

WB-40 AMENDMENT TO OFFER TO PURCHASE

**CAUTION: Use a WB-40 Amendment if both Parties will be agreeing to modify the terms of the Offer.
Use a WB-41 Notice if a Party is giving a Notice which does not require the other Party's agreement.**

1 Buyer and Seller agree to amend the Offer dated May 3, 2019, and accepted June 10, 2019, for
2 the ~~purchase and sale of real estate at option to lease the property described in Exhibit A to the~~
3 **WB-24 Option to Purchase**, Wisconsin as follows:

4 Closing date is changed from _____, to _____.

5 Purchase price is changed from \$ _____ to \$ _____.

6 Other: _____

7 1. In Line 3 "Redevelopment Authority of the City of Racine", is hereby replaced with
8 the "Community Development Authority of the City of Racine".

10 2. In Line 13 the date of April 30, 2020 is hereby replaced with September 1, 2020.

12 3. In Line 38 the Seller's recipient shall be Matthew G. Sadowski.

14 4. In Line 53 the Email addresses for Seller are changed to be:
15 Matthew.Sadowski@cityofracine.org and sriffle@ammr.net.

28 The attached _____ is/are made part of this Amendment.
29 ALL OTHER TERMS OF THE OFFER TO PURCHASE AND ANY PRIOR AMENDMENTS REMAIN THE SAME.
30 This Amendment is binding upon Seller and Buyer only if a copy of the accepted Amendment is delivered to the Party
31 offering the Amendment on or before _____ (Time is of the Essence). Delivery
32 of the accepted Amendment may be made in any manner specified in the Offer to Purchase, unless otherwise provided
33 in this Amendment.

34 **NOTE: The Party offering this Amendment may withdraw the offered Amendment prior to acceptance and**
35 **delivery as provided at lines 30-33.**

36 This Amendment was drafted by Mickey N. Conrad of Hovde Realty Advisors, LLC on 04/14/2020
37 Licensee and Firm ▲ Date ▲

38 This Amendment was presented by _____ on _____
39 Licensee and Firm ▲ Date ▲

40 (x) [Signature] 04/14/2020
41 Buyer's Signature ▲ Date ▲

42 Print name ▶ Hovde Properties, LLC

(x) _____
Seller's Signature ▲ Date ▲

Print name ▶ Community Development Authority

43 (x) _____
44 Buyer's Signature ▲ Date ▲

45 Print name ▶ _____

(x) _____
Seller's Signature ▲ Date ▲

Print name ▶ of the City of Racine

46 This Amendment was rejected _____
47 Party Initials ▲ Date ▲ Party Initials ▲ Date ▲

EXHIBIT A

LEGAL DESCRIPTION

Part of Lot 1 of Certified Survey Map No. 1388, recorded in the Office of the Register of Deeds for Racine County, Wisconsin on December 9, 1988 in Volume 4 of Certified Survey Maps, page 335, as Document No. 1272072, a parcel of land including Lots 3-12, part of Lots 2, 13 and 14, Block 14 and portions of vacated 3rd and Michigan Streets, of the Original Plat of Racine, described as follows: Commence at the Northwest corner of said Lot 1, called the intersection point of the North line of vacated Third Street with the East line of Lake Avenue; run thence South 40 deg. 22' 59" East 176.02 feet along the Northeasterly line of said Lot 1 to the North line of said Lot 1; thence South 81 deg. 10'01" West 92.82 feet to the West line of said Lot 1; thence North 08 deg. 33'34" West 150.00 feet, more or less, along the West line of said Lot 1 to the point of beginning. Said land being in the City of Racine, County of Racine, State of Wisconsin.

ALSO

All that part of Blocks 7 and 14 of the Original Plat of the City of Racine, being a subdivision of the Southeast 1/4 of Section 9, Township 3 North, Range 23 East, bounded and described as follows: Commencing at the Southwest corner of said Southeast 1/4 Section; thence North 88 deg. 04'57" East, on and along the South line of said Southeast 1/4 Section 1495.61 feet to a point on the East right-of-way line of Lake Avenue; thence North 10 deg. 09'37" West, on and along said East right-of-way line, 1759.24 feet to the point of beginning; thence North 10 deg. 09'37" West, on and along said East right-of-way line, 305.47 feet to a point on the South right-of-way line of proposed Gaslight Drive; thence North 34 deg. 40'02" East, on and along said South right-of-way line, 8.51 feet to a point; thence North 79 deg. 29'42" East, on and along said South right-of-way line, 303.74 feet to a point, said point being the beginning of a curve to the right, said curve having a central angle of 90 deg. 00'00", a radius of 20.00 feet, a chord bearing South 55 deg. 30'18" East and a chord distance of 28.28 feet; thence Southeasterly along the arc of said curve, 31.42 feet to the end of the curve, said point being on the West right-of-way line of proposed Gaslight Circle; thence South 10 deg. 30'18" East, on and along said West right-of-way line, 165.77 feet to a point, said point being the beginning of a curve to the left, said curve having a central angle of 65 deg. 41' 37", a radius of 70.00 feet, a chord bearing South 43 deg. 21' 00" East and a chord distance of 75.93 feet; thence Southeasterly along the arc of said curve, 80.26 feet to the end of the curve; thence South 43 deg. 33'48" West, 28.84 feet to a point; thence South 09 deg. 49'50" East, 86.40 feet to a point; thence South 79 deg. 43'42" West, 20.00 feet off of and parallel to the bulkhead line as established by Ordinance No. 32-2 by the Common Council of the City of Racine, November 6, 1962, 4.06 feet to a point; thence South 12 deg. 10'01" West, 117.69 feet to a point; thence South 79 deg. 29'42" West, and parallel to the South line of Lots 6 and 9 of said Block 14, 207.19 feet to a point; thence North 41 deg. 59'04" West, 175.88 feet to the point of beginning. Said land being in the City of Racine, County of Racine, State of Wisconsin.

SURVEYED AS:

BEING A PART OF LOT 1 OF CERTIFIED SURVEY MAP NO. 1388, RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR RACINE COUNTY, WISCONSIN ON DECEMBER 9, 1988 IN VOLUME 4 OF CERTIFIED SURVEY MAPS, PAGE 335, AS DOCUMENT NO. 1272072, A PART OF BLOCKS 7 AND 14 OF THE ORIGINAL PLAT OF THE CITY OF RACINE, BEING A SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 3 NORTH, RANGE 23 EAST, A PORTION OF VACATED 3RD STREET AND A PORTION OF VACATED MICHIGAN AVENUE, ALL LOCATED IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 3 NORTH, RANGE 23 EAST IN THE CITY OF RACINE, COUNTY OF RACINE, STATE OF WISCONSIN, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST 1/4 SECTION; THENCE NORTH 88° 04' 57" EAST, ON AND ALONG THE SOUTH LINE OF SAID SOUTHEAST 1/4 SECTION 1495.61 FEET TO THE EAST LINE OF LAKE AVENUE; THENCE NORTH 10° 07' 58" WEST, 1759.08

FEET (RECORDED AS NORTH 10°09'37" WEST, 1759.24 FEET) ALONG SAID EAST LINE TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING ALONG SAID EAST LINE NORTH 10°07'58" WEST, 305.52 FEET (RECORDED AS NORTH 10°09'37" WEST, 305.47 FEET); THENCE NORTH 34°40'02" EAST, 8.49 FEET (RECORDED AS NORTH 34°40'02" EAST, 8.51 FEET) TO THE SOUTH LINE OF GASLIGHT DRIVE; THENCE NORTH 79°29'42" EAST 303.74 FEET ALONG SAID SOUTH LINE; THENCE SOUTHEASTERLY 31.42 FEET ALONG THE ARC OF A CURVE DEFLECTING TO THE RIGHT HAVING A CHORD BEARING AND DISTANCE OF SOUTH 55°30'18" EAST, 28.28 FEET AND A RADIUS OF 20.00 FEET TO THE WEST LINE OF GASLIGHT CIRCLE; THENCE ALONG SAID WEST LINE SOUTH 10°30'18" EAST, 165.77 FEET; THENCE ALONG SAID WEST LINE SOUTHEASTERLY 80.26 FEET ALONG THE ARC OF A CURVE DEFLECTING TO THE LEFT HAVING A CHORD BEARING AND DISTANCE OF SOUTH 43°21'11" EAST, 75.94 FEET (RECORDED AS SOUTH 43°21'00" EAST, 75.93 FEET) AND A RADIUS OF 70.00 FEET; THENCE SOUTH 43°34'10" WEST, 28.84 FEET (RECORDED AS SOUTH 43°33'48" WEST, 28.84 FEET); THENCE SOUTH 09°49'50" EAST, 86.40 FEET; THENCE SOUTH 79°43'42" WEST, 4.06 FEET; THENCE SOUTH 12°10'01" WEST, 117.78 FEET (RECORDED AS SOUTH 12°10'01 " WEST, 117.69 FEET); THENCE SOUTH 79°21'42" WEST (RECORDED AS SOUTH 79°21'42" WEST AND SOUTH 81°10'01" WEST), 300.09 FEET TO THE EAST LINE OF LAKE AVENUE; THENCE ALONG SAID EAST LINE NORTH 10°07'58" WEST, 150.75 FEET (RECORDED AS NORTH 08°33'34" EAST, 150 FEET MORE OR LESS) TO THE POINT OF BEGINNING.

Tax Key No: 276-00-00-00050-001

Address: 233 Lake Avenue

EXHIBIT B

ADDITIONAL PROVISIONS

1. Lines 17 through 19 of the WB-24 Option to Purchase are replaced with the following:

EXERCISE: To exercise this Option, Buyer must sign and deliver (i) the notice at Lines 355-361, or (ii) any other written notice which states that Buyer exercises this Option. If the Option is exercised, \$40,000.00 of the option fee shall be credited against any future lease or rental amounts payable by Buyer to Seller.

2. Lines 25 through 32 of the WB-24 Option to Purchase are replaced with the following:

TERMS OF PURCHASE. Within 30 days of Buyer's exercise of the Option, Seller shall lease the Property to Buyer for a term of 98 years (the "Lease"), subject to the parties' mutual agreement to the terms and conditions of said Lease, no possible term or condition excepted. Seller and Buyer intend for the Lease to be exempt from the Wisconsin Real Estate Transfer Fee as the Lease is for a term of less than 99 years and, accordingly, not considered a "conveyance" for imposition of such conveyance or transfer fee pursuant to Wisconsin Statutes, Section 77.21(1).

3. Lines 150 through 151 of the WB-24 Option to Purchase are replaced with the following:

PROPERTY CONDITION REPRESENTATIONS. None.

4. Lines 215 through 248 of the WB-24 Option to Purchase are replaced with the following:

TITLE EVIDENCE. Buyer shall order a commitment for a leasehold policy of title insurance at Buyer's cost (including a gap endorsement) and an ALTA survey, at Buyer's cost. The title commitment and title policy shall be issued by First American Title Insurance Company.

5. Lines 257 through 258 of the WB-24 Option to Purchase are replaced with the following:

Any Lease and any Occupancy resulting from this Option shall accept the Property in "As Is" condition and shall be subject to the provisions of the Constraint Documents and any encumbrance recorded against the Property.

6. Inspections and Testing. Buyer desires access to the Property to evaluate the Property for its proposed development, including collecting samples of surface and subsurface materials at the Property. The parties contemplate entering into an access agreement whereby Buyer and its agents, representatives, and contractors, may access the Property for the purposes of performing geotechnical and site preparation work. Any access for such evaluation and any activities performed as part of any such evaluation shall be in strict compliance with the terms of any access agreements between Buyer and Seller and those between Buyer and We Energies (collectively, the "Access Agreements"). With respect to the access allowed by any of the Access Agreements, and with respect to the interests and activities of Buyer in connection with any Lease of the Property, the parties acknowledge that the Property is subject to several restrictions, limitations, requirements and prohibitions set forth in the following documents (collectively, the "Constraint Documents"): a letter from the Wisconsin Department of Natural Resources (the "WDNR") to Frank Dombrowski of We Energies dated November 25, 2014; that Restrictive Covenant recorded against the Property in the Records of Racine County, Wisconsin as Document No. 2396229; Exhibit B to the Restrictive Covenant containing a Direct Contact Barrier and Materials Management Plan; that Environmental Remediation and Groundwater Extraction Agreement recorded against the Property in the Records of Racine County, Wisconsin as Document No. 2396240; that Utility and Building Easement recorded against the Property in the Records of Racine County, Wisconsin as Document No. 2396241; and that Cap Disturbance Approval for Geotechnical Borings approval letter

from the WDNR to Amy Connolly of the RDA and dated March 14, 2019; and advance notice to or approval of We Energies and/or WDNR is required before undertaking any activity at the Property that is restricted or prohibited by any of the Constraint Documents, such as collecting samples of surface and subsurface materials at the Property.

7. Cooperation. Seller shall cooperate with Buyer, at no expense to Seller (other than internal administrative staff time, other outside professional consultants time requested by Seller, including associated attorneys' fees, and other expenses associated with its ownership of the Property), in all reasonable respects during this Option, including Seller (as the Property owner) joining in the execution of any reasonably necessary development or regulatory applications, certified survey map approvals, condominium plats, authorizations, instruments, licenses, and documents contemplated pursuant hereto. The parties acknowledge that no permits, approvals or other development related authorizations in which Seller has joined Buyer in the execution thereof shall become effective prior to the Closing, unless otherwise agreed to in writing by Seller in its sole discretion.

8. Financial Feasibility. During the Option period, Buyer shall determine, in Buyer's sole discretion, the financial feasibility of its proposed development and uses of the Property. Factors Buyer may consider in determining the financial feasibility of its proposed development and uses of the Property may include: (i) Buyer securing tax incremental financing from the City of Racine; (ii) Buyer obtaining development and regulatory approvals sufficient to allow for its proposed development and uses of the Property; (iii) Buyer obtaining onsite and offsite parking arrangements sufficient for its proposed development and uses of the Property; (iv) Buyer obtaining mortgage financing in an amount and on terms consistent with and supportive of Buyer's pro-forma and expected internal rate of return; and (v) the impact of environmental and structural costs on the proposed development and uses of the Property. In the event Buyer determines its proposed development and uses of the Property are not financially feasible, the \$40,000.00 option fee shall be refunded to the Buyer. Upon refund of the \$40,000 option fee from Seller to Buyer, the Buyer agrees to permanently relinquish and turn over possession and ownership to Seller of any and all environmental and geotechnical testing and inspection reports and engineering reports produced by Buyer's consultants during the due diligence period that are related to the environmental condition of the Property.

9. Contingency Savings Provision. Seller and Buyer acknowledge that Buyer and Seller have and will expend material sums of money in connection with negotiating and executing the Lease, conducting the inspections and testing of the Property, and procuring development and regulatory approvals for its proposed development and uses of the Property. The parties therefore agree that adequate consideration exists for the Option, and Seller and Buyer each waive any and all rights to challenge the enforceability of this Option on the basis that the agreements contained herein are illusory.

10. Assignment. Buyer shall have the right to assign this Option, without restriction, to any other entity owned, controlled, or associated with Buyer or its affiliates. Any other assignment of this Option shall require the prior written approval of Seller, which approval shall not be unreasonably withheld or delayed. Buyer shall provide Seller with written notice of any assignment of this Option.

11. Addendum Controls. Except as expressly amended or modified by this Addendum, all terms and conditions of the WB-24 Option to Purchase shall remain as stated in the WB-24 Option to Purchase and shall be in full force. In the event of a conflict between the provisions of the WB-24 Option to Purchase and the provisions set forth in this Addendum, this Addendum shall control. The WB-24 Option to Purchase and the attached Exhibits A and B are referenced collectively herein as the "Option."

12. Signatures. This Option may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signed documents transmitted by e-mail in PDF or other electronic format shall be treated in all manner and respects as an original document. This Option may also be executed in multiple copies, with each copy having the legal effect of a binding original.