

I. COVER PAGE

a. Developer: Vesper Development (Affiliation)
Vesper College
201 6th Street SE
Minneapolis, Minnesota 55414

b. Legal Status: Vesper Development will be a new entity.

c. Federal ID #: TBD

d. State ID #: TBD

e. Project Participants:

Vesper College LLC
201 6th Street SE
Minneapolis, Minnesota 55414
Contact: Dan Noyes Dean
No-yes@vespercollege.com
612-750-9538
Federal ID: 20-4234236

Gene P Tierney (Individual)
940 Zanzibar Ln. N
Plymouth, MN 55447
gtierney@northco.com
612-310-4822
Fax: 952-516-6012
SS: 469-68-0211

Dan Noyes (Individual)
4714 Xerxes Avenue North
Minneapolis, MN 55430
No-yes@vespercollege.com
612-750-9538

f. Authorized Signatures:

Vesper Development Gene Tierney & Daniel Noyes
Vesper College: Daniel Noyes
Gene P. Tierney: Self
Dan Noyes: Self

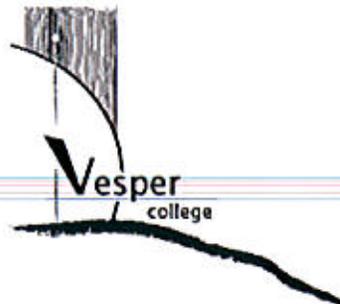
VESPER COLLEGE LLC

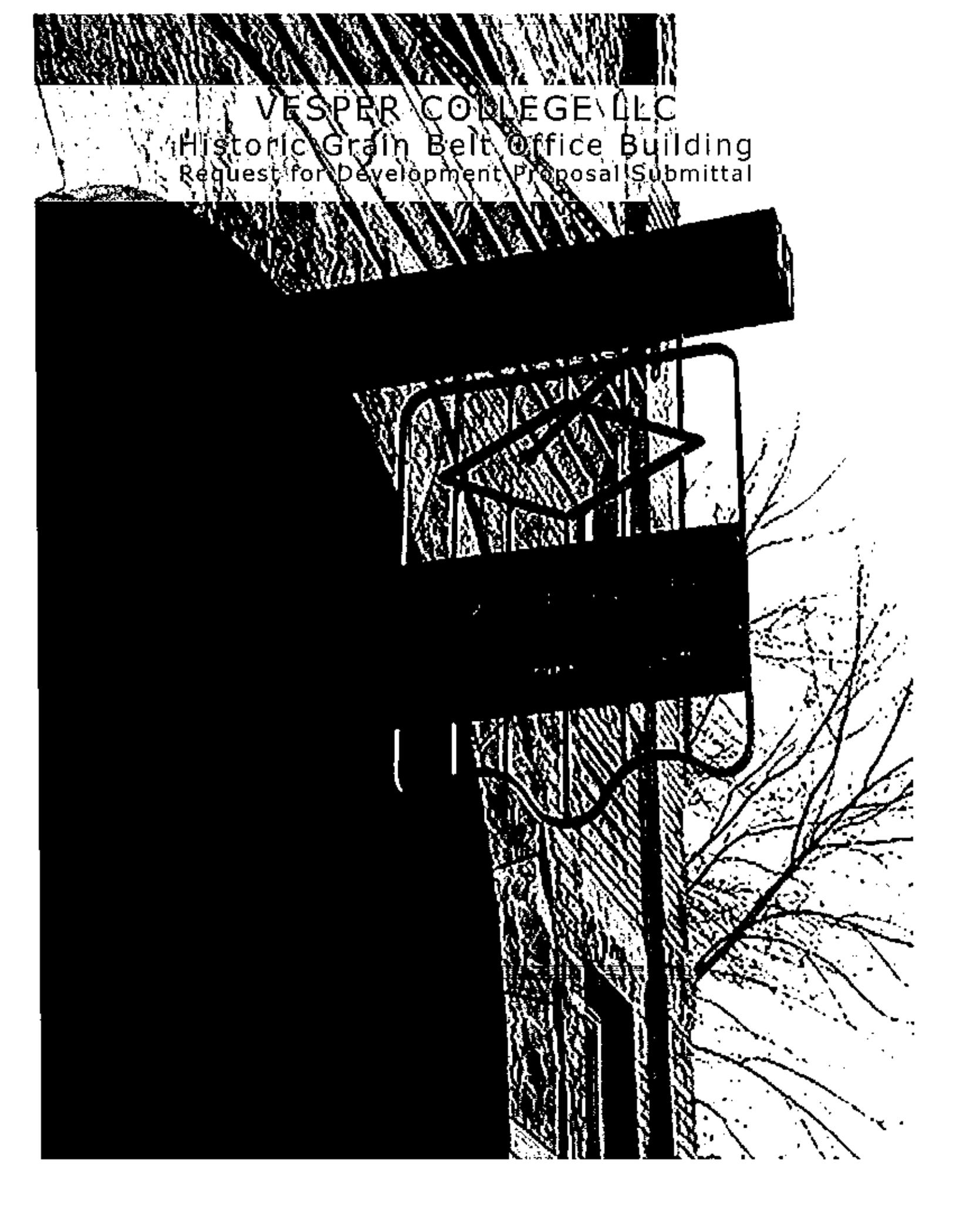
Historic Grain Belt Office Building

Request for Development Proposal Submittal

TABLE OF CONTENTS

SUMMARY	PAGE 4
2. NARRATIVE DESCRIPTION	PAGE 5
COMMUNITY MEETING PLACE	PAGE 5
TENANT LAYOUTS	PAGE 7
GRADING AND DRAINAGE PLAN	PAGE 10
ABATEMENT PLAN	PAGE 12
BID PACKAGE	PAGE 14
3. ENTITIES	PAGE 24
4. PROJECT PRO FORMA/FUNDING SOURCES	PAGE 29
5. 15 YEAR OPERATING PROJECTIONS & RETURNS	PAGE 34
6. STATEMENT OF DEMAND	PAGE 37
7. PUBLIC BENEFITS	PAGE 38
8. TIMEFRAME	PAGE 39
9. EXECUTED CONSENT	PAGE 40
10. KNOWN END USERS	PAGE 41





VESPER COLLEGE LLC
Historic Grain Belt Office Building
Request for Development Proposal Submittal

Summary

Vesper College responded to Minneapolis's Request for Proposals for the Historically designated property located at 1215 NE Marshall Street (Grain Belt Office) on July 13, 2009. There were two submissions but the other proposal withdrew shortly after submission, leaving only the Vesper proposal. Staff concluded that the plans as submitted by Vesper were inadequate and re-opened the process with new submissions due on December 8, 2009.

Since the decision was made to reopen the process, Vesper has used the time re-examining the scope of work required and to get bids from subcontractors. The result is that the projects budget has grown from \$535,000 in the original submission to \$1,200,000. now. Additionally, we have researched the availability of historic preservation tax credits available to the project.

As of the date of this submission, Vesper has not been able to secure adequate debt or equity commitments for the project, however, Vesper has every reason to believe that it could secure the necessary commitments provided it were granted a short exclusive period of time to do so.

The historic Grain Belt office building is a valuable community asset with unique constraints that make it a difficult project, even in good times. Vesper College is committed to a redevelopment that will preserve the properties heritage and give it an important community development mission. Some of the characteristics that make Vesper a uniquely positioned end user for this property are:

1. Its ability to productively utilize difficult to use space.
2. Minimal parking requirements.
3. Growth field of sustainability and eco-friendly architecture.
4. Relatively low cost renovation requirements.
5. Eight current staff positions.
6. A student body uniquely qualified to participate in the green economy.

2. NARRATIVE DESCRIPTION

The project envisions utilizing the historic former Grain Belt Brewery office building located at 1215 Marshall Street N.E. Minneapolis as the new home of Vesper College. Vesper College is a graduate school offering a Master of Fine Arts (MFA) Degree in Environmental Architecture. In addition to being the new home of Vesper College, plans include rehabilitating the two story office structure on the Marshall Street side of the building into market rate office space. It is the intention of the development team that the property be themed as a center of activity focused on the principals associated with sustainability, ecological balance, environmental architecture, and art. One of the principal tenets of Vesper College is to encourage students to become teachers themselves. One of the methods for doing this is through community outreach programs in which the students prepare presentations and participate in discussion forums with people from the community. In addition the school intends to provide a guest speaker series in which thematically relevant topics can be explored and discussed with experts from outside the school.

At Vesper College sustainability and ecology are not just buzz words designed to sell products in a greening marketplace. The principals of sustainability and ecology first and foremost reflect a respect for life itself in all its diversity, a commitment to scientific discovery about natural systems, and a belief that the advancement and health of humanity and other parts of the natural creation are not mutually exclusive competitors but rather, mutually inclusive dependants.

Vesper College is currently located at 201 6th Street SE in Minneapolis. Vesper is currently engaged in the accreditation process with the National Association of Art and Design and anticipates successful completion early in 2010. The college will enter into a long-term lease for the entire lower level of the property and the back half of the first floor (approximately 9000 rentable square feet total).

Grain Belt Office Building Community Meeting Place

Vesper College currently provides meeting space for many community groups that focus on improving design strategies of our built environment. Some of these include:

Permaculture Research Institute:

Through research, demonstration, education, and community building we help individuals develop a more sustainable lifestyle. Anchored in permaculture ethics and design principles, our organization provides leadership and hope by enthusiastically tackling the problems of today and directing our organizational energy towards creating an abundant future.

Grain Belt Office Building Community Meeting Place (continued)

Forecast Public Art

Our mission is to strengthen and advance the field of public art locally, nationally and internationally by expanding participation, supporting artists, informing audiences and assisting communities.

We accomplish our mission through three key programs:

- Public Art Review is the world's leading journal critically exploring contemporary public art. Created in 1989, the Review has grown from a black and white newspaper format with a few hundred readers to a glossy 100-page magazine with approximately 10,000 readers in all fifty states and twenty foreign countries.
- Our grant program awards 8-10 competitive grants each year to emerging Minnesota artists. Grants range in size from \$1,000 (for research and development) to \$9,000 (for public projects).
- Our consulting practice helps create public art by providing project management for community groups, organizations, government agencies, and individual artists seeking to enhance public space.

IIDA

IIDA Northland Chapter is one of the most active chapters in the Midwest. Our membership of over 225 consists of approximately 75 professionals, 20 students, 55 associate members and 59 industry representatives. IIDA Northland offers valuable continuing education programming and charity events that are held throughout the year in the Minneapolis-St. Paul area. They are open to our membership and the local design community.

IIDA Northland's mission:

The IIDA Northland Chapter is committed to promoting and enhancing the profession of Interior Design. Our goal is to foster the respect of our community and those who serve our built and natural environment.

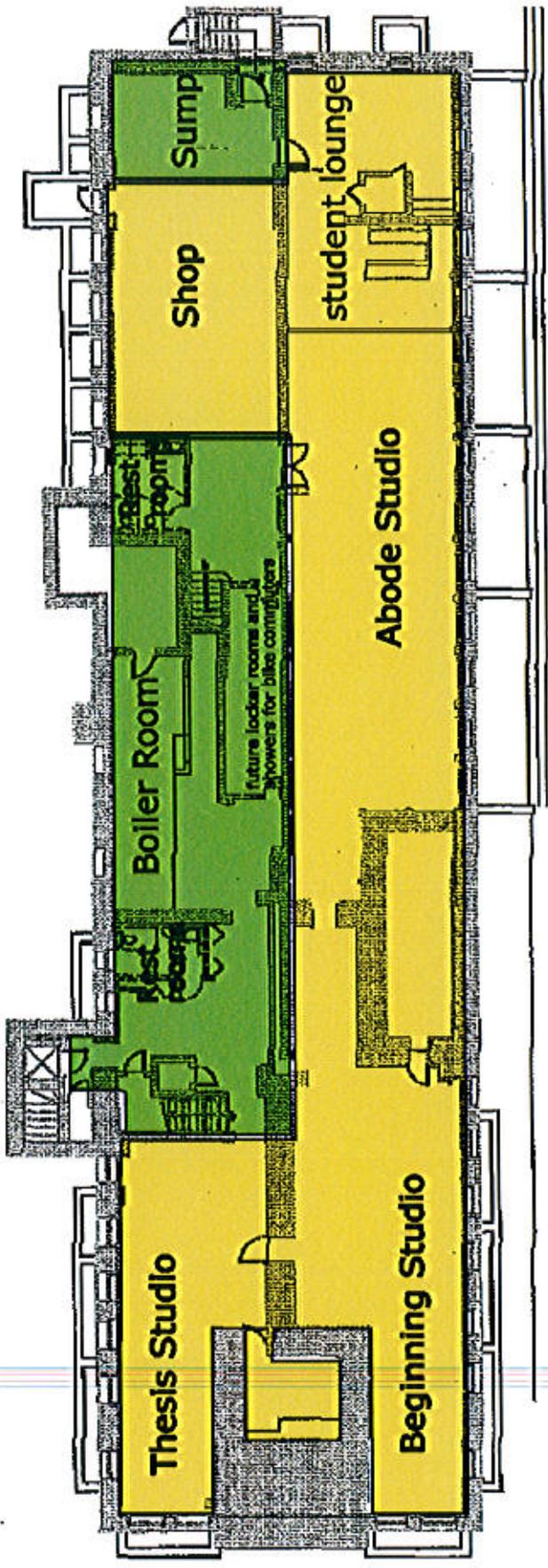
Eco-Arch Guild

The Eco-Arch Guild is a group of like-minded people working to bring greater awareness to the true sustainability of an architecture that life cycles greater than 100 years.

NEMAA

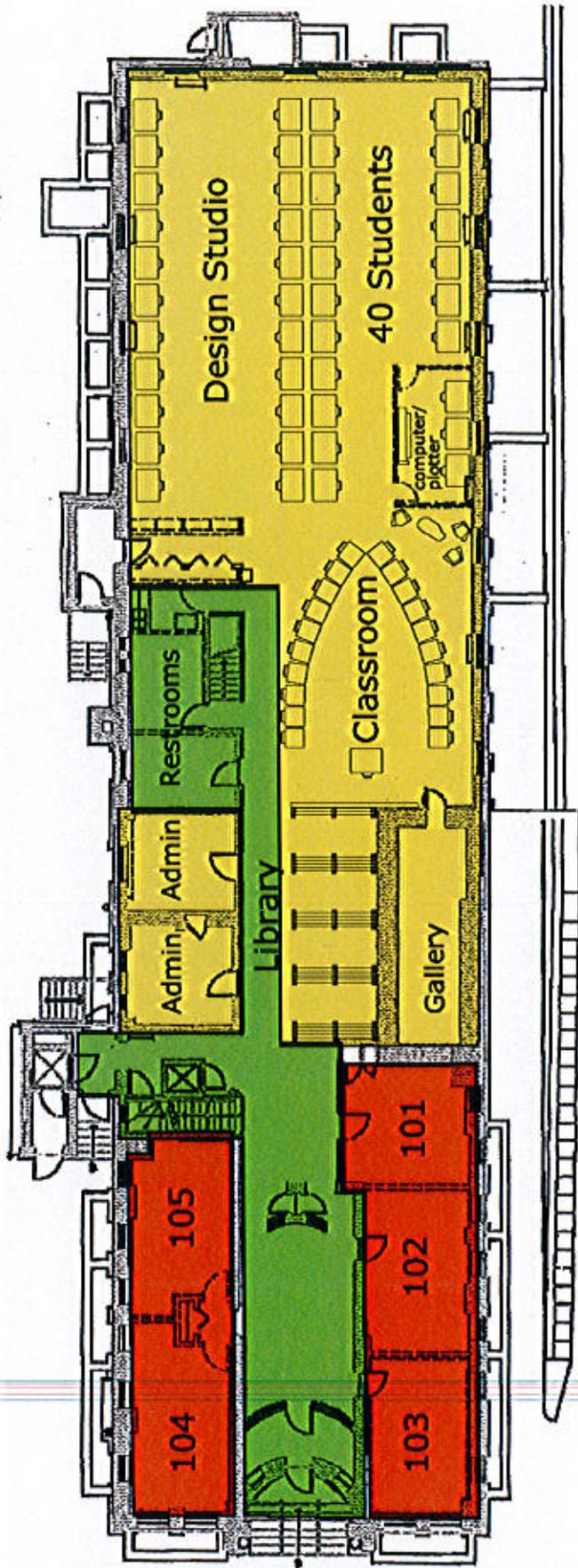
Northeast Minneapolis Arts Association (NEMAA) is a non-profit arts agency with the mission of promoting and supporting the quality and diversity of artistic resources based in Northeast Minneapolis to benefit the greater community.

Lower Level Space Plan



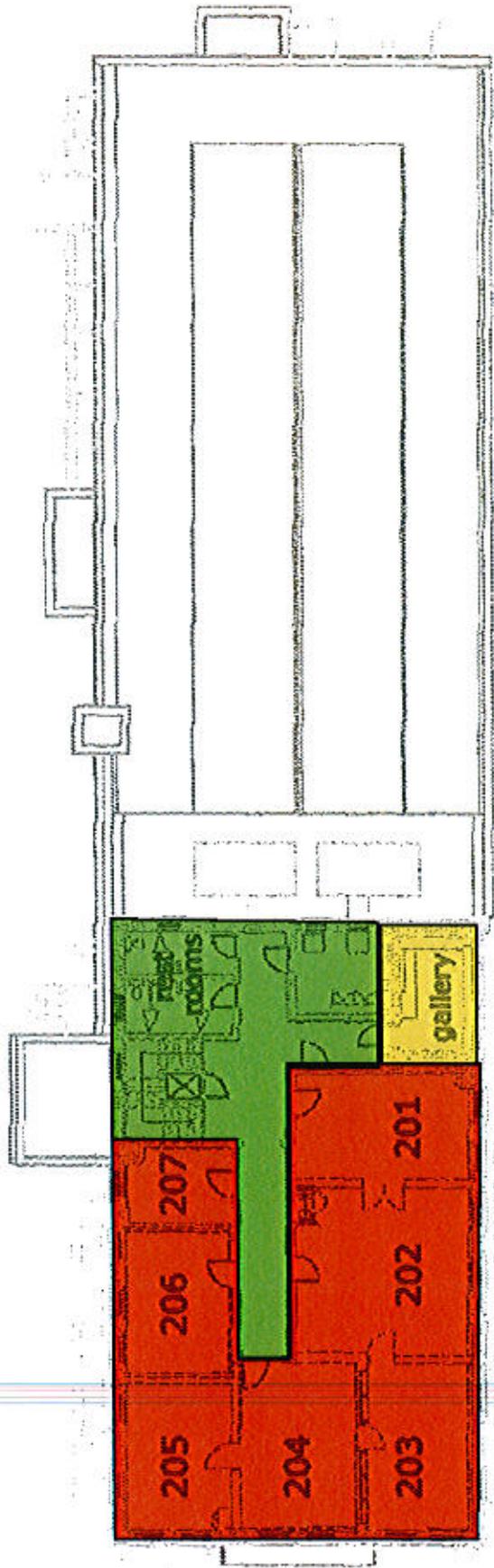
-  = Vesper College
-  = Common Area
-  = Market Rate Office Space

First Floor Space Plan



-  = Vesper College
-  = Common Area
-  = Market Rate Office Space

Second Floor Space Plan



-  = Vesper College
-  = Common Area
-  = Market Rate Office Space

Grain Belt Office Site Grading and Drainage Plan

The site drainage issues at the Grain Belt Office Site are being addressed using a modified design offered by Thomas Pakkala from the Minneapolis Environmental Management & Safety Office. The design takes a 5 step approach to redirect existing roof drainage, site drainage and a high water table.

Step 1

Redirect roof drainage to existing area well drains. This includes redirecting current drain leaders that spill onto adjacent property. This will also include downspouts that would spill onto the stone paver parking surface and sheet flow to the street curb gutter.

Step 2

Re-enforce the flow of existing area well drains to a sump basin and pump to pervious parking at the Southeast corner of the existing building to sheet drain.

Step 3

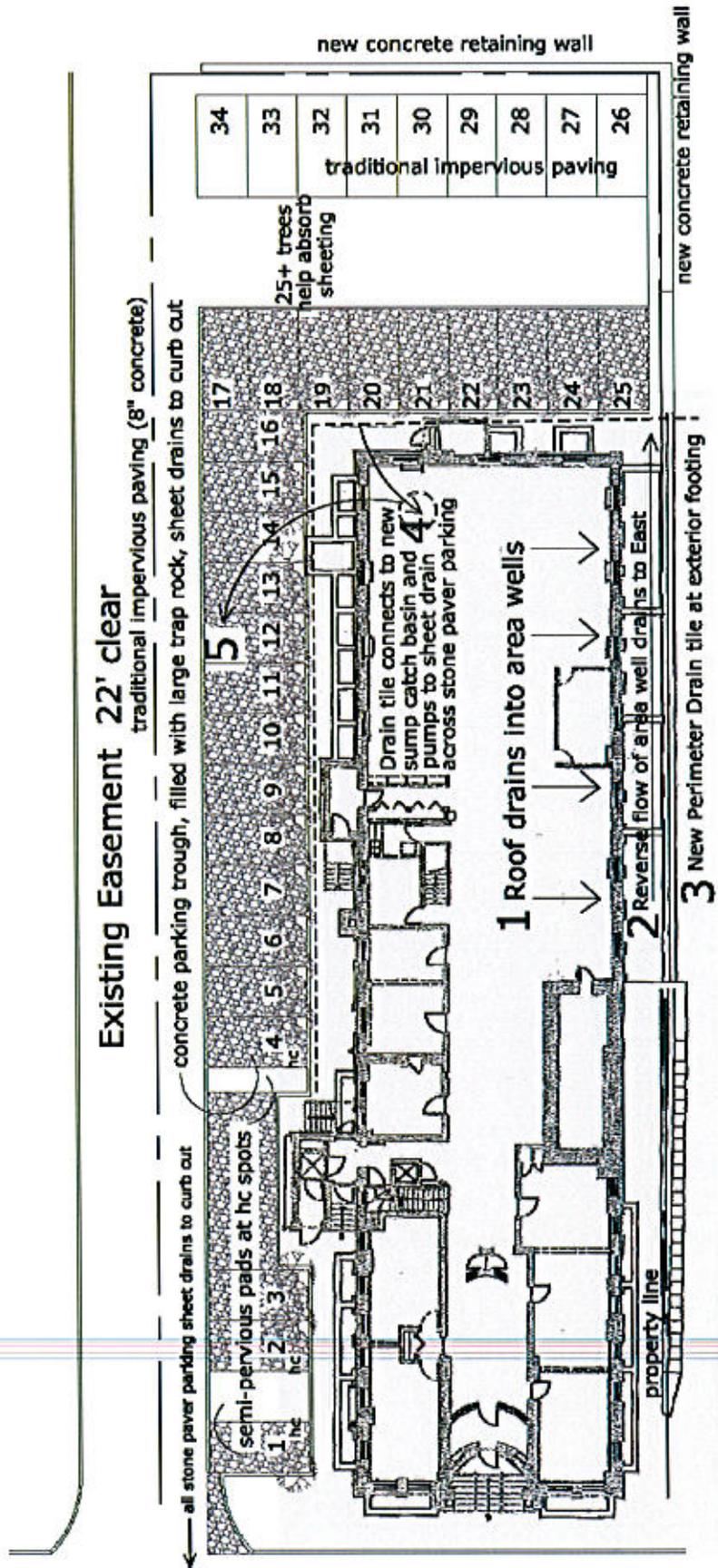
A new perimeter drain tile would be placed at the outside of the building's footings. This drain tile would capture and redirect both rain water and the high water table that exists on the East side of the building.

Step 4

A new sump pump catch basin would be installed in the basement approximately where the existing sump pump is located. The perimeter drain tile would drain into this catch basin and the sump pump would pump it up to the stone paver parking which would act as a temporary retaining surface. This would delay the surface sheeting and reduce the demand load on the city storm sewage system.

Step 5

A stone paver parking surface would be created over a clay or membrane surface to temporarily retain and eventually sheet flow rain and sump pump water. This innovative system would delay storm water demand on the city storm sewer system. The stone paver parking would be aesthetically appealing and soften the impact of parking around the perimeter of the building. The parking would also have 30+ trees (Paperbark Birch or Willow, both high water absorption trees), that would aid in the reduction and delay of the flow into the street curb gutter and ultimate storm sewer system.

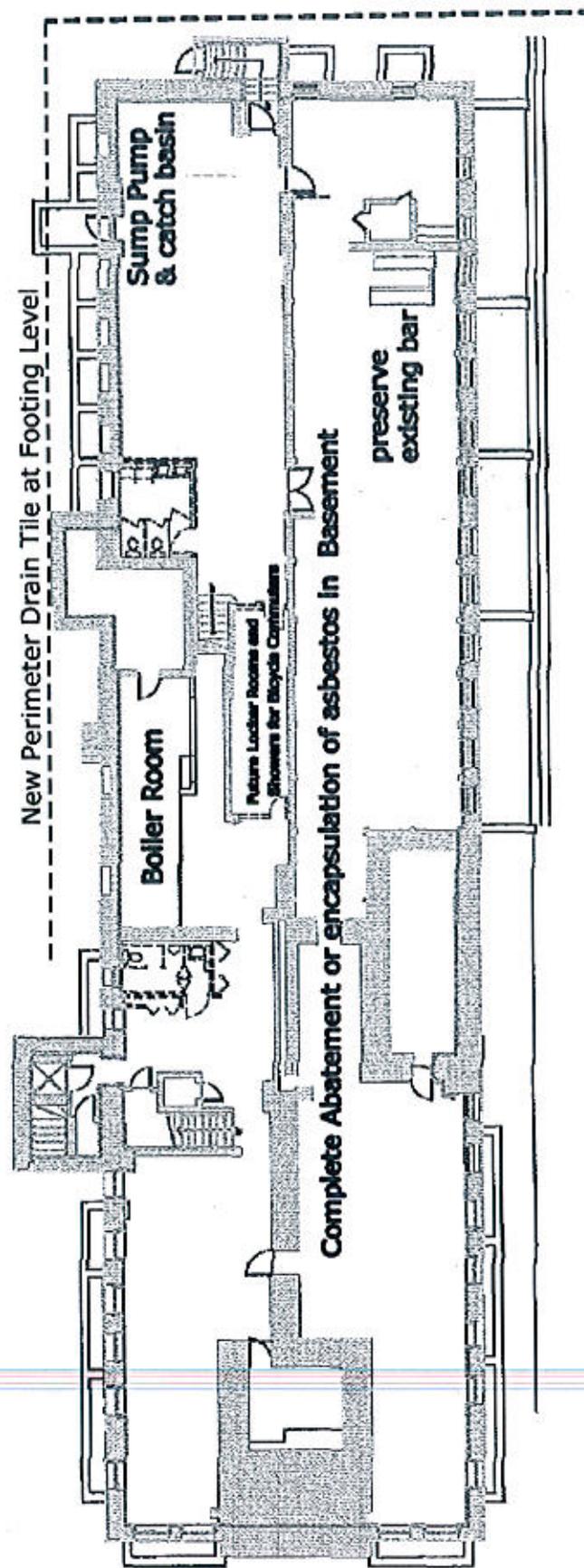


- new windows
- new roof and gable wall
- 5 new hvac units (4 on roof, 1 on ground)
- asbestos abatement or encapsulation throughout

Grain Belt Office Building Abatement Plan

The hazardous materials abatement plan for the Grain Belt Office Building will include an entire lower level gutting and abatement or encapsulation. This space will become the main studio and shop space for Vesper College and will be used as 4 larger open spaces with exposed stone and brick surfaces and interior partition walls only where they are needed structurally.

The abatement over the 1st and 2nd floors will be abated or encapsulated. All windows will be removed (lead abatement) and replaced as per HPC recommendations.





KAUFMAN ROOFING

2521 24th Avenue South
Minneapolis, MN 55406
Phone 612-722-0965 • Fax 612-722-1021

Commercial and Residential
Full Service Roofing Contractor
Specializing In Slate and
Tile Restoration
State License #9324

9-15-2009

Grain Belt Bldg
1215 Marshall Street NE
Minneapolis, MN 55413

Dear Dan,

Thank you for contacting Kaufman Roofing Inc and giving us the opportunity to bid on your future roof projects. Below is a proposal for the work that we propose to perform for you. If you have any questions or concerns please call, we will be happy to assist you.

We propose to tear off part of existing flat roof down to the roof boards. The premises will be cleaned and the debris will be hauled away. The installation of the new roof will consist of installing one layer of 1/2" wood fiber insulation board, mechanically fastened to the roof deck. 60mil EPDM Carlisle rubber will then be fully adhered to the insulation board with a reinforced perimeter strip. We will double wrap the corners and install new pipe boots, and new metal flashing.

The cost for the main upper flat roof will be \$32,850.00

The cost for the lower small flat roof will be \$8,400.00

(Note the lower flat roof is bid, per our conversation, that all the AC units will be removed prior to our roof work.)

We have inspected the pitched roof and we propose to tear off the existing roof, down to the roof boards, we will also remove the old roofing nails as needed and re-nail all loose roof boards. The premises will be cleaned and the debris will be hauled away. Reroofing will consist of installing ice and water shield up the first six feet from the eaves. On the remaining portions of the roof, shinglemate will be installed. Overall, 25 year 3 tab shingles will be installed in the color of your choice.

The cost for half of the pitch roof will be \$13,995.00

We have inspected the slate wall and propose to tear off the existing slate, down to the wall boards. Reroofing will consist of installing ice and water shield overall, we will then install two layers of 30lb felt and new black slate with copper nails.

The cost for this work will be \$9,375.00

THERE WILL BE AN ADDITIONAL CHARGE FOR THE REPLACEMENT OF ROTTED WOOD, IF ANY. THE COST WILL BE \$79.00 PER HOUR, PER PERSON, PLUS THE COST OF THE WOOD.

Our individuals are fully insured and well qualified to do a good job for you. However, we will supervise this work. Should you decide to accept this offer, please sign one copy and return to our office. This agreement is contingent upon accidents or delays beyond our control.

Terms of payment: 1/3 down, balance paid in full on completion.

Payment default: 1.5% per month is charged on all amounts past due. Signer also agrees to reimburse Kaufman Sheet Metal & Roofing Inc. for all costs of collection including reasonable attorney's fees in full.

Sincerely,



Tom Kaufman
Salesperson

TK/th

I ACCEPT YOUR OFFER _____

Due to a constant increase in the cost of materials to us, the cost to you is subject to change. If such an increase should occur, you will be notified to see if these new costs meet with your approval.

It is our policy: "Treating the Customer Right is not only nice, it is GOOD BUSINESS! Minnesota law requires that we give you notice of lien rights accorded to persons or companies furnishing labor or materials for the improvement of real property. Attached is the notice required by Minnesota law. This form must also be signed and returned if this contract is accepted.

We accept VISA and MASTERCARD

State License #9324



Environmental

and

Specialty

Contracting

Services

November 13, 2009

Mr. Gene Tierney
Grubb & Ellis
Northco Real Estate Services
5353 Wayzata Boulevard, Suite 650
Minneapolis, MN 55416

RE: GRAIN BELT OFFICE BUILDING – REMOVAL OF LOOSE AND FLAKING EXTERIOR LEAD BASED PAINT FROM WINDOWS, FRONT DOOR AND FRONT DOOR TRIM.

Mr. Tierney:

Thank you for the opportunity to quote to you on the above referenced project.

Our firm lump sum price to complete the above referenced project is **\$14,971.00.**

The scope of work is as follows:

- (1) Removal of loose/flaking lead paint from 56 windows painted brown.
- (2) Removal of loose/flaking lead paint from 2 windows painted yellow.
- (3) Removal of loose/flaking lead paint from 1 front door and trim on either side.
- (4) Remove and store aluminum storm windows for install by others.

The survey states that only three windows and the front door have cracked lead paint. I visited the site on November 13, 2009 and all windows have exterior lead paint in poor condition. The windows are covered with aluminum storm windows which we would remove and store on-site. These windows would be re-installed by others after glazing and painting of the windows is complete.

The above price is based on an environmental survey conducted by Groundwater & Environmental Services, Inc. and a site visit conducted on November 13, 2009.

Our price includes labor, materials, equipment, articulating lift rental, supplies, OSHA compliance air monitoring, permits if applicable, disposal and insurance to complete the above referenced scope of work. Asbestos abatement practices and procedures will comply with all EPA, OSHA, state and local regulations governing the removal and disposal of asbestos containing and/or contaminated material.

4330 Centerville Road
White Bear Lake, MN 55127

763.788.7713
763.788.9560 fax
1.888.788.4378

www.mavo.com

An Affirmative Action Employer

Mr. Tierney
November 13, 2009
Page 2

Should you have any questions, or need additional information, please contact me at 763-788-7713.

Sincerely,
Mavo Systems, Inc.

Charles E. Tatton

Charles E. Tatton
Project Manager



Environmental
and
Specialty
Contracting
Services

November 11, 2009

Mr. Gene Tierney
Grubb & Ellis
Northco Real Estate Services
5353 Wayzata Boulevard, Suite 650
Minneapolis, MN 55416

**RE: GRAIN BELT OFFICE BUILDING – REMOVAL OF ACM ACOUSTICAL
SPRAY, FLOOR TILE, MASTIC AND ASSOCIATED CARPET.**

Mr. Tierney:

Thank you for the opportunity to quote to you on the above referenced project.

Our firm lump sum prices to complete the above referenced project are as follows:

- (1) Removal of 5,200 sq. ft. of ACM acoustical spray ----- \$51,542.00
- (2) Removal of 4,000 sq. ft. ACM floor tile, mastic and associated carpet -- \$12,773.00
- (3) Patch and repair of damaged exposed ACM pipe insulation ----- \$ 150.00
- (4) Budget for concrete polishing per sq. ft. in East end of 1st floor ----- \$ 4.50
- (5) Mech. Rm. on 2nd Floor – ACM floor tile and mastic – leave in place --- \$ NA

The above prices are based on an environmental survey conducted by Groundwater & Environmental Services, Inc. and a site visit conducted on November 10, 2009.

Our prices include labor, materials, equipment, supplies, air monitoring, permits if applicable, disposal and insurance to complete the above referenced scope of work. Asbestos abatement practices and procedures will comply with all EPA, OSHA, state and local regulations governing the removal and disposal of asbestos containing and/or contaminated material.

Our prices are based on the following project conditions and specifications:

- 1. Owner to furnish necessary electrical power, heat and potable water.

4330 Centerville Road
White Bear Lake, MN 55127
763.788.7713
763.788.9560 fax
1.888.788.4378

www.mavo.com

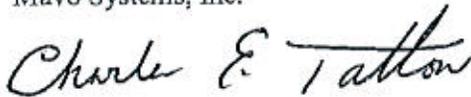
An Affirmative Action Employer

Mr. Tierney
November 11, 2009
Page 2

2. All asbestos containing and/or contaminated material to be disposed of at an approved landfill. Owner to receive copies of all waste manifests.
3. OSHA compliance and area air samples to be taken by Mavo Systems and submitted to an independent third party lab for analysis.
4. Final air clearance testing to be conducted by a third party independent lab retained by Mavo Systems.
5. All furnishings, equipment, etc. to be removed from the work area prior to the start of the project by the Owner.
6. Work will be done during normal working hours based on a Monday thru Friday work week.

Should you have any questions, or need additional information, please contact me at 763-788-7713.

Sincerely,
Mavo Systems, Inc.



Charles E. Tatton
Project Manager

Elgard Excavating & Grading Inc.
7413 Nicollet Ave. So.
Richfield, MN 55423
(612) 861-3750 office
(612) 861-3764 fax

Proposal

Work to be performed for: Vesper Development

Work to be performed at: Grain Belt Office Building
1215 Marshall St. N.E.
Minneapolis, MN 55418

Work Includes:

Install erosion control as needed.
Excavation of east building foundation wall down to bottom of footing elevation for waterproofing by others.
Backfill East building foundation wall (in compacted lifts) with on site soils.
Removal (from site) of concrete driveway at North and East side of building.
Excavation 42" below driveway elevation and backfilling (without compaction) of new concrete retaining wall.
Excavation of soils (103 linear feet x 40' x 7-8' average height) on west side of new retaining wall. Excavated soils (clean, debris free) to be hauled off site.
Excavation (8" cut depth from proposed finish grade elevation) of 9000 sq.ft. area for traditional impervious paving (paving by others). Excavated soils (clean, debris free) to be hauled off site.
Install a 4" layer of recycled class 5 base material (with compaction) in impervious paving area (9,000 sq.ft.) with a 4" hold down for new concrete paving (concrete paving by others).
Excavation (18" cut depth from proposed finish grade elevation) of 5,000 sq.ft. footprint for permeable paver driveway.
Excavated soils (clean, debris free) to be hauled off site.
Raise manhole cover to new finish grade elevation.
Install 20 linear feet of Schedule 40 pipe from SE corner of building (east end of area wells) approximately 12" below grade into sub base (12") rock layer.
Install with compaction a 12" layer of 1 1/2" clear rock in 5,000 sq.ft. footprint.
Install with compaction a 4" layer of 3/4" clear rock in 5,000 sq.ft. footprint.
Deliver to site (left in a pile on site for installation by paver installer) enough (2" layer) 3/8" clear rock for bedding course.

Price:

\$72,000.00

- Elgard Excavating will notify Gopher One Call to have the location of primary utilities marked. If there are any privately owned utilities in the excavation area it is the property owner's responsibility to notify them individually and have them located and marked before excavation begins. Elgard Excavating is not responsible for repair of any damage to anything not previously marked.
- Above price assumes clear digging (nothing to excavate around). If utilities are encountered in the excavation area there will be additional charges for labor and machine time to excavate around them. Labor will be billed at the rate of \$47.00 per hour and machine time will be billed at the applicable rate.
- Optional: If a Geotextile fabric (200ST stabilizing fabric) is installed on sub grade of permeable driveway footprint (5,000 sq.ft. area) add \$715.00 to above price.
- Concrete driveway removal based on a concrete thickness of 5" or less and without re-enforcement. If concrete is thicker than 5" or is re-enforced extra charges will apply.
- Excavation footprint based on 14,000 sq.ft. (5,000 sq.ft. for permeable paver prep and 9,000 sq.ft. for impervious concrete paving). Pavers and concrete materials and installation not included in above price.
- No work in area wells included in above price.
- Grubb & Ellis / Vesper College to hire their own basement waterproofing company for waterproofing (drain tile, tile rock, and waterproofing) related work. Elgard Excavating does not guarantee a dry basement.
- Above price is a 2009 frost-free price.
- Onsite backfill soils (behind new poured concrete wall) to be re-installed loose to settle naturally.
- Resodding / seeding / landscape repair and any necessary permits not included in above price.

Terms: 50% down payment required balance due upon completion.

Return signed copy of proposal with down payment to be added to schedule.

Elgard Excavating & Grading Inc.

Date

Vesper Development

Date

Gene Tierney

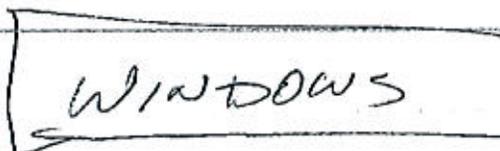
From: Dan Noyes [no-yes@vespercollege.com]
Sent: Monday, November 23, 2009 2:17 PM
To: brooks@re-view.biz
Cc: Gene Tierney
Subject: RE: window restoration

Thanks Brooks,

That information is exactly what I was looking for. I appreciate your expedience with it and I'll be in touch.

Dan Noyes

From: Brooks Gentleman [mailto:jbrooks@archspec.com]
Sent: Monday, November 23, 2009 12:11 PM
To: 'Dan Noyes'
Subject: RE: window restoration



There are two ways you can do this project and adhere to most State preservation requirements:

Full Restoration – Approximately \$105 per sq/ft

This scope would involve restoring the existing frames and sash. The paint on the frames would be scraped down to sound paint and lightly sanded. Repairs would be made to the frame components. I would be the frames are in good shape since there are storm windows protecting them. The sash would be removed and taken to our restoration plant where all finishes and glazing would be removed. Repairs would be made to the sash and they would be reglazed and finished. The restored sash would be reinstalled in the restored frames with new weather stripping. A new storm window would be installed.

Sash Replication – Approximately \$80 per sq/ft

The same scope on the frames would apply to this scope. Instead of restoring the sash, replica sash that match the existing would be fabricated. The new sash would have insulated glass and will be installed into the restored frame just as the original windows on the existing pulleys. A storm window would not be required with this scope of work because of the insulated glass. We have performed this scope of work on many national register projects across the country.

Call with questions.

From: Dan Noyes [mailto:no-yes@vespercollege.com]
Sent: Monday, November 23, 2009 11:32 AM
To: brooks@re-view.biz
Subject: RE: window restoration

Oops, here it is.

From: Brooks Gentleman [mailto:jbrooks@archspec.com]
Sent: Monday, November 23, 2009 11:17 AM
To: 'Dan Noyes'
Subject: RE: window restoration

11/23/2009

3. ENTITIES

Architect: Daniel Noyes

Owners: Entity to be determined made up of the following participants.
Daniel Noyes (See Bio. Attached)
Gene Tierney (See Bio. Attached)

Managers: TBD

Contractors: TBD

Experience: See Bio's Attached

Previous Project: Telephone Building Gentrification (Attached)

No previous law suits.

Who will speak for partnership: Gene Tierney and Daniel Noyes

Financial Statements under separate confidential cover.

The designers and contractors for this project shall be licensed to work in the city of Minneapolis.

BIO: Dan Noyes



DAN NOYES
Architect/Educator
612.750.9538
no-yes@vespercollege.com

Career Summary

Dan Noyes is a practicing architect and educator. He has balanced commercial and residential architectural practice with college teaching for his entire career of 16 years. Dan has taught and directed academic programs for over 10 years. Dan is committed to a balanced design approach that combines interior and exterior forms, finishes and practices.

In addition, Dan is the founder, president and academic dean of Vesper College. Vesper College is a graduate only college that offers a MFA in Eco-Architecture. It is a unique, community oriented program that combines fine art and architecture with the ecological systems of our earth. Vesper College is about to start its fourth academic school year and has 15 graduates. Vesper College is a vital asset to NE and SE Minneapolis as a community gathering place. Vesper College holds 10-12 gallery shows per year which are open to the community and have become a focal gathering point.

Throughout his career Dan has been an innovative thinker that believes in the integration of great ideas with real outcomes.

Professional Experience

- 1999-Present: Vesper Eco-Architecture
- 1998 - 1999: Setter Leach and Lindstrom
- 1998 - 1999: BWBR Architects
- 1989 Group II: Architects
- 1989 St. Paul: Heritage Preservation

Project Designer- NMMC Parking Ramp (\$10 million)
Project Architect- Fulton Switch Station (\$4 million)
Const. Architect- UofM Basic Sciences (\$67 million)
Project Designer- Wayzata Medical (\$6 million)
Project Designer- Augsburg College Library (\$12 million)
Staff Architect- Indonesia Medistra (\$30 million)
Project Designer- St. Mary's Medical (\$10 million)
Project Designer- Lawson Software (\$56 million)
Project Designer- Mpls Airport Subway (\$29 million)
Project Designer- Lumonics Office/Mnfg (\$10 million)
Vespertrough Design- Knuth Residence (\$120,000)
Vespertrough Design- Phillips/Hoffman Addition (\$100,000)
Vespertrough Design- Telephone Building Rezone/Loft (\$750,000)
Vespertrough Design- New Works by James Wrayge (gallery show)

Academic Experience:

- 2006-Present: Vesper College Dean of Academics, Professor
- 2000 - 2006: The Art Institutes Minnesota Department Chair of Interior Design
- 2000-Present: Augsburg College Adjunct Faculty Painting/Typography
- 1994 - 2000 University of Minnesota Adjunct Faculty DHA Department Building Technology/Presentation and Detailing/Drafting/3-D AutoCad

Utterances, individual gallery show at Concordia University St. Paul, Nov. 2006.

Stones Uttering Steel, individual gallery show at Augsburg College, Nov. 2003.

Hand to Eye, group gallery show at Augsburg College, Oct. 1994.

Board of Directors, TimeTrackProductions Dance Troupe, 2002-present.

Public Art Committee, UofMN, 2000.

Curriculum Development for DHA,

UofMN Semester Conversion- Spring, 1999.

Opening presentation for UofMN Symposium

The Architecture of Religion and Ritual- April, 1999.

"Brick in Architecture- Award 1997" judge for Iowa.

Published in "Art Muscle," and "Architecture Minnesota."- 1992, 1993.

Group Gallery Shows at MMA, UofMN, Georgia Tech- 1991, 1996, 1992.

Paper presented at Oklahoma State- Spring, 1997.

AIA Honorable Mention-design, NMMC Ramp, 1995.

Research Award for "the blurring of the line," 1992.

BIO: Gene Tierney



GENE TIERNEY
Vice President
gtierney@northco.com

CAREER SUMMARY

Gene Tierney offers a depth of commercial real estate development and leasing experience totaling over 23 years. With Grubb & Ellis|Northco, he provides sound real estate planning strategies for growing local and regional medical practices and owners and investors in healthcare-specific and related facilities. He also serves as the leasing broker for Southdale Medical Center, a Grubb & Ellis|Northco portfolio property.

In addition, Gene has extensive experience in the development process; including expertise in airport concession development, leasing, construction coordination, Tax Increment Financing, government approval process, regulatory compliance, and conceptual development. His background includes repositioning and de-malling an aging regional shopping center, an urban specialty mall, and a downtown mixed-use entertainment project.

Throughout his career Gene has been known as an experienced, market-driven innovator in the commercial real estate market.

Experience

- 2006-Present: Grubb & Ellis|Northco Real Estate Services, Brokerage Services
- 2000-2006: Metropolitan Airports Commission, Assistant Manager Business Development
- 1997-2000: Signal Hills Shopping Center, Project Management and Leasing
- 1989-1997: Independent Real Estate Consultant
- 1983-1989: Ray Harris Company, Vice President of Development and Leasing Agent Education

Education

- University of Minnesota, BS Urban Development Administration Minneapolis Area Association of Realtors
- University of St. Thomas, Certificate: Integrative Creative Studies
- University of St. Thomas, Mini MBA Program
- Anoka Vocational Technical, Architectural Technology

Professional Affiliations

- Licensed Real Estate Agent
- Member, Minnesota Commercial Association of Realtors (MNCAR)
- Member, Minnesota Medical Group Management Association (MMGMA)

Community Activities

- Southwest Hockey Association, Board Member
- Camp Lawton, Board Member, St. Paul's Episcopal Church

Project Pro-forma

1215 Marshall Avenue NE Minneapolis, Minnesota

11-16-2009

By

Vesper Development

Site Work

Site Utilities		NA	
Concrete	\$	28,000	2%
Stone Paver Parking Surface	\$	34,000	3%
Grading	\$	72,000	6%
Drain Tile	\$	60,000	5%
Subtotal	\$	194,000	

Building Exterior

Southside Area Wall	\$	25,000	2%
Tuckpointing	\$	50,000	4%
Glazing and Storm Windows	\$	140,000	12%
Roofing (Roof Drainage)	\$	65,000	5%
Subtotal	\$	280,000	

Building Interior

Demolition	\$	25,000	2%
Asbestos Abatement	\$	65,000	5%
Fire Protection	\$	25,000	2%
Plumbing	\$	60,000	5%
HVAC	\$	90,000	7%
Electrical	\$	40,000	3%
Elevator	\$	30,000	2%
Finishes	\$	60,000	5%
Subtotal	\$	395,000	

Soft Costs

Acquisition Cost	\$	1	0%
Organization Start up	\$	20,000	2%
General Conditions	\$	25,000	2%
Engineering & Architecture	\$	60,000	5%
Developers Fee	\$	60,000	5%
Builders Risk Insurance	\$	5,000	0%
Contingency	\$	60,000	5%
Financing Origination Fees	\$	30,000	2%
Permit Cost	\$	25,000	2%
Contractors Fee	\$	60,000	5%
Subtotal	\$	345,001	

Total	\$	1,214,001	100%
--------------	-----------	------------------	-------------

Sources of Funds

Equity Contributions	\$	364,000	30%
Debt	\$	<u>850,000</u>	70%
Total	\$	1,214,000	100%



Coon Rapids
3585 124th Ave. NW
Coon Rapids, MN 55433
(763) 780-0494
Fax (763) 783-1883

Eden Prairie
6640 Shady Oak Road
Eden Prairie, MN 55344
(952) 944-6640
Fax (952) 944-3696

Golden Valley
945 Winnetka Avenue N
Golden Valley, MN 55427
(763) 545-9005
Fax (763) 545-6663

St. Michael
750 Central Avenue NW
St. Michael, MN 55378
(763) 497-3114
Fax (763) 315-8958

Stillwater
2270 Frontage Road West
P.O. Box 225
Stillwater, MN 55082
(651) 439-3050
Fax (651) 351-1550

White Bear Lake
3670 East County Line N
White Bear Lake, MN 55110
(651) 426-2554
Fax (651) 426-6348

Website
www.centralbank.com



Member F.D.I.C.

Proposal Letter

July 10, 2009

Historic Grain Belt Office Building
Vesper Development

Dear Mr. Noyes, Tierney and Oien

Central Bank is pleased to offer the following proposal. This proposal is for discussion purposes only and should not be construed as a lending commitment on the part of Central Bank. A commitment can only be made after completion of our underwriting process, management approval, and completion of documentation acceptable to counsel.

Credit Facility

Borrower: Vesper Development (or TBD entity)

Loan Amount: \$350,000 to \$450,000 (not to exceed 75% of development cost or appraised value, which ever is less)

Rate: 7.0% fixed for 3 years (estimated)

Term: 20 year amortization

Payment: P&I

Origination Fee: 1% of loan amount

Collateral: 1st mortgage on
Grain Belt Office Building
1215 Marshal Ave
Mpls MN
(additional collateral may be required)

Guarantors: Dan Noyes, Gene Tierney, John Oien

Purpose: Develop / rehab commercial property

Prepayment: 2% first year, 1% second year

Loan approval is subject to the following:

1. The bank requires the receipt of a property insurance certificate on the subject property with Central Bank listed as first mortgagee and includes a clause that the insurance company will give the bank 30 days notice of cancellation or non-renewal. Evidence of insurance must be delivered to Central Bank prior to closing.
2. Title Insurance: The title commitment from the title company must show title free and clear of any encumbrances, easements, encroachments or restrictions not acceptable to Central Bank.
3. Flood Hazard Zone: If the property is located in a flood hazard zone the borrower will be required to purchase flood hazard insurance for the term of the loan.
4. Central Bank shall have received an appraisal of the property prepared by a MAI certified appraiser who has been approved by Central Bank and has received an engagement letter from Central Bank verifying sufficient value of the property.
5. Central Bank shall have received a complete and satisfactory Phase I environmental report on the property. Further environmental analysis may be required if the Phase I is not satisfactory.
6. Central Bank requires that borrower pay all costs associated with the loan including but not limited to appraisal, environmental reports, title insurance, documentation fees, etc.
7. Central Bank will require that a deposit relationship be established prior to close.

8. Central Bank will need to complete a credit check of all guarantors to assure Central Bank credit standards are met.

9. The building rents must support the debt by a minimum of 1.2 times.

This is a proposal, final approval is required from Central Bank loan committee. The bank, at its sole and complete discretion, can terminate loan approval.

Sincerely,

A handwritten signature in blue ink, appearing to be 'K. Kray', written over a horizontal line.

Kyle Kray
Vice President

Project Rent Schedule

Vesper College Rental Revenue

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Base Rent	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Base Rent with annual increase	2%	\$ 61,200	\$ 62,424	\$ 63,672	\$ 64,945	\$ 66,245	\$ 67,570	\$ 68,921	\$ 70,300	\$ 71,706	\$ 73,140	\$ 74,602	\$ 76,095	\$ 77,616	\$ 79,169
Operating Expenses															
Operating Expense Pass Through	2%	\$ 54,000	\$ 56,162	\$ 58,325	\$ 60,487	\$ 62,650	\$ 64,813	\$ 66,976	\$ 69,139	\$ 71,302	\$ 73,465	\$ 75,628	\$ 77,791	\$ 80,000	\$ 82,200
Ops exp. current year minus base year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ops increase x 60% (Vesper percentage of base)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Performance Rent (\$3000 per student over 20)															
Total Students	18	2%	30	35	40	42	44	46	46	46	46	46	46	46	46
Domus Students (above 20)	-	5	10	15	20	22	24	26	26	26	26	26	26	26	26
Total Performance	\$ -	\$ 15,000	\$ 30,000	\$ 45,000	\$ 60,000	\$ 72,000	\$ 84,000	\$ 96,000	\$ 108,000	\$ 120,000	\$ 132,000	\$ 144,000	\$ 156,000	\$ 168,000	\$ 180,000
Total Rent Projection	\$ 60,000	\$ 76,848	\$ 93,733	\$ 110,656	\$ 127,617	\$ 144,617	\$ 161,657	\$ 178,739	\$ 195,861	\$ 213,027	\$ 230,235	\$ 247,488	\$ 264,786	\$ 282,129	\$ 299,520
Per Student Tuition	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Per Student Tuition w/ 2% increases	2%	\$ 15,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236	\$ 16,557	\$ 16,882	\$ 17,210	\$ 17,542	\$ 17,879	\$ 18,220	\$ 18,565	\$ 18,914	\$ 19,267
Vesper Revenue w/ 2% increases	\$ 270,000	\$ 302,500	\$ 469,180	\$ 557,134	\$ 640,429	\$ 695,571	\$ 743,267	\$ 792,393	\$ 842,445	\$ 894,614	\$ 948,801	\$ 1,005,106	\$ 1,063,529	\$ 1,124,070	\$ 1,186,839
Rent as a Percentage of Revenue	22%	20%	20%	20%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	18%

Non-college Revenue

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Gross Monthly	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 101	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 102	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 103	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 104	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 105	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 106	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 107	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 201	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 202	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 203	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 204	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 205	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 206	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Suite 207	\$ 400	\$ 4,800	\$ 4,904	\$ 5,004	\$ 5,106	\$ 5,200	\$ 5,406	\$ 5,514	\$ 5,624	\$ 5,736	\$ 5,851	\$ 5,968	\$ 6,086	\$ 6,209	\$ 6,333
Total	\$ 6,000	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200	\$ 70,200
Effective Rent Projection	40%	80%	70%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Effective Rent	\$ 31,680	\$ 48,470	\$ 57,680	\$ 67,200	\$ 85,903	\$ 89,955	\$ 71,344	\$ 72,791	\$ 74,236	\$ 75,724	\$ 77,235	\$ 78,760	\$ 80,296	\$ 81,863	\$ 83,482

Annual Increases of 2%

Consolidated Rental Projection

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Vesper College Gross Rent	\$ 60,000	\$ 76,848	\$ 93,733	\$ 110,656	\$ 127,617	\$ 144,617	\$ 161,657	\$ 178,739	\$ 195,861	\$ 213,027	\$ 230,235	\$ 247,488	\$ 264,786	\$ 282,129	\$ 299,520
Non-college Gross Rent	\$ 31,680	\$ 48,470	\$ 57,680	\$ 67,200	\$ 85,903	\$ 89,955	\$ 71,344	\$ 72,791	\$ 74,236	\$ 75,724	\$ 77,235	\$ 78,760	\$ 80,296	\$ 81,863	\$ 83,482
Projected Gross Rental Income	\$ 91,680	\$ 125,318	\$ 151,413	\$ 177,856	\$ 213,520	\$ 234,572	\$ 233,001	\$ 251,530	\$ 270,097	\$ 288,751	\$ 307,470	\$ 326,248	\$ 345,082	\$ 363,992	\$ 383,002

Return Calculation

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
11-12-09 Version															
NOI	\$ 40,680	\$ 73,208	\$ 64,352	\$ 123,772	\$ 140,986	\$ 145,284	\$ 157,577	\$ 165,030	\$ 168,343	\$ 170,708	\$ 173,302	\$ 175,056	\$ 176,461	\$ 181,118	\$ 183,820
\$550,000 25 years @ 6%	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719	\$ 65,719
Cash-flow	\$ (25,039)	\$ 7,580	\$ 32,634	\$ 58,053	\$ 75,277	\$ 83,565	\$ 91,850	\$ 100,218	\$ 102,624	\$ 105,079	\$ 107,583	\$ 110,137	\$ 112,742	\$ 115,399	\$ 118,110
Value @ 0 cap	\$ 452,000	\$ 814,427	\$ 1,052,804	\$ 1,375,246	\$ 1,698,018	\$ 1,858,403	\$ 1,750,853	\$ 1,843,737	\$ 1,870,476	\$ 1,897,764	\$ 1,925,578	\$ 1,953,954	\$ 1,982,900	\$ 2,012,425	\$ 2,042,540
Mortgage payout				\$ 264,423	\$ 802,195										
IRR (Cash on Cash)	\$ (354,000)	\$ (25,039)	\$ 7,580	\$ 32,634	\$ 58,053	\$ 87,472									
							21%								

Note: The Internal Rate of Return does not reflect the tax implications of the project including interest, depreciation, and the 20% historic preservation tax credit.

6. STATEMENT OF DEMAND

The majority of the property will be leased to Vesper College. The balance of the space will be filled with small entities and individuals. The intended theme of the property is sustainability and environmental architecture and we expect significant demand from organizations that work in fields related to that theme.

7. PUBLIC BENEFITS ANTICIPATED

In addition to the property rejoining the tax rolls, the school and theme of the property based on sustainability and environmental architecture will produce many human resource benefits over a long period of time as our society continues to transform itself into a greener economy.

8. TIMEFRAME

Vesper Development Grain Belt Office Building Redevelopment Schedule

Request for Proposal Submissions Due	Dec 8th, 2009
Recommendations to City Council	January 2010
Negotiate Development Agreement	February 2010
Public Hearing	March 2009
Transfer of Property	April 2010
Construction of Rainwater Runoff	November / December 2009
Abatement and Balance of Construction	January to June 2010
Occupancy	July 2010
School Starts	August 2010

9. EXECUTED CONSENT

Form of Consent for Release of Response Data

7/9/, 2009

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S.
Minneapolis, MN 55401

Re: Grain Belt Office Building Purchase Offer
Consent for Release of Response Data

Dan Noyes, on behalf of
Vesper Development, hereby consents to the release the public content
(the entire offer document except tax forms and/or financial statements) of its
Offer to Purchase 1215 Marshall Street NE, Mpls, MN in response to the Invitation
to Submit an Offer to Purchase and waives any claims it may have under
Minnesota Statutes Section 13.08 against the City of Minneapolis for making such
information public.


Name
Partner
Title

Form of Consent for Release of Response Data

July 9, 2009

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S.
Minneapolis, MN 55401

Re: Grain Belt Office Building Purchase Offer
Consent for Release of Response Data

Gene P. Tierney, on behalf of
Vesper Development, hereby consents to the release the public content
(the entire offer document except tax forms and/or financial statements) of its
Offer to Purchase 1215 Marshall Street NE, Mpls, MN in response to the Invitation
to Submit an Offer to Purchase and waives any claims it may have under
Minnesota Statutes Section 13.08 against the City of Minneapolis for making such
information public.

Gene Tierney
Name

Partner
Title

[Signature]

10. KNOWN END USERS

Vesper College LLC
201 6th St SE
Minneapolis, MN 55414

In an age where we are constantly rethinking; rewriting; redesigning and remaking our lives and interactions, it is vital for our higher education curriculums, pedagogies and degrees to not only reflect but inspire and lead.

Vesper College is just such an institution. Vesper College offers a graduate degree setting that hybridizes fine arts and architecture with respect to the ecology of our earth. It aims at in sighting and creating new thought and space that better defines what our connections on and to this earth should be.

Vesper students take a 2 year course of study that focuses on research in the ecological studies of place and forces them to make both visual and occupiable works that engage that research.

Vesper students culminate their studies with built work, gallery shows, research papers and hypothesis that are ready to engage their students as they go out into the world to teach.

Vesper students take notice of recent increases in "the land of lakes" becoming the "land of algae blooms" and hypothesis why fireflies are attracted to the blooms and how there may be a connection between the phosphorous used to incite and excite the bloom as well as illuminate the abdomen of the firefly.

Now imagine making an architecture that reflects and informs of that observation; that is Vesper College and Eco-Architecture.

