

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is entered into as of August 6, 2019 by and between LINCOLN HOSPITALITY GROUP, LLC, a Wisconsin limited liability company ("Developer"), and the CITY OF WEST ALLIS, a Wisconsin municipal corporation ("City").

RECITALS

City and Developer acknowledge the following:

A. Developer has acquired a part of the real property and improvements located at 10201 West Lincoln Avenue in the City of West Allis, Wisconsin, Tax Key Number 485-9996-007, as legally described on Exhibit A attached hereto (the "Property").

B. The Property is located within the boundaries of the City's Tax Increment District No. 17 (the "District"). Pursuant to Section 66.1105, Wis. Stats. (the "Tax Increment Law"), the City adopted a plan for redevelopment within the District (the "Project Plan").

C. Subject to obtaining the benefits set forth herein, Developer proposes to invest approximately Sixteen Million Three Hundred Thousand and 00/100 Dollars (\$16,300,000.00) to develop the Property and construct a 4-story, 107-room Holiday Inn Express and Suites with fitness center, pool, business center, small conference room(s), outdoor deck/patio, and other amenities (collectively, the "Project"). It is acknowledged that development of the Project is consistent with the Project Plan.

D. The City desires to encourage economic development, eliminate blight, expand the City's tax base and create new jobs within the City, the District and upon the Property. The City finds that the development of the Project and the fulfillment of the terms and conditions of this Agreement will further such goals, are in the vital and best interests of the City and its residents, and will serve a public purpose in accordance with state and local law.

F. The development of the Project would not occur without the benefits to be provided to Developer as set forth in this Agreement.

G. The City, pursuant to Common Council action on file number R-2019-0566, approved this Agreement on August 6, 2019, and authorized its execution by the proper City officials on the City's behalf.

H. The Developer has approved this Agreement and authorized its execution by the appropriate representatives on its behalf.

I. All terms that are capitalized but not defined in this Agreement and that are defined under the Tax Increment Law shall have the definitions assigned to such terms by the Tax Increment Law.

AGREEMENTS

In consideration of the RECITALS, which are hereby incorporated as if fully set forth herein, and the terms and conditions set forth herein, the parties agree and covenant as follows:

ARTICLE I THE PROJECT AND DEVELOPER OBLIGATIONS

A. Subject to satisfaction of the conditions set forth in this Agreement, Developer shall perform the following:

1. On or before September 1, 2020, complete the demolition of the existing improvements located on the Property in a manner that supports the orderly implementation of the Project.

2. Within thirty (30) days after the City's issuance of the building permit for the Project (the "Building Permit"), Developer shall commence construction of the Project in accordance with the final plans and specifications (including landscaping plans) approved by the City at the time of or prior to the granting of the Building Permit (the "Final Plans and Specifications"). Copies of the Final Plans and Specifications will be retained at the City's Planning Department, located at the West Allis City Hall. Subject to a Force Majeure Event (as hereinafter defined), Developer shall substantially complete the Project in compliance with the Final Plans and Specifications not later than November 1, 2020 (the "Outside Completion Date"). The Project shall be deemed to be substantially complete on the date that the City building inspector issues a final certificate of occupancy for the entire Project (the "Completion Date"). The City building inspector shall not issue the certificate of occupancy if the Project does not materially conform to the Final Plans and Specifications, subject to any changes to such Final Plans and Specifications that may have been requested by Developer and approved by the City.

3. Invest not less than Five Million and 00/100 Dollars (\$5,000,000.00) in equity toward the costs of performing its development obligations under the preceding paragraphs and conventional financing sufficient in amount to fund the remaining costs for construction of the Project.

4. Upon substantial completion of the Project, Developer with an on-site management company shall operate the Property as a 107-room Holiday Inn Express and Suites, as further described in the attached Exhibit B.

B. Developer shall perform its development obligations in accordance with the development budget approved by the City attached hereto as Exhibit C (the "Development Budget").

**ARTICLE II
CITY OBLIGATIONS**

A. City shall cooperate with Developer throughout the development and construction of the Project and shall promptly review and/or process all submissions and applications in accordance with applicable City ordinances.

B. Subject to Article III, Paragraph A herein, the City shall provide a development grant in the form of a Municipal Revenue Obligation (as defined below) approximating eight (8) full years of the Actual Tax Increment (as defined herein) expected to be paid to the District by Developer for the estimated assessed real property value of the completed Project. The incentive amount is not to exceed a present value of One Million Four Hundred Fifty Thousand and 00/100 U.S. Dollars (\$1,450,000.00) at time of issuance, which is based on: Developer's estimate of the completed Project size and development costs of Sixteen Million Three Hundred Thousand and 00/100 U.S. Dollars (\$16,300,000.00); the City Assessor's estimated assessed value for the completed Project of \$12,500,000.00; an average mil rate of \$28.56; and, a discount rate of 4.0%. Material departures from Developer's estimated development costs or the actual completed assessed value of the Project may result in a decrease to the incentive amount.

**ARTICLE III
DEVELOPMENT INCENTIVE GRANT – MUNICIPAL REVENUE OBLIGATION**

A. Not earlier than thirty (30) days prior to the substantial completion of the Project and issuance of an occupancy permit for the building as set forth herein, Developer shall provide to the City a written request for issuance of a Municipal Revenue Obligation (as defined below). Within forty-five (45) days after submittal of the written request for issuance of the Municipal Revenue Obligation, or within sixty (60) days after the condition described above has been satisfied, whichever is later, the City shall issue a Municipal Revenue Obligation to Developer in the form attached hereto as Exhibit D (the "Municipal Revenue Obligation"). The principal amount of the Municipal Revenue Obligation shall not exceed One Million Four Hundred and Fifty Thousand and 00/100 Dollars, (\$1,450,000.00). The Municipal Revenue Obligation shall be issued under the following terms and conditions:

1. The Municipal Revenue Obligation shall bear interest at an annual rate of Four Percent (4.0%). Interest shall begin to accrue on the Municipal Revenue Obligation from the date on which the Municipal Revenue Obligation is issued.

2. Any payment on the Municipal Revenue Obligation which is due on any Payment Date (as defined herein) shall be payable solely from and only to the extent that the City has received as of such Payment Date, Actual Tax Increment, and such Actual Tax Increment has been appropriated by the City of West Allis Common Council to payment of the Municipal Revenue Obligation. "Actual Tax Increment" as referred to in this Agreement and in the Municipal Revenue Obligation shall mean ninety percent (90%) of that real property tax increment (as defined by the Tax Increment Law) solely generated from and paid by the Project.

3. For purposes of the Municipal Revenue Obligation, a "Payment Date" shall mean each of the scheduled payment dates set forth on a schedule attached to the Municipal Revenue Obligation when issued. The scheduled Payment Dates shall be prepared such that the payments on the Municipal Revenue Obligation are amortized over no more than eight (8) years that Actual Tax Increment generated by the Project may lawfully be allocated to make payments on the Municipal Revenue Obligation. On each of the Payment Dates, the City shall pay to the Developer the Actual Tax Increment, up to the scheduled payment amount shown on the schedule attached to the Municipal Revenue Obligation, together with such additional amounts, if any, deferred from prior years as may be payable on the Payment Date as provided under the terms of the Municipal Revenue Obligation, that has been appropriated for that purpose by the City of West Allis Common Council in accordance with the requirements for revenue obligations.

4. The City covenants and agrees that Actual Tax Increment held by the City in any given year as of a given Payment Date shall not be appropriated for any use not identified on the Municipal Revenue Obligation amortization schedule, if not appropriated for the Municipal Revenue Obligation due as of such Payment Date, until the earliest to occur of the following: (a) the City has paid the Municipal Revenue Obligation payment due on the Payment Date in that year (including the scheduled payment amount plus any additional amounts deferred from prior years and payable on that Payment Date); (b) until said Municipal Revenue Obligation has been paid; or, (c) December 31st of that year. The District shall not be terminated until the first of the following to occur: (i) the Municipal Revenue Obligation has been paid in full; (ii) completion of the eighth (8th) tax year collection following the issuance date of the Municipal Revenue Obligation, except that if the Actual Tax Increment held by the City is not appropriated for the Municipal Revenue Obligation in any given year, an additional tax year shall be added to the payment schedule attached to the Municipal Revenue Obligation; or, (iii) until the District must be terminated by law.

5. Any amount of the Municipal Revenue Obligation due and owing that is unpaid in one year shall carry over to the next year; however, any obligation to repay any amount that is unpaid after the completion of the eighth (8th) tax year collection following the issuance date of the Municipal Revenue Obligation shall be extinguished, and no further amount shall be due from City under this Agreement or otherwise.

6. Developer may assign the Municipal Revenue Obligation to any lender providing financing to the Project, or to a successor owner of the Project, and upon notice of such assignment, the City shall pay directly to such lender or successor the scheduled payment amounts due on account on the Municipal Revenue Obligation. Any such assignment shall be subject to the terms contained in this Agreement.

7. The City, upon accumulating Actual Tax Increment in excess of scheduled appropriated payments, and solely at its option, may at any time prepay any remaining scheduled payment(s) or portions thereof.

B. THE MUNICIPAL REVENUE OBLIGATION SHALL BE A SPECIAL, LIMITED REVENUE OBLIGATION OF THE CITY PAYABLE ONLY FROM ACTUAL TAX INCREMENT THAT IS APPROPRIATED BY THE COMMON COUNCIL FOR THAT

PURPOSE. No property or other asset of the City, except Actual Tax Increment appropriated to make payments with respect to the Municipal Revenue Obligation, is or shall be a source of payment of the City's obligations thereunder. The Municipal Revenue Obligation shall not constitute a debt or obligation of the City, the County in which it is located, the State of Wisconsin or any political subdivision thereof within the meaning of any State constitutional provision, statutory limitation, or charter provision or limitation thereof and shall not be a charge against their general credit or taxing powers.

C. THE CITY MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE ACTUAL TAX INCREMENT, IF APPROPRIATED, WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE UNDER THE MUNICIPAL REVENUE OBLIGATION.

D. The City shall have no obligation to make payments on the Municipal Revenue Obligation while the Developer is in default of any of its obligations under this Agreement or if no Actual Tax Increment is available.

ARTICLE IV ASSESSED VALUATION GUARANTY

A. In consideration of the issuance of the Municipal Revenue Obligation, Developer hereby guaranties that commencing in the first calendar year following the Completion Date and for each calendar year thereafter that this guaranty remains in place, the assessed valuation of the Property for real property tax purposes (the "Assessed Value") shall not be less than Twelve Million Five Hundred Thousand and 00/100 Dollars (\$12,500,000.00) (the "Guaranteed Value"). If in any year during the term of this guaranty the Assessed Value is less than the Guaranteed Value, then the Developer shall make an Assessed Value Shortfall Payment (as defined below) to the City as provided herein. An "Assessed Value Shortfall Payment" shall mean the difference between: (a) the amount of property taxes that would have been assessed against the Property in the applicable year had the Assessed Value been equal to the Guaranteed Value; and (b) the actual amount of property taxes assessed against the Property for such year. Developer shall make the Assessed Value Shortfall Payment to the City not later than thirty (30) days following the date that the property tax bill for the Property is issued. As an example of calculating an Assessed Value Shortfall Payment, assume: (w) the Assessed Value in 2021 is \$11,500,000 million; and (x) the City's property tax rate (all taxing jurisdictions included) for 2021 is 2.8%. In such instance, Developer would owe an Assessed Value Shortfall Payment to the city equal to \$28,000.00 [(\$12,500,000 million minus \$11,500,000 million) x 2.8%] payable on or before thirty (30) days following the issuance of the 2021 property tax bill for the Property.

B. Assessed Value Shortfall Payments made by the Developer will be treated by the City as contingent non-interest bearing loans, repaid out of available Surplus Tax Increment after payment in full of all accrued interest and principal on the Municipal Revenue Obligation; however, if the eight (8) year term of the Municipal Revenue Obligation expires prior to full repayment to Developer of any Assessed Value Shortfall Payments, then the outstanding balance of such Assessed Value Shortfall Payments shall be forgiven and the City shall have no further obligations to repay same.

C. The assessed valuation guaranty set forth in this Article shall expire upon the date that is thirteen (13) years after the issuance of the Municipal Revenue Obligation. Until such expiration, this valuation guaranty shall constitute a covenant running with the land, binding upon any and all owners of the Property and their successors and assigns, including any mortgagee that acquires title through foreclosure or a deed in lieu thereof, and any purchaser or assignee of such mortgagee. The City is hereby empowered and authorized by Developer to levy a special assessment lien against the Property to collect any unpaid Assessed Value Shortfall Payment, which lien shall be a first priority lien. Any and all notice and hearing requirements which may be required under the law for such special assessment or special charge are hereby waived by Developer.

ARTICLE V PAYMENT OF TAXES; PAYMENT IN LIEU OF TAXES

A. Throughout the life of the District, Developer will pay (or cause to be paid) all ad valorem property taxes properly assessed against any portion of the Property owned by the Developer before such taxes become delinquent. The foregoing shall not prohibit the Developer from contesting, in good faith, the assessed value of any portion of the Property.

B. In the event that any portion of the Property becomes exempt from ad valorem taxes during the statutory life of the District and for a period of twenty (20) years thereafter (the "PILOT Term"), then the Developer or any successor owner of such exempt portion of the Property shall make (or cause to be made) during the PILOT Term annual payments in lieu of taxes in amounts equal to what the ad valorem property taxes (all taxing jurisdictions included) would have been for such portion of the Property (as determined by the City assessor) had it not been exempt. Such payment in lieu of taxes shall be due and payable at the same time and in the same manner as the ad valorem taxes would have been due and payable for such year. If the Developer or any successor owner fails to make a payment in lieu of taxes when due, the City may, in addition to all other remedies available to it, levy a special assessment against the exempt portion of the Property in the amount of the unpaid payments. Any and all notice and hearing requirements which may be required under the law for such special assessment are hereby waived by Developer. Notwithstanding the levying of such special assessment, the payment obligation under this Article shall be the personal obligation of the person or entity that is the owner of the Property at the time that any portion of the Property becomes exempt from ad valorem taxes. The covenant contained in this Article shall be deemed to be a covenant running with the land and shall be binding upon all owners of any portion of the Property for the duration of the PILOT Term. The City is hereby expressly declared to be a beneficiary of such covenant and entitled to enforce same against all successor owners of the Property.

ARTICLE VI PROFIT-SHARING

Upon the earlier to occur of (a) the sale or transfer of the Project to a third-party, or (b) the refinancing of the initial mortgage loan on the Project following the issuance of the Municipal Revenue Obligation, Developer shall provide to the City and its financial consultant all of Developer's financial records relating to the expenditures incurred and income received in

connection with the Project. The City's financial consultant shall determine Developer's annualized internal rate of return ("IRR") on Developer's equity investment in the Project. For purposes of this Agreement, the "Internal Rate of Return" or "IRR" is the rate of return on the "Cash Equity Investment" in the Project that the cash equity investors receive, computed on an annual basis, from distributable cash flow over the Project valuation period and inclusive of net proceeds from sale or refinancing. "Cash Equity Investment" means all capital or equity contributed to the Project for (i) Project expenditures, and (ii) additional capital expenditures, exclusive of any financing proceeds and reduced by any payments made to the Developer that constitute a return of capital or equity. If the Developer's IRR exceeds seventeen and one-half percent (17.5%) (with Developer's costs taking into account any Project cost overruns, and the approved Developer fee set forth in the Development Budget), then the City shall be entitled to a one-time payment from the Developer equal to thirty percent (30%) of the amount of revenue that drove Developer's IRR above 17.5% (i.e., 30% of the excess above the specified IRR, not the total, shall be paid to City). Such payment shall be made not later than thirty (30) days following written request from the City. For purposes of the foregoing determination, the price of a land sale shall be the net selling price to a third party (including net of commissions) or, in the case of self-development, the land value as determined by a construction lender based on an independent appraisal for a particular parcel. Notwithstanding the foregoing, the IRR determination by the City's financial consultant hereunder may include, without limitation, confirmation by an independent expert that the price of a land sale to a third-party was at or above the reasonable fair market value of the property at the time of sale. If the Developer refinances the initial mortgage loan on the Project and pays the City the profit sharing due hereunder, if any, this Article VI shall lapse and be of no further force or effect

ARTICLE VII NO PARTNERSHIP OR VENTURE

Developer and its contractors or subcontractors shall be solely responsible for the completion of all of Developer's obligations set forth in this Agreement. Nothing contained in this Agreement shall create or effect any partnership, venture or relationship between the (i) City and (ii) Developer, or any contractor or subcontractor employed by Developer.

ARTICLE VIII CONFLICT OF INTEREST

No elected official, member, officer, or employee of the City, during his/her tenure or for one year thereafter, will have or shall have had any interest, direct or indirect, in this Agreement or any proceeds thereof.

ARTICLE IX WRITTEN NOTICES

All notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (i) upon delivery to an officer of the City (as to the City) or to an officer of Developer (as to Developer), if hand delivered; (ii) two business days following deposit in the United States mail, postage prepaid, or (iii) upon delivery if delivered by a nationally recognized overnight commercial carrier that will certify as to the date and time of such delivery; and each

such communication or notice shall be addressed as follows, unless and until any of such parties notifies the other in accordance with this Article of a change of address:

If to the City: City of West Allis
7525 West Greenfield Avenue
West Allis, WI 53214
Attn: City Clerk

If to the Developer: Lincoln Hospitality Group, LLC
833 E. Michigan Street, Suite 1000
Milwaukee, WI 53202

With a copy to: Bret Roge, Esq.
100 E. Wisconsin Ave., Suite 3300
Milwaukee, WI 53202
baroge@michaelbest.com

ARTICLE X MISCELLANEOUS

A. Until such time as the IRR calculation has occurred pursuant to Article VI, Developer will provide or cause to be provided to the City audited financial statements for Developer for the preceding calendar year, including balance sheets and income statements, within one hundred twenty (120) days following the City's written request therefore (provided such request shall not be made more than once every twelve (12) months). All financial statements shall be certified to by Developer's auditor and/or accountant, as applicable, and the trade secret provisions for such financial statements shall be maintained in accordance with Paragraph L of this Article.

B. Developer shall have in effect at all times all permits, approvals and licenses as may be required by any governmental authority or non-governmental entity in connection with Developer's development, construction, management and operation of the Project.

C. Developer shall maintain or cause to be maintained the following insurance policies (the "Insurance Policies") issued by insurers licensed in the State of Wisconsin, with ratings and in the financial size category as requested by the City, covering loss by perils, hazards, liabilities and other risks and casualties and in such amounts as may be reasonably required by the City:

1. Following completion of construction of all components of the Project, "all risks" property insurance insuring against such risks as are insured against by owners of similar improvements, in amounts equal to 100% replacement cost of all such improvements with an extended replacement cost endorsement;

2. During the construction, builder's risk insurance in form and amounts reasonably satisfactory to the City;

3. During the term of this Agreement, commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in amounts

maintained by owners of similar projects, and insuring against bodily injury, including personal injury, death and property damage; and

4. Such other insurance as may be reasonably requested by City.

D. Each Insurance Policy shall require the insurer to provide at least thirty (30) days prior written notice to the City of any material change or cancellation of such policy. The City shall be named as an additional insured/loss payee on all policies of insurance except worker's compensation insurance.

E. Subject to a Force Majeure Event, if the Developer does not commence construction of the Project by December 1, 2019, then the City may, in its sole discretion, terminate this Agreement upon written notice to Developer, provided, however, that if Developer commences construction of the Project within thirty (30) days following receipt of such written election to terminate (a "Developer Savings Action"), this Agreement shall not terminate but shall continue in full force and effect. Upon an election to terminate that is not followed by any Developer Savings Action, the City shall thereafter have no further obligations under this Agreement.

F. The prevailing party shall be entitled to collect all costs and expenses associated with the enforcement of the its rights against the other under this Agreement, including without limitation the enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving Developer. Any and all such fees, costs and expenses incurred by the prevailing party which are to be paid by the other, shall be paid on demand.

G. Developer hereby indemnifies, defends, covenants not to sue and holds the City harmless from and against all loss, liability, damage and expense, including attorneys' fees, suffered or incurred by the City by reason of the following: (i) the failure of Developer or its contractors, subcontractors, agents, employees, or invitees to comply with any environmental law, rule, regulation or ordinance, or any order of any regulatory or administrative authority with respect thereto; (ii) any release by Developer or its contractors, subcontractors, agents, employees, or invitees of petroleum products or hazardous materials or hazardous substances on, upon or into the Property; (iii) any and all damage to natural resources or real property or harm or injury to persons resulting or alleged to have resulted from any failure by the Developer and/or its contractors, subcontractors and/or agents to comply with any law, rule, regulation or ordinance or any release of petroleum products or hazardous materials or hazardous substances as described in clauses (i) and (ii) above; (iv) any violation by Developer or at the Project of any environmental law, rule, regulation or ordinance; (v) claims arising in connection with the Project under the Americans With Disabilities Act, and any other laws, rules, regulations or ordinances; (vi) the failure by Developer to comply with any term or condition of this Agreement; (vii) injury to or death of any person at the Project or injury to any property caused by or at the Project; and (viii) the failure of Developer to maintain, repair or replace, as needed, any portion of the Project. The foregoing indemnity shall not apply to any claims or damages arising under clauses (i) through (viii) of the previous sentence to the extent such claims or damages are attributable to the negligence or willful misconduct of the City.

The terms "hazardous substances" means any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances" under any applicable federal or state or local laws or regulations.

H. Time is of the essence of each and every obligation or agreement contained in this Agreement.

I. If the Developer is delayed or prevented from timely commencing or completing construction of the Project, by reason of fire, earthquake, war, flood, riot, strikes, labor disputes, governmental restrictions, judicial order, public emergency, or other causes beyond Developer's control, other than lack of or inability to procure debt or equity funding ("Force Majeure Event"), performance of such act shall be excused for the period of such delay and the time for the performance of any such act shall be extended for a period equivalent to such delay.

J. A memorandum of this Agreement shall be recorded in the office of the Register of Deeds of Milwaukee County, Wisconsin, prior to the recording of any mortgage on the Property, it being understood by the parties that this Agreement will run with the land and will be binding upon the Property and the Project and any owner and/or lessee and/or mortgagee of all or any portions of the Property and the Project and their successors and assigns.

K. Nothing contained in this Agreement is intended to or has the effect of releasing Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

L. All financial reports and information required to be provided by Developer to the City under this Agreement shall be provided to the City's outside financial consultant for review on behalf of the City. The Developer warrants and represents the accuracy of all such financial reports and information provided by Developer. All financial reports and information provided to the City or its financial consultant in connection with this Agreement shall be held and treated as confidential and shall not be part of the public record associated with the Project to the extent permitted under applicable law.

M. This Agreement may not be assigned by the Developer without the City's prior written consent, which consent shall not be unreasonably withheld, provided, however, Developer may assign this Agreement in whole or in part to an entity that controls or manages, is controlled by, or is under common control with, Developer without the consent of the City. Notwithstanding the foregoing, the Developer may collaterally assign this Agreement and the Municipal Revenue Obligation to the Developer's lender for the Project without the consent of the City. In the event that any such lender forecloses on its collateral and succeeds to ownership of the Property, the City shall fulfill its obligations hereunder provided that such lender, or the party purchasing the Property at a foreclosure sale, assumes in writing all of the obligations of the Developer hereunder.

N. The Developer shall not be released from any of their obligations hereunder by any sale, foreclosure or other conveyance of the Property, either before or after completion of the Project, without the written consent of the City.

**SIGNATURE PAGE TO
DEVELOPMENT AGREEMENT**

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

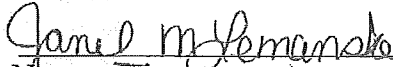
CITY OF WEST ALLIS, WISCONSIN

By: 
Dan Devine, Mayor

By: 
Steven A. Braatz, Jr., City Clerk

STATE OF WISCONSIN)
) ss.
MILWAUKEE COUNTY)

Personally appeared before me this 10 day of September, 2019, the above-named Dan Devine and Steven A. Braatz, Jr., the Mayor and City Clerk, respectively, of the City of West Allis, Wisconsin, to me known to be the persons who executed the foregoing agreement on behalf of the City and by its authority and acknowledged the same.


Name: Janel M. Lemanske
Notary Public, State of Wisconsin
My Commission expires: 10/9/2022

Approved as to form this 16th day of September, 2019


Kail Decker, City Attorney

EXHIBIT A

Legal Description of Property

Lot 1 of CSM No. _____ recorded in the Milwaukee County Register of Deeds Office on _____, 2019 as Document No. _____

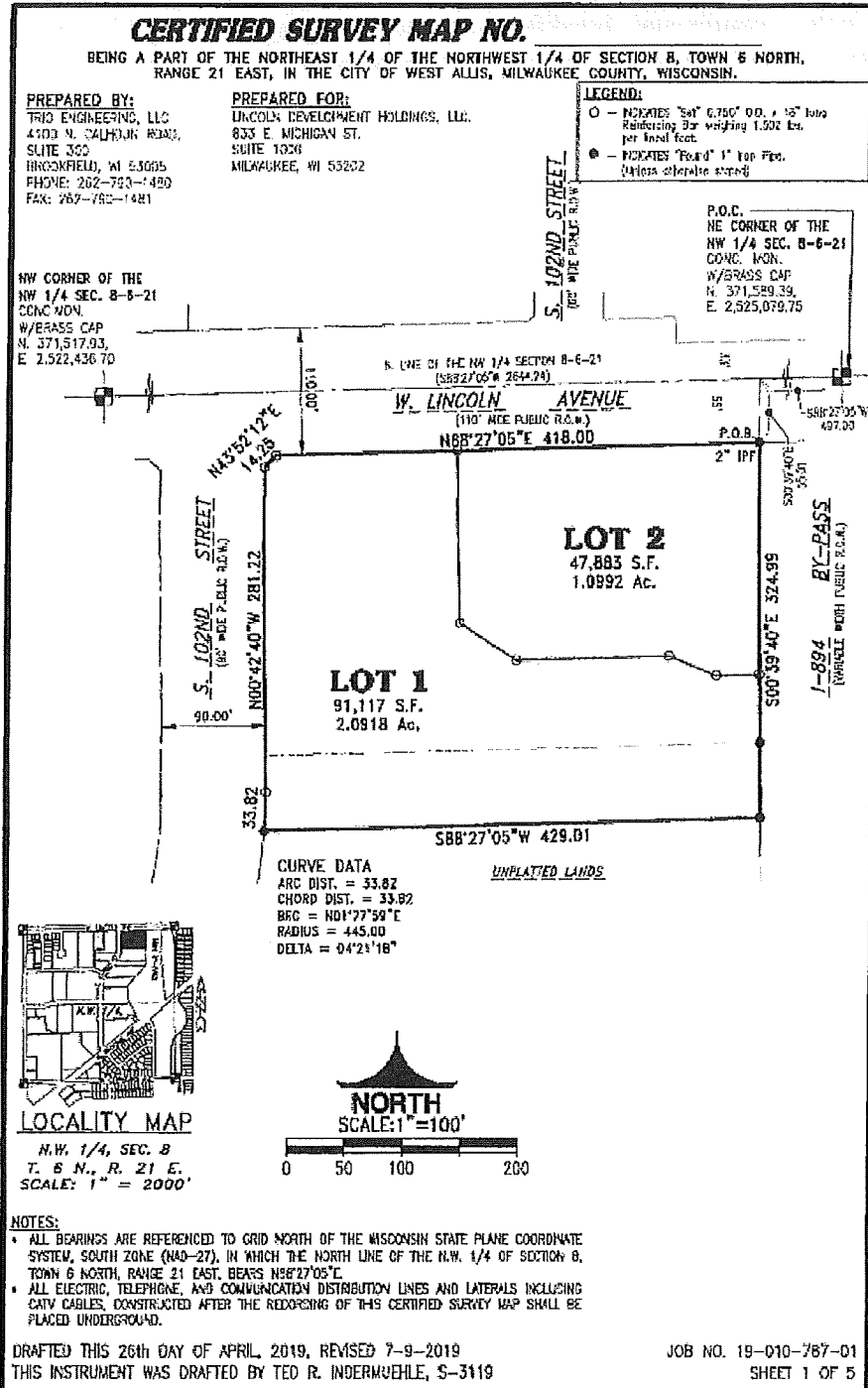


EXHIBIT B

Description of Project

Holiday Inn Express & Suites hotel planned for a portion of a 3.19-acre mixed-use development site at 10201 W. Lincoln Avenue, West Allis, WI. The 4-story hotel will include 107 rooms with anticipated amenities including: fitness center, pool, business center, small conference room, outdoor deck/patio, continental breakfast, & more. Project is anticipated to commence construction September 2019 with a completion scheduled for Summer 2020.

EXHIBIT C
Development Budget

Holiday Inn Express & Suites - West Allis					107	ROOMS	8/2/2019	
DEVELOPMENT BUDGET COSTS (USES)	TOTAL	PER ROOM	DEVELOPMENT BUDGET SOURCES	TOTAL				
Property Acquisition & Entitlements	\$ 1,066,000	\$ 9,963	6.6%					
Permits & Fees	\$ 79,500	\$ 743	0.5%					
Construction Costs	\$ 9,304,306	\$ 86,956	57.3%					
Architects, Designers, Engineers & Other Consultants	\$ 1,333,500	\$ 12,463	8.2%					
FF&E, Information Technology & OS&E	\$ 2,460,950	\$ 23,000	15.2%					
Hotel Pre Opening & Pre Opening Marketing	\$ 500,000	\$ 4,673	3.1%					
Property Taxes & Insurance	\$ 125,000	\$ 1,168	0.8%					
Loan Financing Fee	\$ 27,970	\$ 261	0.2%					
Accounting & Legal Fees	\$ 100,000	\$ 935	0.6%					
Interest and Carrying Costs	\$ 925,841	\$ 8,653	5.7%					
Working Capital & Equity Reserve	\$ 107,000	\$ 1,000	0.7%					
Contingency/Guarantee Fee	\$ 200,000	\$ 1,869	1.2%					
TOTAL DEVELOPMENT BUDGET	\$ 16,230,067	\$ 151,683	100.0%					
				DEBT				
				Senior Permanent Debt				\$ 9,738,010
				Bridge Loan (rolled into perm. loan)				\$ 1,450,000
				DEBT TOTAL				\$ 11,188,010
				EQUITY				
				Equity				\$ 5,042,027
				EQUITY TOTAL				\$ 5,042,027
				PROJECT TOTAL				\$ 16,230,067

EXHIBIT D

Municipal Revenue Obligation

CITY OF WEST ALLIS

MUNICIPAL REVENUE OBLIGATION

\$1,450,000.00

THIS MUNICIPAL REVENUE OBLIGATION (the "Obligation") is issued pursuant to Wis. Stat. § 66.0621 this 24th day of September, 2021, by the City of West Allis, Milwaukee County, Wisconsin (the "City") to LINCOLN HOSPITALITY GROUP, LLC, a Wisconsin limited liability company, its successors and assigns ("Developer").

WITNESSETH:

A. The City and Developer have entered into a Development Agreement dated August 6, 2019 (the "Development Agreement").

B. This Obligation is issued by the City pursuant to the Development Agreement.

C. Terms that are capitalized in this Obligation that are not defined in this Obligation and that are defined in the Development Agreement shall have the meanings assigned to such terms by the Development Agreement.

1. Promise to Pay. The City shall pay to Developer the principal amount of ONE MILLION FOUR HUNDRED AND FIFTY THOUSAND AND 00/100 DOLLARS (\$1,450,000.00), together with interest thereon at a rate of Four Percent (4.0%) per annum, solely from Actual Tax Increment, in Scheduled Payments in accordance with Schedule 1 attached hereto and made a part hereof. Interest shall accrue beginning on the date on which this Obligation is issued. To the extent that on any Payment Date the City is unable to make a payment from Actual Tax Increment at least equal to the Scheduled Payment due on such date as a result of having received, as of such date, insufficient Actual Tax Increment, or as the result of the Common Council not having appropriated sufficient Actual Tax Increment, such failure shall not constitute a default under this Obligation and, except as hereinafter provided, the City shall have no obligation under this Obligation, or otherwise, to subsequently pay any such deficiency unless the deficiency is the direct result of the failure of Milwaukee County to timely remit the proper amount of Tax Increment, in which case, such deficiency shall be paid promptly upon remittance by Milwaukee County. Any payments on the Municipal Revenue Obligation, which are due on any Payment Date, shall be payable solely from and only to the extent that, as of such Payment Date, the City has received Actual Tax Increment. If, on any Payment Date there is insufficient Actual Tax Increment to make the scheduled payment due on such date, or if the Common Council shall not otherwise appropriate sufficient Actual Tax Increment to make the scheduled payment due on such date in full, the amount of such deficiency in the scheduled payment shall be deferred and shall be paid with interest at a rate equal to Four Percent (4.0%) per annum, on the next Payment Date on which the City has Actual Tax Increment in

excess of the amount necessary to make the scheduled payment due on such Payment Date, and if such deficiency resulting from the Common Council not appropriating sufficient Actual Tax Increment has not been paid in full by the final Payment Date as set forth on Schedule 1, then the term of this Obligation shall be extended to include one (1) additional successive payment date on which any Actual Tax Increment will be applied to the payment of such accrued and unpaid deficiencies in the scheduled payments to be made hereunder. In no case, however, shall the term of this Obligation and the City's obligation to make payments hereunder, extend beyond October 1, 2028, nor shall the City be obligated to pay any amount not appropriated for such purpose by the Common Council. This Obligation shall terminate and the City's obligation to make any payments under this Obligation shall be discharged, and the City shall have no obligation and incur no liability to make any payments hereunder, after October 1, 2028.

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

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

4. No Other Appropriation of Actual Tax Increment. The City covenants and agrees that all Actual Tax Increment generated by the Property proposed to be annually appropriated in a given year shall not be appropriated for any use during that year not identified on the Municipal Revenue Obligation amortization schedule if not appropriated for repayment of this Obligation until said Actual Tax Increment is in excess of the annual amount required for the payment of this Obligation or until this Obligation has been paid in full, or until December 31st of that year.

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

6. Assignment. This Obligation is assignable or transferable by the registered owner hereof as provided in the Development Agreement. Any assignment or transfer of this Obligation shall be subject to the limitations provided in the Development Agreement. This Obligation is issuable in fully registered form only in an amount up to the Principal Amount stated herein.

7. Miscellaneous. This Obligation is subject to the Tax Increment Law and to the Development Agreement.

SIGNATURES ON FOLLOWING PAGE

**SIGNATURE PAGE TO
MUNICIPAL REVENUE OBLIGATION**

Dated this 24th day of September 2021.

CITY OF WEST ALLIS, WISCONSIN

By: *Dan Devine*
Dan Devine, Mayor

By: *Rebecca N. Grill*
Rebecca Grill, City Administrator/City Clerk

Attachment – Schedule 1
MUNICIPAL REVENUE OBLIGATION *ESTIMATED AMORTIZATION SCHEDULE*
 (Individual yearly payments and years of payment will be finalized at Issuance)

Payments to be made on October 1st of each year during the MRO's 8-year amortization period.

City of West Allis														
Tax Increment District # 17 (Lincoln West Corridor)														
Cash Flow Projection														
Year	Projected Revenues			Total Revenues	Development Incentives			Expenditures			Balances			Year
	Tax Increments	Hotel Project Shortfall Payments	Interest Earnings/ (Cost)		Hotel Project MRO Payments	Shortfall Pymt Reimb.	Other	Residential Rehab	Public Infrastructure	Admin.	Total Expenditures	Annual	Cumulative	
2019				0					64,840	64,840	(64,840)	(64,840)	1,500,309	2019
2020			(1,297)	(1,297)					10,000	10,000	(11,297)	(76,137)	1,500,309	2020
2021	0	0	(1,523)	(1,523)	80,512	0			10,000	90,512	(92,035)	(168,171)	1,419,797	2021
2022	564,654	0	(3,363)	561,290	202,828	0			10,000	212,828	348,462	180,291	1,216,969	2022
2023	418,272	0	3,606	421,878	202,828	0			10,000	212,828	209,050	389,341	1,014,141	2023
2024	418,272	96,165	7,787	522,224	202,828	0			10,000	212,828	309,396	698,737	811,313	2024
2025	418,272	96,165	13,975	528,412	202,828	0			10,000	212,828	315,584	1,014,321	608,485	2025
2026	418,272	96,165	20,286	534,724	202,828	0			10,000	212,828	321,896	1,336,217	405,656	2026
2027	418,272	96,165	26,724	541,162	202,828	0			10,000	212,828	328,334	1,664,550	202,828	2027
2028	418,272	96,165	33,291	547,729	202,828	0				202,828	344,900	2,009,451	0	2028
2029	418,272		40,189	458,461						0	458,461	2,467,912	0	2029
2030	418,272		49,358	467,631						0	467,631	2,935,543	0	2030
2031	418,272		58,711	476,989						0	476,983	3,412,526	0	2031
2032	418,272		68,251	486,523						0	486,523	3,899,049	0	2032
2033	418,272		77,981	496,253						0	496,253	4,395,302	0	2033
2034	418,272		87,906	506,178						0	506,178	4,901,481	0	2034
2035	418,272		98,030	516,302						0	516,302	5,417,783	0	2035
2036	418,272		108,356	526,628						0	526,628	5,944,411	0	2036
2037	418,272		118,888	537,161						0	537,161	6,481,571	0	2037
2038	418,272		129,631	547,904						0	547,904	7,029,475	0	2038
2039	418,272		140,589	558,862						0	558,862	7,588,337	0	2039
2040	418,272		151,767	570,039						0	570,039	8,158,376	0	2040
2041	418,272		163,168	581,440						0	581,440	8,739,816	0	2041
2042	418,272		174,796	593,069						0	593,069	9,332,885	0	2042
2043	418,272		186,658	604,930						0	604,930	9,937,815	0	2043
2044	418,272		198,756	617,029						0	617,029	10,554,843	0	2044
2045	418,272		211,097	629,369						0	629,369	11,184,212	0	2045
2046	418,272		223,684	641,957						0	641,957	11,826,169	0	2046
2047	418,272		236,523	654,796						0	654,796	12,480,965	0	2047
Total	11,021,463	480,826	2,623,825	14,126,114	1,500,309	0	0	0	0	144,840	1,645,149			Total

Projected TID Closure

Notes:

