

Memorandum

September 14, 2017

TO: Village Board
FROM: Jerry Jansen, Chief
RE: Carpet Bids for PD

Below are the four bids we requested in descending order of cost estimates. Some companies gave two or three estimates based on carpet grade. I have included only the lowest bid from each; however, I will have the actual bids at the meeting in case anyone wants to check them further. All are for carpet tiles.

<u>Bidder</u>	<u>Cost</u>	<u>Notes</u>
Sergenian's	\$16,400	Old carpet recycled
Carpets Plus	\$9,409	Includes floor prep and recycling
Bisbee's Flooring	\$7,089	Incl. entry from garage, currently tiled, includes disposal of carpet
EBI (Emmons Business Int.)	\$7,022	2 Floor prep, if needed, is additional. Village provides Dumpster. John, DPW, estimates he could provide a truck for the carpet, take to a recycler for about \$100-200.

Recommendation: Although Bisbee's bid is slightly higher than EBI, it includes carpeting the tiled area from the garage where most of the snow, ice, and dirt will be tracked in. Deleting the tiled area, would lower Bisbee's bid to \$6,612.

EBI was previously used to replace the Administration area of Village Hall, and the staff reports that it is all acceptable. Both bids are close so Bisbee's or EBI would be satisfactory.

JJ



Heating & Cooling, Inc.

87 W. Beltline Hwy. • Madison, WI 53713
(608) 255-6902 • Fax (608) 255-2001

September 6, 2017

Mr. John Mitmoen
Village of Shorewood Hills
810 Shorewood Blvd.
Madison, WI 53705
PH: (608) 209-5024
Email: jmitmoen@shorewood-hills.org

Project Description: Replacement of package cooling unit at the Village Hall.
Project Address: 810 Shorewood Blvd. Madison, WI 53705

Replacement of package roof top unit:

- Remove & properly dispose of existing equipment & refrigerant.
- Install (1) new Trane cooling only R410a package roof top unit.
- Reconnect Low voltage.
- Startup and verify proper operation of the units.
- Installation labor
- Crane rental & city permits (\$800.00 Value).
- Electric Construction for necessary electrical (\$800.00 Value).
- HVAC permit fees (\$60.00 Value)
- One year parts and labor warranty
- Manufactures warranty

Option #1: Install (1) Trane HIGH EFFICIENCY cooling only unit.

COST OF OPTION #1 INSTALATION \$15,787.00 *

Option #2: Install (1) Trane STANDARD EFFICIENCY cooling only unit.

COST OF OPTION #2 INSTALATION \$14,307.00 *

Option #3: Install Trane Hail Guards on the new cooling only unit.

COST OF OPTION #3 INSTALATION \$549.00 *

2.

This price is only valid at the time of selecting option #1 or #2.

16,336.00

Terms & Conditions:

- The price above reflects the reconnecting of a standard commercial thermostat; if the building has a zone system then additional cost will be incurred for communication boards etc.
- If customer chooses they can retain the services of a licensed contractor to perform the work. If this is the case then simply deduct the amount listed.
- Work to be performed during normal business hours of Monday-Friday 7:30am to 4:00pm
- The pricing provided is valid for 30 Days.
 - Terms are net 30 days.
 - After which finance charges will be applied.
- If payment is not received within 30 Days the equipment/ installation warranty is null & void.
- This price reflects the Harker cash or check discount.
 - If credit card is to be used add 3.5% on to cost.

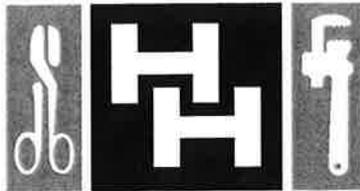
Authorization Signature

Date

Web: www.hhindustries.com

Phone: 608-273-3434

Fax: 608-273-9654



H & H INDUSTRIES, INC

Mechanical Contractor

Mailing Address:

2801 Syene Road
Madison, WI 53713-3203

HVAC PROPOSAL

June 22, 2017

John Mitmoen
Village of Shorewood Hills
810 Shorewood Blvd.
Madison WI 53705

Email: jmitmoen@shorewood-hills.org

Re: Village Hall Unit

Scope of Work

1. Remove and dispose of existing side discharge Carrier unit
2. Furnish and install 15-ton rooftop unit
 - 208/230 volt, 3 phase
 - 2-stage compressor
 - Economizer
3. Crane rental
4. Line and low voltage electric
5. Permits

Quoted Price: \$16,274.00

Sincerely,

H & H INDUSTRIES, INC.

Michael Raether

Project Manager

TERMS: Net 30 Days **Accepted** _____ **Date** _____

Bid is based on work being performed during normal business hours (Monday–Friday, 7am–4pm).

Bid does not include:

- *Sales tax for any items deemed “personal” property by Wisconsin Dept. of Revenue.*
- *If applicable, any prior service calls unless noted.*
- *New disconnect or gas regulator on changeout of equipment unless noted.*

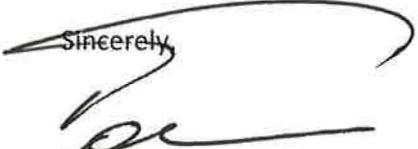
August 4, 2017

Karl Frantz
Village Administrator
810 Shorewood Boulevard
Shorewood Hills, WI 53705

Dear Karl,

Please consider this letter as a written request pursuant to the Tax Increment Grant Agreement dated March 16, 2015 between the Village of Shorewood Hills and 700 University Bay Drive, LLC for the issuance of a Municipal Revenue Obligation in the principal amount of \$2,100,000 plus interest on the same from the date the requirements for the issuance of the MRO were satisfied. Consistent with the requirements for issuance of the MRO the project has: 1. Obtained occupancy permits for all residential apartment units 2. Completed the construction of the building core and shell.

Sincerely,



Paul Lenhart

700 University Bay Drive, LLC

ATTACHMENT F
FORM OF MUNICIPAL REVENUE OBLIGATION

MUNICIPAL REVENUE OBLIGATION

VILLAGE OF SHOREWOOD HILLS
MUNICIPAL REVENUE OBLIGATION SERIES 2014
\$2,100,000.00

THIS MUNICIPAL REVENUE OBLIGATION (the "Obligation") is issued pursuant to Wis. Stat. § 66.0621 this _____ day of _____, 20__ by the Village of Shorewood Hills, Dane County, Wisconsin (the "Village") to 700 University Bay Dr., LLC, its successors and assigns ("Developer").

WITNESSETH:

- A. The Village and Developer have entered into a Tax Increment Grant Agreement dated _____ (the "Agreement").
- B. This Obligation is issued by the Village pursuant to the Agreement.
- C. Terms that are capitalized in this Obligation that are not defined in this Obligation and that are defined in the Agreement shall have the meanings assigned to such terms by the Agreement.
- D. *Promise to Pay.* The Village shall pay to Developer the principal amount of \$2,100,000.00, together with interest thereon at a rate of five percent (5%) per annum, solely from Actual Tax Increment, in Scheduled Payments in accordance with Schedule 1 attached hereto and made a part hereof. Interest shall accrue beginning on the date on which this Obligation is issued. To the extent that on any Payment Date the Village is unable to make a payment from Actual Tax Increment at least equal to the Scheduled Payment due on such date as a result of having received, as of such date, insufficient Actual Tax Increment, or as the result of the Village Board not having appropriated sufficient Actual Tax Increment, such failure shall not constitute a default under this Obligation and, except as hereinafter provided, the Village shall have no obligation under this Obligation, or otherwise, to subsequently pay any such deficiency unless the deficiency is the direct result of the failure of Dane County to timely remit the proper amount of Tax Increment, in which case, such deficiency shall be paid promptly upon remittance by Dane County. Any payments on the Municipal Revenue Obligation, which are due on any Payment Date, shall be payable solely from and only to the extent that, as of such Payment Date, the Village has received Actual Tax Increment. If, on any Payment Date there is insufficient Actual Tax Increment to make the scheduled payment due on such date, or if the Village Board shall not otherwise appropriate sufficient Actual Tax Increment to make the scheduled payment due on such date in full, the amount of such deficiency in the scheduled payment shall be deferred and shall be paid with interest at a rate equal to five percent (5%) per annum, on the next Payment Date on which the Village has Actual Tax Increment in excess of the amount necessary to make the scheduled payment due on such Payment Date, and if such deficiency has not been paid in full by the final Payment Date as set forth on Schedule 1, then the term of this

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Obligation shall be extended to include additional successive payment dates on which any Actual Tax Increment will be applied to the payment of such accrued and unpaid deficiencies in the scheduled payments to be made hereunder. In no case, however, shall the term of this Obligation and the Village's obligation to make payments hereunder, extend beyond the termination date of the District, (as defined in the Tax Increment Law). Nor shall the Village be obligated to pay any amount not appropriated for such purpose by the Village Board. This Obligation shall terminate and the Village's obligation to make any payments under this Obligation shall be discharged, and the Village shall have no obligation and incur no liability to make any payments hereunder, after the termination date of the District.

E. *Limited Obligation of Village.* This Obligation shall be payable solely from Actual Tax Increment, and shall not constitute a charge against the Village's general credit or taxing power. The Village shall not be subject to any liability hereunder, or be deemed to have obligated itself to pay Developer any amounts from any funds, except the Actual Tax Increment, and then only to the extent and in the manner herein specified.

F. *Subject to Annual Appropriations.* Each payment under this Obligation shall be subject to annual appropriation by the Village in accordance with the requirements for revenue obligations and in a manner approved by the Village's bond counsel.

G. *Prepayment Option.* To satisfy in full the Village's obligations under this Obligation, the Village shall have the right to prepay all or a portion of the outstanding principal balance of this Obligation at any time, at par and without penalty.

H. *Miscellaneous.* This Obligation is subject to the Tax Increment Law and to the Agreement.

Dated this _____ day of _____, 20__.

VILLAGE OF SHOREWOOD HILLS

By _____
Mark Sundquist, Village President

ATTEST:

Colleen Albrecht, Village Clerk

Attachment – Schedule 1

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Schedule 1
Village of Shorewood Hills
TID No. 3 - 700 University Bay Drive Redevelopment Project
Developer Financed Borrowing MRO

Principal:	\$2,100,000	Project Cost:	\$2,100,000
Interest Rate:	5.00%	Finance Fees:	\$0
Term (Years):	13	Interest Earned:	\$0
# of Principal Payments:	13	Capitalized Interest:	\$0
Date of Issue:	9/22/2017	Total TID Cost of Loan:	\$2,929,542

Year	Principal Payment #	Unpaid Principal	Principal Payment	Interest Payment	Total Payment	Apply Surplus to Principal
2008	0	\$0	\$0	\$0	\$0	\$0
2009	0	\$0	\$0	\$0	\$0	\$0
2010	0	\$0	\$0	\$0	\$0	\$0
2011	0	\$0	\$0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0	\$0	\$0
2015	0	\$0	\$0	\$0	\$0	\$0
2016	0	\$0	\$0	(\$23,300)	\$0	\$0
2017	1	\$2,100,000	\$118,557	\$106,792	\$225,349	\$0
2018	2	\$1,981,443	\$124,485	\$100,864	\$225,349	\$0
2019	3	\$1,856,958	\$130,709	\$94,640	\$225,349	\$0
2020	4	\$1,726,249	\$137,245	\$88,105	\$225,349	\$0
2021	5	\$1,589,004	\$144,107	\$81,243	\$225,349	\$0
2022	6	\$1,444,897	\$151,312	\$74,037	\$225,349	\$0
2023	7	\$1,293,585	\$158,878	\$66,472	\$225,349	\$0
2024	8	\$1,134,707	\$166,822	\$58,528	\$225,349	\$0
2025	9	\$967,885	\$175,163	\$50,187	\$225,349	\$0
2026	10	\$792,722	\$183,921	\$41,428	\$225,349	\$0
2027	11	\$608,801	\$193,117	\$32,232	\$225,349	\$0
2028	12	\$415,684	\$202,773	\$22,577	\$225,349	\$0
2029	13	\$212,912	\$212,912	\$12,438	\$225,349	\$0
Total			\$2,100,000	\$829,542	\$2,929,542	\$0

2016 Interest made up in equal payments added to the Interest Payments from 2017 to 2029

Notes:

- Scheduled payment dates are November 1st of each year.
- Village shall have the right to prepay all or a portion of the outstanding principal balance of this Obligation at any time, at par and without penalty.

TAX INCREMENT GRANT AGREEMENT

(700 University Bay Dr., LLC Redevelopment)

THIS TAX INCREMENT GRANT AGREEMENT (the "Agreement") is entered into as of March 16, 2015 by and among the Village of Shorewood Hills, Wisconsin, a Wisconsin municipal corporation (the "Village"), and 700 University Bay Drive, LLC (the "Developer").

RECITALS

WHEREAS, the Village has created Tax Incremental Financing District No. 3 (the "District"); and

WHEREAS, the Village desires to facilitate the redevelopment of certain property having a street address of 2701 and 2705 Marshall Court (the "Property") within the District; and

WHEREAS, the Village established the District to, among other things, make certain grants and incur certain project costs as described in, and subject to the reservations contained in, this Agreement; and

WHEREAS, Developer intends to purchase the Property and construct a mixed-use, mixed-income, multi-family rental housing and commercial project consisting of 54 residential housing units, and approximately 9,000 square feet of commercial space, subject to the requirements and reservations contained in this Agreement; and

WHEREAS, Developer has requested tax increment grant funds from the Village to facilitate construction of the Project, including the affordable housing component of the Project; and

WHEREAS, the Village and Developer desire to enter into a tax increment grant agreement to facilitate the redevelopment of the Property consistent with the Project Plan for the District, and to promote the development of affordable housing; and

WHEREAS, as an inducement to Developer to develop the Property and otherwise facilitate the Project, and in order to make the Project financially feasible and to implement the Project Plan, the Village finds it appropriate to provide tax increment development assistance for the Project as described in, and subject to the reservations contained in, this Agreement; and

WHEREAS, the Village finds and determines that unless the Village provides the development incentive assistance described in this Agreement, Developer will not construct the Project, and the Village will not accomplish the objectives of the Project Plan; and

WHEREAS, the Village finds that the Project and the fulfillment of the terms and conditions of this Agreement are in the vital and best interest of the Village and its residents, by

redeveloping underutilized property in the Village and implementing the Project Plan and the Doctor's Park Neighborhood Plan, and providing additional affordable housing; and

WHEREAS, Village Board on March 16, 2015, approved this Agreement and authorized the Village, through its duly authorized officials and agents, to execute this Agreement; and

WHEREAS, Developer approved and authorized the execution of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals, and the mutual promises, obligations and benefits provided hereunder, the receipt and adequacy of which are hereby acknowledged, Developer and the Village agree as follows:

A. **DEFINITIONS.** As used in this Agreement, the following terms, when having an initial capital letter, shall mean:

1. Actual Tax Increment. The tax increment actually received by the Village from taxes levied on the Property in a given year, as reasonably calculated by the Village. As of the effective date of this Agreement, the Department of Revenue calculates the combined tax increment generated by all tax increment districts in the Village, using a methodology reflected on Wisconsin Department of Revenue form PC-202. A copy of form PC 202, for 2014 taxes payable in 2015, is attached as Attachment E. The parties agree that the Village may reasonably calculate Actual Tax Increment by multiplying the total "interim rate" from form PC-202 for the applicable year by the Value Increment for that year. The total interim rate is obtained by dividing the combined levies from each taxing jurisdiction (the sum of the apportioned levies in column A on form PC-202) by the total equalized value of all taxable property in the Village, excluding the value increment of all tax increment districts in the Village (the amount used in column B on form PC-202). If the Wisconsin Department of Revenue discontinues or modifies form PC-202, or otherwise modifies the manner in which it calculates tax increment, the Village may calculate Actual Tax Increment in such other reasonable manner as it determines appropriate. The Village may make such adjustments in calculating Actual Tax Increment needed so that, if tax increment is so calculated for all parcels in the District, the sum does not exceed the total tax increment received by the Village from taxes levied on all property in the District.

2. Affordable Housing. Housing that qualifies as "Affordable Housing" within the meaning of the Conciliation Agreement between William Thomas and the Village of Shorewood Hills, HUD Case Number 05-10-1624-8.

3. Base Value. The fair market value of the Property, but not including the Village Property, as equalized by the Wisconsin Department of Revenue and shown on the tax bills as of January 1, 2008 (the date as of which the District was created). The parties agree that Base Value is \$831,000.

4. District. Village of Shorewood Hills Tax Increment District No. 3.

5. Project. A mixed-income, multi-family housing and commercial project consisting of 54 residential housing units and approximately 9,000 square feet of commercial space constructed in accordance with the General Development Plan and Specific Development Plan for the Property approved by the Village Board on March 16, 2015, and any approved amendments thereto.

6. Property. The Property known as 2701 and 2705 Marshall Court, and more particularly described the lands shown as "Lot 1" on the unrecorded Certified Survey Map attached as Attachment A.

7. Village Property. Certain property owned by the Village that is described in Attachment B, and is intended to be conveyed to Developer pursuant to this Agreement,

8. Value Increment. The fair market value of the Property in a given year, as shown on the real property tax bill for the Property for that year, minus the Base Value.

9. Village Fire and EMS Payment. The payment the Village is required to make to the City of Madison each year for fire protection and emergency medical service, pursuant to Section 4 of the Fire Protection and Emergency Medical Service Agreement Between the City of Madison and the Village of Shorewood Hills, signed by Village President Mark Sundquist on August 19, 2013 and Mayor Paul Soglin on September 17, 2013, and as that agreement may be amended from time to time.

B. DEVELOPER OBLIGATIONS.

1. Construct the Project. Developer shall use good faith efforts to commence construction of the Project within 120 days after the date of this Agreement and to substantially complete the Project within 15 months from the date of commencement. Except as otherwise provided in Section 1.7 of the Land Use Restriction Agreement attached as Attachment H, the Project's 54 residential housing units shall include not fewer than 2 three-bedroom Affordable Housing units, 4 two-bedroom Affordable Housing units, and 3 one-bedroom Affordable Housing units.

1.1. Payment of Village Administrative Costs. Developer shall reimburse the Village for fifty percent of all costs ("Administrative Costs") that have been and may be incurred by the Village for services performed by or on behalf of the Village in conjunction with the Project, including but not limited to attorneys fees, engineering fees, planning and financial consulting fees, and publication costs. Developer acknowledges that Administrative Costs have been and may be incurred in connection with, among other things, processing Developer's application to rezone the Property, processing Developer's application for approval of a certified survey map of the Property, processing Developer's request for a tax increment grant, and negotiating and preparing this Agreement and the attachments hereto. Consulting, engineering, and legal fees shall be the actual costs to the Village on the basis of submitted invoices. Bills shall be considered delivered upon personal delivery or mailing to Developer. Developer shall pay the Administrative Costs within thirty (30) days of the time when the Village delivers its bill.

Developer acknowledges and understands that the legal, engineering, planning and other professional consultants retained by the Village are acting exclusively on behalf of the Village and not Developer.

2. Equal Opportunity. Developer shall advertise the residential housing units in a manner designed to reach persons of diverse financial, racial and ethnic populations. Developer shall obtain Village approval of a written marketing and advertising plan meeting the requirements of this section before advertising or marketing any of the residential housing units, and before leasing or entering lease commitments for any of the residential housing units. Developer shall market and advertise the residential housing units in accordance with the approved marketing and advertising plan. Developer shall comply with all federal, state and local laws and regulations prohibiting discrimination in renting housing units.

3. Contribution to Village Fire and EMS Payment. Developer shall contribute to the Village Fire and EMS Payments the Village is required to pay to the City of Madison, beginning with the Village Fire and EMS Payment in 2017, and ending with the Village Fire and EMS Payment in the last year the District exists. Prior to December 31, 2016, and prior to each December 31 thereafter during the life of the District, the Village shall notify Developer in writing of the amount of the Village Fire and EMS Payment for the following year, and of the amount of the Developer's contribution to the Village Fire and EMS Payment for the following year. The Developer's contribution for a given year shall be the difference between the following:

(a) The actual Village Fire and EMS payment for the given year; and

(b) The amount the Village Fire and EMS payment would have been for the given year if the Value Increment and population attributed to the Property were not included in calculating the Village Fire and EMS Payment for that year. The population of the Property shall be the monthly average number of people residing on the Property during the applicable year. Developer shall report the population of the Property to the Village for a given year by December 15 of that year. Upon the Village's request, Developer shall provide documentation supporting the reported population of the Property.

One-half of Developer's contribution for a given year shall be paid to the Village by May 1 of the given year, and Developer's contribution shall be paid to the Village in full by September 1 of the given year.

C. CONVEYANCE OF VILLAGE PROPERTY AND TEMPORARY CONSTRUCTION EASEMENTS.

1. Within 3 business days after each of the conditions specified in Section F have been satisfied, the Village shall convey the Village Property to Developer by quit claim deed. The Village makes no warranties regarding the title to or condition of the Village Property, and Developer agrees to accept the Village Property as is. Developer acknowledges that the Village Property is currently used as a parking lot, and that parking spaces within the Village Property are subject to the existing lease agreements described in Attachment C. Developer

acknowledges that Developer is taking title to the Village Property subject to the existing lease agreements, which will be assigned to Developer at closing, without warranties.

2. Within 3 business days after each of the conditions specified in Section F have been satisfied, the Village shall convey a temporary construction easement to Developer in the form attached as Attachment D. Developer acknowledges that the temporary construction easement area is currently used as a parking lot, and that parking spaces within that area are subject to the existing lease agreements described in Attachment C. Developer acknowledges that Developer is taking the temporary construction easement subject to the existing lease agreements.

3. The Village plans to construct a bike path on lands adjacent to and South of the Village Property. If the Village determines that it needs a temporary construction-related easement on the Village Property for ingress and egress, temporary staging of materials and equipment or other reasons related to the construction of a bike path, Developer shall grant the temporary construction-related easement to the Village upon request. The easement area shall be limited to parking and drive areas located on the Village Property. The Village's use of the easement area shall not obstruct vehicular or pedestrian access to the building on the Property.

D. DEVELOPMENT INCENTIVE GRANT – MUNICIPAL REVENUE OBLIGATION.

Not earlier than 30 days prior to (i) the completion of and the issuance of occupancy permits for all housing units within the Project; and (ii) the completion of the building core and shell, ready for construction of tenant improvements for all commercial space within the Project, Developer shall provide to the Village a written request for issuance of a Municipal Revenue Obligation. Within forty-five days after submittal of the written request for issuance of the Municipal Revenue Obligation, or within 30 days after the conditions described in (i) and (ii) above have been satisfied, whichever is later, the Village shall issue a Municipal Revenue Obligation to Developer, in the principal amount of Two Million One Hundred Thousand U.S. Dollars (\$2,100,000.00), in the form attached hereto as Attachment F, under the following terms and conditions:

1. The Municipal Revenue Obligation shall bear interest at an annual rate of 5 percent. Interest shall begin to accrue on the Municipal Revenue Obligation on the date on which the Municipal Revenue Obligation is issued.

2. Any payment on the Municipal Revenue Obligation which is due on any Payment Date shall be payable solely from and only to the extent that the Village has received as of such Payment Date Actual Tax Increment, and such Actual Tax Increment has been appropriated by the Village Board to payment of the Municipal Revenue Obligation.

3. For purposes of the Municipal Revenue Obligation, a "Payment Date" shall mean each of the Scheduled Payment Dates set forth on a schedule to be prepared by the Village and attached to the Municipal Revenue Obligation when issued, but substantially in the form attached to Attachment F. The scheduled payment dates shall be prepared such that the payments on the

Municipal Revenue Obligation are amortized over the remaining number of years that tax increment generated by the District may lawfully be allocated to make payments on the Municipal Revenue Obligation. On each of the Payment Dates, the Village shall pay to Developer the Actual Tax Increment, up to the Scheduled Payment Amount shown on the schedule attached to the Municipal Revenue Obligation, together with such additional amounts, if any, deferred from prior years as may be payable on the Payment Date as provided under the terms of the Municipal Revenue Obligation, that has been appropriated for that purpose by the Village Board in accordance with the requirements for revenue obligations.

4. The Village covenants and agrees that Actual Tax Increment held by the Village as of a given Payment Date shall not be appropriated for any other use, if not appropriated for the Municipal Revenue Obligation due as of such Payment Date, until the Village has paid the Municipal Revenue Obligation payment due on the Payment Date in that year (including the Scheduled Payment Amount plus any additional amounts deferred from prior years and payable on that Payment Date), or until said Municipal Revenue Obligation has been paid. The District shall not be terminated until the Municipal Revenue Obligation in the aggregate principal amount of \$2,100,000.00 plus annual interest at the rate required by this Agreement has been paid, or until the District must be terminated by law, whichever first occurs.

5. Developer may assign the Municipal Revenue Obligation to any lender providing financing to the Project and upon notice of such assignment, the Village shall pay directly to such lender the Scheduled Payment Amounts due on account on the Municipal Revenue Obligation.

6. If the Land Use Restriction Agreement attached as Attachment H terminates early due to foreclosure or transfer of title by deed-in-lieu of foreclosure, pursuant to Section 3.2 of the Land Use Restriction Agreement, then the Village's obligation to make further payments under the Municipal Revenue Obligation shall also terminate, effective as of the date of early termination of the Land Use Restriction Agreement.

E. REPRESENTATIONS AND WARRANTIES.

Developer warrants that Developer's execution, delivery and performance of this Agreement have been duly authorized and do not conflict with, result in a violation of, or constitute a default under any provision of Developer's articles of organization or membership agreements, or any agreement or other instrument binding upon Developer, or any law, governmental regulation, court decree, or order applicable to Developer or to the Property.

F. CONDITIONS PRECEDENT TO TAX INCREMENT GRANT AGREEMENT OBLIGATIONS.

All of the following conditions must be satisfied before any party's obligations under this Agreement shall become effective.

1. The Village and Developer must approve and execute this Agreement.

2. Developer shall provide documentation reasonably satisfactory to the Village demonstrating it has secured sufficient financing to pay for the Project.

3. Developer and all others having an interest in the Property, shall execute and deliver to the Village for recording with the Dane County Register of Deeds, a Tax Agreement in the form attached as Attachment G.

4. Developer must record a Land Use Restriction Agreement against the Property, which is not subordinate to any lienholder, in substantially the same form as attached as Attachment H.

5. Developer, the Village and the Wisconsin Housing and Economic Development Authority (WHEDA) must enter an agreement under which WHEDA assumes responsibility for monitoring compliance with the Land Use Restriction Agreement.

6. The Village must receive written confirmation from the United States Department of Housing and Urban Development that the Affordable Housing provided for in this Grant Agreement qualifies as "Affordable Housing" within the meaning of the Conciliation Agreement between William Thomas and the Village of Shorewood Hills, HUD Case Number 05-10-1624-8.

7. Developer must obtain Village approval of a plan to market and advertise the residential housing units in a manner designed to reach persons of diverse financial, racial and ethnic populations.

If the events described in this Section F are not satisfied by May 15, 2015, then this Agreement shall be null and void.

G. GENERAL CONDITIONS.

1. No Vested Rights Granted. Except as provided by law, or as expressly provided in this Agreement, Developer shall have no vested right to develop the Project by virtue of this Agreement. Nor does the Village warrant that Developer is entitled to any other approvals required for development of the Property or construction of the Project as a result of this Agreement.

2. No Waiver. No waiver of any provision of this Agreement shall be deemed or constitute a waiver of any other provision, nor shall it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by the Village and the Developer, nor shall the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults. Any party's failure to exercise any right under this Agreement shall not constitute the approval of any wrongful act by another party hereto.

3. Amendment/Modification. This Agreement may be amended or modified only by a written amendment approved and executed by the Village and Developer.

4. Remedies upon Default. A default is defined herein as a party's breach of, or failure to comply with, the terms of this Agreement and the failure to cure such breach within thirty (30) days after the date of written notice from the non-defaulting party. The parties reserve all remedies at law or in equity necessary to cure any default or remedy any damages or losses under this Agreement. Rights and remedies are cumulative, and the exercise of one or more rights or remedies shall not preclude the exercise of other rights or remedies.

5. Entire Agreement/Appendices Incorporated. This written Agreement and the attachments hereto shall constitute the entire Agreement between Developer and the Village as of the date hereof.

6. Severability. If any part, term, or provision of this Agreement is held by the courts to be illegal or otherwise unenforceable, such illegality or unenforceability shall not affect the validity of any other part, term, or provision, and the rights of the parties will be construed as if the invalid part, term, or provision was never part of the Agreement.

7. Binding Effect. The obligations of Developer under this Agreement shall be binding on its successors and assigns and shall inure to the benefit of the Village and its successors and assigns.

8. Immunity. Nothing contained in this Agreement constitutes a waiver of the Village's sovereign immunity under applicable law.

9. Notice. Any notice required or permitted by this Agreement shall be deemed effective when personally delivered in writing, or faxed, as follows:

To Developer: 700 University Bay Drive, LLC
ATTN: Paul G. Lenhart, Manager
c/o Krupp General Contractors, LLC
749 University Row, Suite 101
Madison, WI 53705

With a copy to: Gregory J. Paradise
Mohs, MacDonald, Widder, Paradise & Van Note, LLC
20 North Carroll Street
Madison, WI 53703
Phone: (608) 256-1978
Fax: (608) 257-1106
E-Mail: greg@mmwp-law.com

To the Village: Village Administrator
Village of Shorewood Hills
810 Shorewood Boulevard
Madison, WI 53705
Fax: 608/266-5929

With a copy to: Matthew P. Dregne
Stafford Rosenbaum LLP
222 West Washington Avenue, Suite 900
P.O. Box 1784
Fax: 608/259-2600
Email: mdregne@staffordlaw.com

10. Personal Jurisdiction and Venue. Personal jurisdiction and venue for any civil action commenced by any party arising out of this Agreement shall be deemed to be proper only if such action is commenced in Circuit Court for Dane County unless it is determined that such Court lacks jurisdiction. Developer hereby consents to personal jurisdiction in Dane County. Developer also expressly waives the right to bring such action in, or to remove such action to, any other court whether state or federal, unless it is determined that the Circuit Court for Dane County lacks jurisdiction.

11. Ratification. Developer hereby approves and ratifies all actions taken to date by the Village, and its officers, employees and agents in connection with the District, and in connection with the zoning and other approvals relating to the Property and the Project.

12. Compliance with Laws. Developer shall comply with all federal, state and local laws with respect to the Project, including but not limited to laws governing building and construction, the environment, nondiscrimination, and employment and contracting practices, to the extent they are applicable.

13. No Partnership. The Village does not, in any way or for any purpose, become a partner, employer, principal, agent or joint venturer of or with Developer.

14. Good Faith. All parties to this Agreement shall exercise good faith in performing any obligation that party has assumed under the terms of this Agreement including, but not limited to, the performance of obligations that require the exercise of discretion and judgment.

15. Applicable Law. This Agreement shall be construed under the laws of the state of Wisconsin.

16. No Private Right or Cause of Action. Nothing in this Agreement shall be interpreted or construed to create any private right or any private cause of action by or on behalf of any person not a party hereto.

17. Effective Date. This Agreement shall be effective as of the date and year first written above.

18. Construction of Agreement. Each party participated fully in the drafting of each and every part of this Agreement. This Agreement shall not be construed strictly in favor of or against any party. It shall be construed simply and fairly to each party.

19. Recording. Either party may record a copy of this Agreement, or notice of this Agreement, with the Register of Deeds for Dane County.

20. Counterparts. This Agreement may be executed in one or more counterpart copies, each of which so executed, irrespective of the date of execution and delivery, which may be by facsimile, shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year and date first set forth above, and by so signing this Agreement, certify that they have been duly authorized by their respective entities to execute this Agreement on their behalf.

VILLAGE:

VILLAGE OF SHOREWOOD HILLS
Dane County, Wisconsin

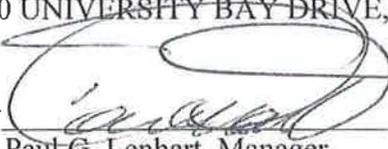
By David J Benforado
David Benforado, Village President Pro Tem

ATTEST:

Colleen Albrecht
Colleen Albrecht, Village Clerk

DEVELOPER:

700 UNIVERSITY BAY DRIVE, LLC.

By 
Paul G. Lenhart, Manager

Approved as to Form:


Matthew P. Dregne, Village Attorney

Attachments:

- A - Description of the Property
- B - Description of Village Property
- C - Description of existing parking leases
- D - Form of Temporary Construction Easement
- E - Form PC 202
- F - Form of Municipal Revenue Obligation
- G - Form of Tax Agreement
- H - Form of Land Use Restriction Agreement