January 26, 2023

VIA EMAIL: cmcglynn@ci.stoughton.wi.us

Stoughton Housing Authority of the City of
Stoughton, Wisconsin
Attn: Cindy McGlynn, Chair
c/o Stoughton City Hall
207 S. Forrest Street
Stoughton, WI 53589

RE: Greenspire Apartments (92-Unit Affordable Housing Apartment Project) located at 924 Jackson Street, City of Stoughton, Wisconsin ("Property")

Dear Ms. McGlynn:

The purpose of this letter is to document an agreement between the Stoughton Housing Authority of the City of Stoughton, Wisconsin ("Housing Authority") and Crown Court Properties, Ltd. ("CCP"). The Housing Authority grants CCP an option to purchase the buildings and the related infrastructure located on the Property, which includes the leases, security deposits and Property reserves (collectively, the "Buildings") and the option to lease the land upon which the Buildings are situated (the "Land"). The terms of the options are as follows:

1. The option fee shall be $500.00, payable by CCP within three (3) business days following the Housing Authority's agreement and acceptance of this Letter.

2. The terms of the options begin on the date of Housing Authority's agreement and acceptance of this Letter and end 18 months thereafter ("Option Period").

3. For purposes of this letter, the term "Closing" means the event during which the Housing Authority would convey the Buildings and lease the land to CCP, CCP would pay the purchase price to the Housing Authority, and the parties would take the other actions necessary to effectuate the transaction described in this letter.

4. The purchase price for the Buildings shall be $5,120,000.00 United States Dollars.

5. The purchase price shall be paid at Closing as follows:

(a) CCP and all other necessary parties (including lenders) will, at Closing, execute all documents necessary for CCP to assume all existing debt encumbering the

Property and to be bound by all related financing documents and regulatory agreements, and in so doing CCP shall be given a credit against the purchase price in the amount of $2,082,167.00.

(b) At CCP's sole option, $3,037,833.00 may be paid in one of the following ways:

i. By a wire transfer of $3,037,833.00 in United State Dollars; or

ii. The Housing Authority conditionally commits to providing a Seller loan in the principal amount of $3,037,833.00 (the "Seller Loan") that will be repaid over a 35-year period from the Property's available cash flow, require interest to accrue at the applicable federal rate determined as of the closing date, and contain such other terms and conditions as the Housing Authority may require in its sole and complete discretion. Notwithstanding the foregoing, the Housing Authority's obligation to provide the Seller Loan is conditioned upon the Housing Authority Board approving the terms of the Seller Loan to be set forth in a promissory note by March 15, 2023 (the "Final Approval Decision"), or such later date as the parties may agree in writing. The Housing Authority retains the sole and complete discretion to make the Final Approval Decision. The Housing Authority's Final Approval Decision, whatever it may be, shall not be deemed to violate any obligation under this Agreement, including any obligation of good faith and fair dealing. If the Housing Authority authorizes final approval of the Seller Loan, CCP may elect to use the Seller Loan, or to pay $3,037,833.00 in United States Dollars by wire transfer at Closing.

6. The ground lease shall be in writing, shall be for a term of 55 years, shall require rent in the amount of $1,000.00 per year, and shall be otherwise commercially reasonable and acceptable to the Housing Authority. CCP will pay all costs and expenses associated with the Land during the term of the ground lease.

7. The option to purchase the Buildings and the option to lease the Land must be exercised together or not at all, and the ground lease shall be executed at Closing.

8. CCP will invest approximately $7,500,000.00 in the Property for the purpose of rehabilitating 73 of the apartment units, all generally in accordance with the Capital Needs Assessment Report prepared by Hirsch Group Architecture dated March 22, 2022 and March 28, 2022 ("CNA").

9. The Property will continue to be affordable housing for not less than 30 years, with tax credit tenants having income levels not greater than 60% of the average median income. The Housing Authority will cooperate with CCP regarding all regulatory matters to ensure this requirement.

10. At Closing, the Housing Authority shall be provided the option to purchase the Property and assume the ground lease of the Land approximately 15 years from the date of closing, in a manner that is commercially reasonable and reasonably satisfactory to the Housing Authority.

11. CCP will pay all costs necessary for its due diligence and to submit a WHEDA application by January 27, 2023 for affordable housing tax credits to partially finance the improvements to the Property described in the CNA. To exercise the options, CCP shall provide the Housing Authority written notice within the Option Period. The parties will close within 90 days (or such other time frame as is mutually agreed upon) of the Housing Authority's receipt of such notice. The Housing Authority will sell the Buildings and lease the Land to CCP "as-is, with all faults." The Housing Authority will provide access to the Property so CCP may perform its due diligence activities, provided all access times and due diligence activities are first approved by the Housing Authority. CCP may assign the options to an entity owned or controlled by CCP, and that is reasonably acceptable to the Housing Authority.

12. This Agreement and CCP's obligations under this Agreement shall survive the Closing and shall continue in effect until all of CPP's obligations have been fully performed.

Very truly yours,

Crown Court Properties, Ltd.

By:_____
Menachem Rapoport, Vice President

Agreed and accepted this 27th day of January, 2023, by:

Stoughton Housing Authority of the City of Stoughton, Wisconsin

By:_____
Cindy McGlynn, Chair

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