

READY FOR REUSE PROGRAM
LOAN AGREEMENT

This Ready for Reuse Program Loan Agreement (the “Loan Agreement”) is entered into as of the [_____] day of [____], 2025, by and between **CONWAY AT HUXLEY LLC**, a Wisconsin limited liability company (“Borrower”), its permitted successors and assigns, and the **CITY OF MADISON**, a Wisconsin municipal corporation (the “City”).

W I T N E S S E T H:

WHEREAS, the City received a \$727,000 loan from the State of Wisconsin Department of Natural Resources (the “DNR”) to fund the remediation of brownfields properties in the City of Madison pursuant to a Loan Agreement by and between the City and DNR (the “DNR Agreement”); and

WHEREAS, Borrower has applied to the City for Ready for Reuse Program funding to assist in the remediation of the real property described on the attached Exhibit A (the “Property”); and

WHEREAS, Borrower wishes to enter into this Loan Agreement for the purpose of receiving City loan funds to assist in the remediation of the Property; and

WHEREAS, the City believes the remediation of the Property and the City’s assistance to Borrower are in the best interests of the City and its residents and are in accord with the Ready for Reuse Program objectives of remediating brownfield properties and creating employment.

NOW, THEREFORE, in consideration of the mutual covenants set forth hereinafter and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed by and between the parties as follows:

1. Loan Purpose. This Loan Agreement is for the purpose of providing assistance from the City to Borrower in the form of a no interest loan in the principal amount of Seven Hundred Twenty-Seven Thousand Dollars (\$727,000) or the actual amount disbursed (the “Loan”) to reimburse Borrower for the costs of remediating the Property as described in the City’s application to the DNR for Ready for Reuse funds (such remediation work, the “Project”). The Loan is to pay or reimburse Borrower for Ready for Reuse Program eligible expenses attributable to the Project. Provided Borrower has fulfilled all of the conditions set forth in Sections 3 and 4 below to the satisfaction of the City, and provided Borrower is not otherwise in default hereunder, the City shall disburse the Loan to Borrower in accordance with the terms of this Loan Agreement.

2. Interest. The interest rate for the Loan shall be (i) 0% from and after the date hereof until [____], 2035 and (ii) a fixed rate equal to the sum of the City’s Cost of Borrowing plus 0.50% from and after [____], 2035 (the “Reset Interest Rate”). The City’s “Cost of Borrowing” as used herein shall mean the actual interest rate payable by the City for the loan or other financing to be obtained by the City to pay the final balloon payment due on or before [December 31], 2035 under the terms of the DNR Agreement. The City agrees to use

good faith and commercially reasonable efforts to minimize its Cost of Borrowing and acknowledges that the Cost of Borrowing as of the date hereof would be approximately [3.5%]. Notwithstanding anything herein or in the Note to the contrary, in the event that the Reset Interest Rate is in excess of [17]%, the Borrower shall not be obligated to pay any payments of interest in excess of [17]% and any interest amounts payable in excess of [17]% shall be the sole responsibility of the Guarantor (the “Guarantor Interest Payment Portion”).

3. Conditions Precedent to Loan Closing. Prior to or simultaneous with the Loan Closing, Borrower shall have completed the following:

- a. Borrower shall have executed a Note in the amount of the Loan (the “Note”) secured by a real estate mortgage on the Property (the “Mortgage”) for the benefit of the City. The Mortgage shall be recorded in the office of the Dane County Register of Deeds at Borrower’s expense on the date of closing. Except as otherwise provided in this Loan Agreement or the Mortgage, the lien of the Mortgage shall be subject to and subordinate in all respects to restrictions and easements of record, municipal and zoning ordinances, current taxes and assessments not due as of the date of the Mortgage, the rights of tenants in possession, and other encumbrances acceptable to the City;
- b. Borrower shall have executed an Environmental Indemnity Agreement in a form approved by the City Attorney (the “Environmental Indemnity Agreement”);
- c. Borrower shall have provided to the City all certificates and policies of insurance required by the Mortgage; and
- d. Borrower shall have furnished and delivered to the City, at Borrower’s sole cost and expense, for examination at least fifteen (15) days before closing, an ALTA commitment for marketable title insurance on the Property issued by a responsible title company licensed by the State of Wisconsin, committing said title insurance company to issue insurance for the Property by a lender’s standard form ALTA policy in the amount of \$727,000, showing all liens, encumbrances and other matters of record, together with “gap” coverage and such other endorsements as the City may reasonably require.
- e. Borrower shall have caused Lincoln Avenue Capital Management, LLC (the “Guarantor”) to have executed a guaranty to the City (the “Guaranty”) guaranteeing Loan payments and the Guarantor Interest Payment Portion.

4. Conditions Precedent to Disbursement. The Loan proceeds shall be disbursed to Borrower on a monthly basis pursuant to draw requests. Borrower may request a maximum of one reimbursement per month, on forms provided by the DNR. Each disbursement of Loan proceeds is subject to the fulfillment by Borrower of each of the following conditions:

- a. Borrower shall have expended matching funds on the Project in the amount of at least 22% of the Loan amount requested, and provided evidence with each

payment request that the match percentage has been proportionately expended (or that Borrower has previously expended the total of the matching funds);

b. The Loan Funds shall be payable to the Borrower as reimbursement for allowable expenses incurred based upon the progress of the work and in accordance with the approved Project Budget (Exhibit B) attached hereto and made a part hereof. No reimbursement shall be made to the Borrower without the written approval of the City, and DNR through the DNR'S designated Environmental Project Manager; however, the City shall not advance nor be obligated to advance any Loan Funds to the Borrower prior to the receipt of properly executed lien waivers (which may be conditioned upon receipt of payment) executed by Borrower's contractor for all Work covered by the current Application for Payment, and unconditional lien waivers executed by Borrower's contractor and all subcon-tractors and suppliers for all prior applications for payment, or as otherwise required by DNR.

c. The work on the Project as described in Section 1 above was performed in material conformance with: the terms of this Loan Agreement; the City's application to the DNR for Ready for Reuse funds; applicable DNR requirements; a reuse and recycling plan; and any conditions placed on the Project by the City or other governmental agencies.

d. Borrower shall have erected and maintained a sign on the Property stating that the Project is being financed in part by the DNR and providing the appropriate contacts of Borrower for obtaining information on activities being conducted thereon and for reporting criminal activities. The sign shall comply with the requirements of 40 CFR Part 35, Subpart O (§35.6105(a)(2)(ii)) and all requirements of the state and local laws applicable to signage. The sign shall be posted in a publicly visible location within thirty (30) days of the execution of this Loan Agreement;

e. Borrower shall be in compliance with the 2024 US EPA Revolving Loan Fund Terms and Conditions attached hereto as Exhibit C.

f. Borrower shall have provided to the City releases of all liens or claims against the Property that negatively impact the City's mortgage lien.

g. Final Payment. The City may withhold ten percent of the total Loan amount for final payment. The final payment request shall be made on form #4400-243 provided by the DNR.

5. DNR Requirements. Throughout the term of this Loan Agreement, Borrower shall:

a. Ensure environmental cleanups have been protective of human health and the environment.

b. Comply with all applicable Wisconsin Statutes and Wisconsin Administrative Codes in fulfilling the terms of this Loan Agreement, including but not limited to the fulfillment of the requirements set forth on the attached

Exhibit D which is incorporated by reference herein. Borrower shall conduct environmental response actions in accordance with the NR 700 series, Wis. Adm. Code.

c. Carry out the Project activities in accordance with all applicable state, local and federal laws, regulations, orders, writs, judgments, injunctions, decrees, or awards, including, but not limited to, the following: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, et. seq.) (CERCLA); Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments 40 CFR Part 31; the National Oil and Hazardous Substances Contingency Plan (NCP), 40 C.F.R. Part 300; all applicable ‘cross-cutting requirements’, including those federal requirements agreed between the USEPA and the DNR defined by their Cooperative Agreement No. BF-96560601 ; MBE/WBE requirements found at 40 C.F.R. 31.36(e) or 40 C.F.R. 30.44(b); OSHA Worker Health & Safety Standard 29 C.F.R. 1910.120; the Uniform Relocation Act; Historic Preservation Act; Endangered Species Act; and Permits required by Section 404 of the Clean Water Act; Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327-333), the Anti Kickback Act (40 U.S.C. 276c) and Section 504 of the Rehabilitation Act of 1973 as implemented by Executive Orders 11914 and 11250. Failure to comply with this provision shall not be a breach of this covenant if such failure does not have, or is not reasonably expected to have a materially adverse effect on the properties, business prospects or condition (financial or otherwise) of Borrower and Borrower is acting in good faith and with reasonable dispatch to cure such noncompliance.

d. Carry out the Project in accordance with the Davis-Bacon Act of 1931 (40 U.S.C. 276a-276a-5 and 42 U.S.C. 3222). CERCLA compliance with Davis-Bacon requires payment of Federal prevailing wage rates for construction, repair, or alteration work funded in whole or in part with project funds. Borrower must obtain recent and applicable wage rates from the U.S. Department of Labor and incorporate them into the construction contract.

e. Comply with all applicable local and state contract and bidding requirements.

f. Comply with the statutes prohibiting discrimination on the grounds of race, color, national origin, sex and disability. In addition, Borrower shall undertake good faith efforts to give opportunities for qualified Small Business Enterprises (SBE), Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE) to submit proposals, bids, and provide services on contracts and subcontracts for services and supplies. Borrower shall submit a report of such efforts to the City and the DNR.

g. Submit reports and copies of other studies, reports, contracts, or documents relating to the project in accordance with the 2024 US EPA Revolving Loan Fund Terms and Conditions (Exhibit C), including, but not limited to:

(i) Prepare a community relations plan for DNR review and approval, and implement the approved community relations plan that includes providing a copy of all public mail notices and agendas of all meetings or public information hearings to the DNR.

(ii) To prepare an analysis of Brownfields cleanup/interim actions alternatives' document for Department review and approval that contains information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed interim actions. The evaluation of alternatives must include effectiveness, ability to be implemented, and the cost of the interim actions proposed; ii. Borrower shall submit copies of the draft analysis of brownfields cleanup/interim actions alternatives to the City to provide to DNR for review and approval and to US EPA and the DNR's designated environmental project manager; iii. a newspaper notice be placed in the newspaper, in accordance with the attached terms and conditions; iv. The City shall make the analysis of brownfields cleanup/interim actions alternatives document available for review and public comment in the administrative record for a period of not less than thirty (30) days from the date of publication of a public notice which announces the availability of the document for public review; v. After the public comment period, the Borrower shall respond to the specific public comments, and City shall provide the DNR with a copy of all comments received and the Borrower's responses, a copy of the newspaper notice, and documentation of any changes proposed by the Borrower to the interim action; vi. The DNR shall incorporate all appropriate comments into a DNR-prepared decision document, as appropriate. The final decision document is the Borrower's authorization to undertake the site-specific interim actions. No site work, unless authorized by the City and DNR, shall occur prior to the date of the finalized decision document.

(iii) Prepare remedial design and engineering documents and submit them to the City and DNR's designated environmental project manager for review and approval. This may occur simultaneously with the submittal of the analysis of cleanup alternatives document.

(iv) If confirmatory samples will be collected during cleanup activities to document the completeness of the cleanup, Borrower shall prepare a Quality Assurance Project Plan, or its equivalent, which sets forth the manner and method of collecting and analyzing samples and submit it to the City and the DNR for review and approval.

(v) The DNR is responsible for the completion of the community relations plan and the analysis of cleanup alternatives referenced in (i) and (ii) above. However, pursuant to this Loan Agreement, Borrower agrees to assume these activities.]]

h. Not to discriminate against any employee or applicant for employment because of age, race, religion, color, disability, sex, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., sexual orientation, arrest or conviction record or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. Borrower shall take affirmative action to ensure equal employment opportunities. Borrower shall post in a conspicuous place available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.

i. Cooperate fully with an audit of the Loan and the work, if so required.

j. Document all the uses of the Loan proceeds, and maintain adequate books and accounts in accordance with generally accepted accounting principles consistently applied. Borrower shall permit any representative of the City, at any reasonable time, to inspect, audit and examine such books and inspect the properties of Borrower. Borrower shall maintain documentation on the use of the Loan proceeds for a minimum of three (3) years after the completion of remediation activities supported by the Loan, or for the length of the Loan, whichever is greater, except that records that are subject to audit findings shall be retained three (3) years after such findings have been resolved and all such records and supporting documents shall be made available, upon request, for inspection or audit by the City or its representatives.

k. Maintain documentation until the completion of any litigation, claim, negotiation, audit or other action involving those documents or for the record retention period set above, whichever is longer. Borrower shall seek the written approval of the City prior to disposing of records.

l. Notify the DNR and the City when the Project is complete. The notice shall contain certification or documentation that the eligible activities were completed and have been performed in accordance with the terms of this Loan Agreement. This Loan closeout documentation shall summarize the actions taken, the resources committed, the problems encountered in completion of the Project, if any, identify any institutional controls required, and document that the cleanup is complete and is protective of human health and the environment. This documentation shall be submitted to the City and the DNR's designated environmental project manager for review and comment.

m. Obtain a close out letter under ch. NR 726, Wisc. Adm. Code, or a Certificate of Completion under s. 292.15, Wis. Stats., for the Property or other approved liability assurance letter acceptable to the City.

n. Expressly understand that a failure or delay on the part of Borrower in the performance, in whole or in part, or any of the terms of this Loan Agreement, if such failure is attributable to an Act of God, fire, flood, riot, insurrection,

embargo, emergency or governmental orders, regulations, priority, or other limitations or restrictions, or other similar unforeseen causes beyond the reasonable control of such party, the failure or delay shall not constitute a breach or default under this Loan Agreement, however, Borrower shall use its best effort to insure that the Project is completed in a reasonable time without unnecessary delay.

o. Not use or allow the use of the Property or any activity thereon in a manner which is inconsistent with the foregoing provisions.

p. Changes to the Scope or Budget. The Borrower shall conduct all of the “Scope and Description of Loan Activities” listed below:

Scope and Description of Loan Activities:

1. Soil Excavation

2. Soil Transportation & Disposal

3. Soils Confirmation Testing

4. Remediation Oversight

5. DNR Fees

If the Borrower requests a modification to the scope and description of the loan activities to be conducted, the Borrower shall submit a request for an amendment to this Agreement in writing to the City before the end date of this Agreement. Such a request must be submitted before any activities are conducted that are different than those listed in this Agreement. Amendments are subject to City and DNR approval and availability of funds. No additional work or expense may be undertaken until approval is received, in writing, for the scope or budget change.

If the Borrower determines that they will not need to use the full amount of their loan award, the Borrower shall notify the City in writing as soon as possible such that the City may notify DNR, and DNR may allocate excess funds to another project.

6. Relatedness of Other Loan Documents. The terms of the Note, Mortgage, and Environmental Indemnity Agreement (collectively, with this Loan Agreement, the “Loan Documents”) are incorporated herein by reference.

7. Indemnification. Borrower shall be liable to and hereby agrees to indemnify, defend and hold harmless the City, its officers, officials, agents and employees against all loss or expense (including liability costs and attorney’s fees) from any and all claims, demands, liabilities and causes of action of whatsoever kind or nature related to the Project or Property, occasioned in whole or in part by any act or omission of Borrower or its officers, members, agents, contractors, subcontractors, invitees or employees, which may now or hereafter be made

against them, whether caused by or contributed to by the City or its agents or. This Section 7 shall survive the termination of this Loan Agreement.

8. Events of Default. Any one or more of the following events is an Event of Default under the Loan Agreement:

- a. Failure to pay, within fifteen (15) days after written notice to Borrower, any amount which shall have become due under the Note;
- b. Nonperformance by Borrower of any covenant, agreement, term or condition in the Loan Agreement and any addendum or amendment thereto and Borrower has failed to cure such default within thirty (30) days after written notice to Borrower, provided, however, that Borrower shall be provided an additional period of time (beyond 30 days), that is reasonable under the circumstances, to cure any default that is not a health or safety violation where Borrower has promptly commenced and diligently pursues curing such default;
- c. Nonperformance by Borrower of any covenant, agreement, term or condition of any of the Loan Documents and any addendum or amendment thereto, and Borrower has failed to cure such default within the applicable required time period, if any, as provided in the Loan Documents;
- d. The sale, conveyance or other transfer of any kind or nature of the Property, or any part thereof, without the prior written consent of the City or as permitted herein; or
- e. Borrower becomes insolvent or the subject of state insolvency proceedings, fails generally to pay debts as they become due or makes an assignment for the benefit of creditors; or a receiver, trustee, custodian or other similar official is appointed for, or takes possession of any substantial part of the property of Borrower.

MCI Conway at Huxley, LLC, an Indiana limited liability company and its successors and/or assigns, the investor member of Borrower (the "Investor Member") shall have the right, but not the obligation, to cure any Event of Default by Borrower under this Loan Agreement or any default under any other Loan Document, and the City shall accept performance by Investor Member of any obligation of Borrower thereunder as though tendered by Borrower itself, provided such performance by Investor Member has occurred during the applicable cure period, if any, provided to Borrower thereunder with respect to such default or Event of Default.

9. Remedies. Upon the occurrence and continuation of an Event of Default, the City may, by written notice to Borrower, declare the Loan and Note to be immediately due and payable and/or may pursue any available remedy by suit at law or in equity to insure or realize the payment of the principal under the Note, including such remedies as are provided in the Mortgage.

No remedy conferred upon or reserved to the City hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and

shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power occurring upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Section, it shall be necessary to give only such notice as may be herein expressly required.

In the event Borrower should default under any of the provisions of the Loan Agreement and the City should employ or assign attorneys or incur other expenses for the collection of the Loan or the enforcement of performance of any obligation or covenant on the part of Borrower under the Loan Agreement, Borrower will on demand pay to the City the reasonable costs, charges or fees of such attorneys and such other expenses so incurred.

In the event any term or condition contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach.

10. Workforce Utilization. Borrower agrees that, within thirty (30) days after the effective date of the Loan Agreement, Borrower will provide to the City of Madison Affirmative Action Division certain workforce utilization statistics, using a form to be furnished by the City.

If the Loan Agreement is still in effect, or if the City enters into a new agreement with Borrower, within one year after the date on which the form was required to be provided, Borrower will provide updated workforce information using a second form, also to be furnished by the City. The second form will be submitted to the City Affirmative Action Division no later than one year after the date on which the first form was required to be provided.

Borrower further agrees that, for at least twelve (12) months after the effective date of the Loan Agreement, it will notify the City of Madison Affirmative Action Division of each of its job openings at facilities in Dane County for which applicants not already employees of Borrower are to be considered. The notice will include a job description, classification, qualifications, and application procedures and deadlines. Borrower agrees to interview and consider candidates referred by the Affirmative Action Division if the candidate meets the minimum qualification standards established by the Borrower, and if the referral is timely. A referral is timely if it is received by the Borrower on or before the date stated in the notice.

11. Affirmative Action. Borrower shall comply with the following Affirmative Action Articles of this Loan Agreement with respect to the work comprising the Project. For purposes of this Section 11, the word "Contractor" shall mean Borrower, its contractors and subcontractors.

ARTICLES OF AGREEMENT

ARTICLE I.

The contractor shall take affirmative action in accordance with the provisions of this contract to ensure that applicants are employed, and that employees are treated during employment without regard to race, religion, color, age, marital status, disability, sex or national origin

and that the employer shall provide harassment-free work environment for the realization of the potential of each employee. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training including apprenticeship insofar as it is within the control of the contractor. The contractor agrees to post in conspicuous places available to employees and applicants notices to be provided by the City setting out the provisions of the nondiscrimination clauses in this contract.

ARTICLE II.

The contractor shall in all solicitations or advertisements for employees placed by or on behalf of the contractors state that all qualified or qualifiable applicants will be employed without regard to race, religion, color, age, marital status, disability, sex or national origin.

ARTICLE III.

The contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by the City advising the labor union or workers representative of the contractor's equal employment opportunity and affirmative action commitments. Such notices shall be posted in conspicuous places available to employees and applicants for employment.

ARTICLE IV.

(This Article applies to non-public works contracts.)

The contractor agrees that it will comply with all provisions of the Affirmative Action Ordinance of the City of Madison including the contract compliance requirements. The contractor warrants and certifies that, of the following two paragraphs, paragraph A or B is true (check one):

A. It has prepared and has on file an affirmative action plan that meets the format requirements of Federal Revised Order No. 4, 41 CFR part 60-2, as established by 43 CFR 51400 November 3, 1978, including appendices required by City of Madison ordinances or it has prepared and has on file a model affirmative action plan approved by the Madison Common Council _____.

B. Within thirty (30) days after the effective date of this contract, it will complete an affirmative action plan that meets the format requirements of Federal Revised Order No. 4, 41 CFR Part 60-2, as established by 43 CFR 51400, November 3, 1978, including appendices required by City of Madison ordinance or within thirty (30) days after the effective date of this contract, it will complete a model affirmative action plan approved by the Madison Common Council _____.

ARTICLE V.

(This Article applies only to public works contracts.)

The contractor agrees that it will comply with all provisions of the Affirmative Action Ordinance of the City of Madison, including the contract compliance requirements. The

contractor agrees to submit the model affirmative action plan for public works contractors in a form approved by the Affirmative Action Officer.

ARTICLE VI.

The contractor will maintain records as required by Section 39.02(9)(f) of the Madison General Ordinances and will provide the City's Affirmative Action Officer with access to such records and to persons who have relevant and necessary information, as provided in Section 39.02(9)(f). The City agrees to keep all such records confidential, except to the extent that public inspection is required by law.

ARTICLE VII.

In the event of the contractor's or subcontractor's failure to comply with the Equal Employment Opportunity and Affirmative Action provisions of this contract or Sections 39.02 and 39.03 of the Madison General Ordinances, it is agreed that the City at its option may do any or all of the following :

- A. Cancel, terminate or suspend this contract in whole or in part.
- B. Declare the contractor ineligible for further City contracts until the Affirmative Action requirements are met.
- C. Recover on behalf of the City from the prime contractor 0.5 percent of the contract award price for each week that such party fails or refuses to comply, in the nature of liquidated damages, but not to exceed a total of five percent (5%) of the contract price, or five thousand dollars (\$5,000), whichever is less. Under public works contracts, if a subcontractor is in noncompliance, the City may recover liquidated damages from the prime contractor in the manner described above. The preceding sentence shall not be construed to prohibit a prime contractor from recovering the amount of such damage from the noncomplying subcontractor.

ARTICLE VIII.

(This Article applies to public works contracts only.)

The contractor shall include the above provisions of this contract in every subcontract so that such provisions will be binding upon each subcontractor. The contractor shall take such action with respect to any subcontractor as necessary to enforce such provisions, including sanctions provided for noncompliance.

ARTICLE IX.

The contractor shall allow the maximum feasible opportunity to small business enterprises to compete for any subcontracts entered into pursuant to this contract. (In federally funded contracts the terms "DBE, MBE, and WBE" shall be substituted for the term "small business" in this Article.)

12. Nondiscrimination. In the performance of the work comprising the Project, Borrower agrees not to discriminate against any employee or applicant because of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of

income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs, or student status. Borrower further agrees not to discriminate against any subcontractor or person who offers to subcontract on the Project because of race, religion, color, age, disability, sex or national origin.

13. Living Wage. Borrower agrees to pay all employees employed by Borrower in the performance of the work comprising the Project, whether on a full-time or a part-time basis, a base wage of not less than the City minimum hourly wage as required by Sec. 4.20, Madison General Ordinances.

14. Records and Reports. Borrower shall, without charge to the City, maintain such records and shall make such reports to the City related to the Project as the City may reasonably require from time to time during the term of the Loan Agreement. Borrower shall, without charge to the City, make such records available for inspection and copying by the City, and shall make the Project available to the City or DNR for inspection, at any time during normal business hours and upon reasonable advance notice from the City to Borrower of the City's wish to make any such inspection.

Borrower shall complete a Final Report on forms available from the DNR (#4400-253) documenting the activities completed with the Loan funds. Borrower shall submit a copy of any Site Investigation (SI) reports or Remedial Action Plans (RAPs) funded by this Loan as a component of the final report on Loan activities required by the DNR. The report shall be submitted to the DNR and the City along with the final request for reimbursement under this Loan Agreement. Borrower shall furnish brief written progress reports on forms furnished by the DNR to the DNR Program Manager and the City on a quarterly basis during the cleanup. The reports are due on April 15, July 15, October 15 and January 15 of each year.

15. Notices. All notices, certificates or other communications under the Loan Agreement shall be sufficiently given and shall be deemed given when personally delivered or when mailed by first class mail postage prepaid with proper addresses indicated below. The City and Borrower may, by written notice given by each to the other, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated herein. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

TO THE CITY:

City of Madison
P.O. Box 2983

Madison, WI 53701-2983
Attention: Economic Development Division Director

COPY TO:

City of Madison
Attention: City Attorney
210 Martin Luther King Jr. Blvd., Room 401
Madison, WI 53703

TO THE BORROWER: Conway at Huxley LLC
401 Wilshire Blvd., 11th floor
Santa Monica, CA 90401
Attention: Russell Condas and Kevin McDonell
Email: rcondas@lincolnavenue.com;
kevin@lincolnavenue.com

WITH COURTESY
COPY

(Not constituting
Notice):

Lincoln Capital Acquisition, LLC
680 5th Avenue, 17th Floor
New York, NY 10019
Attention: Hanna Jamar
Email: hanna@lincolnavenue.com

AND COPY TO:

Winthrop & Weinstine, P.A.
225 South 6th Street, Suite 3500
Minneapolis, MN 55402
Attention: Scott D. Jahnke
Email: sjahnke@winthrop.com

AND COURTSEY
COPY

(Not constituting
notice):

MCI Conway at Huxley, LLC
410 Monon Blvd, 2nd Floor
Carmel, IN 46032
Attn: Asset Management

16. Standstill During Compliance Period for Tax Credits; Application of Insurance Proceeds.

Notwithstanding anything to the contrary set forth in the Note or this Loan Agreement, until the latest of (i) such time as Investor Member (or an affiliate of Investor Member) is no longer the Investor Member of the Borrower, (ii) until the end of the Compliance Period (as defined in Section 42 of the Internal Revenue Code of 1986, as amended), and (iii) the payoff of the permanent Senior Loan (as defined in the Note), the City's rights and remedies under this Loan Agreement shall be limited as follows:

- (i) this Loan shall be non-recourse to Borrower and its Investor Member, in that neither Borrower nor its Investor Member shall have corporate liability under the Loan Documents for the repayment of the Loan or for the performance of any other obligation of Borrower thereunder, and

the City's only recourse for the satisfaction of the Loan and the performance of such obligations shall be the City's exercise of its rights and remedies with respect to the Property or under the Guaranty.

(ii) The City will not (a) exercise any rights or remedies it may have under this Loan Agreement to, commence foreclosure proceedings with respect to the Project or exercise any other rights or remedies it may have under the Loan Documents, including but not limited to, accelerating the loan made under the Note, collecting rents, appointing (or seeking appointment of) a receiver or collecting or attempting to collect any default interest, or (b) join with any other creditor in commencing any bankruptcy reorganization, arrangement, insolvency or liquidation proceedings with respect to the Borrower.

Nothing in this paragraph is intended, nor will it be construed, to in any way limit the exercise by the City of its governmental powers (including police, regulatory and taxing powers) with respect to Borrower, Borrower's Investor Member, or the Property.

Notwithstanding anything to the contrary in the Note or this Loan Agreement, the City agrees to apply all insurance proceeds resulting from casualty or damage of the Project and all payments or awards resulting from a taking, for any public or quasi-public purpose by any lawful power or authority by exercise of the power of condemnation or eminent domain, toward the restoration, replacement or rebuilding of the Project, or any part thereof, as nearly as possible to its value, condition and operational character immediately prior to any such damage, destruction or taking ("Restoration"), provided such sufficient funds are available from all sources to complete such Restoration.

17. Transfer; Removal; Amendment. Notwithstanding anything to the contrary in the Note or this Loan Agreement, it shall not constitute an Event of Default under this Loan Agreement or a default under the Note, and the consent of the City is not required, for: (a) the transfer of the investor member interest in Borrower owned by Investor Member, (b) the transfer of the ownership interests in Investor Member and/or the managing member of Borrower ("Managing Member"), (c) the removal or replacement of the Managing Member for cause in accordance with the Operating Agreement (as defined in the Note) by Investor Member, (d) the transfer of the Investor Member's interest to the Managing Member (or its designated affiliate) pursuant to the managing member options in the Operating Agreement at the end of the three year period following the end of the Compliance Period, or (e) any amendment to the Operating Agreement.

18. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the City and Borrower and their respective successors and assigns.

19. No Assignment. This Loan Agreement may not be assigned by Borrower, in whole or in part, without the express prior written approval of the City.

20. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holdings shall not invalidate or render unenforceable any other provision.

21. Amendments, Changes and Modifications. Except as otherwise provided herein, this Loan Agreement may not be effectively amended, changed or modified by the City or Borrower except by written amendment approved and executed by the City and Borrower.

22. Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

23. Satisfaction. Provided there is no default hereunder, this Loan Agreement shall terminate, the Note shall be cancelled and the Mortgage shall be satisfied upon full payment of the Loan.

31451607v11

**[SIGNATURE PAGE TO
READY FOR REUSE PROGRAM LOAN AGREEMENT]**

IN WITNESS WHEREOF, the parties hereto have caused this Ready for Reuse Program Loan Agreement to be duly executed as of the date written above.

BORROWER:

CONWAY AT HUXLEY LLC,
a Wisconsin limited liability company

By: Conway at Huxley MM LLC
Its: Managing Member

By: _____
Russell Condas
Its: Vice President

[illegible]

**[SIGNATURE PAGE TO
READY FOR REUSE PROGRAM LOAN AGREEMENT]**

**CITY OF MADISON
a Wisconsin municipal corporation**

By: _____ Date: _____
Name: Satya Rhodes-Conway
Title: Mayor

By: _____ Date: _____
Name: Michael Haas
Title: Acting Clerk

Approved:

David Schmiedicke, Finance Director Date

Approved:

Eric Veum, Risk Manager Date

Approved as to form:

City Attorney Date

The Loan Agreement was authorized by Enactment Number [____], File ID No. [____],
adopted by the Common Council on [_____].

EXHIBIT A

Legal Description of Property

EXHIBIT B

Project Budget

EXHIBIT C

Federal Terms and Conditions

[CITY TO PROVIDE]

EXHIBIT D

DNR Special Conditions

1. Site Investigation and Remedial Action Plan

A ch. NR 716, Wis. Adm. Code, site investigation and a ch. NR 722, Wis. Adm. Code, remedial action plan must be approved by the DNR before Borrower can obtain payment from this Loan. If the site investigation and remedial action plan have not already been approved, Borrower shall submit those reports to the DNR's Environmental Project Manager for review and approval. If a site investigation report and/or remedial action plan is not approved by the Project Manager and further work is necessary for the activity to satisfy the appropriate regulatory requirements, then the additional work must be conducted in order for that report or plan to be approved and eligible activities to be reimbursed. Costs incurred to conduct site investigation activities shall not be reimbursed by this Loan. Costs to prepare the remedial action plan can be reimbursed by this Loan if approved by the DNR.

2. Assessment and Investigation Activities

Loan funds may not be used for the payment of any cost related to Phase I or II Environmental Assessments of the Property.

Lead surveys are not reimbursable under this Loan as part of a Phase II ESA.

All investigative wastes, as defined in s. NR 716.03(4), Wis. Adm. Code, will be properly stored and disposed of in accordance with applicable regulations in chs. NR 500 to 590 and chs. NR 600 to NR 690, Wis. Adm. Code. Disposition of investigative wastes by Borrower must occur within six (6) months of generation of wastes.

Abandonment of any wells or drillholes must be completed in accordance with s. NR 812.26 or s. NR 141.25, Wis. Adm. Code. Abandonment forms (Form 3300-005 and/or 3300-5B) must be submitted within sixty (60) days after the wells or drillholes have been abandoned. The date and recipient of the forms shall be noted in the final report.

3. Remedial Actions

All investigation and remedial actions conducted as part of this Loan shall follow the procedures and requirements included in s. 292.11, Wis. Stats., and ch. NR 140, Wis. Adm. Code and the NR 700 rule series. Remedial actions eligible for funding are those consistent with the definition in s. NR 700.03(48), Wis. Adm. Code, and those approved by the DNR. Nothing in this Loan Agreement shall entitle Borrower or any other party involved with the Project to any special rights, privileges, liability exemptions, or obligations regarding their responsibility to undertake remedial actions under s. 292.11, Wis. Stats., or any other state or federal environmental laws.

4. Waste Disposal

All solid wastes generated at the Site, including contaminated soil and other solid wastes generated during response actions associated with this grant/loan, will be disposed of properly at either a ch. 289, Stats., licensed landfill or in a manner consistent with the applicable provisions of ch. NR 718, Wis. Admin.

Code. In limited situations, some solid wastes managed under this Agreement may be eligible for a low hazard exemption under ch. 289, Stats. In order for the response action costs associated with a low-hazard exemption activities to be eligible for reimbursement under this Agreement, the Borrower will need to receive written, pre-approval of such response actions and costs from the DNR's Brownfields and Outreach Section Manager, the RR Project Manager and the Solid Waste program.

Note: Final approval of proposed disposal option – on or off-site - will be in writing and authorized as a component of the Remedial Action Plan (RAP) approval, by the Department's Brownfields and Outreach Section Chief. This DNR-written approval of the disposal location is required in advance of any disposal actions taking place. The DNR reserves the right to deny payment of transportation.

5. Backfill, Capping and Cover Material

Backfill, capping and cover material brought to the Property must be from a known source that does not contain contaminants above non-industrial soil cleanup standards established in ch. NR 720, Wis. Adm. Code. The Borrower or their contractor shall submit to the City and DNR for review and approval, a materials management plan that includes a sampling and analysis plan for the material prior to it being brought on to the Property. Included in the submittal for approval shall be a description of where the material will be placed on the Property in accordance with ch. NR 718, Wis. Adm. Code.

6. Fees

If Borrower requests the DNR to conduct any technical reviews of reports, including the Site Investigation Report, Remedial Action Plan, and other reports, letters or approvals, the review is subject to the fee schedule described in chs. NR 749 or NR 750, Wis. Adm. Code. These fees are eligible for payment if incurred during the Loan Agreement period.

7. Hazardous Substances

Hazardous substances shall be analyzed and disposed of in accordance with all applicable state and federal laws, as specified in the ch. NR 700 series, Wis. Adm. Code.

8. Petroleum or Hazardous Substance Storage Tank Removal

All petroleum or hazardous substance storage tank removal(s) shall be conducted in accordance with ch. SPS 310, Wis. Adm. Code. Any wastes generated during the removal and cleaning of the tanks shall be analyzed and managed in accordance with all applicable requirements in the ch. NR 500 and ch. NR 600 series, Wis. Adm. Code. The Borrower shall submit a copy of any report that summarizes work done with regards to petroleum or hazardous substance storage tank removal(s) as a result of loan activities to the Department as a component of the final report.

NOTE

BORROWER: CONWAY AT HUXLEY LLC

LOAN AMOUNT: \$727,000.00

INTEREST RATE: From the date hereof until the [10th anniversary of closing]: 0%.
Thereafter until the Maturity Date: as set forth in the Loan Agreement.

DATE: [____], 2025

FOR VALUE RECEIVED, Conway at Huxley LLC, a Wisconsin limited liability company ("Borrower"), promises to pay to the order of the City of Madison, a Wisconsin municipal corporation, at its offices located at 210 Martin Luther King, Jr. Blvd., Room 406, Madison, Wisconsin, 53703 (the "City"), the principal sum of Seven Hundred Twenty-Seven Thousand and 00/100 Dollars (\$727,000.00), (the "Loan") together with interest at the Interest Rate, and in accordance with the terms of a Ready for Reuse Program Loan Agreement of even date between Borrower and the City (the "Loan Agreement") the provisions of which are incorporated herein by reference.

On or before December 31, 2026, Borrower shall make a payment of principal in the amount set forth on Schedule A attached hereto from Borrower's budget for the multifamily housing project to be constructed on the Property.

Commencing December 31, 2027, Borrower shall make payments of principal and interest (if applicable) in the amounts set forth on Schedule A attached hereto, which amounts shall be due and payable by Borrower solely from distributions of available "Cash Flow" (as such term is defined in the Amended and Restated Operating Agreement of Borrower dated [____], 2025, as the same is amended from time to time (the "Operating Agreement")), in the amounts and in the priority set forth in Section 4.1 of the Operating Agreement, as applicable, and shall be due and payable at such times as Borrower makes a distribution of Cash Flow pursuant to Section 4.3 of the Operating Agreement, but such distribution of Cash Flow shall not be less frequently than annually on or before December 31st of each year, subject in all respects to the terms and conditions of the Subordination Agreement. The principal balance and any remaining unpaid accrued interest shall be due and payable in full on or before the earlier of (i) the date on which Borrower sells the Project, or (ii) the later of (a) December 31, 2045 and (b) six months following the date of maturity of the Senior Loan ("Maturity Date").

THIS NOTE is secured by a Mortgage from Borrower of even date herewith (the "Mortgage") the provisions of which are incorporated herein by reference. Borrower reserves the right to prepay at any time all or any part of this Note without penalty.

DELINQUENCY CHARGE. If any payment owed under this Note, including any payment made by Guarantor under the Guaranty, is not paid on or before the 15th day after its due date, the City may collect a delinquency charge equal to 3% of the unpaid amount of the payment due.

THIS NOTE, including the entire balance of principal, together with delinquency charges, shall become immediately due and payable to the City upon the occurrence of any of the following (each, an “Event of Default”):

- A. If payment due under any of the Loan Documents is not made when due and the nonpayment continues for fifteen (15) days after written notice to Borrower specifying such nonpayment and demanding that the sums be paid;
- B. Nonperformance by Borrower of any covenant, agreement, term or condition of the Loan Agreement or any addendum or amendment thereto and Borrower has failed to cure such default within the required time period, if any, as provided in the Loan Agreement;
- C. Nonperformance by Borrower of any covenant, agreement, term or condition of the Mortgage or any addendum or amendment thereto and Borrower has failed to cure such default within the required time period, if any, as provided in the Mortgage;
- D. Failure of Borrower’s failure to perform any covenant, term or condition in the Environmental Indemnity Agreement, and Borrower has failed to cure such default within the required time period, if any, as provided in such instrument;
- E. The sale, lease, or other transfer of any kind or nature of the Property, or any part thereof, except as to leases of residential units and of commercial space therein and/or transfers as permitted in the Mortgage, without the prior written consent of the City; or
- F. Borrower becomes insolvent or the subject of state insolvency proceedings, fails generally to pay debts as they become due or makes an assignment for the benefit of creditors; or a receiver, trustee, custodian or other similar official is appointed for, or takes possession of any substantial part of the property of Borrower.

MCI Conway at Huxley, LLC, an Indiana limited liability company and its successors and/or assigns, the investor member of Borrower (the “Investor Member”), shall have the right, but not the obligation, to cure any Event of Default under this Note, and Lender shall accept performance by the Investor Member of any obligation of Borrower thereunder as though tendered by Borrower itself, provided such performance by the Investor Member has occurred during the applicable cure period, if any, provided to Borrower thereunder with respect to such Event of Default.

Any notices required to be given under this Note shall be deemed given when deposited in the United States mail, postage prepaid, addressed to the recipient or to the record successor thereof at the address designated herein. A copy of any written notice of default under this Note given to Borrower by Lender will be delivered to the Investor Member at the following address as and when such notice is given to Borrower:

MCI Conway at Huxley, LLC
410 Monon Blvd, 2nd Floor
Carmel, Indiana 46032
Attn: Asset Management

Notwithstanding anything to the contrary set forth in this Note or any of the other Loan Documents, until the latest of (i) such time as Investor Member (or an affiliate of Investor Member is not the Investor Member of the Borrower, (ii) until the end of the Compliance Period (as defined in Section 42 of the Internal Revenue Code of 1986, as amended), and (iii) the payoff of the permanent Senior Loan (as defined herein), the City's rights or remedies shall be limited as follows:

(i) this Loan shall be non-recourse to Borrower and its Investor Member, in that neither Borrower nor its Investor Member shall have corporate liability under the Loan Documents for the repayment of the Loan or for the performance of any other obligation of Borrower thereunder, and the City's only recourse for the satisfaction of the Loan and the performance of such obligations shall be the City's exercise of its rights and remedies with respect to the Property or under the Guaranty.

(ii) The City will not: (a) exercise any rights or remedies it may have under the Loan Agreement, including but not limited to, commence foreclosure proceedings with respect to the Project or exercise any other rights or remedies it may have under the Loan Documents, including but not limited to, accelerating the Loan made under this Note, collecting rents, appointing (or seeking appointment of) a receiver or collecting or attempting to collect any default interest, or (b) join with any other creditor in commencing any bankruptcy reorganization, arrangement, insolvency or liquidation proceedings with respect to the Borrower (collectively, the "Standstill Restrictions").

Notwithstanding anything to the contrary in this Note or any of the other Loan Documents, Lender agrees to apply all insurance proceeds received by it resulting from casualty or damage of the Project and all payments or awards resulting from a taking, for any public or quasi-public purpose by any lawful power or authority by exercise of the power of condemnation or eminent domain, toward the restoration, replacement or rebuilding of the Project, or any part thereof, as nearly as possible to its value, condition and operational character immediately prior to any such damage, destruction or taking ("Restoration"), provided such sufficient funds are available from all sources to complete such Restoration.

Notwithstanding anything herein to the contrary, this Note is subject and subordinate, in all respects, to that certain loan from Merchants Bank of Indiana (the "Senior Lender") to Borrower in the original principal amount of \$[_____] dated of even date herewith (the "Senior Loan") and Senior Lender's rights and remedies set forth therein. Notwithstanding the City's rights under applicable law or any provision in this Note to the contrary, none of the terms or provisions of this Note will be modified, waived, or amended without the prior written consent of Senior Lender (which consent will not be unreasonably withheld) unless and until all Borrower's obligations under the Senior Loan documents, and all other amounts due Senior Lender pursuant to the terms thereunder shall have been fully and indefeasibly paid in full. Senior Lender shall be a third party beneficiary of this section with full power and authority to enforce it. Once an event of default has occurred and is continuing with respect to the Senior Loan, Lender shall not receive any payment of any moneys, including, without limitation, principal or interest (including post-petition interest),

now or hereafter owing by Borrower in respect of any payments due and owing under the Note or any security therefor, until the default in payments due under the Senior Loan has been remedied and made current. Further, until the Senior Loan has been paid in full, the City will promptly notify Senior Lender of an Event of Default, and will not, without the prior written consent of Senior Lender, receive or take any action to collect or enforce payment of the Note or any part thereof, from Borrower, or any trustee in bankruptcy, receiver, or other liquidator of any part of Borrower's property. In connection with the stabilization of the Project and the issuance of the permanent senior financing for the Project, the construction phase of the Senior Loan shall be paid off by a permanent loan from Merchants Capital Corp ("MCC") and purchased by and assigned to Federal Home Loan Mortgage Corporation ("Freddie Mac") (the "Conversion"). At such time, all references to "Senior Lender" herein shall refer to MCC, and its successors and/or assigns, and all references to the "Senior Loan" shall refer to the permanent loan. On or about the date hereof and again at Conversion, the City shall enter into, and be subject to the terms of, the Freddie Mac required form of Subordination Agreement to subordinate the Loan to the Senior Loan (the "Subordination Agreement").

THIS NOTE shall be deemed satisfied upon full repayment by Borrower of the Note.

THE UNDERSIGNED acknowledges receipt of an exact copy of this Note.

CAPITALIZED TERMS used herein shall have the same definition and meaning as set forth in the Loan Agreement.

[SIGNATURE PAGE TO NOTE]

Signed and sealed this _____ day of _____, 2025, at Madison, Wisconsin.

BORROWER:

CONWAY AT HUXLEY LLC,
a Wisconsin limited liability company

By: Conway at Huxley MM LLC
Its: Managing Member

By: _____
Russell Condas
Its: Vice President

SCHEDULE A

| <u>Payment Date</u> | <u>Maximum Aggregate Payment Amount</u> |
|---------------------|--|
| 12/31/2026 | \$5,000 |
| 12/31/2027 | \$5,000 |
| 12/31/2028 | \$10,000 |
| 12/31/2029 | \$10,000 |
| 12/31/2030 | \$20,000 |
| 12/31/2031 | \$20,000 |
| 12/31/2032 | \$40,000 |
| 12/31/2033 | \$40,000 |
| 12/31/2034 | \$50,000 |
| 12/31/2035 | \$50,000* |
| 12/31/2036 | The Annual Amortized Payment Amount |
| 12/31/2037 | The Annual Amortized Payment Amount |
| 12/31/2038 | The Annual Amortized Payment Amount |
| 12/31/2039 | The Annual Amortized Payment Amount |
| 12/31/2040 | The Annual Amortized Payment Amount |
| 12/31/2041 | The Annual Amortized Payment Amount |
| 12/31/2042 | The Annual Amortized Payment Amount |
| 12/31/2043 | The Annual Amortized Payment Amount |
| 12/31/2044 | The Annual Amortized Payment Amount |
| 12/31/2045 | Remaining Principal Balance plus any remaining accrued interest at the Interest Rate |

* After such payment has been applied and the interest rate payable by the Borrower has been determined, the remaining principal balance of the Loan and interest thereon shall be amortized over a period of ten years, with the final payment occurring on the Maturity Date (the “Annual Amortized Payment Amount”).