

NOTICE OF FILING RECEIVER'S REPORT

The Receiver, McKinley, Inc., hereby files this Receiver's Report, dated March 23, 2018, in accordance with the Order Appointing Receiver entered on November 1st, 2016.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matthew D. Mason", written over a horizontal line.

Matthew D. Mason, as
Representative for McKinley, Inc. receiver
for Packard Square LLC
320 N. Main Street, Suite 200
Ann Arbor, MI 48104
Phone: (734) 274-6300

**Packard Square
Monthly Receiver Report
March 23, 2018**

During the timeframe from February 1, 2018, through February 28, 2018, McKinley, in its capacity as Receiver, performed the following tasks and made the following findings:

- Hopp Electric continued its rough electrical work in the building and continued installation of finishes in the apartments.
- JSC continued work on exterior flashing and continued installation of roof curbs.
- Jermor Plumbing continued its rough plumbing throughout the building, and continued installation of finishes in the apartments.
- Sharon's continued rough HVAC work in apartments and the common areas and continued installation of finishes in the apartments.
- The low voltage communications work continued throughout the building.
- Thermal and sound insulation began in the garage and the first floor common area.
- Schindler continued work on elevator number two and various trades worked on pre-inspection items related to the elevators.
- Fire suppression rough work continued throughout the building including fire service/riser.
- Golich continued installing the storefront windows.
- Jalan completed the drywall in units on the second floor in the North section of the building. Substantial portions of the first floor were hung with drywall in the North section of the building and it continued work in the common area.
- Elite Painting continued work on the fourth floor including the corridors and continued work on the third floor in the North section of the building.
- Jalan continued to install the ceiling grid in the basement.
- GE continued installation of the appliances in the fourth floor units and began installation of the appliances in the third floor units.
- 1-800 4Blinds continued installation of the shades in the fourth floor units.
- Advanced Plumbing continued the installation of the shower doors in the fourth floor units.
- Solar Contract Carpeting completed installation of the flooring in the fourth floor units and began installation of the flooring in the third floor units.
- American Fence continued installation of the balcony rails throughout the property.

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- Starkey Construction continued the installation of the pergola in the pool area.
- Ross & Barr began installation of the carports in the parking lot.
- Overhead Door of Whitmore Lake began the installation of the roll up doors.
- Various trades began rough installations of the common area on the first floor.
- Masonry Developers installed the exterior window sills and planters at the motor court and work associated with elevator number one.
- Standard Wire began the installation of the window grating at the parking garage.
- Starkey, Jalan and Sharons began the installation of the mechanical shafts throughout the property.
- Gate posts at the trash enclosures were installed by American Fence.
- McKinley continues to accommodate multiple requests for property inspections and visitations from the parties.
- McKinley started a punch list of finish items for the fourth floor and began accepting delivery of units during the reporting period. An accurate portrayal of accepted units is depicted below. Temporary Certificate of Occupancy for Phase 1 is scheduled for April 15, 2018. Though outside of this month's reporting, as of March 21, 2018, 27 units have received approval by the City of Ann Arbor Building Department.
- McKinley and O'Brien Construction continued to work with the sign company on a revised sign package to continue with the rebranding of the name of the project to be "The George".
- McKinley had numerous meetings with O'Brien Construction to discuss the various aspects of the project.
- McKinley and O'Brien Construction held various meetings with subcontractors as the project continues to progress.
- McKinley continues to perform detailed, weekly site inspections of the entire project, in addition to its many other walks throughout the property.
- During the reporting period, Receiver researched and identified preeminent multifamily investment sales firms to participate in a potential sales process. After making initial contact with the top brokerage firms, five firms indicated a desire to be included in the Request for Proposal and Valuation ("RFP") process: ARA Newmark, Berkadia, CBRE, HFF, and

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Marcus and Millichap. A sixth firm, Cushman and Wakefield, indicated it did not have geographic coverage for the project and declined to participate in the RFP process. Collectively, the firms participating in the RFP process comprise five of the top eight multifamily investments sales firms based on recent market data. Aside from their market dominance, these five firms represent a mix of local, national, and international capabilities.

- A formal RFP request was issued to the five firms on February 2, 2018, along with a confidentiality agreement (attached as Exhibit I).
- Of the five firms identified and who initially were interested in being part of the RFP process, two firms – CBRE (citing the ongoing litigation and parties) and HFF (a perceived conflict due to the Defendant having previously contacted the firm regarding its sourcing of replacement debt or equity) declined to participate in the RFP process upon learning the details of the project.
- Upon receipt of fully-executed confidentiality agreements, each brokerage group was provided with property information. Each brokerage group was directed to include, amongst other things, information regarding the groups' capabilities in the areas most relevant to the sale of The George.
- After the Receiver received the various valuations and proposals, each group was interviewed in-person at the property on February 26, 2018.
- The Receiver reviewed and prepared litigation filings and attended associated court hearings. McKinley continues to field lengthy demands for detailed information from the Defendant. Pursuant to the Order Regarding Discovery Lists, dated February 20, 2018, the Receiver began compiling the information to deliver to the parties.

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Construction Schedule

Phase	Level	#Units	Turnover Date	Total Units Complete	Percent Complete
1	4	9	3/15/2018	9	4%
1*	4,3,& 1	56	4/15/2018	65	26%
2	1 & 2	32	6/30/2018	93	37%
3	4	49	8/31/2018	142	57%
4	3	49	10/31/2018	191	77%
5	1 & 2	58	12/17/2018	249	100%

*Phase 1 also includes the delivery of the exterior with the exception of winter-preventing activities including the final asphalt; Georgetown neighborhood work; pool work; exterior courtyard amenities including grill, tables, chairs and lounge seating; caulk cement panels; and landscaping. Phase 1 also includes the delivery of the following main floor amenities: Lounge, E-Office, Leasing Room, 2 Offices, Theater, Meeting Room and Exercise Room.

Marketing Update:

- The George officially went live with the following online marketing sources:
 - Zillow
 - Apartments.com
 - Off-Campus Housing
 - Google AdWords

The George team regularly communicates with representatives from the leading online services to ensure our listings are positioned to maximize lead generation.

- Leads this month:
 - 98 Phone Calls
 - 149 Internet Inquiries

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- Began scheduling prospective resident hard hat tours to start the week of March 5th
- Initiated additional branding efforts by connecting with a 3rd party vendor who specializes in brand specific marketing materials such as pens, mugs and tumblers
- Craigslist Postings: 313 ads targeting specific keywords including: luxury, healthy, U of M and campus

Operational Update:

- On-site team has been filled with the hiring of a Community Manager, Senior Sales Associate and Senior Maintenance Technician

Financial Reporting:

- Security Deposits – refunded 4 security deposit fees for applications prior to receivership
- Administrative – pre-employment screening expenses were incurred for new onsite team members

Exhibit List

Exhibit A – Site Photos

Exhibit B – General Ledger

Exhibit C – Bank Reconciliation

Exhibit D – Status Update on List of Issues and Defects

Exhibit E – 2018 Operating Budget

Exhibit F – The George General Ledger

Exhibit G – The George Statement of Operations

Exhibit H – The George Bank Reconciliation (Operating and Security Deposit Account)

Exhibit I – RFP Process

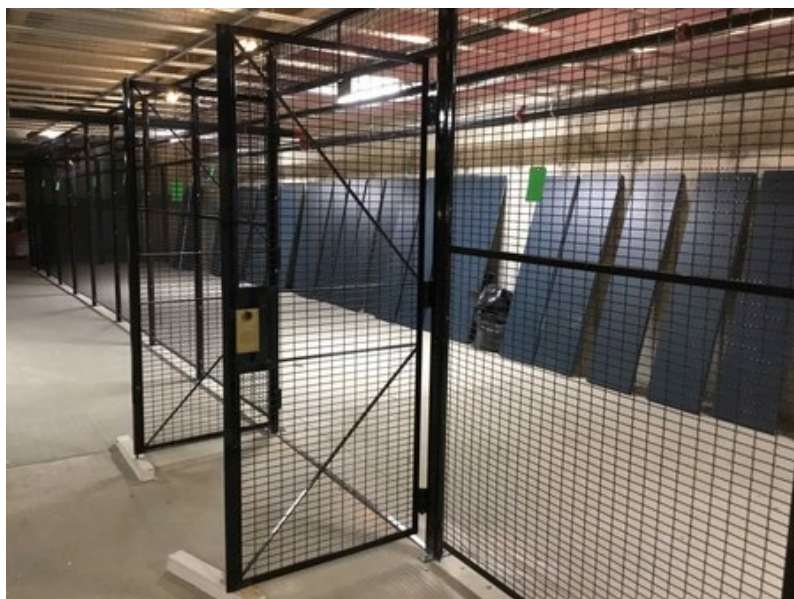
**Packard Square
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March 23, 2018**

Exhibit A

Beginning stages of carport installation



Installation of bike storage area in garage



Packard Square Monthly Receiver Report March 23, 2018

Installed gate posts at trash enclosures



Grid for ceiling in drive thru areas



**Packard Square
Monthly Receiver Report
March 23, 2018**

Progress in the Lounge



**Packard Square
Monthly Receiver Report
March 23, 2018**

Installation of lights and ceiling tiles in 4th floor corridor



**Packard Square
Monthly Receiver Report
March 23, 2018**

Installation of the entry doors



**Packard Square
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March 23, 2018**

Installed grates for the garage openings



Additional work on the motor court planters and window sills



**Packard Square
Monthly Receiver Report
March 23, 2018**

Common area bathrooms prepped for tile



**Packard Square
Monthly Receiver Report
March 23, 2018**

Progress of the Theater



**Packard Square
Monthly Receiver Report
March 23, 2018**

Continued installation of exterior siding and retail glass



**Packard Square
Monthly Receiver Report
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Examples of Accepted Fourth Floor Units



**Packard Square
Monthly Receiver Report
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**Packard Square
Monthly Receiver Report
March 23, 2018**



**Packard Square
Monthly Receiver Report
March 23, 2018**



Database: MCKINLEY
ENTITY: 211920

RCV_GENLEDG
Cash

General Ledger
McKinley Associates
Packard Square

02/18 - 02/18

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EXHIBIT B

Account Entity	Period	Entry Date	Src Reference	Site Id	Job Code	Dept	Description	Debit	Credit	Balance
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1101-000 Cash - Operating

Balance Forward

2,095,914.60

211920	02/18	2/1/2018	AP 683088	HQ			A/P Cash Disbursed for checks 10162-10163	1,505,730.79		590,183.81
211920	02/18	2/6/2018	AP 684167	HQ			A/P Cash Disbursed for checks 10164-10176	143,911.47		446,272.34
211920	02/18	2/6/2018	MM 043968	HQ			Owner Contribution	5,164.66		451,437.00
211920	02/18	2/12/2018	MM 043969	HQ			Owner Distribution	11,600.00		439,837.00
211920	02/18	2/21/2018	AP 688648	HQ			A/P Cash Disbursed for checks 10177-10178	16,989.00		422,848.00
211920	02/18	2/23/2018	AP 688980	HQ			A/P Cash Disbursed for checks 10179-10184	88,209.89		334,638.11
211920	02/18	2/27/2018	MM 042713	HQ			Reimburse 10/17 CSF - Incorrect Amount	10,239.93		344,878.04
211920	02/18	2/28/2018	MM 042780	HQ			2/28/18 Funding	1,623,244.24		1,968,122.28

Subtotal: 1,638,648.83 1,766,441.15 -127,792.32

** Account Totals

1,638,648.83 1,766,441.15 1,968,122.28

1215-000 Intercompany Accounts Receivable

Balance Forward

0.00

211920	02/18	2/1/2018	AP 683087	HQ			Cash Intercompany Entry for 211920	1,505,730.79		-1,505,730.79
211920	02/18	2/1/2018	AP 683088	HQ			Cash Intercompany Entry for 211920	1,505,730.79		0.00
211920	02/18	2/6/2018	AP 684166	HQ			Cash Intercompany Entry for 211920	143,911.47		-143,911.47
211920	02/18	2/6/2018	AP 684167	HQ			Cash Intercompany Entry for 211920	143,911.47		0.00
211920	02/18	2/21/2018	AP 688647	HQ			Cash Intercompany Entry for 211920	16,989.00		-16,989.00
211920	02/18	2/21/2018	AP 688648	HQ			Cash Intercompany Entry for 211920	16,989.00		0.00
211920	02/18	2/23/2018	AP 688979	HQ			Cash Intercompany Entry for 211920	88,209.89		-88,209.89
211920	02/18	2/23/2018	AP 688980	HQ			Cash Intercompany Entry for 211920	88,209.89		0.00

Subtotal: 1,754,841.15 1,754,841.15 0.00

** Account Totals

1,754,841.15 1,754,841.15 0.00

1508-000 Construction Supervision Fee

Balance Forward

97,393.32

211920	02/18	2/23/2018	AP 688979	HQ			MCKINC - 10/17 CSF 10312017/211920 - 10/17 Const Supervision Fee	10,239.93		107,633.25
211920	02/18	2/23/2018	AP 688979	HQ			MCKINC - 11/17 CSF 11302017/211920 - Construction Supervision 11/17	25,292.20		132,925.45

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Account Entity	Period	Entry Date	Src Reference	Site Job Id Code	Dept	Description	Debit	Credit	Balance
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1508-000 - Construction Supervision Fee (Continued)

211920	02/18	2/27/2018	MM 042713	HQ		Reimburse 10/17 CSF - Incorrect Amount	10,239.93		122,685.52
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Subtotal: 35,532.13 10,239.93 25,292.20

** Account Totals

35,532.13 10,239.93 122,685.52

1590-000 Construction in Progress

Balance Forward 11,244,553.26

211920	02/18	2/1/2018	AP 683087	HQ		OBRICON - Construction in Progress - O'Brien Payment #8	1,505,130.79		12,749,684.05
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211920	02/18	2/6/2018	AP 684166	HQ		Pay App 8 - Pay App 8	2,960.10		12,752,644.15
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211920	02/18	2/6/2018	AP 684166	HQ		MOOUSA - Balance on Invoice SPI3008141	2,175.10		12,754,819.25
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211920	02/18	2/6/2018	AP 684166	HQ		MOOUSA - Balance on Invoice SPI3008147	3,299.78		12,758,119.03
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211920	02/18	2/6/2018	AP 684166	HQ		PELINT - Fitness equipment 20180116-546-01	30,287.87		12,788,406.90
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211920	02/18	2/6/2018	AP 684166	HQ		VIACRM - 50% down for surveillance monitoring system 180101282201	3,500.00		12,791,906.90
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211920	02/18	2/6/2018	AP 684166	HQ		WOLNET - Wireless access point install project 12063	10,000.00		12,801,906.90
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211920	02/18	2/6/2018	AP 684166	HQ		WOLNET - Pre Work deposit common area audio install project 12064	5,000.00		12,806,906.90
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211920	02/18	2/6/2018	AP 684166	HQ		WOLNET - Pre work deposit toward Intercom install project 12065	160.49		12,807,067.39
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211920	02/18	2/6/2018	AP 684166	HQ		FITNTHI - Equipment for fitness center 70171	14,750.55		12,821,817.94
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211920	02/18	2/6/2018	AP 684166	HQ		JOHTAG - site visits,proj mgmt and supplemental activities 17.14.10	8,556.60		12,830,374.54
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211920	02/18	2/23/2018	AP 688979	HQ		AATR621 - Inspection escrow due 01849000021	8,929.00		12,839,303.54
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211920	02/18	2/23/2018	AP 688979	HQ		AATR621 - Inspection Escrow due 01849000022 - 01849000022	14,409.00		12,853,712.54
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211920	02/18	2/23/2018	AP 688979	HQ		CITYANN - Architect and Engineering fees			
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Account Entity	Period	Entry Date	Src Reference	Site Id	Job Code	Description	Dept	Debit	Credit	Balance
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1590-000 - Construction in Progress (Continued)

10

Subtotal: 1,609,159.28 0.00 1,609,159.28

** Account Totals

1,609,159.28 0.00 12,853,712.54

3105-000 Owner Contribution (Current Year)

Balance Forward

211920	02/18	2/6/2018	MM 043968	HQ		Owner Contribution		5,164.66		-1,784,739.97
211920	02/18	2/28/2018	MM 042780	HQ		2/28/18 Funding		1,623,244.24		-3,407,984.21

Subtotal: 0.00 1,628,408.90 -1,628,408.90

** Account Totals

0.00 1,628,408.90 -3,407,984.21

3110-000 Owner Distribution (Current Year)

Balance Forward

211920	02/18	2/12/2018	MM 043969	HQ		Owner Distribution		11,600.00		11,600.00
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Subtotal: 11,600.00 0.00 11,600.00

** Account Totals

11,600.00 0.00 11,600.00

3165-000 Retained Earnings

Balance Forward

-11,685,219.82

5030-000 Advertising

Balance Forward

0.00

211920	02/18	2/6/2018	AP 684166	HQ		JUMLLC - Advertising - Web Design & SEO		1,400.00		1,400.00
211920	02/18	2/6/2018	AP 684166	HQ		SIGNBYT - Signs		65.24		1,465.24
211920	02/18	2/6/2018	AP 684166	HQ		21-46022				
211920	02/18	2/6/2018	AP 684166	HQ		PER3-D - Advertising 1 year		219.00		1,684.24
						1198				

Subtotal: 1,684.24 0.00 1,684.24

** Account Totals

1,684.24 0.00 1,684.24

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Account Entity	Period	Entry Date	Src Reference	Site Id	Job Code	Description	Dept	Debit	Credit	Balance
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5200-000 Payroll

Balance Forward

0.00

211920	02/18	2/23/2018	AP 688979	HQ		MCKIINC - 11/1/17 - 11/30/17		11,000.00		11,000.00
						CPM11302017JV - 14-507-5210.300 - J.VanVolkin				

Subtotal:

11,000.00 0.00 11,000.00

** Account Totals

5305-000 Legal

Balance Forward

20,973.95

211920	02/18	2/6/2018	AP 684166	HQ		GET& - Professional services through 12/27/17		17,061.53		37,975.48
						336				
211920	02/18	2/6/2018	AP 684166	HQ		DICKIWRTR - Legal fees through Dec 2017		38,855.94		76,831.42
						1225117 - RE: 059196-00001				
211920	02/18	2/21/2018	AP 688647	HQ		WARNNOR - Packard Square Review of Loan Docs.		1,440.00		78,271.42
						2027306 - Matter #150929.171783				
211920	02/18	2/21/2018	AP 688647	HQ		WARNNOR - Legal Services - Packard Sq through 1/31/17		1,972.00		80,243.42
						2032418 - Matter #150929.171782				
211920	02/18	2/21/2018	AP 688647	HQ		WARNNOR - Legal fees Packard Square		313.50		80,556.92
						2041916 - Matter #150929.171782				
211920	02/18	2/21/2018	AP 688647	HQ		WARNNOR - Fees for Professional Services Through November 30, 2017		8,151.00		88,707.92
						2075311 - 150929.171796				
211920	02/18	2/21/2018	AP 688647	HQ		FINK - Legal services rendered 107153		5,112.50		93,820.42
						SIDAUS1 - professional legal services through 12/31/17		2,280.72		96,101.14
211920	02/18	2/23/2018	AP 688979	HQ		38001016 - 32503-21450				

Subtotal:

75,187.19 0.00 75,187.19

** Account Totals

5325-000 Consultation

Balance Forward

0.00

211920	02/18	2/6/2018	AP 684166	HQ		HOUASS - consultation 01/18 project oversight		6,396.37		6,396.37
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5325-000 - Consultation (Continued)

11392 -

Subtotal: 6,396.37 0.00 6,396.37

** Account Totals

6,396.37 0.00 6,396.37

5775-000 Signs

Balance Forward

0.00

211920 02/18 2/1/2018 AP 683087 HQ

CITYANN - sign variance application
013018211920 - sign application

600.00

600.00

Subtotal:

600.00 0.00 600.00

** Account Totals

600.00 0.00 600.00

5950-000 Insurance

Balance Forward

0.00

6100-000 Management Fees-McKinley

Balance Forward

0.00

6200-000 Payroll

Balance Forward

6,020.00

6372-000 Storage

Balance Forward

0.00

6500-000 Electricity

Balance Forward

0.00

211920 02/18 2/23/2018 AP 688979 HQ

DETR1 - Temporary commercial
electric service
010517/0015 - 7592 082 0001 5

794.89

794.89

211920 02/18 2/23/2018 AP 688979 HQ

DETR1 - Electric 2502 Packard
12/09/16-01/05/17

2,454.39

3,249.28

211920 02/18 2/23/2018 AP 688979 HQ

DETR1 - TemporaryCommercial
electric service
011718/0049 - 7592 082 0004 9

3,923.16

7,172.44

Subtotal:

7,172.44 0.00 7,172.44

** Account Totals

7,172.44 0.00 7,172.44

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6520-000							Water & Sewer			0.00
6615-000							Guard Service Contract			0.00
211920	02/18	2/6/2018	AP 684166	HQ			PRUDSEC - Security 12/8/17-12/14/17 400871.17	2,745.25		2,745.25
211920	02/18	2/6/2018	AP 684166	HQ			PRUDSEC - Security 12/15/17-12/21/17 401152.17	2,307.25		5,052.50
211920	02/18	2/6/2018	AP 684166	HQ			PRUDSEC - Security 12/22/17-12/28/17 401440.17	2,727.00		7,779.50

Subtotal: 7,779.50 0.00 7,779.50

** Account Totals

6702-000							Maintenance Services			0.00
211920	02/18	2/23/2018	AP 688979	HQ			MCKIINC - 11/25/2017-12/8/2017 WO12082017-21192 - Dept 300 Maint Labor	330.00		330.00

Subtotal: 330.00 0.00 330.00

** Account Totals

6775-000							Signs			0.00
6905-000							Real Estate Taxes			0.00
6905-050							Real Estate Taxes - Other			0.00
6950-000							Insurance			0.00

** Grand Totals

5,159,931.13 5,159,931.13

**Packard Square
Private Bank - Operating Account
GL Account # 1101.000
Period Ending
2/28/2018**

EXHIBIT C

Entity 211920

920op

Ending balance from bank statement		\$1,982,691.77
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Add deposits in transit:

Deposit Date

Amount

Total deposits in transit

\$0.00

Subtract outstanding checks:

Check Number

Amount

See list

\$14,569.49

(14,569.49)

Adjusted bank balance

2/28/2018

\$1,968,122.28

Balance per Property G/L

Adjustments

\$1,968,122.28

Adjusted Ending Balance per G/L

2/28/2018

\$1,968,122.28

Difference (Research any differences)

\$ -

Prepared by:

M Mihora

Date:

3/2/2018

Approved - Laura Coon
03/05/2018 8:28:29 AM



120 South LaSalle Street, Chicago, IL 60603

ADDRESS SERVICE REQUESTED



Last Statement: January 31, 2018

Statement Ending: February 28, 2018

Total Days in Statement Period: 28


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MCKINLEY INC.
RECEIVER FOR PACKARD SQUARE LLC
CONSTRUCTION ACCOUNT
320 N MAIN ST SUITE 200
ANN ARBOR MI 48104-1127

Customer Service Information

 **For Personal Assistance, Call:**
248-566-4793
STEVE ANDERSON

 **Visit Us Online:**
www.cibc.com/US

 **Written Inquiries:**
CIBC Bank USA
34901 Woodward Avenue, Suite 200
Birmingham, MI 48009

BUSINESS CHECKING

Account Number: 0002417847

Balance Summary

Beginning Balance as of 01/31/18	\$	2,095,914.60
+ Deposits and Credits (3)		1,638,648.83
- Withdrawals and Debits (22)		1,751,871.66
Ending Balance as of 02/28/18	\$	1,982,691.77
Average Balance	\$	555,975.98
Low Balance	\$	361,728.25
Enclosures		21

Checks Posted

* Skip in check sequence

Number	Date	Amount	Number	Date	Amount
1016	02/01	1,505,130.79	10174	02/21	65.24
10162*	02/02	600.00	10175	02/15	30,287.87
10164*	02/13	38,855.94	10176	02/08	18,500.00
10166*	02/21	17,061.53	10177	02/23	5,112.50
10167	02/23	6,396.37	10178	02/27	11,876.50
10168	02/13	14,750.55	10179	02/27	17,485.60
10169	02/16	1,400.00	10181*	02/26	7,172.44
10170	02/12	5,135.20	10182	02/23	36,622.20
10171	02/23	3,299.78	10183	02/28	2,280.72
10172	02/16	219.00	10184	02/23	10,239.93
10173	02/09	7,779.50			

Item Count 21 Subtotal \$1,740,271.66

Debits

Date	Description	Subtractions
02/12	Term-outgoing Wt/Dom BNF PACKARD SQUARELLC SECURITY DEPOSIT OBI McKinley I NC RECEIVER FOR PACKARD SQUARE LLC	11,600.00

Thank you for banking with CIBC

00029547 00139620 0001 0006 WCFR000992030208 07

To keep your financial records in good order, it is important to balance each of your checking accounts as soon as you receive a statement. We suggest you use this easy balancing method to detect errors early so they can be resolved as soon as possible in accordance with the Account Agreement.

If you find an error, immediately call or write us at the phone number and address on this statement.

CHECKS OUTSTANDING NOT CHARGED TO YOUR ACCOUNT					
Check No.	Amount		Check No.	Amount	
TOTAL	\$		TOTAL	\$	

NEW CHECKBOOK BALANCE \$ _____
Should agree with **BALANCE** line

**BUSINESS CHECKING (continued)****Account Number:** 0002417847**Credits**

Date	Description	Additions
02/06	Remote Deposit	5,164.66
02/27	Remote Deposit	10,239.93
02/28	Incoming Wire-dom ORG CAN IV PACKARDSQUARE LLC OBI DRAW #16	1,623,244.24

Daily Balances

Date	Amount	Date	Amount	Date	Amount
01/31	2,095,914.60	02/09	569,068.97	02/21	449,693.64
02/01	590,783.81	02/12	552,333.77	02/23	388,022.86
02/02	590,183.81	02/13	498,727.28	02/26	380,850.42
02/06	595,348.47	02/15	468,439.41	02/27	361,728.25
02/08	576,848.47	02/16	466,820.41	02/28	1,982,691.77

Overdraft/Return Item Summary

Description	Total for this Period	Total Year to Date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Items	\$0.00	\$0.00



McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/1/2018 Check No. 010163 \$1,505,130.79

One Million Five Hundred Fifty Thousand One Hundred Thirty AND 79/100 Dollars

O'Brien Construction Co., Inc.
965 Livernois
Troy, MI 48063

1-8-42280

VOID AFTER 60 DAYS

⑈010163⑈ ⑆071006486⑆ 2417847⑈

Check # 1016, Posted 02/01/18, Amount 1,505,130.79

Credit to the account of 283834
McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

3207589

⑈010163⑈ ⑆071006486⑆ 2417847⑈

Check # 1016, Posted 02/01/18, Amount 1,505,130.79

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/2/2018 Check No. 010164 \$600.00

Six Hundred AND 00/100 Dollars

City of Ann Arbor
P.O. Box 37000
Dept 87740
Troy, MI 48063-0740

1-8-42280

VOID AFTER 60 DAYS

⑈010164⑈ ⑆071006486⑆ 2417847⑈

Check # 10162, Posted 02/02/18, Amount 600.00

3207589

⑈010164⑈ ⑆071006486⑆ 2417847⑈

Check # 10162, Posted 02/02/18, Amount 600.00

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/13/2018 Check No. 010164 \$38,855.94

Thirty Eight Thousand Eight Hundred Fifty Five AND 94/100 Dollars

Dickinson Wright PLLC
2600 W. Big Beaver Road, Suite 300
Troy, MI 48064-3312

1-8-42280

VOID AFTER 60 DAYS

⑈010164⑈ ⑆071006486⑆ 2417847⑈

Check # 10164, Posted 02/13/18, Amount 38,855.94

3207589

⑈010164⑈ ⑆071006486⑆ 2417847⑈

Check # 10164, Posted 02/13/18, Amount 38,855.94

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/21/2018 Check No. 010165 \$17,061.53

Seventeen Thousand Sixty One AND 53/100 Dollars

Getler & Gomes PC
2 Executive Blvd Ste 306
Suffern, NY 10901

1-8-42280

VOID AFTER 60 DAYS

⑈010165⑈ ⑆071006486⑆ 2417847⑈

Check # 10166, Posted 02/21/18, Amount 17,061.53

3207589

⑈010165⑈ ⑆071006486⑆ 2417847⑈

Check # 10166, Posted 02/21/18, Amount 17,061.53

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/23/2018 Check No. 010167 \$6,396.37

Six Thousand Three Hundred Ninety Six AND 37/100 Dollars

Houglase Assessment Group, Corp.
982 Main Street Suits 4-201
Flushing, NY 11324

1-8-42280

VOID AFTER 60 DAYS

⑈010167⑈ ⑆071006486⑆ 2417847⑈

Check # 10167, Posted 02/23/18, Amount 6,396.37

3207589

⑈010167⑈ ⑆071006486⑆ 2417847⑈

Check # 10167, Posted 02/23/18, Amount 6,396.37

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/23/2018 Check No. 010168 \$14,750.55

Fourteen Thousand Seven Hundred Fifty AND 55/100 Dollars

John Tagle Associates, Inc.
5455 Corporate Drive Ste 308
Troy, MI 48068

1-8-42280

VOID AFTER 60 DAYS

⑈010168⑈ ⑆071006486⑆ 2417847⑈

Check # 10168, Posted 02/13/18, Amount 14,750.55

3207589

⑈010168⑈ ⑆071006486⑆ 2417847⑈

Check # 10168, Posted 02/13/18, Amount 14,750.55



McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date: 2/6/2018 Check No. 010169 \$1,400.00

One Thousand Four Hundred AND 00/100 Dollars

JUMPER, LLC
600 NW 43rd St
Gainesville, FL 32607

1010169 0001006486 2417847

Check # 10169, Posted 02/16/18, Amount 1,400.00

ITEM 0001
DEP:000067 AG:1 CUST:64126 USER:

Seq: 5
Dep: 000067
Date: 02/15/18

1010169 0001006486 2417847

Check # 10169, Posted 02/16/18, Amount 1,400.00

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date: 2/6/2018 Check No. 010170 \$5,135.20

Five Thousand One Hundred Thirty Five AND 20/100 Dollars

Mool USA Inc
38 East 31st Street
New York, NY 10016

1010170 0001006486 2417847

Check # 10170, Posted 02/12/18, Amount 5,135.20

ITEM 0001
DEP:000067 AG:1 CUST:64126 USER:

Seq: 5
Dep: 000067
Date: 02/15/18

1010170 0001006486 2417847

Check # 10170, Posted 02/12/18, Amount 5,135.20

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date: 2/6/2018 Check No. 010171 \$3,299.78

Three Thousand Two Hundred Ninety Nine AND 78/100 Dollars

Peloton Interactive, Inc.
125 W. 25th St. 11F
New York, NY 10001

1010171 0001006486 2417847

Check # 10171, Posted 02/23/18, Amount 3,299.78

ITEM 0001
DEP:000067 AG:1 CUST:64126 USER:

Seq: 5
Dep: 000067
Date: 02/15/18

1010171 0001006486 2417847

Check # 10171, Posted 02/23/18, Amount 3,299.78

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date: 2/6/2018 Check No. 010172 \$219.00

Two Hundred Nineteen AND 00/100 Dollars

Perspective 3-D
8644 Sun Park Dr
Zeeland, MI 49484

1010172 0001006486 2417847

Check # 10172, Posted 02/16/18, Amount 219.00

ITEM 0001
DEP:000067 AG:1 CUST:64126 USER:

Seq: 5
Dep: 000067
Date: 02/15/18

1010172 0001006486 2417847

Check # 10172, Posted 02/16/18, Amount 219.00

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date: 2/6/2018 Check No. 010173 \$7,779.50

Seven Thousand Seven Hundred Seventy Nine AND 50/100 Dollars

Prudential Security Inc.
20800 Eureka Road
Ste. 900
TAYLOR, MI 48180

1010173 0001006486 2417847

Check # 10173, Posted 02/09/18, Amount 7,779.50

ITEM 0001
DEP:000067 AG:1 CUST:64126 USER:

Seq: 5
Dep: 000067
Date: 02/15/18

1010173 0001006486 2417847

Check # 10173, Posted 02/09/18, Amount 7,779.50

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date: 2/6/2018 Check No. 010174 \$65.24

Sixty Five AND 24/100 Dollars

Marketing Equity Associates, Inc.
DBA: Stone by Tomorrow
3985 Varsity Drive
Ann Arbor, MI 48103

1010174 0001006486 2417847

Check # 10174, Posted 02/21/18, Amount 65.24

ITEM 0001
DEP:000067 AG:1 CUST:64126 USER:

Seq: 5
Dep: 000067
Date: 02/15/18

1010174 0001006486 2417847

Check # 10174, Posted 02/21/18, Amount 65.24



McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/6/2018 Check No. 010175 \$30,287.87

Thirty Thousand Two Hundred Eighty Seven AND 87/100 Dollars

Viewpoint CRM, INC
220 Howard Street
Lowell, MA 01851

VOID AFTER 90 DAYS

⑆010175⑆ ⑆071006486⑆ 2417847⑆

Check # 10175, Posted 02/15/18, Amount 30,287.87

FOR DEPOSIT ONLY
N/A
20180218
20180218
20180218

20180217 7813715616 8387723
F FEM051 01855 23824812 1641
S/O BANK 0402000314

Check # 10175, Posted 02/15/18, Amount 30,287.87

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/6/2018 Check No. 010176 \$18,500.00

Eighteen Thousand Five Hundred AND 00/100 Dollars

WOLFF NETWORKS, LLC
6005 CARPENTER ROAD
YPSILANTI, MI 48197

VOID AFTER 90 DAYS

⑆010176⑆ ⑆071006486⑆ 2417847⑆

Check # 10176, Posted 02/08/18, Amount 18,500.00

FOR DEPOSIT ONLY
N/A
20180218
20180218
20180218

20180207 7813715616 8387723
F FEM051 01855 23824812 1641
S/O BANK 0402000314

Check # 10176, Posted 02/08/18, Amount 18,500.00

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/21/2018 Check No. 010177 \$5,112.50

Five Thousand One Hundred Twelve AND 50/100 Dollars

Pink & Pink, PLLC
320 North Main St., Suite 300
Ann Arbor, MI 48104

VOID AFTER 90 DAYS

⑆010177⑆ ⑆071006486⑆ 2417847⑆

Check # 10177, Posted 02/23/18, Amount 5,112.50

FOR DEPOSIT ONLY
N/A
20180223
20180223
20180223

20180223 7813715616 8387723
F FEM051 01855 23824812 1641
S/O BANK 0402000314

Check # 10177, Posted 02/23/18, Amount 5,112.50

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/21/2018 Check No. 010178 \$11,876.50

Eleven Thousand Eight Hundred Seventy Six AND 50/100 Dollars

Warner Norcross & Judd LLP
890 Fifth Third Center
111 E Main Street, N.W.
GRAND RAPIDS, MI 49503-2487

VOID AFTER 90 DAYS

⑆010178⑆ ⑆071006486⑆ 2417847⑆

Check # 10178, Posted 02/27/18, Amount 11,876.50

FOR DEPOSIT ONLY
N/A
20180227
20180227
20180227

20180227 7813715616 8387723
F FEM051 01855 23824812 1641
S/O BANK 0402000314

Check # 10178, Posted 02/27/18, Amount 11,876.50

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/27/2018 Check No. 010179 \$17,485.60

Seventeen Thousand Four Hundred Eighty Five AND 60/100 Dollars

Day of Ann Arbor Treasurer
P.O. Box 77011
Detroit, MI 48277-0421

VOID AFTER 90 DAYS

⑆010179⑆ ⑆071006486⑆ 2417847⑆

Check # 10179, Posted 02/27/18, Amount 17,485.60

FOR DEPOSIT ONLY
N/A
20180227
20180227
20180227

20180227 7813715616 8387723
F FEM051 01855 23824812 1641
S/O BANK 0402000314

Check # 10179, Posted 02/27/18, Amount 17,485.60

McKinley Inc.
Receiver for Packard Square LLC
320 N Main Street Ste 200
Ann Arbor MI 48104

The Private Bank

Date 2/22/2018 Check No. 010181 \$7,172.44

Seven Thousand One Hundred Seventy Two AND 44/100 Dollars

DTE Energy Company
P.O. Box 140788
Cincinnati, OH 45274-0788

VOID AFTER 90 DAYS

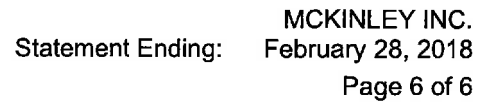
⑆010181⑆ ⑆071006486⑆ 2417847⑆

Check # 10181, Posted 02/26/18, Amount 7,172.44

FOR DEPOSIT ONLY
N/A
20180226
20180226
20180226

20180226 7813715616 8387723
F FEM051 01855 23824812 1641
S/O BANK 0402000314

Check # 10181, Posted 02/26/18, Amount 7,172.44

[illegible]

Check # 10182, Posted 02/23/18, Amount 36,622.20

[illegible]

Check # 10183, Posted 02/28/18, Amount 2,280.72

1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 1045 1046 1047 1048 1049 1050 1051 1052 1053 1054 1055 1056 1057 1058 1059 1060 1061 1062 1063 1064 1065 1066 1067 1068 1069 1070 1071 1072 1073 1074 1075 1076 1077 1078 1079 1080 1081 1082 1083 1084 1085 1086 1087 1088 1089 1090 1091 1092 1093 1094 1095 1096 1097 1098 1099 1100 1101 1102 1103 1104 1105 1106 1107 1108 1109 1110 1111 1112 1113 1114 1115 1116 1117 1118 1119 1120 1121 1122 1123 1124 1125 1126 1127 1128 1129 1130 1131 1132 1133 1134 1135 1136 1137 1138 1139 1140 1141 1142 1143 1144 1145 1146 1147 1148 1149 1150 1151 1152 1153 1154 1155 1156 1157 1158 1159 1160 1161 1162 1163 1164 1165 1166 1167 1168 1169 1170 1171 1172 1173 1174 1175 1176 1177 1178 1179 1180 1181 1182 1183 1184 1185 1186 1187 1188 1189 1190 1191 1192 1193 1194 1195 1196 1197 1198 1199 1200 1201 1202 1203 1204 1205 1206 1207 1208 1209 1210 1211 1212 1213 1214 1215 1216 1217 1218 1219 1220 1221 1222 1223 1224 1225 1226 1227 1228 1229 1230 1231 1232 1233 1234 1235 1236 1237 1238 1239 1240 1241 1242 1243 1244 1245 1246 1247 1248 1249 1250 1251 1252 1253 1254 1255 1256 1257 1258 1259 1260 1261 1262 1263 1264 1265 1266 1267 1268 1269 1270 1271 1272 1273 1274 1275 1276 1277 1278 1279 1280 1281 1282 1283 1284 1285 1286 1287 1288 1289 1290 1291 1292 1293 1294 1295 1296 1297 1298 1299 1300 1301 1302 1303 1304 1305 1306 1307 1308 1309 1310 1311 1312 1313 1314 1315 1316 1317 1318 1319 1320 1321 1322 1323 1324 1325 1326 1327 1328 1329 1330 1331 1332 1333 1334 1335 1336 1337 1338 1339 1340 1341 1342 1343 1344 1345 1346 1347 1348 1349 1350 1351 1352 1353 1354 1355 1356 1357 1358 1359 1360 1361 1362 1363 1364 1365 1366 1367 1368 1369 1370 1371 1372 1373 1374 1375 1376 1377 1378 1379 1380 1381 1382 1383 1384 1385 1386 1387 1388 1389 1390 1391 1392 1393 1394 1395 1396 1397 1398 1399 1400 1401 1402 1403 1404 1405 1406 1407 1408 1409 1410 1411 1412 1413 1414 1415 1416 1417 1418 1419 1420 1421 1422 1423 1424 1425 1426 1427 1428 1429 1430 1431 1432 1433 1434 1435 1436 1437 1438 1439 1440 1441 1442 1443 1444 1445 1446 1447 1448 1449 1450 14	
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Check # 10184, Posted 02/23/18, Amount 10,239.93

Database: MCKINLEY

Outstanding Check Listing
McKinley Associates
Statement Ending 2/28/2018
Bank Account 920op The Private Bank

Page: 1
Date: 3/2/2018
Time: 04:01 PM

Check #	Check Date	Vendor Number	Vendor Name	Amount
10165	2/6/2018	FITNTHI	Push, Pedal, Pull, Inc.	160.49
10180	2/22/2018	CITYANN	City of Ann Arbor	14,409.00
Outstanding Check Total:				14,569.49

Exhibit D

Packard Square – List of Issues and Defects Encountered to Date

1. There were OSHA safety issues throughout the property upon takeover (11/1/2016). – [Update] Installed guard rails throughout the property. Installed fire extinguishers throughout the property.
2. There was a lack of waterproofing throughout the property. – [Update] Added coping where it was missing in large portions of the building.
3. The entire site was a mess; a massive cleanup of debris was required using multiple 40 yard roll off dumpsters. – [Update] Crews went through the site and picked up debris. Overall, eight, thirty cubic yard roll off dumpsters of rubbish were removed.
4. No expansion joints were installed in the siding. The siding manufacturer explicitly said that expansion joints are necessary for this project. In addition, the building is not yet even loaded with the additional materials for the next phases of construction, which will cause building settling. – [Update] Construction Ahead is back on site making necessary repairs.
5. There were multiple improper sequencing and delivery issues throughout the project. [Update] The materials that were delivered prematurely were organized and stored in better conditions. All sensitive materials are now being stored in the garage.
6. The site was not positioned to be able to do work during the winter. – [Update] The site was winterized, including installing the drive lane.
7. There was no concrete slab in the lower level parking garage. – [Update] The concrete slab was poured.
8. Window limiters were not installed. These are required to meet code. – [Update] The window limiters have been identified and will be installed in proper sequence.
9. Many building materials were delivered and/or ordered out of sequence (screens, doors, cabinets, countertops, sinks, etc.), causing additional storage and labor costs. – [Update] This continues to be true. On site materials have been organized so they may be used in the most productive manner.
10. Unorganized finished materials were strewn throughout the site. [Update] To the extent possible, on site materials have been more properly staged so they may be used in the most productive manner.
11. The courtyard was prematurely built in/enclosed out of sequence before all major work was completed. As a result, larger machines are not able to access the courtyard in order to complete major necessary work. Additional shoring was required in order to bring in smaller machinery. [Update] Shoring was installed which allowed small machinery to access the courtyard. The shoring will remain in place until all major construction is completed within the courtyard.

12. Drainage was not installed in the courtyard, further exasperating the difficulty of working in the confined area. ~~–[Update] Drainage was installed in the courtyard.~~
13. Roof coping was not installed throughout the property, resulting in water penetration. ~~[Update] Roof coping was installed to the extent possible throughout the site. The balance of the parapet has been weatherized.~~
14. There was improper flashing behind the wall system, at the wall and roof intersection, allowing for water penetration. ~~[Update] Fiber cement siding was removed at these locations in order to install proper flashing at wall and roof intersections.~~
15. The footings were initially poured at an insufficient depth. This resulted in the building shifting and the need for helical pier installation. It was noted that one of the helical piers was not installed. The building's prior shifting has necessitated the ongoing monitoring of the building and additional testing. ~~– [Update] Structural monitoring was completed and the missing helical pier was installed.~~
16. The wrong mastic was used in an attempt to fix the sloping flooring above the retail wings. By 11/1/2016, this material was already crumbling. ~~[Update] This repair will be made in proper sequence when the lightweight concrete topping slab is poured.~~
17. The area where the vapor barrier system was installed was left exposed to the elements. ~~[Update] The vapor barrier system was repaired under the supervision of AKT Peerless, including the installation of the concrete subgrade (compacted and tested by 3rd party engineers) and the concrete slab was installed, also under the supervision of AKT Peerless.~~
18. There were a few areas where the existing fencing was compromised so more substantial fencing was ordered to properly secure the site. The entire site was not secure. ~~[Update] Fencing remains secure throughout the site.~~
19. No temporary doors were installed for winter. ~~[Update] Temporary doors were installed throughout the site.~~
20. Fire dampers were not installed nor included in the building plans. ~~[Update] Fire dampers were ordered and the installation is in progress.~~
21. There are large shafts in each unit that still need to be fire rated. However, many of these shafts have been dry walled around out of sequence, thus preventing access in order to complete necessary fire rating. ~~[Update] The disassembly that is required is currently in progress by the carpenters as well as the completion of the drywall as scheduled. This work is being completed under close municipal supervision.~~
22. Cabinets and countertops were fabricated without first measuring the actual framing in each unit. There are concerns about the cabinets fitting properly. ~~[Update] Walls were re-framed/relocated, re-installed as required to accommodate cabinet and counter per drawings. Counters are onsite.~~
23. The plumbing for toilets were located with vent stacks directly under trusses. The truss systems are therefore interrupting the vertical flow of plumbing stacks.

[Update] Modifications are underway. Any truss modifications are being reviewed and approved by a professional engineer.

24. There is missing truss bracing and tie downs. Additional work was completed out of sequence so now there isn't easy access to add them which now requires additional work after the fact. [Update] All of the trusses have been braced and framing hardware installed in the North wing. The remaining areas will be addressed due time.
25. There are materials on site that do not match the site drawings and specifications, such as the shower pans. [Update] In order to be as efficient as possible, we are working with the materials on site which will be installed to manufacturer's specifications under the supervision of a professional architect.
26. There was a general lack of municipal inspections which necessitated starting over from the beginning with the city inspection process. [Update] We've met with the city multiple times and restarted the inspection process.
27. On the first day as Receiver, McKinley met with one of the building inspectors who said it had been months since he had been on site. [Update] We've met with the city multiple times and restarted the inspection process.
28. Fire services were installed but not inspected by the city. [Update] We've discussed the fire services with the city.
29. Domestic water and fire service lines were routed into areas that were not conditioned. [Update] We are working with both the city and a professional architect on the design of the water and fire services line entrance.
30. Modifications were necessary to the sanitary system in order to maintain ceiling height. [Update] The sanitary system in the garage area has been installed to achieve the highest ceiling height possible.
31. Improper gaskets were installed in the water service lines and need to be replaced. [Update] We've discussed the solution with the city and this modification will be made in due course.
32. No accommodations were considered for ventilation for future restaurant/commercial uses in the retail wings. [Update] We are working with a professional architect and engineer on a solution.
33. No elevator sump crocks or sump pumps were installed in the elevator pits. Further, these were removed from the site plans. [Update] Elevator sump crocks were installed and sump pumps will be installed at appropriate time.
34. The swimming pool does not have the necessary tank that dilutes the chlorine before it goes into the main sewer lines as part of the draining process. [Update] We've made accommodations for the addition of the necessary equipment.
35. There are vertical cracks in the concrete walls in the lower level parking garage with water infiltration via the courtyard. [Update] We had the cracks inspected by an engineer. In addition, courtyard drainage was installed which alleviated the issue.

36. The roof was hastily and poorly installed with debris such as nails left underneath the membrane. [Update] The roof contractor is back on site making necessary repairs and maintain the manufacturer's warranty.
37. The majority of the plumbing in the lower level parking garage was crushed and needed to be replaced. [Update] All of the plumbing repairs were completed.
38. There are electrical feeders that cross through rated fire assemblies throughout the building. [Update] We are working with a professional architect and the city on the correction.
39. The RC channel was installed upside down throughout the building. [Update] We are working with the city on the issue.
40. Additional fire suppression is required in the stairwells and was red tagged by the inspector. [Update] The fire suppression subcontractor is back on site making all necessary repairs.
41. The building envelope is not complete. For instance, the paneling in the inner courtyard and balconies are not complete. [Update] The respective trades are back on site working to complete the building envelope.
42. There are numerous electrical issues throughout the building. An example of the issues encountered in one room are further listed in Exhibit E.
43. Foundation stem wall was mis-located and resulted in a 1.5" brick deviation, resulting in no brick ledge. [Update] A masonry material is planned for installation to correct the deficiently.
44. Garage door openings were framed three feet too narrow. [Update] Garage masonry openings are being enlarged to comply with revisions to plan.
45. The framing on the inner courtyard balconies is misaligned. It is believed to be an aesthetic issue and is being investigated further.
46. There is a framing issue in the front motorcade designed overhang causing misalignment of two symmetrical elements (the designed overhang and the columns) on the exterior of the front retail wings. [Update] The existing framing was modified to address the aesthetic challenge.
47. Multiple conflicts exist on the design of the HVAC servicing the corridors. Specifically, on the third and fourth floor corridors inadequate accommodations were made for both the sizing and coordination of the HVAC equipment and ductwork. [Update] An additional HVAC unit has been added at the end of each hallway which will eliminate the equipment sizing issue and the coordination of the installation of the ductwork.
48. There are conflicts with the ductwork routing, as designed, and the existing door opening sizes and a lack of required soffits shown on the plans for accommodation of HVAC in the first floor common areas. The structural and architectural drawings conflict with the HVAC mechanical drawings. [Update] The project's architect is currently working on designs that will provide adequate heating and cooling within these areas. The proposed revisions will be reviewed and submitted to the city for approval.

49. Per municipal inspectors, there is an inadequate amount of ADA compliant units and parking spaces. [Update] Revisions were sent to the city which will add the required amount of ADA compliant units and parking spaces.
50. The two hour firewall was not constructed in accordance with the approved Underwriters Laboratory assembly. [Update] At an additional cost an engineering judgement from the gypsum supplier was received and an alternate drywall type was installed to satisfy these requirements.
51. The pre-purchased bathroom countertops were not fabricated to receive the approved faucets in the units. [Update] A different faucet different from the initial scope was selected to resolve the issue.
52. As a result of the building shifting, substantial gaps were left under certain framed wood interior walls at the third floor. [Update] OCC worked with the engineer to obtain a report for those portion of the bearing walls that were not in contact with the structural composite deck. The original attempt to repair was removed and a plan was put in place to properly repair.
53. The peepholes that were onsite at the time of appointment for the units are too long and too large for the related doors that are onsite. [Update] New peepholes will be ordered to fit the existing doors.
54. There were inconsistencies between the electrical and architectural drawings regarding location of the building mounted exterior lights in the motor court and north, west and south side of the residential building. The mounting heights were not located in any of the drawings for these locations. Additionally, the two pedestrian entrances on the west side of the building had an excessive amount of light fixtures indicated on the drawings. [Update] We worked with the architect, electrical subcontractor, OCC and lighting representative to determine the best locations for the fixtures and made the determination that unnecessary fixtures could be eliminated on the west side of the building.
55. Consideration was not made for the required building mechanicals which were to be placed above the garage ceiling grid resulting in the approved fire suppression system interfering with required ADA van accessible clearances in the garage. [Update] OCC worked with the architect and fire suppression company to design the garage so a portion of the fire suppression system was converted to a wet system to allow for a portion of the garage ceiling to be raised so it could be ADA van accessible.
56. Consideration was not made for the common area exhaust ducts to travel from the first floor to the roof in multiple building locations. [Update] OCC worked with the architect and mechanical engineer to design two hour fire rate shaft enclosures to accommodate the ducting.
57. The approved mechanical drawings did not make accommodation for venting of the common area kitchen appliances. [Update] McKinley and OCC worked with the architect and mechanical engineer to choose an appropriate island hood vent and complete the necessary design changes to accommodate and submit to the city.

58. The mechanical closets within the apartment units were not plenum rated as required by code for final inspection. [Update] OCC worked with mechanical engineer and the Ann Arbor building department and resolved to have the mechanical components modified to accommodate the required plenum rating.
59. The initial buttons ordered with the elevator do not match the building unit addressing. [Update] OCC corrected this with Schindler so the three elevators will match the unit addresses.
60. Elevator three was purchased incorrectly as the elevator was manufactured mirrored to the installed elevator three shaft. [Update] OCC is working with Masonry Developers to have the shaft corrected to fit the elevator.
61. The expired approved sign permit for the monument sign was no longer approved by the city per the code. [Update] McKinley has applied for a setback and height variance with the City of Ann Arbor Zoning Board of Appeals. This was approved by the City of Ann Arbor on February 28, 2018.
62. The approved carport foundations were in direct conflict with buried underground primary electric service cables. [Update] McKinley and OCC worked with Ross and Barr to modify the carport foundation and columns to avoid this conflict.
63. The sill plates below the storefronts in the retail area were not anchored per the approved structural drawings. [Update] McKinley, JTAI and OCC are working to have the attachment detail updated and get the work completed.
64. Architectural accommodations were not made for the requirements of the approved elevator shop drawings. [Update] JTAI and OCC worked together to ensure that the building met the approved elevator requirements and code.
65. The door strikes ordered for the residential doors did not fit the doors that were onsite at the time of takeover. [Update] McKinley worked with Assa Abloy to have the strikes modified so they could accommodate the existing resident doors.

*We continue to discover new issues each week so this list is not exhaustive.

Property:

Total Units:

Exhibit E

The George

249

2018 - 2019 BUDGET SUMMARY

	February	March	April	May	June	July	August	September	October	November	December	January	Total
# of Units Delivered	30		30		32		49		49		59		249
Delivered Percentage	12%		24%		37%		57%		76%		100%		
Total Units Ready	0	30	60	60	92	92	141	141	190	190	249	249	
Summary of Occupancy and Unit Turns													
Beginning Occupancy	0	0	5	16	29	59	74	87	94	119	136	149	
Skips / Evictions	0	0	0	0	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(8)
New Leases from Avg Cost Turns	0	5	11	13	31	16	14	8	26	18	14	27	183
Ending Occupancy	0	5	16	29	59	74	87	94	119	136	149	175	
Revenues													
Gross Potential	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	6,825,072
Net Potential	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	568,756	6,825,072
Vacancy Loss	(568,756)	(568,756)	(557,335)	(532,209)	(502,515)	(433,991)	(399,728)	(370,034)	(354,045)	(296,941)	(258,110)	(228,416)	(5,070,837)
Vacancy %	100.0%	100.0%	98.0%	93.6%	88.4%	76.3%	70.3%	65.1%	62.2%	52.2%	45.4%	40.2%	
Bad Debt Write Off	0	0	(86)	(274)	(497)	(1,011)	(1,268)	(1,490)	(1,610)	(2,039)	(2,330)	(2,553)	(13,157)
Leasing Credits - Up Front Concessions	0	0	(11,810)	(25,982)	(30,706)	(73,221)	(37,792)	(33,068)	(18,896)	(61,411)	(42,515)	(33,068)	(368,467)
Net Rental Income	0	0	(475)	10,291	35,038	60,534	129,969	164,164	194,205	208,365	265,801	304,720	1,372,611
Economic Occupancy	0.00	0.00	(0.00)	0.02	0.06	0.11	0.23	0.29	0.34	0.37	0.47	0.54	0.20
Other Income													
Storage Income	0	20	64	116	236	296	348	376	476	544	596	700	3,772
Late & NSF Income	0	0	96	174	354	444	522	564	714	816	894	1,050	5,628
Pet Income	0	263	615	803	1,838	1,275	1,283	1,065	2,063	1,830	1,748	2,528	15,308
Termination/Notice Income	0	0	0	0	0	0	0	0	6,000	0	0	6,000	12,000
Carport Income	0	158	504	914	1,859	2,331	2,741	2,961	3,749	4,284	4,694	5,513	29,705
MoveIn Fees	0	250	550	650	1,550	800	700	400	1,300	900	700	1,350	9,150
Collection Revenue	0	0	0	0	0	0	0	0	0	0	0	43	43
Utility Billing	0	100	320	580	1,180	1,480	1,740	1,880	2,380	2,720	2,980	3,500	18,860
Miscellaneous Income	0	0	100	100	100	100	100	100	100	100	100	100	1,000
Total Other Income	0	790	2,249	3,336	7,116	6,726	7,433	7,346	16,781	11,194	11,711	20,783	95,465
Total Revenue	0	790	1,774	13,627	42,154	67,260	137,402	171,510	210,986	219,559	277,512	325,503	1,468,076
Marketing													
Model Apartment	0	50	50	50	50	50	50	50	50	50	50	50	550
Resident Activities/Services	0	0	0	500	0	500	0	0	500	0	500	0	2,000
Signs & Banners	0	1,000	0	1,000	5,000	10,000	6,000	0	0	0	0	0	23,000
Media - Internet	10,949	10,949	10,949	10,949	10,949	10,949	10,949	3,949	3,949	3,949	3,949	3,949	96,388
Marketing Programs	500	2,500	5,750	750	750	750	750	750	750	750	750	750	15,500
Misc Marketing Expense	0	0	0	36,547	0	132,596	0	0	102,876	0	0	128,024	400,043
Total Marketing	11,449	14,499	16,749	49,796	16,749	154,845	17,749	4,749	108,125	4,749	5,249	132,773	537,481
Payroll													
Payroll	11,769	11,769	11,769	11,769	17,654	11,769	17,098	17,098	17,098	25,648	17,098	17,098	187,640
Overtime	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Worker's Comp	495	495	495	495	743	495	935	935	935	1,402	935	935	9,295
Bonus	0	0	0	0	0	6,700	0	0	6,700	0	0	7,700	21,100
Payroll Taxes	1,179	1,179	1,179	1,179	1,769	1,179	1,707	1,707	1,707	2,561	1,707	1,707	18,763
Corp. Alloc. Payroll	5,000	3,500	0	0	2,500	2,500	2,500	0	0	0	0	0	16,000
Fringe Benefits	2,304	2,304	2,304	2,304	3,456	2,304	2,728	2,728	2,728	4,092	2,728	2,728	32,707

Property:

Total Units:

The George**249****2018 - 2019 BUDGET SUMMARY**

	February	March	April	May	June	July	August	September	October	November	December	January	Total
Temporary Help Agency	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll Processing Expense	742	742	742	742	1,095	1,144	1,062	1,062	1,464	1,575	1,062	1,524	12,956
Total Payroll	22,090	20,590	17,090	17,090	27,817	26,692	26,630	24,130	31,232	35,877	24,130	32,292	305,662
Administrative													
Management Fees	0	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	105,000
Legal	0	0	0	0	0	750	0	0	750	0	0	750	2,250
Credit Check	229	229	229	229	229	229	229	229	229	229	229	229	2,749
Bank Charges	360	460	560	660	760	860	960	1,060	1,160	1,160	1,160	1,160	10,320
Telephone	600	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	13,800
Licenses & Permits	0	0	0	0	1,500	0	0	0	0	0	0	7,440	8,940
Travel	0	100	100	100	100	100	100	100	100	100	100	100	1,100
Meals & Entertainment 50%	0	50	50	50	50	50	50	50	50	50	50	50	550
Computer Site Support	0	750	750	750	750	750	1,250	1,250	1,250	1,250	1,250	1,250	11,250
Postage & Xerox Allocation	0	100	100	100	100	100	100	100	100	100	100	100	1,100
Employee Relations	0	0	50	50	50	50	50	50	50	50	50	50	500
Office Expense	0	1,500	275	275	275	275	275	275	275	275	275	275	4,250
Office Equipment Rental	0	450	450	450	450	450	450	450	450	450	450	450	4,950
Credit Card Charges	0	(3)	(11)	(19)	(40)	(50)	(58)	(63)	(80)	(91)	(100)	(117)	(633)
Total Administrative	1,189	9,836	13,753	13,845	15,424	14,764	14,606	14,701	15,534	14,773	14,764	22,937	166,126
Utilities													
Vacant Electric	1,350	1,125	1,980	1,395	1,485	810	500	2,115	990	2,430	1,845	3,330	19,355
Common Area Electric	2,000	2,500	3,000	3,500	4,000	4,500	5,500	5,500	5,500	5,500	5,500	5,500	52,500
Water & Sewer	50	500	2,500	12,500	2,500	2,500	2,500	2,500	2,500	500	500	500	29,550
Vacant Water & Sewer	300	250	440	310	330	180	130	470	220	540	410	740	4,320
Common Area Gas	2,500	2,000	1,750	1,500	150	150	150	150	1,500	1,750	2,000	2,500	16,100
Total Utilities	6,200	6,375	9,670	19,205	8,465	8,140	8,780	10,735	10,710	10,720	10,255	12,570	121,825
Operating and Maintenance													
Exterminating	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Janitorial Services/Supplies	0	7,500	5,000	5,000	5,000	5,000	5,000	5,500	6,000	6,500	7,000	7,500	65,000
Monitoring Services	0	250	250	250	250	250	250	250	250	250	250	250	2,750
Cable TV/Internet	0	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	11,715
Rubbish Removal	0	750	1,000	3,000	3,200	3,500	4,000	4,200	4,500	4,800	5,000	5,200	39,150
Pool Expense	0	0	0	3,000	2,000	2,000	2,000	2,500	0	0	0	0	11,500
Snow Removal	2,500	7,500	7,500	0	0	0	0	0	0	4,500	9,000	9,000	40,000
Grounds Care	0	0	2,000	2,000	2,000	2,000	3,500	2,000	3,500	0	0	0	17,000
Elevator Maintenance	0	500	500	500	500	500	500	500	500	500	500	500	5,500
Maint & Repairs Interior	0	500	500	500	500	500	500	500	500	500	500	500	5,500
Maint & Repairs Exterior	0	500	5,500	5,500	500	500	5,500	500	500	5,500	500	500	25,500
Code Enforcement	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance Supplies	0	5,000	300	300	300	300	300	300	300	300	300	300	8,000
Damage Reimbursement	0	0	0	0	0	0	(500)	(500)	(500)	(500)	(500)	(500)	(3,000)
Carpet Cleaning	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	16,500
Carpet Repairs	0	0	500	0	0	500	0	0	500	0	0	500	2,000
Furniture Cleaning	0	0	500	0	0	500	0	0	500	0	0	500	2,000
Hallway Painting	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Total Operating and Maintenance	2,800	25,365	26,415	23,915	18,115	19,415	24,915	19,615	20,415	26,215	26,415	28,115	261,715
Taxes and Insurance													
Real Estate Taxes	0	0	0	0	0	613,466	0	0	0	0	158,434	0	771,900

Property:

Total Units:

The George**249****2018 - 2019 BUDGET SUMMARY**

	February	March	April	May	June	July	August	September	October	November	December	January	Total
Insurance Expense	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	4,640	55,675
Total Taxes & Insurance	4,640	4,640	4,640	4,640	4,640	618,106	4,640	4,640	4,640	4,640	163,074	4,640	827,575
Total Operating Expenses	48,368	81,305	88,317	128,490	91,211	841,962	97,319	78,570	190,656	96,973	243,887	233,326	2,220,383
NET OPERATING INCOME	(48,368)	(80,515)	(86,543)	(114,863)	(49,056)	(774,703)	40,082	92,940	20,330	122,586	33,625	92,177	(752,307)
<u>Capital</u>													
Cash Flow Before Finance	(48,368)	(80,515)	(86,543)	(114,863)	(49,056)	(774,703)	40,082	92,940	20,330	122,586	33,625	92,177	(752,307)
<u>Finance</u>													
Cash Flow Before Partner Expenses	(48,368)	(80,515)	(86,543)	(114,863)	(49,056)	(774,703)	40,082	92,940	20,330	122,586	33,625	92,177	(752,307)
<u>Partnership Expenses</u>													
NET CASH FLOW	(48,368)	(80,515)	(86,543)	(114,863)	(49,056)	(774,703)	40,082	92,940	20,330	122,586	33,625	92,177	(752,307)
Net Cash Flow including Refinance Capital	(48,368)	(80,515)	(86,543)	(114,863)	(49,056)	(774,703)	40,082	92,940	20,330	122,586	33,625	92,177	(752,307)
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Database: MCKINLEY
ENTITY: 411920

MCK_GENLEDG
Cash

General Ledger
McKinley Associates
The George (Packard Sq. Res)
Exhibit F
02/18 - 02/18

Page: 1
Date: 3/15/2018
Time: 9:48 PM

Report includes an open period. Entries are not final.

Account Entity	Period	Entry Date	Src Reference	Site Id	Job Code	Dept	Description	Debit	Credit	Balance
1101-000			Cash - Operating				<i>Balance Forward</i>			<i>0.00</i>
411920	02/18	2/13/2018	LJ 034966	HQ			Transfer from the SD account	2,200.00		2,200.00
411920	02/18	2/13/2018	AP 686350	HQ			A/P Cash Disbursed for checks 10001-10005		2,278.75	-78.75
Subtotal:								2,200.00	2,278.75	-78.75
** Account Totals								2,200.00	2,278.75	-78.75
1120-000			Cash - Security Deposits				<i>Balance Forward</i>			<i>0.00</i>
411920	02/18	2/13/2018	LJ 034242	HQ			Wire from Packard Square	11,600.00		11,600.00
411920	02/18	2/13/2018	LJ 034966	HQ			Transfer from the SD account		2,200.00	9,400.00
Subtotal:								11,600.00	2,200.00	9,400.00
** Account Totals								11,600.00	2,200.00	9,400.00
1215-000			Intercompany A/R				<i>Balance Forward</i>			<i>0.00</i>
411920	02/18	2/13/2018	AP 686349	HQ			Cash Intercompany Entry for 411920		2,278.75	-2,278.75
411920	02/18	2/13/2018	AP 686350	HQ			Cash Intercompany Entry for 411920	2,278.75		0.00
Subtotal:								2,278.75	2,278.75	0.00
** Account Totals								2,278.75	2,278.75	0.00
2690-100			Returned Security Deposits				<i>Balance Forward</i>			<i>0.00</i>
411920	02/18	2/13/2018	LJ 034242	HQ			Wire from Packard Square		11,600.00	-11,600.00
411920	02/18	2/13/2018	AP 686349	HQ			JEFPRI - security deposit refund-Prior 02131855000prior - security deposit refund-Prior	550.00		-11,050.00
411920	02/18	2/13/2018	AP 686349	HQ			JULHEC - security deposit refund-Heck 02131855000heck - security deposit refund-Heck	550.00		-10,500.00
411920	02/18	2/13/2018	AP 686349	HQ			MARBOD - security deposit refund-Bodner 02121855000 - security deposit refund	550.00		-9,950.00

Database: MCKINLEY
ENTITY: 411920

General Ledger
McKinley Associates
The George (Packard Sq. Res)

Page: 2
Date: 3/15/2018
Time: 9:48 PM

MCK_GENLEDG
Cash

02/18 - 02/18

Report includes an open period. Entries are not final.

Account Entity	Period	Entry Date	Src	Reference	Site Id	Job Code	Dept	Description	Debit	Credit	Balance
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2690-100 - Returned Security Deposits (Continued)

411920	02/18	2/13/2018	AP	686349	HQ			TETHOS - security deposit refund-Hosono 02131855000hoson - security deposit refund-Hosono	550.00		-9,400.00
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Subtotal:	2,200.00	11,600.00	-9,400.00
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**** Account Totals**

2,200.00	11,600.00	-9,400.00
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5255-200 Pre-employment Screening

Balance Forward

0.00

411920	02/18	2/13/2018	AP	686349	HQ			CAREBUI - Pre-Employment Screenings AUR1056405D -	78.75		78.75
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Subtotal:	78.75	0.00	78.75
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**** Account Totals**

78.75	0.00	78.75
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**** Grand Totals**

18,357.50	18,357.50
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Database: MCKINLEY
ENTITY: 411920

Statement of Operations
McKinley Associates
The George (Packard Sq. Res)
For the Period ended 2/28/2018

Page: 1
Date: 3/15/2018
Time: 9:49 PM

Report ID: MCK_RESAC02
Cash
Number of Units: 249

Exhibit G

	-----Current Period-----					-----Year-To-Date-----					-----Full Year-----		Prior	Prior
	Actual	Current Budget	Variance	Actual	Current Budget	Actual	Current Budget	Variance	Actual	Current Budget	Current Budget	per Unit	YTD	YTD
				per Unit	per Unit				per Unit	per Unit			Actual	per Unit
OPERATING EXPENSES														
Administrative	79	0	(79)	0	0	79	0	(79)	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	79	0	(79)	0	0	79	0	(79)	0	0	0	0	0	0
NET OPERATING INCOME	(79)	0	(79)	0	0	(79)	0	(79)	0	0	0	0	0	0
CURRENT INCOME (LOSS)	(79)	0	(79)	0	0	(79)	0	(79)	0	0	0	0	0	0
NET PROPERTY CASH FLOW	(79)	0	(79)	0	0	(79)	0	(79)	0	0	0	0	0	0
OTHER EXPENSES														
REFINANCING ACTIVITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow from Refinancing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NPCF AFTER REFINANCING	(79)	0	(79)	0	0	(79)	0	(79)	0	0	0	0	0	0

Report ID: MCK_RESAC02
Cash
Number of Units: 249

Page: 2
Date: 3/15/2018
Time: 9:49 PM

Database: MCKINLEY
ENTITY: 411920

Statement of Operations
McKinley Associates
The George (Packard Sq. Res)
For the Period ended 2/28/2018

Page: 3
Date: 3/15/2018
Time: 9:49 PM

Report ID: MCK_RESAC02
Cash
Number of Units: 249

	-----Current Period-----			-----Year-To-Date-----			-----Full Year-----			Prior	Prior			
	Actual	Current Budget	Variance	Actual per Unit	Current Budget per Unit	Actual	Current Budget	Variance	Actual per Unit	Current Budget per Unit	Current Budget	per Unit	YTD Actual	YTD per Unit
TOTAL OPERATING EXPENSES	79	0	(79)	0	0	79	0	(79)	0	0	0	0	0	0
NET OPERATING INCOME	(79)	0	(79)	0	0	(79)	0	(79)	0	0	0	0	0	0
MAJOR REPAIRS & IMPROVEMENTS														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTNERSHIP ACTIVITY														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT INCOME (LOSS)	(79)	0	(79)	0	0	(79)	0	(79)	0	0	0	0	0	0
CAPITAL EXPENDITURES														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET PROPERTY CASH FLOW	(79)	0	(79)	0	0	(79)	0	(79)	0	0	0	0	0	0
OTHER EXPENSES														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REFINANCING ACTIVITY														
Cash Flow from Refinancing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NPCF AFTER REFINANCING	(79)	0	(79)	0	0	(79)	0	(79)	0	0	0	0	0	0

Exhibit H

Bank Reconciliation					
The George Operating Account (411920)					
Month Ending:		2/28/2018			
Feb-18 Bank Account Ending Balance	CIBC	Account 0001377930		2/28/18	1,021.25
		Outstanding Checks:			
			1002		(550.00)
			1005		(550.00)
Feb-18 Total Bank Balance					(78.75)
Feb-18 General Ledger Ending Balance	Account 1101-000			2/28/18	(78.75)
Reconciling Items (from Accounting)					
Month				Transaction Date	Amount
TOTAL RECONCILING ITEMS					0.00
Feb-18 Adjusted General Ledger Balance					(78.75)
Difference					0.00
Bank Reconciliation Prepared By: Anne Cortese					



120 South LaSalle Street, Chicago, IL 60603

ADDRESS SERVICE REQUESTED

MEMBER
FDIC | **EQUAL HOUSING
LENDER**

Last Statement: February 13, 2018

Statement Ending: February 28, 2018

Total Days in Statement Period: 16

Page 1 of 3



00020236 WCFR000992030209 02 00000000

MCKINLEY INC
RECEIVER FOR PACKARD SQUARE LLC
OPERATING ACCOUNT
320 N MAIN ST SUITE 200
ANN ARBOR MI 48104-1127

Customer Service Information



For Personal Assistance, Call:

248-566-4793

STEVE ANDERSON



Visit Us Online:

www.cibc.com/US



Written Inquiries:

CIBC Bank USA

34901 Woodward Avenue, Suite 200

Birmingham, MI 48009

BUSINESS CHECKING

Account Number: 0001377930

Balance Summary

Beginning Balance as of 02/13/18	\$	0.00
+ Deposits and Credits (1)		2,200.00
- Withdrawals and Debits (3)		1,178.75
Ending Balance as of 02/28/18	\$	1,021.25
Average Balance	\$	1,586.09
Low Balance	\$	1,021.25
Enclosures		3

Checks Posted

* Skip in check sequence

Number	Date	Amount	Number	Date	Amount
10001	02/23	78.75	10004	02/21	550.00
10003*	02/20	550.00			
		Item Count 3			Subtotal
					\$1,178.75

Credits

Date	Description	Additions
02/13	Cash Mgmt Trsfr Cr REF 0441454LFUNDS TRANSFER FRMDEP 2702657 FROM	2,200.00

Daily Balances

Date	Amount	Date	Amount	Date	Amount
02/13	2,200.00	02/21	1,100.00	02/28	1,021.25
02/20	1,650.00	02/23	1,021.25		

Thank you for banking with CIBC

00020236 00027809 0001 0003 WCFR000992030209 02



BUSINESS CHECKING (continued)

Account Number: 0001377930

Overdraft/Return Item Summary

Description	Total for this Period	Total Year to Date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Items	\$0.00	\$0.00





McKinley Inc.
Receiver for The George (Packard Sq)
320 N Main Street Ste 500
Ann Arbor MI 48104

The Private Bank

Date: 2/12/2018 Check No: 010001 \$78.75

Seventy Eight AND 78/100 Dollars

Carverholder, LLC
3800 Golf Road, Suite 120
Rolling Meadows, IL 60008

Signature: [Signature]

⑈010001⑈ ⑆071006486⑆ 1377930⑈

Check # 10001, Posted 02/23/18, Amount 78.75

McKinley Inc.
Receiver for The George (Packard Sq)
320 N Main Street Ste 500
Ann Arbor MI 48104

The Private Bank

Date: 2/13/2018 Check No: 010004 \$550.00

Five Hundred Fifty AND 00/100 Dollars

Julia Heck

Signature: [Signature]

⑈010004⑈ ⑆071006486⑆ 1377930⑈

Check # 10004, Posted 02/21/18, Amount 550.00

McKinley Inc.
Receiver for The George (Packard Sq)
320 N Main Street Ste 500
Ann Arbor MI 48104

The Private Bank

Date: 2/13/2018 Check No: 010003 \$550.00

Five Hundred Fifty AND 00/100 Dollars

Jeffrey Prior

Signature: [Signature]

⑈010003⑈ ⑆071006486⑆ 1377930⑈

Check # 10003, Posted 02/20/18, Amount 550.00



Bank Reconciliation				
The George Operating Account (411920)				
Month Ending:		2/28/2018		
Feb-18 Bank Account Ending Balance	CIBC	Account 0002702657	2/28/18	9,399.99
Outstanding Checks:				

Feb-18 Total Bank Balance	9,399.99
---------------------------	----------

Feb-18 General Ledger Ending Balance	Account 1101-000	2/28/18	9,400.00
--------------------------------------	------------------	---------	----------

Reconciling Items (from Accounting)				
Month			Transaction Date	Amount

Cass Testing Withdraw - in bank not GL	(0.01)
--	--------

TOTAL RECONCILING ITEMS	(0.01)
-------------------------	--------

Feb-18 Adjusted General Ledger Balance	9,399.99
--	----------

Difference	0.00
------------	------

Bank Reconciliation Prepared By: Anne Cortese



120 South LaSalle Street, Chicago, IL 60603

ADDRESS SERVICE REQUESTED

MEMBER
FDIC | **EQUAL HOUSING
LENDER**

Last Statement: February 13, 2018

Statement Ending: February 28, 2018

Total Days in Statement Period: 16

Page 1 of 2



00017047 WCFR000992030209 02 00000000

MCKINLEY INC
RECEIVER FOR PACKARD SQUARE LLC
SECURITY DEPOSIT ACCOUNT
320 N MAIN ST SUITE 200
ANN ARBOR MI 48104-1127

Customer Service Information



For Personal Assistance, Call:

248-566-4793

STEVE ANDERSON



Visit Us Online:

www.cibc.com/US



Written Inquiries:

CIBC Bank USA

34901 Woodward Avenue, Suite 200

Birmingham, MI 48009

BUSINESS CHECKING

Account Number: 0002702657

Balance Summary

Beginning Balance as of 02/13/18	\$	0.00
+ Deposits and Credits (1)		11,600.00
- Withdrawals and Debits (2)		2,200.01
Ending Balance as of 02/28/18	\$	9,399.99
Average Balance	\$	9,400.00
Low Balance	\$	9,399.99

Debits

Date	Description	Subtractions
02/13	Cash Mgmt Trsfr Dr REF 0441454LFUNDS TRANSFER TODEP 1377930 FROM	2,200.00
02/27	Preauthorized Wd CASS INFO. SHIP.CONC ACCTS180227 454700	0.01

Credits

Date	Description	Additions
02/13	Incoming Wire-dom OBI: REF: MCKINLEYINC RECEIVER FORPACK ARD SQUARE LLC SECURITY DEPOSIT; OR G: MCKINL	11,600.00

Daily Balances

Date	Amount	Date	Amount	Date	Amount
02/13	9,400.00	02/27	9,399.99	02/28	9,399.99



Thank you for banking with CIBC

00017047 00019675 0001 0002 WCFR000992030209 02



BUSINESS CHECKING (continued)

Account Number: 0002702657

Overdraft/Return Item Summary

Description	Total for this Period	Total Year to Date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Items	\$0.00	\$0.00



Exhibit I

From: Matthew D. Mason
Sent: Friday, February 02, 2018 3:53 PM
To: Matthew D. Mason
Cc: Royal Caswell; Jennifer Van Volkinburg
Subject: Request for Proposal for the Sale of The George in Ann Arbor, MI
Attachments: Confidentiality Agreement.The George.doc

Thank you for your interest in providing a Broker Opinion of Value and disposition proposal for The George apartment and retail community in Ann Arbor, Michigan (www.thegeorgeannarbor.com). As an industry leader in the sale of similar assets, you have been identified as a qualified investment sales broker for the project.

Each proposal should include, at a minimum, the following items:

- A valuation/BOV for the property;
- A summary of recent, relevant transactions completed by the proposed team members for this assignment;
- Capabilities for exposing the asset to national and international investors;
- Experience in selling newly-constructed assets prior to stabilization;
- Capabilities to reach both student housing and traditional apartment investors;
- Experience in selling assets in receivership;
- Details regarding the reporting for the sales process, with a sample report;
- The marketing plan for the assets including the sales process and timelines;
- Qualifications of the proposed individuals who would actively work on the project;
- Proposed revisions to the listing agreement;
- Capabilities to source buyer debt for the sale and potential financing options; and
- Proposed commission structure and listing agreement

Please note that all proposals must be received by **9:00 am EST, Monday, February 19, 2018**. If you are interested in submitting a proposal, please return an executed copy of the attached confidentiality agreement. Upon receipt of the executed confidentiality agreement, relevant property information will be provided electronically. We will be conducting interviews to review proposals and qualifications the week of February 26th through March 2nd. It is our intention to award the assignment to the successful group shortly thereafter.

We appreciate your interest in The George. Should you have any questions regarding the properties, or would like to discuss further, please feel free to contact me.

Matthew D. Mason, CCIM
McKinley, Inc.
320 N. Main Street
Suite 200
Ann Arbor, MI 48104

[\(734\) 904-4175](tel:(734)904-4175)
mmason@mckinley.com

CONFIDENTIALITY AGREEMENT

This Agreement dated as of _____, 20__ is by and between McKinley, Inc., through its representative Matthew Mason, as Receiver for Packard Square LLC, having an address at 320 N. Main St., Suite 200, Ann Arbor, MI 48104 ("Disclosing Party") and _____, having an address at _____ ("Recipient").

RECITALS

WHEREAS, Disclosing Party may disclose to Recipient certain confidential and proprietary information identified and detailed on Exhibit A hereto to for the purposes of preparing an opinion of value and brokerage proposal for The George development in Ann Arbor, Michigan;

NOW THEREFORE, the parties hereto agree as follows:

1. Disclosing Party may at its sole discretion provide Recipient with confidential and/or proprietary information, identified on Exhibit A (the "Confidential Information"). The sole purpose of providing the Confidential Information to Recipient is for the purposes of preparing an opinion of value and brokerage proposal for The George development in Ann Arbor, Michigan.
2. Recipient must protect and hold in confidence the Confidential Information and all information derived therefrom, using at least the same level of care which Recipient uses to protect its own most confidential information, and must not disclose the Confidential Information to anyone except (i) employees of Recipient to whom disclosure is necessary for proper use of the Confidential Information in accordance herewith and (ii) any third party authorized in writing by an officer of Disclosing Party to receive such disclosure. Recipient must cause such employees to comply with the obligations of confidentiality set forth herein. Upon review of the materials by Recipient involving the Confidential Information, Recipient must, at Disclosing Party's option, destroy or return to Disclosing Party all of the Confidential Information. Recipient's obligations hereunder survive such destruction or return.
3. The restrictions on disclosure set forth in Section 2 above do not apply to Confidential Information which: (a) becomes available to the public through no act of Recipient; (b) is approved for disclosure in writing by Disclosing Party; (c) is released by Disclosing Party to any third party on a non-confidential basis without restrictions on disclosure; or (d) is required to be disclosed by law, regulation or court or agency order, in which latter event Recipient must provide notice to Disclosing Party as soon as practicable so that Disclosing Party may object and/or seek an appropriate protective order. The fact that information is identified on Exhibits A does not, in and of itself, conclusively establish that the information is confidential and proprietary information of the Disclosing Party.

4. Title to the Confidential Information is and remains exclusively with Disclosing Party. Disclosing Party makes no warranty as to the accuracy or completeness of the Confidential Information, and has no liability to Recipient resulting from the provision, contents or use of the Confidential Information.
5. This Agreement is governed by and construed in accordance with the internal laws of the State of Michigan.
6. This Agreement constitutes the final and exclusive agreement between the parties with respect to the subject matter hereof, superseding all prior arrangements, discussions or written or oral agreements. It may not be amended except in a writing signed by authorized representatives of the parties.

Accepted and Agreed to:

McKinley, Inc., through its
representative Matthew Mason,
as Receiver for Packard Square LLC

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT A

PROPERTY RELEATED INFORMATION FOR THE GEORGE DEVELOPMENT IN ANN ARBOR, MICHIGAN, INCLUDING, BUT NOT LIMITED TO, LEGAL FILINGS, CONSTRUCTIONS COSTS, BUDGETS AND PROFORMAS, FINANCIAL PROJECTIONS, RENDERINGS, AND MARKETING PLANS.

<u>Firm</u>	<u>Lead Contact</u>	<u>Contact Info</u>	<u>Initial Contact</u>	<u>RFP Request</u>	<u>CA Returned</u>	<u>Property Info Provided</u>	<u>Property Tour</u>	<u>Proposal Submitted</u>	<u>Interview Completed</u>
ARA Newmark	Susan Lawson	slawson@aranemark.com	January 31, 2018	February 2, 2018	February 6, 2018	February 6, 2018	February 12, 2018	February 16, 2018	Scheduled for 2:00 PM on 02.26
HFF	Marty O'Connell	moconnell@hfflp.com	January 31, 2018	February 2, 2018	February 6, 2018	February 6, 2018	February 13, 2018	Declined to proceed, HFF is currently looking for debt/equity on behalf of Defendant	
Marcus and Millichap	John Sebree	john.sebree@marcusmillichap.com	January 31, 2018	February 2, 2018	February 4, 2018	February 5, 2018	February 19, 2018	February 24, 2018	Scheduled for 12:00 PM on 02.26
CBRE	Peter Donovan	Peter.Donovan@cbre.com	January 30, 2018	February 2, 2018	Declined the assignment due to the borrower and litigation, 02.06.2018				
Berkadia	Kevin Dillon	kevin.dillon@berkadia.com	February 1, 2018	February 2, 2018	February 2, 2018	February 5, 2018	February 13, 2018	February 21, 2018	Scheduled for 9:00 AM on 02.26

Financial Information Intentionally Omitted

Firm	Recent Transactions	Marketing Exposure	Partial Construction Experience	Student Housing/Traditional	Receivership Experience	Financing Capabilities	Reporting	Marketing Timeline	Proposed Commission
ARA Newmark	<p>*ARA Newmark's Midwest and Student Housing teams have closed over \$2.8 billion in conventional and student housing transactions over the past 14 months. (Pg. 8)</p> <p>*60% of most recent student housing transactions have been executed through foreign equity purchasers. (Pg. 8)</p> <p>*A lot of student-housing transactions with foreign capital (Interview)</p>	<p>*Utilize the firm's Midwest conventional and student housing databases while collaborating with the institutional NYC office and market leading international student housing group. (Pg. 5)</p> <p>*Target prospective purchasers from recent successful transactions. (Pg. 5)</p> <p>*Target the most aggressive conventional and student housing investors. (Pg. 5)</p> <p>*The only student housing platform with the ability to coordinate with its market leading UK student housing group to ensure the broadest global reach of foreign capital in the industry. (Pg. 6)</p>	<p>*The team has vast experience in pre-stabilized transactions, ranging from 0-85% occupied. (Pg. 16)</p>	<p>*ARA Midwest sales have exceeded \$1.275 billion in student housing/traditional over the past 14 months. (Pg. 6)</p> <p>*The ARA Student Housing Group has closed over \$1.5 billion in student-housing transactions over the past 14 months. (Pg. 6)</p> <p>*Combined transaction experience of over 60,000 beds and \$6 billion in transaction volume. (Pg. 6)</p>	<p>*ARA Newmark Midwest has transacted nearly 9,000 units in receivership or owned by lender since 2006. (Pg. 10)</p>	<p>*Debt team believes they can finance via conventional or student housing program. (Pg. 4)</p> <p>*Expected 65-75% LTV depending on strength of sponsor, priced at LIBOR + 350 bps. (Pg. 4)</p> <p>*Potential bridge loan to address construction completion. (Pg. 4)</p> <p>*NFK Capital Markets team maintains close relationships with a comprehensive group of capital providers including direct access to FNMA/Freddie, CMBS, Life Co., and traditional lenders. (Pg. 7)</p> <p>*Berkeley Point Capital is part of the family of companies and is a lender on behalf of Fannie Mae and Freddie Mac. (Pg. 9)</p> <p>*Have discussed a Freddie Mac program that requires you have 60% leased with 50% occupancy and 60% of the Co's delivered.</p>	<p>*Every conversation and sales call is recorded in their database and a report is generated daily for review. (Pg. 6)</p> <p>*Potential investors who have been contacted with feedback is reviewed at weekly team meetings to monitor the sales process and further strategize. (Pg.6)</p> <p>*Will provide a weekly summary (Interview)</p>	<p>*Produce Marketing Materials - 2 weeks</p> <p>*Marketing Process - 5 weeks</p> <p>*Offers Due and Buyer Chosen - 2 weeks</p> <p>*Contract Execution - 2 weeks</p> <p>*Due Diligence Ends - 4 weeks</p> <p>*Closing - 4 weeks</p> <p>Total: 19 weeks (Pg. 39)</p>	<p>*50 bps shall be applied to a sale price of \$67,000,000. plus(+) a 2% incentive fee from \$67,000,000 - \$73,000,000, plus (+) and incentive fee of 5% of any dollar amount over \$73,000,000. (Revised Fee)</p> <p>*Any co-broker fee would be paid out of this commission and determined by ARA Newmark at its discretion. (Pg. 39)</p>
Marcus and Millichap	<p>*Comparable transactions to the George that have recently been closed include 1.) Ascent Four Thirty, Pittsburgh, PA (319 units, new construction, \$60M) 2.) 512 South Third Street, Champaign, IL (140 units, \$29.25M) 3.) Bancroft, Saginaw, MI (152 units, pre-stabilized sale, \$13.3M) 4.) Residences at Carronade, Perrysburg, OH (248 units, \$30.47M) (Pg. 14-17)</p>	<p>*Transacted and built relationships with nearly every buyer profile from private to institutional, including; high net worth private investors/family offices, public and private REITs, discretionary fund advisors, sponsored capital group, local/regional/national syndicators, foreign investors and institutions. (Pg. 3)</p> <p>*Cast an initial e-mail campaign utilizing Real Capital Markets (RCM) and their list of investors they have built through their decades of experience selling hundreds of assets all across the Midwest. (Pg. 3)</p> <p>*Plan on approaching an initial hit list of groups with proactive in-person meetings, targeted phone calls and direct email. (Pg. 3)</p>	<p>*The Residences at Carronade, 248 units in Perrysburg, OH which closed February 1st, is the most recent example. (Pg. 3)</p> <p>*Additionally, Ascent 430, 319 units in Pittsburgh, PA is in best and final stages now after procuring 21 offers from the full spectrum of buyer profiles. (Pg. 3)</p> <p>*Furthermore, this team has sold dozens of older assets that were unstable, distressed, or were ripe for a full blown gut-rehabilitation and had no cash flow at the time of acquisition. (Pg. 3)</p> <p>*The Sphere in Downtown Cleveland, a 426-unit asset scheduled to close April 10th (being acquired by an international Investor) fits this bill. (Pg. 3)</p>	<p>*Of the 900+ transactions this team has completed, 35 have been student housing assets. (Pg. 3)</p> <p>*The most recent example is the closing of 512 South Third Street, a 400-bed (140-unit) student housing community on the edge of the University of Illinois-Champaign campus on February 7, 2018 for \$29,250,000. (Pg. 3)</p>	<p>*The listing team has marketed and sold a total of 68 special assets, which includes receiver sales, REO sales, court ordered short sales, and note sales. (Pg. 3)</p> <p>*In the past 28 months these included 736-unit and 504-unit assets. (Pg. 3)</p> <p>*The team has represented dozens of local and regional banks and court-appointed receivers as well as more well-known special servicers including CW Capital, C-III, Torchlight, Fannie Mae, Hudson Advisors, Orix and Trimont Real Estate. (Pg. 3)</p>	<p>*Debt consisting of an institutional bridge loan, 80% LTV, Libor plus 4%, 3-year loan with two, one year extensions, full term IO. (Pg. 2)</p> <p>*This team has extensive lender relationships through Marcus & Millichap Capital Corporation and IPA Capital Markets and other top mortgage brokerage firms in the Midwest. (Pg. 4)</p>	<p>*This team will utilized Real Capital Markets to manage the distribution of offering material as well as email campaigns. (Pg. 3)</p> <p>*This team will provide weekly, formal written updates during the marketing campaign which will include the statistics mentioned above as well as a list of the groups who have executed CAs, toured the property and submitted offers. This weekly update will include real-time market feedback about the property, the process, or any other information pertinent to the sales process. (Pg. 3)</p>	<p>*Active Marketing - Days 1-30</p> <p>*Offers Due - Days 30-60</p> <p>*Due Diligence Period - Days 60-90</p> <p>*Closing - Days 90-120 (Pg. 20)</p>	<p>*60 bps plus an incentive fee of 5% above a break point to be jointly determined by the receiver and broker. (Pg. 4)</p>
Berkadia	<p>*A few recent closings include Signature Club Apartments (Ann Arbor, 324 units, \$53m), Spicetree Apartments (Ann Arbor, 551 units, \$63m), Fairlane Towne Center Apartments (Dearborn, 200 units, \$39m), Park Place Apartments (Northville, 736 units, \$115M), Northville Woods Apartments (Northville, 274 units, \$35m), Chimney Hill Apartments (West Bloomfield, 328 units, \$52m) and The Crossing at Canton (Canton, 744 units, \$52m). (Pg. 8)</p>	<p>*Utilize the firm's proprietary National Central Database, powered by a full-time database division, to track all apartment assets and the real-time flow of capital, sourcing active and emerging buyers across all markets. Berkadia's multi-channel national apartment marketing system guarantees that an asset is presented to the entire local, regional and national marketplace in a timely and effective manner. (Pg. 95)</p> <p>*Target owners and buyers in the subject market. (Pg. 95)</p> <p>*Target apartment investment groups who have recently purchased a comparable community throughout the United States. (Pg. 95)</p> <p>*Target investors who have submitted competitive bids on other Berkadia listings or other similar properties. (Pg. 95)</p> <p>*Owners who have sold a comparable community within the last 45 days (1031 exchanges). (Pg. 95)</p>	<p>*Recently sold a pre-stabilized apartment building in East Lansing. (Interview)</p>	<p>*Kevin Larimer, National Director of Student Housing, is the top Investment Sales Advisor in the Student Housing space nationally. Kevin has been in the industry for 28 years and is based in their Southfield office. (Pg. 9)</p> <p>*Kevin Larimer is currently in escrow with the Courtyards on the University of Michigan's Campus. (Pg. 9)</p> <p>*Previous experience with traditional and student housing properties in Ann Arbor. (Pg. 90 & 92)</p>	<p>*This team has closed in excess of 25 transactions that were in receiverships/REO. (Pg. 10)</p> <p>*A court ordered transaction was Slippery Rock Apartments, a student housing property. Huntington Bank was pursuing foreclosure and the court ordered the sale of the property. (Pg. 10)</p> <p>*Additional properties that were in receivership included Novi Ridge Apartments, 204 units, Novi, MI, a three property portfolio of 1,188 units in Taylor and Westland, MI, and Auburn Village Townhomes, 240 units in Pontiac, MI. (Pg. 10)</p>	<p>*Berkadia is a Freddie Mac Program Plus Lender, Fannie Mae DUS Multifamily Seller/Servicer and HUD, MAP and LEAN originator and servicer. They are a correspondent for 40 insurance companies for which they provide non-recourse fixed rate, short, intermediate and long term debt. They also have origination and servicing agreements with the major CMBS conduits. (Pg. 104)</p> <p>*In 2017, Berkadia originated the highest loan volume between Fannie Mae, Freddie Mac and HUD. (Pg. 9)</p> <p>*All types of financing will be closely considered and given the stage of construction, they anticipate a borrower will take advantage of the bridge loan construction market through completion. (Pg. 7)</p> <p>*Debt team thinks they can achieve 3 years IO and 30-year amort. at 80%LTV. (Pg. 82)</p> <p>*Have had discussions with Life Insurance Companies about a bridge-to-perm option. (Interview)</p>	<p>*Will send weekly reports from their reporting system, which is updated every day. (Interview)</p>	<p>*Out to market within a week from getting the listing agreement. (Interview)</p>	<p>*Base fee of 55 bps shall be applied to a sale price of \$75,590,000, plus (+) a 4% incentive fee of any dollar amount over \$75,590,000. (Revised Fee)</p> <p>*This compensation includes any cooperating broker fee; the cost of producing and distributing marketing materials; maintenance of the offering on the Berkadia website, listing-specific Dedicated Property Website and "24/7 Marketing Update System". (Pg. 105)</p>