

June 16, 2016

Loan Board of Review Special Meeting

File # 0512-16

MAIN-LAKE, LLC HOME DOCUMENTS

HOME Funds Promissory Note (1 page)

HOME Funds Loan and Regulatory Agreement (11 pages)

First Amended Phase I HOME Agreement (4 pages)

Land Use Restriction for HOME Funds (9 pages)

Executed HOME Funds Promissory Note (1 page)

VOL PAGE
2458 787

REGISTER'S OFFICE
RACINE COUNTY, WI

EXHIBIT "B"

RECORDED

HOME FUNDS PROMISSORY NOTE

95 JUL 11 PM 4:18

\$(800,000.00) PROMISSORY NOTE
(Home Funds Loan)

MARK A. LADD
REGISTER OF DEEDS

PLACE: Racine, WI

DATE: June 1, 1995

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of the City of Racine, a Wisconsin municipal corporation ("City"), at its offices located at City Hall, 730 Washington Avenue, Racine, Wisconsin 53403, Attn: Treasurer, the principal sum of Eight Hundred Thousand (\$800,000.00) Dollars, without interest, on or before eighteen (18) years after the earlier of (1) the date on which a certificate of occupancy is issued by the proper governmental authority for the whole of the Main-Lake Project, as that term is defined in the Home Agreement; or (2) December 31, 1996.

DELINQUENCY CHARGE. If the principal owed under the note, if any, is not paid on or before the 15th day after its due date, the prime rate as printed in the Wall Street Journal on the unpaid balance until the amount due under the Note is paid in full.

The entire principal balance shall become immediately due and payable to the City upon written notice to Maker upon the occurrence of an Event of Default under the Home Loan Regulatory Agreement executed contemporaneously herewith ("Agreement") which is not cured within the time period provided in the Agreement.

THE UNDERSIGNED acknowledges receipt of an exact copy of this Note.

NOTICE TO BORROWER

- A. DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES.
- B. YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.

Signed and sealed this _____ day of June, 1995 at Madison, Wisconsin.

Main-Lake, LLC, a Wisconsin
Limited Liability Company
The Alexander Company, Inc.,
Authorized Member

WITNESS:

By: _____
Randall P. Alexander, President

HOME FUNDS LOAN AND REGULATORY AGREEMENT

This HOME FUNDS LOAN AND REGULATORY AGREEMENT entered into this 8th day of October, 1993, by and between the City of Racine ("City") and The Alexander Company, Inc. ("Developer"). Developer and its permitted successors and assigns in consideration of the assistance in the form of a loan to the Developer hereby agree as follows:

I. PURPOSE OF LOAN.

This loan is for the following purposes: the construction, rehabilitation and restoration of ten (10) residential units in the property located at 419-425 S. Main Street, Racine, Wisconsin (the "Property").

Developer hereby agrees to apply the funds described herein ("Home Funds") toward the eligible (acquisition)(rehabilitation) costs of ten (10) units ("Home-Assisted Units"), and shall develop, build, and manage the Home-Assisted Units in a manner which meets the standards of the Home Investment Partnerships Program as administered by the United States Department of Housing and Urban Development pursuant to regulations promulgated as 24 Code of Federal Regulations ("CFR") part 92 ("Home Program") for a period of no less than fifteen (15) years from the completion of the Project as described below and its initial occupancy, which is estimated to occur on December 31, 1994 ("Period of Affordability"). The Developer covenants and agrees to use the Home Funds for the purposes described above and such other related costs which are determined to be eligible according to Home Program regulations and local program rules and for no other purposes.

II. PROJECT DESCRIPTION.

A. Description of Project: the construction, rehabilitation and restoration of ten (10) residential units to be located on the second floor of the Property consisting of five (5) one-bedroom apartments and five (5) two-bedroom apartments.

The Project shall be built/rehabilitated in such a manner as to meet the property standards cited in 24 CFR 92.251.

B. Home-Assisted Units.

The Home-Assisted Units in the Project shall meet the affordability standards cited in 24 CFR 92.252 and the tenant and participant protections cited in 24 CFR 92.253 for the Period of Affordability. The Home-Assisted Units are hereby designated as follows: ten (10) residential units to be located on the second floor of the Property consisting of five (5) one-bedroom apartments and five (5) two-bedroom apartments.

C. Location.

The location for the Project shall be the parcel of real estate situated at 419-425 E. Main Street, which is more fully described as follows:

Exhibit A attached and incorporated herein by reference.

D. Completion date.

The Project is estimated to be completed on or before December 31, 1994.

III. HOME FUNDS LOAN

A. Subject to the terms and conditions of this Agreement and the Land Use Restriction Agreement, a copy of which is attached hereto as Exhibit "B" (hereinafter "Deed Restrictions") the City agrees to loan Home Funds to the Developer in the sum of Five Hundred Thousand and 00/100 (\$500,000.00) Dollars. The loan shall be reduced to a promissory note containing terms and conditions as provided for in attached Exhibit "C" (the "Note"). The Home Funds shall be specifically used to pay for the following items consistent with the purpose for the loan as described in Article I ("Eligible Costs"):

B. The Developer shall execute and deliver the Deed Restrictions and Note. The Deed Restrictions shall require the Developer to develop, build, and manage the Home-Assisted Units in such a manner as to meet the affordability standards of the Home Program as cited in this Loan and Regulatory Agreement and in 24 CFR 92.252 as expressly provided in the Deed Restrictions.

C. Requests for funds under this Agreement shall not be made until the funds are actually needed for payment for Eligible Costs. Developer shall certify in writing that Eligible Costs have been incurred prior to disbursement of funds and shall, prior to such disbursement, provide to City receipts or invoices for such Eligible Costs. Lien waivers for Eligible Costs which could become a lien upon real estate shall be provided to City upon the earlier of forty-five (45) days after disbursement or the next requested payment of Eligible Costs.

D. On or before December 31, 1994 and on or before the same date in each year thereafter and continuing for the Period of Affordability, the Developer shall submit to the City, a report certified by Owner specifying the income levels of the occupants of the Home-Assisted Units together with a rent schedule for those units which meet the affordability standards of 24 CFR 92.252, as the same may be modified from time to time. The occupancy of Home-Assisted Units cannot be denied to an otherwise qualified applicant

who is a holder of a certificate of family participation under 24 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a Home tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable Home tenant-based assistance document; and Home-Assisted Units shall remain affordable, pursuant to the Deed Restrictions, for not less than the Period of Affordability.

E. Funds Not Be Used for Political or Religious Activity.

Developer shall not use the Home Funds for any political or lobbying activities. Developer shall comply with the provisions governing use of HUD funds, and shall not apply the Home Funds toward the property or activity of permitted religious organizations in violation of 24 CFR 257.

F. Compliance with Applicable Regulations. Developer shall comply with all applicable federal regulations as set forth in 24 CFR 92.

G. Construction Requirements.

1. Plans and Specifications; Construction Contract.

Prior to beginning any construction of the Project (the "Work"), Developer shall provide to the City drawings, written specifications and addenda as the City may reasonably require for such Work (the "Plans and Specifications"), which shall generally conform to the Project description and budget set forth in the application to the City for Home Funds. No material changes, additions or alterations shall be made in the Work from that described in the Plans and Specifications without the City's prior written approval of a change order which approval shall not be unreasonably withheld or delayed. Prior to beginning the Work, Developer shall enter into a construction contract for the Work with Developer's contractor for the Project.

2. Construction Dates.

Developer shall commence the Work on or before March 1, 1994 and shall diligently continue the Work and shall use its best efforts to substantially complete the Work on or before March 1, 1995.

3. Inspections.

Developer shall permit any duly authorized representative(s) of the City to inspect the Work during construction at any reasonable time during Developer's normal business hours, and shall reasonably assist in and cooperate with

such inspections. Such representative(s) shall not unreasonably disrupt Developer's business or the Work during such inspection.

4. Sign.

The Developer shall, if requested by the City, at the City's expense, erect a sign on the Project site which credits the City with financing a portion of the Project.

H. Project Operation.

The Developer shall operate the Home-Assisted Units in full compliance at all times with the "Affordability Standards" as set forth in 24 CFR 92.252.

I. Records and Documents.

The Developer agrees to maintain and provide all information needed to meet the Home Program recordkeeping and reporting requirements. On or before June 30, 1994, the Developer shall submit to the City an audit which meets the requirements of 24 CFR 92.506. No less than annually thereafter, the Developer shall recertify the income of the tenants of Home-Assisted Units and provide the City with information concerning such tenants or other of its tenants occupying comparable units as may be necessary to meet the Affordability Standards, rent and utility allowance schedules, its affirmative marketing activities, and its tenant selection procedures.

IV. DEVELOPER'S REPRESENTATIONS AND WARRANTIES.

A. Organization.

Developer represents and warrants to the City as of the date hereof that Developer is a corporation duly organized under Wisconsin law, and existing in good standing under the laws of the State of Wisconsin, and has all requisite power, licenses, and authority necessary to conduct its business, including owning and operating the Project.

B. Authority.

Developer represents and warrants to the City as of the date hereof that all necessary action has been taken to authorize the execution and delivery of this Agreement.

C. Independent Knowledge.

The Developer represents that it is experienced in the field of providing affordable housing and of complying with regulations established to ensure compliance with the Affordability Requirements.

V. DEVELOPER'S OBLIGATIONS.

A. Completion of the Project.

Developer hereby assures the City that the Project will be completed by the Developer on or before March 1, 1995 at a development cost of not less than Seven Million and 00/100 (\$7,000,000.00) Dollars. Developer agrees to secure without delay a Certificate of Occupancy from the City for the Project upon completion and to supply duplicate originals of such Certificates to the City Attorney and the City Director of Planning and Development or equivalent office.

B. Developer's Financial Commitment.

Developer agrees that it shall provide for a minimum equity commitment to the Project of Two Million and 00/100 (\$2,000,000.00) Dollars of private funds. Developer shall obtain all necessary construction financing and permanent financing for the Project.

C. Obligation to Maintain and Repair.

The Developer agrees that at all times after construction of the Project, it will keep and maintain, at its sole expense, the Project in good repair and working order in a manner which meets the Housing Quality Standards of the Department of Housing and Urban Development, and local housing code requirements for the Period of Affordability, and will make or cause to be made, from time to time, all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof, so as to maintain the Project in habitable condition.

D. Restrictions on Use of Property.

The Developer agrees, for itself and for all of its successors and assigns, that any deed of sale of the Project or any part thereof shall contain covenants on the part of the grantee for itself and its successors and assigns to devote the Project to and only to uses permitted in accordance with the uses as are generally described in this Agreement, subject only to exceptions set forth in the Deed Restrictions. Developer agrees that it will neither suffer, cause nor permit the Project to be used for unlawful purposes.

VI. INSURANCE

The Developer, its successors and assigns, upon closing and during its ownership of the Project shall purchase, and Developer's general contractor during the construction of the Project shall, at its sole cost and expense, and continuously maintain in effect (or require from its tenants) insurance against such risks, both

generally and specifically with respect to the Project, as are customarily insured against in developments of like size and character, including but not limited to:

A. Casualty Insurance.

Casualty insurance insuring the improvements to their full replacement value against any loss or damage including but not limited to damage by fire, lightning, wind storm, hail, explosion, collapse, vandalism, malicious mischief, damage from aircraft and vehicles, smoke damage and such other risks as are from time to time included in the standard All Risk Coverage Endorsement in the State of Wisconsin. The minimum amount of Developer's coverage on the Project shall be the insurable value of the Project as determined by the replacement cost approach without allowance for depreciation.

B. Boiler and Pressure Vessel Insurance.

Boiler and Pressure Vessel Insurance is an amount sufficient to protect the Project, if a boiler is included in the building.

C. Commercial General Liability Insurance.

Commercial General Liability Insurance including Blanket Contractual Liability Insurance and Comprehensive Automobile Insurance against liability for personal injury, including death, of persons resulting from injuries occurring on or in any way related to the Project in a minimum aggregate amount of \$1,000,000.00 per occurrence and against liability for damage to property occurring on or in or related in any way to the Project in a minimum amount of \$1,000,000.00 with a combined aggregate of \$1,000,000.00. Developer is not required to carry comprehensive automobile insurance unless it owns, leases or uses a motor vehicle.

D. Physical Damage Insurance.

Physical Damage Insurance insuring the City's full insurable interest in the Project. If Developer uses but does not own a motor vehicle, Developer shall substitute Comprehensive Non-Owned Automobile insurance in like amounts for the comprehensive automobile insurance described above.

E. Builders Risk Insurance.

During construction, Builder's Risk all risk coverage insurance or equivalent all risk insurance coverage in the amount of at least the construction contract for the Project.

F. Worker's Compensation Insurance.

Developer and Developer's general contractor shall each furnish City a waiver of subrogation for worker's compensation payments made as a result of disease or injury arising out of the Project.

G. General Insurance Provisions.

All other forms of insurance reasonably required generally by the State of Wisconsin for entities such as the Developer and its construction contractors including, without limitation, Workers Compensation Insurance, with minimum limits at least equivalent to those minimum amounts required by the State of Wisconsin from time to time during the construction and operation of the Project. All insurance policies required under this section shall be taken out and maintained with generally recognized responsible insurance companies authorized to do business in the State of Wisconsin and to assume the respective risks undertaken. Said policies of insurance may be written with deductible amounts and with the exceptions and exclusions comparable in similar policies carried by other companies similarly situated. Within sixty (60) days after Closing, Developer shall furnish City with copies of all such insurance policies and shall, upon issuance, furnish City with copies of all replacements thereof. In the event of the proposed cancellation, nonrenewal or material change in such policy by an insurance company, the Developer shall secure adequate replacement insurance policies prior to the effective date of such cancellation, nonrenewal or material change.

VII. REMEDIES.

A. In General.

In the event of any default in, or breach of, this Agreement, or any of the provisions of the attachments hereto, or any of its terms or conditions by either party hereto, or any successor in interest to such party, such party (or successor) shall cure or remedy such default or breach within sixty (60) days of written notice thereof in the event of a breach of a monetary obligation or one hundred and eighty (180) days in the event of a breach of a nonmonetary obligation unless a longer term is specified. In case such action is not taken or is not diligently pursued, or the default or breach cannot be cured or remedied within the aforesaid time, the City may institute such proceedings as may be necessary or desirable in its opinion to cure the default or breach, including but not limited to proceedings to compel specific performance by the party in default or breach of its obligations. In the event of default hereunder and failure to cure within the time periods set forth above ("Event of Default"), the Note shall become due and payable to the City upon written notice to Developer.

In addition, during any period of default, the Developer's receipt of additional funds under this Agreement may be suspended and such default may result in termination or suspension of further assistance to the Developer. Further, the occurrence of an Event of Default under this Agreement may result in debarment from participation in other federally assisted programs.

C. Other Rights and Remedies of City - No Waiver by Delay.

The City shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purpose of this Agreement, provided that any delay by the City in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this section shall not operate as a waiver of such rights or deprive it of or limit such rights in any way (it being the intent of this provision that the City should not be constrained so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this section because of waiver, laches or otherwise, to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by the City with respect to any specified default by the Developer under this section be considered or treated as the waiver of the rights of the City with respect to any other defaults by the Developer under this section, or with respect to the particular default except to the extent specifically waived in writing.

D. Delay in Performance for Causes Beyond the Control of the Parties.

For the purpose of any provisions of this Agreement, neither the Developer, any successor in interest nor the City shall be considered in breach or default of its obligations with respect to the beginning and completion of construction of the improvements or progress in respect thereto or in the cure of any default in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault, or negligence, but not restricted to Acts of God, acts of the public enemy, acts of the Federal Government, fires, floods, epidemics, quarantine restrictions, strikes, embargoes and unusually severe weather or delays of subcontractors due to such causes, it being the purpose and intent of this provision that in the event of the occurrence of any such delay, the time or times of performance of any of the obligations of the Developer with respect to construction of the Project or in any other regard shall be extended for the period of the delay. Provided however, that the party seeking the benefit of any such delay shall notify the other parties thereof of the cause or causes thereof.

E. Rights and Remedies Cumulative.

The rights and remedies of the parties to this Agreement, whether provided by law or provided by the Agreement, shall be cumulative, and the exercise by any party of any one or more of such remedies shall not preclude the exercise by it at the same or different times of any other such remedies for the same event of default or breach or of any of its remedies for any other event of default or breach by any other party. No waiver made by either such party with respect to the performance or manner or time thereof or any obligation of any other party or any condition to its own obligation under the Agreement shall be considered a waiver of any rights of the party making the waiver or any other obligations of any other party.

VIII. COMPLIANCE WITH LAWS.

The Developer shall comply with all applicable federal, state and local laws and regulations including but not limited to the Fair Housing laws and regulations of the United States, State of Wisconsin and City.

IX. NOTICES.

All notices to be given under the terms of this Agreement shall be in writing and signed by the person giving the notice and shall be sent registered or certified mail, return receipt requested, postage prepaid, or hand delivered to the addresses of the parties listed below:

THE CITY:

THE DEVELOPER:

WITH A COPY TO:

XIII. TERM; RELEASE OF LIABILITY.

This Agreement shall terminate upon the expiration of the Period of Affordability (December 31, 2009) except as the same may be terminated earlier as provided in the Deed Restrictions; In addition, if no action for enforcement of remedies as provided herein has been taken or is pending at that time, Developer, its successors and assigns, shall be released from any and all liability on this Agreement. The City agrees to execute a document in recordable form to evidence the foregoing termination and release.

IN WITNESS WHEREOF, Developer and the City have entered into this Loan and Regulatory Agreement as of the date first above written.

City of Racine

By: N. Owen Davies
N. Owen Davies, Mayor

Attest: Karen M. Norton
Karen M. Norton, City Clerk

The Alexander Company, Inc.

By: Randall P. Alexander
Randall P. Alexander, President

AUTHENTICATION

Signatures of N. Owen Davies, Mayor and Carolyn L. Moskonos Deputy
of the City of Racine, Wisconsin authenticated this 8th day of
October, 1993.

* [Signature]

MEMBER STATE BAR OF WISCONSIN
(If not, _____
authorized by 706.06, Wis. Stats.)

STATE OF WISCONSIN)
COUNTY OF DANE) ss>

Personally came before me this 6th day of October, 1993, the
above named Randall P. Alexander, to me known to be the person who
executed the foregoing instrument and acknowledged the same in the
capacity and for the purposes therein intended.

[Signature]
Notary Public, State of Wisconsin
My Commission: EXPIRES: 11-24-96

APPROVED:

[Signature]
City Treasurer

APPROVED AS TO FORM:

[Signature]
City Attorney

EXHIBIT A

(LEGAL DESCRIPTION)

Parcel 1:

Lot 4, in Block 18, according to the Original Plat of Racine as surveyed by Moses Vitek according to the recorded plat thereof on file in the office of the Register of Deeds for Racine County, subject, however, to footings along the North 1 foot 3 inches of said Lot 4, contemplated pursuant to an Agreement dated December 11, 1947 between Mary Block, Trustee, Walter Block, Trustee of Wisconsin, Inc. and J. C. Penney Company, recorded in the office of the Register of Deeds for Racine County, Wisconsin in Volume 470 of Deeds as Page 311; and further subject to the wall presently running on and between Lots 1 and 4, in said Block 18.

Parcel 2:

Lot 11, in Block 18, according to Original Plat of Racine, subject, however, to the wall presently on and between Lots 11 and 12, in said Block 18. Said land being in the City of Racine, County of Racine and State of Wisconsin.

Parcel 3:

Lots 5, 10 and the North 10 feet of Lot 9, Block 18, and the North 10 feet of the West 50 feet of Lot 6, Block 18, all in Original Plat of Racine, in the Southeast 1/4 of Section 9, Township 3 North, Range 11 East. Said land being in the City of Racine, County of Racine, State of Wisconsin.

Lots 3 and 12, Block 18, Original Plat of Racine, according to the recorded plat thereof. Said land being in the City of Racine, County of Racine and State of Wisconsin.

Return: Atty Joseph Doyle
City of Racine
733 Washington Ave
Racine, WI 53403

DOCUMENT #
1505881

FIRST AMENDED PHASE I HOME AGREEMENT

This First Amended Phase I Agreement (the "Amendment") is entered into this 19th day of June, 1995, by and between the City of Racine ("Racine") and Main-Lake, LLC, a Wisconsin Limited Liability Company ("Developer"). This Amendment is intended to amend and supplement a Home Funds Loan and Regulatory Agreement (the "Home Agreement") dated October 8, 1993, by and between Racine and The Alexander Company, Inc. ("Alexander"). Developer is the legal successor in interest to Alexander.

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782

1. Effect of Amendment; Defined Terms. Except as specifically or by necessary implication amended herein, all terms, covenants, and conditions of the Home Agreement shall remain unchanged. Terms not defined herein shall have the definition set forth in the Home Agreement.

2. Purpose of Loan. The loan is for the following purposes: the construction, rehabilitation and restoration of thirteen (13) residential units in the Property. The Property is described in Exhibit "A," attached hereto and incorporated herein by reference. The description of the Project set forth in paragraph (II)(A) of the Home Agreement shall be amended to be consistent with the foregoing. The units described as the Home-Assisted Units in the Home Agreement shall consist of the following: six (6) 1-bedroom units and seven (7) 2-bedroom units. The units shall have the "floating designation" described in HUD Notice CPD 94-12, dated 4/25/94.

3. Completion Date. The Project is estimated to be completed on or before December 31, 1996.

4. Amount of Home Funds Loan. Paragraph (III)(A) of the Home Agreement is hereby amended to provide that Racine will loan Home Funds to the Developer in the sum of \$800,000.00. The loan shall be evidenced by a Promissory Note in the form attached hereto as Exhibit "B," and incorporated herein by reference. The attached Exhibit "B" shall hereinafter be deemed the "Note," as that term is defined in the Home Agreement, for all purposes. The Home Funds Promissory Note dated October 8, 1993, is hereby declared null, void and cancelled.

5. Recording Requirements. Pursuant to paragraph (III)(D) of the Home Agreement the reports to be certified by the Owner as specified therein shall commence on or before December 31, 1995.

6. Completion Requirements. Paragraph (III)(G)(2) of the Home Agreement shall be amended to provide that the work shall commence in accordance with the Master Development Agreement as amended and the Developer shall use its best efforts to substantially complete the Work on or before December 31, 1996. The completion date set forth in paragraph (V)(A) shall be December 31, 1996.

LMT 1995/1

7. Notices. Notice shall be given as specified in the Land Use Restriction for Home Funds, except that notices to the owner shall be addressed as follows: Main-Lake, LLC, c/o The Alexander Company, Inc., 660 West Washington Avenue, Suite 303, Madison, WI 53703.

8. Land Use Restriction. The Land Use Restriction for Home Funds attached to the Home Agreement as Exhibit "B" shall be amended to provide that the definition of Home-Assisted Units shall be as set forth in paragraph (2), above, and that the Home Funds Promissory Note shall be replaced and superseded by the Note described in paragraph (4), above.

City of Racine

By: James M. Smith
James M. Smith, Mayor

Attest: Carolyn L. Moskonas
Carolyn L. Moskonas, Deputy City Clerk

Main-Lake, LLC
The Alexander Company, Inc.,
Authorized Member

By: R. P. Alexander
Randall P. Alexander, President

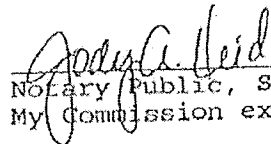
STATE OF WISCONSIN)
)ss>
COUNTY OF RACINE)

Personally came before me this 19th day of June, 1995, the above named James M. Smith and Carolyn L. Moskonas, to me known to be the person(s) who executed the foregoing instrument and acknowledged the same in the capacity and for the purposes therein intended.

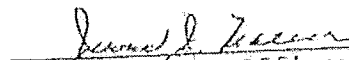
Joseph E. Boyle
Notary Public, State of Wisconsin
My Commission ~~xxxxxxx~~ is permanent
Joseph E. Boyle

STATE OF WISCONSIN)
COUNTY OF DANE) SS>
)

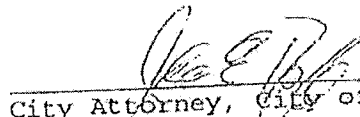
Personally came before me this 19th day of June, 1995, the above named Randall P. Alexander, President of The Alexander Company, Inc., authorized member, to me known to be the person(s) who executed the foregoing instrument and acknowledged the same in the capacity and for the purposes therein intended.


Notary Public, State of Wisconsin
My Commission expires: 11-24-96

Countersigned pursuant to S. 62.09(10) Wis. Stats.


Chief Finance Officer, City of
Racine Jerome J. Maller

Approved as to form:


City Attorney, City of Racine
Joseph E. Boyle

THIS DOCUMENT DRAFTED BY
AND SHOULD BE RETURNED TO:
Attorney Gregory J. Paradise
MOHS, MACDONALD, WIDDER & PARADISE
20 North Carroll Street
Madison, WI 53703

AFTER RECORDING RETURN TO:
Joseph E. Boyle
City Attorney
City of Racine
730 Washington Avenue
Racine, WI 53403

EXHIBIT "B"

HOME-ASSISTED UNITS

Ten (10) residential units to be located on the second floor of the property located at 419-425 S. Main Street, Racine, Wisconsin, consisting of five (5) 1 - bedroom apartments and five (5) 2 - bedroom apartments.

EXHIBIT "B"

LAND USE RESTRICTION FOR HOME FUNDS

RETURN TO:
Gregory J. Paradise
Mohs, MacDonald, Widder & Paradise
20 North Carroll Street
Madison, WI 53703

THIS LAND USE RESTRICTION AGREEMENT (the "Agreement") is by and between The Alexander Company, Inc. ("Owner"), a Wisconsin Corporation, and the City of Racine, a Wisconsin Municipal Corporation.

W I T N E S S E T H:

WHEREAS, the Owner is the owner of a building located on lands in the City of Racine, ("City") County of Racine, State of Wisconsin, more particularly described in Exhibit "A" attached hereto, known as the Main-Lake Project (the "Project"); and

WHEREAS, the City has been designated as a participating jurisdiction for the receipt of funds for the purpose of providing financial assistance to affordable housing projects ("Home Funds") under the Home Investment Partnerships Program as administered by the United States Department of Housing Urban Development ("Home Program"); and

WHEREAS, the Owner has applied to the City for an allocation of Home Funds to assist the Project; and

WHEREAS, the Owner and the Project must comply with provisions of the Code of Federal Regulations ("CFR") promulgated under the Home Program as a condition to receipt of Home Funds; and

WHEREAS, the City is charged with the responsibility for enforcement of the conditions placed upon the Owner and the Project because of the assistance provided to the Project with Home Funds; and

WHEREAS, the Owner has represented to the City that the Owner shall comply with the provisions of the CFR relating to affordability of units assisted with the Home Funds ("Home-Assisted Units")

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner and City agree as follows:

1) Definitions. All words and phrases used in this Agreement, defined in the CFR or the regulations promulgated thereunder, and not defined herein, shall have the meanings assigned to such words and phrases by the CFR or such regulations.

2) Representations, Covenants and Warranties of the Owner. Owner makes the following representations and warranties to induce the City to enter into this Agreement and further represents, warrants and covenants that:

A) The Owner has the full legal right, power and authority to execute and deliver this Agreement and to perform all the undertakings of the Owner hereunder.

B) The Owner has good and marketable title to the Project.

C) The Project constitutes and will constitute residential rental property, or property available for rental to members of the general public. The Project consists of one or more proximate buildings or structures containing one or more similarly constructed accommodations containing separate and complete facilities for living, sleeping, eating, cooking and sanitation which are to be used on other than a transient basis and facilities which are functionally related and subordinate to such accommodations. No actions will be taken by the Owner which will in any way impair the use of the Project therefor.

D) The Owner will not knowingly take or permit to be taken any action which would have the effect of causing the Project to be in noncompliance with Section 24 CFR Part 92.

E) The Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

3) Term of Restriction.

A) Period of Affordability. The term of restriction shall be for a period of 16 years (the "Period of Affordability"), commencing with the completion of the Project as evidenced by the issuance of a certificate of occupancy which is expected to occur on December 31, 1994. Notwithstanding the forgoing, upon foreclosure by a lender or other transfer in lieu of foreclosure, the Period of Affordability shall be suspended if the foreclosure by a lender or other transfer in lieu of foreclosure recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability. However, if at any time following transfer

by foreclosure or transfer in lieu of foreclosure, but still during the term of the Period of Affordability, the owner of record prior to the foreclosure or transfer in lieu of foreclosure, or any newly formed entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project, the Period of Affordability shall be revived according to its original terms.

B) Right of First Refusal.

1) Notwithstanding any other provisions hereof, including Subsection 3(A) above, the affordability requirements shall be suspended following commencement of foreclosure proceedings by a lender if and only if prior to sale by foreclosure or transfer in lieu of foreclosure of the Project, the City is first given the opportunity to acquire the Project. If lender receives an offer to purchase the Project from a third party buyer, then the City shall have the right to acquire the Project on the same terms and conditions as the person or entity who presents a bona fide written offer to acquire the Project. Otherwise, the City's right to acquire the Project shall be at a price equal to the amount stated in the final judgment entered in the foreclosure action, plus accrued interest on the judgment amount through the date of closing, or, if lender desires to accept a deed in lieu of foreclosure, the amount owed to lender plus any consideration lender has agreed to pay Owner for the deed in lieu of foreclosure (the foregoing prices shall be referred to as the "Offer"). The lender must certify that it intends to accept said Offer. Such Offer must be for cash, payable in full at closing or in installments.

2) If the City desires to purchase the Project at the price and on the terms and conditions set forth in the Offer, then the City shall so notify the lender or court (if appropriate) in writing, by (i) personal delivery, or (ii) certified or registered mail, within sixty (60) days after the receipt by the City of the aforesaid copy of the Offer by the City, and the City shall then complete such sale and purchase within the one hundred twenty (120) days next following the delivery of such notice from the City.

3) If the City does not so notify the lender within said sixty (60) day period, then the lender may sell the Project, accept the deed in lieu of foreclosure or complete the foreclosure sale, as appropriate pursuant to the Offer, and the Period of Affordability shall be suspended as provided in this Article and this Agreement terminated, but only pursuant to the Offer, or pursuant to foreclosure sale. If the lender does not complete the transaction giving rise to the City's right to buy hereunder within one hundred eighty (180) days after City's right to purchase has expired (except in the case of a foreclosure sale as to which no time limit will apply), then the Project shall again

be subject to this Agreement and the City's right of first refusal hereunder.

4) The City's right to buy hereunder may be assigned to and exercised by a not-for-profit organization or another governmental entity.

C) Affordability Requirements. The Owner agrees to offer to tenants of Home-Assisted Units as described below rents which meet the Home Funds requirements described in 24 CFR 92.252 or its successors. Home-Assisted Units are specifically designated as ten units to be located on the second floor of the building located at 419-425 S. Main Street, which is a part of the Project, and described more fully on Exhibit "B" incorporated herein by reference. The units will be specifically designated by Owner in recordable form upon completion of construction. The Home-Assisted Units must meet the Affordability Standards of 24 CFR 92.252 which, upon execution hereof, are as follows:

1) Bear rents not greater than the lesser of:

a) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or

b) A rent that does not exceed 30 percent of the adjusted income of a family whose gross income equals 60 percent of the median income for the area, as determined by HUD, with adjustment for the number of bedrooms in the unit, except that HUD may establish income ceilings higher or lower than 60 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the Owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit and adjusted income assumptions to be used in calculating the maximum rent allowed for the Home-Assisted Units;

2) Has not less than 20 percent of the Home-Assisted Units:

a) Occupied by very low-income families who pay as a contribution toward rent (excluding any federal or state rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by HUD. To obtain the maximum monthly rent that may be charged for a unit that is subject to this limitation, the Owner or participating jurisdiction multiplies the annual adjusted income of the tenant family by 30 percent and divides by 12 and, if applicable,

subtracts a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant; or

b) Occupied by very low-income families and bearing rents not greater than 30 percent of the gross income of a family whose income equals 50 percent of the median income for the area as determined by HUD, with adjustment for the number of bedrooms in the unit, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the Owner or participating jurisdiction must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant. HUD will provide average occupancy per unit assumptions to be used in calculating the maximum rent allowed for the Home Units;

3) Is occupied only by households that qualify as low-income families;

4) Is not refused for leasing to a holder of a certificate of family participation under 24 CFR Part 882 (Rental Certificate Program) or a rental voucher under 24 CFR Part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a HOME tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable HOME tenant-based assistance document;

G) Rent Schedule and Utility Allowances. The Owner must re-examine the income of each tenant household living in Home-Assisted Units at least annually. The maximum monthly rent must be recalculated by the Owner so as to be in compliance with the Affordability Standards and may change as changes in the applicable gross rent amounts, the income adjustments, or the monthly allowance for utilities and service warrant. Any increase in rents for Home-Assisted Units is subject to the provisions of outstanding leases. In any event, the Owner must provide tenants of the Home-Assisted Units not less than thirty (30) days prior written notice before implementing any increase in rents.

H) Increases in Tenant Income. Rental housing qualifies as affordable housing despite a temporary noncompliance with subparagraphs C(2) or C(3) above of this section, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to the City and HUD are being taken to ensure that all vacancies in comparable units are filled in accordance with this section until the noncompliance is corrected.

5) Enforcement.

A) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Owner regarding the Home-Assisted Units and with respect to the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and the CFR.

B) Owner shall submit any other information, documents or certifications reasonably requested by the City which the City shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of this Agreement and the CFR

C) If any violation of this Agreement by Owner is not corrected to the satisfaction of the City within the period of time specified by the City, which shall be at least thirty (30) days after the date notice of violation to the Owner is mailed, or within such further time as the City determines is necessary to correct the violation, but in any case not to exceed any limitations set by the CFR, then the City shall have the right, without further notice, to declare a default under this Agreement, in which case the City shall have the right to apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement or any other remedies at law or in equity or any such other action as shall be necessary or desirable so as to correct noncompliance with this Agreement. Owner hereby acknowledges that the City cannot be adequately compensated by monetary damages in the event of any default hereunder.

6) Covenants Run With The Land; Successors Bound. This Agreement shall be placed of record in the real property records of Racine County, Wisconsin, and shall run with the land and shall bind the Owner and its successors and assigns, and all subsequent owners of the project and all holders of any other interest therein, except as set forth in paragraph (3), above.

7) Interpretation. Any terms not defined in this Agreement shall have the same meaning as terms defined in the CFR. As used in this Agreement, references to "the CFR" shall refer to the CFR and interpretative opinions or rulings promulgated or issued thereunder, now in effect or as the same may be in the future amended, promulgated or issued from time to time in connection with the HOME funds.

8) Amendment. This Agreement may be amended with the prior written approval of the City to reflect changes in the United States Code, the CFR and the regulations promulgated thereunder. No amendment to this Agreement may be made without the prior written approval of the City.

9) Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof. All provisions of this Agreement shall be construed wherever possible in a manner that does not conflict with the CFR. To the extent any such conflict exists, the CFR shall prevail.

10) Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To Racine: Thomas N. Wright
Director of City Development
City of Racine
City Hall
730 Washington Avenue
Racine, WI 53403

With a Copy to: Joseph E. Boyle
City Attorney
City of Racine
City Hall
730 Washington Avenue
Racine, WI 53403

To The Owner: The Alexander Company, Inc.
660 West Washington Avenue
Suite 303
Madison, WI 53703

With a Copy To: Gregory J. Paradise
Mohs, MacDonald, Widder & Paradise
20 North Carroll Street
Madison, WI 53703

The City and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. If the address of the Owner has changed from that given above or subsequently designated under the previous sentence, the City may conclusively presume that the address of the Owner for purposes of this Section 10 is the address to which property tax bills for the Project are delivered.

11) Governing Law. This Agreement shall be governed by the laws of the State of Wisconsin and, where applicable, the laws of the United States of America.

12) Expiration. This Agreement shall expire, terminate and be without further force and effect upon the expiration of the

Period of Affordability, which is sixteen (16) years, unless terminated sooner pursuant to Section 3 hereof. City covenants and agrees to execute a recordable instrument to this effect if requested by Owner, its successors or assigns.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives this 6th day of October, 1993.

City of Racine

By: N. Owen Davies
N. Owen Davies, Mayor

Attest: Carolyn L. Moskanos
~~Karen M. Norton, City Clerk~~
Carolyn L. Moskanos, Deputy
The Alexander Company, Inc.

By: Randall P. Alexander
Randall P. Alexander, President

AUTHENTICATION

Signatures of N. Owen Davies, Mayor and ~~Karen M. Norton~~ Carolyn L. Moskanos Deputy City Clerk of the City of Racine, Wisconsin authenticated this 6th day of October, 1993.

* [Signature]

MEMBER STATE BAR OF WISCONSIN
(If not, _____
authorized by 706.06, Wis. Stats.)

STATE OF WISCONSIN)
COUNTY OF DANE) ss>

Personally came before me this 6th day of October, 1993, the above named Randall P. Alexander, to me known to be the person who executed the foregoing instrument and acknowledged the same in the capacity and for the purposes therein intended.

[Signature]
Notary Public, State of Wisconsin
My Commission: Expires 11-30-96

APPROVED:

[Signature]
City Treasurer

APPROVED AS TO FORM:

[Signature]
City Attorney

EXHIBIT A

(LEGAL DESCRIPTION)

Parcel 1:

Lot 4, in Block 18, according to the original Plat of Racine as conveyed by Moses Viles according to the recorded plat thereof on file in the office of the Register of Deeds for Racine County, subject, however, to footings along the North 2 feet 8 inches of said Lot 4, constituted pursuant to an Agreement dated December 11, 1947 between Harry Block, Trustee, Warrant Line, Trustees of Wisconsin, Inc. and J. C. Finney Company, recorded in the office of the Register of Deeds for Racine County, Wisconsin in Volume 470 of Deeds at 244-123; and further subject to the wall presently running on and between Lots 3 and 4, in said Block 18.

Parcel 2:

Lot 11, in Block 18, according to Original Plat of Racine, subject, however, to the wall presently on and between Lots 11 and 12, in said Block 18. Said land being in the City of Racine, County of Racine and State of Wisconsin.

Parcel 3:

Lots 5, 10 and the North 10 feet of Lot 9, Block 18, and the North 10 feet of the West 10 feet of Lot 4, Block 18, all in Original Plat of Racine, (in the Southeast 1/4 of Section 9, Township 3 North, Range 11 East. Said land being in the City of Racine, County of Racine, State of Wisconsin.

Lots 3 and 12, Block 18, Original Plat of Racine, according to the recorded plat thereof. Said land being in the City of Racine, County of Racine and State of Wisconsin.

95-54-002

HOME FUNDS PROMISSORY NOTE

\$(800,000.00) PROMISSORY NOTE
(Home Funds Loan)

PLACE: Racine, WI

DATE: June 1, 1995

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of the City of Racine, a Wisconsin municipal corporation ("City"), at its offices located at City Hall, 730 Washington Avenue, Racine, Wisconsin 53403, Attn: Treasurer, the principal sum of Eight Hundred Thousand (\$800,000.00) Dollars, without interest, on or before eighteen (18) years after the earlier of (1) the date on which a certificate of occupancy is issued by the proper governmental authority for the whole of the Main-Lake Project, as that term is defined in the Home Agreement; or (2) December 31, 1996.

DELINQUENCY CHARGE. If the principal owed under the note, if any, is not paid on or before the 15th day after its due date, the prime rate as printed in the Wall Street Journal on the unpaid balance until the amount due under the Note is paid in full.

The entire principal balance shall become immediately due and payable to the City upon written notice to Maker upon the occurrence of an Event of Default under the Home Loan Regulatory Agreement executed contemporaneously herewith ("Agreement") which is not cured within the time period provided in the Agreement.

THE UNDERSIGNED acknowledges receipt of an exact copy of this Note.

NOTICE TO BORROWER

- A. DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES.
- B. YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.

Signed and sealed this 19th day of June, 1995 at Madison, Wisconsin.

Main-Lake, LLC, a Wisconsin
Limited Liability Company
The Alexander Company, Inc.,
Authorized Member

WITNESS:

Joan C. Heid

By: Randall P. Alexander
Randall P. Alexander, President