



**LOAN AND AFFORDABLE HOUSING  
DEVELOPMENT AGREEMENT**

THIS AGREEMENT, dated the \_\_\_\_ day of \_\_\_\_\_, 2015 by and between 2219 Lofts Limited Partnership, with its General Partner being MetroPlains Partners, LLC, having its principal office at 801 Washington Ave N #108, Minneapolis, MN 55401 hereinafter referred to as “Borrower,” and the City of La Crosse, Wisconsin, a municipal corporation of the State of Wisconsin, having its principal office at City Hall, 400 La Crosse Street, La Crosse, Wisconsin 54601, hereinafter referred to as the “City.”

WITNESSETH:

WHEREAS, the City has Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds available from the United States Department of Housing and Urban Development (HUD) for the development of a viable urban community and financing private entities to develop affordable housing pursuant to 24 CFR Part 570.202, part B(1); and 24 CFR, 92.212(a);

WHEREAS, the Borrower desires to develop affordable housing and eliminate a blighting influence on a target neighborhood for revitalization; and

WHEREAS, the Borrower wishes to borrow from the City the sum of up to Five-Hundred Thousand Dollars (\$500,000); and

WHEREAS, the City is willing to loan the total sum of up to Five-Hundred Thousand Dollars (\$500,000) to the Borrower, pursuant to the following terms and conditions in this agreement and the promissory note; and

WHEREAS, prior to advancing funds to the Borrower, the US Department of Housing and Urban Development and the City of La Crosse desire certain assurances as more fully set forth herein;

WHEREAS, loan funding is contingent upon a completed and accepted Environmental Assessment, remediation plan if needed, and the Borrower securing all other sources of financing for the project;

NOW, THEREFORE, in consideration of the mutual representations and agreements contained herein, and for other good and valuable consideration, the receipt of sufficiency whereof is hereby acknowledged, it is agreed as follows:

**A. PROJECT SCOPE OF WORK AND USE OF FUNDS**

1. SCOPE. Borrower will utilize \$401,585.65 in CDBG funds and \$98,414.35 in HOME funds to acquire real estate at 2219 South Avenue and to convert a historic Amory building into 23 units of affordable housing, two market rate units. Eleven (11) units will be designated as HOME-assisted units. Of those units, eight (8) must not exceed HOME-published HIGH rents and three (3) must not exceed HOME Low Rents. **Insert (Set forth in Exhibit A).**
2. The affordable income-level and bedroom units mix will be the following:

**Insert:**

# BRs	Net Sq. Ft.	Total # Units	Income Limit*	Initial Rents**	Utilities	Rent and Utilities
1	756	3	30%	\$ 330	65	\$ 395
2	1011	2	30%	\$ 392	82	\$ 474
2	1011	2	50%	\$ 646	82	\$ 728
3	1214	1	30%	\$ 449	98	\$ 547
3	1214	3	50%	\$ 815	98	\$ 913
11						

\* Income Limit is the percentage of the median family income for the area (La Crosse County) as determined by HUD with adjustments for smaller and larger families.

\*\* These rents meet HUD High Rent and HUD Low Rent requirements for La Crosse County.

Type	# BRs	Net Sq.Ft.	Total # Units	CMI%
Apt	1	756	3	30
Apt	1	756	4	50
Apt	1	756	5	60
Apt	2	1011	2	30
Apt	2	1011	2	50
Apt	2	1011	3	60
Apt	3	1214	1	30
Apt	3	1214	3	50

**Strike.**

3. USE OF FUNDS. The Borrower shall exclusively use the CDBG/HOME funds for acquiring property, architectural fees, legal fees, developer fees, furnishings, equipment, marketing, title work, accounting, appraisals, and other related "soft" costs and shall not use funds for any other purpose or manner, to effectuate the completion of the project as stated herein.
4. HOME AFFORDABILITY. The Borrower agrees maintain ongoing HOME affordability requirements for five years from the initial date of occupancy. The HOME-assisted units shall be floating units. All remaining affordable units funded by CDBG shall be maintained at an affordability of not more than 33% of the annual income for the CDBG published income levels for the county median income that matches the designated bedroom unit and size. This will be verified by the City over a five-year period.
5. **Insert: ADDITIONAL AFFORDABILITY.** The 23 units of affordable housing (including the 11 HOME-assisted units) described above also will be subject to rent and income restrictions pursuant to the low-income housing tax credit program under Section 42 of the Internal Revenue Code and administration thereof by the Wisconsin Housing and Economic Development Authority in and for the State of Wisconsin ("WHEDA"). The City and Borrower agree to that such affordability restrictions will be set forth in a Land Use Restriction Agreement between Borrower and WHEDA, which will be recorded as a restriction against Borrower's property.

## **B. PAYMENTS**

The City of La Crosse shall reimburse the Borrower the costs for the expenses identified in the statement of work, upon presentation of properly executed reimbursement requests. When submitting a drawdown request on the loan, a cover sheet that totals all the various aspects of the drawdown must accompany the request, a statement of progress to date, and evidence of progress to date.

The drawdown requests shall include evidence of the nature and propriety of the charges, such as closing statements, invoices, vouchers or other official documentation, and financial management systems shall be in accordance with 24 CFR 84.21.

## **C. HOME INVESTMENT PARTNERSHIP TERMS AND CONDITIONS**

1. **TIMELINE.** The Borrower agrees to complete the construction of the project and begin lease-up by December 31, 2016. If there are unexpected delays, Borrower must receive a written extension in writing. It shall be the responsibility of the Borrower to notify the City promptly in writing of any delays whether anticipated or experienced. Projects not completed within four years from the date of project commitment would be considered terminated and the Borrower must repay HOME funds invested in the project.
2. **MARKETING.** A Marketing Plan is required to be submitted if units are not leased within 6 months. The repayment of HOME funds is required for any HOME unit that is not rented to eligible tenants within 18 months of project completion.
3. **SITE ACCESS.** The Borrower further agrees to allow the City or its representatives' access to the project site at reasonable times for the purpose of observing project progress. The Borrower shall provide, upon request, all information and data necessary to determine that time schedules are being met and proposed work is being achieved.
4. **AFFORDABILITY PERIOD.** There will be a five-year period of HOME affordability on the units.
  - a) The five-year HOME affordability shall be recorded as a Declaration of Restrictive Covenants (Deed Restriction, **INSERT. EXHIBIT B**).
  - b) During the affordability period, the City of La Crosse will be required to conduct on-site inspections annually on the financial condition of the project, compliance with applicable property standards, information maintained by property owners concerning leases, tenant incomes, rents, assess the financial health, management capacity, long-term viability.
  - c) HOME Rents shall be established by 24 CFR 92.252. For the period of affordability, the City shall inform the Borrower of the HOME rents and shall review and approve of Borrower's rents in the period of affordability. See Exhibit A for more information.
  - d) Borrower will continue to maintain property according to State and local codes, ordinances, and requirement and ensure that the property is maintained in good repair, is free of health and safety defects.
  - e) Borrower shall income-qualify tenants based on the Part 5 (Section 8) Definition of

Income or the IRS definition of adjusted gross income as defined for reporting on the IRS form in accordance with the income limits and bedroom size listed above and in the Low-Income Housing Tax Credit Application. The Borrower cannot change the unit mix and income limits listed without written permission of the City during the period of affordability.

- f) Borrowers shall annually re-certify the income of the tenants. Tenant's incomes are likely to change over time. If changes occur during the affordability period, the Borrower must take steps to restore compliance with the unit mix requirements. Temporary non-compliance is permissible, provided these steps are taken as soon as practicable.
  - g) Borrower shall undertake affirmative marketing as to market the units to persons of color, persons with disabilities, persons of different faiths, and other minorities. City shall review their affirmative marketing plan during on-site reviews. Borrower shall provide for the selection of tenants form a written waiting list in chronological order of their application, insofar is practicable,
5. **SITE AND NEIGHBORHOOD STANDARDS.** The City certifies that this property meets site and neighborhood standards found at 24 CFR 983.57 e(2) and e(3), as there is an overriding housing need in this area.
6. **SOURCES AND USES BUDGET.** The Borrower shall carry out the project according to the provided sources and uses budget in its application which meets HOME's Maximum Per Unit Subsidy Amount and Maximum Property Value (24 CFR 92.254)
7. **BUILDING STANDARDS.** The properties must meet City of La Crosse Building Code, Wisconsin Uniform Dwelling Code, comply with zoning and multi-family design reviews, Accessibility Requirements of Section 504, (24 CFR 92.251 and 92.35), Lead Safe Housing Rules (24 CFR Part 35), and Uniform Physical Condition Standards. The City of La Crosse shall verify these standards are met through an initial inspection and final inspection of the property.
8. **LEASES.**
- a) There must be written leases for the units and the lease must be at least for one year.
  - b) Owners and property managers must follow state and local tenant landlord law.
  - c) The lease can not contain any of the following provisions: agreement by the tenant to be sued, agreement by the tenant that the owner may seize or sell personal property of the household members, agreement by the tenant not to hold the owner or owner's agents legally responsible for any action or failure to act, waiver of notice, waiver of legal proceedings, waiver of a jury trial, tenant chargeable with cost of legal actions regardless of outcome, mandatory supportive services (with an exception for tenants in transitional housing).
  - d) An increase in the tenant's income is not cause for termination or refusal to renew lease.
9. **QUARTERLY FINANCIAL REPORTING.**

Borrower shall submit quarterly financial reports during the period of affordability and at the option of the City, reports thereafter for the length of the loan.

#### **D. FEDERAL AWARD TERMS AND CONDITIONS**

1. **COMPETITIVE BIDDING:** Projects must comply with federal bidding procedures for CDBG and HOME Funds the selection of a general contractor and/or the selection of sub-contractors. Developers are encouraged but not required to use open and competitive processes for the selection of consultants such as architects and engineers.
2. **CDBG:** Eligible activities include: acquisition of property, relocation, moderate or substantial rehabilitation of units, and other reasonable and necessary expense related to the development of affordable, non-luxury rental housing.
3. **ACCESSIBILITY REQUIREMENTS SECTION 504 (24 CFR PART 8):** New construction projects with five or more units or rehabilitation projects with 15 or more units and rehab costs of more than 75% of the replacement cost of the completed facility must have a minimum of 5% of the units (but at least one unit) be accessible to mobility-impaired and an additional 2% (but at least one unit) be accessible to sensory-impaired. Units in compliance with the Uniform Federal Accessibility Standards (UFAS) are deemed in compliance with Section 504.
4. **FAIR CONTRACTING, WMBE UTILIZATION, AND SECTION 3**

Borrowers and their general contractors shall be encouraged to take actions which would increase opportunities for women and minority business enterprises (WMBEs).

In addition, projects that are awarded federal funds must comply with Section 3 of the Housing and Urban Development Act of 1968, which requires that all economic opportunities generated by HUD funding be directed, to the greatest extent feasible, to low-income persons residing in the community where the project is located. Borrowers and their contractors must complete a Section 3 plan stating numerical goals for contracting and hiring that meet federal targets and a description of the efforts they will make to achieve goals. Once construction begins, Borrowers will be required to report regularly on progress toward meeting WMBE and Section 3 goals, if applicable.

#### **5. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS**

HUD maintains a list on their web site of contractors who have been barred from competing for HUD contracts. Borrowers seeking to procure goods and services, including professional services, in an amount of \$3,000 or greater must check EPLS prior to awarding a contract to expend federal dollars. For any contractor on the excluded parties list, the use of CDBG and HOME funds is prohibited.

#### **6. OTHER HUD STANDARD CONTRACT TERMS AND CONDITIONS**

- a) Title VI and Title IX of the Civil Rights Act of 1964 (Public Law 88-352)(42 U.S.C. 2008d et seq.); and implementing regulations issued at 24 CFR Part 1; as amended by Executive Order 11375 and 12086, and implementing regulations at 41 CFR Chapter 60, which prohibits discrimination in any activity receiving federal financial assistance.
- b) Title VIII of the Civil Rights Act of 1968, (Public Law 90-284)(42 U.S.C. 3601 et

seq.); as amended, which prohibits discrimination in housing on the grounds of race, color, religion, national origin, sex, disability, or familial status.

- c) Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, (42 U.S.C. 5301 et seq.) which requires that no person will on the grounds of race, color, national origin or sex, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.
  - d) Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) which prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
  - e) Section 504 of the Rehabilitation Act of 1973, (Public Law 93-112) as amended and implementing regulations when published for effect. Said regulation provides for nondiscrimination based on disability in federally-assisted programs and activities.
  - f) Fair Labor Standards Provisions, which govern responsibilities for workers employed in connection with federally-assisted construction projects. Statutory provisions include: Davis-Bacon Act (40 U.S.C. 276a-276a-5) which contains minimum wages (basic rate of pay), fringe benefits, and wage withholding. As no funds will be used towards construction-costs in this project, David-Bacon Wages will not apply.
  - g) Federal Executive Order 11246, as amended by Executive Order 12086 and regulations at 41 CFR Chapter 60, which require nondiscrimination in employment for federally-assisted contracts and assures that contractors are fully informed of affirmative action requirements.
7. CONFLICT OF INTEREST. No person who is an employee, agent, consultant, officer, elected official or appointed official of the City, who exercises or has exercised any functions or responsibility with respect to such funds being provided by the City or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, will obtain a personal or financial interest or benefit from the project, or have any interest in a contract, subcontract, or agreement with respect thereto, or the proceeds thereof, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter, except for approved eligible administration or personnel costs.

### **C. OTHER PROGRAM REQUIREMENTS**

- 1. SUSPENSION AND TERMINATION. The Borrower agrees that this Agreement may be terminated or suspended in the event the Borrower fails to comply with the project activity time frame or in the event of default, inability, or failure to perform as required by this or any accompanying agreements the City may take appropriate and corrective action in order to ensure compliance with this agreement. Upon termination, the Borrower shall transfer to the City any Community Development Block Grant funds loaned under this Agreement. If the Borrower ceases to use any asset acquired with Community Development Block Grant funds for the purpose described in this Agreement, the Borrower shall either pay to the City the unpaid balance of the loan or transfer to the City's control of the asset (with an

unencumbered title), except for the City's lien and the liens ahead of the City's lien. Otherwise, the City shall have any other remedy available to it by law.

2. **INDEPENDENT STATUS.** Nothing contained herein, nor any act of the City, the Borrower, or any other party, shall be deemed or construed by any party, or by any other third person, to create any relationship with third party beneficiary, principal, or agent, limited or general partnership, or joint venture, or of any association or relationship involving the City. The Borrower is at all times considered an independent agency and not an agency or branch of the City.
3. **ANTI-LOBBYING.** The Borrower certifies that to the best of their knowledge and belief: No federal-appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a federal contract, grant, loan, or cooperative agreement.
4. **INDEMNIFICATION.** The Borrower, its officers and directors, agree to indemnify, defend, and hold harmless the City, its agents, officers, and employees from any and all damages to property or to persons or death of any person or persons, including employees and volunteers of the Borrower, and will defend, indemnify, save harmless the City from any and all claims, demands, suits, actions, or proceedings of any kind or nature, including worker's compensation claims, of or by anyone whomsoever, resulting or arising out of the operations of the Subrecipient, including operations of subcontractors, and acts or omissions of employees or agents of the Borrower or its subcontractors.
5. **INSURANCE.** Borrower will procure and maintain, at its cost and expense, amounts of insurance that may be necessary for property protection in connection with the operations of the Borrower's activity. Said insurance will provide for Commercial General Liability for \$1,000,000 for each occurrence, \$50,000 damage to rented premises, \$1,000,000 for personal injury, \$2,000,000 in the general aggregate, and \$2,000,000 for produces, \$5,000,000 for umbrella liability, as well as property (builder's risk) insurance to cover building, improvements, and betterments, and soft costs. The Property Management Company that will maintain property upon completion will carry Workmen's Compensation and Auto Liability, as required by state law. Borrower will name the City of La Crosse as additionally insured. Said insurance will be maintained and in full force and effect during the term of the project.

INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the City has caused this Agreement to be executed by Mayor Timothy Kabat and 2219 Lofts Limited Partnership.

ATTEST:  
CITY OF LA CROSSE, WISCONSIN

\_\_\_\_\_  
Mayor Timothy Kabat

\_\_\_\_\_  
Teri Lehrke, Clerk

BORROWER:

2219 Lofts Limited Partnership, a Wisconsin limited partnership  
By: 2219 Lofts GP, LLC, a Minnesota limited liability company  
Its: General Partner

By: Metro Plains Partners, LLC, a Minnesota limited liability company  
Its: Manager  
801 Washington Avenue North, Suite 108  
Minneapolis, MN 55401

\_\_\_\_\_  
Robert G. McCready, Co-President, MetroPlains Partners, LLC

STATE OF WISCONSIN                    )  
  ) ss.  
COUNTY OF                                )

Personally came before me, this \_\_\_\_ day \_\_\_\_\_, 2014, the above named representatives of MetroPlains Partners, LLC, known to be the persons who executed the foregoing instrument and acknowledge the same.

\_\_\_\_\_  
Notary Public, \_\_\_\_\_ County, MINNESOTA

My commission expires \_\_\_\_\_



## EXHIBIT A

### Floating Unit Projects and HOME High and Low Rents

~~The project must maintain the total number of HOME assisted units and maintain the correct number of High and Low HOME rent units (11) HOME Assisted Units, of those 3 must maintain Low HOME Rent, during the 5 year Affordability Period.~~

~~**High HOME Rents** are based on the lesser of the Fair Market Rents for La Crosse County for existing comparable units published here <http://www.huduser.org/portal/datasets/fmr.html> or 30% of adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. For the **Low HOME Rents**, the tenants must be at 30% or 50% of the AMI and the rents must meet the following requirements:~~

~~1. The rent must not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under 24 CFR 92.252(a), then the maximum rent for units under this paragraph is that calculated under 24 CFR 92.252(a).~~

~~2. The rent must not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.~~

#### **Insert:**

1. During the 5-year period of affordability, the project must maintain affordability for the 11 HOME Units. At least 20% of the HOME Units in each Project must be described in (a), (b) or (c) of this Section. The rents, including utility allowances, for the HOME Units must not exceed the following, which are to be determined by reference to the rent levels published by the U.S. Department of Housing and Urban Development ("HUD") from time to time and described at this internet address, or at such other location as may be determined by the City of La Crosse: <https://www.hudexchange.info/manage-a-program/home-rent-limits/>:

- a. 30% Units. For all HOME Units set aside for occupancy by families whose incomes do not exceed 30% of the median family income for the area (usually the county), as determined by HUD with adjustments for smaller and larger families ("CMI"):
  - i. SRO HOME Rent Units. If the unit is a single room occupancy unit (*i.e.*, single room unit without private full kitchen and bathroom facilities), three-quarters of the applicable fair market rent of an efficiency unit; or
  - ii. Sub HOME Rent Units. For all other types of units, one-half of the applicable 65% rent limit;

- b. 40% Units. For all HOME Units set aside for occupancy by families whose incomes do not exceed 40% of the CMI, the lower of the applicable low HOME rent limit or the maximum rent allowable under the low-income housing tax credit program;
- c. Low HOME Rent Units. For all HOME Units set aside for occupancy by families whose incomes do not exceed 50% of the CMI, the applicable low HOME rent limit as defined by HUD.
- d. High HOME Rent Units. For all other HOME Units, the applicable high HOME rent limit.

## **2. Floating Units**

The tenant's income is likely to change, if it changes during the affordability period, the Borrower must take steps to restore compliance with the unit mix requirements. Temporary noncompliance is possible, provided these steps are taken as soon as practicable. As the units in the Borrower's project are comparable in terms of size, features, and amenities, the Borrower can draw on all the units in the property to designate High and Low HOME rent units.

When the income of a tenant occupying a Low HOME rent unit increases over 50 percent of the area median income but does not exceed 80 percent of the area median income, the unit that is occupied by the over-income tenant is considered Low HOME Rent until comparable units can be substituted.

The rent of the tenant whose income has gone above 50 percent of the AMI must not exceed the Low HOME rent limit, while the unit has a Low HOME rent unit designation. To restore compliance, the Borrower must rent the next available High HOME rent unit to a very low-income tenant. The unit is re-designated as a Low HOME rent unit. Once this unit has been re-designated as the Low HOME rent unit, the unit with the over-income tenant may be redesignated as a High HOME rent unit and the tenants rent may be increase. This should not increase the number of assisted units. As this is a LIHTC project, in an assisted unit with the tenants' income exceeded 80 percent of the area median income, the tenant's rent is not adjusted and the unit does not need to be replaced by another comparable until the tenant's income increases above 140 percent of the LIHTC's qualifying income limit.

INSERT EXHIBIT B

**LAND USE RESTRICTION  
AGREEMENT**

Document Number

Document Title

This Land Use Restriction Agreement (the “Agreement”) is made and entered into as of the \_\_\_\_ day of November, 2015, by and between 2219 Lofts Limited Partnership, a Wisconsin limited partnership, and its successors and assigns (“Owner”), and the City of La Crosse, Wisconsin (“City”).

**WITNESSETH:**

**WHEREAS**, Owner owns the real property legally described as shown on Exhibit A attached hereto (“Property”); and

**WHEREAS**, certain of the expenses incurred or to be incurred (“Expenses”) by Owner in developing and constructing/rehabilitating rental apartment units on the

Property (“Project”) are to be financed from funds (“Funds”) to be made available and granted under the federal HOME Investment Partnerships Act, 42 United States Code 12701 *et seq.* (the “Statutes”), and under regulations set forth in Title 24 *Code of Federal Regulations* Part 92 (the “Regulations”), from the United States Department of Housing and Urban Development to the City; and

**WHEREAS**, the City is willing to lend the Funds to Owner for application to the Expenses pursuant to the terms of a Loan and Affordable Housing Development Agreement, dated as of the date hereof, between Owner and the City (“Contract”), which Contract describes the Project; and

**WHEREAS**, as an inducement for the City to lend the Funds to Owner, Owner is willing to restrict the use of the Property as hereinafter described and as required by the Statutes, Regulations and Contract;

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

The restrictions set forth herein and outlined in Exhibit B shall be applicable to eleven (11) apartment units in the Project (the “HOME Units”). The HOME Units will be floating units.

Name and Return Address:

City of La Crosse  
Planning Department  
400 La Crosse Street  
La Crosse, Wisconsin 54601-  
33960

17-50018-050; 17-50281-70; and  
17-50280-80

Parcel Identification Number

Owner shall at all times comply with the requirements of the Statutes, Regulations and Contract, including, but not limited to, the affordable housing requirements set forth in 24 CFR Section 92.252. All words and phrases used herein which are defined in the Statutes or Regulations shall have the meanings set forth in the Statutes or Regulations. Owner shall timely fulfill, at Owner's sole expense, all of Owner's responsibilities under the Contract.

This Agreement shall constitute covenants running with the land, shall be appurtenant to the Property and shall be binding upon all future owners of the Property during its Term (as defined below). This Agreement shall become effective on the date hereof. Unless sooner terminated or amended in a written document signed by the parties hereto, and notwithstanding repayment of the loan from City to Owner made in connection with the execution of this Agreement ("Loan"), this Agreement shall continue in full force and effect until the fifth (5th) [per 24 CFR § 92.252(e)] anniversary of the date "Project Completion" as used in 24 CFR Section 92.252(e) (the "Term"). Notwithstanding the foregoing, this Agreement shall terminate as provided in 24 CFR Section 92.252(e) upon foreclosure or transfer in lieu of foreclosure. The City may use purchase options, rights of first refusal or other preemptive rights to purchase the Property before foreclosure or deed in lieu of foreclosure to preserve affordability. However, nothing herein shall require the City to purchase or otherwise acquire the Property. This Agreement shall be revived according to the original terms if, during the Term, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Property.

If at any time the City believes an event of default has occurred under this Agreement, the City will give written notice thereof to the Owner. The Owner shall have thirty (30) days following mailing of such notice by the City to cure any such event of default before the City may declare default (which the City may only do if the event of default is not cured or waived). The investor limited partner of the Owner shall have the right but not the obligation to cure any default, failure, or violation of any term of this Agreement by the Owner during the applicable cure period, and the City agrees to accept such cure tendered by any such investor limited partner. If an event of default remains uncured after all applicable cure periods, the City may pursue all remedies made available to it under the Statutes, Regulations and Contract, may enforce this Agreement by action for specific performance, and may pursue against Owner and the Property all other remedies available at law or in equity. The City agrees to provide written notice to the Owner and the investor limited partner of the Owner at those addresses provided in the Loan Agreement.

Except to the extent of the City's gross negligence or willful misconduct made by the City or its agents, affiliates, officials, directors, or employees, the Owner shall indemnify, defend and hold harmless the City, its officers, agents and employees, from any and all claims, demands, liabilities and causes of action of whatsoever kind or nature related to the Property or the Project, its financing, organization, construction, operation, administration, repair or maintenance occasioned in whole or in part by any act or omission of the Owner or its tenants, agents, contractors, subcontractors, invitees or employees, including all reasonable attorneys' fees incurred in defense, which may now or hereafter be made against them. The City shall have no obligation for any obligation or liability of the Owner.

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

**OWNER**

2219 LOFTS LIMITED PARTNERSHIP

By: 2219 Lofts GP, LLC,  
a Minnesota limited liability company  
Its: General Partner

---

Robert G. McCready, its Co-President

**CITY**

CITY OF LA CROSSE, WISCONSIN

---

Mayor Timothy Kabat

---

Teri Lehrke, Clerk

CITY OF MINNESOTA )  
 ) ss.  
COUNTY OF HENNEPIN )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2015 the above-named Robert G. McCready, to me known to be the Co-President of MetroPlains Partners, LLC, a Minnesota limited liability company, the general partner of 2219 Lofts Limited Partnership, a Wisconsin limited partnership, and to me known to be the person who executed the foregoing instrument and acknowledged the same.

[SEAL]

\_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Printed Name)  
Notary Public, \_\_\_\_\_ County, MN  
My commission expires: \_\_\_\_\_

CITY OF WISCONSIN )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2015 the above-named Timothy Kabat, to me known to be the Mayor of the City of La Crosse, Wisconsin, and Teri Lehrke, to me known to be the City Clerk of the City of La Crosse, Wisconsin, and each to me known to be the person who executed the foregoing instrument and acknowledged the same.

[SEAL]

\_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Printed Name)  
Notary Public, \_\_\_\_\_ County, WI  
My commission expires: \_\_\_\_\_

This instrument was drafted by the City of La Crosse- Community Development Block Grant.

Exhibit A

**Legal Description**

Lot 10 of John Koller's Addition to City of LaCrosse, LaCrosse County, Wisconsin. AND Part of the Southeast Quarter of the Northwest Quarter of Section 8, Township 15 North of Range 7 West, in the City of LaCrosse, LaCrosse County, Wisconsin, described as follows: Beginning at a stone monument at the Northwest corner of J. Koller's Addition to the City of LaCrosse; thence Northwesterly along the Northeast line of South Avenue 200.32 feet to an iron pipe; thence Northeast, at right angles with said Street line 144.3 feet to an iron pipe in the Southwesterly line of the Chicago, Burlington & Quincy Railroad Company right-of-way; thence Southeasterly along said right-of-way 139 feet; thence West along said right-of-way line 38 feet; thence Southeasterly along said right-of-way line 292.45 feet to the North line of said J. Koller's Addition; thence Westerly along said North plat line 266.9 feet to the point of beginning, EXCEPT the right-of-way of the Chicago, Burlington & Quincy Railroad Company. TOGETHER WITH a non-exclusive easement and perpetual right-of-way over a driveway 14 feet in width, said driveway being next adjoining the property above described on the North and running from the Mormon Coulee Road to the right-of-way of the Chicago Burlington & Quincy Railroad Company. AND

All that parcel of land located in the South half of the Southeast Quarter of the Northwest Quarter of Section 8, Township 15 North, Range 7 West of the Fourth Principal Meridian at City of LaCrosse, County of LaCrosse, City of Wisconsin, described as follows: Beginning at a point on the North line of said South half of the Southeast Quarter of the Northwest Quarter of Section 8, 50 feet perpendicularly distant, Southwesterly of, the Chicago, Burlington & Quincy Railroad Company former main line track center line; thence East along said North line, 53 feet more or less to a point 20 feet perpendicularly distant Southwesterly of said track center line; thence Southeasterly along a line 20 feet normally distant Southwesterly of said main line track center line, 150 feet to a point; thence Southwesterly along a straight line, 30 feet more or less to a point, 10 feet radially distant Northerly of said Railroad Company's track No. 2 center line; thence Northwesterly along a line 50 feet normally distant, Southwesterly of said main tract center line, 200 feet more or less to the point of beginning.

Tax Parcel Numbers: 17-50018-050; 17-50281-70; and 17-50280-80

**Exhibit B  
HOME UNITS**

<b># BRs</b>	<b>Net Sq. Ft.</b>	<b>Total # Units</b>	<b>Income Limit*</b>	<b>Initial Rents**</b>	<b>Utilities</b>	<b>Rent and Utilities</b>
1	756	3	30%	\$ 330	65	\$ 395
2	1011	2	30%	\$ 392	82	\$ 474
2	1011	2	50%	\$ 646	82	\$ 728
3	1214	1	30%	\$ 449	98	\$ 547
3	1214	3	50%	\$ 815	98	\$ 913
<i>11</i>						

\* Income Limit is the percentage of the median family income for the area (La Crosse County) as determined by HUD with adjustments for smaller and larger families.

\*\* These rents meet HUD High Rent and HUD Low Rent requirements for La Crosse County.

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