

<p>Municipal Building 625 52nd Street – Room 204</p>	<p><i>HOME Program Commission Agenda</i></p>	<p>December 2, 2013 4:30 p.m.</p>
<p><i>Alderman Curt Wilson - Chairman, Alderman Daniel Prozanski, Jr. - Vice Chairman, Alderman Anthony Kennedy, Alderman Tod Ohnstad, Anita Faraone, Ron Frederick and Anderson Lattimore</i></p>		

Call to Order and Roll Call

Approval of Minutes from October 1, 2013

1. Revised HOME Agreement between the City of Kenosha and Kenosha Seniors Limited Partnership for the Glenwood Senior Apartment Complex at 1920 27th Avenue. (District #4)
PUBLIC HEARING (Also referred to Finance Committee)

Public Comments

Commissioner Comments

Staff Comments

Adjournment

HOME PROGRAM COMMISSION
Minutes
October 1, 2013

MEMBERS PRESENT: Alderman Anthony Kennedy, Alderman Tod Ohnstad, Anita Faraone, Ronald Frederick and Anderson Lattimore

MEMBERS EXCUSED: Alderman Wilson and Alderman Prozanski

STAFF PRESENT: Mike Maki, Tony Geliche and Jeff Labahn

The meeting was called to order at 7:10 p.m. by Alderman Ohnstad and roll was taken.

A motion was made by Alderman Kennedy and seconded by Mr. Lattimore to approve the minutes from May 29, 2013. The motion passed. (Ayes 5; Noes 0)

1. Election of Chairperson and Vice Chairperson

A motion was made by Alderman Kennedy and seconded by Mr. Lattimore to nominate Alderman Wilson as Chairperson. The motion passed. (Ayes 5; Noes 0)

A motion was made by Alderman Kennedy and seconded by Mr. Lattimore to nominate Ms. Faraone as Vice-Chairperson. The motion passed. (Ayes 5; Noes 0)

2. Consideration of the 2014 HOME Program Description

Mr. Frederick asked Staff if a "rider" should be added because of the discussion at the CDBG meeting. Anthony Geliche, Community Development Specialist, said the proposed changes will make Habitat for Humanity eligible. They are a sub-recipient, not a CHDO yet. If they had CHDO status, that would make them eligible for HOME funds.

Mike Maki, Community Development Specialist, said out of 14 eligible activities, the HOME Commission recommends which activities should be funded. Mr. Frederick asked if we want to recognize we have a Habitat for Humanity that could use CHDO funds. Mr. Maki said we have advised Habitat how to become a CHDO. However, aren't they accepting CHDO funds yet? Carpenters Home Improvement Program (CHIP) previously received CHDO funds, but they ceased in 2010.

Mr. Geliche said if they want to use funds as a CHDO, they must come to us and apply. They City even needs to certify them as a CHDO on an annual basis.

Ms. Faraone asked if any of the HOME funds are going to the Redevelopment Authority. Mr. Geliche said no, those are other funds.

Mr. Maki said the \$350,000 to \$356,000 can be used for 14 different uses. We currently have 4 activities: 1) HOME rental assistance; 2) HOME Buyer Program; 3) Down payment and Closing cost assistance; and 4) Tenant Based Rental Assistance and recommend adding "Acquisition and/or rehabilitation of homebuyer properties by a CHDO or sub-recipient."

A motion was made by Alderman Kennedy and seconded by Ms. Faraone to approve the 2014 HOME Program Description with the revisions as suggested. The motion passed. (Ayes 5; Noes 0)

Public Comments

No public comments.

Commissioner Comments

No Commissioner comments.

Staff Comments

Mr. Maki informed the Commission that the Tenant Based Rental Assistance (TBRA) Program is up and running with part-time KHA Staff. They are assisting two (2) households at the current time and have identified all 40 households that potentially need assistance.

Alderman Ohnstad asked that an update be presented to the HOME Program Commission before being presented to the Common Council.

Mr. Maki said we have sold five of the City homes this year, we have two offers pending and two more in progress.

Ms. Faraone asked how long we can help a tenant. Mr. Maki said we can provide assistance for up to 2 years. If an opening occurs on the Section 8 list, they move to that type of assistance.

A motion to adjourn was made by Ms. Faraone and seconded by Mr. Lattimore. The motion passed. (Ayes 5; Noes 0) The meeting adjourned at 7:23 p.m.

Meeting Minutes Prepared by: Kay Schueffner, Community Development & Inspections

Community Development Division 625 52nd Street Kenosha, WI 53140 262.653.4030	HOME Program Commission FACT SHEET	December 2, 2013	Item 1
Revised HOME Agreement between the City of Kenosha and Kenosha Seniors Limited Partnership for the Glenwood Senior Apartment Complex at 1920 27th Avenue. (District #4) PUBLIC HEARING (Also referred to Finance Committee)			

ANALYSIS:

- Glenwood Senior Apartments, located at 1920 27th Avenue in the Lou Demarco Village campus, was constructed in 1996 and was originally provided with four (4) HOME loans in the amount of \$557,000. Two (2) of the HOME loans have been repaid, totaling \$323,779.70 with interest, most recently in December 2011.
- Glenwood has a total of sixty (60) units, of which twenty-four (24) are HOME-assisted units. All units are low-income Senior apartments. The two (2) remaining HOME loans of \$16,500 and \$240,500 required repayment as a balloon payment on February 6, 2013. Both mortgage notes allowed the loans to be extended by an additional 23 years.
- The HOME Program Commission and Common Council previously approved the extension of the two (2) remaining loans until February 6, 2036, concurrent with the approval of a loan subordination for a new WHEDA loan for the project. The project Owner intends to apply for WHEDA tax credits in the future to help rehabilitate the project. As disclosed at the time of the loan subordinations, the loan extensions will help the Owner get additional points on their application. At this time, it is expected the Owner will submit a tax credit application in 2015.
- A revised HOME Agreement and two (2) new mortgage notes have been drafted to reflect current HOME Program requirements and to reflect the changes in loan terms approved through the loan subordination. The revision also reflects language that through the approval of the revised HOME Agreement, the City consents to any transfer, sale or assignment of limited partnership interests in the Owner. The limited partnership interest is intended to transfer to a tax credit investor in the future so the project can be rehabilitated with the WHEDA tax credits.

RECOMMENDATION:

A recommendation is made to approve the revised HOME Program Agreement between the City of Kenosha and Kenosha Senior's Limited Partnership for the Glenwood Senior Apartment Complex.


 Mike Maki, AICP, Community Development Specialist


 Jeffrey B. Labahn, Director

/u2/acct/cp/ckays/1HOME PROG/2013/DEC2/fact-revise-agree-glenwood.odt

Attachments:

- HOME Program Agreement
- Exhibit B, Home Program Loan Terms
- Exhibit C1, Mortgage Note for \$240,500 loan and Loan Repayment Restructure
- Exhibit C2 Mortgage Note for \$16,500 loan and Amortization table
- Exhibit D, Rider to HOME Program Agreement

HOME PROGRAM AGREEMENT

This HOME Program Agreement (the "Agreement") is made and entered into as of the ___(day)___ of ___(month)___, 2013, by and between the **CITY OF KENOSHA** ("City"), whose principal business office is located at 625-52nd Street, Kenosha, Wisconsin 53140, and **KENOSHA SENIORS LIMITED PARTNERSHIP** and/or assigns, a Wisconsin limited partnership (the "Owner"), whose principal business office is located at 3900 South Prairie Hill Lane, Greenfield, WI 53228.

WITNESSETH:

WHEREAS, the Owner has developed the real estate legally described as shown on **Exhibit A** attached hereto (the "Property") and proposes to rehabilitate thereon the existing sixty (60) Affordable Senior Apartment Complex located at 1920 27th Avenue in the City of Kenosha (the "Project"); and

WHEREAS, the City has previously approved a request to delay repayment of two (2) existing loans, a loan of \$240,500 and a second loan of \$16,500 (the "Loans"), evidenced by two (2) revised and restated Mortgage Notes from the Owner to the City (the "Notes"), and secured by existing Real Estate Mortgages (the "Real Estate Mortgages") for both loans on the Property from the Owner to the City; and

WHEREAS, the Owner previously entered into a HOME Program Agreement, dated February 6, 1996, the former of which is to be replaced by this Agreement; and

WHEREAS, the Owner also previously entered into a Declaration of Restrictive Covenants, dated February 6, 1996 (the "Declaration"), providing for certain restrictions on the use of the Property (the Notes, the Real Estate Mortgages, the Declaration and this Agreement together being hereinafter referred to collectively as the "Loan Agreement"); and

WHEREAS, as a consideration for the City agreeing to delay repayment of the Loans to Owner, Owner enters into this Agreement;

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Use of Funds.** Owner shall apply to the Wisconsin Housing and Economic Development Authority (WHEDA) to apply for a new allocation of affordable housing tax credits to rehabilitate the Project. The delayed repayment of the Loans to the City are to be used by the Owner to score additional points on the Tax Credit application for financial participation by the City.
2. **HOME Loan Terms.** The terms of the loan are attached as **Exhibit B**. The form of the Mortgage Notes are also attached as **Exhibits C1** and **C2** respectively.
3. **Affordability/Repayment.** The terms of the Notes attached hereto as Exhibit C1 and C2, the existing Real Estate Mortgages, and the Declaration, are hereby incorporated herein by reference, and noncompliance with any term or condition of any of them shall be deemed a default hereunder. Repayment of the HOME funds is required if the Project does not meet the affordability requirements during the Affordability Period, as defined in Section 14.
4. **Project Requirements.** The Owner shall comply with the Project requirements set forth in 24

CFR Part 92 Subpart F, as applicable to the Project and the "HOME units," as defined in the Declaration of Restrictive Covenants, and shall also include the following.

- a) The Project shall be operated as a Senior Apartment Complex to be occupied by persons age 55 years or older.
 - b) The Project must meet all applicable local codes, ordinances, and zoning ordinances at the time of project completion pursuant to 24 CFR 92.251.
 - c) The HOME-assisted units must be occupied only by individuals that are eligible as very low-income households and shall be occupied in conformance with Section 6, Rent Restrictions, of this Agreement, and the Declaration of Restrictive Covenants.
 - d) The Project must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined at 24 CFR 100.201, and the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619). Specifically, all common spaces in the Project must be made accessible in accordance with the Uniform Federal Accessibility Standards (UFAS). In accordance with the UFAS, the Project shall contain a minimum of three (3) units that must be accessible to individuals with mobility impairments. Additionally, a minimum of one (1) additional unit must be accessible to individuals with hearing or vision impairments.
 - e) The Owner shall maintain the Project in compliance with applicable HUD Housing Quality Standards (HQS) pursuant to 24 CFR 982.401, and state and local housing code requirements. The property standards shall be maintained in accordance with applicable housing quality standards throughout the Affordability Period.
 - f) The Project is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856).
5. **Income Determinations for HOME-assisted units.** All HOME-assisted units in the Project are deemed to be Low HOME Rent/ Low Income Housing Tax Credit (LIHTC) units. Eligibility for a Low HOME Rent unit shall be limited to households where the annual gross income of the tenant is not greater than fifty (50%) of the area median income (Very Low Income) or the LIHTC income limit, whichever is less. The Owner/manager is required to determine the household income of tenants at the time of application and each subsequent year during the Affordability Period. The City will provide HOME income limits to the Owner/manager on an annual basis during the Affordability Period upon release from HUD. Income determination shall be in accordance with the "Part 5" definition as defined at 24 CFR 5.609. The Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the upcoming 12-month period, subject to inclusions and exclusions as defined in Part 5.
- a) Initial Income Eligibility Determination. The Owner/manager is required to determine the expected income of all household members for the next 12 months in order to determine if the household is income-eligible. For initial determination, the Owner/manager must examine income source documents to verify the accuracy of information provided on the household's application. The income determination may not exceed the HUD income limits provided by the City. Acceptable income source documents are:
 1. Wage statements for the preceding 60 days, or an average of the household's income for the past year if intermittent employment;
 2. Interest statements;
 3. Unemployment compensation statements; and
 4. Third party verifications from employers, banks or others with first-hand information

about the applicant's finances. Verifications should be in writing and can include documented telephone interviews.

b) Duration of Income Determination. The Owner/manager may use an applicant's income-eligibility determination for up to six (6) months following the determination. Income-eligibility must be redetermined if the determination is greater than six months old.

c) Recertification of Tenant Income Eligibility. Prior to lease renewal, the Owner/manager is required to verify the continued income eligibility of the tenant. Where source documentation is not required under the LIHTC program, the Owner/manager may require a written statement and certification by the tenant. Such statement must state the tenant household's annual income and household size. The statement must also include a certification that the information provided by the tenant is complete and accurate and the tenant will provide source documentation upon request. Source documentation must be examined by the Owner/manager if the tenant's written statement does not completely and accurately disclose household size or annual income. In any event, income shall be verified through source documents every sixth year during the Affordability Period.

d) Process for Over-Income Tenants. Tenants are considered over-income when their income exceeds 140% of the income limit, in accordance with the LIHTC rules. Where the tenant's income exceeds 140% of the income limit, the tenant's rent shall be increased in accordance with the LIHTC program rules. The unit is considered a HOME-assisted unit that is temporarily out of compliance until the current tenant vacates the unit and can be rented to another very-low income tenant. In no case shall the Owner/manager terminate or refuse to renew the lease based on the tenant's increased income.

6. **Rent Restrictions.** All HOME-assisted units in the Project must be occupied only by households that are eligible as very-low income households as defined under the HUD adjusted HOME income limits or the LIHTC income limits, whichever is less, except where stated in 5 d) above. The City will provide HOME Program rent limits and the current Kenosha Housing Authority Utility Allowance Schedule to the Owner/manager on an annual basis during the Affordability Period upon release from HUD and the Kenosha Housing Authority.

a) Rent Schedule and utility allowances. Where the tenant pays for utilities, the Owner/manager shall deduct a utility allowance from the rent limit. Utility allowances shall be in accordance with the current Utility Allowance Schedule through the Kenosha Housing Authority. Rents shall not exceed the maximum rent minus the monthly allowances for utilities and services.

b) Subsequent Rent Increases. The City shall review and approve all rent increases during the Affordability Period, subject to the maximum rent limitations for that period, less any applicable utility allowances. In no case shall the Owner be required to charge lower rents than those in effect at the time of Project commitment, as defined under 24 CFR Part 92.2 . At such time rent increases are proposed by the Owner/manager, the tenants must be provided written notice of such increase not less than thirty (30) days prior to the implementation of any increase. In no case shall rent be increased to an amount greater than the maximum rent limits in effect at the time of the proposed increase.

c) Procedure for City Approval of Initial Rents and Rent Increases. The Owner/manager shall notify the City in writing to request approval of rent increases during the Affordability Period for the HOME-assisted units. The City shall respond within a reasonable period of time upon receipt of such notice. City approval is required prior to the required thirty (30) day notice to tenants and prior to initial lease-up of the HOME-assisted units.

7. **Tenant and Participation Protection.**

a) City Approval of Changes to Standard Lease Agreements . In accordance with HOME program requirements, the City shall be required to approve all changes to the standard lease used for HOME-assisted units.

b) Required Lease Provisions. Owner shall include the following required provisions within the lease for Home-assisted units (Descriptions of each term are provided following the term):

1. *Income Eligibility/Annual Income Recertification*. The Owner retains the right to recertify the tenant's HOME income-eligibility on an annual basis. The provision of false information and/or failure to cooperate in the income recertification process by a tenant constitutes a violation of the lease and can result in termination of the lease.

2. *HOME Rent Restrictions/Rent Increases*. Rents are subject to the rent restrictions of the HOME Program. Owner retains the right to adjust rents, in accordance with the HOME rent limits. The rents for tenants whose income exceed the HOME rent limits for the units they occupy will be increased.

3. *Lease Renewal*. Owner may choose not to renew a tenant's lease for good cause, along with a definition of "good cause". Owner must give the tenant a written notice at least 30 days before the tenant must vacate the unit.

4. *Lease Term*. The lease for a HOME-assisted unit must be for at least 1 year, unless the tenant and the owner mutually agree upon a shorter term.

5. *Annual Unit Inspection*. The Owner retains the right to inspect, and permit the City and HUD to inspect, HOME-assisted units during the Affordability Period.

6. *Accessible Units*. Owners may choose to include a provision in the lease of a tenant that occupies, but does not need, an accessible unit giving the Owner the right to request the tenant to move into a comparable non-accessible unit, should the accessible unit be needed for a person with a disability.

7. *Lead Warning Statement*. The Owner confirms that there is compliance with lead-based paint notification requirements.

c) Prohibited Lease Terms. The lease may not contain any of the following provisions per 24 CFR Section 92.253(b):

1. *Agreement to be sued*. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease;

2. *Treatment of Property*. Agreement by the tenant that the Owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant moved out of the unit. The Owner may dispose of this personal property in accordance with State law;

3. *Excusing Owner from responsibility*. Agreement by the tenant not to hold the Owner or the Owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

4. *Waiver of notice*. Agreement of the tenant that the Owner may institute a lawsuit without notice to the tenant;

5. *Waiver of legal proceedings*. Agreement by the tenant that the Owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

6. *Waiver of a jury trial*. Agreement by the tenant to waive any right to a trial by jury;

7. *Waiver of right to appeal court decision*. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

8. *Tenant chargeable with cost of legal actions regardless of outcome*. Agreement by the tenant to pay attorney's fees or other legal costs.

d) Termination of Tenancy. The Owner may not terminate the tenancy or refuse to renew the lease of a tenant of a HOME-assisted unit except for violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; or for other good cause. To terminate or refuse to renew tenancy, the Owner must serve written notice upon the tenant

specifying the grounds for the action at least 30 days before the termination of tenancy.

e) Tenant Selection Criteria. The Owner must adopt written tenant selection policies and criteria that:

1. Are consistent with the purpose of providing housing for very low-income and low-income families;
2. Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
3. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable;
4. Give prompt written notification to any rejected applicant of the grounds for any rejection; and
5. Describe HOME requirements applicable to tenants and the tenant selection process.

f) City Approval of Tenant Selection Policies and Criteria. The Owner/manager is required to submit its written tenant selection policies and criteria for review and approval by the City.

8. **Other Program Requirements.** The Owner shall carry out its responsibilities hereunder in compliance with all federal laws and regulations described in 24 CFR Part 92 Subpart H, except for the City's responsibilities for environmental review in 24 CFR Section 92.352 or the intergovernmental review process in 24 CFR Section 92.357.

Other Federal Requirements applicable to the HOME Program for this Project include the following:

- a) Nondiscrimination in Housing (24 CFR 92.350(b)). Pursuant to Federal Fair Housing laws, the Owner shall not discriminate on a person's race, color, religion, sex, familial status, national origin, age and disability. Nor shall the Owner discriminate in the rental of units, in establishing terms and conditions of property rentals, or in advertising the availability of rental housing units, or an applicant who receives a direct rental subsidy.
- b) Conflict of Interest (24 CFR 92.356). The Owner, including an officer, employee, agent or consultant of the Owner, may not occupy a Home-assisted unit in the Project.
- c) Fair Housing and Equal Opportunity. The project shall comply with the following Federal requirements:
 1. *24 CFR 92.202, Site and Neighborhood Standards*
 2. *Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. Seq.)* - Prohibits discrimination on basis of race, color, and national origin in all Federally-assisted projects.
 3. *Fair Housing Act (42 U.S.C. 3601-3620)* – Prohibits discrimination in the sale, rental and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status, and disability.
 4. *Handicapped Accessibility per Section 504 of the Rehabilitation Act of 1973 (implemented at 24 CFR Part 8)*, for Multi-family buildings only, 24 CFR 100.205 (implements the Fair Housing Act) – Prohibits discrimination based on the disability in all programs or activities operated by recipients of Federal financial assistance.
 5. *Executive Order 11063 (amended by Executive Order 12259)* – Prohibits discrimination against individuals on the basis of race, color, religion, sex, and national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds.
 6. *Age Discrimination Act of 1975 as amended (42 U.S.C. 6101)* – Prohibits age discrimination in programs receiving Federal financial assistance, and
 7. *Other Federal requirements at 24 CFR 5.105(a)*

- d) Equal Opportunity Employment, Executive Order 11246 (implemented at 41 CFR Part 60). The Order prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin.
 - e) Anti-lobbying (24 CFR 91.225 & 24 CFR part 87). No federal funds have been paid or will be paid, by or on behalf of the Owner, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. The Owner further agrees that if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Owner shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - f) Displacement, Relocation and Acquisition (24 CFR Section 92.353). The Owner shall comply with requirements for minimizing displacement, temporary relocation and relocation assistance for displaced persons, as required by 24 CFR Section 92.353.
9. **Affirmative Marketing.** The Owner shall comply with the City's affirmative marketing procedures and requirements adopted pursuant to 24 CFR Section 92.351. The Owner/manager shall adopt affirmative marketing steps to provide information and otherwise attract eligible persons for the HOME-assisted units without regard to race, color, national origin, sex, religion, familial status or disability. The Owner shall be required to use the Equal Housing Opportunity logotype or slogan in all press releases, advertisements, and other marketing procedures, as well as display of Fair Housing posters within the Project. The Owner shall be required to adopt procedures to inform and solicit applications from persons who are not likely to apply for the HOME-assisted units without special outreach, including provisions for additional steps to make accessible units available to persons with disabilities. The Owner shall be required to maintain records that describe the actions taken to affirmatively market units and record the results of such actions. The City reserves the right to review the records that document the Owner's affirmative marketing actions on an annual basis. The Owner is required to take corrective actions when the affirmative marketing requirements are not met, in accordance with 24 CFR 92.351(a)(2)(v). The City reserves the right to amend the affirmative marketing procedures, and notify the Owner of such changes, without an amendment to the HOME Program Agreement.
10. **Minority Outreach.** The Owner shall comply with a Minority Outreach program, adopted pursuant to 24 CFR Section 92.351(b), to ensure the inclusion, to the maximum extent possible, of minorities and women and entities owned by minorities and women, including without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services are used when possible in the procurement of property and services.
11. **Records and Reports.**
- a) Generally. The Owner shall maintain such records related to the Project as the City, HUD or the Office of Inspector General may reasonably require. Such reports shall be made available to the City, HUD or Office of Inspector General related to the Project during the term of this Agreement, including, but not limited to, all those records required to be maintained and all those

reports required to be made from time to time by the U.S. Department of Housing and Urban Development. Owner shall, without charge to the City, HUD or the Office of Inspector General make such records available for inspection and copying, and shall make the Project available, subject to the rights of tenants, for inspection, at any time during normal business hours and upon reasonable advance notice to the Owner of the request to make any such inspection.

b) Tenant Files. The Owner shall maintain a separate file for each tenant, which shall include: all leases, in compliance with 24 CFR Section 92.253, and all amendments; annual income certifications and third party verifications; applications and third party verifications; letters of complaint and responses; and notices of default and responses.

c) Project Files. The Owner shall maintain records which document the following:

1. The Project is in compliance with applicable property standards, as described above;
2. Whether the Project is mixed income, mixed use or both and that the Project complies with the applicable eligibility provisions;
3. The race and ethnic heritage of each tenant and each applicant for tenancy, and whether each such household is headed by a man, woman, or both;
4. Actions undertaken by the Owner to meet equal opportunity and fair housing regulations and the Owner's outreach to minority owned and female owned businesses, including data indicating the racial/ethnic or gender character of each business entity receiving a contract or a subcontract of \$25,000, or more paid or to be paid with proceeds of the Loan, the amount of the contract or subcontract, and documentation of the Owner's affirmative steps to ensure that minority and women business enterprises have equal opportunity to obtain and compete for contracts and subcontracts as sources of supplies, equipment, construction and services;
5. Waiting list;
6. Compliance with affirmative marketing procedures;
7. Compliance with federal and state environmental review requirements; and,
8. Compliance with the requirements of any laws related to relocation and labor standards, including those referenced at Section 9. c).

d) Periodic Reports. The Owner shall submit all information related to the Loan and the Project as may be requested by the City, including the following reports on an annual basis:

1. Rent and Occupancy Report with information on: HOME-assisted unit numbers, tenants, household size, number of bedrooms in unit, date of last income certification, maximum rent, utility allowance, monthly unit rent, tenant's annual gross income and compliance status.
2. Project narrative concerning pending capital improvements, status/turn-over of property management staff, significant property issues, number and reasons for unit vacancies and balance in reserve for replacement.
3. Copy of annual audit.

e) Financial Reports. The City reserves the right to request copies of the Owner's: operating budget, balance sheet, income statement and the property's rent roll at any time during the Affordability Period.

f) Retention of Records. The Owner is required to maintain individual tenant income, rent and inspection records for the most recent five (5) years throughout the Affordability Period, until five (5) years after the end of the Affordability Period. General records shall be retained for five (5) years after completion of the Project.

12. **Monitoring**. The Project shall be monitored by the City in accordance with the HOME Final Rule (24 CFR Part 92) to ensure that it complies with the HOME requirements throughout the Affordability Period and that the property is maintained in accordance with applicable property standards.

a) Required Review of Records and Documents. The City will review all records on-site at the

Project that document the Owner's compliance with HOME requirements such as: tenant income-eligibility; rent restrictions; affirmative marketing; tenant selection; and property standards.

b) Required Property Inspections. The City is required to perform a site visit in accordance with the HOME Final Rule (24 CFR Part 92) to inspect the Project's exterior and common spaces and 10 to 15% of the HOME-assisted units in the Project.

c) Re-inspections. The City reserves the right to charge the Owner a re-inspection fee to verify the corrections of deficiencies noted in the required property inspection.

d) Notification Requirements for On-site visits. The City shall notify the Owner in writing a minimum of ten (10) days regarding the scheduling of the on-site review of records and documents and the required property inspections. Owner shall be required to notify tenants whose HOME-assisted units will be inspected a minimum of five (5) days prior to such inspection.

e) Determination of non-compliance. The City shall determine if the Project meets HOME requirements as a result of monitoring. In such cases where the Project is determined to be out of compliance, the City will notify the Owner of its determination of compliance violations, including the level of the violation and the corrective actions needed to meet HOME requirements.

1. *Level of violations.*

- Level 1: One-time instances of noncompliance;
- Level 2: Moderate to severe instances of noncompliance that have multiple occurrences, and/or suggests that there are problems with management or operational issues in carrying out the requirements; and
- Level 3: Instances of gross negligence, fraud, discrimination, or physical conditions that pose an imminent threat to the health or safety of the tenants.

2. *Corrective Actions.*

The City shall, its sole discretion, have the right to utilize any or all of the following corrective actions:

(a) Level 1 Violations

- Document the violation(s) in a written notice to Owner with a specified timeframe to correct the violation.
- Verify the violation has been corrected within the established timeframe.
- Require the Owner to make property improvements and pay for re-inspection of units.
- Increase monitoring to ensure the violation does not recur.

(b) Level 2 Violations

- Meet with Owner to provide direction to correct violations within a specified timeframe.
- Document the violation(s) in a written notice to Owner with a specified timeframe to correct the violations.
- Verify that all violations have been corrected within the established timeframe.
- Require the Owner to pay for re-inspection of units.
- Increase monitoring to ensure the violations do not recur.
- Require the Owner and management to participate in technical assistance to review HOME requirements.
- Impose a one-time or short-term financial penalty.
- Require the Owner to submit additional reports or submit reports on a more frequent basis.
- Require the Owner to secure a new management agent.

(c) Level 3 Violations

- Meet with Owner to provide direction to correct violations within a specified timeframe.

- Document the violation(s) in a written notice to Owner with a specified timeframe to correct the violations.
- Verify that all violations have been corrected within the established timeframe.
- Increase monitoring to ensure the violations do not recur.
- Require the Owner and management to participate in technical assistance to review HOME requirements.
- Impose a financial penalty.
- Require a separate written agreement to specify terms and conditions to address the violation.
- Require the Owner to pay for re-inspection of units
- Accelerate full payment of the balance of the loan.
- Require amendment of the terms of the HOME loan.
- Require the Owner to submit additional reports or submit reports on a more frequent basis.
- Restart or extend the Affordability Period.
- Require the Owner to secure a new management agent.
- Foreclose on the property.
- Restrict the Owner from participating in future HOME-funded programs.
- Add the Owner to HUD's debarred list.

13. **Enforcement.** The Loan Agreement specifies certain remedies available to the City for enforcement of this Agreement. If at any time the City believes a default has occurred under the Loan Agreement, the City may give written notice thereof to the Owner. The Owner shall have 120 days following receipt of such notice to cure any such default before the City may declare default (which the City may only do if the event of default is not cured or waived) under the Loan Agreement and proceed to exercise any of the City's remedies thereunder. Among other remedies, the City may declare the Loan to be immediately due and payable in full and may institute and prosecute any proceeding at law or in equity to obtain injunctive relief, to compel specific performance or to recover monetary damages together with the costs and expenses of any proceeding for the collection thereof, including reasonable attorneys' fees, or the City may take any other action available to remedy the violation.

No delay by the City in instituting or prosecuting any remedy shall operate as a waiver of the City's right to do so or to pursue other remedies. Owner shall not be deemed to be in default if the default is a result of unforeseeable causes beyond Owner's control and without its fault or negligence, including, but not limited to, acts of God, the public enemy or the federal government, fires, floods, epidemics, quarantine restrictions, strikes, embargoes or unusually severe weather or delays of subcontractors due to such causes.

14. **Duration of the Agreement.** This Agreement shall continue in full force and effect during the Affordability Period, which is defined as twenty (20) years from the completion date (March 25, 1999) entered into the U.S. Department of Housing and Urban Development (HUD) reporting system, currently the Integrated Disbursement and Information System (IDIS), unless extended by amendment of this Agreement. Notwithstanding the foregoing, this Agreement shall terminate as provided in 24 CFR Section 92.252(e) upon foreclosure or transfer in lieu of foreclosure. This Agreement shall be revived according to the original terms if, during the Original Term, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or Property.

15. **Applicable Laws.** Owner shall at all times comply with and cause the Project to be in compliance with all federal, state, county, and city laws and regulations which are applicable to the Project or applicable to Owner as owner of the Project.
16. **Representations.** Owner represents and warrants to the City as of the date hereof that the Owner is a Wisconsin limited partnership, and has all requisite power, licenses and authority necessary to conduct its business, including owning the Property, and that this Agreement constitutes the legal, valid and binding obligation of the Owner, enforceable in accordance with the terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting the enforcement of creditors' rights generally.
17. **Assignment.** Owner's obligations under this Agreement may not be assigned without the prior written consent of the City. Where the City agrees to assign this Agreement, it shall be binding to all successors and assigns.
18. **Counterparts.** This Agreement may be executed in counterparts, with the counterparts together forming but one Agreement.
19. **Modification or Amendment.** This Agreement may be modified or amended by mutual consent of both the City and the Owner.
20. **Addendum.** The provisions of the Addendum attached hereto as Exhibit D are incorporated herein by reference.
21. **Notices.** Notices as required pursuant to this Agreement shall be made by personal delivery, overnight delivery service or certified mail, return receipt requested, and addressed as shown in the first paragraph above and:

If to the **City, in care of:**

Director, Department of Community
Development & Inspections
Municipal Building, Room 308
625 - 52nd Street
Kenosha, WI 53140

with a copy to:

City Attorney
Municipal Building, Room 201
625 - 52nd Street
Kenosha, WI 53140

If to **Kenosha Seniors Limited Partnership:**

Philip J. Schultz, President
Midwest Affordable Housing Corporation
3900 South Prairie Hill Lane
Greenfield, WI 53228

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CITY OF KENOSHA

By: _____
Keith G. Bosman, Mayor

(SEAL)

By: _____
Debra L. Salas, Clerk/Treasurer

**KENOSHA SENIORS LIMITED
PARTNERSHIP**

a Wisconsin limited partnership

By: Kenosha Seniors GP, LLC
a Wisconsin limited liability company
its General Partner

By: Midwest Affordable Housing Corporation
a Wisconsin non-stock corporation
its Limited Partner

By: _____
Philip J. Schultz, as President of Midwest
Affordable Housing Corporation and
Member of Kenosha Seniors GP, LLC

EXHIBIT A

LEGAL DESCRIPTION OF LAND

Address: *1920 27th Avenue*
Parcel No.: *07-222-24-127-006*

LOT 1-B OF CERTIFIED SURVEY MAP NO. 1829 RECORDED IN THE KENOSHA COUNTY REGISTER OF DEEDS OFFICE ON JUNE 30, 1995 AS DOCUMENT NO. 994663, BEING IN THE NORTHEAST 1/4 OF SECTION 24, TOWN 2 NORTH, RANGE 22 EAST OF THE FOURTH PRINCIPAL MERIDIAN, LYING AND BEING IN THE CITY OF KENOSHA, KENOSHA COUNTY, WISCONSIN.

ALSO

PART OF CERTIFIED SURVEY MAP NOS. 1793 AND 1829, PLATS ON FILE AND OF RECORD IN THE KENOSHA COUNTY LAND REGISTRY, LYING AND BEING IN THE NORTHEAST QUARTER OF SECTION 24, TOWN 2 NORTH, RANGE 22 EAST OF THE FOURTH PRINCIPAL MERIDIAN; BEING IN THE CITY OF KENOSHA, KENOSHA COUNTY, WISCONSIN, AND MORE PARTICULARLY DESCRIBED AS: BEGINNING ON THE WEST LINE OF 27TH AVENUE AT THE SOUTHEAST CORNER OF LOT 1-B OF CERTIFIED SURVEY MAP NO. 1829, A PLAT OF RECORD; WHICH CORNER IS ALSO THE NORTHEAST CORNER OF LOT 2 OF CERTIFIED SURVEY MAP NO. 1793, A PLAT OF RECORD; THENCE SOUTH 01° 41' 10" EAST ALONG THE WEST LINE OF SAID 27TH AVENUE 2.00 FEET; THENCE NORTH 88° 50' 41" WEST 340.10 FEET; THENCE NORTH 01° 42' 39" WEST 2.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1-B; THENCE SOUTH 88° 50' 51" EAST ALONG THE SOUTH LINE OF SAID LOT 1-B, 340.11 FEET TO THE WEST LINE OF SAID 27TH AVENUE AND THE SOUTHEAST CORNER OF SAID LOT 1-B AND THE POINT OF BEGINNING.

EXHIBIT B
HOME PROGRAM LOAN TERMS

<i>Borrower</i>	Kenosha Seniors Limited Partnership
<i>Commitment</i>	<ul style="list-style-type: none"> ➤ Existing Loans of \$240,500.00 and \$16,500.00
<i>Loan Amount, Interest Rate & Terms</i>	<ul style="list-style-type: none"> ➤ Existing loan of \$240,500 with 2% simple interest on the principal amount ■ Term of the loan shall be 23 years with no payments due for years one (1) through three (3). ■ Interest only payments for years four (4) through twenty-two (22). ■ A lump sum final payment of Principal, along with accrued interest, in year twenty-three (23). ➤ Existing loan of \$16,500 with 6.77% per annum, compounded annually since February 6, 1996. ■ A lump sum payment of Principal, along with interest, in year twenty-three (23) ➤ Entire loan balances due upon sale or transfer of the property ➤ All unpaid principal and accrued interest bears interest after maturity of the loan, whether occurring through lapse of time, acceleration or otherwise, at the rate of 12% per year until paid.
<i>Collateral</i>	Existing mortgages on the land and building located at 1920 27 th Avenue, Kenosha, WI.
<i>Purpose</i>	<ul style="list-style-type: none"> ➤ Extension of loan repayments will provide points for financial participation by the City for a WHEDA Tax Credit Application. ➤ WHEDA tax credits will be used to rehabilitate the property.
<i>Principal Covenants</i>	<p>The borrower shall enter into, or continue to comply, with the following agreements and covenants, among others, customary to these types of transactions:</p> <ol style="list-style-type: none"> 1. HOME Program Agreement 2. Declaration of Restrictive Covenants entered into on February 6, 1996 3. Compliance with the US Department of Housing and Urban Development (HUD) and City of Kenosha HOME Program requirements 4. Compliance with all Other Federal Requirements as applicable to the HOME Program Final Rule (24 CFR Part 92).

All documents used for this transaction shall be reviewed and approved by the City Attorney's office in all respects.

EXHIBIT C1

\$240,500.00 MORTGAGE NOTE

MORTGAGE NOTE

\$240,500.00

February 6, 2013
("Date of Commencement")

FOR VALUE RECEIVED, the undersigned, KENOSHA SENIORS LIMITED PARTNERSHIP, a Wisconsin limited partnership (hereinafter the "BORROWER") promises to pay to the order of the City of Kenosha, a municipal corporation of the State of Wisconsin, (hereinafter the "LENDER") or its successors, the principal sum of Two Hundred Forty Thousand Five Hundred and No/100 Dollars (\$240,500.00) payable at 625 52nd Street, Kenosha, Wisconsin 53140 or at such place as may be designated by LENDER. Said payments shall be directed to the City Clerk or such person as may be designated by LENDER.

This NOTE evidences a loan by LENDER to BORROWER for the exclusive purpose of providing a portion of funds necessary to rehabilitate a (60) sixty unit Senior Residential Care Apartment Complex at 1920 27th Avenue (hereinafter the "PROJECT").

This NOTE is secured by a Mortgage dated January 23, 1996 and recorded with the Register of Deeds for Kenosha County, Wisconsin on February 12, 1996 as Document No. 1014407, made by BORROWER in favor of LENDER, as beneficiary, on the above-reference PROJECT (the "MORTGAGE"). Additional terms of the loan evidenced by this NOTE are set forth in the Mortgage, the Home Program Agreement of even date herewith between the Borrower and the Lender (the "HOME PROGRAM AGREEMENT"), and the Declaration of Restrictive Covenants between BORROWER and LENDER dated February 6, 1996 and recorded with the Register of Deeds for Kenosha County, Wisconsin on February 12, 1996 as Document No. 1014405 (the "DECLARATION"), and payment may be accelerated for a breach of any of them. This Note, the Mortgage, the HOME Program Agreement and the Declaration are sometimes hereinafter referred to as the "Loan Documents."

This NOTE bears simple interest at an annual rate of Two Percent (2%). The term of this NOTE shall be Twenty-three (23) years or until the balance is paid in full; whichever comes first.

During the term of this NOTE, BORROWER shall not be required to make payments on the first through fourth anniversaries of the Date of Commencement set forth above. On the fifth through twenty-second anniversaries of the Date of Commencement BORROWER shall make payments of interest only (the first interest payment shall be due on February 25, 2016 and each subsequent payment shall be due on the same day of each calendar year thereafter through and including February 25, 2035). The principal of Two Hundred Forty Thousand Five Hundred and No/100 Dollars (\$240,500.00), along with accrued but unpaid interest shall be paid in full by February 23, 2036 (which is the twenty-third anniversary of the Date of Commencement). An amortization schedule is attached hereto and incorporated herein by reference.

Notwithstanding any other provision of this NOTE, all unpaid principal and accrued interest bear interest after maturity of this NOTE, whether occurring through lapse of time or acceleration, at the rate of 12% per year until paid.

All payments shall be applied in such manner as LENDER determines to interest, principal, and payments due under any agreement securing this NOTE.

If the BORROWER shall default in the payment of any installment due under the NOTE, and such default is not cured prior to one hundred and twenty (120) days of such default, or BORROWER shall default in the performance of any covenant or provision of this NOTE or any other Loan Document, and BORROWER fails to cure such default within one hundred and twenty (120) days of notice of such default then the entire unpaid principal amount of this NOTE, together with accrued interest and late charges, shall become immediately due and payable, at the option of the LENDER, without notice to BORROWER. Failure of the LENDER to exercise such option shall not constitute a waiver of such default. No default shall exist by reason of nonpayment of any required installment of principal and interest, so long as the amount of optional prepayments already made pursuant hereto equals or exceeds the amount of the required installments. If LENDER exercises its option to declare the entire amount of this NOTE immediately due and payable as provided above, BORROWER hereby agrees to pay LENDER's costs and expenses of collection, including reasonable attorney's fees and court costs. If this NOTE is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on such judgments in the State of Wisconsin, or if there is no such maximum, at the rate of twelve (12%) percent PER ANNUM. This NOTE shall be governed by and interpreted by the laws of the State of Wisconsin, except to the extent superseded by Federal law.

If any installment remains unpaid for a period of fifteen (15) days from its due date, the BORROWER hereby agrees to pay to the LENDER a late charge of five (5%) percent of the unpaid amount of such installment.

This is a non-recourse obligation and no personal liability shall be asserted hereunder against BORROWER, its permitted assigns, or their partners. Upon default, the obligations hereunder shall be payable only from the proceeds of LENDER collateral.

Any forbearance by the LENDER with respect to any of the terms and conditions of this NOTE in no way constitutes a waiver of any of the LENDER's rights or privileges granted hereunder. Any written notice or payment of one party to the other shall be addressed to the parties as follows:

LENDER	City Clerk 625 52nd Street, Room 105 Kenosha, Wisconsin 53140
with a copy to :	City Attorney 625 52nd Street, Room 201 Kenosha, Wisconsin 53140
BORROWER	Philip J. Schultz, President Midwest Affordable Housing Corporation 3900 South Prairie Hill Lane Greenfield, Wisconsin 53228

The BORROWER shall notify the LENDER, in writing, of any change in the Borrower's name and address within ten (10) days of any change.

Nothing contained herein or in any of the other Loan Documents shall restrict the ability of Borrower's limited partner to transfer, sell or assign its limited partner interest in Borrower and Lender hereby consents to any such transfer, sale or assignment of Borrower's limited partner interest and agrees that such transfer, sale or assignment shall not constitute a default under this NOTE or the other Loan Documents.

If Borrower's limited partner sells its limited partner interest to a tax credit investor at any time during the term of this Note, LENDER agrees to give said investor a copy of all notices given to Borrower hereunder on the condition that Lender is given written notice of the transfer of the Borrower's limited partner interest and is provided with said investor's address for notices.

The BORROWER reserves the right to prepay at any time all or any part of the remaining balance of this NOTE without the payment of penalties or premiums.

All parties to this NOTE hereby waive presentment for payment, demand, protest, notice of protest, and notice of dishonor. The BORROWER hereby waives, to the extent permitted by law, and all homestead and other exemption rights with otherwise would apply to the debt evidenced by this NOTE.

This Amended and Restated Mortgage Note amends, restates and supersedes that certain \$240,500.00 Mortgage Note dated February 6, 1996, executed by BORROWER and payable to LENDER (the "Original Note"). This Amended and Restated Mortgage Note is executed and delivered in substitution for, and in replacement of, the Original Note and is a continuation of existing indebtedness of BORROWER to LENDER and shall in no way be construed to constitute a novation of the indebtedness evidenced by the Original Note.

[Signature Page Follows]

IN WITNESS WHEREOF, this NOTE has been duly executed by the undersigned BORROWER, as of the date shown above.

Kenosha Seniors Limited Partnership,
a Wisconsin limited partnership,

By: Kenosha Seniors GP, LLC,
a Wisconsin limited liability company
its General Partner

By: Midwest Affordable Housing Corporation,
a Wisconsin non-stock corporation,
its Limited Partner

By: _____
Philip J. Schultz, as President of Midwest
Affordable Housing Corporation and
Member of Kenosha Seniors GP, LLC

STATE OF WISCONSIN)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013, by Philip J. Schultz, to me known to be the person who executed the foregoing instrument.

Notary Public, _____ County
My Commission expires: _____

KENOSHA HOME LOAN RESTRUCTURE
 GLENWOOD SENIOR APARTMENTS
 KENOSHA, WISCONSIN
 11/06/2013

LOAN PAYMENT RESTRUCTURE

Year	Description	Principal	Interest	Annual Payment	Principal Balance
1 (2013)	No payment	\$-	\$-	\$-	\$240,500
2 (2014)	No payment	\$-	\$-	\$-	\$240,500
3 (2015)	No payment	\$-	\$-	\$-	\$240,500
4 (2016)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
5 (2017)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
6 (2018)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
7 (2019)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
8 (2020)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
9 (2021)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
10 (2022)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
11 (2023)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
12 (2024)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
13 (2025)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
14 (2026)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
15 (2027)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
16 (2028)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
17 (2029)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
18 (2030)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
19 (2031)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
20 (2032)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
21 (2033)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
22 (2035)	Interest only @ 2%	\$-	\$4,810	\$4,810	\$240,500
23 (2036)	Interest @ 2% and lump sum payment of Principal	\$240,500	\$4,810	\$245,310	\$-
Totals		\$240,500	\$96,200	\$336,700	

TERMS

The repayment of the HOME loan was approved to have a term of an additional 23 years and an interest rate of 2%.
 No payments are proposed in Year 1 - Year 3; in Year 4 - Year 22, interest-only payments are required.
 A lump sum payment of Principal, along with the interest, will be paid in Year 23.

EXHIBIT C2

\$16,500.00 MORTGAGE NOTE

MORTGAGE NOTE

\$16,500.00

February 6, 2013
("Date of Commencement")

FOR VALUE RECEIVED, the undersigned, KENOSHA SENIORS LIMITED PARTNERSHIP, a Wisconsin limited partnership (hereinafter the "BORROWER") promises to pay to the order of the City of Kenosha, a municipal corporation of the State of Wisconsin, (hereinafter the "LENDER") or its successors, the principal sum of Sixteen Thousand Five Hundred and No/100 Dollars (\$16,500.00) payable at 625 52nd Street, Kenosha, Wisconsin 53140 or at such place as may be designated by LENDER. Said payments shall be directed to the City Clerk or such person as may be designated by LENDER.

This NOTE evidences a loan by LENDER to BORROWER for the exclusive purpose of providing a portion of funds necessary to rehabilitate a (60) sixty unit Senior Residential Care Apartment Complex at 1920 27th Avenue (hereinafter the "PROJECT").

This NOTE is secured by a Mortgage dated January 23, 1996 and recorded with the Register of Deeds for Kenosha County, Wisconsin on February 12, 1996 as Document No. 1014408, made by BORROWER in favor of LENDER, as beneficiary, on the above-reference PROJECT (the "MORTGAGE"). Additional terms of the loan evidenced by this NOTE are set forth in the Mortgage, the Home Program Agreement of even date herewith between Borrower and Lender (the "HOME PROGRAM AGREEMENT") and the Declaration of Restrictive Covenant between BORROWER and LENDER, dated February 6, 1996 and recorded with the Register of Deeds for Kenosha County, Wisconsin on February 12, 1996 as Document No. 1014405 (the "DECLARATION"), and payment may be accelerated for a breach of any of them. This NOTE, the Mortgage, the HOME Program Agreement and the Declaration are sometimes hereinafter referred to as the "Loan Documents").

This NOTE bears compounded interest at an annual rate of 6.77% per year. The term of this NOTE shall be Twenty-three (23) years from the Date of Commencement or until the balance is paid in full; whichever comes first.

During the term of this NOTE, BORROWER shall not be required to make payments on the first through twenty-second anniversaries of the Date of Commencement set forth above. The principal of Sixteen Thousand Five Hundred and No/100 Dollars (\$16,500.00), along with the interest incurred since February 6, 1996, shall be paid in full by February 6, 2036, the twenty-third anniversary of the Date of Commencement. An amortization schedule is attached hereto and incorporated herein by reference.

Notwithstanding any other provision of this NOTE, all unpaid principal and accrued interest bear interest after maturity of this NOTE, whether occurring through lapse of time or acceleration, at the rate of 12% per year until paid.

All payments shall be applied in such manner as LENDER determines to interest, principal, and payments due under any agreement securing this NOTE.

If the BORROWER shall default in the payment of any installment due under the NOTE, and such default is not cured prior to one hundred and twenty (120) days of such default, or BORROWER shall default in the performance of any covenant or provision of this NOTE or any other Loan Document, and BORROWER fails to cure such default within one hundred and twenty (120) days of notice of such default then the entire unpaid principal amount of this NOTE, together with accrued interest and late charges, shall become immediately due and payable, at the option of the LENDER, without notice to BORROWER. Failure of the LENDER to exercise such option shall not constitute a waiver of such default. No default shall exist by reason of nonpayment of any required installment of principal and interest, so long as the amount of optional prepayments already made pursuant hereto equals or exceeds the amount of the required installments. If LENDER exercises its option to declare the entire amount of this NOTE immediately due and payable as provided above, BORROWER hereby agrees to pay LENDER's costs and expenses of collection, including reasonable attorney's fees and court costs. If this NOTE is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on such judgments in the State of Wisconsin, or if there is no such maximum, at the rate of twelve (12%) percent PER ANNUM. This NOTE shall be governed by and interpreted by the laws of the State of Wisconsin, except to the extent superseded by Federal law.

If any installment remains unpaid for a period of fifteen (15) days from its due date, the BORROWER hereby agrees to pay to the LENDER a late charge of five (5%) percent of the unpaid amount of such installment.

This is a non-recourse obligation and no personal liability shall be asserted hereunder against BORROWER, its permitted assigns, or their partners. Upon default, the obligations hereunder shall be payable only from the proceeds of LENDER collateral.

Any forbearance by the LENDER with respect to any of the terms and conditions of this NOTE in no way constitutes a waiver of any of the LENDER's rights or privileges granted hereunder. Any written notice or payment of one party to the other shall be addressed to the parties as follows:

LENDER	City Clerk 625 52nd Street, Room 105 Kenosha, Wisconsin 53140
with a copy to :	City Attorney 625 52nd Street, Room 201 Kenosha, Wisconsin 53140
BORROWER	Philip J. Schultz, President Midwest Affordable Housing Corporation 3900 South Prairie Hill Lane Greenfield, Wisconsin 53228

The BORROWER shall notify the LENDER, in writing, of any change in the Borrower's name and address within ten (10) days of any change.

Nothing contained herein or in any of the other Loan Documents shall restrict the ability of Borrower's limited partner to transfer, sell or assign its limited partner interest in Borrower and Lender hereby consents to any such transfer, sale or assignment of Borrower's limited partner interest and agrees that such transfer, sale or assignment shall not constitute a default under this NOTE or the other Loan Documents.

If Borrower's limited partner sells its limited partner interest to a tax credit investor at any time during the term of this Note, LENDER agrees to give said investor a copy of all notices given to Borrower hereunder on the condition that Lender is given written notice of the transfer of the Borrower's limited partner interest and is provided with said investor's address for notices.

The BORROWER reserves the right to prepay at any time all or any part of the remaining balance of this NOTE without the payment of penalties or premiums.

All parties to this NOTE hereby waive presentment for payment, demand, protest, notice of protest, and notice of dishonor. The BORROWER hereby waives, to the extent permitted by law, and all homestead and other exemption rights with otherwise would apply to the debt evidenced by this NOTE.

This Amended and Restated Mortgage Note amends, restates and supersedes that certain \$16,500.00 Mortgage Note dated February 6, 1996, executed by BORROWER and payable to LENDER (the "Original Note"). This Amended and Restated Mortgage Note is executed and delivered in substitution for, and in replacement of, the Original Note and is a continuation of existing indebtedness of BORROWER to LENDER and shall in no way be construed to constitute a novation of the indebtedness evidenced by the Original Note.

[Signature Page Follows]

IN WITNESS WHEREOF, this NOTE has been duly executed by the undersigned BORROWER, as of the date shown above.

Kenosha Seniors Limited Partnership,
a Wisconsin limited partnership

By: Kenosha Seniors GP, LLC,
a Wisconsin limited liability company
its General Partner

By: Midwest Affordable Housing Corporation,
a Wisconsin non-stock corporation,
its Limited Partner

By: _____
Philip J. Schultz, as President of Midwest
Affordable Housing Corporation and
Member of Kenosha Seniors GP, LLC

STATE OF WISCONSIN)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013,
by Philip J. Schultz, to me known to be the person who executed the foregoing instrument.

Notary Public, _____ County
My Commission expires: _____

AMORTIZATION SCHEDULE

	Principal	Interest	Loan Balance
			\$16,500
1997	\$16,500	\$1,117	\$17,617
1998	\$16,500	\$1,193	\$18,810
1999	\$16,500	\$1,273	\$20,083
2000	\$16,500	\$1,360	\$21,443
2001	\$16,500	\$1,452	\$22,894
2002	\$16,500	\$1,550	\$24,444
2003	\$16,500	\$1,655	\$26,099
2004	\$16,500	\$1,767	\$27,866
2005	\$16,500	\$1,887	\$29,753
2006	\$16,500	\$2,014	\$31,767
2007	\$16,500	\$2,151	\$33,918
2008	\$16,500	\$2,296	\$36,214
2009	\$16,500	\$2,452	\$38,666
2010	\$16,500	\$2,618	\$41,283
2011	\$16,500	\$2,795	\$44,078
2012	\$16,500	\$2,984	\$47,062
2013	\$16,500	\$3,186	\$50,248
2014	1 \$16,500	\$3,402	\$53,650
2015	2 \$16,500	\$3,632	\$57,282
2016	3 \$16,500	\$3,878	\$61,160
2017	4 \$16,500	\$4,141	\$65,301
2018	5 \$16,500	\$4,421	\$69,722
2019	6 \$16,500	\$4,720	\$74,442
2020	7 \$16,500	\$5,040	\$79,481
2021	8 \$16,500	\$5,381	\$84,862
2022	9 \$16,500	\$5,745	\$90,608
2023	10 \$16,500	\$6,134	\$96,742
2024	11 \$16,500	\$6,549	\$103,291
2025	12 \$16,500	\$6,993	\$110,284
2026	13 \$16,500	\$7,466	\$117,750
2027	14 \$16,500	\$7,972	\$125,722
2028	15 \$16,500	\$8,511	\$134,233
2029	16 \$16,500	\$9,088	\$143,321
2030	17 \$16,500	\$9,703	\$153,024
2031	18 \$16,500	\$10,360	\$163,383
2032	19 \$16,500	\$11,061	\$174,444
2033	20 \$16,500	\$11,810	\$186,254
2034	21 \$16,500	\$12,609	\$198,864
2035	22 \$16,500	\$13,463	\$212,327
2036	23 \$16,500	\$14,375	\$226,701
		\$210,201	

EXHIBIT D

RIDER TO HOME PROGRAM AGREEMENT

This RIDER is attached to and made a part of that certain HOME PROGRAM AGREEMENT dated _____, 2013 (the "HOME Agreement") by and between the City of Kenosha (the "City") and Kenosha Seniors Limited Partnership (the "Owner"). In the event of any conflicts or inconsistencies between the terms of this Rider and the attached HOME Agreement, this Rider shall control to the extent of such conflicts or inconsistencies.

1. Nothing contained in the HOME Agreement or in the Loan Agreement (as such term is defined in the HOME Agreement) shall restrict the ability of the Owner's limited partner to transfer, sell or assign its limited partner interest in the Owner and the City hereby consents to any such transfer, sale or assignment of the Owner's limited partner interest and agrees that such transfer, sale or assignment shall not constitute a default under the HOME Agreement or the Loan Agreement.

2. IF THE OWNER'S LIMITED PARTNER SELLS ITS LIMITED PARTNER INTEREST TO A TAX CREDIT INVESTOR AT ANY TIME DURING THE TERM OF THE HOME AGREEMENT, THE CITY AGREES TO GIVE SAID INVESTOR A COPY OF ALL NOTICES GIVEN TO THE OWNER THEREUNDER ON THE CONDITION THAT THE CITY IS GIVEN WRITTEN NOTICE OF THE TRANSFER OF THE OWNER'S LIMITED PARTNER INTEREST AND IS PROVIDED WITH SAID INVESTOR'S ADDRESS FOR NOTICES.

3. Nothing contained in the HOME Agreement or the Loan Agreement shall limit or restrict the ability of the Owner's Investor Limited Partner, if any, or its successors and assigns to transfer, sell or assign its ownership interest in the Owner, from time to time, without consent of the City, provided that said Investor Limited Partner remains liable for payment of any then unpaid capital contributions to Owner, as and when payable, as set forth in any amended and restated partnership agreement executed by Owner and said Investor Limited Partner, notwithstanding any such transfer, sale or assignment. In particular, the City hereby consents to any transfers, sales or assignments of limited partnership interests in the Owner to any affiliate of the Investor Limited Partner or any entity in which the Investor Limited Partner, or an affiliate, is the manager or managing general partner and agrees that such transfers shall not constitute defaults under the HOME Agreement or the Loan Agreement.

4. The City's Real Estate Mortgages shall be subject and subordinate to any amounts due under the first mortgage (in favor of WHEDA) encumbering the Property or any refinance of the first mortgage encumbering the Property (the "Senior Mortgage"), so long as the City's Real Estate Mortgages in the City's discretion are adequately secured by the the Project equity.

5. The City agrees to cooperate and to sign any additional documents and/or subordination agreements which may be reasonably required by any Investor Limited Partner and/or any future Senior Mortgage holder in connection with the Owner's rehabilitation of the Project.

[Signature Page Follows]

CITY:

City of Kenosha

By: _____
Keith G. Bosman, Mayor

By: _____
Debra L. Salas, Clerk/Treasurer

OWNER:

Kenosha Seniors Limited Partnership,
a Wisconsin limited partnership,

By: Kenosha Seniors GP, LLC,
a Wisconsin limited liability company
its General Partner

By: Midwest Affordable Housing Corporation,
a Wisconsin non-stock corporation,
its Member

By: _____
Philip J. Schultz, as President of Midwest
Affordable Housing Corporation and Member of
Kenosha Seniors GP, LLC