

JOINT DEVELOPMENT AGREEMENT

THIS AGREEMENT is dated as of April 21, 2021 between XX, LLC., a Wisconsin Limited Liability Corporation ("XX") and Scott Crawford Financial Inc., a Wisconsin Corporation ("SC").

RECITALS

A. XX and SC desire to develop a multifamily housing project (the "Project") located at XX, Milwaukee, Wisconsin (the "Property").

B. The parties intend to build approximately XX apartment units at the Property utilizing Low-Income Housing Tax Credits or other financing methods.

C. The parties desire to set forth in writing their agreements regarding the development of the Project.

AGREEMENTS

In consideration of the Recitals and the mutual agreements that follow, the parties hereby agree as follows:

1. SC and XX shall jointly develop the Project in accordance with the terms set forth below.

(a) Public Approvals – SC will be responsible for obtaining required public approvals for the project including presenting at any required public and neighborhood meetings. XX will attend on an as needed basis.

(b) Design and Construction - SC and XX will be responsible for retaining design and construction firms. Both parties will be responsible for negotiating design and construction contracts, review of construction and design documents, and finalizing construction pricing. XX will be the general contractor if they can meet the lowest bid of previously procured quotes.

(c) Property Manager - SC and XX will be responsible for retaining the initial operator of the project. The partners will be jointly responsible for approving the Manager's contract and approving the project-operating budget on an ongoing basis. It is anticipated that XX will be the initial operator.

2. XX and SC shall work cooperatively and in good faith to determine the sources of financing for the Project. The sources may include, without limitation, low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986 ("Low-Income Housing Tax Credits"), tax-exempt bond financing, financing utilizing Department of Housing and Urban Development programs and/or conventional financing.

The anticipated funding sources include:

- Equity from the Sales of LIHTC \$6,014,505
- First Mortgage \$20,252,781
- Tax Increment Financing \$6,413,444
- Owner's Equity \$896,181

3. In the event XX and SC decide to develop the Project using Low-Income Housing Tax Credits, the terms set forth below shall apply:

(a) XX and SC shall determine whether (i) to submit an application to the Wisconsin Housing and Economic Development Authority ("WHEDA") to obtain " 9%" Low-Income Housing Tax Credits or (ii) utilize tax-exempt bond financing to obtain " 4%" Low-Income Housing Tax Credits. XX shall be primarily responsible for preparing and submitting any applications or other documents needed for either the " 9%" or " 4%" Low-Income Housing Tax Credits.

(b) XX will form a limited liability company for purposes of owning the Project (the "Project Owner"). XX, SC and an equity investor will be the members of the Project Owner.

(c) The Project Owner will be a member-managed limited liability company. SC will be the managing member of the Project Owner. As between XX and SC, SC shall have the sole right to take any and all actions it deems desirable or necessary to conduct the business of the Project Owner including, without limitation, the execution and delivery on behalf of the Project Owner of any and all documents and agreements, and SC shall be required to obtain the consent of XX to any actions it desires to take on behalf of the Project Owner. SC and XX shall select all of the architects, contractors, engineers, consultants, attorneys, accountants and lenders for the Project. Notwithstanding the foregoing, SC will, to the extent reasonably possible, consult with XX with respect to Project matters.

(d) XX and SC will admit an equity investor (the "Equity Investor") into the Project Owner. The Equity Investor will be selected by both XX and SC, and the terms of the Equity Investor's admission into the Project Owner will be determined by XX and SC. As is customary in these types of projects, the Equity Investor will utilize its own form of operating agreement and other agreements for the Project. XX and SC will negotiate all of such documents on behalf of the Project Owner. SC will not have any approval rights over such documents except to the extent that the documents impose any liability on SC, in which event SC shall have the right to approve those provisions of the documents that so impose liability on SC.

(e) Upon the Equity Investor's admission into the Project Owner, XX will have a 0.0060% interest, SC will have a 0.0040% interest and the Equity Investor will have a 99.99% interest in the Project Owner.

(f) XX & SC will jointly be responsible for providing any guaranties required by the Debt & Equity Investors in connection with the Project.

(g) All cash flow from the Project will be payable to SC, XX and/or the Equity Investor, pursuant to such terms as are negotiated between SC, XX and the Equity Investor.

(h) XX and SC will jointly act as the developer for the Project. XX will be entitled to 60% and SC will be entitled to 40% of the development fees payable on the Project. The amount and timing of the payment of the development fees will be agreed to between SC, XX and the Equity Investor. XX and SC will each be entitled to their prorata share of each payment of the development fees. The form of the development services agreement for the Project will be mutually agreed to among XX, SC, and the Equity Investor.

(i) All expenses that XX and SC incur in connection with the Project will be reimbursed by the Project Owner.

(j) The terms of the Construction Management Agreement will be negotiated between XX, SC and the Equity Investor.

(k) XX Management will act as the property manager for the Project. The terms of the property management agreement will be negotiated between XX, SC and the Equity Investor.

(l) The Project Owner will enter into an agreement with one or more third parties pursuant to which said third parties will provide supportive services for the residents of the Project.

4. In the event XX and SC do not intend to develop the Project utilizing Low-Income Housing Tax Credits, or in the event the Project does not receive Low-Income Housing Tax Credits, XX and SC will work cooperatively to determine alternatives for the development of the Project.

In the event the Project is developed without the use of Low-Income Housing Tax Credits, XX and SC will collectively be entitled to a development fee of not less than five percent (5%) of the total Project costs.

5. XX and SC acknowledge a successful project will require both pre-development and gap funding. XX and SC will work cooperatively to obtain such funds.

6. SC acknowledges that XX will incur significant costs in connection with the proposed development of the Project. The partners understand that there will be expenses related to certain 3rd party reports and fees related to the tax credit application. Those fees will be paid by both XX and SC, Inc. with 75% of fees to be paid by XX and 25% to be paid

by SC. Upon closing of the transaction, the project will reimburse XX and SC for the out-of-pocket expenses each has incurred.

7. XX and SC acknowledge that many of the terms and conditions of the development of the Project will need to be agreed upon between XX and SC as development progresses. Both parties shall cooperate with each other and negotiate in good faith in connection therewith.

8. The Term of this Agreement shall continue until October 31, 2022, unless this Agreement is terminated in accordance with terms of Section 10 of this Agreement or in the event both parties mutually agree in writing to terminate this Agreement. This Agreement shall automatically renew for one-year successive terms unless written notice is given 90 days prior to the expiration of the Term.

9. This Agreement may only be terminated in the event of dissolution of either of the parties or if there is a material breach of this Agreement. In the event of a material breach, the breaching party shall have a right to cure the breach within 30 days of the breach. If the breach is not reasonably curable within 30 days the parties shall work in good faith to come to a mutually agreeable cure period.

10. This Agreement may be amended only by a writing signed by all of the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. XX and SC may create affiliated companies for purposes of being the members of the Project Owner and may assign their rights and obligations under this Agreement to such affiliated entities. However, neither XX nor SC may assign their rights under this Agreement to any third party without the consent of the other party.

11. This Agreement is the complete agreement of the parties as to the subject matter hereof and supersedes any previous agreement between the parties whether written or oral. This Agreement may be amended only by a writing signed by both parties.

12. Upon execution of this Agreement, XX shall refund SC \$XX for 75% of predevelopment funds expended prior to the agreement.

[Signature Page to Follow]

**SIGNATURE PAGE TO
JOINT DEVELOPMENT AGREEMENT**

XX, LLC.

BY _____

ITS _____

SCOTT CRAWFORD FINANCIAL, INC.

BY

ITS Principal

Appendix A

Predevelopment Cost Expended

\$65,000.00	Earnest Money to XX Title	April XX, 2021
- \$48,750	XX	
- \$16,250	SC	
\$3,851.00	XX	To Be Paid