

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into as of the date last executed by any party below, by and among **HERMAN & KITTLE PROPERTIES, INC.**, a business corporation organized and operating under the laws of the State of Indiana and qualified to do business in the State of Wisconsin (“Herman Kittle”), **LUTHERAN SOCIAL SERVICES OF WISCONSIN AND UPPER MICHIGAN, INC.**, a non-profit corporation organized and operating under the laws of the State of Wisconsin (“Lutheran”), **1520 CLARK STREET, L.P.**, a limited partnership organized and operating under the laws of the State of Wisconsin (“1520 Clark”) (Herman Kittle, Lutheran and 1520 Clark are collectively referred to herein as the “Developer”), the **CITY OF RACINE**, a municipal corporation located in Racine County, Wisconsin and the **REDEVELOPMENT AUTHORITY OF THE CITY OF RACINE** (latter two collectively, “City”) (all parties to this Agreement are collectively referred to as “the Parties”). Except as otherwise provided herein, this Agreement shall remain in effect for the duration of the TIF District.

Recitals

Whereas, subject to the City providing the financial assistance provided herein, Developer intends to purchase and develop parcels of land for multi-family residential development located at 1520 Clark Street and 1536 Clark Street comprised of approximately 3.07 acres, listed and legally described on **Exhibit A** (“Property”), and upon which is currently located a large, former industrial building that has been underutilized for several years, and which requires environmental remediation (i.e., asbestos and lead removal) in order to begin the redevelopment;

Whereas, Developer has proposed to completely renovate and redevelop the Property into a residential multi-family development, as described in greater detail herein and in accordance with City Council Resolution Nos. 15-0022 and 15-0023 attached hereto as **Exhibit B** (“Project”);

Whereas, the Project, will include the construction of apartments and other improvements within the Property resulting in an increased combined real and personal property tax assessment of at least \$2.4 Million as generally depicted on the site plan attached hereto as **Exhibit C**;

Whereas, the work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (“Section 3”) having the purpose to ensure that employment and other economic opportunities generated by applicable HUD assistance or HUD-assisted projects, covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, and United States Environmental Protection Agency Minority and Woman Owned Business contracting requirements for minority and women owned businesses, and to achieve these purposes consult, among others, local trade unions and the Racine County Workforce Development Center. It is anticipated that the Project will result in 8 to 10 new construction jobs and 2 new permanent jobs post construction.

Whereas, the City entered to an agreement with Lutheran under the HOME Investment Partnership Program dated July 16, 2015 related to the Property providing for financial assistance of Four Hundred and Thirty-Nine Thousand Dollars (\$439,000.00) for Developer to undertake certain activities to provide and expand the supply of decent, safe, sanitary and affordable housing in the City under Title 11 of the National Affordable Housing Act of 1990 from the United States Department of Housing and Urban Development (“HOME Funds”) (the “HOME Agreement”);

Whereas, HOME Funds may be used for pre-development expenses incurred for acquisition of land, demolition, site preparations and improvement, securing of buildings, construction materials and labor.

Whereas, it has been determined that the Property is a brownfields clean up site and clean-up costs will be approximately \$1.2 Million Dollars;

Whereas, a Remedial Action Options Report was prepared for the Project by Ayres Associates dated December 2015 to perform environmental assessment activities to support the redevelopment proposed at the Project (the “ROAR Report”);

Whereas, the ROAR Report recommended that the following integrated remedial approach to implementation at the site: In-situ Metals Remediation (in hot spots), limited soil excavation with off-site disposal, engineered surface barrier, and natural attenuation of groundwater in conjunction with Vapor Intrusion Mitigation; with an estimated cost of Nine Hundred Sixty-Two Thousand Five Hundred Dollars (\$962,500);

Whereas, Racine County Economic Development Corporation (“RCEDC”) administers, on behalf of the City, the Brownfield Cleanup Revolving Loan Fund (“BCRLF”) funded by United States Environmental Protection Agency to provide low interest, attractive term loans and grants for cleanup projects of impacted sites in the City. Developer has applied for: (a) two loans, one loan in the amount of One Hundred Eighty Two Thousand Five Hundred Dollars (\$182,500) for petroleum cleanup and another loan is in the amount of Three Hundred and Ninety Seven Thousand Five Hundred Dollars (\$397,500) for hazardous cleanup (collectively in the combined amount of Five Hundred and Eighty Thousand Dollars (\$580,000) to pay for costs to cleanup the Property (the “BCRLF Loans). Each loan requires the Developer to match twenty (20) percent of Developer funds toward cleanup costs; and (b) a Seventy-Five Thousand Dollars (\$75,000.) subgrant subject to certain application, terms and conditions in addition to the BCRLF Loans (the “BCRLF Subgrant”) (the BCRLF Loans together with the BCRLF Subgrant are referred to herein as the “BCRLF Facilities”);

Whereas, given its location, size and long-term underutilization, the Property’s redevelopment is a high priority for the City, and the City has concluded that such redevelopment on this Property and surrounding properties would not occur without the financial assistance provided herein;

Whereas, Developer, which has options to purchase the Property, has determined that without the City providing a tax incremental financial incentive in the amount of Six Hundred Seventy-Six Thousand Dollars and 00/100 (\$676,000.00) as security for the repayment of the unpaid principal and interest (including capitalized interest) and all other obligations and liabilities of the Developer to RCEDC, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the BCRLF Facilities (hereafter the “BCRLF Obligations”), the Project would not be financially feasible;

Whereas, the City has spent considerable resources in developing a vision for the area surrounding the Property as expressed in the document titled “Uptown Neighborhood Strategic Development Plan”, and adopted through the City Common Council ordinance ZOrd. 001-15 and Resolution Res. 15-0094;

Whereas, Developer has indicated its intent to redevelop and reuse the Property consistent with the City’s goals, plans and vision;

Whereas, the Developer and the City believe it would be in their mutual best interest and the best interest of the public for the two parties to work together in the advancement of the redevelopment plan, the City has applied for a Wisconsin Economic Development Corporation ("WEDC") Idle Industrial Sites Redevelopment Program Grant for up to \$500,000. for the Property;

Whereas, on June 6, 2016, the Redevelopment Authority of the City of Racine has reviewed the essential terms of this Agreement and recommended approval of this Agreement and authorized its execution subject to approval of the Agreement by the City Common Council;

Whereas, on June 13, 2016, the Finance and Personnel Committee of the Common Council reviewed the essential terms of this Agreement and has recommended approval of this Agreement and authorized its execution subject to approval of the Agreement by the City Common Council; and

Whereas, on June 21, 2016, the Common Council of the City of Racine has reviewed the essential terms of this Agreement and authorized its negotiation and execution;

Now, therefore, in consideration of the recitals and mutual agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Agreement

1. Recitals and Exhibits. The above recitals, which are incorporated herein by reference, are true and correct. All Exhibits referred to in this Agreement are incorporated into this Agreement by reference.

2. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) “Gross Annual Tax Increment” means: The total city, county, school and all other general property taxes levied and collected on the Property that is in excess of the taxes collected based on the Tax Incremental Base Value.

(b) “Net Tax Increment” means: An amount equal to the difference between (i) the Gross Annual Tax Increment collected by the City in a given year on the Property, minus (ii) the actual legal, financial, engineering and administrative expenses incurred by the City, excluding costs related to City employees, in connection with the TIF District for the immediately preceding calendar year.

(c) “Plans” means: Final detailed plans and specifications for the Project as approved by the City and other requisite approving authorities, which may include, without limitation, the following: all improvements now located or to be located on the Property, the footprint of all improvements and the square footage of all improvements, all easements, pathways, exterior boundary lines, walkways, parking and circulation areas, adjoining public streets and alleys, utilities, exits and entrances, all signage, curbs, gutters, sidewalks, landscaping, medians and street lighting, all materials to be used in construction, all interior and exterior finishes, the number and types of units, the number of stories in the building, building sections and elevations, description of room and space sizes, plan arrangement of rooms and functional spaces, exterior elevations, the stacking of floors and all construction elements, a narrative description of all structural systems, mechanical systems, electrical systems and any specialty systems. Once approved, Plans may not be altered by Developer without the prior approval of the City, which approval shall not be unreasonably withheld, conditioned or delayed.

(d) “Project Plan” means: The Project Plan for Tax Incremental District No. 19, City of Racine, approved by the City Plan Commission on March 30, 2016 and by the Common Council of the City of Racine on April 19, 2016, and by the Standing Joint Review Board on May 9, 2016, as amended from time-to-time.

(e) “Cost Breakdown” means: A current completion and draw schedule and cost breakdown of construction and non-construction cost items (i.e., a line-item budget), clearly identifying development, construction, furnishing, equipping, financing, contingency and all other direct and indirect costs of development, construction and installation of the Project in accordance with the approved Plans, including a detailed schedule for the completion of same. The Initial Cost Breakdown is incorporated as **Exhibit D** hereto and is subject to refinement by the Developer with the approval of the Director of City Development.

(f) “Redevelopment Completion” means: The Project has been substantially completed in accordance with the approved plans and specifications therefor, as certified by Developer’s architect and as determined by the City’s Building Inspector and the Director of City Development and upon the issuance of a certificate of occupancy by the City for all of the

residential rental units in the Project. A certificate of occupancy may be subject to the later completion of landscaping, punch list items and weather-dependent items;

(g) “Tax Incremental Base Value” means: \$407,135. for the Property.

(h) “TIF District” means: Racine Tax Incremental District No. 19.

3. But-For Determination. The parties acknowledge and agree that but for the financial assistance provided by the City to Developer under this Agreement, the Project would not occur, or would not occur in a manner desired by the City. The City has reviewed Developer’s preliminary sources, uses and cash flow information for the Project and has determined that financial assistance as provided for herein is required to enable Developer to acquire and redevelop the Property in a manner desired by the City while also providing Developer with a fair and reasonable rate or return on its investment.

4. Land Acquisition.

(a) Developer Land Acquisition. 1520 Clark shall acquire the fee simple interest in the Property as provided herein no later **July 31, 2016** for the indicated parcels that comprise the Property (the “Acquisition Deadline”) or such later date as agreed in writing between the Parties. The acquisition will be deemed completed upon recording of warranty deeds conveying title of the Property to 1520 Clark with the Racine County Register of Deeds. The commitments herein are subject to the force majeure provisions set forth in this Agreement.

5. Developer Deliverables.

(a) Investment. Developer shall make a minimum total Project investment of \$14 Million Dollars in the Property with the Parties recognizing that the investment includes a variety of costs including significant costs for environmental rehabilitation at set forth on the attached **Exhibit E** containing a breakdown of costs from the HOME Funds application;

(b) Project Completion. Developer shall complete the Project, as provided herein and in compliance with the Plans, the HOME Agreement , and all applicable approval conditions, and achieve Redevelopment Completion no later than December 31, 2017;”)

(c) Minimum Assessed Value. Developer further commits that the Property will have a combined real and personal property assessed value of at least \$2.4 Million by January 1, 2018 (“Minimum Assessed Value”). The commitments herein are subject to the force majeure provisions set forth in this Agreement.

6. Redevelopment Incentive.

(a) TIF Incentive related to BCRLF Loans. Subject to all terms and conditions set forth in this Agreement, the City will make available to Developer a tax increment financing incentive of up to Six Hundred Seventy-Six Thousand Dollars and 00/100

(\$676,000.00) to Developer to be utilized to repay the BCRLF Loans, including principal and interest (“TIF Incentive”) under the following terms:

- (1) The City will hold the TIF Incentive funds and will advance such funds in accordance with a repayment schedule (including for capitalized interest) in compliance with the requirements of the BCRLF program provided, however, that no payment shall be due until there is available Net Tax Increment from the Property;
- (2) Payment to the Developer from the BCRLF shall be authorized with a draw request form approved by RCEDC and paid out of the BCRLF account;
- (3) An invoice will be prepared by RCEDC to the City to repay the BCRLF account in accordance with the repayment schedule for the BCRLF Loans;
- (4) The repayment of the BCRLF Loans shall begin in year 2022 at a one (1) percent interest rate made in yearly payments over ten (10) years;
- (5) The City’s obligation to make payment under this Section 6(a) is contingent on Developer’s continued compliance with the terms of the Agreement, City Council Resolution Nos. 15-0022 and 15-0023 for the Conditional Use Permit (the “Conditional Use Permit”), any agreements under the BCRLF Loans, and the HOME Agreement;
- (6) The City’s obligation to provide the TIF Incentive is conditioned upon Developer obtaining title to the Property free and clear of all liens and encumbrances except for any liens and encumbrances that are acceptable to the City;
- (7) The City’s obligation to provide the TIF Incentive is conditioned upon the Developer applying for and receiving the BCRLF Loans and paying all applicable processing and application fees and meeting all BCRLF Obligations related to the BCRLF Facilities; and
- (8) The City, may at anytime after execution of the Agreement, advance funds to repay the BCRLF so long as there are sufficient funds available for this payment that can be categorized as Net Tax Increment.

(b) **Additional Optional Reimbursement by City.** The City may advance Seventy-Five Thousand Dollars (\$75,000.) at any time within the life of the TIF District after

execution of the Agreement to reimburse the BCRLF Subgrant so long as there are sufficient funds available that are Net Tax Increment from the Property. Developer shall pay all processing and application fees for the Subgrant and shall meet all BCRLF Obligations related to the BCRLF Facilities.

7. Security.

(a) **Note and Mortgage.** Upon execution of this Agreement, Developer shall provide the City with a recorded mortgage and note against the Property naming the City as mortgagee, along with a mortgage title policy benefiting the City with a policy limit of no less than Six Hundred Seventy-Six Thousand Dollars and 00/100 (\$676,000.00), in forms and with such exceptions and endorsements that are acceptable to the City. The mortgage and note shall be in forms acceptable to the City and the note shall provide for a repayment term the same as the repayment terms of the BCRLF Loans, at an annual rate of one (1%) percent simple interest. The City's agreement to provide the TIF Incentive is conditioned upon the Developer executing the Mortgage and Note as described above. The Mortgage shall be recorded with the Racine County Register of Deeds. In the event that construction of the Project ceases for thirty or more consecutive days (subject to force majeure) as determined by the Director of City Development, the City may enforce the mortgage according to its terms and apply any proceeds toward payment of the BCRLF Obligations or to reimburse itself for the TIF Incentive funds that have been disbursed. The City recognizes and agrees that this mortgage will be subordinate to any mortgage securing all or a portion of primary construction financing. The mortgage will be released by the City after Redevelopment Completion is achieved and the BCRLF Obligations have been paid in full. A subordination agreement may be executed by the City to effect the same subject to review and approval by the City Attorney.

(b) **Parent Guaranty.** In the event there is a failure to achieve or maintain the Minimum Assessed Value as set forth herein in any year or an uncured Default after the City's distribution of the TIF Incentive funds to Developer, LSS 1520 Clark Street, LLC, 1520 Clark Street SLP, LLC, Lutheran and Jeffrey Kittle will agree by separate written instrument in a form acceptable to the City that it, as the parent corporations and/or owners of controlling interests of 1520 Clark, shall be liable for payment to the City of the unpaid BCRLF Obligations or any amounts that are specially assessed against the Property under this Agreement, if such specially assessed amounts are not timely paid in full by Developer. Any non-compliance with this Paragraph shall release the City from any remaining liability under this Agreement but shall not release the Developer from their obligations hereunder.

(c) **Special Assessments.**

- (1) Developer agrees that if the Property does not meet the Minimum Assessed Value in any year beginning January 1, 2018 and before the TIF Incentive is reimbursed from Net Tax Increment, the City may levy and collect a special assessment against the Property in said year in an amount equal to the difference between the actual Gross Annual Tax Increment amount and the Gross Annual Tax Increment amount that would have been paid for said year if the

Property had met the Section 1 Minimum Assessed Value (the "Deficiency Amount"). Developer further agrees that the City may levy a special assessment (a "Final Special Assessment") against the Property in the event that there remains a Deficiency Amount by the date on which the TIF District closes, including if the TIF District closes for any reason beyond the City's control earlier than anticipated, or in the event of an uncured breach of this Agreement by Developer. The Final Special Assessment shall be in an amount equal to the Deficiency Amount, including all interest due thereon, and any other amounts due to the City hereunder. The Final Special Assessment shall be payable in ten (10) equal annual installments, at three percent (3%) interest per annum. Pursuant to Sec. 66.0703 of the Wisconsin Statutes, Developer hereby waives, for itself and its successors in interest, any and all requirements of the Wisconsin Statutes that must be met prior to the imposition of any special assessments, including, but not limited to, the notice and hearing requirements, with respect to any special assessments that may be levied hereunder.

- (2) Developer further waives, for itself and its successors in interest, any right to appeal from any such special assessment or any right to raise any legal challenge to any special assessment levied under this Agreement, including without limitation any objection as to the process, substance or public improvement underlying any such special assessment. Were the levying and collection of a special assessment described by this paragraph to be prohibited by any court of competent jurisdiction, Developer agrees that, without need of further process, the City may recover as a tax against the Property the amounts that would have otherwise been assessed under this paragraph by any other lawful means, including, without limitation, by collection as a special charge against the Property, pursuant to Sec. 66.0627 of the Wisconsin Statutes. All proceeds from any special assessment levied and collected under this Paragraph shall be applied by the City to repayment of the Deficiency Amount. So long as Developer is not in default regarding any term, covenant, provision or condition of this Agreement beyond any applicable cure or notice period and there remains Net Tax Increment to be paid, the City covenants that the TIF District will remain open for its statutory life.
- (3) Developer shall obtain the consent from any lender on the Project to any such special assessments and the form of such consent shall be in a form mutually agreeable to the Developer and the City.

(d) **Equipment Purchases.** Developer shall notify the City, in writing, of any purchases of nonexpendable property related to environmental response activities and financed

or paid for through BCRLF and such nonexpendable property shall be remitted to the City of Racine upon completion of required environmental response activities. The City shall own any such nonexpendable property purchased with BCRLF funds. The City shall be entitled to file and/or record any statement of interest with Racine County and/or the State of Wisconsin to reflect such ownership/security interest. At the time that the nonexpendable property is no longer needed for the Project, Developer shall notify the City in writing and the City at its option, may take possession of the nonexpendable property to utilize it for another project or to sell it and retain the proceeds to reimburse the TIF District for the cost of the equipment.

8. City Cooperation. The City shall cooperate with Developer throughout the development of the Project and shall promptly review and/or process all submissions and applications in accordance with applicable City ordinances.

9. City Fees. Developer shall pay all required fees of the City.

10. Audit. The BCRLF requires that if, in any year, more than Five Hundred Thousand Dollars (\$500,000.) is spent out of the fund on any one project, an independent audit of the any such project shall occur in accordance with the applicable regulations. The Developer shall arrange for and pay for such audit utilizing an auditor reasonably acceptable to the City and RCEDC within timeframes required by RCEDC. Copies of such audit shall be submitted to each of the parties of this Agreement and to RCEDC within ten (10) days of receipt. If such audit is determined to be insufficient by the City or RCEDC, the insufficiencies shall be corrected within thirty (30) days of notification.

11. Reimbursement of Site Investigation Costs. If the developer does not reach Redevelopment Completion, Developer shall reimburse the City for previously incurred site investigation costs in the amount of Sixty Eight Thousand Four Hundred Dollars (\$68,400) and such funding shall be paid to City by Developer within Thirty (30) days after notice of default and request for such reimbursement. These costs were paid for by the City from funds available to the City in the US EPA Assessment Grant and shall be reimbursed by Developer if the Project is not completed.

12. Assessed Value Objection Waiver. After the Redevelopment Completion and until termination of the TIF District, Developer agrees, covenants and warrants, which covenants and warranties shall run with the Property and bind future owners and occupants thereof, to refrain from contesting, appealing or challenging in any venue that the Property's assessed value should be lower than the Minimum Assessed Value set forth above, or lower than the assessed value necessary to close out the TIF District within its statutory duration, whichever amount is greater. Notwithstanding this waiver, if the debt to coverage ratio of the project falls below 1.15, then the City will consider adjusting the Minimum Assessed Value based on this change. To invoke any such consideration by the City, the Developer shall submit in writing a request for this adjustment and all necessary financial information determined to be needed by the Director of City Planning and the City Assessor. Nothing herein shall require the City to make any adjustment to the Minimum Assessed Value, however, the Parties agree that including the possibility of an adjustment will contribute to the ultimate success of the Project long-term for the Developer, City and community.

13. Public Improvements – Junction Triangle. In consideration for the vacation of adjacent 15th Street, under Section 14 below, to facilitate parking for the Project and in the event the City is able to obtain the interests in certain properties and to facilitate the redevelopment of the properties into the proposed “Triangle Junction Area” as set forth in **Exhibit C** attached hereto or other site and maintenance plan mutually agreeable to the Parties, the Developer agrees to maintain the proposed “Triangle Junction Area” for the period of affordability as set forth in the HOME Agreement once improved by the City. The maintenance shall be of the green space improvements, excluding asphalt and/or concrete paved off-street parking facilities and their associated improvements. If the City or any entity organized for redevelopment of the area are unable to facilitate the redevelopment of the “Triangle Junction Area” into a publicly accessible park, the City will not require maintenance of the “Triangle Junction Area” by the Developer.

14. 15th Street Vacation. Developer shall incorporate the vacated adjacent 15th Street public right-of-way area to be into the site for additional parking in accordance with the approved Conditional Use Permit and as set forth in **Exhibit F**. Developer shall use its commercially reasonable best efforts to obtain any necessary ownership interests from adjacent property owner(s) for any vacated areas needed to meet required parking ratios under the Conditional Use Permit.

15. Local Sub-contractors. Developer will ensure that the Project will comply with the requirements of Section 3, pay prevailing wages when required by any loan programs or certain funding sources and where all parties agree to keep the project construction “on time” and “on budget” and that no work stoppages will occur and that a dispute process will be strictly followed to resolve construction related conflicts. Copies of reports submitted to state or federal agencies as a requirement of the use of grant or loan proceeds shall be concurrently furnished to the Director of City Development.

16. Conditions Precedent to City’s Performance. In addition to all other conditions and requirements set forth in this Agreement, the obligations of the City under this Agreement, including without limitation the obligations to advance any TIF Incentive funds to Developer, are conditioned upon the prior satisfaction of each and every of the following conditions, updated versions of which periodically may be requested by, and shall be provided to, the City as the \ Project progresses:

(a) Developer has provided the Project Cost Breakdown to the City. The Project Cost Breakdown shall be certified by Developer as accurate and complete and shall be acceptable to the City.

(b) Developer has provided the City, or its designated financial agent, with a detailed, estimated pro-forma operating statement for the Project in a format and containing such details as the City shall require, including without limitation, a detailed sources and uses of funds statement showing the sources of Developer’s equity, the amounts and terms and conditions of all financing obtained by Developer in connection with the Project. The pro-forma shall also include financial information showing Developer’s anticipated profit margin from the Project, including the amount of any developer fee to be paid to Developer and the profits anticipated by

Developer from the redeveloped Property, in addition to such other information as may be required by the City or its designated financial agent. The pro-forma operating statement must show a state of facts acceptable to the City

(c) Developer has provided the City with evidence satisfactory to the City that Developer is authorized to enter into this Agreement and that the persons signing this Agreement on behalf of Developer are authorized to so sign this Agreement, as well as a certified copy of all articles of incorporation and a certificate of status issued by the Wisconsin Department of Financial Institutions. Such formation documents must be acceptable to the City and must show a state of facts as to ownership, management and control acceptable to the City.

(d) Developer has obtained and provided to the City, or its designated financial agent, evidence that Developer has applied for and/or has secured financing and/or grant proceeds to timely complete the Project in accordance with the approved Plans. Said financing and/or grant proceeds must be for a total amount of not less than the amounts need to to timely complete the Project per the Project Cost Breakdown. Said financing must also be acceptable in all respects to City. Without limitation due to enumeration, such evidence shall include all loan documents and all other agreements between Developer and lenders relating to the Property or to the Project.

(e) Developer has provided the City with acceptable and approved subject to conditions, the final Plans for the Project as recommended for approval by the Downtown Area Design Review Commission on May 18, 2016, and as approved by the City Plan Commission on May 25, 2016.

(f) The City, and all departments and bodies thereof, has approved this Agreement and the transactions contemplated herein, and all other agreements and/or transactions which require approval, and any immediate conditions imposed on Developer or the Project in connection with such approvals have been satisfied. Without limitation due to enumeration, the approvals that are required hereunder shall specifically include those of the any required design review commission.

(g) Developer has provided to the City, or its designated financial agent, audited financial statements for Developer, and any entity members thereof. The financial statements must show a state of facts acceptable to the City. Developer's financial information shall be withheld from public disclosure under the state's open records law to the maximum extent allowed by law.

(h) The City has received any requested evidence, satisfactory to the City, from Developer that the Project conforms and complies with all applicable laws, rules, regulations and ordinances as well as any covenants, restrictions, documents or instruments governing the Property, the Project, and/or the TIF District.

(i) Developer has provided the City an appraisal of the Property prepared by an M.A.I. appraiser approved by the City, showing the fair market value of the Property and of the proposed Project.

(j) Developer has executed and delivered to the City any documents and agreements as are required by this Agreement. Phase 1 environmental reports of the Property have been completed and both the Developer and the City have copies of such Phase 1 reports and any additional reports received thereafter.

(k) Any agreements required of the City by HUD and/or any lender, and any documents or instruments required by HUD and/or any lender to be executed by the City, must be acceptable to the City, in its reasonable discretion.

(l) 1520 Clark Street, L.P. shall have acquired sole ownership of the entire Property prior to the Acquisition Deadline.

(m) At the time the TIF Incentive funds are to be advanced by the City to the Developer, the Developer is not in default regarding any term, covenant, provision or condition of this Agreement.

If all conditions contained in this Paragraph are satisfied, or if such conditions are waived in writing by the City, then the above conditions shall be deemed satisfied. Otherwise, the City may, at its option, exercised in its sole discretion, terminate this Agreement.

17. **Representations and Warranties and Covenants of Developer.** Developer represents and warrants to the City and covenants with the City as follows:

(a) All copies of financial statements, documents, contracts and agreements furnished to the City are true and correct in all material respects, and any materially adverse change thereto will be immediately reported to the City.

(b) All federal, state and local, including property, taxes, and all required tax returns, will be paid and completed prior to any taxes becoming delinquent.

(c) All work performed and materials furnished for the Project shall be timely paid for, except that Developer reserves the right to challenge, to the fullest extent permitted by law, an obligation to make any payment for work or materials not adequately performed.

(d) No statement of fact contained in this Agreement and no statement of fact furnished or to be furnished to the City pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein contained not misleading at the time when made.

(e) There is no litigation or proceeding pending or threatened against or affecting Developer that would adversely affect the Project or the enforceability of this Agreement, the ability of Developer to complete the Project or the ability of Developer to perform their obligations under this Agreement.

(f) The Project Cost Breakdown accurately reflects all redevelopment costs that will be incurred in the development, completion, construction, furnishing and equipping of

the redevelopment, and the City shall be entitled to rely on the Project Cost Breakdown. Developer knows of no circumstances presently existing or likely to occur which would or could be expected to result in a material variation or deviation from the Project Cost Breakdown.

(g) No default, or event which with the giving of notice or lapse of time or both would be a default, exists under this Agreement, and Developer is not in default (beyond any applicable period of grace) of any of its obligations under any other agreement or instrument entered into in connection with the Project.

(h) Except as provided in subparagraph (i), Developer will not change its controlling ownership for the duration of this Agreement, without the prior written consent of the City, which may be withheld in the City's sole discretion, except that such consent shall not be unreasonably withheld by the City if the change relates solely to the limited partner investor interest in 1520 Clark held by U.S. Bancorp Community Development Corporation ("USB") and provided further, that such consent shall not be required if the interest is transferred to an affiliate of USB and USB continues to be liable for capital contributions following such transfer.

(i) During construction of the Project, Developer may not sell, convey, assign, or otherwise transfer the Property, or any controlling interest in the Property, or any controlling interest in the operation and management of the Property or the Project without the prior written consent of the City, which may be withheld in the City's sole discretion, except that such consent shall not be unreasonably withheld by the City if the change relates solely to the limited partner investor interest in 1520 Clark held by U.S. Bancorp Community Development Corporation ("USB") and provided further, that such consent shall not be required if the interest is transferred to an affiliate of USB and USB continues to be liable for capital contributions following such transfer.

(j) Developer will continue construction of the Project diligently and shall complete the Project no later than the Project Completion Deadline.

(k) Developer will conform and comply with, and will cause the Project to be in conformance and compliance with all applicable federal, state, local and other laws, rules, regulations and ordinances, including without limitation, all zoning and land division laws, rules, regulations and ordinances, all building codes and ordinances of the City, all environmental laws, rules, regulations and ordinances and all applicable securities laws, rules, regulations and ordinances. Developer covenants that it will perform and observe the covenants contained in, and the Project will conform and comply with, the covenants, restrictions, documents or instruments governing the Property and/or the TIF District, and the HOME Program and HOME Agreement. Developer will comply with the reporting requirements set forth on **Exhibit H**.

(l) The Project will be constructed in a good and workmanlike manner and substantially in accordance with the Plans, and any material defects, structural or otherwise, in construction or deviations from the Plans will be promptly remedied by Developer. The Project shall be completed free of all liens and encumbrances except as permitted by this Agreement.

(m) Developer will permit the City, and the City's designated construction consultant or construction reviewer, at all reasonable times: (a) to review the Project and all matters relating to the thereto, and (b) to review and copy all of Developer's and its contractors' books and records pertaining to the Project. The City assumes no obligation to Developer for the sufficiency or adequacy of such reviews, it being acknowledged that such reviews are made for the sole and separate benefit of City. Any and all notes and copies of records made by or on behalf of the City related to such reviews shall be treated as confidential to the full extent permitted by law. The fact that City may make construction reviews shall in no way relieve Developer from the duty to independently ascertain that the Project is being completed in accordance with the approved Plans.

(n) Developer shall:

- (i) As soon as possible and in any event within five (5) business days after receiving notice of the occurrence of any default, notify City in writing of the action which is being taken or proposed to be taken with respect thereto.
- (ii) Promptly notify City of the commencement of any litigation or administrative proceeding that would cause any representation and warranty or covenant of this Agreement to become untrue in any material respect.
- (iii) Notify City, and provide copies, immediately upon receipt, of any notice, pleading, citation, indictment, complaint, order or decree pertaining to the Property or the Project from any federal, state or local government agency or regulatory body, asserting or alleging a circumstance or condition that requires or may require a financial contribution by Developer or an investigation, clean-up, removal, remedial action or other response by or on the part of Developer under any environmental laws, rules, regulations or ordinances or which seeks damages or civil, criminal or punitive penalties from or against Developer for an alleged violation of any environmental laws, rules, regulations or ordinances.

(o) During the term of this Agreement, Developer will provide to the City, or the City's designated financial consultant, on or before ninety (90) days following the end of each tax year, year-end audited financial statements for the Project, including balance sheets and income statements. All financial statements shall be certified by Developer's auditor and/or accountant, and by Developer.

(p) Developer shall have in effect at all times, all permits, approvals and licenses as may be required by any governmental authority or non-governmental entity in connection with the Project.

(q) By the Completion Deadline, and for the duration of this Agreement, if not managed by the Developer, management of the Property shall be vested in a property manager or property management company with a level of commercial and residential property management experience that is deemed reasonably acceptable to the Director of City Development.

(r) The representations and warranties contained herein shall be true and correct at all times as required by this Agreement, and shall be complied with during the term of this Agreement.

18. **Insurance.** Developer, and any contractors or subcontractors, shall maintain the following insurance policies issued by insurers with a rating of at least “A-” and in the financial size category of at least “VII” as established by A.M. Best Company and licensed-to do business in the State of Wisconsin, with such policies (the “Insurance Policies”) covering loss by perils, hazards, liabilities and other risks and casualties and in such amounts as may be reasonably required by the City:

(a) Following completion of construction of the Project, property insurance in a standard “Special Causes of Loss” coverage form (including without limitation, insurance against fire, flood, water damage, collapse, terrorism, windstorm, hail, boiler and machinery, if applicable, sewer back-up, business interruption, and such other risks of loss as the City reasonably may require), that provides insurance coverage against loss of or damage to the Property, in amounts equal to 100% replacement cost of all buildings, improvements, fixtures, equipment and other real and personal property with an extended replacement cost endorsement;

(b) During the construction of the Project, builder’s risk insurance in form and amounts reasonably satisfactory to the City;

(c) During the term of this Agreement, commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in an amount not less than \$2,000,000.00 combined single limit for bodily injury, including personal injury, and property damage;

(d) During the term of this Agreement, worker’s compensation insurance in amounts meeting all statutory state and local requirements;

(e) Pollution or environmental impairment insurance in the amount of at least \$1 Million per occurrence, provided that the cost of such insurance shall not exceed One Hundred Thousand Dollars (\$100,000.) and in such case the Parties will meet and mutually agree upon the appropriate level and term of such insurance for the cost not to exceed the stated amount;

(f) Insurance required as set forth on attached **Exhibit G** and such other insurance as may be reasonably requested by the City, if any.

Each Insurance Policy shall require the insurer to provide at least thirty (30) days prior written notice to the City of any material change or cancellation of such policy. The City, its officials, officers, employees and agents shall be named as additional insured/loss payee on all policies of

insurance by specific endorsement except worker's compensation insurance. A Certificate of insurance shall be provided to the Director of City Development.

19. **Damage/Destruction.** Developer shall not be released from its liabilities and obligations under this Agreement in the event of fire, damage or any other casualty to any part of the Project prior to completion of the Project. In such event, Developer agrees, at its cost and expense, to complete the Project in accordance with the Plans. Any change in the Project Cost Breakdown resulting from the fire, damage or other casualty must be approved by the City. The Project Completion Deadline shall be extended by the City for such amount of time as is reasonable in light of the circumstances. In the event fire, damage or any other casualty to any part of the Property occurs after the completion of Project, Developer shall cause the Property to be fully restored to its pre-casualty condition as soon as is reasonable under the circumstances. All of Developer's obligations in this Paragraph 19 are subject to the rights of Developer's lender(s).

20. **Default.** The occurrence of any one or more of the following events shall constitute a default ("Default") hereunder:

(a) Any representation or warranty made to the City in this Agreement, or any document or financial statement delivered pursuant to this Agreement, proves to have been false in any material respect as of the time when made or given; or

(b) Developer breaches or fails to perform timely or observe timely any of its covenants or obligations under this Agreement, and such failure shall continue for thirty (30) days following written notice thereof from City (or such longer period of time as is necessary to cure the default as long as Developer has commenced the cure of the default within the 30-day period, is diligently pursuing the cure of the default and as long as the default is cured not later than 120 days following the notice thereof from the City). If an unperformed obligation involves the payment of money owed to the City, and if such breach is not cured as provided in this paragraph, the unpaid amount shall accrue interest at the rate of 1% per month retroactive to the date that such amount was due; or

(c) Construction of the Project is abandoned for more than thirty (30) consecutive days subject to force majeure, the Project is not completed on or before the Project Completion Deadline, or any portion of the Project is damaged by fire or other casualty and not be repaired, rebuilt or replaced as required herein;

(d) The City breaches or fails to perform timely or observe timely any of its covenants or obligations under this Agreement, and such failure shall continue for thirty (30) days following written notice thereof from Developer (or such longer period of time as is necessary to cure the default as long as the City has commenced the cure of the default within the 30-day period, is diligently pursuing the cure of the default and as long as the default is cured not later than 120 days following the notice thereof from Developer or Principal). If an unperformed obligation involves the payment of money owed to the Developer or Principal, and if such breach is not cured as provided in this paragraph, the unpaid amount shall accrue interest at the rate of 1% per month retroactive to the date that such amount was due; or

(e) Developer: (i) becomes insolvent or generally does not pay, or is unable to pay, or admit in writing its inability to pay, its debts as they mature; or (ii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets; or (iii) becomes the subject of an “order for relief” within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan or other arrangement with creditors; or (iv) has a petition or application filed against it in bankruptcy or any similar proceeding, or have such a proceeding commenced against it, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) days or Developer shall file an answer to such a petition or application, admitting the material allegations thereof; or (v) applies to a court for the appointment of a receiver or custodian for any of its assets or properties, or have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged within ninety (90) days after his appointment; or (vi) adopt a plan of complete liquidation of its assets; or

(f) The Property is foreclosed upon; or,

(g) A default occurs under any other loan, indebtedness or agreement under which Developer is obligated to the City or any other person or entity with respect to the Project, which default is not cured within the applicable cure period, if any.

21. Remedies.

(a) Upon the occurrence of any Default, and the expiration of the applicable cure period without cure, without further notice, demand or action of any kind by the nondefaulting party, the nondefaulting party may, at its option, pursue any or all of the rights and remedies available to it at law and/or in equity against the other party and, if appropriate, against the Property. 1520 Clark’s limited partner shall have the right, but not the obligation, to cure defaults hereunder in the same manner as Developer.

(b) In case of a Default by Developer under this Agreement, the City’s obligation to make any payments to Developer shall automatically terminate and the City shall thereafter have no further obligations to Developer with respect to any such payments. However, payments due under the BCRLF Loans shall still be paid by the City through the TIF Incentive or other method. Additionally, the City may, in its sole discretion and at Developer’s cost, perform or contract for the performance of such additional work as the City deems reasonably necessary to secure the Property and the value thereof, which may include the completion of any partially-completed Project work. Developer further agrees that the City may also immediately impose a Final Special Assessment against the Property, as provided herein.

(c) Except as may be otherwise specifically set forth herein, no remedy shall be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, and/or now or hereafter existing at law or in equity. No failure or delay on the part of either party in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude other or further exercise thereof or the exercise of any other right or remedy.

22. Costs. All reasonable fees, costs and expenses incurred by the City, including attorneys fees, in connection with the negotiation, preparation and enforcement of this Agreement, and the Project, and all documents and agreements executed in connection therewith, but excluding any costs related to City employees, shall be paid as a TIF District cost or expense, which shall be paid from Gross Annual Tax Increment.

23. City's Right to Cure Default. In case of failure by Developer to procure or maintain insurance, or to pay any fees, assessments, charges or taxes arising with respect to the Project or to comply with the terms and conditions of this Agreement or any other document, contract or agreement affecting the Project, including without limitation, the terms and conditions of any documents governing any loan, the City shall have the right, but shall not be obligated, to effect such insurance or pay such fees, assessments, charges or taxes or take such action as is necessary to remedy the failure of Developer to comply with the documents, contracts or agreements affecting the Project, and, in that event, the cost thereof shall be payable by Developer to the City, and shall be chargeable against to the Developer or as a special assessment against the Property in the event that Developer fails to reimburse the City within the time allowed.

24. Parking. Developer understands and agrees that it shall be Developer's obligation to provide such off-street parking as is shown on the approved Plans, except as such Plans may be altered with the City's prior approval.

25. Signage. All signage installed during the Project, both during construction and after completion of the Project, must comply with all applicable laws, rules, regulations and ordinances. All signage shall be maintained, repaired and replaced as necessary by Developer or responsible party, at its expense. During construction of the Project, Developer shall post signage at the Project acknowledging that a portion of the funding for the project is being provided by the City and other funding agencies.

26. Tax-Exempt Covenant. Developer agrees that: (1) for fifteen (15) years from January 1, 2018, it will not sell, lease, assign or otherwise transfer or convey any interest in the Project or the Property to a person or entity exempt from general property taxation or in a manner which would cause all or any portion of the Property to be exempt from general property taxation; (2) if after the fifteen (15) year period, the Property is owned by a person or entity that is exempt from general property taxation, the Property will not be considered tax exempt for the remaining life of the TIF District and for a period of ten (10) years thereafter; and (3) during the life of the TIF District and for a period of ten (10) years thereafter, the Developer agrees that it will not apply for tax exempt status for the Property (collectively the "Tax-Exempt Covenant"). The Tax Exempt Covenant shall remain in effect after the termination of this Agreement. This Agreement shall be recorded with the Racine County Register of Deeds by the City, and Developer agrees that the Tax-Exempt Covenant will run with the Land and will bind all present and future owners of the Property for the time periods specified in this Paragraph 26. In the event any court finds the Tax-Exempt Covenant is not valid or enforceable or if for any reason the Tax-Exempt Covenant is terminated or if for any reason the property is declared tax-exempt, then Developer, or its successors and assigns, shall

make payments in lieu of taxes to the City in an amount equal to the amount of property taxes that would have been collected were the Property taxable, and by the same date that the last installment tax payment on the Property would have been due were the entire Property taxable. City understands that the general partner of 1520 Clark is LSS 1520 Clark Street, LLC (“General Partner”) and the General Partner is controlled by Lutheran Social Services of Wisconsin and Upper Michigan, Inc., a tax-exempt entity (the “Parent”). The General Partner and Parent’s status shall not be considered a violation of this section because regardless of the General Partner and Parent’s status, 1520 Clark is not an entity that is tax-exempt and 1520 Clark will not seek to become a tax-exempt entity based on the status of its General Partner and/or the Parent.

27. Indemnifications. Except to the extent of the negligent or willful acts or omissions of the City or its employees, agents, officers or contractors or relating to any Public Improvements on and after their transfer to the City, Developer hereby indemnifies, defends, covenants not to sue and holds the City and its employees, agents, and officers, harmless from and against all loss, liability, damage and expense suffered or incurred by the City by reason of the following: (a) the failure of Developer or any of Developer’s contractors, subcontractors, agents, employees, or invitees to comply with any environmental law, rule, regulation or ordinance, or any order of any regulatory or administrative authority with respect thereto; (b) any release by Developer or any of Developer’s contractors, subcontractors, agents, employees, or invitees of petroleum products or hazardous materials or hazardous substances on, upon or into the Property; (c) any and all damage to natural resources or real property or harm or injury to persons resulting or alleged to have resulted from any failure by the Developer and/or any of Developer’s contractors, subcontractors and/or agents to comply with any law, rule, regulation or ordinance or any release of petroleum products or hazardous materials or hazardous substances as described in clauses (a) and (b) above; (d) any violation by Developer in conjunction with the Project or at the Property of any environmental law, rule, regulation or ordinance; (e) claims arising in connection with the Project under the Americans With Disabilities Act, and any other laws, rules, regulations or ordinances; (f) injury to or death of any person at the Project; and (g) the failure of Developer to maintain, repair or replace, as needed, any portion of the Property.

The terms “hazardous substances” means any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation, any substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “toxic substances” under any applicable federal or state or local laws or regulations.

28. Fire and Safety Hazards. Developer agrees to complete the Project and operate the Property in conformance with all fire and safety standards specified by applicable law.

29. Nondiscrimination. Developer agrees that the Project shall not be sold to, leased or used by any party in a manner to permit discrimination or restriction on the basis of race, creed, ethnic origin or identity, color, gender, religion, marital status, age, handicap or national origin, and that the construction and operation of the Project shall be in compliance

with all laws, rules, regulations and ordinances relating to discrimination or any of the foregoing.

30. No Personal Liability. Under no circumstances shall any alderperson, officer, official, director, attorney, employee or agent of the City have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

31. Staff Approval. Except for this Agreement itself, and any amendments thereto, all other documents and agreements that require approval by the City in connection with this Agreement, or the Project, may be approved by an appropriate staff person designated by the City.

32. Miscellaneous.

(a) Except as otherwise specifically set forth herein, the respective rights and liabilities of the parties are not assignable or delegable, in whole or in part, without the prior written consent of the other party.

(b) No waiver, amendment, or variation in the terms of this Agreement shall be valid unless in writing and signed by the parties, and then only to the extent specifically set forth in writing.

(c) All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (i) upon delivery to an officer of the person entitled to such notice, if hand delivered, or (ii) two business days following deposit in the United States mail, postage prepaid, or with a nationally recognized overnight commercial carrier that will certify as to the date and time of delivery, airbill prepaid, and each such communication or notice shall be addressed as follows, unless and until any of such parties notifies the others of a change of address:

If to the City:

City of Racine,
730 Washington Avenue
Racine, WI 53403
Attention: City Clerk

And to:

City of Racine
730 Washington Avenue
Racine, WI 53403
Attention: Director of City Development

If to 1520 Clark and Lutheran: 647 W. Virginia St
Suite 200
Milwaukee, WI 53204
Attn: Dennis Hanson

If to Herman Kittle: 500 East 96th Street
Suite 300
Indianapolis, IN 46240
Attn: Jeffrey L. Kittle

Copies to U.S. Bancorp Community
Development Corporation: 1307 Washington Avenue, Suite 300
Mail Code: SL MO RMCD
St. Louis, MO 63103
Attn: Director of LIHTC Asset
Management

(d) This Agreement and all documents executed pursuant to it contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement and the documents executed in connection with this Agreement. This Agreement and the documents executed in connection herewith supersede all prior negotiations, agreements and undertakings between the parties with respect to the subject matter hereof.

(e) This Agreement is intended solely for the benefit of the parties, and no third party (other than successors and permitted assigns) shall have any rights or interest in any provision of this Agreement, or as a result of any action or inaction in connection therewith. Without limiting the foregoing, no approvals given pursuant to this Agreement by Developer or the City, or any person acting on behalf of any of them, shall be available for use by any contractor or other person in any dispute relating to the Project.

(f) This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Wisconsin applicable to contracts made and wholly performed within such state. The venue for any legal action arising under and/or pertaining to this Agreement shall solely and exclusively be Racine County Circuit Court in Racine, Wisconsin.

(g) This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same agreement. Facsimile signatures shall be deemed original signatures for all purposes of this Agreement.

(h) Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or

unenforceability without invalidating the remaining provisions of this Agreement in such jurisdiction or affecting the validity or enforceability of any provision in any other jurisdiction.

(i) Nothing contained in this Agreement or any other documents executed pursuant to this Agreement, shall be deemed or construed as creating a partnership or joint venture between or among any of the parties, or between or among any of the parties and any other person, or cause the City to be responsible in any way for the debts or obligations of Developer or any other person. Developer further represents, warrants and agrees, for itself and its successors and permitted assigns, not to make any assertion inconsistent with their acknowledgment and agreement contained in the preceding sentence in the event of any action, suit or proceeding, at law or in equity, with respect to the transactions which are the subject of this Agreement and this paragraph may be pleaded and construed as a complete bar and estoppel against any assertion by or for Developer and its successors and permitted assigns, that is inconsistent with its acknowledgment and agreement contained in the preceding sentence.

(j) Time is of the essence of each and every obligation or agreement contained in this Agreement.

(k) Force Majeure. If any party is delayed or prevented from timely completing construction of the Project, by reason of fire, earthquake, war, flood, riot, strikes, labor disputes, governmental restrictions, judicial order, public emergency, or other causes beyond the control of the party obligated to perform, performance of such act shall be excused for the period of such delay and the time for the performance of any such act shall be extended for a period equivalent to such delay.

(l) Recording. This Agreement shall be recorded in the office of the Register of Deeds of Racine County, Wisconsin, prior to the recording of any other mortgage or security on the Property, it being understood by the parties that until termination of this Agreement, this Agreement will run with the land and will be binding upon the Property and the Project and any owner and/or lessee and/or mortgagee of all or any portions of the Property and the Project and their successors and assigns. Upon the termination of this Agreement, the City shall execute and deliver a release to Developer so as to remove this Agreement as a cloud on the Property's title. However, those provisions by their express terms that indicate a continuing obligation or restriction on the Property shall not be removed from the title and such provisions shall continue to run with the land and be binding on the Property for the time period indicated.

(m) The headings in this Agreement are for reference only and are not intended to modify any of the terms and conditions of this Agreement.

(n) Nothing herein is intended to or has the effect of releasing Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

[SIGNATURE PAGES FOLLOW]

Exhibits:

- Exhibit A: Map, Parcel List and Legal Description of Property
- Exhibit B: Common Council Resolutions
- Exhibit C: Site Plan and Elevations
- Exhibit D: Initial Cost Breakdown
- Exhibit E: Project Investment Cost Breakdown
- Exhibit F: 15th Street Vacation Diagram and Parking Facilities Plan
- Exhibit G: Insurance Requirements
- Exhibit H: Disadvantage Minorities Enterprise Reporting

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth below.

CITY OF RACINE

By: _____
John Dickert, Mayor

Attest: _____
Janice Johnson-Martin, City Clerk

COUNTERSIGNED FOR CITY OF RACINE:

Provision has been made to pay the liabilities that will accrue under this Agreement.

David Brown
City Finance Director

APPROVED AS TO FORM:

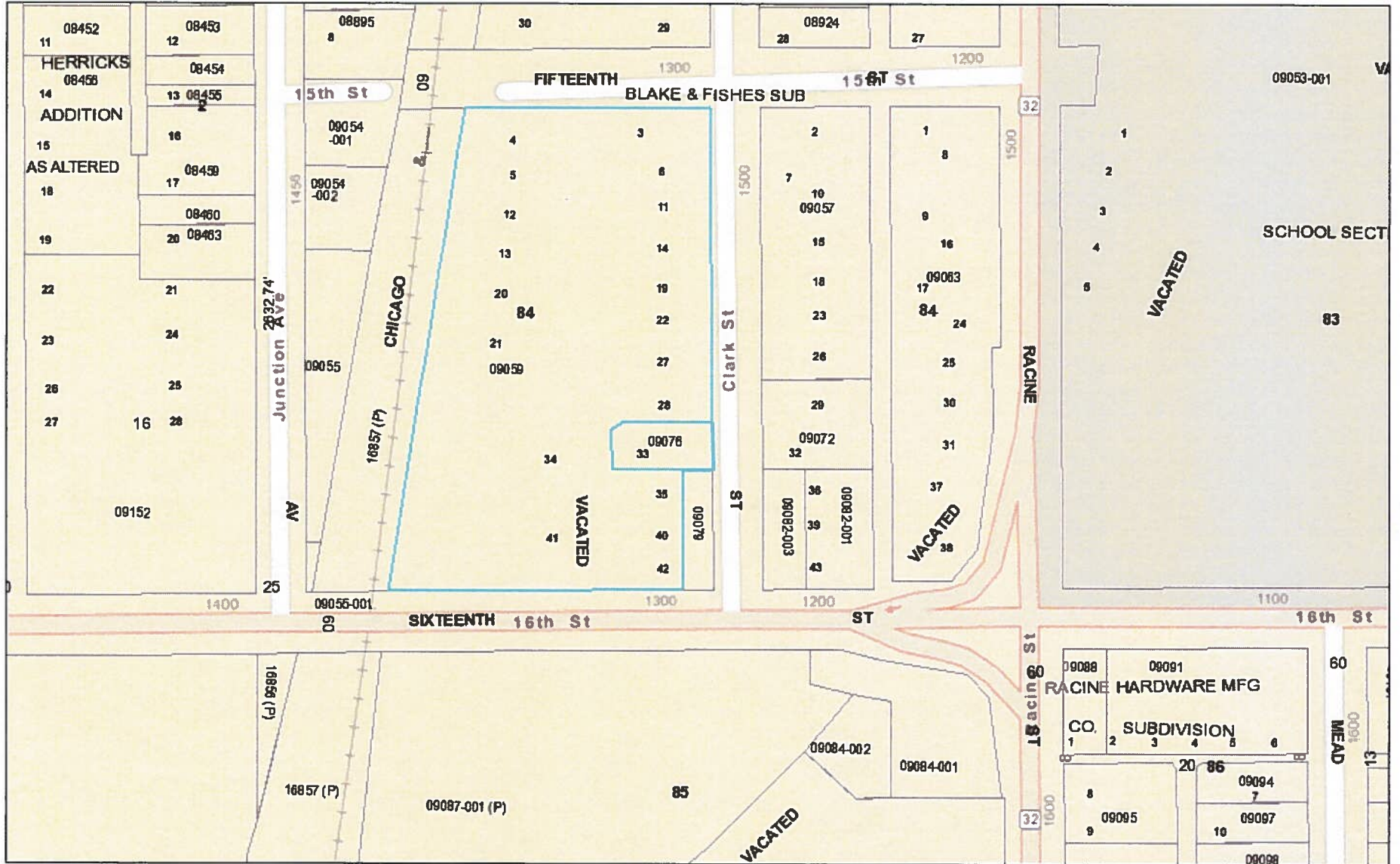
Scott Letteney
City Attorney

STATE OF WISCONSIN)
) SS:
COUNTY OF RACINE)

Personally came before me this ____ day of _____, 2016, John Dickert, Janice Johnson-Martin, David Brown and Scott Letteney to me known to be the persons who executed the foregoing instrument and acknowledged the same on behalf of the City of Racine.

Notary Public
Racine County, Wisconsin
My Commission expires: _____

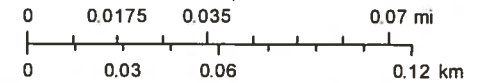
Figure 2 - 1520/1536 Clark Street Tax Parcels



December 3, 2015

Tax Parcels

1:2,257



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand).

Exhibit A
1520 and 1536 Clark Street, Racine, WI Legal Description

PARCEL I (PIN: 276000009059000):

Lots Three (3), Six (6), Eleven (11), Fourteen (14), Nineteen (19) and the North One-half (1/2) of Lot Twenty-two (22), Block Eighty-four (84), Blake & Fish's subdivision of Blocks 77, 83 and 84, Section Sixteen (16), Township Three (3) North, Range Twenty-three (23) East, according to the recorded plat of said Subdivision.

ALSO:

Part of Blake Street vacated, bounded as follows: Begin at the Northwest corner of Lot 3, Block 84, Blake and Fish's Subdivision of Blocks 77, 83 and 84, Section Sixteen (16), Township Three (3) North, Range Twenty-three (23) East; run thence West 20 feet; thence South parallel with the West line of Lots 3, 6, 11, 14, 19 and North 1/2 of Lot 22, 222.1 feet, more or less, to the South line of the North 1/2 of Lot 22, extended West; thence East to the West line of said Lot 22; thence North along the West line of said Lots 22, 19, 14, 11, 6 and 3, 222.1 feet, more or less, to the place of beginning.

ALSO:

All that part of Block 84, Blake & Fish's Subdivision of part of the Blocks 77, 83 and 84, and all that part of Block 84 outside of said Blake & Fish's Subdivision, all in Section Sixteen (16), Township Three (3) North, Range Twenty-three (23) East, as returned by the Appraisers of School and University Lands to the Office of the Secretary of State of the State of Wisconsin, bounded and described as follows: Begin at a point on the North line of Sixteenth Street at the Easterly line of the right of way of the Chicago and Northwestern Railway Company; run thence East along the North line of said Sixteenth Street, 294.5 feet to a point that is 30 feet West of the Southeast corner of Lot 42, of Block 84 of said Subdivision; thence North parallel to the West line of Clark Street, 121.05 feet to the South line of Lot 33 of Block 84 of said Subdivision; thence West along said South line 70 feet to the Southwest corner of said Lot 33; thence North along the West line of said Lot 33, 35.15 feet; thence North 40° 0' East 17.23 feet to a point that is 8 feet due North of the North line of said Lot 33; thence East parallel to said North line of said Lot 33, 88.92 feet to the West line of Clark Street; thence North along the West line of Clark Street, 92.7 feet to the Northeast corner of the South 20 feet of Lot 22 of Block 84 of said Subdivision; thence West parallel to the South line of said Lot 22, 120 feet to the centerline of Blake Street also called Higgins Street, which Street was duly vacated by the City of Racine by Ordinance passed January 20, 1920 and approved January 21, 1920; thence North along said centerline, 222.10 feet to the South line of Fifteenth Street; thence Westerly along the South line of Fifteenth Street, 125.67 feet to the Easterly line of right of way of Chicago and Northwestern Railway Company; thence Southwesterly along said Easterly line of said right of way to the place of beginning.

Said lands being in the City of Racine, County of Racine, State of Wisconsin.

PARCEL II (PIN: 276000009076000)

That part of Lots 28 and 33, Block 84, Blake and Fish's Subdivision of part of Block 77, 83 and 84, Section 16, Township 3 North, Range 23 East, according to the recorded plat of said Subdivision bounded as follows: Begin at the Southeast corner of said Lot 33; run thence West 100 feet to the Southwest corner of said Lot; thence North along the West line of said Lot 35.15 feet; thence North 40° East 17.23 feet to a point 8 feet due North of the South line of said Lot 28; thence East parallel with the South line of said Lot, 88.92 feet to the East line of said Lot; thence South along the East line of said Lots 28 and 33, 48.45 feet to the place of beginning. Said land being in the City of Racine, Racine County, Wisconsin

ALSO LEGAL TO INCLUDE THAT PART OF 15TH STREET VACATED:

A parcel of land, more particularly described as follows, that being a vacated portion of 15th Street: That part of Block 52 in School Section, a recorded plat in the City of Racine, Racine County, Wisconsin that is part of the Southwest ¼ of Section 16 Township 3 North, Range 23 East described as follows: -that part of vacated 15th Street from the east line of "Chicago and Northwestern Transportation Company" also known as "Union Pacific Railroad;" to west line of Clark Street; Said described tract containing 14,449.80 square feet more-or-less., City of Racine retains upon vacation unto itself a perpetual Easement and right-of-way to construct, reconstruct, maintain, operate, supplement, and/or remove any sewer and/or water mains, or conduit duct system for communications facilities, and other related fixtures, equipment, and appurtenances that may from time to time be required, including the right to preserve, protect, remove or plant thereon any vegetation that the City of Racine may deem necessary or desirable, with the right of ingress and egress for the purpose of this Easement, over the area. All improvements shall be located below grade. Non-use or limited use of the Easement rights shall not prevent the City of Racine from later use of the Easement rights to the fullest extent authorized.



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Master Report

File Number: Res.15-0023

File ID: Res.15-0023

Type: Resolution

Status: Passed

Version: A

Reference:

In Control: City Attorney's
Office

Created: 01/20/2015

Subject: Multifamily Residential Development at 1520 & 1536
Clark Street

Final Action: 01/20/2015

Title: Multifamily Residential Development at 1520 & 1536 Clark Street

That the request by Kyle J. Peterson of Herman Kittle Properties, Inc. for a conditional use permit to allow for a multifamily residential development at 1520 & 1536 Clark Street, is approved, subject to the following conditions:

- a. That the plans presented to the Plan Commission on January 14, 2015 be approved subject to the conditions contained herein.
- b. That final plans such as architectural, building, site, landscaping and signage shall be submitted to the Plan Commission for review and approval prior to the issuance of building permits.
- c. That all applicable building and occupancy permits be obtained from the Building Inspection Department.
- d. That all codes and ordinances be complied with and required permits acquired.
- e. That approval of this conditional use shall be contingent upon adoption of ZOrd. 008-14, an amendment to the Comprehensive Plan for the City of Racine: 2035; and adoption of ZOrd. 007-14, a rezoning of property at 1520 & 1536 Clark Street.
- f. That all plans are subject to review and recommendation by the Uptown Business Improvement District.
- g. That any conditions made part of the Flex Development are also a condition of the Conditional Use Permit.
- h. That no minor changes be made from the conditions of this permit without the approval of the Plan Commission, and no major changes be made from the conditions of this approval without the approval of the Common Council.
- i. That this permit is subject to Plan Commission review for compliance with the listed conditions.

Fiscal Note: N/A

Notes:

Agenda Date:

Agenda Number:

Sponsors: Dennis Wisner

Enactment Date:

Attachments:

Enactment Number:

Same:

Hearing Date:

Contact: Michelle Cook x9151

Next Meeting Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
A	Common Council	01/20/2015	Adopted				Pass
	Action Text:	A motion was made that this Resolution be Adopted. The motion was APPROVED.					
Mover:	Sandy Weidner	AYES:14 - Alderman Coe, Alderman Sarrazin, Alderman Shields, Alderman Kaplan, Alderman Kaprelian-Becker, Alderman Weidner, Alderman Shakoor II, Alderman McCarthy, Alderman Wisner, Alderman Helding, Alderman Perez, Alderman Morgenroth, Alderman Hart and Alderman Diehl					14

Text of Legislative File Res.15-0023



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Legislative Report

File Number: Res.15-0022

Agenda Date:

Version: A

Status: Official Text (Legal Use)

In Control: City Attorney's Office

File Type: Resolution

Agenda Number:

Alderman Wisner

Rezoning of 1520 & 1536 Clark Street

Resolved, that ZOrd. 007-14, being an ordinance to rezone 1520 & 1536 Clark Street from I-1 General Industrial District to I-2 with a flex development overlay be adopted.

Further, that a use supplement be adopted for the properties at 1520 & 1536 Clark Street as follows:

(Note: Part of the flex rezoning request requires the development of a Use Supplement, which outlines other uses that may be allowed or prohibited under the FLEX zoning overlay.)

a. That all uses listed in the underlying I-2 General Industrial District are permissible by right or by conditional use permit, except as otherwise specified in "b." below.

b. Prohibited uses shall include all those uses absent from the following list of uses:

1. Dwelling Units other than lodging rooms and houses.
2. Bakeries.
3. Branch banks and credit unions.
4. Parks and playgrounds
5. Recreation buildings, community centers, or meeting halls.
6. Restaurants.
7. Trade schools.
8. Accessory uses, incidental to and on the same zoning lot as the principal uses included limited retail outlets.
9. Community gardens.
10. Access Corridor overlay districts

c. That all applicable permits are obtained from the Building Inspection Department.

d. That the following flex uses are permitted as conditional use permit by Ordinance No. ZORD 007-14 in addition to those permitted in the I-2 General Industrial District and amended herein:

1. Residential apartment complexes developed in compliance with the R-5 General Residence District and all other zoning sections applicable to residential apartments.

2. Packaging.

3. Personal storage / warehousing within the building footprint.

e. That all aspects of the flex uses and other uses shall be contained on site and in enclosed areas.

f. That by the authorization and/or petitioning by the property owner or their authorized agent for the actions, restrictions and privileges implemented, imposed and afforded by this resolution and ZORD 007-14, owner and owners representative recognize that lack of implementation of the impetus project being the subject of item 15-00023 within 48 months of approval shall constitute noncompliance with the City of Racine Municipal Code, Sections 114-146 through 114-160 and shall be subject to revocation under Section 114-156.

g. That the Chief Building Inspector or Director of City Development may impose additional conditions on a single or group of flex uses to mitigate potential negative impacts on the subject or surrounding properties. Decisions in this regard may be appealed by the affected operator(s) to the Plan Commission, who will forward a recommendation to the Common Council.

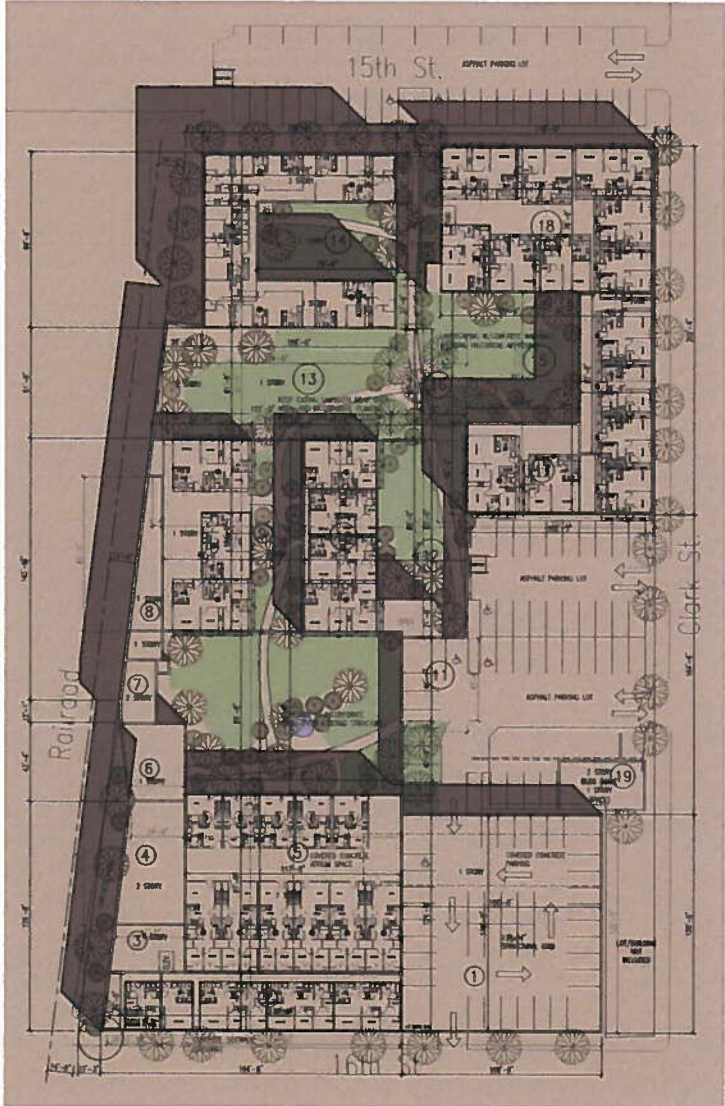
h. That, upon consultation between the Chief Building Inspector and Director of City Development, additional uses not listed in this resolution may be permitted if found to comply with the spirit and intent of this flex development and the Flex Development Overlay District.

i. That all applicable codes and ordinances be complied with and required permits acquired.

j. That no minor changes be made from the conditions of this flex development without the approval of the Plan Commission and no major changes be made without the approval of the Common Council.

k. That this flex development is subject to Plan Commission review for compliance with listed conditions.

Fiscal Note: N/A



ARCHITECTURAL
 SITE
PLAN
 1" = 30'
 1:360



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 SEAL

PROJECT TITLE

1520
 1520 CLARK STREET
 RACINE, WI 53403

SHEET TITLE
 GNRL - ARCH -
 SITE

ISSUED FOR _____ DATE _____
 BASE _____ 09-15-2014

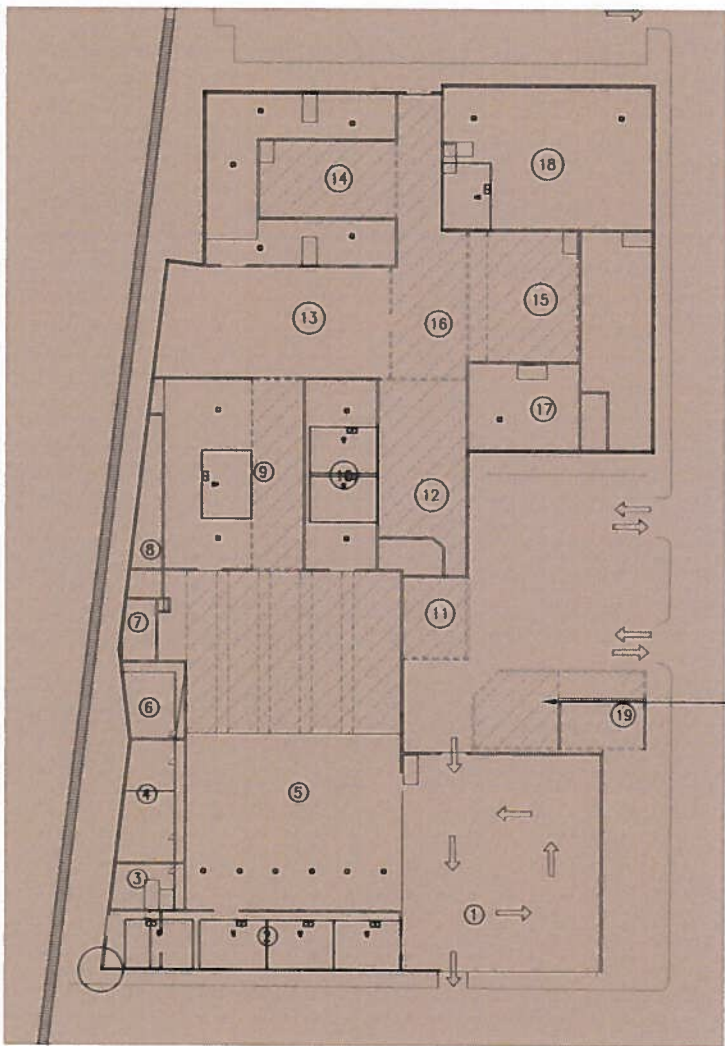
REVISIONS	DATE

DO NOT SCALE PRINTS - USE FIGURED DIMENSIONS ONLY

JOB NO.
14-035

SHEET NUMBER
G111A

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE. DATE OF DECLASSIFICATION IS INDEFINITE.



HATCHED AREAS
TO BE DEMOLISHED

1 SITE DEMO
1" = 30'
1:360



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SEAL

PROJECT TITLE

1520
1520 CLARK STREET
RACINE, WI 53403

SHEET TITLE
GNRL - ARCH -
SITE W DEMO

ISSUED FOR _____ DATE _____
BASE _____ 05-15-2014

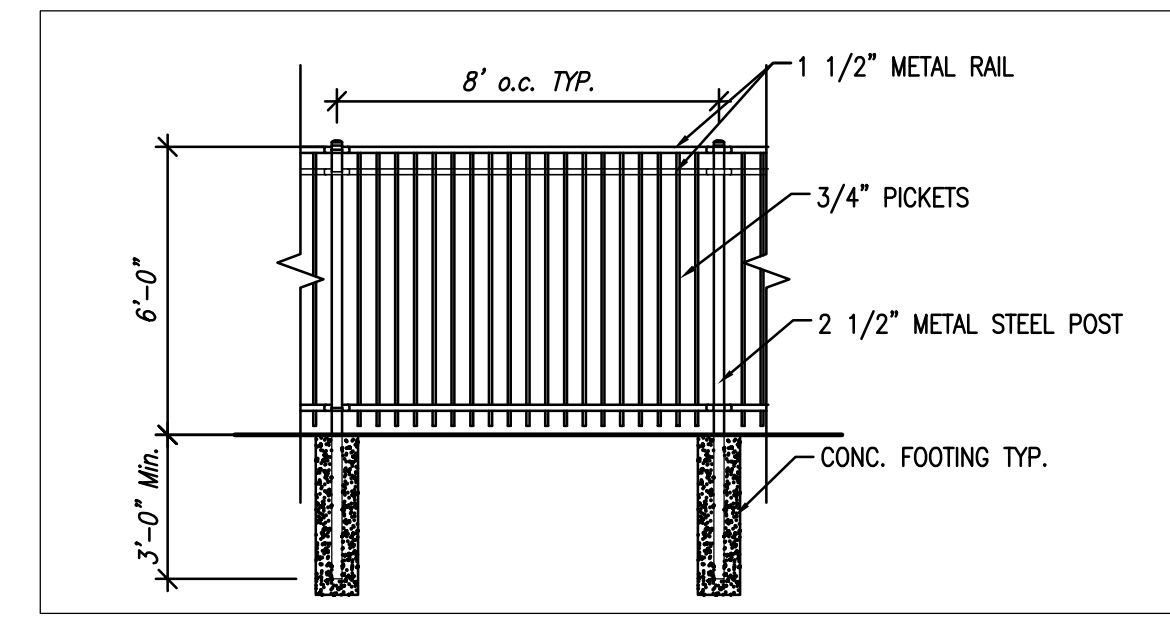
REVISIONS	MARK	DESCRIPTION	DATE

DO NOT SCALE PRINTS - USE FIGURED DIMENSIONS ONLY

JOB NO. **14-035**

SHEET NUMBER
G111B

FILE: \\uspr01\cadd\2014\14-035\14-035_ARCH\14-035_ARCH_SHEET_01.dwg
DATE: 05/15/2014 09:00:00



2 DECORATIVE METAL FENCE ELEVATION
 SCALE: 1/4" = 1'-0"

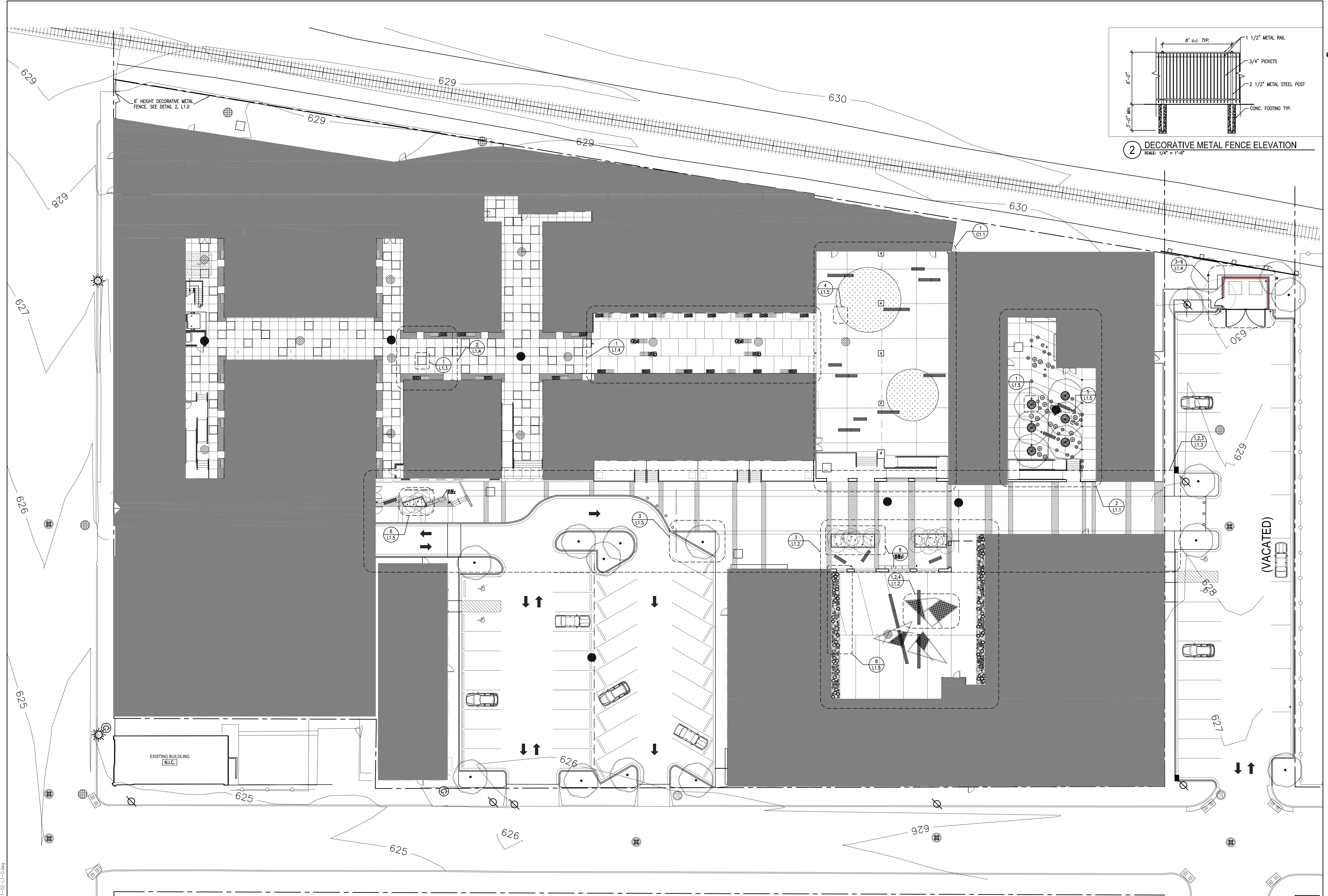
PRELIMINARY
 NOT FOR
 CONSTRUCTION
 QUORUM ARCHITECTS, INC.

**WALKER MANUFACTURING COMPANY - AJAX PLANT
 HISTORICAL BUILDING RENOVATION**

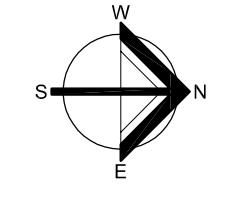
1520 CLARK STREET
 RACINE, WI 53403

Revisions:

Sheet Name:
 LANDSCAPE
 SITE PLAN
 Date: 10/23/2015
 Drawn By: JC/EN
 Project No.: 15031.02
 Sheet No.



1 PROPOSED SITE PLAN
 SCALE: 1/16" = 1'-0"



NOTE:
 SEE SHEET L1.1 FOR
 TYPICAL NOTES AND LEGEND

ON-SITE PARKING SUMMARY

COVERED PARKING SPOTS	33
EAST PARKING LOT	39
NORTH PARKING LOT	29
TOTAL PARKING AVAILABLE	101
ADA PARKING	6
(INCLUDED IN TOTAL ABOVE)	
VAN ACCESSIBLE SPOTS	2
ACCESSIBLE SPOTS	4
TOTAL	6

LEGEND

(f) BUILDING STRUCTURE DESIGNATION

May 9, 2016

Attention: Matthew Sadowski
Transmitting To: City of Racine Department of City Development
RE: Walker-Ajax Historic Building Renovation
City Plan Commission and Uptown Design Review Submittal
Quorum Architect's Project Number: 15031-02



M
E
M
O

Project Summary:

Adaptive reuse of the former Walker-Ajax factory located at 1520 Clark Street into 74 multi-family unit housing. The existing Walker-Ajax plant is comprised of (19) existing interconnected buildings and additions. The project includes selective demolition of existing non-historic in-fill additions. The buildings are being listed on the State of Wisconsin and National Historic Preservation registers.

Project Information:

Lot Area: 148,759 Square Feet (3.42 Acres)

Number of Dwelling Units: 74 units

Total Square Footage

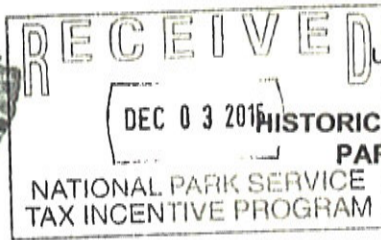
Building 1: Indoor parking	13,120 sq. ft.
Building 2: 2 story, 5,477/ floor	10,954 sq. ft.
Building 3: 1 story	1,065 sq. ft.
Building 4: 2 floors, 2,368/ floor	4,736 sq. ft.
Building 5: 1 story	11,591 sq. ft.
Building 5A: 1 story	6,021 sq. ft.
Building 6: 1 story	1,277 sq. ft.
Building 7: 1 story	895 sq. ft.
Building 8: 1 story	529 sq. ft.
Building 9: 1 story	4,943 sq. ft.
Building 10: 1 story	4,143 sq. ft.
Building 14: 3 story, 7,395/ floor	22,185 sq. ft.
Building 17&18: 2 story, 17, 314/ floor	34,628 sq. ft.
Building 19: 1 story, Leasing Office	4,506 sq. ft.
Total Square Footage	124,217 sq. ft.

Zoning: I-2 with Flex Development Overlay



Architectural Design • Interior Design • Site Design

3112 West Highland Blvd • Milwaukee, Wisconsin 53208 • ph. 414-265-9265 • fax. 414-265-9465 • www.quorumarchitects.com



UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

OMB Approved
No. 1024-0009
Form 10-168
Rev. 2014

HISTORIC PRESERVATION CERTIFICATION APPLICATION
PART 2 - DESCRIPTION OF REHABILITATION

NPS Project Number
31743

Instructions: This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form takes precedence. A copy of this form will be provided to the Internal Revenue Service.

1. **Property Name** Walker Manufacturing Co. - Ajax Plant

Street 1520 Clark Street

City Racine County Racine State WI Zip 53403-2217

Name of Historic District _____

Listed individually in the National Register of Historic Places; date of listing _____

Located in a Registered Historic District; name of district _____

Part 1 - Evaluation of Significance submitted? Date submitted 01/19/2015 Date of certification 02/9/2015

2. **Project Data**

Date of building Pre-1908 - 1969 Estimated rehabilitation costs (QRE) \$10,092,266

Number of buildings in project 1 Floor area before / after rehabilitation 145,414 / 145,414 sq ft

Start date (estimated) 02/01/2016 Use(s) before / after rehabilitation Vacant / Housing

Completion date (estimated) 06/01/2017 Number of housing units before / after rehabilitation 0 / 74

Number of phases in project 1 Number of low-moderate income housing units before / after rehabilitation 0 / 65

3. **Project Contact (if different from applicant)**

Name John Cramer Company MacRostie Historic Advisors, LLC.

Street 53 West Jackson Blvd., Suite 1142 City Chicago State IL

Zip 60604 Telephone (312) 973-3904 Email Address jcramer@mac-ha.com

4. **Applicant**

I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable] (1) I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or (2) If I am not the fee simple owner of the above-described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.

Name Sarah Beck Signature *Sarah Beck* Date 11/12/15

Applicant Entity Herman & Kittle Properties, Inc. SSN _____ or TIN 26-0002273

Street 112 E. North Avenue City Lake Bluff State IL

Zip 60044-2134 Telephone (618) 558-1987 Email Address sbeck@hermankittle.com

Applicant, SSN, or TIN has changed since previously submitted application.

NPS Official Use Only

The National Park Service has reviewed the Historic Preservation Certification Application - Part 2 for the above-named property and has determined that:

- the rehabilitation described herein is consistent with the historic character of the property and, where applicable, with the district in which it is located and that the project meets the Secretary of the Interior's Standards for Rehabilitation. This letter is a preliminary determination only, since a formal certification of rehabilitation can be issued only to the owner of a "certified historic structure" after rehabilitation work is complete.
- the rehabilitation or proposed rehabilitation will meet the Secretary of the Interior's Standards for Rehabilitation if the attached conditions are met.
- the rehabilitation described herein is not consistent with the historic character of the property or the district in which it is located and that the project does not meet the Secretary of the Interior's Standards for Rehabilitation.

Date 1-22-16 National Park Service Authorized Signature *Elizabeth Pehette*

NPS conditions or comments attached
7 sheets

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

CONDITIONS SHEET

Historic Preservation Certification Application

Property name: Walker Manufacturing Co. – Ajax Plant

Project Number: 31743

Property address: 1520 Clark Street, Racine, WI

The rehabilitation of this property as described in the Historic Preservation Certification Application will meet the Secretary of the Interior's Standards for Rehabilitation provided that the following condition(s) is/are met:

1. The revised and updated roof demolition plans submitted by the project consultant via email on 1/13/16, are acceptable. Newly exposed roof structure must be protected from the elements by covering it with a protective coating. Only the areas identified on the drawing submitted on 1/13/16, may have the roofing exposed or removed as outlined in the drawings. Further demolition of roofing or exposure of structure is not approved.
2. Cleaning of exterior masonry must be accomplished using the gentlest means possible without damaging the surface of the masonry. This work must be accomplished in accordance with the guidance provided in Preservation Brief 1, *Assessing Cleaning and Water-Repellent Treatments for Historic Masonry Buildings*. Specifications and test cleaning samples should be reviewed and approved by the State Historic Preservation Office before proceeding with this work. Good quality overall and close-up color photographs of the masonry both **before** and after cleaning must be submitted with the Request for Certification of Completed Work.
3. Repointing mortar must match the color, texture, strength, joint width and joint profile of the existing historic masonry. Specifications and repointing samples should be reviewed and approved by the State Historic Preservation Office before proceeding with this work. Good quality overall and close-up color photographs of the masonry both **before** and after repointing must be submitted with the Request for Certification of Completed Work.
4. The proposed landscape plan is out of character for this industrial site. Formal plantings and designed beds should be minimized as they give a residential character that is not appropriate for this site. A revised landscape plan must be developed and provided for review to ensure compliance with the Standards. This plan should be compatible with the character of the site. New plantings within former building areas should be reversible and must not damage historic materials. The plan must include plantings, paving, lighting, and signage.
5. Existing historic windows must be repaired rather than replaced. A comprehensive window survey must be completed that documents the existence of historic windows and their condition building by building, for every window type. If these windows are deteriorated beyond repair, thorough documentation of the need for replacement **must** be submitted before any replacement windows can be reviewed. If it is demonstrated that windows are deteriorated beyond repair and may be replaced, replacement windows must match the appearance, size, design, proportions, and profiles of the existing windows and must have clear glazing. In order to ensure the proposed windows meet the Standards, detailed dimensioned drawings of both the existing and any proposed replacement windows, showing them in relationship to the wall assembly must be submitted for review. These drawings must include detailed measured sections both vertically and horizontally through the head, upper and lower jambs, meeting rails, muntins, mullions, sills and any transoms. You must also include further information about the finish of the windows and the proposed glazing. Replacement windows must be set in the same plane as the historic window. Numerous window types existed historically in this complex and any replacement windows should match the size and design of the historic windows in each building. A common window may not be used across the varied buildings. Details about all skylight systems must also be provided for review and approval.
6. Where historic window openings are being reopened, they must be opened back up to their historic size and configuration. Partially reopening bricked in window openings must be avoided.
7. New storefront entry designs must be compatible with the historic character of the building and site. More information is needed to fully review these new features. You must provide storefront design drawings for review and approval to ensure compliance with the Standards. The design must respect the historic character of this industrial site and the integrity of the buildings. Where metal systems are used, they must have a painted on or baked on finish, bare aluminum or non-anodize is not acceptable. To ensure compliance with the Standards you must submit details about the finish of each system within the complex.

8. New exterior doors must be compatible with the historic character of the buildings and site. Not enough detail was provided in the proposed elevations to show the design and character of the infill doors. Fully glazed doors are not appropriate for this industrial site. Historic photographs and any remaining historic doors should be used as a basis for replacement designs. Revised elevation drawings and manufacturers details for infill doors must be submitted for review to ensure compliance with the Standards.
9. Former overhead door openings that are infilled with new systems must have a design that respects the historic use of the opening. Infill should reflect the design of an overhead door, though it may have more glazing instead of solid panels. More detailed information is necessary to review these infill features. Where metal systems are used, they must have a painted on or baked on finish, bare aluminum or non-anodize is not acceptable. To ensure compliance with the Standards you must submit detailed, measured section and elevation drawings of each type of loading door infill.
10. The interior industrial character of buildings must be maintained. The covering of exposed trusses in Building 2 and elsewhere is not appropriate. Reflected Ceiling Plans (RCP) must be submitted for all spaces for review and approval to ensure compliance with the Standards. The installation of new ceilings where no ceiling existed historically should be limited so that as much of the historic structure remains exposed as possible. Bathrooms and kitchens are spaces where a new ceiling may be acceptable. RCPs must be provided for review of any ceiling treatments.
11. Where wood floors remain they should be repaired or replaced to match. Historic hardwood floors should be left exposed in all public corridors and circulation areas as well as in all common areas of the units. Bedrooms and closets may have carpet and kitchens and bathroom may have an alternative finish. If the hardwood is proven to be beyond repair it should be replaced to match, not covered with carpet or other finish. Salvaged wood from other areas may be used to repair deteriorated areas. In areas with excessive damage, replacement wood may be used.
12. All unpainted masonry must remain unpainted. If masonry has been previously painted it may be repainted.
13. Exposed masonry must remain exposed and must not be furred out with drywall. The industrial character of the buildings and complex must be maintained via the exposure of historically exposed masonry.
14. The raised patios with decorative metal fences and planting beds proposed for Building 10 are out of character with this industrial site and must not be constructed as proposed. Existing loading docks may be used; however, entries here and elsewhere must be simple and industrial in character. Where necessary, simple stoops and steps may be added, but planting beds may not. Any fencing or railings must be simple, utilitarian, and industrial in design. Revised designs for these features must be submitted for review to ensure compliance with the Standards.
15. New mechanical, electrical and plumbing (MEP) systems must be sympathetically placed without adversely impacting the interior of the buildings. Ductwork must not drop below window heads or intersect windows. Mechanical ductwork (and other utilities) must not crowd newly created public corridors, rather it should be sensitively distributed. To ensure compliance with the Standards, MEP drawings must be submitted for review and approval to the National Park Service, through the State Historic Preservation Office, *prior* to installation. Please also submit reflected ceiling plans to indicate the ceiling treatment and its size/location. You must also submit a roof plan showing location and size of all rooftop units.
16. Where historic windows were void of trim and detailing, they must remain so after the rehabilitation. New trim must not be added to windows that did not have it historically. Similarly, where spaces did not have trim around doors and at junctures with floors and other features, it must not be added. The industrial character of the spaces must be maintained. To ensure compliance with the Standards you must submit further details regarding any trim proposed for interior spaces.
17. Any new interior and exterior signage must be compatible with the historic character of the buildings and site. A signage proposal must be submitted for review and approval to ensure compliance with the Standards.

Photographs documenting that the conditions have been met must be submitted with the Request for Certification of Completed Work.

Any substantive change in the work as described in the application should be brought to the attention of the State Historic Preservation Office and the National Park Service in writing prior to execution to ensure that the proposed project continues to meet the Standards.

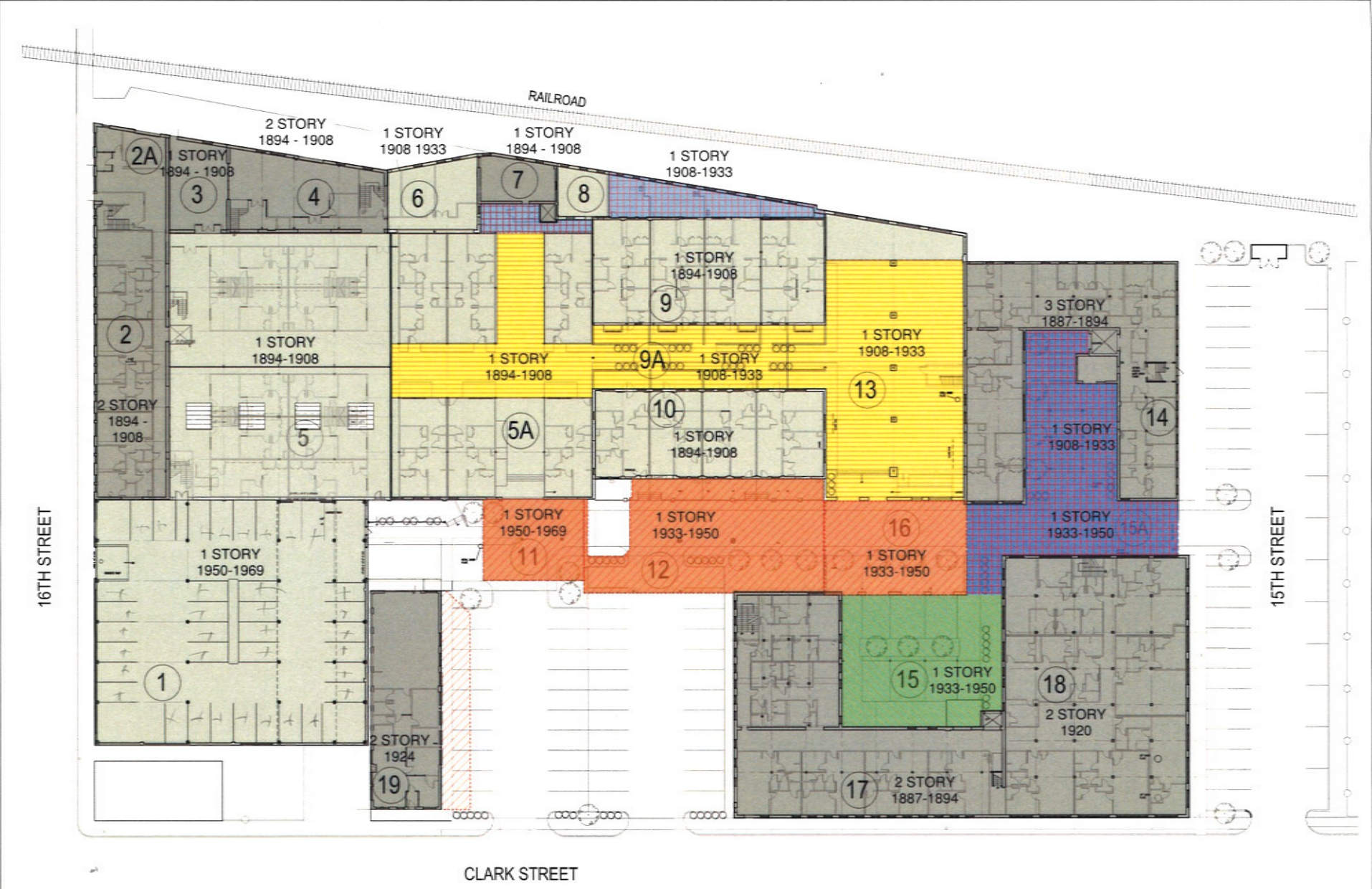
The National Park Service has determined that this project will meet the Secretary of the Interior Standards for Rehabilitation if the condition(s) listed in the box above are met.

01/22/2016
Date


National Park Service Signature

Liz Petrella
HPS 202.354.2040
Telephone Number

page 2 of 2







16TH STREET

15TH STREET

CLARK STREET

RAILROAD

-  ROOFED OVER EXTERIOR AREAS TO BE REMOVED
-  BUILDINGS ADDITIONS TO BE REMOVED
-  ROOFING TO BE REMOVED / ROOF STRUCTURE TO REMAIN

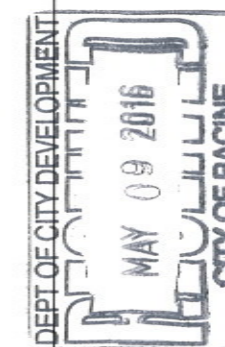
-  ROOFED OVER EXTERIOR AREA ROOFING TO BE REMOVED STEEL STRUCTURE TO REMAIN

① SITE PLAN
 SCALE: 1/8" = 1'-0"





Quorum Architects, Inc.
 3112 West Highland Boulevard
 Milwaukee, Wisconsin 53208
 Phone: 414.255.9266
 Fax: 414.255.9466
 www.quorumarchitects.com



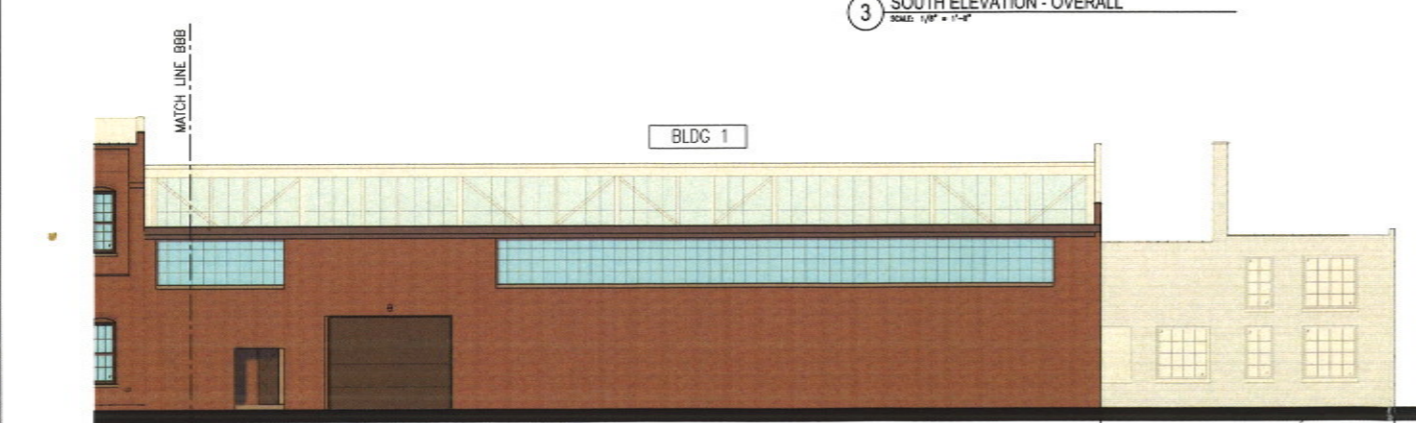
1 WEST ELEVATION - OVERALL
 SCALE: 1/8" = 1'-0"



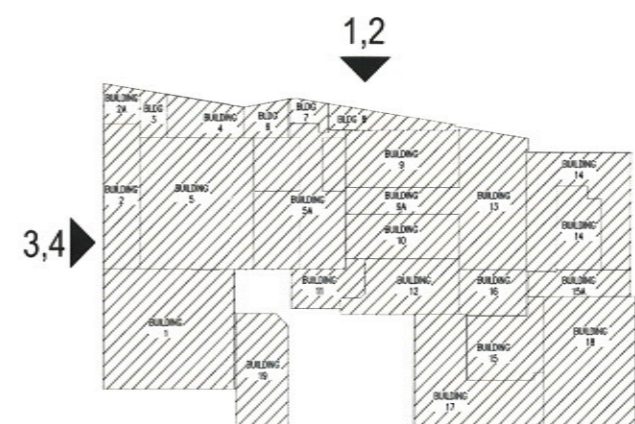
2 WEST ELEVATION - OVERALL
 SCALE: 1/8" = 1'-0"



3 SOUTH ELEVATION - OVERALL
 SCALE: 1/8" = 1'-0"



4 SOUTH ELEVATION - OVERALL
 SCALE: 1/8" = 1'-0"



5 KEY PLAN
 SCALE: N.T.S.

WALKER MANUFACTURING COMPANY - AJAX PLANT
 HISTORICAL BUILDING RENOVATION
 BID SET #2 - PERMIT
 1620 CLARK STREET
 RACINE, WI 53403

Revisions:

Sheet Name:
 EXTERIOR CONSTRUCTION
 ELEVATIONS - SOUTH AND
 WEST OVERALL

Date: 04/11/2016
 Drawn By: MC/EN/AD
 Project No.: 15031.02

Sheet No.
A3.0

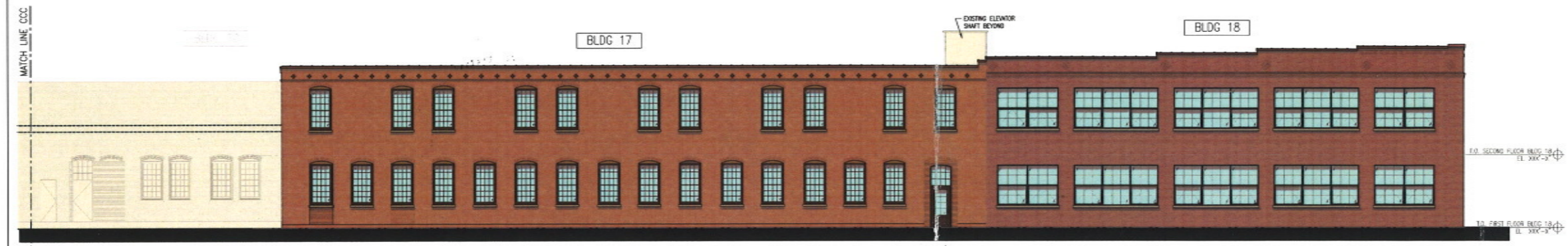
Apr 26, 2016 - 11:09am
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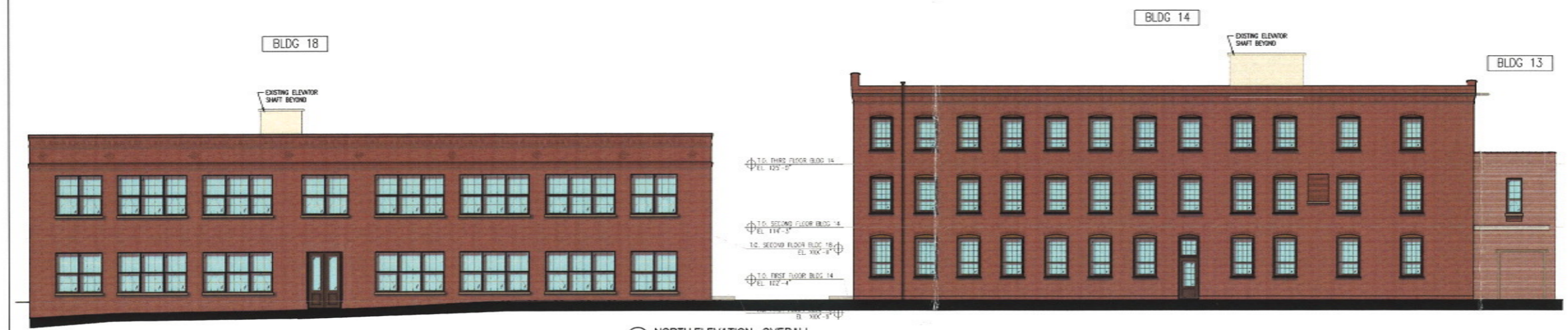
Quorum Architects, Inc.
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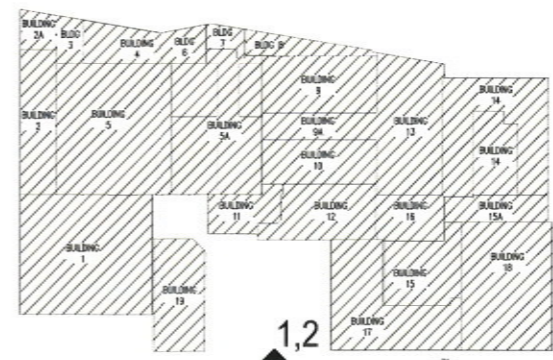
1 EAST ELEVATION - OVERALL
SCALE: 1/8" = 1'-0"



2 EAST ELEVATION - OVERALL
SCALE: 1/8" = 1'-0"



3 NORTH ELEVATION - OVERALL
SCALE: 1/8" = 1'-0"



2 KEY PLAN
SCALE: N.T.S.

**WALKER MANUFACTURING COMPANY - AJAX PLANT
HISTORICAL BUILDING RENOVATION
BID SET #2 - PERMIT**
1520 CLARK STREET
RACINE, WI 53403

Revisions:

Sheet Name:
EXTERIOR CONSTRUCTION
ELEVATIONS - NORTH AND
EAST OVERALL

Date: 04/11/2016
Drawn By: ME/DNA/AD
Project No.: 15031.02

Sheet No.:
A3.1

04/11/2016 10:51 AM
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15031_02_03_03.dwg
15031_02_03_03.dwg
15031_02_03_03.dwg



View Looking South Into Building #5

Walker Manufacturing Company - Ajax Plant

Historical Building Renovation

1520 Clark Street Racine, WI 53403

**HERMAN & KITTLE
PROPERTIES, INC.**
500 East 96th Street, Suite 300
Indianapolis, IN 46240
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www.quorumarchitects.com
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MHA
Marquette Historical Advisors, Inc.





View Looking South West Into Building #5

Walker Manufacturing Company - Ajax Plant

Historical Building Renovation

1520 Clark Street Racine, WI 53403


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 Milwaukee, Wisconsin 53208
 Phone: 414.255.5755
 Fax: 414.255.5466
www.quorumarchitects.com
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MHA
 Main Street Historic Advisors, LLC





View Looking West Between Building #5 & #5A

Walker Manufacturing Company - Ajax Plant

Historical Building Renovation

1520 Clark Street Racine, WI 53403

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PROPERTIES, INC.**
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MHA
Marquette Historical Advisory



EXHIBIT E

Remediation Cost Breakdown

	TOTAL	TO
Hazardous RLF Costs (Breakout Below)	\$539,292	
Petroleum RLF Costs (Breakout Below)	\$214,322	

Total as RLF Loan (\$397,500 Haz + \$182 Petroleum)

Soil Hauling and Disposal, Clean Soil Infill

Item	QTY	Units
Mobilization (Contractor)	1	LS
Demolition to get to impacted soils	2000	SF
In-Situ Remediation	180	tons
Excavate/load impacted soil	3217	CY
Haul and Dispose impacted Soil	4777.245	Ton
Clean soil procure, haul, and place	3217	CY
Environmental Sampling Lab	20	Samples
On site Env. Construction Obs.	15	Day
Environmental Reporting/Consulting	1	LS
Review Fees DNR	1	Ea
Design Report, Coord. w/ DNR/EPA	1	LS
Subtotal		

Horizon UST/AST Removal and Other Petroleum Environmental Activities

Item	QTY	Units
Bid Price - Horizon Const. and Explr.	1	Total
Environmental Sampling Lab	20	Samples
Environmental Consulting on-site	10	Day
Environmental Reporting/Consulting	1	LS
Review Fees DNR/DATCP	1	Ea
Subtotal		

Soil Vapor Venting/Passive Barrier System

Item	QTY	Units
Sub-slab vent piping	825	LF
Vapor Extraction Point Installation	34	Ea.
Venting Equipment	1	LS
Vapor Sampling Locations	10	Ea.
Spray on Barrier System	59842.86	SF
Vapor Design, DNR Coordination	1	LS
Oversight for Documentation	15	Day
Documentation Report	1	LS
DNR Review Fees	1	Ea.
Contingency (10%)		

Subtotal	
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Asbestos/Lead Abatement/Demolition

Item	QTY	Units
Asbestos Abatement	1	LS
Reporting	1	Ea
Demolition (Contractor)	1	LS
Asbestos/Demo Construciton CQA	20	Day
Subtotal		

TOTAL	
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***\$397,500 in loan, \$75,000 in subgrant**

TOTAL RLF FUND REQUEST	
	\$472,500*
	\$182,500
	\$580,000

Cost/Unit	Total
\$10,000	\$10,000
\$2	\$4,000
\$250	\$45,000
\$5	\$16,085
\$90	\$429,952
\$15	\$48,255
\$250	\$5,000
\$1,000	\$15,000
\$18,200	\$18,200
\$1,400	\$1,400
\$7,500	\$7,500
	\$600,392

Cost/Unit	Total
\$191,422	\$191,422
\$250	\$5,000
\$1,000	\$10,000
\$6,500	\$6,500
\$1,400	\$1,400
	\$214,322

Cost/Unit	Total
\$10	\$8,250
\$1,500	\$51,000
\$18,000	\$18,000
\$1,000	\$10,000
\$4	\$209,450
\$9,500	\$9,500
\$1,000	\$15,000
\$6,700	\$6,700
\$1,400	\$1,400
	\$32,930

\$362,230

Cost/Unit	Total
\$161,525	\$161,525
\$5,000	\$5,000
\$630,519	\$630,519
\$1,000	\$20,000
	\$817,044

\$1,993,988

Form 6A Residential Development Budget

Exhibit E: Project Investment Cost Breakdown

Development Cost Breakdown

Acquisition Costs:

Total Purchase Price:	
Land	\$36,250
Existing Structure	\$199,750
Liens	\$0
Closing, Title & Recording Costs	\$15,000
Extension payment	\$0
Other: _____	\$0
SUBTOTAL	\$251,000

Total Project Cost	Residential Total	LIHTC & Historic Credits	Perm Debt	AHP	Deferred Fee	Racine HOME funds	GP Contribution
\$236,000	\$236,000					\$236,000	
\$0	\$0						
\$15,000	\$15,000	\$15,000					
\$0	\$0						
\$0	\$0						
\$251,000	\$251,000	\$15,000	\$0	\$0	\$0	\$236,000	\$0

Construction:

Demolition	\$189,019	
Total Construction Contract:	\$10,943,725	
New Building	\$10,043,560	
Rehab	\$0	
Contractor Profit	\$738,745	
Contractor Overhead	\$241,420	
Total Contingency:	\$1,305,117	
New Construction Contingency	\$1,172,153	(__%)
Rehab Contingency	\$0	(__%)
Accessory Building	\$0	
Site Work / Infrastructure	\$474,956	
Off site Infrastructure	\$0	
Environmental Abatement (Building)	\$1,363,469	
Environmental Abatement (Land)	\$0	
Sales Tax	\$0	(__%)
Bond Premium	\$0	
Equipment and Furnishings	\$80,000	
Other Construction Costs: ___ Construction Draw Fee _____	\$1,500	
Other Construction Costs: _____	\$0	
SUBTOTAL	\$14,357,786	

\$189,019	\$189,019					\$189,019	
\$10,943,725	\$10,943,725	\$10,929,744				\$13,981	
\$1,305,117	\$1,305,117	\$1,305,117					
\$0	\$0						
\$474,956	\$474,956	\$474,956					
\$0	\$0						
\$1,363,469	\$1,363,469	\$1,363,469					
\$0	\$0						
\$0	\$0						
\$80,000	\$80,000	\$80,000					
\$1,500	\$1,500	\$1,500					
\$0	\$0						
\$14,357,786	\$14,357,786	\$14,154,786	\$0	\$0	\$0	\$203,000	\$0

Soft Costs:

Appraisal	\$12,000	
Market Study	\$5,000	
Architect	\$588,000	
Engineering	\$0	
Environmental Assessment	\$168,000	
Geotechnical Study	\$10,000	

\$12,000	\$12,000	\$12,000					
\$5,000	\$5,000	\$5,000					
\$588,000	\$588,000	\$588,000					
\$0	\$0						
\$168,000	\$168,000	\$168,000					
\$10,000	\$10,000	\$10,000					

Form 6A Residential Development Budget

	Total Project Cost	Residential Total	LIHTC & Historic Credits			Racine HOME funds	GP Contribution
			LIHTC & Historic Credits	Perm Debt	AHP		
Boundary & Topographic Survey	\$10,000	\$10,000	\$10,000				
Total Legal Fees:	\$139,000	\$139,000	\$139,000				
Real Estate	\$80,000						
Organizational / Syndication	\$9,000						
Financing	\$50,000						
Developer Fee	\$1,450,000	\$1,450,000	\$1,450,000				
Project Management / Development Consultant Fees	\$0	\$0					
Other Consultants: Green Design Fees, Historic Consultant Fee	\$100,000	\$100,000	\$100,000				
Other: Soft Cost Contingency, Interior Design Fee	\$25,000	\$25,000	\$25,000				
SUBTOTAL	\$2,507,000	\$2,507,000	\$2,507,000	\$0	\$0	\$0	\$0

Other Development:

Real Estate Tax	\$35,000	\$35,000	\$35,000				
Insurance	\$190,533	\$190,533	\$190,533				
Relocation	\$0	\$0					
Bidding Costs	\$0	\$0					
Permits, Fees & Hookups	\$259,428	\$259,428	\$259,428				
Impact/Mitigation Fees	\$0	\$0					
Development Period Utilities	\$0	\$0					
Bridge Loan Fees	\$0	\$0					
Bridge Loan Interest	\$0	\$0					
Construction Loan Fees	\$115,000	\$115,000	\$115,000				
Construction Loan Interest	\$370,000	\$370,000	\$370,000				
Permanent Loan Fees	\$12,500	\$12,500	\$12,500				
Other Loan Fees	\$10,000	\$10,000	\$10,000				
State HTF Fees	\$0	\$0					
LIHTC Fees	\$110,030	\$110,030	\$110,030				
LIHTC Nonprofit Donation	\$0	\$0					
Accounting/Audit	\$41,200	\$41,200	\$41,200				
Marketing/Leasing Expenses	\$10,000	\$10,000	\$10,000				
Carrying Costs at Rent up	\$0	\$0					
Operating Reserves	\$236,000	\$236,000	\$236,000				
Replacement Reserves	\$0	\$0					
SUBTOTAL	\$1,389,691	\$1,389,691	\$1,389,691	\$0	\$0	\$0	\$0

Total Development Cost:	\$18,505,477	\$18,505,477					
Total Sources:	\$18,505,477	\$18,505,477	\$18,066,477	\$0	\$0	\$0	\$439,000

CITY OF RACINE

PROFESSIONAL SERVICES LIABILITY INSURANCE REQUIREMENTS

The Contractor shall not commence work on contract until proof of insurance required has been provided to the applicable department before the contract or purchase order is considered for approval by the City of Racine.

It is hereby agreed and understood that the insurance required by the City of Racine is primary coverage and that any insurance or self-insurance maintained by the City of Racine, its elected and appointed officials, officers, employees, or authorized representatives or volunteers, and each of them, will not contribute to a loss. All insurance shall be in full force prior to commencing work and remain in force until the entire job is completed and the length of time that is specified, if any, in the Contractor listed below whichever is longer.

1. PROFESSIONAL LIABILITY

A. Limits

- (1) \$1,000,000 each claim
- (2) \$1,000,000 annual aggregate

B. Must continue coverage for 2 years after final acceptance for service/job.

2. GENERAL LIABILITY COVERAGE

A. Commercial General Liability

- (1) \$1,000,000 each occurrence limit
- (2) \$1,000,000 personal liability and advertising injury
- (3) \$2,000,000 general aggregate
- (4) \$2,000,000 products - completed operations aggregate

B. Claims made form of coverage is not acceptable.

C. Insurance must include:

- (1) Premises and Operations Liability
- (2) Contractual Liability
- (3) Personal Injury
- (4) Explosion, collapse and underground coverage
- (5) Products/Completed Operations must be carried for 2 years after acceptance of completed work
- (6) The general aggregate must apply separately to this project/location

3. BUSINESS AUTOMOBILE COVERAGE

A. \$1,000,000 combined single limit for Bodily Injury and Property Damage each accident

B. Must cover liability for Symbol #1 - "Any Auto" - including Owned, Non-Owned, and Hired Automobile Liability.

4. WORKERS COMPENSATION AND EMPLOYERS LIABILITY – As required by Wisconsin State Statute or any Workers Compensation Statutes of a different state.

A. Must carry coverage for Statutory Workers Compensation, and an Employers Liability limit of:

- (1) \$100,000 Each Accident
- (2) \$500,000 Disease Policy Limit
- (3) \$100,000 Disease - Each Employee

5. UMBRELLA LIABILITY – If exposure exists, provide coverage at least as broad as the underlying Commercial General Liability, Watercraft Liability (if required), Automobile Liability and Employers Liability, with a minimum limit of \$2,000,000 each occurrence and \$2,000,000 aggregate, and a maximum self-insured retention of \$10,000.

6. ADDITIONAL PROVISIONS

A. Primary and Non-contributory requirement - all insurance must be primary and noncontributory to any insurance or self-insurance carried by City of Racine.

B. Acceptability of Insurers - Insurance is to be placed with insurers that have an A. M. *Best* rating of no less than A- and a Financial Size Category of no less than than Class VII, and who are authorized as an admitted insurance company in the state of Wisconsin.

C. Additional Insured Requirements - The following must be listed as additional insureds on the General Liability and Business Automobile liability coverage arising out of project work:

The City of Racine, its elected and appointed officials, officers, employees, authorized representatives, and volunteers.

On the Commercial General liability Policy, the additional insured coverage must be ISO form CG 20 10 0704 and also include Products - Completed Operations additional insured coverage per ISO form CG 20 37 07 04 or their equivalents for a minimum of 2 year after acceptance of work. This does not apply to Workers Compensation Policies.

D. Deductibles and Self-Insured Retentions - Any deductible or self-insured retention must be declared to and approved by the City of Racine.

E. Evidences of Insurance - Prior to execution of the agreement, the Contractor shall file with the City of Racine a certificate of insurance (Accord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this agreement. In addition form CG 20 10 07 04 for ongoing work exposure and form CG 20 37 07 04 for products-completed operations exposure must also be provided or their equivalent.

EXHIBIT H

DISADVANTAGE MINORITIES ENTERPRISE REPORTING

1. GENERAL COMPLIANCE, 40 CFR, Part 33

The recipient agrees to comply with the requirements of EPA's Disadvantaged Business Enterprise (DBE) Program for procurement activities under assistance agreements, contained in 40 CFR, Part 33.

UTILIZATION OF SMALL, MINORITY AND WOMEN'S BUSINESS ENTERPRISES

MBE/WBE REPORTING, 40 CFR, Part 33, Subpart E

MBE/WBE reporting is required in annual reports. Reporting is required for assistance agreements where there are funds budgeted for procuring construction, equipment, services and supplies, including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category that exceed the threshold amount of \$150,000, including amendments and/or modifications.

Based on EPA's review of the planned budget, this award meets the conditions above and is subject to the Disadvantaged Business Enterprise (DBE) Program reporting requirements. However, if recipient believes this award does not meet these conditions, it must provide **[SEE DBE COORDINATOR INFO LISTED BELOW]** with a justification and budget detail within 21 days of the award date clearly demonstrating that, based on the planned budget, this award is not subject to the DBE reporting requirements. The recipient agrees to complete and submit a "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements" report (EPA Form 5700-52A) on an annual basis. All procurement actions are reportable, not just that portion which exceeds \$150,000. When completing the annual report, recipients are instructed to check the box titled "annual" in section 1B of the form. For the final report, recipients are instructed to check the box indicated for the "last report" of the project in section 1B of the form. Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the project period, whichever comes first. The reporting requirement is based on total procurements. Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

This provision represents an approved deviation from the MBE/WBE reporting requirements as described in 40 CFR, Part 33, Section 33.502; however, the other requirements outlined in 40 CFR Part 33 remain in effect, including the Good Faith Effort requirements as described in 40 CFR Part 33 Subpart C, and Fair Share Objectives negotiation as described in 40 CFR Part 33 Subpart D and explained below.

FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D

A recipient must negotiate with the appropriate EPA award official, or his/her designee, fair share objectives for MBE and WBE participation in procurement under the financial assistance agreements. In accordance with 40 CFR, Section 33.411 some recipients may be exempt from the fair share objectives requirements as described in 40 CFR, Part 33, Subpart D. Recipients should work with their DBE coordinator, if they think their organization may qualify for an exemption.

Accepting the Fair Share Objectives/Goals of Another Recipient

The dollar amount of this assistance agreement, or the total dollar amount of all of the recipient's financial assistance agreements in the current federal fiscal year from EPA is \$250,000, or more. The recipient accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the Wisconsin Department of Natural Resources as follows:

MBE: 8%

WBE: 8%

By signing this financial assistance agreement, the recipient is accepting the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as Wisconsin Department of Natural Resources

Negotiating Fair Share Objectives/Goals, 40 CFR, Section 33.404

The recipient has the option to negotiate its own MBE/WBE fair share objectives/goals. If the recipient wishes to negotiate its own MBE/WBE fair share objectives/goals, the recipient agrees to submit proposed MBE/WBE objectives/goals based on an availability analysis, or disparity study, of qualified MBEs and WBEs in their relevant geographic buying market for construction, services, supplies and equipment. The submission of proposed fair share goals with the supporting analysis or disparity study means that the recipient is **not** accepting the fair share objectives/goals of another recipient. The recipient agrees to submit proposed fair share objectives/goals, together with the supporting availability analysis or disparity study, to the Regional MBE/WBE Coordinator within 120 days of its acceptance of the financial assistance award. EPA will respond to the proposed fair share objective/goals within 30 days of receiving the submission. If proposed fair share objective/goals are not received within the 120 day time frame, the recipient may not expend its EPA funds for procurements until the proposed fair share objective/goals are submitted.

SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C

Pursuant to 40 CFR, Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

- (a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total

requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

(d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.

(e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302

The recipient agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40

CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.