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LACROSSE COUNTY
REGISTER OF DEEDS
CHERYL A. MCBRIDE

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EXEMPT #:
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**First Amendment to Charmant
Hotel Development Agreement**

Document Number

Document Title

#112

Recording Area

Drafted by and after Recording
Return to:
Stephen Matty
City Attorney
400 La Crosse Street
La Crosse, WI 54601

PIN: See Exhibit A

This First Amendment is made by the City of La Crosse, Wisconsin ("City"), and Charmant Hotel, LLC, in relation to the Charmant Hotel Development Agreement made by and between the City, and The Charmant Hotel, LLC ("Developer"), dated December 22, 2014 and January 5, 2015 (the "Agreement"), and recorded in the La Crosse County Register of Deed's Office on January 21, 2015, as Document No. 1650903, and which affects real estate described on Exhibit A, attached hereto and incorporated herein by this reference.

For ten dollars and other good and valuable consideration, the parties agree as follows.

1. **Purpose.** Article IV of the Agreement contained a list of Conditions Precedent, and a procedure for having the City certify when those Conditions Precedent were satisfied. Attached hereto and incorporated herein is a Certificate from the City accomplishing that purpose, and making some clarifications on final terms of that Agreement. The terms of the Certificate are incorporated by reference.

2. Clarification on Tax Increment. Section 1.3(p) of the Agreement is clarified to provide that, since the City approved the Agreement in 2014, the 2014 tax assessment for the Real Property shall be the base year for measurement of the Tax Increment.

3. Contemplated Transfers. Paragraph 2.7(e) of the Agreement contemplated certain transfers in connection with financing of the Project, without consent of the City, but with notice of the transfers. City hereby confirms that Developer has provided the City with notice of the transfers regarding the mortgages on the Real Estate, the New Market Tax Credits and Historic Tax Credit transactions for the financing of the Project. Developer confirms that Donald Weber remains the Managing Member of the Developer.

4. Lenders. Paragraph 6.13(c) of the Agreement contemplated assignments in connection with the Developer financing, without consent of the City but with notice of the transfers. One of the holders of a mortgage on the Real Estate is Bremer Bank, National Association ("Bank"). Since the Bank, under that paragraph, has the obligation to assume certain duties of the Developer under the Agreement, under certain circumstances, City agrees to also give to the Bank a copy of any Notice of Default sent to Developer under the Agreement, and gives to Bank the same opportunity to cure any such Default as given to Developer. Any notices to the Bank shall be sent to:


Bremer Bank, National Association
2570 Midwest Drive
Onalaska, Wisconsin 54650
Attn: Mark D. Carpenter
Email: mdcarpenter@bremer.com.

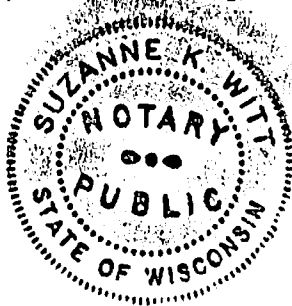
Dated this 14th day of August, 2015

The Charmant Hotel, LLC

By: 
Donald Weber, Managing Member

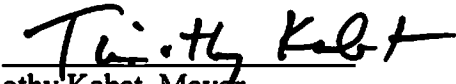
Subscribed and sworn to before me this
14th day of August, 2015.


Suzanne K. Witt
Notary Public, State of Wisconsin
My Commission is permanent



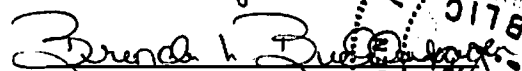
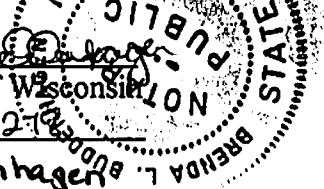
Dated this 20th day of August, 2015

City of La Crosse

By: 
Timothy Kabat, Mayor

Attest: 
Teri Lehrke, City Clerk deputy

Subscribed and sworn to before me this
20th day of August, 2015.


Notary Public, State of Wisconsin
My Commission: 11-2-13

Brenda L. Buddenhagen

Faint, illegible text, possibly bleed-through from the reverse side of the page.

Handwritten signatures and scribbles in the middle section of the document.

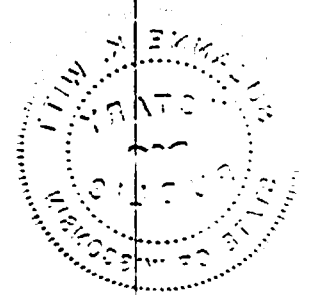
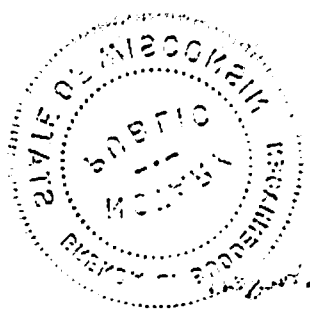


Exhibit A
Real Estate Affected by Amendment

Part of Lot 4 in Block 9 of the Plat of the Town of La Crosse, in the City of La Crosse, La Crosse County, Wisconsin, described as follows: beginning at the Southeasterly corner of said Lot 4; thence Northeasterly along the Easterly line of said Lot, 7.25 feet; thence Northwesterly parallel with the Southerly line of said Lot, 7 feet; thence Southwesterly, parallel with the Easterly line of said Lot to the Northerly line of the Southerly 1.2 feet of said Lot; thence Northwesterly along the Northerly line of said Southerly 1.2 feet to the Westerly line of said Lot, thence Southwesterly to the Southwesterly corner of said Lot 4; thence Southeasterly to the point of beginning.

Also, Lot 5 in Block 9 of the Plat of the Town of La Crosse, in the City of La Crosse, La Crosse County, Wisconsin.

Tax Key Number: 17-200008-020

025649-0007\17482425.1

Certificate

This Certificate is given by the City of La Crosse, Wisconsin ("City"), in relation to the Charmant Hotel Development Agreement made by and between the City, and The Charmant Hotel, LLC ("Developer"), dated December 22, 2014 and January 5, 2015 (the "Agreement"), and recorded [or a notice of which was recorded] in the La Crosse County Register of Deed's Office on January 21, 2015, as Document No. 1650903.

The Agreement contains a number of conditions precedent and alternatives. Specifically, Article IV of the Agreement contains a list of Conditions Precedent to the City's Obligations, and also a procedure for the City to issue a Certificate confirming that the Conditions Precedent have been satisfied. Developer has requested this Certificate, and the City is providing this Certificate under the terms of that Article IV, and to confirm other parts of the Agreement.

Therefore, for good and valuable consideration, the City certifies as follows.

A. City's Conditions Precedent.

- 4.1 **Existence.** Developer has satisfied this requirement.
- 4.2 **Incumbency; Due Authorization.** Developer has satisfied this requirement.
- 4.3 **No Violation or Default.** Developer has satisfied this requirement.
- 4.4 **Financing Commitment.** Developer has satisfied this requirement, has closed the loans, and has provided copies of the documents in connection with the construction loan, to the City.
- 4.5 **Plans and Specifications.** Developer has satisfied this requirement.
- 4.6 **Survey.** Developer has satisfied this requirement.
- 4.7 **Insurance.** Developer has satisfied this requirement.
- 4.8 **Amendment of TID #11 and TID Project Plan.** These amendments have been approved by all appropriate governmental entities, and are final.
- 4.9 **Financial Statements.** The Agreement already confirmed this obligation was satisfied.
- 4.10 **Acquisition of Real Estate.** The Developer has acquired fee simple title to the Real Estate, and this requirement is satisfied.
- 4.11 **Approvals and Permits.** Developer has satisfied this requirement.
- 4.12 **Compliance with Law.** As of the date of this Certificate, Developer has satisfied this requirement.

4.13. **Compliance with Agreements.** On the date of this Certificate, Developer is in material compliance with the Agreement, and with all other agreements it may have with the City.

Therefore, the conditions in Article IV of the Agreement are deemed satisfied, and the rights of the City to terminate the Agreement for failure of satisfaction of these conditions is terminated.

B. **Developer's Conditions Precedent.** Regarding the Developer's Conditions Precedent in Article V, City confirms that Developer has waived these Conditions and the City has accepted that waiver.

C. **TIF Formula.** The "Monetary Obligation" defined in paragraph 1.3(h)(1), and detailed in 3.1 of the Agreement, provided for two alternative payment schedules, depending on whether Developer received WEDC grant funding or not. Developer has provided sufficient evidence to the City that Developer did not secure WEDC grant funding for the Project, and therefore the City confirms that the formula alternative shown in Section 3.1(b) will be the effective grant formula for the Agreement.

D. **Exhibit G.** Exhibit G contained an approximate example of how the Increment would be measured. Now that the actual tax assessment for the Real Estate is known, both for the 2014 base year for the Increment and the 2015 assessment, Exhibit G is replaced with the Revised Exhibit G attached hereto. It is clarified that since the City approved the Monetary Obligation in 2014, it is the 2014 assessment for the Real Estate that will be the base assessment for measuring the Tax Increment, as defined in Section 1.3(p) of the Agreement.

E. **Commencement of Construction.** City confirms that Developer did commence construction of the Project on or before April 15, 2015, as required in Section 2.2(b).

Dated this 12th day of August, 2015

City of La Crosse, Wisconsin

By: 
Timothy Kabat/ Mayor

EXHIBIT G-3 MONETARY OBLIGATION EXAMPLE

(Charmant Hotel Development Agreement)
(without WEDC funding)

Tax Year (Valuation Date)	Base Year 1/1/2014	1/1/2015	Guarantee 1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Base Value of Property	405,800.00	405,800.00	405,800.00	405,800.00	405,800.00	405,800.00	405,800.00
New Construction 2014		2,471,500.00					
New Construction 2014 and 2015 (0.5% appreciation after 2016)			7,000,000.00	7,035,000.00	7,070,175.00	7,105,525.88	7,141,053.50
<u>Total Assessed Value</u>	<u>405,800.00</u>	<u>2,877,300.00</u>	<u>7,405,800.00</u>	<u>7,440,800.00</u>	<u>7,475,975.00</u>	<u>7,511,325.88</u>	<u>7,546,853.50</u>
Value Increment		2,471,500.00	7,000,000.00	7,035,000.00	7,070,175.00	7,105,525.88	7,141,053.50
Mill Rate		0.02904	0.02904	0.02904	0.02904	0.02904	0.02904
Tax Increment		71,772.36	203,280.00	204,296.40	205,317.88	206,344.47	207,376.19
Maximum tax increment available for disbursement		n/a	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
City's Retainage of Cash Grant Disbursements:							
<u>City's Allocation of Tax Increment (15%)</u>		n/a	<u>22,500.00</u>	<u>22,500.00</u>	<u>22,500.00</u>	<u>22,500.00</u>	<u>22,500.00</u>
City's Cumulative Retainage (\$112.5K Max.)			22,500.00	45,000.00	67,500.00	90,000.00	112,500.00
Cash Grants yet to be Retained (\$112.5K Max.)		112,500.00	90,000.00	67,500.00	45,000.00	22,500.00	0.00
Developer's Cash Grant Disbursements:							
<u>Developer's Allocation of Tax Increment (85%)</u>		n/a	<u>127,500.00</u>	<u>127,500.00</u>	<u>127,500.00</u>	<u>127,500.00</u>	<u>127,500.00</u>
Developer's Cumulative Cash Grants (\$637.5K Max.)			127,500.00	255,000.00	382,500.00	510,000.00	637,500.00
Developer's Aggregate Cash Grants Unpaid (\$637.5K Max.)		637,500.00	510,000.00	382,500.00	255,000.00	127,500.00	0.00
Payment Date			9/1/2017	9/1/2018	9/1/2019	9/1/2020	9/1/2021

Note 1: Cash grants based on improvements only.

Note 2: Assume 0.5% appreciation of assessed value after 2016.

Note 3: Max. tax increment available without WEDC funding = \$150K per year

Note 4: Maximum cash grants are paid by September 1, 2021