

January 30, 2014

RE: Porters of Racine Building

After careful consideration of our options regarding the Porters of Racine Building prior to starting construction, we have determined that the renovation of property is no longer in the best interest of our company.

It has been approximately 3 ½ years since the project was launched. We have experienced alarmingly unexpected delays.

Originally, over a year was lost trying to secure financing from (2) local lending institutions.

Finally, we were introduced to Southport Bank and were given a positive response in (45) days.

Now, with conventional financing secured, we are approaching approximately another year attempting to meet the requirements of the other financing components that were sought.

These delays have caused a substantial investment of additional time and money into the project well beyond the original projections.

The final terms of the other financing components were also requiring additional owner investment well beyond the original scope. Thus, our latest data analysis is projecting a lower than expected rate of return.

The market conditions and business climate have not demonstrated the level of improvement over the last 3 ½ years that would justify the increased initial investment.

Simply put, with the dramatically increased owner investment, the risks have potentially exceeded the returns.

Our next direction will be to clear the site and make the block available for new, large commercial development.

Finally, we would like to acknowledge the strong support from our lender Southport Bank, the City of Racine, Mayor Dickert and the entire downtown community.