



AHF APPLICATION – MIFFLIN STREET APARTMENTS



2015

Affordable Housing Fund (AHF) Application

This application form should be used for projects seeking City of Madison AHF funds including those seeking WHEDA Low-Income Housing Tax Credits and those requesting other City funding. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on Wednesday, August 12, 2015**.

Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	Mifflin Street Apartments		
Amount of Funds Requested:	\$1,100,000		
Name of Applicant:	Stone House Development, Inc.		
Mailing Address:	625 N. Segoe Road, Madison, WI 53705		
Telephone:	608-251-6000	Fax:	608-251-6077
Admin Contact:	Kasie Setterlund	Email Address:	kasie@stonehousedevelopment.com
Project Contact:	Helen Bradbury	Email Address:	hnb@stonehousedevelopment.com
Financial Contact:	Richard Arnesen	Email Address:	rba@stonehousedevelopment.com
Website:	www.stonehousedevelopment.com		
Legal Status:	<input checked="" type="checkbox"/> For-profit <input type="checkbox"/> Non-profit		
Federal EIN:	39-1836288	DUNS #:	01-533-8775

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <http://www.cityofmadison.com/dcr/aaplans.cfm>.

LIVING WAGE ORDINANCE

If funded, applicant hereby agrees to comply with City of Madison Ordinance 4.20. The Madison Living Wage for 2015 is \$12.62 hourly, and will be \$12.83 hourly for 2016.

LOBBYING REGULATED

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF or similar assistance), then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. You are required to register and report your lobbying. Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000.

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained by contacting the Community Development Division at (608) 266-6520.

If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

SIGNATURE OF APPLICANT

Enter Name: Helen H. Bradbury

By entering your initials in this box you are electronically signing your name as the submitter of the application and agree to the terms listed above.

Date: August 1, 2015

PROPOSAL DESCRIPTION

1. Please provide an overview of the proposal. Describe whether project is acquisition, rehabilitation and/or new construction, the total number of units proposed and the impact of the proposed development on the community.

See attached: Question 1

2. Describe the property ownership structure.

The Mifflin Street Apartments will be an LLC with Stone House Development, Inc. or its affiliates as the managing member.

AFFORDABLE HOUSING INITIATIVES FUND OBJECTIVES

3. Please check which of the following objectives outlined in the Request for Proposals your proposal meets:

- Increase the supply of safe, quality, affordable rental housing throughout the City.
- Preserve existing affordable rental housing throughout the City.
- Increase the availability of affordable housing with supportive services, especially for families with incomes at or below 30% of County Median Income (CMI).

AFFORDABLE HOUSING NEEDS

4. Describe your knowledge of and experience in identifying affordable housing needs of the City of Madison. Identify if a market study has been done and, if so, summarize its findings and attach a copy of the report.

See attached: Question 4

PROPOSAL GOALS

5. Provide the total number of units proposed, the number of affordable units proposed and the number of units proposed to be assisted with City AHF.

See attached: Question 5

SUPPORTIVE SERVICES INCLUDED

6. Provide a detailed description of the type and level of supportive services (such as assessment and referral or on-site comprehensive case management) that will be provided to residents of the proposed project.

See attached : Question 6 and 7

7. Provide information on any supportive service partnerships that have been or will be formed in order to ensure the success of the development. Identify the agency/agencies or company who will provide supportive services, if applicable.

See attached : Question 6 and 7

POPULATION SERVED

8. Describe the population/s you intend to serve (e.g., families, people who are homeless, people with disabilities, veterans, seniors, individuals).

We will serve homeless families in 15% of the affordable units. These units will be at or below 30% of the CMI and will have on-site supportive services. In addition, 21 units will be at or below 50% of the CMI and 25 units will be at or below 60% of the CMI.

SITE INFORMATION

9. Identify the specific site address and neighborhood and indicate why this site was chosen. Describe the neighborhood and surrounding community. Attach a map indicating project location. Include one close-up map of the site and a second map to show the site in context of the City. Identify if applicant has site control.

See attached : Questions 9 - 11

10. Identify any existing buildings on the proposed site, noting any that are currently occupied. Describe the planned demolition of any buildings on the site.

See attached : Questions 9 - 11

11. Identify whether the proposed site is located in an Eligible Area, and if applicable, a Preferred Area. (See map attached to the RFP). Provide the streets of the closest major intersection.

See attached : Questions 9 - 11

12. Identify the geographical proximity of the development to places such as jobs, transit, education, health care, schools, parks, and other key amenities.

See attached : Questions 12 and 13

13. Describe how residents of the proposed housing development would access key amenities and services.

See attached : Questions 12 and 13

14. What is the distance between the proposed housing development or site and seven-day a week transit stops (i.e. weekday & weekend)? List the seven-day transit stop intersection(s) and describe any other transit stops located near the housing.

See attached : Question 14

15. What is the distance between the proposed housing development or site and the elementary and middle schools for this area? Describe the transit options for children to get to these schools.

See attached : Questions 15 - 17

16. Describe the transit options for people to access amenities such as after school activities, grocery stores, the nearest library, and neighborhood centers.

See attached : Questions 15 - 17

17. Describe the impact this housing will have on the schools in this area. Please include information on school enrollment data (e.g., at capacity, above capacity, below capacity); how this housing development will impact the schools' enrollment; and how many elementary and middle school children are projected to live at the proposed housing development.

See attached : Questions 15 - 17

18. Describe the historical uses of the site, if any, any environmental remediation activities planned, completed or underway, and/or any existing conditions of environmental significance located on the proposed site.

See attached : Questions 18 -24

19. Provide a legal description of the property.

See attached : Questions 18 - 24

20. Identify the zoning district(s) for the housing site. Describe any necessary zoning-related approvals (re-zoning, conditional use, demolition, zoning variance, etc.) that must be obtained for the proposal to move forward.

See attached : Questions 18 - 24

21. Describe the proposed project's consistency with adopted planning documents, including the City of Madison Comprehensive Plan, the Neighborhood Plan(s) and any other relevant plans.

See attached : Questions 18 - 24

22. List the name(s) of the City of Madison Planning Division staff that you met with to discuss your application and briefly summarize the results of that meeting.

See attached : Questions 18 - 24

23. Have you spoken with the alderperson of the district in which the proposal is located? If so, is the alder supportive of the proposal? Did s/he identify any issues or concerns with the proposal?

See attached : Questions 18 - 24

24. Describe the neighborhood input process, either already underway or planned. If that process has begun please summarize its results to date.

See attached : Questions 18 - 24

SITE AMENITIES

25. Describe the exterior and common area amenities that will be available to tenants and guests.

See attached : Questions 25 - 26

26. Describe the interior apartment amenities.

See attached : Questions 25 - 26

PROPOSAL ACTIVITIES

27. Please describe activities/benchmarks and associated completion dates to illustrate how your proposal will be implemented (e.g. as acquisition, finance closing, zoning-related applications and approvals, start of construction, end of construction, available for occupancy, rent-up, etc).

Activity/Benchmark	Estimated Month/Year of Completion
Site Acquisition	11/2015
Application for LIHTC	1/2016
Complete Equity and Debt Financing	8/2016
Start Construction	8/2016
Place in Service	10/2017
Lease-up Complete	12/2017

PUBLIC PURPOSE AND RISK

28. Please describe the public purpose of your proposal and the risks associated with the project.

See attached : Question 28

DEVELOPMENT TEAM

29. Identify all key roles in your project development team, including architect, general construction contractor, legal, property management, supportive services, and any other key consultants, if known.

Name	Company	Role in Development	Contact Person	Phone
Helen Bradbury	Stone House	Developer	Helen Bradbury	608-206-2138
Richard Arnesen	Stone House	Developer	Helen Bradbury	608-206-2138
Paul Raisleger	Eppstein Uhen Architects	Project Architect	Paul Raisleger	608-442-5350
Kevin Kilbane	Raymond James	Tax Credit Syndicator	Kevin Kilbane	216-696-1300
Kristin Rucinski	The Road Home	Service Provider	Kristin Rucinski	608-294-7998

EXPERIENCE AND CAPACITY

30. Please describe the development team's experience in obtaining LIHTC's. Be sure to:

- Address years in existence, experience with public/private joint ventures, experience developing low-income multifamily housing or other affordable housing, staff qualifications, financial capacity of organization to secure financing and complete proposed project, past performance that will contribute to the success of the proposal.
- Identify how many LIHTC and/or affordable housing units your organization has created in the past five years.
- Include specific information on the experience of the proposed property management partner, including number of years experience, number of units managed and performance record.
- If applicable, include information on your experience developing housing that provides support services.
- If applicable, include specific information on the supportive service provider agency or company, years of experience and relevant information.

(Attach additional information as necessary)

See attached : Question 30

31. Please list any architectural awards, service awards or green building certifications.

See attached : Question 31

REFERENCES

32. Please list at least three references who can speak to your work on similar developments completed by your team.

Name	Relationship	Email Address	Phone
Kevin Kilbane	Investor	Kevin.kilbane@raymondjames.com	216-696-1300
Lauren Dwyer	Investor	Lauren.dwyer@rbccm.com	312-559-2083
Mark Scalzo	Investor	mscalzo@kcc.com	927-281-1408

HOUSING INFORMATION

33. Provide the following information for your proposed project. List address along with the number of units you are proposing by size, income category, etc. If this is a scattered site proposal, list each address separately with the number of units you are proposing by size, income category, etc., for that particular address.

Address and number of units being proposed	# of Bedrooms	Requested Amount of AHF \$, if applicable	Projected Income Category* To be Served (see below)	Projected Monthly Unit Rent	Includes Utilities?
Mifflin Street (9 Units)	3	\$180,000	30%	\$510	No
Mifflin Street (4 Units)	1	\$80,000	30%	\$365	No
Mifflin Street (11 Units)	1	\$220,000	50%	\$675	No
Mifflin Street (6 Units)	2	\$120,000	50%	\$810	No
Mifflin Street (13 Units)	1	\$260,000	60%	\$830	No
Mifflin Street (12 Units)	2	\$240,000	60%	\$1,000	No

*Less than or equal to 30% CMI, 31-50% CMI, 51-60% CMI, 61-80% CMI, >80% CMI.

34. Identify if your proposal includes any of the following features (Check all that apply):

- Incorporates accessibility features
- Incorporates energy efficiency features
- Involves lead paint removal, if rehab
- Involves asbestos removal, if rehab

35. Describe the level of accessibility you plan to provide. Identify the number of accessible units and the specific type of accessibility modifications that will be incorporated.

See attached Question 35

36. Describe the energy efficient features you plan to provide, the energy standard to be achieved, and the resulting monthly utility saving.

See attached Question 36

37. For proposals that include rehabilitation, have you completed a capital needs assessment for this property? If so, summarize and attach a copy of the capital needs assessment.

N/A

38. Will this proposal involve the temporary or permanent displacement of tenants or businesses? If yes, describe notices and assistance you intend to provide, and the amount of funds allocated to do so.

No.

39. Real Estate Project Data Summary

Enter the site address (or addresses if scattered sites) of the proposed housing and answer the questions listed below for each site.

	# of Units Prior to Purchase	# of Units Post-Project	# Units Occupied at Time of Purchase	# Tenants to be Displaced	Appraised Value Current	Appraised Value After Project Completion	Purchase Price or Construction Cost	# of Units Accessible Current?	Number of Units Post-Project Accessible?
Address:	1000 N. East Washington Ave								
	0	65	0	0	0	\$4,000,000	\$11,000,000	0	13
Address:									
Address:									

PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION:

- A completed Application Budget Workbook.
- A close-up map of the site and a second map showing the site in the context of the City.
- Description of the development team’s experience in:
 1. Obtaining and utilizing Section 42 tax credits.
 2. Participating in public/private joint ventures.
 3. Developing multifamily housing for low-income households.
 4. Property management.
 5. Providing supportive services, if the proposal includes such services
 6. Developing multifamily housing that has received architectural awards or green building certification.
- WHEDA self score detail based on WHEDA’s scoring criteria.
- A current appraisal of the property and an after-rehab/construction appraisal of the property, if available at the time of application.
- A recent market study, prepared by a third-party market analyst, if available at the time of application.
- A Capital Needs Assessment report of the subject property, if the proposal is for a rehabilitation project and if the report is available at the time of application.

1: PROJECT DESCRIPTION

The Mifflin Street Apartments is a new construction project located on the 1000 block of East Washington Avenue, ten blocks from the Capitol Square. The project will contain 65 apartments, 55 of which are affordable. Of the affordable apartments, 9 are three bedroom townhouses with private entrances. The townhouses will front on East Mifflin and Brearly Street, directly across from Lapham Elementary School and Breese Stevens field, respectively. The residents in these nine townhomes will be at or below 30% of the CMI with on-site supportive services. Of the remaining 46 affordable units, 21 will be at or below 50% of the CMI and 25 will be at or below 60% of the CMI.

The site is a blighted, long vacant butter factory, known as Madison Dairy. Its redevelopment is a goal of the City and the Tenney Lapham Neighborhood Association. The Mifflin Street Apartments represents one portion of a redevelopment project encompassing approximately half of the block. The remainder of the block will remain a grass field for the foreseeable future.

The overall current redevelopment will entail a four member condominium project consisting of: Mifflin Street Apartments, an office component, approximately 130 units of market rate rental housing and a Car X Muffler Shop. The Car X currently located on the site will be demolished once the new one is complete. A preliminary blocking diagram of the overall project is attached. The entire project will be built as one phase. Both apartment projects and the office components will share an above ground parking structure.

Mifflin Street Apartments will represent the first addition of affordable housing on the Isthmus since City Row was built four years ago. Sharing its premier location with high end rental housing ensures that services such as retail and recreational will continue to be developed in close proximity to Mifflin Street Apartments.

Stone House intends to make the nine three bedroom units available to families whose incomes are at or below 30% of the Dane County median income. Stone House will engage The Road Home to provide referral and ongoing supportive services for these residents.

Stone House intends to be the managing member of the Mifflin Street Apartments ownership entity, as well as the property manager. The project will apply for an allocation of Section 42 affordable housing tax credits in the 2016 round. It is expected that the project will be extremely competitive due to its location, financial structure and developer history.



Preliminary Blocking Diagram

The Mifflin Street Apartments will be developed, owned and managed by Stone House Development, Inc. and/or its affiliates. Stone House has developed and is currently the managing member and property manager of 18 affordable housing projects throughout the state of Wisconsin. Eight of the properties are located in the Madison area, and a ninth Madison property is currently under construction. The list of current projects is attached. Two of the Stone House properties, City Row Apartments and Park Central Apartments, are within a mile of the proposed Mifflin Street Apartments site.

Stone House's knowledge of the Madison market is a direct result of their ownership and management of these eight similar properties. The two closest to this site, City Row and Park Central, have maintained full occupancy for four and six years respectively. The waiting lists for these projects is a testament to the strong demand for affordable housing in Madison. City Row's waiting list is currently at 500 people and Park Central's in excess of 800. City Row represents the last affordable housing development built on the Isthmus in years.



Stone House Development Current Property Portfolio

Project Name	# of Units	City	Type of Project	Year Opened
<u>Pinney Lane Apartments*</u>	70	Madison	Tax Credit, 100% Affordable	n/a
Arbor Crossing Apartments	80	Shorewood Hills	WHEDA Financed, Mixed Income	2013
City Row Apartments	83	Madison	Tax Credit, 100% Affordable	2010
The Madison Mark Apartments	112	Madison	Tax Credit, Mixed Income	2005
The Overlook at Hilldale Apartments	96	Madison	Tax Credit, 100% Affordable	2011
The Overlook at Midtown Apartments	88	Madison	Tax Credit, 100% Affordable	2010
Park Central Apartments	76	Madison	Tax Credit, 100% Affordable	2008
Prairie Park Apartments	96	Madison	Tax Credit, Mixed Income	2003
Hanover Square Apartments	65	Madison	Tax Credit, Mixed Income	2002
Hubbard Street Apartments	51	Milwaukee	Tax Credit, Mixed Income	2005
Castings Place Apartments	55	Milwaukee	Tax Credit, Mixed Income	2007
East High Apartments	55	Wausau	Tax Credit, Mixed Income	2005
Wausau East Townhomes	24	Wausau	Tax Credit, Mixed Income	2008
Flats on the Fox	64	Green Bay	Tax Credit, Mixed Income	2008
Jefferson School Apartments	36	Jefferson	Tax Credit, Mixed Income	2001
Marshall Apartments	55	Janesville	Tax Credit, Mixed Income	1998
Mineral Point School Apartments	11	Mineral Point	Tax Credit, Mixed Income	1999
Shoe Factory Apartments	50	Beaver Dam	Tax Credit, Mixed Income	2000
Amity Apartments	36	West Bend	Tax Credit, Mixed Income	2002
TOTAL	1,203			

*Currently under construction

Mifflin Street Apartments :

- 65 Total Units
- 55 Affordable Units
- AHF Assisted Units : 9 units with supportive services at or below 30% CMI
 21 units at or below 50% CMI
 25 units at or below 60% CMI

\$550,000 – Deferred loan at 0% interest

\$550,000 - 16 year loan term at 2.75% interest, 30 year amortization

6 & 7: SUPPORTIVE SERVICES AND SERVICE PARTNERSHIP

The Mifflin Street Apartments will include 9 three bedroom townhomes set aside for homeless families with incomes at or below 30% of the Dane County median income. Stone House will contract with The Road Home to make resident referrals and to provide on-site case management. The property will provide The Road Home with an on-site office for its exclusive use.

The Road Home is a 16 year old Madison based nonprofit organization dedicated to providing opportunities for homeless children and their families to find affordable, stable housing. Per their executive director, Kristin Rucinski, “our case management services are very holistic with the main goal of helping families maintain housing.” Their case managers will work with residents referred by them to Mifflin Street Apartments, usually in weekly meetings. The case managers are master’s level social workers, or other related fields, well trained in best practices in assisting with all the areas of living that affect housing stability. Mifflin Street management will work with The Road Home in devising a resident screening program that seeks to advance the Housing First strategies the City of Madison and Dane County wish to see implemented.

The Road Home has expressed its support for this project due to its ideal family-oriented location and their understanding of the quality of the project. The proximity to schools, playgrounds, jobs, public transportation, a grocery store and a stable, single family neighborhood are all factors that make this project attractive. The Road Home has six years of experience operating a similar program called Housing and Hope, which is permanent supportive housing for 15 families at each of two locations with on-site case managers.

9) The proposed site is on the corner of East Mifflin Street and Brearly Street, a portion of the 1000 north block of East Washington Avenue. A preliminary site plan and blocking diagram of the development is attached. The Mifflin Street Apartments will be a portion of a larger development that includes office, retail and a market rate housing project. It is a full block of the rapidly redeveloping East Washington Avenue Corridor. The Mifflin Street Apartment portion fronts on Mifflin and Brearly Streets. It will be located in a well-established residential neighborhood with many parks and excellent schools. Proximity to public transportation is excellent. The site offers the benefits of proximity to jobs with residential amenities.

Stone House Development has an accepted offer on the site with a closing date scheduled on or before December 30, 2015 (documentation can be found under “Additional Attachments”).

10) All of the existing buildings on the site have been vacant for many years and will be demolished. The cost of demolition is included in the budget.

11) The site is located in an Eligible Area and a Preferred Area. It is located on the 1000 north block of East Washington Avenue bounded by Brearly, Mifflin and N. Ingersoll Streets.



Preliminary Site Plan

12) In terms of proximity to jobs, the site is located in the rapidly changing East Washington Avenue corridor. New developments will include The Cosmos, which includes over 100,000 square feet of office space for American Family Insurance as well as 70,000 square feet of Starting Block office space. This development is two blocks from the site. In addition, the site itself will contain 30 – 50,000 square feet of office and approximately 10,000 square feet of retail. Two blocks away is an under-construction full service grocery store in a building that will also contain office and retail. The site is ten blocks from the Capitol Square, served by Madison Metro. Major employers within a quarter of a mile of the site include Research Products, Shop Bob, Madison Metro and numerous restaurants.

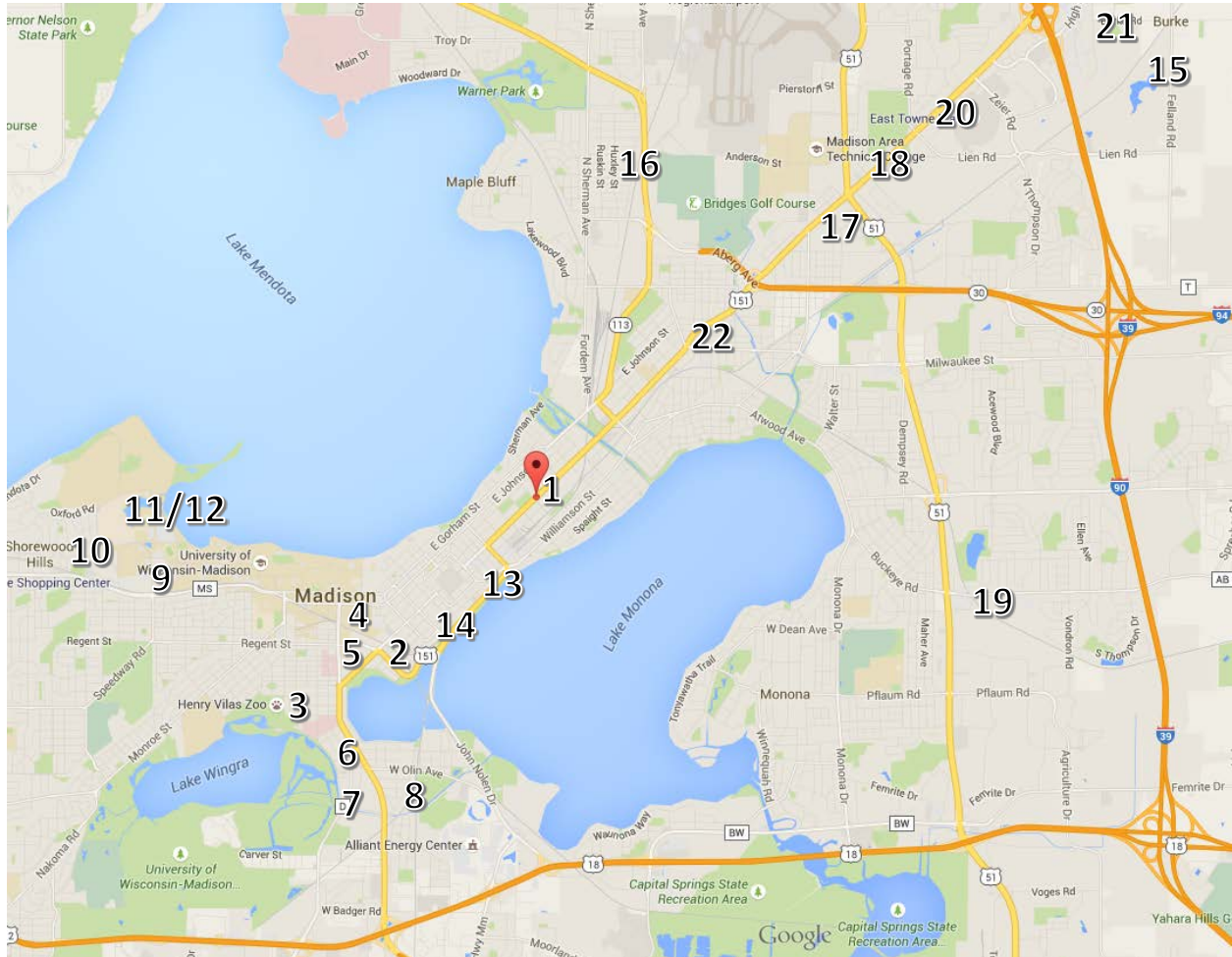
The site is served by Lapham and Marquette Elementary schools, a paired arrangement which involves Lapham serving K4 – 2nd grade and Marquette 3rd – 5th. O’Keefe is the middle school and is approximately one mile away. Marquette and O’Keefe are served by school bus and Lapham is directly across Mifflin Street from the site. All of the schools, as discussed later, are currently under capacity and projected to stay under capacity.

The site is surrounded by recreational facilities. It is across Brearly from Breese Stevens Stadium; across Mifflin from Lapham school with a large playground and an indoor pool offering open swim. Both Reynolds Park and Central Park are a short walk from the site.

The attached list and map detail the medical facilities located in close proximity to the site, most are within three miles including Meriter Hospital and St. Mary’s Hospital.

13) The site has a bus stop on East Washington Avenue. Mifflin Street is a bike boulevard. All of the amenities detailed above are walkable, accessible by bike or by Madison Metro bus.

Hospitals and Medical Clinics Near 1000 Block of East Washington Avenue



- | | |
|--|--|
| 1) Subject Property | 13) Meriter West Washington Clinic (1.5 Miles) |
| 2) Madison Surgery Center (2.9 Miles) | 14) GHC of SCW – Capital Clinic (2.2 Miles) |
| 3) St Marys Hospital (2.9 Miles) | 15) GHC of SCW – East Clinic (7.2 Miles) |
| 4) Davis Duehr Surgery Center (2.4 Miles) | 16) UW Health NE Medical Center (3.7 Miles) |
| 5) Meriter Hospital (2.5 Miles) | 17) Access Community Health (3.6 Miles) |
| 6) Wingra Family Med Center (3.2 Miles) | 18) Concerta Urgent Care East (3.7 Miles) |
| 7) Dean Clinic Fish Hatchery (3.3 Miles) | 19) Dean Clinic East (6.6 Miles) |
| 8) American Medical Center (3.5 Miles) | 20) UW Health East Town Clinic (4.4 Miles) |
| 9) Veterans Hospital (3.5 Miles) | 21) UW Health American Center (7.6 Miles) |
| 10) UW Station / Pediatrics (4 Miles) | 22) UW Health Union Corners (2 Miles)* |
| 11) UW Hospital and Clinics (3.6 Miles) | |
| 12) American Family Childrens Hosp (3.6 Miles) | |

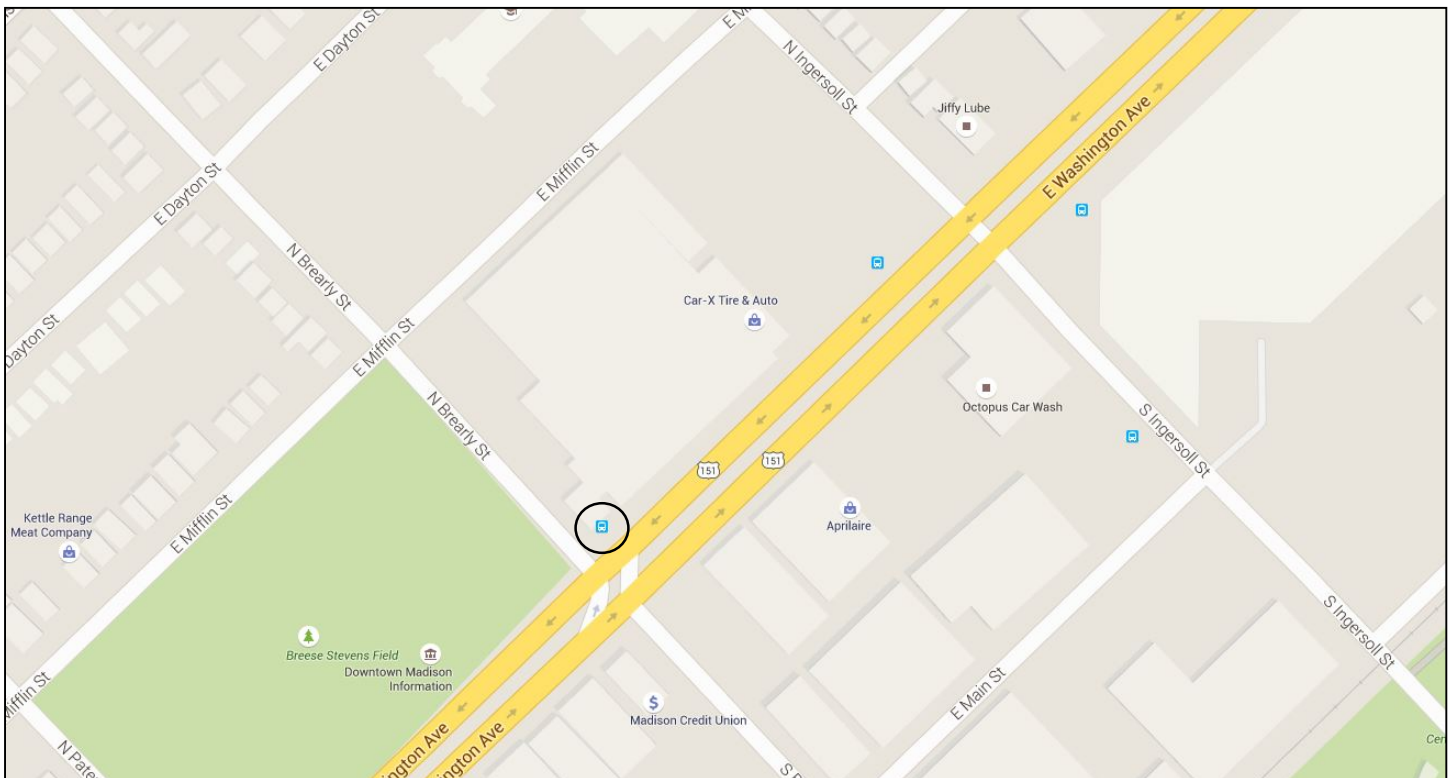
*Construction to begin summer 2016

There are 2 Madison Metro stations within one block of the proposed site that run 7 days per week. The first of the two stops is on East Washington Ave and Brearly St (N), and the second stop is on East Washington Ave and Ingersoll St (N).

The first of these stops on East Washington and Brearly St (N) services routes 6, 14, 15, 27, 37, 56, and 57 heading West Bound. On the weekends and holidays, the stop services route 6 heading West. The StopID for this stop is 1756 and the stop faces West Bound.

The second of these stops on East Washington and Ingersoll St (N) services routes 6, 14, 15, 25, 27, 29, 37, 56, and 57 heading West. On the weekends and holidays, the stop services route 6 heading West. The StopID for this stop is 1650 and the stop faces West Bound.

There is a third stop which is less than two blocks away from the proposed site. This stop is located on the intersection of East Washington Ave and Ingersoll St (S). The StopID is 1199 and the stop faces East Bound. This stop also runs 7 days a week, servicing routes 6, 14, 15, 25, 27, 29, 37, 56, and 57. The stop services route 6 heading towards East Towne on the weekends and holidays.



15) The distances to the elementary and middle schools are as follows: Lapham Elementary – directly across Mifflin Street; Marquette Elementary – one mile; O’Keefe Middle School – 1.1 mile. The Madison Metropolitan School District provides bus transportation from the site to both Marquette and O’Keefe for the site. The bus stop that serves the site is two blocks away, at the corner of E. Dayton and N. Ingersoll Streets. In addition, Mifflin Street is a bike boulevard and connects to a bike path allowing, especially middle school students, to go under East Washington Ave via bike path tunnel.

16) The site, as previously noted, is fully served by Madison Metro. The bus stops are located on the same block as the proposed project. A currently under construction, full service grocery store will be on the 800 north block of East Washington Ave, less than two blocks from the proposed apartments. Lapham Elementary school offers after school day care, provided by Red Caboose, and MSCR provides after school enrichment programs at both Lapham and Marquette. In addition, the site is two miles from the Goodman Community Center, accessible by bus, bike and car.

17) The resident children of the Mifflin Street Apartments can attend Lapham Elementary for grades 4K – 2nd, Marquette Elementary for grades 3 – 5, and O’Keefe Middle School for grades 6 -8.

The most recent published capacity studies, from the 2013 – 14 school year show the following:

- Lapham : capacity = 289 students; enrollment at 82%.
- Marquette: capacity = 296 students; enrollment at 81%.
- O’Keefe : capacity 774 students; enrollment at 60%.

Stone House estimates that the Mifflin Street Apartments will include at least 27 children of school age. Since The Road Home will be providing supportive services, including referrals, and their mission is assisting families with children, we are estimating a higher number of children than we currently have in our nearby properties. It is difficult to project the ages of the children, however, The Road Home staff estimates that 1/3 of them will be under age five, 40% ages six through twelve and the remainder twelve to seventeen.

18) The site was formerly a dairy and a printing company. Like all sites on the isthmus in Madison, there are soil conditions that will require removal of any soil excavated to a special land fill. This will have minimal impact on this project as the parking will be above ground and very little excavation will be required.

19) The legal description is: A PORTION OF LOTS 1 -12, LOTS 14-18 AND PART OF LOT 13, BLOCK 170, ORIGINAL PLAT OF MADISON, CITY OF MADISON, DANE COUNTY, WISCONSIN

20) The site is zoned traditional employment. The housing/day care proposed project is a permitted use. Therefore, the process required is to obtain a conditional use permit. Minimal if any variances are anticipated.

21) The overall development of the site is consistent with all relevant adopted plans, including the City of Madison East Capitol Gateway Corridor Plan and the Tenney Lapham Neighborhood Plan.

22) Stone House staff has met with Heather Stouder and Matt Mikolajewski of the City of Madison Planning Staff. The reaction of the staff was positive.

23) The Alder for this site is Ledell Zellers. Stone House staff met with her on this specific proposal on June 24, 2015. Alder Zellers has scheduled a meeting with leadership of the Tenney Lapham Neighborhood Association for August 13, 2015. Her initial reaction was very supportive. She has begun the preliminary work to establish the boundaries for a new TIF district for the development.

24) The project is located in the Tenney Lapham Neighborhood. Stone House will have an initial meeting with the president of the neighborhood and the development director on August 13, 2015. A neighborhood wide presentation is scheduled for September 3, 2015. The TLNA worked with Stone House on the City Row Apartments and is pleased with the resulting project. Their process involves one overall meeting and the establishment of a steering committee of neighborhood volunteers who will work with the developer and report back to the Neighborhood council.

Question 25 – Site Amenities

- Private entrances on Mifflin Street and Brearly Street
- Located 10 blocks from the Capitol Square
- Located in a quiet residential area
- Located between Tenney and Central Park
- Close to Reynolds Park
- Directly across from Lapham School with large playground
- Located on the bike boulevard
- Off-street parking
- On site fitness center
- On site community room
- Ample interior and exterior bike parking

Question 26 – Interior Apartment Amenities

- Spacious floor plans
- Balconies/patios
- Front porches
- Window coverings
- Attractive finishes
- Energy star appliances
- Wired for high speed internet and cable
- In unit washers and dryers

The project first and foremost adds much needed affordable housing in an area that is currently under served. The City of Madison has seen explosive growth in the stock of high end rental housing over the last two or three years without a corresponding increase in the stock of affordable housing. The East Capital Gateway, where this project is located, is undergoing major redevelopment in high end housing, newly constructed office, restaurants, etc. The Mifflin Street Apartments contributes to this revitalization by diversifying the housing stock with a high quality project.

An additional public purpose for the project is blight removal. The project will be built on a site that contains an abandoned dairy manufacturing plant. The vacant buildings and adjacent lots are untended and unsightly.

Finally, the project will include nine units targeted to an equally under served segment of the housing market, homeless families with children. Stone House will engage a well respected non-profit, The Road Home to provide referrals and ongoing supportive services to homeless families with children.

Acknowledging that the project requires an allocation of affordable housing tax credits in a competitive process, Stone House believes that this project will be a strong competitor. As evidenced by the attached WHEDA Self Scoring Exhibit, the project should score 330 points, which is above the 2015 cut off.

As the developer of most of Madison's affordable housing projects, Stone House is confident that there is no market risk. The project could attain full occupancy with just a small percentage of Stone House's current waiting list for City Row, which is .7 mile away and Park Central, which is .3 mile away.

The project is currently going through the City of Madison zoning process. The project will require a conditional use permit. There are no significant variances required and no controversial aspects of the project that will affect granting of all City approvals.

Stone House Development, Inc. is a Madison based real estate developer and property manager specializing in the infill development of affordable rental housing. Stone House is wholly owned by Helen Bradbury and Richard Arnesen and was founded in 1996. The firm has completed nineteen affordable housing developments throughout the state of Wisconsin with one currently under construction.

Among the projects developed by Stone House are eight in Madison, including two within a mile of the proposed Mifflin Street Apartments site. In 2010, Stone House completed the City Row Apartments on East Johnson Street. Stone House and its architect worked with the Tenney- Lapham Neighborhood Association to develop the project. Their steering committee had significant input in the design of City Row to insure its compatibility with the surrounding homes and small businesses.

Park Central Apartments, which is located .3 mile from the proposed project was financed with tax exempt bonds in 2008. It is also an excellent example of a public/private partnership in that Stone House partnered with Commonwealth Development to obtain CDBG financing.

Stone House will be the managing member of the Mifflin Street Apartments ownership entity, as well as the property manager. As such, Stone House will provide construction and operating guarantees, as it has in all past projects. The last three Stone House projects received their equity through Raymond James Financial. The contact at Raymond James is listed as a reference, as is Stone House's first equity partner from 1997, Housing Horizons. Maintaining long term relationships with investors, lenders and WHEDA is a high priority at Stone House.

Stone House manages all of the projects it developed plus acts as a fee-based manager for other affordable housing projects. Stone House has, for example, leased up and managed Revival Ridge Apartments for the Madison CDA since its opening in 2009. Stone House's key management staff members, Kasie Setterlund, Director of Operations, and David Michlig, in-house CPA and Controller have each been with the firm for over fifteen years.

The supportive services provider Stone House will partner with has been in existence for 16 years and has 6 years of direct experience with two similar projects to the Mifflin Street Apartments.



Stone House Development Current Property Portfolio

Project Name	# of Units	City	Type of Project	Year Opened
Pinney Lane Apartments*	70	Madison	Tax Credit, 100% Affordable	n/a
Arbor Crossing Apartments	80	Shorewood Hills	WHEDA Financed, Mixed Income	2013
City Row Apartments	83	Madison	Tax Credit, 100% Affordable	2010
The Madison Mark Apartments	112	Madison	Tax Credit, Mixed Income	2005
The Overlook at Hilldale Apartments	96	Madison	Tax Credit, 100% Affordable	2011
The Overlook at Midtown Apartments	88	Madison	Tax Credit, 100% Affordable	2010
Park Central Apartments	76	Madison	Tax Credit, 100% Affordable	2008
Prairie Park Apartments	96	Madison	Tax Credit, Mixed Income	2003
Hanover Square Apartments	65	Madison	Tax Credit, Mixed Income	2002
Hubbard Street Apartments	51	Milwaukee	Tax Credit, Mixed Income	2005
Castings Place Apartments	55	Milwaukee	Tax Credit, Mixed Income	2007
East High Apartments	55	Wausau	Tax Credit, Mixed Income	2005
Wausau East Townhomes	24	Wausau	Tax Credit, Mixed Income	2008
Flats on the Fox	64	Green Bay	Tax Credit, Mixed Income	2008
Jefferson School Apartments	36	Jefferson	Tax Credit, Mixed Income	2001
Marshall Apartments	55	Janesville	Tax Credit, Mixed Income	1998
Mineral Point School Apartments	11	Mineral Point	Tax Credit, Mixed Income	1999
Shoe Factory Apartments	50	Beaver Dam	Tax Credit, Mixed Income	2000
Amity Apartments	36	West Bend	Tax Credit, Mixed Income	2002
TOTAL	1,203			

Question 31 : AWARDS & CERTIFICATIONS

Name	Location	Award / Certification	Date
City Row Apartments	Madison, WI	Energy Star Certification (1st Multi-Family in WI), Radiant Professional's Alliance 1st Place & Green Built Home Certification	2011
Overlook At Hilldale	Madison, WI	Energy Star Certification & Green Built Home Certification	2011
Overlook at Midtown	Madison, WI	Green Built Home Certification	2010
Park Central Apts	Madison, WI	First Certified Green Built Multi-Family Property in Wisconsin	2008
Prairie Park Apts	Madison, WI	NCOSH (National Council on Senior Housing) Gold Achievement Award	2004
Arbor Crossing	Shorewood Hills, WI	Green Built Home Certification	2013
UW Platteville Dorms	Platteville, WI	Education Design Showcase Award for 2007-2008	2008
East High Apts	Wausau, WI	Wisconsin Historic Restoration Award	2006
Amity Apartments	West Bend, WI	Wisconsin Historical Society - Historic Preservation Award	2004
Shoe Factory Apts.	Beaver Dam, WI	Dane County Historical Society - Preservation Award	2001
Jefferson School Apts	Jefferson, WI	Wisconsin Main Street Award for Best Adaptive Reuse Project	2000
Mineral Point School Apts	Mineral Point, WI	Mineral Point Chamber/Main Street Preservation Award	2000
Marshall Apts.	Janesville, WI	Wisconsin Downtown Action Council - Best Private Downtown Development	1999

This project will meet and in many cases exceed all local, state and federal accessibility requirements. In addition to those, we will provide 13 units that will include a number of accessibility features commonly needed by tenants with disabilities. These amenities will include all required accessibility features plus:

- Roll in showers
- ADA approved kitchen appliances and washer/dryer
- Kitchen layouts and floor covering designed to accommodate people with mobility disabilities
- Bathroom grab bars
- Lowered switches and outlets
- Hard wired features for personalized door hardware (door closures, door bells, etc)
- Availability of hearing and visually impaired features such as ADA approved fire alarms

The Mifflin Street Apartments will meet the multi-family apartment qualifications to be certified “Green Built” by the Wisconsin Green Building Council. These features will include:

- **Energy Star Appliances**
All appliances will be Energy Star rated.
- **High Performance Lighting**
Units and common areas will have compact fluorescent (CF) or LED lights. The underground parking structure will be lit by fluorescent fixtures as well. In addition, there will be motion sensors in the common areas to turn some lights off when not needed. Sky tubes will also be used on the top floor common areas to help light the hallways during the day.
- **Plumbing**
The project will have many water saving features including faucet aerators and “Water Sense” branded toilets.

The “Green Built” features implemented will provide the property a 20% reduction in utility costs.

ADDITIONAL ATTACHMENTS – APPLICATION BUDGET WORKBOOK

ORGANIZATION: Stone House Development, Inc.

1. CAPITAL BUDGET

Enter the proposed project capital budget. Identify the fund source and terms and whether the funds have been already committed or are proposed. Place a C next to source if funds have already been committed and a P next to source if the fund source is proposed. Ex.: Acquisition: \$300,000 HOME (P), \$100,000 from CDBG (P), \$200,000 from Anchor Bank @5% interest/15 years (C).

	TOTAL	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms
Acquisition Costs:											
Acquisition	750,000	750,000	City of Madison AHI funds	0		0		0		0	
Title Insurance and Recording	15,000	15,000	WHEDA, EQUITY	0		0		0		0	
Appraisal	5,000	5,000	WHEDA, EQUITY	0		0		0		0	
Predvlpmnt/feasibility/market study	7,000	7,000	WHEDA, EQUITY	0		0		0		0	
Survey	10,000	10,000	WHEDA, EQUITY	0		0		0		0	
Marketing	20,000	20,000	WHEDA, EQUITY	0		0		0		0	
Relocation	0	0		0		0		0		0	
Other (List)											
R.E. Taxes and Const. Insurance	45,000	45,000	WHEDA, TIF, CITY AHI, EQUITY	0		0		0		0	
Construction:											
Construction Costs	7,425,000	350,000	City of Madison AHI funds	750,000	City TIF	6,325,000	WHEDA / Equity	0		0	
Soils/Site Preparation	100,000	100,000	WHEDA, EQUITY	0		0		0		0	
Construction Mgmt	0	0	WHEDA, EQUITY	0		0		0		0	
Landscaping, Play Lots, Signage	0	0	WHEDA, EQUITY	0		0		0		0	
Construction Interest	250,000	250,000	WHEDA, EQUITY	0		0		0		0	
Permits; Print Plans/Specs	20,000	20,000	WHEDA, EQUITY	0		0		0		0	
Other (List)											
Park Fees	150,000	150,000	WHEDA, EQUITY	0		0		0		0	
Fees:											
Architect	200,000	200,000	WHEDA, EQUITY	0		0		0		0	
Engineering	25,000	25,000	WHEDA, EQUITY	0		0		0		0	
Accounting	13,000	13,000	WHEDA, EQUITY	0		0		0		0	
Legal	70,000	70,000	WHEDA, EQUITY	0		0		0		0	
Development Fee	1,130,000	1,130,000	WHEDA, EQUITY	0		0		0		0	
Leasing Fee	0	0	WHEDA, EQUITY	0		0		0		0	
Other (List)											
WHEDA Tax Credit Fees	65,000	65,000	WHEDA, EQUITY	0		0		0		0	
Project Contingency:	350,000	350,000	WHEDA, EQUITY	0		0		0		0	
Furnishings:	0	0	WHEDA, EQUITY	0		0		0		0	
Reserves Funded from Capital:											
Operating Reserve	150,000	150,000	WHEDA, EQUITY	0		0		0		0	
Replacement Reserve	0	0	WHEDA, EQUITY	0		0		0		0	
Maintenance Reserve	0	0	WHEDA, EQUITY	0		0		0		0	
Vacancy Reserve	0	0	WHEDA, EQUITY	0		0		0		0	
Lease Up Reserve	50,000	50,000	WHEDA, EQUITY	0		0		0		0	
Other: (List)											
Financing Fees	75,000	75,000	WHEDA, EQUITY	0		0		0		0	
TOTAL COSTS:	10,925,000	3,850,000		750,000		6,325,000		0		0	

ORGANIZATION: Stone House Development, Inc.

2. TOTAL PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	624,420	636,908	649,647	662,639	675,892	689,410	703,198	717,262	731,608	746,240	761,164	776,388	791,916	807,754	823,909	840,387
Less Vacancy/Bad Debt	31,221	31,845	32,482	33,132	33,795	34,471	35,160	35,863	36,580	37,312	38,058	38,819	39,596	40,388	41,195	42,019
Income from Non-Residential Use*	50,000	51,000	52,020	53,060	54,122	55,204	56,308	57,434	58,583	59,755	60,958	62,169	63,412	64,680	65,974	67,293
Total Revenue	643,199	656,063	669,184	682,568	696,219	710,144	724,347	738,833	753,610	768,682	784,056	799,737	815,732	832,046	848,687	865,661
Expenses:																
Office Expenses and Phone	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	6,232
Real Estate Taxes	80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	104,382	107,513	110,739	114,061	117,483	121,007	124,637
Advertising, Accounting, Legal Fees	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	16,127	16,611	17,109	17,622	18,151	18,696
Payroll, Payroll Taxes and Benefits	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
Property Insurance	22,000	22,660	23,340	24,040	24,761	25,504	26,269	27,057	27,869	28,705	29,566	30,453	31,367	32,308	33,277	34,275
Mtc, Repairs and Mtc Contracts	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	62,291	64,159	66,084	68,067	70,109
Utilities (gas/electric/fuel/water/sewer)	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	76,006	78,286	80,635	83,054	85,546	88,112	90,755	93,478
Property Mgmt	31,000	31,930	32,888	33,875	34,891	35,937	37,016	38,126	39,270	40,448	41,661	42,911	44,199	45,525	46,890	48,297
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	19,500	20,085	20,688	21,308	21,947	22,606	23,284	23,983	24,702	25,443	26,206	26,993	27,802	28,636	29,495	30,380
Support Services	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438	10,751	11,074	11,406	11,748	12,101	12,464
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	331,500	341,445	351,688	362,239	373,106	384,299	395,828	407,703	419,934	432,532	445,508	458,874	472,640	486,819	501,423	516,466
Net Operating Income	311,699	314,618	317,496	320,329	323,113	325,844	328,518	331,130	333,676	336,150	338,548	340,864	343,092	345,228	347,264	349,195
Debt Service:																
First Mortgage	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
City of Madison AHI	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932
Total Annual Cash Expenses	600,432	610,377	620,620	631,171	642,038	653,231	664,760	676,635	688,866	701,464	714,440	727,805	741,572	755,751	770,355	785,398
Total Net Operating Income	42,767	45,686	48,564	51,397	54,181	56,912	59,586	62,198	64,744	67,218	69,616	71,932	74,160	76,296	78,332	80,263
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	42,767	45,686	48,564	51,397	54,181	56,912	59,586	62,198	64,744	67,218	69,616	71,932	74,160	76,296	78,332	80,263

*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.29	1.30	1.31	1.32	1.34	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.42	1.43	1.43	1.44
DCR Total Debt	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.28	1.29	1.30

Assumptions

Vacancy Rate	5.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	

ORGANIZATION:

Stone House Development, Inc.

2. TOTAL PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	857,195	874,339	891,826	909,662	927,855	946,412	965,341	984,647	1,004,340	1,024,427	1,044,916	1,065,814	1,087,130	1,108,873
Less Vacancy/Bad Debt	42,860	43,717	44,591	45,483	46,393	47,321	48,267	49,232	50,217	51,221	52,246	53,291	54,357	55,444
Income from Non-Residential Use*	68,639	70,012	71,412	72,841	74,297	75,783	77,299	78,845	80,422	82,030	83,671	85,344	87,051	88,792
Total Revenue	882,974	900,634	918,647	937,019	955,760	974,875	994,373	1,014,260	1,034,545	1,055,236	1,076,341	1,097,868	1,119,825	1,142,222
Expenses:														
Office Expenses and Phone	6,419	6,611	6,810	7,014	7,224	7,441	7,664	7,894	8,131	8,375	8,626	8,885	9,152	9,426
Real Estate Taxes	128,377	132,228	136,195	140,280	144,489	148,824	153,288	157,887	162,624	167,502	172,527	177,703	183,034	188,525
Advertising, Accounting, Legal Fees	19,256	19,834	20,429	21,042	21,673	22,324	22,993	23,683	24,394	25,125	25,879	26,655	27,455	28,279
Payroll, Payroll Taxes and Benefits	80,235	82,642	85,122	87,675	90,306	93,015	95,805	98,679	101,640	104,689	107,830	111,064	114,396	117,828
Property Insurance	35,304	36,363	37,454	38,577	39,734	40,926	42,154	43,419	44,721	46,063	47,445	48,868	50,334	51,844
Mtc, Repairs and Mtc Contracts	72,212	74,378	76,609	78,908	81,275	83,713	86,225	88,811	91,476	94,220	97,047	99,958	102,957	106,045
Utilities (gas/electric/fuel/water/sewer)	96,282	99,171	102,146	105,210	108,367	111,618	114,966	118,415	121,968	125,627	129,395	133,277	137,276	141,394
Property Mgmt	49,746	51,238	52,775	54,359	55,989	57,669	59,399	61,181	63,017	64,907	66,854	68,860	70,926	73,054
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	31,292	32,231	33,197	34,193	35,219	36,276	37,364	38,485	39,639	40,829	42,054	43,315	44,615	45,953
Support Services	12,838	13,223	13,619	14,028	14,449	14,882	15,329	15,789	16,262	16,750	17,253	17,770	18,303	18,853
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	531,960	547,919	564,357	581,287	598,726	616,688	635,188	654,244	673,871	694,087	714,910	736,357	758,448	781,201
Net Operating Income	351,014	352,715	354,290	355,732	357,034	358,187	359,184	360,016	360,674	361,149	361,431	361,510	361,377	361,020
Debt Service:														
First Mortgage	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000	242,000
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
City of Madison AHI	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932	26,932
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932	268,932
Total Annual Cash Expenses	800,892	816,851	833,289	850,219	867,658	885,620	904,120	923,176	942,803	963,019	983,842	1,005,289	1,027,380	1,050,133
Total Net Operating Income	82,082	83,783	85,358	86,800	88,102	89,255	90,252	91,084	91,742	92,217	92,499	92,578	92,445	92,088
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	82,082	83,783	85,358	86,800	88,102	89,255	90,252	91,084	91,742	92,217	92,499	92,578	92,445	92,088

*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.45	1.46	1.46	1.47	1.48	1.48	1.48	1.49	1.49	1.49	1.49	1.49	1.49	1.49
DCR Total Debt	1.31	1.31	1.32	1.32	1.33	1.33	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34

Assumptions

Vacancy Rate	5.0%
Annual Increase Income	2.0%
Annual Increase Expenses	3.0%
Other	

ADDITIONAL ATTACHMENTS – SITE MAP



ADDITIONAL ATTACHMENTS – DEVELOPMENT TEAM EXPERIENCE/RESUME



Stone House Development Resume and Project Experience

2015

INTRODUCTION TO STONE HOUSE

Stone House Development, Inc. is a Madison, WI based real estate development, management and consulting firm specializing in new construction Section 42 multi-family and Historic Tax Credit multi-family projects. Stone House Development, Inc. specializes in the following:

- ***Full service development of multi-family properties***
 - Stone House Development, Inc. will develop both family and elderly multi-family properties as well as commercial properties. As developer, Stone House is responsible for securing all necessary project financing, including equity; supervising the project's design, construction, and marketing; and providing long term management of the project.
- ***Section 42 application assistance for new construction and adaptive reuse projects***
 - The principals of Stone House Development have successfully competed for Section 42 affordable housing tax credits in Wisconsin, Illinois, Texas and Minnesota.
- ***Management & Compliance monitoring assistance***
 - The principals of Stone House Development are experienced in setting up systems to offer full property management services and LIHTC properties in monitoring Section 42 compliance.
- ***Certified Historic Structure Tax Credit assistance***
 - The principals of Stone House Development have successfully completed adaptive reuse projects utilizing school buildings, warehouses, factories, railroad depots, and hotels. In addition, Stone House Development was a panelist in the 1996 National Trust for Historic Preservation conference and the principals have given numerous educational presentations throughout the country.
- ***Financial feasibility analysis***
 - Stone House Development utilizes a proforma model developed by the principals specifically for Section 42 and CHS tax credit real estate investments.
- ***Secondary financing consulting***
 - The principals of Stone House Development have successfully negotiated HOME, CDBG, TIF and many other below market rate loan and grant agreements throughout Wisconsin, as well as in Minnesota, Indiana, Ohio and Texas.

RESUMES OF PRINCIPALS

Helen H. Bradbury, President

Experience:

President and Principal, Stone House Development, Inc.

November 1995 - Present

Director of Development, Alexander Company, Inc.

October 1990 - October 1995

- Supervise development of company projects.
- Participate in negotiating financing necessary for projects.
- Participate in negotiating development and other agreements between company and city participants.

Chief Operating Officer, Alexander Company, Inc.

January 1993 - October 1995

- Supervise all company departments and divisions, including accounting and property management.
- Reported to company owners.

Vice President, Hillmark Corporation (Atlanta, Georgia)

September 1975 - September 1987

- Direct the development and operation of hotel, motel and apartment activities.

Education:

M.B.A. Emory University, Atlanta, Georgia

B.A. Rutgers University, New Brunswick, New Jersey

RESUMES OF PRINCIPALS

Richard B. Arnesen, Vice President

Experience:

Vice President and Principal, Stone House Development, Inc.
May 1996 – Present

Former Faculty Member, National Preservation Institute
1998 – 2005

- Present seminar entitled *Affordable Housing and Historic Preservation* at various NPI conferences.

Served on the City of Madison Housing Committee
2004-2006

Former Member of the WHEDA Tax Credit Advisory Committee
2004-2006

Development Project Manager, Alexander Company, Inc.
May 1991 – May 1996

- Supervised the development of over 12 multi-family combined tax credit projects.
- Responsible for the financial analysis of company projects.
- Developed a comprehensive financial spreadsheet geared to combined tax credit developments.
- Company's in-house consultant to property management in Section 42 compliance issues.

Education :

B.S., University of Colorado, Boulder, Colorado

Development Experience

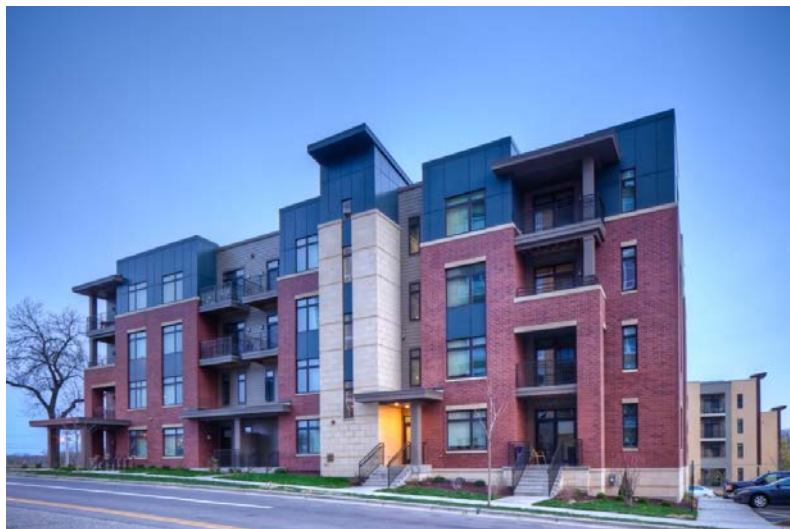
- **Arbor Crossing Apartments, Shorewood Hills, Wisconsin**

Arbor Crossing Apts opened in August 2013. This 80 unit mixed income multi-family development is located in the Village of Shorewood Hills. The project is certified as a Green Built Home and is using many green building features such as water source in floor radiant heat and solar domestic hot water. This project also contains 10,000 square feet of commercial space and is fully leased. The total project cost was \$16,000,000.



- **The Overlook at Hilldale, Madison, Wisconsin**

The Overlook at Hilldale opened in September 2011 and was fully leased by October 2011. This 96 unit affordable, multi-family development is centrally located in Madison. The project is certified as a Green Built Home and is using many green building features such as water source in floor radiant heat, solar domestic hot water and unique recycled finishes such as carpet made from recycled bottles. The total project cost was \$18,000,000.



- **City Row Apartments, Madison, Wisconsin**

City Row Apartments opened in late summer of 2010 and is located on Madison's near east side and offers 83 units of affordable housing. The property was the first WHEDA project closed in the state of Wisconsin in 2009 utilizing TCAP funds. The project is certified as a Green Built Home and is the first Energy Star-qualified multifamily high-rise building in Wisconsin and only the 17th in the nation. This project opened on time and on budget with a cost of \$16,500,000.



- **The Overlook at Midtown, Madison, Wisconsin**

The Overlook at Midtown opened on time and on budget in late summer of 2010. This project is certified Green Built and contains 88 apartments. This is an affordable housing tax project on Madison's west side. The project cost was \$16,000,000.



- **Park Central Apartments, Madison, Wisconsin**

The Park Central Apartments is an urban infill development, and is proudly the first certified multi-family Green Built Home in the state of Wisconsin. This 100% affordable, new construction project consists of 76 apartments. Phase I of this project was completed in March 2008 and phase II was completed in June 2008. This project was completed on time and on budget with a final cost of \$11,420,000.



- **Wausau East Townhomes, Wausau, Wisconsin**

Wausau East Townhomes is an urban infill development featuring 24 townhouse style apartments. This new construction, mixed income project was completed on time and on budget in September 2008. The total project cost was \$4,480,000.



- **Flats on the Fox, Green Bay, Wisconsin**

The Flats on the Fox is an 8-story urban infill development located in downtown Green Bay. This new construction, mixed income project features 64 units and two commercial spaces. The Flats on the Fox was completed on time and on budget in September 2008. The total project cost was \$11,350,000.



- **Castings Place Apartments, Milwaukee, Wisconsin**

Castings Place Apartments is an urban infill development located in Milwaukee's 5th Ward. This new construction, 55 unit with a commercial suite project was completed on time and on budget in August, 2007. The total project cost was \$10,680,000.



- **Hubbard Street Lofts, Milwaukee, Wisconsin**

This 51 unit mixed income apartment project is an urban infill, new construction project in Milwaukee's Brewer's Hill neighborhood. Construction was completed on time and on budget in January, 2006. Total project cost was \$7,500,000.



- **The Madison Mark, Madison, Wisconsin**

The Madison Mark is a twelve-story, downtown, mixed-income rental property of 112 units and 12,000 square feet of commercial space. This project represents the first significant affordable housing property in downtown Madison. The financing for the project includes TIF from the City of Madison, Section 42 affordable housing credits, and two subordinate, gap-financing loans from WHEDA as well as conventional debt financing. The project opened on time and on budget in February 2005. The project cost was \$22,000,000.



- **UW-Platteville, Southwest Hall, Platteville, Wisconsin**

Stone House Development developed the Southwest Hall in 2005 and it opened on its scheduled date in the fall of 2006. The dorm consists of 376 beds. Stone House provided construction and permanent financing until the project was purchased by the state of Wisconsin. The budgeted and completion cost was \$18,286,000.



OTHER DEVELOPED PROPERTIES

- C.H.A.S. (Community Housing and Services of Madison)
- Amity Apartments, West Bend, 36 Units
- Hanover Square Apartments, Madison, 65 Units
- School House Apartments, Jefferson, 35 Units
- Marshall Apartments, Janesville, 55 Units
- School House Apartments, Mineral Point, 11 Units
- School House Apartments, New Glarus, 24 Units
- Prairie Park Senior Apartments, Madison, 96 Units
- Shoe Factory Apartments, Beaver Dam, 50 Units
- East High Apartments, Wausau, 55 Units



ADDITIONAL ATTACHMENTS – WHEDA 2015 SELF SCORING EXHIBIT

Mifflin Street Apartments Preliminary

Category	Description	Projected Points
2	Energy Efficiency and Sustainability	41
3	Community Notification	8
4	Mixed Income Incentive	15
5	Serves Large Families	8
6	Serves Lowest Income Residents	80
7	Integrated Supportive Housing	17
10	Universal Design	23
11	Financial Participation	17
14	Development Team	46
15	Readiness to Proceed	15
16	Credit Usage	40
17	High Needs Areas	20
Total		330

ADDITIONAL ATTACHMENTS – EVIDENCE OF SITE CONTROL

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into as of the 10th day of June, 2014, by and between Land O'Lakes, Inc., a Minnesota cooperative corporation (hereinafter called "Seller") and Stone House Development, Inc., a Wisconsin corporation, or its assigns (hereinafter called "Buyer") (the "Agreement").

WITNESSETH:

WHEREAS, Seller is the owner of certain land, buildings, and other assets comprising a former dairy facility located in Madison, Wisconsin (the "Facility") which land, buildings, and other assets are more fully described in *Section 1.1* hereof, hereinafter collectively referred to as the "Assets," and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Assets upon the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the above and the mutual covenants and agreements contained herein, it is hereby agreed by and between the parties as follows:

ARTICLE I ASSETS

Section 1.1 Included Assets. Seller agrees to sell, assign and transfer to Buyer and Buyer agrees to purchase and acquire from Seller, on the terms and subject to the conditions set forth in this Agreement, all of Seller's right, title and interest in and to the Assets, as more fully described below, all of which are herein sometimes referred to as the "Assets":

- (a) **Owned Real Property.** All those tracts or parcels of land described in **Schedule 1.1(a)** attached hereto and hereby made a part hereof, together with all privileges, rights, rights of way easements, hereditaments and appurtenances thereto belonging, improvements thereon and therein, and all right, title and interest of Seller in and to any streets, alleys, passages and other rights of way included therein or adjacent thereto (before or after the vacation of) (the "Real Property").

ARTICLE II PURCHASE PRICE

Section 2.1 Amount. The total purchase price to be paid by Buyer to Seller for the Assets shall be the sum of Three Million Dollars (\$3,000,000.00) (the "Purchase Price").

Section 2.2 Allocation of Purchase Price. The parties agree that the Purchase Price shall be allocated among the Assets as described in **Schedule 2.2** attached hereto and made a part hereof. Seller and Buyer shall each report the federal, state, local, provincial, and other tax consequences of the purchase and sale contemplated herein (including the filing of IRS form 8594) in a manner consistent with this allocation schedule.

Section 2.3 Closing Date. The closing of the sale and purchase of the Assets described herein shall take place on August 1, 2015 (the "Closing Date") at or about 1:00 p.m. central standard time at such place as the parties may mutually agree.

Section 2.4 **Payment of Purchase Price.** The Purchase Price of the Assets as set forth in *Section 2.1* hereof shall be paid by Buyer to Seller as follows:

Twenty Five Thousand Dollars (\$25,000.00) as earnest money, by check, certified or cashier's check or by wire transfer of immediately available U.S. federal funds, at Seller's option, paid by Buyer to Seller upon execution of the Agreement; and an additional Fifty Thousand Dollars (\$50,000.00) as earnest money, by check, certified or cashier's check or by wire transfer of immediately available U.S. federal funds, at Seller's option, paid by Buyer to Seller on or before the date that is one hundred and twenty (120) days from the execution of this Agreement (collectively the "Earnest Money"). Earnest Money shall become fifty percent (50%) non-refundable upon expiration of the Due Diligence Period and 100% non-refundable on April 14, 2015, unless this Agreement has been terminated or Seller breaches the Agreement, in which case all earnest money shall be returned to Buyer; and

Two Million Nine Hundred Twenty Five Thousand Dollars (\$2,925,000.00) (subject to prorations, reductions and credits as provided below) by cash, certified or cashier's check, or by wire transfer of immediately available U.S. federal funds, at Seller's option, on or before 1:00 p.m. central time on the Closing Date, plus or minus any adjustments for taxes and other costs and credits provided for herein.

ARTICLE III TAXES, UTILITIES, LIABILITIES

Section 3.1 **Real Estate Taxes, Special Assessments and Other Costs.** All costs, taxes and expenses relating to the closing, not expressly assigned elsewhere in this Agreement, shall be allocated between Seller and Buyer in accordance with the custom and practice of the county in which the Assets are located. Each party shall pay its own incidental costs and expenses including, without limitation, legal, accounting, and consulting fees and travel expenses. All applicable real property taxes, assessments, personal property taxes, costs, expenses, utility, water and sewer charges relating to the operation and maintenance of the Assets, payable in the year of closing, if any, shall be prorated as of the Closing Date. Seller shall also pay all installments of special assessments for municipal improvements with respect to the Real Property which have been assessed as of the Closing Date. Buyer shall assume and pay so much of the special assessment installments, real estate and personal property taxes assessed after the Closing Date. The prorations shall be based on a per diem basis using a three hundred sixty-five (365) day calendar year, to the Closing Date.

Section 3.2 **Liabilities Not Assumed.** It is understood and agreed that Buyer is purchasing and Seller is selling only assets, and that Buyer is not purchasing, receiving or assuming any contract, obligation or liability of any nature or kind whatsoever, or in any way connected with the Assets of Seller other than as specifically set forth herein.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLER

As a material inducement to Buyer to enter into this Agreement and with the understanding that Buyer shall be relying thereon in consummating the purchase and sale contemplated hereunder, Seller hereby represents and warrants as follows:

Section 4.1 Organization and Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Minnesota and has all requisite power and authority to consummate the transaction contemplated hereby.

Section 4.2 Authorization. The execution and performance of this Agreement have been duly authorized by Seller.

Section 4.3 Condition of Assets.

(a) Buyer, by its execution hereof, acknowledges that the Assets are being conveyed “**as-is where-is**” and that (except as may be expressly stated elsewhere herein and as further limited by Article IX):

(i) Seller has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future of, as to, concerning or with respect to (a) the value, nature, quality or condition of the Assets, including, without limitation, the water, soil and geology, (b) the suitability of the Assets for any and all activities and uses which Buyer may conduct thereon, (c) the compliance of or by the Assets or their operation with any laws, rules, ordinances, regulations, Requirements of Law, or Environmental and Safety Requirement(s) of any applicable government authority or body, (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Assets, (e) the manner or quality of the construction or materials, if any, incorporated into the Assets, (f) the manner, quality, state of repair or lack of repair of the Assets, or (g) any other matter with respect to the Assets, and specifically, that Seller has not made, does not make and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements, regarding the existence, in or on the Assets, of any Hazardous Materials (as hereinafter defined);

(ii) No warranty has arisen through trade, custom or course of dealing with Buyer. Buyer represents that Buyer has made or will make on or before closing and, if not, does hereby waive all inspections of the Assets to determine its value and condition deemed necessary or appropriate by Buyer, including, without limitation, inspections for the presence of asbestos, pesticide residues, underground storage tanks, hazardous waste and other Hazardous Materials.

(b) Seller has no liability to Buyer, as between Buyer and Seller, for any environmental hazard on or to the Assets resulting from any occurrence after the Closing Date.

(c) For purposes of this Agreement, the term “Hazardous Material” shall mean any waste, pollutant, hazardous or toxic substance or waste, petroleum, petroleum-based substance or waste, special waste, or any constituent of any such substance or waste which is regulated by any Environmental and Safety Requirement due to its properties of being toxic, hazardous, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, or mutagenic.

(d) For purposes of this Agreement, the term “Requirements of Law” shall mean any foreign, federal, state, and local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any governmental body (including, without limitation, those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

(e) For purposes of this Agreement, the term “Environmental and Safety Requirement(s)” shall mean all federal, state, and local laws, statutes, regulations, rules, codes, ordinances and similar provisions enacted, adopted, issued or promulgated by any governmental body concerning public health and safety, worker health and safety, and pollution or protection of the environment, including all such standards of conduct and basis of obligations relating to the use, production, generation, handling, transport, treatment, storage, disposal, discharge, release or threatened release of any Hazardous Material, and including but not limited to CERCLA, OSHA, RCRA, and any state equivalent thereof.

Section 4.4 Environmental. Except as identified in **Schedule 4.4:**

- (a) To the best of Seller’s knowledge, after reasonable inquiry, there are no pending or threatened actions or proceedings affecting the Real Property by the local municipality, sewerage districts, the Department of Natural Resources or any environmental agency of the State of Wisconsin, or the Environmental Protection Agency of the United States, or any citizens under any “citizens suit” provisions of applicable laws; and
- (b) During the period Seller owned or was in actual possession of the Real Property:
 - (i) Seller has no notice or knowledge of any Hazardous Materials or solid or hazardous wastes having ever been disposed of on the Real Property, and (ii) Seller has received no notice of violation or leakage with respect to the underground petroleum tanks, if any and has no knowledge of any violation or leakage, on the Real Property; (iii) Seller has received no notice(s) indicating or asserting that the Real Property or the Assets are currently in non-compliance with any laws, rules, ordinances, regulations, Requirements of Law, or Environmental and Safety Requirement(s) of any applicable government authority or body.

Section 4.5 Leases, Contracts, Licenses and Permits. Upon request, Seller shall make available to Buyer a listing of all leases, contracts, licenses and permits in effect as of the date hereof between Seller and third parties in connection with the maintenance, use and operation of the Assets. If in writing, true and correct copies of all such leases, contracts, licenses or permits shall be made available by Seller to Buyer upon request by Buyer within 30 days of the execution of this Agreement.

Section 4.6 Breaches. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby do not and shall not result in any material breach of any of the terms or conditions of any mortgage, bond, indenture, agreement, contract, license or other instrument or obligation to which Seller is a party or by which the Assets are subject, nor, to the best of Seller’s knowledge, shall they violate any statute, regulation, judgment, writ, injunction or decree of any court threatened or entered in a proceeding or action in which Seller may be bound or to which any of the Assets may be subject.

Section 4.7 Limitations on Seller’s Representations and Warranties. The representations and warranties of Seller contained in this Article IV are subject to the following limitations:

- (a) Exclusive Benefit of Buyer. Seller's representations and warranties herein are for the exclusive benefit of Buyer and shall not be for the benefit of any other person or entity, or any successor or assignee of Buyer.
- (b) Limitation on Amount. Seller's obligation to indemnify Buyer with respect to the breach of any representation or warranty of Seller shall not exceed the aggregate maximum sum of Five Hundred Thousand Dollars (\$500, 000.00).
- (c) Limitation on Damages. In no event shall Seller be liable for incidental, special, exemplary or consequential damages including, but not limited to, loss of profits or revenue, interference with business operations; loss of tenants; lenders; buyers; diminution in value of the Assets; or inability to use the Assets.
- (d) Knowledge of Seller. Any representations or warranties made as to "the best of Seller's knowledge" or words of like import, shall be deemed to be breached only if Steve Smart had actual knowledge of the falsity of such representations or the breach of such warranties.
- (e) Knowledge of Buyer. Seller shall have no liability to Buyer for the falsity of any representation or the breach of any warranty to the extent Buyer had knowledge of the falsity of such representation or of the breach of such warranty prior to the Closing Date and fails to give written notice to Seller of the same prior to the Closing Date.

Section 4.8 Foreign Status. Seller is not a "foreign person", "foreign partnership", "foreign trust", or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

Section 4.9 General. The representations and warranties contained in this Article IV shall be correct in all respects on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF BUYER

Section 5.1 Organization and Standing. Buyer is a corporation, duly organized, validly existing and in good standing in the State of Wisconsin, and is qualified to do business in the State of Wisconsin with full power and authority to execute and perform this Agreement according to its terms.

Section 5.2 Authorization. The execution and performance of this Agreement have been duly authorized by the members of Buyer.

Section 5.3 Breaches. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby do not and shall not result in any material breach of any of the terms or conditions of any mortgage, bond, indenture, agreement, contract, license or other instrument or obligation to which Buyer is a party or by which the Assets may become subject, nor, to the best of Buyer's knowledge, shall they violate any statute, regulation, judgment, writ, injunction or decree of any court threatened or entered in a proceeding or action in which Buyer may be bound.

Section 5.4 Capacity. Buyer has full right, power and capacity to execute, deliver and perform its obligations under this Agreement and the other documents required to be executed by the Buyer in connection herewith and to consummate the transactions contemplated hereby. The execution and delivery

of this Agreement does not, and the consummation of the transactions contemplated by this Agreement will not, constitute a breach of any term or provision of the articles of organization or operating agreement of the Buyer or constitute a default under any material law, rule, regulation, indenture, instrument, mortgage, deed of trust, or other agreement or instrument to which the Buyer is a party or by which it is bound.

Section 5.5 Binding Obligation. This Agreement, and any other agreement required to be delivered by the Buyer pursuant to this Agreement, has been duly executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except to the extent that such enforceability may be limited by general principles of equity or bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally. All action of the shareholders of the Buyer and all other corporate action necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly taken.

Section 5.6 No Legal or Tax Advice. Buyer is not relying on any legal or tax advice from Seller in connection with the transactions contemplated by this Agreement.

Section 5.7 General. The representations and warranties contained in this Article V shall be correct in all respects on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date.

Section 5.8 Limitations on Buyer's Representations and Warranties. The representations and warranties of Buyer contained in this Article V are subject to the following limitations:

- (a) Exclusive Benefit of Seller. Buyer's representations and warranties herein are for the exclusive benefit of Seller and shall not be for the benefit of any other person or entity, or any successor or assignee of Seller.
- (b) Limitation on Amount. Buyer's obligation to indemnify Seller with respect to the breach of any representation or warranty of Buyer shall not exceed the aggregate maximum sum of Three Hundred Thousand Dollars (\$300,000.00).
- (c) Limitation on Damages. In no event shall Buyer be liable for incidental, special, exemplary or consequential damages including, but not limited to, loss of profits or revenue, interference with business operations; loss of tenants; lenders; buyers; diminution in value of the Assets; or inability to use the Assets.

ARTICLE VI COVENANTS OF SELLER

Section 6.1 Access to Assets. From the date of this Agreement until the Closing Date, Seller shall permit Buyer to have access to the Assets at all reasonable times for the purpose of reasonable inspection and appraisal.

Section 6.2 Maintenance of Assets. Seller shall maintain all property, casualty and liability insurance in effect with respect to the Assets as of the date hereof through the Closing Date. All of the Assets shall be used, operated, maintained and repaired in a normal business manner and Seller shall not subject the Assets to any lien or encumbrance of any nature from and after the date hereof.

Section 6.3 Documents. Within 30 days of the execution of this Agreement, Seller shall provide to Buyer or make available to Buyer at the Facility copies of or access to all of the following in the possession of Seller, if any: all surveys, existing title evidence, site plans, inspection reports, environmental reports, notices, building plans and blueprints relating to the Real Property and/or Personal Property, all operating and maintenance manuals, records, warranties, licenses and permits in effect with respect to the same. In the event this sale is not consummated, copies of all such documents shall be returned to Seller as soon as practicable.

Section 6.4 Negative Covenants. From the date hereof through the Closing Date, Seller shall not make any substantial change to the Assets.

Section 6.5 Casual Sale. The conveyances contemplated by this Agreement represent a casual sale of a non-recurring nature, and the sale does not constitute a sale in the ordinary course of business conducted by Seller.

Section 6.6 Updating Schedules. Seller shall deliver to Buyer from time to time prior to the Closing Date updated schedules in the event of any substantive change in the information contained on the schedules attached hereto.

ARTICLE VII COVENANTS OF BUYER

Section 7.1 Confidentiality.

- (a) **Definition.** For the purposes of this Agreement the term “Confidential Information” shall be defined as all information disclosed to Buyer, its employees or agents by Seller, its employees or agents, relating to the transaction contemplated by this Agreement, including but not limited to: (i) Seller’s business, products, employees, sales and marketing plans, business plans, financial status or any other information of a financial nature disclosed by Seller to Buyer in the course of negotiations of the transaction hereunder, (ii) the Facility or the Assets, and (iii) all information obtained through Buyer’s due diligence review, inspections, appraisals, analysis and audits of the Facility or the Assets.
- (b) **Obligations.** The Buyer may disclose Confidential Information to its employees, agents, consultants, lenders, investors or attorneys only on a need to know basis and with the understanding that they shall likewise be bound by this covenant of confidentiality and said employees, attorneys, consultants, lenders, investors and agents shall not disclose the Confidential Information directly or indirectly to any outside party. In the event the purchase is not consummated, Buyer agrees that all information disclosed to Buyer, its employees, attorneys, consultants, lenders, investors or agents by Seller, its agents, attorneys or employees, and all information obtained by Buyer, its employees, attorneys or agents through inspections, appraisals, analysis and audits of the Assets, shall not be disclosed to any outside party and all information supplied or made available by Seller, its employees, attorneys and agents shall be returned to Seller as soon as practicable. The Buyer will notify its agents, attorneys and employees of these obligations of confidentiality, and them that the obligations of confidentiality extend to them as well. This covenant shall survive any termination of this Agreement without consummation of the transaction contemplated hereby.

- (c) **Exclusions.** For the Purpose of this Agreement, information shall not be deemed to be Confidential Information if such information: (i) is required by applicable law, regulation or governmental order, (ii) is or hereafter becomes part of the public domain, (iii) is legally obtained by a third party not bound by this agreement of confidentiality following the date of this Agreement, (iv) subsequently becomes available through no fault of Buyer; or (v) is disclosed pursuant to a compulsory process or government requirement after the Buyer has given notice thereof to the Seller, and cooperated with any reasonable efforts of the Seller to obtain protective or confidentiality agreement.

Section 7.2 Due Diligence. Upon execution hereof Buyer shall immediately commence Buyer's due diligence review as described in *Section Number 8.3*.

Section 7.3 Restrictions On Use. Unless otherwise agreed to in writing by Seller, Buyer covenants that for a period of five (5) years from and after the Closing Date it shall, directly or indirectly, as an owner, partner, agent, stockholder, or director of any business, trade or occupation, use, or allow to be used, the Assets or any part thereof in any phase of the industrial production, processing or wholesale distribution of dairy products. Seller agrees to insert a provision substantially similar to this Section 7.3 in any documentation evidencing a sale or lease or other transfer of the Assets or any part thereof to a third party during the five (5) year period from and after the Closing Date. In addition, the foregoing restriction shall be a covenant referred to in the Warranty Deed.

ARTICLE VIII TITLE, CLOSING AND POSSESSION

Section 8.1 Title. Within 30 days after execution hereof, Seller shall deliver to Buyer a commitment for a standard American Land Title Association ("ALTA") owner's policy of title insurance (the "Title Commitment") covering the Real Property. Buyer shall notify Seller in writing of any objection thereto prior to the expiration of the Due Diligence Period or any objection shall be deemed to be waived by Buyer. Exceptions to title approved by Buyer hereunder shall be deemed to be "Permitted Exceptions." Seller shall have a reasonable time but not exceeding 120 calendar days from the notice date within which to rectify title. If any objection is not removed within 120 calendar days after notice is received by Seller, this Agreement shall be void, at Buyer's option, and all earnest money paid hereunder shall be returned to Buyer. Fees to obtain a Title Commitment shall be paid by Seller. All other premiums shall be paid by the Buyer, including fees to obtain an abstract of title, premiums to issue an owner's and/or lender's title insurance policy and any endorsements requested by Buyer.

Section 8.2 Survey. Within the Due Diligence Period Buyer may, at Buyer's option and expense, obtain a certified survey of the Real Property, prepared by a licensed surveyor, showing the boundaries of the Real Property, the location of driveway and improvements thereon, access to the Real Property, containing a proper and complete legal description of the Real Property, disclosing all visible easements and rights of way, whether or not of public record, disclosing no encroachments, gaps or overlaps of any kind or violations of any permitted easement or building setback limits. Buyer shall notify Seller in writing of any objection thereto within ten (10) calendar days after receipt thereof or any objection shall be deemed to be waived by Buyer. Seller shall have a reasonable time but to exceed 120 calendar days from the notice date within which to rectify the objection. If any objection is not removed within 120 calendar days after notice is received by Seller, this Agreement shall be void, at Buyer's option, and all earnest money paid hereunder shall be returned to Buyer.

Section 8.3 Due Diligence Review. Buyer shall have completed its due diligence review, including but not limited to architectural, engineering, feasibility and environmental review of the Assets and Real Property, within one hundred and twenty (120) calendar days from the date of this Agreement

("Due Diligence Period"). In the event Buyer discovers any issues during the due diligence review that Buyer reasonably believes, in its sole discretion, would affect Buyer's proposed use of the Real Property or Assets, Buyer shall have the right to terminate this Agreement by providing Seller with written notice of termination on or before the expiration of the Due Diligence Period and, in such case, Buyer shall be entitled to recover the Earnest Money deposit. Notwithstanding the foregoing, Seller shall have the option, but not the obligation, to cure, or cause to be cured, any significant environmental hazard, within sixty (60) days after receiving notice from Buyer of the same. In the event that Seller exercises this option, and the cure is satisfactory to Buyer, Buyer's termination right as to that issue, as enumerated above, shall be of no effect. For the purposes of this *Section 8.3* "Significant Environmental Hazards" shall be defined as a Phase I or Phase II reporting the presence of any Hazardous Material at a level or concentration in excess of that permitted by any applicable Requirements of Law. Prior to performing any Phase II, Buyer and Seller shall mutually agree as to location and scope of any such Phase II review.

Section 8.4 Zoning Approval. Buyer shall have until April 13, 2015 to receive all applicable zoning and development approvals relating to the Assets. If Buyer has received all such approvals, has otherwise waived this condition in writing, has not provided any written notice to Seller on or before April 13, 2015, or has not engaged in best efforts to receive zoning approval, Buyer shall proceed to purchase the Assets. If Buyer has not received approvals, Buyer may, at Buyer's option, provide written notice to Seller on or before April 13, 2015, terminating this Agreement and fifty percent (50%) of the Earnest Money shall be returned to Buyer.

Section 8.5 General Procedure. At the closing each party shall deliver such documents, instruments and materials as may be reasonably required in order to effect the intent and provisions of this Agreement, and all such documents, instruments and materials shall be reasonably satisfactory in form and substance to counsel for the other party.

Section 8.6 Time and Place. The closing shall take place on or before the Closing Date at the office of either Buyer or Seller, or by mail, time being of the essence hereof.

Section 8.7 Conditions Precedent to Buyer's Obligations. The obligations of the Buyer under this Agreement are subject to the satisfaction, on or before the date specified below or, if no date is specified, on or before the Closing Date, of each of the following conditions:

- (a) Representations and Warranties. All representations and warranties of the Seller made herein shall be true in all respects at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date.
- (b) Compliance with Agreement. The Seller shall have complied with and performed each and every of the covenants and obligations hereunder which are to be performed and satisfied prior to or on the Closing Date.
- (c) Claims or Actions. As of the Closing Date, no suit, action or other proceeding shall be pending or threatened involving any of the Assets or intended to prevent, or which might have the effect of preventing, the consummation of the transaction contemplated thereby.
- (d) Title. Buyer shall have approved or otherwise waived the condition of title to the Real Property pursuant to *Section Numbers 8.1* and *8.2* hereof.
- (e) Due Diligence Review. Buyer shall have completed or otherwise waived its due diligence review of the Assets pursuant to *Section 8.3* hereof.

- (f) Zoning Approval. Buyer shall have received or otherwise waived its zoning approval contingency for the Assets pursuant to *Section 8.4* hereof.

Section 8.8 Conditions Precedent to Seller's Obligations. The obligations of the Seller under this Agreement are subject to the satisfaction, on or before the Closing Date, of each of the following conditions:

- (a) Representations and Warranties. All representations and warranties of the Buyer made herein shall be true in all respects at and as of the Closing Date, as though such representations and warranties were made at and as of the Closing Date.
- (b) Compliance with Agreement. The Buyer shall have complied with and performed each and every of the covenants and obligations hereunder which are to be performed and satisfied prior to or on the Closing Date.
- (c) Claims or Actions. As of the Closing Date, no suit, action or other proceeding shall be pending or threatened, or intended to prevent, or which might have the effect of preventing, the consummation of the transaction contemplated hereby.

Section 8.9 Deliveries at Closing. On the Closing Date, Seller and Buyer shall respectively (as appropriate) execute and deliver the following documents and instruments, in addition to those which may be required by the various other provisions of this Agreement.

- (a) Seller's Deliveries.
- (1) Warranty Deed from Seller to the Buyer for the Real Property free from all liens and encumbrances except for Buyer's pro rated share of real property taxes and assessments and any Permitted Exceptions;
 - (2) Certificate of Taxpayer Identification Number, Foreign Status and Sale Information;
 - (3) Affidavit of Owner as to liens and possession;
 - (4) Release of security interests in or financing statements to the extent required to terminate any liens, encumbrances or interests of third parties in or to the Assets; and
 - (5) Such other document or instrument as shall be necessary or appropriate to vest in Buyer full and complete right, title and interest in and to all of the Assets, free and clear of all liens and encumbrances or interests of Seller or any third parties, except as expressly permitted hereunder.
- b. Buyer's Deliveries.
- (1) Cashier's check, certified check or wire transfer of funds, in an amount equal to the balance of the Purchase Price hereunder;
 - (2) Certificate of Secretary or other approval executed on behalf of Buyer authorizing the execution and delivery of this Agreement and the performance of the transactions contemplated hereby;

- (3) Certificate of Taxpayer Identification Number, Foreign Status and Sale Information;
- (4) Such other document or instrument as shall be necessary or appropriate to vest in Buyer full and complete right, title and interest in and to all of the Assets, free and clear of all liens and encumbrances or interests of Seller or any third parties, except as expressly permitted hereunder.

Section 8.10 Possession. Possession of the Assets shall be delivered to Buyer on the Closing Date.

ARTICLE IX INDEMNIFICATION

Section 9.1 Indemnification. In addition to the indemnification provisions contained elsewhere in this Agreement, the parties hereto agree as follows regarding indemnification of each other concerning claims, actions, or proceedings arising from this Agreement:

- (a) **Indemnification by Seller.** For a period of one year from and after the Closing Date and subject to the limitations set forth in *Section Numbers 4.3 and 4.7* hereof, Seller shall indemnify and hold Buyer harmless from and against any loss, cost, or expense (including, without limitation, reasonable attorneys' fees and legal expenses) (collectively, "damage") which Buyer may incur or suffer by reason of, or which results from, arising out of, or incurred with respect to, or (in the case of claims asserted against Buyer by a third party), alleged to result from, arise out of, or have been incurred with respect to (i) the falsity or the breach of any representation or warranty made by Seller in this Agreement or (ii) the breach of any covenant or agreement made by Seller in this Agreement.
- (b) **Indemnification by Buyer.** For a period of one year from and after the Closing Date, and subject to the limitations set forth in *Section Number 5.8* hereof, the Buyer shall indemnify and hold harmless Seller from and against any out-of-pocket loss, cost, liability or expense (including but not limited to reasonable attorneys' fees and legal expenses) which Seller may incur or suffer but only to the extent it results from, arises out of, is related to or have been incurred with respect to (i) the falsity or the breach of any representation or warranty made by Buyer in this Agreement; (ii) the breach of any covenant or agreement made by Buyer in this Agreement.
- (c) **Notice of Claims.** An indemnified party under this *Section 9.1* shall promptly give notice to the indemnifying party, after obtaining knowledge of any claim or the existence of facts as to which recovery may be sought against the indemnifying party because of the indemnity set forth above. If such indemnity shall arise from the claim of a third party, the indemnifying party shall have the right to assume the defense of any such claim or any litigation resulting from such claim.
- (d) **Payment.** The indemnifying party shall promptly reimburse the indemnified party for the amount of any judgment rendered with respect to any claim by a third party in such litigation and for all losses and expenses, legal or otherwise incurred by the indemnified party in

connection with the defense against such claim or litigation, and for all losses, damages, and expenses suffered or incurred by the indemnified party with respect to the falsity or the breach of any representation, warranty, covenant or agreement made herein (whether or not arising out of the claim of a third party).

ARTICLE X MISCELLANEOUS

Section 10.1 Binding Agreement. This Agreement shall be binding on and inure to the benefit of the parties hereto.

Section 10.2 Default by Seller; Remedies. If on or before Closing Date Seller breaches any representation or warranty made by Seller, or Seller fails to comply with or perform any one or more of the covenants, terms and conditions to be complied with or performed by it under this Agreement, then, and in any such event, in addition to such other remedies available at law or in equity, Buyer shall have the right, at its election, to terminate this Agreement in writing to Seller, in which event Buyer shall be entitled to return in full of the Earnest Money paid by Buyer to Seller.

Section 10.3 Default by Buyer; Remedies. If on or before the Closing Date Buyer breaches any representation or warranty made by Buyer, or Buyer fails to comply with or perform any one or more of the covenants, terms and conditions to be complied with or performed by it under this Agreement, then, and in any such event, Seller shall have the right, as its sole remedy at law or in equity, to terminate this Agreement in writing to Buyer and retain the Earnest Money as liquidated damages, in which event Seller and Buyer shall be released from all further obligations and liabilities hereunder, this Agreement shall be of no further force or effect.

Section 10.4 Risk of Loss. Seller assumes all risks and liability for damage or injury occurring to the Assets by fire, storm, accident, or other casualty until the closing has been consummated. Until the closing has been consummated, if any material part of such Assets is destroyed or damaged by fire or any other casualty, either party shall have the option, exercisable by notice in writing given within ten (10) business days after it receives notice in writing from Seller of such destruction, damage or loss, to cancel this Agreement and not complete the transaction of purchase and sale provided for herein, in which case all obligations of the parties hereunder shall forthwith terminate with no liability of either party to the other whatsoever, and each party shall bear its own costs and expenses incident to this Agreement.

Section 10.5 Eminent Domain. If, prior to closing, the Real Property or any material part thereof shall be taken by, or is under threat of taking by eminent domain, this Agreement shall become null and void, at Buyer's option. If Buyer elects to proceed and to consummate the purchase contemplated hereby despite said taking, there shall be no reduction in or abatement of the Purchase Price, and Seller shall assign to Buyer all of Seller's right, title and interest in and to any award made, or to be made, in the condemnation proceeding.

Section 10.6 Notices. All notices, requests, demands and other communications required or to be given under this Agreement shall be in writing and shall be deemed duly given if personally delivered, or mailed, registered or certified mail, postage prepaid, return receipt requested, addressed as follows (provided that notice given in any other manner shall nonetheless be effective when actually received):

If to Seller: Land O'Lakes, Inc.
Attention: Steve Smart
4001 Lexington Avenue
Arden Hills, MN 55126

With a copy to: Land O'Lakes, Inc.
Attention: Law Department MS2500
P.O. Box 64101
St. Paul, MN 55164-0101

If to Buyer: Stone House Development, Inc.
Attention: Rich Arnesen
625 North Segoe Road
Madison, WI 53705

With a copy to: Melli Law, SC
Attention: Jenifer Kraemer
Ten East Doty, Ste 900
Madison, WI 53703

Section 10.7 Governing Law. This Agreement shall be deemed to have been made and executed in the State of Wisconsin and the validity, construction, interpretation, effect and enforcement thereof shall be governed by the laws of the State of Wisconsin.

Section 10.8 Severability. The various terms, provisions, and covenants herein contained shall be deemed to be separable and severable, and the invalidity or unenforceability of any of them shall in no manner affect or impair the validity or enforceability of the remainder thereof.

Section 10.9 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall in such event be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.10 Assignment. This Agreement may be assigned by Buyer to a related entity (including one owned or controlled by Buyer or one or more of Buyer's shareholders, officers or directors) without the written consent of Seller. Except as otherwise expressly provided herein, this Agreement shall not be assigned by either party without the written consent of the other party and any attempted assignment without such consent shall be void.

Section 10.11 Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

Section 10.12 Survival. All of the terms, covenants, conditions, representations, warranties, indemnities and agreements contained in this Agreement shall survive and continue in force and effect and shall be enforceable after the Closing Date.

Section 10.13 Interpretation. The terms and conditions hereof represent the results of bargaining and negotiations between the parties, and neither of which has acted under duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and conditions hereof shall be interpreted and construed in accordance with their usual and customary meanings, and the parties hereby expressly waive and disclaim, in connection with interpretation and construction hereof, any rule

of law or procedure requiring otherwise, specifically including, but not limited to, any rule of law to the effect that ambiguous or conflicting terms or conditions contained herein shall be interpreted or construed against the drafting party.


Section 10.14 Entire Agreement and Amendments. This Agreement, the exhibits and schedules attached hereto and other documents delivered pursuant to the provisions hereof, set forth the entire agreement between Seller and Buyer with respect to the transactions contemplated hereby or related thereto, superseding in all respects any and all prior oral or written agreements or understandings relating thereto. This Agreement shall be amended or modified only by a written instrument signed by both Seller and Buyer. Buyer and Seller expressly agree and represent to each other that in entering into the Agreement, they have not relied upon any representations, warranties, guaranties, promises or statements outside of the Agreement.


Section 10.15 Brokers. Seller has not engaged any broker in connection with a sale of the Assets. Buyer acknowledges and agrees that any brokerage fees due and owing to its broker in connection with the purchase of the Real Property or Assets shall be paid by Buyer. Each party agrees to indemnify, defend and hold the other harmless from any commissions or fees sought by a person or entity as a result of its relationship or agreement with the indemnifying party relating to this transaction.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

LAND O'LAKES, INC.

STONE HOUSE DEVELOPMENT, INC.

By 
Name JANE K. Politiski
Its VP-Finance
Federal Identification Number _____

By 
Name Richard B. Arnesen
Its VICE President
Federal Identification Number _____

Schedule 1.1(a)
To Agreement of Purchase and Sale
Owned Real Property

The Real Property is more particularly described as follows:

PARCEL I: Lots Four (4), Five (5), Six (6), Fourteen (14), Fifteen (15) and the Northwesterly 1.00 feet of Lot Thirteen (13), Block One Hundred Seventy (170), Original Plat of Madison, in the City of Madison, Dane County, Wisconsin.

Tax Parcel No. 251/0709-131-1615-3
Address Per Tax Roll: 1028 E. Washington Avenue

PARCEL II: Lots Seven (7) through Twelve (12) inclusive, Block One Hundred Seventy (170), Original Plat of Madison, in the City of Madison, Dane County, Wisconsin, EXCEPT that part conveyed by Warranty Deed recorded on December 17, 2003, as Document No. 3853677.

Tax Parcel No. 251/0709-131-1617-9
Address Per Tax Roll: 1031 E. Mifflin Street

PARCEL III: Lots Three (3) and Sixteen (16), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Northeast 22 feet of Lot Seventeen (17), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Southeast 33 feet of Lot One (1), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Southwest 22 feet of Lot Seventeen (17), EXCEPT the Southeast 80 feet thereof, Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Northwest 85 feet, 4 inches, of Lot Eighteen (18), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Southeast 28 feet of the Northwest 99 feet of Lot One (1), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Northwest 40 feet of Lot One (1), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Southwest Half (SW 1/2) of Lot Two (2), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Southeast 31 feet of Northwest 71 feet of Lot One (1), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Southeast 79 feet and 8 inches of Lot Eighteen (18), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Northeasterly Half (NE 1/2) of Lot Two (2), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

That part of Lot One (1), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin, described as follows: Beginning at a point 33.0 feet Northwest from the Southwest corner of Lot 1, Block 170; thence Northeasterly 66.0 feet to the lot line between Lots 1 and 2, Block 170; thence Northwesterly along said lot line between Lots 1 and 2, 33.0 feet; thence Southwesterly and parallel with Muffin Street, 66.0 feet to street line; thence Southeasterly to place of beginning.

The Southeast 80 feet of the Southwest 22 feet of the Northeast 44 feet of Lot Seventeen (17), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Southeast 80 feet of the Southwest 22 feet of Lot Seventeen (17), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

The Northwesterly 85 feet of the center One-Third (1/3) of Lot Seventeen (17), Block One Hundred Seventy (170), Original Plat of the City of Madison, in the City of Madison, Dane County, Wisconsin.

Tax Parcel No. 251/0709-131-1610-3
Address Per Tax Roll: 1002 E. Washington Avenue

Schedule 2.2
To Agreement of Purchase and Sale
Allocation of Purchase Price

The Seller and Buyer shall mutually agree on allocation of the Purchase Price prior to the Closing Date.

Land	
Buildings	
Personal Property	

Schedule 4.4
To Agreement of Purchase and Sale
Environmental

[Environmental Reports completed as part of the Due Diligence Period]

EIGHTH AMENDMENT TO PURCHASE AGREEMENT

This Eighth Amendment to the Purchase Agreement (“Amendment”) is entered into on this 8th day of July, 2015, by and between Stone House Development, Inc. (“Buyer”) and Land O’Lakes, Inc. (“Seller”).

This Amendment modifies the Asset Purchase Agreement between Buyer (and its assigns) and Seller dated June 10, 2014, as amended by that First Amendment to Purchase Agreement dated September 29, 2014, Second Amendment to Purchase Agreement dated November 3, 2014, Third Amendment to Purchase Agreement dated December 2, 2014, Fourth Amendment dated January 29, 2015, Fifth Amendment dated April 2, 2015, and Sixth Amendment dated April 27, 2015, and Seventh Amendment to Purchase Agreement, dated June 4, 2015 (collectively, “Agreement”), for the purchase of the Real Property generally known as 1002 East Washington Avenue, 1028 East Washington Avenue, and 1031 East Mifflin Street, all in the City of Madison, Dane County, Wisconsin.

Whereas, the parties have agreed to make certain changes to the Agreement, to their mutual benefit.

Now therefore, for good and valuable consideration acknowledged by the parties, the Agreement is modified as follows:

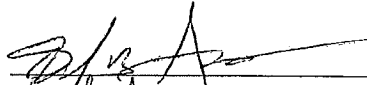
1. Section 2.3. Section 2.3 shall be modified so that the Closing Date shall take place on December 30, 2015.
2. Section 2.4. The additional \$50,000 of earnest money which was to be paid within 120 days after execution of the Agreement shall instead be paid by Buyer to Seller on or before September 8, 2015.
3. Section 8.3. The first sentence of Section 8.3 is deleted and replaced with the following: “Buyer shall have until 5:00 p.m. on September 8, 2015, to complete its due diligence review, including but not limited to architectural, engineering, feasibility and environmental review of the Assets and Real Property (the “Due Diligence Period”).
4. Definitions. Capitalized terms defined in the Agreement and used in this Amendment shall have the same meanings ascribed thereto in the Agreement except to the extent that the meaning of any such term is specifically modified by this Amendment.
5. Controlling Language. To the extent any terms of this Amendment expressly conflict with terms of the Agreement, the terms of this Amendment shall control. All the terms of the Agreement that have not been modified by this Amendment shall remain in full force and effect.
6. Counterparts. This Amendment may be executed in counterparts, all of which, when taken together, shall constitute one and the same instrument. Signatures on this Amendment which are transmitted via facsimile or electronic mail shall be valid and binding.

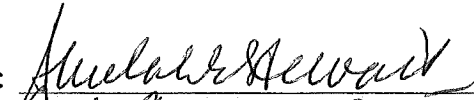
7. Authority. Each of the undersigned represents that he has the requisite authority to bind his party to this Amendment.

8. Deadline. This Amendment is binding on Seller and Buyer only if a copy of the accepted Amendment is delivered to the party offering the Amendment on or before the close of business on July 8, 2015.

STONE HOUSE DEVELOPMENT, INC.

LAND O'LAKES, INC.

By: 
Richard A. Arnesen, Vice President

By: 
July 9, 2015
Shellah Stewart, Vice President &
Deputy General Counsel