

Res 156
significant

Dane County Contract Cover Sheet

Dept./Division	Admin/Controller	Contract # <small>Admin will assign</small>	13790+13790-1
Vendor Name	Gorman and Company	Addendum	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Vendor MUNIS #	20377	Type of Contract	
Brief Contract Title/Description	Affordable housing project known as Valor on Washington	<input type="checkbox"/>	Dane County Contract
Contract Term	99 Years	<input type="checkbox"/>	Grant
Total Contract Amount	\$ 1,043,963	<input type="checkbox"/>	County Lessee
		<input checked="" type="checkbox"/>	County Lessor
		<input type="checkbox"/>	Intergovernmental
		<input type="checkbox"/>	Purchase of Property
		<input type="checkbox"/>	Property Sale
		<input checked="" type="checkbox"/>	Other

Purchasing Authority	<input type="checkbox"/> \$10,000 or under – Best Judgment (1 quote required)		
	<input type="checkbox"/> Between \$10,000 – \$36,000 (\$0 – \$25,000 Public Works) (3 quotes required)		
	<input checked="" type="checkbox"/> Over \$36,000 (\$25,000 Public Works) (Formal RFB/RFP required)		RFB/RFP # 118054
	<input type="checkbox"/> Bid Waiver – \$36,000 or under (\$25,000 or under Public Works)		
	<input type="checkbox"/> Bid Waiver – Over \$36,000 (N/A to Public Works)		
	<input type="checkbox"/> N/A – Grants, Leases, Intergovernmental, Property Purchase/Sale, Other		

MUNIS Req.	Org Code	CPADMIN	Obj Code	58720	Amount	\$ 1,043,963
Req #	N/A	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 cover sheet.		
	<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 # 156
	<input type="checkbox"/> A copy of the Resolution is attached to the contract cover sheet.		Year 2019

Contract Review/Approvals				
Initials	Dept.	Date In	Date Out	Comments
MS	Received by DOA	8/29/19		
CE	Controller		8/29/19	
CE	Purchasing		8/29/19	
SHR	Corporation Counsel		8/29/19	
SL	Risk Management		8/29/19	
	County Executive			

Dane County Dept. Contact Info		Vendor Contact Info	
Name	Chuck Hicklin	Name	
Phone #	266-4109	Phone #	
Email	hicklin@countyofdane.com	Email	
Address		Address	

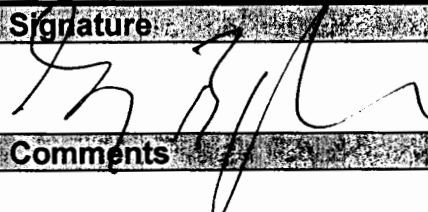
Certification	
The attached contract is a:	
<input type="checkbox"/>	Dane County Contract <u>without</u> any modifications.
<input type="checkbox"/>	Dane County Contract <u>with</u> modifications. The modifications have been reviewed by:
<input checked="" type="checkbox"/>	Non-standard contract. - Susan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

Contract Cover Sheet Signature

Department Approval of Contract		
Dept. Head / Authorized Designee	Signature	Date
		8/29/19
	Printed Name	
	Charles Franklin	

Contracts Exceeding \$100,000

Major Contracts Review – DCO Sect. 25.11(3)

Director of Administration	Signature	Date
		8/30/19
	Comments	
Corporation Counsel	Signature	Date
	Susan Rauti	8/29/19
	Comments	

2019 RES-156
APPROVING AGREEMENTS AND PURCHASES
SUPPORTING AN AFFORDABLE HOUSING PROJECT
AT THE FORMER MESSNER PROPERTY IN THE CITY OF MADISON

In November of 2015, the county purchased the former Messner building on the 1300 block of East Washington Avenue for the purposes of establishing a day resource center for the community's homeless population. The effort to establish the center at that location ended when the county purchased the building at 615 East Washington where the center is currently located.

In September of 2017, the county issued a request for proposals to redevelop the Messner site as a mixed use affordable housing project. The RFP provided that the site would be leased to the developer at a nominal cost for a period of 99 years. Gorman and Company was awarded the opportunity to serve as the county's development partner on the project.

Gorman's proposal, called Valor on Washington, was awarded tax credit financing in the Spring of 2019. The project has also been awarded funding through the affordable housing development funds of both the City of Madison and Dane County.

The Valor on Washington project is a new construction development consisting of a mix of affordable and market-rate units for families. Specifically, this development will target veteran families. Valor on Washington features 59 total units total in one six-story building – this includes (29) two-bedroom, (28) three-bedroom, and (2) four-bedroom units. There are 9 market rate units and 50 affordable units, which includes (8) project-based voucher units whereby tenants pay 30% of their income on rent; (4) 30% AMI units; (28) 50% AMI units; and (10) 60% AMI units. Supportive services for these units will be provided by Lutheran Social Services, who will also have an ownership interest in the housing component.

The Valor on Washington project includes a partnership with Dryhootch to provide Veteran services. Dryhootch is a nonprofit organization, formed with the mission of creating safe, comfortable places where Veterans can gather informally in a drug- and alcohol-free environment. Space on the first floor has been designed to accommodate their services. The development includes structure parking for residents (approx. 73 stalls) and 12 surface parking stalls for visitors, staff, and Dryhootch.

This resolution provides for approval of the agreements between the county and Gorman and Company. Specifically, the resolution approves the land lease for the site, and the purchase and lease back of a portion building to deliver the funding under the county's affordable housing development fund.

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THEREFORE BE IT RESOLVED that the County Board authorizes the lease of the site of the site to Gorman and Company or its affiliates, and the County Executive and County Clerk are authorized to execute the lease, and

BE IT FUTHER RESOLVED that the County Board authorizes the purchase of a condominium unit to be developed by Gorman and Company or its affiliates, and

BE IT FUTHER RESOLVED that the County Board authorizes the lease of the condominium unit to Gorman and Company or its affiliate, and the County Executive and County Clerk are authorized to execute the lease;

BE IT FINALLY RESOLVED that the County Real Estate staff are authorized to execute documents necessary to purchase the condominium unit, and the Controller is authorized to make payments necessary for this purchase.

GROUND LEASE

In consideration of the mutual promises and covenants contained in this Ground Lease ("Lease"), Landlord and Tenant agree as follows:

1. FUNDAMENTAL LEASE PROVISIONS AND DEFINITIONS.

DATE OF LEASE: _____, 2019

"LANDLORD": County of Dane, Wisconsin, a Wisconsin county and body corporate pursuant to Chapter 59 of the Wisconsin Statutes

"LANDLORD'S ADDRESS": City-County Building, Room 425
210 Martin Luther King, Jr. Blvd.
Madison, Wisconsin 53703

"TENANT": Valor on Washington, LLC,
a Wisconsin limited liability company

"TENANT'S ADDRESS": c/o Gorman & Company, LLC
200 North Main Street
Oregon, Wisconsin 53575

"PREMISES": The land described on Exhibit A attached hereto.
(1326 East Washington Avenue, Madison, WI)

"LEASE TERM": 99 years

"COMMENCEMENT DATE": _____, 2019

"TERMINATION DATE": _____, 2117

"AFFORDABILITY PERIOD": From the completion of construction of the Premises until the Termination Date.

"TAX CREDIT COMPLIANCE PERIOD": The 15-year period beginning with the first taxable year in which low-income housing tax credits are claimed, as the phrase "compliance period" is defined in 26 U.S.C. § 42(i)(1) and further interpreted by Internal Revenue Service guidance.

2. PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises, for the term and upon the conditions set forth in this Lease.

3. CONDITION AND PERMITTED USE.

(a) Tenant acknowledges and agrees that Tenant is leasing the Premises “as is,” and Landlord makes no warranties, express or implied, as to fitness, merchantability, use or condition of the premises. Tenant leases the Premises without representation or warranty by Landlord, express or implied, in fact or by law, and without recourse, with respect to: (i) the condition of the premises, and (ii) the ability to use the Premises for any particular purpose.

(b) Tenant shall have the right to construct a 59-unit apartment complex, commercial space, and related improvements (collectively, the “**Improvements**”) on the Premises and to use the Premises and Improvements as an affordable housing project and commercial space to be subjected to a condominium regime known as Valor on Washington, to be ultimately leased to and used by third parties unrelated to the Project. Improvements that consist of apartment units shall be operated by Tenant as “affordable housing” in compliance with the WHEDA LURA during the term of the WHEDA LURA; and after the release of the WHEDA LURA, for the duration of this ground lease, Tenant shall enter into a land use restriction agreement in favor of County of Dane in substantially the form set forth as Exhibit C. Upon the release of the WHEDA LURA, Tenant is bound by the subsequent LURA executed by Landlord and Tenant and recorded on the Property. A violation of these affordability set asides shall be deemed an event of default by Tenant of this Lease; provided, however, that a violation of the affordability set asides during the term of the WHEDA LURA shall be determined solely by WHEDA; provided, further, that Landlord may provide written notice to WHEDA during the term of the WHEDA LURA if Landlord believes the WHEDA LURA has been violated, and may request that WHEDA enforce the WHEDA LURA or otherwise call a default.

(c) Tenant shall commence construction within six (6) months of the Commencement Date and shall diligently undertake and complete construction of the Improvements. Tenant shall complete construction of the Improvements by July 31, 2021. Tenant shall pay for all costs of constructing the Improvements. At all times during the term of this Lease, (A) Tenant shall be deemed the sole owner of the Improvements (except upon the permitted sale of all or any portion of the Improvements), (B) Tenant alone shall be entitled to all of the tax attributes of ownership including, without limitation, the right to claim depreciation or cost recovery deductions and the right to claim the low-income housing tax credit described in Section 42 of the Internal Revenue Code of 1986, as amended, and (C) Tenant shall have the right to amortize capital costs and to claim any other federal or state tax benefits attributable to the Improvements. Landlord shall cooperate with Tenant in obtaining all permits, including any conditional use permit, necessary for the construction or operation of the Improvements, as determined by the Tenant.

4. TERM. The Lease Term shall commence on the Commencement Date and expire at midnight on the Termination Date, unless sooner terminated as hereinafter provided.

5. RENT. Tenant has paid to Landlord on the date hereof the sum of \$100 as rent for the Premises for the entire Lease Term.

6. NET LEASE. Landlord shall not be called upon to make any expenditure in connection with the Premises and all costs, expenses and obligations of every kind relating to the Premises which may arise or come due during the term of this Lease shall be paid by Tenant.

7. IMPOSITIONS. Tenant agrees to pay during the Lease Term all real estate taxes and special assessments assessed with respect to the Premises and Improvements and all personal property taxes assessed with respect to Tenant's personal property. In the event any real estate taxes or special assessments are payable on an installment basis, Tenant may elect to pay the same on such basis, in which event Tenant shall only be responsible for paying those installments due and owing during the Lease Term.

8. COMPLIANCE WITH LAW; LIENS.

(a) Tenant, at its sole cost and expense, shall comply with and cause the Premises and the Improvements to comply with all federal, state, local and other governmental statutes, laws, rules, orders, regulations, ordinances or recommendations affecting the Premises, the Improvements or any part thereof, or the use thereof, including those which require any structural changes in the Improvements whether or not any such statutes, laws, rules, orders, regulations, ordinances or recommendations which may hereafter be enacted involve a change of policy on the part of the governmental body enacting the same, and the Americans with Disabilities Act of 1992, as amended. Tenant shall comply with all obligations of record related to the Premises that run with the land.

(b) Tenant hereby covenants that Tenant and its agents, employees and contractors will not generate, store, use, treat or dispose of any "Hazardous Substances" (as hereinafter defined) in, on or at the Premises or any part of the Improvements, except for Hazardous Substances as are commonly legally used or stored (and in such amounts as are commonly legally used or stored) as a consequence of constructing the Improvements and using the Premises for its permitted use, as described in Section 3 of this Lease, but only so long as the quantities thereof do not pose a threat to public health or to the environment or would necessitate a "response action", as that term is defined in CERCLA (as hereinafter defined), and so long as Tenant strictly complies or causes compliance with all laws, statutes, rules, orders, regulations, ordinances and decrees concerning the use or storage of such Hazardous Substances. Tenant further covenants that neither the Premises nor any part of the Improvements shall ever be used by Tenant or its agents, contractors or employees as a dump site or storage site (whether permanent or temporary) for any Hazardous Substances during the Term. Tenant shall cleanup and remediate any escape, seepage, leak, spill, discharge, emission or release of Hazardous Materials in, on or under the Premises occurring during the Term to the extent required by any federal, state or local governmental authority and as reasonably required by Landlord and in the time required by such governmental authority or within a reasonable time if no such time is prescribed.

For purposes of this Lease, "**Hazardous Substances**" shall mean and include those elements or compounds which are contained in the lists of hazardous substances or wastes now or hereafter adopted by the United States Environmental Protection Agency (the "**EPA**") or the lists of toxic pollutants designated now or hereafter by Congress or the EPA or which are defined as hazardous, toxic, pollutant, infectious or radioactive by Comprehensive Environmental Response, Compensation and Liability Act or any Superfund or Superlien law or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

This Section 8(b) shall survive cancellation, termination or expiration of this Lease.

(c) Subject to the provisions of Section 19 hereof, Tenant shall not create or permit to be created or to remain, and shall promptly after it becomes aware of such lien, discharge or bond over, at its sole cost and expense, any lien, encumbrance or charge upon the Premises, or any part thereof or upon Tenant's leasehold estate hereunder, that arises from the use or occupancy of the Premises by Tenant or by reason of any labor, service or material furnished or claimed to have been furnished to or for the benefit of Tenant or by reason of any construction, repairs or demolition by or at the direction of Tenant of all or any part of the Improvements. Tenant's investor member shall have the right, but not obligation, to contest any lien, encumbrance or charge upon the Premises, such action to be honored as if the action was taken by Tenant directly; provided, however, Tenant's investor member must bond over (or cause to be bonded over) said lien, encumbrance or charge.

Notice is hereby given that Landlord shall not be liable for the cost and expense of any labor, services or materials furnished or to be furnished with respect to the Premises at or by the direction of Tenant or anyone holding the Premises or any part thereof by, through or under Tenant and that no laborer's, mechanic's or materialman's or other lien for any such labor, service or materials shall attach to or affect the interest of Landlord in and to the Premises. Nothing contained in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any improvements or repairs to or of the Premises or any part thereof, nor as giving Tenant any right, power or authority on behalf of Landlord to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the Premises or any part thereof.

(d) If Tenant fails to discharge or bond over any lien or to comply with any law as required herein and such failure continues for thirty (30) days after written notice from Landlord to Tenant, provided if such compliance is of a nature that it cannot be cured within such 30 day period, Tenant shall have such additional times as is reasonably necessary (not to exceed 90 days) to so comply so long as such compliance is commenced within said 30 day period and diligently prosecuted to completion, and thereafter, Landlord with or without declaring a default hereunder and without relieving Tenant of any liability hereunder

may, but shall not be obligated to, discharge or pay such lien (either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings) or cause compliance with such law, and any amount so paid by Landlord and all costs and expenses incurred by Landlord in connection therewith shall be paid by Tenant to Landlord within thirty (30) days after written demand by Landlord, which shall not be issued until the expiration of the periods noted above.

9. MAINTENANCE, REPAIR AND REPLACEMENT. Tenant shall, at its expense, keep and maintain in good order, condition and repair the Premises and all Improvements constructed thereon.

10. INSURANCE.

(a) Tenant agrees to carry, at its expense, property insurance insuring the Improvements and any personal property of Tenant from loss arising from fire or other casualty in an amount equal to their full replacement value. During construction of the Improvements, the property insurance shall be in the form of builder's risk insurance.

(b) Tenant agrees to carry, at its expense, a policy of commercial general liability insurance in which the limits of liability shall be not less than Three Million Dollars (\$3,000,000) combined single limit per occurrence. Landlord shall be named as an additional insured with respect to the commercial general liability insurance.

(c) All insurance required to be carried by Tenant shall be with an insurance company authorized to do business in the State of Wisconsin. Tenant shall deliver to Landlord certificates of insurance evidencing the insurance required to be carried by Tenant under this Lease prior to commencement of the Lease Term and upon renewals not less than 30 days prior to the expiration of such coverage.

11. INTENTIONALLY OMITTED.

12. UTILITIES. Tenant shall pay or cause to be paid all charges for gas, electricity, water, sewerage, heat or other fuel or power or any other utility or service used, rendered or supplied upon or in connection with the Premises.

13. CASUALTY. In the event of destruction or damage to the Improvements by fire or other casualty, Tenant shall be entitled to all insurance proceeds and shall, subject to the terms of any leasehold mortgage and the other terms of this Section 13, diligently proceed to make all repairs necessary to restore the Improvements to substantially the same condition in which they existed immediately prior to such destruction or damage, subject to delays beyond the control of Tenant. However, should the proceeds of insurance not be sufficient to rebuild the Improvements, Tenant shall have the option, exercisable in its sole and absolute discretion, by written notice to Landlord within sixty (60) days after the date of such casualty, to terminate this Lease upon which, Landlord shall have the option to demand that Tenant assign to Landlord its right to any insurance proceeds so that Landlord may demolish or repair the destroyed or damaged portion of the Improvements.

14. EMINENT DOMAIN. In the event the entire Premises are lawfully condemned or taken in any manner for any public or quasi-public use or purpose, or sold or conveyed in lieu of condemnation, this Lease shall terminate as of the date of such taking or conveyance. In the event only a portion of the Premises is taken or conveyed, this Lease shall remain in full force and effect unless Tenant terminates this Lease in its sole discretion. Tenant may terminate this Lease upon written notice thereof within 120 days of such taking or conveyance. Subject to the terms of any leasehold mortgage, Tenant shall be entitled to recover from the proceeds of any award all costs, damages, expenses, liabilities and losses in any way arising out of or resulting from any taking including, without limitation, moving expenses, loss of tax credits, and the cost of any Improvements made by Tenant; provided, however, that Landlord, and not Tenant, shall be entitled to recover the value of any land (as opposed to the Improvements) taken.

15. ASSIGNMENT AND SUBLETTING. Tenant shall not assign or transfer this Lease without first obtaining Landlord's written consent. Tenant shall have the right to sublease apartment units in the Improvements without the consent of Landlord. The commercial space at the Premises is governed by that certain Lease, dated as of the date hereof, by and between Landlord and a commercial tenant. Tenant shall not be required to obtain Landlord's consent in connection with the transfer, assignment or other conveyance of any membership interest in Tenant. Landlord shall not assign or transfer this Lease without first obtaining Tenant's written consent.

16. DEFAULT BY TENANT AND RIGHTS OF LANDLORD.

(a) If Tenant either (i) fails to pay any charges due hereunder when due and fails to cure said non-payment within ten (10) days after Tenant receives written notice of such non-payment from Landlord or (ii) fails to perform any other covenant, term, agreement or condition of this Lease within thirty (30) days after notice from Landlord (or, if performance cannot be completed within thirty (30) days, fails to commence to perform said covenant, term, agreement or condition within thirty (30) days after receipt of said notice from Landlord and to diligently prosecute same to completion), then, in any of such cases, Landlord, in addition to all other rights and remedies available to Landlord by law or by other provisions hereof, may, without process, immediately re-enter the Premises and remove all persons and property and, at Landlord's option, terminate this Lease as to all future rights of Tenant. Tenant further agrees that in case of any such termination Tenant will indemnify Landlord against all damages that Landlord incurs by reason of such termination including, without limitation, reasonable attorneys' fees.

(b) Landlord agrees that it will take no action to effect a termination of this Lease (i) for any reason prior to the end of the Tax Credit Compliance Period (including any extended use period) or (ii) by reason of any default without first giving to Tenant's investor member prior written notice thereof, if the investor member has provided Landlord with written notice of its intention to, within a reasonable time, not to exceed sixty (60) days (or if the investor member is diligently pursuing the same, not to exceed 120 days), replace any managing member of Tenant and/or to admit an additional managing member and cause

the new managing member to cure any Event of Default within a reasonable time after such entity has been admitted to as a member of Tenant; provided, however, that as conditions of such forbearance, Landlord must receive notice of the substitution of any managing member of Tenant within twenty (20) days following the expiration of the cure period given through Landlord's notice to the investor member, and Tenant, following such substitution of any managing member shall thereupon proceed with due diligence to cure such default. Landlord will also accept any timely cure by such investor member as a cure by Tenant. Additionally, Landlord specifically reserves the right to enforce specific performance of the affordability requirements as set forth in the WHEDA LURA, upon a determination by WHEDA that Tenant has materially violated the WHEDA LURA; provided, however, that a violation of the affordability set asides during the term of the WHEDA LURA shall be determined solely by WHEDA; provided, further, that Landlord may provide written notice to WHEDA during the term of the WHEDA LURA if Landlord believes the WHEDA LURA has been violated, and may request that WHEDA enforce the WHEDA LURA or otherwise call a default.

17. QUIET ENJOYMENT. Landlord covenants that if Tenant observes and performs all the terms, covenants and conditions of this Lease on its part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject to the terms and conditions of this Lease.

18. SURRENDER OF PREMISES. Upon the expiration of this Lease or the termination of this Lease for any reason, (a) Tenant shall remove Tenant's goods, effects and fixtures and those of any other persons claiming under Tenant, and quit and deliver up the Premises to Landlord peaceably and quietly and (b) title to the Improvements shall automatically transfer to Landlord.

19. FINANCING.

(a) Landlord acknowledges that in connection with Tenant's construction of the Improvements on the Premises, Tenant will be obtaining financing from various lenders, and Landlord hereby consents to such financing. From time to time during the Lease Term, Tenant may be required or desire to refinance any existing loans in connection with the Premises. Landlord further acknowledges that the lenders may require Tenant to execute and deliver various documents that will need to be recorded against Tenant's interest in this Lease including, without limitation, land use restriction agreements, mortgages and deeds of trust (collectively, the "**Encumbrances**"), and such Encumbrances may affect all of Tenant's interests hereunder, but in no event shall such Encumbrances encumber Landlord's fee or other interest in the Premises. Landlord shall not finance the land or otherwise encumber its fee interest in the land.

(b) In the event Landlord's interest is conveyed to Tenant, or Tenant's interest is conveyed to Landlord, at any time the property is encumbered by a leasehold mortgage, no merger of estates shall result in extinguishing this Lease.

(c) Any leasehold mortgagee or its successors or assigns succeeding to the interest of Tenant hereunder by foreclosure or transfer in lieu of foreclosure shall have the right to assign or transfer this Lease upon prior consent by the Landlord.

(d) Landlord agrees that it will take no action to effect a termination of this Lease by reason of any default without first giving each leasehold mortgagee written notice thereof and allowing each such mortgagee sixty (60) days to cure such default (or if such mortgagee is diligently pursuing a cure, a period not to exceed 120 days). A leasehold mortgagee desiring the benefit of this provision shall provide a notice address to Landlord within sixty (60) days following the recording of such mortgagee's mortgage. If the default is not curable by a leasehold mortgagee, then each leasehold mortgage shall have the right to enter into a new lease of the Premises with Landlord on the same terms for a period equal to the remaining Term of this Lease. If there are multiple leasehold mortgagees, the right to have a new lease shall be available to such mortgagees in the order of the priority of their respective mortgages. A mortgagee shall notify Landlord within sixty (60) days following the receipt of Landlord's notice of default whether (i) the default is curable by such mortgagee or (ii) the default is curable and such mortgagee desires a new lease.

20. ESTOPPEL CERTIFICATE. The parties hereto agree that from time to time upon not less than ten days' prior request, such party will deliver a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Lease as modified is in full force and effect); (ii) that there is no default under any provision of this Lease, or, if in default, the nature and duration thereof in detail; and (iii) such further matters as are reasonably requested.

21. ACCESS TO PREMISES. Subject to applicable laws, Landlord shall have the right to enter upon the Premises during reasonable business hours upon reasonable prior notice (or, in the case of an emergency, at any time and with or without notice) for the purposes of making any inspection it may deem expedient to the proper enforcement of the terms, covenants, or conditions of this Lease, provided that such inspection shall not unreasonably interfere with Tenant's business.

22. MONITORING AND INSPECTION. Tenant shall timely supply to Landlord any reports related to monitoring and compliance with affordability provisions of the WHEDA LURA, including compliance reports provided by Wisconsin Housing and Economic Development Authority (or its successors or assigns).

23. REPORTING REQUIREMENTS. Tenant shall provide to Landlord an annual written report which shall, at a minimum, include the following information: number of tenants, how many units owned by Landlord (whether or not part of the Premises) are rented to tenants with household incomes at 80%, 60%, 50%, 40% and 30% of the Area Median Income ("AMI" as determined by the U.S. Department of Housing and Urban Development), 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) in a form supplied by the Landlord, and any other information that may affect the status of the Premises or would be necessary for determining Tenants' compliance with the terms, covenants, and condition of this LURA. The eviction report described in this section shall be due to the Landlord no later than February 1 and shall reflect the period from January 1 to December 31 of the previous calendar year.

24. EASEMENTS. Landlord shall consent to any easements reasonably requested by Tenant, including for utility services, access, or construction purposes.

25. MISCELLANEOUS PROVISIONS.

(a) The titles to sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) This Lease shall be governed by the laws of the State of Wisconsin.

(c) All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon Landlord and Tenant and their respective successors and assigns.

(d) The covenants and agreements of this Lease shall not be altered, modified or amended except in writing signed by Landlord and Tenant.

(e) Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect. If the intent of any sections of this Lease so indicate, the obligations of Landlord and Tenant pursuant to such sections of this Lease shall survive the termination of this Lease.

(f) All notices which Landlord or Tenant may be required, or may desire, to serve on the other may be served by facsimile, personal service or by mailing by registered or certified mail, postage prepaid, at the addresses or facsimile number set forth below or at such other address, or facsimile number, as the parties may from time to time designate to the other in writing. Landlord shall provide copies of all notices it sends to Tenant hereunder to Tenant's investor member at the address, or facsimile number, set forth in Section 1 or below, as applicable, or at such other address, or facsimile number, as the investor member may from time to time designate to Landlord in writing.

To Landlord:
As listed in Section 1

To Tenant:
As listed in Section 1

With a copy to:
Reinhart Boerner Van Deuren s.c.
22 E. Mifflin St., Suite 700
Madison, Wisconsin 53703
Attention: Joseph D. Shumow
Facsimile number: 608-229-2100

To Tenant's investor member:
TBD

The time of rendition of any notice hereunder shall be deemed to be the time when the notice is either sent via confirmed facsimile, personally delivered or deposited in the mail as herein provided.

(g) Time periods or deadlines for Landlord's or Tenant's performance under any provisions of this Lease (except for the payment of money) shall be extended for periods of time during which the nonperforming party's performance is prevented due to circumstances beyond the party's control, including, without limitation, labor disputes, embargoes, governmental restrictions or regulations, inclement weather and other acts of God, war or other strife.

(h) Landlord and Tenant shall execute a memorandum of this Lease (the "Memorandum"), in the form substantially set forth in Exhibit B. Tenant shall cause the Memorandum promptly to be recorded in the real property records. Tenant shall pay all costs of recording the Memorandum.

(i) By signing below, the authorized officer of Landlord hereby certifies that this Lease has been approved and authorized by Landlord.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Lease to be executed as of the day and year first above written.

LANDLORD:

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

By: _____
Name: _____
Title: _____

Attested by: _____
Name: _____
Title: _____

TENANT:

VALOR ON WASHINGTON, LLC,
a Wisconsin limited liability company

By: Valor on Washington MM, LLC

By: GEC Valor on Washington, LLC

By: Gorman & Company, LLC

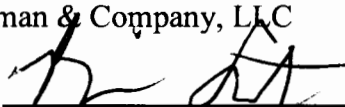
By: _____
Brian Swanton, President

EXHIBIT A

Legal Description of Premises

EXHIBIT B

Form of Memorandum of Ground Lease

See attached.

Document Number	Memorandum of Ground Lease
Document Title	Recording Area
	<p data-bbox="963 869 1298 903">Drafted by and Return to:</p> <p data-bbox="963 940 1405 1075">Reinhart Boerner Van Deuren s.c. Joseph D. Shumow 22 East Mifflin Street, Suite 600 Madison, Wisconsin 53703</p>

Parcel Identification Number (PIN)

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease (the "**Memorandum**") is made as of this ____ day of _____, 2019, by and between County of Dane, Wisconsin, a Wisconsin county and body corporate pursuant to Chapter 59 of the Wisconsin Statutes, as landlord ("**Landlord**"), and Valor on Washington, LLC, a Wisconsin limited liability company, as tenant ("**Tenant**").

Pursuant to a Ground Lease dated as of the date hereof, as amended and incorporated herein by this reference (the "**Lease**"), Landlord leased to Tenant, commencing as of the date hereof ("**Commencement Date**") and ending on the 98th anniversary of the Commencement Date that certain leased premises legally described on **Annex A** attached hereto and made a part hereof (the "**Premises**").

This Memorandum is solely intended to provide notice to third parties of the Lease and of Tenant's interest in the Premises. In the event of any inconsistency between the terms of the Lease and this Memorandum, the terms of the Lease shall control.

This Memorandum may be executed simultaneously or in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Pages Follow.]

IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year first above written.

LANDLORD:

DANE COUNTY, WISCONSIN
a Wisconsin county and body corporate pursuant
to Chapter 59 of the Wisconsin Statutes

By: _____
Name: _____
Title: _____

Attested by: _____
Name: _____
Title: _____

TENANT:

VALOR ON WASHINGTON, LLC,
a Wisconsin limited liability company

By: Valor on Washington MM, LLC

By: GEC Valor on Washington, LLC

By: Gorman & Company, LLC

By: _____
Brian Swanton, President

[Notary Blocks Follow.]

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

Personally came before me this ____ day of _____, 2019, the above-named _____, known to be to the _____ and the above-named _____, known to be to the _____ each of Dane County, Wisconsin, a Wisconsin county and body corporate pursuant to Chapter 59 of the Wisconsin Statutes, who executed the foregoing instrument on behalf of said county.

Notary Public, State of Wisconsin
My Commission: _____

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

Personally came before me this ____ day of _____, 2019, the above-named Brian Swanton to me known to be the President of the Gorman & Company, LLC, the _____ of GEC Valor on Washington, LLC, the _____ of Valor on Washington MM, LLC, the _____ of Valor on Washington, LLC, who executed the foregoing instrument on behalf of said company.

Notary Public, State of Wisconsin
My Commission: _____

ANNEX A

Legal Description of Premises

Exhibit C

Form of County Land Use Restriction Agreement

See attached.

**LAND USE RESTRICTION
AGREEMENT**

Document Number

Document Name

THIS LAND USE RESTRICTION AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____, 2019, by Valor on Washington, LLC, a Wisconsin limited liability company, and its successors and assigns ("Owner") in favor and for the benefit of County of Dane, a Wisconsin quasi-municipal corporation, and its successors and assigns ("County").

RECITALS:

WHEREAS, Owner owns the leasehold property legally described on Exhibit A which is attached hereto and incorporated by reference (the "Property"), and located at 1326 East Washington Avenue, Madison, Wisconsin;

WHEREAS, Owner and County entered into that certain Ground Lease, dated as of _____, 2019;

WHEREAS, Owner has built or will build a 59-unit affordable housing development on the Property;

WHEREAS, Owner has subjected or will subject the Property to a condominium regime, pursuant to which Owner owns one unit (the "Residential Unit");

WHEREAS, Owner has sold or will sell the other unit (the "Parking Unit") to County;

WHEREAS, County has leased or will lease the Parking Unit back to Owner or an affiliate thereof (the "Leaseback");

WHEREAS, as a condition precedent to the County to enter into the Ground Lease, acquire the Parking Unit, and enter into the Leaseback, the County requires that the Owner restrict the use of the Property as hereinafter described (the "Restrictions");

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner hereby covenants and agrees on behalf of itself and its successors in title to the Property and/or interest in Owner, as follows:

Recording Area

Drafted by and Return to:
Joseph D. Shumow
Reinhart Boerner Van Deuren
S.C.
22 East Mifflin Street, Suite 700

Parcel Identification Number (PIN)

AGREEMENT:
ARTICLE 1
REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE OWNER

The Owner represents, warrants, covenants and agrees as follows:

- 1.1 Application. The Restrictions set forth herein shall be applicable to the units within the Residential Unit located upon the Property (the "Apartments").
- 1.2 Authority. The Owner has the full legal right, power, and authority to execute and deliver this Agreement and to perform all the undertakings of the Owner hereunder.
- 1.3 Information Correct. The information set forth in this Agreement, including the Recitals, are true and correct as of the date hereof and the Owner will promptly notify the County upon the occurrence of any act or omission that immediately, or with the passage of time, makes any statement(s) herein untrue or incorrect in any material way.
- 1.4 Conflicting Agreements. The Owner has not and shall not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof. In any event, the Owner represents, warrants, covenants, agrees, and acknowledges that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.
- 1.5 Use of the Development. The Owner shall not permit the use of any residential rental unit of the Development for any purpose other than rental housing and shall not take any action which would in any way otherwise impair the use of the development as described in this subsection.
- 1.6 Non-Discrimination. The Owner shall comply with all federal, state, and local fair housing laws, rules and regulations as now or hereafter in effect and shall not discriminate upon any basis prohibited by law in the lease, use, or occupancy of the Development or in connection with the employment or application for employment of persons for the operation and management of the Development or refuse to lease a unit to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such holder. The Owner agrees to administer the Development to affirmatively further fair housing.
- 1.7 Occupancy Restrictions. From the date of the expiration of the WHEDA LURA recorded regarding this property on _____, 20____, recorded as document number _____ until the expiration of the Ground Lease on this property, which is recorded with the Memorandum of Ground Lease dated _____, 20____, recorded as document number _____, Owner shall, at all times, ensure that the Project is occupied by qualifying tenants as set forth herein, to wit: nine (9) units rented at market rate; thirty (30) units rented to person(s) who earn 60% or less than the area median gross income adjusted for family size (the "AMI") as determined by United States Department of Housing and Urban Development ("HUD") from time to time with respect to Dane County; and ensure the remaining Apartments are rented to person(s) who earn 80% or less than the AMI as determined by HUD from time to time with respect to Dane County. Each of the Apartments shall be rent restricted such that Owner charges tenants no more than Owner would be permitted to charge pursuant to the rent limitations as published by Wisconsin Housing and Economic Development Authority factoring in the number of bedrooms in the Apartment and it being located in Madison, Wisconsin.
- 1.8 Evidence of Tenant Income. The following requirements shall only apply after the termination of the WHEDA LURA and during the term of this LURA. During the term of the WHEDA LURA, the Owner shall provide to the County the same evidence of tenant income that the

Owner provides to WHEDA, to the fullest extent permitted by applicable law, and on the same terms and conditions that the Owner is required to provide the same to WHEDA.

- (a) The Owner shall obtain and maintain on file, as a condition to occupancy for each person who is intended to be a Qualifying Tenant, an Income Certification in a form acceptable to the County; which form may change from time to time ("Income Certification"). In addition, the Owner shall obtain from each such person whatever other information, documents, or certification are deemed necessary by the County to substantiate the Income Certification.
 - (b) The form of lease to be utilized by the Owner in renting any units in the Development to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Income Certification or the failure by such tenant to execute an Income Certification.
 - (c) Income Certifications shall be maintained and accessible to the County with respect to each Qualifying Tenant who resides in a Department unit, and the Owner shall, promptly upon request, file a copy thereof with the County.
 - (d) The status of a tenant as a Qualifying Tenant shall be determined no less frequently than annually.
- 1.9 Reduction or Disposition of the Development. The Owner shall not demolish any part of the Residential Unit nor substantially subtract from any real or personal property of the Residential Unit, nor dispose to any person any portion of any building in the Residential Unit unless all of such building is disposed of to such person.
- 1.10 Monitoring by the County.
- (a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the County to inspect any books and records of the Owner regarding the Development and with respect to the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement.
 - (b) The Owner shall submit any other information, documents, or certifications requested by the County that the County may deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of this Agreement.
- 1.11 Reporting Requirements. Owner shall provide to County an annual written report which shall, at a minimum, include the following information: number of tenants, how many units owned by Owner (whether or not part of the Premises) are rented to tenants with household incomes at 80%, 60%, 50%, 40% and 30% of the Area Median Income ("AMI" as determine by the U.S. Department of Housing and Urban Development), 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) in a form supplied by the County, and any other information reasonably requested by the County in writing that may affect the status of the Premises or would be necessary for determining tenants' compliance with the terms, covenants, and condition of this LURA. The eviction report described in this section shall be due to the County no later than February 1 and shall reflect the period from January 1 to December 31 of the previous calendar year.
- 1.12 Lien Priority. The Owner shall not permit a lien or other encumbrance to exist with priority senior to this Agreement without the County's prior written consent (other than the WHEDA LURA and such other items recorded on title as of the date hereof that are expressly acceptable to the County). For the avoidance of doubt, the Owner may not

obtain financing using the Development as collateral, unless this Agreement has senior priority to all such collateral documents.

- 1.13 Organizational Documents. The Owner has provided or will (within 30 days after the respective effective date) provide to the County its organizational documents (including without limitation articles of incorporation, articles of organization, certificate of partnership, bylaws, operating agreement, or partnership agreement) and any amendments thereto during the term of this Agreement to the extent such amendments affect the control of the Owner or distributions due to the Owner; provided, however, the Owner will endeavor to provide all amendments to County, but it shall not be a violation of this LURA if the Owner fails to provide notice or amendments to organizational documents to the extent the amendments are ministerial in nature.
- 1.14 Notice to County. Promptly upon discovering any existing violation of any of the covenants, restrictions, and representation set forth herein, the Owner shall notify the County in writing of such violation. In the event that the Owner becomes aware of any situation, event, or condition, which would result in noncompliance of the Development, the Owner shall promptly give written notice thereof to the County and take any lawful action to cause the Development to comply with this Agreement.

ARTICLE 2 EVENTS OF DEFAULT: REMEDIES

- 2.1 Events of Default. If the County becomes aware of a violation of any of the provisions hereof, it shall give immediate written notice thereof to the Owner directing the Owner to the remedy the violation within a reasonable specified period of time, which will be a minimum of 60 days. If any violation of this Agreement is not corrected to the satisfaction of the County within the period of time specified by the County in the notice described above, the County shall have the right, without further notice, to declare an event of default ("Event of Default") under this Agreement. Owner's investor member shall be given the opportunity to remedy any violation described herein on the same terms as the Owner, and any remedy tendered by the investor member shall be accepted or rejected by the County as if offered by the County.
- 2.2 Remedies. During the occurrence of an Event of Default, the County shall have the right to apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement or any other remedies at law or in equity or any such other action as shall be necessary or desirable so as to correct noncompliance with this Agreement. The Owner hereby acknowledges that the County and the other beneficiaries of this Agreement hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

ARTICLE 3 TERM OF AGREEMENT

- 3.1 Term of Agreement. The term of this Agreement and the restrictions imposed hereby shall commence upon the expiration of the WHEDA LURA (The "**Commencement Date**") referenced in 1.7. The term shall end at the expiration of the Ground Lease referenced in 1.7.
- 3.2 Early Termination. Notwithstanding the provisions of Section 3.1 above, this Agreement and the restrictions imposed hereby shall terminate upon the date the Development is acquired by foreclosure (or instrument in lieu of foreclosure).

ARTICLE 4
MISCELLANEOUS

- 4.1 Recitals Incorporated by Reference. The Recitals set forth above are hereby incorporated by reference and made part of this Agreement.
- 4.2 Covenants Run With the Land; Successors Bound. This Agreement shall be recorded in the real property records of the county where the Development is located. This Agreement shall run with the land and bind the Owner and its successors and assigns and all subsequent owners of the Development and all holders of any other interest therein.
- 4.3 Reliance by the County. The Owner hereby agrees that the Owner's representations and covenants set forth herein may be relied up on by the County. The County may conclusively rely upon statements, certificates, and other information provided by the owner and the Qualifying Tenants, and upon audits of the books and records of the Owner or the Development.
- 4.4 Release. The Owner hereby releases the County from any claim, loss, demand, or judgment arising out of the exercise in good faith of the County of any rights or remedies granted to the County under this Agreement. Specifically, the Owner acknowledges and agrees that it is the Owner's sole responsibility to ensure that this Agreement constitutes an Extended Low Income Housing Commitment.
- 4.5 Amendment. This Agreement may be amended only in writing as mutually agreed by Owner and the County.
- 4.6 Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth in the preamble, or to such other place as a party may from time to time designate in writing. The County and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.
- 4.7 Definitions and Interpretation. All the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof. The titles and headings of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall not be considered or given any effect in construing this instrument or any provision hereof or in ascertaining intent, if any questions of intent should arise.
- 4.8 Governing Law. This Agreement shall be governed by the laws of the state of Wisconsin and, where applicable, the laws of the United States of America.
- 4.9 Severability. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions thereof.
- 4.10 Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

[Signature Page Follows]

IN WITNESS WHEREOF, the OWNER executed this Agreement as of the date first above written.

OWNER:

VALOR ON WASHINGTON, LLC, a Wisconsin limited liability company

By: VALOR ON WASHINGTON MM, LLC, a Wisconsin
limited liability company, its managing member

By: GEC VALOR ON WASHINGTON, LLC, a
Wisconsin limited liability company, its manager

By: **Gorman & Company, LLC, a Wisconsin limited liability company, its manager**

By _____
Brian Swanton, President

STATE OF WISCONSIN)
) ss
 COUNTY)

Personally came before me this ___ day of _____, 2019, the above named Brian Swanton, President of Gorman & Company, LLC, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, State of Wisconsin
My Commission: _____

IN WITNESS WHEREOF, COUNTY executed this Agreement as of the date first above written.

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

By: _____
Name: _____
Title: _____

Attested by: _____
Name: _____
Title: _____

STATE OF WISCONSIN)
) ss
 COUNTY)

Personally came before me this ____ day of _____, 2019, the above named _____ and _____ of County of Dane, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public State of Wisconsin
My Commission: _____

EXHIBIT A
TO LAND USE RESTRICTION AGREEMENT
LEGAL DESCRIPTION

[to be inserted]

PIN: _____

LEASE

In consideration of the mutual promises and covenants contained in this Lease, County of Dane, Wisconsin (the "Landlord") and Valor on Washington, LLC (the "Tenant") agree as follows as of the _____ day of _____, 20____:

1. PREMISES. Landlord agrees to lease to Tenant, and Tenant agrees to lease from Landlord, Unit Two (the "Premises") of Valor on Washington Condominium (the "Condominium"). Tenant acknowledges that the Condominium is governed by a condominium declaration dated as of the _____ day of _____, 20____ (the "Condominium Declaration").

2. CONDITION OF PREMISES. Tenant acknowledges and agrees that Tenant is leasing the Premises "AS IS", and Landlord makes no warranties, express or implied, as to fitness, merchantability, use or condition of the Premises. Tenant leases the Premises without representation or warranty of Landlord, express or implied, in fact or by law, and without recourse, with respect to: (a) the condition of the Premises and (b) the ability to use the Premises for any particular purpose.

3. COMMON ELEMENTS. Tenant shall be entitled to the reasonable nonexclusive use of the common elements of the Condominium appurtenant to the Premises. Tenant's use of such common elements shall be subject to the terms of the Condominium Declaration.

4. TERM. The Lease term shall commence upon the date hereof and shall terminate on the ninety-nine year anniversary of the date hereof.

5. RENT. Tenant has paid to Landlord on the date hereof the sum of One Hundred & 00/100 Dollars (\$100.00) as rent for the Premises for the entire Lease term (the "Rent Installment").

6. UTILITIES AND SERVICES. Tenant shall pay when due all charges for all utilities used in the Premises.

7. USE. The Premises may be used and occupied for any lawful use permitted under the applicable zoning code. Tenant will not use the Premises in any manner that may increase the insurance risk or prevent the obtaining of insurance.

8. MAINTENANCE AND REPAIR. Tenant shall, at its expense, keep and maintain in good order, condition and repair the Premises.

9. COVENANTS.

(a) Compliance with Laws. Tenant agrees to comply with all laws, orders, ordinances and regulations and with any direction made pursuant to law of any public officer, relating to Tenant's use of the Premises.

(b) Surrender. Tenant agrees upon the termination of this Lease for any reason to remove Tenant's personal property and trade fixtures and those of any other persons claiming under Tenant, and to quit and deliver up the Premises to Landlord peaceably and quietly in as good order and condition as the same are at the commencement of this Lease or thereafter may be improved by Tenant, reasonable use and wear, fire and other casualty loss excepted.

(c) Personal Property Taxes. Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which become payable during the Lease term upon Tenant's equipment, furniture, fixtures and other personal property located in the Premises.

(d) Real Estate Taxes and Assessments. Tenant agrees to pay, before delinquency, any and all real estate taxes and special assessments levied or assessed and which become payable during the Lease term upon the Premises.

(e) Signage. Tenant may place any signs on the exterior of the Premises provided they comply with applicable municipal ordinances.

(f) Maintenance. Tenant shall, at its expense, obtain any maintenance services it desires.

(g) Reporting Requirements. Tenant shall provide to Landlord an annual written report which shall, at a minimum, include the following information: number of tenants, how many units owned by Tenant (whether or not part of the Premises) are rented to tenants with household incomes at 80%, 60%, 50%, 40% and 30% of Area Median Income ("AMI" as determined by the U.S. Department of Housing and Urban Development), 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) in a form supplied by the County, and any other information that may affect the status of the Premises or would be necessary for determining tenants compliance with the terms, covenants, and conditions of this Agreement. The eviction report described in this section shall be due to the County no later than February 1 and shall reflect the period from January 1 to December 31 of the previous calendar year.

10. INSURANCE.

(a) During the Lease term, Tenant shall keep in full force and effect, at its expense a policy of commercial general liability insurance covering the Premises, with a combined single limit of not less than \$1,000,000; Tenant's commercial general liability insurance policy shall name Landlord and Tenant as insureds and

(b) During the Lease term, Tenant shall keep in full force and effect, at its expense property insurance for the Premises in accordance with the requirements of the Condominium Declaration. Specifically, Tenant shall have insurance against fire, vandalism, malicious mischief and such other perils as are from time to time included in a "special form" property insurance policy, insuring Tenant's merchandise, trade fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Premises, in an amount not less than their full replacement value.

(c) Tenant shall deliver a copy of the paid-up policies evidencing such insurance or certificates of insurers to Landlord prior to the commencement date of this Lease and upon renewals not less than thirty (30) days prior to the expiration of such coverage.

11. INDEMNIFICATION. Tenant shall defend and indemnify Landlord and save it harmless from and against any and all liability, damages, costs and expenses, including reasonable attorneys' fees, arising from any negligence or willful misconduct of Tenant or its officers, members, contractors, licensees, agents, servants, employees, guests, invitees, visitors or subtenants in or about the Premises.

12 DAMAGE OR DESTRUCTION. Landlord will comply with the requirements of the Condominium Declaration if the Premises is damaged or destroyed. However, requirements of the Condominium Declaration do not release the obligations Tenants have under Paragraphs 10 and 11 above.

13. IMPROVEMENTS AND ALTERATIONS. Tenant may make, at any time and from time to time, any alterations or improvements ("Improvements") to the Premises it desires including, without limitation, alterations to Improvements previously made by Tenant. All Improvements shall be made at Tenant's sole cost and expense. Tenant shall obtain all necessary permits and provide Landlord with copies thereof. Tenant shall promptly repair any damage and perform any necessary cleanup resulting from any Improvements. All Improvements (except fixtures, personal property, and equipment belonging to Tenant) in existence upon termination of this Lease shall be Landlord's property and shall remain upon the Premises, all without compensation to Tenant. Tenant agrees not to create, incur, impose or permit any lien against the Premises by reason of any Improvement and Tenant agrees to hold Landlord harmless from and against any such lien claim. At its expense, Tenant shall cause to be discharged, within thirty days of the filing thereof, any construction lien claim filed against the Premises for work claimed to have been done for, or materials claimed to have been furnished to, or on behalf of Tenant.

14. EMINENT DOMAIN. In the event the entire Premises is lawfully condemned or taken in any manner for any public or quasi-public use or purpose, or sold or conveyed in lieu of condemnation, this Lease shall terminate as of the date of such taking or conveyance. In the event only a portion of the Premises is taken or conveyed, the Premises shall be repaired or rebuilt in accordance with the requirements of the Condominium Declaration. Landlord shall be entitled to all awards payable to Landlord for its fee interest in the Premises resulting from a taking, and Tenant shall be entitled to all awards payable to Tenant for its leasehold interest in the Premises resulting from a taking including, without limitation, moving expenses, the cost of any Improvements made by Tenant to the Premises and losses incurred by Tenant as a result of the taking.

15. ASSIGNMENT AND SUBLETTING. Tenant may assign this Lease and/or sublet all or any portion of the Premises, without Landlord's consent, upon such terms as Tenant desires. Landlord acknowledges that Tenant may charge its subtenants higher rents than the rent that Tenant is paying under this Lease. Landlord shall have no right to any profits made by Tenant as a result of Tenant subletting all or any portion of the Premises.

16. DEFAULT.

(a) If Tenant (i) fails to pay the Rent Installment, (ii) fails to pay the Annual Rent Payment and such default is not cured within 10 days after receipt of written notice thereof from Landlord, or (iii) fails to perform any other covenant, term, agreement or condition of this Lease and such default is not cured within 30 days after receipt of written notice thereof from Landlord (unless the default is of a nature that it cannot be cured within 30 days, in which event Tenant must commence the cure within the 30-day period and diligently prosecute same to completion) then Landlord, in addition to all other rights and remedies available to Landlord at law or in equity or by other provisions hereof, may immediately re-enter the Premises and remove all persons and property and, at Landlord's option, terminate this Lease or terminate Tenant's right to possession of the Premises without terminating the Lease. Tenant further agrees that in case of any such termination Tenant will indemnify Landlord against all damages which Landlord may incur by reason of such termination including, without limitation, reasonable attorneys' fees. Notwithstanding the foregoing, Tenant's non-managing members shall have the opportunity, but not the obligation, to cure any default on behalf of Tenant. Such cure shall be accepted or rejected as if tendered by Tenant.

(b) If Tenant shall default in the observance or performance of any term or covenant of this Lease, or if Tenant shall fail to pay any sum of money, other than rent required to be paid by Tenant hereunder, Landlord may, without waiving or releasing Tenant, remedy such default at the expense of Tenant after notice and expiration of any applicable cure period. If Landlord makes any expenditures or incurs any obligations for the payment of money in connection with Tenant's default including, but not limited to,

reasonable attorneys' fees, Tenant shall pay to Landlord as additional rent such sums paid or obligations incurred, with costs and interest at the rate of 12% per year.

(c) During the term of the WHEDA LURA, to the extent WHEDA has commenced enforcement of the WHEDA LURA, Landlord specifically reserves the right to enforce specific performance of the affordability requirements as set forth in the WHEDA LURA. During the term of the subsequent LURA recorded on this Property in favor of the County, Landlord specifically reserves the right to enforce specific performance of the affordability requirements as set forth therein.

17. ESTOPPEL CERTIFICATE. Within ten (10) days after written request from Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate in form and content reasonably acceptable to Landlord. Within ten (10) days after written request from Tenant, Landlord shall execute, acknowledge and deliver to Tenant an estoppel certificate in form and content reasonably acceptable to Tenant.

18. QUIET ENJOYMENT. Landlord covenants that if Tenant shall pay the rent and observe and perform all the terms, covenants and conditions of this Lease on its part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject to the terms and conditions of this Lease.

19. OPTION TO PURCHASE.

(a) Landlord grants to Tenant during the term of this Lease the option to purchase the Premises at the purchase price of One Hundred & 00/100 Dollars (\$100.00) after the Trigger Date (defined below) and the price of One Million Forty-three Thousand Nine Hundred Sixty-three and 00/100 Dollars (\$1,043,963.00) on or prior to the Trigger Date; provided, in any case, that the option shall not be available until the "compliance period" (as that phrase is defined in Section 42 of the Internal Revenue Code, as modified and amended from time to time) has expired with respect to the low-income housing tax credit development contained within the Condominium development.

(b) Tenant may exercise this option to purchase by written notice to Landlord (the "Notice of Exercise") given at any time. The purchase price will vary depending on whether the purchase will occur prior to or after the Trigger Date. The Trigger Date shall mean the termination of the compliance period, as defined above (such date, the "Trigger Date"). The closing of the purchase shall be held on a date selected by Tenant not more than 60 days after the date of the Notice of Exercise.

(c) Landlord shall at closing, upon payment of the required purchase price, convey the Premises to Tenant by warranty deed, free and clear of all liens, mortgages, or encumbrances of any kind and nature excepting municipal and zoning ordinances, recorded easements for public utilities, recorded building restrictions, the

Condominium Declaration and the plat creating the Condominium, matters arising by or as the result of action of Tenant during the term of this Lease, and matters which Tenant shall have consented to during the term of this Lease.

(d) Tenant shall be responsible, at its cost, for obtaining any title insurance it desires in connection with its purchase of the Premises. Landlord shall execute and deliver any affidavits or other documents reasonably requested by Tenant or the title insurance company in order for Tenant to obtain such title insurance.

(e) In the event of the exercise by Tenant of its option to purchase hereunder, this Lease shall terminate as of the date of closing and consummation of the purchase.

(f) Time is the essence of the exercise of the option and the resulting closing.

20. CONDOMINIUM OBLIGATIONS AND RIGHTS ASSIGNED TO TENANT. All rights (other than approval related to the sale of the Premises) and obligations of the Landlord pursuant to the Condominium Declaration are hereby assigned by Landlord and assumed by Tenant, including without limitation the right to vote and the obligation to pay assessments levied by the Condominium.

21. AFFORDABILITY. As of the date hereof, Tenant or its affiliates have constructed low-income housing tax credit residential rental units (the "Affordable Units"). During the Initial Affordability Period (defined below), the Affordable Units are governed by that certain Land Use Restriction Agreement (the "WHEDA LURA"), executed by Tenant and Wisconsin Housing and Economic Development Authority ("WHEDA") and recorded against the Affordable Units in the office of the Register of Deeds for Dane County, Wisconsin. Landlord and Tenant are entering into this Lease, in part, because Tenant or its affiliates are providing the Affordable Units pursuant to the conditions set forth in the WHEDA LURA. A violation of the WHEDA LURA, as determined by WHEDA, that occurs during the Initial Affordability Period and upon which WHEDA elects to enforce its rights pursuant to the WHEDA LURA shall be deemed an event of default by Tenant of this Lease.

After the expiration of the Initial Affordability Period but during the Affordability Period, the Affordable Units will be governed by the LURA executed by Landlord and Tenant and recorded on the Property, which is outlined in Section 3(b) of the Ground Lease. A violation of said affordability requirements after the expiration of the Initial Affordability Period and during the Affordability Period, as determined by Landlord in its reasonable discretion absent manifest error, shall be deemed an event of default by Tenant of this Lease. Upon an event of default arising from this Section 21, at Landlord's sole discretion, Landlord may require Tenant to purchase the Premises from Landlord in

exchange for a lump-sum payment of \$1,043,963.00.. Landlord may also pursue specific performance of the affordability requirements. The "Initial Affordability Period" shall mean the term of the WHEDA LURA. The "Affordability Period" shall mean the 99 year anniversary of that certain Ground Lease by and between Tenant and Landlord, dated as of _____, 2019 (the "Ground Lease").

22. MISCELLANEOUS PROVISIONS.

(a) Successors and Assigns. This Lease shall inure to and be binding upon Landlord and Tenant and their respective successors and assigns.

(b) Non-waiver. Waiver by Landlord or Tenant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition of this Lease.

(c) Entire Agreement. This Lease contains all covenants and agreements between Landlord and Tenant relating to the Premises. No prior agreements or understandings pertaining thereto shall be valid or of any force or effect. This Lease shall not be altered, modified or amended except in writing signed by Landlord and Tenant.

(d) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(e) Notices. All notices which Landlord or Tenant may be required, or may desire, to serve on the other may be served by personal service or by mailing by registered or certified mail, postage prepaid, at such address as the parties may from time to time designate to the other in writing, with a copy to _____

_____, with a copy to _____

_____. The time of rendition of such notice shall be deemed to be the time when the notice is delivered to or rejected by the recipient.

Dated as of the date first set forth above.

LANDLORD:

DANE COUNTY, WISCONSIN

BY _____
Its _____

TENANT:

VALOR ON WASHINGTON, LLC

By: Valor on Washington MM, LLC, its
Managing Member

By: GEC Valor on Washington, LLC, its
Manager

By: Gorman & Company, LLC, its
Manager

By: 
Brian Swanton, President