DEVELOPMENT AGREEMENT
SONA II

THIS DEVELOPMENT AGREEMENT (this "Agreement"), made and entered into as of the 8th day of June, 2026, by and between the Community Development Authority of the City of West Allis, a separate body politic created by ordinance of the City of West Allis, pursuant to Section 66.1335 of the Wisconsin Statutes ("Authority"), the City of West Allis, a Wisconsin Corporation, (City"), and SoNa Lofts II LLC, a Wisconsin limited liability company, its successors and/or assigns ("Developer"). Authority, the City and Developer are each referred to herein as a party or together as the "Parties."

WHEREAS, the Developer and Authority are parties to a Purchase and Sale Agreement (the "Purchase and Sale Agreement") for the purchase and the sale of certain property owned by Authority described as Lot 3 of Certified Survey Map No. 9370 ("Lot 3") and Lot 2 of Certfied Survey Map No. 9715 ("Lot 2"), as depicted in **Exhibit A** attached hereto (collectively, the "Property").

WHEREAS, on even date hereof, Authority closed on the sale of the Property to Developer pursuant to the Purchase and Sale Agreement.

WHEREAS, the Developer intends to construct two multifamily buildings consisting of one hundred seventeen (117) residential units, together with indoor and surface parking (the "Project"). The Project shall be located within the Six Points/Farmers Market Redevelopment Area, located at the southwest corner of West Lapham Street, and South 66th Street, in the City of West Allis, Wisconsin. The Property is located within a Redevelopment District (the "District") that was declared to be a blighted area district under a Redevelopment Plan dated December 2000 and recorded with the Register of Deeds of Milwaukee County in February 2021. Lot 3 of the Property will include a 66-unit, four story apartment building with approximately 2,500 sq. ft. of commercial space and an estimated 3,000 sq. ft. of clubhouse space with modern fitness amenities. The building will have 39 underground parking stalls and 38 surface stalls. Lot 2 of the Property will include a 51- unit, four story apartment building accessed through a private drive that will have 27 indoor parking stalls and 30 surface parking with 5 streets stalls on the private drive. The estimated development budget for the Project is $27,203,497. The Plan Commission approved the site Plan

on September 24, 2025, generally consistent with the site plan and renderings attached hereto as **Exhibit B – Project Plans. West Allis agrees that the Project Plans are acceptable in all respects, and satisfy, in West Allis' opinion, the standards set forth in this Development Agreement. The development described above hereinafter referred as the "Project."**

WHEREAS, the Parties have also entered into a Development Finance Agreement (as may be amended, the "Development Finance Agreement") dated of even date hereof, pursuant to which the Authority and the City of West Allis, Wisconsin (the "City") agreed to provide certain financial incentives and assistance to allow Developer to develop the Project.

WHEREAS, the Developer and Authority desire to set forth in writing the terms and conditions under which Developer has agreed to develop and maintain the Project.

NOW, THEREFORE, in consideration of the mutual covenants and benefits contained herein and in the Development Finance Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. AUTHORITY'S and CITYS OBLIGATIONS. Developer's obligations hereunder are expressly contingent upon the completion of the following action:

A. **Zoning and Planning Approvals.** The City shall have issued all required approvals for the Project, which remain subject to final approval of City's Common Council and City's Plan Commission.

B. **TID.** Pursuant to Section 66.1105, Wis. Stat., the City has created Tax Increment District No. 22 (the "District") and approved a project plan for redevelopment within the District.

2. DEVELOPER'S OBLIGATIONS. Developer shall be obligated as follows:

A. Environmental Remediation. Developer shall be responsible for all costs associated with environmental remediation of the Property as required by the Wisconsin Department of Natural Resources to obtain a conditional "cap closure."

B. Construction of Project Phases. Subject to the obligations and contingencies set forth in the Purchase and Sale Agreement, Developer will undertake the following;

(1) Commence construction of the Project and substantially complete the Project in accordance with Section C below. For purposes of this Agreement, the term "Commence Construction" or "Commencement of Construction," as applicable, shall mean the pouring of footings for a building on Lot 3 and Lot 2, provided that if footings are poured prior to Closing, then construction shall be deemed to commence as of Closing. The term "Substantial Completion" (and its grammatical variations) as used in this Agreement shall mean the completion of construction of the exterior walls, envelope, base, core and shell of a building on Lot 3 and Lot 2.

(2) The Project shall be landscaped in accordance with approved Project Plans.

C. Schedule. Developer shall commence construction of the Project no later than the date referred to in **Exhibit C** of this Agreement (the "Project Schedule") and shall proceed with due diligence to Project Substantial Completion no later than the date referred to in the Project Schedule. Failure of Developer to commence or substantially complete construction as required by the Project Schedule, subject to Force Majeure (as defined below), shall constitute a breach of this Agreement; provided, however, such failure shall not constitute a default if Developer is actively

and continuously pursuing commencement or substantial completion, as applicable, of construction in good faith and with due diligence.

D. To the extent of any expected deviation from the projected dates contained in the Project Schedule, Developer agrees to provide Authority with written updates when Developer foresees a risk of not achieving Project milestone dates, together with a plan to reset the Project Schedule dates to reflect updated expectations as to completion of various Project components; provided, however, in no event shall any deviation from the Project Schedule exceed ninety days (90) days without Authority's prior written consent, which consent shall not be unreasonably withheld. Developer's failure to commence construction of the Project on or before the date indicated in the Project Schedule, subject to Force Majeure (as defined below), shall constitute a breach of this Agreement; provided, however, such failure shall not constitute a default if Developer is actively and continuously pursuing commencement of construction of the Project in good faith and with due diligence.

E. **Availability of Funds and Approval for Construction**. Prior to the execution of this Agreement, and from time to time thereafter, upon reasonable request of Authority, but not more than once in a 12-month period, Developer shall provide to Authority evidence satisfactory to Authority and its financial and/or construction cost consultants, in Authority's reasonable discretion, that Developer has available to it the necessary approvals and sufficient funds for the completion of the Project upon the schedule set forth herein.

Notwithstanding anything in this Section 2 to the contrary, Section 40 of the Purchase and Sale Agreement shall apply with respect to any materials that Developer determines contain sensitive or proprietary information relating to Developer or the

Property or that may be trade secrets or copyrighted. Pursuant to said Section 40, among other things, Developer may deliver such materials to Authority's financial consultant upon receipt of such consultant's agreement to keep such information confidential, other than with respect to disclosures to the Authority, and the financial consultant will report to Authority on the contents thereof.

F. **Conveyance**. Prior to issuance of an occupancy permit for the Project, Developer shall not sell, transfer or convey such portion of the Property to anyone other than an Affiliate (as hereinafter defined), except that Developer may at any time, with or without the Authority's consent: (i) mortgage all or any portion of the Project property as security for the Project's financing (a "Mortgage"); (ii) collaterally assign Developer's interest in this Agreement to Developer's mortgage lender ("Lender") in connection with the Project's financing; and (iii) execute and record customary easements associated with the development of the Project. For purposes of this Agreement, "Affiliate" shall mean an entity controlling, controlled by or under common control with Developer. Nothing herein shall preclude Developer from selling a majority membership interest in the ownership of the Property. Lender shall be permitted to foreclose on the Property without Authority's consent.

G. **Nondiscrimination**. Developer shall not restrict the use or enjoyment of the Property or the Project of a person because of race, color, national origin, age, sex or disability in the sale, use or occupancy of the Project.

3. DESIGN AND CONSTRUCTION STANDARDS. The Parties have concluded that the Project will create a quality development that fits the context and vitality of the surrounding neighborhood redevelopment while utilizing contemporary design standards, and that the development is intended to increase the tax base and enhance the neighborhood. Building plans and specifications, including

architectural elevations, for the Project, to include construction materials, shall be substantially in conformity with the Project Plans. Notwithstanding anything to the contrary set forth in Sections 4 through 10 below, the construction, design and operation of the Project shall comply in all material respects with the approved Project Plans.

4. LANDSCAPING. Landscaping for the Project shall be substantially in conformity with the Project Plans.

A. All areas on the Property not used for building, storage, parking, walks, and access roads, shall be suitably graded and drained, seeded, sodded, landscaped and maintained as referenced in the West Allis Municipal Code.

B. All required landscaping shall be completed within one year of the completion of construction of the principal buildings on the Property and shall, thereafter, be maintained in a first-class manner. Developer will maintain the site landscaping in accordance with the requirements of the West Allis Municipal Code.

5. SITE STANDARDS AND IMPROVEMENTS. Unless otherwise approved by the City's Plan Commission, including with respect to the approved Project Plans, all buildings and other site improvements (collectively "Improvements") to be constructed under this Agreement shall comply with the following minimum standards:

A. **Plan Review**. To the extent not approved as part of the Project Plans, Improvements shall be designed by a licensed architect or engineer. Building Improvements are subject to architectural review and approval by City's Plan Commission as provided herein. The materials submitted for review and approval by the City Plan Commission are herein referred to as the "Approved Plans".

B. **Parking**. Any surface parking shall be distributed throughout the Property in a manner that no more than 30% of total surface parking should be located on any side

facing a street. Landscaping shall be used to define parking areas, primary vehicular drives and pedestrian areas in an aesthetically and environmentally pleasing manner.

6. REFUSE. Trash containers for the apartment buildings will be located in the underground parking areas, except on collection days, when such containers are temporarily placed outside for emptying by Developer's waste removal vendor. Any permanent trash containers located outdoors and above ground, including dumpsters, must be enclosed by a wall that matches the character of the building facade and provides a suitable visual screen. Permanent outdoor trash enclosure areas will also feature a rooftop structure/covering to limit sight lines into the refuse area from housing units adjacent to the Property. Such wall shall be of sufficient height to cover the material stored and shall be maintained so as to present an aesthetically appealing appearance at all times. All permanent, outdoor trash enclosures to be permitted in side and rear yards only.

7. UTILITIES AND SITE LIGHTING. All new utility lines on the Property shall be installed underground in easements provided therefor. No new overhead electric power, telephone or cable service will be permitted. Existing overhead wires may remain in place. Parking and roadway lighting (fixture, height, type and intensity) where provided shall be approved by the City. Area lighting shall not be mounted on any building. Full cut off fixtures shall be utilized to prevent light splay onto surrounding properties.

8. PEDESTRIAN AND VEHICULAR ACCESS.

A. All curb cuts and service drives shall be designed to minimize disruption of pedestrian activity and movements and are subject to the approval of the City's Board of Public Works.

B. Pedestrian linkages and crossing access are encouraged between existing neighborhoods and the proposed development area in an effort to promote

walkability, traffic safety, and reduction of the number of new driveways on major street arterials.

C. Loading docks and refuse areas shall be screened and concealed from street view, consistent with the design of such areas of the Project as contained in the Approved Plans.

9. ACCESSORY STRUCTURES. The location, size and design compatibility of all permitted Accessory Structures (defined below) in the Project shall be approved by the City's Plan Commission pursuant to this Agreement before construction of such accessory structure. As used in this Agreement, the term "Accessory Structure" includes, but is not limited to, garages, maintenance buildings and the following structures (if such structures are to be located within the required setbacks): ground-mounted telephone and electrical transformers, gas meters, ground-mounted air conditioners, exhaust ducts and similar structures. Issuance of a building permit by the City and Plan Commission approval shall constitute conclusive evidence that the City has approved any and all Accessory Structures.

10. SIGNAGE. Signage placement shall be considered in the building and site design. If not otherwise contained in the Approved Plans, a complete signage package, indicating design, materials size, location, and illumination, shall be submitted to City's Planning Division for approval.

11. CERTIFICATE OF COMPLETION. Notwithstanding anything in this Agreement to the contrary, construction of the Project in accordance with the final plans and specifications approved by the City's Plan Commission shall conclusively evidence compliance with this Agreement. Following completion of construction of the Project in accordance with such Approved Plans and issuance of an occupancy permit by the City, at the written request of Developer, Authority shall execute and deliver to Developer a certificate of completion in substantially the form attached hereto as **Exhibit D** confirming that the Project is acceptable to Authority in all respects and satisfies, in Authority's

opinion, the standards set forth in this Agreement (the "Certificate of Completion"). The Certificate of Completion shall constitute a conclusive determination of satisfaction and termination of Developer's covenants and agreements set forth in this Agreement including, without limitation, any provision related to (a) the obligation of Developer to complete the Project, and (b) the required date for completion of the Project; provided, however, that Developer's obligations pursuant to Sections G, B, A, and C shall continue in effect until otherwise satisfied as set forth in this Agreement.

12. MAINTENANCE RESPONSIBILITIES.

A. Developer shall keep the Property and easement areas on the Property in a well maintained, safe, clean, and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

(1) The removal of all litter, trash, refuse, and wastes.

(2) The mowing of all lawn areas should be conducted in accordance with municipal code.

(3) The maintenance of lawn and landscape areas in a weed-free, healthy and attractive condition.

(4) The care and pruning of trees and shrubbery outside of easements within Property boundaries.

(5) The maintenance of exterior lighting, signs, and mechanical facilities in working order.

(6) The keeping of all exterior building surfaces in a clean, well-maintained condition.

(7) The striping and sealing of parking and driveway areas.

(8) The removal of unlicensed or inoperable vehicles.

(9) Snow and ice removal.

B. Maintenance During Construction. During construction, it shall be the responsibility of Developer to ensure that construction sites on the Property are kept free of unsightly accumulations of rubbish and scrap materials; and that construction material, trailers, and the like are kept in a neat and orderly manner. If any street right-of-ways abutting the Property are damaged as a result of Developer's construction activities, Developer shall repair said damage to edge of pavement. Burning of excess or scrap construction material is prohibited. Construction site erosion control practices shall be implemented to prevent erosion, sedimentation and pollution of air or water during construction in accordance with the building permit for erosion control.

C. Storm Water Management and Controls. The Property is subject to the REA which includes provisions for the orderly management of stormwater runoffs from the Property. Developer shall comply with all obligations imposed on it with respect to storm water management as the owner of Lot 3 and Lot 2 as contained in the REA. By the sale of the Property, the City and the Authority will have no obligations under the REA for any matters first arising after the date hereof.

13. **DEFAULT PROVISIONS AND REMEDIES.**

A. Event of Default. The occurrence of the following conditions shall constitute an "Event of Default" so long as such conditions exist and are continuing:

(1) Developer fails to perform or satisfy any of its obligations under this Agreement within thirty (30) days following written notice from Authority; provided, however, if the default is not reasonably susceptible of cure within such thirty (30) day period, then Developer shall have such additional period

of time to cure the default as long as the Developer is diligently pursuing such cure to completion.

(2) Developer becomes insolvent or generally does not pay or becomes unable to pay or admits in writing to its inability to pay its debts as they mature.

(3) Developer makes an assignment to a party, other than to a lender holding a secured interest in the Property or to an affiliate with sufficient available funds to perform Developer's obligations hereunder (which non-lender assignee remains subject to the reasonable approval by the Authority.).

(4) Developer becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code or files a petition in bankruptcy, for reorganization or to affect a plan or other arrangement with creditors.

(5) Developer has a petition or application filed against it in bankruptcy or any similar proceeding or has such a proceeding commenced against it, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) days or Developer files an answer to such petition or application, admitting the material allegations thereof.

(6) Developer applies to a court for the appointment of a receiver or custodian for any of its assets or properties or has a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged within ninety (90) days after its appointment.

(7) Developer adopts a plan of complete liquidation of its assets.

B. Failure to Commence or Substantially Complete Construction. So long as Authority is in compliance with all of its obligations under the Purchase and Sale Agreement and the Development Finance Agreement, in the event Developer does not commence construction

of the Project pursuant to the Project Schedule, subject to Force Majeure, Authority may, but shall not be required to, purchase the Property for the price paid to Authority by Developer, as its sole remedy, by giving at least thirty (30) days' prior written notice to Developer of its intention to repurchase. If commencement of construction of the Project has occurred, but Developer does not substantially complete construction of the Project pursuant to the Project Schedule, subject to Force Majeure and to adjustment pursuant to Section 2E above, Authority may, as its sole remedy, charge Developer a fee of $50.00 per day for each day between the date that Substantial Completion is required pursuant to the Project Schedule and the date that the Project is Substantially Complete.

The foregoing right to repurchase shall be subject and subordinate to the lien and rights of any Lender providing financing to the Project and shall automatically terminate upon commencement of construction of the Project.

C. Limitation on Remedies. Neither Party shall be liable to the other for consequential, indirect, incidental, liquidated or exemplary damages, whether based on contract, negligence, and strict liability or otherwise. In any action to enforce this Agreement, the prevailing Party shall be entitled to its costs, including statutory attorney's fees.

14. APPLICABLE TERMS FROM PURCHASE AND SALE AGREEMENT. The terms and conditions of Section 14 (Time of the Essence), Section 20 (No Partnership or Venture), Section 21 (Notices), Section 22 (Further Assurances), Section 23 (Waiver of Terms), Section 25 (Amendment of Agreement), Section 26 (Governing Law and Venue), Section 27 (Successors and Assigns), Section 28 (Execution in Counterparts), Section 29 (Titles and Headings), Section 31 (Interpretation), Section 32 (Construction), Section 33 (Severability), Section 38 (Binding Effect), Section 39 (Good Faith) and Section 40 (Confidentiality Agreement) of the Purchase and Sale Agreement shall govern the interpretation and application of this Agreement.

15. DEFINED TERMS. Defined terms contained in the Development Agreement shall, unless a different specific definition is given, be governed by the definitions contained in the Purchase and Sale Agreement.

16. ENTIRE AGREEMENT. This Agreement, including the schedules and Exhibits annexed hereto, constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, by the Parties or any of them, with respect to the development and maintenance of the Project.

17. FORCE MAJEURE. No Party shall be responsible to the other Party for any resulting losses, and it shall not be a breach of this Agreement, if fulfillment of any of the terms of this Agreement is delayed or prevented by reason of acts of God, inclement weather, civil disorders, pandemics, national epidemics, wars, acts of enemies, strikes, lockouts, or similar labor troubles, fires, floods, legally required environmental remedial actions, shortage of materials, relocation of utilities, or by other cause not within the control of the Party whose performance was interfered with ("Force Majeure"), and which by the exercise of reasonable diligence such Party is unable to prevent. The time for performance shall be extended by the period of delay occasioned by such Force Majeure.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, the Parties have executed this Agreement the date first above written.

AUTHORITY:

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WEST ALLIS

By: _____
Name: Patrick Schloss
Title: Executive Director

Dated: 6-8-26

Approved as to form this 8th day of June, 2026.

_____
Name: KAIL DECKER
Title: City Attorney

DEVELOPER:

SoNa Lofts II LLC,
a Wisconsin limited liability company

By: Mandel/SoNa Lofts II LLC,
Its Manager

By: BR Mandel LLC
Its: Manager

By: _____
Barry R. Mandel, its Manager

Dated: _____

Development Agreement List of Exhibits

Exhibit A	Property
Exhibit B	Project Plans
Exhibit C	Project Schedule
Exhibit D	Certificate of Completion

EXHIBIT A

Property

PARCEL 1:

Lot Three (3) of CERTIFIED SURVEY MAP NO. 9370 recorded in the Office of the Register of Deeds for Milwaukee County, Wisconsin on December 02, 2021, as Document No. 11193094, said certified survey map being a redivision of Lots 1, 2 and 3 of Certified Survey Map No. 8866, being a part of the Southwest 1/4 and Northwest 1/4 of the Northeast 1/4 of Section 3, Township 6 North, Range 21 East, in the City of West Allis, Milwaukee County, Wisconsin.

Property address: 1605 South 66th Street, West Allis WI, 53214
Tax Parcel No.: **454-0655-000**

PARCEL 2:

Lot Two (2) of CERTIFIED SURVEY MAP NO. 9715 recorded in the Office of the Register of Deeds for Milwaukee County, Wisconsin on December 09, 2025, as Document No. 11561305, said certified survey map being a redivision of part of Lot 1 and all of Lot 4 of Certified Survey Map No. 9370, being a part of the Southwest 1/4 and Northwest 1/4 of the Northeast 1/4 of Section 3, Township 6 North, Range 21 East, in the City of West Allis, Milwaukee County, Wisconsin.

Property Address: 6680 West Mitchell Street, West Allis WI, 53214
Tax Parcel No.: **454-9006-000**

EXHIBIT B

Project Plans

To Be interested

EXHIBIT C

Project Schedule

[*Updated schedule to be inserted*]

EXHIBIT D

Certificate of Completion

(See attached)

Document Number	**CERTIFICATE OF COMPLETION** Document Title

CERTIFICATE OF COMPLETION

SONA II

Recording Area

Name and Return Address

Marvin C. Bynum II
Godfrey & Kahn, S.C.
833 E. Michigan Street #1800
Milwaukee, WI 53202

Parcel Identification Number (PIN)

Property Address	**[Lot 3 and Lot 2]**
Developer:	SONA II, LLC, a Wisconsin limited liability company
Memorandum of Agreements:	Memorandum of Agreements dated as of _____, 2026, as amended or modified, recorded on _____, 2026, in the Register of Deeds Office in Milwaukee County, Wisconsin as Document Number _____.
Legal Description:	See attached Exhibit "A"

THIS IS TO CERTIFY that the undersigned, on behalf of the Community Development Authority of the City of West Allis, a separate body politic created by ordinance of the City of West Allis, pursuant to Section 66.1335 of the Wisconsin Statutes ("Authority"), caused the inspection of the above-

described real estate and physical improvements constructed thereon, and that construction of said physical improvements has been substantially completed in accordance with the final plans and specifications approved by the City's Plan Commission and in accordance with the Development Agreement dated as of _____, 2026, which is evidenced by that certain Memorandum of Agreements recorded on _____, 2026, in the Register of Deeds Office in Milwaukee County, Wisconsin as Document Number _____ (the "Memorandum").

Construction was deemed by Authority to be timely completed.

THIS CERTIFICATE, when signed and bearing the seal of Authority shall constitute a conclusive determination of satisfaction and termination of Developer's covenants and agreements set forth in the Development Agreement with respect to the Project, including, without limitation, any provision related to the obligation of Developer to complete the Project as defined in the Development Agreement.

Upon recording of this CERTIFICATE, the real estate described above shall specifically be "released" of record from the Development Agreement and the restrictions against the real estate set forth therein; provided, however, that Developer's obligations pursuant to Sections G, B, A, and C of the Development Agreement shall continue in effect until otherwise satisfied pursuant to the Development Agreement.

[Signature page follows]

Dated at West Allis, Wisconsin, this _____ day of _____, 2026.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WEST ALLIS

By: _____
Name: _____
Title: _____

STATE OF WISCONSIN)
)ss.
MILWAUKEE COUNTY)

Personally came before me this _____ day of _____, 2026, _____, _____ of the Community Development Authority of the City of West Allis, to me known to be the persons who executed the foregoing instrument, and to me known to be such _____, and acknowledged that they executed the foregoing instrument as such officers as the deed of said Community Development Authority by its authority.

(SEAL)

_____
Name:
Notary Public, State of Wisconsin
My Commission expires: