

August 21, 2020

John Stibal
Director of Development
West Allis City Hall
7525 W Greenfield Avenue
West Allis, WI 53214

Re: Completed Construction Savings Analysis

Dear John:

We substantially completed construction at The West on or about July 1, 2020. Pursuant to the terms of that certain Development Financing Agreement (“Financing Agreement”) dated August 24, 2018, by and between Six Points West Apartments LLC (“Developer”) and the Community Development Authority of the City of West Allis (“CDA”), Developer shall pay to the CDA fifty percent (50%) of Net Savings (as such term is defined in the Financing Agreement). We are pleased to report that The West came in under budget and the CDA is entitled to Net Savings. Enclosed under cover of this letter is an analysis of Net Savings for your review. The total savings was \$1,173,148. Developer shall reduce total savings by \$44,250 to fund the initial Capital Reserve Account per Section 8(d) of the Financing Agreement. As such, the Net Savings is \$1,128,898 and the City’s share is \$564,449.

As noted in my email correspondence on August 10, 2020, we intend to hold back \$200,000 of funds from our general contractor to ensure completion of certain minor punchlist items. I am confident our general contractor will complete the punchlist in a timely fashion but it is best practice to hold the funds until completion.

We propose to make the following payment to the CDA: (a) \$464,449 shall be paid to the CDA by August 28, 2020, and (b) \$100,000 shall be paid to the CDA upon completion of the punchlist items prior to November 1, 2020.

If the foregoing is acceptable to the CDA, please sign where indicated below and we will process the initial payment. By signing below, the CDA hereby acknowledges

and agrees that upon receipt of \$564,449 Developer has satisfied any and all outstanding obligations under Section 8 of the Financing Agreement.

I hope the CDA is pleased with our construction and leasing execution at The West. Building and leasing an apartment community of this quality is challenging in ordinary times and these are not ordinary times. The CDA (and the City) has been a great partner on this project and it is with great pleasure we can share in these savings.

Regards,



Ian B. Martin
President
Mandel Group, Inc.

AGREED TO AND ACCEPTED THIS __ DAY OF AUGUST, 2020.

The Community Development Authority of the City of West Allis

By: _____
John F. Stibal, Executive Director

City of West Allis

By: _____
Dan Devine, Mayor

By: _____
Name: _____
Its: _____