

DEVELOPMENT AGREEMENT
1004 N 10th Street, Milwaukee, Wisconsin

This Development Agreement (this “Agreement”) is made as of the ____ day of _____, 2017, by and among Milwaukee County, a Wisconsin municipal corporation (the “County”), and St. Anthony’s Apartments, LLC, a Wisconsin limited liability company (the “Developer”).

RECITALS

On or about the date herewith, the Developer is acquiring certain property located at 1004 N. 10th St. in the City of Milwaukee, Milwaukee County, Wisconsin as more fully described on **Exhibit A** attached hereto (the “Property”) from the County pursuant to a certain Option to Purchase Agreement between the County and Heartland Housing, Inc. (“HHI”) dated January 26, 2015 and attached hereto as **Exhibit B** (the “Original Option Agreement”) and a certain Amendment to Option to Purchase Agreement dated November 18, 2016 and attached hereto as **Exhibit C** (the Original Option Agreement as amended and assigned by HHI to Developer is the “Option Agreement”). The Property, also referred to as Community Correctional Center (“CCC”) in the Option Agreement, consists of approximately 0.43 acres of land. The parties now desire to enter into this Agreement to set forth the terms and conditions by which the Property will be developed and to establish certain additional covenants and restrictions pertaining thereto.

AGREEMENT

In consideration of the mutual covenants and agreements contained herein and in the Option Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** In addition to the words and terms elsewhere defined in this Agreement, the following words and terms used herein shall have the following meanings:
 - (a) “Building” means the portion of the facility known as the CCC located on the Property owned by Developer, as well as any planned improvements and renovations to that facility by Developer, specifically the renovation or redevelopment of the CCC into sixty (60) units of affordable housing, accessory parking and commercial space, initially to include a Milwaukee County House of Correction Day Reporting Center, a health clinic, a gathering space for a meal program operated by the neighboring church, and supportive service office area or any other use permitted under the Developer’s Amended and Restated Operating Agreement (“Operating Agreement”) (the “Intended Use”).
 - (b) “Certified Construction Costs” means Construction Costs that have been, or will be, verified or approved by a mutually agreeable third party or drawn from a title escrow or other similarly monitored account.

- (c) “Construction Costs” means construction hard costs and soft costs for the Project, but excludes developer fees, profits, carrying costs, dividends or other return on investment, or any costs for which Developer has been reimbursed by another governmental agency or paid for with tax incremental district funds.
- (d) “Community Benefits” means collectively, those goals relating to Targeted Business Enterprise participation and residential hiring for those Project construction costs governed by a Community Benefits Compliance Plan (the “Project Construction Costs”).
- (e) “Community Benefits Reporting” means the records from the Developer demonstrating its compliance and good faith efforts undertaken with respect to Section 2 of this Agreement and in accordance with the Developer’s Community Benefits Compliance Plan.
- (f) “Environmental Damages” means all claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), fees and expenses of defense of any claim and of any settlement or judgment, including without limitation, attorneys' fees and consultants' fees, any of which are incurred at any time as a result of the existence of Hazardous Material upon, about, or beneath the Property or migrating or threatening to migrate to or from the Property, or the existence of a violation of Environmental Requirements pertaining to the Property, including without limitation:
 - (i) damages for personal injury, or injury to property or natural resources occurring upon or off the Property, foreseeable or unforeseeable, including without limitation, lost profits, consequential damages, interest and penalties, including, but not limited to, claims brought on behalf of employees of the Developer or the County; (ii) diminution in the value of the Property, and damages for the loss of or restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Property; (iii) fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other fees incurred in connection with the investigation or remediation of such Hazardous Materials or violation of Environmental Requirements, including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remedial, removal, containment, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, or reasonably necessary to make full economic use of the Property or otherwise expended in connection with such conditions; (iv) liability to any third person or governmental agency to indemnify such person or agency for fees expended in connection with the items referenced in this subparagraph.

- (g) “Environmental Requirements” means all applicable past, present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, the State of Wisconsin and political subdivisions thereof and all applicable judicial and administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment, including, without limitation: (i) all requirements, including, but not limited to, those pertaining to best management practices, reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Material (as defined herein) and (ii) all requirements pertaining to the protection of the health and safety of employees or the public.
- (h) “Hazardous Material” means any substance: (i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action or policy; or (ii) which is or becomes defined as a “hazardous waste” or “hazardous substance” under any federal, state, or local statute, regulation or ordinance or amendments thereto, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.); and/or the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.); or (iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of Wisconsin, or any political subdivision thereof; or (iv) the presence of which is on the Property; or (v) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or (vi) which contains polychlorinated biphenols (PCBs), asbestos or urea formaldehyde foam insulation.
- (i) “Material Alteration” means:
- a. a 20% variation in square footage of the Project; or
 - b. any use of the Land for other than the Intended Use and related accessory uses.

Material Alteration does not include:

- a. an alteration required by any municipality or other governmental agency or otherwise required by law;
- b. an alteration required due to shortages or unavailability of materials (though substitute must be of comparable quality); or
- c. an alteration regarding phasing.

- (j) “Project” means the Building, driveways, parking areas, signs, walkways, loading areas, fences and walls, sewer, electrical, gas, water and other utility distribution systems, landscaping, drainage and other improvements to be initially constructed and/or renovated on the Property by or for the Developer in conformity with the approved plans and specifications, all as more particularly described on **Exhibit D**.

2. Development of the Project.

2.1 Construction by the Developer. The Developer shall, at its own cost and expense, cause the construction of the Project on the Property in a good and workmanlike manner and in compliance with all then applicable building codes and ordinances, including applicable zoning ordinances. The Developer has submitted the detailed concept plans for the Project set forth on **Exhibit D** to the County's Economic Development Director (“Plans”) and the Economic Development Director has approved the Plans. Developer has also submitted to the Economic Development Director evidence of financing for the Project that is satisfactory to the Economic Development Director. The Plans are consistent with the applicable zoning ordinances and with the plan for the Project as set forth in the Option Agreement. Any Material Alteration to the Plans must be approved by the Economic Development Director.

The Plans may be modified from time to time during the course of construction and shall not require the consent of the County except the advance written consent of the County shall be required to the extent that such modifications are a Material Alteration. In the event that County approval is required, the Developer shall not institute such modification until receiving written approval from the County's Economic Development Director. If approval of the County is required, the County shall respond in writing within ten (10) business days of its having been notified of the need for approval. If the County does not notify the Developer on or before said 10th business day of its approval or disapproval, approval shall be deemed to be granted. To the extent necessary to approve or disapprove a Material Alteration, the County shall be allowed – upon written notice to the Developer prior to the end of said 10th business day – an additional twenty (20) business days to provide its approval or disapproval. The foregoing notwithstanding, any deviation from the Community Benefits Compliance Plan and Sections 2.6 and 2.7. herein shall automatically require recertification pursuant to Wis. Stat. § 59.17(2)(b)3.

The Developer agrees (i) to commence construction of the Project within six (6) months following closing (the “Closing”) of its acquisition of the Property (the date construction commences, subject to extension for Force Majeure Delays, is the “Project Commencement Date”) and (ii) substantially complete construction of the Project, subject to extension for Force Majeure Delays, within twenty-four (24) months following the Project Commencement Date (the “Project Completion Date”), or such longer period of time as may be needed to complete construction if Developer is diligently pursuing construction. If Developer fails to commence construction by the Project Commencement Date, County shall have the right to compel Developer to reconvey the Property to County, on ninety (90) days written notice (a “Re-Conveyance Notice”), in exchange for payment to Developer of 85% of the Purchase Price. If Developer fails to substantially complete construction by the Project Completion Date (or such

specified longer period of time), County shall have the right to compel Developer to reconvey the Property to County, on thirty (30) days written notice (also a Re-Conveyance Notice) after the thirty (30) month anniversary from the commencement of construction, in exchange for payment to Developer of 85% of the Purchase Price plus the sum of Developer's certified payments to contractors. A re-conveyance of the Property to the County by the Developer shall be by special warranty deed, free and clear of all liens and encumbrances except those liens and encumbrances described in the warranty deed delivered by the County to the Developer in the Developer's acquisition of the Property, liens and other rights in favor of lenders providing financing to the Project, any regulatory agreements or restrictive covenants required by any source of financing for the Project, the rights of any tenants in possession of the Property at the time of the conveyance to County by Developer, utility easements granted by the Developer, and real estate taxes for the year of repurchase, if any, with a customary proration credit to the County for real estate taxes for such year. The Developer shall also execute the applicable Wisconsin Real Estate Transfer Return, pay all transfer taxes in connection with the transfer and execute a certificate of nonforeign status and other reasonably requested documentation as is customary for similar transfers. A reconveyance to County pursuant to this section shall not occur unless and until County has provided written notice of its intent to seek this remedy to the Investor Member (defined below) of Developer and to any Secured Lender (defined below) and neither party has begun discussions with the County on a plan to remedy the default within a reasonable time period within ninety (90) days from the date of delivery of the Re-Conveyance Notice to such parties.

The Project Commencement Dates and Project Completion Dates shall be confirmed by the Developer's Project architect delivering certificates to the County stating that construction of the Project has been commenced and that the Project has been substantially completed. In the event the Developer ceases construction of the Project, other than due to a Force Majeure Delay, for 60 consecutive days, such event shall be deemed a "Construction Stoppage."

Any Extension Option Fees paid by HHI to the County in accordance with the terms of the Option Agreement (such fees in excess of the purchase price being the "Deposit Credit") are hereby converted into and applied by the County against the Deposit (as defined in Section 2.8).

2.2 Condition of Property; Construction of Infrastructure. Except as otherwise provided herein, County shall convey the Property in its "AS IS" physical condition with all faults and defects, known or unknown, including but not limited to environmental defects, and without representation or warranty, express or implied. Such provisions shall bar all tort, warranty, and misrepresentation claims, including any action based on non-disclosure, excepted as otherwise provided herein.

County discloses that the Property may contain old building foundations, building materials and other debris. Without changing the "AS-IS" nature of this transaction, Developer is aware that the Property is or may be affected by adverse geotechnical conditions due to the presence of these materials or due to the bearing capacity of the soil. County has conducted no geotechnical investigation of the Property and assumes no liability for any subsurface conditions. Developer is encouraged to undertake a geotechnical investigation and other due diligence reviews that it deems necessary upon execution of this Option by both parties.

County shall not provide an updated survey of the Property

2.3 General Requirements. The Developer agrees that during construction it shall use reasonable efforts to (a) cause its contractors working on the Project to remove all waste products and rubbish from the Property and the infrastructure areas related to their work in a manner and time consistent with industry standards, and if any such waste products and rubbish are left on site, it shall be responsible for removing the same, and (b) use reasonable efforts to keep the Property and areas of access thereto in a neat and presentable state.

2.4 Community Benefits Compliance Plan. Pursuant to the terms of the Option Agreement, the Developer shall be required to execute a Community Benefits Compliance Plan (“Compliance Plan”) with the Department of Administrative Services – Economic Development Division and the Community Business Development Partners (CBDP) department of Milwaukee County prior to or simultaneously with Closing for purposes of Community Benefits Reporting. The Compliance Plan shall include goals and minimum good faith efforts for Targeted Business Enterprise (TBE), residential hiring, workforce development (apprenticeship/job training), and the payment of prevailing wages in satisfaction of County requirements for Project Construction Costs. The specific community benefits goals are set forth below in Sections 2.6 and 2.7. A Compliance Plan is attached hereto as **Exhibit E**.

2.5 Nondiscrimination and Affirmative Action. In construction of the Project and performance of its duties and obligations hereunder, the Developer shall not discriminate against any employee or applicant for employment race, color, national origin or ancestry, age, sex, sexual orientation, gender identity and gender expression, disability, marital status, family status, lawful source of income, or status as a victim of domestic abuse, sexual assault or stalking which shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeships. The Developer will post in conspicuous places, accessible to employees, notices setting forth the provisions of the foregoing nondiscriminatory clause. The Developer will strive to implement the principles of equal employment opportunities through an effective affirmative action program, which program shall have as its objective to increase the utilization of women, minorities and handicap persons, and other protected groups in the Developer's employment at the Project for so long as it is located there, and in construction of the Project. The Developer will include this requirement in any and all contracts and subcontracts entered into under this Agreement.

2.6 TBE Participation Goals. The Developer shall commit to ensuring that Targeted Business Enterprises (“TBEs”) have an equal opportunity to receive and participate in the Project and shall require that its contractors and subcontractors do the same, as required by Chapter 42 of the Milwaukee County Code of General Ordinances. The Developer shall utilize good faith efforts to achieve its goal of a minimum of 25% TBE participation for Project costs relating to the hard construction costs and a minimum of 17% TBE participation for Project costs relating to professional services. The Developer’s Compliance Plan, which will require the approval of the County’s Economic Development Division and the Office of Community Business Development Partners, will restate these goals, outline the minimum good faith efforts

necessary to achieve the goals and specify the reporting requirements of the Developer. Participation will be monitored through B2GNow, an online reporting system, or other software designated by the County prior to the execution of this Agreement. Failure to use good faith efforts to abide by the TBE portion of its Compliance Plan could result in the Developer forfeiting all or a portion of its Deposit to the County as liquidated damages and being disqualified from participating on future County projects for a period up to three (3) years. The Developer shall contractually obligate its contractors and subcontractors and any assignee to comply with the reporting requirements of this section with respect to construction of the Project.

2.7 Workforce Goals – Residential Hiring. The Developer shall commit to utilizing good faith efforts to achieve its goal of 40% of total construction labor hours being allocated to Milwaukee County residents. The Developer’s Compliance Plan will restate this goal, outline the minimum good faith efforts necessary to achieve the goal and specify the reporting requirements of the Developer. Any change to the Residential Hiring goal shall require recertification pursuant to Wis. Stat. § 59.17(2)(b)3. Participation will be monitored through certified monthly payroll reports from all contractors and subcontractors, submitted by Developer through LCPTTracker, an online reporting system. Failure to use good faith efforts to reach this goal could result in the Developer forfeiting all or a portion of its Deposit to the County as liquidated damages and being disqualified from participating in future County projects for a period up to three (3) years. Any dispute relating to the forfeiture of all or a portion of Developer’s Deposit shall be referred to, and fully and finally resolved by, an arbitrator, mutually agreed upon by Developer and County with the arbitration to take place in Milwaukee County. Developer and County shall be jointly responsible for the arbitrator’s fees.

2.8 Compliance Deposit. Developer shall submit the Deposit in the amount of Fifty Thousand Dollars (\$50,000.00), less the amount of the Deposit Credit, prior to the commencement of construction to insure compliance with subparagraphs 2.6 and 2.7 above. The Deposit shall be held by County to insure such compliance. The Deposit shall be repaid to Developer, without interest, upon completion of the Project in accordance with the terms and conditions of this Agreement, as certified by the Economic Development Director on behalf of the County. All or part of the Deposit may be retained by County if Developer fails to complete the Project as agreed to herein. In the event of any dispute between the Developer and the Economic Development Director, the dispute shall be referred to, and fully and finally resolved by, the County Director of Administrative Services.

3. Defaults and Remedies.

3.1 Events of Default by the Developer. Any one or more of the following events are hereby defined as, declared to be, and constitute an “Event of Default” by the Developer for purposes of this Agreement: (a) a Construction Stoppage (as defined in Section 2.1 hereof) by the Developer, subject to extension for Force Majeure Delays; (b) the Developer fails to commence construction of the Project by the Project Commencement Date subject to extension for Force Majeure Delays; (c) the Developer fails to complete construction of the Project by the Project Completion Date, subject to extension for Force Majeure Delays or (d) the failure of the Developer to perform any other term, condition or covenant to be performed or observed by the Developer, subject to extension for Force Majeure Delays. In the event an

Event of Default by the Developer shall occur, the County shall send written notice to the Developer, Investor Member and all Secured Lenders (the “Default Notice”) specifying the nature of the Event of Default in detail, and the Developer shall have 30 days after receipt of the Default Notice to cure such Event of Default. Subject to Section 4.18, in the event that the Developer does not cure such Event of Default within such 30-day period (or such other reasonable time as necessary if such Event of Default cannot be cured within 30 days and the Developer, upon receipt of Default Notice, promptly commences the process of curing such Event of Default and diligently and continuously pursues such cure to completion), the County may pursue any available remedy against the Developer, either at law or in equity, including, without limitation, the right to pursue specific performance and collect actual damages (but not consequential damages) for the Developer's failure to perform (including, without limitation, the damages, if any, related to, or arising out of, the infrastructure related to the Property and the cost of financing used to construct such infrastructure, and any guaranty thereof, any costs associated with overtime or additional labor forces in order to timely construct the Project, and other outside fees, including reasonable attorneys' fees). County shall accept a cure of a Developer default by HHI, Investor Member or a Secured Lender.

The Developer agrees that damages will not be an adequate remedy at law and that the County shall have the right to an injunction or other judgment of specific performance to enforce any provision in this Agreement, the Community Benefits Compliance Plan, the applicable zoning ordinances, the County ordinances or any other State or Federal law. Venue for such action shall be Wisconsin State Court with venue in Milwaukee County.

3.2 Events of Default by the County. If the County shall fail to perform any term, condition or covenant to be performed or observed by the County (which shall constitute an “Event of Default” by the County for purposes of this Agreement) for more than 30 days after receipt by the County of written notice from the Developer specifying in detail the nature of such failure (or such other reasonable time as is necessary if such Event of Default cannot be cured within 30 days and the County, upon receipt of such notice, promptly commences the process of curing such Event of Default and diligently and continuously pursues such cure to completion), the Developer may pursue any available remedy against the County at law or in equity, including, without limitation, the right to pursue specific performance or injunctive relief and collect actual damages for the County's breach or failure to perform, including reasonable attorneys' fees.

3.3 Rights and Remedies Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times of any other rights or remedies for the same default or any other default by the other party.

4. General Provisions.

4.1 Conveyance of the Property. Prior to substantial completion of construction of the Project, the Developer shall not, except as permitted by this Agreement, convey any interest in the Property without the prior written approval of the County. This

prohibition shall not be deemed to prohibit or restrict leasing to tenants for occupancy, conveying condominium units for occupancy and/or granting any other right to occupy and use any portion or portions of the Building. Further, notwithstanding the foregoing, the Developer may assign its interest in this Agreement to an affiliate of the Developer or an entity of which the Developer or some or all of the members of the Developer are members or shareholders. As used in this Section 4.1, "affiliate" means any corporation, limited liability company, limited liability partnership or other entity, which directly or indirectly controls or is controlled by or is under common control with the Developer. Nothing herein shall be deemed to prohibit, restrict or otherwise limit the Developer from selling, leasing or otherwise transferring the Property or interest therein after substantial completion of construction of the Project on such Property.

Notwithstanding anything to the contrary contained in this Agreement, the Developer reserves the right, at its sole discretion at any time during the term of this Agreement, to join and associate with other individuals or entities in joint ventures, partnerships or otherwise for the purpose of developing the Project subject, however, to the following conditions:

(a) The Developer shall promptly notify the County in writing of the identity of any such additional parties;

(b) The Developer shall remain fully responsible to the County as provided in this Agreement and shall not be released from its obligations hereunder; and

(c) Such additional parties shall be deemed approved unless rejected in writing by the County within twenty (20) days after written notice thereof to the County by the Developer. In connection with the County's determination hereunder, the County shall only take into consideration the reputation of any such additional parties, and the County shall not withhold approval unreasonably. Any notice from the County disapproving such additional parties shall specify the reasons therefor. Notwithstanding the foregoing, Wincopin Circle LLLP, its successors and/or assigns ("Investor Member") is hereby approved as a member of Developer. Investor Member may also remove the Developer's managing member pursuant to the terms of the Developer's Operating Agreement and replace such managing member with the Investor Member or an affiliate of the Investor Member without prior approval from the County.

Notwithstanding any other provision contained herein, nothing herein shall limit, restrict or prohibit the Developer from entering into any mortgage, deed of trust, sale and lease-back or any other form of conveyance or any form of equity or income participation, including, but not limited to, a partnership or joint venture, required by a lending institution for the purpose of securing a loan to be used for financing the acquisition of the Property, the construction of the Project and any other expenditures necessary and appropriate to develop the Property. The words "mortgage" and "deed of trust" as used herein includes all other appropriate modes of financing real estate acquisition, construction and land development. The holder of any permitted mortgage or deed of trust, their successor and assigns, shall be a "Secured Lender." Developer may collaterally assign this Agreement to any Secured Lender.

4.2 Liens. Until the Project is substantially completed in compliance with the requirements contained herein, the Developer shall take all commercially reasonable steps to

prohibit any construction liens to be filed against the Property or the Project, and if such a lien is filed, the Developer shall take commercially reasonable steps to contest and/or cause such lien to be removed or bonded over in a timely manner.

4.3 Insurance. Developer agrees to maintain policies of insurance and proof of financial responsibility to cover costs as may arise from claims for damages to property of and/or claims which may arise out of or result from Developer activities, by whomever performed, in such coverage and amounts as required and approved by the County. Developer shall cause its consultants, contractors and subcontractors to have and maintain in connection with any work being performed at or for the Property one or more insurance policies with at least the following coverage and limits (Minimum limits may be obtained through an umbrella or excess insurance policies):

Type of Coverage	Minimum Limits
Wisconsin Workers' Compensation Employer's Liability & Disease	Statutory / Waiver of Subrogation \$100,000/\$500,000/\$100,000
General Liability Bodily Injury and Property Damage to include: Personal Injury, Fire, Products and Completed Operations	\$5,000,000 Per Occurrence \$5,000,000 Per Aggregate
Automobile Liability Bodily Injury & Property Damage – All Autos	\$1,000,000 Per Accident
Contractor's Pollution Liability	\$1,000,000 Per Occurrence
Professional Liability	\$2,000,000 Per Occurrence

Milwaukee County shall be named as an Additional Insured on General, Automobile, Umbrella and Contractor's Pollution Liability policies as respects the services provided in this agreement. A Waiver of Subrogation shall be afforded to Milwaukee County on the Workers' Compensation and Contractor's Pollution policies. A thirty (30) day written notice of cancellation or non-renewal shall be afforded to Milwaukee County.

The insurance specified above shall be placed with a Carrier approved to do business in the State of Wisconsin. All carriers must be A rated or better per AM Best's Rating Guide. Acceptable proof of such coverage shall be furnished to the County prior to commencement of activities under this agreement. A certificate indicating the above coverages shall be submitted for review and approval by the County for each successive period of coverage for the duration of this Agreement. Any deviations or waiver of required coverages or minimums shall be

submitted in writing and approved by Milwaukee County's Risk Manager as a condition of this agreement.

4.4 Force Majeure. Notwithstanding anything to the contrary contained in this Agreement, neither the Developer nor the County shall be considered in breach or default of its obligations with respect to the construction of the Project (including the Project Commencement Date, Construction Stoppage or the Project Completion Date) or the construction of any items of the infrastructure, as the case may be, in the event that a delay in the performance of such obligations is due to causes which were beyond its reasonable control, such as adverse weather conditions, strikes, acts of God, acts of a public enemy, acts of any governmental authorities (including the County in the case of the Developer), fire, flood, epidemics, embargoes or shortages of material from all reasonable sources, which shall not in any event include any economic hardship or delay due to the condition of the economy or real estate market ("Force Majeure Delay"). In the event of a Force Majeure Delay, the time for performance of the affected obligation shall be extended for the period of the Force Majeure Delay; provided, however, the delayed party shall, within 15 business days after the occurrence of the event causing the Force Majeure Delay, deliver written notice to the other party of the cause thereof. Failure to deliver written notice of such delay, with back-up documentation if appropriate, shall constitute a waiver of the delayed party's right to claim an extension of its time period because of the Force Majeure Delay.

4.5 Notices. All notices and demands by either party to the other shall be given in writing and personally delivered or sent by United States certified mail, return receipt requested, postage prepaid, and addressed:

To the County:	James Tarantino Economic Development Director Milw. County Dept. of Admin. Services 633 W. Wisconsin Avenue, Suite 903 Milwaukee, WI 53203
with a copy to:	Milwaukee County Corporation Counsel 901 North 9 th Street, Room 303 Milwaukee, WI 53233
To the Developer:	St. Anthony's, LLC c/o Heartland Housing, Inc Attn: Executive Director A Company of Heartland Alliance 208 S. LaSalle St., Suite 1300 Chicago, IL 60604

With a copy to: Wincopin Circle LLLP
c/o Enterprise Community Asset
Management, Inc.
Attention: Asset Management
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044

With a copy to: Wincopin Circle LLLP
c/o Enterprise Community Asset
Management, Inc.
Attention: General Counsel
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044

With a copy to: U.S. Bank National Association
c/o U.S. Bancorp Community
Development Corporation
1307 Washington Ave., Suite 300
St. Louis, MO 63103
Attn: Director of CLD Asset Management

Either party may, upon prior notice to the other, specify a different address for the giving of notice. Notices shall be deemed given upon receipt or refusal to accept delivery.

4.6 Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) The captions and headings herein are solely for convenience of reference only and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.
- (c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and masculine genders, and words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.
- (d) The laws of the State of Wisconsin shall govern this Agreement.

(e) Since both parties to this Agreement have had adequate opportunity to review and negotiate its terms, in no event shall this Agreement be construed against the drafter.

4.7 Waivers. Waiver by the County or the Developer of any breach of any term, covenant or condition herein shall not be deemed to be a waiver of any future breach of the same or any other term, covenant or condition of this Agreement.

4.8 Severability. Any provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

4.9 Entire Agreement and Amendments. This Agreement, including exhibits, and all documents referenced herein, contains all the covenants and agreements between the County and the Developer relating in any manner to development of the Project and other matters set forth in this Agreement. No prior oral agreements or understandings pertaining thereto shall be valid or of any force or effect, and the covenants and agreements of this Agreement shall not be altered, modified or amended except in writing signed by the County and the Developer and recorded in the office of the Register of Deeds for Milwaukee County. The County and the Developer reserve the right to modify and amend this Agreement without the joinder or approval of any other party. Nothing in this Agreement is intended to modify the terms of the Building Restrictions And Easement Agreement dated on or about the date of this Agreement by and between County and Developer (the "Restrictions Agreement"). To the extent there is a conflict between the terms of this Agreement and the terms of the Restrictions Agreement, the terms of the Restriction Agreement shall control.

4.10 Duration of Covenants. The County and the Developer agree that, upon the Developer's request, within thirty (30) days after satisfaction of the applicable Developer's obligations under Section 2 herein, the County shall either concur with such request as evidenced by a recordable Certificate of Completion (in which case such unapplied portion of the Deposit shall be returned to Developer), indicating that all such applicable obligations have been satisfied hereunder and that those provisions of this Agreement have been satisfied, or reject such request and state which applicable obligations have not yet been completed. Upon satisfaction of the applicable Developer's obligations under Section 2, this Agreement shall automatically terminate.

4.11 Authority. The Developer hereby acknowledges and agrees that it is a validly formed and existing limited liability company formed in the State of Wisconsin. The undersigned signatory has the requisite power and authority, statutory and otherwise, to enter into and perform this Agreement pursuant to its terms and conditions without any further notice or consent from any person or entity. Promptly following request by the County, Developer shall deliver copies of its limited liability company resolution or other authorizing documentation demonstrating that it has the power and authority to enter into this Agreement. The County hereby acknowledges and agrees that the undersigned signatories have the requisite power and authority, statutory or otherwise, to enter into and perform this Agreement, pursuant to its terms and conditions without any further notice or consent from any person or entity. Promptly

following request by the Developer, the County shall deliver copies of its authorizing documentation demonstrating that it has the power and authority to enter into this Agreement.

4.12 Successors. Except as otherwise expressly provided herein, all of the covenants, agreements, terms and conditions of this Agreement shall run with the Property and inure to the benefit of and be binding upon the County and the Developer and their respective successors and assigns and any party obtaining any legal or equitable ownership interest in the Property after the date hereof, including, without limitation, any condominium unit owner of the Property. Notwithstanding anything to the contrary contained herein, the right of enforcement of the terms, conditions or covenants of this Agreement to be performed or observed by the Developer is solely vested in the County or any successor entity to the County.

4.13 Independent Contractor. Nothing contained in this Agreement shall constitute or be construed to create a partnership or joint venture between the County or its successors and assigns and the Developer or its successors and assigns. In entering into this Agreement, and in acting in compliance herewith, the Developer is at all times acting and performing as an independent contractor duly authorized to perform acts required of it hereunder. This Agreement does not create the relationship of principal, an agent or of partnership or joint venture or any other association between the County and the Developer, the sole relationship between the County and the Developer being that of a seller and purchaser of land, with certain obligations, covenants and responsibilities described herein.

4.13 Records and Audits. The Developer shall allow the County, the Milwaukee County Audit Services Division, or any other party the County may name, when and as they demand, to audit, examine, access and make copies of, excerpts or transcripts from any records, books, files, premises or other information in the Developer's possession. The Developer shall maintain and make available to the County the above described information for no less than three years after conclusion of the obligations and responsibilities of the Developer described herein and required by this Agreement. The Developer understands and will abide by all provisions of Chapter 34 of the Code of Ordinances. These requirements shall apply to any and all contractors and subcontractors to the Developer under this Agreement.

4.14 Environmental Indemnification.

(f) Conveyance of the Property to the Developer is "AS-IS" and without warranty or representation as to soil, subsoil, Hazardous Material and other environmental conditions. The Developer hereby agrees to indemnify, hold harmless, and defend County from and against any and all liabilities, claims, penalties, forfeitures, and suits, and all reasonable costs and expenses, including the cost of defense, settlement, and reasonable attorney's fees and/or any other Environmental Damages related to, or arising out of, soil, subsoil and environmental conditions arising out of, or in any way connected with the presence of any Hazardous Material on, in, under or migrating to or from the Property, including but not limited to, liability arising out of or in any way connected with the investigation, monitoring or cleanup under any Environmental Requirements or any Hazardous Material on, in or under or migrating to or from the Property.

(g) The Developer shall be responsible for any required repair, cleanup, remediation or detoxification arising out of any Hazardous Materials brought onto or introduced into the Property or surrounding areas by the Developer, its employees, contractors, agents or guests, and/or Hazardous Materials whose presence pre-exists the inception of the Developer's possession, located in and on the Property, regardless of whether they are discovered or disturbed as a result of the Developer's construction activities on, at or near the Property. The Developer shall indemnify, defend and hold the County harmless from any liability, cost, damage, claim or injury (including reasonable attorney fees) related to, or arising out of, such Developer's obligations, or failure to perform such obligations described above, and any claim, action or damages asserted against the County by any party or governmental agency related to, or arising out of an Environmental Requirement or Hazardous Material at, in, under, or migrating to or from the Property.

The parties acknowledge and agree that environmental conditions and risks were factored into the purchase price of the Property and that the Developer's environmental indemnities benefiting County shall be as broadly and liberally construed as possible so as to provide the maximum protection possible to the County from liability, and the Developer hereby further waives any right to argue that for any reason this indemnification section is ambiguous or confusing or that it should in any way be construed against the County.

(h) Notwithstanding anything else to the contrary herein, the Developer shall be released from its obligations under this Section 4.14 if (i) the County exercises its option to repurchase pursuant to Section 2.1, but only regarding such contamination that existed prior to the Closing or (ii) there is migration of Hazardous Materials from any County owned property to the Property, and such migration of Hazardous Materials is actively caused by the County, but only regarding such contamination actively caused by the County. Furthermore, the release of the County contained in Section 2.2 and the indemnities of the County set forth in Sections 4.14(a) and 4.14(b) shall not apply to any actions, claims, costs, damages or expenses arising from a spill, dumping or storage of Hazardous Materials affecting the Property by the County during the period the County has held title to the Property.

4.15 Memorandum of Development Agreement. After execution of this Agreement, a memorandum of this Agreement ("Memorandum of Agreement") shall be recorded with the Register of Deeds and the Property title encumbered until successful completion of the Project and submittal of required Community Benefits Reporting demonstrating compliance with the TE and Residential Hiring requirements, as certified by the Economic Development Director on behalf of County at which time the parties shall execute and record a termination of the Agreement.

4.16 Guaranty. [None].

4.17 Estoppel Certificates. The County agrees to provide within ten (10) days following written request for same estoppel certificates for the benefit of the Developer's lender(s), prospective tenants and/or prospective purchasers of the Project confirming the status of the Developer's compliance or non-compliance with the terms and conditions of this Agreement, and if the Developer is in non-compliance, the specific areas of non-compliance.

4.18 Notice of Default and Opportunity to Cure. The County shall simultaneously provide a copy of each Default Notice to Secured Lender (provided that the Developer has provided the contact information for such lender to the County) and to the Investor Member of any notice of default under this Agreement sent to the Developer. The County shall further grant Secured Lender an additional thirty (30) day time period to cure the applicable Event of Default beyond the cure period afforded to Developer under this Agreement. The Investor Member shall have the right, but no obligation, to cure any Event of Default on behalf of the Developer and the County shall grant the Investor Member an additional sixty (60) day time period to cure the applicable Event of Default beyond the cure period afforded to Developer under this Agreement. Furthermore, if the Event of Default consists of Developer's failure to complete the Project by the Project Completion Date, Secured Lenders shall be afforded one hundred eighty (180) days to complete the Project provided that Secured Lender notifies the County in writing of its intention to complete the Project and its assumption of the obligations of the Developer under this Agreement. Absent such written notice and assumption of obligations, Secured Lender shall not be responsible for Developer's performance under this Agreement, incur any obligations under this Agreement by acquiring a security interest in the Project nor be obligated to assume Developer's responsibilities under this Agreement upon an Event of Default by the Developer. Notwithstanding the foregoing, if Secured Lender assumes the Developer's responsibilities under this Agreement, Secured Lender's liability shall not exceed its interest in the Property.

4.19 Further Assurances. The parties agree to amend this Agreement or to enter into such supplements or side agreements as may be appropriate and to the extent necessary to enable the Developer to procure financing and/or obtain any approvals in furtherance of the goals of this Agreement. Any such amendment, supplements or side agreement must be consistent with the terms and conditions of this Agreement and may not modify the existing substance of the Agreements between the Parties without the written consent of each of the Parties and any lender with a mortgage lien in the Property.

4.20 Consent. The parties agree that whenever the consent or approval of a party is required hereunder, such consent or approval shall not be unreasonably withheld, conditioned, delayed or encumbered. With respect to consents or approvals by or from the Developer, Michael Goldberg (or such other individual as the Developer may subsequently designate in writing) shall be the authorized person to grant such consents or approvals on behalf of the Developer. With respect to consents or approvals by or from the County, James Tarantino, or his successor, as Economic Development Director, shall be the authorized person to grant such consents or approvals on behalf of the County.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first written above.

[Execution Pages Follow]

DEVELOPMENT AGREEMENT
MILWAUKEE COUNTY
EXECUTION PAGE

MILWAUKEE COUNTY

By: _____

Date: _____

Name: Chris Abele

Its: County Executive

STATE OF WISCONSIN)
) SS
COUNTY OF MILWAUKEE)

This instrument was acknowledged before me on _____, 2017 by Chris Abele, as County Executive of Milwaukee County.

(_____)

Notary Public, State of _____

My Commission _____

Approved with regards to County Ordinance Chapter 42:

By: _____ Date: _____
Community Business Development Partners

Reviewed by:

By: _____ Date: _____
Risk Management

Approved for execution:

By: _____ Date: _____
Corporation Counsel

Approved as to funds available per Wisconsin Statutes Sec. 59.255(2)(e):

By: _____ Date: _____
Comptroller

Approved as compliant under sec. 59.42(2)(b)5, Stats.:

By: _____ Date: _____
Corporation Counsel

DEVELOPMENT AGREEMENT
HEARTLAND HOUSING, INC.
EXECUTION PAGE

ST. ANTHONY'S APARTMENTS, LLC, a Wisconsin
limited liability company

BY ST. ANTHONY'S APARTMENTS MM, LLC,
a Wisconsin limited liability company, its
managing member

BY HEARTLAND HOUSING, INC., an Illinois not-
for-profit corporation, its member

BY _____
Michael Goldberg, Executive Director

State of Illinois)
 : SS
_____ County)

This instrument was acknowledged before me on _____, 2017 by
Michael Goldberg, as Executive Director of Heartland Housing, Inc., an Illinois not-for-profit
corporation, on behalf of the corporation, in the corporation's capacity as member of St.
Anthony's Apartments MM, LLC, a Wisconsin limited liability company, as managing member
of St. Anthony's Apartments, LLC, a Wisconsin limited liability company, on behalf of the
limited liability company.

[Seal]

(_____)
Notary Public, State of Illinois
Acting in _____ County
My commission expires _____

Exhibit A

Lot 1 of Certified Survey Map No. 8872, recorded by the Milwaukee County Register of Deeds on December 5, 2016 as Document No. 10628846, being a part of Lots 1, 2, 3, 4, 14, 15 and 16, and part of Lots 5, 6, 7, 8, 12 and 13 in Block 198 of Survey and Subdivision into City Lots of the North 30 Acres of the Northwest 1/4 of the Northwest 1/4 of Section 29, in Township 7 North, Range 22 East, in the City of Milwaukee, County of Milwaukee, State of Wisconsin.

2017 Tax Key: 3910881000

Exhibit B
Original Option Agreement
(see attached)

Exhibit C

Amendment to Option Agreement

(see attached)

Exhibit D

Project Description and Project Plans

- **See attached list.**