



Patrick Schloss
Executive Director
Community Development Authority
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414.302.8460

May 2, 2023

Mr. Jon Ross
Element 84, LLC
1468 S. 84 St.
West Allis, WI

Pursuant to your request and information provided by you or to be provided, the Common Council of the City of West Allis ("City") hereby agrees to make a loan to you in accordance with the Loan Agreement and the following specific terms and conditions:

1. **Borrower.** The loan shall be issued to Element 84, LLC, a Wisconsin Limited Liability Company and West Allis 84 Properties, Inc., a Wisconsin Corporation (collectively referred to as the "Borrower").

The Borrower entities are common Parties associated with a Purchase and Sale and Development Agreement approved by the West Allis Common Council and the Community Development Authority of the City of West Allis and dated December 30, 2016 (the "Agreement").
2. **Project.** Loan proceeds are to be used for the build-out of commercial space associated with the occupancy of FIRE Cycle Fitness within the property at located at 1468 S. 84th Street, West Allis, Wisconsin.
3. **Loan Amount.** The loan amount shall not exceed Two Hundred Thousand Dollars (\$200,000.00).
4. **Loan Disbursements.** The loan disbursements will be made through AIA contract documents forms from the Borrower's architect and/or contractor submitted to the City of West Allis for approval and reimbursement.
 - A. Reimbursements are conditioned upon the Borrower completing the renovation of 1,700 sq. ft. of commercial space within Element 84 at 1468 S. 84th Street, in a total amount of not less of Two Hundred Eighty- Two Thousand, Eight Hundred Ten Dollars (\$282,810).
 - B. Borrower shall complete all the above noted renovation and new construction by September 1, 2023.
 - C. The AIA forms shall indicate the scope and cost of work completed for reimbursement up to the aggregate principal amount within three months following Closing.
 - D. Reimbursements will be paid as one check to the Borrower by City.
 - E. For work associated with this loan, Contractors must provide lien waivers to the Borrower with copies provided to the City.
5. **Note.** The loan will be evidenced by a note payable by the Borrower to the City.

6. **Interest Rate.** The interest rate shall be 7.25%. Interest shall be computed on the outstanding principal balance for the actual number of days, which have elapsed from the date of each advance calculated based on a 360-day year.
7. **Term.** Loan shall be amortized for the remaining term of the TIF District 11. (see "Maturity Date").
8. **Payments.** Payments on principal and accrued interest shall be paid as follows:
 - A. The loan shall have an interest-only payment on October 1, 2023.
 - B. The loan shall have amortized annual payments of principal and interest on October 1 every year thereafter until the Maturity Date.
 - C. If regular payments are not received by the City, the debt service payment and interest will be paid from tax increment generated under the Agreement. The City of West Allis will take any accrued interest and delinquent debt service payments in conjunction with payments currently scheduled within the Agreement under Exhibit F Development Financing Agreement for Tax Increment District Number 11. Debt service obligations associated with Tax Increment Financing District 11 and the debt service payments for the loan will be primary to any payments made to the Developer per the obligations stated in Section 5 of the Agreement.
9. **Amendment to Development.** Parties will agree to amend the Agreement to recognize the terms of the loan and repayment conditions.
10. **Loan Processing Fee.** The loan-processing fee is 0.5 % of the loan amount.
11. **Maturity Date.** This loan shall mature on October 1, 2036.
12. **Closing Date.** The loan shall close on or before July 1, 2023.
13. **Security.** Guaranty of payment from the Element 84, LLC and West Allis 84 Properties, Inc. Unlimited Personal Guaranty from Jon Ross and Peter Ogden.
14. **Prepayment Privilege.** The loan may be prepaid, in whole or in part, at any time without penalty or restriction.
15. **Survival.** This commitment and all its terms and provisions shall survive the closing and shall not be merged into any of the Loan Documents.
16. **Entire Agreement.** This commitment, with attachments, contains the entire agreement of Borrower and City with respect to the Loan and supersedes all other prior agreements of Borrower and City, whether oral or in writing. No change in the provisions of this commitment shall be binding unless in writing and executed by the Borrower and City.
17. **Acceptance.** Except as provided in the General Conditions, this Commitment shall be deemed binding upon the City if the City receives an unqualified acceptance by the Borrower of the terms and provisions contained herein, evidenced by the Borrower properly executing this document below and delivering it to the office of the undersigned on or before June 1, 2023. If not so accepted, the City shall have no further obligation hereunder.

Signatures on Next Page

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date, month, and year first above written.

CITY OF WEST ALLIS ("City")

**Jon Ross ("Borrower")
Element 84, LLC**

By: _____
Patrick Schloss, Executive Director
Economic Development

By: _____
Jon Ross, Member
Element 84, LLC

By: _____
Peter Ogden, Member
West Allis 84 Properties

Attest: _____
Jason Kaczmarek
Finance Director

Example Amortization Schedule

Date	Principal	Payment	Interest	Principal
7/1/2023	\$ 200,000.00			
10/1/2023	\$ 200,000.00	\$ 4,000.00	\$ 4,000.00	\$ -
10/1/2024	\$ 190,695.64	\$25,304.36	\$ 16,000.00	\$ 9,304.36
10/1/2025	\$ 180,646.93	\$25,304.36	\$ 15,255.65	\$ 10,048.71
10/1/2026	\$ 169,794.33	\$25,304.36	\$ 14,451.75	\$ 10,852.61
10/1/2027	\$ 158,073.51	\$25,304.36	\$ 13,583.55	\$ 11,720.81
10/1/2028	\$ 145,415.03	\$25,304.36	\$ 12,645.88	\$ 12,658.48
10/1/2029	\$ 131,743.88	\$25,304.36	\$ 11,633.20	\$ 13,671.16
10/1/2030	\$ 116,979.03	\$25,304.36	\$ 10,539.51	\$ 14,764.85
10/1/2031	\$ 101,032.99	\$25,304.36	\$ 9,358.32	\$ 15,946.04
10/1/2032	\$ 83,811.27	\$25,304.36	\$ 8,082.64	\$ 17,221.72
10/1/2033	\$ 65,211.81	\$25,304.36	\$ 6,704.90	\$ 18,599.46
10/1/2034	\$ 45,124.39	\$25,304.36	\$ 5,216.94	\$ 20,087.42
10/1/2035	\$ 23,429.98	\$25,304.36	\$ 3,609.95	\$ 21,694.41
10/1/2036	\$ 0.00	\$25,304.38	\$ 1,874.40	\$ 23,429.98