



MICHIGAN MAGNET FUND

MMF Finances 35 Oakes Street Project

The Michigan Magnet Fund (MMF) announced today that it has closed on loans totaling \$6.34 million to the 35 Oakes Street Project. The Project is a renovation of the Heartside Manor, a dilapidated vacant former hotel located in Grand Rapids, Michigan. It is adjacent to Grid 70, a nationally acclaimed creative ideation hub for design and innovation. To learn more about Grid 70, visit www.Grid70.com

Grid 70 has attracted Amway, Steelcase, Pennant Health Alliance, The Williams Group, Meijer, and Wolverine World Wide as corporate tenants to house their product development professionals. 35 Oakes' proximity to Grid 70 has allowed the Project to be marketed to several prospective tenants who are similar to the Grid 70 participants. This Project will be the tenth building to be redeveloped in the area by the Rockford Development Group, and it is projected to bring approximately 142 permanent jobs to the neighborhood and create 112 jobs during construction.

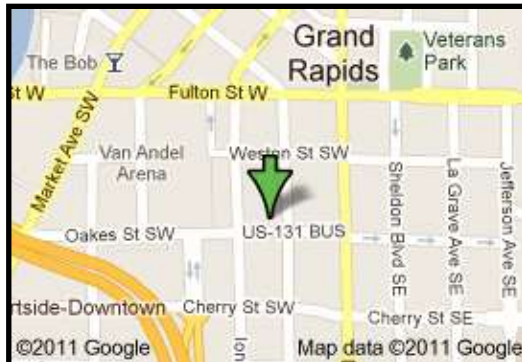


Figure 1 - 35 Oakes SW, Grand Rapids, MI



Figure 2 - Grid 70 Building next to 35 Oakes Street

Rockford Development Group has begun the \$11.0 million redevelopment of the property with a targeted completion date of spring 2013. When complete, the Project will contain approximately 58,000 square feet of commercial space. The New Markets Tax Credit (NMTC) financing will allow Rockford Development Group to offer the space at rent levels that are more competitive with other projects in the Heartside neighborhood. Without the NMTC financing, the Project would not be financially feasible and would not be commercial viable at this time.

Severely Distressed Area

The Project is located in an area that meets the definition of an additional distressed neighborhood with 51.7 percent of its residents living below the poverty rate and with a median family income of only 49.3 percent of the metropolitan area's median family income.

Michigan Magnet Fund

The Michigan Magnet Fund (MMF) is a CDFI Fund certified community development entity that has received NMTC allocations in several different allocation cycles. MMF will use these allocations to make qualified low income community investments throughout Michigan totaling \$145 million. The NMTC is a 39 percent tax credit used to attract private capital that will be used to make qualified investments in low income communities. With the investment in the 35 Oakes Project, MMF has utilized NMTC to raise over \$125 million in Qualified Equity Investments in eighteen projects. These investments resulted in over \$600 million of capital investments in low income neighborhoods throughout Michigan. For more information, visit <http://www.mmfl.org>

Flexible Terms

MMF's loan to the 35 Oakes Project qualifies for NMTC because it was made under terms more flexible than could be realized in the conventional financing markets. These flexible terms include a lower than market interest rate, extended (seven years) interest-only period, loans subordinated to other project financing, higher loan to value ratio, and longer amortization periods.

Financing Structure

The NMTC financing accomplished by The Huntington Community Development Corporation is making a \$1,825,000 equity investment and The Huntington National Bank is providing a loan of \$4,674,800 into the Huntington 35 Oakes Investment Fund. The Investment Fund will utilize the proceeds of the equity contribution and loan to make an investment in an MMF affiliate. The MMF affiliate will use the \$6.5 million to make the Flexible Terms loan to the Project. The balance of the Project cost will be financed through developer equity, a conventional mortgage loan from The Huntington National Bank, Michigan Brownfield Tax Credits, and the Grand Rapids Downtown Development Authority. #