

**AGREEMENT TO ENTER INTO
A SPONSOR-BASED SHELTER PLUS CARE CONTRACT**

THIS AGREEMENT is entered into this ____ day of _____, 2017 by and among the Milwaukee County, acting through its Milwaukee County Housing Division (the “Recipient”), Heartland Housing, Inc., (“Sponsor”), and St. Anthony’s Apartments, LLC (the “Project Owner”).

SECTION 1. BACKGROUND AND PURPOSE

Milwaukee County Housing Division applied for U.S. Department of Housing and Urban Development (HUD) Shelter Plus Care Project-Based Rent Assistance (“S+C SRA”) funding during the HUD Continuum of Care NOFA process in 2016 and received approval for the Grant (defined below). The Recipient is authorized to use the Grant to provide rental assistance for 39 units to be located at St. Anthony’s Apartments, 1004 N. 10th Street, Milwaukee, WI (the “Project”). Recipient shall take all necessary steps with HUD to ensure that the Grant is available for the Project, to Project Owner and Sponsor’s satisfaction, prior to June 30, 2018.

The Project will be owned by the Project Owner. The Sponsor will have an ownership interest in the Project Owner, and will be the property manager for the Project. JusticePoint, Inc. is the Sponsor’s service provider (“Service Provider”).

The total value of the Grant is \$387,247.00 annually (the “Grant”) (out of which Recipient may pay the fees permitted by Section 8 hereof) during the term of this Agreement, subject to annual renewal of the Grant by HUD and annual funding from HUD to Recipient as provided in this Agreement. Recipient shall make the proceeds of the Grant available to Project Owner beginning in the month in which the Project is completed as evidenced by the City of Milwaukee issuing an occupancy certificate, which the parties anticipate to occur in September 2018.

Upon notice from HUD, the Recipient will submit, with assistance from the Sponsor and/or Project Owner, technical submission materials to HUD. Upon completion of the HUD review of the technical submission, the Recipient and HUD shall enter into a grant agreement for the Grant (the “Grant Agreement”) consistent with the terms of this Agreement.

The purpose of this agreement is to (a) define the roles of the Recipient, Sponsor and Project Owner, and (b) establish provisions for providing S+C rent assistance to the Project. The Sponsor agrees to develop the S+C SRA units in accordance with Housing Quality Standards (“HQS”). The Recipient agrees that upon execution of a Grant Agreement and upon timely completion of the Project in accordance with the terms of this Agreement, the Recipient will enter into a S+C Contract (the “Contract”) with the Sponsor and the Project Owner consistent with the terms of this Agreement. The Contract shall be substantially in the form attached hereto as Exhibit A.

SECTION 2. GENERAL PROVISIONS

The Recipient of the Grant is responsible for ensuring that the project complies with all State of Wisconsin and any other governing authority laws, rules, administrative codes; and all HUD and other federal laws, rules, regulations, notices, and directives. The Sponsor and Project Owner hereby agree that in carrying out this project, the Sponsor and Project Owner will comply with all State of Wisconsin and any other governing authority laws, rules, administrative codes; and all HUD and other federal laws, rules, regulations, notices, and directives as well as with any written directives relative to project compliance issued by the Recipient.

The “shelter” aspect of the program is monthly rental subsidy paid directly to the Project Owner by the Recipient. The “care” component of the program means accessibility to and availability of long-term community-based supports, such as case management, medical care, community referrals and follow up, crisis intervention, in-home visits, and assistance with obtaining person centered plan for the entire time the tenant remains in the S+C unit, payable to Project Owner or Sponsor, as directed by Sponsor.

SECTION 3. TERM

The term of this Agreement and the term of the Contract will expire at the end of the Compliance Period (as defined in Section 42(i)(1) of the Internal Revenue Code, as amended from time to time) for the Project. In the event the Grant is no longer available due to a lack of funding availability from HUD, the Grant Agreement may be terminated, but such termination shall not result in a modification or termination of this Agreement or the Contract. Notwithstanding such termination of the Grant Agreement, subject to annual appropriations by the Milwaukee County Board to the Milwaukee County Housing Division for purposes of a replacement subsidy, the Recipient shall continue to provide an annual subsidy to Project Owner in the amount of the Grant for the remaining portion of the Compliance Period, with such subsidy to be disbursed to Project Owner in the same manner as the Grant. The Contract shall include the obligation for Recipient to provide such replacement subsidy.

Sponsor, Project Owner and Recipient agree that this Agreement and the Contract will be in effect for the entire term of the Compliance Period. Prior to the expiration of the Compliance Period, Sponsor, Project Owner and Recipient agree that renewal funding through the appropriate HUD mechanism will be pursued on an annual basis, if required, until Sponsor, Project Owner and Recipient agree, in writing, to discontinue this project and terminate this Agreement and the Contract. For the avoidance of doubt, if funding in any given year is not available from HUD or from the Milwaukee County Board, this Contract shall remain in place and the parties shall pursue funding from HUD and/or the Milwaukee County Board in the amount of the Grant for the following year.

SECTION 4. ENVIRONMENTAL REVIEW

Recipient has completed the required environmental review process, in accordance with HUD requirements, and to HUD's satisfaction so that the Request for Release of Funds and Certification can be submitted to HUD and the this Agreement, the Grant Agreement and Contract can be executed and delivered by Recipient and Recipient can perform its obligations under the Grant Agreement, Contract and this Agreement.

SECTION 5. LEASES

Project Owner and Recipient agree that the specific units to be subsidized under the Contract shall be identified as a condition to executing the Contract. Project Owner intends to designate 39 units for the S+C subsidy. Only these dwelling units will be eligible for occupancy by S+C-eligible tenants. Project Owner may request a change to the designated units in writing, and Recipient's approval will not be unreasonably withheld. Any default of this agreement or failure to comply with the laws, rules, administrative codes and directives of HUD, the Recipient or any other governing authority may result in removal of a dwelling unit from the list and/or the withholding of subsidy payments for that unit.

Project Owner will own the Project and Project Owner will enter into a lease with eligible S+C tenants, and that said lease will be in compliance with all State of Wisconsin and any other governing authority laws, rules, administrative codes; and all HUD and other federal laws, rules, regulations, notices, and directives.

Project Owner agrees that all lease agreements will allow for inspection of owned dwelling units by the Recipient in compliance with S+C regulations. Project Owner agrees that if any HQS deficiencies are identified as a result of an S+C inspection by Recipient, Project Owner will correct or cause to be corrected, at Project Owner 's expense, such deficiencies in the reasonable timeframe specified by Recipient. Failure of Project Owner to correct deficiencies in a timely and workmanlike manner may be cause for elimination of the identified unit from the program until the identified deficiencies are corrected by Project Owner.

Project Owner agrees that all leases will include utilities.

Project Owner and Recipient agree that Project Owner may, at Project Owner 's discretion, include in any lease agreement with a tenant a provision requiring the tenant to take part in support services provided through the program as a condition of continued occupancy, in accordance with 24 CFR 582.315.

SECTION 6. SERVICE PROVIDER

Project Owner agrees to provide all necessary support services, in accordance with HUD requirements, either using qualified Project Owner or Sponsor staff or by engaging the services of the Service Provider. Recipient understands that Project Owner intends to contract with the Service Provider for on-site supportive services, and approves Service Provider as a qualified Service Provider. Project Owner or Service Provider shall do assessments and prepare service plans, in accordance with HUD requirements. Examples of these support services that can be provided include, but are not necessarily limited to, case management and necessary supports throughout the outreach, intake, eligibility, referral, occupancy, and recertification process.

Support services shall be provided in accordance with HUD's match requirements and shall equal the value of housing funds spent through the S+C program.

Service Provider shall maintain adequate files on all support services provided, in accordance with HUD standards.

Service Provider shall provide support service match information to Recipient on the form and in the manner required by the Recipient.

SECTION 7. SHELTER + CARE OPERATIONS

Tenant Outreach and Referral

Project Owner agrees that Project Owner or Service Provider will conduct affirmative outreach for chronically homeless individuals who are members of the S+C target population according to HUD standards. Recipient and Project Owner will take steps to ensure that individuals identified by Recipient's Coordinated Entry System as possible tenants are considered by Project Sponsor as and when S+C units become available. When Project Owner or Service Provider determines that an individual meets all the HUD chronic homeless and disability criteria and the Project Owner determines that the individual meets the resident selection criteria for the Project, Project Owner or Service Provider will complete a referral form prescribed by the Recipient and transmit referral form along with the Recipient's signed Medical Statement to Recipient. Recipient will make arrangements with Project Owner or Service Provider to receive the applicant into the program and to determine income eligibility, to explain program rules, and to conduct a HQS inspection of the unit.

In the event no residents meeting both the S+C criteria and resident screening selection criteria for the Project can be identified within a reasonable amount of time, the Project Owner is free to rent the unit to a non-homeless, non-special needs resident. If the Project Owner exercises this right and there are less than the required number of units rented to S+C-eligible residents, then Project Owner shall endeavor to rent the next available unit(s) to a(n) S+C-eligible resident(s) to bring the total S+C units to the required number of units.

Inspections

The Recipient will conduct a HQS inspection of S+C units upon construction completion, on an annual basis for all units, and whenever a S+C unit is leased to a new tenant.

Forms

Project Owner agrees that all forms used during the Recipient's eligibility, intake, and recertification process will be forms approved by the Recipient.

Eligibility

Project Owner agrees that tenant eligibility and rent share will be done by Recipient using Recipient's computer system and software and HUD's formulas for S+C.

HMIS/APR

Project Owner agrees that Recipient will do the Homeless Management Information System (HMIS) management and the Annual Progress Report (APR) using information provided by Project Owner on the referral and exit forms. Project Owner agrees that Project Owner or Sponsor's Service Provider will provide outcome information for the APR.

Security Deposits

Recipient agrees that Recipient will make security deposit payments to Project Owner on behalf of eligible S+C tenants in the amount of the contract rent between Recipient and Project Owner. All security deposit provisions shall be in accordance with Wisconsin State law and HUD's Regulations. Recipient shall pay security deposit to Project Owner for the benefit of eligible S+C tenants within 30 calendar days of lease signing. When a S+C tenant vacates a unit, the Project Owner shall send written notice to the Recipient and Sponsor if the Project Owner intends to retain any portion of the security deposit to pay for repairs to the unit resulting from the S+C tenant. Project Owner may keep any security deposits paid under this Agreement in an account with other security deposits paid by non S+C tenants,

Vacancy Loss

Recipient agrees that if a S+C subsidized tenant vacates the unit in violation of the lease, Project Owner will be allowed to keep the rent paid for the remainder of the month in which the tenant has vacated. Project Owner agrees to exercise due diligence in re-renting a vacated unit to a S+C eligible tenant. Recipient agrees that if a vacant unit is vacant for one month, Recipient will pay one month's vacancy loss to Project Owner. Project Owner shall send written notice to the Recipient requesting the vacancy loss payment for a vacant unit. No further rent payments will be made to Project Owner until the identified unit is occupied by an eligible S+C tenant.

Monthly Rent Payments

Recipient agrees to make monthly rent payments to Project Owner on behalf of S+C eligible tenants occupying S+C eligible units. With the exception of the first month of a new tenant's lease signing, Recipient will make rent payments by the 5th of the month for that month's rent. Recipient agrees to make rent payments for a tenant's first month as expeditiously as possible, but no later than one month after the tenant's lease signing. If a tenant moves in after the first of the month, the first month's rent will be prorated according to the number of days remaining in the month.

Rent payments will be determined in accordance with all applicable HUD formulas. The Recipient, Sponsor and Project Owner have agreed upon the following as fair market rent for the initial year of the Contract: studio units at \$657/month, including utilities; 1-bedroom units at \$790/month, including utilities. The actual gross rents for the units shall be determined using HUD's and Recipient's rent reasonableness standards. HUD formulas will be used to determine tenant rent share, which will be based on 30% of the tenant's adjusted gross income. The impact of proposed rents over the term of the Contract will be given full consideration in determining actual gross rents.

Occupancy Plan

As a condition to executing the Contract, Project Owner will submit to Recipient a document titled "Milwaukee County – Heartland Housing, Inc. Shelter Plus Care Contract Documentation" (the "Occupancy Plan"). Project Owner agrees to carry out all programmatic activities in accordance with the Occupancy Plan. In the event either Project Owner or Recipient determines that a material change to the Occupancy Plan is necessary, a written notice of the proposed change(s) will be sent to the other party. After negotiation and agreement, Sponsor will incorporate the change(s) and provide the updated Occupancy Plan to Recipient.

Occupancy

Project Owner agrees to provide to Recipient copies of all necessary occupancy permits and all other governmental approvals prior to occupancy of any dwelling units at the Project by S+C tenants.

Drug Free Housing

S+C is a federal housing program requiring all participants to refrain from using, distributing, or possessing illegal substances while in the S+C program. The Project Owner and Service Provider are required to assess the tenant's activity in regards to illegal substances and to address these issues as needed.

SECTION 8. FEES

The S+C program allows for an 7% administrative fee to be paid to the Recipient if it can be accommodated within the amount of funding in the Grant. The only activities that are eligible for reimbursement using this fee are processing rental payments to landlords, receiving new participants into the program, examining participants income and family composition, providing housing information, and inspecting units for compliance with HQS. The activities are all to be carried out primarily by the Recipient. The Project Owner will participate in the process of receiving new participants into the program; examining participant income and providing housing information.

The annual administrative fee shall be calculated using 7% of the subsidy funds expended for January 1st to June 30th and for July 1st to December 31st.

SECTION 9. DEFAULT PROVISIONS

Recipient reserves the right to terminate the Agreement in the event that Sponsor or Project Owner fails to comply with all State of Wisconsin and any other governing authority laws, rules, administrative codes; and all HUD and other federal laws, rules, regulations, notices, and directives. Sponsor and Project Owner also reserves the right to terminate the Agreement if the Recipient fails to comply with its responsibilities under this Agreement.

The Recipient shall notify the Sponsor, the Project Owner, the Project Owner's investor member, Wincopin Circle LLLP, its successors and/or assigns (the "Investor Member"), and the Investor Member's legal counsel in writing if the Recipient believes the Sponsor or Project Owner failed to comply with aforementioned provisions. The addresses for such notices are set forth in Section 10 below. The Sponsor or Investor Member shall have 30 days after receipt of such notice to cure any such default; provided, however, if the default is of a nature that it cannot be cured within 30 days, then the Recipient shall provide the Sponsor or the Investor Member with such additional time as the Recipient reasonably determines appropriate to cure the default as long as the Sponsor or Investor Member has commenced the cure within the 30-day period and diligently prosecutes the cure to completion. The Investor Member shall have the right, but no obligation, to cure any Sponsor or Project Owner default under this Agreement and Recipient shall grant the Investor Member an additional sixty (60) day time period to cure the applicable default beyond the cure period otherwise afforded to Project Owner and Sponsor under this Agreement. U.S. Bank National Association ("US Bank") and any other lender providing financing to the Project Owner shall be entitled to receive any of the foregoing notices and shall have the right (but not the obligation) to effect a cure of any Sponsor or Project Owner default on the terms set forth for Investor Member, provided that any such lender give Recipient a notice that it is providing such financing (such lender being a "Lender"). Any Lender which delivers a written notice to Recipient of a collateral assignment of this Agreement by Project Owner and/or Sponsor confirming its status as a Lender shall be entitled to the protections of a Lender under this Agreement so long as such Lender provides Recipient with its notice address.

Should Sponsor fail to secure all necessary funding to proceed with and complete the Project prior to December 31, 2019, Recipient reserves the right to terminate this agreement and pursue whatever means necessary to comply with the terms and conditions of the Grant Agreement.

Recipient acknowledges and agrees that this Agreement and the Contract (when entered into) may be collaterally assigned by Project Owner to a Lender and Recipient acknowledges this Agreement has been collaterally assigned to US Bank as a "Lender" and that US Bank is a Lender for purposes of this Agreement. Recipient consents to such collateral assignment and agrees that upon the occurrence of an event of default under the loan provided by a Lender that such Lender may assume the rights and obligations of Project Owner under this Agreement and the Contract. Any Lender is deemed a third party beneficiary of this provision, and this Agreement and the Contract shall not be amended without each Lender's prior written consent if such Lender's loan is still outstanding at such time.

SECTION 10. NOTICE ADDRESSES

The addresses for notices under this Agreement are as follows:

- (a) Project Owner: St. Anthony's Apartments, LLC
 c/o Heartland Housing, Inc.
 208 South LaSalle Street, Suite 1818
 Chicago, IL 60604
 Attention: Executive Director

(b) Sponsor: Heartland Housing, Inc.
208 South LaSalle Street, Suite 1818
Chicago, IL 60604
Attention: Executive Director

(d) Project Owner's
Investor Member: Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Attention: Asset Management
Attention: General Counsel

(e) Investor Member's
Legal Counsel: Craig A. Emden, Esq.
Bocarsly Emden Cowan Esmail & Arndt LLP
7700 Old Georgetown Road, Suite 600
Bethesda, MD 20814

(f) with a copy to US Bank: U.S. Bank National Association
1307 Washington Avenue, Suite 360
St. Louis, Missouri 63103
Attention: Director of CLD Asset Management

SECTION 11. DAVIS BACON.

The provisions of the Davis-Bacon Act do not apply to this Project Owner as a result of this Agreement, the Contract or the Grant.

**SIGNATURE PAGE TO AGREEMENT TO ENTER INTO
A SPONSOR-BASED SHELTER PLUS CARE CONTRACT**

IN WITNESS WHEREOF, the parties to this agreement have caused this instrument to be executed by their respective proper officers.

MILWAUKEE COUNTY

(Signature)

(Print name)

(Title)

Date_____

HEARTLAND HOUSING, INC.

BY _____
Michael Goldberg, Executive Director

Date_____

ST. ANTHONY'S APARTMENTS, LLC

BY ST. ANTHONY'S APARTMENTS MM, LLC, Managing Member

BY HEARTLAND HOUSING, INC.,
Sole Member

BY _____
Michael Goldberg, Executive Director

Date_____

**SIGNATURE PAGE TO AGREEMENT TO ENTER INTO
A SPONSOR-BASED SHELTER PLUS CARE CONTRACT**

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

EXHIBIT A

Form of Contract

SPONSOR-BASED SHELTER PLUS CARE CONTRACT

THIS AGREEMENT is entered into this ____ day of _____, 201__ by and among the Milwaukee County, acting through its Housing Division (the “Recipient”), Heartland Housing, Inc., (“Sponsor”), and St. Anthony’s Apartments, LLC (the “Project Owner”).

SECTION 1. BACKGROUND AND PURPOSE

Milwaukee County Housing Division applied for U.S. Department of Housing and Urban Development (HUD) Shelter Plus Care Project-Based Rent Assistance (“S+C SRA”) funding during the HUD Continuum of Care NOFA process in 2016 and received approval for the Grant (defined below). The Recipient is authorized to use the Grant to provide rental assistance for 39 units to be located at St. Anthony’s Apartments, 1004 N. 10th Street, Milwaukee, WI (the “Project”). Recipient shall take all necessary steps with HUD to ensure that the Grant is available for the Project, to Project Owner and Sponsor’s satisfaction, prior to June 30, 2018.

The Project is owned by the Project Owner. The Sponsor has an ownership interest in the Project Owner, and will be the property manager for the Project. JusticePoint, Inc. is the Sponsor’s service provider (“Service Provider”).

The total value of the Grant is \$387,247.00 annually (the “Grant”) (out of which Recipient may pay the fees permitted by Section 8 hereof) during the term of this Agreement, subject to renewal of the Grant by HUD and annual funding from HUD to Recipient as provided in this Agreement.

On September __, 2017, Recipient, Sponsor and Project Owner entered into an Agreement to Enter Into Sponsor-Based Shelter Plus Care Contract (the “Agreement to Enter”). This Agreement is the “Contract” referenced in the Agreement to Enter. Recipient and HUD have entered into the Grant Agreement (defined in the Agreement to Enter). Project Owner has completed the Project in accordance with Recipient’s requirements.

The purpose of this Agreement is to (a) define the roles of the Recipient, Sponsor and Project Owner, and (b) establish provisions for providing S+C rent assistance to the Project.

Project Owner has completed the units in the Project in accordance with Housing Quality Standards (“HQS”).

SECTION 2. GENERAL PROVISIONS

The Recipient of the Grant is responsible for ensuring that the project complies with all State of Wisconsin and any other governing authority laws, rules, administrative codes; and all HUD and other federal laws, rules, regulations, notices, and directives. The Sponsor and Project Owner hereby agree that in carrying out this project, the Sponsor and Project Owner will comply with all State of Wisconsin and any other governing authority laws, rules, administrative codes; and all HUD and other federal laws, rules, regulations, notices, and directives as well as with any written directives relative to project compliance issued by the Recipient.

The “shelter” aspect of the program is monthly rental subsidy paid directly to the Project Owner

by the Recipient. The “care” component of the program means accessibility to and availability of long-term community-based supports, such as case management, medical care, community referrals and follow up, crisis intervention, in-home visits, and assistance with obtaining person centered plan for the entire time the tenant remains in the S+C unit, payable to Project Owner or Sponsor, as directed by Sponsor.

SECTION 3. TERM

The term of this Agreement and the term of the Contract will expire at the end of the Compliance Period (as defined in Section 42(i)(1) of the Internal Revenue Code, as amended from time to time) for the Project. In the event the Grant is no longer available due to a lack of funding availability from HUD, the Grant Agreement may be terminated, but such termination shall not result in a modification or termination of this Agreement or the Contract. Notwithstanding such termination of the Grant Agreement, subject to annual appropriations by the Milwaukee County Board to the Milwaukee County Housing Division for purposes of a replacement subsidy, the Recipient shall continue to provide an annual subsidy to Project Owner in the amount of the Grant for the remaining portion of the Compliance Period, with such subsidy to be disbursed to Project Owner in the same manner as the Grant.

Sponsor, Project Owner and Recipient agree that this Agreement and the Contract will be in effect for the entire term of the Compliance Period. Prior to the expiration of the Compliance Period, Sponsor, Project Owner and Recipient agree that renewal funding through the appropriate HUD mechanism will be pursued on an annual basis, if required, until Sponsor, Project Owner and Recipient, in writing, to discontinue this project and terminate this Agreement and the Contract.

SECTION 4. ENVIRONMENTAL REVIEW

Recipient has completed the required environmental review process, in accordance with HUD requirements, and to HUD's satisfaction and the Grant may be disbursed pursuant to this Contract.

SECTION 5. LEASES

Project Owner has designated 39 units for the S+C subsidy, which are identified on Exhibit A. Only these dwelling units will be eligible for occupancy by S+C-eligible tenants. Project Owner may request a change to the designated units in writing, and Recipient's approval will not be unreasonably withheld. Any default of this agreement or failure to comply with the laws, rules, administrative codes and directives of HUD, the Recipient or any other governing authority may result in removal of a dwelling unit from the list and/or the withholding of subsidy payments for that unit.

Project Owner owns the Project and Project Owner will enter into a lease with eligible S+C tenants, and that said lease will be in compliance with all State of Wisconsin and any other governing authority laws, rules, administrative codes; and all HUD and other federal laws, rules, regulations, notices, and directives.

Project Owner agrees that all lease agreements will allow for inspection of owned dwelling units by the Recipient in compliance with S+C regulations. Project Owner agrees that if any HQS deficiencies are identified as a result of an S+C inspection by Recipient, Project Owner will correct or cause to be corrected, at Project Owner's expense, such deficiencies in the reasonable timeframe specified by Recipient. Failure of Project Owner to correct deficiencies in a timely and workmanlike manner may be cause for elimination of the identified unit from the program until the identified deficiencies are corrected by Project Owner.

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Service Provider shall provide support service match information to Recipient on the form and in the manner required by the Recipient.

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In the event no residents meeting both the S+C criteria and resident screening selection criteria for the Project can be identified within a reasonable amount of time, the Project Owner is free to rent the unit to a non-homeless, non-special needs resident. If the Project Owner exercises this right and there are less than the required number of units rented to S+C-eligible residents, then Project Owner shall endeavor to rent the next available unit(s) to a(n) S+C-eligible resident(s) to bring the total S+C units to the required number of units.

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Vacancy Loss

Recipient agrees that if a S+C subsidized tenant vacates the unit in violation of the lease, Project Owner will be allowed to keep the rent paid for the remainder of the month in which the tenant has vacated. Project Owner agrees to exercise due diligence in re-renting a vacated unit to a S+C eligible tenant. Recipient agrees that if a vacant unit is vacant for one month, Recipient will pay one month's vacancy loss to Project Owner. Project Owner shall send written notice to the Recipient requesting the vacancy loss payment for a vacant unit. No further rent payments will be made to Project Owner until the identified unit is occupied by an eligible S+C tenant.

Monthly Rent Payments

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based on 30% of the tenant's adjusted gross income. The impact of proposed rents over the term of the Contract will be given full consideration in determining actual gross rents.

Occupancy Plan

Project Owner has submitted the Occupancy Plan (defined in the Agreement to Enter) attached as Exhibit B. Project Owner agrees to carry out all programmatic activities in accordance with the Occupancy Plan. In the event either Project Owner or Recipient determines that a material change to the Occupancy Plan is necessary, a written notice of the proposed change(s) will be sent to the other party. After negotiation and agreement, Sponsor will incorporate the change(s) and provide the updated Occupancy Plan to Recipient.

Occupancy

Project Owner agrees to provide to Recipient copies of all necessary occupancy permits and all other governmental approvals prior to occupancy of any dwelling units at the Project by S+C tenants.

Project Owner shall maintain the S+C SRA units in accordance with HQS.

Drug Free Housing

S+C is a federal housing program requiring all participants to refrain from using, distributing, or possessing illegal substances while in the S+C program. The Project Owner and Service Provider are required to assess the tenant's activity in regards to illegal substances and to address these issues as needed.

SECTION 8. FEES

The S+C program allows for an 7% administrative fee to be paid to the Recipient if it can be accommodated within the amount of funding in the Grant. The only activities that are eligible for reimbursement using this fee are processing rental payments to landlords, receiving new participants into the program, examining participants income and family composition, providing housing information, and inspecting units for compliance with HQS. The activities are all to be carried out primarily by the Recipient. The Project Owner will participate in the process of receiving new participants into the program; examining participant income and providing housing information.

SECTION 9. DEFAULT PROVISIONS

Recipient reserves the right to terminate the Agreement in the event that Sponsor or Project Owner fails to comply with all State of Wisconsin and any other governing authority laws, rules, administrative codes; and all HUD and other federal laws, rules, regulations, notices, and directives. Sponsor and Project Owner also reserves the right to terminate the Agreement if the Recipient fails to comply with its responsibilities under this Agreement.

The Recipient shall notify the Sponsor, the Project Owner, the Project Owner's investor member, Wincopin Circle LLLP, its successors and/or assigns (the "Investor Member"), and the Investor Member's legal counsel in writing if the Recipient believes the Sponsor or Project Owner failed to comply with aforementioned provisions. The addresses for such notices are set forth in Section 10 below. The Sponsor or Investor Member shall have 30 days after receipt of such notice to cure any such default; provided, however, if the default is of a nature that it cannot be cured within 30 days, then the Recipient shall provide the Sponsor or the Investor Member with such additional time as the Recipient reasonably

determines appropriate to cure the default as long as the Sponsor or Investor Member has commenced the cure within the 30-day period and diligently prosecutes the cure to completion. The Investor Member shall have the right, but no obligation, to cure any Sponsor or Project Owner default under this Agreement and Recipient shall grant the Investor Member an additional sixty (60) day time period to cure the applicable default beyond the cure period otherwise afforded to Project Owner and Sponsor under this Agreement. U.S. Bank National Association (“US Bank”) and any other lender providing financing to the Project Owner shall be entitled to receive any of the foregoing notices and shall have the right (but not the obligation) to effect a cure of any Sponsor or Project Owner default on the terms set forth for Investor Member, provided that any such lender give Recipient a notice that it is providing such financing (such lender being a “Lender”). US Bank is a “Lender” for all purposes under this Contract. Any Lender which delivers a written notice to Recipient of a collateral assignment of this Contract by Project Owner and/or Sponsor confirming its status as a Lender shall be entitled to the protections of a Lender under this Contract so long as such Lender provides Recipient with its notice address.

Should Sponsor fail to secure all necessary funding to proceed with and complete the Project prior to December 31, 2019, Recipient reserves the right to terminate this agreement and pursue whatever means necessary to comply with the terms and conditions of the Grant Agreement.

Recipient acknowledges and agrees that this Contract may be collaterally assigned by Project Owner to a Lender and has been collaterally assigned to US Bank as a “Lender.” Recipient consents to such collateral assignment and agrees that upon the occurrence of an event of default under the loan provided by a Lender that such Lender may assume the rights and obligations of Project Owner under this Agreement and the Contract. Any Lender is deemed a third party beneficiary of this provision, and neither this Agreement nor the Contract shall be amended without each Lender's prior written consent if such loan is still outstanding at such time.

SECTION 10. NOTICE ADDRESSES

The addresses for notices under this Agreement are as follows:

- (b) Project Owner: St. Anthony’s Apartments, LLC
c/o Heartland Housing, Inc.
208 South LaSalle Street, Suite 1818
Chicago, IL 60604
Attention: Executive Director

- (b) Sponsor: Heartland Housing, Inc.
208 South LaSalle Street, Suite 1818
Chicago, IL 60604
Attention: Executive Director

(c) Project Owner's
Investor Member: Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Attention: Asset Management
Attention: General Counsel

(d) Investor Member's
Legal Counsel: Craig A. Emden, Esq.
Bocarsly Emden Cowan Esmail & Arndt LLP
7700 Old Georgetown Road, Suite 600
Bethesda, MD 20814

(e) with a copy to US Bank: U.S. Bank National Association
1307 Washington Avenue, Suite 360
St. Louis, Missouri 63103
Attention: Director of CLD Asset Management

SECTION 11. DAVIS BACON.

The provisions of the Davis-Bacon Act do not apply to this Project Owner as a result of this Agreement, the Contract or the Grant.

IN WITNESS WHEREOF, the parties to this agreement have caused this instrument to be executed by their respective proper officers.

MILWAUKEE COUNTY

(Signature)

Title _____
Milwaukee County Department of Health and Human Services

(Print name)

Date _____

HEARTLAND HOUSING, INC.

BY _____
_____, Executive Director

Date _____

ST. ANTHONY'S APARTMENTS, LLC

BY ST. ANTHONY'S APARTMENTS MM, LLC, Managing Member

BY HEARTLAND HOUSING, INC.,
Sole Member

BY _____
_____, Executive Director

Date _____