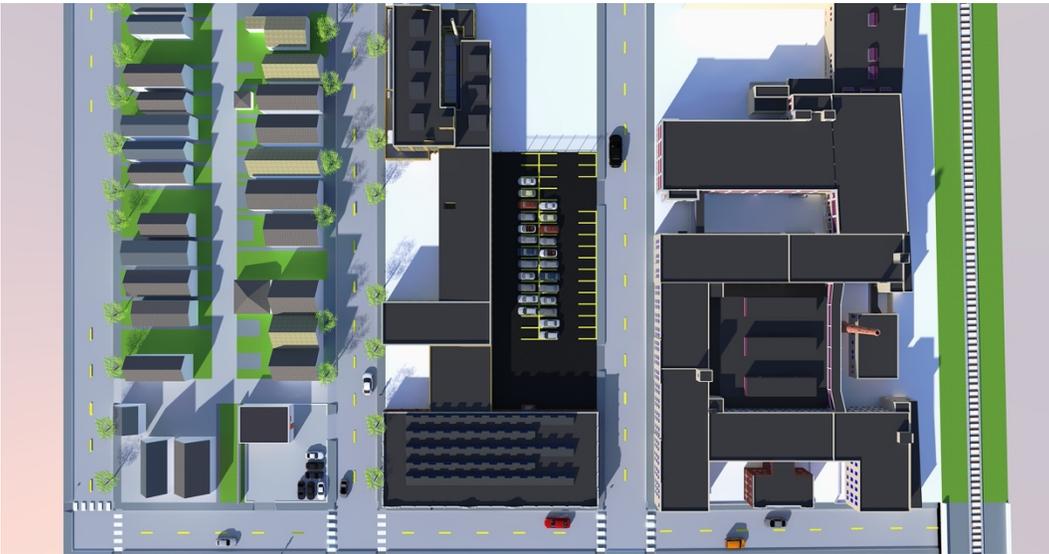


Wisconsin Economic Development Corporation – CDI Application  
The Community Within the Corridor





**WISCONSIN ECONOMIC  
DEVELOPMENT CORPORATION**

**COMMUNITY DEVELOPMENT INVESTMENT**

**SECTION A-REDEVELOPMENT NARRATIVES**

Reference Required Supporting Documentation as needed.	Included ✓	Attachment #
<p><b>1. Project Description and Impact on Community (three-page limit):</b></p> <p>a. Describe the project, its implementation and the significance of this project to the community.</p> <p>b. Describe any public/private partnerships developed and the extent to which the applicant can ensure that all of the activities outlined within this application will be undertaken. (e.g., capacity of applicant and partners, conditions of loan agreements, status of development agreements, etc.)</p> <p>c. Which eligible activity/ies does this project fall under?</p> <p><input checked="" type="checkbox"/> Building renovation                      <input type="checkbox"/> New construction</p> <p><input checked="" type="checkbox"/> Historic preservation                      <input checked="" type="checkbox"/> Infrastructure reinvestment</p> <p><input checked="" type="checkbox"/> Demolition</p> <p><input type="checkbox"/> Professional services (planning request only)</p> <p>d. Describe the potential of the project to enhance the economic viability of the community (e.g., tax base growth, job creation, stimulation of private investment). The response should detail the potential for both temporary and permanent jobs at the project site as well as the potential for job creation to occur in the area. To the extent possible, provide detail on the potential types of jobs, wage rates and health benefits associated with the jobs that are identified.</p> <p>e. Describe the potential for the project to promote economic development in the neighborhood, community, county and/or region.</p> <p>f. Describe the potential for the project to act as a catalyst for additional commercial development or investment.</p>	<input checked="" type="checkbox"/>	
<p><b>2. Financial Justification (two-page limit):</b></p> <p>a. Describe the various methods that will be used to fund the project and include the progress of establishing or receiving funds.</p> <p>b. Describe the financial need for grant funding that cannot be met through private sector sources (e.g., traditional financing, equity investment or donor support), public sector support (e.g., RLF financing, TIF financing, and public borrowing) or a reduction in the scope of the project.</p>	<input checked="" type="checkbox"/>	
<p><b>3. Previous Planning Efforts (two-page limit):</b></p> <p>a. The extent to which this project is included in and/or complements previous regional or municipal planning efforts (please reference section and page numbers of the plan).</p> <p>b. The extent to which the project supports best practices for smart growth and best practices for downtown redevelopment, and the extent to which it has community-wide support.</p>	<input checked="" type="checkbox"/>	
<p><b>4. Readiness to Proceed (two-page limit):</b></p> <p>a. Describe past and planned project activities, with timelines. Include the planning process, site control, environmental condition and a project implementation schedule.</p> <p>b. Provide detailed descriptions of property transactions intended to</p>	<input checked="" type="checkbox"/>	

occur over the next 5 years.		
c. Describe financing commitments and any contingencies that apply.		

**SECTION B-SITE DETAILS**

<b>Location:</b> <input checked="" type="checkbox"/> City <input type="checkbox"/> Town <input type="checkbox"/> Village:	<b>County:</b> Milwaukee
<b>Street Address:</b>	<b>Project NAICS:</b>
<b>Site Size (Acres):</b>	<b>Current Zoning:</b> Industrial Mixed
<b>Proposed Zoning:</b>	<b>Current Assessed Value:</b> \$1,300,000
<b>Projected Assessed Value:</b> \$16,500,000	<b>Current Owner of Property:</b> Community Within the Corridor Limited Partnership
<b>Start Date:</b> 10/5/2020	<b>End Date:</b> 3/31/2022

**Project Description:** Explain any other factors that should be considered in evaluating this project (e.g., impact on Wisconsin suppliers, national/international sales, and other prospects for future expansions, etc.)

**Is the project located in a TID?** Yes No      **If yes, creation date:** 7/7/2020

**Is the project located in a disaster area, as declared by state or federal authorities?** Yes No  
**If yes, was the declaration within 24 months prior to submitting an application?** Yes No  
**If yes, date of declaration:**

**Does the applicant or end user currently own the property on which work is to occur?** Yes No  
**If no, how do you have or expect to obtain ownership or access to the property?**

<input type="checkbox"/> Condemnation	<b>Timeframe:</b>
<input type="checkbox"/> Tax Delinquency	<b>Timeframe:</b>
<input type="checkbox"/> Purchase (attach purchase agreement or option)	<b>Timeframe:</b>
<input type="checkbox"/> Development Agreement	<b>Timeframe:</b>
<input type="checkbox"/> Other:	<b>Timeframe:</b>

**If applicant will not own the property, what entity will/does?**

<b>Current Site Ownership:</b>	<b>Phone:</b>	<b>Email:</b>
<b>Final Site Ownership:</b>	<b>Phone:</b>	<b>Email:</b>

**Will the current owner, or applicant expecting to obtain ownership, remain the legal owner of the project site for 5 years following receipt of the award?** Yes No

**SECTION C-REQUIRED SUPPORTING DOCUMENTATION**

Please include the following attachments:	Included ✓	Attachment #
1. <b>Resolution:</b> A signed resolution by the governing elected body authorizing the submittal of an application to the CDI Grant Program.	<input type="checkbox"/>	
2. <b>Map:</b> A map indicating the project location within its municipal jurisdiction and any specially designated federal, state or local economic or taxation zone encompassing the project site; photographs of the site and surrounding area	<input checked="" type="checkbox"/>	
3. <b>Budget Narrative:</b> A narrative describing each line item included in the project budget	<input checked="" type="checkbox"/>	
4. <b>Cost Estimates:</b> A detailed copy of any cost estimates or bidding conducted for costs listed in the project budget, or a detailed explanation of the basis for all costs	<input checked="" type="checkbox"/>	
5. <b>Development Agreement:</b> A copy of any applicable development agreement with private parties benefiting from project implementation (if not yet signed, a signed copy must be submitted prior to first disbursement)	<input checked="" type="checkbox"/>	
6. <b>Financing Commitments:</b> Documentation that demonstrates the success of obtaining financing (e.g., commitment letters from lending institutions, municipal resolutions for financing or TID creation); must be submitted prior to first disbursement	<input checked="" type="checkbox"/>	

7. <b>Organization:</b> A chart illustrating the ownership, development and financing organization structure of the project, naming all entities committed at the time of submission and showing ownership percentages for any individual or entity involved. For any committed end users or partners having any ownership in the property, provide a history of the individual or company's operations with resumes detailing relevant experience and involvement, and percentage of ownership if applicable.	☒	
8. Statements from community, public and community development leaders that support the project proposed for funding	☒	

<b>SECTION D-REAL ESTATE PRO FORMA INFORMATION (if applicable)</b>	
1. What is the market rate for triple net* rent in the project's market?	\$6.00 – \$12.00
2. What is the project's average triple net rent?	\$7.00
3. If the project's rent is less than general market conditions, please provide an explanation of why: The project's rent is less than general market conditions because we are able to reduce the cost of the rent because we are utilizing both Historical and Low Income Housing Tax Credits which lowers the debt needed to service the project.	
4. How much equity is the development entity investing in the project?	\$40,480,263
5. What is the anticipated vacancy rate?	20% - Commercial
6. How much debt can the project service at what rate and term with what minimum debt coverage ratio? The project will support \$16,573,000 in debt at a 40 year term at 3.87% while maintaining a 1.20 DCR.	
7. What is the average rate of return for the first five years of the project once the building is placed in service? <ul style="list-style-type: none"> <li>a. Please define the formula utilized to determine the rate: Internal Rate of Return: 9.74%</li> <li>b. If the project does not provide a return on investment, please explain how the development entity anticipates covering the costs associated with the development: The project maintains the a contingency during construction and a reserve account during operation for any cost overruns.</li> </ul>	

\* Triple net rent is the base rent that does not include any utility, common area, maintenance, insurance or taxes.

# **Wisconsin Economic Development Corporation – CDI Application**

## **The Community Within the Corridor**

### **1. Project Description and Impact on Community**

#### **a. Describe the project, its implementation and the significance of this project to the community.**

Community Within the Corridor Limited Partnership (comprised of the development partnership between Roers Companies and Scott Crawford, Inc.) is proposing to develop/redevelop The Community Within the Corridor, a 197-unit Low-Income Housing Tax Credit (“LIHTC”) family rental housing development in the City of Milwaukee, Milwaukee County, Wisconsin. The Community Within the Corridor will consist of the adaptive reuse of unused/vacant industrial buildings into residential buildings containing 14 studio apartments, 66 one-bedrooms, 52 two-bedrooms, 51 three-bedrooms, and 14 four bedroom apartments for a total of 197 rental units targeting residents of all ages. The proposed Community within the Corridor will be part of a larger mixed-use development located within the Sherman Park neighborhood on the northwest side of the City of Milwaukee.

The existing industrial buildings were used by the Briggs & Stratton company back in the early to mid-1900s as manufacturing facilities and warehouse space. During that time period that company and these buildings were a prominent employer in the neighborhood and in the City as a whole. The entire site is currently listed on the National Register of Historic Places, and the renovation work to be undertaken will comply with the State Historic Preservation Office and National Park Service standards to maintain the character and architectural significance of these historic buildings, while at the same time giving them new life and energy to continue to be a prominent and contributing part of the neighborhood for the long term.

The project is significant to the community as it brings \$65 million of investment to a run-down and underutilized site. It also provides low income housing (rent level as low as 30% AMI) to an area with a high demand for that type of housing, but which has seen very little new supply in recent years. The large investment into this property and into this community will help to spur additional investment and redevelopment in the area by providing a stable housing option and a place for community connection and growth.

The proposed development amenities include on-site leasing offices and full time management, laundry rooms, multiple community rooms, fitness center, playground, a courtyard, and underground parking. The proposed development will also include a community service family consisting of an area for small local businesses (some of which are non-profits) to operate from, and a 25,000 square feet enclosed courtyard that will house sport courts for residents of the development and double as a gathering space for community and sporting events.

#### **b. Describe any public/private partnerships developed and the extent to which the applicant can ensure that all of the activities outlined within this application will be undertaken.**

There numerous public/private partnerships happening on the financial side of this development to ensure it happens:

- The City of Milwaukee is providing \$3.1 million in Tax Increment Financing for the renovation costs.
- The City is also providing \$1 million of HOME Funds.
- The Redevelopment Authority of the City of Milwaukee is providing a \$750,000 loan for the environmental cleanup needed (primarily asbestos and lead based paint).

## **Wisconsin Economic Development Corporation – CDI Application The Community Within the Corridor**

- MMSD is providing a \$107,400 grant to install a greywater system on site.
- WHEDA is issuing tax-exempt bonds and low income housing tax credits.
- Federal and State government entities are issuing historic tax credits.

In regards to the applicant's ability to ensure all of this happens, Roers Companies (including lead Developer Shane LaFave), and Scott Crawford, Inc. (including lead Developer Que El-Amin) have developed over 8,000 units of multifamily housing, including eight historic conversion projects. We have previous experience with all the major financing partners on the transaction as well as with the general contractor and architect. Scott Crawford, Inc. has been working to bring this project to fruition for a number of years and it now has the partnerships and financial structure to be ready to move forward.

**d. Describe the potential of the project to enhance economic viability of the community (e.g., tax base growth, job creation, stimulation of private investment).**

Currently the project has an assessed value of \$1.3 million and pays \$36,000 per year in taxes. Upon completion the estimated value will be \$16.5 million (not including the value of the tax credits) and the estimated annual taxes are \$286,000.

We estimate the project will create 260+ construction jobs and 25+ full time permanent jobs that do not currently exist at the site.

With the investment of \$65 million in total development costs, the addition of local small businesses on site including education prep and job training, and the provision of low income housing stability for families we anticipate additional private investment in the neighborhood surrounding the site.

**e. Describe the potential for the project to promote economic development in the neighborhood, community, county and/or region.**

This project will provide almost 400 bedrooms for low income families and individuals who don't currently live at the site. This influx of people will create a new customer base for existing and future businesses in the area.

The redevelopment is anticipated to create approximately 260 construction jobs and at least 25 full time jobs, thereby providing employment opportunities that don't exist today.

**f. Describe the potential for the project to act as a catalyst for additional commercial development or investment.**

The Community Service Facility (CSF) will offer Health, Wellness, Recreational and Educational programming through a host of businesses and non-profit organizations occupying space within the CSF. We have intentionally procured the non-profits and businesses that will improve the lives of the residents and surrounding community, hopefully spurring additional commercial development and investment.

1. New Horizon Center, Inc. will be the overarching non-profit organization for the CSF because of its long history of providing social services to the city of Milwaukee for over 30 years. New Horizon Center, Inc. will perform the following tasks as the CSF manager:

## Wisconsin Economic Development Corporation – CDI Application The Community Within the Corridor

- Be the entity resources will be donated to, and then distributed throughout to the organizations providing services.
  - Apply for and accept grants/donations on behalf of the space.
  - Manage the cohesion and unity of the service providers.
  - Manage the shared programming for tenants.
  - New Horizon will also operate a daycare center within their space.
2. Young Enterprising Society
- Service Type: STEAM Training
    - YES delivers the only dedicated STEAM training curriculum in the City of Milwaukee. According to the Bureau of Labor Statistics, “Overall, STEM occupations are projected to grow faster than the average for all occupations.” Graduates of the YES program have reported being 82% likely to major in STEAM fields in college, leading to employment in high wages jobs.
    - Cost: Free for students to attend
  - Service Type: eCommerce Training
    - Need: 51% of Americans now prefer online shopping to Brick and Mortar Stores<sup>1</sup> and with this change in shopping habits, training on how to maximize on eCommerce is critical to the success of any business. eCommerce can lead into Entrepreneurship or jobs in Sales, Customer Service and Management.
    - Cost: Online Course is Free. Instructor Lead Course is subsidized through Wisconsin Works program for Low Income residents.
3. Jenkins Laundromat
4. Food Hall
- Combination of local food vendors, each taking a small bay within a larger space
5. Sharp Creative Corridor
- We help bridge the gap between creatives and businesses by connecting them to platforms and opportunities as a means to help retaining our local talent. We also encourage creatives to use their talents to be vested and have a positive influence in their communities. Goals: Retain, Cultivate, and Connect local artists and creatives to resources which will help build capacity and access to local and national markets, thus becoming an income earning artist who uses their talent to invest back into the local community and economy while helping to grow the creative community.
  - Podcast and Recording Wing
    - Studios A & B for Producer, Writing, Recording; Podcast; Band Rehearsal Space
  - Art Wing
    - Gallery; Work Spaces; Art Therapy, Resident Family Nights, Sip N Paints
  - Media and Film Wing
    - Theatre, Green Room, Black Box, Sound Stage
    - Equipment Rental Program

Recreation activities on east portion of the site (free to community during public events):

- Indoor Volleyball – nearest public facility is 4.8 miles from site
  - Indoor Futsal – nearest public facility is 6.3 miles from site
  - Indoor Basketball – nearest public facility is 4.8 miles from site
-

# Wisconsin Economic Development Corporation – CDI Application

## The Community Within the Corridor

### 2. Financial Justification

#### a. Describe the various methods that will be used to fund the project and include the progress of establishing or receiving funds.

Financing of the CWC project includes a number of sources of funds as outlined below:

WHEDA is issuing tax-exempt bonds and low income housing tax credits. The tax-exempt bonds will be purchased by Cedar Rapids Bank & Trust, who will be our construction and permanent lender for the project. We have a full committee approval from Cedar Rapids Bank & Trust and are working on loan documents now. The low income housing tax credits will be purchased by Affordable Housing Partners (AHP). We have a signed term sheet with AHP and are working through the due diligence process to get to closing.

The City of Milwaukee is providing \$3.1 million in Tax Increment Financing (TIF). We have received all City approvals and entitlements for the TIF and are working on a TIF/Development agreement with the City.

The City is also providing \$1 million of HOME Funds. These funds are committed and we are working through loan documents.

The Redevelopment Authority of the City of Milwaukee is providing a \$750,000 loan for the environmental cleanup needed. We formally made this application in August and are now working through the details of a formal commitment/agreement.

MMSD is providing a \$107,400 grant to install a greywater system on site. These funds are committed.

The Federal Government (through the national park service) is providing federal historic tax credits for the project. Chase will be purchasing these credits. We have a signed commitment with Chase and are working through the due diligence process to get to closing.

The Wisconsin Economic Development Corporations is providing state historic tax credits which will be purchased by US Bank. We have a signed commitment with US Bank and are working through the due diligence process to get to closing.

#### b. Describe the financial need for grant funding that cannot be met through private sector sources, public sector support, or a reduction in the scope of the project.

Renovating an unused industrial facility presents significant financial obstacles. In addition to all the environmental cleanup we need to work within the confines of the existing structure, which is not always conducive to how we want to lay out commercial spaces. The intent of the commercial space within the building, as part of the Community Service Facility, is to provide services to both the residents and the surrounding neighborhood and community. To that end the rent levels charged to occupy these spaces are below market and the loan proceeds we are able to generate from these spaces do not exceed the costs to build them out. This grant provides an opportunity to help close that gap between the cost and the generatable loan proceeds.

## **Wisconsin Economic Development Corporation – CDI Application The Community Within the Corridor**

### **3. Previous Planning Efforts**

#### **a. The extent to which this project is included in and/or complements previous regional or municipal planning efforts.**

The Community Within the Corridor is in excellent position to expand upon the goals and intentions of The City of Milwaukee and Milwaukee County. TCWTC is located within the 30<sup>th</sup> Street Industrial Corridor and falls within the Near North as well as the Fond du Lac and North neighborhood plans.

#### **Comprehensive Neighborhood Plan: Near North Neighborhood Plan:**

Pages 3 - Recommendations for action in major land use categories including affordable and diverse housing, business and industry, parks and open space, and transportation.

#### **Comprehensive Neighborhood Plan: Fond du Lac and North Plan**

Page 14 - The long-range purpose of the Fond du Lac and North Neighborhood Plan is to create a neighborhood where people can find desirable and affordable housing, shopping and jobs close to *home*, inviting recreational and cultural opportunities.

#### **Growing Prosperity Plan: An Action Agenda for Economic Development in the City of Milwaukee:**

- *Strategy 6.1.4* - Outstation City staff with local entrepreneurship development organizations to provide direct assistance
- *Strategy 6.2.3* - Improve communication between City agencies and the intermediaries who provide service and technical assistance to local businesses
- *Strategy 6.3.2* - Introduce principles of entrepreneurship to Milwaukee students
- *Strategy 6.3.3* - Foster an “Artist Entrepreneurial” city by supporting artists and creative entrepreneur

TCWTC will offer affordable housing from studio to 4 bedrooms and lease options for over 20 small businesses to grow and expand within the commercial spaces within the development.

TCTWC will offer over 35,000 square feet of commercial space which will include a food hall, several retail spaces, and startup business incubator and over 25,000 square feet of recreational space. We expect over 50 new full time and part time jobs being created and housed within TCWTC.

We will have a variety of programming including Young Enterprising Society’s Blueprint Program that focuses on underrepresented founders including women (52%) and founders of color (92%). The Cultivator takes tech businesses through two 12-week programs: *Idea Validation* and *Market Validation*. Startups that complete both of these programs have a strong idea and an identifiable target market; some also have initial customers and revenue. Yearly over \$100,000 in cash is granted to businesses that complete the program.

Additionally, The Creative Corridor will be housed with TCWTC which intends to increase the attraction and retention of artists within the City of Milwaukee. The Creative Corridor will feature art classes, audio and video production studios for creatives.

## Wisconsin Economic Development Corporation – CDI Application The Community Within the Corridor

### **b. The extent to which the project supports best practices for smart growth and best practices for downtown redevelopment, and the extent to which it has community-wide support.**

The project supports best practices for smart growth by creating a mixed use development featuring a walkable community that rest near public transportation. The development encourages and promotes entrepreneurship which will lead to a stronger local economy, job growth all within the Sherman Park Neighborhood.

TCWTC adopts the following smart growth principles:

- Mix land use
- Create a range of housing opportunities and choices
- Create walkable neighborhoods
- Direct Development towards existing communities
- Encourage community and stakeholder collaboration in development decisions

The project has gained support from all of the major stakeholders including the below individuals and organizations. We also have hosted numerous events for community members to learn more about the project and engage them in the planning and contracting.

#### Neighborhood Organizations

- 30<sup>th</sup> Street Industrial Corridor Board
- Center Street Business Improvement District
- Sherman Park Neighborhood Association

#### Politicians

- State Senator LaTonya Johnson
- County Executive David Crawley
- City of Milwaukee Mayor Tom Barrett (<https://www.cbs58.com/news/mayor-barrett-announces-allocation-of-community-development-block-grant-funds>)
- Milwaukee County Supervisor Marcella Nicholson
- City of Milwaukee Alderman Russell Stamper II

#### Neighborhood Events

- September 26, 2020: Corridor Business Expo
- June 6, 2020: Neighborhood Cleanup & Art Installation
- April 30, 2020: Minority Contractor's Meeting
- December 19, 2019: Creatives & Residents
- October 8, 2019: Creative Corridor Tour
- October 17, 2017: Resident Meeting

**Wisconsin Economic Development Corporation – CDI Application  
The Community Within the Corridor**

**4. Readiness to Proceed**

- a. Describe past and planned project activities, with timelines. Include the planning process, site control, environmental condition and project implementation schedule.**

Scott Crawford began investigating and reviewing the site as a potential project in 2016. In early 2018 a purchase agreement was signed with the then-owner. On May 22, 2020 the site was acquired by Community Within the Corridor Limited Partnership.

The design process with Continuum Architects began in 1<sup>st</sup> quarter 2020 and will go through mid-October, 2020. The building permit was applied for on September 18<sup>th</sup>. Our general contractor, Greenfire, has been engaged and providing pricing updates throughout the design process. We anticipate receipt of the building permit in November.

Environmental investigation of the site started in February 2020. We have conducted a Phase I, Phase II, and hazardous materials investigation. We have submitted our findings to WDNR and are currently compiling a Response Action Plan document.

We submitted our Part II historic application in August and expect to receive approval from the State Historic Preservation Office and National Park Service in November.

All financing commitments have been received with the exception of this grant and the BCRLF \$750,000 loan from the City, which has been applied for and is in the process of being formally committed.

Overall the project schedule is to start work on the environmental remediation in October with construction work following immediately thereafter, the full financial closing in November, and construction completion in March of 2022.

- b. Provide detailed descriptions of property transactions intended to occur over the next 5 years.**

With the project having already been purchased, the only transaction will be the financial closing in November 2020.

- c. Describe financing commitments and any contingencies that apply.**

<u>Sources of Funds</u>	<u>Amount</u>	<u>Provider</u>	<u>Status</u>
Perm Loan - 1st Mortgage	\$ 16,573,000	Cedar Rapids Bank & Trust (CRBT)	Committed
Federal Historic Tax Credit Equity	9,711,923	Chase	Committed
Low Income Housing Tax Credit Equity	21,201,412	Affordable Housing Partners	Committed
State Historic Tax Credit Loan	9,566,933	US Bank and RETHOS (non-profit)	Committed
Brownfield Cleanup Loan	750,000	Milwaukee Redevelopment Authority	Applied for
MMSD Grant	107,400	MMSD	Applied for
WEDC Grant	250,000	Milwaukee County	Committed
HOME Funds	1,000,000	City of Milwaukee	Committed
Tax Increment Financing	3,100,000	City of Milwaukee and CRBT	Committed
Managing Member Loan	2,000,000	General Partner	Committed
Deferred Developer Fee and GP Equity	1,496,279	Roers and Scott Crawford	Committed
<b>Total</b>	<b>\$ 65,756,947</b>		

**Wisconsin Economic Development Corporation – CDI Application  
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**Attachment 1: Resolution**

**Wisconsin Economic Development Corporation – CDI Application  
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**Attachment 2: Map**

# Wisconsin Economic Development Corporation – CDI Application The Community Within the Corridor



**Wisconsin Economic Development Corporation – CDI Application  
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**Interior Photos of Site**



Commercial Interior



East Entrance



Commercial Interior 2



Residential Units



Commercial Interior 3



Recreational Space

**Wisconsin Economic Development Corporation – CDI Application  
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**Exterior Photos of Site**



South Facing Façade and Center Street facing East



South Facing Façade and Center Street facing West



Arial View from North



Arial View from South

**Wisconsin Economic Development Corporation – CDI Application  
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**Attachment 3: Budget Narrative**

**Wisconsin Economic Development Corporation – CDI Application**  
**The Community Within the Corridor**

<u>Uses of Funds</u>	<u>Amount</u>
Acquisition of Property	\$ 2,150,000
Construction Contract	45,002,230
Environmental Remediation	447,727
FF&E	573,905
Construction Contingency	4,135,299
Soft Cost Contingency	250,000
Architect Fees	1,356,250
Financing Costs	4,229,824
Investor Due Diligence Fees	80,000
3rd Party Reports	75,000
Historic Consultant	105,000
Accounting	60,000
Legal	300,000
Marketing	75,000
Taxes and Insurance	160,000
Permits and Fees	25,000
Title	100,000
Reserves	1,101,100
Developer Fee	<u>5,530,612</u>
Total	\$ 65,756,947

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<u>Acquisition of Property:</u>	This was the cost to purchase the property from the previous owner. This was completed in May of 2020.
<u>Construction Contract:</u>	This is the anticipated amount of the contract we will sign with Greenfire for construction/renovation of the property to begin yet this year.
<u>Environmental Remediation:</u>	This cost is for the asbestos and lead based paint remediation work.
<u>FF&amp;E:</u>	Furniture, exercise equipment, art work and décor.
<u>Construction Contingency:</u>	For unexpected costs and potential upgrades on the construction contract.
<u>Soft Cost Contingency:</u>	For unexpected costs other than construction.
<u>Architect Fees:</u>	Design and construction administration fees paid to Continuum.
<u>Financing Costs:</u>	Origination fees, tax credit fees, lender legal, bond costs, and construction period interest.
<u>Investor Due Diligence Fees:</u>	Third party report fees required by the tax credit investors.
<u>3<sup>rd</sup> Party Reports:</u>	Appraisal, survey, market study, environmental investigation.
<u>Historic Consultant:</u>	This is the cost to Continuum to help shepherd the project through the State Historic Preservation and National Park Service historic approvals.
<u>Accounting:</u>	Cost for projections on the front end and a cost certification at the end of the project.
<u>Legal:</u>	Borrower/owner legal fees.
<u>Marketing:</u>	Cost to brand the project and create marketing materials for leasing.
<u>Taxes and Insurance:</u>	Property taxes and builders risk insurance during construction.
<u>Permits and Fees:</u>	Miscellaneous city fees.
<u>Title:</u>	Title fees at closing.
<u>Reserves:</u>	Operating deficit reserve for any operating deficits.
<u>Developer Fee:</u>	Fee paid to developer. The amount of the fee is calculated per WHEDA's underwriting standards.

**Wisconsin Economic Development Corporation – CDI Application  
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**Attachment 4: Cost Estimates**

## 1a – Total Project Forecast Summary



**GREENFIRE**  
— BUILDERS OF THE FUTURE —

**COMMUNITY WITHIN THE CORRIDOR LIMITED PARTNERSHIP**  
**THE COMMUNITY WITHIN THE CORRIDOR**  
 Milwaukee, Wisconsin



**TOTAL PROJECT FORECAST SUMMARY**

PROJECT FORECAST SUMMARY	WEST BLOCK				EAST BLOCK				Responsibility	Comments	
	Per GSF	Per Unit	Total		Per GSF	Per Unit	Total				
	GSF	UNITS			GSF	UNITS					
<b>1.0 CONSTRUCTION</b>	<b>117,601</b>	<b>67</b>			<b>288,712</b>	<b>130</b>					
1.01 Demolition & Abatement			\$7.81	\$13,715			\$6.95	\$15,445	GMS		
1.02 Asbestos Abatement & Selective Demolition			\$7.20	\$12,631	\$846,285		\$6.76	\$15,012	\$1,951,497		
1.03 Building Demolition			\$0.62	\$1,084	\$72,615		\$0.20	\$434	\$56,415		
1.04 Building Renovation			\$120.28	\$211,112			\$90.79	\$201,629			
1.05 Basement (West) & Underground Parking (East) Areas	9,609		\$28.15	\$4,037	\$270,489	47,919	\$18.62	\$6,862	\$892,113		
1.06 Commercial, Fitness, Basketball Courts Grey Box	34,622		\$73.66	\$38,065	\$2,550,359	36,011	\$49.06	\$13,591	\$1,766,844		
1.07 Commercial, Fitness, Basketball Courts Tenant Improvement	34,622		\$60.35	\$31,184	\$2,089,300	36,011	\$33.44	\$9,264	\$1,204,285		
1.08 Apartments	73,370		\$125.86	\$137,827	\$9,234,378	204,782	\$109.13	\$171,912	\$22,348,581		
	<u>Site SF</u>	<u>/Site SF</u>				<u>Site SF</u>	<u>/Site SF</u>				
1.09 Sitework	65,250	\$12.51	\$6.94	\$12,180	\$816,054	75,022	\$13.44	\$3.49	\$7,755	\$1,008,126	GMS
1.10 Miscellaneous Allowances										\$0	GMS
1.11 Building, Occupancy, & Site Permits			\$2.13	\$3,731	\$250,000		\$1.39	\$3,077	\$400,000		GMS
1.12 WE Energies Infrastructure Allowance			\$0.21	\$373	\$25,000		\$0.09	\$192	\$25,000		GMS
1.13 WE Energies Relocation Allowance			\$0.00	\$0	\$0		\$0.35	\$769	\$100,000		GMS
1.14 WE Energies Temporary Electrical Consumption Allowance			\$0.21	\$373	\$25,000		\$0.29	\$654	\$85,000		GMS
1.15 Seasonal Conditions Allowance			\$1.19	\$2,090	\$140,000		\$1.21	\$2,692	\$350,000		GMS
1.16 Construction Material Testing			\$0.09	\$149	\$10,000		\$0.03	\$77	\$10,000		GMS
1.17 Exterior Building Signage Allowance			\$0.17	\$299	\$20,000		\$0.07	\$154	\$20,000		GMS
1.18 Contaminated Soils Overhaul & Tipping Fee Allowance			\$0.00	\$0	By Owner		\$0.00	\$0	By Owner		OWNER
1.19 Underground Stormwater Storage Systems Allowance			\$0.00	\$0	NIC		\$0.00	\$0	NIC		Assumed Not Required
1.20 Greywater Collection / Storage System			\$2.13	\$3,731	\$250,000		\$0.00	\$0	\$0		
1.21 General Conditions   Staffing and Reimbursables					\$685,642				\$1,248,150		GMS
1.22 Escalation		0.00%			\$0		0.00%		\$0		GMS
1.23 Design / Estimating Contingency		2.00%			\$345,702		2.00%		\$629,320		GMS
1.24 CM Construction Contingency		0.00%			\$0		0.00%		\$0		GMS
1.25 CM General Liability Insurance		1.00%			\$176,308		1.00%		\$320,953		GMS
1.26 CM Fee		3.00%			\$534,214		3.00%		\$972,489		GMS
1.27 CM Payment and Performance Bond		0.59%			\$108,712		0.59%		\$197,900		GMS
<b>Subtotal:</b>			\$156.89	\$275,374	\$18,450,058		\$116.33	\$258,359	\$33,586,673		
<b>2.0 FURNISHINGS, OPERATING SUPPLIES AND EQUIPMENT</b>											
2.01 All Furniture, Filing Cabinets, Furnishings (including courtyard furniture)					\$0				\$0		OWNER
2.02 Interior Building Signage Allowance					Included In 1.0				Included In 1.0		GMS
2.03 Exterior Building Signage Allowance					Included In 1.0				Included In 1.0		GMS
2.04 Monumental Site Signage Allowance					\$0				\$0		OWNER
2.05 Provision for Attic Stock					Included In 1.0				Included In 1.0		GMS
2.06 Janitorial & Kitchen Supplies & Equipment					\$0				\$0		OWNER
2.07 Artwork					\$0				\$0		OWNER
2.08 Network and Computers					\$0				\$0		OWNER
2.09 Audio / Visual Equipment					\$0				\$0		OWNER
2.10 Voice & Data					\$0				\$0		OWNER
2.11 Security Equipment					\$0				\$0		OWNER
2.12 Mock-Up FFE - Not Included					\$0				\$0		OWNER

**COMMUNITY WITHIN THE CORRIDOR LIMITED PARTNERSHIP**  
**THE COMMUNITY WITHIN THE CORRIDOR**  
 Milwaukee, Wisconsin



**TOTAL PROJECT FORECAST SUMMARY**

PROJECT FORECAST SUMMARY	WEST BLOCK			EAST BLOCK			Responsibility	Comments
	Per GSF	Per Unit	Total	Per GSF	Per Unit	Total		
2.13 Escalation	0.00%		\$0	0.00%		\$0	OWNER	
2.14 Design / Estimating Contingency	2.00%		\$0	2.00%		\$0	OWNER	
2.15 CM Construction Contingency	0.00%		N/A - By Owner	0.00%		N/A - By Owner		
2.16 CM General Liability Insurance	1.00%		N/A - By Owner	1.00%		N/A - By Owner		
2.17 CM Fee	3.00%		N/A - By Owner	3.00%		N/A - By Owner		
2.18 CM Payment and Performance Bond	0.59%		N/A - By Owner	0.59%		N/A - By Owner		
<b>Subtotal:</b>		\$0.00	\$0	\$0		\$0		
<b>3.0 DESIGN, CONSULTANT COSTS</b>								
3.01 Architectural & Structural Design Services			\$0			\$0	OWNER	
3.02 MEPFP Design Services			Included In 1.0			Included In 1.0	GMS	
3.03 Civil Engineering Design Services			\$0			\$0	OWNER	
3.04 Surveying - Boundary, Topo, & ALTA			\$0			\$0	OWNER	
3.05 Landscaping Design Services			\$0			\$0	OWNER	
3.06 Geotechnical Services			\$0			\$0	OWNER	
3.07 Phase 1 ESA			\$0			\$0	OWNER	
3.08 Phase 2 ESA			\$0			\$0	OWNER	
3.09 Hazardous Materials Consultant - Asbestos Inspection			\$0			\$0	OWNER	
3.10 Hazardous Materials Consultant - Asbestos Design Directive			\$0			\$0	OWNER	
3.11 Hazardous Materials Consultant - Asbestos Oversight & Clearance Sampling			\$0			\$0	OWNER	
3.12 UST Removal & Assessment			\$0			\$0	OWNER	
3.13 Site Investigation Plan, Soil Management, Oversight & Remedial Action Plan			\$0			\$0	OWNER	
3.14 Enclosure Consultant			\$0			\$0	OWNER	
3.15 Consultant Reimbursable Charges			\$0			\$0	OWNER	
3.16 Escalation	0.00%		\$0	0.00%		\$0	OWNER	
3.17 Design / Estimating Contingency	2.00%		\$0	2.00%		\$0	OWNER	
3.18 CM Construction Contingency	0.00%		N/A - By Owner	0.00%		N/A - By Owner		
3.19 CM General Liability Insurance	1.00%		N/A - By Owner	1.00%		N/A - By Owner		
3.20 CM Fee	3.00%		N/A - By Owner	3.00%		N/A - By Owner		
3.21 CM Payment and Performance Bond	0.59%		N/A - By Owner	0.59%		N/A - By Owner		
<b>Subtotal:</b>		\$0.00	\$0	\$0		\$0		
<b>4.0 INSPECTIONS, TESTING AND PERMITS</b>								
4.01 Construction Material Testing			Included in 1.0			Included in 1.0	GMS	
4.02 Commissioning Consultant			\$0			\$0	OWNER	
4.03 Soil Borings, Testing & Analysis			\$0			\$0	OWNER	
4.04 Initial & Final Survey			\$0			\$0	OWNER	
4.05 Plan Examination Fees			\$0			\$0	OWNER	
4.06 Erosion Control Bond			Included in 1.0			Included in 1.0	GMS	
4.07 Stormwater Management Bond			Included in 1.0			Included in 1.0	GMS	
4.08 DNR Permits			\$0			\$0	OWNER	
4.09 DPW Permits			Included in 1.0			Included in 1.0	GMS	
4.10 Utility Infrastructure, Connection & Impact Fees			\$0			\$0	OWNER	
4.11 - Water Service Relocation, Connection, & Tapping Fee			\$0			\$0	OWNER	
4.12 - Gas Service Infrastructure Fee Allowance			Included in 1.0			Included in 1.0	GMS	
4.13 - Electrical Service Infrastructure & Temp Relocation Fee Allowance			Included in 1.0			Included in 1.0	GMS	

COMMUNITY WITHIN THE CORRIDOR LIMITED PARTNERSHIP  
 THE COMMUNITY WITHIN THE CORRIDOR  
 Milwaukee, Wisconsin



**TOTAL PROJECT FORECAST SUMMARY**

PROJECT FORECAST SUMMARY	WEST BLOCK			EAST BLOCK			Responsibility	Comments	
	Per GSF	Per Unit	Total	Per GSF	Per Unit	Total			
4.14 - Storm & Sanitary Sewer Connection Fee Allowance			\$0			\$0	OWNER		
4.15 - Time Warner Cable, AT&T			\$0			\$0	OWNER		
4.16 Escalation	0.00%		\$0	0.00%		\$0	OWNER		
4.17 Design / Estimating Contingency	2.00%		\$0	2.00%		\$0	OWNER		
4.18 CM Construction Contingency	0.00%		N/A - By Owner	0.00%		N/A - By Owner			
4.19 CM General Liability Insurance	1.00%		N/A - By Owner	1.00%		N/A - By Owner			
4.20 CM Fee	3.00%		N/A - By Owner	3.00%		N/A - By Owner			
4.21 CM Payment and Performance Bond	0.59%		N/A - By Owner	0.59%		N/A - By Owner			
	<b>Subtotal:</b>	\$0.00	\$0	\$0	<b>Subtotal:</b>	\$0.00	\$0	\$0	
<b>5.0 OTHER PROJECT COSTS</b>									
5.01 Builder's Risk Insurance			\$0			\$0	OWNER		
5.02 Moving, Marketing, Legal, Financing, & Land Purchase			\$0			\$0	OWNER		
5.03 Owner Contingency			\$0			\$0	OWNER		
	<b>Subtotal:</b>	\$0.00	\$0	\$0	<b>Subtotal:</b>	\$0.00	\$0	\$0	
<b>TOTAL PROJECT FORECAST BY BLOCK</b>		<b>\$156.89</b>	<b>\$275,374</b>	<b>\$18,450,058</b>		<b>\$116.33</b>	<b>\$258,359</b>	<b>\$33,586,673</b>	
<b>TOTAL PROJECT FORECAST</b>						<b>\$128.07</b>	<b>\$264,146</b>	<b>\$52,036,731</b>	

**NOTES & CLARIFICATIONS**

These budgets are provided as a rough order of magnitude of forecasted costs. The scope of work needs to be further defined to refine these numbers.

**Wisconsin Economic Development Corporation – CDI Application  
The Community Within the Corridor**

**Attachment 5: Financial Commitments**

June 17, 2020

Shane LaFave  
Director of Development  
Roers Companies  
110 Cheshire Lane, Suite 120  
Minnetonka, MN 55305

Re: Term Sheet to Purchase Wisconsin Historic Preservation Tax Credits [“Community within the Corridor”]

Dear Mr. LaFave:

Thank you for giving U.S. Bank National Association (“U.S. Bank”) this opportunity to purchase from Rethos or a to be named entity (“Seller”) up to eleven million four hundred forty thousand nine hundred eighty-four and no/100 Dollars (\$11,440,984) of Wisconsin historic preservation tax credits for a qualified rehabilitated building (the “Credits”). These Credits are anticipated to be issued by the Wisconsin Economic Development Corporation (the “WEDC”) for the 2022 tax year in connection the rehabilitation of the property known as the Community within the Corridor located at 3200 West Center Street in Milwaukee, Wisconsin (the “Project”).

#### Terms and Conditions

This Letter of Intent sets forth the basic business terms pursuant to which Seller will sell the Credits to U.S. Bank.

- Purchase Price:** Subject to the conditions set forth herein and except as otherwise provided herein:

**Five Year Credit.** U.S. Bank is anticipated to be able to utilize twenty percent (20%) of the Credits annually over a five (5) year period, commencing with the year of transfer. U.S. Bank will pay to Seller eighty-five cents (\$0.85) per One Dollar (\$1.00) of Credits delivered to U.S. Bank on or before December 31, 2022, resulting in an anticipated purchase proceeds amount of up to \$9,724,836.
- Projected Placed In-Service Date:** The projected placed-in-service date (to be shown on National Park Service Part 3) is on or before February 28, 2022.
- Maximum Amount of Credits to Be Purchased.** The maximum amount of Credits that U.S. Bank agrees to purchase from Seller is up eleven million four hundred forty thousand nine hundred eighty-four and no/100 Dollars (\$11,440,984) of Credits (the “Base Credits”).
- Option to Purchase Additional Credits Generated By the Project.** To the extent that the Project generates more than the Base Credits (“Additional Credits”), Seller grants to U.S. Bank an option to purchase the Additional Credits under the same terms and conditions provided under this Term Sheet. Seller agrees to provide to U.S. Bank at least five (5) business days’ notice of the exact amount of Credits to be tendered by Seller to US Bank prior to Seller actually tendering to U.S. Bank the relevant tax credit certificates and all other documentation necessary to complete the transfer of the Credits from Seller to U.S. Bank (“Credit Transfer Documentation”). Within this five (5) day notice period, U.S. Bank shall provide to Seller written notice of U.S. Bank’s intent to exercise or not to exercise this option with respect to the Additional Credits. For purposes of this Term Sheet, the term “Credits” includes any Additional Credits or “Late Credits” (defined in **Paragraph 10** below) where such inclusion would be relevant.
- Manner of Delivery and Payment of Purchase Price.** Seller shall confirm to U.S. Bank in writing the amount of Credits to be issued to Seller with respect to the Project immediately upon Seller’s receipt of Credit Transfer Documentation from WEDC or other relevant Wisconsin state agency (the “Issuing Authority”). Except as otherwise provided in **Paragraph 4** above, within three (3) business days after U.S. Bank has received from Seller the Credit Transfer Documentation, U.S. Bank shall deliver a federal wire payment to Seller in the amount of the Purchase Price of the Credits delivered.

Shane LaFave  
Roers Companies  
Re: Community within the Corridor  
June 17, 2020

6. **Miscellaneous Conditions.** The offer outlined in this letter is conditioned upon the following additional requirements:
- A. For purposes of this Term Sheet, Seller specifically represents to U.S. Bank that Seller has not performed and will not perform any acts (including without limitation, any acts that would result in the revocation of any of the Credits) or execute any other instruments which might prevent U.S. Bank from deriving the full benefits of any of the terms or conditions of this Term Sheet.
  - B. Seller shall have notified the Wisconsin Department of Revenue (the “DOR”) of the proposed transfer and provided the DOR with a copy of all transfer documentation.
  - C. The offer outlined in this Term Sheet is also conditioned upon the future receipt of the following documents:
    - i. Sufficient documentation that the Project has satisfied all statutory and regulatory conditions necessary in order to entitle Seller to receive the Credits including, but not limited to, true and accurate copies of the cost certification and the National Park Service Application, Parts 2 and 3, if applicable;
    - ii. Sufficient documentation that the Issuing Authority has issued to Seller the Credits; and
    - iii. Completion and execution of all Credit Transfer Documentation, including the Credit Certificates issued to U.S. Bank in its name.
  - D. To the extent that the Issuing Authority fails to either issue to Seller the Credits contemplated hereunder or provide to Seller the completed Credit Transfer Documentation, neither Seller nor U.S. Bank shall have any further obligations hereunder and this Term Sheet shall become null and void.
7. **Indemnity.** Seller agrees to indemnify and hold U.S. Bank harmless from and against any and all liability, loss, damage or expense, including, without limitation, U.S. Bank’s reasonable attorney’s fees and expenses and consultant’s fees and expenses (including costs of collection), which U.S. Bank may incur directly or indirectly by reason of the amount of Credits duly issued by the Issuing Authority being reduced, cancelled, revoked, terminated, or recaptured for any reason. This indemnity shall continue in effect and survive the closing of the sale and purchase of the Credits.
8. **Breach of Commitment Term Sheet.** By executing this Term Sheet, Seller is agreeing to sell to U.S. Bank the Credits for the Purchase Price according to the delivery terms stated herein. To the extent that the Issuing Authority issues to Seller the Credits and Seller fails to deliver the Credit Transfer Documentation to U.S. Bank (unless such failure is due to the action or inaction of the Issuing Authority), Seller will be deemed to be in breach of its agreement contained in this Term Sheet. In the event of such a breach by Seller, Seller has fourteen (14) days to cure the breach (“**Seller Cure Period**”) and deliver the Credit Transfer Documentation or their equivalent to U.S. Bank. To the extent that Seller fails to cure the breach by delivering the Credit Transfer Documentation or their equivalent to U.S. Bank by the last day of the Seller Cure Period, Seller agrees to pay to U.S. Bank immediately thereafter an amount equal to fifteen percent (15%) of the total Purchase Price (excluding any Additional Credits) that Seller has failed to deliver to U.S. Bank plus all of U.S. Bank’s reasonable attorneys’ fees, consultant’s fees and expenses (including costs of collection) necessary to compensate U.S. Bank for the damages resulting from Seller’s breach of its agreement, in addition to all other rights and remedies that U.S. Bank may have under law or in equity. For purposes of this Agreement, Seller shall not be considered to be in breach of this Term Sheet if the Project does not generate Additional Credits within the meaning of **Paragraph 4** of this Term Sheet.
9. **Breach of Term Sheet by US Bank.** By executing this Term Sheet, U.S. Bank is agreeing to purchase from Seller the Credits for the Purchase Price according to the delivery dates stated herein. To the extent that the Issuing Authority issues to Seller the Credit Transfer Documentation and U.S. Bank fails to accept delivery from Seller of the Credit Transfer Documentation when tendered to U.S. Bank, U.S. Bank will be deemed to be in breach of its agreement contained in this Term Sheet. In the event of such a breach by U.S. Bank, U.S. Bank has fourteen (14)

Shane LaFave  
Roers Companies  
Re: Community within the Corridor  
June 17, 2020

days to cure the breach ("U.S. Bank Cure Period") and accept delivery the Credits from Seller. To the extent that U.S. Bank fails to cure the breach by accepting delivery of the Credits or their equivalent from Seller by the last day of the U.S. Bank Cure Period, U.S. Bank agrees to pay to Seller immediately thereafter an amount equal to fifteen percent (15%) of the total Purchase Price that U.S. Bank has failed to accept delivery of from Seller plus all of Seller's reasonable attorneys' fees, consultant's fees and expenses (including costs of collection) necessary to compensate Seller for the damages resulting from U.S. Bank's breach of its agreement, in addition to all other rights and remedies that Seller may have under law or in equity. For purposes of this Agreement, U.S. Bank shall not be considered to be in breach of this Term Sheet if U.S. Bank declines to exercise its option to purchase from Seller any Additional Credits under Paragraph 4 of this Term Sheet.

10. **Delivery of Credits after December 31, 2022.** If Seller has not delivered to U.S. Bank the Credits on or before December 31, 2022 ("Late Credits"), Seller and U.S. Bank agree that U.S. Bank, at its sole option, may either terminate this Term Sheet with no further obligation to Seller to purchase the Late Credits, or purchase the Late Credits from Seller under the same terms and conditions contained in this Term Sheet.
11. **Assignment.** Seller may not assign its rights and obligations under this Term Sheet to a third party without U.S. Bank's express consent, but Seller may freely assign Seller's right to receive all or part of the Purchase Price to a third party without U.S. Bank's consent, provided that all security interests, liens, or similar encumbrances against the Credits are released immediately upon U.S. Bank's payment of the Purchase Price. For the avoidance of doubt, Seller and U.S. Bank agree that U.S. Bank shall not be made a party to any assignment by Seller of Seller's right to receive all or any portion of the Purchase Price.
12. **U.S. Bank Approval.** This term sheet is contingent upon approval by U.S. Bank's Investment Committee, which approvals are anticipated to be received on or before July 2, 2020

We sincerely appreciate this opportunity to purchase the Credits to be generated by the Project and to work closely with you in closing the transactions contemplated by this Term Sheet. If the terms and conditions of this Term Sheet are acceptable to you, please sign and return it to me by the close of business on June 26, 2020.

Sincerely,  
U.S. BANK NATIONAL ASSOCIATION



Robert P. Espeland  
Vice President

ACCEPTED:  
~~ROERS COMPANIES~~ *Community within the Corridor, Limited Partnership*

By: *[Signature]*

Printed Name: Brian Roers

Title: Manager

Date: 6.18.2020





A Division of Cedar Rapids Bank & Trust

March 30, 2020

Mr. Shane LaFave  
Roers Companies  
1964 Wayzata Blvd.  
Long Lake, MN 55356

Dear Shane:

Thank you for giving us this opportunity to provide you with this 4% LIHTC tax exempt construction loan, tax exempt term loan, and tax exempt and taxable equity bridge loan term sheet for Community Within the Corridor project located in Milwaukee, WI. The following outlines the general loan terms and conditions for your review and consideration:

**4% LIHTC Tax Exempt Construction/Stabilization Bond/Loan**

<b>Borrower:</b>	Community Within the Corridor LP.
<b>Bond/Loan Amount:</b>	Up to \$15,500,000.
<b>Purpose:</b>	Construction/Draw loan for an Affordable Housing Project in Milwaukee, WI.
<b>Loan Term:</b>	36 months.
<b>Tax Exempt Interest Rate:</b>	Tax exempt floating rate at 30 Day Libor .92% + 2.70% = 3.62% (estimated as of 3/30/20).
<b>Loan Origination Fee:</b>	1.00% of the loan amount estimated to be \$155,000.
<b>Repayment Terms:</b>	Interest only monthly, with all principal and accrued interest due at maturity. Pre-payment penalties will not apply.
<b>Maturity Date:</b>	36 months.
<b>Collateral:</b>	First Real Estate Mortgage on the real property for the project referred to as Community Within the Corridor located in Milwaukee, WI, Assignment of Borrower's Interest in The Limited Partnership, including, but not limited to capital contributions; Assignment of rents on the subject property and improvements to be construed thereon, legal description to govern; Assignment of Developer Fee.
<b>Guarantors:</b>	Full unlimited, unsecured guarantees from individuals or entities as required by CRBT.

**Due Diligence:**

The Lender will need as part of their necessary due diligence, and as a condition to making the Credit Facility available, the following, but not limited to:

- i. Borrower has entered into either a Stipulated Sum or a Guaranteed Maximum Price contract with a General Contractor approved by Lender;
- ii. Depending on the financial strength and experience of the General Contractor, the Lender may require a Payment & Performance Bond with a penal sum (bond amount) equal to the stipulated sum or guaranteed maximum price of the construction contract (such P&P Bonds shall be from a surety and in a form acceptable to the Lender. Lender shall be named as an additional beneficiary under the P&P Bonds).

**Tax Exempt Construction/Equity Bridge Loan**

<b>Borrower:</b>	Community Within the Corridor LP
<b>Bond/Loan Amount:</b>	Up to \$11,300,000.
<b>Purpose:</b>	Construction/Draw Equity Bridge loan for an Affordable Housing Project in Milwaukee, WI.
<b>Loan Term:</b>	36 months.
<b>Tax Exempt Interest Rate:</b>	Fixed at 4.00% (estimated as of 3/30/20).
<b>Loan Origination Fee:</b>	1.00% of the loan amount estimated to be \$113,000.
<b>Repayment Terms:</b>	Interest only monthly, with all principal and accrued interest due at maturity. Pre-payment penalties will not apply.
<b>Maturity Date:</b>	36 months.
<b>Collateral:</b>	The Credit Facility shall be secured by, in the Bridge Lender's sole discretion, any or all of the following: (1) a first priority Assignment of General Partner interest in Borrower, including rights to distributions, credits and all other ownership interests, (2) a first priority Assignment of Capital Contributions, pursuant to which Borrower and General Partner pledge their right to receive the Tax Credit Equity as security for the Bridge Loan, and (3) any other security reasonably requested by the Lender.
<b>Guarantors:</b>	Full unlimited, unsecured guarantees from individuals or entities as required by CRBT.
<b>Due Diligence:</b>	<p>The Lender will need as part of their necessary due diligence, and as a condition to making the Credit Facility available the following, but not limited to:</p> <ol style="list-style-type: none"><li>i. Borrower has entered into either a Stipulated Sum or a Guaranteed Maximum Price contract with a General Contractor approved by Lender;</li><li>ii. Depending on the financial strength and experience of the General Contractor, the Lender may require a Payment &amp; Performance Bond with a penal sum (bond amount) equal to the stipulated sum or guaranteed maximum price of the construction contract (such P&amp;P</li></ol>

Bonds shall be from a surety and in a form acceptable to the Lender. Lender shall be named as an additional beneficiary under the P&P Bonds).

**Taxable Construction/Equity Bridge Loan**

**Borrower:** Community Within the Corridor LP

**Bond/Loan Amount:** Up to \$12,100,000.

**Purpose:** Construction/Draw Equity Bridge loan for an Affordable Housing Project in Milwaukee, WI.

**Loan Term:** 36 months.

**Taxable Interest Rate:** Fixed at 5.00% (estimated as of 3/30/20).

**Loan Origination Fee:** 1.00% of the loan amount estimated to be \$121,000.

**Repayment Terms:** Interest only monthly, with all principal and accrued interest due at maturity. Pre-payment penalties will not apply.

**Maturity Date:** 36 months.

**Collateral:** The Credit Facility shall be secured by, in the Bridge Lender's sole discretion, any or all of the following: (1) a first priority Assignment of General Partner interest in Borrower, including rights to distributions, credits and all other ownership interests, (2) a first priority Assignment of Capital Contributions, pursuant to which Borrower and General Partner pledge their right to receive the Tax Credit Equity as security for the Bridge Loan, and (3) any other security reasonably requested by the Lender.

**Guarantors:** Full unlimited, unsecured guarantees from individuals or entities as required by CRBT.

**Due Diligence:** The Lender will need as part of their necessary due diligence, and as a condition to making the Credit Facility available the following, but not limited to:

- i. Borrower has entered into either a Stipulated Sum or a Guaranteed Maximum Price contract with a General Contractor approved by Lender;
- ii. Depending on the financial strength and experience of the General Contractor, the Lender may require a Payment & Performance Bond with a penal sum (bond amount) equal to the stipulated sum or guaranteed maximum price of the construction contract (such P&P Bonds shall be from a surety and in a form acceptable to the Lender. Lender shall be named as an additional beneficiary under the P&P Bonds).

**4% LIHTC Tax Exempt Bond/Term Loan**

**Borrower:** Community Within the Corridor LP

**Loan Amount:** Lesser of (a) \$15,500,000; or (b) the amount necessary to provide a 1.15 to 1.00 debt service coverage ratio with respect to the Project measured at the

funding of the Loan; or (c) the amount such that the loan amount will not exceed 90% of the As Completed Stabilized Rent Restricted Appraised Value.

**Purpose:** Provide permanent term loan takeout financing to pay off the construction loan.

**Tax Exempt Interest Rate:** The interest rate as of March 30, 2020 is 3.58%. The interest rate shall be fixed by a SWAP Agreement that is calculated to include a 36 month forward rate lock, with the underlying Loan accruing interest at 79% of 30 Day Libor + 2.00%.

**Rate estimates above will continue to fluctuate based on the market until such time that the swap documentation is executed. Upon commencing the swap and locking your fixed interest rate, if the loan is cancelled for any reason, you will be 100% responsible for paying any and all of the make whole fees charged to CRBT resulting from unwinding the SWAP per the terms of the executed SWAP Documents along with all of CRBT's credit underwriting, legal, or other out of pocket expenses. Lender will require collateral for the forward rate lock in the form of Guarantees and a 2nd mortgage on the property. Collateral must be approved by CRBT prior to locking the rate and executing the SWAP documentation.**

**Loan Fee:** \$10,000

**Maturity Date:** 18 years

**Repayment Terms:** Amortize the loan over 40 years, with all unpaid principal and interest due at maturity.

**Collateral:** First Real Estate Mortgage on the real property for the project referred to as Community Within the Corridor located in Milwaukee, WI, assignment of the development agreement, and an assignment of rents and leases of the real property.

**Guarantors:** Non-Recourse Carve out Guarantees from the Developer/Owners and the General Partner.

**TIF Tax Exempt Bond/Term Loan**

**Borrower:** Community Within the Corridor LP

**Loan Amount:** Lesser of (a) \$3,200,000; or (b) the amount necessary to provide a 1.15 to 1.00 debt service coverage ratio with respect to the Project measured at the funding of the Loan; or (c) the amount such that the loan amount will not exceed 90% of the As Completed Stabilized Rent Restricted Appraised Value.

**Purpose:** Provide permanent term loan takeout financing to pay off the construction loan.

**Tax Exempt Interest Rate:** The interest rate as of March 30, 2020 is 3.58%. The interest rate shall be fixed by a SWAP Agreement that is calculated to include a 36 month forward rate lock, with the underlying Loan accruing interest at 79% of 30 Day Libor + 2.00%.

**Rate estimates above will continue to fluctuate based on the market until such time that the swap documentation is executed. Upon commencing**

the swap and locking your fixed interest rate, if the loan is cancelled for any reason, you will be 100% responsible for paying any and all of the make whole fees charged to CRBT resulting from unwinding the SWAP per the terms of the executed SWAP Documents along with all of CRBT's credit underwriting, legal, or other out of pocket expenses. Lender will require collateral for the forward rate lock in the form of Guarantees and a 2nd mortgage on the property. Collateral must be approved by CRBT prior to locking the rate and executing the SWAP documentation.

<b>Loan Fee:</b>	\$10,000
<b>Maturity Date:</b>	18 years
<b>Repayment Terms:</b>	Amortize the loan over 40 years, with all unpaid principal and interest due at maturity.
<b>Collateral:</b>	First Real Estate Mortgage on the real property for the project referred to as Community Within the Corridor located in Milwaukee, WI, assignment of the development agreement, assignment of the TIF agreement and all related documents issued by the City of Milwaukee, and an assignment of rents and leases of the real property.
<b>Guarantors:</b>	Full unlimited, unsecured guarantees from individuals or entities as required by CRBT.
<b>Prepayment:</b>	Standard SWAP "Make Whole or In the Money" prepayment provisions will apply as specified in the SWAP Documents.
<b>Loan Agreements:</b>	Borrower's loans shall be governed by loan documents which will contain terms and conditions that will be satisfactory to both the Borrower and Bank. All loan documents will be prepared by CRBT's legal counsel, Winthrop & Weinstine in Minneapolis, MN.
<b>Due Diligence:</b>	<p>The Lender will need as part of necessary due diligence, and as a condition to making the Credit Facility available, the following, but not limited to:</p> <ul style="list-style-type: none"><li>(i) Appraisal including a Market and Feasibility Study</li><li>(ii) Borrower, General Partner, Sponsor and Guarantors Financial Statements and Tax Returns;</li><li>(iii) Phase I environmental report;</li><li>(iv) 42(m) letter issued by the allocating agency with respect to the Project;</li><li>(v) Financial statements of Investor, if requested by Lender;</li><li>(vi) Organizational documents and operating agreements of Borrower, General Partner, Corporate Guarantor, in form and substance acceptable to Lender;</li><li>(vii) Documents evidencing Investor's obligation to contribute the Tax Credit Equity to Borrower in form and substance acceptable to Lender;</li><li>(viii) Lender's Title Insurance commitment and pro-forma policy in a form and substance acceptable to Lender;</li><li>(ix) An ALTA survey of the Project;</li><li>(x) The Borrower and all related entities obtaining all necessary approvals and making all necessary filings to obtain the Tax Credits;</li></ul>

- (xi) The receipt of insurance coverage for the Project acceptable to Lender;
- (xii) Any general information concerning the Borrower, the sponsor, the Project, and financing that has not already been provided to Lender, such as the following:
  - 1. Developer resume/biography;
  - 2. Previous Tax Credit Development Experience;
  - 3. Project Overview;
  - 4. Discussion and details of ownership structure for Project;
  - 5. Project timeline;
  - 6. Overall sources and uses for entire Project;
  - 7. Detailed breakdown of Tax Credits;
  - 8. Identification and background/resume of architect;
  - 9. Any agreements with the city where the Project is located (e.g., development agreements, etc.); and
- (xiii) Other items as requested during further review.

#### **GENERAL CONDITIONS PRECEDENT TO CLOSING:**

If the Borrower accepts the terms of this proposal letter and CRBT formally credit underwrites and approves this loan, the closing and funding of the loans would be subject to, but not limited to the following conditions and requirements:

1. The execution of all loan and security documents prepared by CRBT in such form and containing such terms, conditions and provisions that CRBT or its legal counsel deems reasonably necessary.
2. Evidence of the Borrower's organization, good standing, capacity, and authority to borrow and to execute the loan documents, and to operate its business in the jurisdictions where it does so. These documents to include but are not limited to, the Borrower's articles of organization, operating agreement and borrowing resolution.
3. The Borrower, Bank, and Tax Credit Investor will establish a mutually DSCR covenant which has yet to be determined, but at a minimum will include a 1.15 DSCR used to size the loan, but will not represent an immediate material event of default if the covenant is not met. The Bank reserves the right request monthly financial statements in the event the Borrowers DSCR falls below 1.05.
4. Draw monitoring and inspections will be required with each draw request and this expense will be paid for by the borrower.
5. For the conversion of the project to occur, a minimum occupancy of 90% and a DSCR of 1.00 for 90 consecutive days must be achieved prior to CRBT agreeing to close/fund the term loan and payoff the construction loan/lender. This would also require the approval of the Tax Credit Investor. Notwithstanding the foregoing, obligations under the Swap Agreement will commence 36 months from the date the rate is locked whether or not the Project is in a position to convert to the permanent note.
6. Clean Financial/credit and background checks on the Developer Sponsors/Owners.
7. Reserve Accounts for this project/loan will be required to be opened and maintained at CRBT.
8. The Borrower shall reimburse Lender and its participants for all reasonable out-of-pocket legal and documentation expenses incurred in connection with the transaction.
9. A \$10,000 good faith deposit/commitment fee is required with this signed term sheet. In the event the bank does not credit approve the loan, the \$10,000 will be fully refunded to the Borrower. In the event the Borrower does not close the loan for any reason after it is formally credit approved, the \$10,000 will be fully retained by CRBT to offset our credit underwriting expenses. If the loan is approved and funded, the \$10,000 can either be applied to closing costs or returned to the Borrower if requested.

**This proposal letter outlines the basic structure and terms of the credit facilities requested by Borrower. It is not a commitment letter and may not reflect the final loan terms and conditions as required in our final loan credit approval. The terms contained herein are subject to formal credit underwriting and approval. If the borrower finds the general terms contained herein acceptable, please return a signed and**

accepted to copy to CRBT. This Term Sheet of Principal Terms will expire if not signed by April 30, 2020, and will also expire if the Loan Facility is not closed by December 31, 2020.

If you have any questions or need additional information regarding the contents of this letter, please let me know.

Sincerely,



Tim White  
Senior Vice President  
Specialty Finance Group

Accepted by: Shen Lafan Date: 4.2.2020

Title: Director of Development

# LIHTC Loan Due Diligence Checklist

Borrower/Project Name:  
Guarantor(s) Name:  
Projected Closing Date:

Collected (Y/N)    Comments (if not collected, why?)

## 1. Executive Summary and Term Sheet

- a. Resume / Biography of Developer
- b. Personal Financial Statement and 2 years Tax Returns for Developer/Guarantor
- c. Previous Tax Credit Development Experience of Developer
- d. Project Overview - Summary of the original use, projected use, work to be done
- e. ID and Background on General Contractor for Project
  - i. GMP Contract
  - ii. P&P Bond
  - iii. Financials for General Contractor
- f. ID and Background on Qualified Architect
- g. ID and Background Qualified on CPA Firm handling cost certification
- h. ID and Experience of Permanent/Take Out Lender
  - i. 2 years of financials if not a publicly traded company

## 2. Organizational Chart

- a. Discussion and details of ownership structure to be utilized

## 3. Flow of Funds / Projections

- a. Project Timeline - Draw/Funding Schedule
- b. Project Projections
- c. Overall sources and uses for entire project
- d. Detailed breakdown of credits comprising the request

## 4. Tax Credit Documentation

- a. Any applicable City Development agreements associated with the project
- b. ID of Tax Credit purchases
  - i. Financials of the Purchaser if privately held
- c. Anticipated terms of the purchase
- d. Tax Credit Reservation / Allocation Letter from the State Agency
- e. State Agency Tax Credit Application
- f. Submissions of application/approval forms & agreements tied to specific credits

## 5. Other

- a. Background Checks
- b. Credit Reports
- c. Appraisal
- d. Market Study
- e. Environmental Report
- f. Other Documents (Additional supporting documents may be required at Lender's request.)



A Division of Cedar Rapids Bank & Trust

## Wiring Instructions for Cedar Rapids Bank & Trust

Cedar Rapids Bank & Trust  
500 1<sup>st</sup> Ave NE  
Cedar Rapids, IA 52401

**ABA:** 073922801

**Credit Account:** 17200

**Project Name:** \_\_\_\_\_

**RE:** Attn: SFG – Good Faith Deposit

500 First Avenue NE, Cedar Rapids, IA 52401

319.862.2728 | Member FDIC

**CONFIDENTIAL**

**Acquisition Proposal  
and  
Agreement**

June 26, 2020

Mr. Shane LaFave  
Roers Companies  
110 Cheshire Lane, Suite 120  
Minnetonka, MN 55305

Re: Community Within the Corridor (the "Apartment Complex")  
197 Units – Milwaukee, WI

Dear Shane:

Thank you for giving AHP the opportunity to present this proposal to you. This proposal sets forth our understanding of the basic business terms to be included in an agreement (the "Partnership Agreement") by and between Affordable Housing Partners, Inc., or its designees, ("AHP"), Community Within the Corridor Limited Partnership (the "Partnership"), and Roers Corridor GP LLC (the "General Partner"), an affiliate of the Roers Companies, regarding the Apartment Complex. The General Partner shall be a single purpose entity and the Developer and General Partner must be separate entities. This proposal contemplates a master lease ownership structure with AHP having a 99.99% interest in the Partnership (which will be the Landlord entity), the General Partner with .01% interest and the historic tax credit investors ("HTCI's") as the master tenant. AHP is sometimes referred to herein as the "IP" or "Investment Partner". The ultimate structure of the master lease and the entities is subject to AHP review and approval. Capitalized terms, not otherwise defined in this proposal, have the meaning given in the Partnership Agreement.

A. BASIC INFORMATION

1. Partnership Interest to be Acquired

The proposal is based upon the acquisition of a 99.99% interest in the Partnership by AHP leaving a .01% interest to the General Partner.

2. LIHTC's to be Acquired

Year of LIHTC Reservation	2020
Amount of LIHTC's	\$22,161,212
Percentage of Partnership Interest	<u>99.99%</u>
LIHTC's Acquired by AHP	<u>\$22,158,995</u>

B. TOTAL DEVELOPMENT COSTS

Total Development Cost Net of AHP Due Diligence Fees	\$59,971,333
PLUS: Est. AHP's Due Diligence Fee	<u>\$80,000</u>
Total Development Cost Equal:	<u>\$60,051,333</u>

Any increase in Development Costs above \$60,051,333 will be the responsibility of the General Partner and/or Guarantor to fund. Notwithstanding the forgoing, the General Partner may apply funds from increased AHP Capital Contributions resulting from upward adjusters to pay for increased Development Costs. Cost savings generated by the Partnership prior to the final audit, preparatory to filing the 8609, which are approved by AHP will be applied first 90% to the Deferred Developer Fee until retired and 10% to the IP as a distribution, and then any remaining balance, to the extent feasible, being applied to the reduction in the initial balance of the must pay permanent loan.

C. EQUITY INVESTMENT

1. Amount of AHP's Equity Investment

AHP will pay the Partnership \$0.87 per \$1.00 of Section 42 LIHTC's or a total of \$19,278,326. This is based upon the purchase of a 10-year stream of federal tax credits totaling \$22,158,995. The actual equity payment by AHP will be adjusted up or down based on the actual amount of tax credits received by the Partnership using the rate of \$0.87 per \$1.00 of Section 42 tax credit, with any increase in equity associated with an upward adjuster limited to 5% of AHP's original capital contribution. Any increase in credits above the 5% adjuster limit set forth herein will be acquired by AHP at a price that will maintain its closing yield.

2. AHP will invest in the Partnership as follows:

- a. Upon the closing of the Partnership Agreement, AHP will invest up to \$6,747,414 in equity to the Partnership (the "First Capital Contribution"). This \$6,747,414 of capital during the construction of the Apartment Complex shall be made available in 3 installments: (i) 1st Installment: \$3,855,665 available to be drawn at closing; (ii) 2nd Installment: \$1,445,874 available to be drawn at the later of 50% completion of construction and July 1, 2021; and (iii) 3rd Installment: \$1,445,874 available to be drawn at the later of 75% completion of construction and October 1, 2021. AHP reserves the right to limit the amount of the First Capital Contribution actually funded at Partnership closing to that amount needed to meet initial closing costs, construction expenses as well as approved reimbursables to the Developer, General Partner and/or Guarantor. Remaining proceeds (if any) would be retained by AHP and funded at the next scheduled draw(s) as submitted during the course of construction.
- b. Upon the later of receipt of the last Certificate of Occupancy for the development and satisfaction of the other requirements as set forth in the Partnership Agreement, and generally set forth in Exhibit A attached hereto, and April 1, 2022 AHP will

invest an additional \$5,783,498 of its equity in the Partnership (the "Second Capital Contribution").

- c. Upon the later of Rental Achievement (which is generally defined as a period of three (3) consecutive months of at least 90% economic occupancy and a 1.20 debt service coverage ratio based on annualized maximum principal and interest requirements and a minimum vacancy factor of 7.0%), placement of the First Mortgage on the property and upon satisfactory completion of all other requirements as set forth in the Partnership Agreement, and generally set forth in Exhibit A attached hereto, and April 1, 2023 AHP will invest an additional \$6,447,414 of its equity in the Partnership (the "Third Capital Contribution"). \$1,042,000 of this Third Capital Contribution will be used to fund initial Operating Reserves anticipated in Section J of this proposal. The Partners intend that AHP shall hold the Operating Reserve and, accordingly, AHP may defer payment to the Company of this Third Capital Contribution earmarked to fund the Operating Reserve, and instead fund all or a portion of such deferred Capital Contribution from time to time to cover operating deficits, and fund reserves as needed by the Company. Notwithstanding the foregoing, any such reduced Capital Contribution shall be paid no later than the earlier to occur of the withdrawal of the Investor Member from the Company or the end of the 15-year tax credit compliance period (the "Deferred Capital Contribution Payment Deadline"). Any portion of any Capital Contribution due on the Deferred Capital Contribution Payment Deadline shall be first used to fund the lender required reserves to the Company.
- d. Upon the later of the receipt of the final fully executed IRS Forms 8609, satisfactory completion of all other requirements as set forth in the Partnership Agreement, and generally set forth in Exhibit A attached hereto, and July 1, 2023, AHP will invest the final \$300,000 of its equity (the "Fourth Capital Contribution") in the Partnership.

**D. TAX CREDIT TIMING AND ADJUSTER**

	<u>Amount</u>	<u>Projected Year</u>
Projected 1 <sup>st</sup> Year LIHTC's	\$1,389,155	2022
Projected LIHTC's Years 2-10	\$2,215,900	2023-2031
Projected 11 <sup>th</sup> Year LIHTC's	\$826,744	2032

In the event the tax credits actually delivered during the first tax credit year are different from the amounts shown above, the AHP Capital Contributions will be increased/reduced by \$0.60 times the amounts of the difference between the actual LIHTC's delivered and the projected amount. Notwithstanding the forgoing, the amount of any upward timing adjuster will be limited to \$100,000.

E. DEVELOPMENT FEE

The development fee is estimated at: \$5,066,451

Since there is a gap between the total Permanent Sources and Uses of Funds, a portion of this fee, or \$3,462,273, will need to be dedicated as a Permanent Source in the form of a Deferred Developer Fee (the “DDF”). The DDF will not bear interest and will be paid from available cash as set forth below. In the event that any portion of the DDF is remaining in Year 13, the General Partner shall make a special contribution to the Partnership to pay such amount. The remainder (cash portion) of the developer fee shall be funded as set forth below:

Closing of the Partnership Agreement and Construction Loan	\$300,000
Upon the Second Capital Contribution	\$500,000
Upon the Third Capital Contribution	\$504,178
Upon the Fourth Capital Contribution	<u>\$300,000</u>
Total:	<u><u>\$1,604,178</u></u>

F. CASH FLOW

After certain priorities as set forth in the Partnership Agreement, cash flow available for distribution to the Partners will be shared as follows:

1. first, to the Asset Management Fee then, to the payment of IP Loans and General Partner Loans;
2. second, until the Deferred Development Fee has been paid in full, (A) 80% to the payment of the Deferred Development Fee; and (B) 20% to be distributed to the Partners, pro rata, in accordance with their Percentage Interests;
3. third, until the Operating Deficit Loans have been paid in full, (A) 80% to the payment of the outstanding Operating Deficit Loans; and (B) 20% to be distributed to the Partners, pro rata, in accordance with their Percentage Interests;
4. then, until the Incentive Management Fee is paid in full capped at \$300,000 per year, (A) 80% to the payment of the Incentive Management Fee, and (B) 20% to be distributed to Partners, pro rata, in accordance with Percentage Interests.

G. SALE OR REFINANCE

Upon sale of the Apartment Complex or a refinancing with a permanent mortgage loan, proceeds will generally be allocated in accordance with the following priority:

1. to the payment of all matured debts and liabilities of the Partnership (including amounts due pursuant to the Mortgage Loan (if any) and all expenses of the Partnership incident to any such sale or refinancing), excluding debts and liabilities of the Partnership to Partners or any Affiliates, and all unpaid fees owing to the General Partner under this Agreement;
2. to the payment of any debts and liabilities (including unpaid fees) owed to the Partners or any Affiliates by the Partnership for Partnership obligations; provided, however, that the foregoing debts and liabilities owed to Partners and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the payment of any outstanding Asset Management Fee; (ii) to the GP or IP to the extent of any excess Member loans and any accrued, but unpaid interest; (iii) pro rata to any unpaid GP or IP loans and any accrued, but unpaid interest; (iv) to the payment of any outstanding developer fees; and (v) to the payment of any other debts and liabilities to the Partners.
3. to the setting up of any reserves deemed reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;
4. the balance of such remaining sum, 80% thereof in the aggregate to the General Partner and 20% thereof in the aggregate to the Investment Partner.

#### H. FINANCING ASSUMPTIONS

##### INTERIM SOURCES

<b>Lender</b>	<b>Lender/Source</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Term</b>
First Mortgage	CRBT/Construction Loan/Tax Exempt Bonds	\$15,500,000	3.62%	36 months
Second Mortgage	CRBT/Bridge Loan/Tax Exempt Bonds	\$11,300,000	4.00%	36 months
Third Mortgage	CRBT/Bridge Loan/Taxable Bonds	\$12,100,000	5.00%	36 months
Fourth Mortgage	CRBT/TIF Loan	\$3,200,000	3.58%	240 months
Fifth Mortgage	City HOME Loan	\$1,000,000	1.00%	40 years
Sixth Mortgage	Greater Milwaukee Loan	\$500,000	0.00%	35 years
Seventh Mortgage	MMSD Loan	\$29,489	0.00%	35 years

## PERMANENT SOURCES

Lender	Lender/Source	Amount	Interest Rate	Term	Amortization
First Mortgage	CRBT/Tax Exempt Bonds	\$14,748,387	3.58%	18 years	480 months (40 years)
Second Mortgage	CRBT/TIF Loan	\$3,200,000	3.58%	20 years	240 months
Third Mortgage	City HOME Loan	\$1,000,000	1.00%	40 years	Cash flow contingent
Fourth Mortgage	Greater Milwaukee Loan	\$500,000	0.00%	35 years	Deferred
Fifth Mortgage	MMSD Loan	\$107,400	0.00%	35 years	Deferred

The actual debt sizing, both prior to closing the Partnership Agreement as well as prior to actual conversion of the permanent loan, and final terms of the Interim and Permanent Financing (including the proposed CRBT swap agreement) will be subject to the approval of AHP. In addition to the financing identified above, the developer anticipates a \$350,000 Brownfield Grant, \$8,634,546 of federal Historic Tax Credit (“FHTC”) equity and \$8,635,309 of Wisconsin State Historic Tax Credit (“SHTC”) equity to be available to fund approved development costs. This proposal contemplates no income from the Brownfield Grant and/or the sale of the SHTC’s will be allocated to the Investment Partner. In addition, the General Partner has identified \$134,992 of accrued interest on pre-paid rent as a source to pay approved development costs. Final terms and structure of the financing contemplated herein (including the sale and tax treatment of the FHTC’s and SHTC’s) are subject to AHP review and approval. It is AHP’s assumption that the HOME loan contemplated herein will be interest only until the Deferred Developer Fee is paid in full. Thereafter, the HOME loan will be paid from 25% of residual cash flow and to the extent that no cash flow exists after operational expenses then the loan payment will accrue. It is AHP’s assumption that payments on the Greater Milwaukee and MMSD Loans contemplated herein will be deferred. It is AHP’s further assumption that the HOME, Greater Milwaukee and MMSD Loans will not have any performance benchmarks (i.e. DSCR and/or occupancy for a given period of time) required to convert to a permanent loan. It is also AHP’s assumption that default on the TIF loan shall not be foreclosable.

I. GUARANTEES

At a minimum, the General Partner, Developer, Kent Roers and Brian Roers, as individuals, Roers Companies and other guarantor(s) as deemed necessary by AHP (“Guarantor”) will guarantee the following:

1. Against recapture of the Section 42 Tax Credits for the entire compliance period. The guarantee shall not apply to amounts due solely as a result of a change in the tax law after the date hereof with which the General Partner is unable to comply despite

the exercise of its good faith and reasonable efforts. If the GP has fully funded all of its obligations under the Operating Deficit Guaranty and a foreclosure of the Apartment Complex occurs which is not directly or indirectly a result of a breach by the GP of any of its obligations under the Operating Agreement or of the negligence of the General Partner, then the General Partner shall not be further obligated to AHF under the tax credit compliance guaranty, and;

2. The payment in full of all costs and expenses of the development and construction of the Apartment Complex in excess of the total budgeted sources (including upward credit adjusters) available therefrom, and;
3. Against a shortfall in actual Section 42 LIHTC's below the amount of the projected Section 42 LIHTC's; and
4. Against Operating Deficits for five years (5) years after Rental Achievement limited to \$1,042,000. Notwithstanding the forgoing, in the event the Apartment Complex suffers an operating loss tied to either a loss or reduction in TIF proceeds, the Operating Deficit Guaranty will be reinstated and remain in effect for the Compliance Period with no limit; and;
5. To repurchase AHP's interest in the Partnership if the Apartment Complex fails to meet the minimum AHP requirements set forth in the Partnership Agreement, and generally set forth in Exhibit A attached hereto; and
6. The obligations of the Borrower to fund any permanent loan shortfalls; and
7. Against fraud, material misrepresentation, willful misconduct and/or criminal act of the General Partner, and any affiliated management company and/or general contractor.
8. The obligations of the General Partner under the Partnership Agreement.

Dilution provision will apply once the Operating Deficit period has expired or the cap has been reached. Under this provision, AHP would lend the first \$100,000 to post Operating Deficit shortfalls and dilution would commence if the General Partner fails to contribute 50% towards operational shortfalls above this initial \$100,000 amount. Generally, dilutions would occur in 5% increments, on both cash flow and sale/refinance participation, for every \$25,000 of IP loans in excess of General Partner loans, after the aforementioned initial \$100,000 amount. AHP would grant a six-month period for the General Partner to bring these subsequent contributions back into balance to avoid the dilutions taking permanent effect.

#### J. MISCELLANEOUS

1. Previous or Pending Equity Offers.

The General Partner and the Partnership represent and warrant that neither the General Partner nor the Partnership has entered into any other enforceable agreement or commitment with any other equity investor to acquire the LIHTC's, or, in the alternative the General Partner and/or the Partnership has obtained legally enforceable

releases or termination agreements from all prior potential equity investors ("Potential Investors") with whom the General Partner and/or the Partnership has previously entered into an agreement whereby said Potential Investors may acquire the LIHTC's. The General Partner will promptly deliver to AHP copies of any LIHTC equity proposals that have been executed by the Partnership or General Partner to be able to review them for termination provisions and copies of legally enforceable releases or termination agreements. The General Partner and the Partnership shall at all times indemnify and hold harmless AHP and its affiliates ("AHP Entities") and all past and present officers, directors, managers, employees, Partners, agents, shareholders, members, trustees, predecessors, successors, subrogees, attorneys, insurance carriers, and assigns of the AHP Entities (the "AHP Released Parties") against and from any and all claims, suits, actions, damages, costs, judgments and expenses, of any nature whatsoever, suffered or incurred by the AHP Released Parties as a result of the General Partner and/or the Partnership's prior dealings, negotiations, agreements, and/or commitments with Potential Investors.

2. Exclusivity

The General Partner and the Partnership agree to give AHP an exclusive right to invest in the above-named development until 10 days after receipt of all due diligence documents. The General Partner and the above-named Section 42 Tax Credit Partnership represent and warrant that the grant of this exclusive right to invest does not and shall not, conflict or interfere with any existing or prospective contractual relations. The General Partner and the Partnership shall at all times indemnify and hold harmless the AHP Entities and the AHP Released Parties against and from any and all claims, suits, actions, damages, costs, judgments and expenses, of any nature whatsoever, suffered or incurred by the AHP Released Parties as a result of any person or entity arising out of or relating to the exclusive right to invest granted in this paragraph.

3. Acceptance

This Acquisition Agreement must be executed by the parties and received by AHP on or before July 3, 2020. Please note that the timing assumptions contained within this proposal are based upon a closing date of not later than December 18, 2020. If the closing occurs after this date, then the underlying timing assumptions will need to be modified.

4. Payment of Fees to AHP

a. Asset Management Fee

The Partnership will pay a fee of \$7,500 (the "Asset Management Fee") to AHP, or its designee, on an annual basis beginning the first-year rental revenue is received. The Asset Management Fee will trend at 3% annually and be paid only out of available Cash-Flow, and if there is insufficient cash flow, such fee will accrue with interest.

b. Environmental Fees

AHP will absorb a maximum of \$1,000 of the costs of our environmental review as invoiced by our environmental consultant (the "IP Environmental Fees"). The Partnership will pay all IP environmental fees in excess of \$1,000 and will add a sufficient amount to this line item of the development budget to accommodate these costs.

5. Management Fee

A maximum 6.0% management fee (the "Management Fee") shall be charged to the Partnership.

6. Distributions and Allocations

Distributions of cash and allocations of income gain or loss shall be in accordance with tax law.

7. Use of Products from the suppliers in Exhibit B.

AHP is providing this Letter based on the assumption that Developer/General Partner will endeavor to utilize, wherever appropriate, services, products and materials offered by the companies listed in Exhibit B of this proposal. AHP is willing to consider increases to the overall capital contribution amounts (where it deems appropriate) to offset reasonable cost increases associated with the utilization of the products offered by these companies. The timing for agreement on any such increased capital contribution is anticipated to occur prior to initial closing of the Partnership Agreement.

8. Operating Reserve

Upon the funding of the capital contribution tied to Rental Achievement, as set forth in Section C of this agreement, an initial operating reserve in the amount of \$1,042,000 will be established and held by AHP on behalf of the Company. It is understood that this operating reserve may be funded from proceeds from the corresponding capital contribution and, therefore, the operating reserve is not required to be funded as a precondition to release of the capital contribution.

The Guarantor may access up to one half of the operating reserve (\$521,000) prior to satisfaction of its operating deficit guarantee, and the balance after satisfaction of its operating deficit guarantee.

9. Replacement Reserve

A Replacement Reserve shall be funded annually in the initial amount of \$59,100 (\$300 per unit) from revenues of the Apartment Complex (paid on a monthly pro-rata basis commencing with Completion, but no later than 24 months from initial closing and shall be included as an expense when calculating debt service coverage ratios). If lender or state agency requirements for Replacement Reserves are higher, AHP's requirements will be the same as the lender or state agency's higher requirements. AHP's consent will be required for withdrawals from the Replacement Reserve outside the approved annual budget and in excess of \$10,000 annually.

10. General Contractor

If the proposed General Contractor is acceptable to AHP's construction reviewer, both in terms of experience, capacity and/or financial condition, AHP will consider waiving both Payment and Performance bonding and/or letters of credit. This provision is subject to requirements set forth by the interim lender.

11. Deficit Restoration Obligation

AHP reserves the right (subject to its tax counsel's approval) to have and exercise an option at any time during the compliance period to incur a deficit restoration obligation ("DRO") and to receive specially allocated depreciation (but AHP shall have no obligation to exercise such option or incur a DRO).

12. Cost Segregation Study

If requested by the IP, the General Partner shall cause the Partnership's accountant to prepare a cost segregation study in conjunction with the first year's audit.

13. Federal & State Historic Tax Credit and Investment Tax Credit Equity

It is AHP's understanding that the General Partner is in separate negotiations for the sale of the State of Wisconsin Historic Tax Credits ("SHTC's") and Federal Historic Tax Credits ("FHTC's") also awarded/eligible to this transaction. It is our further understanding, based upon the assumptions provided by the General Partner, that the sale of these tax credits will generate an estimated \$17,269,855 in additional equity (\$8,634,546 of FHTC equity and \$8,635,309 of WI SHTC equity), which is contemplated to be partially funded at closing, during construction and upon completion and receipt of the Part 3.

AHP's overall sources and uses of funds assumptions, as well as the timing of its own capital contributions and payment of capitalized developer's fee, as set forth within this letter, rely upon the above referenced funding schedule. Further, the ultimate timing and necessity for any additional security supporting the proposed equity contribution from the historic and investment tax credit purchaser will be subject to AHP's review and approval. Income generated through the sale of the SHTC's, if any, will be specially allocated to the General Partner.

14. Purchase of the Project

At the end of the Tax Credit Compliance Period the General Partner may elect to purchase the Project for a price equal to the greater of: (i) the fair market value of the Project (including reserves and outstanding principal and interest on any Investment Partner loans), or (ii) a price equal to the sum of: a) all outstanding principal and interest on any loans made by the Investment Partner to the Partnership, b) any state, local or federal income taxes owed by AHP as a result of the sale, and c) any unpaid

portion of any Credit Adjuster payments due and owing to the Investment Partner.

15. Option To Purchase Investment Partner's Interest

At the end of the Tax Credit Compliance Period, the General Partner may elect to purchase AHP's interest in the Partnership for a price equal to the greater of: (i) the market value of AHP's interest, or (ii) for a price equal to the sum of: a) all outstanding principal and interest on any loans made by the Investment Partner to the Partnership, b) any state, local or federal income taxes owed by as a result of the sale, and c) any unpaid portion of any Credit Adjuster payments due and owing to the Investment Partner.

16. AHP's Put of the Investment Partner's Interest

At the end of the Tax Credit Compliance Period, AHF may cause the General Partner to purchase AHP's interest in the Partnership for a price equal to the greater of: (i) the amount that would have been received by AHF as payments and distributions for a capital transaction (without regard to capital accounts) assuming that the Partnership had sold the project for fair market value, or (ii) for a price equal to the sum of: a) all outstanding principal and interest on any loans made by the Investment Partner to the Partnership, b) any state, local or federal income taxes owed by AHP as a result of the sale, and c) any unpaid portion of any Credit Adjuster payments due and owing to the Investment Partner.

AHP's obligation under this proposal is contingent upon:

- (i) a satisfactory site visit;
- (ii) a satisfactory background and credit check on key principals and guarantors;
- (iii) the accuracy and verifiability of the assumptions data provided;
- (iv) Partnership agreement documentation acceptable to AHP and its counsel;
- (v) appropriate and satisfactory due diligence documentation and review;
- (vi) the final credit committee approval, in AHP's sole and absolute discretion; and
- (vii) closing of the Partnership Agreement by the date set forth herein.

By executing this letter and in consideration of AHP's entering into this proposal, you agree, on your own behalf and on behalf of your affiliates, officers, directors, and employees, and on behalf of any other Partners or joint venturers who are or will be involved in the development of the Apartment Complex, not to disclose any of the terms or provisions contained in this proposal to any other person or entity.

If the above is acceptable, please cause this agreement to be executed in duplicate; one original should be retained and one original returned to this office. Once received, AHP will prepare a Partnership Agreement and other related documents upon which we will acquire the LP interest in

Community Within the Corridor

June 26, 2020

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the Partnership.

Again, thank you for your time and consideration. We look forward to working with you in the future.

Sincerely,  
Affordable Housing Partners, Inc.

*Joseph DeGaetano*

By: Joseph DeGaetano  
Vice President

cc: Robert Johnston  
Mike Fowler  
Jeff Shetterly

**AGREED AND ACCEPTED:**

By:



Date: 6/26/2020

**EXHIBIT A**

1. First Capital Contribution:
  - (a) Closing of the Partnership Agreement;
  - (b) Closing of the interim financing contemplated herein;
  - (c) Receipt of a complete Part 2 Federal historic tax credit application; and
  - (d) Receipt of satisfactory evidence that the Brownfield Grant, TIF, SHTC's and FHTC's contemplated within this proposal have been initially awarded to the Apartment Complex.
  - (e) Evidence satisfactory to AHP of the contemplated sale of the SHTC's and FHTC's as well as receipt of the initial capital contribution of FHTC and SHTC investors equity, or any required security for the pending capital contributions from same.
  
2. Second Capital Contribution:
  - (a) Completion of construction of the Apartment Complex and receipt of Certificates of Occupancy for all units;
  - (b) Physical inspection by a representative of AHP (not to be unreasonably delayed by AHP);
  - (c) Delivery by the General Partner of a final endorsement to the owner's title policy;
  - (d) Delivery by the General Partner of an updated and recertified "as-built" survey, together with an Architect's Certification for the Apartment Complex indicating no material modifications to the "for new construction" contract documents. Notwithstanding the forgoing, since the scope of work contemplates rehabilitation of the Apartment Complex a subsequent "as-built" survey will not be required provided there was no new construction of additional structures and the survey provided prior to initial closing was acceptable to both AHP and its counsel;
  - (e) Delivery by the General Partner of copies of any permits and approvals required for the operation and use of the Apartment Complex;
  - (f) Delivery by the General Partner of a report indicating that radon gas is not present above recommended EPA levels; and evidence that the construction/rehabilitation of the Apartment Complex did not result in the filling or disturbance of any wetlands.
  - (g) Delivery by the General Partner of a certified rent roll for the Apartment Complex;
  - (h) Delivery by the General Partner of an estoppel certificate from any lenders to the Partnership;
  - (i) AHP's receipt of evidence that the "Applicable Fraction" (as defined in Section 42(c)(1)(B) of the Code) equals or exceeds 40%;
  - (j) Delivery by the General Partner of an architect's certificate as to the Substantial Completion of the Apartment Complex;
  - (k) Delivery by the General Partner of evidence of payment of all real property taxes and assessments;

- (l) Receipt of the final product utilization form, and related back up, showing materials from Exhibit B utilized in the construction of the Apartment Complex; and
  - (m) Delivery by the General Partner of updated current certificate as to the representations, warranties, and covenants as the General Partner set forth in the Partnership Agreement, and a certificate that the General Partners are not in default of their obligations with respect to the Apartment Complex.
3. Third Capital Contribution:
- (a) Upon Rental Achievement, which is generally defined as a period of three (3) consecutive months of at least 90% economic occupancy and a 1.20 debt service coverage ratio based on annualized maximum principal and interest requirements and a minimum vacancy factor of 7.0%;
  - (b) Final permanent mortgage loan closing, or conversion of the construction loan to a permanent loan;
  - (c) Receipt of the submission package for IRS Forms 8609 either submitted or to be submitted to the applicable housing credit agency, which would include at a minimum the audited low-income housing tax credit cost certification, the recorded restrictive covenant for low income housing tax credits, and completed IRS Forms 8609 (pending execution by the applicable housing credit agency);
  - (d) Funding in full of the FHTC and SHTC equity, contemplated herein; and
  - (e) Delivery by the General Partner of an updated current certificate as to the representations, warranties and covenants as the General Partner set forth in the Partnership Agreement; and a certificate that the General Partners are not in default of their obligations with respect to the Apartment Complex.
4. Fourth Capital Contribution:
- (a) Fully executed IRS Forms 8609; and
  - (b) Sustaining an average 1.20 for tax exempt bond deals Debt Coverage Ratio for the period between the funding of the Third and Fourth Capital Contributions.
5. To repurchase AHP's interest in the Partnership by payment to AHP of the full amount of its Capital Contribution, if (i) the General Partner fails to place the Apartment Complex in service by such date stipulated by the Housing Credit Agency; (ii) the Partnership fails to meet the Low Income Housing Tax Credit minimum set-aside test, the tenant restriction test or other requirements necessary for the Apartment Complex to qualify for Low Income Housing Tax Credits during the compliance period; (iii) an Extended Use Agreement is not in effect on or before the end of the first year of the 10-year Low Income Housing Tax Credit Period; (iv) failure to meet the Internal Revenue Code Section 42 requirements for tax exempt bond financed projects; and (v) financing commitments have been terminated with respect to the Apartment Complex.

**EXHIBIT B**

Shaw Industries

ACME Brick

Johns Manville

Benjamin Moore Paint

MiTek

Cerro Wire

Cerro Flow

Clayton Homes (if applicable)



June 25, 2020

Shane LaFave  
Roers Investment, LLC  
110 Chesire Lane, Suite 120  
Minnetonka, MN 55305

Que El-Amin  
Scott Crawford, Inc  
4201 N. 27<sup>th</sup> Street  
Milwaukee, WI 53216

**Re: Rehabilitation Tax Credit Investment in The Community Within the Corridor**

Dear Mr. LaFave and Mr. El-Amin:

Chase Community Equity, LLC, a Delaware corporation (“Investor”), a wholly owned subsidiary of JPMorgan Chase & Co. (together with their affiliates, “Investor”), is pleased to provide to Roers Investment, LLC and Scott Crawford, Inc (together with your affiliates, “Sponsor”) this proposal letter (the “Term Sheet”) which outlines a proposed equity investment (the “Investment”) in the rehabilitation of the historic building located at 2748 N. 32<sup>nd</sup> Street, Milwaukee, WI 53210 (collectively the “Building”).

The rehabilitation of the Building (the “Rehabilitation”) is expected to generate federal rehabilitation tax credits (“HTCs”) under Section 47 of the Internal Revenue Code of 1986, as amended (the “Code”). Proceeds of the Investment will be used to finance the rehabilitation of the Building.

The Investment is subject to Investor’s underwriting, due diligence and investment approval (which approval has not yet been obtained as of the date hereof) and Investor has no obligation to make any investment until the date Investor approves and executes definitive documentation for the Investment (such date being the “Closing”). All Investor approvals or consents hereunder will be in Investors sole and absolute discretion.

**Transaction Details**

**Project Description:** Community Within the Corridor Limited Partnership (“Owner”) will own the land and Building and perform the Rehabilitation (the “Project”), and will be the borrower of any debt financing relating to the Rehabilitation.

**HTC Structure:** The Rehabilitation is expected to be eligible for the 20% federal HTCs (5 year credits) and generate estimated “qualified rehabilitation expenditures,” as defined in the Code (“QREs”), of \$57,204,920, with total estimated Project development costs of \$60,844,067. You have represented to Investor that either (i) the no portion of the Building has been “placed in service” (defined in Code section 47) (“PIS”) within ten years prior to this Term Sheet or (ii) if the Building will remain in service before and during the Rehabilitation, then none of the QREs will be PIS before the Closing. PIS will be achieved by no later than 12/31/2021.

The proposed Investment structure will be a two-tiered lease pass-through investment, pursuant to which Owner will: (i) master lease (the “Master Lease”) the Building to a to-be-created master tenant entity (“Master Tenant”) and (ii) make the election under

Section 50(d) of the Code to pass-through the HTCs to the Master Tenant. Investor (or its designee) will own 99% of the Master Tenant (the “Investor Member Interest”) and a Sponsor affiliate will own 1% of the Master Tenant and serve as the managing member thereof (“Managing Member”). Investor will be allocated 99% of the HTCs that are passed-through to the Master Tenant.

Based on the projected amount of the QREs and timing of PIS, the Investor’s estimated capital contributions to the Master Tenant, which will be made in four installments described below, will be approximately \$9,627,588 (the “FHTC Equity”) which is based on \$0.85 (“FHTC Pay Factor”) times the HTCs (the FHTC Equity also referred to as the “HTC Equity”). If the Investor receives less than 99% of the HTCs available, the HTC Equity will be adjusted accordingly. Notwithstanding the foregoing, at least 75% of the Investor’s total expected FHTC Equity must be fixed in amount before the Building PIS.

If the Project generates more QREs than anticipated, the Investor will increase its HTC Equity investment commensurate with the resulting increase in HTCs up to a 20% maximum increase in the HTC Equity set at Closing; provided, however, that the Investor has the option, in its sole and absolute discretion, to increase the total HTC Equity investment commensurate with all available HTCs, in each case based on the FHTC Pay Factor. If the amount of HTCs available to the Investor is less than the amounts set forth in the Term Sheet, then the HTC Equity will be adjusted as described herein. The HTC Equity is also subject to the timing adjuster and the equity pay-in schedule as set forth below.

If lien-free PIS and Substantial Completion (as defined below) are delayed after 3/31/2022, the FHTC Pay Factor shall be reduced by \$0.04 with further reductions of \$0.01 per calendar quarter (or partial calendar quarter) thereafter if lien-free completion is delayed beyond the following calendar quarter.

Master Tenant cash flow will be shared between the members of Tenant in proportion to each member’s percentage interests and distributions will be made on an annual basis on terms set forth in an operating agreement (the “MT Operating Agreement”) approved by the Investor and Investor’s tax counsel (“Investor Counsel”). The Master Lease must comply with economic substance and other federal income tax requirements, including compliance with the Safe Harbor (as defined below).

The Investor is making the Investment with the expectation that the long term cash-on-cash returns to the Investor from cash flow will be at least 2%. Profits and losses (including depreciation) at the Owner level must be allocated to the members of the Owner in proportion to such members’ ownership interests and otherwise satisfy the requirements of Code including section 704(b).

Subject to the adjustments to the HTC Equity set forth in this Term Sheet, HTC Equity would be contributed in accordance with the following schedule after Investor’s determination that the applicable conditions are satisfied:

First Installment (at closing):

\$2,406,897, or approximately 25% of expected HTC Equity

Conditions:

1. Closing of all Project financing with lenders providing an acceptable SNDA (discussed below);
2. Receipt of approved and final Parts 1 and 2 (may be conditional, but as long as the conditions are acceptable to Investor) from the National Park Service (“NPS”);
3. If applicable, receipt of a third-party MAI appraisal supporting the assumptions used in the Economic Projections (as defined below) and operating pro-forma;

4. A third party “reasonableness opinion” regarding rents under the Master Lease, any Developer Fee (as defined below) and any other arrangements which may be advisable under the Safe Harbor;
5. Execution and delivery of standard documents using Investor’s standard forms (including MT Operating Agreement, Master Lease, Guaranty, Put Option Agreement, Managing Member and Landlord Certificates, Tax Certificate and Architect’s Certificate, among others);
6. Receipt of satisfactory legal opinions from local counsel, including, formation, authority and enforceability issues (which opinions can be relied upon by Investor Counsel in issuing its tax opinion); and
7. Receipt of tax opinion from Investor Counsel which will be of a “should” level of assurance on material tax benefits under both general federal income tax principles and the Safe Harbor, together with a tax certificate from Managing Member.

Second Installment:

\$4813,794, or approximately 50% of expected HTC Equity

Conditions:

1. Lien-free PIS and receipt of all necessary certificates of occupancy for 100% of the Building improvements (“Substantial Completion”);
2. Architect’s AIA Form of Substantial Completion;
3. Receipt and approval of a final Cost Certification from the accountants;
4. Receipt of prior year’s tax returns and K-1, if due; and
5. Satisfaction of the requirements of the first installment.

Third Installment:

\$1,444,138, or approximately 15% of expected HTC Equity

Conditions:

1. Receipt of approved Part 3 from the NPS;
2. Receipt of prior year’s tax returns and K-1, if applicable; and
3. Satisfaction of the requirements of all preceding installments.

Fourth Installment:

\$962,759, or approximately 10% of expected HTC Equity

Conditions:

1. Achievement of “Stabilization” defined as 1.15:1.00 project debt service coverage (taking into account Project revenue and expenses on a consolidated basis) on all must-pay debt secured by the Project;
2. Receipt of prior year’s tax returns and K-1, if applicable; and
3. Satisfaction of the requirements of all preceding installments.

In addition to the specific conditions for each Installment, Investor requires other customary conditions, including no uncured defaults, required insurance is in force, any environmental remediation work is complete or an operations and maintenance program is in place and other due diligence required by Investor based on specific Project-related conditions.

Terms of the Investment and all documentation must comply in all respects with the Code, the Safe Harbor, other guidance issued by the Treasury Department or the Internal Revenue Service (“IRS”) and any other applicable law for HTC transactions, subject to approval by Investor Counsel.

While Investor is a member in the Master Tenant, it will earn: (1) a preferred return equal to 1.0% of all paid-in HTC Equity (the “Priority Return”), payable annually, and (2) an annual tax distribution equal to

any annual taxable income and gain allocated to the Investor times the highest marginal tax rate applicable to corporations in that year (the “Special Tax Distribution”). The Special Tax Distribution will not be applicable to 50D Income. The Priority Return and Special Tax Distribution will be paid annually from available cash flow as provided in the MT Operating Agreement.

If any of the following material breaches occur: (i) the Project fails to achieve lien-free PIS and Substantial Completion by 7/31/2022; (ii) the Sponsor fails to receive Part 3 approval from the NPS within nine (9) months of Substantial Completion, unless the failure to obtain Part 3 approval from NPS is solely as a result of a government shutdown that closes the applicable SHPO and/or NPS in which case Sponsor would have an additional six (6) months to receive such Part 3 approval; or (iii) before Substantial Completion (a) any anticipated Project financing has terminated without replacement financing satisfactory to Investor, (b) foreclosure proceedings have commenced against the Project, or (c) an event of bankruptcy has occurred with respect to any Sponsor-related party, then the Managing Member will be obligated to make a payment to Investor as liquidated damages in the following amount in connection with the repurchase of the Investor’s interests in the Master Tenant: (A) the amount of paid-in HTC Equity, plus (B) annual interest therein at 10% from the date paid, plus (C) \$75,000, plus (D) all legal, accounting and related costs incurred by Investor in connection with the Investment (the “Repurchase Obligation”). The Guarantor will guaranty the payment and performance of the Repurchase Obligation.

If a “Change in Law” (as defined below) occurs before Closing, then this Term Sheet may be cancelled by Investor without any liability to Investor. If a Change in Law occurs after Closing but before Substantial Completion, then at Investor’s option in its sole and absolute discretion, the Managing Member will be obligated to make a payment to Investor in the following amount in connection with the repurchase of the Investor’s interests in the Master Tenant: (A) the amount of paid-in HTC Equity, plus (B) all legal, accounting and related costs incurred by Investor in connection with the Investment (the “Change in Law Repurchase Obligation”). The Guarantor will guaranty the payment and performance of the Change in Law Repurchase Obligation. A “Change in Law” means any change in applicable law, which Investor, in its reasonable discretion, determines adversely affects the amount, value, timing or any other aspect of the HTCs (excluding any general reduction in marginal federal corporate income tax rates) in such a manner as to reduce Investor’s anticipated return from its investment in the Master Tenant.

After the expiration of the Put Period (defined below), the Investor Member Interest shall “flip” from the Investor having a 99% membership interest to a to-be-determined lower percentage (but not less than 5%), in which case the Managing Member interests shall be increased correspondingly from a 1% membership interest to a to-be-determined higher percentage. A “flip” only may occur if: (1) the Economic Projections project that Investor Member’s required cash-on-cash return still would be met after taking into account the “flip”; (2) there is no default under any of the operating documents at the time of the “flip”; and (3) the Investor has received a “Target Return” (as defined below) and payment in full of all amounts the Investor is owed in connection with the Investment. “Target Return” is defined as cash distributions consisting of Priority Return and residual annual Cash Distributions (but excluding any other cash distributions or other federal or state tax benefits or losses) in an aggregate amount equal to a TBD% of Investor Member’s total Capital Contributions, based on the Economic Projections.

The “Put Period” starts on the first day of the 61<sup>st</sup> month after the Project’s PIS date and ends six (6) months later; provided that the Put Period will not officially commence until Investor receives written notice from the Sponsor-affiliated purchaser counterparty (the “Purchaser”) of the commencement of the Put Period. During the Put Period, Investor may require the Purchaser to purchase the Investor Member Interest for an amount (the “Put Price”) equal to the lesser of: (i) the sum of: (1) 2.5% of its paid-in capital contribution plus (2) any accrued unpaid or past due amounts owed to Investor; and (ii) the fair market value of the Investor Member Interest as determined pursuant to the provisions of the Put Option Agreement (the “Put Option Agreement”).

All Project lenders must sign a Subordination, Non Disturbance and Attornment (“SNDA”) agreement in form and substance satisfactory to Investor, including, without limitation, the following provisions: (i) restricting the sale of the Project or any other “transfer” of the loan or the ownership of the Property to any tax-exempt entities during the HTC compliance period applicable to the Project, (ii) providing unconditional non-disturbance protections for the Master Lease; and (iii) granting Investor notice and cure rights with respect to loan defaults and other matters.

Fees for development services (“Developer Fee”) paid to the Project developer, whether a Sponsor affiliate or otherwise (“Developer”), must comply in all respects with the Safe Harbor, must be reasonable in amount and, if not paid on a current basis, may be deferred for not longer than five years after PIS. The assumption of any Developer Fee is subject to approval by Investor Counsel. The reasonableness of any amounts paid under the Master Lease, any Developer Fee and any other fees or rents payable to affiliated entities or third parties will need to be supported with a reasonableness opinion from a qualified accounting or real estate brokerage firm.

**Safe Harbor:** IRS Revenue Procedure 2014-12 establishes a safe harbor for FHTC transactions that follow the guidelines set forth therein (collectively, the “Safe Harbor”). The Investment must comply in all respects with the Safe Harbor to the satisfaction of Investor. As a condition to closing, Investor Counsel must be able to issue a “should”-level opinion on the Safe Harbor compliance to the Investor.

**Guarantors:** **Roers Companies, LLC, Brian Roers, Kent Roers, Scott Crawford, Inc.,** and Landlord’s managing member or general partner (if different from the Master Tenant’s managing member or general partner in such capacity, jointly, severally and collectively the “Guarantors”).

**Guaranteed Obligations:** Guarantors will guaranty all of Owner, Managing Member and their affiliates’ obligations under the transaction documents, including without limitation: (a) funding all Project completion and cost overruns or funding deficiencies during the construction period and payment of any operating deficits after Substantial Completion; (b) paying all amounts owed to Investor including, fees, costs and expenses, provided that payment of the Priority Return, Special Tax Distribution and residual cash distributions will only be guaranteed to the extent Master Tenant cash flow was sufficient for Master Tenant to pay such amounts as and when due and for any reason the Managing Member of Master Tenant failed to cause such amounts to be paid to Investor; (c) all obligations under the Put Option Agreement; (d) all of the Managing Member’s other obligations representations, warranties, covenants, agreements and duties under the Owner’s operating agreement, the MT Operating Agreement and all other operating documents governing the transaction, including without limitation the Repurchase Obligation and the Change in Law Repurchase Obligation; and (e) the Limited HTC Guaranty (as further described below).

“Limited HTC Guaranty” means that the Guarantors shall indemnify Investor for any recapture, loss or disallowance of the HTCs (collectively, a “Reduction”), but only to the extent such Reduction was the result of the action or inaction of the Owner, Sponsor or their affiliates. All payments under the Limited HTC Guaranty will be made grossed up for taxes at the highest combined marginal tax rate then applicable to corporations.

## Transaction Fees, Expenses, Indemnity, Reporting and Closing Requirements

**Due Diligence;** All of Investor's costs, expenses and fees incurred in connection with preparing this Term Sheet, and consummating the transactions contemplated herein (including without limitation attorneys' costs, expenses, and fees), are the joint and several responsibility of the Sponsor and Owner, regardless of whether the Closing occurs.

In consideration for Investor's proposals and undertaking preliminary evaluation of the proposed Investment, Sponsor and Owner will deposit with JPMorgan Chase Bank, N.A. ("JPMCB") an amount equal to \$35,000 (the "Deposit") no later than July 31, 2020 in accordance with the wire instructions on Exhibit A. If this Term Sheet is not executed or if the Closing does not occur, Investor, in its sole discretion, may cause the Deposit to be applied to pay Investor's fees, costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection with the Term Sheet and the proposed Investment. Any unused portion of the Deposit will be returned to Sponsor. If such fees, costs and expenses of Investor exceed the Deposit amount, then Sponsor and Owner shall, within three (3) days after notice from Investor, reimburse Investor for the amount of such excess.

Sponsor and Owner also agree, jointly and severally, to indemnify and hold harmless Investor and its officers, employees, agents, attorneys, directors, and affiliates (collectively, the "Indemnified Persons") against any and all losses, claims, damages, or liabilities of every kind whatsoever to which the Indemnified Persons may become subject in connection in any way with the transaction which is the subject of this Term Sheet, except to the extent any of the foregoing is found in a final judgment to have arisen from such Indemnified Person's gross negligence or willful misconduct. Each of Sponsor and Owner agree to assert no claim against Investor or any other Indemnified Persons, on any theory of liability, for special, indirect, consequential or punitive damages.

**Checklist:** Investor will provide the Owner with its standard transaction checklist and the items set forth on the checklist must be satisfied prior to Closing.

**Closing Conditions:** The Closing is conditioned on the following being satisfied (in addition to the other applicable conditions in this Term Sheet):

- Negotiation and execution of the MT Operating Agreement and ancillary documents, each in a form acceptable to Investor.
- Investor's receipt of Parts 1 and 2 of the Historic Preservation Certification Application approved by NPS
- Satisfaction of the applicable conditions to the First Installment.
- Receipt of final a final project budget, plans and specifications, construction timeline and other documents as required, with sufficient detail to ensure adequate monitoring during construction and confirmation that the project budget

is adequate to complete the construction in accordance with the plans and specifications.

- The general contractor, architect and other Project contractors are acceptable to the Investor. Investor may require payment and performance bonds in amounts, with terms and from a surety, acceptable to Investor in Investor's sole discretion. Investor will consider substitute remedies and mitigants during the final underwriting and Closing.
- AIA guaranteed maximum price or stipulated sum/fixed price construction contract acceptable to the Investor.
- Appraisal and/or other valuation and market rent materials acceptable to Investor and, if applicable, a property condition report in a form acceptable to Investor.
- Phase I and, if applicable, Phase II and other environmental reports which may be relied upon by and must be acceptable to Investor. Reliance letters addressed Investor shall be provided for any such reports.
- All other real estate documentation satisfactory to the Investor, including, but not limited to, insurance, ALTA survey, ALTA extended leasehold title coverage, and leasehold title documentation.
- Approval of economic projections ("Economic Projections") which include a Project operating, pro forma, construction period sources and uses, cash flow projections and tax projections all in form and substance satisfactory to Investor and Investor Counsel and prepared by an tax accounting firm acceptable to Investor in its sole discretion, which CPA will prepare the Owner and Master Tenant tax returns and all HTC cost certification(s).
- Receipt, review and approval of the structure, terms, and conditions of any lender commitments and any other agreements, documents and similar items affecting the financing of the Project.
- Receipt, review, and approval of acceptable financials, balance sheet and cash flow statement for the Owner and Guarantor.
- Receipt, review, and approval of fee arrangements for all third party consultants and advisors for the Project, satisfactory to the Investor.
- All organizational documents for all entities involved in these transactions.
- All matters set forth in the checklist and such other matters deemed necessary by Investor or Investor Counsel, as applicable.

### **Confidentiality**

Investor, Sponsor and their respective affiliates all agree to treat the terms of this Term Sheet as confidential and shall not share the terms with any other party without the express written consent of Investor or Sponsor, as applicable, except the Term Sheet may be shared with each party's counsel, consultants, agents and financial advisors in connection with the review and evaluation of the transactions being discussed and on a confidential basis, except where disclosure is required by law, regulation or legal process or where the applicable parties consent to the proposed disclosure, including without limitation if required by the IRS. Upon executing this Term Sheet, Sponsor and its affiliates

further covenant that (i) all negotiations, if any, with all other parties have been terminated; and (ii) neither Sponsor nor Owner is a party to any other letter of intent, proposal or similar document from any other party regarding the tax credit equity from the Project. Upon executing this Term Sheet, Sponsor and its affiliates further acknowledge that Investor and/or its affiliates may provide debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which Sponsor or its affiliates may have conflicting interests regarding the transaction described herein or otherwise.

Notwithstanding anything else contained herein, the confidentiality provisions contained in this Term Sheet shall not be interpreted by the parties hereto in a manner which would cause the proposed transaction contemplated herein to be a “confidential transaction” within the meaning of Treas. Reg. § 301.6111-3(b)(2)(ii)(B) and the applicable authority related thereto.

### **Letter of Interest**

**This Term Sheet is not a commitment or offer to lend or provide capital, and only describes proposed terms for discussion purposes.** This Term Sheet does not purport to summarize all terms, conditions, representations, warranties or other provisions that may be contained in documentation of the Investment. Neither the proposed terms herein nor any oral understandings relating to the Investment are binding unless and until such terms or understandings have been reduced to a separate written agreement executed by Sponsor, Owner, Master Tenant, Investor and/or their affiliates. Except as set forth above in the sections labeled “Due Diligence and Closing Costs” and “Confidentiality”, and below in the section labeled “Exclusivity”, the execution of this Term Sheet does not create any legal rights or legal obligations among the parties and no such right or obligation shall arise until definitive documents, satisfactory to all of the parties, are fully executed. Faxed, scanned or photocopied signatures to this Term Sheet shall be deemed equivalent to original signatures. This Term Sheet may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute but one and the same instrument.

### **Exclusivity**

Sponsor and Owner hereby grant Investor exclusive right to participate in the Investment (*e.g.*, the HTC investment) in support of the Project for a period commencing on the date this Term Sheet is fully executed and expiring on the later of (i) November 30, 2020; and (ii) the date on which all costs, expenses and fees owed, jointly and severally, by Sponsor and Owner pursuant to the section labeled “Due Diligence and Closing Costs” are paid in full.

(signature page to follow)

CHASE COMMUNITY  
EQUITY, LLC

By: 

Name: Timothy Karp

Title: Authorized Officer

Date: 6/26/2020

ACCEPTED AND AGREED TO:

Community Within the Corridor, Limited Partnership

By: 

Name: Brian Roers

Title: Manager

Date: 6/26/2020

**EXHIBIT A**

**Wire Transfer Instructions for Deposit with JPMCB**

JPMorgan Chase Bank, N.A.

ABA 021000021

Account No. 9008104606

Address: 700 N Pearl St., Floor 7  
Dallas, TX, 75201

Reference: The Community Within the Corridor

**COOPERATION AND  
DEVELOPMENT AGREEMENT**

Document Number

Document Title

**COOPERATION AND  
DEVELOPMENT AGREEMENT**

**(TID NO. 105, Community Within the Corridor)**

GH 9-8-2020, CAO 270538

Recording Area

Name and Return Address

Gregg Hagopian  
Assistant City Attorney  
City Attorney's Office  
841 N. Broadway, 7<sup>th</sup> Floor  
Milwaukee, WI 53202

309-0502-000

309-1206-000

309-1208-000

309-0503-000

Parcel Identification Number (PIN)

**Drafted By:**

Gregg Hagopian  
City Attorney's Office  
841 N. Broadway, 7<sup>th</sup> Floor  
Milwaukee, WI 53202

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DRAFT

**COOPERATION AND  
DEVELOPMENT AGREEMENT**

**(TID NO. 105, Community Within the Corridor)**

**THIS AGREEMENT** is made as of the \_\_\_\_\_ day of \_\_\_\_\_ 2020, by and between the City of Milwaukee, a Wisconsin municipal corporation (“**City**”), and Community Within the Corridor Limited Partnership, a Delaware limited partnership (“**Developer**”).

**WITNESSETH**

**WHEREAS**, City and Developer have agreed upon the basic terms for the redevelopment of the following properties located in Milwaukee, Wisconsin:

<b>ADDRESS</b>	<b>TIN</b>	<b>OWNER OF RECORD</b>
2727-2747 N. 32 <sup>nd</sup> St.	309-0502-000	Developer
2748 N. 32 <sup>nd</sup> St.	309-1206-000	Developer
3212 W. Center St.	309-1208-000	Developer
2758 N. 33 <sup>rd</sup> St.	309-0503-000	Developer

Each of the first parcels in the box above is called a “**Parcel**” and collectively they are called the “**Site**.”

The Parcels are (and the Site is) depicted on the preliminary Site Plan attached as **Exhibit A** and they are legally described on **Exhibit B** attached; and

**WHEREAS**, Developer owns fee title to all the Parcels (the Site); and

**WHEREAS**, Developer’s plans for the Site include:

(1) the adaptive reuse of a series of six industrial buildings with 197 affordable housing units, approximately 23,000 square feet of commercial space and approximately 40,000 square feet of community and recreational space for residents of the project and the neighborhood. Of the 197 affordable housing units in the Project, 139 units must be affordable to families earning under 60% of Area Median Income (“**AMI**”) and 58 of the units must be affordable to families earning under 80% of AMI, with AMI being as established by the United States Department of Housing and Urban Development (“**HUD**”). All work on the existing structure will be completed consistent with historic standards; and

(2) assembling the following portions of the Site by means of a City-approved Certified Survey Map or Subdivision Plat under Milwaukee Code of Ordinances (“MCO”) Ch. 119 and Wis. Stat. Ch. 236: [here insert TIN’s involved].

The foregoing (items (1) and (2)) is herein called the “**Project;**” and

**WHEREAS**, in Common Council Resolution File No. 200250, passed July 7, 2020, the City’s Common Council approved the Project Plan for Tax Incremental District No. 105 (“**TID No. 105**”) in order to provide for the funding of certain TID No. 105 project costs within the district, a copy of the TID No. 105 Project Plan (the “**TID Project Plan**”) is attached as **Exhibit C**, and that resolution also authorized City execution of this Agreement; and

**WHEREAS**, the Site is located within the boundaries of TID No. 105; and

**WHEREAS**, the Redevelopment Authority of the City of Milwaukee (“**RACM**”), through the adoption of Resolution No. 10821, on June 18, 2020, also adopted and approved the TID Project Plan and the boundaries of TID No. 105, with the Site being in need of rehabilitation and conservation; and

**WHEREAS**, the Joint Review Board approved the TID Project Plan by Resolution dated August 11, 2020; and

**WHEREAS**, in order to induce City to undertake the activities set forth in this Agreement, Developer is willing to cooperate with City in the development of the Project in accordance with the terms of this Agreement; and

**WHEREAS**, in order to promote the development of the Site and to assist in the creation of jobs and tax base attendant to such development, City is willing to cooperate with Developer in the development of the Site in accordance with the terms of this Agreement; and

**WHEREAS**, Developer has approved this Agreement and authorized its execution.

**NOW, THEREFORE**, in consideration of the premises and the mutual obligations hereunder, City and Developer hereby covenant and agree as follows:

**ARTICLE I**  
**DEFINITIONS AND RULES OF CONSTRUCTION**

**1.1 Definitions.**

In addition to the words and terms elsewhere defined in this Agreement, the following words and terms when used in this Agreement shall have the following meanings:

“**Agreement**” means this Cooperation and Development Agreement, as the same may be from time to time modified, amended or supplemented.

“**Annual Expenses**” means an amount (not to exceed **\$7,500** per year, adjusted by CPI) of tax increments used to pay the customary and reasonable costs incurred by City for audit and accounting functions and other ongoing administrative expenses for TID No. 105.

“**Certificate of Completion**” means a certification, in a form substantially similar to that attached as **Exhibit D**, provided to Developer by City in accordance with this Agreement. The City will not issue the Certificate of Completion until Substantial Completion.

“**City**” means the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation.

“**CPI**” means the most recently reported consumer price index as reported by the U.S. Bureau of Labor Statistics Midwest urban “all items”, or a successor index published on a monthly basis. See [https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex\\_midwest.htm](https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_midwest.htm)

“**Commissioner**” means City’s Commissioner of City Development.

“**Common Council**” means City’s Common Council.

“**Environmental Costs**” means amounts which Developer expends in order to comply with Environmental Laws.

“**Environmental Laws**” means all federal, state and local laws including statutes, regulations, ordinances, codes, rules and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or hazardous substances including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Agency, regulations of the Nuclear Regulatory Agency, and regulations of the Wisconsin Department of Natural Resources now or at any time hereafter in effect.

“**Façade Easement**” means an easement to be provided from the Developer to the City, and to be recorded in the Register of Deeds Office, at Developer’s expense, concerning maintenance and preservation of exteriors of buildings at the Site, in substantially the form as attached **Exhibit E**.

“**Force Majeure**” means delays caused by adverse weather, acts of God, labor disputes, material shortages, terrorism, civil unrest, pandemic, concealed and unknown site conditions and other causes outside of the control of the Party obligated to perform.

**“Hazardous Materials”** means any substances, whether solid, liquid or gaseous which are listed, defined or regulated as a “hazardous substance,” “hazardous waste,” or “solid waste,” or otherwise classified as hazardous or toxic in or pursuant to any Environmental Laws.

**“Human Resources Agreement”** means an agreement between the Parties in substantially the form attached as **Exhibit F**.

**“Interest Rate”** means 4.5% per annum, calculated based upon a 360 day year consisting of twelve 30-day months.

**“Investor Limited Partner”** means \_\_\_\_\_, its successors and assigns. If Investor Limited Partner becomes someone other than the investor stated due to the “successors and assigns” provision, Developer shall provide prompt written notice of such to City along with contact information for notice provisions (Article XX below).

**“Material Disturbance”** shall occur and shall exist if the Project is not Substantially Completed on or before **April 30, 2022** unless such occurrence is caused in substantial part by an event of *Force Majeure*.

**“Monetary Obligation”** means a limited and conditional monetary obligation of the City in a principal amount of up to **\$3,150,000**. The Monetary Obligation is to be deemed earned upon the approval by the Commissioner of the certification of Project Costs submitted by Developer upon Substantial Completion. The Monetary Obligation is to be payable over time with interest at the Interest Rate. City’s obligation to make payments under the Monetary Obligation shall terminate upon the earlier of: **(i)** the date that the principal amount of the Monetary Obligation, plus all interest payable thereon, is paid in full; or **(ii)** the date that City applies to the payment of the Monetary Obligation tax incremental revenue from TID No. 105 for the year 2040 tax levy, payable in 2041.

**“Parties”** means City and Developer.

**“Party”** means either City or Developer, as the context may require.

**“PILOT Agreement”** means an agreement between the Parties in substantially the form attached as **Exhibit G**.

**“Plans and Specifications”** means final plans and specifications for the Project. Preliminary Plans and Specifications are on file with the Department of City Development.

**“Project Architect”** means the architect of record for the Project, which is Continuum Architects + Planners.

**“Project Budget”** means Developer’s budget for the Project as finally submitted to the Commissioner.

“**Project Costs**” means not less than **\$58,990,400** to be expended by Developer on the Project.

“**Project Documents**” means this Agreement, the Human Resources Agreement, the Façade Easement, and the PILOT Agreement.

“**Project Lender**” means Specialty Finance Group, a division of Cedar Rapids Bank and Trust.

“**Site**” means the real property depicted on the preliminary Site Plan attached as **Exhibit A** and legally described on **Exhibit B**, and it includes all of the Parcels.

“**Site Plan**” means a depiction of the configuration of the Site and the Project. A preliminary Site Plan is attached as **Exhibit A**.

“**Substantial Completion**” means completion of the Project evidenced by: issuance by City of a final occupancy certificates for the Project, or a temporary occupancy certificate, subject to such conditions as may be acceptable to City’s DCD Commissioner. **What circumstances are you contemplating/ Also see Term Sheet, Attachment I definition of Substantial Completion.**

“**Tax Increment Law**” means Wis. Stat. 66.1105.

“**Termination Date**” means the date this Agreement terminates, which shall be the earliest of: **(i)** the termination of City’s obligation to make payments on the Monetary Obligation, **(ii)** the expiration of TID No. 105, or **(iii)** the date this Agreement is otherwise terminated in accordance with its terms.

“**TID No. 105**” means Tax Incremental District No. 105, created by Common Council Resolution No 200250. “**TID Project Plan**” means the Project Plan for Tax Incremental Financing District No. 105 (Community Within the Corridor), approved by City’s Common Council in order to provide for certain costs within the district, a copy of which is attached as **Exhibit C**.

1.2. **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 feminine and masculine genders shall be deemed and construed to include correlative words of the opposite gender and neuter genders, and

words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.

## **ARTICLE II BACKGROUND**

This Agreement is entered into pursuant to the Tax Increment Law.

- 2.1 City agrees to cooperate with Developer in the achievement of shared development goals by using its powers as necessary and convenient to accomplish those goals.
- 2.2 City agrees to incur the Monetary Obligation for the purpose of promoting development and assisting in the Project.
- 2.3 The Monetary Obligation will reimburse Developer for a portion of Project Costs.
- 2.4 The Monetary Obligation will be deemed earned upon the approval of the Commissioner of the certification of Project Costs submitted by Developer upon Substantial Completion in an amount of up to **\$3,150,000** in Project Costs that are eligible project costs under Wis. Stat. 66.1105(2)(f), including but not limited to:
  - (i) capital costs (including, but not limited to, the actual costs of the construction of public works or improvements, new buildings, structures, and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures other than the demolition of listed properties as defined in Wis. Stat. 44.31 (4); the removal or containment of, or the restoration of soil or groundwater affected by , environmental pollution, and the clearing and grading of land);
  - (ii) financing costs (including, but not limited to, all interest paid to holders of evidences of indebtedness issued to pay for project costs);
  - (iii) that portion of costs related to environmental protection devices, storm or sanitary sewer lines, water lines, or amenities on streets or the rebuilding or expansion of streets the construction, alteration, rebuilding or expansion of which is necessitated by this Project Plan and is within the District;
  - (iv) that portion of costs related to environmental protection devices, storm or sanitary sewer lines, water lines, or amenities on streets outside the District if the construction, alteration, rebuilding or expansion is necessitated by this Project Plan, and if at the time the construction, alteration, rebuilding or expansion begins there are improvements of the foregoing kinds on the land outside the District in respect to which the costs are to be incurred;
  - (v) relocation costs (none are contemplated);

(vi) organizational costs, including the costs of conducting environmental impact and other studies; and

(vii) professional service costs, including, but not limited to, those costs incurred for architectural, planning, engineering, and legal advice and services.

Such costs may be approved by City after they have been incurred by Developer. The Monetary Obligation will be paid by City to Developer, after Substantial Completion, in installments, with interest at the Interest Rate.

Developer's certification of Project Costs shall detail Developer's Project Costs, and shall be accompanied by supporting documentation, including copies of records, invoices, accountant final cost certification and/or AIA documentation, and be in form reasonably acceptable to the Commissioner.

- 2.5 Developer agrees to undertake the Project pursuant to this Agreement and to execute and deliver the Project Documents.
- 2.6 Developer agrees on behalf of itself and its successors and assigns that it shall not apply for a real estate tax exemption for any portion of the Project. Developer shall execute the PILOT Agreement and deliver same to City.

**ARTICLE III**  
**PROJECT DESCRIPTION/BUDGET/  
PLANS AND SPECIFICATIONS/SITE PLAN**

**3.1 Project Description.**

The Project shall include the development of the Site as described in the "Whereas" clauses above and as "Project" is defined above. The Project shall comply with all applicable zoning and building code requirements and shall be constructed in substantial conformity with the Project Budget and the Plans and Specifications submitted to the Commissioner.

**3.2 Project Budget.**

Execution of this Agreement shall evidence the Commissioner's approval of the preliminary Project Budget. Developer shall have the right to revise the Project Budget from time to time; provided, however, that all such revisions shall be effective upon submission to the Commissioner.

**3.3 Plans and Specifications.**

Execution of this Agreement shall evidence the Commissioner's approval of the preliminary Plans and Specifications which are on file with the Department of City Development. Developer shall have the right to revise the Plans and Specifications from time to time and all such revisions shall be effective upon submission to the Commissioner; provided, however, that all revisions to the Plans and Specifications that

materially affect the exterior aesthetics or appearance of the Project, or that affect the number of dwelling units, or that affect the amount of commercial space, shall be subject to the written approval of the Commissioner.

**3.4 Site Plan.**

Execution of this Agreement shall evidence the Commissioner's approval of the preliminary Site Plan attached as **Exhibit A**. Revisions to the Site Plan as well as the final version of the Site Plan shall be subject to the Commissioner's approval.

**ARTICLE IV  
CONDITIONS TO CITY SIGNING AND TO CITY REPAYMENT OF  
THE MONETARY OBLIGATION**

4.1 As a condition to City signing this Agreement:

- a. Developer must have acquired title to the Site and provided evidence of same to City
- b. Developer must have obtained Commissioner approval of a final Project Budget and final Plans and Specifications.
- c. Developer shall have demonstrated to Commissioner its having secured finances and/or binding commitments to allow Developer to complete the Project by **April 30, 2022**.
- d. Developer shall have signed and delivered to City the PILOT Agreement and Human Resources Agreement required hereby.

4.2 Prior to disbursement of funds to Developer to repay the Monetary Obligation, the following actions shall have occurred.

- a. Developer shall have Substantially Completed the Project, on or before **April 30, 2022**.
- b. The Project Architect or Developer's engineer shall have certified in writing to the Commissioner that the Project was completed in accordance with the Plans and Specifications and the expenditures set forth in the Project Budget shall have been fully substantiated by Developer on appropriate AIA forms, such as AIA Document G702.
- c. The Monetary Obligation shall have been earned consistent with the provisions of Section 2.4.

**ARTICLE V  
MONETARY OBLIGATION**

5.1 **Monetary Obligation.**

(a) **Interest Rate/Payments.** The City acknowledges and agrees that it owes, and hereby promises to pay subsequent to Substantial Completion, to Developer, the Monetary Obligation on the Payment Date (as hereinafter defined), but only in the manner, at the times, from the source of revenue, and to the extent hereinafter provided. The Monetary Obligation shall bear interest at the Interest Rate. The Monetary Obligation is incurred to repay a portion of Project Costs. The unpaid amount of the Monetary Obligation shall bear interest, from Substantial Completion, at the Interest Rate. Unpaid interest in any year shall be added to the principal balance of the Monetary Obligation. Subsequent to Substantial Completion and provided Developer pays its property tax bill in full by January 31, City agrees to make payments of principal and interest, in an amount equal to 100% of the tax incremental revenue actually received by the City from TID No. 105, less Annual Expenses, on the Monetary Obligation on or before each March 1 (the “**Payment Date**”). City shall make each payment of the Monetary Obligation by mailing a check to Developer or Developer’s designee or by such other means as may be agreed to by City and Developer. Prior to Substantial Completion of the Project, City will deposit an amount equal to the tax incremental revenue actually received by City from TID No. 105, less Annual Expenses, into a special fund established for TID No. 105. Upon Substantial Completion of the Project, such amount shall be disbursed to Developer and applied to reduce the principal balance of the Monetary Obligation. *Notwithstanding anything in this Agreement to the contrary, Developer hereby covenants and agrees that any payments received by Developer from the City pursuant to this Agreement shall not be used to pay any property tax obligation of Developer.*

(b) Notwithstanding the foregoing, City may, at any time or from time to time, without notice, penalty or fee, prepay all or any portion of the Monetary Obligation.

(c) **Calculation of the Amount of the Monetary Obligation.** The final principal amount of the Monetary Obligation shall not exceed **\$3,150,000**. In addition, if total Project Costs submitted are less than the **\$58,990,400** estimated in the Project Budget, the principal amount of the Monetary Obligation will be reduced by 50% of the amount by which Project Costs are less than total Project Costs of \$58,990,400 .

(d) **Expenditures.** City may incur Annual Expenses to undertake audits of and incur administrative expenses for TID No. 105. The expenditures made by City for costs of such audits and administrative expenses shall constitute “project costs” under the Tax Increment Law; such expenditures shall not, however, be deemed to be part of the Monetary Obligation nor shall they exceed **\$7,500** per year.

(e) **Source of Payments.** No tax increments from TID No. 105 are pledged to the payment of the Monetary Obligation. All City payments of tax incremental revenue received by City from TID No. 105 shall be subject to annual appropriation; provided, however, the City shall set aside such tax increments (less the Annual Expenses) generated by the Project into a special fund, the sole purpose of which is to hold the tax increments generated by the Project. If not appropriated, City shall not expend such tax increments for any other TID No. 105 Project Costs. The City further covenants and agrees that: (i) its staff will include payments on the Monetary Obligation

to be made each year in its annual budget as submitted to City Council for approval, and further covenants that its staff will request the necessary appropriation from the City Council for the full amount of the tax incremental revenue actually received that year by the City from TID No. 105; **(ii)** if the City's proposed annual budget does not in any year provide for appropriation of amounts sufficient to make the payments due on the Monetary Obligation in the full amount of the tax incremental revenue actually received that year by the City from TID No. 105, the City will notify the Developer of that fact prior to the date the budget is presented to the City Council for final approval.

(f) **Application of Payments.** Payments that City makes on the Monetary Obligation shall be credited in the following order:

(i) *First*, to the payment of interest on the Monetary Obligation; and  
(ii) *Second*, to the payment of the principal balance of the Monetary Obligation.

(g) **Unpaid Amounts.** Any amount of the Monetary Obligation that is unpaid in one year shall carry over to the next year; however, any obligation to repay any amount that is unpaid after the termination of TID No. 105 shall be extinguished, provided such termination is in accordance with this Agreement, and no further amount shall be due from City under this Agreement or otherwise.

(h) **No Reduction of Debt Limitation.** For the purposes of the Tax Increment Law, this Agreement is an evidence of indebtedness; that is, it fully evidences City's obligation to pay the Monetary Obligation. No negotiable instrument is being prepared to separately evidence the Monetary Obligation. The Monetary Obligation shall not, however, be included in the computation of City's constitutional debt limitation because the Monetary Obligation is limited and conditional and because no taxes have been or will be levied for or pledged to its payment. Nothing in this Agreement shall be deemed to change the nature of City's obligation from a limited and conditional obligation to a general obligation.

(i) **No Right to Accelerate.** Developer has no right to accelerate the payment of the Monetary Obligation. The only remedy for Developer in the event of nonpayment shall be legal proceedings to collect the amount of the Monetary Obligation that is due and payable from time to time. Developer may institute legal proceedings to collect such amounts only after filing a claim with City under and in compliance with Wis. Stat. 893.80.

(j) **Assignment.** Notwithstanding anything to the contrary in this Agreement, Developer shall have the right to assign all or a portion of the Monetary Obligation to sources of financing or refinancing on terms and conditions mutually agreeable between Developer and the proposed assignee(s). The City shall have a reasonable opportunity to review the applicable assignment documentation and approve any documentation to which it is a signatory. The City shall cooperate with the proposed assignee(s) in connection with the Monetary Obligation payments agreed upon by Developer and the

proposed assignee(s) pursuant to a written instrument authorizing the assignment of Developer's Monetary Obligation rights as provided herein.

(k) **Cash Grant.** If the conditional Monetary Obligation required hereunder is deemed a cash grant under Wis. Stat. 66.1105 (2)(f)2.d., Developer and City note that this Agreement constitutes a development agreement signed by Developer, and that a copy of this Agreement will be provided to the Joint Review Board.

## 5.2 **Conditions to Payment.**

(a) **Tax Increments.** The City's obligation to make payments of the Monetary Obligation on a Payment Date is subject to the existence of tax increments appropriated by the Common Council for that purpose.

(b) **Termination.** City has no obligation to make payments of the Monetary Obligation after the Termination Date.

5.3 **Termination Upon Occurrence of a Material Disturbance.** The "Public Benefits" that arise from the Project are the following:

(a) Development of the Site substantially in accordance with the Project description set forth above.

(b) Enhancement of the City's tax base and promotion of employment opportunities.

In the event of a Material Disturbance, City shall have the right (but not the obligation) to terminate further payments on the Monetary Obligation, using the following procedure:

- (1) The Commissioner shall give Developer and Project Lender written notice of City's intention to terminate further payments on the Monetary Obligation, and Developer shall have 180 days from its receipt of such written notice to eliminate the Material Disturbance; and
- (2) Thereafter, if Developer has not timely eliminated the Material Disturbance and if City still intends to terminate payments on the Monetary Obligation, City's Common Council shall adopt a resolution determining that the Material Disturbance prevents the substantial realization of the public benefits contemplated as a result of the Project and constitutes just cause for the termination of the Monetary Obligation. City shall thereafter file a certificate with Developer and Project Lender (attaching the resolution of the Common Council) stating that City has elected to terminate payments on the Monetary Obligation. Upon such filing of the certificate, the Monetary Obligation shall terminate.

5.4 **No Early Dissolution.** Except in the event of a Material Disturbance, City covenants that the City, the Common Council, RACM, and any other body of the City shall not, without obtaining Developer's and Project Lender's (until such time as the obligations to Project Lender under its loan documents have been fully satisfied) prior written consent, introduce a resolution to, and shall not, dissolve or terminate TID No. 105 before payment in full of the Monetary Obligation. The Parties acknowledge that TID No. 105 terminates by statute if sufficient tax increments are allocated to pay all "project costs" shown in Table B of the TID Project Plan or if it has existed a specified number of years.

## **ARTICLE VI INSPECTIONS**

6.1 Developer and its contractors and subcontractors shall be solely responsible for the construction and completion of the Project. Nothing contained in this paragraph shall create or affect any relationship between City, on the one hand, and any contractor or subcontractor employed by Developer, on the other hand, in the implementation of the Project.

6.2 City's Department of Public Works and Department of Neighborhood Services may make reasonable inspections of the Project during construction, provided that such inspections do not interfere with the progress of the work. In order to allow City agencies to undertake these inspections in a meaningful fashion, Developer shall provide City with a complete set of final Plans and Specifications for the Project as well as any change orders and shop drawings relating thereto.

6.3 If the Commissioner determines, as a result of such inspections, that Developer's contractor or subcontractors are not constructing the Project in accordance with the Plans and Specifications (a "**Construction Non-Compliance**"), the Commissioner shall promptly inform Developer and Project Lender of such noncompliance in writing and Developer shall, as soon as reasonably possible, require its contractor or subcontractors to remedy such noncompliance.

## **ARTICLE VII ENVIRONMENTAL MATTERS**

Developer covenants and agrees to indemnify and hold City, its officers, employees, officials and agents harmless from and against any and all claims, damages, costs, expenses (including reasonable legal, consulting and engineering fees) and awards of every type and nature arising in connection with the activities of Developer (or other persons acting under Developer's direction or control) that result in violations or alleged violations of Environmental Laws.

City agrees to provide to Developer immediately upon receipt, copies of any notice, pleading, citation, indictment, complaint, order, decree, correspondence or other document, from any source (the foregoing are collectively referred to as "**Claims**"), asserting or alleging a circumstance or condition that:

- (a) constitutes a violation of any Environmental Laws at the Site; or
- (b) requires or may require a clean-up, removal, remedial action or other response by or on the part of Developer, under Environmental Laws; or
- (c) seeks damages or penalties (civil, criminal or punitive) from City or Developer for an alleged violation of Environmental Laws.

Developer agrees to provide to City immediately upon receipt, copies of any Claims asserting or alleging a circumstance or condition which seeks damages or penalties (civil, criminal or punitive) from City for an alleged violation of Environmental Laws.

## **VIII CERTIFICATE OF COMPLETION**

Promptly after Substantial Completion, Developer shall request City to issue the Certificate of Completion to Developer and Project Lender. The Certificate of Completion shall be a conclusive determination that the covenants in this Agreement related to the obligation of Developer to Substantially Complete the Project and the required date for Substantial Completion have been complied with as to the completion of the Project. Qualified representatives of City shall inspect the Property within 30 days following the Developer's request for the Certificate of Completion and shall either: **(i)** issue the Certificate of Completion to Developer; or, **(ii)** within 30 days of such inspection provide the Developer with a written statement indicating in detail how the Developer has failed to achieve Substantial Completion in conformity with approved plans and covenants set forth in this Agreement, and setting forth what measures or acts are necessary for the Developer to obtain the Certificate of Completion. The Certificate of Completion shall be in recordable form and each party hereto agrees that the other party may record the Certificate of Completion with the Register of Deeds for Milwaukee County, Wisconsin and so may the Project Lender. The Developer's successors-in-interest and successors-in-title shall be able to rely on the Certificate of Completion.

## **ARTICLE IX RESTRICTIONS ON USE**

Developer agrees:

- (a) To devote the Site only to uses compatible with the applicable zoning; provided, however, that Developer shall not be precluded in any way from thereafter changing the use of the Site in any manner consistent with applicable ordinances, regulations and restrictive covenants; and
- (b) Not to discriminate upon the basis of race, color, creed, sex, national origin or sexual orientation in the sale, lease or rental, use or occupancy of any portion of the Site, or any improvements located or to be located thereon.

## **ARTICLE X**

## COVENANTS: BINDING UPON SUCCESSORS IN INTEREST, PERIOD OF DURATION

It is intended and agreed that the covenants of Developer provided in this Agreement shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by City, against Developer or any successor to Developer's interest in the Site.

### ARTICLE XI DEFAULT PROVISIONS

If any Party shall default in the performance or observance of any of the covenants, agreements or conditions on the part of such Party set forth in this Agreement and the continuance thereof for 30 days following receipt of written notice from the other Party (a copy of which notice shall be simultaneously delivered to Project Lender) specifying such default and requesting that it be corrected; it is hereby defined as and declared to be and to constitute an **"Event of Default"** under and for purposes of this Agreement. Notwithstanding the foregoing, the City and Developer agree that in the event Developer fails to perform any obligation or observe any condition or agreement under this Agreement or in the event of any default by Developer, or any Event of Default by Developer, then Project Lender or Developer's Investor Limited Partner shall have the right (but not the obligation) to perform in place of Developer and to cure such default, failure or Event of Default within 30 days following the City's sending of notice to Developer, Project Lender and Investor Limited Partner; City shall not take any action with respect to such default, failure or Event of Default, including, without limitation, any action intended to terminate, rescind or avoid this Agreement, for such period of 30 days after City's sending of such written notice or such longer period as may be applicable under the terms of this Agreement.

The occurrence of any of the following with respect to the Developer shall also constitute an Event of Default.

- (a) Liquidate, or consolidate with other parcels that are not the Parcels, the Project Site;
- (b) Merge with another entity;
- (c) Sell, lease or transfer the Project Site (or any of the Parcels) other than residential and commercial leases in the ordinary course of business and other than a master lease of the Project Site in connection with syndication of federal historic tax credits generated from the Project, without the consent of the City (Developer shall provide to Commissioner a copy of any such master lease promptly after execution);;
- (d) Enter into any transaction that would materially adversely affect the ability of Developer to complete the Project or fulfill its obligations under the Development Agreement;

(e) Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of Developer to complete the Project or fulfill its obligations under the Development Agreement; or

(f) Enter in a transaction that would cause a material and detrimental change to the Developer's financial condition.

## **ARTICLE XII REMEDIES**

If an Event of Default shall occur, and after notice and the applicable period to cure as provided in this Agreement, the aggrieved Party may pursue any available remedy, either at law or in equity, against the Party in default, including but not limited to withholding disbursement of payments provided for in this Agreement.

## **ARTICLE XIII INSURANCE**

Developer shall provide, or cause to be provided, general liability insurance in the types and amounts set forth on **Exhibit H** attached. Developer shall furnish City a certificate or certificates of insurance naming City as additional insured with respect to the insurance provided pursuant to this section. Each such certificate shall provide that the insurance company will furnish City with a 30 day written notice of cancellation, non-renewal or material change. Developer's obligations with respect to this Article XIII shall terminate with Substantial Completion of the Project.

## **ARTICLE XIV INDEMNIFICATION**

Developer agrees to indemnify and hold harmless City, its officers, employees, officials and agents (collectively, the "**Indemnified Parties**") from and against any and all losses, claims, damages, expenses and all suits in equity or actions at law (including reasonable counsel fees) and liabilities to the extent caused by the operation, construction or maintenance of the Project by Developer, or any actions of Developer undertaken pursuant to this Agreement. Nothing in the foregoing indemnity shall protect the Indemnified Parties against their own default, negligence, willful acts or misconduct.

## **ARTICLE XV FORCE MAJEURE**

Neither Party to this Agreement, nor such Party's successor in interest, shall be considered in breach or default of its obligations under this Agreement in the event of Force Majeure applicable to that Party. The time for the performance of an obligation under this Agreement which is subject to Force Majeure shall be extended by a period of time commensurate with the nature of the event of Force Majeure or as otherwise mutually agreed by Developer and City.

**ARTICLE XVI  
CONFLICT OF INTEREST: REPRESENTATIVES  
NOT INDIVIDUALLY LIABLE**

No official, agent or employee of City shall have any personal financial interest, direct or indirect, in this Agreement, nor shall any such official, agent or employee participate in any decision relating to this Agreement which affects such person's personal interests or the interests of any corporation, partnership or association in which such person is, directly or indirectly, interested. No official, agent or employee of City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Developer under the terms of this Agreement.

**ARTICLE XVII  
HUMAN RESOURCES**

Developer shall comply with its obligations under the Human Resources Agreement.

**ARTICLE XVIII  
FUTURE BIKE PATH**

The City is currently working with various entities and the national Rails to Trails Conservancy to explore the feasibility of constructing a recreational pedestrian and bicycle trail within the rail corridor, including the corridor adjacent to the Project. While the fruition and construction of a recreational trail is not imminent, Developer agrees to cooperate with the City such that, if a feasible access plan is developed that is mutually acceptable to the City and Developer, Developer will cooperate with the City to provide an access easement to the City (for its benefit and the benefit of the public) for a connection to the trail. This does not obligate the City or the Developer to fund or construct a potential access point or the trail. City understands that improvements to the Project Site may require approval of the Wisconsin State Historic Preservation Office and the National Park Service to ensure compliance with applicable standards for historic rehabilitation.

**ARTICLE XIX  
RECORDS**

A. Developer shall keep accurate, full and complete books and accounts with respect to the costs of implementing the Project and shall include a provision in all its contracts requiring its contractors and subcontractors to do the same. All such books and accounts shall be maintained in accordance with generally accepted accounting principles consistently applied, and shall be kept for a period of 7 years subsequent to Substantial Completion.

B. City's Comptroller shall have the right, upon reasonable notice to Developer, its contractors or subcontractors as the case may be, to examine the books and accounts of

Developer, its contractors or subcontractors relating to the Project during normal business hours.

**ARTICLE XX  
NOTICES**

Any written notice required or permitted to be sent to any Party (or to Project Lender or Investor Limited Partner) shall be sent or forwarded to the following, as applicable. Contact persons, addresses and/or email addresses may be changed by providing written notice as required hereunder. A copy of any notice required or permitted to be sent to any Party hereunder shall be simultaneously sent to Project Lender and Investor Limited Partner.

<p><b>City:</b></p> <p>City of Milwaukee 809 North Broadway Milwaukee, WI 53202 Attn: Commissioner of City Development</p> <p>Email: mpriol@milwaukee.gov</p> <p><b>With a copy to:</b> Office of City Attorney 800 City Hall 200 East Wells Street Milwaukee, WI 53202</p> <p>Email: ghagop@milwaukee.gov</p>	<p><b>Developer:</b></p> <p>Community Within the Corridor Limited Partnership 110 Cheshire Lane, Suite 120 Minnetonka, MN 55305 Attn: Brian Roers and Shane LaFave_</p> <p>Email:brian@roerscompanies.com; shane@roerscompanies.com</p> <p><b>With a copy to:</b> Winthrop &amp; Weinstine, P.A. 225 South Sixth Street, Suite 3500 Minneapolis, MN 55402 Attn: Kevin McLain</p> <p>Email: kmclain@winthrop.com</p>
<p><b>Project Lender:</b></p> <p>Specialty Finance Group [Insert address]</p> <p>Email: <span style="background-color: yellow;">                    </span></p>	<p><b>Investor Limited Partner:</b></p> <p>_____</p> <p>Email: _____</p> <p><b>With a copy to:</b></p> <p>_____</p> <p>Attn: _____</p>

	Email: <span style="background-color: yellow;">                    </span>
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**ARTICLE XXI  
LIMITATION OF WAIVERS**

If any term contained in this Agreement is breached by either Party and thereafter waived by the other Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive the same or other or any future breach under this Agreement on any other occasion. No remedy conferred upon or reserved to either Party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement. No delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. To entitle either Party to exercise any remedy reserved or available to it, it shall not be necessary to give any notice other than such notice as may be expressly required by this Agreement.

**ARTICLE XXII  
AMENDMENTS**

This Agreement shall not be amended, changed, modified, altered or terminated without the written consent of City and Developer.

**ARTICLE XXIII  
SUCCESSORS**

The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties.

**ARTICLE XXIV  
GOVERNING LAW AND TERMINATION**

The laws of the State of Wisconsin shall govern this Agreement. This Agreement shall terminate on the Termination Date.

**ARTICLE XXV  
SEVERABILITY**

If any provision of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, in all cases where such provision conflicts with any other provision or provisions hereof or any constitution, statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other

provision invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections of this Agreement shall not affect the remaining portions of this Agreement, or any part thereof.

**ARTICLE XXVI  
CAPTIONS**

The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or extent of any of the provisions of this Agreement.

**ARTICLE XXVII  
APPROVALS**

Whenever in this Agreement the consent or approval of City is required or the discretion of City may be exercised, the Commissioner shall have the authority to provide such consent or approval or to exercise such discretion. Any and all approvals and consents required of either Party hereunder shall not be unreasonably withheld or unduly delayed and shall be granted or withheld consistent with the agreements of the Parties set forth in this Agreement.

**ARTICLE XXVIII  
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument. Either Party may execute this Agreement by facsimile or .pdf (email) copy; provided that if original signatures are required for recording purposes with the Register of Deeds, original signatures shall be provided. Failure to provide such original will not invalidate such facsimile or .pdf (email) signature or this Agreement.

**ARTICLE XXIX  
FINDINGS**

In addition to the findings and declarations elsewhere in this Agreement, City finds, declares, and determines that the Project is “rehabilitation or conservation work” within the meaning of Wis. Stat. 66.1337; that the actions and Monetary Obligation contemplated by this Agreement are for public purposes as described in Wis. Stat. 66.1337; and that the Monetary Obligation is a contribution authorized by Wis. Stat. 66.1337 (5).

City pursuant to Wis. Stat. 66.1105 (3)(f) has designated RACM as agent of City to perform all acts that would otherwise be performed by the City Plan Commission under Wis. Stat. 66.1105, and accordingly, the Monetary Obligation is a contribution within the meaning of and authorized by Wis. Stat. 66.1105 (2) (f) 1. h., and 66.1333 (6) (f), (13), and (17), and 66.1337 (5) and (7) (c), and section 4, chapter 105, Laws of 1975.

*[Rest of page intentionally left blank. Signatures on next page.]*

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

<p><b>DEVELOPER:</b>  <b>COMMUNITY WITHIN THE CORRIDOR LIMITED PARTNERSHIP</b>, a Delaware limited partnership</p> <p>By: <u>Roers Corridor GP LLC</u>, a Minnesota Limited liability company  Its: General Partner</p> <p>By: _____  Brian J. Roers, Manager</p> <p>_____</p>	<p><b>CITY:</b>  <b>CITY OF MILWAUKEE</b></p> <p>By: _____  Tom Barrett, Mayor</p> <p>_____</p> <p>James R. Owczarski, City Clerk</p> <p><b>COUNTERSIGNED:</b></p> <p>_____</p> <p>Aycha Sawa, Comptroller</p>
<p><b>DEVELOPER NOTARY</b></p> <p>STATE OF _____ )  ) ss:  COUNTY OF _____ )</p> <p>Personally came before me this ____ day of _____, 20__, the above-named Brian J. Roers, to me known to be the person who executed the foregoing instrument and to me known to hold the position referenced above, and acknowledged that he executed the foregoing instrument.</p> <p>_____</p> <p>Notary Public, State of _____  My  Commission _____  [NOTARIAL STAMP]</p>	<p><b>CITY ATTORNEY APPROVAL &amp; AUTHENTICATION</b></p> <p>The undersigned, a member in good standing of the State Bar of Wisconsin, hereby approves the signatures of the City representatives above per MCO 304-21, and also authenticates those signatures per Wis. Stat. 706.06 so this document may be recorded per Wis. Stat. 706.05 (2)(b).</p> <p>By: _____  Gregg Hagopian, Asst. City Attorney  State Bar No. 1007373</p> <p>Date: _____</p> <p>RACM Res. # 10821</p> <p>Common Council Res. # 200250</p>

**TID NO. 105 – Community Within the Corridor  
SCHEDULE OF EXHIBITS**

- Exhibit A Site Plan (Preliminary)
- Exhibit B Legal Description
- Exhibit C TID No. 105 Project Plan
- Exhibit D Certificate of Completion
- Exhibit E Façade Easement
- Exhibit F Human Resources Agreement
- Exhibit G PILOT Agreement
- Exhibit H Insurance

**EXHIBIT A**

**(Site Plan - Preliminary)**

Site Plan is on file with the City of Milwaukee, Department of City Development.

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**EXHIBIT B**  
**(Legal Description)**

The following described real estate in the City of Milwaukee, Milwaukee County, Wisconsin:

**[Requesting form of legal description from title; to be completed at closing upon recording of the CSM]**

**Legal Description:**

The following described parcels located in the City of Milwaukee, County of Milwaukee, State of Wisconsin.

<b>PARCEL</b>	<b>ADDRESS</b>	<b>TIN</b>
A	2727-2747 N. 32 <sup>nd</sup> St.	309-0502-000
B	2748 N. 32 <sup>nd</sup> St.	309-1206-000
C	3212 W. Center St.	309-1208-000
D	2758 N. 33 <sup>rd</sup> St.	309-0503-000

**LEGAL DESCRIPTION OF PARCEL A:**

**LEGAL DESCRIPTION OF PARCEL B:**

**LEGAL DESCRIPTION OF PARCEL C:**

**LEGAL DESCRIPTION OF PARCEL D:**

**EXHIBIT C**  
**(TID No. 105 Project Plan)**

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**EXHIBIT D**  
**(Certificate of Completion)**

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CERTIFICATE OF COMPLETION

Document Number

Document Title

**CERTIFICATE OF COMPLETION**

**Drafted By:**

Gregg Hagopian, Asst. City Attorney, City of Milwaukee

Recording Area

Name and Return Address

Parcel Identification Number (PIN)

**Project:** TID No. 105 – Community Within the Corridor

**Site Address:** \_\_\_\_\_

**Developer:** Community Within the Corridor Limited Partnership

**Agreement:** Cooperation and Development Agreement dated as of \_\_\_\_\_, 2020.

**Legal Description:** See Exhibit A

THIS IS TO CERTIFY that the undersigned, on behalf of the City of Milwaukee (“**City**”), caused the inspection of the “Site,” as defined above and in the Agreement, and the physical improvements constructed thereon, and that construction of said physical improvements has been completed, to Substantial Completion, in accordance with the approved Plans and Specifications approved pursuant to the Agreement.

THIS CERTIFICATE when signed on behalf of the City shall constitute a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement with respect to the obligations of the Developer and its successors and assigns to construct improvements on the Site to Substantial Completion as called for in the Agreement.

ISSUANCE OF THIS CERTIFICATE shall mean that any party purchasing or leasing the Site shall not incur any obligation with respect to the construction of improvements on the Site required by the Agreement, and that neither City nor any other party shall thereafter have or be entitled to exercise any rights or remedies or controls with respect to the Site that it might otherwise have or be entitled to exercise with respect to the Site as a result of a default in or breach of any provision of the Agreement.

Dated at Milwaukee, Wisconsin this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

<p><b>CITY ATTORNEY AUTHENTICATION</b></p> <p>The undersigned, a member in good standing of the State Bar of Wisconsin, hereby authenticates the signature of the City signatory to this document per Wis. Stat. 706.06 so this document may be recorded per Wis. Stat. 706.05 (2)(b).</p> <p>By: _____</p> <p>Name Printed: _____</p> <p>Title: Assistant City Attorney</p> <p>State Bar No. _____</p> <p>Date: _____</p>	<p><b>CITY: CITY OF MILWAUKEE</b></p> <p>By: _____</p> <p>Name Printed: _____</p> <p>Title: Commissioner, Department of City Development</p>
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**EXHIBIT E**  
**(Façade Agreement)**

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**EXHIBIT F**  
**(Human Resources Agreement)**

[See attached]

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**EXHIBIT G**

**(PILOT Agreement)**

[See attached]

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## EXHIBIT H INSURANCE REQUIREMENTS

A certificate of insurance acceptable to City evidencing the insurance requirements is to be provided. The certificate shall state that the issued insurance policies meet the requirements as outlined below. All certificates are to be provided within 30 days of final execution of this Contract. If such certificate is not received, the City of Milwaukee has the authority to declare this Contract terminated.

All policies shall state that the City shall be afforded a 30-day written notice of cancellation, non-renewal or material change by any insurers providing the coverage required by City for the duration of this Contract. If subcontractors are used, each must meet all requirements.

The minimum insurance requirements are as follows:

### (1) Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory Coverage
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee
<ul style="list-style-type: none"> <li>• Employer's Liability at limits noted above or higher limits if needed to meet Umbrella underlying insurance requirements.</li> <li>• Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of City including its directors, officers, agents, employees and volunteers.</li> </ul>	

### (2) Commercial General Liability

Commercial General Liability	\$1,000,000 each occurrence
General Aggregate	\$2,000,000 aggregate
Personal & Advertising Injury Limit	\$1,000,000 each occurrence
Products - Completed Operations Aggregate	\$2,000,000 aggregate
Medical Expense	\$ 5,000 each person
<ul style="list-style-type: none"> <li>• The City of Milwaukee shall be added as an additional insured using ISO form CG2026 or its equivalent.</li> <li>• Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of City including its directors, officers, agents, employees and volunteers.</li> </ul>	

### (3) Auto Liability

Combined Single Limit	\$1,000,000 each accident
Medical Expense	\$ 10,000 each person

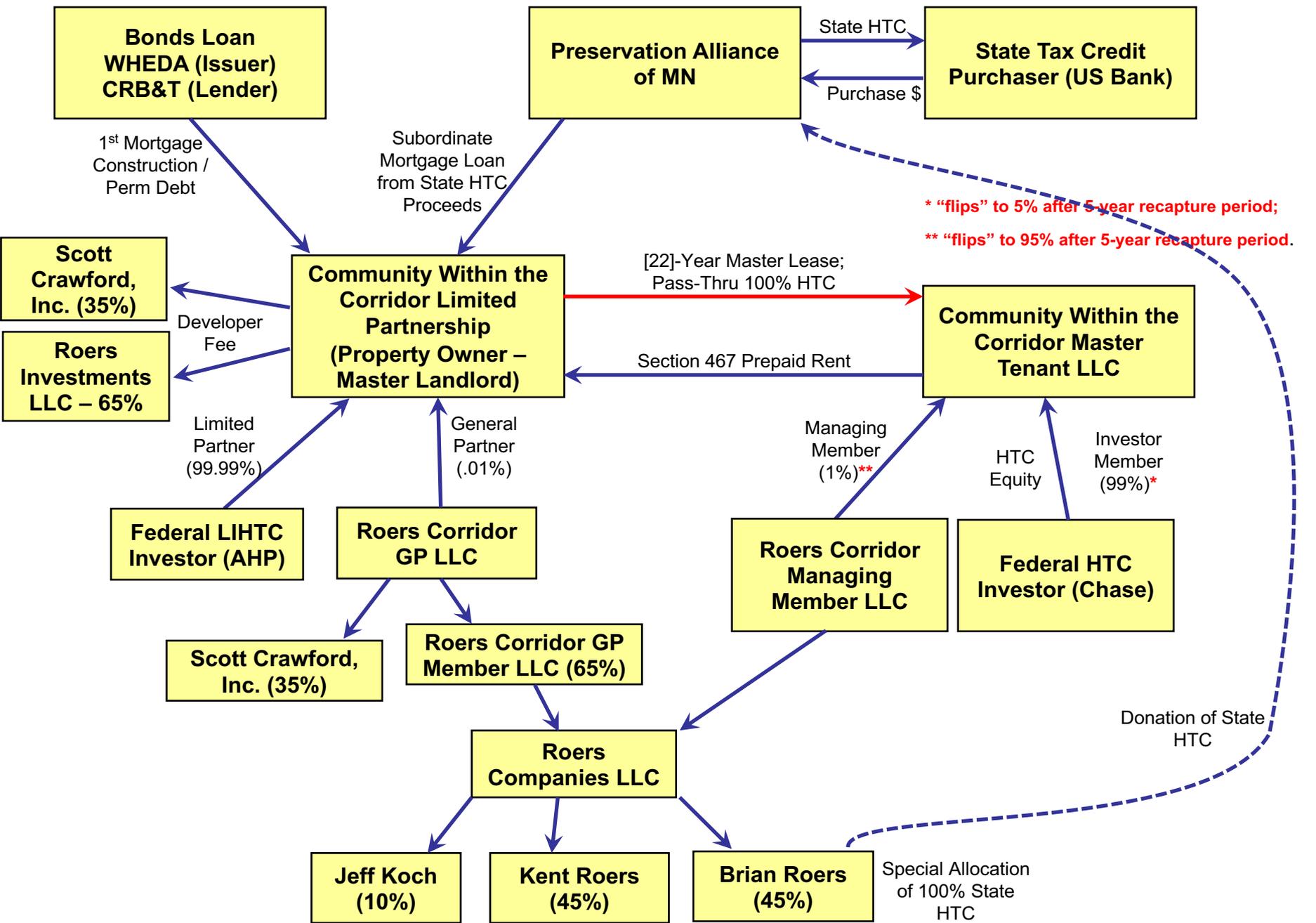
<b>(4) Umbrella (Excess) Liability</b>	\$5,000,000 per occurrence
	\$5,000,000 aggregate

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**Wisconsin Economic Development Corporation – CDI Application  
The Community Within the Corridor**

**Attachment 6: Organization**

# Community Within the Corridor



**OPERATING AGREEMENT  
OF  
ROERS CORRIDOR GP LLC**

This Operating Agreement (this “**Agreement**”) is made and entered into as of November 20, 2017, by Roers Companies LLC, a Minnesota limited liability company (the “**Roers Member**”), and Scott Crawford Financial Inc. d/b/a Scott Crawford, Inc., a Wisconsin corporation (the “**SCI Member**” and together with the Roers Member, the “**Members**”).

WHEREAS, the Members have caused Roers Corridor GP LLC (the “**Company**”) to be formed as a limited liability company under the Minnesota Revised Uniform Limited Liability Company Act, Chapter 322C of the Minnesota Statutes (the “**Act**”), and, pursuant thereto, the Members desire to adopt this Agreement as the operating agreement of the Company.

The undersigned agree as follows:

**ARTICLE I - BUSINESS PURPOSES AND OFFICE**

**1.1 Name; Business Purpose.** The name of the Company is stated in the Company’s Articles of Organization filed with the Minnesota Secretary of State (the “**Articles**”). The business purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be formed under the Act, and to do any and all things necessary, appropriate or incidental thereto.

**1.2 Principal Office.** The principal office of the Company will be located at 1964 West Wayzata Boulevard, Suite 200, Long Lake, Minnesota 55356, or at such place as the Manager may determine from time to time.

**1.3 Registered Office and Registered Agent.** The registered office and registered agent of the Company in the State of Minnesota may be changed, from time to time, by the Member.

**1.4 No Liability of Member.** The Member, solely by reason of being a Member, will not be liable, under a judgment, decree, or order of a court, or in any other manner, for a debt, obligation, or liability of the Company, whether arising in contract, tort, or otherwise, or for the acts or omissions of any agent or employee of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act will not be grounds for imposing liability on the Member for liabilities of the Company.

**1.5 Ratification of Certain Acts.** The Company and the initial Member hereby ratify all actions taken before the Company had at least one Member pursuant to Section 322C.0105, Subd. 3 of the Act.

**ARTICLE II - CAPITAL CONTRIBUTIONS**

**2.1 Capital Contributions.** The Members shall contribute as their initial capital contributions to the Company the following sums: **\$650 for Roers Member; \$350 for SCI Member.**

**2.2 Additional Capital Contributions.** The Members are not obligated to make any additional contributions to the capital of the Company and, accordingly, the Members will not be liable for damage to the Company as a result of the failure of the Members to make any additional contributions. No creditor of the Company shall rely upon or enforce an agreement to make a capital contribution to the Company under Section 322C.0403 or otherwise under the Act.

**2.3 Membership Interests; Certificates.** The Company will not issue any certificates to evidence ownership of the membership interests.

**2.4 Voting; Distributions.** All voting and distribution rights of the Members, and allocations of profits and losses, shall be based on the relative capital contributions to the Company by the respective Members (i.e., 65% to the Roers Member, 35% to the SCI Member), unless otherwise agreed upon in a written amendment of this Agreement.

### ARTICLE III - MANAGEMENT

**3.1 Management by Manager.** The Company shall be “manager-managed” within the meaning of Section 322C.0407 of the Act. The Roers Member shall have the right to appoint and replace the Manager. The business and affairs of the Company shall be managed, operated, and controlled by or under the direction of the Manager, and the Manager shall have, and is hereby granted, the full and complete power, authority, and discretion for, on behalf of, and in the name of the Company, to take such actions as the Manager may in the Manager’s sole discretion deem necessary or advisable to carry out any and all of the objectives and purposes of the Company, subject only to the terms of this Agreement.

**3.2 Appointment of Manager.** Roers Companies LLC is hereby appointed to serve as the sole Manager of the Company. The number of Managers may be increased or decreased, and additional qualifications for Managers may be prescribed, by the Roers Member.

**3.3 Manager Action.** The Manager shall take action by whatsoever means are determined to be appropriate under the circumstances by the Manager, in the Manager’s sole discretion. The Manager may, but need not, create a record of any action taken by the Manager, and the Manager may, but need not, provide notice to the Members of actions taken by the Manager. At such time as there may be more than one Manager, then the act of the Managers shall require the approval of a majority of the Managers then serving. The Manager shall keep all Members informed about actions taken by the Manager concerning the Company’s activities, financial condition, and other circumstances which the Manager knows and are material to the Member’s rights and duties under this Agreement.

**3.4 Officers.** The Manager may appoint individuals as officers of the Company (the “Officers”) as the Manager deems necessary or desirable to carry on the business of the Company and the Manager may delegate to such Officers such power and authority as the Manager deems advisable. No Officer need be a Member. Any individual may hold two or more offices of the Company. Each Officer shall hold office until his or her successor is designated by the Manager or until his or her earlier death, resignation, or removal. Any Officer may resign at any time upon written notice to the Manager. Any Officer may be removed by the Manager with or without cause at any time. A vacancy in any office may, but need not, be filled by the Manager.

**3.5 No Personal Liability.** Except as otherwise provided in the Act, by applicable law, or expressly in this Agreement, no Manager or Officer will be obligated personally for any debt, obligation, or liability of the Company or of any of its subsidiaries, whether arising in contract, tort, or otherwise, solely by reason of being a Manager or an Officer.

**3.6 Limitation of Liability; Indemnification.**

**(a) Limitation.** No Person will be liable to the Company or its Members for any loss, damage, liability, or expense on account of any action taken or omitted to be taken by such Person as a Member, Manager or Officer, other than for (i) breach of the duty of loyalty; (ii) a financial benefit received by the Manager or Officer to which the Manager or Officer is not entitled; (iii) a breach of a duty under Section 322C.0406 of the Act; (iv) intentional infliction of harm on the Company or a Member; or (v) an intentional violation of criminal law. If the Act is hereafter amended to authorize the further elimination or limitation of the liability of Managers or Officers, then, without requiring any action by the Members, the liability of Managers or Officers

of the Company shall be further limited to the fullest extent permitted by the amended Act. Any repeal of this provision as a matter of law or any modification of this Section by the Members shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Manager or Officer of the Company existing at the time of such repeal or modification.

**(b) Right to Indemnification and Advancement.** The Company shall indemnify and advance expenses to Persons who are made or threatened to be made a party to a “proceeding” (as defined in Section 322C.0408 of the Act) by reason of actions taken in such Person’s “official capacity” (as defined in Section 322C.0408 of the Act) as a Manager or Officer of the Company to the fullest extent required by Section 322C.0408 of the Act; provided, however, that, notwithstanding Section 322C.0408, the Company shall not indemnify or advance expenses to any Person by reason of actions taken in any “official capacity” other than as a Manager or Officer.

**3.7. Expectations Regarding Obligations of Manager.** The parties have formed the Company, entered into this Agreement, become Members, and designated Roers Companies LLC as the Manager with the following expectations and agreements:

(a) The Members expect that the Manager will comply with the terms of this Agreement. The Members did not and do not expect that the Manager would forgo any other opportunity available to the Manager in the future or that the Manager would be required to consider the interests of the Company or any Member or Person in any matter. The Members record that their mutual expectation is that, when taking any action, the Manager is free to consider the Manager’s own interests as well as the interests as the Members, the Company, or any other Person. Accordingly, when taking any action as a Manager pursuant to this Agreement (including those actions that are in the Manager’s “discretion” or under a grant of similar authority or latitude), the Manager shall be entitled to consider only such interests and factors as the Manager determines are appropriate, including the Manager’s own interests, and shall have no duty or obligation to give any particular weight or consideration to any interest of or factors affecting the Members, the Company, or any other Person.

(b) The Members expect that the Manager (i) would deal with the Company without any restrictions imposed by fiduciary duties or otherwise, (ii) is permitted to, and may presently or in the future, have investments or other business relationships, ventures, agreements, or arrangements with entities engaged in the business of the Company, other than through the Company and the subsidiaries of the Company, and (iii) is permitted to, and may presently or in the future, have or develop strategic relationships with businesses that are or may be competitive with the Company and the subsidiaries of the Company. Accordingly, the Manager is not (A) required to refrain from competing with the Company in the conduct of the Company’s business before the dissolution of the Company; (B) prohibited, by virtue of the Manager’s status as a Manager of the Company, from pursuing and engaging in any activities, (C) obligated to inform the Company or any Member of any such opportunity, relationship or investment (a “Company Opportunity”) or to present to the Company any Company Opportunity. Further, the Company hereby renounces any interest in any Company Opportunity and any expectancy that any Company Opportunity will be offered to it. In addition, the Manager will not have any obligation or liability to refrain from dealing with the company in the conduct or winding up of the Company’s business as or on behalf of a party having an interest adverse to the Company.

(c) Each party was advised by counsel, or had the opportunity to be advised by counsel, in entering into this Agreement and is fully apprised and aware of all implications and consequences of entering into this Agreement. The parties agree the foregoing provisions are not manifestly unreasonable.

## ARTICLE IV – TAX MATTERS

**4.1 Fiscal Year.** The fiscal year and taxable year of the Company will end on December 31 of each year, unless a different year is required by the Internal Revenue Code of 1986, as amended, or otherwise established by the Member.

**4.2 [Intentionally omitted.]**

## ARTICLE V - DISSOLUTION AND TERMINATION

### **5.1 Events Causing Dissolution.**

**(a)** The Company will be dissolved only upon the first to occur of the following events: (i) the written determination of the Member to dissolve; or (ii) upon the entry of a decree of judicial dissolution permitted under Section 322C.0701 of the Act.

**(b)** Notwithstanding Section 322C.0701 of the Act, the forgoing events are the exclusive events which cause the dissolution of the Company.

**5.2 Effect of Dissolution.** Except as otherwise provided in this Agreement, upon the dissolution of the Company, the Member will take such actions as may be required pursuant to the Act to wind up, liquidate, and terminate the business and affairs of the Company.

**5.3 Application of Proceeds.** Upon dissolution and liquidation of the Company, the assets of the Company will be applied and distributed in the order of priority set forth in the Act.

## ARTICLE VI - MISCELLANEOUS

**6.1 No Third Party Rights.** None of the provisions contained in this Agreement are for the benefit of or enforceable by any third parties, including creditors of the Company or the Member; provided, however, the Company may enforce any rights granted to the Company under the Act, the Articles, or this Agreement.

**6.2 Amendments to this Agreement.** This Agreement may not be modified or amended in any manner other than by a writing signed by the Member.

**6.3 Entire Agreement.** This Agreement, together with the Articles, constitutes the entire operating agreement and supersedes all other written, oral, or implied agreements, arrangements, and understandings. This Agreement governs if there is any conflict between the terms of this Agreement and the Articles.

**6.4 Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable to any extent, the legality, validity and enforceability of the remainder of this Agreement will not be affected thereby and will remain in full force and effect and may be enforced to the greatest extent permitted by law.

**6.5 Governing Law.** This Agreement is governed by, and is to be construed in accordance with, the laws of the State of Minnesota.

**IN WITNESS WHEREOF,** the undersigned has executed this Operating Agreement as of the date first written above.

**MEMBERS:**

Roers Companies LLC

By:   
Brian Roers, Manager

Scott Crawford Financial, Inc. d/b/a Scott Crawford,  
Inc.

By: \_\_\_\_\_  
Que El-Amin, Title: \_\_\_\_\_

14775417v3

**MEMBERS:**

Roers Companies LLC

By: \_\_\_\_\_

Brian Roers, Manager

Scott Crawford Financial, Inc. d/b/a Scott Crawford,  
Inc.

A handwritten signature in black ink, appearing to read 'Que El-Amin', written over a horizontal line.

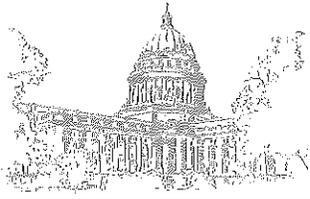
By:

Que El-Amin, Title: Principal

14775417v3

**Wisconsin Economic Development Corporation – CDI Application  
The Community Within the Corridor**

**Attachment 7: Letters of Support**



STATE SENATOR  
**LaTonya Johnson**

WISCONSIN STATE SENATE

6TH DISTRICT

December 8, 2018

David Ginger  
Commercial Lending Product Manager  
WHEDA  
201 W Washington Ave #700  
Madison, WI 53703

Dear WHEDA Review Committee,

As State Senator for the 6<sup>th</sup> Senate District, I would like to lend my support to *The Community within the Corridor* as proposed by Scott Crawford, Inc.

We hope that WHEDA will make a determination to grant Low Income Housing Tax Credits to the project and bring additional affordable housing and services to the city of Milwaukee. *The Community within the Corridor* strives to create a community that supports its residents in all ways, drawing inspiration from other projects around the country which have redeveloped and transformed neighborhoods much 33<sup>rd</sup> and Center.

The 30<sup>th</sup> Street Corridor and its surroundings have been underutilized for far too long, and *The Community within the Corridor* provides an exciting opportunity to reverse this trend. With assets ranging from affordable and market rate housing units, a community service facility, a small business incubator, and a community garden, this project could dramatically transform not only the neighborhood, but also have a significant positive impact on the entire city.

Respectfully,

LaTonya Johnson  
Wisconsin State Senator  
6<sup>th</sup> District

## COMMITTEE ASSIGNMENTS

### CHAIR

- Community and Economic Development

### MEMBER

- Finance and Personnel
- Zoning, Neighborhoods, and Development
- Steering and Rules



**RUSSELL W. STAMPER, II**  
ALDERMAN, 15TH DISTRICT



**RUSSELL W. STAMPER, II**  
ALDERMAN, 15TH DISTRICT

December 10, 2018

Mr. David Ginger,  
Commercial Lending Product Manager  
WHEDA  
201 W Washington Ave #700  
Madison, WI 53703

Dear WHEDA Review Committee,

I am writing on behalf of Scott Crawford Inc.'s proposed development, *The Community Within The Corridor* for consideration to receive Low Income Housing Tax Credits to provide affordable housing and needed services to the city of Milwaukee.

As the presiding alderman of the 15<sup>th</sup> District, the representatives from Scott Crawford, Inc. have done an excellent job of engaging with the neighboring community throughout the process of developing the proposal and plan. They held community meeting on October 16, 2017 at which they informed community members and leaders of their project which was met with a lot of support.

When reviewing the application for *The Community Within The Corridor*, please consider the immeasurable qualitative results that will arise from an awarding of Low Income Housing Tax Credits to their project such as the elimination of blight and providing hope for the healing Sherman Park neighborhood.

Respectfully,

A handwritten signature in black ink, appearing to read 'Russell W. Stamper II'.

Russell W. Stamper II,  
Alderman, 15<sup>th</sup> District



November 30, 2017

David Ginger  
Commercial Lending Product Manager  
Wisconsin Housing and Economic Development Authority  
201 West Washington Ave, Suite 700  
Madison, WI 53703

Dear Mr. Ginger:

On behalf of BID #37 and the 30<sup>th</sup> Street Industrial Corridor Corporation ("the Corridor"), we lend our enthusiastic support to Scott Crawford Inc's proposed development, *The Community Within The Corridor* for consideration to receive Low Income Housing Tax Credits to provide affordable housing and needed services within the 30<sup>th</sup> Street Industrial Corridor area of Milwaukee.

The Corridor is a 25 year old nonprofit organization that works to restore and maintain the economic vitality of Milwaukee's industrial corridor. The Principal of Scott Crawford, Inc., Que El-Amin, is a member of our organization's Board of Directors, and has been an actively engaged, valued partner in our endeavors. We support Mr. El-Amin's vision for the project, and are very excited to have a board member working to invest time and money into our area.

Our hope is that *The Community Within The Corridor* works to spark economic development within the 30<sup>th</sup> Street Industrial Corridor. This development is right in line with our overarching plans for the area, in concert with our partners from the businesses of BID #37, the City of Milwaukee, Milwaukee Metropolitan Sewage District, and Northwest Side CDC among others. If you have any questions, please feel free to reach out to me via telephone at 414-509-5115 or [cheryl@thecorridor-mke.org](mailto:cheryl@thecorridor-mke.org).

Sincerely,

Cheryl Blue  
Executive Director  
30th Street Industrial Corridor Corp