

Dane County Contract Cover Sheet

Res 245
Significant

Dept./Division	Administration
Vendor Name	Dane County Housing Authority
Vendor MUNIS #	1827
Brief Contract Title/Description	Affordable housing grant award for Oak Ridge project in City of Middleton
Contract Term	15 years
Total Contract Amount	\$ 665,000

Contract # <small>Admin will assign</small>	13246
Addendum	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of Contract	
<input type="checkbox"/>	POS
<input checked="" type="checkbox"/>	Grant
<input type="checkbox"/>	County Lessee
<input type="checkbox"/>	County Lessor
<input type="checkbox"/>	Intergovernmental
<input type="checkbox"/>	Purchase of Property
<input type="checkbox"/>	Property Sale
<input type="checkbox"/>	Other

Purchasing Authority	<input type="checkbox"/> Under \$10,000 – Best Judgment (1 quote required)	
	<input type="checkbox"/> \$10,000 – \$34,999 (\$0 – \$24,999 Public Works) (3 quotes required)	
	<input type="checkbox"/> \$35,000 (\$25,000 Public Works) or above (Formal RFB/RFP required)	RFB/RFP #
	<input type="checkbox"/> Bid Waiver – under \$35,000 (\$0 – \$24,999 Public Works)	
	<input type="checkbox"/> Bid Waiver – 35,000 or above (N/A to Public Works)	
	<input checked="" type="checkbox"/> N/A – Grants, Leases, Intergovernmental, Property Purchase/Sale, Other	

MUNIS Req.	Org Code	Obj Code	Amount	\$
Req #	Org Code	Obj Code	Amount	\$
Year	Org Code	Obj Code	Amount	\$

Resolution	A resolution is required if the contract exceeds \$100,000 (\$40,000 Public Works). A copy of the Resolution must be attached to the contract coversheet.				
	<input type="checkbox"/> Contract does not exceed \$100,000 (\$40,000 Public Works) – a resolution is not required.				
	<input checked="" type="checkbox"/> Contract exceeds \$100,000 (\$40,000 Public Works) – resolution required.			Res #	245
	<input type="checkbox"/> A copy of the Resolution is attached to the contract coversheet.			Year	2017


Domestic Partner	Does Domestic Partner Equal Benefits Requirement Apply? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Contract Review/Approvals				
Initials	Dept.	Date In	Date Out	Comments
MG	Received by DOA	11/14/17		
CH	Controller		11/14/17	
CH	Purchasing		11/14/17	
JG	Corporation Counsel	11/14/17	11/14/17	
EL	Risk Management	11/14/17	11/14/17	
	County Executive			

Dane County Dept. Contact Info		Vendor Contact Info	
Name	Chuck Hicklin	Name	Rob Dicke
Phone #	608-266-4109	Phone #	
Email		Email	
Address		Address	

Certification: The attached contract is a:	
<input type="checkbox"/>	Dane County Contract <u>without</u> any modifications.
<input type="checkbox"/>	Dane County Contract <u>with</u> modifications. The modifications have been reviewed by: Dave Gault
<input checked="" type="checkbox"/>	Non-standard contract. - Dave Gault

Contract Coversheet Signatures

Department Approval of Contract		
Dept. Head / Authorized Designee	Signature	Date
		11/14/17
	Printed Name	
	Chuck Harklin	

Contracts Exceeding \$100,000

Major Contracts Review – DCO Sect. 25.12(3)

Director of Administration	Signature	Date
	Comments	
Corporation Counsel	Signature	Date
		11/14/17
	Comments	

AFFORDABLE HOUSING DEVELOPMENT FUND
GRANT AGREEMENT

This Agreement made and entered into this _____ day of _____, 2017 by and among the COUNTY of Dane, Wisconsin ("County"), a municipal corporation pursuant to chapter 59 of the Wisconsin Statutes, the Dane County Housing Authority ("DCHA"), a quasi-municipal corporation pursuant to section 59.53(22) of the Wisconsin Statutes, and Oak Ridge Middleton, LLC ("RECIPIENT"), a Wisconsin limited liability company (collectively the "Parties.")

WHEREAS, in Fiscal Year 2017, the Dane County Capital Budget includes funding for the Affordable Housing Development Fund ("ADHF"). Pursuant to Wisconsin law, the COUNTY may make grants to the DCHA, who can then make loans directly to developers of affordable housing projects.

WHEREAS, the COUNTY and the DCHA have previously signed a Memorandum of Understanding dated June 8, 2105 to partner with the COUNTY to disburse ADHF monies to ADHF grant recipients.

WHEREAS, RECIPIENT has been awarded ADHF monies for the acquisition and development of a multifamily residential building located at 7635 Lisa Lane, Middleton, Wisconsin ("Property") that has a legal description as described in Exhibit A.

WHEREAS, the proceeds of the grant will be loaned by DCHA to the RECIPIENT pursuant to the terms of a Subaward Note (the "Subaward Note").

WHEREAS, as a condition of the COUNTY'S AHDF Award to RECIPIENT, pursuant to the structure set forth in these Recitals, the COUNTY requires and RECIPIENT agrees to restrict the use of the Property as hereinafter described ("Restrictions"). Such Restrictions are contained in this Agreement, as well by the associated Land Use Restriction Agreement ("LURA") and are herein incorporated by reference.

NOW THEREFORE, in consideration of this agreement between the COUNTY, the DCHA, and RECIPIENT, the Parties agree as follows:

1. PURCHASE. The COUNTY agrees to grant to DCHA AHDF monies specifically for the DCHA to lend to RECIPIENT for the acquisition and development of the Property in the sum of Six Hundred Sixty-five Thousand and no cents (\$665,000.00) (the "Grant"). Upon receipt of the Grant, DCHA agrees and warrants to immediately and without delay loan the Grant to RECIPIENT (the "Loan"), pursuant to that certain Subaward Note dated as of the date hereof by RECIPIENT in favor of DCHA. RECIPIENT agrees and warrants that it will as soon as practicable acquire and develop the Property using Loan proceeds, which DCHA funded via the Grant proceeds.
2. USE OF PREMISES. In consideration of DCHA accepting the Subaward Note, RECIPIENT agrees and warrants that it shall use the Property as affordable rental housing, and in consideration thereof agrees and warrants to the recording of a Land Use

Restriction Agreement (“LURA”) in favor of Wisconsin Housing and Economic Development Authority, guaranteeing a period of affordability as set forth therein. RECIPIENT agrees and warrants that all units will be leased to tenants with a household income as defined by the U.S. Department of Housing and Urban Development (“HUD”) at or below that certain Area Median Income (“AMI”), as calculated by HUD, more fully set forth in the LURA. The units shall be rent restricted as further set forth in the LURA.

3. **TERM.** The term of the warranties and covenants entered herein as a part of this Agreement shall be enforceable for a period of fifteen years, commencing on the commencement date set forth in the LURA (“Commencement Date”) and terminating on fifteen year anniversary thereof. The Loan shall be due and payable on the Maturity Date as defined in the Subaward Note.
4. **REPORTING REQUIREMENTS.** RECIPIENT shall provide to the COUNTY an annual written report which shall, at a minimum, include the following information: number of tenants, how many units are rented to tenants with household incomes at 60%, 50% and 30% of AMI, the number of eviction actions filed, the reason for eviction, the number of eviction notices, issued to the tenants in the twelve months preceding the eviction filing, the number of eviction judgments granted, writs executed, and/or other case resolution (e.g. vacated prior to execution of writ or allowed to stay with conditions) and any other information that may affect the status of the Premises. This report shall be due to the COUNTY no later than February 15 and shall reflect the period from January 1 to December 31 of the previous calendar year.
5. **LEASES.** RECIPIENT shall enter into leases with tenants that are consistent with the purpose of this Agreement. DCHA and the COUNTY agree and acknowledge that RECIPIENT has provided as of the date hereof a form of residential lease that is compliant with the terms and conditions of this Agreement.
6. **COMPLIANCE WITH LAWS.** RECIPIENT shall observe and promptly and effectively comply with all applicable statutes, rules, orders, ordinances, requirements and regulations of the City of Middleton, the County of Dane, the State of Wisconsin, the federal government and any other governmental authority having jurisdiction over the Premises. RECIPIENT may, if in good faith and on reasonable grounds, dispute the validity of any charge, complaint or action taken pursuant to or under color of any statute, rule, order, ordinance, requirement or regulation, defend against the same, and in good faith diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. RECIPIENT agrees that any such contest shall be prosecuted to a final conclusion as soon as possible and that it will hold the COUNTY harmless with respect to any actions taken by any lawful governmental authority with respect thereto.
7. **TAXES.** RECIPIENT covenants and agrees that it shall pay, before delinquency, all municipal, county and state or federal taxes assessed against the Property or any fixtures, furnishings, equipment, merchandise, improvements, alterations, stock-in-trade or other personal property of any kind owned, installed or upon the Property. Tenant covenants

and agrees that it shall pay, before delinquency, all special assessments or special charges assessed against the Property.

8. INSURANCE AND INDEMNIFICATION.

- a. RECIPIENT shall indemnify, hold harmless and defend DCHA, its boards, commissions, agencies, officers, employees and representatives against any and all liability, loss (including, but not limited to, property damage, bodily injury and loss of life), damages, costs or expenses which the DCHA, its officers, employees, agencies, boards, commissions and representatives may sustain, incur or be required to pay by reason of any act, omission or negligence of RECIPIENT or its tenants, officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors in or about, or in relation to the Property, or resulting from this Agreement, however, that the provisions of this paragraph shall not apply to liabilities, losses, charges, costs, or expenses caused by or resulting from any act, omission or negligence of the DCHA, its agencies, boards, commissions, officers, employees or representatives. The obligations of the DCHA and RECIPIENT under this paragraph shall survive beyond the term of this Agreement.
- b. RECIPIENT shall indemnify, hold harmless and defend the COUNTY, its boards, commissions, agencies, officers, employees and representatives against any and all liability, loss (including, but not limited to, property damage, bodily injury and loss of life), damages, costs or expenses which the COUNTY, its officers, employees, agencies, boards, commissions and representatives may sustain, incur or be required to pay by reason of any act, omission or negligence of RECIPIENT or its Subtenants, officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors in or about, or in relation to the Property, or resulting from this Agreement, however, that the provisions of this paragraph shall not apply to liabilities, losses, charges, costs, or expenses caused by or resulting from any act, omission or negligence of the COUNTY, its agencies, boards, commissions, officers, employees or representatives. The obligations of the COUNTY and RECIPIENT under this paragraph shall survive beyond the term of this Agreement.
- c. In order to protect itself, DCHA, and COUNTY, its officers, boards, commissions, agencies, employees and representatives under the indemnity provisions of this Agreement, RECIPIENT shall obtain and at all times during the term of this Agreement keep in full force and effect comprehensive general liability policy issued by a company or companies authorized to do business in the State of Wisconsin and licensed by the Wisconsin Insurance Commissioner, with liability coverage provided for therein in the amounts of at least \$1,000,000.00 CSL (Combined Single Limits). Coverage afforded shall apply as primary. COUNTY and DCHA shall be given ten (10) days advance notice of cancellation or nonrenewal. Upon execution of this Agreement, RECIPIENT shall furnish COUNTY and DCHA with a certificate of insurance listing COUNTY and DCHA as an additional insured and, upon request, certified copies of the required

insurance policies. If RECIPIENT'S insurance is underwritten on a Claims-Made basis, the Retroactive Date shall be prior to or coincide with the date of this Agreement. The Certificate of Insurance shall state that coverage is Claims-Made and indicate the Retroactive Date. RECIPIENT shall maintain coverage for the duration of this Agreement and for two years following the completion of this Agreement. RECIPIENT shall furnish COUNTY and DCHA, annually on the policy renewal date, a Certificate of Insurance as evidence of coverage. It is further agreed that RECIPIENT shall furnish the COUNTY and DCHA with a 30-day notice of aggregate erosion, in advance of the Retroactive Date, cancellation, or renewal. It is also agreed that on Claims-Made policies, either RECIPIENT or COUNTY may invoke the tail option on behalf of the other party and that the Extended Reporting Period premium shall be paid by RECIPIENT. In the event any action, suit or other proceeding is brought against COUNTY or DCHA upon any matter herein indemnified against, COUNTY shall give reasonable notice thereof to RECIPIENT and shall cooperate with RECIPIENT'S attorneys in the defense of the action, suit or other proceeding. RECIPIENT shall furnish evidence of adequate Worker's Compensation Insurance.

- d. The parties do hereby expressly agree that COUNTY, acting at its sole option and through its Risk Manager, may waive any and all requirements contained in this Agreement, such waiver to be in writing only. Such waiver may include or be limited to a reduction in the amount of coverage required above. The extent of waiver shall be determined solely by COUNTY's Risk Manager taking into account the nature of the work and other factors relevant to COUNTY's exposure, if any, under this Agreement.
9. EVENTS OF DEFAULT. If the COUNTY becomes aware of a violation of the provisions of this Agreement, the LURA, or the Note, it shall give written notice thereof to the RECIPIENT directing RECIPIENT to remedy the violation within a reasonable specified period of time. If any violation of this Agreement, the LURA or the Note is not corrected to the satisfaction of the COUNTY within the period of time specified by the COUNTY in notice described above, the COUNTY shall have the right, without further notice, to declare an event of default ("Event of Default") under this agreement; provided, however, the COUNTY must provide at least thirty (30) days written notice for a cure period, unless a cure cannot reasonably be achieved within thirty (30) days, in which case RECIPIENT shall have such reasonable time as required to cure the default, provided such time does not exceed one hundred eighty (180) days.
 10. REMEDIES. Upon or after the occurrence of an Event of Default, and during the continuation thereof, the COUNTY shall have the right to apply to any court, for specific performance of this Agreement or LURA or for any injunction against any violation of this Agreement or LURA, or any other remedies at law or in equity or any such other action as shall be necessary or desirable so as to cure or correct the Event of Default or other noncompliance with this Agreement or LURA. In addition to the remedies described above, the DCHA may, at its discretion, recapture the AHDF Funds and

demand repayment of any outstanding debt evidenced by the Note in accordance with the terms therein and not yet repaid to the DCHA by RECIPIENT.

11. CUMULATIVE REMEDIES. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
12. COVENANTS AND CONDITIONS. Each provision of this Agreement performable by any Party shall be deemed both a covenant and a condition.
13. BINDING EFFECT; CHOICE OF LAW. This Agreement shall bind the Parties, their heirs, personal representatives, successors and assigns. This Agreement shall be governed by and be construed and interpreted in accordance with the laws of the State of Wisconsin.
14. AUTHORITY. The Parties represent and warrant that each party is a duly authorized and existing municipal, quasi-municipal, or private corporation, that each party has and is qualified to transact business in Wisconsin, that the each party has full right, authority and power to enter into this Agreement and to perform its obligations thereunder, that each person signing this Agreement on behalf of the organization is authorized to do so and that this Agreement is binding upon the organization in accordance with its terms.
15. SEVERABILITY. If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
16. NOTICES. Upon an Event of Default, the COUNTY shall send a notice of such default in accordance with this Section. The COUNTY and DCHA shall accept any cure proffered by RECIPIENT's senior lender and/or investor member as a cure proffered by RECIPIENT; provided, however, that neither RECIPIENT's senior lender nor its investor member shall be obligated to proffer a cure. Notices, reports and communications shall be in writing and shall be deemed to have been properly given when personally delivered to the Party, or three (3) days after the same is sent by certified or registered U.S. mail, postage prepaid, or by overnight courier property addressed to the Party entitled to the receive such notice as set forth:

If to Recipient:

Oak Ridge Middleton, LLC
906 Bear Claw Way
Madison, WI 53717
Attn: Jacob T. Klein

With a copy to:

Reinhart Boerner Van Deuren s.c.
22 East Mifflin Street, Suite 600

Madison, WI 53703
Attn: Joseph D. Shumow

With a copy to:

Cinnaire Fund for Housing Limited Partnership 32
1016 South Washington Avenue
Lansing, MI 48910
Attn: Asset Management

With a copy to:

Loomis, Ewert, Parsley, Davis & Gotting
124 West Allegan, Suite 700
Lansing, MI 48933
Attn: Jeffrey Green

With a copy to:

Town Bank
850 West North Shore Drive
Hartland, WI 53029
Attn: John Johannes

With a copy to:

Michael Best & Friedrich LLP
100 East Wisconsin Avenue, Suite 3300
Milwaukee, WI 53202
Attn: Brent A. Stork

If to County:

Dane County
Attn: Director Office of Workforce and Economic Development
City-County Building Rm. 421
210 Martin Luther King Jr., Blvd.
Madison, WI 53703

If to DCHA:

Dane County Housing Authority
Attn: Executive Director
6000 Gisholt Drive, Suite 203
Monona, WI 53713

Any Party may, at any time, give notice in writing to the other Parties of a change of address for purposes of this paragraph.

SIGNATURE PAGE TO FOLLOW

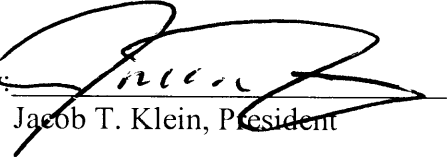
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

RECIPIENT

OAK RIDGE MIDDLETON, LLC
a Wisconsin limited liability company

Oak Ridge Middleton MM, LLC, its manager

By: JT Klein Company, Inc., its manager

By: 
Jacob T. Klein, President

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DANE COUNTY HOUSING AUTHORITY,
a

By:  _____
Rob Dicke, Executive Director

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

COUNTY OF DANE,
a Wisconsin County and body corporate
pursuant to Chapter 59 of the Wisconsin
Statutes.

By: _____
Joe Parisi, Dane County Executive

Exhibit A

SUBAWARD NOTE

COPY
November __, 2017

\$665,000.00

The undersigned, Oak Ridge Middleton, LLC, a Wisconsin limited liability company (the "Borrower"), promises to pay to Dane County Housing Authority ("Lender"), the sum of Six Hundred Sixty-Five Thousand and no/100 Dollars (\$665,000.00), or the from time to time outstanding principal balance thereof advanced to Borrower by Lender in accordance with the terms of that certain Affordable Housing Development Fund Grant Agreement, by and among County of Dane, Borrower and Lender and dated as of the date hereof (the "Grant Agreement"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Grant Agreement.

This Note shall bear interest on the outstanding principal balance (as such balance changes from time to time) at the rate of 1% per annum, compounding annually. The interest accrued shall be compounded and added to principal due on the Maturity Date (as set forth below).

The outstanding balance of principal and accrued and unpaid interest shall be paid in its entirety on November 1, 2037 (the "Maturity Date"), if not sooner paid. No payments of interest or principal pursuant to this Note are due and payable until the Maturity Date; provided, however, the Borrower shall make any and all repayments as required pursuant to its First Amended and Restated Operating Agreement, dated on or about the date hereof.

All payments shall be applied first to accrued and unpaid interest and then to principal.

The Borrower waives presentment for payment, notice of dishonor, presentment, notice of protest, protest and all diligence of collection.

All payments shall be made in immediately available funds, at the principal office of the Lender in Wisconsin. The holder of this Note may, from time to time, designate in writing such other place of payment as it may select.

This Note is secured by a Mortgage of even date herewith on real estate in the City of Middleton, County of Dane, Wisconsin (the "Mortgage"), which runs in favor of Lender. This Note may be accelerated in accordance with the terms of the Mortgage and the Grant Agreement in the event of a default thereunder not cured within applicable cure periods.

This Note, including the entire balance or principal and delinquency charges, shall become immediately due and payable to Lender without notice or demand upon the occurrence of any of the following, but not before the end of the Compliance Period (as such term is defined in the Operating Agreement) for the low-income housing project owned by Borrower:

- a. Failure to pay any amount due under this Note, and the nonpayment continues for fifteen (15) days after the Borrower is notified in writing of such nonpayment;

provided, however, that the interest payments due hereunder shall be payable only to the extent of available cash flow as provided for herein.

- b. Nonperformance by Borrower with any nonpayment covenant, provision, term or condition of the Grant Agreement or any addendum or amendment thereto and Borrower has failed to cure such nonperformance within the required time period, if any, as provided in the Grant Agreement; or
- c. Nonperformance by Borrower of any covenant, provision, term or condition of the Mortgage, or any addendum or amendment thereto and Borrower has failed to cure such nonperformance within the required time period, if any, as provided in the Mortgage; or
- d. Nonperformance by the Borrower or Lender of any covenant, provision, term or condition of the Source Documents as described in the Grant Agreement (unless such is solely within Lender's control or is solely Lender's obligation) or any addendum or amendment thereto and either Borrower or Lender has failed to cure such nonperformance within the required time period, if any, as provided for in the Source Documents.

This Note may be prepaid in whole or in part at any time without notice or penalty.

The undersigned shall pay all costs of collection, including reasonable attorneys' fees.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of all amounts then due and payable (including, but not limited to, all amounts due and payable by virtue of any default or acceleration or upon maturity) with respect to the indebtedness payable to Town Bank ("Senior Lender") to the extent and in the manner provided in that certain Subordination Agreement, dated as of the date hereof, between Senior Lender and the holder of this Note (the "Subordination Agreement"). The rights and remedies of the payee and each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of this Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the "Mortgagee" under the Subordination Agreement.

[Signature on next page]

This Note shall be governed by and construed in accordance with the internal laws of the State of Wisconsin.

OAK RIDGE MIDDLETON, LLC

BY Oak Ridge Middleton MM, LLC, its Manager

BY JT Klein Company, Inc. its Manager

BY:

COPY

James T. Klein, President



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DOCUMENT NO.

REAL ESTATE MORTGAGE SUBORDINATION AGREEMENT

In consideration of Lender's granting any extension of credit or other financial accommodation to Oak Ridge Middleton, LLC, a Wisconsin limited liability company

_____ ("Mortgagor," whether one or more), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned Mortgagee ("Mortgagee") hereby subordinates to TOWN BANK, its successors and assigns ("Lender") in the manner and to the extent described in this Agreement all interests, rights and title in the property described in paragraph 1 together with all privileges, hereditaments, easements, and appurtenances, all rents, leases, issues, and profits, all claims, awards and payments made as a result of the exercise of the right of eminent domain, and all existing and future improvements and fixtures, if any (the "Property") under a mortgage related to a \$665,000 loan from Mortgagor to Mortgagee dated November __, 2017, to be recorded in the office of the Register of Deeds of Dane County, Wisconsin ("Mortgagee's Mortgage").

1. Description of Property. The legal description of the Property is as follows:

SEE EXHIBIT A

2. Superior Obligations. Mortgagee's right, title and interest in the Property as against any person other than Lender or Lender's assignees is expressly reserved and not affected by this Agreement. As between Mortgagee and Lender, the priorities granted Lender by this Agreement shall apply to all present and future credit extended by Lender to Mortgagor, including any future advances ("Obligations"), provided the same are in fact secured by a properly recorded mortgage on the Property from Mortgagor to Lender ("Lender's Mortgage").

3. Priority. Mortgagee agrees that the lien of Lender's Mortgage shall be prior to the lien of Mortgagee's Mortgage described above to the extent and with the effect described in paragraph 4 below.

4. Division of Proceeds. To the extent Mortgagee is entitled to them by virtue of Mortgagee's Mortgage, all claims, awards and payments made as a result of the exercise of the right of eminent domain against the Property, or any part, all rents, income or profits of the Property, all compensation received for the taking of the Property, or any part, by condemnation proceedings, all compensation received as damages for injury to the Property, or any part, all proceeds from insurance on improvements to the Property, and all net proceeds arising from a foreclosure against the Property or a deed given in lieu of foreclosure ("Payments"), shall, as between Mortgagee and Lender, be paid, distributed or otherwise dealt with in the manner and to the extent required by the terms and conditions of Lender's Mortgage, notwithstanding terms and conditions to the contrary contained in Mortgagee's Mortgage, until the Obligations are paid in full or Lender's Mortgage is satisfied. Upon the occurrence and during the continuance of any event of default under the Lender's Mortgage, if any Payments are received by Mortgagee before the Obligations are paid in full or Lender's Mortgage is satisfied, Mortgagee shall deliver the Payments to Lender for application to the Obligations, indorsed or assigned, if necessary, to effect transfer to Lender. Payments made or received after satisfaction of Lender's Mortgage or payment in full of the Obligations shall be paid, distributed or otherwise dealt with as though this Agreement did not exist.

5. Protective Advances. If Mortgagor fails to perform any of Mortgagor's duties set forth in Mortgagee's Mortgage or in Lender's Mortgage, and if Mortgagee or Lender performs such duties or causes them to be performed, including paying any amount so required ("Protective Advances"), the Protective Advances shall be added to the Obligations if paid by Lender or, if paid by Mortgagee with the consent of Lender and secured by Mortgagee's Mortgage, given the priority accorded such advances under the Mortgagee's Mortgage as though this Agreement did not exist.

6. Modification of Lender's Mortgage. The Mortgagee agrees that, subject to the provisions of paragraph 2, the Lender shall have the right to modify, amend and change any and all of the terms of the Lender's Mortgage and the indebtedness secured by Lender's Mortgage without any obligation to notify, or to obtain the consent of, Mortgagee and without in any way affecting any of the rights, priorities or interests of Lender set forth in this Agreement.

7. Successors and Assigns. This Agreement benefits Lender, its successors and assigns, and binds Mortgagee and its heirs, personal representatives, successors and assigns, and is not intended to benefit any other person or entity.

COPY

Recording Area

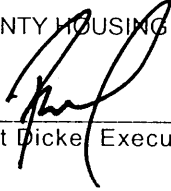
Name and Return Address

Brent A. Stork
Michael Best & Friedrich LLP
100 East Wisconsin Avenue, Suite 3300
Milwaukee, Wisconsin 53202

Parcel Identifier Number – 255/0708-023-8373-2

8. **Other Provisions.** The Mortgagee further agrees that, from and after the date on which the Lender provides to the Mortgagee a written notice that an event of default has occurred and is continuing with respect to the Obligations and Lender's Mortgage, and until such time thereafter as the Lender shall provide written notice that such event of default has been cured, the Mortgagee shall not accept any payments from the Mortgagor with respect to the note and other obligations owing from the Mortgagor to the Mortgagee unless and until the Obligations have been paid in full, and that any payments actually received by the Mortgagee shall be held in trust by the Mortgagee and promptly delivered to the Lender. The Mortgagee further agrees that any lien or security interest that the Mortgagor may have in any personal property assets of the Mortgagor are also subordinate to any security interest that the Lender may have in the personal property assets of the Mortgagor.

DANE COUNTY HOUSING AUTHORITY

By: 
Robert Dicke Executive Director

STATE OF WISCONSIN)
) SS
COUNTY OF _____)

On this ____ day of _____, 2017, before me, a Notary Public, personally appeared _____ to me personally known, who being by me duly sworn, did say that said individual is the Executive Director of the above named entity, and that this instrument was signed and sealed on behalf of such entity, and said individual acknowledged the execution of this instrument as the free act and deed of such entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Name: _____
Notary Public, State of Wisconsin
County of _____
My Commission _____

This instrument was drafted by
and should be returned to:

Brent A. Stork
Michael Best & Friedrich LLP
100 East Wisconsin Avenue, Suite 3300
Milwaukee, Wisconsin 53202

AUTHENTICATION

Signature of Robert Dicke, Executive
Director of Dane County Housing
Authority, authenticated this
23rd day of October, 2017.

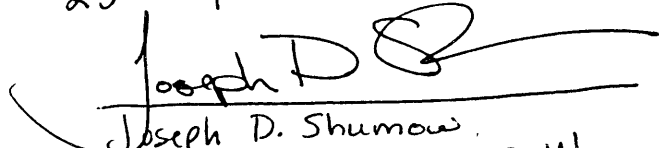

Joseph D. Shumow
Member, State Bar of Wisconsin

EXHIBIT A
LEGAL DESCRIPTION

Lot Two (2), Certified Survey Map No. 14196 recorded in the Office of the Register of Deeds for Dane County, Wisconsin on March 15, 2016, in Volume 96 of Certified Survey Maps, Pages 127129, as Document No. 5220649, located in the City of Middleton, Dane County, Wisconsin.

PIN: 255/0708-023-8373-2

	MORTGAGE
Document Number	Document Title

COPY

MORTGAGE

Recording Area

Drafted by and Return to:

Attorney Joseph D. Shumow
 Reinhart Boerner Van Deuren s.c.
 22 East Mifflin Street, Suite 600
 Madison, WI 53703

Parcel Identification Number (PIN)

Oak Ridge Middleton, LLC, a Wisconsin limited liability company (“Mortgagor”) mortgages to the Dane County Housing Authority (“Mortgagee,”), as of this _____ day of October, 2017, to secure payment of Six Hundred Sixty-five Thousand and no/100ths dollars (\$665,000.00) evidenced by the Subaward Note bearing an even date executed by Oak Ridge Middleton, LLC, a Wisconsin limited liability company, (“Obligor”) to Mortgagee, and any extensions, and renewals and modifications of the note and refinancings of any such indebtedness on any terms whatsoever (including increases in interest) and the payment of all other sums, with interest, advanced to protect the security of this Mortgage, the following property, together with the rents, profits, fixtures and other appurtenant interest (all called “Property”), in Dane County, State of Wisconsin:

(The real property legally described on Exhibit “A”)

1. This is not homestead property.

2. This is not a purchase money mortgage.

3. **MORTGAGOR'S COVENANTS.**

(a) **COVENANT OF TITLE.** Mortgagor warrants title to the Property, except restrictions and easements of record, a mortgage securing a loan by Town Bank and any other documents recorded against the Property in connection with such loan and those matters listed on Exhibit B hereto (the "Permitted Encumbrances").

(b) **TAXES.** Mortgagor promises to pay when due all taxes and assessments levied on the Property or upon Mortgagee's interest in it and to deliver to Mortgagee on demand receipts showing such payment.

(c) **INSURANCE.** Mortgagor shall keep the improvements on the Property insured against a loss or damage occasioned by fire, extended coverage perils and such other hazards as Mortgagee may require, through insurers approved by Mortgagee in such amounts as Mortgagee shall reasonably require, and Mortgagor shall pay the premiums when due. The policies shall contain the standard mortgage clause in favor of Mortgagee and, unless Mortgagee otherwise agrees in writing, the original or true and correct photocopies of all policies covering the property shall be deposited with Mortgagee. Mortgagor shall promptly give notice of loss to insurance companies and Mortgagee. Unless Mortgagor and Mortgagee otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damages. Compliance with the insurance requirements set forth in the Development Agreement between Mortgagor and Mortgagee of even date herewith (the "Development Agreement") shall constitute compliance with this paragraph.

(d) **OTHER COVENANTS.** Mortgagor covenants not to commit waste nor suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from liens superior to the lien of this Mortgage other than the Permitted Encumbrances, and to comply with all laws ordinances and regulations affecting the Property. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by a mortgage or other lien on the Property superior to this Mortgage and any failure to do so after the expiration of any applicable cure period shall constitute a default under this Mortgage.

4. **DEFAULT AND REMEDIES.** Mortgagor agrees that time is of the essence with respect to payment of principal and interest when due and in the performance of any of the covenants and promises of the Mortgagor contained herein, in the Development Agreement or in the note secured hereby. In the event of default, Mortgagee may, at his option and subject to the notice provisions of this Mortgage and the terms of the Development Agreement, declare the whole amount of the unpaid principal and accrued interest due and payable and collect it in a suit at law or by foreclosure of this Mortgage by action or advertisement or by the exercise of any other remedy available at law or equity, and Mortgagee may sell the Property at public sale and give deeds of conveyance to the purchasers pursuant to the statutes.

5. **NOTICE.** Unless otherwise provided in the note secured by this Mortgage, prior to any acceleration (other than under paragraph 12) Mortgagee shall mail notice to Mortgagor or Mortgagor's investor member as provided in the Development Agreement specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days, or such longer period as may be set forth in the Development Agreement, from the date the notice is mailed to Mortgagor by which date the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration.

6. **EXPENSES AND ATTORNEY'S FEES.** In case of default, whether abated or not, all costs and expenses including reasonable attorneys' fees and expenses of title evidence to the extent not prohibited by law shall be added to the principal, become due as incurred, and in the event of foreclosure, be included in the judgment.

7. **FORECLOSURE WITHOUT DEFICIENCY.** Mortgagor agrees to the provisions of Section 846.101 and 846.103(2) of the Wisconsin Statutes, as may apply to the property and as may be amended, permitting Mortgagee in the event of foreclosure to waive the right to judgment for deficiency and to hold the foreclosure sale within the time provided in such applicable Section.

8. **RECEIVER.** Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor consents to the appointment of a receiver of the Property, to collect the rents, issues, and profits of the Property, during the pendency of such an action, and such rents, issues, and profits when so collected, shall be held and applied as the court shall direct.

9. **WAIVER.** Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

10. **MORTGAGEE MAY CURE DEFAULTS.** In the event of any default by Mortgagor of any kind under this Mortgage, the Development Agreement or any note secured by this Mortgage, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor with interest at the default rate then in effect under the note secured by this Mortgagee and shall constitute a lien upon the Property.

11. **CONSENT REQUIRED FOR TRANSFER.** Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, option, long-term lease or in any other way) other than leases in the ordinary course of business without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness under the note secured by this Mortgage shall become due and payable in full, at the option of Mortgagee without notice, upon any transfer, sale or conveyance made in violation of this paragraph. Notwithstanding the foregoing, the following shall not be deemed a transfer, sale, or conveyance of legal or equitable interest in the Property: (a) a transfer of interests in Mortgagor's managing member pursuant to the terms of its operating agreement then in effect; (b) a transfer of the interests in Mortgagor's investor member from time to time; and/or (c) the transfer of less than 50% of the beneficial interests of Mortgagor's managing member's manager.

12. **ASSIGNMENT OF RENTS.** Mortgagor hereby transfers and assigns absolutely to Mortgagee, as additional security, all rents, issues and profits which become or remain due (under any form of agreement for use or occupancy of the Property or any portion thereof), or which were previously collected and remain subject to Mortgagor's control, following any default under this Mortgage or the note(s) secured hereby and delivery of notice of exercise of this assignment by Mortgagee to the tenant or other user(s) of the Property. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property.

13. **LAND USE RESTRICTION AGREEMENT.** Mortgagee agrees that this Mortgage shall, upon the recording of that certain Land Use Restriction Agreement by Mortgagor in favor of Wisconsin Housing and Economic Development Authority (the "LURA") against the Property, automatically be deemed subordinate to the LURA as though the LURA had been recorded prior to this Mortgage

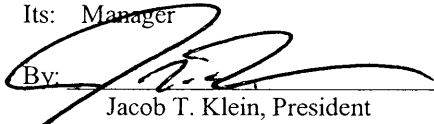
This Mortgage is dated as of the date first set forth above.

MORTGAGOR

Oak Ridge Middleton, LLC

By: Oak Ridge Middleton MM, LLC
Its: Manager

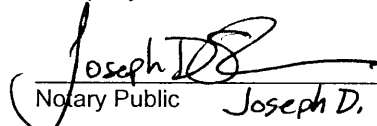
By: JT Klein Company, Inc.
Its: Manager

By: 
Jacob T. Klein, President

ACKNOWLEDGEMENT

State of Wisconsin
County of Dane

This instrument was acknowledged before me in
Madison, Wisconsin on October
23, 2017 by Jacob T. Klein, President of JT Klein
Company, Inc.


Notary Public Joseph D. Shumow
My commission: is permanent.

AUTHENTICATION

Signature(s) _____

authenticated this ____ day of _____, _____.

_____ signature

_____ type or print name

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

EXHIBIT A

Exhibit B

Permitted Encumbrances

Those items listed on Schedule B-II of First American Title Insurance Company
Commitment Number CO-_____.