

WB-15 COMMERCIAL OFFER TO PURCHASE

1 BROKER DRAFTING THIS OFFER ON 01/13/2009 [DATE] IS (AGENT OF SELLER) (AGENT OF BUYER) (DUAL AGENT) ~~STRIKE TWO~~
2 **GENERAL PROVISIONS** The Buyer, Wisconsin Redevelopment, LLC (the "WR, LLC") and/or Assigns,
3 offers to purchase the Property known as [Street Address] 2626-32 W. Wells St & 800-18 N. 27th St in the
4 City of Milwaukee, County of Milwaukee, Wisconsin, (Insert additional
5 description, if any, at lines 293 - 297 or attach as an addendum per line 298), on the following terms:
6 **PURCHASE PRICE:** Five Hundred Thousand
7 _____ Dollars (\$ 500,000.00).
8 **EARNEST MONEY** of \$ _____ accompanies this Offer and earnest money of \$ _____
9 will be paid within _____ days of acceptance.
10 **THE BALANCE OF PURCHASE PRICE** will be paid in cash or equivalent at closing unless otherwise provided below.
11 **ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE:** Seller shall include in the purchase price and transfer, free and clear of encum-
12 brances, all fixtures, as defined at lines 117 - 120 and as may be on the Property on the date of this Offer, unless excluded at lines 15 - 16, and
13 the following additional items: all appliances on site
14 _____
15 **ITEMS NOT INCLUDED IN THE PURCHASE PRICE:** *CAUTION: Address rented fixtures or trade fixtures owned by tenants, if*
16 *applicable, hazardous materials*
17 All personal property included in purchase price will be transferred by bill of sale or _____
18 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on separate
19 but identical copies of the Offer. *CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term*
20 *deadlines running from acceptance provide adequate time for both binding acceptance and performance.*
21 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before
22 January 23, 2009. *CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.*
23 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and written notices
24 to a Party shall be effective only when accomplished by one of the methods specified at lines 25 - 34.
25 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account with a com-
26 mercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines 28 or 30 (if any), for delivery to
27 the Party's delivery address at lines 29 or 31.
28 Seller's recipient for delivery (optional): Thomas L. Frenn, Attorney - Petrie & Stocking, S.C. 414-276-2850
29 Seller's delivery address: 111 East Wisconsin Avenue, Milwaukee, WI 53202
30 Buyer's recipient for delivery (optional): Robert O. Lemke on behalf of Wisconsin Redevelopment and/or Assign
31 Buyer's delivery address: 7611 Harwood Avenue, Wauwatosa, WI 53213
32 (2) By giving the document or written notice personally to the Party or the Party's recipient for delivery if an individual is designated at lines 28 or 30.
33 (3) By fax transmission of the document or written notice to the following telephone number:
34 Buyer: (414) 777-0429 Seller: (414) 276-0731
35 **LEASED PROPERTY** If Property is currently leased and lease(s) extends beyond closing, Seller shall assign Seller's rights under said lease(s)
36 and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written)(oral) ~~STRIKE ONE~~ lease(s), if any,
37 are to be provided to Buyer within 5 days of acceptance.
38 **RENTAL WEATHERIZATION** This transaction ~~(is)~~ (is not) ~~STRIKE ONE~~ exempt from State of Wisconsin Rental Weatherization Standards
39 (Wisconsin Administrative Code, Comm 67). If not exempt, (Buyer) (Seller) ~~STRIKE ONE~~ will be responsible for compliance, including all costs.
40 If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.
41 **PLACE OF CLOSING** This transaction is to be closed at the place designated by Buyer's mortgagee or _____
42 _____ no later than April 17, 2009 unless another date or place is agreed to in writing.
43 **CLOSING PRORATIONS** The following items shall be prorated at closing: real estate taxes, rents, water and sewer use charges, garbage pick-
44 up and other private and municipal charges, property owner's association assessments, fuel, payments under governmental agricultural programs
45 and _____. Any income, taxes or expenses shall accrue to Seller and be prorated through
46 the day prior to closing. Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known,
47 otherwise on the net general real estate taxes for the preceding year) (_____)
48 _____). ~~STRIKE AND COMPLETE AS APPLICABLE~~ *CAUTION: If Property has not been fully assessed for*
49 *tax purposes (for example, recent land division or completed/pending reassessment) or if proration on the basis of net general real*
50 *estate taxes is not acceptable (for example, changing mill rate), insert estimated annual tax or other basis for proration.*
51 **PROPERTY CONDITION PROVISIONS**
52 **PROPERTY CONDITION REPRESENTATIONS:** Seller represents to Buyer that as of the date of acceptance Seller has no notice or
53 knowledge of conditions affecting the Property or ~~transaction other than those identified in Seller's Real Estate Condition Report~~
54 dated _____, which was received by Buyer prior to Buyer signing this Offer and which is made a part of this Offer by reference
55 **COMPLETE DATE OR STRIKE AS APPLICABLE** and _____
56 _____ **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT**

57 ■ A "condition affecting the Property or transaction" is defined as follows:

58 (a) planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property or the
59 present use of the Property;

60 (b) government agency or court order requiring repair, alteration or correction of any existing condition;

61 (c) completed or pending reassessment of the Property for property tax purposes;

62 (d) structural inadequacies which if not repaired will significantly shorten the expected normal life of the Property;

63 (e) any land division involving the Property, for which required state or local approvals were not obtained;

64 (f) construction or remodeling on the Property for which required state or local approvals were not obtained;

65 (g) any portion of the Property being in a 100 year floodplain, a wetland or shoreland zoning area under local, state or federal regulations;

66 (h) that a structure on the Property is designated as a historic building or that any part of the Property is in a historic district;

67 (i) material violations of environmental laws or other laws or agreements regulating the use of the Property;

68 (j) conditions constituting a significant health or safety hazard for occupants of the Property;

69 (k) underground or aboveground storage tanks for storage of flammable, combustible or hazardous materials including but not limited to gasoline
70 and heating oil, which are currently or which were previously located on the Property; *NOTE: The Wisconsin Administrative Code contains*
71 *registration and operation rules for such underground storage tanks.*

72 (l) high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;

73 (m) material levels of hazardous substances located on Property or previous storage of material amounts of hazardous substances on Property;

74 (n) other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of the
75 nature and scope of the condition or occurrence.

76 ■ **PROPERTY DIMENSIONS AND SURVEYS:** Buyer and Seller acknowledge that any Property, building or room dimensions, or total acreage
77 or building square footage figures, provided to Buyer or Seller may be approximate because of rounding or other reasons, unless verified by
78 survey or other means. Buyer also acknowledges that there are various formulas used to calculate total square footage of buildings and that total
79 square footage figures will vary dependent upon the formula used. *CAUTION: Buyer should verify total square footage formula, Property,*
80 *building or room dimensions, and total acreage or square footage figures, if material to Buyer's decision to purchase.*

81 ■ **INSPECTIONS:** Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the inspections are
82 reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection reports to Seller, and
83 to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections are
84 completed, unless otherwise agreed with Seller. An "inspection" is defined as an observation of the Property which does not include testing of the
85 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.

86 ■ **TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property. A
87 "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory or other
88 analysis of these materials. If Buyer requires testing, testing contingencies must be specifically provided for at lines 293 - 297 or in an addendum
89 per line 298. Note: Any contingency authorizing such tests should specify the areas of the Property to be tested, the purpose of the test, (e.g., to
90 determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency (e.g.,
91 Buyer's obligation to return the Property to its original condition). Seller acknowledges that certain inspections or tests may detect environmental
92 pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

93 ■ **PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer shall have the
94 right to inspect the Property to determine that there has been no significant change in the condition of the Property, except for ordinary wear and
95 tear and changes approved by Buyer, and that any defects Seller has elected to cure have been repaired in a good and workmanlike manner.

96 ■ **ENVIRONMENTAL SITE ASSESSMENT:** An "environmental site assessment" (also known as a "Phase I Site Assessment") (see lines 279 to
97 283) may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property, including a
98 search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a review of historic and
99 recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued with respect to the Property;
100 (5) an evaluation of results of any environmental sampling and analysis that has been conducted on the Property; and (6) a review to determine
101 if the Property is listed in any of the written compilations of sites or facilities considered to pose a threat to human health or the environment includ-
102 ing the National Priorities List, the Department of Natural Resources' (DNR) registry of Abandoned Landfills, the DNR's Registry of Leaking
103 Underground Storage Tanks, the DNR's most recent remedial response site evaluation report (including the Inventory of Sites and Facilities Which
104 May Cause or Threaten to Cause Environmental Pollution). Any "environmental site assessment" performed under this Offer shall comply with
105 generally recognized industry standards (e.g. current American Society of Testing and Materials "Standards for Environmental Site Assessments for
106 Commercial Real Estate"), and state and federal guidelines, as applicable. *CAUTION: Unless otherwise agreed an*
107 *"environmental site assessment" does not include subsurface testing of the soil or groundwater or other testing of the Property for*
108 *environmental pollution.*

109 ■ **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Seller shall maintain the Property until the earlier of closing or occupancy
110 of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to closing, the
111 Property is damaged in an amount of not more than five per cent (5%) of the selling price, Seller shall be obligated to repair the Property and
112 restore it to the same condition that it was on the day of this Offer. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writ-
113 ing of the damage and this Offer may be canceled at the option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer
114 shall be entitled to the insurance proceeds relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of
115 Seller's deductible on such policy. However, if this sale is financed by a land contract or a mortgage to Seller, the insurance proceeds shall be
116 held in trust for the sole purpose of restoring the Property.

117 **FIXTURES** A "Fixture" is an item of property which is physically attached to or so closely associated with land and improvements so as to be
118 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items
119 specifically adapted to the Property, and items customarily treated as fixtures. A "fixture" does not include trade fixtures owned by tenants of the
120 Property. See Lines 11 to 17.

121 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines 293 -
122 297 or in an addendum per line 298. Occupancy shall be given subject to tenant's rights, if any.

123 **SPECIAL ASSESSMENTS** Special assessments, if any, for work actually commenced or levied prior to date of this Offer shall be paid by Seller
124 no later than closing. All other special assessments shall be paid by Buyer. *CAUTION: Consider a special agreement if area assessments, prop-*
125 *erty owner's association assessments or other expenses are contemplated. "Other expenses" are one-time charges or ongoing use fees for pub-*
126 *lic improvements (other than those resulting in special assessments) relating to curb, gutter, street, sidewalk, sanitary and stormwater and storm*
127 *sewer (including all sewer mains and hook-up and interceptor charges), parks, street lighting and street trees, and impact fees for other public*
128 *facilities, as defined in Wis. Stat. § 66.55(1)(c) & (f).*

129 PROPERTY ADDRESS: 2626-32 W. Wells St. and 800-818 N. 27th Street, Milwaukee WI [page 3 of 5, WB-15]

130 OPTIONAL FINANCING CONTINGENCY: THE CONTINGENCY AT LINES 132 THROUGH 160 IS A PART OF THIS OFFER IF MARKED, SUCH
131 AS WITH AN "X," AT LINE 132. IT IS NOT PART OF THIS OFFER IF IT IS MARKED N/A OR LEFT BLANK.

132 FINANCING CONTINGENCY: This Offer is contingent upon Buyer being able to obtain: CHECK APPLICABLE FINANCING BELOW

133 land contract financing from Seller at closing as further described at lines 136 to 153 and 161 to 168.

134 a See Rider INSERT LOAN PROGRAM (fixed) (adjustable) STRIKE ONE rate first mort-
135 gage loan commitment as further described at lines 136 to 149 and 154 to 178, within _____ days of acceptance of this Offer.

136 The financing selected shall be in an amount of not less than \$ _____ for a term of not less than _____ years, amortized
137 over not less than _____ years. If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be
138 adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to main-
139 tain the term and amortization stated above.

140 IF FINANCING IS FIXED RATE the annual rate of interest shall not exceed _____ % and monthly payments of principal and interest shall
141 not exceed \$ _____.

142 IF FINANCING IS ADJUSTABLE RATE the initial annual interest rate shall not exceed _____ %. The initial interest rate shall be fixed for
143 _____ months, at which time the interest rate may be increased not more than _____ % per year. The maximum interest rate during the
144 mortgage term shall not exceed _____ %. Initial monthly payments of principal and interest shall not exceed \$ _____. Monthly
145 payments of principal and interest may be adjusted to reflect interest changes.

146 MONTHLY PAYMENTS MAY ALSO INCLUDE 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private
147 mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee in an amount not
148 to exceed _____ % of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's other closing
149 costs.) Note: Unless otherwise agreed, Buyer's delivery of any document labeled a loan commitment will satisfy this contingency.

150 IF FINANCING IS BY LAND CONTRACT \$ _____ shall be paid at closing (in addition to earnest money), interest rate following payment
151 default shall be _____ %, the default period shall be _____ days for payments and _____ days for performance of any other
152 obligations. Interest shall be calculated on a prepaid basis. Any amount may be prepaid on principal without penalty at any time. Buyer under-
153 stands that if the term of the land contract is shorter than the amortization period a balloon payment will be due at the end of the term.

154 LOAN COMMITMENT: Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and to provide
155 evidence of application promptly upon request by Seller. If Buyer qualifies for the financing described in this Offer or other financing acceptable
156 to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline for loan commitment at line 135.
157 Buyer's delivery of a copy of any written loan commitment (even if subject to conditions) shall satisfy the Buyer's financing contingency
158 unless accompanied by a notice of unacceptability. **CAUTION: BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER
159 SHOULD NOT DELIVER A LOAN COMMITMENT TO SELLER WITHOUT BUYER'S PRIOR APPROVAL OR UNLESS ACCOMPANIED BY A
160 NOTICE OF UNACCEPTABILITY.**

161 LAND CONTRACT: If this Offer provides for a land contract both Parties agree to execute a State Bar of Wisconsin Form 11 Land Contract, the
162 terms of which are incorporated into this Offer by reference. Prior to execution of the land contract Seller shall provide the same evidence of mer-
163 chantable title as required above and written proof, at or before execution, that the total underlying indebtedness, if any, is not in excess of the pro-
164 posed balance of the land contract, that the payments on the land contract are sufficient to meet all of the obligations of Seller on the underlying
165 indebtedness, and that all creditors whose consent is required have consented to the land contract sale. Seller may terminate this Offer if creditor
166 approval cannot be obtained. Seller may terminate this Offer if Buyer does not provide a written credit report which indicates that Buyer is credit
167 worthy based upon reasonable underwriting standards within 15 days of acceptance. Buyer shall pay all costs of obtaining creditor approval and
168 the credit report. Seller shall be responsible for preparation and the expense of preparation of all closing documentation, including the land contract.

169 FINANCING UNAVAILABILITY: If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable
170 loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection
171 letter(s) or other evidence of unavailability. Unless a specific loan source is named in the financing contingency, Seller shall then have 10 days to
172 give Buyer written notice of Seller's decision to finance this transaction on the same terms set forth in the financing contingency, and this Offer
173 shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and
174 void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

175 SELLER TERMINATION RIGHTS: If Buyer does not make timely delivery of the loan commitment, Seller may terminate this Offer provided that
176 Seller delivers a written notice of termination to Buyer prior to Seller's actual receipt of a copy of Buyer's written loan commitment.

177 **NOTE: IF PURCHASE IS CONDITIONED ON BUYER OBTAINING FINANCING FOR OPERATIONS OR DEVELOPMENT CONSIDER ADDING
178 A CONTINGENCY FOR THAT PURPOSE.**

179 **TITLE EVIDENCE**

180 **CONVEYANCE OF TITLE**: Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other conveyance as
181 provided herein) free and clear of all liens and encumbrances, except municipal and zoning ordinances and agreements entered under them,
182 recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, general taxes levied
183 in the year of closing and See Rider

184 _____ (provided none of the
185 foregoing prohibit present use of the Property), which constitutes merchantable title for purposes of this transaction. Seller further agrees to com-
186 plete and execute the documents necessary to record the conveyance. **WARNING: If Buyer contemplates improving or developing Property,
187 or a change in use, Buyer may need to address municipal and zoning ordinances, recorded building and use restrictions, covenants
188 and easements which may prohibit some improvements or uses. The need for building permits, zoning variances, environmental audits,**

189 *etc., may need to be investigated to determine feasibility of improvements, development or use changes for Property. Contingencies*
 190 *for investigation of these issues may be added to this Offer. See lines 293 to 298.*

191 ■ **FORM OF TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase
 192 price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE EVIDENCE WILL BE GIVEN**
 193 **BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**

194 ■ **PROVISION OF MERCHANTABLE TITLE:** Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence shall be
 195 acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business days before closing,
 196 showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable, subject only to liens
 197 which will be paid out of the proceeds of closing and standard abstract certificate limitations or standard title insurance requirements and excep-
 198 tions, as appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE COMMITMENT PRIOR TO**
 199 **CLOSING, A "GAP ENDORSEMENT" TO THE TITLE COMMITMENT OR AN ESCROW CLOSING.**

200 ■ **TITLE ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by the time set for
 201 closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and the time for closing shall be extend-
 202 ed as necessary for this purpose. In the event that Seller is unable to remove the objections, Buyer shall have 5 days from receipt of notice thereof, to
 203 deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer
 204 shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

205 **DELIVERY/RECEIPT** Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated in all man-
 206 ner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered an original sig-
 207 nature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt by Buyer or Seller.
 208 Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving the notice. A Party may
 209 not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party. The delivery/receipt provi-
 210 sions in this Offer may be modified when appropriate (e.g., when mail delivery is not desirable (see lines 25 - 31)). Buyer and Seller author-
 211 ize the agents of Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies and any other settle-
 212 ment service providers for the transaction.

213 **DATES AND DEADLINES** Deadlines expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the day the
 214 event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as a specific num-
 215 ber of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day designated by the President
 216 such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours"
 217 from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours per calendar day.
 218 Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

219 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A material
 220 failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or other legal remedies.

221 **If Buyer defaults, Seller may:**

222 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or

223 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct Broker to return the
 224 earnest money and have the option to sue for actual damages.

225 **If Seller defaults, Buyer may:**

226 (1) sue for specific performance; or

227 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

228 In addition, the Parties may seek any other remedies available in law or equity.

229 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the courts.
 230 If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above. By agreeing
 231 to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement. **NOTE: IF**
 232 **ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS DOCUMENT**
 233 **CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW**
 234 **FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT**
 235 **CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

236 **EARNEST MONEY**

237 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's agent if Property
 238 is not listed or seller if no broker is involved), until applied to purchase price or otherwise disbursed as provided in the Offer. **CAUTION: Should**
 239 **persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties or an attorney. If someone other**
 240 **than Buyer makes payment of earnest money, consider a special disbursement agreement.**

241 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance from payor's
 242 depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall be disbursed
 243 according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written disbursement
 244 agreement signed by all Parties to this Offer (Note: Wis. Adm. Code § RL 18.09(1)(b) provides that an offer to purchase is not a written disbursement
 245 agreement pursuant to which the broker may disburse). If the disbursement agreement has not been delivered to broker within 60 days after the date
 246 set for closing, broker may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer
 247 or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other
 248 disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and
 249 broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement.

250 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this Offer.
 251 Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1) or (4) above, broker
 252 shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's proposed disbursement, a lawsuit
 253 may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the
 254 sale of residential property with 1-4 dwelling units and certain other earnest money disputes. The Buyer and Seller should consider consulting attor-
 255 neys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith
 256 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing regulations concerning earnest
 257 money. See Wis. Adm. Code Ch. RL 18. **NOTE: WISCONSIN LICENSE LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CON-**
 258 **CERNING THE LEGAL RIGHTS OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR**
 259 **CONVEYANCE. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.**

260 PROPERTY ADDRESS: 2626-32 W. Wells St. and 800-818 N. 27th Street, Milwaukee WI [page 5 of 5, WB- 15]

261 **TIME IS OF THE ESSENCE** "TIME IS OF THE ESSENCE" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy;
262 (4) date of closing; (5) contingency deadlines **STRIKE AS APPLICABLE** and all other dates and deadlines in this Offer except
263 _____ . If "Time is of the Essence"

264 applies to a date or deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does not apply
265 to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

266 **DOCUMENT REVIEW CONTINGENCY:** This Offer is contingent upon Seller delivering the following documents to Buyer within
267 30 days of acceptance: **CHECK THOSE THAT APPLY**

268 Documents evidencing that the sale of the Property has been properly authorized, if Seller is a business entity.
269 A complete inventory of all furniture, fixtures and equipment included in this transaction which is consistent with
270 representations made prior to and in this Offer.

271 Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property
272 to be free and clear of all liens, other than liens to be released prior to or at closing.

273 Other **Written Evidence that City of Milwaukee will provide additional \$350,000 to**
274 **complete project and written statement of all funding restrictions per attached Rider** .

275 This contingency shall be deemed satisfied unless Buyer, within 30 days of the earlier of receipt of the final record to be delivered or the dead-
276 line for delivery of the documents, delivers to Seller a written notice indicating that this contingency has not been satisfied. The notice shall iden-
277 tify which document(s) have not been timely delivered or do not meet the standard set forth for the document(s).

278 **ENVIRONMENTAL EVALUATION/INSPECTION CONTINGENCY:** This Offer is contingent upon: **CHECK THOSE THAT APPLY**

279 A qualified independent environmental consultant of Buyer's choice conducting an environmental site assessment of the Property (see
280 lines 96 to 108), at (Buyer's)(Seller's) expense **STRIKE ONE** , which discloses no defects. A defect is defined as a material violation of
281 environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the presence of an
282 underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of contaminating the
283 Property due to future migration from other properties.

284 A qualified independent inspector of Buyer's choice conducting an inspection of the Property and _____
285 _____ , at (Buyer's)(Seller's) expense **STRIKE ONE** , which discloses no defects.
286 A defect is defined as a structural, mechanical or other condition that would have a significant adverse effect on the value of the Property; that
287 would significantly impair the health and safety of future occupants of the Property; or that if not repaired, removed or replaced would
288 significantly shorten or have a significantly adverse effect on the expected normal life of the Property.

289 This contingency shall be deemed satisfied unless Buyer, within 30 days of acceptance, delivers to Seller a copy of the environmental site
290 assessment/inspection report(s) and a written notice listing the defect(s) identified in the environmental site assessment/inspection report(s) to
291 which Buyer objects. Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before
292 signing the Offer. Buyer agrees to deliver a copy of the report and notice to listing broker, if Property is listed, promptly upon delivery to Seller.

293 **ADDITIONAL PROVISIONS/CONTINGENCIES** See Rider _____
294 _____
295 _____
296 _____
297 _____

298 **ADDENDA:** The attached SSO Short Sale Addendum is/are made part of this Offer.

299 **THIS OFFER, INCLUDING ANY AMENDMENTS TO IT, CONTAINS THE ENTIRE AGREEMENT OF THE BUYER AND SELLER REGARDING**
300 **THE TRANSACTION. ALL PRIOR NEGOTIATIONS AND DISCUSSIONS HAVE BEEN MERGED INTO THIS OFFER. THIS AGREEMENT**
301 **BINDS AND INURES TO THE BENEFIT OF THE PARTIES TO THIS OFFER AND THEIR SUCCESSORS IN INTEREST.**

302 This Offer was drafted on 01/13/2009 [date] by [Licensee and firm] _____

303 (X) _____
304 Buyer's Signature ▲ Print Name Here: ► Social Security No. or FEIN (optional) ▲ Date ▲

305 (X) _____
306 Buyer's Signature ▲ Print Name Here: ► Social Security No. or FEIN (optional) ▲ Date ▲

307 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 8 of the above Offer. (See Lines 236 - 259)
308 _____ Broker (By)

309 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING**
310 **AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS**
311 **SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.**

312 (X) _____
313 Seller's Signature ▲ Print Name Here: ► Social Security No. or FEIN (optional) ▲ Date ▲

314 (X) _____
315 Seller's Signature ▲ Print Name Here: ► Social Security No. or FEIN (optional) ▲ Date ▲

316 This Offer was presented to Seller by _____ on _____, _____, at _____ a.m./p.m.

317 **THIS OFFER IS REJECTED** _____ **THIS OFFER IS COUNTERED** [See attached counter] _____
318 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

ADDENDUM SSO TO THE OFFER TO PURCHASE - SHORT SALE

1 This Addendum is attached to and made part of the Offer to Purchase dated January 13, 2009 made by the
2 Buyer WR, LLC and/or Assigns with respect to the Property at 2626-32 W. Wells St. and 800-818 <
3 Milwaukee, Wisconsin.

4 ■ **SHORT SALE DEFINED:** The sale of the Property is a short sale: the sales price is not enough to pay all debts and
5 obligations secured by the mortgages and other liens on the Property, together with closing costs. Seller must pay
6 additional money at closing to cover the shortage or negotiate a written agreement with the lender whereby the lender will
7 accept less than what is actually owed to release the mortgage on the Property. Although this addendum refers to "lender,"
8 "loan" and "mortgage" in the singular, Seller and Buyer acknowledge that multiple lienholders and lenders may need to
9 release their mortgages and liens in exchange for less than the balances owed in order to provide clear title to the Property.

10 ■ **LENDER APPROVAL CONTINGENCY:** The Offer is contingent upon approval of the terms and conditions of this Offer by
11 each lender accepting a reduced payment. Seller shall promptly submit this accepted offer to Seller's lender, along with any
12 other documentation required by the lender that has not already been sent. (In some cases Seller's financial information will
13 have already been submitted to Seller's lender, but in other cases it may not have been done yet.) If a lender's approval of
14 the sale is conditioned upon modification of certain terms and conditions of this Offer, those changes are not binding upon
15 Buyer and Seller without the parties' mutual consent expressed in an amendment to this Offer. The sale is considered
16 approved by the lender when the Offer has been amended to incorporate the terms required by the lender or when lender's
17 approval is received by Seller if no Offer modifications are necessary.

18 **THE FOLLOWING PROVISIONS ARE A PART OF THIS ADDENDUM ONLY IF MARKED, SUCH AS WITH "X":**

19 **"AS IS:"** Seller is selling the Property "as is." Seller has not made any warranty or representations regarding the
20 condition of the Property and will not make any repairs or cure any defects. Accordingly, Buyer is responsible for
21 determining the condition of the Property and has included all necessary inspection and testing contingencies in this Offer.

22 **DEADLINES RUN FROM TIME OF LENDER APPROVAL:** All deadlines (excluding the deadline(s) for payment of
23 earnest money), such as for the financing contingency and the home inspection contingency, shall run from the time the
24 lender approves the sale instead of acceptance of the offer.

25 **DEADLINE FOR LENDER APPROVAL:** If Seller has not obtained all needed lender approvals on or before
26 January 30, 2009, Buyer may terminate this Offer by written notice to Seller, no later than five days after the
27 lender approval deadline, and Buyer's earnest money shall be promptly returned.

28 ■ **ADDITIONAL PROVISIONS:**

29 _____
30 _____
31 _____
32 _____
33 _____
34 _____
35 _____
36 _____
37 _____

38 _____
39 (Buyer's Signature) ▲ (Date) ▲ (Buyer's Signature) ▲ (Date) ▲

40 _____
41 (Seller's Signature) ▲ (Date) ▲ (Seller's Signature) ▲ (Date) ▲

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No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.

RIDER TO WB-15 COMMERCIAL OFFER TO PURCHASE

The following terms and conditions for this RIDER TO WB-15 COMMERCIAL OFFER TO PURCHASE (the "Rider") are made a part of the attached completed WB-15 Commercial Offer to Purchase form (the "Form") for the real property identified in Lines 3-5 of WB-15 Offer to Purchase (the "Property"), by and between the undersigned WISCONSIN PRESERVATION FUND, INC and/or ASSIGNS (the "Buyer") and WEST POINTE LLC (the "Seller"). In the event of any conflict between the terms and conditions of this Rider and the terms and conditions of the remaining portions of the Form, the terms of this Rider shall control. The Form and this Rider are hereinafter collectively referred to as the "Offer". All capitalized terms not defined herein shall be used as defined in the Form.

1. Financing Contingency: This Offer is contingent on all of the following:
 - a. City of Milwaukee executing agreement with Buyer to provide \$350,000 in HOME funds on terms that are satisfactory to the Buyer.
 - b. Short Sale agreements from all current lenders and mortgage holders guaranteeing a lien free building.
 - c. Buyer securing a permanent non-recourse loan in the amount of \$615,382 with a fixed 10 year term, 30 year amortization and a 5.75% interest rate.
 - d. No additional City of Milwaukee HOME funds will be sought.
2. Construction Renovation Contingency: This Offer is contingent on Buyer completing a thorough inspection of the building and developing a detailed scope of work which will then be used to secure a Guaranteed Maximum Price construction contract (the GMP") to complete all renovations necessary on the property to secure occupancy certificates for all leaseable spaces. Scope of work will outline all work necessary to provide a marketable property that is weather tight, in good working order with an above standard quality of workmanship and economically viable. This Offer is contingent on the GMP not exceeding \$350,000.
3. Condominium Documents: Seller to provide Buyer with completed condominium documents ready for recording.
4. Marketing: Buyers shall be allowed to begin marketing all leaseable spaces upon acceptance of this Offer.
5. Assignment: Buyer may assign its rights under this Offer at any time.

Dated this _____ day of January, 2009

WISCONSIN REDEVELOPMENT, LLC
On behalf of Wisconsin Redevelopment, LLC
and/or Assigns

Dated this _____ day of January, 2009

WEST POINTE LLC

WEST POINTE SQUARE - RENT TO OWN
PRELIMINARY PROFORMA



3316 N. Summit Avenue
Milwaukee, WI 53211
414-964-2222
414-961-2223 (fax)

1/29/2009

SOURCES

	RESIDENTIAL	COMMERCIAL	TOTAL
Limited Partner Equity			
State Historic Equity	0		
Federal Historic Equity	0.00%		
State Affordable Housing Equity	0		
Federal Acquisition Equity	0		
Federal Affordable Housing Equity	0		
Total Limited Partner Equity	\$0	\$0	\$0
Managing Member Equity	0	0	0
Deferred Acquisition	0	0	0
Municipal Loans			
First Mortgage (by Supported Proportion and Total)	268,850	346,532	615,382
2nd Mortgage - HOME	0	0	0
FHLB	0	0	0
Utilities	0	0	0
Foundations	0	0	0
TIF Loans	0	0	0
County Economic Development Grants	0	0	0
HOME	350,000		350,000
*Remaining GAP addressed through grants, cost cutting, lower interest rates and equity	98,125	-96,896	1,229
TOTAL SOURCES	\$716,975	\$249,636	\$966,610

TOTAL REQUIREMENTS - From Page 1

\$966,610

Debt Service Coverage Ratio

1.30

1.30

WEST POINTE SQUARE-RENT TO OWN
PRELIMINARY PROFORMA
 14 TOWNHOUSE APARTMENTS WITH OPTION TO PURCHASE
 ESTIMATED REQUIREMENTS

1/29/2009

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2828000
 \$269,982 * 100% Affordable Housing Option
 \$18,570 Per Unit Const. Costs *
 5.75% Interest Rate
 6.00% Construction Interest Rate

Date: 1/29/2009
 \$344,618

	Total Costs	Commercial Costs	Residential Costs
(1) Acquisition Building	450,000	150,000	300,000
(1) Acquisition land	50,000	10,000	40,000
Total Acquisition	\$500,000	\$160,000	\$340,000
Site Work	0 **	0	0
(1) Landscaping/DEMO	10,000 **	0	10,000
Total Site Work	\$10,000	\$0	\$10,000
(1) Rehabilitation Commercial	89,636	89,636	0
Parking	0	0	0
Rehabilitation Hard Costs Residential	210,000	0	210,000
Total Building Rehabilitation	\$299,636	\$89,636	\$210,000
General Conditions	12,000 **	0	12,000
CM Overhead	6,000 **	0	6,000
CM Profit	0 **	0	0
Appliances and other finishes	15,000	0	15,000
Total GC, OH & P related	\$35,000	\$0	\$35,000
Contingency-Project	8,989 **	0	8,989
Contingency-Owner	5,993	0	5,993
Total Contingency	\$14,982	\$0	\$14,982
Architect	5,993 **	0	5,993
Legal - GP	5,000	0	5,000
Predevelopment Costs	0	0	0
Total Professional Fees	\$10,993	\$0	\$10,993
Insurance	9,000	0	9,000
Construction Interest	\$1,000,000 for 6 mo	0	15,000
Financing Costs	5,000	0	5,000
R.E. Taxes	5,000	0	5,000
Total Interim Construction Costs	\$34,000	\$0	\$34,000
(1) Origination Fee	0	0	0
Title/Recording	5,000	0	5,000
Counsel's Fee	5,000	0	5,000
Permanent Financing Costs	\$10,000	\$0	\$10,000
Appraisal	3,000	0	3,000
Market Study	0	0	0
Environmental	1,000	0	1,000
Survey	0	0	0
(1) State Tax Credit Fees	0	0	0
(1) Marketing	8,000	0	8,000
TC Application	0	0	0
Cost Certification	3,000	0	3,000
Miscellaneous	3,000	0	3,000
Total Soft Costs	\$18,000	\$0	\$18,000
(1) LLC Organization	3,000	0	3,000
(1) Tax Opinion	1,000	0	1,000
Total Syndication Costs	\$4,000	\$0	\$4,000
Developer's Costs	0	0	0
Developer's Fee	\$0	\$0	\$0
Total Developer's Costs	\$0	\$0	\$0
(1) First Year Rent Up Reserve	15,000	0	15,000
(1) Operation Reserve	15,000	0	15,000
Total Development Related Costs	\$30,000	\$0	\$30,000
TOTAL REQUIREMENTS	\$966,610	\$966,610	\$716,975
(1) Non-Eligible Basis Cost	350000	\$249,536	\$966,610

\$344,636

WEST POINTE SQUARE - RENT TO OWN
PRELIMINARY PROFORMA

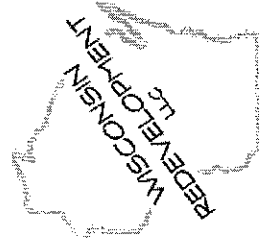
1/29/2009

SQUARE FOOTAGES

Buildings	Net SF	Total Residential	Total Commercial
COMMUNITY	0	0	0
Commercial	6,077	0	6,077
Apartments	24,000	24,000	0
Parking	0	0	0
Apartments	0	0	0
Subtotal	30,077	24,000	6,077

Totals	30,077	24,000	6,077
Percentages		79.80%	20.20%

NOTE: ALL SQUARE FOOTAGES MUST BE VERIFIED!!



PRELIMINARY RENTAL ASSUMPTIONS

SOURCES

1/29/2009

RESIDENTIAL		Minimum Monthly Rent (1)	Unit Mix	Unit	Gross Monthly	WREDA Mex. (Inc. Utilities)	Monthly Income	Annual Income	rent to own proposed rent	resident equity build up per month	proposed sale prices
Total # of Units	LI Units	\$0	4 Bdrm	157	\$772	\$1,048	3,650	44,200	\$ 650.00	\$ 35.00	\$55,000 to \$85,000
0	6	615	3 Bdrm	135	735	907	0	0	0	0	0
<50% Units	0	475	2 Bdrm	135	610	756	0	0	0	0	0
50%	7	450	1 Bdrm	450	630	3,150	37,800	0	485.00	35.00	\$45,000 to \$60,000
50%	0	565	3 Bdrm	565	955	722	0	0	0	0	0
50%	0	460	2 Bdrm	135	595	694	0	0	0	0	0
40%	6	0	2 Bdrm	0	0	0	0	0	0	0	0
30%	1	0	1 Bdrm	0	0	0	0	0	0	0	0
Subtotal:	13	160,00%									
Market Rate Units	0	\$700	2 Bdrm					\$0			
1	1	400	3 Bdrm					4,800	435.00	35.00	\$50,000 to \$65,000
community space	0				400 sq ft			0			
Subtotal:	1	0.00%									
Total	14						\$7,240	\$86,880			

Sub-Total Residential Income \$86,880

OTHER INCOME		Monthly	Annual Income
Laundry		\$0	\$0
Vending		\$0	\$0
Management Unit Rental - see above		0	0
Commercial Master Lease		0	0
Parking		0	0
Sub-Total Other Income		0	0
TOTAL RESIDENTIAL INCOME:			\$86,880

Total Residential Income minus Commercial Master Lease: 86,880

40% at 50% = 5.8 Units

Commercial	SF	Net Rental Rate (2)	Annual Income
space 1	1,322 sf	\$6.50 per sf	\$8,593.00
space 2	978 sf	\$6.75 per sf	\$6,601.50
space 3	978 sf	\$6.75 per sf	\$6,601.50
space 4	971 sf	\$6.75 per sf	\$6,554.25
space 5	971 sf	\$6.75 per sf	\$6,554.25
space 6	857 sf	\$6.75 per sf	\$5,784.75
Total	6,077		\$40,689.25

SUMMARY	
Sub-Total Residential	\$86,880
Sub-Total Other Income	0
Total Residential	\$86,880
Total Commercial	\$40,689
Total Income:	\$127,569

(1) Residents responsible for utilities
 (2) Triple Net Rental Rate, Tenants are responsible for utility costs



3316 N. Summit Avenue
 Milwaukee, WI 53211
 414-864-2222...414-861-2223 (fax)
 www.4-abc.com

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Milwaukee County Rents

Family S	1	2	3	4	5	6	7
28,200	32,280	36,300	40,320	43,550	46,800	49,980	
60%	26,900	30,250	33,600	36,300	39,000	41,650	
50%	23,500	26,900	30,250	33,600	36,300	39,000	
HOME	21,320	24,200	26,880	29,040	31,200	33,320	
40%	18,800	21,320	24,200	26,880	29,040	31,200	
30%	14,100	16,140	18,150	20,160	21,780	23,400	

Gross Allowable Rents:

Bedroom	1	2	3	4	5	6
705	756	907	1048	1,170	1,290	###
60%	630	756	873	975	1,075	###
50%	587	795	839	937	1,075	###
HOME	408	605	699	780	860	941
40%	470	504	582	645	705	705
30%	352	453	524	585	645	705

Utility Allowances:

Bedroom	1	2	3	4	5	6
705	0	101	117	0	0	0
60%	0	101	117	0	0	0
50%	0	101	117	0	0	0
HOME	0	101	117	0	0	0
40%	0	101	117	0	0	0
30%	0	101	117	0	0	0

Net Allowable Rents:

Bedroom	1	2	3	4	5	6
705	756	806	931	1,170	1,290	###
60%	630	655	756	975	1,075	###
50%	587	694	722	937	1,075	###
HOME	408	504	582	780	860	941
40%	470	504	582	780	860	941
30%	352	352	407	585	645	705

Actual Rents

Bedroom	1	2	3	4	5	6
705	600	615	615	4	5	6
60%	0	0	0	0	0	0
50%	0	0	565	0	0	0
HOME	0	0	0	0	0	0
40%	0	0	0	0	0	0
30%	0	0	0	0	0	0

Incomes:

Bedroom	1	2 bedrooms	3 Bedrooms
705	21,818	36,300	22,364
60%	0	30,250	0
50%	0	30,250	0
HOME	0	20,545	20,545
40%	0	24,200	27,960
30%	0	18,150	20,970

PRELIMINARY INCOME AND EXPENSE ASSUMPTIONS

1/29/2009

RESIDENTIAL ONLY

Rents - Residential (utilities by tenants)	\$86,880
Rents - Commercial (NNN)	0
Other Income	0
Subtotal Income	86,880
Vacancy Allowance	(6,950)
1.1 Units	\$79,930
TOTAL NET RESIDENTIAL INCOME	\$79,930
Operating Expenses	44,698
Real Estate Taxes	6,956
TOTAL OPERATING EXPENSES	\$51,654
Net Operating Income	\$27,975
Annual Capital Reserve	\$125 per unit
Annual Operating Reserve	\$125 per unit
Total Reserves	\$1,750
TOTAL NET INCOME	\$24,475

Second Mortgage Requirements	
AFR	5.00%
Amortization:	30 years
Loan Amount:	0
Annual P&I payments	\$0

MAXIMUM SUPPORTABLE FIRST MORTGAGE CALCULATIONS

Interest Rate	5.75%
Amortization:	30 years
Mortgage Calculation Based on CAP Rate	
Cap Rate	9.00%
Property Value	\$271,948
Loan to Value Ratio	80.00%
Maximum Supportable Mortgage	\$217,559
Yearly P & I Payments	\$16,385
Debt Coverage Ratio based on NOI:	1.82
Debt Coverage Ratio based on TNI:	1.59
Project's Maximum Supportable Mortgage:	\$258,850
Mortgage:	\$273,448
Min. Acceptable DCR based on NOI:2nd:	1.30
Income Available for Debt Service	\$18,827
Maximum Supportable Mortgage	\$269,650

cash flow \$5,848

Blended Rate Calculation	
First Mortgage	5.75%
HOME Mortgage at AFR	6.00%
HOME Mortgage at AFR	5.88%

COMMERCIAL ONLY

Rents - Residential (utilities by tenants)	\$0
Rents - Commercial (NNN)	40,689
Other Income	0
Subtotal Income	40,689
Vacancy Allowance	(6,103)
15.00%	\$34,586
TOTAL NET COMMERCIAL INCOME	\$34,586
Operating Expenses	0
Real Estate Taxes	0
TOTAL OPERATING EXPENSES	\$0
Net Operating Income	\$34,586
Annual Capital Reserve	\$0.25 per sq ft
Annual Operating Reserve	\$0.25 per sq ft
Total Reserves	1,519
TOTAL NET INCOME	\$31,547

Second Mortgage Requirements	
AFR	5.00%
Amortization:	30 years
Loan Amount:	0
Annual P&I payments	\$0

MAXIMUM SUPPORTABLE FIRST MORTGAGE CALCULATIONS

Interest Rate	5.75%
Amortization:	30 years
Mortgage Calculation Based on CAP Rate	
Cap Rate	9.00%
Property Value	\$350,526
Loan to Value Ratio	80.00%
Maximum Supportable Mortgage	\$280,421
Yearly P & I Payments	\$19,930
Debt Coverage Ratio based on NOI:	1.74
Debt Coverage Ratio based on TNI:	1.59
Project's Maximum Supportable Mortgage:	\$346,532
Mortgage:	\$352,459
Min. Acceptable DCR based on NOI:2nd:	1.30
Income Available for Debt Service	\$24,267
Maximum Supportable Mortgage	\$346,532

cash flow 7,280

Blended Rate Calculation	
First Mortgage	5.75%
HOME Mortgage at AFR	6.00%
HOME Mortgage at AFR	5.88%

RESIDENTIAL & COMMERCIAL COMBINATION

Rents - Residential (utilities by tenants)	\$86,880
Rents - Commercial (NNN)	40,689
Other Income	0
Subtotal Income	127,569
Vacancy Allowance	(13,054)
TOTAL NET RESIDENTIAL & COMMERCIAL INCOME	\$114,515
Operating Expenses	44,698
Real Estate Taxes	6,956
TOTAL OPERATING EXPENSES	\$51,654
Net Operating Income	\$62,561
Annual Capital Reserve	\$0.25 per sq ft
Annual Operating Reserve	\$0.25 per sq ft
Total Reserves	3,289
TOTAL NET INCOME	\$58,023

TOTAL SUPPORTABLE FIRST MORTGAGE	
TOTAL SECOND MORTGAGE	\$0
TOTAL PERMANENT FINANCING:	\$615,382

MAXIMUM SUPPORTABLE TOTAL MORTGAGE CALCULATIONS

Interest Rate	5.75%
Amortization:	30 years
Mortgage Calculation Based on CAP Rate	
Cap Rate	9.00%
Property Value	\$695,125
Loan to Value Ratio	80.00%
Maximum Supportable Mortgage	\$556,100
Yearly P & I Payments	\$38,325
Debt Coverage Ratio based on NOI:	1.59
Debt Coverage Ratio based on TNI:	1.42
Project's Maximum Supportable Mortgage:	\$615,382
Mortgage:	\$615,382
Min. Acceptable DCR based on DCR:	1.30
Income Available for Debt Service	\$43,094
Maximum Supportable Mortgage	\$615,382

cash flow \$12,929

Blended Rate Calculation	
First Mortgage	5.75%
HOME Mortgage at AFR	6.00%
HOME Mortgage at AFR	5.88%



WEST-POINTE SQUARE -RENT TO OWN
PRELIMINARY PROFORMA

1/28/2009

DETAILED OPERATING EXPENSES
AFTER ABSORPTION

ADMINISTRATIVE	
Advertising	\$1,500
Management	\$4,796
Legal	1,000
Accounting	2,000
WHEBA	0
WHEBA Inspections	0 (\$10 per unit, min. \$150, Max. \$350)
Other	25
Subtotal	\$9,321

MAINTENANCE	
Decorating	750
Repairs	2015
Externitnating	750
Grounds	1000
Other	25
Subtotal	\$4,540

OPERATING	
Elevator	3,000
Fuel (heating & hot water)	0
Lighting & misc. power	0
Water/Sewer	3,000
Gas	2,000
Trash Removal	2,250
Payroll/Payroll Taxes	3,000
Hazard Insurance	10,000
Common area electric	3,000
Supplies	1,832
Snow Removal	3,500
Support Service Expenses	
Other	750
Subtotal	\$32,332

OTHER NEED TO REDUCE IF NEGATIVE **-\$1,195** **\$31,137**

ANNUAL REPLACEMENT RESERVES **\$0**

REAL ESTATE TAXES **\$6,956**

TOTAL OPERATING EXPENSES **\$51,954** **65.00% of total income** **\$ 309 puppm**

WISCONSIN
REDEVELOPMENT

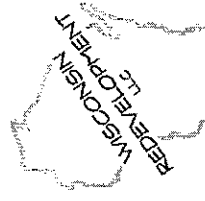
\$ 51,954.24	per unit annually
\$ 3,711.02	PUPPM
\$ 308.25	Utilities
\$ 88.00	Total PUPPM
\$ 397.25	Total PUPPM

**WEST POINTE SQUARE - RENT TO OWN
PRELIMINARY PROFORMA**

PROJECT AT A GLANCE

	State HTC	Fed. HTC	State LIHTC	Fed. Acq.	Fed. LIHTC	WHEDA ALLOWED
Total Project Cost	\$966,610					
Basis	320,110		265,520	0	0	265,520
Grants	0		0	0	0	0
Deduct Fed. Hist. Credits (Res. Portion Only):						
Subtotal	320,110		265,520	0	0	265,520
Residential Fraction: 100.00%			100.00%	100.00%	100.00%	100.00%
Residential Basis:	265,520		265,520	0	0	265,520
Qualified Census Tract x 30%? YES			79,656			79,656
Project Eligible Basis	0		345,175	0	0	345,175
Applicable Fraction: 100.00%	NA	NA	100.00%	100.00%	100.00%	100.00%
Qualified Basis	NA	NA	345,175	0	0	345,175
Applicable Rate	5.000%	20.000%	0.000%	3.600%	8.030%	8.030%
Credit Amount Calculated:	0	0	0	0	0	27,718
Total Credit over 10 years	0	0	0	0	0	277,176
Price Per Credit:	\$0.500	\$0.900	\$0.500	\$0.800	\$0.000	\$0.000
Equity Raised:	\$0	\$0	\$0	\$0	\$0	\$0

	Residential	Commercial	Combination
Maximum Available Equity	\$0	0	\$0
First Mortgage	268,850	346,532	615,382
Second Mortgage	0	0	0
Deferred Sale	0	0	0
Shortfall	(448,125)	96,896	(351,229)



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WEST POINTE SQUARE - RENT TO OWN



SUMMARY PAGE

Assumptions

Number of Apartments	14	at	\$517	average monthly rent
St. Vincent Rental Commitment		at	\$6,554	Annually on NNN Basis
Historic Tax Credits:	25%	at	\$0.80	
Affordable Housing Tax Credits:	100%	at	\$0.00	

REQUIREMENTS

	Residential Spaces	Commercial Spaces	Total Costs
A Total Acquisition	\$340,000	\$160,000	\$500,000
B Total Site Work	10,000	0	10,000
C Total Building Rehabilitation	210,000	89,636	299,636
C Total GC, CM, OH & P	35,000	0	35,000
C	245,000	89,636	334,636
D Total Contingency	14,982	0	14,982
A-D	609,982	249,636	859,618
E Total Professional Fees	10,993	0	10,993
F Total Interim Construction Costs	34,000	0	34,000
G Permanent Financing Costs	10,000	0	10,000
H Total Soft Costs	16,000	0	16,000
I Total Syndication Costs	4,000	0	4,000
J Total Developer's Fees	0	0	0
K Total Development Related Costs	30,000	0	30,000
E-K	106,993	0	106,993
TOTAL REQUIREMENTS	716,975	249,636	966,610

SOURCES

Tax Credit Equity:	0	0	0
First Mortgage:	268,650	346,532	615,182
HOME Funds:	0	0	0
Deferred Acquisition Loan:	0	0	0
Deferred Development Fee:	0	0	0
Remaining GAP:	86,125	-96,996	-1,229
			500,000

XVII. DEVELOPMENT COSTS

Itemized Costs	Total Cost of BOTH COMMERCIAL AND RESIDENTIAL Space.		Eligible Basis by Credit Type 70% Present Value (9% Credit)
	RESIDENTIAL portion Only	RESIDENTIAL portion Only	
A. Purchase Land/Buildings			
Land	\$50,000	\$40,000	NA
Existing structures	\$450,000	\$300,000	NA
Demolition		\$	
Other:			NA
Other:			NA
Purchase Land/Buildings Subtotal	\$500,000	\$340,000	\$0
B. Site Work			
Site work	\$0	\$0	\$0
Off-site improvements			
Landscaping*	\$10,000	\$10,000	\$0
Other:			
Other:			
Sitework Subtotal	\$10,000	\$10,000	\$0
C. Rehabilitation/New Construction**			
New building			
Rehabilitation	\$299,636	\$210,000	\$210,000
Accessory buildings (garages, etc.)			
General requirements***	\$12,000	\$12,000	\$12,000
Contractor overhead***	\$8,000	\$8,000	\$8,000
Contractor profit***	\$0	\$0	\$0
Construction supervision:	\$15,000	\$15,000	\$15,000
Other:			
Rehabilitation/Construction Subtotal	\$334,636	\$245,000	\$245,000

* Landscaping costs may not be eligible expenses. Include only those which are eligible. Refer to IRS TAM# 20004405, July 14, 2000.

TAM# 20004405, July 14, 2000.

** All line items in Part C must be completed in review 1 if an identity of interest exists between contractor and developer and in all applications by review 3.

*** General requirements, contractor overhead, and contractor profit are limited to 14% in aggregate, based on the construction costs.

Itemized Costs	1 Total Cost of BOTH COMMERCIAL AND RESIDENTIAL Space.	2 Total Cost of RESIDENTIAL portion Only	3 Eligible Basis by Credit Type 70% Present Value (9% Credit)
D. Contingency			
Construction contingency	\$8,989	\$8,989	\$8,989
Contingency-Owner	\$5,993	\$5,993	\$5,993
Other:			
Contingency Subtotal	\$14,982	\$14,982	\$14,982
Construction Cost Subtotal (Categories A-D)			
	\$859,618	\$609,982	\$259,982
E. Architectural/Engineering Fees			
Architect fee-design*	\$5,993	\$5,993	\$5,993
Architect fee-supervision			
Real estate attorney	\$5,000	\$5,000	\$5,000
Consultant/processing agent**			
Other: Surveys, Engineering, Etc.	\$0	\$0	\$0
Other:			
Other:			
Other:			
Architectural/Engineering Fees Subtotal	\$10,993	\$10,993	\$10,993
F. Interim/Construction Costs			
Construction insurance	\$9,000	\$9,000	\$9,000
Construction interest	\$15,000	\$15,000	(\$34,455)
Construction loan			
Origination fee***	\$5,000	\$5,000	\$0
Credit enhancement			
Real estate taxes	\$5,000	\$5,000	\$5,000
Interim/Construction Costs Subtotal	\$34,000	\$34,000	(\$20,455)

*Architectural fees are limited to \$2,500 for new construction and \$3,000 for rehabilitation.

**Construction supervision, consultant fees, developer fees and developer overhead are limited to a combined 15% of total development costs for new developments with 24 units or less and to 12% for those with more than 24 units. Those same fees are subject to greater restrictions for the acquisition portion of acquisition/rehab projects. (See Appendix K for more detail).

***If the construction lender and permanent lender are same entity, the origination fee is not allowed in eligible basis. Additionally, rehabilitation developments are subject to greater restrictions. (See Appendix K for more detail).

Itemized Costs	1 Total Cost of BOTH COMMERCIAL AND RESIDENTIAL Space.	2 Total Cost of RESIDENTIAL portion Only	3 Eligible Basis by Credit Type 70% Present Value (9% Credit)
G. Financing Fees/Expenses			
Bond premium			
Credit report			
Permanent loan			
Origination fee	\$0	\$0	\$0
Credit enhancement			
Underwriter's discount			
Title and recording	\$5,000	\$5,000	\$5,000
Counsel's fee	\$5,000	\$5,000	\$0
Other:			
Other:			
Financing Fees/Expenses Subtotal	\$10,000	\$10,000	\$5,000
H. Soft Costs			
Property appraisal (feasibility)	\$3,000	\$3,000	\$3,000
Market study	\$0	\$0	\$0
Environmental reports	\$1,000	\$1,000	\$1,000
WHEDA tax credit fees	\$0	\$0	\$0
Rent-up marketing	\$8,000	\$8,000	\$0
Consultants*	\$0	\$0	\$0
Cost certification	\$3,000	\$3,000	\$3,000
Security			
Relocation costs			
Common area furniture & fixtures			
Other:	\$3,000	\$3,000	\$3,000
Soft Costs Subtotal	\$18,000	\$18,000	\$10,000

Itemized Costs	1 Total Cost of BOTH COMMERCIAL AND RESIDENTIAL Space.	2 Total Cost of RESIDENTIAL portion Only	3 Eligible Basis by Credit Type 70% Present Value (9% Credit)
I. Syndication Costs			
Organization (partnership)	\$3,000	\$3,000	\$ NA
Bridge loan fees & expenses			\$ NA
Tax opinion	\$1,000	\$1,000	\$ NA
Other:			\$ NA
Other:			\$ NA
Syndication Costs Subtotal	\$4,000	\$4,000	\$0
J. Developer's Fees *			
Developer's overhead	\$0	\$0	\$0
Developer's fee	#REF!	\$0	\$0
Other:			
Other:			
Developer Fee Subtotal	#REF!	\$0	\$0
K. Development Reserves			
Rent-up reserve	\$15,000	\$15,000	\$ NA
Operating reserve	\$15,000	\$15,000	\$ NA
Escrows			\$ NA
Other: Lease Buyout			\$ NA
Other:			\$ NA
Other:			\$ NA
Other:			\$ NA
Development Reserves Subtotal	\$30,000	\$30,000	\$0
Intermediary Cost Subtotal (Categories E-K)	#REF!	\$106,993	\$5,538

* Construction supervision, consultant fees, developer's fees and developer's overhead are limited to a combined 18% of total development costs for new developments with 24 units or less and to 12% for those with more than 24 units. Those same fees are subject to greater restrictions for the acquisition portion of acquisition/rehab projects. (See Appendix K for more detail).

Development Cost Summary			
Itemized Costs	Total Cost of BOTH COMMERCIAL AND RESIDENTIAL Specs.	Total Cost of RESIDENTIAL portion Only	Eligible Basis by Credit Type 70% Present Value (9% Credit)
Construction Cost Subtotal	\$859,618	\$609,982	\$259,982
Intermediary Cost Subtotal	#REF!	\$106,993	\$5,538
Total Development Cost	#REF!	\$716,975	\$265,520
Less portion of federal grant used to finance development costs.			(\$)
Less amount of nonqualified non-recourse financing			(\$)
Less non-qualifying units of higher quality			(\$)
Less Federal Historic Tax Credits (residential portion only)			\$0
Less Other:			(\$)
Subtotal			\$265,520
Adjustment for QCT (30% of Subtotal)			\$79,656
Total Eligible Basis			\$345,175
Multiplying by the Applicable Fraction			100.00%
Total Qualified Basis			\$345,175
Multiplying by the applicable Credit percentage rate			8.03%
Credit Amount Calculated			\$27,718
Less Credit Received in Prior Years			\$0
Total Amount of Tax Credit Requested			\$27,718

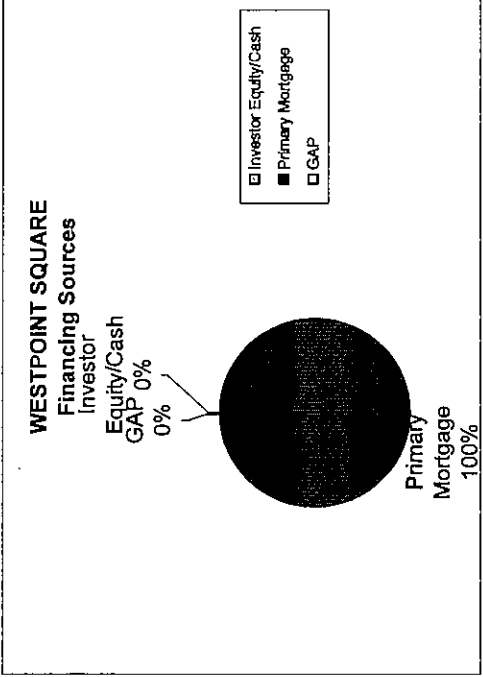
XVIII. REHABILITATION EXPENDITURES

- A. Rehabilitation expenditures allocable to low-income units \$245,000
- B. Number of low-income units: \$42,000
x \$3,000 =
- C. Adjusted building basis: \$ \$30,000
x 10% =

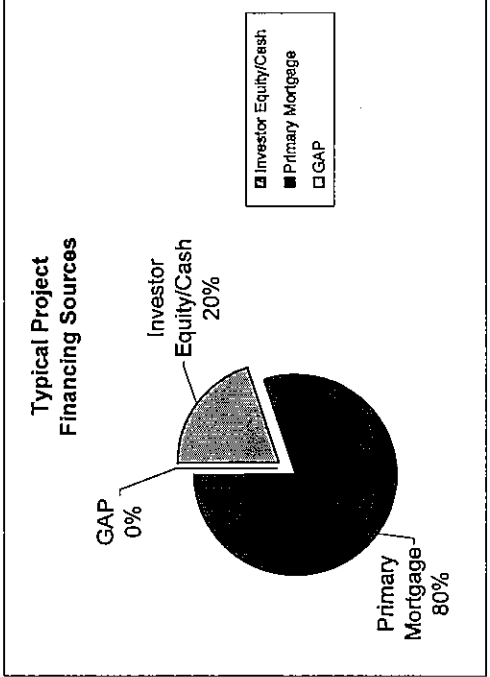
Rehabilitation expenditures (A) must be equal to or greater than the larger of (B) or (C). Refer to Section 42(e) of the code.

Comparison between Tax Credit and Market Rate Project Structure

WEST POINTE SQUARE - RENT TO OWN			
Financing Sources			
Investor Equity/Cash	\$0	0.0%	
Primary Mortgage	615,382	99.8%	
GAP	1,229	0.2%	
Total:	\$616,610	100.0%	

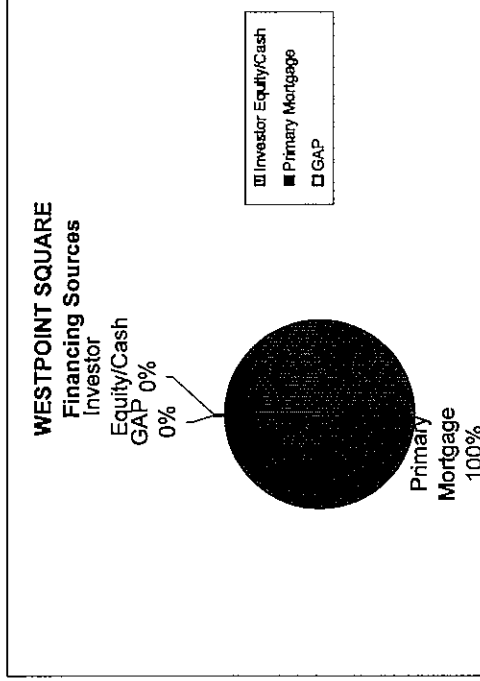


Typical Project			
Financing Sources			
Investor Equity/Cash	\$123,322	20.0%	
Primary Mortgage	493,288	80.0%	
GAP	0	0.0%	
Total:	\$616,610	100.0%	



Comparison between Tax Credit and Market Rate Project Structure

WEST POINTE SQUARE - RENT TO OWN			
Financing Sources			
Investor Equity/Cash	\$0	0.0%	
Primary Mortgage	615,382	99.8%	
GAP	1,229	0.2%	
Total:	\$616,610	100.0%	



Typical Project			
Financing Sources			
Investor Equity/Cash	\$123,322	20.0%	
Primary Mortgage	493,288	80.0%	
GAP	0	0.0%	
Total:	\$616,610	100.0%	

