly with retroactive effect.

The discussion does not purport to describe all of the U.S. federal income tax consequences applicable to the Company or that may be relevant to a particular Investing Member in view of such Investing Member's particular circumstances and, except to the extent provided below, is not

directed to Investing Members subject to special treatment under the U.S. federal income tax laws, such as banks, dealers in securities, tax-exempt entities, non-U.S. persons subject to, or that as a result of an investment in the Company become subject to, the alternative minimum tax and insurance companies. In addition, this summary does not discuss any aspect of state, local or foreign tax law and assumes that Investing Members will hold their Units in the Company as capital assets within the meaning of Section 1221 of the Code. Moreover, this summary does not address the U.S. federal estate and gift tax consequences of the acquisition, ownership, disposition or withdrawal of an investment in the Company.

No federal income tax ruling will be requested from the IRS with respect to any of the income tax consequences or federal estate tax consequences related to the Company's activities or an investor's ownership of a Unit. Therefore, a risk exists that, upon audit, certain items of deduction may be disallowed in whole or in part or required to be capitalized by the Company. It is presently intended that the Company's tax filings will be prepared based upon interpretations of tax law deemed to be most favorable to the majority of investors. However, it will be the responsibility of each investor to prepare and file all appropriate tax returns that he or she may be required to file as a result of his or her participation in the Company. EACH PROSPECTIVE INVESTOR IS STRONGLY URGED TO CONSULT WITH HIS OR HER OWN TAX ADVISOR AND COUNSEL WITH RESPECT TO ALL TAX ASPECTS OF THE ACQUISITION AND OWNERSHIP OF A UNIT.

United States Tax Status

The Company believes that it will be classified for U.S. federal income tax purposes as a partnership rather than as an association taxable as a corporation under currently applicable tax laws. This classification, however, is not binding on the IRS or the courts, and no ruling has been, or will be, requested from the IRS. No assurance can be given that the IRS will concur with such classification or the tax consequences set forth below. The discussion below assumes that the Company will be treated, for U.S. federal income tax purposes, as a partnership.

Certain Considerations for U.S. Investors

The following discussion summarizes certain significant U.S. federal income tax consequences to an investor who: (a) owns, directly or indirectly through a partnership or other flow-through entity, an interest as a U.S. taxpayer; (b) is, with respect to the United States, a citizen or resident individual, a domestic corporation, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust for which a court in the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions, as such terms are defined for U.S. federal income tax purposes; and (c) is not tax-exempt. An investor meeting the foregoing criteria is referred to herein as a "**U.S. Investor**."

Taxation of Company Income, Gain and Loss

The Company will not pay U.S. federal income taxes, but each Investing Member will be required to report his or her allocable share (whether or not distributed) of the income, gains,

losses, deductions and credits of the Company on such Investing Member's income tax return. It is possible that the investors could incur income tax liabilities without receiving from the Company sufficient cash distributions to defray such tax liabilities. Each investor is required to take into account in computing his or her federal income tax liability, and to report separately on his or her own federal income tax return, his or her distributive share of the Company's income, gain, loss, deductibility and credit for any taxable year of the Company ending within or with the taxable year of such investor.

Pursuant to the Operating Agreement, items of the Company's taxable income, gain, loss, deduction and credit are allocated so as to take into account the varying interests of the investors over the term of the Company. The Operating Agreement will contain provisions intended to comply substantially with IRS regulations describing partnership allocations that will be treated as having "substantial economic effect," and hence be respected, for tax purposes. However, those regulations are extremely complex, and there can be no assurance that the allocations of income, deduction, loss and gain for tax purposes made pursuant to the Operating Agreement will be respected by the IRS if reviewed. It is possible that the IRS could challenge the Company's allocations as not being in compliance with applicable Treasury regulations. Any resulting reallocation of tax items may have adverse tax and financial consequences to an Investing Member.

The Company and Developer intend to treat the Loan made by the Company to the Borrower as indebtedness for U.S. federal income tax purposes. However, no assurances can be given that the IRS will not treat the Loan as an equity investment in the Borrower. Investors are urged to consult their own tax advisors regarding the consequences of the Loan being characterized as equity in the Borrower for U.S. federal income tax purposes. The remainder of this discussion assumes that the Loan is properly treated as debt for U.S. federal income tax purposes.

The Company's tax year will be the calendar year, or such other year as required by the Code. Tax information will be distributed to each investor as soon as reasonably practicable after the end of the year.

Imputed Interest and OID

The Company will recognize interest income from the Loan that may be includible in the taxable income of Investing Members in each year that the Company owns the Loan. In the event that the stated interest on the Loan is below the applicable federal rate, then interest must be imputed and income tax on the imputed interest will apply whether or not cash distributions are made.

If it is determined that the Loan includes original issue discount, as such term is defined in Section 1273(a) of the Internal Revenue Code (the "**Original Issue Discount**"), then each investor will be required to include in his or her income the portion of the original issue discount that accrues during any tax year. The Original Issue Discount is the excess of the Loan's stated redemption price of the Loan at maturity (in general, the stated principal amount) over the issue price of the Loan (in general, the amount invested). A U.S. Investor will realize ordinary income

tax arising from Original Issue Discount. A U.S. Investor must pay tax on the Original Issue Discount whether or not cash is received by such investor. If any portion of the interest paid is "Qualified Stated Interest" then such Qualified Stated Interest will not be included in determining the amount of original issue discount. Qualified Stated Interest is stated interest unconditionally payable at least annually at a single fixed rate.

Investments in debt obligations that are at risk of or in default present special tax issues. Tax rules are not entirely clear about issues such as when the Company may cease to accrue interest or Original Issue Discount when and to what extent deductions may be taken for bad debts or worthless securities, how payments received on obligations in default should be allocated between principal and income, and whether exchanges of debt obligations in a workout context are taxable. In such events, these and other issues will be addressed by the Company in order to seek to ensure that it accounts for such obligations properly. It is nevertheless possible that the IRS could disagree with the tax accounting treatment of an investment by the Company and disallow or defer claimed losses, recharacterize amounts treated by the Company as return of principal as taxable income or gain, or make other tax recharacterizations that could affect the amount or character of items of income, gain, loss, deduction and credit allocated to a U.S. Investor in the Company.

Investment Interest and Passive Activity Limitations

There are limits on the deduction of "investment interest," (*i.e.*, "interest for indebtedness properly allocable to property held for investment"). In general, investment interest will be deductible only to the extent of the taxpayer's "net investment income." For this purpose "net investment income" will generally include net income from the Company and other income from property held for investment (other than income treated as passive business income). However, long-term capital gain is excluded from the definition of net investment income unless the taxpayer makes a special election to treat such gain as ordinary income rather than long-term capital gain. Interest which is not deductible in the year incurred because of the investment interest limitation may be carried forward and deducted in a future year in which the taxpayer has sufficient investment income. The Company will report separately to each investor his or her distributive share of the investment interest expense of the Company, and each investor must determine separately the extent to which such expense is deductible on the investor's tax return.

Non-corporate investors (and certain closely held, personal service and S corporations) are subject to limitations on using losses from passive business activities to offset active business income, compensation income, and portfolio income (e.g., interest, dividends, capital gains from portfolio investment, royalties, etc.). The Company's distributive share of income or losses generally may be treated as passive activity income or losses. Accordingly, an investor will be subject to the passive activity loss limitations on the use of any allowable Company losses and allocable Company expenses.

Deductibility of Company Investment Expenditures and Certain Other Expenditures

Investment expenses of an individual, trust or estate are deductible only to the extent they exceed 2% of the taxpayer's adjusted gross income for the particular taxable year. In addition, the

Code further restricts the ability of individuals with an adjusted gross income in excess of a specified amount to deduct such investment expenses. Moreover, such investment expenses are miscellaneous itemized deductions which are not deductible by a noncorporate taxpayer in calculating such taxpayer's alternative minimum tax liability.

These limitations on deductibility may apply to an Investing Member's share of the trade or business expenses of the Company. The Company may make an allocation of its expenses among its various activities. There can be no assurance that any of its expenses will be considered trade or business expenses nor can there be any assurance that the IRS will agree with any allocation made by the Company.

An Investing Member will not be allowed to deduct syndication expenses attributable to the acquisition of Units that are paid by such Investing Member or the Company. Any such amounts will be included in the Investing Member's adjusted tax basis for his or her Units.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, Investing Members should consult their own tax advisors with respect to the application of these limitations and on the deductibility of their share of items of loss and expense of the Company.

Application of Basis and "At Risk" Limitations on Deductions

The amount of any loss of the Company that an investor is entitled to deduct on such investor's income tax return is limited to such investor's adjusted tax basis in his or her Units as of the end of the Company's taxable year in which such loss is incurred. Generally, an investor's adjusted tax basis for such investor's Units is equal to the amount paid for such Units, increased by the sum of (i) such investor's share of the Company's liabilities, as determined for federal income tax purposes, and (ii) such investor's distributive share of the Company's realized income and gains, and decreased (but not below zero) by the sum of (a) distributions (including decreases in such investor's share of Company liabilities) made by the Company to such investor and (b) such investor's distributive share of the Company's losses and expenses.

An investor that is subject to the "at risk" limitations (generally, non-corporate taxpayers and closely held corporations) may not deduct losses of the Company to the extent that they exceed the amount such investor has "at risk" with respect to such investor's Units at the end of the year. The amount that an investor has "at risk" will generally be the same as such Investing Member's adjusted basis as described above, except that it will generally not include any amount attributable to liabilities of the Company (other than certain loans secured by real property) or any amount borrowed by the investor on a non- recourse basis.

Losses denied under the basis or "at risk" limitations are suspended and may be carried forward in subsequent taxable years, subject to these and other applicable limitations.

Certain U.S. Tax Considerations for Foreign Investors

The U.S. federal income tax treatment of a non-resident alien investing as an Investor in the Company (a "**non-U.S. Investor**") is complex and will vary depending on the circumstances and

activities of such investor and the Company. Each non-U.S. Investor is urged to consult with his or her own tax advisor regarding the U.S. federal, state, local and foreign income, estate and other tax consequences of an investment in the Company, including, without limitation, the applicability of any relevant tax treaty. The following discussion assumes that a non-U.S. Investor is not subject to U.S. federal income taxes as a result of the investor's presence or activities in the United States other than as an investor in the Company.

Withholding

A non-U.S. Investor will generally be subject to U.S. federal withholding taxes at the rate of thirty percent (30%) (or such lower rate provided by an applicable tax treaty) on his or her share of Company income from dividends interest (other than interest that constitutes portfolio interest within the meaning of the Code) and certain other income. Unless a non-U.S. Investor meets certain exception requirements, then non-U.S. Investors will also be subject to withholding on imputed interest and Original Issue Discount, determined as discussed above.

The Company may be deemed to be engaged in a U.S. trade or business. In such event, a non-U.S. Investor's share of Company income and gains will be deemed "effectively connected" with such a U.S. trade or business of the Company (including operating income from Company) and will be subject to tax at normal graduated U.S. federal income tax rates. Moreover, a corporate non-U.S. Investor might be subject to a U.S. branch profits tax on its allocable share of the Company's "effectively connected income." A non-U.S. Investor generally will be required to file a U.S. federal income tax return with respect to the non-U.S. Investor's share of effectively connected income. If the Company is deemed to be engaged in a U.S. trade or business, then the Company will be required to withhold U.S. federal income tax with respect to the non-U.S. Investor's share of Company income that is effectively connected income.

Backup Withholding

Backup withholding of U.S. tax, currently at a rate of twenty-eight percent (28%), may apply to distributions or portions thereof by the Company to Investing Members who fail to provide the Company with certain identifying information, such as an Investing Member's taxpayer identification number. A U.S. Investor may comply with these identification procedures by providing the Company with a duly executed IRS Form W-9, Request for Taxpayer Identification Number and Certification. Non-U.S. Investing Members may comply by providing the Company with a duly executed IRS Form W-8BEN or other appropriate IRS Form W-8.

Estate Tax; U.S. Residency

Individual non-U.S. Investors who are neither present or former U.S. citizens nor U.S. residents (as determined for U.S. estate and gift tax purposes) are not the subject to U.S. estate and gift taxes with respect to their ownership of such Units.

Investors should consider the tax effects of becoming a U.S. resident before investing. Foreign persons (*i.e.*, non-U.S. persons) that become residents of the United States generally are subject to U.S. federal income tax on their worldwide income in the same manner as a U.S. citizen. Prior to making an investment in the Company, an investor that is not a U.S. person should consult

with his or her U.S. tax advisor with regard to the consequences of becoming a lawful resident of the United States.

It is anticipated that upon the acceptance of an investors I-526 Petition and the issuance of a temporary resident visa, such investor will automatically become a United States taxpayer and not be subject to the tax treatment afforded non-resident persons unless such investor's tax status would change in the future.

State and Local Taxes

Investors should consider the potential state and local tax consequences of an investment in the Company. In addition to being taxed in its own state or locality of residence, an investor may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Company operates. Investors should consult their tax advisers regarding the state and local tax consequences of an investment in the Company.

Distributions; Disposition of the Units

Cash distributions to an Investing Member (including cash distributions in redemption of all or a portion of an Investing Member's Units) generally will not be taxable to such Investing Member if such distributions do not exceed the Investing Member's adjusted tax basis in his, her or its Units. Instead, such distributions will reduce, but not below zero, the adjusted tax basis in the Units held by such Investing Member immediately before the distribution. If such distributions by the Company to an Investing Member exceed the Investing Member's adjusted tax basis in his, her, or its Units, the excess will be taxable to the Investing Member as though it were gain from a sale or exchange of the Units.

There are limitations on the transfer, assignment or disposition of the Units. Generally, a U.S. Investor will recognize capital gain or loss on the sale, redemption, exchange or other taxable disposition of an interest in the Company, excluding amounts attributable to interest (which will be recognized as ordinary interest income) to the extent the U.S. Investor has not previously included the accrued interest income. The deductibility of capital losses may be subject to limitation. The consequences of the limitations will vary depending on the tax situation of each taxpayer. Accordingly, each Investing Member should consult their own tax advisors with respect to these limitations.

If the Company is treated as engaged in the conduct of a U.S. trade or business, a portion of any gain or loss recognized by a non-U.S. Investor on the sale or exchange of his, her or its Units may be treated for U.S. federal income tax purposes as income or loss connected with the conduct or a U.S. trade or business and such non-U.S. Investor may be subject to U.S. federal income tax on the sale or exchange. Accordingly, each non-U.S. Investor should consult their own tax advisors prior to the sale or disposition of an interest in the Company.

Possible IRS Challenges; Tax Audits.

Investors should be aware that the IRS may challenge the Company's treatment of items of income, gain loss, deduction and credit, or its characterization of the Company's transactions, and

that any such challenge, if successful, could result in the imposition of additional taxes, penalties and interest charges. The Manager decide how to report the items on the Company's tax returns. In the event the income tax returns of the Company are audited by the IRS, the tax treatment of the Company's income and deductions generally is determined at the partnership level in a single proceeding rather than by individual audits of the Investing Members. If the IRS audits the Company's tax returns, however, an audit of the Investing Member's own tax returns may result. The Manager, based on a majority vote of the Investing Members, shall be designated as the "Tax Matters Partner," and has considerable authority to make decisions affecting the tax treatment and procedural rights of all Investing Members. In addition, the Tax Matters Partner has the authority to bind certain Investing Members to settlement agreements and the right on behalf of all investors to extend the statute of limitations relating to the investors' tax liabilities with respect to Company items. The legal and accounting costs incurred in connection with any audit of the Company's tax returns will be paid off by the Company, but each Investing Member will bear the cost of audits of his or her own return.

Possible Legislative or Other Action Affecting Tax Aspects

The foregoing discussion is only a summary and is based upon existing U.S. federal income tax law. Investors should recognize that the U.S. federal income tax treatment of an investment in Units may be modified at any time by legislative, judicial or administrative action. Any such changes may have retroactive effect with respect to existing transactions and investments and may modify the statements made above. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the Treasury Department, resulting in revisions of Treasury Department regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the tax aspects of an investment in the Company. There can be no assurance that legislation will not be enacted that has an unfavorable effect on an investor's investment in the Company.

Enhanced Disclosure Requirements

Under the Hiring Incentives and Restore Employment Act (the "HIRE Act"), certain Investor Members will generally be required to disclose additional information to the Company or be subject to 30% withholding tax on their allocable share of certain types of Company income (including dividends, interest and gains from the sale of property). Subject to future guidance, an Investor that is a "foreign financial institution" will generally be required to provide the Company with evidence satisfactory to the Company that such Investing Member has entered into an agreement with the U.S. Treasury under which the Investing Member has agreed to provide information regarding its U.S. investors and/or account holders. The definition of "foreign financial institution" is quite broad, and includes any entity that is engaged in the business of investing, reinvesting or trading in securities, partnership interests or commodities. An Investing Member that is not a "foreign financial institution" may be required to provide the Company with information regarding its United States owners. The Company may require additional information from the Investing Members to comply with the new legislation and any Treasury regulations or guidance issued thereunder. Investing Members must consult with their tax advisors regarding the consequences of this legislation.

THIS OFFERING MEMORANDUM DOES NOT ADDRESS ALL OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THE INVESTOR OF AN INVESTMENT IN THE COMPANY, AND DOES NOT ADDRESS ANY OF THE STATE OR LOCAL TAX CONSEQUENCES OF SUCH AN INVESTMENT TO ANY INVESTOR, OR ALL OF THE UNITED STATES OR FOREIGN TAX CONSEQUENCES OF SUCH AN INVESTMENT TO ANY INVESTING MEMBER THAT IS NOT A UNITED STATES PERSON OR ENTITY. EACH INVESTOR IS ADVISED TO CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY AND AS TO APPLICABLE STATE, LOCAL AND FOREIGN TAXES. SPECIAL CONSIDERATIONS MAY APPLY TO INVESTORS WHO ARE NOT UNITED STATES PERSONS OR ENTITIES AND SUCH INVESTORS ARE ADVISED TO CONSULT HIS OR HER OWN TAX ADVISORS WITH REGARD TO THE UNITED STATES, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY. AN INVESTOR THAT IS NOT A U.S. PERSON THAT ANTICIPATES BECOMING A U.S. RESIDENT SHOULD CONSULT WITH HIS OR HER U.S. TAX ADVISOR WITH REGARD TO THE CONSEQUENCES OF BECOMING A LAWFUL RESIDENT OF THE UNITED STATES.

X. ADDITIONAL INFORMATION

Prior to the consummation of the Offering, the Company will provide to each Prospective Investor and such Prospective Investor's representatives and advisors, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this Offering and to obtain any additional information which the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such Prospective Investor; provided, however, that any questions or requests for information related to making an investment or subscribing for Membership Interests under this Offering and not solely related to the Project itself, must be directed to the Subscriber's offshore agent, licensed broker-dealer or "finder". Any such Project-related questions should be directed to the Company at:

Gateway to the Midwest Investment Center, Inc.
c/o Laura M. Hughes, Project Manager
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 631015
Tel: 314-615-8141
Fax: 314-615-8140
E-mail: lhughes@worldtradecenter-stl.com

No other persons have been authorized to give information or to make any representations concerning this Offering, and if given or made, such other information or representations must not be relied upon as having been authorized by the Company.

EXHIBIT A

SUBSCRIPTION AGREEMENT

(See attached.)

EXHIBIT B

ESCROW AGREEMENT

(See attached.)

EXHIBIT C

OPERATING AGREEMENT

(See attached.)

EXHIBIT D

CONFIDENTIAL PROSPECTIVE INVESTOR QUESTIONNAIRE

(See attached.)

CONFIDENTIAL PROSPECTIVE INVESTOR QUESTIONNAIRE

CONFIDENTIAL

_____

_____

_____

To Prospective Investor:

The information contained herein is being furnished to you in order for you to determine whether your subscription to purchase a membership interest (the "**Interest**") in **GL/TL EB-5 LENDER, LLC**, a Missouri limited liability company (the "**Company**"), may be accepted by you pursuant to Section 4(2) of the Securities Act of 1933 (the "**Securities Act**"), as amended, and Regulation D or Regulation S promulgated thereunder. I understand that (i) the Company will rely upon the information contained herein for purposes of determining the availability of exemptions from the registration requirements of the Securities Act and (ii) the issuance of the Membership Interests will not be registered under the Securities Act in reliance upon such exemptions.

To satisfy banking and EB-5 immigrant investor requirements, the Company will be sharing your completed and signed Confidential Prospective Investor Questionnaire and the information contained herein with the escrow agent for the Offering and such other financial institutions or governmental organizations as necessary to verify the funds used to subscribe for Unit(s) were obtained by lawful means. The escrow agent will also be provided with a copy of your unexpired government-issued picture identification and current residency address and national identifier number and other supporting documentation provided by you. Using such information, the escrow agent may conduct background searches on each prospective investor and his or her family members and the escrow agent may share the results of such background searches with the Company. Except in such cases, the Manager and the Company intend to keep the contents of this Confidential Prospective Investor Questionnaire, confidential.

All information furnished is for the sole use of the Company and will be held in confidence by you, except that this Questionnaire may be furnished to such parties as the Company's counsel deems necessary or desirable to establish compliance with federal or state securities laws.

Any capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed in the Operating Agreement, the Offering Memorandum or the Subscription Agreement.

In accordance with the foregoing, the undersigned makes the following representations and warranties:

A. PROSPECTIVE INVESTOR INFORMATION.

1. Name: _____
(Investor's exact name, as it should appear in the records of the Company.)
Address: _____
_____
Telephone #: _____ Fax #: _____
Social Security Number: _____
E-mail address: _____

2. Name of contact person if different than Prospective Investor:
Name: _____
Address (City, State and Zip): _____
Telephone #: _____
Fax #: _____
E-mail address: _____

3. Check one of the following representations (a) or (b), IF APPLICABLE:

_____ (a) My individual net worth, or joint net worth with my spouse, exceeds $1,000,000.[2]

_____ (b) My individual income (without my spouse) was in excess of $200,000 in the last two years or joint income with my spouse was in excess of $300,000 in each of those years, and I reasonably expect an individual income in excess of $200,000 or joint income with my spouse in excess of $300,000 in the current year. For purposes of this Investor's Questionnaire, individual income means adjusted gross income, as reported for federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse): (i) the amount of any tax exempt interest income received; (ii) the amount of losses claimed as shareholder, member or limited partner in any entity or business venture; (iii) any deduction claimed for depletion; (iv) deductions for alimony paid; (v) amounts contributed to an IRA or Keogh retirement plan; and (vi) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to

[2] For purposes of calculating "net worth" of a person: (A) The person's primary residence shall not be included as an asset; (B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

the provisions of Section 1202 of the Internal Revenue Code.

4. Please describe your educational background:

_____

_____

5. Professional licenses or registrations, including professional certifications, licenses and governmental registrations, if any;

_____

_____

6. Prior employment, positions or occupations during the past five years (and the inclusive dates of each) are as follows:
Employment or Occupation:_____
Nature of Responsibility:_____
From/To:_____

_____

_____

7. I have previously purchased securities that were sold in reliance upon the private offering exemption from registration under the Securities Act of 1933, as amended:

Yes _____ No _____

8. Describe what type of prior investments you have participated in and the amounts involved:

Nature of Investment	Amount Invested

B. REPRESENTATIONS AND WARRANTIES OF EACH PROSPECTIVE INVESTOR.

The undersigned understands that the Company will be relying on the accuracy and completeness of the responses to the foregoing questions and represents and warrants to the Company as follows:

1. The answers to the above questions are complete and correct and may be relied upon by the Company in determining whether the undersigned meets the investor suitability requirements set forth in the Offering Memorandum, and whether the offering in which the undersigned proposes to participate is exempt from registration under the 1933 Act and the rules promulgated thereunder;

2. The undersigned will notify the Company immediately of any material change in any statement made herein occurring prior to the completion of the Offering; and

3. The undersigned has adequate means of providing for the undersigned's current needs and personal contingencies, has no need for liquidity in its investment in the Membership Interests, and is able to bear the economic risk of an investment in the Membership Interests of the size contemplated. In making this statement the undersigned at the present time could afford a complete loss of such investment.

4. The Subscriber acknowledges that the offer and sale of the Membership Interests is not taking place within the United States, but rather in an offshore transaction. "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Colombia.

5. The Subscriber is in compliance with all applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**"), the U.S. Bank Secrecy Act (the "**BSA**") and all other anti-money laundering laws and applicable regulations adopted to implement the provisions of such laws, including policies and procedures that can be reasonably expected to detect and cause the reporting of transactions under Section 5318 of the BSA. The Investor is not and shall not be a person: (i) acting directly or indirectly, on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any of die U.S. Office of foreign Assets Control ("**OFAC**") lists; (ii) listed on, residing in or having a place of business in a country or territory named on any of such lists or which is designated as a Non-Cooperative Jurisdiction by the financial Action Task Force on Money Laundering ("**FAIT**"), or whose funds are from or through such a jurisdiction; (iii) that is a "Foreign Shell bank" within the meaning of the USA Patriot Act: or (iv) residing in or organized under the laws of a jurisdiction designated by the U.S. Secretary of the Treasury under Sections 311 or 312 of the USA Patriot Act as warranting special measures due to money-laundering concerns.

C. PAYMENTS.

1. Please identify the bank or other financial institution (the "**Wiring Institution**") from which Subscriber's funds will be wired to pay the purchase price of the Unit(s) subscribed for. Note that any amounts paid to Investor will be paid to the same account from which Investor's subscription funds were originally remitted unless the Manager agree otherwise.

Name of Wiring Institution: _____
Address of Wiring Institution: _____
ABA, Chips or SWIFT Number
of Wiring Institution; _____
Account Name: _____
Account Number: _____
For Benefit of: _____
Account Representative: _____
Telephone: _____
(Area Code) (Number)

Is the prospective investor a customer of the Wiring Institution? Yes _____ No _____

2. Payments. I hereby agree that all or any funds payable to me (including if my subscription is rejected or, if I am admitted as a member of the Company, any distributions of available cash of the Company when and as determined by the Manager pursuant to the terms set forth in the Operating Agreement) shall be delivered to me by wire transfer to the account specified in Section C(1) of this Confidential Prospective Investor Questionnaire, unless otherwise agreed to in a written document signed by the Manager and the undersigned Investor.

D. AUTHORIZATION TO OBTAIN INFORMATION FROM OUTSIDE SOURCES; DECLARATION AND SIGNATURE.

I, the undersigned, expressly authorize the escrow agent for the Offering to obtain and verify information from others concerning credit standing, employment, identity verification and other information as required by the escrow agent's policy for opening deposit accounts.

I, the undersigned, hereby represent and warrant that the foregoing information is true and correct, and I understand and acknowledge that such information will be relied upon by the Company, the Manager and the escrow agent for the Offering, and I agree to notify the Company and the Manager immediately of any change in any statement made herein.

[***Remainder of page intentionally left blank.***]

IN WITNESS WHEREOF, I have executed this Confidential Prospective Investor Questionnaire this ____ day of _____, 2016.

INDIVIDUALS:	ENTITIES:
_____	_____
Print Name(s)	Print Name of Subscriber
_____	_____
Signature	Authorized Signature
_____	_____
Signature (if Joint Tenants or Tenants in Common	Print Name of Signatory and Capacity in which Signed

* All applicable questions in this Confidential Prospective Investor Questionnaire must be fully completed.

GL/TL EB-5 LENDER, LLC
c/o GL/TL EB-5 Manager, LLC
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105
Attention: Laura M. Hughes, Project Manager
Tel: 314-615-8151
Fax: 314-615-8140
E-mail:lhughes@worldtradecenter-stl.com

EXHIBIT E

BACKGROUND OF PRINCIPALS OF THE DEVELOPER, ITS MANAGEMENT AND THE REGIONAL CENTER

Management Team

Bill Luchini
President of Capstone Development, LLC

Since purchasing Capstone Development Group, LLC, in 2009, Bill Luchini has been instrumental in creating a nationally recognized industry powerhouse known for building affordable housing communities for families and seniors around the country. To date, the company is responsible for more than 325 affordable housing communities in 17 states.

Perhaps most impressive has been Mr. Luchini's incorporation of green and sustainable elements into affordable housing. In fact, Capstone is proud to be the developer of the nation's first 100% renewable, net-zero energy, green, affordable community, Lexington Farms Subdivision in Jerseyville, IL. Here, all 32 homes include roof-mounted solar panels, and wind turbines are utilized throughout the neighborhood. Not only did Lexington Farms earn the prestigious Platinum LEED certification, but Mr. Luchini has been honored with the Illinois Governor's Award for Excellence in Affordable Housing for his renewable solutions there.

Mr. Luchini's notable innovations in creating green affordable housing also can be seen at Sugar Hill Crossing Subdivision, the first net-zero energy affordable housing community in Louisiana. At this 100-unit community, solar panels power nearly all of the electricity, providing extremely low utility costs for residents.

Throughout his 30-year career in housing and real-estate development projects, Mr. Luchini has worked extensively with federal, state, and community agencies and other financing organizations to build thousands of affordable housing units across the country. In addition, his expertise has helped further housing and economic growth in communities throughout the region.

Mr. Luchini has extensive experience with a full array of financing tools, including Federal Low Income Housing Tax Credits (LIHTC), HUD programs, FHI-insured Financing, USDA Rural Development Funding, Federal Home Loan Bank Programs, Tax-exempt Bond Financing, HOME Investment Partnership Loans, Community Development Block Grant Funds, and various State and Local Tax Credits and Urban Redevelopment Techniques.

Mr. Luchini is a board member of the Illinois Housing Council and has professional certifications in Housing Development Finance and Construction Management. He received his Bachelor of Science degree in business from Southern Illinois University-Edwardsville.

GATEWAY TO THE MIDWEST INVESTMENT CENTER, INC., a Missouri nonprofit corporation (the "**Regional Center**" or "**GMIC**"), is the holder of the regional rights to undertake an EB-5 program in the St. Louis, Missouri SMA area (the "**Territory**") with the United States Citizenship and Immigration Service ("**USCIS**") (the "**EB-5 Program**") for purposes of authorizing foreign investors in the Company to include both direct and indirect job creation from investment in participating developers toward qualification for the EB-5 Program, who will grant regional rights to the Developer to participate in the EB-5 Program.

The Regional Center is a non-profit government sponsored regional center sponsored by the City of St. Louis, St. Louis County and St. Charles County, Missouri.

Gateway to the Midwest Investment Center Board of Directors:

Sheila Sweeney has been the interim chief executive officer of the St. Louis Economic Development Partnership since June, 2015. A native of St. Louis, Sheila has championed the Economic Council, then Partnership, for over two decades while serving as a member and chairman of both boards. Sheila was also the chairman of the committee that organized the alignment of the St. Louis County Economic Council and the St. Louis Development Corporation in 2013.

Rodney Crim is President of St. Louis Economic Development Partnership, and leads the organization's business development services, including business retention and attraction, innovation and entrepreneurship, international trade support, and business financing—all aimed at bringing people, jobs and investment to the St. Louis region.

Rick Palank is an original employee of St. Louis Economic Development Partnership, working for the organization for more than 30 years. He oversees the staff of the Business Finance Division, which offers financing products and programs designed to meet the funding needs for growing small businesses.

Joyce Steiger has been the Chief Financial Officer for St. Louis Economic Development Partnership, for nearly 20 years. She oversees the accounting division and is responsible for the organization's annual financial statements, single audit report and operating budget, while ensuring compliance with internal and external financial regulations.

Greg Prestemon has served as President and CEO of the Economic Development Center of St. Charles County since April, 1993. The EDC has a 30-member Board of Directors with representation from city and county governments and the private sector.

EXHIBIT F

EXECUTIVE SUMMARY, DESCRIPTION OF THE PROJECT AND FINANCIAL PROJECTIONS

PROJECT SUMMARY

Detailed Description

The Capstone Lofts EB-5 Project consists of the construction and operations of two new residential complexes, the Gerhart Lofts and the Truman Lofts, in St. Louis, Missouri.

Gerhart Lofts

The Gerhart Lofts will be located at the intersection of Laclede Avenue and Vandeventer Avenue, adjacent to St. Louis University in St. Louis, Missouri. The addresses of the Gerhart Lofts are 1-17 Vandeventer Avenue, 3900-08 Laclede Avenue, and 3910-12 Laclede Avenue. The construction component of the EB-5 Project will consist of the renovation of a series of historic buildings original constructed in 1896, which will restore 10,560 square feet of commercial space, add 17 loft-style rental residential units, and provide onsite parking.

Rendering of the Gerhart Lofts Component

The Gerhart Lofts component of the EB-5 Project will feature: 11 ground-floor commercial spaces with 960 square feet each for a total of 10,560 square feet of commercial space; two live-work units totaling 1,113 square feet; and 15 residential apartments. The residential apartment will be comprised of: 10 two bedroom, two-bath units at 972 square feet each; four two-bedroom,

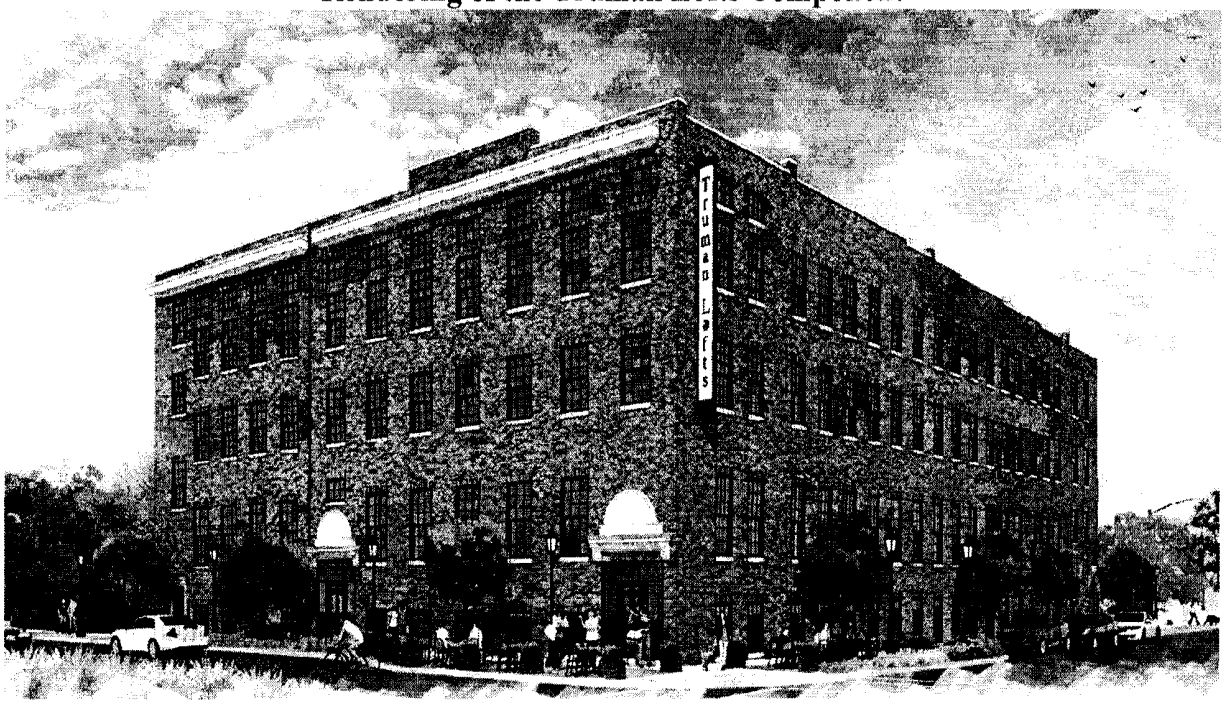
two-bath units at 1,113 square feet each; and, one three-bedroom, two-bath unit with 1,250 square feet. A total of 16,535 rentable residential square feet will be available in the Gerhart Lofts.

The residential units will have in-unit washers and dryers, energy star-rated appliances (range, refrigerator, garbage disposal, and dishwasher), and an on-demand hot water heater. The fixtures and finishes will be high-end, including hardwood floors, European cabinets, ceiling fans, and concrete countertops. The building will have a secure entry system.

Truman Lofts

The Truman Lofts will be located at 1322 Dolman Street in St. Louis, Missouri. The Truman Lofts component of the EB-5 Project will comprise the redevelopment of an existing vacant factory building into a 40-unit apartment complex designed for young professionals. The apartment complex will have a mix of studio, one-bedroom, and two-bedroom units. Each residential unit will feature a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hookups, tile and hardwood flooring, blinds, ceiling fans, and walk-in closet.

Rendering of the Truman Lofts Component



The exterior of the apartment complex will be brick, with landscaping consisting of grass, trees, and shrubs. Amenities of the apartment complex will include a community room, fitness center, picnic area, tenant storage, lounge area, dog run, and walking/bike trail. The property will also have an open parking lot containing 51 parking spaces. The property will also have commercial space on the first floor of the building. The neighborhood surrounding the Truman Lofts site is primarily commercial properties and single-family residences.

Development Timeline

Construction on the Gerhart Lofts component began in July 2014 and will end in November of 2015; operations will commence in November 2015. Construction on the Truman Lofts component began in October 2015 and is expected to end in December 2016, with operations activities anticipated to begin in January of 2017. Year 1 of the EB-5 Project is the 2014; Year 2 is 2015; etc.

Table 1: Development Timeline

Event	Date
Gerhart Lofts	
Property Acquisition	June 2014
Construction Start	July 2014
Construction End	November 2015
Residential/Commercial Operations Start	November 2015
Truman Lofts	
Property Acquisition	September 2015
Construction Start	October 2015
Construction End	December 2016
Residential/Commercial Operations Start	January 2017
Prepared by: Economic & Policy Resources, Inc.	

Required Permits

Please refer to *Table 2 Required Permits and Approvals – Gerhart Lofts Component* and *Table 3 Required Permits and Approvals – Truman Lofts Component* for detail on the permits needed for the EB-5 Project, the approval agencies, the date approved for permits that have been received, and notes on the permits that have not yet been received describing the expected timing. The project developers are familiar with all permits that are required and will obtain all necessary permits as needed to continue the construction and operations of the EB-5 Project according to the development timeline.

Table 2: Required Permits and Approvals – Gerhart Lofts Component

Gerhart Lofts			
Permit Type	Approval Agency	Date Approved	Notes
Building Permit	City of St. Louis Building Division	10/14/2014	
Water Permit	City of St. Louis Water Division	10/13/2014	
Sewer Permit	Metropolitan Sewer District	12/12/2014	
Sewer Field Change Permit	Metropolitan Sewer District	4/24/2015	
Historic Tax Credit Approval - Part I and II	SHPO/National Park Service	11/28/2014	
City Improvement District Approval	CORTEX Innovation Community	9/30/2014	
Commercial Space Building Permit	City of St. Louis	TBD	Each commercial tenant will be responsible for finishing their own space and securing their own permits.
Certificates of Occupancy - Residences	City of St. Louis Building Division	TBD	Permit issued upon completion of each unit prior to new resident moving in.
Conservation District Permit	City of St. Louis Building Division	TBD	Permit issued upon completion of each unit prior to new resident moving in.
Certificate of Occupancy - Commercial	City of St. Louis Building Division	TBD	Permit issued upon completion. Each commercial tenant will be responsible for securing the occupancy permit for their space.
Historic Tax Credit Approval - Part III	SHPO/National Park Service	TBD	Approval issued upon completion of project.
			Prepared by: Economic & Policy Resources, Inc.

Table 3: Required Permits and Approvals – Truman Lofts Component

Truman Lofts		
Permit Type	Approval Entity	Notes
Building Permit Water Permit Sewer Permit	City of St. Louis Building Division City of St. Louis Water Division City of St. Louis Metropolitan Sewer District	It is anticipated that the permits will be applied for with the City of St. Louis Building Division and the Metropolitan Sewer District in early Fall of 2015.
Alley Vacation	City of St. Louis Street Dept./Board of Public Service/Board of Aldermen	The City of St. Louis Street Department is willing to provide additional property to the project through the vacating of an unused alley at the east edge of the property. This process is underway with the Street Department and the Board of Public Service.
Historic Tax Credit Approval - Part I & II	State Historic Preservation Office/National Park Service	The application is currently under review with the National Park Service.
Commercial Space Building Permit	City of St. Louis	The commerical tenant will be responsible for securing their own building permit for the completion of the space.
Certificates of Occupancy - Residences	City of St. Louis Building Division	Permit issued at completion prior to each resident moving into the apartment.
Conservation District Permit	City of St. Louis Building Division	Permit issued at completion prior to each resident moving into the apartment.
Certificate of Occupancy - Commercial	City of St. Louis Building Division	Permit issued upon completion. The commercial tenant will be responsible for securing the occupancy permit for the space.
Historic Tax Credit Approval - Part III	State Historic Preservation Office/National Park Service	Approval issued upon completion of project.
		Prepared by: Economic & Policy Resources, Inc.

Statement of Sources and Uses of Funds

The total EB-5 Project budget is $19.84 million, including $8.69 million for the Gerhart Lofts component and $11.16 million for the Truman Lofts component. The EB-5 Project will be financed by up to $6.0 million in EB-5 capital, as well as mortgage financing, historic tax credit ("HTC") equity, state HTC investor capital, federal HTC investor capital, and developer financing.

Statement of Sources and Uses of Funds

Sources of Funds		
		Total
First Mortgage	$	8,123,473
Federal HTC Investor Capital	$	2,613,788
State HTC Investor Capital	$	3,107,426
EB-5 Capital Raise	$	6,000,000
Total Sources of Funds	$	19,844,687
Uses of Funds		
		Total
Gerhart Lofts Component		
Land Acquisition & Site Costs	$	1,995,000
Hard Construction Costs	$	3,617,199
Residential Construction	$	2,170,319
Non-Residential Construction	$	1,446,880
Construction Contingency	$	457,902
Architect Expenses	$	272,306
Engineering Expenses	$	32,844
Survey Fees	$	6,000
Financing Fees	$	549,698
Soft Costs	$	171,623
Legal & Organizational Costs	$	70,099
Insurance	$	22,002
City Fees	$	15,950
Historic Tax Credits Fees	$	52,272
Third Party Reports	$	11,300
Rent-Up/Marketing Expense	$	22,000
Accounting Fees	$	60,000
FF&E Expenditures	$	21,748
Developer Fees/Reserves	$	1,482,282
Total Gerhart Lofts	$	8,688,602
Truman Lofts Component		
Land Acquisition & Site Costs	$	1,366,500
Hard Construction Costs	$	6,001,000
Residential Construction	$	5,671,686
Non-Residential Construction	$	329,314
Construction Contingency	$	480,080
Architect Expenses	$	275,000
Engineering Expenses	$	65,000
Survey Fees	$	6,000
Financing Fees	$	455,500
Soft Costs	$	251,000
Legal & Organizational Costs	$	54,500
Insurance	$	20,000
City Fees	$	50,000
Historic Tax Credits Fees	$	86,500
Third Party Reports	$	40,000
Rent-Up/Marketing Expense	$	30,000
Accounting Fees	$	60,000
FF&E Expenditures	$	25,000
Developer Fees/Reserves	$	2,141,004
Total Truman Lofts	$	11,156,084
Total Capstone Lofts EB-5 Project	$	19,844,686
Prepared by: Economic & Policy Resources, Inc.		

Operating Budget Details

Please see *Table 5 Rental Revenue Assumptions – Gerhart Lofts Component, Table 6 Gerhart Lofts Component Income Statement, Table 7 Rental Revenue Assumptions – Truman Lofts Component and Table 8 Truman Lofts Component Income Statement* for detail on the operating assumptions, revenue and expenses for the EB-5 Project. The rental revenue assumptions include the unit mix, unit square footage, rent per square foot, and total monthly rent.

Table 5: Rental Revenue Assumptions – Gerhart Lofts Component

Unit Type	Units	Baths	SF per Unit	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Total Monthly Rent
2 Bedroom (Live Work)	2	2	960	$1.75	$1,680	$50	$1,730	$3,360
3 Bedroom (2nd Floor)	1	2	1097	$1.75	$1,920	$75	$1,995	$1,920
2 Bedroom (2nd and 3rd Floor)	14	1	972	$1.75	$1,701	$50	$1,751	$23,814
Commercial Bay 1	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 2	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 3	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 4	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 5	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 6	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 7	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 8	1	NA	960	$18.00	$1,440	$200	$1,640	$1,440
Commercial Bay 9	1	NA	1250	$18.00	$1,875	$200	$2,075	$1,875
Commercial Bay 10	1	NA	1250	$18.00	$1,875	$200	$2,075	$1,875
Commercial Bay 11	1	NA	1250	$18.00	$1,875	$200	$2,075	$1,875
Total	28		28055					$46,239

Prepared by: Economic & Policy Resources, Inc.

Table 6: Gerhart Lofts Component Income Statement

Gerhart Lofts					
Revenue	**2015**	**2016**	**2017**	**2018**	**2019**
Residential:					
Rental Revenue	$ 223,025	$ 370,650	$ 356,108	$ 363,230	$ 370,494
Other Revenue	$ 3,051	$ 5,000	$ 5,100	$ 5,202	$ 5,306
Less: Vacancy	$ -	$ (18,783)	$ (18,060)	$ (18,422)	$ (18,790)
Total Residential Revenue	**$ 226,076**	**$ 356,867**	**$ 343,148**	**$ 350,010**	**$ 357,010**
Commercial:					
Base Gross Commercial Revenue	$ 205,740	$ 205,740	$ 209,855	$ 214,052	$ 218,333
Commercial Expense Reimbursement	$ 24,000	$ 24,000	$ 24,480	$ 24,970	$ 25,469
Commercial Vacancy	$ (20,574)	$ (20,574)	$ (20,985)	$ (21,405)	$ (21,833)
Total Commercial Revenue	**$ 209,166**	**$ 209,166**	**$ 213,349**	**$ 217,616**	**$ 221,969**
Total Effective Gross Revenue	**$ 435,242**	**$ 566,033**	**$ 556,497**	**$ 567,626**	**$ 578,979**
Expenses					
Residential:					
Operating Expenses	$ 69,281	$ 109,500	$ 110,985	$ 112,515	$ 114,090
Management Fee	$ 11,151	$ 17,593	$ 16,902	$ 17,240	$ 17,585
Reserve for Replacement	$ -	$ 4,250	$ 4,378	$ 4,509	$ 4,644
Total Residential Expenses	**$ 80,432**	**$ 131,343**	**$ 132,265**	**$ 134,264**	**$ 136,319**
Commercial:					
Total Commercial Expenses	**$ 24,000**	**$ 24,000**	**$ 24,720**	**$ 25,462**	**$ 26,225**
Total Operating Expenses	**$ 104,432**	**$ 155,343**	**$ 156,985**	**$ 159,726**	**$ 162,545**
Net Operating Income	**$ 330,810**	**$ 410,690**	**$ 399,512**	**$ 407,900**	**$ 416,434**

Prepared by: Economic & Policy Resources, Inc.

Table 7: Rental Revenue Assumptions – Truman Lofts Component

Units	Unit Count	Baths	SF per Unit*	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Total Monthly Rent
Studio	1	1	488	$1.54	$750	$50	$800	$750
1BDRM	1	1	719	$1.39	$1,000	$65	$1,065	$1,000
1BDRM	1	1	610	$1.48	$900	$65	$965	$900
1BDRM	1	1	644	$1.40	$900	$65	$965	$900
1BDRM	2	1	711	$1.41	$1,000	$65	$1,065	$2,000
1BDRM	1	1	720	$1.39	$1,000	$65	$1,065	$1,000
1BDRM	1	1	725	$1.45	$1,050	$65	$1,115	$1,050
1BDRM	1	1	633	$1.58	$1,000	$65	$1,065	$1,000
1BDRM	1	1	548	$1.55	$850	$75	$925	$850
2BDRM	1	1	1093	$1.37	$1,500	$75	$1,575	$1,500
1BDRM	1	1	720	$1.11	$800	$75	$875	$800
1BDRM	1	1	670	$1.49	$1,000	$75	$1,075	$1,000
1BDRM	1	1	560	$1.43	$800	$75	$875	$800
1BDRM	1	1.5	555	$1.80	$1,000	$75	$1,075	$1,000
1BDRM	1	1.5	876	$1.37	$1,200	$50	$1,250	$1,200
1BDRM	1	1.5	874	$1.37	$1,200	$65	$1,265	$1,200
1BDRM	1	1.5	871	$1.38	$1,200	$65	$1,265	$1,200
1BDRM	1	1.5	860	$1.40	$1,200	$65	$1,265	$1,200
1BDRM	1	1.5	931	$1.34	$1,250	$65	$1,315	$1,250
1BDRM	1	1.5	880	$1.42	$1,250	$65	$1,315	$1,250
1BDRM	1	1.5	969	$1.39	$1,350	$65	$1,415	$1,350
1BDRM	1	1.5	1138	$1.32	$1,500	$65	$1,565	$1,500
1BDRM	1	1.5	795	$1.32	$1,050	$75	$1,125	$1,050
1BDRM	1	2	876	$1.43	$1,250	$75	$1,325	$1,250
1BDRM	1	2	983	$1.32	$1,300	$75	$1,375	$1,300
2BDRM	1	2	882	$1.36	$1,200	$75	$1,275	$1,200
2BDRM	1	2	869	$1.38	$1,200	$75	$1,275	$1,200
2BDRM	1	2	891	$1.29	$1,150	$75	$1,225	$1,150
2BDRM	1	2	907	$1.43	$1,300	$65	$1,365	$1,300
2BDRM	1	2	882	$1.81	$1,600	$65	$1,665	$1,600
2BDRM	1	2	988	$1.52	$1,500	$65	$1,565	$1,500
2BDRM	1	2	1204	$1.37	$1,650	$65	$1,715	$1,650
2BDRM	1	2	1346	$1.15	$1,550	$65	$1,615	$1,550
2BDRM	1	2	1270	$1.26	$1,600	$75	$1,675	$1,600
2BDRM	1	2	1155	$1.56	$1,800	$75	$1,875	$1,800
2BDRM	1	2	1254	$1.28	$1,600	$75	$1,675	$1,600
2BDRM	1	2	1117	$1.61	$1,800	$75	$1,875	$1,800
2BDRM	1	2	1138	$1.32	$1,500	$75	$1,575	$1,500
2BDRM	1	2	1123	$1.29	$1,450	$75	$1,525	$1,450
Commercial Space	1	NA	2043	$16.00	$2,724	$200	$2,924	$2,724
Total/Average	41		37229					$51,924

Prepared by: Economic & Policy Resources, Inc.

Table 8: Truman Lofts Component Income Statement

Truman Lofts					
Revenue	**2017**	**2018**	**2019**	**2020**	**2021**
Residential:					
Rental Revenue	$ 493,842	$ 611,088	$ 623,310	$ 635,776	$ 648,491
Other Revenue	$ 4,065	$ 5,000	$ 5,100	$ 5,202	$ 5,306
Less: Vacancy	$ (24,895)	$ (30,804)	$ (31,420)	$ (32,049)	$ (32,690)
Total Residential Revenue	**$ 473,012**	**$ 585,284**	**$ 596,990**	**$ 608,929**	**$ 621,107**
Commercial:					
Base Gross Commercial Revenue	$ 32,688	$ 32,688	$ 33,342	$ 34,009	$ 34,689
Commercial Expense Reimbursement	$ 2,400	$ 2,400	$ 2,448	$ 2,497	$ 2,547
Commercial Vacancy	$ (3,269)	$ (3,269)	$ (3,334)	$ (3,401)	$ (3,469)
Total Commercial Revenue	**$ 31,819**	**$ 31,819**	**$ 32,456**	**$ 33,105**	**$ 33,767**
Total Effective Gross Revenue	**$ 504,831**	**$ 617,103**	**$ 629,446**	**$ 642,034**	**$ 654,874**
Expenses					
Residential:					
Operating Expenses	$ 103,048	$ 126,750	$ 129,953	$ 133,251	$ 136,648
Management Fee	$ 23,447	$ 29,014	$ 29,594	$ 30,186	$ 30,790
Reserve for Replacement	$ -	$ 14,350	$ 14,350	$ 14,350	$ 14,350
Total Residential Expenses	**$ 126,495**	**$ 170,114**	**$ 173,897**	**$ 177,787**	**$ 181,788**
Commercial:					
Total Commercial Expenses	**$ 2,520**	**$ 2,520**	**$ 2,596**	**$ 2,673**	**$ 2,754**
Total Operating Expenses	**$ 129,015**	**$ 172,634**	**$ 176,493**	**$ 180,460**	**$ 184,542**
Net Operating Income	**$ 375,816**	**$ 444,469**	**$ 452,953**	**$ 461,574**	**$ 470,332**
					Prepared by: Economic & Policy Resources, Inc.

Marketing Strategy

Each component of the EB-5 Project will be marketed in keeping with proven strategies with which the operating management teams have had success in previous similar developments. Marketing will follow tenants through a logical flow of actions: promotion, outreach, and leasing activities. Promotional activities will utilize a wide variety of mediums to spread the word about the community using tools such as digital and print advertising, sponsorship, events, and various other avenues of promotion. Outreach efforts will focus on potential tenants that have been identified through promotional efforts. Leasing activities will engage the potential guests and tenants, communicating details such as rental rates, features and options, and terms.

The EB-5 Project will have a marketing plan put in place before the lease-up begins which will include a specific listing of activities as well as a detailed budget of advertising and marketing materials.

The Gerhart Lofts component is scheduled to begin the residential lease-up in September 2015. At this time, 5ive Point Properties has been chosen as the management agent for the residential portion of the property. When a unit is completed and available for showing, 5ive Point will be engaged to aggressively implement a marketing plan. Since construction began on the building the developer (Capstone Development Group, LLC) has fielded calls and maintained a waiting list of possible residents for the project.

The commercial space available for lease at the Gerhart Lofts is being handled by Duffe Nuernberger Realty, a local St. Louis firm with over 35 years of experience. At this time, current prospects for the commercial areas include a clothing store, beauty salon, a textbook store, a micro-brew pub, and a bakery/café. A letter of intent has been signed with a restaurant to be placed in two bays, and a five-year lease has been signed with a clothing store for one commercial bay.

The Truman Lofts component will be marketed and advertised with similar activities and real estate management companies (either the above or companies of equitable experience) during its lease-up period.

EXHIBIT G

TEA LETTER

Jeremiah W. (Jay) Nixon
Governor

MISSOURI
Department of Economic Development

Mike Downing, CEcD
Director

September 17, 2015

William Luchini
Capstone Development Group, LLC
101 S. Hanley, Suite 1825
Clayton, MO 63105

Dear Mr. Luchini:

This is in reply to your request for Targeted Employment Area (TEA) designation for the Gerhart Lofts project located at 3900 Laclede, St. Louis, MO 63108 and adjoining addresses.

This address is located in St. Louis city census tract 1186. The proposed TEA includes this tract plus two tracts north of the site, 1193 and 1111. The calculated unemployment rate for this contiguous three-tract area is 9.6 percent, which exceeds the required threshold of 9.3 percent. The proposed area thus qualifies as a TEA.

Please note that these data are updated annually, and that the TEA designation applies to 2015. After the end of 2015, a new TEA designation should be requested.

Please let me know if you have questions or want further information.

Sincerely,

Mike Downing, CEcD
Director

301 W. High St. • P.O. Box 1157 • Jefferson City, MO 65102-1157
www.ded.mo.gov • (573) 751-4962 • Fax (573) 526-7700

EXHIBIT

23

GL/TL EB-5 LENDER, LLC

SUBSCRIPTION AGREEMENT

TABLE OF CONTENTS

Page

RECITALS: 2

AGREEMENT 5

1. Subscription 5

2. Acceptance of Subscription. 6

3. Subscriber's Acknowledgment of Restrictions on Transfer; No Right to Require Registration.. 6

4. Subscriber's Additional Representations and Warranties. 6

5. Withholding Tax. 11

6. Confirmation. 11

7. Consultation with Independent Counsel and Tax Advisor. 11

8. Indemnification.. 11

9. Investor Information Form, Form W-8 and Investor Questionnaire.. 12

10. Miscellaneous. 12

ACCEPTANCE 17

EXHIBITS

EXHIBIT A - INVESTOR INFORMATION FORM

EXHIBIT B - CERTIFICATE OF FOREIGN STATUS OF BENEFICIAL OWNER FOR UNITED STATES TAX WITHHOLDING

Name of Subscriber:_____
Number of Registration:_____
NON-U.S. PURCHASER

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, EITHER PURSUANT TO APPLICABLE EXEMPTIONS WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THIS AGREEMENT AND THE OPERATING AGREEMENT. HEDGING UNITS MAY NOT BE CONDUCTED EXCEPT IN COMPLAINCE WITH THE SECURITIES ACT, THIS AGREEMENT AND THE OPERATING AGREEMENT.

NO PARTY EXCEPT THE COMPANY IS RESPONSIBLE FOR THE CONTENTS OF THE OFFERING MEMORANDUM (DEFINED BELOW), AND NO OTHER PARTY EXCEPT SALES AGENTS AUTHORIZED BY THE COMPANY WILL BE INVOLVED IN THE OFFERING OF UNITS UNDER THE MEMORANDUM OR THE ACCEPTANCE OF SUBSCRIPTIONS FROM SUBSCRIBERS.

GL/TL EB-5 LENDER, LLC

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "**Agreement**") is made and entered into as of the date shown on the signature page hereof, by the undersigned subscriber ("**Subscriber**") identified on the signature page of this Agreement, in favor of **GL/TL EB-5 LENDER, LLC**, a Missouri limited liability company (the "**Company**"), **GL/TL EB-5 MANAGER, LLC**, a Missouri limited liability company (the "**Manager**"), and if accepted by the Company in writing in accordance with the terms hereof, then this Agreement shall be by and between the Subscriber and the Company.

THE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND ARE BEING OFFERED PURSUANT TO TRANSACTION EXEMPTION AFFORDED BY (A) REGULATION S PROMULGATED UNDER THE SECURITIES ACT SOLELY OUTSIDE OF THE

UNITED STATES AND SOLELY TO NON-U.S. PERSONS AND IN SPECIFIC RELIANCE UPON THE REPRESENTATIONS BY EACH SUBSCRIBER THAT (1) AT THE TIME OF THE OFFER AND SALE OF THE UNIT TO SUBSCRIBER, SUBSCRIBER WAS NOT A U.S. PERSON AS DEFINED IN REGULATION S, AND (2) AT THE TIME OF THE OFFER AND SALE OF THE UNIT TO SUBSCRIBER AND, AS OF THE DATE OF THE EXECUTION AND DELIVERY OF THIS SUBSCRIPTION AGREEMENT AND THE OPERATING AGREEMENT BY THE SUBSCRIBER, THE SUBSCRIBER WAS OUTSIDE OF THE UNITED STATES OR (B) REGULATION D PROMULGATED UNDER THE SECURITIES ACT. THE UNIT MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S) UNLESS THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. HEDGING TRANSACTIONS IN THE UNITS MAY NOT BE CONDUCTED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND THE COMPANY'S OPERATING AGREEMENT.

RECITALS:

A. Pursuant to a Confidential Private Placement Memorandum dated as of September 1, 2015 (the "**Offering Memorandum**"), the Company is offering for purchase (the "**Offering**") only to a limited number of individual investors who are (i) not "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act, in compliance with Regulation S, on a limited and private basis, or (ii) "accredited investors," as defined in Rule 501 under the Securities Act and pursuant to Regulation D of the Securities Act ("**Accredited Investors**"), a maximum of twelve (12) units ("**Units**") of membership interests in the Company ("**Membership Interests**"), representing total capital contributions to the Company of up to Six Million Dollars ($6,000,000) (the "**Maximum Offering Amount**"), excluding the sum of $65,000 per Investor for Offering costs, migration services, brokerage fees and administrative expenses (the "**Expense Amount**"). The terms and conditions applicable to holders of the Units are described in the Operating Agreement of the Company (the "**Operating Agreement**") to be entered into by and among the Manager and each of the Subscribers for Units whose subscriptions are accepted by the Manager.

B. Subscribers for Units must subscribe for Five Hundred Sixty-Five Thousand Dollars ($565,000.00) (the "**Total Subscription Payment**"), representing the Five Hundred Thousand Dollar ($500,000) capital contribution (the "**Capital Contribution**") and Sixty-Five Thousand Dollar ($65,000) Expense Amount per Unit. Subscribers, in the aggregate, will own one hundred percent (100%) of the Investing Member Membership Interests in the Company, and each Subscriber shall be issued a Unit that represents a limited liability company membership interest in the Company, as more fully described in the Operating Agreement.

C. **GL/TL EB-5 OWNER, LLC**, a Missouri limited partnership (the "**Developer**"), is the current owner of the Project (as defined in the Offering Memorandum).

D. Gateway to the Midwest Investment Center, Inc., a Missouri corporation (the "**Regional Center**"), is an approved regional center under the EB-5 program (the "**EB-5 Program**") with the United States Citizenship and Immigration Service ("**USCIS**") authorized

under The Immigration Act of 1990 (IMMACT 90), effective November 29, 1991 ("**Immigration Act**"), for purposes of authorizing foreign investors in the Company to include both direct and indirect job creation from investment in participating businesses toward qualification for the EB-5 Program, and it will be granting the Project the rights to utilize the EB-5 program to raise capital for the development of the Project. The Regional Center will agree to sponsor the Project for participation in the EB-5 Program pursuant to an Affiliation Agreement with the Developer and the Company to utilize the EB-5 Regional Center designation in connection with the Loan to the Developer, whereby the Project will, in turn, create jobs (the "**Affiliation Agreement**").

E. The Company has been organized to provide the Loan (as defined in the Offering Memorandum) to the Developer for the funding of the Project.

F. Each Subscriber's Capital Contribution will be paid to the Escrow Agent (as defined below) and will be held in escrow pursuant to the Escrow Agreement which maintains the Capital Contribution in a project account (the "**Project Escrow Account**"). The funds held in the Project Escrow Account and/or Subscription Holdback Account from an Investing Member and will be released to the Company's general operating account upon satisfaction of (i) the first to occur of (A) the receipt by the Company of executed subscription agreements from at least six (6) Subscribers under this Offering (the "**Initial Condition**"); or (B) one (1) I-526 Petition or a Project Exemplar has been approved by USCIS; and (ii) upon satisfaction of clause (i) above, the I-526 Petition for the applicable Subscriber has been filed (collectively, the "**Escrow Release Conditions**") and in no event later than approval of such Investing Member's I-526 Petition. After the Escrow Release Conditions are satisfied, the Investing Member's Capital Contribution, less a twenty percent (20%) Holdback Amount (as defined in the Operating Agreement) will be utilized to fund the Loan even before the I-526 Petition approval has been received. Once the I-526 Petition has been approved, the 20% Holdback amount shall be funded to the Company and used as part of the Loan, as more fully described under Section 7.5 of the Operating Agreement. Notwithstanding the foregoing, the funds held in the Escrow Account from an Investing Member will be released to the Company's general operating account upon the approval of such Investing Member's I-526 Petition.

G. If a Subscriber receives an I-526 Petition denial the Company will refund the denied Subscriber's Capital Contribution out of first available funds, as more fully set forth in Sections 7.5 and 12.8 of the Operating Agreement.

H. Each Subscriber's Expense Amount shall be paid directly to the Manager upon the Subscriber's subscribing for Units hereunder; provided, however, that if a Subscriber receives an I-526 Petition denial (without certification of the denial to the USCIS Administrative Appeals Office), the Manager shall, subject to the provisions of Sections 7.5 and 12.8 of the Operating Agreement, refund the Subscriber's Expense Amount, less a Twenty-Five Thousand Dollar ($25,000) charge to cover certain Offering costs; provided further, however, that if the Investing Member is at fault in providing incorrect information related to the I-526 Petition or lies or misrepresents information on his or her I-526 Petition, the full Sixty-Five Thousand Dollars ($65,000) shall be retained by the Manager for costs incurred on behalf of an individual Subscriber.

I. The Offering has been structured so that each Investing Member, by subscribing for a Unit and becoming a member of the Company, will have made an investment that qualifies as the investment component required for an I-526 Petition that entitles the Investing Member to seek permanent United States residency and, ultimately, to apply for U.S. citizenship, provided that the Investing Member otherwise satisfies the non-investment criteria for an EB-5 Visa. For further information, see "IV. IMMIGRATION MATTERS" and "V. E. RISK FACTORS - Immigration Risk Factors" of the Offering Memorandum. The Company has arranged for an immigration attorney to file an I-526 Petition on behalf of each Investing Member, at the Investing Member's sole cost and expense, which petition will be filed following acceptance of the subscription and admission of the Investing Member as a member of the Company. An Investing Member may elect to use his or her own attorney to file the I-526 Petition, at the Investing Member's sole cost and expense, provided that the Company may require that an immigration attorney selected by the Company review the Investing Member's I-526 Petition to ensure consistency with this Offering Memorandum, in which case the Investing Member will be required to pay such immigration attorney's fee for performing such review.

J. In addition to executing this Agreement and remitting the purchase price for the Units subscribed for hereunder to the Company, as described herein, the Subscriber will also need to execute the Company's Operating Agreement and deliver the executed Operating Agreement to the Company in order to complete its subscription hereunder. ***Please review the Operating Agreement in its entirety.***

K. The Offering will end on September 30, 2016 at 5:00 p.m. EST, unless extended by mutual agreement of the Manager and Developer until December 31, 2016, in the Manager's sole discretion (the "**Offering Period**"). Notwithstanding the foregoing, the Company reserves the right, following the end of the Offering Period, to substitute a Subscriber whose I-526 Petition is denied with a Substitute Investing Member, as defined and more fully set forth in Section 7.5 of the Operating Agreement. The Subscriber shall pay the Capital Contribution to the Escrow Agent (as defined below) in one (1) installment and pay the Expense Amount to the Manager in one (1) installment, both simultaneously with the execution of this Agreement. A copy of the Escrow Agreement between Signature Bank or its successor, as escrow agent ("**Escrow Agent**"), and the Company ("**Escrow Agreement**") is attached as Exhibit B to the Offering Memorandum.

L. Subject to the terms of the Operating Agreement, the Subscriber irrevocably commits the Subscriber's Capital Contribution to the Company upon payment thereof to the Escrow Agent.

M. All subscription proceeds from this Offering will be held in escrow pursuant to the terms of the Escrow Agreement. By execution hereof, each Subscriber agrees to be bound to the terms and conditions of the Escrow Agreement to the same extent as if the Subscriber had separately executed the Escrow Agreement.

AGREEMENT

NOW, THEREFORE, the Subscriber hereby agrees as follows:

1. Subscription. The Subscriber hereby irrevocably subscribes for and agrees to purchase the Unit indicated on the signature page of this Agreement. Payment of the Capital Contribution and Expense Amount shall be made in two (2) installments payable upon subscription, as follows:

(a) **$500,000 by wire transfer to the Escrow Agent as follows:**

Bank	Signature Bank
SWIFT Code	_____
Fedwire Telegraph Name (where to put on wire transfer form when investor wires their funds)	_____
Account #	_____
Account Name/Beneficiary & Address	GL/TL EB-5 LENDER, LLC Project Escrow Account
Account Currency	U.S. Dollars
Message	***Investor's full name***

and

(b) **$65,000 by wire transfer to the Manager as follows:**

Bank	_____
SWIFT Code	_____
Fedwire Telegraph Name (where to put on wire transfer form when investor wires their funds)	_____
Account #	_____
Account Name/Beneficiary & Address	GL/TL EB-5 LENDER, LLC Project Escrow Account
Account Currency	U.S. Dollars

Message	***Investor's full name***

2. Acceptance of Subscription. Subscriber understands and agrees that the Subscriber's subscription for Units hereunder ("**Subscription**") may be rejected by the Manager at any time in its sole discretion. If the Subscription is accepted, the Manager will notify Subscriber of same and the scheduled date of closing. If the Subscription is rejected, all funds received from the Subscriber will be returned without interest and thereafter this Agreement shall be of no further force or effect.

3. Subscriber's Acknowledgment of Restrictions on Transfer; No Right to Require Registration. THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS (COLLECTIVELY, "**SECURITIES LAWS**"), EITHER PURSUANT TO APPLICABLE EXEMPTIONS. WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THE COMPANY'S OPERATING AGREEMENT ADDITIONALLY, THE SUBSCRIBER ACKNOWLEDGES THAT NEITHER THE COMPANY NOR THE MANAGER IS OBLIGATED TO REGISTER THE UNITS UNDER THE SECURITIES LAWS. SUBSCRIBER FURTHER UNDERSTANDS THAT THE TRANSFER OF THE UNITS MAY BE SUBSTANTIALLY RESTRICTED BY THE SECURITIES LAWS AND BY THE ABSENCE OF A TRADING MARKET THEREFOR, AND THE TRANSFER OF THE UNITS IS ADDITIONALLY RESTRICTED BY THE TERMS OF THE OPERATING AGREEMENT; THAT NO TRADING MARKET FOR THE UNITS EXISTS AND NONE IS EXPECTED TO DEVELOP; AND THAT ANY SALE OR OTHER DISPOSITION OF THE UNITS MAY RESULT IN UNFAVORABLE TAX CONSEQUENCES TO THE SUBSCRIBER. THE SUBSCRIBER ACKNOWLEDGES THAT THE RESTRICTIONS ON THE TRANSFERABILITY OF THE UNITS ARE SUBSTANTIAL AND MAY REQUIRE THE SUBSCRIBER TO HOLD THE UNITS INDEFINITELY. THE SUBSCRIBER HEREBY REPRESENTS AND WARRANTS THAT THE SUBSCRIBER HAS ADEQUATE MEANS OF PROVIDING FOR THE SUBSCRIBER'S CURRENT AND FUTURE NEEDS AND POSSIBLE PERSONAL CONTINGENCIES AND HAS NO NEED FOR LIQUIDITY OF THE UNITS.

4. Subscriber's Additional Representations and Warranties. The Subscriber

additionally represents and warrants to the Regional Center and the Company as follows:

(a) The Subscriber understands that the offer and sale of the Units have not been registered under the Securities Laws, pursuant to applicable exemptions. The Subscriber acknowledges the Company is not obligated to register the Unit under the Securities Laws. In addition to restrictions on transferability pursuant to the Operating Agreement, without such registration, such Unit may not be sold, pledged, hypothecated or otherwise transferred at any time whatsoever, except upon delivery to the Company of an opinion of counsel satisfactory to the Manager and the Company that registration is not required for such transfer or the submission to the Manager of such other evidence as may be satisfactory to the Manager and the Company to the effect that any such transfer will not be in violation of the Securities Laws. Subscriber further understands that any transfer of the Unit may be substantially restricted by the absence of a trading market therefor and none is expected to develop, and that any sale or other disposition of the Unit may result in unfavorable tax consequences to the Subscriber. The Subscriber acknowledges that the restrictions on the transferability of the Unit are substantial and may require the Subscriber to hold the Unit indefinitely.

(b) The Subscriber is acquiring the Unit solely for the account of the Subscriber for investment purposes only and not for distribution or resale to others. The Subscriber will not resell or offer to resell all or a portion of the Unit except in strict compliance with all applicable Securities Laws, including, without limitation, Regulation S (Rules 901 through 905 and Preliminary Statement) under the Securities Act and the Operating Agreement. Subscriber will not engage in any hedging transactions involving the Unit, except in compliance with the Securities Laws and the Operating Agreement.

(c) Subscriber (i) is not a U.S. Person, is not a citizen or resident alien of the United States, is not acquiring the Units for the account or benefit of any U.S. Person, did not receive the Offering Memorandum or an offer to purchase the Unit in the United States and did not execute this Agreement and pay the amounts specified hereunder from within the United States; or (ii) is an Accredited Investor acquiring the Units in a transaction not requiring registration under the Securities Act through Regulation D of the Securities Act. If requested by the Company, Subscriber further agrees to execute and deliver to the Company an executed IRS Form W-8 certifying that he or she is a Non-Resident Alien.

(d) The Subscriber is a bona fide resident of the country set forth in his or her address in this Agreement, and agrees that if his or her principal residence changes prior to his or her purchase of a Unit, he or she will promptly notify the Manager.

(e) The Subscriber acknowledges that the offer and sale of the Units is not taking place within the United States, but rather in an "offshore transaction," as defined in Rule 902 of Regulation S adopted by the Securities Exchange Commission pursuant to the Securities Act, and that no "directed selling efforts" took place within the United States in compliance with Regulation S, unless the Subscriber is an "accredited investors" as such term is defined in Rule 501(a) under the Securities Act in compliance with Regulation D of the Securities Act. The term "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

(f) The Subscriber's financial condition is such that he or she has no need for liquidity with respect to its investment to satisfy any existing or contemplated undertaking or indebtedness and is able to bear the economic risk of its investment for an indefinite period of time, including the risk of losing all of its investment.

(g) The Subscriber understands that the Project has not yet been developed and it has no operating history. The Project is in its early stages, is not currently generating any revenue, and its future profitability cannot be assured.

(h) The Subscriber understands that: (i) his or her subscription for a Unit is irrevocable until the Offering Period ends without the Company's written consent; (ii) an investment in the Unit is a speculative investment that involves a high degree of risk, including the risk of loss of the entire investment of the Subscriber in the Company; (iii) no federal or state agency has passed upon the adequacy or accuracy of the information made available to the Subscriber, or made any finding or determination as to the fairness for investment, or any recommendation or endorsement of the Unit as an investment; (iv) any anticipated federal and/or state income tax benefits applicable to the Unit may be lost through changes in, or adverse interpretations of, existing laws and regulations; and (vi) there is no assurance that the Company will ever be profitable, or that the Subscriber's investment in the Unit will ever be recoverable.

(i) The Subscriber acknowledges that there is no assurance that his or her I-526 Petition will be granted or, if it is, that Subscriber will ultimately be approved for conditional or unconditional lawful permanent residence in the U.S. or be able to become a U.S. citizen. Neither the Company, Regional Center, Developer, nor the Company's immigration counsel has made any effort to pre-determine Subscriber's personal qualifications and circumstances and whether the Subscriber is likely or not likely to obtain favorable action on its I-526 Petition or EB-5 Visa, and that there are numerous reasons that will result in the Subscriber being denied residency in the United States, including, without limitation, the Project failing to qualify as an approved project for the EB-5 Program.

(j) The Subscriber (i) has been provided with a copy of the Offering Memorandum, including, as exhibits thereto, this Agreement, the Escrow Agreement, the Operating Agreement, and has reviewed same; (ii) has been given complete access to all documents, records, contracts and books of or relating to the Company and the Unit, and all other information reasonably requested by the Subscriber; and (iii) has performed a complete examination of all such documents, records, contracts and books to the extent deemed necessary by the Subscriber in reaching the Subscriber's decision to invest in the Company. The Subscriber further acknowledges and confirms that the Subscriber has had an opportunity to ask questions of and receive answers from the Company and the Developer concerning the Unit, the prospective contemplated business and purpose of the Company, and any other matter the Subscriber has deemed relevant, and all such inquiries have been answered to the Subscriber's satisfaction. In addition, Subscriber acknowledges that he or she has had and may have, at any reasonable hour, after reasonable prior notice, access to the financial and other records of the Company which the Company can obtain without unreasonable effort or expense, and further acknowledges that Subscriber has obtained, in Subscriber's judgment, sufficient information from the Company to evaluate the merits and risks of an investment in the Unit.

(k) The Subscriber acknowledges that: (i) the risks inherent to this investment have been fully considered; (ii) the Manager will have substantial and exclusive authority to conduct the operation of the Company; and (iii) an investment in the Unit has neither been approved nor disapproved by the Securities and Exchange Commission or any other federal, state or local department or agency of any other jurisdiction, and such authorities have not passed upon the adequacy or accuracy of the disclosure provided to investors in connection with an investment in the Unit.

(l) The Subscriber acknowledges that neither the Company, Manager, the Regional Center nor any representative of the Company, the Manager or the Regional Center has made any representations or warranties in respect of the Developer's business or profitability. Without limiting the generality of the foregoing, the Subscriber acknowledges and agrees that information, including any business plan or financial projections or forecasts or other information contained in written materials provided or made available to the undersigned, and any oral, visual or other presentations made by the Company, the Manager or the Regional Center or its representatives to the Subscriber shall not be deemed a representation or warranty in respect of the matters therein. Subscriber acknowledges that the Offering Memorandum contains information that the Developer and Company believe is accurate and, as such information relates to the projected revenues and expenses of the Developer, data that the Developer believes is a reasonable forecast of the results that the Developer will achieve; however, as an accredited, experienced and sophisticated investor, Subscriber is aware that there are many foreseeable and unforeseeable events that could cause the assumptions underlying the financial projections to not materialize, and the results of same may cause material adverse consequences to the financial results of the Developer and Company.

(m) In making the decision to purchase the Unit, Subscriber has relied solely upon independent investigations made by Subscriber, and the Subscriber further represents and warrants that the Subscriber is not acquiring the Unit as a result of any advertisement, article, notice or other communication published in any newspaper, magazine or similar media distributed in the United States, any seminar in the United States or any solicitation by a person in the United States not previously known to the Subscriber, and that Subscriber is not aware of any general solicitation within the United States or general advertising within the United States regarding the purchase or sale of the Unit. The Subscriber acknowledges and confirms that he or she is not relying upon any statement, representation or warranty made by the Company or its respective representatives in making a decision to subscribe for the Unit. Subscriber must rely solely on the terms of the Operating Agreement for the terms of Subscriber's participation in the Company and the rights and responsibilities of owning its Unit.

(n) The Subscriber understands that the Company and the Manager will be relying on the accuracy and completeness of all matters set forth in this Agreement, and the Subscriber represents and warrants to the Company, the Manager and each of their affiliates that the information, representations, warranties, acknowledgments and all other matters set forth in the Subscription Agreement with respect to the Subscriber are complete, true and correct and does not fail to include any material fact necessary to make the facts stated, in light of the circumstances in which they are made, not misleading, and may be relied upon by them in determining whether the offer and sale of a Unit to the Subscriber is exempt from registration under the Securities Laws, and the Subscriber will notify them immediately of any change in any

statements made in the Subscription Agreement that occurs prior to the consummation of the purchase of a Unit.

(o) The Subscriber is in compliance with all applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**"), the U.S. Bank Secrecy Act (the "**BSA**") and all other anti-money laundering laws and applicable regulations adopted to implement the provisions of such laws, including policies and procedures that can be reasonably expected to detect and cause the reporting of transactions under Section 5318 of the BSA. The Subscriber is not and shall not be a person: (i) acting, directly or indirectly, on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any of the OFAC lists; (ii) listed on, residing in or having a place of business in a country or territory named on any of such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering (FATF), or whose funds are from or through such a jurisdiction; (iii) that is a "Foreign Shell bank" within the meaning of the USA Patriot Act; or (iv) residing in or organized under the laws of a jurisdiction designated by the U.S. Secretary of the Treasury under Sections 311 or 312 of the USA Patriot Act as warranting special measures due to money-laundering concerns.

(p) The Subscriber (i) has accurately completed the Investor Questionnaire that is an exhibit to the Offering Memorandum; and (ii) is a "sophisticated person" in that Subscriber has such knowledge and experience in financial and business matters that individually and/or with the aid of advisers, it is capable of evaluating the merits and risks of an investment in the Company by making an informed investment decision with respect thereto.

(q) If the Subscriber is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance Period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with certification requirements described in this Section. The "distribution compliance period" means the one-year period following the issue date for the Units.

(a) The Subscriber acknowledges that the Manager, the Company, the Developer and their affiliates are unrelated parties, which could result in one or more conflicts of interest between the interests of the Subscribers and the Manager, the Company, the Developer and their affiliates.

(r) The Subscriber acknowledges and agrees to comply with all of his or her obligations set forth in the EB-5 Job Allocation Addendum attached as Schedule 2 to the

Operating Agreement, and all of the Subscriber's representations, warranties and agreements set forth therein are hereby incorporated herein by reference.

(s) The Subscriber acknowledges and agrees that (i) the Manager, Regional Center and Developer have not given, and have no authority to give, any investment advice with respect to the purchase of a security; and (ii) a prospective subscriber has not requested or otherwise sought any such investment advice from the Manager, Regional Center and/or the Developer.

(t) The Subscriber acknowledges and agrees that (i) the Regional Center is unaffiliated with the Developer; (ii) the Regional Center makes no representations about the Project- and Developer-related information in the Project Business Plan or documents related to the business plan or the investment the Subscriber is making, and (iii) the Subscriber is in no way relying on the Regional Center for providing any service other than filing the annual I-924A report with USCIS.

5. Withholding Tax. The Subscriber acknowledges that in the event the Internal Revenue Service determines that the Subscriber's country of residence does not exchange adequate tax information with the United States, pursuant to Internal Revenue Code Sections 871(h)(5) or Section 881(c)(5), then the Company will be obligated to withhold United States income taxes and remit such taxes to the Internal Revenue Service, pursuant to applicable law, and the Subscriber consents to such withholding.

6. Confirmation. All information that the Subscriber has provided anywhere in this Agreement concerning the Subscriber and the Subscriber's financial position is correct and complete as of the date set forth below, and if there should be any material change in such information prior to the acceptance of the Subscriber's subscription for the Unit that is being purchased, the Subscriber will immediately provide such information to the Manager.

7. Consultation with Independent Counsel and Tax Advisor. The Subscriber's investment in the Units is an investment in the equity of a Missouri limited liability company, which confers certain rights and liabilities upon the Subscriber pursuant to Missouri law and the Operating Agreement. Subscriber has been advised that Subscriber should consult with his or her own legal and tax advisors prior to executing this Agreement, acquiring a Unit or consummating the transactions contemplated hereby. Subscriber understands that the lawyers(s) for the Company, Regional Center and Developer represent only these entities in connection with the transactions contemplated by this Agreement, and do not represent the Subscriber, and such lawyer(s) make no representation regarding the Regional Center, the Company, the Developer or the Subscriber's investment in Units.

8. Indemnification. Subscriber hereby agrees to indemnify and hold harmless the Regional Center, the Company and the Developer and their affiliates, and the respective employees, agents and attorneys of the foregoing against any and all losses, claims, demands, liabilities and expenses (including reasonable legal or other expenses) incurred by each such person or entity in connection with any claims or liabilities, whether or not resulting in any liability to such person or entity, to which any such indemnified party may become subject under the Securities Laws, under any other statute, at common law or otherwise, insofar as such losses,

claims, demands, liabilities and expenses (a) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact made by Subscriber, or (b) arise out of or are based upon any breach of any representation, warranty or agreement of Subscriber contained herein.

9. Investor Information Form, Form W-8 and Investor Questionnaire. Subscriber shall complete and fully execute, together with this Subscription Agreement, the Investor Information Form and Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (W-8), attached hereto as **Exhibits A** and **B**, respectively, and the Investor Questionnaire attached to the Offering Memorandum.

10. Escrow Agreement. By execution hereof, the Subscriber agrees to be bound to the terms and conditions of the Escrow Agreement to the same extent as if the Subscriber had separately executed the Escrow Agreement attached as Exhibit B to the Offering Memorandum.

11. Miscellaneous.

(a) Severability. In the event any portion of this Agreement is found to be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in a jurisdiction shall not affect the validity, legality or enforceability of any portions of this Agreement in any other jurisdiction.

(b) Entire Agreement; Amendment; Waiver. This Agreement constitutes the entire Agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be amended, modified, changed, waived, discharged or terminated orally, except by a statement in writing signed by the party or parties against which enforcement or the change, waiver, discharge or termination is sought. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted, and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

(c) Governing Law; Venue; Jurisdiction. This Agreement and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided therein or performance thereof shall be governed or interpreted according to the laws of the State of Missouri, without giving effect to the conflict of laws provisions thereof.

(d) Arbitration: Any controversy, dispute, or claim between the parties to this Agreement arising out of, in connection with, or in relation to the formation, negotiation, interpretation, performance or breach of this Agreement shall be submitted to JAMS, Inc. (hereafter, the "**Arbitration Service**") and shall be settled exclusively by arbitration, before a three-member arbitration panel, in accordance with this Section. This agreement to resolve any disputes by binding arbitration shall extend to claims against any parent, subsidiary or Affiliate of each party, and, when acting within such capacity, any officer, director, member, employee or agent of each party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law.

Arbitration shall be the exclusive remedy for determining any such dispute, whether in tort, contract or otherwise, regardless of its nature. Arbitration shall be governed by the Comprehensive Arbitration Rules and Procedures and International Arbitration Rules (or similar commercial arbitration rules) of the Arbitration Service. In the event of a conflict between the applicable rules of the Arbitration Service and these procedures, the provisions of these procedures shall govern. To select the three-member arbitration panel, the parties shall each name one neutral arbitrator, and those two arbitrators shall select a third neutral arbitrator from a list of potential arbitrators jointly prepared by the parties. The arbitration proceeding shall be decided by majority vote of the three-arbitrator panel. Unless mutually agreed by the parties otherwise, any arbitration shall take place in St. Louis, Missouri.

In the event of a dispute subject to this Section, (a) the parties shall be entitled to reasonable discovery subject to the discretion of the arbitrator, (b) all testimony of witnesses shall be taken under oath, and the admission of evidence shall be governed by the rules of evidence applicable to civil proceedings under applicable law, and (c) a stenographic record shall be kept of all oral hearings. The remedial authority of the arbitrator shall be the same as, but no greater than, would be the remedial power of a court having jurisdiction over the parties and their dispute; provided, however, that the arbitrator shall have no power or authority under this Agreement or otherwise to award or provide for the award of punitive or consequential damages against any party. The arbitrator shall, upon an appropriate motion, dismiss any claim without an evidentiary hearing if the party bringing the motion establishes that he or it would be entitled to summary judgment if the matter had been pursued in court litigation. The parties and the arbitrator shall keep confidential all matters relating to any arbitration hereunder (including without limitation the existence of the dispute and the arbitration).

In interpreting this Agreement, the arbitrator shall be bound by and follow the substantive law of the State of Missouri. To the extent applicable and not inconsistent with this Section, the arbitrator shall apply the Federal Rules of Civil Procedure and the Federal Rules of Evidence.

Any filing or administrative fees shall be borne initially by the party requesting administration by the Arbitration Service. If both parties request such administration, the fees shall be borne initially by the party incurring such fees as provided by the rules of the Arbitration Service. The initial fees and costs of the arbitrator shall be borne equally by the parties. The prevailing party in such arbitration, as determined by the arbitrator, and in any enforcement or other court proceedings, shall be entitled to reimbursement from the other party for all of the prevailing party's costs (including but not limited to the arbitrator's compensation), expenses, and attorneys' fees.

The arbitrator shall render an award and written opinion, and the award shall be final and binding upon the parties. Judgment upon any award rendered by the arbitrators may be entered by any state or federal court having jurisdiction thereof, in accordance with the terms of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

If any of the provisions of this Section are determined to be unlawful or otherwise unenforceable, in whole or in part, such determination shall not affect the validity of the remainder of this Section, and this Section shall be reformed to the extent necessary to carry out its provisions to the greatest extent possible and to insure that the resolution of all conflicts

between the parties, including those arising out of statutory claims, shall be resolved by neutral, binding arbitration. If a court should find that the arbitration provisions of this Section are not absolutely binding, then the parties intend any arbitration decision and award to be fully admissible in evidence in any subsequent action, given great weight by any finder of fact, and treated as determinative to the maximum extent permitted by law.

(e) Litigation: Subject to the arbitration provisions set forth in Section 10(d) herein, the Company shall prosecute and defend such actions at law or in equity as may be necessary to enforce or protect the interest of the Company. The Company shall respond to any final decree, judgment or decision of any court, board or authority having jurisdiction in the premises. The Company shall satisfy any such judgment, decree or decision, first out of any insurance proceeds available therefor, and next out of assets of the Company. The cost of defending any actions brought against the Company and/or the Manager with respect to Company matters shall be borne by the Company except as otherwise provided in this Agreement.

(f) Notices. All notices, offers, acceptance and any other acts under this Agreement (except payment) shall be in writing, and shall be sufficiently given if delivered to the addressee in person, by Federal Express or similar receipted delivery, or if mailed, postage prepaid, by certified mail, return receipt requested, as follows:

Subscriber:	At the address designated on the signature page of this Agreement.
The Company:	GL/TL EB-5 LENDER, LLC c/o GL/TL EB-5 Manager, LLC 7733 Forsyth Blvd., Suite 2200 St. Louis, MO 63105 Attention: Laura M. Hughes, Project Manager Tel: 314-615-8151 Fax: 314-615-8140 E-mail:lhughes@worldtradecenter-stl.com

or to such other address as either of them, by notice to the other may designate from time to time.

(g) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

(h) Survival of Representations, Warranties and Agreements. The representations, warranties and agreements contained herein shall survive the delivery of, and payment for, the Unit.

(i) Assignability. This Agreement and the rights and obligations hereunder and the Units contemplated to be purchased hereunder are not transferable or assignable by the Subscriber without the prior written consent of the Company, and any such attempted transfer or

assignment shall be void *ab initio* except as provided in the Operating Agreement. Before consenting to any such assignment, the Regional Center may require a proposed assignee to take certain actions and execute certain documents, including, without limitation, executing a separate subscription agreement, as the Regional Center may reasonably determine.

(j) Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors, and assigns.

(k) English Language. The English language text of this Agreement has been translated to a language in which the Subscriber is competent and the Subscriber understands all of the provisions of this Agreement. The English language text and American usage thereof shall control the interpretation and construction of this Agreement and all other writings between the parties.

[***Signatures appear on the following pages.***]

IN WITNESS WHEREOF, the undersigned Subscriber has executed this Subscription Agreement for GL/TL EB-5 LENDER, LLC, as of the date set forth below.

SUBSCRIBER:

_____	_____
[Social Security Number or FEI Number] (if any)	Print Exact Name of Subscriber
_____	_____
Date of Subscriber's Execution	Signature of Subscriber
Total Subscription Payment:	
$565,000.00	_____
	Principal Residential Street Address
	_____
	Country of Residence
	_____
	Telephone Number
	_____
	Fax Number
	_____
	E-mail Address

ACCEPTANCE

By signing below, the undersigned accepts the foregoing subscription for membership interests in GL/TL EB-5 LENDER, LLC, in accordance with the terms hereof, for:

Subscriber Name:_____

GL/TL EB-5 LENDER, LLC

By: GL/TL EB-5 MANAGER, LLC,
its Manager

By:_____
Name: _____
Title: _____
Dated:_____

EXHIBIT A

INVESTOR INFORMATION FORM

Participant

NAME: ☐ Person

DATE OF BIRTH:

MAILING ADDRESS: CITY: STATE:

PROVINCE/COUNTY/SUBDIVISION: COUNTRY: ZIP/POSTAL CODE:

TELEPHONE NUMBER: (Day) (Evening) E-MAIL:

UNEXPIRED PHOTO GOVERNMENT ID NUMBER: TYPE OF UNEXPIRED PHOTO GOVERNMENT ID:

ISSUANCE DATE: EXPIRATION DATE:

COUNTRY OF GOVERNMENT IDENTIFICATION: STATE/PROVINCE SUBDIVISION OF GOVERNMENT IDENTIFICATION:

UNEXPIRED PHOTO GOVERNMENT ID NUMBER: TYPE OF UNEXPIRED PHOTO GOVERNMENT ID:

ISSUANCE DATE: EXPIRATION DATE:

COUNTRY OF GOVERNMENT IDENTIFICATION: STATE/PROVINCE SUBDIVISION OF GOVERNMENT IDENTIFICATION:

NOTE: Unexpired Photo Government Identification should be provided for all nonresidential aliens, along with an IRS Form W-8BEN

SIGNATURE

Please review your information above and the Subscription Agreement in its entirety, and sign below. THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THE INFORMATION PROVIDED IN THIS INVESTOR INFORMATION FORM IS TRUE, COMPLETE AND ACCURATE.

SIGNATURE: DATE:

Participant Information

The legal address **MUST** be a street address. A post office box is not acceptable for a legal address. A legal address is the person's permanent residence address or, in the case of an entity, the place where it maintains a physical presence. For those investments by nonresident aliens and foreign entities, the legal address must be the same as the permanent residence address listed on IRS Form W-8BEN.

NOTE: To help the government fight the funding of terrorism and money laundering activities, federal law requires certain "financial institutions" to obtain, verify, and record information that identifies each investor. When you invest, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask you to provide a copy of your driver's license or other identifying documents. The information you provide in this form may be used to perform a credit check and verify your identity by using internal sources and third party vendors. If additional space is needed, please attach a separate sheet.

EXHIBIT B

CERTIFICATE OF FOREIGN STATUS OF BENEFICIAL OWNER FOR UNITED STATES TAX WITHHOLDING

Form **W-8BEN**

(Rev. February 2014)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

▶ For use by individuals. Entities must use Form W-8BEN-E.
▶ Information about Form W-8BEN and its separate instructions is at *www.irs.gov/formw8ben.*
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do NOT use this form if:	Instead, use Form:
• You are NOT an individual	W-8BEN-E
• You are a U.S. citizen or other U.S. person, including a resident alien individual	W-9
• You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services)	W-8ECI
• You are a beneficial owner who is receiving compensation for personal services performed in the United States	8233 or W-4
• A person acting as an intermediary	W-8IMY

Part I **Identification of Beneficial Owner** (see instructions)

1 Name of individual who is the beneficial owner

2 Country of citizenship

3 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country

4 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country

5 U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)

6 Foreign tax identifying number (see instructions)

7 Reference number(s) (see instructions)

8 Date of birth (MM-DD-YYYY) (see instructions)

Part II **Claim of Tax Treaty Benefits** (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____

Explain the reasons the beneficial owner meets the terms of the treaty article: _____

Part III **Certification**

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself as an individual that is an owner or account holder of a foreign financial institution,
- The person named on line 1 of this form is not a U.S. person,
- The income to which this form relates is:
  (a) not effectively connected with the conduct of a trade or business in the United States,
  (b) effectively connected but is not subject to tax under an applicable income tax treaty, or
  (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. I **agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here ▶

Signature of beneficial owner (or individual authorized to sign for beneficial owner) — Date (MM-DD-YYYY)

Print name of signer — Capacity in which acting (if form is not signed by beneficial owner)

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 25047Z Form **W-8BEN** (Rev. 2-2014)

112667172.3

EXHIBIT

24

OPERATING AGREEMENT

OF

GL/TL EB-5 LENDER, LLC

TABLE OF CONTENTS

1. DEFINITIONS. 2
2. FORMATION. 7
3. NAME AND PLACE OF BUSINESS. 7
4. PURPOSE AND SCOPE OF COMPANY. 7
5. TITLE. 8
6. COMMENCEMENT, TERM. 8
7. CAPITAL CONTRIBUTIONS. 8
8. RIGHTS AND DUTIES OF THE MANAGER 11
9. FEES, SALARIES AND EXPENSES. 14
10. PROFITS, LOSSES, DISTRIBUTIONS AND JOB CREATION ALLOCATION. 15
11. SALE, DISSOLUTION AND LIQUIDATION. 18
12. INVESTING MEMBERS. 19
13. RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS. 21
14. MISCELLANEOUS FINANCIAL AND ACCOUNTING MATTERS. 22
15. AMENDMENTS. 23
16. POWER OF ATTORNEY. 24
17. MEETINGS; MEANS OF VOTING. 25
18. WITHDRAWALS. 25
19. REPRESENTATIONS OF THE MEMBERS. 26
20. STATUTORY WAIVER OF FIDUCIARY DUTIES. 30
21. MISCELLANEOUS. 30

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, PURSUANT TO APPLICABLE EXEMPTIONS. WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THIS AGREEMENT. HEDGING UNITS MAY NOT BE CONDUCTED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND THIS AGREEMENT.

NO PARTY EXCEPT THE COMPANY IS RESPONSIBLE FOR THE CONTENTS OF THE OFFERING MEMORANDUM (DEFINED BELOW), AND NO OTHER PARTY EXCEPT SALES AGENTS AUTHORIZED BY THE COMPANY WILL BE INVOLVED IN THE OFFERING OF UNITS UNDER THE MEMORANDUM OR THE ACCEPTANCE OF SUBSCRIPTIONS FROM INVESTING MEMBERS.

OPERATING AGREEMENT
OF
GL/TL EB-5 LENDER, LLC

THIS OPERATING AGREEMENT (this "**Agreement**") of **GL/TL EB-5 LENDER, LLC**, a Missouri limited liability company (the "**Company**"), effective as of _____, 2015, is by and among **GL/TL EB-5 MANAGER, LLC**, a Missouri limited liability company (the "**Manager**"), and such persons as hereafter become members (the "**Investing Members**") in accordance with the provisions of this Agreement and the Missouri Limited Liability Company Act, as amended, by executing or causing to be executed a signature page in the form attached hereto.

BACKGROUND INFORMATION

The Investing Members desire to form a limited liability company pursuant to the laws of the State of Missouri for the purpose described below. To that end, the Manager has caused to be prepared, executed and filed with the Missouri Secretary of State a Certificate of Formation and has agreed to issue to the Investing Members units of Membership Interest described herein. Accordingly, in consideration of the mutual promises contained herein, the Manager and the Investing Members agree as follows:

OPERATIVE PROVISIONS

1. **DEFINITIONS.**

Except as otherwise defined herein, the following terms shall have the following meanings ascribed to such terms:

1.1 "**Accountants**" means such firm of independent certified public accountants as may be engaged from time to time by the Manager to provide professional services to the Company.

1.2 "**Adjusted Capital Account Balance**" means, with respect to any Investing Member, the balance, if any, in such Investing Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments.

(1) Increase such balance by any amounts which such Investing Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate (second to last) sentence of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(1)(5); and

(2) Decrease such balance by such Investing Members share of the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The calculation of the Adjusted Capital Account Balance of an Investing Member shall exclude any Section 754 election.

1.3 "**Adjusted Capital Contribution**" means, with respect to any Investing Member, the aggregate amount of such Investing Member's Capital Contributions, as at any given point in time, reduced by the amount of cash (if any) distributed to such Investing Member pursuant to Section 10.6 and Section 10.7. In the event that any Investing Member transfers all or any portion of his or her Membership Interest in accordance with the terms of this Agreement, his or her transferee shall succeed to the Adjusted Capital Contribution of the transferor to the extent it relates to the transferred Membership Interest.

1.4 "**Adjustment of Status**" shall have the meaning set forth in paragraph 5 of the EB-5 Job Allocation Addendum, attached hereto as Schedule 2.

1.5 "**Affiliate**" shall have the meaning set forth in Rule 405 promulgated under the Securities Act, except as otherwise provided herein.

1.6 "**Bankruptcy**" means with respect to a specified Person: (i) the appointment of a receiver, conservator, rehabilitator or similar officer for the specified Person, unless the appointment of such officer shall be challenged in an application filed within thirty (30) days after the appointment and the appointment is vacated and such officer discharged within one hundred twenty (120) days of the appointment; (ii) the taking of possession of, or the assumption of control over, all or any substantial part of the property of the specified Person by any receiver, conservator, rehabilitator or similar officer or by the United States government or any agency thereof, unless such

possession or control is challenged in an application filed within thirty (30) days after such possession or control is taken and property is relinquished within one hundred twenty (120) days of the taking; (iii) the filing of a petition in bankruptcy or the commencement of any proceeding under any present or future federal or state law relating to bankruptcy, insolvency, debt relief or reorganization of debtors by or against the specified Person, provided, if filed against (and not by) the specified Person, such petition or proceeding is not challenged within thirty (30) days after it is filed and if so challenged is not dismissed within one hundred twenty (120) days of the filing of the petition or the commencement of the proceeding; or (iv) the making of an assignment for the benefit of creditors or a private composition, arrangement or adjustment with the creditors of the specified Person.

1.7 "**BSA**" shall have the meaning set forth in Section 19(o) hereof.

1.8 "**Business**" means the business of the Company of making the Loan pursuant to USCIS guidelines.

1.9 "**Capital Account**" means, with respect to any Investing Member, the sum of his or her paid-in Capital Contribution (a) increased by all profits allocated to such Investing Member; and (b) decreased by (i) the amount of all cash distributions to such Investing Member, and (ii) all losses allocated to such Investing Member. Otherwise, each Investing Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder, including expressly, but not by way of limitation, the adjustments to Capital Accounts permitted by Section 704(b) of the Code and the Treasury Regulations thereunder in the case of an Investing Member who receives the benefit or detriment of any special basis adjustment under Sections 734, 743 and 754 of the Code.

1.10 "**Capital Contributions**" means the total cash contributed to the Company by the Investing Members pursuant to the terms of this Agreement, excluding the Expense Amount. Any reference to the Capital Contribution of an Investing Member shall include the Capital Contribution made by a predecessor holder of the interest of such Investing Member.

1.11 "**Cash Distributions**" means the Cash Flow distributions a set forth in Section 10.6 hereof.

1.12 "**Cash Flow**" means the total cash receipts of the Company, plus any other funds (including amounts designated as reserves by the Manager, where and to the extent it no longer regards such reserves as reasonably necessary to the efficient conduct of the Company's business) deemed available for distribution and designated as Cash Flow (excluding Capital Contributions) by the Manager less (a) any operating expenses of the Company excluding any expense not involving a cash expenditure, such as amounts charged for depreciation; (b) all payments of principal and interest on account of any loans secured by Company property or any other Company obligations or loans; and (c) reserves for working capital and anticipated expenditures in such amounts as may be determined from time to time by the Manager. Cash Flow shall be determined separately for each fiscal year of the Company.

1.13 "**Certificate of Formation**" means the valid Certificate of Formation, duly filed in its original or any amended form in accordance with (and in all respects sufficient in form and substance under) the laws of the State of Missouri.

1.14 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent laws.

1.15 "**Company**" shall have the meaning set forth in the introductory paragraph hereof.

1.16 "**Developer**" means GL/TL EB-5 OWNER, LLC, a Missouri limited liability company.

1.17 "**EB-5 Program**" shall have the meaning set forth in Section 8.4(b) hereof.

1.18 "**EB-5 Visa**" shall have the meaning set forth in paragraph 4 of the EB-5 Job Allocation Addendum, attached hereto as Schedule 2.

1.19 "**Escrow Agent**" means Signature Bank, or its successor, appointed as such under the Escrow Agreement.

1.20 "**Escrow Agreement**" means that certain Escrow Agreement between the Escrow Agent, the Company and each Investing Member in the Offering.

1.21 "**Expense Amount**" means the Fifty Thousand Dollar ($65,000) amount funded by each Investing Member upon subscription for a Unit that will be paid directly to the Manager upon subscription to cover certain Offering costs, migration services and brokerage fees.

1.22 "**Gross Asset Value**" means with respect to any asset of the Company, such asset's adjusted basis for federal income tax purposes.

1.23 "**Holdback Amount**" shall have the meaning set forth in Section 7.5(b) hereof.

1.24 "**Subscription Holdback Account**" shall have the meaning set forth in Section 7.5(b) hereof.

1.25 "**I-526 Petition**" means a Form I-526 Immigrant Petition for Entrepreneur filed with USCIS on behalf of an Investing Member.

1.26 "**I-829 Petition**" means a Form I-829 Immigrant Petition for Entrepreneur filed with USCIS on behalf of an Investing Member.

1.27 "**Initial Condition**" shall have the meaning set forth in Section 7.5(a) hereof.

1.28 "**Investing Member**" shall have the meaning set forth in the introductory paragraph hereof.

1.29 "**Limited Liability Company Act**" means the Missouri Limited Liability Company Act, as amended.

1.30 "**Loan**" shall have the meaning set forth in Section 4.1(a) hereof.

1.31 "**Loan Agreement**" shall have the meaning set forth in Section 4.1(a) hereof.

1.32 "**Majority in Interest**" means Investing Members owning in the aggregate more than fifty percent (50%) of the Units then outstanding.

1.33 "**Manager**" shall have the meaning set forth in the introductory paragraph hereof.

1.34 "**Manager Parties**" shall have the meaning set forth in Section 8.5 hereof.

1.35 "**Membership Interest**" means the membership interest of each Investing Member in the Company.

1.36 "**OFAC**" shall have the meaning set forth in Section 8.4(b)(8) hereof.

1.37 "**Offering Memorandum**" means the Confidential Private Placement Memorandum of the Company dated September 1, 2015, relating to the offering of the Units through a private placement.

1.38 "**Permanent Disability**" or "**Permanently Disabled,**" when used with reference to a specified Person, shall mean (i) any mental or physical illness, condition or incapacity which prevents the specified Person from performing his or her duties on behalf of the Company or any of its Affiliates for a period of 180 days during any 365 day period, (ii) a determination by an insurer that has issued a disability insurance policy to the Company or one or more Investing Members or the Manager with respect to a Person that such Person is permanently disabled as defined in such policy, or (iii) the determination by a court of competent jurisdiction that the specified Person is legally incompetent.

1.39 "**Person**" means an individual, a partnership (general, limited or limited liability), a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental, quasi-governmental, judicial or regulatory entity or any department, agency or political subdivision thereof.

1.40 "**Profits**" and "**Losses**" mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, respectively, including gain or loss from capital transactions, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulation Section 1.704-l(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(iii) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(iv) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulation Section 1.704-l(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a Distribution other than in complete liquidation of an Investing Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(v) Notwithstanding any other provision of this Section, any items which are specially allocated pursuant to Section 10.11 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Section 10.11 shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (v) above.

1.41 "**Project**" means the development of two (2) new residential complexes, the Gerhart Lofts and the Truman Lofts, in St. Louis, Missouri. The Gerhart Lofts will be located at the intersection of Laclede Avenue and Vandeventer Avenue in St. Louis and the Truman Loft will be located at 1322 Dolman Street in St. Louis.

1.42 "**Project Escrow Account**" means the account maintained by the Escrow Agent into which an Investing Member's Capital Contribution shall be deposited upon subscription for a Unit, to be disbursed as set forth in the Escrow Agreement.

1.43 "**Regional Center**" means Gateway to the Midwest Investment Center, Inc., a Missouri corporation.

1.44 "**Securities Act**" means the Securities Act of 1933, as amended.

1.45 "**Securities Laws**" shall have the meaning set forth in Section 19(a) hereof.

1.46 "**Subscription Agreement**" means the Subscription Agreement utilized by the Company to sell Units to Investing Members, including all attachments thereto.

1.47 "**Substitute Investing Member**" shall have the meaning set forth in Section 7.5(b) hereof.

1.48 **"Unit"** means a single unit of an Investing Member's Membership Interest.

1.49 **"USA Patriot Act"** shall have the meaning set forth in Section 19(o) hereof.

1.50 **"USCIS"** means United States Citizenship and Immigration Services.

2. FORMATION.

The Manager has formed a limited liability company pursuant to the Limited Liability Company Act and other applicable laws of the State of Missouri.

3. NAME AND PLACE OF BUSINESS.

3.1 The name of the Company is "GL/TL EB-5 LENDER, LLC " or such other name as the Manager shall hereafter designate by written notice to the Investing Members. Its principal mailing address shall be c/o Laura M. Hughes, Project Manager, Gateway To The Midwest Investment Center, Inc., 7733 Forsyth Blvd., Suite 2200, St. Louis, Missouri 63105, Principal, or such other location as the Manager may from time to time designate by notice to the Investing Members.

4. PURPOSE AND SCOPE OF COMPANY.

4.1 (a) The Company has been formed for the purpose of making a loan to the Developer (the "**Loan**") in connection with the development of the Project by the Developer, pursuant to the terms of a loan agreement to be entered into between the Company and the Developer (the "**Loan Agreement**").

(b) In furtherance of the foregoing, but in no way limiting the generality of the foregoing, the Company may: (i) enter into, perform and carry out contracts and agreements as may be necessary, appropriate or incidental to the accomplishment of the purposes of the Company; and (ii) do all other acts and things which may be necessary, appropriate or incidental to the carrying out of the business and purposes of the Company.

(c) The Company is specifically prohibited from engaging in the business of investing, reinvesting or trading in securities or in the business of issuing face-amount certificates of the installment type or having any such certificate outstanding.

4.2 Other Business Ventures: The Manager, affiliates of the Manager and any officers, directors, employees, stockholders or other persons holding a legal or beneficial interest in any of the foregoing, may engage or possess an interest in other business ventures of every nature and description, independently or with others, and neither the Company nor any Investing Member shall have any right by virtue of this Agreement in or to such independent ventures or the income or profits derived therefrom.

5. **TITLE.**

Title to any property and to any other assets acquired to carry out the purposes of the Company shall be held in the name of the Company.

6. **COMMENCEMENT, TERM.**

The Company shall be deemed to commence its existence as of the date of this Agreement. The term of the Company shall continue until terminated in accordance with the provisions of Section 11 hereof, or as otherwise provided by law.

7. **CAPITAL CONTRIBUTIONS.**

7.1 Investing Members: Each Investing Member shall contribute his or her Capital Contribution to the capital of the Company in the amounts set forth in each Investing Member's respective Subscription Agreement, in return for which they shall receive the applicable Membership Interest. The total amount to be contributed by each Investing Member shall be paid to the Escrow Agent as set forth in the Subscription Agreement. Contributions shall be only in cash via wire transfer.

7.2 No Additional Contributions: The Investing Members are not required to contribute additional capital in excess of his or her Capital Contribution or lend funds to the Company.

7.3 Capital Accounts: The Company shall establish for each Investing Member a Capital Account.

7.4 Withdrawal and Return of Capital: No Investing Member may withdraw any capital from the Company without the consent of the Manager. Under circumstances causing a return of a Capital Contribution, no Investing Member shall have the right to receive property other than cash, except as may otherwise be specifically provided herein, nor to be paid interest on such contributions with respect to the period such contributions are held by the Company.

7.5 Escrow Account.

(a) Each Subscriber's $500,000 Capital Contribution will be paid to the Escrow Agent and will be held in escrow pursuant to the Escrow Agreement which maintains the Capital Contribution in a project account (the "**Project Escrow Account**"). The funds held in the Project Escrow Account from an Investing Member will be released to the Company's general operating account upon satisfaction of (i) the first to occur of (A) the receipt by the Company of executed subscription agreements from at least six (6) Subscribers under this Offering (the "**Initial Condition**"); or (B) one (1) I-526 Petition or a Project Exemplar has been approved by USCIS; and (ii) upon satisfaction of clause (i) above, the I-526 Petition for the applicable Subscriber has been filed (collectively, the "**Escrow Release Conditions**") and in no event later than approval of such Investing Member's I-526 Petition.

(b) Subscriber recognizes and agrees that the Company has commenced operations and has a need for the Capital Contributions of Investing Members before Investing Members' I-526

Petitions are approved by USCIS. Therefore, a portion or all of an Investing Member's Capital Contribution will be released from escrow prior to I-526 Petition approval as follows:

Upon satisfaction of the Escrow Release Conditions, $400,000 of the Investing Member's total Capital Contribution (*i.e.*, $500,000 less a 20% holdback amount of $100,000 (the "**Holdback Amount**"), shall be funded to the Company's general operating account by the Escrow Agent to partially fund the Investing Member's Capital Contribution so the Company can commence operations. The Holdback Amount will remain with the Escrow Agent in a holdback subaccount (the "**Subscription Holdback Account**") until such Investing Member's I-526 Petition is approved, unless otherwise released prior to I-526 Petition approval as provided below. If an Investing Member's I-526 Petition is approved, the Holdback Amount (if not previously released, as described below) shall be immediately released from the Subscription Holdback Account and disbursed to the Company's general operating account by the Escrow Agent to fund the remainder of the Investing Member's $500,000 Capital Contribution; accordingly, the Investing Member will have invested a full $500,000 at the time of I-526 Petition approval.

If an Investing Member receives an I-526 Petition denial (without appeal or after denial of any appeal, as provided herein):

(i) if the denied Investing Member's $100,000 Holdback Amount remains in the Subscription Holdback Account, then (A) such $100,000 Holdback Amount shall be released from the Subscription Holdback Account and refunded to the Investing Member, and the Company will, subject to Section 7.5(c) below, (1) refund $400,000 to the denied Investing Member and (2) cancel such Investing Member's subscription; and (B) $400,000 held in the Subscription Holdback Account attributable to four (4) Investing Members whose I-526 Petitions have been filed (meaning the priority of such four (4) Investing Members' release of funds is based on their I-526 Petition filing date) and who have Holdback Amounts remaining in the Subscription Holdback Account shall be released from the Subscription Holdback Account and disbursed to the general operating account of the Company to fund the remainder of the Capital Contributions of such four (4) Investing Members so the Company can continue operations without a deficit being caused by the refund of the denied Investing Member's Capital Contribution; and

(ii) if the denied Investing Member's $100,000 Holdback Amount no longer remains in the Subscription Holdback Account, then (A) the Company will (1) subject to Section C below, refund $500,000 to the denied Investing Member and (2) cancel such Investing Member's subscription; and (B) $500,000 held in the Subscription Holdback Account attributable to the first five (5) Investing Members whose I-526 Petitions have been filed (meaning the priority of such five (5) Investing Members' release of funds is based on their I-526 Petition filing date) and who have Holdback Amounts remaining in the Subscription Holdback Account shall be released from the Subscription Holdback Account and disbursed to the general operating account of the Company to fund the remainder of the Capital Contributions of such five (5) Investing Members so the Company can continue operations without a deficit being caused by the refund of the denied Investing Member's Capital Contribution. There shall always be at least $500,000 maintained in the Subscription Holdback Account unless a refund is made due to a denial.

Notwithstanding the foregoing, if there is an insufficient amount of Holdback Amounts available in the Subscription Holdback Account to enable the Company to return of all of the Capital Contribution amount to a denied Investing Member and continue operations with the Capital Contributions of other Investing Members, then: such refund will be made to the Investing Member:

(i) by the Company using commercially reasonable efforts to substitute the Denied Investing Member with a Subscriber who subscribes and satisfies the Escrow Release Conditions (the "**Substitute Investing Member**") at which time a refund of the Capital Contribution shall be made to the Investing Member; and

(ii) on a first priority basis, and solely to the extent of available cash flow, such that each denied Investing Member shall be refunded his or her Capital Contribution in full in an order based on the timing of when each such Investing Member's I-526 Petition was ultimately denied; provided, however, that the Developer agrees to guaranty the full refund of any Subscriber who receives an I-526 Petition Denial and has not received a refund of his or her entire Capital Contribution (taking into account any portion of the Holdback Amount of such denied Investing Member then remaining in the Subscription Holdback Account which would be applied towards such refund) within six (6) months of the Company receiving notice of such I-526 Petition Denial (See Guaranty Acknowledgment attached hereto as Appendix I).

For purposes of clarification, the foregoing provisions are intended to ensure that each Investing Member (A) who has all or any portion of his or her Holdback Amount remaining in the Subscription Holdback Account and (B) who has not received approval of such Investing Member's I-526 Petition, shall receive a capital credit for such Investing Member's balance of any of his or her Holdback Amount released from the Subscription Holdback Account to the Company's general operating account.

(c) Each Subscriber's Expense Amount shall be paid directly to the Manager upon the Subscriber's subscribing for Units hereunder; provided, however, that if a Subscriber receives an I-526 Petition denial (without certification of the denial to the USCIS Administrative Appeals Office, as provided herein), the Manager shall, subject to the provisions of "VI. 15. SUMMARY OF THE OPERATING AGREEMENT – Mandatory Repurchase," of the Offering Memorandum, refund the Subscriber's Expense Amount, less a Twenty-Five Thousand Dollar ($25,000) charge to cover certain Offering costs; provided further, however, that if the Investing Member is at fault in providing incorrect information related to the I-526 Petition or lies or misrepresents information on his or her I-526 Petition, the full Sixty-Five Thousand Dollars ($65,000) shall be retained by the Manager for costs incurred on behalf of an individual Subscriber.

If an Investing Member receives an I-526 Petition denial and elects to appeal that denial to the USCIS Administrative Appeals Office at his or her own expense and the Manager consent to such appeal, the cancellation of such Investing Member's Unit shall be deferred as more fully set forth in Section 12.8, below.

Any release of an Investing Member's funds from escrow as provided herein shall be reported to the Investing Member by the Regional Center and/or Manager.

8. RIGHTS AND DUTIES OF THE MANAGER

8.1 Management of Company Business: The Manager shall have the power and authority to manage and direct all of the Company's business. The Manager may from time to time seek the direction of the Investing Members in making any decisions related to the Business, although it shall not be required to seek such direction. The exercise of any power conferred by this Agreement by the Manager shall constitute the act of and be binding upon the Company. The Company shall follow the terms regarding the Loan set forth in the Offering Memorandum in connection with the making of the Loan. The Manager may make modifications to the Loan Agreement in its sole discretion.

8.2 Specific Rights and Powers: In addition to any other rights and powers which it may possess under law, but subject to the provisions of Section 4 and Subsection 8.3 below, the Manager and/or its designated agents shall have such other rights and powers required for or appropriate to its management of the Company's business, which, by way of illustration but not limitation, shall include the following:

(1) to enter into any contract of insurance which the Manager may reasonably deem appropriate for the protection or conservation of Company property, or for any other purpose beneficial to the Company;

(2) to employ attorneys, agents, consultants, accountants and other independent contractors to perform services on behalf of the Company, including Affiliates of the Manager; provided that such services are reasonably necessary or advisable and the compensation therefore is reasonable;

(3) to bring or defend legal actions in the name of the Company, pay, collect, compromise, arbitrate, or otherwise adjust or settle claims or demands of or against the Company or its agents;

(4) to establish reasonable reserve funds from income derived from the Loan in connection with its administration, but the Company shall not establish reserves consisting of Capital Contributions of Investing Members prior to repayment of the Loan;

(5) to perform or cause to be performed all of the Company's obligations under any agreement to which the Company is a party;

(6) to make the Loan (and any other loan, including, without limitation, for purposes of maintaining the "at risk" status of the Members in accordance with USCIS guidelines) and from time to time modify the conditions of same if reasonably necessary;

(7) to engage the third parties to provide administrative services to the Company;

(8) to identify, evaluate, and apply to other projects capital that Investing Members choose not to be distributed after repayment of the Loan; and

(9) to execute, acknowledge and deliver any and all instruments necessary to effectuate any of the foregoing.

8.3 Limitations on Manager Authority: Notwithstanding anything to the contrary herein contained and subject to the provisions of Section 4, without in each instance receiving the prior written consent of a Majority in Interest of the Investing Members, the Company shall not have the authority to:

(1) lend Company funds to any person other than in connection with the Loan or in the ordinary course of business, except for purposes of maintaining the "at risk" status of the Members in accordance with USCIS guidelines;

(2) perform any act which would make it impossible to carry on the ordinary business of the Company or which would be in contravention of the express terms of this Agreement;

(3) admit a person as an Investing Member other than as provided herein; or

(4) take any action which would result in the Company being classified other than as a partnership for federal income tax purposes.

8.4 Compliance with EB-5 Restrictions.

(a) The Regional Center has obtained designation from USCIS as an approved "regional center" for a geographic area that includes the Project, authorizing the Company to participate under such approval to facilitate the filing by Investing Members of I-526 Petitions, the approval of which allows the Investing Members then to seek conditional lawful permanent residence in the United States, along with their spouse and unmarried children under age 21, as applicable and as determined by each Investing Member.

(b) The Manager shall endeavor to operate the Company in compliance with the legal and policy requirements of USCIS's EB-5 Immigrant Investor Program ("**EB-5 Program**") administered by USCIS, as advised by the Regional Center. In particular, the Manager shall cause the Company to:

(1) deploy the Capital Contributions of Investing Members in job creating activity constituting the Project, directly or indirectly, and to keep such funds invested (including by loan) in job creating activity until all Investing Members have received adjudication of removal of conditions from permanent residence;

(2) avoid reserve accounts designed to evade at-risk investment, and avoid agreements for redemption (including return on investment) of Investing Members' Capital Contributions before adjudication of the petitions for removal of conditions on their permanent residence;

(3) redeem any Investing Members' Capital Contributions, if at all, only at fair market rates;

(4) maintain an ongoing business deploying capital to job creating activity;

(5) follow the business plan for the Project as submitted for approval to USCIS, consulting with the Regional Center before implementing any changes that could be considered material;

(6) track, maintain records, and share data and records with the Regional Center concerning the Loan and the underlying Project, including the expenditure of funds, employment of workers, completion of construction, operation of facilities and enterprises;

(7) require the Developer to perform such tracking, documentation, and sharing of information with the Company and the Regional Center as is required to enable the Regional Center to meet its obligations to USCIS and to provide information to Investing Members as needed for them to request removal of conditions from their U.S. permanent residence;

(8) obtain approval from the Office of Foreign Assets Control ("**OFAC**") of the U.S. Treasury Department, or confirmation of no need for approval, before subscribing an Investing Member who is a native or citizen or whose capital derives from a country subject to embargo under regulations administered by OFAC;

(9) cause the Investing Members to participate in making management decisions for the Company to comply with USCIS regulations; and

(10) cause the Company not to sell or otherwise dispose of its interest in the Loan without the consent of all the Investing Members.

8.5 Liability of the Manager to Investing Members and Company; Indemnification: The Manager shall be required to devote only so much time and attention to the business affairs of the Company as is reasonably necessary or advisable to competently oversee such affairs. Except as otherwise specifically set forth herein, neither the Manager nor any of their Affiliates, nor any of their respective officers, directors, employees, agents, representatives, owners or principals, partners and/or members (collectively, the "**Manager Parties**") shall be personally liable to any Investing Member because any taxing authority disallows or adjusts any deduction or credit claimed in a Company income tax return, nor for the repayment of Capital Contributions. The performance of or the omission to perform any act, the effect of which may cause or result in loss or damage to the Company, if performed or omitted in good faith and in accordance with the terms of this Agreement, shall not subject the Manager Parties to any liability to either the Company or any Investing Members. The Company, its receiver, or its trustee, as applicable, shall indemnify and save harmless the Manager Parties from any claim, loss, expense, liability, action or damage resulting from any such act or omission, including, without limitation, reasonable costs and expenses of litigation and appeal (including reasonable fees and expenses of attorneys engaged by the Manager Parties in defense of each such act or omission); but the Manager Parties shall not be entitled to be indemnified

or held harmless to the extent such claim, loss, expense, liability, action or damage results from fraud, bad faith, gross negligence or willful misconduct.

8.6 Special Duties of the Manager: In addition to and without limiting the duties and obligations specified or referenced hereunder, the Manager shall advise and take direction from professional advisors that it may choose to engage, including, without limitation, with respect to (a) performing and complying with the provisions of any agreement affecting Company property or the operation thereof with any independent contractor with or agent of the Company; and (b) causing the Company to file an amended Certificate and such other documents and to perform such acts as shall be required under Missouri law in order to preserve the valid existence of the Company and the limited liability of the Investing Members.

8.7 Removal; Resignation:

(1) The Manager may be removed upon its bankruptcy by a Majority in Interest vote of the Investing Members.

(2) The Manager may resign as an agent of the Company at any time upon written notice to the Company.

(3) Upon removal or resignation of the Manager, the removed/resigned Manager shall immediately cease to have any authority to act as an agent for the Company.

8.8 Election of Successor Manager. Within thirty (30) days after the removal or resignation of the Manager, the Majority in Interest of the Investing Members shall elect a successor Manager.

9. FEES, SALARIES AND EXPENSES.

9.1 Manager and Other Fees: The Developer shall pay to the Manager a management fee equal to approximately one-half percent (.5%) of the total Loan amount advanced per annum (the "**Management Fee**") in accordance with the terms of the Loan Agreement, in consideration for the Manager's services as a Manager hereunder, as well as to pay for Company operating expenses, offshore migration agents and other marketing costs and expenses. The Manager will use substantially all or a portion of the Management Fee to pay marketing costs and fees.

The Management Fee shall not be paid from the Investing Member's $500,000 Capital Contribution.

In connection with any prepayment of the Loan, the Manager shall receive an amount equal to the Management Fee that would have been paid through Loan maturity had the Loan not been prepaid.

9.2 Expenses: Except as otherwise provided herein, the Manager shall pay out of its Management Fee and/or the Expense Amount all ordinary expenses incurred in connection with maintaining and operating its office and the books and records of the Company. The Company will pay all extraordinary costs and expenses of the Company, including litigation expenses, using cash available to the Company.

9.3 Salaries, Drawings and Interest on Capital Accounts: No Investing Member shall receive any interest on a Capital Contribution or any salary, either with respect to any Capital Contribution, for services rendered on behalf of the Company or otherwise in his or her capacity as Investing Member, except as expressly provided elsewhere in this Agreement.

10. PROFITS, LOSSES, DISTRIBUTIONS AND JOB CREATION ALLOCATION.

10.1 Generally: The following provisions shall apply with respect to the allocation of profits and losses:

(1) Profits and losses for all purposes of this Agreement shall be determined in accordance with the accounting method followed by the Company for federal income tax purposes and otherwise in accordance with generally accepted accounting principles. Every item of income, gain, loss, deduction, credit or tax preference entering into the computation of such profit or loss, or applicable to the period during which such profit or loss was realized, shall be considered allocated to each Investing Member in the same proportion as profits and losses are allocated to such Investing Member below.

(2) Profits and losses shall be allocated to the Investing Members commencing with the fiscal year ending December 31, 2015 and annually thereafter.

(3) Allocation of Profits and Losses. Except with respect to the repayment of indebtedness and the allocation of any built-in gain provided for under Section 704(c) of the Code, all profits and losses of the Company shall be allocated as set forth hereinafter.

10.2 Allocation Following Transfer of Membership Interest: Except as otherwise provided herein, in any year in which an Investing Member transfers all or any portion of a Membership Interest to any person who, during such year, is admitted as a substitute Investing Member, the share of profits, losses and distributable Cash Flow allocated to or attributable to the Membership Interest sold, assigned or transferred, shall be divided between the assignor and the assignee on the basis of the number of days in such year before, and the number of days on or after, the execution by the assignee of this Agreement; provided, however, that the assignor and the assignee may by agreement make special provisions for the allocation of items of income, profit, gain, loss, deduction or credit as may from time to time be permitted under the Code, and for the distribution of Cash Flow, but such agreement shall be binding as to the Company only after it shall have received notice thereof from the assignor and assignee.

10.3 Allocation to the Manager: No profits or losses shall be allocated to the Manager for its serving in such capacity.

10.4 Apportionment of Allocations and Distributions: Except as otherwise provided in this Agreement, allocations and distributions to be made to each Investing Member pursuant to this Section 10 shall be made in the proportion that his or her respective Membership Interest bears to the Membership Interests of all Investing Members, measured as of the last day of the period for which such allocation or distribution is made.

10.5 Allocation of Profits and Losses:

(1) Profits and Losses shall be allocated pro rata to the Investing Members.

(2) Limitation. The Losses allocated to an Investing Member shall not exceed the maximum amount of Losses that can be so allocated without causing any Investing Member to have an Adjusted Capital Account deficit (determined after all cash distributions for the fiscal period) at the end of the fiscal period for which the allocation relates. All Losses in excess of the limitation set forth in the preceding sentence shall be allocated among those Investing Members that will not have an Adjusted Capital Account deficit at the end of the fiscal period in the ratio of their relative Membership Interests, and any excess thereafter shall be allocated to the Investing Member in accordance with their percentage interests.

10.6 Distribution of Cash Flow: The Manager shall have the sole authority to determine when Cash Flow is available for distribution among the Investing Members. Once a determination is made that such a distribution is in order, the same shall be made as follows subject to the other provisions of this Article 10:

(1) To the Investing Members, *pro rata*, until the interest on the Loan received by the Company has been fully distributed; and

(2) Then to the Investing Members, *pro rata*, as a return of their Capital Contributions until all Capital Contributions have been repaid.

Notwithstanding the foregoing, no distributions will be made to any Investing Member prior to the final adjudication of the I-829 Petition of such Investing Member.

Upon repayment of the Loan in full, an Investing Member may decline the return of its Capital Contribution and thereby request to reinvest such Capital Contribution in the Company in order to participate in a new loan to be identified by the Manager. If the Manager determines that no such loan is available on favorable terms, or if in its sole discretion the Manager determines that the Company should terminate, the Manager may distribute all of the Investing Members' Membership Interests in accordance with this Operating Agreement and terminate the Company.

10.7 Liquidating Distributions: The proceeds resulting from the liquidation of the Company pursuant to Section 11.2 (but subject to the provisions of Section 11.2(3)), shall be distributed and applied in the following order of priority:

(1) To the payment of debts and liabilities of the Company, including all expenses of the Company incident to any such liquidation and all loans or any other debts and liabilities of the Company to the Investing Members or their Affiliates;

(2) To the establishment of any reserves which the Liquidator deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company; and

(3) To the Investing Members in accordance with the provisions of Section 10.6 above.

10.8 Nonrecourse: Each Investing Member shall look solely to the assets of the Company for all distributions from the Company, the repayment of his or her Capital Contributions, and the repayment of any loans previously made to the Company when all such payments are due hereunder, and shall have no recourse, upon dissolution or otherwise, against any Manager or Investing Member.

10.9 Withholding Taxes with Respect to Investing Members. The Company shall comply with any withholding requirements under federal, state, local and foreign law and shall remit any amounts withheld to, and file required forms with, the applicable jurisdiction. All amounts withheld from Company revenues or distributions by or for the Company pursuant to the Code or any provision of any federal, state, local or foreign law, and any taxes, fees or assessments levied upon the Company, shall be treated for purposes of this Section 10.9 as having been distributed to those Investing Members from whom such amounts are withheld, or whose identity or status caused the withholding obligations, taxes, fees or assessments to be incurred. If the amount withheld was not withheld from the affected Investing Member's actual share of cash available for distribution, the Manager on behalf of the Company may, at its opinion (a) require such Investing Member to reimburse the Company for such withholding or (b) reduce any subsequent distributions to which such Investing Member is entitled by the amount of such withholding. Each Investing Member agrees to furnish the Company with such representations and forms as the Manager shall reasonably request to assist it in determining the extent of, and in fulfilling, the Company's withholding obligations, if any. As soon as practicable after becoming aware that any withholding requirement may apply to an Investing Member, the Manager shall advise the Investing Member of such requirement and the anticipated effect thereof. Each Investing Member shall pay or reimburse to the Company all identifiable costs or expenses of the Company caused by or resulting from withholding taxes with respect to such Investing Member.

10.10 Job Creation Allocation. The allocation to each Investing Member of job creation numbers arising from fulfillment of the Company's business plan will be reported to the Regional Center, avoiding double counting any job. Jobs created by the Project that qualify for approval at the Form I-829 Petition stage shall be allocated to the Investing Members in accordance with the EB-5 Job Allocation Addendum attached hereto as Schedule 2.

10.11 Authority of Manager to Vary Allocations to Preserve and Protect Investing Members' Intent:

(1) It is the intent of the Investing Members that each Investing Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Section 10 to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Section 10, the Manager is authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Section 10 to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Section 10 would cause the determination and allocation of each Investing Member's distributed share of income, gain, loss, deduction or credit (or item thereof) to not be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any new allocation (the "**New Allocation**") made pursuant to this Section 10.11 shall be deemed to be a complete

substitute for any allocation otherwise provided for in this Section 10, and no amendment of this Agreement or approval of any Investing Member shall be required.

(2) In making any New Allocation under Section 10.11(1), the Manager is authorized to act only after having been advised by the Accountants that, under Section 704(b) of the Code and the Treasury Regulations thereunder, (i) the New Allocation is necessary, and (ii) the New Allocation is the minimum modification of the allocations otherwise provided for in this Section 10 necessary in order to ensure that, either in the then current year or in any preceding year, each Investing Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Section 10 to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations thereunder.

(3) If the Manager is required by Section 10.11(1) to make any New Allocation in a manner less favorable to the Investing Members than is otherwise provided for in this Section 10, then the Manager is authorized and directed, insofar as it is advised by the Accountants to the Company that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such a manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investing Members as near as possible to the allocations thereof otherwise contemplated by this Section 10. Furthermore, in the event that any New Allocation requires repayment by the Investing Members of any distribution made during any tax year, the Investing Members shall be required to refund to the Company only amounts in excess of the net tax cost to the Investing Member based upon the original allocation. For example, if an Investing Member's tax rate was twenty percent (20%) and the distribution to such Investing Member was $100.00, the Investing Member would only be required to refund $80.00 of the distribution.

(4) New Allocations made by the Manager under Section 10.11(1) shall be made in reliance upon the advice of the Accountants, and no such allocation shall give rise to any claim or cause of action by any Investing Member.

11. SALE, DISSOLUTION AND LIQUIDATION.

11.1 Dissolution of Company: Subject to the provisions of Section 4, the Company shall be dissolved upon the earlier of:

(1) Following repayment of the Loan, the distribution of the interests of all Investing Members in the event that no Investing Member elects to decline distribution of his or her Capital Contribution pursuant to Section 10.6;

(2) The election of the Manager, in its sole discretion, when the Loan and any subsequent loans made by the Company are not outstanding;

(3) The determination of the Manager to dissolve the Company with the prior written consent of a Majority in Interest of the Investing Members;

(4) The sale or other disposition by the Company of all or substantially all of its property, unless the Company, as part of the consideration for any such sale or other disposition

acquires a mortgage or lease on or security interest in all or substantially all of such property, in which case the Company shall be dissolved following the sale or other disposition of its entire interest in such mortgage, lease or security interest; or

(5) Any other event causing the dissolution of the Company under the laws of the State of Missouri.

11.2 Winding Up and Distribution:

(1) Except as otherwise expressly permitted under this Agreement, upon the dissolution of the Company, the Company shall be liquidated by (1) the Manager or, if there is no Manager, a court appointed liquidating trustee, or (2) at the direction of the Manager, the Accountants (the "**Liquidator**"). In carrying out the liquidation of the Company, a liquidating trustee or the Accountants shall have all of the rights and powers of the Manager hereunder.

(2) A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of the Company's liabilities so as to enable the Liquidator to minimize the normal losses attendant to liquidation. The operations of the Company shall continue during such liquidation solely for the purpose of winding up the Company's business. Upon completion of the liquidation each of the Investing Members shall be furnished with a statement setting forth the assets and liabilities of the Company as of the date of complete liquidation. Upon approval of this statement by a Majority in Interest of the Investing Members, the Liquidator shall cause a certificate of cancellation of the Company to be duly prepared, executed and filed causing the dissolution of the Company under the laws of the State of Missouri. Nothing herein shall be construed as a limitation upon or termination of any of the rights of the Investing Members during or following any liquidation.

(3) The proceeds of any liquidation shall be applied and distributed as set forth in Section 10.7 hereof. It is the intent of the Investing Members that, upon liquidation of the Company, any liquidation proceeds available for distribution to the Investing Members be distributed in accordance with the Investing Members' respective Capital Account balances.

12. INVESTING MEMBERS.

12.1 Admission: The Manager is authorized to admit to the Company Investing Members.

12.2 Limitation on Investing Member Liabilities: No Investing Member will be personally liable for the debts or losses of the Company.

12.3 No Control of Business or Right to Act for Company: An Investing Member shall take no part in the management, conduct or control of the business of the Company and shall have no right or authority to act for or to bind the Company, except as otherwise set forth in this Agreement.

12.4 Registered Holders: Upon the admission of an Investing Member, his or her address and Membership Interest shall be registered on the records of the Company maintained at its principal office and inserted in an amended and updated Schedule 1 hereto.

12.5 Other Events: Upon the bankruptcy or insolvency of any Investing Member, the authorized representative of such individual shall have all of the power as such individual possessed to make an assignment of its Membership Interest in accordance with the terms of Section 13 and to join with any assignee in making application to substitute such assignee as an Investing Member.

12.6 Withdrawal of Investing Members: No Investing Member may voluntarily withdraw or resign as an Investing Member of the Company, prior to the dissolution and winding up of the Company, without the Manager's prior written consent.

12.7 Nature of Investing Members' Membership Interest: Membership Interests in the Company shall be personal property for all purposes. No Investing Member or their successor, representative or assign, shall have any right, title or interest in specific Company property.

12.8 Mandatory Repurchase: If an Investing Member receives an I-526 Petition denial (without certification of the denial to the USCIS Administrative Appeals Office), and if the Investing Member demands return of his or her Capital Contribution, then the Company shall use reasonable efforts to obtain a Substitute Investing Member promptly following such demand, in accordance with the provisions set forth in Section 7.5, above. The denied Investing Member's Membership Interest shall be repurchased upon the return to such person of his or her Capital Contribution, using available cash, and the Company will return the denied Investing Member's Expense Amount, each subject to the procedures and provisions described herein, including, without limitation, the provisions set forth in Section 7.5, above. If an Investing Member receives an I-526 Petition denial and elects to appeal that denial at his or her own expense and the Manager consents to such appeal, the repurchase of such Investing Member's Membership Interest shall be deferred until (i) the appeal is resolved and such Investing Member receives I-526 Petition approval, in which event no repurchase will occur, or (ii) the denial is affirmed, in which event the repurchase will proceed.

At the sole discretion of the Manager, no additional documents will be necessary to effect such repurchase; it being agreed by the Manager and the Investing Members that the Company's delivery of a check for such amount to the Investing Member whose Membership Interest was repurchased shall constitute the full and complete repurchase of such Investing Member's Membership Interest. The Manager may unilaterally amend Schedule 1 to this Agreement to reflect the deletion of any Investing Member whose Membership Interest in repurchased.

Notwithstanding anything to the contrary in this Section, (i) if the Manager determines, in their sole and absolute discretion, that the repurchase of a denied Investing Member's Membership Interest would have an adverse effect on the business or immigration objectives of the Company or the ability of other Investing Members to obtain unconditional permanent resident status in the United States pursuant to the EB-5 Program, (ii) if the Company is restricted from repurchasing any Membership Interests under the provisions of the Securities Act or other applicable law or under the terms of any loan agreements with its lenders, or (iii) if the Company does not have the available cash to effect such repurchase of the Membership Interests, then the Company's obligation to repurchase the Membership Interest and refund the Capital Contribution and any portion of the Expense Amount, if at all (as provided in Section 7.5, above), shall be suspended until the Manager determines, in their sole and absolute discretion, that such adverse effect will not occur or such condition or restriction does not apply.

12.9 Rights of a Representative: Upon the death, Permanent Disability, determination of legal incompetence or Bankruptcy of an individual who is an Investing Member (including a substituted Investing Member), his or her personal representative, guardian, trustee or Person serving in a similar capacity, as the case may be, shall have all of the rights of an Investing Member for the purpose of settling or managing his or her estate, and such power as the decedent, incompetent, or bankrupt possessed to constitute a successor as an Assignee and to join with such Assignee in making application under this Section 12 to substitute such Assignee as an Investing Member.

13. RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS.

13.1 Conditions Precedent to Transfer: No Investing Member shall have the right to sell or assign all or any part of such Member's Interest except by reason of death, unless such assignment is effected by, and in any event not until the Investing Member has received an I-829 Petition approval or an I-829 Petition denial, (a) such assignment is effected by written instrument in form and substance acceptable to counsel for the Company, stating that the assignee intends to be substituted or admitted as an Investing Member and accepts and adopts all of the terms and provisions of this Agreement, as the same may have been amended, and providing for the payment of all reasonable expenses incurred by the Company in connection with such substitution or admission, including but not limited to the cost of preparing the necessary amendment to this Agreement; (b) such assignment is consented to by the Manager, which consent may be granted or denied in the Manager's sole and absolute discretion; and (c) if requested by the Manager, an opinion of acceptable legal counsel is delivered to the Manager stating that the substitution or admission is exempt from registration and qualification under the Securities Act and any applicable state securities laws. The Manager may not consent to any transfer or assignment of a Membership Interest (i) to a minor or person adjudged incompetent; (ii) under circumstances which would result in the termination of the Company under the Code; or (iii) under circumstances which would result in the denial of any Investing Member's I-526 Petition. If an Investing Member sells any part of his or her Membership Interest representing a Capital Contribution before removal of conditions on his or her permanent residence, the Manager shall give notice to the Regional Center for prompt reporting to USCIS for possible revocation of immigration benefits arising from the initial investment.

13.2 Legend: Any certificate representing a Membership Interest shall bear on the face thereof legends substantially in the following form:

> "THE MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, EITHER PURSUANT TO APPLICABLE EXEMPTIONS. WITHOUT SUCH REGISTRATION, THESE MEMBERSHIP INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO the MANAGER OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO the MANAGER OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO the MANAGER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN

VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER APPLICABLE STATE OR FEDERAL SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER. ADDITIONALLY, ANY SALE OR OTHER TRANSFER OF THESE MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS THAT ARE SET FORTH IN THE COMPANY'S OPERATING AGREEMENT."

13.3 Mechanics of Substitution or Admission: Any substitution or admission of an Investing Member shall become effective as of the last day of the calendar month in which all the conditions of such substitution or admission as specified in Section 13.1 shall have been satisfied. Any person admitted as a substitute or additional Investing Member pursuant to this Section 13 shall (except as herein otherwise expressly provided) be an Investing Member for all purposes of this Agreement to the extent of the Membership Interest acquired by such person.

13.4 Prohibited Assignments: Any purported assignment of a Membership Interest otherwise than in accordance with this Section 13 shall be of no effect as between the Company and the purported assignee and shall be unenforceable as against the Company. The Manager shall not be charged with actual or constructive notice of any such purported assignment and is expressly prohibited from making allocations and distributions hereunder in accordance with any such purported assignment.

14. MISCELLANEOUS FINANCIAL AND ACCOUNTING MATTERS.

14.1 Availability of Financial Records: At all times during the existence of the Company, the Manager shall keep or cause to be kept accurate and complete books of account in accordance with generally accepted accounting principles applied in a consistent manner, which shall reflect all Company transactions (including Capital Contributions, income, expense, gain, loss and distributions) and shall be appropriate and adequate for the Company's business. Such books shall be maintained at the principal place of business of the Company. Any Investing Member or his or her duly authorized representative shall have the right, at his or her expense, to inspect and copy from such books and documents during normal business hours upon reasonable notice.

14.2 Financial Reports: As soon as practicable after the close of the fiscal year of the Company, and in any event within one hundred and twenty (120) days thereafter, the Manager shall deliver to each Investing Member a financial report of the Company for such period, including: (a) a balance sheet, (b) a profit and loss statement, (c) a statement showing the source and amount of distributions made to the Investing Members and the allocation to each Investing Member of Company income, gain, loss, deductions, credits and items of tax preference, and (d) full disclosure of such other matters as may be material to the financial operations of the Company or to an understanding by the Investing Members of such operations. Such statements need not be audited but shall be on a basis consistent with the Company's method of accounting and shall be certified by the Manager as complete and correct, subject to changes resulting from year-end adjustments.

14.3 Accounting Decisions: All decisions as to accounting principles and procedures, except as specifically provided to the contrary herein, shall be made by the Manager in accordance with the recommendations of the Company's Accountants.

14.4 Taxable and Fiscal Year: The Company's taxable and fiscal years shall be selected by the Manager in its sole discretion.

14.5 Income Tax Information: Each Investing Member shall be provided with a copy of the Company's annual income tax return (by electronic delivery), and such additional data as is necessary to adequately disclose each class of income, gain, loss or deduction acquired or incurred by the Company during the preceding taxable year and each Investing Member's distributive share thereof. Such return and data shall be furnished at least one week prior to the due date (including any requested extension) of the filing of such return with the Internal Revenue Service.

14.6 Maintenance of Cash Assets: All cash funds of the Company from whatever source received shall be invested in short term governmental or corporate securities or in cash items such as money market funds or certificates of deposit, or may be deposited and maintained in one or more Company accounts located at the financial institution designated by the Manager. All withdrawals from any such account or sale of any such investment shall be made upon the signature of the Manager, or by such other individual(s) as may be authorized in writing by the Manager.

14.7 Basis Election: Upon the transfer of a Membership Interest, or a distribution of Company property, the Company shall have the right, but not the obligation, to elect pursuant to Section 754 of the Code to adjust the basis of Company property as allowed by Section 734(b) and 743(b) of the Code; provided, however, that if such an election is made, the Company shall not be required to make (and shall not be obligated to bear the expense of making) any accounting adjustments resulting from such election in the information supplied to any Investing Member.

14.8 Tax Matters Partner. The Manager, based on a majority vote of the Members, shall be designated as the "Tax Matters Partner," and will have considerable authority to make decisions affecting the tax treatment and procedural rights of all Investing Members. In addition, the Tax Matters Partner will have the authority to bind certain Investing Members to settlement agreements and the right on behalf of all investors to extend the statute of limitations relating to the investors' tax liabilities with respect to Company items. The legal and accounting costs incurred in connection with any audit of the Company's tax returns will be paid off by the Company, but each Investing Member will bear the cost of audits of his or her own return.

15. AMENDMENTS.

15.1 Procedure for Amendment: Subject to the terms of this Section and Section 16, this Agreement may be amended only upon the written consent of the Manager and of a Majority in Interest of the Investing Members. The Manager may amend this Agreement without the written consent of a Majority in Interest of the Investing Members: (a) if advised by counsel to the Company that such amendment is required to avoid having the Company treated as an association taxable as a corporation, or (b) for the reasons set forth in Section 15.2 (1), (2), (5) or (6) hereof.

15.2 Reasons for Certain Amendments: In addition to such other circumstances as may be necessary or appropriate, this Agreement shall be amended whenever:

(1) There is a change in the name of the Company;

(2) A Person is substituted or otherwise admitted as an Investing Member (so long as same does not materially change the terms and conditions of the investment of the Investing Members in the Company);

(3) There is a material change in the nature of the Business or purpose of the Company;

(4) There is a change in any right to vote given by this Agreement to an Investing Member on matters affecting the basic nature of the Company;

(5) The Manager may cause this Operating Agreement to be amended to conform with EB-5 regulations; or

(6) The Manager may cause this Operating Agreement to be amended to conform with USCIS regulations in order to comply with the requirements for a Company approval.

16. POWER OF ATTORNEY.

16.1 Description: Each Investing Member hereby irrevocably constitutes and appoints the Manager, with full power of substitution, as his or her true and lawful attorney-in-fact on his or her behalf and in his or her name, place and stead, to make, execute, consent to, swear to, acknowledge, publish, record and/or file the following:

(1) Certificate of Formation, a Fictitious Name Registration and any other certificate or instrument which may be required to be filed by the Company or the Investing Members under the laws of any jurisdiction, to the extent that the Manager may reasonably deem such filing to be appropriate, including any and all amendments or modifications thereto;

(2) Such instruments as may be required to effectuate the dissolution and termination of the Company pursuant to the provisions of this Agreement;

(3) Any and all consents for the admission of Substitute Investing Members, pursuant to the terms of this Agreement; and

(4) Such other instruments as the Manager may reasonably deem appropriate to fully carry out the provisions of this Agreement in accordance with its terms.

16.2 Characteristics of Power: The grant of the foregoing power of attorney is coupled with an interest; shall be irrevocable and binding on any assignee of all or any part of a Membership Interest; shall survive the death, legal incapacity, bankruptcy or insolvency of any Investing Member during the term hereof; and shall survive the delivery of any assignment by any Investing Member of the whole or any portion of his or her Membership Interest; and any assignee of an Investing Member hereby constitutes and appoints each Manager as his or her attorney in the same manner and force and for the same purposes as does the assignor.

16.3 Limitations of Power of Attorney: No document or amendment executed by the Manager pursuant to this Section 16 shall, in the absence of the prior consent of a majority of the

Investing Members, (a) reduce the obligations of the Manager, (b) affect the rights or restrictions regarding the assignability of Membership Interests, (c) modify the term of the Company, (d) amend this Section 16, or (e) reduce the rights or interests or enlarge the obligations of the Investing Members. The Manager shall promptly notify the Investing Members of any documents or amendments executed pursuant to this Section 16.

17. MEETINGS; MEANS OF VOTING.

17.1 Meetings: Meetings of the Investing Members shall be called by the Manager at their discretion, or whenever requested in writing to do so by Investing Members owning 25% or more of the Membership Interests (whether or not held by investors affiliated or unaffiliated with the Manager). The notice of such meeting shall state the reason for the meeting. Notice of any such meeting shall be delivered to all Investing Members in the manner prescribed in Section 17.2 not less than ten (10) days or more than sixty (60) days prior to the meeting.

17.2 Record Date: For the purpose of determining the Investing Members entitled to vote at any meeting of the Company, the Manager or the Investing Members requesting such meeting may fix in advance a record date for any such determination of Investing Members. Such date shall not be more than fifty (50) days nor less than ten (10) days before any such meeting.

17.3 Proxies: An Investing Member may authorize any person to act for him by proxy on all matters in which he is entitled to participate or vote. Every proxy must be signed by the Investing Member or his or her attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Investing Member executing it.

17.4 Conduct of Meetings: Each meeting of the Investing Members shall be conducted by the Manager or such other person(s) as it shall appoint and pursuant to rules of conduct as it shall reasonably deem appropriate.

17.5 Quorum for Meetings: There shall be deemed to be a quorum at any meeting of the Investing Members at which the voting power of the Investing Members attending such meeting plus the voting power exercised by Investing Members who have submitted to the Manager effective proxies or written consents to action at such meeting constitutes a Majority in Interest of such Investing Members.

17.6 Voting Rights. Each Investing Member may take part in the management of the Company by (a) exercising that Investing Member's voting rights as set forth in this Agreement and (b) advising the Manager regarding investment decisions and policy as set forth in this Agreement. Without limiting the generality of the foregoing, the Investing Members will have the right, by a majority vote of the Investing Members, to advise the Manager in connection with the business operations of the Company.

18. WITHDRAWALS.

An Investing Member may not withdraw from the Company unless the Manager consent to such withdrawal, which consent may be withheld in the Manager's sole discretion. All expenses

incurred by the Company in connection with such withdrawal shall be paid for by the withdrawing Investing Member. If an Investing Member withdraws any part of his or her Capital Contribution before removal of conditions on his or her permanent residence, the Manager shall give notice to the Regional Center for prompt reporting to USCIS for possible revocation of immigration benefits arising from the initial investment.

19. REPRESENTATIONS OF THE MEMBERS.

By their execution below, each Person as an inducement to be admitted to the Company as an Investing Member represents and warrants to the Company as follows:

(a) The Investing Member understands that the offer and sale of the Units have not been registered under the Securities Act, any state securities or "blue sky" laws, or any rules or regulations promulgated thereunder (collectively, "**Securities Laws**"), pursuant to applicable exemptions. The Investing Member acknowledges the Company is not obligated to register the Unit under the Securities Laws. In addition to restrictions on transferability pursuant to this Operating Agreement, without such registration, such Unit may not be sold, pledged, hypothecated or otherwise transferred at any time whatsoever, except upon delivery to the Company of an opinion of counsel satisfactory to the Manager and the Company that registration is not required for such transfer or the submission to the Manager of such other evidence as may be satisfactory to the Manager and the Company to the effect that any such transfer will not be in violation of the Securities Laws. Investing Member further understands that any transfer of the Unit may be substantially restricted by the absence of a trading market therefor and none is expected to develop, and that any sale or other disposition of the Unit may result in unfavorable tax consequences to the Investing Member. The Investing Member acknowledges that the restrictions on the transferability of the Unit are substantial and may require the Investing Member to hold the Unit indefinitely.

(b) The Investing Member is acquiring the Unit solely for the account of the Investing Member for investment purposes only and not for distribution or resale to others. The Investing Member will not resell or offer to resell all or a portion of the Unit except in strict compliance with all applicable Securities Laws, including, without limitation, Regulation S (Rules 901 through 905 and Preliminary Statement) under the Securities Act and this Agreement. Investing Member will not engage in any hedging transactions involving the Unit, except in compliance with the Securities Laws and this Agreement.

(c) Investing Member (i) is not a U.S Person, is not a citizen or resident alien of the United States, is not acquiring the Units for the account or benefit of any U.S. Person, did not receive the Offering Memorandum or an offer to purchase the Unit in the United States and did not execute the Subscription Agreement and pay the amounts specified thereunder from within the United States; or (ii) is an "accredited investors," as defined in Rule 501 under the Securities Act and pursuant to Regulation D of the Securities Act, acquiring the Units in a transaction not requiring registration under the Securities Act through Regulation D of the Securities Act. If requested by the Company, Investing Member further agrees to execute and deliver to the Company an executed IRS Form W-8 certifying that he or she is a Non-Resident Alien.

(d) The Investing Member is a bona fide resident of the country set forth in his or her address in the Subscription Agreement, and agrees that if his or her principal residence changes prior to his or her purchase of a Unit, he or she will promptly notify the Manager.

(e) The Investing Member acknowledges that the offer and sale of the Units is not taking place within the United States, but rather in an "offshore transaction," as defined in Rule 902 of Regulation S adopted by the Securities Exchange Commission pursuant to the Securities Act, and that no "directed selling efforts" took place within the United States in compliance with Regulation S, unless the Investing Member is an "accredited investors" as such term is defined in Rule 501(a) under the Securities Act in compliance with Regulation D of the Securities Act. The term "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

(f) The Investing Member's financial condition is such that he or she has no need for liquidity with respect to its investment to satisfy any existing or contemplated undertaking or indebtedness and is able to bear the economic risk of its investment for an indefinite period of time, including the risk of losing all of its investment.

(g) The Investing Member understands that the Project has not yet been developed and it has no operating history. The Project is in its early stages, is not currently generating any revenue, and its future profitability cannot be assured.

(h) The Investing Member understands that: (i) his or her subscription for a Unit is irrevocable until the Offering Period ends without the Company's written consent; (ii) an investment in the Unit is a speculative investment that involves a high degree of risk, including the risk of loss of the entire investment of the Investing Member in the Company; (iii) no federal or state agency has passed upon the adequacy or accuracy of the information made available to the Investing Member, or made any finding or determination as to the fairness for investment, or any recommendation or endorsement of the Unit as an investment; (iv) any anticipated federal and/or state income tax benefits applicable to the Unit may be lost through changes in, or adverse interpretations of, existing laws and regulations; and (vi) there is no assurance that the Company will ever be profitable, or that the Investing Member's investment in the Unit will ever be recoverable.

(i) The Investing Member acknowledges that there is no assurance that his or her I-526 Petition will be granted or, if it is, that Investing Member will ultimately be approved for conditional or unconditional lawful permanent residence in the U.S. or be able to become a U.S. citizen. Neither the Company, Regional Center, Developer, nor the Company's immigration counsel has made any effort to pre-determine Investing Member's personal qualifications and circumstances and whether the Investing Member is likely or not likely to obtain favorable action on its I-526 Petition or EB-5 Visa (defined below), and that there are numerous reasons that will result in the Investing Member being denied residency in the United States, including, without limitation, the Project failing to qualify as an approved project for the EB-5 Program.

(j) The Investing Member (i) has been provided with a copy of the Offering Memorandum, including, as exhibits thereto, this Agreement, the Escrow Agreement, the Subscription Agreement, and has reviewed same; (ii) has been given complete access to all

documents, records, contracts and books of or relating to the Company and the Unit, and all other information reasonably requested by the Investing Member; and (iii) has performed a complete examination of all such documents, records, contracts and books to the extent deemed necessary by the Investing Member in reaching the Investing Member's decision to invest in the Company. The Investing Member further acknowledges and confirms that the Investing Member has had an opportunity to ask questions of and receive answers from the Company and the Developer concerning the Unit, the prospective contemplated business and purpose of the Company, and any other matter the Investing Member has deemed relevant, and all such inquiries have been answered to the Investing Member's satisfaction. In addition, Investing Member acknowledges that he or she has had and may have, at any reasonable hour, after reasonable prior notice, access to the financial and other records of the Company which the Company can obtain without unreasonable effort or expense, and further acknowledges that Investing Member has obtained, in Investing Member's judgment, sufficient information from the Company to evaluate the merits and risks of an investment in the Unit.

(k) The Investing Member acknowledges that: (i) the risks inherent to this investment have been fully considered; (ii) the Manager will have substantial and exclusive authority to conduct the operation of the Company; and (iii) an investment in the Unit has neither been approved nor disapproved by the Securities and Exchange Commission or any other federal, state or local department or agency of any other jurisdiction, and such authorities have not passed upon the adequacy or accuracy of the disclosure provided to investors in connection with an investment in the Unit.

(l) The Investing Member acknowledges that neither the Company, Manager, the Regional Center nor any representative of the Company, the Manager or the Regional Center has made any representations or warranties in respect of the Developer's business or profitability. Without limiting the generality of the foregoing, the Investing Member acknowledges and agrees that information, including any business plan or financial projections or forecasts or other information contained in written materials provided or made available to the undersigned, and any oral, visual or other presentations made by the Company, the Manager or the Regional Center or its representatives to the Investing Member shall not be deemed a representation or warranty in respect of the matters therein. Investing Member acknowledges that the Offering Memorandum contains information that the Developer and Company believe is accurate and, as such information relates to the projected revenues and expenses of the Developer, data that the Developer believes is a reasonable forecast of the results that the Developer will achieve; however, as an accredited, experienced and sophisticated investor, Investing Member is aware that there are many foreseeable and unforeseeable events that could cause the assumptions underlying the financial projections to not materialize, and the results of same may cause material adverse consequences to the financial results of the Developer and Company.

(m) In making the decision to purchase the Unit, Investing Member has relied solely upon independent investigations made by Investing Member, and the Investing Member further represents and warrants that the Investing Member is not acquiring the Unit as a result of any advertisement, article, notice or other communication published in any newspaper, magazine or similar media distributed in the United States, any seminar in the United States or any solicitation by a person in the United States not previously known to the Investing Member, and that Investing Member is not

aware of any general solicitation within the United States or general advertising within the United States regarding the purchase or sale of the Unit. The Investing Member acknowledges and confirms that he or she is not relying upon any statement, representation or warranty made by the Company or its respective representatives in making a decision to subscribe for the Unit. Investing Member must rely solely on the terms of this Agreement for the terms of Investing Member's participation in the Company and the rights and responsibilities of owning its Unit.

(n) The Investing Member understands that the Company and the Manager will be relying on the accuracy and completeness of all matters set forth in the Subscription Agreement, and the Investing Member represents and warrants to the Company, the Manager and each of their affiliates that the information, representations, warranties, acknowledgments and all other matters set forth in the Subscription Agreement with respect to the Investing Member are complete, true and correct and does not fail to include any material fact necessary to make the facts stated, in light of the circumstances in which they are made, not misleading, and may be relied upon by them in determining whether the offer and sale of a Unit to the Investing Member is exempt from registration under the Securities Laws, and the Investing Member will notify them immediately of any change in any statements made in the Subscription Agreement that occurs prior to the consummation of the purchase of a Unit.

(o) The Investing Member is in compliance with all applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**"), the U.S. Bank Secrecy Act (the "**BSA**") and all other anti-money laundering laws and applicable regulations adopted to implement the provisions of such laws, including policies and procedures that can be reasonably expected to detect and cause the reporting of transactions under Section 5318 of the BSA. The Investing Member is not and shall not be a person: (i) acting, directly or indirectly, on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any of the OFAC lists; (ii) listed on, residing in or having a place of business in a country or territory named on any of such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering (FATF), or whose funds are from or through such a jurisdiction; (iii) that is a "Foreign Shell bank" within the meaning of the USA Patriot Act; or (iv) residing in or organized under the laws of a jurisdiction designated by the U.S. Secretary of the Treasury under Sections 311 or 312 of the USA Patriot Act as warranting special measures due to money-laundering concerns.

(p) The Investing Member (i) has accurately completed the Investor Questionnaire that is an exhibit to the Subscription Agreement; and (ii) is a "sophisticated person" in that Investing Member has such knowledge and experience in financial and business matters that individually and/or with the aid of advisers, it is capable of evaluating the merits and risks of an investment in the Company by making an informed investment decision with respect thereto.

(q) If the Investing Member is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule

902(k) of the Securities Act and (B) until the expiration of the "distribution compliance Period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with certification requirements described in this Section. The "distribution compliance period" means the one-year period following the issue date for the Units.

(r) The Investing Member acknowledges that (i) the Principals (as defined in the Offering Memorandum) together control the Manager, the Developer and their affiliates; and, as a result, (ii) the Manager, the Developer and their affiliates are unrelated parties, which could result in one or more conflicts of interest between the interests of the Investing Members and the Developer, Principals and their affiliates.

(s) The Investing Member acknowledges and agrees to comply with all of his or her obligations set forth in the EB-5 Job Allocation Addendum attached hereto as Schedule 2, and all of the Investing Member's representations, warranties and agreements set forth therein are hereby incorporated herein by reference.

(t) The Investing Member acknowledges and agrees that (i) the Manager, Regional Center and the Developer have not given, and have no authority to give, any investment advice with respect to the purchase of a security; and (ii) a prospective subscriber has not requested or otherwise sought any such investment advice from the Manager, Regional Center and/or the Developer.

(u) The Investing Member acknowledges and agrees that (i) the Regional Center is unaffiliated with the Developer; (ii) the Regional Center makes no representations about the Project- and Developer-related information in the Company's business plan or documents related to the business plan or the investment the Investing Member is making, and (iii) the Investing Member is in no way relying on the Regional Center for providing any service other than filing the annual I-924A report with USCIS.

20. STATUTORY WAIVER OF FIDUCIARY DUTIES.

To the fullest extent permitted by law, to the extent that, at law or in equity, the Manager owes any fiduciary duty to the Company, pursuant to this Agreement, such duty is hereby eliminated pursuant to Section 18-1101(c) of the Act, it being the express intent of the Investing Member that the Manager shall not owe any fiduciary duties of any nature whatsoever to the Company; provided, however, that notwithstanding any provision hereof, the Manager shall be subject to the implied contractual covenant of good faith and fair dealing.

21. MISCELLANEOUS.

21.1 Copies of Documents: Promptly upon the execution and delivery of this Agreement, the Manager shall deliver to each Investing Member a conformed copy of this Agreement and of the Certificate (in the form in which it has been filed) (by electronic delivery at the option of the Company).

21.2 Notices: Any notice, payment, demand, offer or other communication required or permitted to be given by any provision of this Agreement shall be deemed to have been delivered and given for all purposes (a) if personally delivered, (b) whether or not actually received, if sent by registered or certified mail, postage prepaid, or (c) by electronic delivery, addressed as follows:

(1) if to the Company, then to
GL/TL EB-5 LENDER, LLC
c/o Laura M. Hughes, Project Manager
Gateway To The Midwest Investment Center, Inc.
7733 Forsyth Blvd., Suite 2200
St. Louis, MO 63105
Tel: 314-615-8151
E-mail: lhughes@worldtradecenter-stl.com

(2) if to an Investing Member, then to the address of such Investing Member as set forth in Schedule 1 hereto or such other address as such Investing Member may designate by notice to the Company.

All notices except notices of change of address shall be deemed given when mailed, and notices of change of address shall be deemed given when received.

21.3 Arbitration of Disputes. Any controversy, dispute, or claim between the parties to this Agreement arising out of, in connection with, or in relation to the formation, negotiation, interpretation, performance or breach of this Agreement shall be submitted to JAMS, Inc. (hereafter, the "**Arbitration Service**") and shall be settled exclusively by arbitration, before a three-member arbitration panel, in accordance with this Section 21.3. This agreement to resolve any disputes by binding arbitration shall extend to claims against any parent, subsidiary or Affiliate of each party, and, when acting within such capacity, any officer, director, member, employee or agent of each party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law. Arbitration shall be the exclusive remedy for determining any such dispute, whether in tort, contract or otherwise, regardless of its nature. Arbitration shall be governed by the Comprehensive Arbitration Rules and Procedures and International Arbitration Rules (or similar commercial arbitration rules) of the Arbitration Service. In the event of a conflict between the applicable rules of the Arbitration Service and these procedures, the provisions of these procedures shall govern. To select the three-member arbitration panel, the parties shall each name one neutral arbitrator, and those two arbitrators shall select a third neutral arbitrator from a list of potential arbitrators jointly prepared by the parties. The arbitration proceeding shall be decided by majority vote of the three-arbitrator panel. Unless mutually agreed by the parties otherwise, any arbitration shall take place in St. Louis, Missouri.

In the event of a dispute subject to this Section 21.3, (a) the parties shall be entitled to reasonable discovery subject to the discretion of the arbitrator, (b) all testimony of witnesses shall be taken under oath, and the admission of evidence shall be governed by the rules of evidence applicable to civil proceedings under applicable law, and (c) a stenographic record shall be kept of all oral hearings. The remedial authority of the arbitrator shall be the same as, but no greater than, would be the remedial power of a court having jurisdiction over the parties and their dispute;

provided, however, that the arbitrator shall have no power or authority under this Agreement or otherwise to award or provide for the award of punitive or consequential damages against any party. The arbitrator shall, upon an appropriate motion, dismiss any claim without an evidentiary hearing if the party bringing the motion establishes that he or it would be entitled to summary judgment if the matter had been pursued in court litigation. The parties and the arbitrator shall keep confidential all matters relating to any arbitration hereunder (including without limitation the existence of the dispute and the arbitration).

In interpreting this Agreement, the arbitrator shall be bound by and follow the substantive law of the State of Missouri. To the extent applicable and not inconsistent with this Section, the arbitrator shall apply the Federal Rules of Civil Procedure and the Federal Rules of Evidence.

Any filing or administrative fees shall be borne initially by the party requesting administration by the Arbitration Service. If both parties request such administration, the fees shall be borne initially by the party incurring such fees as provided by the rules of the Arbitration Service. The initial fees and costs of the arbitrator shall be borne equally by the parties. The prevailing party in such arbitration, as determined by the arbitrator, and in any enforcement or other court proceedings, shall be entitled to reimbursement from the other party for all of the prevailing party's costs (including but not limited to the arbitrator's compensation), expenses, and attorneys' fees.

The arbitrator shall render an award and written opinion, and the award shall be final and binding upon the parties. Judgment upon any award rendered by the arbitrators may be entered by any state or federal court having jurisdiction thereof, in accordance with the terms of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

If any of the provisions of this Section are determined to be unlawful or otherwise unenforceable, in whole or in part, such determination shall not affect the validity of the remainder of this Section, and this Section shall be reformed to the extent necessary to carry out its provisions to the greatest extent possible and to insure that the resolution of all conflicts between the parties, including those arising out of statutory claims, shall be resolved by neutral, binding arbitration. If a court should find that the arbitration provisions of this Section are not absolutely binding, then the parties intend any arbitration decision and award to be fully admissible in evidence in any subsequent action, given great weight by any finder of fact, and treated as determinative to the maximum extent permitted by law.

21.4 Remedies: The Company and the Investing Members shall be entitled to all available legal and equitable remedies against each other.

21.5 Severability: Each provision hereof is intended to be severable, and the invalidity or illegality of any portion of this Agreement shall not affect the validity or legality of the remainder hereof.

21.6 Captions: Paragraph captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or extend, or describe the scope of this Agreement or the intent of any provision hereof.

21.7 Person or Gender: The masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the word "person" shall include an individual, corporation, trust, partnership or other form of association.

21.8 Binding Agreement: Subject to the restrictions on assignment herein contained, the terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the successors, assigns, personal representatives, estates, heirs and legatees of the respective Investing Members.

21.9 Governing Law: This Agreement and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided therein or performance thereof shall be governed or interpreted according to the laws of the State of Missouri, without giving effect to the conflict of laws provisions thereof.

21.10 Entire Agreement: This Agreement constitutes the entire agreement of the parties hereto with respect to the matters set forth herein and supersedes any prior understanding or agreement, oral or written, with respect thereto. There are no agreements, understandings, restrictions, representations, or warranties among the parties other than those set forth herein or herein provided for.

21.11 Agreement in Counterparts: This Agreement may be executed in any number of counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatories to the original or the same counterpart.

21.12 Qualification in Other Jurisdictions: In the event the business of the Company is carried on or conducted in one or more states in addition to the State of Missouri, the Company shall exist under the laws of each state in which business is actually conducted by the Company, and the parties will execute such further documents as may be appropriate in order that the Manager may legally qualify the Company in each such state. The power of attorney granted to the Manager by each Investing Member in Section 16, shall constitute the authority of the Manager to perform the ministerial duty of qualifying this Company under the laws of any state in which it is necessary to file documents or instruments of qualification. A Company office or principal place of business in any state may be designated from time to time by the Manager.

21.13 Waiver of Partition: Each of the parties hereto irrevocably waives during the term of the Company any right to maintain any action for partition with respect to any Company property.

21.14 Litigation: Subject to the arbitration provisions set forth in Section 21.3 herein, the Company shall prosecute and defend such actions at law or in equity as may be necessary to enforce or protect the interest of the Company. The Company shall respond to any final decree, judgment or decision of any court, board or authority having jurisdiction in the premises. The Company shall satisfy any such judgment, decree or decision, first out of any insurance proceeds available therefor, and next out of assets of the Company. The cost of defending any actions brought against the Company and/or the Manager with respect to Company matters shall be borne by the Company except as otherwise provided in this Agreement.

21.15 Time: Time is of the essence with respect to this Agreement.

21.16 Remedies Not Exclusive: Any remedies herein contained for a breach of obligation hereunder shall not be deemed to be exclusive, and shall not impair the right of any party to exercise any other right or remedy, whether for damages, injunction or otherwise.

21.17 Legal Counsel: Legal counsel for the Manager or their Affiliates may also represent the Company and/or the Developer in connection with legal work or issues arising in connection with the Company. Each Investing Member recognizes and acknowledges that any such counsel will be acting as legal counsel for the Company, the Manager and/or the Developer with respect to each such matter and shall not be acting as the legal counsel of any individual Investing Member. Each Investing Member further recognizes and accepts that his or her interest with respect to any such matter may be adverse to the interests of the Manager and/or the Developer and the Company. Each Investing Member nevertheless consents to the representation of the Manager, Company and the Developer by such counsel with respect to each such matter and waives for the benefit to such parties of such counsel having any potential or actual conflict of interest between or among such parties. Each Investing Member acknowledges that in the event of any future dispute or litigation between or among the Investing Members and/or between any of the Investing Members and the Company, Manager, and/or the Developer, such counsel may continue to represent the Manager, the Company and the Developer, notwithstanding any such dispute and its prior representation of such parties.

21.18 Advice from Independent Legal Counsel; Voluntary Agreement: Notwithstanding Section 21.17, the Investing Members represent and warrant that (a) each of them has had the opportunity to be represented by legal and tax counsel of his or her choice, (b) each of them has had the opportunity to consult with such counsel regarding this Agreement, and (c) except as set forth herein, each of them has not relied in any way on any representation or other statement made by any other Member or its legal or tax counsel or by any other Person.

21.19 Patent Errors: The Investing Members hereby authorize and direct the Manager to correct patent errors and to fill in any blanks, which blanks shall not be substantive to the terms hereof, in this Agreement or in any exhibit, instrument, document or agreement related hereto and to attach hereto or thereto any exhibits or schedules which are a part hereof or thereof.

21.20 Currency: All references to "dollars" in this Agreement shall mean U.S. Dollars.

21.21 Native Language Translation. Each Investing Member hereby agrees that it is the sole responsibility of Investing Member to ensure proper translation of this Agreement into their native language if necessary for Investing Member's understanding of the rights and obligations contained herein. Any language translation of this Agreement provided by any of the parties hereto is not a binding legal document, and is being provided solely for the Investing Member's convenience, and shall not in any way be construed as a contract or any part of this Agreement as set forth in English. None of the parties hereto are liable for any inaccuracies in any language translation or for any misunderstandings due to differences in language usage or dialect. In the event of any inconsistencies between this Agreement as set forth in English and any language translation, this Agreement as set forth in English and as executed shall govern. Each Investing Member assumes the responsibility for fully understanding the nature and terms of the rights and obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Operating Agreement as of the date first above written.

GL/TL EB-5 LENDER, LLC

By: GL/TL EB-5 MANAGER, LLC ,
its Manager

By:_____
Name: _____
Title: _____
Dated:_____

GL/TL EB-5 LENDER, LLC
OPERATING AGREEMENT

SIGNATURE PAGE

_____
(Signature)

Print Name:_____

Address:_____

Telephone:_____

Tax I.D. or Social Security #:_____

Number of Units:_____

Email Address:_____

Fax Number :_____

SCHEDULE 1

List of Investing Members

SCHEDULE 2

EB-5 JOB ALLOCATION ADDENDUM

The Company and each Investing Member hereby agree and acknowledge as follows:

1. the Company is a business with an investment opportunity associated with the Regional Center where the Regional Center has been designated by USCIS as a regional center to participate in the EB-5 Program;

2. the Investing Member desires to be one of up to twelve (12) limited liability members of the Company, making an investment in the Company to enable the Company to create ten (10) direct or indirect qualifying jobs for each $500,000 investment funded to the Company pursuant to the EB-5 Program;

3. the Investing Member acknowledges that, except as otherwise provided in this Agreement, Investing Member will only become a member of the Company upon the following: (i) the Company's receipt of the Investing Member's initial Capital Contribution and Expense Amount; (ii) the Company's receipt of the Investing Member's fully executed Subscription Agreement, and (iii) and written acknowledgement of the Company's acceptance of the Investing Member's subscription;

4. a member of the Company who receives USCIS' approval of his/her I-526 Petition while outside the United States obtains conditional lawful permanent residency status after filing an application for an immigrant visa with the United States Department of State (the "**EB-5 Visa**"), the processing of the EB-5 Visa at a United States Consulate abroad, and such member's admission to the United States on the EB-5 Visa as a conditional lawful permanent resident;

5. a member of the Company who receives USCIS' approval of his/her I-526 Petition while in the United States on another United States visa may obtain conditional lawful permanent residency status upon USCIS' approval of such member's Form I-485, Application to Register Permanent Residence or Adjust Status ("**Adjustment of Status**");

6. the total number of qualifying jobs created shall be allocated solely to those who have used the establishment of the Company as the basis of a petition on I-526 Petition; and

7. each member of the Company shall be required to demonstrate at the time of filing his/her respective Form I-829 Petition, within the 90-day period preceding the second anniversary of his/her (i) admission to the United States as a conditional lawful permanent resident or (ii) adjustment of status to that of a conditional lawful permanent resident, that ten (10) direct and/or indirect and/or induced full-time equivalent, qualifying positions have been created as a result of his/her investment in the Company.

INTRODUCTION

The Company shall take such action to meet the objective of allocating to each Investing Member a minimum number of ten (10) direct and/or indirect and/or induced full-time equivalent, permanent positions created by the Company on the following basis:

In the event of a shortfall of jobs for all twelve (12) Investing Members at the time of the I-526 Petition adjudication, projected jobs to be created by the Company shall be allocated to each Investing Member based on the date of filing the I-526 Petition for the purposes of determining whether sufficient jobs will be created within two and one-half (2½) years from the approval of the Investing Member's I-526 Petition.

At the time of the I-829 Petition adjudication, the assignment of full-time equivalent, permanent positions created by the Company shall be allocated to the Investing Members of the Company based on the sequential order of the date that each Investing Member either (i) entered the United States on an EB-5 Visa or (ii) received USCIS' approval of his/her Adjustment of Status. If the I-829 Petition of any Investing Member is permanently denied, the job creation credit allocated to such Investing Member will be reallocated to the other Investing Members in the manner described above.

ARTICLE I
DUTIES OF INVESTING MEMBER

Prior to Investing Member's entry into the United States on an EB-5 Visa, Investing Member shall notify the Company of Investing Member's intent to enter the United States and provide Company with Investing Member's expected travel dates.

Within thirty (30) days after Investing Member's entry into the United States, based on Investing Member's EB-5 Visa, Investing Member shall provide Company with a copy of the I-551 Stamp in Investing Member's passport.

Within thirty (30) days after Investing Member receives a Form I-797A Notice of Action indicating USCIS' approval of Investing Member's Form I-485, Application for Adjustment of Status, Investing Member shall provide Company with a copy of such Form I-797A Notice of Action.

Within thirty (30) days after Investing Member either (i) entered the United States on an EB-5 Visa or (ii) received USCIS' approval of his/her Adjustment of Status, Investing Member shall provide the Company with Investing Member's electronic-mail address, new physical address, and telephone number where the Company may contact the Investing Member. Should Investing Member's electronic-mail address, physical address, or telephone number change at any point during the two years after Investing Member's entry into the United States on Investing Member's EB-5 Visa or USCIS' approval of Investing Member's Adjustment of Status, Investing Member shall notify Company of such change within thirty (30) days.

Within one hundred and twenty (120) days prior to the second anniversary of the Investing Member's entry into the United States on an EB-5 Visa, or USCIS' approval of the Investing

Member's Adjustment of Status, the Investing Member shall notify the Company of the name and physical address of the attorney retained by Investing Member who shall file the Investing Member's I-829 Petition.

ARTICLE II
DUTIES OF COMPANY

The Company shall maintain a record at its principal place of business that shall state the date that each member of the Company either (i) entered the United States on an EB-5 Visa, or (ii) received USCIS' approval of such member's Adjustment of Status. The Company shall further maintain at its principal place of business a record of the number of direct and/or indirect and/or induced full-time equivalent, qualifying positions created by the Company.

Within one hundred and twenty (120) days after the Investing Member notifies Company that the Investing Member (i) has entered the United States based on the Investing Member's EB-5 Visa, or (ii) received USCIS' approval of the Investing Member's Adjustment of Status, Company shall deliver to the Investing Member a letter indicating the Investing Member's sequential order for job allocation, pursuant to Article I of this Agreement, and the corresponding full-time equivalent positions for qualifying employees to be allocated to the Investing Member for inclusion in Investing Member's I-829 Petition.

Within ninety (90) days preceding the second anniversary of the Investing Member's admission to the United States as a conditional lawful permanent resident, the Company shall provide the Investing Member and/or the Investing Member's attorney with documentation regarding the full-time job creation by the Developer due to the Company's investment in the Developer through the Loan.

ARTICLE III
NO GUARANTEES/INDEMNIFICATION

Investing Member hereby acknowledges, understands, and agrees that the Company has not guaranteed, nor can guarantee, that the EB-5 Program job requirements will be satisfied at the time Investing Member files his/her I-829 Petition. Investing Member further acknowledges and understands, as previously agreed to per the Private Placement Memorandum, that should Investing Member not be able to demonstrate that Investing Member has met the EB-5 Program job requirements at the time of filing his/her I-829, Investing Member will be asked to leave the United States.

Investing Member agrees to hold Company and any agent, director, officer, or employee thereof harmless for (*i.e.*, the Company shall have no liability with respect to) any failure of the Company to create ten (10) direct and/or indirect and/or induced full-time equivalent, qualifying positions for each $500,000 investment in the Company, so long as Company exercised reasonable business judgment in the fulfillment of Company's duties under this Agreement.

APPENDIX I

GUARANTY ACKNOWLEDGEMENT

The Developer hereby unconditionally and irrevocably guarantees the refund obligation as set forth in Section 7.5 of the Operating Agreement.

GL/TL EB-5 OWNER, LLC

By: _____
Name: _____
Its: _____

EXHIBIT

25

SUBSCRIPTION ESCROW AGREEMENT

This Subscription Escrow Agreement (the "Agreement") effective as of _____, by and among **GL/TL EB-5 Lender, LLC**, a Missouri limited liability company with offices at 7733 Forsyth Blvd., Suite 2300, St. Louis, Missouri 63105 ("LLC"), **GL/TL EB-5 Manager, LLC**, a Missouri limited liability company with offices at 7733 Forsyth Blvd., Suite 2300, St. Louis, Missouri 63105 (the "Subscriber Representative"), **NESF Escrow Services Corp.**, a Delaware corporation and wholly owned subsidiary of NES Financial Corp. with offices at 50 West San Fernando Street, Suite 300, San Jose, California 95113 ("Escrow Administrator") and **Signature Bank** with offices at 200 Park Avenue South, Suite 501, New York, New York 10003 (the "Escrow Agent") (collectively the "Parties").

WITNESSETH:

WHEREAS, the LLC proposes to offer for sale (the "Offering") individual units of interest in the LLC (the "Interests"), at a subscription purchase price of Five Hundred Thousand Dollars ($500,000.00) per Interest ("Subscription Proceeds") payable in cash by each investor (the "Subscribers" or "Investor", as such term is referred to in the Offering) pursuant to subscription agreements ("Subscription Agreements");

WHEREAS, the Interests in the LLC are proposed to be offered for sale to the Subscribers under the terms of the EB-5 visa program administered by the U.S. Citizenship and Immigration Service ("USCIS"), an agency of the United States government;

WHEREAS, pursuant to the Subscription Agreements, the Subscription Proceeds are to be held in escrow; and

WHEREAS, Escrow Agent has agreed to act as escrow agent hereunder in accordance with the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Appointment of Escrow Agent

(a) LLC, Subscriber Representative and Escrow Administrator hereby designate the Escrow Agent to act as escrow agent, and the Escrow Agent accepts such appointment, subject to the terms and conditions contained in this Agreement.

2. Deposits in Escrow

(a) The LLC shall deposit or cause to be deposited with the Escrow Agent, to be held in escrow under the terms of this Agreement, all Subscription Proceeds received from Subscribers. The Escrow Agent shall, subject to the terms and conditions of this Agreement, and to the extent not inconsistent with the terms hereof, the Escrow Agent's customary procedures as set forth in the Escrow Agent's applicable disclosures, establish a non-interest bearing demand deposit account in the name of the Subscriber Representative in which to hold the Subscription Proceeds ("Escrow Account"). The Escrow Agent shall have no responsibility for the Subscription Proceeds until such proceeds are actually received, cleared through customary banking channels

and constitute collected and available funds as determined in accordance with Escrow Agent's then current availability schedule ("Available Funds"). The Escrow Agent shall have no duty to collect or seek to compel payment of any Subscription Proceeds, except to place such proceeds or instruments representing such proceeds for deposit and payment through customary banking channels. Subscription Proceeds shall be deposited with Escrow Agent via wire transfer in accordance with written instructions provided to Subscribers.

(b) The LLC shall deliver to the Escrow Agent, in a form acceptable to the Escrow Agent, schedules disclosing the name, address and Tax Identification Number (if applicable) of each of the Subscribers and such other information as will enable the Escrow Agent to verify the identity of the LLC and/or attribute to a particular Subscriber all Subscription Proceeds received by the Escrow Agent.

(c) In the event a Subscriber who has previously made a deposit into the Escrow Account chooses, to the extent permitted by the laws and regulations governing the EB-5 visa program as well as the terms of the Offering and the Subscriber's Subscription Agreement, to withdraw his/her Subscription Agreement and/or I-526 Petition (as defined below) in order for his/her spouse or child ("Replacing Subscriber") to invest in his/her place, the Replacing Subscriber will provide the Escrow Agent with (i) a copy of the Replacing Subscriber's passport and W8-BEN; (ii) any additional information reasonably requested by Escrow Agent in conducting its due diligence on the Replacing Subscriber, and (iii) a Written Direction, as defined below, from the LLC and Subscriber Representative requesting that the name of the Subscriber should be changed from the original Subscriber to that of the Replacing Subscriber and all rights and obligations of a Subscriber defined herein shall apply to the Replacing Subscriber.

(d) From time to time, the LLC and the Subscriber Representative shall direct the Escrow Agent in writing to disburse all or a portion of the Subscription Proceeds or to take or refrain from taking an action pursuant to this Agreement (each, a "Written Direction"). In regard to any Written Direction to disburse all or a portion of the Subscription Proceeds as provided for herein, such Written Direction shall be in the form attached hereto as Exhibit C.

3. Rejection or Withdrawal of Subscription Agreement

(a) Any Subscription Agreement may be rejected by the LLC in whole or in part. The LLC and Subscriber Representative shall promptly notify the Escrow Agent with a Written Direction in the event of any such rejection. Upon the receipt of the Written Direction pertaining to any rejected Subscription Agreement, the Escrow Agent shall return to the Subscriber signing the rejected Subscription Agreement the Subscription Proceeds tendered by such Subscriber, without deduction or payment of interest; provided such Subscriber's Subscription Proceeds constitute Available Funds.

(b) In the event the Escrow Agent receives a Written Direction from the LLC and the Subscriber Representative that a Subscription Agreement has been withdrawn by a Subscriber, the Escrow Agent shall return to such Subscriber who signed the withdrawn Subscription Agreement the Subscription Proceeds tendered, by such Subscriber, without deduction or payment of interest; provided such Subscriber's Subscription Proceeds constitute Available Funds and are still in the Escrow Account.

4. Disbursements

(a) At such time as the Escrow Agent has received a Written Direction from the LLC and the Subscriber Representative that a Subscriber's Form I-526 "Immigrant Petition by Alien Entrepreneur" ("I-526 Petition") has been approved by the USCIS, the Escrow Agent shall, subject to the receipt of such funds, and further provided that such funds have cleared through normal banking channels, disburse such Subscriber's Subscription Proceeds to the account of the LLC in accordance with the Written Direction provided by the LLC and Subscriber Representative.

(b) At such time as the Escrow Agent has received a Written Direction from the LLC and the Subscriber Representative that (i) the Regional Center application has been approved by the USCIS and remains in good standing, (ii) the earlier to occur of the following: (A) a minimum of six (6) Interests ($3,000,000.00) in the LLC have been subscribed for, (B) one Subscriber's I-526 Petition relating to the LLC has been approved by the USCIS, or (C) the USCIS has approved an exemplar petition with respect to the LLC ("Project Exemplar"), and (iii) the I-526 Petition for a Subscriber has been filed with the USCIS (as evidenced by an I-797C Notice of Action issued by USCIS and indicating the Subscriber's I-526 Petition has been received), the Escrow Agent shall, subject to the receipt of such funds, and further provided that such funds have cleared through normal banking channels, disburse such Subscriber's Subscription Proceeds, less 20% ($100,000.00) ("Subscription Holdback Amount") which will be held in a holdback subaccount (the "Subscription Holdback Account") within the Escrow Account, to the account of the LLC in accordance with the Written Direction provided by the LLC and Subscriber Representative. Funds held in the Subscription Holdback Account shall be disbursed in $100,000.00 increments upon receipt by the Escrow Agent of Written Direction from the LLC and Subscriber Representative as each I-526 Petition is approved. At such time as the LLC and the Subscriber Representative provide to the Escrow Agent Written Direction stating that all Subscribers' I-526 Petitions have been either approved, denied or otherwise processed by the USCIS and all Subscription Proceeds either returned to the Subscriber or disbursed in accordance with the Written Direction provided by the LLC and the Subscriber Representative, this Agreement (except as otherwise provided herein) shall terminate.

(c) In the event the Escrow Agent receives a Written Direction from the LLC and the Subscriber Representative that a Subscriber's I-526 Petition has been denied (without appeal or after denial of any appeal) by USCIS, the Escrow Agent shall return the Subscription Holdback Amount, if such funds are still in the Subscription Holdback Account, to the denied Subscriber identified in such Written Direction, without deduction or payment of interest. The LLC and the Subscriber Representative shall also include in the Written Direction to the Escrow Agent instruction to release $400,000.00 (in the case where the denied Subscriber's Subscription Holdback Amount is refunded by the Escrow Agent) or $500,000.00 (in the case where a denied Subscriber's Subscription Holdback Amount has been previously disbursed to the LLC's general operating account) to be distributed and disbursed to the general operating account of the LLC to fund the remainder of the capital contributions of such Subscribers so the LLC can continue operations without deficit being caused by the refund of the denied Subscriber's capital contribution in accordance with the terms and conditions set forth in the LLC's Operating Agreement. Escrow Agent shall rely, conclusively and without further inquiry, upon the LLC and the Subscriber Representative to designate, in writing, the Subscribers whose Subscription Holdback Amounts shall be disbursed to the LLC's general operating account for this purpose. In the event there are insufficient funds available in the Subscription Holdback Account or the LLC's general operating account to refund all of the $500,000.00 Subscription Proceeds to the denied Subscriber, then such refund may be delayed until there is at least $500,000.00 of funds in the Subscription Holdback Account to enable the refund to the denied Subscriber (taking into account

any portion of the Subscription Holdback Amount of such denied Subscriber then remaining in the Subscription Holdback Account which would be applied towards such refund). In the event the LLC is unable to refund a denied Subscriber's $500,000.00 Subscription Proceeds, the LLC shall use best efforts to substitute the denied Subscriber with the next Subscriber who subscribes, places the $500,000.00 Subscription Proceeds with the Escrow Agent and files his or her I-526 Petition (the "Substituting Subscriber"), as and when such Substituting Subscriber's I-526 Petition is filed. Notwithstanding the foregoing, no such substitution shall be made at such time as all of the Subscription Proceeds have been funded to the LLC. Escrow Agent shall have no liability to the LLC, Subscriber Representative, Escrow Administrator or any Subscriber in the event that any or all of the Subscription Proceeds are not returned to a Subscriber for any reason in accordance with the provisions of this Section 4(c).

(d) Upon Written Direction from the LLC and Subscriber Representative that a maximum of twelve (12) Interests or $6,000,000.00 has been accepted, the Offering shall close and any Subscriber's Subscription Proceeds received after that time shall be refunded to the Subscriber in the same manner the Subscriber's Subscription Proceeds were delivered to the Escrow Agent. LLC and Subscriber Representative shall provide a Written Direction to Escrow Agent confirming such refund before Escrow Agent shall be obligated to return such funds to the Subscriber pursuant to this subsection.

(e) The LLC shall provide a copy of this Agreement to each Subscriber.

(f) The Escrow Agent may aggregate releases by releasing multiple Subscribers' Subscription Proceeds at once if the Escrow Agent receives more than one notice under Section 3 or 4 in order to expedite processing and eliminate Escrow Agent having to release Subscriber's Subscription Proceeds one at a time.

5. Regulatory Compliance

Subscriber Representative, Escrow Administrator and LLC agree to observe and comply, to the extent applicable, with all anti-money laundering laws, rules and regulations including, without limitation, regulations issued by the Office of Foreign Assets Control ("OFAC") of the United States Department of Treasury. Subscriber Representative, Escrow Administrator and LLC represent and warrant to Escrow Agent that (i) no Subscriber shall be located in an OFAC sanctioned country; (ii) no Subscriber shall be a person listed on OFAC's list of Specially Designated Nationals and Blocked Persons, or other government sanctioned list; and (iii) except as otherwise specifically provided in this Section 5, none of the Subscription Proceeds shall originate from an OFAC sanctioned country. Subscriber Representative, Escrow Administrator and LLC acknowledge and agree that if Escrow Agent receives a "hit" or "alert" in connection with a Subscriber, Subscriber Representative, Escrow Administrator and LLC shall provide Escrow Agent with the name, address and date of birth of such Subscriber or person within a timely manner. In the event that the Escrow Agent is unable to clear the "hit" or "alert" using such information, Subscriber Representative, Escrow Administrator and LLC agree to reasonably cooperate with Escrow Agent and provide such additional information as Escrow Agent may reasonably request in order to evaluate the subject transfer. Additionally, if Escrow Agent receives a funds transfer that originated from an OFAC sanctioned country, Subscriber Representative, Escrow Administrator and LLC shall provide Escrow Agent with evidence of OFAC approval, reasonably satisfactory to Escrow Agent, appropriate for the specific sanctions program that permits the subject funds transfer ("OFAC Approval"). Subscriber Representative, Escrow Administrator and LLC further acknowledge and agree that Escrow Agent shall "block" or "reject"

(as the case may be) any monies or funds without liability hereunder, unless and until the "hit" or "alert" is cleared, such Subscriber's or person transferring funds on behalf of Subscriber's identity has been verified to Escrow Agent's reasonable satisfaction, or the OFAC Approval has been provided to and verified by Escrow Agent. (Note: Funds rejected by the Escrow Agent are returned to the Subscriber and will be rejected if required by the regulation or as Escrow Agent deems necessary). Escrow Agent shall not be obligated to accept funds that are received from third parties on behalf of, or for the benefit of, Subscriber.

6. Escrow Administration

(a) All taxes in respect of any earnings on the Subscription Proceeds shall be the obligation of the Subscriber to the extent of its pro rata share thereof, which pro rata shares will be in the same proportion of the amounts deposited by each into the Escrow Account. The Subscriber Representative, as agent for the Subscribers and tax owner of record of the Subscription Proceeds, shall furnish the Escrow Agent with a completed Form W-9 for the Subscriber Representative. The Subscriber Representative and the Subscribers have agreed pursuant to a separate agreement that the Escrow Administrator shall perform the sub-accounting services necessary for maintaining proper ownership records with respect to the Subscription Proceeds and shall issue IRS Form 1099s to the Subscribers with respect to their earnings, if any, on the Subscription Proceeds. The Escrow Administrator and the Subscriber Representative understand that, if such tax reporting documentation is not so certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, to withhold a portion of any interest or other income earned on the investment of monies or other property held by the Escrow Agent pursuant to this Agreement. The parties shall provide to Escrow Agent such information as Escrow Agent may reasonably require to enable Escrow Agent to comply with its obligations under the USA PATRIOT Act (the "Act"). Escrow Agent shall not credit any amount of interest earned on the Subscription Proceeds, or make any payment of all or a portion of the Subscription Proceeds, to any person unless and until such person has provided to Escrow Agent such documents as Escrow Agent may require to enable Escrow Agent to comply with its obligations under such Act.

(b) Escrow Account Statements and Information. The Escrow Agent agrees to send to the LLC and/or Escrow Administrator a copy of the Escrow Account periodic statement, upon request in accordance with the Escrow Agent's regular practices for providing account statements to its non-escrow clients and to also provide the LLC and/or Escrow Administrator, or their designee, upon request other deposit account information, including Account balances, by telephone or by computer communication, to the extent practicable. In addition, the LLC, the Subscriber Representative and the Escrow Administrator may opt for internet banking view only access to the Escrow Account by providing information necessary to set-up this service and sign all forms and agreements required for such service. The LLC and Escrow Administrator agree to complete and sign all forms or agreements required by the Escrow Agent for that purpose. The LLC and Escrow Administrator each consent to the Escrow Agent's release of such Account information to any of the individuals designated by LLC or Escrow Administrator. The Escrow Agent's liability for failure to comply with this section shall not exceed the cost of providing such information.

7. Duties of Escrow Agent; Indemnification

(a) The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no additional duties or obligations shall be implied hereunder. Escrow Agent

shall be able to rely solely on the Written Direction from the LLC and Subscriber Representative (or individual instructions as otherwise provided in the Agreement) without any obligation to further inquire, verify, or confirm whether any condition precedent (ie: an I-526 Petition has been approved, denied, withdrawn, etc.) has actually occurred. For avoidance of doubt, any instructions received by the Escrow Agent shall mean that such condition precedent has occurred and there are no impediments to the Escrow Agent to carry out such instructions. In performing its duties under this Agreement, or upon the claimed failure to perform any of its duties hereunder, the Escrow Agent shall not be liable to anyone for any damages, losses or expenses which may be incurred as a result of the Escrow Agent's so acting or failing to so act; provided, however, that the Escrow Agent shall not be relieved from liability for damages arising from the Escrow Agent's gross negligence or willful misconduct as finally determined by a non-appealable judgment from a court of competent jurisdiction. The Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto including, without limitation Escrow Agent's counsel, given with respect to any question relating to the duties and responsibilities of the Escrow Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to the Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties. In no event shall the Escrow Agent be liable for lost profits or any consequential, special, indirect or punitive damages even if the Escrow Agent has been advised of the possibility of the foregoing.

(b) The LLC warrants to and agrees with the Escrow Agent that there is no security interest in the Subscription Proceeds or any part of the Subscription Proceeds; no financing statement under the Uniform Commercial Code of any jurisdiction is on file in any jurisdiction claiming a security interest in or describing, whether specifically or generally, the Subscription Proceeds or any part of the Subscription Proceeds; and the Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Subscription Proceeds or any part of the Subscription Proceeds or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Subscription Proceeds or any part thereof.

(c) As an additional consideration for and as an inducement for the Escrow Agent to serve as escrow agent hereunder, it is understood and agreed that, in the event of any disagreement resulting in adverse claims and demands being made in connection with or for any money or other property involved in or affected by this Agreement, the Escrow Agent shall be entitled, at the option of the Escrow Agent, to refuse to comply with the demands of any parties so long as such disagreement shall continue. In such event, the Escrow Agent may elect not to make any delivery or other disposition of the Subscription Proceeds or any part of such Subscription Proceeds. Anything herein to the contrary notwithstanding, the Escrow Agent shall not be or become liable to such parties or any of them for the failure of the Escrow Agent to comply with the conflicting or adverse demands of such parties. The Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Subscription Proceeds or any part thereof or to otherwise act hereunder, as stated above, unless and until:

(i) the Escrow Agent shall have received a final binding nonappealable order of a court with jurisdiction over the matter directing the Escrow Agent to make a disbursement of the Subscription Proceeds, together with an opinion of counsel of LLC and the Subscriber Representative, in form and substance reasonably acceptable to the Escrow Agent and its counsel, stating that the court order is a final determination of the rights of the parties hereto

with respect to the Subscription Proceeds, that the time to appeal from said court order has expired, and that said court order is binding upon the applicable parties; or

(ii) the parties have reached an agreement resolving their differences and have notified the Escrow Agent in writing of such agreement and have provided the Escrow Agent with indemnity satisfactory to the Escrow Agent against any liability, claims or damages resulting from compliance by the Escrow Agent with such agreement.

In the event of a disagreement as described above, the Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Subscription Proceeds and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent or its legal counsel. Upon such tender, the Escrow Agent shall be discharged from all further duties under this Agreement; provided, however, that the filing of any such legal proceedings shall not deprive the Escrow Agent of its compensation hereunder earned prior to such filing and discharge of the Escrow Agent of its duties hereunder.

(d) The LLC and Subscriber Representative agree that in the event any controversy arises under or in connection with this Agreement or the Subscription Proceeds or the Escrow Agent is made a party to or intervenes in any litigation pertaining to this Agreement or the Subscription Proceeds, to pay to the Escrow Agent reasonable compensation for its extraordinary services and to reimburse the Escrow Agent for all costs and expenses, including legal fees and expenses, associated with such controversy or litigation.

(e) The Escrow Agent may resign at any time from its obligations under this Agreement by providing written notice to the LLC. Such resignation shall be effective on the date set forth in such written notice, which shall be no earlier than thirty (30) days after such written notice has been given. On or prior to the date such resignation is to become effective, the Escrow Agent may deliver the Subscription Proceeds to any successor escrow agent appointed by the other parties hereto. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, the Escrow Agent shall be entitled to tender into the custody of any court of competent jurisdiction the Subscription Proceeds then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Agreement; provided however, the Escrow Agent shall be entitled to its compensation earned prior thereto. The Escrow Agent shall have the right to the amount due and owing to the Escrow Agent plus any costs and expenses the Escrow Agent shall reasonably believe may be incurred by the Escrow Agent in connection with its resignation. The Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder.

(f) The Escrow Agent shall have no obligation to take any legal action in connection with this Agreement or its enforcement, or to appear in, prosecute or defend any action or legal proceeding which would or might involve the Escrow Agent in any cost, expense, loss or liability unless security and indemnity satisfactory to the Escrow Agent, shall be furnished.

(g) The LLC and Subscriber Representative, jointly and severally, agree to indemnify the Escrow Agent and each of its officers, directors, agents, employees, parent, subsidiaries and affiliates and each of their respective successors and assigns (collectively, the "Indemnified Parties") and to save the Indemnified Parties harmless from and against any and all Claims (as hereunder defined) and Losses (as hereinafter defined) which are incurred by the Indemnified Parties as a result of Claims asserted against the Indemnified Parties either directly or

indirectly as a result of or in connection with Escrow Agent's serving in the capacity of escrow agent under this Agreement, other than Claims asserted by the LLC or the Subscriber Representative or Claims relating to or arising from the gross negligence or willful misconduct of the Indemnified Parties. For the purposes hereof, the term "Claims" shall mean all claims, lawsuits, causes of action or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action, cross-claim, affirmative defense, interpleader or otherwise) the Indemnified Parties, even if groundless, meritless, false or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to or be based upon, in whole or in part: (a) the acts or omissions of the LLC, Subscriber Representative or Escrow Administrator or (b) the appointment of the Escrow Agent as escrow agent under this Agreement, or (c) the performance by the Escrow Agent of its powers and duties under this Agreement, other than Claims arising from or relating to the gross negligence, or willful misconduct of the Indemnified Parties. The term "Losses" shall mean all actual losses, costs, damages, expenses, judgments, settlements and liabilities of whatever nature (including but not limited to reasonable attorneys', accountants' and other professionals' fees, litigation and court costs and actual expenses and amounts paid in settlement), directly resulting from, arising out of or relating to one or more Claims. Upon the written request of an Indemnified Party (or in the sole discretion of the LLC and/or Subscriber Representative), the LLC and Subscriber Representative shall assume the investigation and defense of any Claim, including the employment of counsel reasonably acceptable to the applicable Indemnified Party and the payment of all actual expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and the LLC and Subscriber Representative agree to pay, the actual reasonable costs and expense thereof, to employ a single separate counsel for all such Indemnified Parties with respect to any such Claim and to participate in the investigation and defense thereof in the event that such Indemnified Party shall have received a legal opinion by legal counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to the LLC, Subscriber Representative or Escrow Administrator and that such different or additional causes of action would constitute a conflict of interest for counsel to the LLC or Subscriber Representative. The LLC and Subscriber Representative hereby agree that the indemnifications and protections afforded the Indemnified Parties in this section shall survive the termination of this Agreement and any resignation or removal of the Escrow Agent. Notwithstanding anything to the contrary in this Agreement, neither the LLC nor the Subscriber Representative shall be liable or responsible for the payment of any Losses relating to the settlement of any Claim without the LLC's and Subscriber Representative's prior written consent.

(h) The LLC, Subscriber Representative and Escrow Administrator acknowledge that the Escrow Agent is serving as escrow agent for the limited purposes set forth herein and represent, covenant and warrant to the Escrow Agent that no statement or representation, whether oral or in writing, has been or will be made to any Subscriber to the effect that the Escrow Agent has investigated the desirability or advisability of investment in the Interests or approved, endorsed or passed upon the merits of such investment or is otherwise involved in any manner with the transactions contemplated hereby, other than as Escrow Agent under this Agreement. It is further agreed that the LLC, Subscriber Representative and Escrow Administrator shall not use or permit the use of the name "Signature Bank" or any variation thereof in any sales presentation, placement or offering memorandum or literature pertaining directly or indirectly to the offering except strictly in the context of the duties of the Escrow Agent as escrow agent under this Agreement. Any breach or violation of this paragraph shall be grounds for immediate termination of this Agreement by the Escrow Agent.

(i) The Escrow Agent shall have no duty or responsibility for determining whether the Interests or the offer and sale thereof conform to the requirements of applicable Federal or state securities laws, including but not limited to the Securities Act of 1933 or the Securities Exchange Act of 1934. The LLC represents and warrants to the Escrow Agent that the Interests and the Offering will comply in all material respects with applicable Federal and state securities laws and further represents and warrants that the LLC has obtained and acted upon the advice of legal counsel with respect to such compliance with applicable Federal and state securities laws. The LLC acknowledges that the Escrow Agent has not participated in the preparation or review of any sales or offering material relating to the Offering or the Interests. In addition to any other indemnities provided for in this Agreement, the LLC agrees to indemnify and hold harmless the Escrow Agent and each of its officers, directors, agents, employees, parent, subsidiaries and affiliates from and against all claims, liabilities, losses and damages (including, without limitation, reasonable attorneys' fees and litigation costs and expenses) actually incurred by the Escrow Agent or such persons and which directly or indirectly result from any violation or alleged violation of any Federal or state securities laws by persons or entities other than any of the Indemnified Parties.

(j) All Written Direction required under this Agreement shall be in writing, in English, and shall be delivered to the Escrow Agent by encrypted e-mail form to the individuals listed in Exhibit A and, if so requested by the Escrow Agent, by an original, executed by an authorized representative of LLC, Subscriber Representative, or Escrow Administrator, as applicable. The identity of such authorized representative, as well as their specimen signature, title, telephone number and e-mail address, shall be delivered to the Escrow Agent in the list of authorized signers forms as set forth on Exhibit A and shall remain in effect until the LLC, Subscriber Representative, or Escrow Administrator notifies the Escrow Agent of any change thereto. The Escrow Agent, LLC, Subscriber Representative, and Escrow Administrator agree that the above constitutes a commercially reasonable security procedure and further agree not to comply with any direction or instruction (other than those contained herein or delivered in accordance with this Agreement) from any party. For any Written Direction, such direction shall contain a selected test word ("Test Word") which will be in a format as disclosed by Escrow Agent via encrypted email to the Authorized Persons listed in Exhibit A. No Written Direction will be processed without the Test Word written in the appropriate space provided within it. LLC and Subscriber Representative are fully responsible for safeguarding the confidentiality of the Test Word and to share the Test Word only with parties authorized to provide Written Direction to the Escrow Agent. LLC and Subscriber Representative agree to immediately notify Escrow Agent of any breach of the confidentiality requirement or of any unauthorized use of the Test Word. In addition to test words, the Escrow Agent shall seek confirmation of the first transfer instruction, except for in the case of the return of funds to a Subscriber, by telephone call back to the applicable person(s) set forth on Exhibit A and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person(s) so designated and the call back shall apply to all subsequent transfer instructions which shall be deemed to be wired to the same account as the first call back. To ensure the accuracy of the first instruction it receives, the Escrow Agent may record such call back. If the Escrow Agent is unable to verify the instruction, or is not satisfied in its sole discretion with the verification it receives, it will not execute the instruction until all issues have been resolved to its satisfaction. The persons and telephone numbers for call backs may be changed only in writing, signed by an authorized representative, actually received and acknowledged by the Escrow Agent. The LLC, Subscriber Representative, and Escrow Administrator acknowledge that these security procedures for funds transfers are commercially reasonable.

(k) Should the Escrow Agent become liable for the payment of taxes, including withholding taxes relating to any funds, including interest and penalties thereon, held by it pursuant

to this Agreement or any payment made hereunder, the LLC agrees to reimburse the Escrow Agent for such taxes, interest and penalties upon demand. The LLC, Subscriber Representative, Escrow Administrator and the Subscriber acknowledges and agrees that none of the payments under this Agreement are for compensation for services performed by an employee or independent contractor.

(l) Signature Bank, its affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Signature Bank and its affiliates. This Agreement and any amendments or attachments are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer or for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

(m) Sections 6 and 7 may be amended by the Escrow Agent as necessary and upon notice to the LLC, Subscriber Representative, Escrow Administrator and the Subscriber to conform to tax and regulatory requirements and any other changes to the current applicable governmental tax laws. The Escrow Agent's rights under Sections 6 and 7 shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent.

8. Compensation of Escrow Agent

In connection with the services to be provided by the Escrow Agent hereunder, the Escrow Agent shall be entitled to a fee in the amount of Twenty-Five Hundred Dollars ($2,500.00) for the period beginning on the date of this Agreement ("Escrow Agent Fee"). Such Escrow Agent Fee, if any, shall be paid in advance. To the extent any Escrow Agent Fee, if any, is not paid, the Escrow Agent shall notify all parties and such amount shall be paid within seven (7) business days of such notice. Escrow Agent shall also be entitled to charge the LLC and the Subscriber Representative the service fees included in Exhibit B attached hereto.

9. Notices

Any notices, elections, demands, requests and responses thereto permitted or required to be given under this Agreement shall be in writing, signed by or on behalf of the party giving the same, and addressed to the other party at the address of such other party set forth below or at such other address as such other party may designate in writing in accordance herewith. Any such notice, election, demand, request or response shall be addressed as follows and shall be deemed to have been delivered upon receipt by the addressee thereof:

(a) If to the LLC:

GL/TL EB-5 Lender, LLC
7733 Forsyth Blvd., Suite 2300
St. Louis, MO 63105
Attn: Laura Hughes
Phone: (314) 615-7663
Email: lhughes@worldtradecenter-stl.com

(b) If to the Subscriber Representative:

GL/TL EB-5 Manager, LLC

7733 Forsyth Blvd., Suite 2300
St. Louis, MO 63105
Attn: Laura Hughes
Phone: (314) 615-7663
Email: lhughes@worldtradecenter-stl.com

(c) If to the Escrow Administrator:

NESF Escrow Services Corp.
c/o NES Financial Corp.
50 W. San Fernando Street
Suite 300
San Jose, CA 95113
Attn: Kelly E. Alton, General Counsel
Phone: 800-339-1031
Fax: 866-704-1031
Email: kalton@nesf.com

(d) If to the Escrow Agent:

Signature Bank
200 Park Avenue South
Suite 501
New York, New York 10003
Attn: Robert Sloposky
Phone: (646) 495-4717
Fax: (646) 495-1148
Email: rsloposky@signatureny.com

10. Successors and Assigns; Amendment

The rights created by this Agreement shall inure to the benefit of and the obligations created hereby shall be binding upon the successors and assigns of the Parties; provided, however, that neither this Agreement nor any rights or obligations hereunder may be assigned by any party hereto without the express written consent of the other party hereto. Notwithstanding the foregoing, this Agreement may be assigned by Escrow Agent without the prior written consent of the other parties hereto in connection with any merger, acquisition or other consolidation of Escrow Agent. This Agreement may not be amended without the written consent of all parties in writing.

11. Force Majeure

A party to this Agreement shall be released from liability hereunder for failure to perform any of the obligations herein where such failure to perform occurs by reason of any act of God, fire, flood, storm, earthquake, tidal wave, hurricane, communications failure, sabotage, war, military operation, national emergency, mechanical or electrical breakdown, civil commotion, strikes, or the order, requisition, request or recommendation of any governmental agency or acting governmental authority, or any party's compliance therewith or government pro-ration, regulation, or priority, or any other cause beyond any party's reasonable control whether similar or dissimilar to such causes.

12. No Waiver

No failure on the part of any party to exercise, and no delay in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

13. Construction; Venue; Jury Trials

The parties agree (pursuant to Section 5-1401 of the General Obligations Law of the State of New York) that, to the extent such laws would otherwise not apply, this Agreement (including this choice-of-law provision) and the rights and obligations of the parties to this Agreement shall be governed by, construed in accordance with, and all controversies and disputes arising under, in connection with, or in relation to this Agreement shall be resolved pursuant to the laws of the State of New York applicable to contracts made and to be wholly performed in the State of New York and any action brought hereunder shall be brought in the courts of the State of New York, located in the County of New York. Each party hereto irrevocably waives any objection on the grounds of venue, forum nonconveniens or any similar grounds and irrevocably consents to service of process by mail or in any manner permitted by applicable law and consents to the jurisdiction of said courts. **EACH OF THE PARTIES HERETO HEREBY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT**.

14. Severability

If any term or provision set forth in this Agreement shall be invalid or unenforceable, the remainder of this Agreement, other than those provisions held invalid or unenforceable shall remain in full force and effect so long as the economic and legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party.

15. Captions

The headings contained in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

16. Counterparts

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of executed signature pages by facsimile or electronic transmission will constitute effective and binding execution and delivery of this Agreement and have the same effect as the delivery of an original executed counterpart. This Agreement shall become effective when each party to this Agreement shall have received a counterpart of this Agreement signed by each other party hereto.

17. Term

This Agreement shall terminate and the Escrow Agent shall be discharged of all responsibilities hereunder at such time as the Escrow Agent shall have disbursed all Subscription Proceeds in accordance with the provisions of this Agreement; provided, however, that the provisions of Sections 7(g) and 7(i) hereof shall survive any termination of this Agreement and any resignation or removal of the Escrow Agent.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

"LLC"
GL/TL EB-5 Lender, LLC

By: _____
Name: Sheila M. Sweeney
Title: Interim President

"SUBSCRIBER REPRESENTATIVE"
GL/TL EB-5 Manager, LLC

By: _____
Name: Sheila M. Sweeney
Title: Interim President

"ESCROW ADMINISTRATOR"
NESF Escrow Services Corp.

By: _____
Name:
Title:

"ESCROW AGENT"
Signature Bank

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A-1

Certificate of Incumbency
(List of Authorized Representatives)

Client Name: GL/TL EB-5 Lender, LLC

As an Authorized Officer of the above referenced entity, I hereby certify that each person listed below is an authorized signor for such entity, and that the title and signature appearing beside each name is true and correct.

Name	Title	Signature	Contact Number
William Luchini	Member	William Luchini	314.783.2150

IN WITNESS WHEREOF, this certificate has been executed by a duly authorized officer by:

By: William Luchini
Title: Member

Date: 9/25/15

EXHIBIT A-2

Certificate of Incumbency
(List of Authorized Representatives)

Client Name: GL/TL EB-5 Manager, LLC

As an Authorized Officer of the above referenced entity, I hereby certify that each person listed below is an authorized signor for such entity, and that the title and signature appearing beside each name is true and correct.

Name	Title	Signature	Contact Number
William Luchini	Member	William Luchini	314-783-2150

IN WITNESS WHEREOF, this certificate has been executed by a duly authorized officer by:

By: William Luchini
Title: Member

Date: 9/25/15

EXHIBIT A-3

Notices to Escrow Agent

Notices to Escrow Agent shall be emailed to all of the following individuals:

ROBERT SLOPOSKY	rsloposky@signatureny.com
ROBERT FINE	rfine@signatureny.com
APRIL FEELY	afeely@signatureny.com
DAVID WALLOCK	dwallock@signatureny.com
OLEG KARAMAN	okaraman@signatureny.com

EXHIBIT B

Schedule of Fees

No service fees.

EXHIBIT C

Form of Written Direction
[Project Name]

[Date]

Signature Bank
Attention: Robert Sloposky
200 Park Avenue South
Suite 501
New York, NY 10003

Re: [Subscriber Name]; [Project Name]

Dear Mr. Sloposky,

Reference is made to the Subscription Escrow Agreement, dated as of ____ ("Escrow Agreement"), by and among the Subscriber Representative, LLC, Escrow Administrator, and the Escrow Agent. Capitalized terms not otherwise defined have the meanings provided in the Escrow Agreement.

Pursuant to Paragraph [par. # referencing appropriate reason for disbursement] of the Escrow Agreement, request is hereby made to disburse funds in the amount of $_____ for the following investor(s) and the following reasons:

- [Subscriber Name] – $_____: as evidenced by the attached [back up document; i.e. copy of Subscriber's I-797 notice or receipt as proof of filing, etc.]

The Subscriber Representative and LLC direct that the released funds be delivered as follows:

Wire to:	Bank Name Street Address City, State ZIP
ABA #:	_____
SWIFT Code:	_____
Account Name:	_____
Account Number:	_____
Reference (if any):	_____
Test Word:	_____

Sincerely,

[LLC]		**[Subscriber Representative]**	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____

EXHIBIT

26

OMB No. 1615-0026; Exp. 09/30/2016

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-526, Immigrant Petition by Alien Entrepreneur

Do Not Write in This Block - For USCIS Use Only (Except G-28 Block Below)

Classification	Action Block	Fee Receipt
Priority Date		To be completed by Attorney or Representative, if any ☒ G-28 is attached Attorney's State License No.

Remarks:

START HERE - Type or print in black ink.

Part 1. Information About You

Family Name	Given Name	Middle Name
Doe	John	Investor

Address - In Care of Name, if applicable c/o Yankee Stadium

Street Number and Name	Apt. Number
1 East 161st street	

City	State or Province	Country	Zip/Postal Code
Bronx	New York	USA	10451

Date of Birth *(mm/dd/yyyy)*	Country of Birth	Social Security Number (if any)	A-Number (if any)
1/1/1990	United Kingdom		

If you are in the United States, provide the following information:

Date of Arrival *(mm/dd/yyyy)*	I-94 Number	Passport Number
11/4/2013		
Travel Document Number	**Expiration Date for Passport or Travel Document**	**Country of Issuance for Passport or Travel Document**
Current Nonimmigrant Status	**Date Current Status Expires *(mm/dd/yyyy)***	**Daytime Telephone Number (with Area Code)**
F-1	11/4/2015	718-555-1212

Part 2. Application Type *(Check one)*

a. ☒ This petition is based on an investment in a commercial enterprise in a targeted employment area for which the required amount of capital invested has been adjusted downward.

b. ☐ This petition is based on an investment in a commercial enterprise in an area for which the required amount of capital invested has been adjusted upward.

c. ☐ This petition is based on an investment in a commercial enterprise that is not in either a targeted area or in an upward adjustment area.

Part 3. Information About Your Investment

Name of commercial enterprise in which funds are invested ***(Required Field - Do Not Leave Blank)***
GL/TL EB-5 Lender, LLC

Street Address
7733 Forsyth Blvd., Suite 2300, St. Louis, MO 63105

Phone Number with Area Code	Business organized as (corporation, partnership, etc.)
() -	Limited liability company

RECEIVED: _____ RESUBMITTED: _____ RELOCATED: SENT _____ REC'D _____

Part 3. Information About Your Investment *(Continued)*

Kind of business (e.g. furniture manufacturer): Lending company

Date established (mm/dd/yyyy): 9/14/2015

IRS Tax #: TBD

Date of your initial investment (mm/dd/yyyy): 9/1/2015

Amount of your initial investment: $ 500,000

Your total capital investment in the enterprise to date: $ 500,000

Percentage of the enterprise you own: see attached

If you are not the sole investor in the new commercial enterprise, list on separate paper the names of all other parties (natural and non-natural) who hold a percentage share of ownership of the new enterprise and indicate whether any of these parties is seeking classification as an alien entrepreneur. Include the name, percentage of ownership, and whether or not the person is seeking classification under section 203(b)(5). **NOTE:** A "natural" party would be an individual person, and a "non-natural" party would be an entity such as a corporation, consortium, investment group, partnership, etc.

If you indicated in **Part 2** that the enterprise is in a targeted employment area or in an upward adjustment area, name the county and State: County: St. Louis State: MO

Part 4. Additional Information About the Enterprise

Type of Enterprise (check one):

- [x] New commercial enterprise resulting from the creation of a new business.
- [ ] New commercial enterprise resulting from the purchase of an existing business.
- [ ] New commercial enterprise resulting from a capital investment in an existing business.

Composition of the Petitioner's Investment:

Total amount in U.S. bank account	$ 500,000
Total value of all assets purchased for use in the enterprise	$
Total value of all property transferred from abroad to the new enterprise	$
Total of all debt financing	$
Total stock purchases	$
Other (explain on separate paper)	$
Total	$ 500,000

Income:

When you made the investment	Gross	$ 0	Net	$ 0
Now	Gross	$ 0	Net	$ 0

Net worth:

When you made investment	Gross	$ see attached	Now	$ see attached

Part 5. Employment Creation Information

Number of full-time employees in the enterprise in U.S. (excluding you, your spouse, sons, and daughters)

When you made your initial investment? 0 Now 0 Difference 0

How many of these new jobs were created by your investment? 0 How many additional new jobs will be created by your additional investment? 10+

What is your position, office, or title with the new commercial enterprise?

member of LLC

Briefly describe your duties, activities, and responsibilities.

vote on limited issues, see attached

What is your salary? $ 0 What is the cost of your benefits? $ 0

Part 6. Processing Information

Check One:

☒ The person named in **Part 1** is now in the United States, and an application to adjust status to permanent resident will be filed if this petition is approved.

☐ If the petition is approved and the person named in **Part 1** wishes to apply for an immigrant visa abroad, complete the following for that person:

Country of nationality:

Country of current residence or, if now in the United States, last permanent residence abroad:

United Kingdom

If you provided a United States address in **Part 1**, print the person's foreign address:

c/o HMTQ, Buckingham Palace, London, SW1A 1AA United Kingdom

If the person's native alphabet is other than Roman letters, write the foreign address in the native alphabet:

Are you in deportation or removal proceedings? ☐ Yes (Explain on separate paper) ☒ No

Have you ever worked in the United States without permission? ☐ Yes (Explain on separate paper) ☒ No

Part 7. Signature *Read the information on penalties in the instructions before completing this section.*

I certify, under penalty of perjury under the laws of the United States of America, that this petition and the evidence submitted with it is all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit I am seeking.

Signature Date

Mobile Phone Number E-Mail Address

NOTE: *If you do not completely fill out this form or fail to the submit the required documents listed in the instructions, you may not be found eligible for the immigration benefit you are seeking and this petition may be denied.*

Part 8. Signature of Person Preparing Form, If Other Than Above (Sign below)

I declare that I prepared this application at the request of the above person, and it is based on all information of which I have knowledge.

Signature Print Your Name Daniel Lundy Date

Firm Name Klasko Immigration Law Partners, LLP Daytime phone # with area code 215-825-8600

Address 1601 Market Street, Suite 2600, Philadelphia, PA 19103

ORIGIN ID:REDA (215) 825-8615
DANIEL B. LUNDY
KLASKO IMMIGRATION LAW PARTNERS
1601 MARKET STREET
SUITE 2600
PHILADELPHIA, PA 19103
UNITED STATES US

SHIP DATE: 29SEP15
ACTWGT: 5.00 LB
CAD: 106938157/INET3670

BILL SENDER

TO U.S. CITIZENSHIP AND IMMIGRATION SE
CALIFORNIA SERVICE CENTER
ATTN: EB-5 PROCESSING UNIT
24000 AVILA ROAD, 2ND FLOOR
LAGUNA NIGUEL CA 92677
(215) 825-8615
INV:
PO:
REF: CAPSTONE-I-924
DEPT: EB-5

FedEx Express

J153015091001uv

539J2/97D7/31D0

WED - 30 SEP 3:00P
STANDARD OVERNIGHT

TRK# 0201 7746 1454 9031

NH JORA

92677
SNA
CA-US

CSC
SEP 30 2015
STAMP #212
$1
929

After printing this label:
1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.
Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com.FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery,misdelivery,or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim.Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental,consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss.Maximum for items of extraordinary value is $1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.