

WELTON
ENTERPRISES

February 26, 2014

SENT VIA CERTIFIED MAIL (7000 0520 0012 2755 5678)

City of Madison
Board of Public Works
Attn: Janet Dailey, PE
210 Martin Luther King Jr. Blvd. Rm 115
Madison, WI 53703

RE: Deferment of Special Assessments for Outlot 1 Related to the McKenzie Purchase

Dear Board Members,

In 2011 NEW WEI, LLC and John McKenzie (McKenzie) entered into a contract for the sale and purchase of approximately 9.94 acres in what is currently known as Outlot 15 of the Cardinal Glenn Subdivision. As part of this deal, McKenzie has prepared a Certified Survey Map that subdivides the property into three lots which shall be purchased by McKenzie for the development of approximately 286 apartment units in phases and an outlot (Outlot 1) that shall continue to be owned by NEW WEI, LLC for future development.

It is our understanding that there will be no development allowed on Outlot 1 until the Theis lands to the east are developed, NEW WEI, LLC formally requests that the portion of special assessments related to Outlot 1 be deferred for payment in the future when the lands are developed further. We propose that the amount to be paid off now and the amount for continued deferment be based on the square footage calculations as follows:

- Amount of land before the CSM = 26.90 acres.
- Amount of land in Outlot 1 after the CSM = 14.55 acres.
- Amount of special assessments to be deferred/continue on existing payment plans would be $14.55/26.90 = 54.08\%$.

The following are the special assessments (with total amounts and proposed amount for continued deferment) that are currently imposed on the property:

Assessment Name	Total Amount	Continued Deferment
URD-UCD STREET LIGHTING	\$18,946.93	\$10,246.49
STREET IMPROVEMENT	\$21,209.46	\$11,470.08
STREET IMPROVEMENT- DEFERRED	\$11,439.83	\$6,186.66

February 26, 2014
Page Two
City of Madison

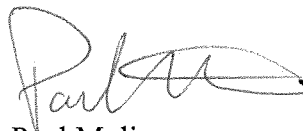
We greatly appreciate all of the work that the various city departments and staff have put into this potential project and we look forward to working closely with everyone to get this to the finish line.

Please do not hesitate to contact us if you have any questions.

Sincerely,
WELTON ENTERPRISES, INC.



Kurtis D. Welton
President & Treasurer



Paul Molinaro
Business Development Manager