

RIDER TO OFFER TO PURCHASE
DRAFT AS OF 4-22-10

1. This Rider is made a part of the attached WB-15 Commercial Offer to Purchase (the "Form") by and between the undersigned Buyer and the undersigned Seller. In the event of any conflict between the terms and conditions of this Rider and the other terms and conditions of the Form, the terms of this Rider shall control. The Form and this Rider are collectively referred to herein as the "Offer."
2. Seller is developing a condominium to be known as Villard Square Condominium (the "Condominium") on the property located on Villard Avenue between 34th and 35th Streets in Milwaukee, Wisconsin. The Condominium will consist of two units; namely, the "Library Unit" and the "Gorman Unit." The Library Unit will consist of the first floor of the Condominium (excluding a lobby for the Gorman Unit) and is intended to be operated as a City of Milwaukee library. The Library Unit will also have a limited common element appurtenant to it that will consist of a surface parking lot (the "Parking Lot"). The Gorman Unit will consist of the basement, a lobby on the first floor and the second through fourth floors of the Condominium. The basement of the Gorman Unit will contain underground parking spaces. The second through fourth floors of the Gorman Unit will contain apartment units. The Gorman Unit will be operated as a low-income housing project.
3. The Property under this Offer consists of the Library Unit, Seller's undivided interest in the common elements and limited common elements (including the Parking Lot) appurtenant to the Library Unit and all of the rights, interests, obligations and limitations as set forth in the condominium declaration and plat creating the Condominium and any amendments thereto.
4. Buyer acknowledges that the Condominium improvements have not yet been constructed. Seller shall be obligated to construct the Condominium improvements pursuant to the terms of this Offer. Buyer shall have the right to approve the plans and specifications for the exterior of the Condominium, the Parking Lot and the Library Unit. Seller shall deliver to Buyer the proposed plans and specifications for the exterior of the Condominium, the Parking Lot and the Library Unit. Seller and Buyer shall cooperate in good faith to agree upon the plans and specifications for the exterior of the Condominium, the Parking Lot and the Library Unit. Seller shall not make any material changes to the approved plans and specifications for the exterior of the Condominium, the Parking Lot or the Library Unit without the prior written consent of Buyer. A change shall be deemed material if it is a deviation from a specified type, size or specification of any parts or components used in connection with construction or if it decreases

the quality or quantity of any specified parts or components. In the event Buyer requests any changes be made to the approved plans and specifications for the Parking Lot and/or Library Unit, Seller shall consider such requests or changes in good faith provided the changes do not increase costs or result in any delays. Buyer acknowledges that the Library Unit will be built to a "grey box" condition and that Buyer will be solely responsible for finishing, at its cost, the buildout of the Library Unit. Attached hereto as Exhibit A are the specifications setting forth the scope of the items to be included in the Library Unit in connection with its being built to a "grey box" condition.

Seller shall deliver to Buyer one or more lists of proposed contractors that will be constructing the Library Unit and the Parking Lot. Buyer shall have five (5) business days after its receipt of each such list to notify Seller whether any of the proposed contractors is unacceptable to Buyer. In the event a contractor is unacceptable to Buyer, Buyer and Seller shall cooperate in good faith to select a different contractor that is acceptable to both Buyer and Seller. Buyer acknowledges that Buyer shall have no right to object to any proposed contractor unless Buyer or the City of Milwaukee has had a previous negative experience with such contractor. Buyer shall be deemed to have approved each contractor on a list unless Buyer, within five (5) business days of its receipt of the list, objects to any particular contractor.

Seller shall cause the construction of the Library Unit to be completed on or before the date of closing in accordance with the terms of Section 9 below. Seller shall deliver to Buyer, on or before the date of closing, final lien waivers from all of the contractors that have performed any work on the Library Unit.

Seller shall cause the construction of the Parking Lot to be completed on or before the date on which the Buyer intends to open the library in the Library Unit. Buyer shall notify Seller in writing, on or before the date of closing, of the date on which Buyer intends to open the library.

5. Seller shall deliver to Buyer a draft of the Condominium disclosure materials required by Wisconsin Statutes Section 703.33 including, without limitation, the condominium declaration and plat creating the Condominium and any amendments thereto, the articles of incorporation, by-laws, rules and regulations of the Villard Square Condominium Association (the "Association") and a proposed budget for the Association (collectively, the "Condominium Documents"). The Condominium Documents must be approved by both Seller and Buyer. Seller and Buyer shall cooperate in good faith to agree upon the Condominium Documents. No changes shall be made to the approved Condominium Documents except as allowed by the terms of the Condominium Documents.

6. Seller shall provide Buyer with a perpetual license to use eight of the parking spaces located in the basement of the Condominium (the "Underground Spaces"). Seller shall deliver to Buyer a draft of the license agreement (the "License Agreement"). Pursuant to the terms of the License Agreement, Buyer shall not be obligated to pay any fees for its use of the Underground Spaces but shall be obligated to pay its proportionate share (____%) of all maintenance, repair, replacement and operating costs related to the Underground Spaces. The License Agreement must be approved by both Seller and Buyer. Seller and Buyer shall cooperate in good faith to agree upon the License Agreement.

7. Buyer shall pay to Seller, at closing, a purchase price (the "Purchase Price") for the Property as calculated below. The Purchase Price shall be equal to the sum of (a) the Construction Costs (as defined below), plus (b) the stipulated sum of \$154,248 to cover all of Seller's profit, general conditions costs and overhead costs plus (c) the stipulated sum of \$89,786 to cover Buyer's share of all soft costs related to the development of the Condominium. The "Construction Costs" shall be equal to the sum of (x) the costs incurred by Seller in constructing the Library Unit, (y) the costs incurred by Seller in constructing the Parking Lot, plus (z) the costs incurred by Seller in constructing the Underground Spaces. Prior to commencement of construction, Seller shall provide Buyer with a schedule of values setting forth the estimated values of the various Construction Costs. If and to the extent Seller has not incurred all of the costs of constructing the Parking Lot prior to the date of closing, Seller shall notify Buyer of the costs actually incurred and a reasonable estimate of the remaining costs to be incurred to complete the Parking Lot (the "Remaining Costs"). Buyer shall pay to Seller only the actually incurred costs at closing. Buyer shall pay an amount equal to the Remaining Costs to an escrow account holder at closing, which shall hold same pending completion of the Parking Lot. The costs incurred by Seller in constructing the Underground Spaces shall be equal to _____ percent (____%) of all costs incurred by Seller in constructing all of the parking improvements in the basement of the Condominium. In the event any Construction Costs relate to the entire Condominium and cannot be separately allocated to individual components of the Condominium (such as the Library Unit), then such costs shall be allocated on a reasonable basis and Buyer shall be responsible for its proportionate share of such costs. A list of the various categories of Construction Costs is attached hereto as Exhibit B. The Purchase Price shall be paid by Buyer, including the amount of the Remaining Costs deposited into escrow at closing (subject to the terms of Section 9 below). Seller shall deliver to Buyer, on a monthly basis during construction of the Library Unit and Parking Lot, copies of all applications for payment and invoices it receives from contractors related to the costs of constructing the Library Unit and Parking Lot and any updates to the schedule of values related to the Construction Costs. Seller shall also keep Buyer

informed, on a monthly basis, of any construction contracts that have been entered into with respect to the Library Unit and the Parking Lot and any potential cost savings. Seller shall also deliver to Buyer, at least 10 days prior to the date of closing, reasonable evidence setting forth the calculation of the Purchase Price including, without limitation, copies of any invoices related to the Construction Costs. In no event, however, shall the Purchase Price, including the cost of completing the Parking Lot subsequent to closing, exceed \$1,291,500. In the event the actual amount of the Purchase Price is less than \$1,291,500, then Buyer shall be entitled to one hundred percent (100%) of such savings.

Upon Seller's completion of construction of the Parking Lot, Seller shall provide Buyer with reasonable evidence of the actual costs of completing the Parking Lot incurred by Seller after the date of closing. Disbursement of some or all of the funds in escrow shall require the good faith agreement of Buyer and Seller.

8. Buyer shall have the right to terminate this Offer at any time on or before June 15, 2010 in the event (a) Buyer and Seller have not agreed upon the plans and specifications for the exterior of the Condominium, the Parking Lot and the Library Unit, (b) Buyer and Seller have not agreed upon the Condominium Documents or (c) Buyer has not received formal approval from its Board approving this transaction. In order to terminate this Offer, Buyer must deliver written notice thereof to Seller no later than June 15, 2010. In the event Buyer has not delivered such notice to Seller by such date, Buyer shall be deemed to have waived its right to terminate this Offer, this Offer shall remain in full force and effect and Buyer shall have the unconditional obligation to close on its purchase of the Property pursuant to the terms of this Offer.

Seller shall have the right to terminate this Offer at any time on or before June 15, 2010 in the event (a) Buyer and Seller have not agreed upon the plans and specifications for the exterior of the Condominium, the Parking Lot and the Library Unit, (b) Buyer and Seller have not agreed upon the Condominium Documents or (c) Seller has not obtained firm commitments for debt and equity in amounts and upon conditions satisfactory to Seller, in its sole discretion, to allow Seller to proceed with the development of the Condominium. In order to terminate this Offer, Seller must deliver written notice thereof to Buyer no later than June 15, 2010. In the event Seller has not delivered such notice to Buyer by such date, Seller shall be deemed to have waived the right to terminate this Offer, this Offer shall remain in full force and effect and Seller shall have the unconditional obligation to sell the Property to Buyer pursuant to the terms of this Offer.

Notwithstanding the foregoing, in the event Seller has obtained, on or before June 15, 2010, firm commitments for debt and equity in amounts and upon

conditions satisfactory to Seller, and Seller and Buyer have not yet agreed upon the plans and specifications for the exterior of the Condominium, the Parking Lot and the Library Unit and/or the Condominium Documents, the June 15, 2010 dates as set forth in the previous two paragraphs of this Section 8 shall be extended through August 15, 2010 upon Seller's delivery of written notification to Buyer thereof.

9. This transaction shall be closed at Seller's attorneys' office on the date that is 30 days after the Completion Date (as defined below) of the Library Unit, unless another date or place is agreed to in writing. The "Completion Date" shall be the date on which the architect for the Condominium delivers to the Seller a certificate of substantial completion confirming that the Library Unit has been substantially completed in accordance with the approved plans and specifications for same. The Completion Date shall be achieved no later than June 15, 2011, subject to delays outside of Seller's control ("Excusable Delays"). Excusable Delays shall include, without limitation, delays resulting from labor disputes, fire and other casualties, unusual delays in delivery, acts of God and acts and omissions of Buyer and Buyer's consultants. In the event of any Excusable Delay, the time period for achieving the Completion Date shall automatically be extended by the amount of the Excusable Delay. In the event Seller does not achieve the Completion Date on or before June 15, 2011, as such date may be extended for Excusable Delays, Seller shall pay to Buyer, as liquidated damages and as Buyer's sole remedy, the amount of \$100 per day for each and every day thereafter until Seller achieves the Completion Date. The amount of any such liquidated damages shall be deducted from the Purchase Price at closing.

Seller shall promptly deliver to Buyer a copy of the certificate of substantial completion for the Library Unit. Upon Buyer's receipt of such certificate of substantial completion, Buyer, Seller and the architect shall inspect the Library Unit to set forth a list of any punch list items that remain to be completed and/or corrected, and Seller shall cause its contractors to complete such punch list items prior to the date of closing; provided, however, that if the items are of a nature that they cannot be completed prior to the date of closing, then Seller shall cause its contractors to complete such items as soon after closing as reasonably possible. Failure to include any item on the punch list does not alter the responsibility of the Seller to complete the construction of the Library Unit and the Parking Lot in accordance with the requirements of this Offer. In the event any punch list items have not been completed as of the date of closing, Buyer may withhold 150% of the cost of completing such items from the Purchase Price until such punch list items have been completed, at which time Buyer shall pay such withheld amounts to Seller.

10. Buyer shall have the right to inspect the construction of the Condominium from time to time upon reasonable notice to Seller. Buyer shall use reasonable efforts to provide at least one day notice to Seller, but the notice may be provided the same day in the event Buyer cannot reasonably provide at least one day notice. Any inspection or observation by Buyer during construction shall not be considered acceptance of any portion of the Library Unit or the Parking Lot not in conformance with the terms of this Offer; provided, however, that if Buyer observes that any portion of the Library Unit and/or the Parking Lot is not being constructed in accordance with the terms of this Offer, Buyer shall notify Seller thereof. Buyer and its contractors shall also have reasonable access to the common areas of the Condominium in connection with Buyer's build out of the Library Unit. Buyer shall not interfere with any construction activities being undertaken by Seller and shall comply with any safety procedures required by Seller or Seller's contractors in connection with any such inspections and/or access.
11. At closing, Seller shall assign to Buyer any and all warranties Seller obtains in connection with the construction of the Library Unit and the Parking Lot. Seller shall cause the contractors to provide a warranty against defects for a period of one year after completion of the Library Unit and the Parking Lot. Independent of, and in addition to, any such contractors' warranties, Seller shall provide Buyer with a full warranty against defects in workmanship or materials for a period of one year from completion of each of the Library Unit and Parking Lot Eleven months after the date of completion of each of the Library Unit and Parking Lot, , the parties shall meet and jointly inspect the same to determine whether or not any such defects exist.
12. In connection with its construction of the Library Unit and the Parking Lot, Seller shall comply with all emerging business enterprise and resident preference requirements imposed by the City of Milwaukee and shall require that all construction workers be paid prevailing wages in connection with such construction.

SELLER:

BY _____

Its _____

BUYER:

REDEVELOPMENT AUTHORITY OF THE
CITY OF MILWAUKEE

BY _____
Its _____

EXHIBIT A

Grey Box Specifications

[To be attached]

EXHIBIT B

Construction Costs

1. All amounts paid by Seller to the contractors performing construction work.
2. Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the construction work.
3. Costs of materials in excess of those actually installed to allow for reasonable waste and spoilage.
4. Any sales, use or similar taxes paid by Seller on any construction work.
5. Costs of any and all permits and licenses obtained by Seller in connection with the work including, without limitation, building permits.
6. Costs of any inspections or tests.
7. Any royalties or license fees paid for the use of a particular design, process or product.
8. All costs paid by Seller in connection with the rental of any machinery, equipment or tools.
9. Any bond premiums paid by Seller in connection with construction.
10. Any insurance costs paid by Seller in connection with construction.
11. Any and all other reasonable costs incurred by Seller in connection with construction.

1125-2009-1815:156231