



Milwaukee County

County Courthouse
901 N. 9th Street, Rm.
105
Milwaukee, WI 53233

Signature Copy

Resolution: 13-869

File Number: 13-869

A resolution/ordinance amending Chapter 1 of the Milwaukee County Code of General Ordinances, Rules of the County Board of Supervisors, related to abstaining from voting. (12/05/13: Referred to Corporation Counsel for further information.)

SEE ATTACHMENTS

RECORD OF COUNTY BOARD AND COUNTY EXECUTIVE ACTIONS

The attached resolution or ordinance was ADOPTED by the Milwaukee County Board of Supervisors on 2/6/2014 by the following vote:

Ayes: 14 Borkowski, Bowen, Broderick, Cullen, Dimitrijevic, Johnson Jr., Jursik, Lipscomb Sr., Rainey, Romo West, Stamper II, Staskunas, Taylor, and Weishan

Noes: 4 Alexander, Haas, Mayo Sr., and Schmitt

Certification of County Board Passage by County Board Chairwoman

[Signature of Marina Dimitrijevic]

Marina Dimitrijevic

Date FEB 06 2014

Certification of County Board Passage by County Clerk

[Signature of Joseph J. Czarnecki]

Joseph J. Czarnecki

Date FEB 06 2014

County Executive approval/veto of attached resolution/ordinance.

Chris Abele

Date

Received by County Clerk

[Signature of Joseph J. Czarnecki]

Joseph J. Czarnecki

Date 3/19/2014

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(ITEM) A resolution by Supervisor Stamper II amending Chapter 1 of the Milwaukee County Code of General Ordinances, Rules of the County Board of Supervisors, related to abstaining from voting, by recommending adoption of the following:

FEB 06 2014

ADOPTED

14-4

AN AMENDED RESOLUTION / ORDINANCE

WHEREAS, each County Board Supervisor represents approximately 53,000 constituents in their respective districts; and

WHEREAS, as a means to increase transparency and open governmental practices, it is reasonable and prudent that Supervisors who wish to abstain from a voice vote provide verbal rationale for abstaining to the public; now, therefore,

BE IT RESOLVED, the County Board of Supervisors does hereby adopt the following ordinance amending Chapter 1, Section 1.04, of the General Ordinances of Milwaukee County, by adopting the following:

AN ORDINANCE

To amend Chapter 1 of the General Ordinances of Milwaukee County relating to the Rules of the County Board of Supervisors.

The Milwaukee County Board of Supervisors does ordain as follows:

SECTION 1. Chapter 1 of the General Ordinances of Milwaukee County is hereby amended as follows:

Chapter 1 RULES OF THE COUNTY BOARD OF SUPERVISORS

1.04. Voting.

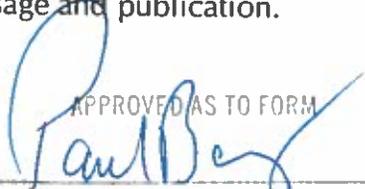
(a)

Quorum. A majority of the supervisors entitled to a seat in the county board shall constitute a quorum for the transaction of business. All questions shall be determined by a majority of the supervisors present, unless otherwise provided by statute or this chapter.

(b)

Abstain from voting. No member shall abstain from voting on a question when put, except by specific notice of that supervisor. Any member wishing to abstain from voting ~~may~~ is expected to make a brief verbal statement of the reason for abstaining.

SECTION 2. This ordinance shall become effective upon passage and publication.

APPROVED AS TO FORM

CORPORATION COUNSEL

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/18/13

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution to amend Chapter 1 of the Milwaukee County General Ordinances in regards to voting abstention

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

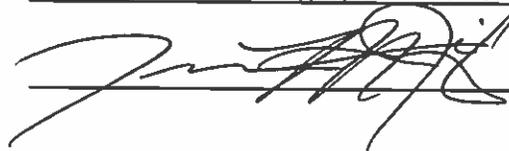
In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution/ordinance shall have no fiscal impact.

Department/Prepared By Jessica Janz-McKnight, Research Analyst, County Board

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.



Milwaukee County

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Milwaukee, WI 53233

Signature Copy

Action Report: 14-111

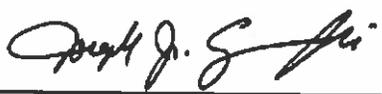
File Number: 14-111

A resolution in support of federal and state legislation to raise and index the minimum wage.

RECORD OF COUNTY BOARD AND COUNTY EXECUTIVE ACTIONS

The attached resolution or ordinance was ADOPTED AS AMENDED by the Milwaukee County Board of Supervisors on 2/6/2014 by the following vote:

- Ayes:** 13 Bowen, Broderick, Cullen, Dimitrijevic, Haas, Johnson Jr., Jursik, Lipscomb Sr., Mayo Sr., Rainey, Romo West, Stamper II, and Weishan
Noes: 5 Alexander, Borkowski, Schmitt, Staskunas, and Taylor

Certification of County Board Passage by County Board Chairwoman	 _____ Marina Dimitrijevic	Date <u>FEB 06 2014</u>
Certification of County Board Passage by County Clerk	 _____ Joseph J. Czarnezki	Date <u>FEB 06 2014</u>
County Executive approval/veto of attached resolution/ordinance.	 _____ Chris Abele	Date <u>3/19/14</u>
Received by County Clerk	_____ Joseph J. Czarnezki	Date _____



OFFICE OF THE COUNTY EXECUTIVE

Chris Abele

MILWAUKEE COUNTY EXECUTIVE

DATE: March 19, 2014

TO: The Honorable Milwaukee Board of Supervisors

FROM: Chris Abele, Milwaukee County Executive

RE: Veto of County Board File No. 14-111 on issue related to minimum wage

I am vetoing County Board File No. 14-111 pursuant to the authority granted to me by Article IV, Section 23(a) of the Wisconsin Constitution and Section 59.17(6) of the Wisconsin Statutes.

The County Board adopted an amended resolution on February 6, 2013 that added the language, "Be it further resolved, that, in addition to raising the minimum wage at the state and federal level, Milwaukee County supports Wis. Stats. Chapter 104 Minimum Wage law which permits Milwaukee County and other local units of government to enact a living wage ordinance in the absence of action by the state and federal governments."

This language was added, without any communication with me or my government affairs staff, to a resolution I sent down to the Board to establish a County position that favors increasing the minimum wage at the state and federal level. One Supervisor opined on the Board floor that this amendment looked like it was meant to be some sort of poison pill. If Supervisors were interested in amending my resolution, I would have welcomed this discussion.

As I have stated many times, I continue to be in full support of raising the minimum wage at the state or federal level.

I ask that Supervisors sustain this veto.

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B 06 2014
Dimitrijevic
m.#1
Adopted
13-5
ADOPTED
AS AMENDED
13-5

(ITEM) A resolution by County Executive Chris Able in support of federal and state legislation to raise and index the minimum wage, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the federal minimum wage is currently set at \$7.25 per hour, is not indexed for inflation, and was last increased by congressional action in 2009; and

WHEREAS, the state minimum wage matches the current federal level at \$7.25 per hour; and

WHEREAS, a broadly applied minimum wage benefits those at the bottom end of the wage scale without hindering localities' competitiveness relative to others; and

WHEREAS, numerous studies show that when attempting to address income inequality through raising the minimum wage, it is preferable to utilize as broad an action as possible rather than localized initiatives which can reduce economic competitiveness; and

WHEREAS, Senator Tom Harkin and Senate Majority Leader Harry Reid have introduced S 1737, the "Minimum Wage Fairness Act," which will raise the minimum wage incrementally over three years to \$10.10 in 2016 and thereupon provide for annual indexing of the wage rate by the Labor Department based on increases in the Consumer Price Index; and

WHEREAS, Representative George Miller and 154 co-sponsors, including three Wisconsin Representatives, Gwen Moore, Mark Pocan, and Ron Kind, have introduced the companion bill, the "Fair Minimum Wage Act of 2013" (H.R. 1010) in the United States House of Representatives; and

WHEREAS, in November of 2013, the President of the United States, Barack Obama, announced his support for the legislation and urged Congress to act on this legislation; and

WHEREAS, Representatives Cory Mason and Eric Genrich along with Senators Bob Wirch and Nikiya Harris have introduced draft legislation, LRB 3599, which will raise the state minimum wage to correspond to the federal proposal of \$10.10 per hour and provide for future indexing of the wage; and

WHEREAS, the County Executive and other elected officials have been supportive of past efforts to raise the minimum wage and support fully this federal and state legislation; and

APPROVED AS TO FORM

COUNTY CLERK

46 WHEREAS, support for this legislation is consistent with the mission of Milwaukee
47 County to “enhance self-sufficiency... and economic opportunity and quality of life for all
48 its people;” now, therefore,
49

50 BE IT RESOLVED, that Milwaukee County adopts a position in support of federal
51 legislation, S 1737 and H.R. 1010, and state legislation such as LRB 3599 to raise the
52 minimum wage to \$10.10 and encourage its swift passage; and
53

54 BE IT FURTHER RESOLVED, that upon adoption, the Milwaukee County Clerk is
55 authorized and directed to send copies of this resolution to members from Wisconsin of the
56 United States Congress; and
57

58 BE IT FURTHER RESOLVED, that Department of Government Affairs is authorized
59 to communicate this position to elected officials and advocate for this legislation’s
60 enactment into law.
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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 1/24/2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Supporting federal and state legislation to raise and index the minimum wage; and authorizing the Department of Government Affairs to advocate for related legislation.

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
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<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

2014 JAN 24 AM 11:37

RECEIVED



Milwaukee County

County Courthouse
901 N. 9th Street, Rm.
105
Milwaukee, WI 53233

Signature Copy

Ordinance: 13-955

File Number: 13-955

A resolution/ordinance enacting a minimum living wage ordinance for service, concession, lease and financial assistance agreements publicly funded by Milwaukee County and amending Chapter 32.09(17) of the Milwaukee County Code of General Ordinances. (12/16/13: Laid Over)

RECORD OF COUNTY BOARD AND COUNTY EXECUTIVE ACTIONS

The attached resolution or ordinance was ADOPTED AS AMENDED by the Milwaukee County Board of Supervisors on 2/6/2014 by the following vote:

Ayes: 12 Bowen, Broderick, Cullen, Dimitrijevic, Haas, Johnson Jr., Lipscomb Sr., Mayo Sr., Rainey, Romo West, Stamper II, and Weishan

Noes: 6 Alexander, Borkowski, Jursik, Schmitt, Staskunas, and Taylor

Certification of County Board Passage by County Board Chairwoman Marina Dimitrijevic Date FEB 06 2014

Certification of County Board Passage by County Clerk Joseph J. Czarnecki Date FEB 06 2014

County Executive approval/veto of attached resolution/ordinance. Chris Abele Date 3/19/14

Received by County Clerk Joseph J. Czarnecki Date



OFFICE OF THE COUNTY EXECUTIVE

Chris Abele

MILWAUKEE COUNTY EXECUTIVE

DATE: March 19, 2014

TO: The Honorable Milwaukee Board of Supervisors

FROM: Chris Abele, Milwaukee County Executive

RE: Veto of County Board File No. 13-955 on issue related to the living wage ordinance

I am vetoing County Board File No. 13-955 pursuant to the authority granted to me by Article IV, Section 23(a) of the Wisconsin Constitution and Section 59.17(6) of the Wisconsin Statutes. The County Board adopted a resolution on February 6, 2013 enacting a living wage ordinance.

The County Board and I share a common goal of reducing poverty in Milwaukee County and I would like to thank the authors of this resolution for their passion, good intentions and desire to make Milwaukee County a better place to live. I would further ask them to join with me in pressing the State and Federal governments to raise the minimum wage to benefit all workers and not place Milwaukee County in a competitive disadvantage.

For three years I have been restoring programs that address poverty in Milwaukee County. I've kept bus fares flat and increased transit service, I've added millions of dollars to mental health care and I've strengthened safety-net programs across the County. I know a number of Supervisors supported those efforts and I am proud that we did those things together without raising taxes while insulating and strengthening our core services from budget pressures. The same cannot be said for this living wage mandate.

An analysis by the independent Comptroller found that the living wage plan, if enacted, will cost taxpayers \$4.2 million in 2015, rising to \$7.3 million in 2019. Not only is that an unsustainable spending plan, it will also threaten our ability to maintain our core services, including many of the safety-net services that benefit low income workers.

The Comptroller's independent analysis clearly shows that this living wage ordinance will make many County services more expensive, including amenities and concessions at the parks and zoo. For example, the janitorial contract alone will cost taxpayers an additional \$3.8 million over the next five years. This is \$3.8 million less that we can spend on the County's core safety-net services.

Family Care Impact: The most catastrophic impact would be on the Milwaukee County Department of Family Care (Family Care). As you know, Family Care provides crucial services to the frail, elderly and

MILWAUKEE COUNTY COURTHOUSE, 901 NORTH 9TH STREET, ROOM 306, MILWAUKEE, WI 53233
TELEPHONE (414) 278-4211 FAX (414) 223-1375 COUNTY.MILWAUKEE.GOV/COUNTYEXECUTIVE

disabled – some of the most vulnerable members of our community. Family Care funding comes directly from the State, which is under no obligation to adjust the per capita rates to match the expenditures imposed by the living wage ordinance. According to the Comptroller, the wage mandate would drive \$2.6 million in additional Family Care expenditure in 2015 alone – with annual cost increases from there. Because future wages would rise based on the average annual increase in the Federal poverty tables, an additional cost of approximately \$740,000 per year would be incurred annually by Family Care, based on an estimated 2.5% annual increase.

Some Supervisors have argued that Family Care has ample reserves to cover this gap. While it is true that Family Care has managed its programs effectively and efficiently, they should not be punished for this. The Family Care reserve account of \$21 million has been carefully established to insulate Family Care from other pressures and increase the sustainability of its services in the face of volatility. The wage mandate would deplete the reserve in only three years, assuming no decreases in capitation rates from the State and no other draws on these reserves. However, we already know these assumptions are far from secure - there will be other burdens on Family Care. Just this year, the State decreased its capitation rate for the second time in three years, necessitating Family Care to draw down their reserves. Further, the rollout of the Affordable Care Act is expected to result in additional fiscal impact on the scale of \$3 million annually. Thus, the living wage mandate threatens Family Care's stability, and more importantly the stability of the services it provides to the most vulnerable.

While it has been suggested that Milwaukee County may elect to cover Family Care's losses with tax levy should the program become insolvent, the Family Care contract with the State states:

“In the event the MCO fails to maintain and report the required solvency protection, the MCO may be put under corrective action and shall submit a plan to the Department for approval that includes an analysis of the reasons for the shortfall and a plan for restoring the required solvency protection. If the MCO continues to maintain inadequate solvency protection, the Department may impose sanctions ... or terminate the contract in accordance with Article XVI.E.3., Unilateral Termination...”

(<http://www.dhs.wisconsin.gov/LTCare/StateFedReqs/cy2014mcocontract.pdf>)

Therefore, it is up to the State to either allow the County to supplement Family Care losses with tax levy or choose to terminate the program. According to the Comptroller and Family Care, the current trend by the State has been to terminate insolvent programs.

Termination of the Family Care contract with the State would have an immediate, negative impact on:

- The 88 Milwaukee County Department of Family Care employees who will be laid-off.
- Nearly 500 care managers and nurses employed by 18 community agencies to provide care management, who will be laid-off. Family Care is the only Managed Care Organization that contracts with community agencies for care management. Thus, if their contract were terminated, it is unlikely that community partners will be able to continue to provide care management.

- Family Care members, who will be forced to enroll with another MCO or with IRIS (the State's Self Directed Supports Waiver). That new entity will be under no obligation to pay in-home care workers any more than the Federal minimum wage, currently at \$7.25 per hour. This is far less than most employees are currently paid through Family Care.
- Family Care's contract termination will result in a \$3 million dollar annual hole in the Milwaukee County budget when the Department of Family Care is no longer a contributor to the budget and its administrative and legacy costs.

Family Care is, and has been, committed to providing cost of living adjustments to in-home care workers. Home healthcare workers have, in fact, received increases for the past three years. The Department is able to do this through careful fiscal analysis - ensuring workers can receive increases without endangering the quantity or quality of services provided. Currently, Family Care pays an average of \$10.45 to its in-home care employees. I believe this approach to achieving the same goal – continuing to proactively raise wages as the Department can support them – is the most responsible path forward.

Exemptions: In addition to the fiscal impact, I am very troubled by some of the exemptions included in this ordinance and what the exemptions imply. Provision 111.03(2)(b) states that:

“The requirements of this section may be modified or waived as regard employees who are covered by a collective bargaining agreement between the employer and a bona fide union, where the parties to such collective bargaining agreement expressly specify their intent in the agreement.”

This means that an employer would not have to actually pay this higher wage to its employees, if that employer collects union member fees from its employees. That flies in the face of what Supervisors say this ordinance is supposed to do: raise the wages of workers. This exemption creates the impression that the only people who would benefit from this Board action are the unions who will see a significant increase in the money they collect from workers, while the workers for these employers do not see an increase in their wages.

We have already seen this happen to one organization – Supportive Homecare Options (SHO) – where the union is attempting to negotiate an agreement where SHO would collect member dues from its employees (approximately an additional \$300,000 in annual revenue for the union, according to SHO) in exchange for waiving the living wage provision.

This provision clearly creates a two-class employer system, as only select employers have to pay a living wage, and a disparity in various parties' ability to compete on an equal basis for Milwaukee County contracting opportunities. This certainly does not appear to be unions fighting for workers, but rather for themselves.

Another potentially problematic provision is found in chapter 111.03(3):

“Successor contractors or subcontractors shall offer employees of the incumbent or previous contractor or subcontractors... continued employment for at least 90 days, unless the successor

contractor or subcontractor demonstrates cause for discontinuation of employment.”

This provision provides a systematic advantage to incumbent bidders by requiring that any new vendor has to hire the employees of the previous vendor. This provision encompasses the totality of the incumbent labor force, as it evokes contractor and subcontractor agreements. This would inhibit any non-incumbent vendor from fully delivering or offering the total benefit that their workforce, given an organization’s particular training and skills, could otherwise bring. It is also not clear what would happen in a situation if the previous vendor wanted to move its high-performing employees to another site it operates. This would leave the new vendor to absorb the remaining employees.

Another problematic provision allows for disparate implementation. Provision 111.07 states that:

“Milwaukee County recognizes that from time to time it may be in the County’s best interest to enter into contracts, leases or other agreements, including agreements involving financial assistance, which have been negotiated, bid for, or otherwise entered into in a manner which is not in strict conformity with the terms of this ordinance. Upon adoption or ratification of any such contract, lease or other agreement by the County Board through a vote carrying two-thirds of all seats on the County Board, any such nonconformity shall be deemed to have been waived by the County.”

This provision states that the living wage ordinance could be waived with two-thirds majority of the Board, but does not state method, when, how and by whom. This does not give the necessary certainty to vendors and developers who may be interested in working with Milwaukee County. It further creates a perverse incentive, as it creates the possibility that “connected” firms will be treated differently by the Board.

This ordinance also creates burdensome reporting and audit requirements both for the County and for vendors, especially problematic for smaller and younger business that may not have this administrative capacity. Illustrating the extent of requirements, the Comptroller estimates that the County will have to hire at least 3.5 additional staff just to meet the requirements of this ordinance.

Living wage advocates cite some studies that state that living wage will not cost anything and will only help bring people out of poverty. However, what they do not state is that there are an equal number of studies that show that living wage at best has no impact on poverty and at worst displaces low-skilled workers and increases the tax burden on municipalities. We owe it to Milwaukee County taxpayers to carefully examine all evidence – on both sides – when crafting policies of this magnitude.

I ask Supervisors to sustain this veto and work with me to find real solutions to alleviate poverty in Milwaukee County and to continue to strengthen our safety net services. Again, I hope you will join me in supporting an increase of the minimum wage at the state and federal levels. This will create an even playing field for all service providers to compete and not put Milwaukee County at a disadvantage.

EB 06 2014

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Amendment

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(ITEM) A resolution/ordinance by Supervisors Bowen, Rainey, and Johnson, Jr., enacting a minimum living wage ordinance for service, concession, lease and financial assistance agreements publicly funded by Milwaukee County and amending Chapter 32.09(17) of the Milwaukee County Code of General Ordinances, by recommending adoption of the following:

AN AMENDED RESOLUTION/ORDINANCE

WHEREAS, living and minimum wage ordinances have been established in the United States for over two decades with the City of Baltimore taking the lead in 1994; and

WHEREAS, more than 140 municipalities have adopted living or minimum wage ordinances in the United States including Dane County, the City of Madison, and the City of Milwaukee; and

WHEREAS, a 2010 study by Ken Jacobs and T. Williams Lester suggests that raising job standards does not reduce jobs in a city; the study compared 15 cities that impose such ordinances against similar cities that did not and found no direct negative effects on job demand; and

WHEREAS, Milwaukee County is the most populated county in the State of Wisconsin with the largest ethnically diverse population in the State; and

WHEREAS, the Census Bureau in 2011 indicates that 41% of African Americans and 35% of Latinos living in Milwaukee are impoverished; and

WHEREAS, the Internal Revenue Service (IRS) reports in 2012 that single parent tax filers with dependents in inner city Milwaukee had a 26% decrease in state earned income tax credits in 2011 as a result of state legislation lowering the credit for "working poor" families with 2 or more children; and

WHEREAS, as of April 2012, 275,058 Milwaukee County residents and 558,158 residents in the balance of Wisconsin were enrolled in the Food Share program; and

WHEREAS, in 2005, Wisconsin Chapter 104, Minimum Wage Law, was created and repealed any city, village, town, or county living wage ordinances in place before June 16 of that year; and

WHEREAS, Wisconsin Chapter 104 excludes from its provisions, public works projects governed by prevailing wage rates, service contracts, and any work funded by financial assistance from a city, village, town, or county; and

APPROVED AND FORWARDED
Paul Bay
COUNCIL CLERK

88 32.20(17), as well as personal care, or supportive home care provided to
89 persons with disabilities or the frail elderly by preferred provider.

90 (1) Service contracts do not include:

- 91 i. Purchase of goods or commodities or its delivery
- 92 ii. Equipment lease and maintenance
- 93 iii. Professional services contracts
- 94 iv. Contracts with any school district, municipality, or any
- 95 other governmental unit
- 96 v. Contracts in which State or Federal funder has a prevailing
- 97 wage requirement
- 98 vi. Contracts for Family Care *other than* preferred provider agencies
- 99 that exclusively contract with Milwaukee County to provide personal
- 100 care and supportive home care.
- 101 vii. Contracts procured under Milwaukee County Ordinance Chapter
- 102 46.

103 (b) *Concession Agreement* means an agreement between the County or related
104 entity and another party to allow the organization exclusive or semi-
105 exclusive right to operate a particular enterprise usually making use of
106 some resource of the County or related entity requiring payment to the
107 County or related entity fees, rent, or percentage of revenues derived from
108 the particular enterprise; airport concessions are included as defined by
109 Milwaukee County Ordinance 42.02(1)(c).

110 (c) *Lease* means an agreement between the County or related entity as lessor
111 and another party as lessee to provide exclusive use of real property, a
112 particular asset or resource in exchange for rental payments or a fee, and
113 which involves financial assistance consistent with Wisconsin Chapter
114 104.001(3). The following leases are exempted:

115 (1) *Cultural institutions*: Leases with institutions including the Fund for
116 the Arts/CAMPAC, Milwaukee County Historical Society,
117 Milwaukee County Federated Library System, Marcus Center,
118 Milwaukee Public Museum, Charles Allis and Villa Terrace
119 Museums, War Memorial Center, Milwaukee Art Museum, and any
120 other cultural organization that receives contributions from
121 Milwaukee County.

122 (2) *Non Profit*: Leases with nonprofit corporations, unless the nonprofit
123 corporation passes through to a for-profit entity an amount greater than or
124 equal to \$1,000,000 in which case the for-profit entity shall be subject to
125 this chapter as a subcontractor as in 111.03(1)(b).

126 (3) *Other Local Units of Government*: Leases with any school district,
127 municipality or any other governmental or quasi-governmental
128 unit.

129 (d) *Economic Development Financial Assistance* means any form of assistance,
130 consistent with Wisconsin Chapter 104.001(3), of an amount greater than
131 or equal to \$1,000,000, provided to a recipient directly by the County in

176 person or entity indirectly benefiting from incidental effects of County
177 policies, regulations or ordinances.

178
179 **111 .03. Standards Requirement**
180

- 181 (1) All employees performing part or full time work for a contractor,
182 subcontractor, lessee or recipient of economic development financial
183 assistance covered under this chapter and all direct employees of the
184 County, shall be paid the minimum wage rate defined in Chapter
185 111.02(e), except as provided in sub-section (c) of this section.
- 186 (a) Tipped employees, employees paid on commission, or employees
187 whose compensation consists of more than hourly wages shall be
188 paid an hourly wage, when coupled with the other compensation,
189 that will at least equal the minimum wage rate. The value of meals
190 or lodging shall be calculated pursuant to Chapter DWD 272,
191 Wisconsin Administrative Code.
- 192 (b) Contractors and subcontractors as defined in Chapter 111.02(g) (1)
193 and (2) shall be subject to the requirements of this chapter for the
194 duration of the agreement with the County. Employees of
195 contractors and subcontractors shall be covered under the
196 requirements of this chapter for the hours worked in performance
197 of covered agreements.
- 198 (c) Recipients of economic development financial assistance and
199 subcontractors as defined in Chapter shall:
- 200 i. Be subject to the requirements of this chapter for a period
201 equal to one year for every \$100,000 provided in economic
202 development financial assistance, rounded to the nearest
203 whole year; and employees of such recipients and
204 subcontractors shall be covered under the requirements of
205 this chapter for work performed on the premises of a project
206 benefiting from financial assistance.
- 207 (d) Minimum wage rate requirement will be updated annually on the
208 last business day of February.
- 209 (2) Excluded employees:
- 210 (a) The provisions in this chapter shall exclude:
- 211 i. Student learners as defined by Wisconsin Chapter
212 104.01(7); and,
- 213 ii. Employees of sheltered workshops as defined by
214 Wisconsin Chapter 104.01 (6); and,
- 215 iii. Employees under the age of 18; and,
- 216 iv. Employees not performing work under a Milwaukee
217 County service contract, concession, or lease; and,
- 218 v. Employees not working in a financially assisted
219 economic development project; and,

- 264 during the period of an agreement covered under this chapter verifiable
265 payroll records that shall minimally contain:
- 266 a. Name of contractor, and in the case of sub-contractor, the name of
 - 267 the direct employer of employees covered under this chapter; and,
 - 268 b. Contract or project name; and,
 - 269 c. Name of all employees employed to perform the contract or
 - 270 subcontract and their job classifications; and,
 - 271 d. Address of each employee employed to perform the contract or
 - 272 subcontract; and,
 - 273 e. Hourly rate of pay for each employee employed to perform the
 - 274 contract or subcontract.
- 275 (4) Contractors, subcontractors and recipients of financial assistance shall not
276 use the requirements of this chapter to reduce the wages of employees.
- 277 (5) For every service contract and economic development assistance grant the
278 current rate shall be posted by the contractor or grant beneficiary at the site
279 of the work in a prominent place where it can be easily seen and read by
280 persons employed in the performance of such contract or grant. The poster
281 shall also provide information of the means the reader may use to file a
282 complaint of violation. In addition, copies of the current rate requirements
283 shall be supplied to any person employed in the performance of a service
284 contract or economic development assistance grant at the request of such
285 person and within a reasonable period of time after the request.
- 286 (6) Milwaukee County reserves the right to inspect and audit any payroll
287 records of any contractor or subcontractor or recipient of financial
288 assistance for which this chapter applies, for any reason and at any time.

290 **111.05 Accountability, Enforcement and Monitoring**

- 291
- 292 (1) The Division of Audit shall enforce this ordinance and shall convene a
293 workgroup, the composition of which will be determined by the Auditor,
294 from stakeholders in county departments. This workgroup will:
- 295 (a) Develop language for RFP's, bids, concessions, and leases
 - 296 agreements; and,
 - 297 (b) Define processes for field and desk audits ensuring compliance
 - 298 with this section; and,
 - 299 (c) Ensure that each department/division head or his/her designee
 - 300 complies with payroll monitoring processes imposed on agreements;
 - 301 and,
 - 302 (d) Define penalties and sanctions for noncompliance, subject to
 - 303 county board approval, including any combination of the
 - 304 following:
 - 305 a. withholding of payment or imposing monetary penalties in an
 - 306 amount sufficient to pay the wages of all affected employees;
 - 307 or

352 financial assistance, which have been negotiated, bid for, or otherwise entered into in a
353 manner which is not in strict conformity with the terms of this ordinance. Upon adoption
354 or ratification of any such contract, lease or other agreement by the County Board through
355 a vote carrying two-thirds of all seats on the County Board, any such nonconformity shall
356 be deemed to have been waived by the County.

357

358 This ordinance shall not be construed to create any right or rights of enforcement in
359 any person seeking to do business with the County and compliance with the terms of the
360 ordinance shall rest solely with the County of Milwaukee.

361

362 **Section 2. Chapter 32.09 of the General Ordinances is hereby amended as**
363 **follows:**

364

365 (17) "Service contract" means an agreement primarily related to staff services
366 including, but not limited to, housekeeping, security, landscaping, maintenance,
367 clerical services, food services, and other non-professional services.

368

369 **Section 3. This ordinance shall become effective upon passage and publication.**

370

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jmj

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01/14/14

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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 12/12/2013

Original Fiscal Note X

Substitute Fiscal Note

SUBJECT: Resolution/ Ordinance on Minimum Wage for Milwaukee County

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| X Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| X Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	2,107,334
	Revenue	0	156,479
	Net Cost	0	1,950,856
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

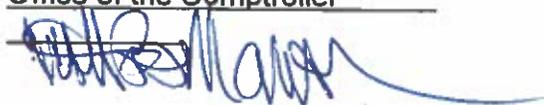
DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A request has been made for a fiscal analysis of a resolution on the enactment of a minimum wage for service, concession, concession, lease and financial assistance agreements publicly funded by Milwaukee County. The resolution provides detail as to the applicability of the ordinance to various type of contracts, agreements, leases, and economic development entered into by Milwaukee County. A separate report has been prepared to discuss the results of the Office of Comptroller's fiscal analysis of this resolution/ ordinance. The Office of the Comptroller's report is based on the our review of the resolution/ordinance entered for County Board review.

Department/Prepared By Office of the Comptroller
Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.



Milwaukee County

County Courthouse
901 N. 9th Street, Rm.
105
Milwaukee, WI 53233

Signature Copy

Resolution: 14-74

File Number: 14-74

A resolution to extend the time to negotiate an Intergovernmental Agreement between the City of Milwaukee and Milwaukee County for the operation and regulation of taxicab service.

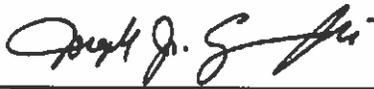
RECORD OF COUNTY BOARD AND COUNTY EXECUTIVE ACTIONS

The attached resolution or ordinance was ADOPTED by the Milwaukee County Board of Supervisors on 2/6/2014 by the following vote:

Ayes: 14 Borkowski, Bowen, Broderick, Cullen, Dimitrijevic, Haas, Johnson Jr., Jursik, Lipscomb Sr., Mayo Sr., Rainey, Romo West, Stamper II, and Weishan

Noes: 4 Alexander, Schmitt, Staskunas, and Taylor

Certification of County Board Passage by County Board Chairwoman  Date FEB 06 2014
 Marina Dimitrijevic

Certification of County Board Passage by County Clerk  Date FEB 06 2014
 Joseph J. Czarnecki

County Executive approval/veto of attached resolution/ordinance.  Date 2/25/14
 Chris Abele

Received by County Clerk Joseph J. Czarnecki Date _____



OFFICE OF THE COUNTY EXECUTIVE

Chris Abele

MILWAUKEE COUNTY EXECUTIVE

DATE: March 19, 2014

TO: The Honorable Milwaukee Board of Supervisors

FROM: Chris Abele, Milwaukee County Executive

RE: Veto of County Board File No. 14-74 on issue related to taxicab service

I am vetoing County Board File No. 14-74 pursuant to the authority granted to me by Article IV, Section 23(a) of the Wisconsin Constitution and Section 59.17(6) of the Wisconsin Statutes.

The County Board adopted a resolution on February 6, 2013 again directing the County Executive to negotiate an Intergovernmental Agreement between the City of Milwaukee and the County "in order to transfer all operation and regulation of taxicab services to Milwaukee County."

I appreciate the intent of Supervisors Weishan and Stamper in attempting to improve the policy environment for the provision of taxicab service in Milwaukee County. I am also interested in intergovernmental cooperation and in exploring opportunities to advance shared goals more efficiently and effectively.

However, as I have previously stated, this resolution continues to conflict with state law. The clear, plain language of the state statutes vests the authority to regulate and license taxicabs with cities, villages and towns. It is important that we execute our county government consistent with the clear spirit and plain language of the statutes.

In case Supervisors do not believe me when I say this is precluded by statute, I have attached legal opinions from the City Attorney and the Wisconsin Legislative Council, both clearly say the County cannot assume this function. Furthermore, the City has not expressed interest in moving forward with such an agreement.

I ask that Supervisors to sustain this veto.



WISCONSIN LEGISLATIVE COUNCIL

*Terry C. Anderson, Director
Laura D. Rose, Deputy Director*

TO: REPRESENTATIVE DALE KOOYENGA
FROM: *DM* David Moore, Staff Attorney
RE: Authority of Counties to Regulate Taxicabs
DATE: February 21, 2014

You asked whether a county has the authority to enact an ordinance regulating taxicabs. A county may not enact an ordinance regulating or licensing taxicabs because: (1) counties lack express statutory authority to do so; and (2) such an ordinance would conflict with the Legislature's delegation of this authority to cities, villages, and towns.¹

DISCUSSION

"A county 'has only such powers as are expressly conferred upon it or necessarily implied from the powers expressly given or from the nature of the grant of power.'" [*County of Milwaukee v. Williams*, 2007 WI 69, ¶ 24 (citations omitted).] "As a creature of the legislature, a county must exercise its powers within the scope of authority that the State confers upon it." [*Id.*, quoting *Mommsen v. Schueller*, 228 Wis. 2d 627, 634-35 (Ct. App. 1999).] The state has not expressly conferred on counties the authority to enact ordinances regulating taxicabs.

Although the lack of express statutory authority is sufficient to conclude a county may not enact an ordinance regulating and licensing taxicabs, there is a second reason to reach this conclusion as well. The Legislature has expressly granted the authority to regulate taxicabs to "the council of any city and every village or town board." Section 349.24, Stats., authorizes a city council or village or town board to:

- Regulate and license chauffeurs and operators of taxicabs used for hire.
- Regulate and license the taxicab business by licensing each taxicab used for hire.

¹A county may, in certain limited circumstances, enact an ordinance that affects the operation of taxicabs; for example, by requiring a taxicab picking up passengers from a county-operated airport to have a permit from the airport. [*County of Milwaukee v. Williams*, 2007 WI 69.]

GRANT F. LANGLEY
City Attorney

RUDOLPH M. KONRAD
LINDA ULISS BURKE
VINCENT D. MOSCHELLA
DANIELLE M. BERGNER
Deputy City Attorneys



THOMAS O. GARTNER
STUART S. MUKAMAL
THOMAS J. BEAMISH
MAURITA F. HOUREN
JOHN J. HEINEN
SUSAN E. LAPPEN
JAN A. SMOKOWICZ
PATRICIA A. FRICKER
HEIDI WICK SPOERL
KURT A. BEHLING
GREGG C. HAGOPIAN
ELLEN H. TANGEN
MELANIE RUTLEDGE
JAY A. UNORA
DONALD L. SCHRIEFER
MIRIAM R. HORWITZ
MARYNELL REGAN
G. O'SULLIVAN-CROWLEY
KATHRYN Z. BLOCK
ADAM B. STEPHENS
KEVIN P. SULLIVAN
THOMAS D. MILLER
JARELY M. RUIZ
ROBIN A. PEDERSON
CHRISTINE M. QUINN
MARGARET C. DAUN
JEREMY R. MCKENZIE
MARY L. SCHANNING
PETER J. BLOCK
NICHOLAS P. DESIATO
JOANNA GIBELEV
JENNY YUAN
T.C. MAKAYA
Assistant City Attorneys

January 15, 2014

Alderman Robert J. Bauman
Fourth Aldermanic District
City Hall, Room 205

Alderman James A. Bohl, Jr.
Fifth Aldermanic District
City Hall, Room 205

Re: City Attorney opinion regarding delegation of licensing and regulation of taxicabs to Milwaukee County

Dear Alderman Bauman and Alderman Bohl:

In response to Milwaukee County Amended Resolution File No. 13-652, adopted on or about September 26, 2013, you requested a legal opinion from this office regarding the authority of the City of Milwaukee to delegate the regulation of taxicabs to Milwaukee County. It is our understanding that the amended county resolution called for the negotiation of an intergovernmental agreement between the city and county "in order to transfer all operation and regulation of taxicab services to Milwaukee County..."

It is the opinion of this office that such an agreement would not be legal or enforceable. Any delegation of the City of Milwaukee's power to regulate or license taxicabs to Milwaukee County via intergovernmental agreement would be *ultra vires*.

Wisconsin Statutes § 349.24 provides that only cities, villages and towns in the State of Wisconsin may regulate and license taxicabs and taxicab operators. See, Wis. Stat. § 349.24(1)(a) – (d). "The transportation of passengers for hire in a taxicab upon the streets of a city is not an inherent right, but a privilege which the city, in the exercise of its discretion may grant or refuse. . ." *Courtesy Cab Co. v. Johnson*, 10 Wis. 2d 426, 432, 103 N.W.2d 17 (1960). Wisconsin Statutes § 349.24, Authority to License Taxicab Operators and Taxicabs, authorizes the Common Council of the City of Milwaukee to "regulate and license the taxicab

Alderman Robert J. Bauman
Alderman James A. Bohl, Jr.
January 15, 2014
Page 3

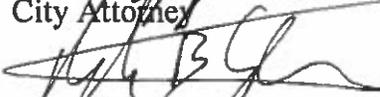
County. Please note that a county-wide licensing system for taxicabs was specifically proposed by the *City of Milwaukee Taxicab and Paratransit Licensing Study, Phase 1 Report*, Edward A. Beimborn, July 31, 1987, pp. 34-35 (City of Milwaukee Legislative Reference Bureau library, 388.413214, M64tp (1987)).

Please feel free to contact Assistant City Attorney Adam B. Stephens with any additional questions or concerns.

Very truly yours,



GRANT E. LANGLEY
City Attorney



ADAM B. STEPHENS
Assistant City Attorney

C: Ald. Willie L. Hines Jr., Common Council President
Ald. Terry L. Witkowski, Public Safety Committee Chairman
James Owczarski, City Clerk
Richard Pfaff, City Clerk LRB

ABS:wt:199315
1033-2013-2615

1 Supervisor Michael Mayo, Sr., Chairperson,
2 From the Committee on Transportation, Public Works, and Transit, reporting on:

3
4
5 File No. 14-74

6 (ITEM) A resolution by Supervisor Weishan to extend the time to negotiate an
7 Intergovernmental Agreement between the City of Milwaukee and Milwaukee County for
8 the operation and regulation of taxicab service, by recommending adoption of the
9 following:

10
11 **A RESOLUTION**
12

13 WHEREAS, in early 2013, the Institute for Justice filed a lawsuit in Milwaukee
14 County that stated Milwaukee's limit on the number of taxicabs allowed in the city is
15 arbitrary, anti-competitive, and unconstitutional; and
16

17 WHEREAS, on April 16, 2013, a Milwaukee County Circuit Court Judge ruled that
18 the City's taxicab ordinance, which set a cap on taxicab permits in 1991, violated the
19 State's constitution affirming this lawsuit; and
20

21 WHEREAS, on April 25, 2013, the Milwaukee County Board of Supervisors adopted
22 File No. 13-228, which the County Executive signed, supporting the City of Milwaukee's
23 Common Council File No. 111222, seeking to repeal the City's cap on issuing new public
24 passenger vehicle permits; and
25

26 WHEREAS, since the April 16, 2013, Circuit Court ruling, the City of Milwaukee has
27 appealed the Circuit Court Judge's decision that the City's taxicab regulations violate the
28 State's constitution; and
29

30 WHEREAS, the Milwaukee County Board of Supervisors adopted File No. 13-652 on
31 September 26, 2013 (vote 14-4), that:
32

- 33
- 34 • directed the Office of the Milwaukee County Executive to negotiate an
35 Intergovernmental Agreement between the City of Milwaukee and Milwaukee
36 County in order to transfer all operation and regulation of taxicab services to
37 Milwaukee County
 - 38 • directed negotiations are to include but are not limited to:
39
 - 40 ▪ Rate structure/taxes/fees
 - 41 ▪ Vehicle inspections
 - 42 ▪ Administrative costs/savings
 - 43 ▪ Infrastructure usage
 - 44 ▪ Operating zones

APPROVED AS TO FORM


CORPORATION COUNSEL

FEB 06 2014

ADOPTED

14-4

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- "Green" incentives
- Intermodal capabilities/opportunities

- limit permits to non-transferable permits

- Milwaukee County develop, through its transit system, a taxicab dispatch service available to all permitted taxicabs

- the Office of the Milwaukee County Executive, or its designee, will provide a report back to the Committee on Transportation, Public Works, and Transit and/or the Committee on Finance, Personnel, and Audit on negotiation details

- the negotiations will be completed by December 31, 2013, with the transfer and implementation of service by June 1, 2014

; and

WHEREAS, despite the County Executive's veto of File No. 13-652, it was subsequently overridden on November 7, 2013 (vote 14-4), and the County Executive pledged in his veto message to "...engaging in conversations with the City to explore the possibility and their interest in transferring this service;" and

WHEREAS, although the City increased the number of cab permits by 100 to 420 in late November 2013, opportunities still exist to reform the taxicab system that would be achieved by intergovernmental cooperation negotiations; now, therefore,

BE IT RESOLVED, that the aforementioned negotiation deadline outlined in File No. 13-652 be extended by six months to June 30, 2014, with relevant updates provided to the County Board on the status of the negotiations, including identification of any state statutes that need to be reformed to improve the delivery of taxicab service in Milwaukee County.

jlm
01/10/2014
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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: January 10, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution to extend the time to negotiate an Intergovernmental Agreement between the City of Milwaukee and Milwaukee County for the operation and regulation of taxicab service

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

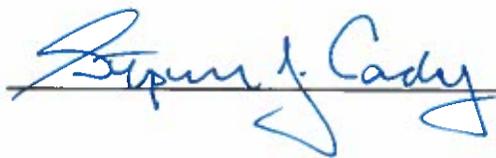
In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will extend the time to negotiate an Intergovernmental Cooperation Agreement with the City of Milwaukee related to the operation of taxicab services to June 30, 2014.

This resolution has no fiscal impact, however an expenditure of staff time will be necessary.

Department/Prepared By Steve Cady, Director of Research Services, Office of the Comptroller

Authorized Signature  _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

1 By Supervisor Alexander

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7

A RESOLUTION

Approving the revenue bond financing by the Public Finance Authority of projects located in Milwaukee County for the benefit of Crown Court Prairie Haven, LLC

8 WHEREAS, the Public Finance Authority (“Authority”) is a unit of government and
9 body corporate and politic of the State of Wisconsin created pursuant to the provisions
10 of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, commonly known
11 as the “Joint Exercise of Powers Law” (as amended, the “Act”) and an Amended and
12 Restated Joint Exercise of Powers Agreement, dated September 28, 2010 by and
13 among Adams County, Wisconsin; Bayfield, County, Wisconsin; Marathon County,
14 Wisconsin; Waupaca County, Wisconsin; and the City of Lancaster, Wisconsin and
15 approved by the Wisconsin Attorney General, as required by the Act, on September 30,
16 2010 (the “Joint Exercise Agreement”); and

17 WHEREAS, the Authority is authorized and empowered under the Act and by the
18 Joint Exercise Agreement to, among other things, issue bonds, notes or other
19 evidences of indebtedness in connection with, and to make loans to assist in the
20 financing of, “projects” located inside and outside of the State of Wisconsin; and

21 WHEREAS, Crown Court Prairie Haven, LLC (the “Borrower”), has requested
22 that the Authority issue bonds (the “Bonds”) in an amount not to exceed \$10,630,000, to
23 finance the costs of the acquisition, renovation and equipping of a 222-unit residential
24 rental facility for seniors of low and moderate income known as Prairie Haven
25 Apartments, located at 8949 North 97th Street, Milwaukee, Wisconsin (the “Project”);
26 and

27 WHEREAS, pursuant to Section 66.0304(11)(a) of the Act, the Authority may not
28 issue bonds to finance a capital improvement project within the State of Wisconsin
29 unless all of the political subdivisions within whose boundaries the project is to be
30 located have approved the financing of the project, which approval may be made by the
31 governing body of the political subdivision or, except for a 1st class city or a county in
32 which a 1st class city is located, by the highest ranking executive or administrator of the
33 political subdivision; and

34 WHEREAS, the City of Milwaukee is a 1st class city; and

35 WHEREAS, this Board of Supervisors (the “Governing Body”) of Milwaukee
36 County, Wisconsin (the “County”) is the governing body of the County; and

37 WHEREAS, the Borrower has requested that the Governing Body approve the
38 financing of the Project and the issuance of the Bonds in order to satisfy the
39 requirements of Section 4 of the Joint Exercise Agreement and Section 66.0304(11)(a)
40 of the Act; and

41 WHEREAS, pursuant to the Act and the Joint Exercise Agreement, bonds issued
42 by the Authority are limited obligations of the Authority payable solely from funds
43 pledged for their payment in accordance with the related bond indenture and neither the
44 members of the Authority nor the State of Wisconsin or any political subdivision thereof
45 or any political subdivision approving the issuance of the bonds shall be obligated to
46 pay the principal of, premium, if any, or interest thereon or any costs incidental thereto;
47 now, therefore,

48 BE IT RESOLVED, by the Milwaukee County Board of Supervisors as follows:

49 1. The financing of the aforementioned Project by the Authority through the
50 issuance of the Bonds be and hereby is approved for purposes of Section
51 66.0304(11)(a) of the Act.

52 2. The Bonds, when and if issued, shall not constitute a debt or pecuniary
53 liability, or a legal or moral obligation, of Milwaukee County for any reason
54 whatsoever.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 03/20/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution approving the revenue bond financing by the Public Finance Authority of projects located in Milwaukee County for the benefit of Crown Court Prairie Haven Apartments, a 222 unit residential facility for seniors of low and moderate income, located at 8949 North 97th Street, Milwaukee, WI

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will convey Milwaukee County's support for a project in Milwaukee County (City of Milwaukee) for the benefit of Crown Court Prairie Haven that is seeking financing support from the Public Finance Authority. The Public Finance Authority is a unit of government and body corporate and politic of the State of Wisconsin created pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes that is authorized to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing of, "projects" located inside and outside of the State of Wisconsin.

Section 66.0304(11)(a) of the Act provides that the Public Finance Authority may not issue bonds to finance a capital improvement project in the State of Wisconsin unless all of the political subdivisions within whose boundaries the project is to be located have approved the financing of the project. This resolution services as the approval by the Milwaukee County Board of Supervisors.

The Bonds, when and if issued, shall not constitute a debt or pecuniary liability, or a legal or moral obligation, of Milwaukee County for any reason whatsoever.

Approval of this resolution has a \$0 fiscal impact, although staff time may be necessary and bond counsel services to review the statutes and any other issues related to the Public Financing Authority and this authorizing resolution will be absorbed in the existing debt service expense budget.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By Pamela Bryant

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

Related Firms, if any (affiliates, subsidiaries, etc.):

Not Applicable

Please list all names under which you do business:

See EXHIBIT A

B. PROPOSED PROJECT

Address: 8949 North 97th Street, Milwaukee, Milwaukee County, Wisconsin 53224

Project Description (including the following: size of the site; description of existing buildings, improvements and equipment; description of any land to be purchased; description of any new construction or renovation the project would involve; description of any equipment to be purchased as part of project; use of project; any other matters needed to give a brief description of entire project; include also a general description of processes, products, etc., and any pollution control devices to be installed, if applicable):

The property is a senior housing complex that includes one three and four story building containing 222 studio, one and two bedroom units. The gross building size is 349,263 square feet and net rentable apartment area is approximately 169,839 square feet. The building was constructed in 1983 on an 8.018 acre site. Common areas include a community room, dining room, activity and crafts room, woodworking shop, library, game room, chapel/mediation room, lounge, exercise room, whirlpool, beauty/barber shop, bank, tenant storage, convenience store, laundry facility, outdoor gardening, four-season sun room, and visitor guest room. Covered parking consists of 76 stalls contained in 11 detached garage buildings. In addition, 126 surface stalls are available for tenant use. The surrounding land use is compatible with multifamily development. Public road access and parking are adequate and there are no nuisances, hazards, or easements observed according to the appraisal.

It project is a housing development; attach data on unit mix, size, rental rates, parking, services.

See EXHIBIT B

C. SITE CONTROL

Submit evidence of site/project ownership or control (option or accepted offer to purchase).

See EXHIBIT C

D. ESTIMATED DATES OF COMMENCEMENT AND COMPLETION OF PROJECT

Closing in March 2014. The property is currently occupied; construction will take 12 months. The property will operate during the rehab.

E. ANTICIPATED NEW EMPLOYMENT FROM THIS PROJECT (Please breakdown by type):

It is our intent to keep a majority of existing employees. In addition, we anticipate adding the below:

Type	Number One Year After Start-up	Total Over Next Four Years	Anticipated Wage/Salary
maintenance	1 additional	1 additional	\$15.00/hr

F. FINANCING

Identify participating underwriter/lender for project:

Merchant Capital, LLC
2660 Eastchane Lane, Suite 400
Montgomery, AL 36117

Cody N. Wilson
cody.wilson@merchantcapital.com
Telephone: (334) 834-5100

G. ARCHITECT/ENGINEER

Identify project architect/engineer: Gregg Benz, Benz Architecture.

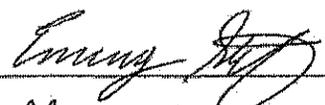
H. PROJECT COST

See EXHIBIT D and EXHIBIT E

Demolition	\$ _____
Site Acquisition	\$ _____
Site Improvement	\$ _____
New Construction	\$ _____
Remodeling of Existing Structures	\$ _____
Equipment	\$ _____
Furniture & Fixtures	\$ _____
Construction Interest	\$ _____
Indirect Costs (real estate taxes, legal, etc.)	\$ _____
Design and Engineering	\$ _____
Other Costs (specify)	\$ _____
Off—Site improvements	\$ _____
TOTAL	\$ _____

I certify that the information contained in this application is, to the best of my knowledge, true and correct.

Attest: _____

By:  _____

Title: _____ Date: _____

Title: Administrator Date: 1/28/14

Please submit with \$1,000.00 non—refundable application fee. Additional fees of the Authority for processing administration and issuance will not exceed 0.75% of the principal amount of the issue.

RETURN TO:

DEPARTMENT OF CITY DEVELOPMENT
809 North Broadway
P.O. Box 324
Milwaukee, Wisconsin 53201
ATTENTION: Mr. James Scherer

NOTE: If any of the requested information or material is presently unavailable or for some reason cannot be provided, please send a letter of explanation.

EXHIBIT A

Terrace Heights Apartments Associates Limited Partnership
By: Crown Court/Terrace Heights, LLC – its General Partner
By: Crown Court Properties, Ltd. – its sole member

Jefferson Apartment Associates Limited Partnership
By: Crown Court Jefferson, LLC – its General Partner
By: Crown Court Properties, Ltd – its sole member

Bay Hill Apartments Associates Limited Partnership
By: Crown Court/Bay Hill, LLC – its General Partner
By: Crown Court Properties, Ltd. – its sole member

Willow Heights Apartment Associates Limited Partnership
By: Willow Heights GP, NFP – its General Partner

Park Hill Apartment Associates Limited Partnership
By: Crown Court Camilla, LLC – its General Partner
By: Crown Court Properties, Ltd. – its sole member

Prairie Haven Apartment Associates Limited Partnership
By: Crown Court Prairie Haven, LLC – its General Partner
By: Crown Court Properties, Ltd. – its sole member

Northwoods Crown Court Apartments-Associates Limited Partnership
By: Crown Court Northwoods, LLC - its General Partner
By: Crown Court Properties, Ltd. – its sole member

Flagship Apartment Associates Limited Partnership
By: Crown Court Flagship, LLC – its General Partner
By: Crown Court Properties, Ltd. – its sole member

Wilkinson Manor Apartment Associates Limited Partnership
By: Crown Court Wilkinson Manor, LLC – its General Partner
By: Crown Court Properties, Ltd. – its manager

Bayview Terrace Apartment Associates Limited Partnership
By: Crown Court Bayview Terrace, LLC – its General Partner
By: Crown Court Properties, Ltd – its sole member

Fairview Crossing Apartment Associates Limited Partnership
By: Crown Court Fairview Crossing, LLC – its General Partner
By: Crown Court Properties, Ltd – its sole member

EXHIBIT B

Public Finance Authority
 Multifamily Housing Revenue Bonds
 Prairie Haven Apartments
 Series 2014A and 2014A-T (Taxable)

Unit Mix

Unit Mix	# of Units	% Total Units	% of AMI	Net Rents	Utility Allowance	Gross Rents	Rent Month	Rent Annual
Studio	16	7%	60%	500	74	574	8,000	96,000
1BR / 1BH	41	18%	60%	680	93	773	27,880	334,560
1BR / 1BH	75	34%	MKT	695	93	788	52,125	625,500
2BR / 1BH	32	14%	60%	781	120	901	24,992	299,904
2BR / 1BH	58	26%	MKT	875	120	995	50,750	609,000
Total	222						163,747	1,964,964

Amenities

- > On-site leasing office
- > Controlled entry with electronic pass keys
- > Community room
- > Wellness center
- > Fitness center
- > Library
- > Sun room
- > Country store
- > Sitting areas
- > Dining room
- > Garden plots
- > Recreation room.
- > Chapel
- > Pool / whirlpool
- > Craft room
- > Laundry room
- > Beauty salon
- > Detached garage stalls
- > Surface parking
- > Individual storage units
- > Bus transportation
- > Energy star appliances (stove, refrigerator, garbage disposal)
- > Wall air conditioning units
- > Washer / dryer hookups
- > Patio / balcony
- > Window treatments

EXHIBIT C

Approved by the Wisconsin Department of Regulation and Licensing
4-1-00 (Optional Use Date)
9-1-00 (Mandatory Use Date)

Marcus & Millichap Real Estate Inve

WB-15 COMMERCIAL OFFER TO PURCHASE

Page 1 of 5, WB-15

1 **BROKER DRAFTING THIS OFFER ON** 07/10/2012 [DATE] IS (AGENT OF SELLER) (AGENT OF BUYER) (DUAL AGENT) **[STRIKE TWO]**

2 **[GENERAL PROVISIONS]** The Buyer, Crown Court Properties, Ltd. ("CCP"),

3 offers to purchase the Property known as [Street Address] 8949 & 9035 N 97th Street in the

4 Milwaukee City of Milwaukee, County of Milwaukee, Wisconsin. (Insert additional

5 description, if any, at lines 293 - 297 or attach as an addendum per line 298), on the following terms:

6 **■ PURCHASE PRICE:** Six Million, Nine Hundred Thousand

7 Dollars (\$ 6,900,000.00).

8 **■ EARNEST MONEY** of \$ 50,000.00 accompanies this Offer and earnest money of \$ 50,000.00

9 will be paid within 10 days of acceptance.

10 **■ THE BALANCE OF PURCHASE PRICE** will be paid in cash or equivalent at closing unless otherwise provided below.

11 **■ ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE:** Seller shall include in the purchase price and transfer, free and clear of encum-

12 brances, all fixtures, as defined at lines 117 - 120 and as may be on the Property on the date of this Offer, unless excluded at lines 15 - 16, and

13 the following additional items: all appliances, a/o units, washer/dryers, common area furniture,

14 fixtures and equipment

15 **■ ITEMS NOT INCLUDED IN THE PURCHASE PRICE:** *CAUTION: Address rented fixtures or trade fixtures owned by tenants, if*

16 *applicable.*

17 All personal property included in purchase price will be transferred by bill of sale or _____.

18 **[ACCEPTANCE]** Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on separate

19 but identical copies of the Offer. *CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term*

20 *deadlines running from acceptance provide adequate time for both binding acceptance and performance.*

21 **[BINDING ACCEPTANCE]** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before

22 July 16, 2012. *CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.*

23 **[DELIVERY OF DOCUMENTS AND WRITTEN NOTICES]** Unless otherwise stated in this Offer, delivery of documents and written notices

24 to a Party shall be effective only when accomplished by one of the methods specified at lines 25 - 34.

25 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account with a com-

26 mercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines 28 or 30 (if any), for delivery to

27 the Party's delivery address at lines 29 or 31.

28 Seller's recipient for delivery (optional): c/o Marcus & Millichap; Ray Giannini and/or Anastasia Gilberry

29 Seller's delivery address: c/o 13845 Bishop's Drive, Ste 150, Brookfield, WI 53005

30 Buyer's recipient for delivery (optional): c/o Crown Court Properties; Rabbi Menachem Rapoport

31 Buyer's delivery address: 2233 West Mequon Road, Mequon, WI 53092

32 (2) By giving the document or written notice personally to the Party or the Party's recipient for delivery if an individual is designated at lines 28 or 30.

33 (3) By fax transmission of the document or written notice to the following telephone number:

34 Buyer: (262) 242-2668 Seller: (262) 364-1910

35 **[LEASED PROPERTY]** ~~If Property is currently leased and lease(s) extends beyond closing, Seller shall assign Seller's rights under said lease(s)~~

36 ~~and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written)(oral) [STRIKE ONE] lease(s), if any,~~

37 ~~are Refer to Addendum A paragraph M~~

38 **[RENTAL WEATHERIZATION]** This transaction (is) (is not) **[STRIKE ONE]** exempt from State of Wisconsin Rental Weatherization Standards

39 (Wisconsin Administrative Code, Comm 67). If not exempt, (Buyer) (Seller) **[STRIKE ONE]** will be responsible for compliance, including all costs.

40 If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.

41 **[PLACE OF CLOSING]** This transaction is to be closed at the place designated by Buyer's mortgagee or Title Company "Refer to

42 Addenda A no later than Paragraph N", unless another date or place is agreed to in writing.

43 **[CLOSING PRORATIONS]** The following items shall be prorated at closing: real estate taxes, rents, water and sewer use charges, garbage pick-

44 up and other private and municipal charges, property owner's association assessments, fuel, payments under governmental agricultural programs

45 and _____. Any income, taxes or expenses shall accrue to Seller and be prorated through

46 the day prior to closing. Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known,

47 otherwise on the net general real estate taxes for the preceding year) (_____)

48 _____). **[STRIKE AND COMPLETE AS APPLICABLE]** *CAUTION: If Property has not been fully assessed for*

49 *tax purposes (for example, recent land division or completed/pending reassessment) or if proration on the basis of net general real*

50 *estate taxes is not acceptable (for example, changing mill rate), insert estimated annual tax or other basis for proration.*

51 **[PROPERTY CONDITION PROVISIONS]**

52 **■ PROPERTY CONDITION REPRESENTATIONS:** Seller represents to Buyer that as of the date of acceptance Seller has no notice or

53 knowledge of conditions affecting the Property or transaction other than those identified in Seller's Real Estate Condition Report

54 dated March 12, 2012, which was received by Buyer prior to Buyer signing this Offer and which is made a part of this Offer by reference

55 **[COMPLETE DATE OR STRIKE AS APPLICABLE]** and none provided

56 **[INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT]**

57 ■ A "condition affecting the Property or transaction" is defined as follows:

58 (a) planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property or the

59 present use of the Property;

60 (b) government agency or court order requiring repair, alteration or correction of any existing condition;

61 (c) completed or pending reassessment of the Property for property tax purposes;

62 (d) structural inadequacies which if not repaired will significantly shorten the expected normal life of the Property;

63 (e) any land division involving the Property, for which required state or local approvals were not obtained;

64 (f) construction or remodeling on the Property for which required state or local approvals were not obtained;

65 (g) any portion of the Property being in a 100 year floodplain, a wetland or shoreland zoning area under local, state or federal regulations;

66 (h) that a structure on the Property is designated as a historic building or that any part of the Property is in a historic district;

67 (i) material violations of environmental laws or other laws or agreements regulating the use of the Property;

68 (j) conditions constituting a significant health or safety hazard for occupants of the Property;

69 (k) underground or aboveground storage tanks for storage of flammable, combustible or hazardous materials including but not limited to gasoline

70 and heating oil, which are currently or which were previously located on the Property; *NOTE: The Wisconsin Administrative Code contains*

71 *registration and operation rules for such underground storage tanks.*

72 (l) high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;

73 (m) material levels of hazardous substances located on Property or previous storage of material amounts of hazardous substances on Property;

74 (n) other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of the

75 nature and scope of the condition or occurrence.

76 ■ **PROPERTY DIMENSIONS AND SURVEYS:** Buyer and Seller acknowledge that any Property, building or room dimensions, or total acreage

77 or building square footage figures, provided to Buyer or Seller may be approximate because of rounding or other reasons, unless verified by

78 survey or other means. Buyer also acknowledges that there are various formulas used to calculate total square footage of buildings and that total

79 square footage figures will vary dependent upon the formula used. *CAUTION: Buyer should verify total square footage formula, Property,*

80 *building or room dimensions, and total acreage or square footage figures, if material to Buyer's decision to purchase.*

81 ■ **INSPECTIONS:** Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the inspections are

82 reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection reports to Seller, and

83 to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections are

84 completed, unless otherwise agreed with Seller. An "inspection" is defined as an observation of the Property which does not include testing of the

85 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.

86 ■ **TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property. A

87 "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory or other

88 analysis of these materials. If Buyer requires testing, testing contingencies must be specifically provided for at lines 293 - 297 or in an addendum

89 per line 298. Note: Any contingency authorizing such tests should specify the areas of the Property to be tested, the purpose of the test, (e.g., to

90 determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency (e.g.,

91 Buyer's obligation to return the Property to its original condition). Seller acknowledges that certain inspections or tests may detect environmental

92 pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

93 ■ **PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer shall have the

94 right to inspect the Property to determine that there has been no significant change in the condition of the Property, except for ordinary wear and

95 tear and changes approved by Buyer, and that any defects Seller has elected to cure have been repaired in a good and workmanlike manner.

96 ■ **ENVIRONMENTAL SITE ASSESSMENT:** An "environmental site assessment" (also known as a "Phase I Site Assessment") (see lines 279 to

97 283) may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property, including a

98 search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a review of historic and

99 recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued with respect to the Property;

100 (5) an evaluation of results of any environmental sampling and analysis that has been conducted on the Property; and (6) a review to determine

101 if the Property is listed in any of the written compilations of sites or facilities considered to pose a threat to human health or the environment includ-

102 ing the National Priorities List, the Department of Natural Resources' (DNR) registry of Abandoned Landfills, the DNR's Registry of Leaking

103 Underground Storage Tanks, the DNR's most recent remedial response site evaluation report (including the Inventory of Sites and Facilities Which

104 May Cause or Threaten to Cause Environmental Pollution). Any "environmental site assessment" performed under this Offer shall comply with

105 generally recognized industry standards (e.g. current American Society of Testing and Materials "Standards for Environmental Site Assessments for

106 Commercial Real Estate"), and state and federal guidelines, as applicable. *CAUTION: Unless otherwise agreed an*

107 *"environmental site assessment" does not include subsurface testing of the soil or groundwater or other testing of the Property for*

108 *environmental pollution.*

109 ■ **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Seller shall maintain the Property until the earlier of closing or occupancy

110 of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to closing, the

111 Property is damaged in an amount of not more than five per cent (5%) of the selling price, Seller shall be obligated to repair the Property and

112 restore it to the same condition that it was on the day of this Offer. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writ-

113 ing of the damage and this Offer may be canceled at the option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer

114 shall be entitled to the insurance proceeds relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of

115 Seller's deductible on such policy. However, if this sale is financed by a land contract or a mortgage to Seller, the insurance proceeds shall be

116 held in trust for the sole purpose of restoring the Property.

117 ■ **FIXTURES** A "Fixture" is an item of property which is physically attached to or so closely associated with land and improvements so as to be

118 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items

119 specifically adapted to the Property, and items customarily treated as fixtures. A "fixture" does not include trade fixtures owned by tenants of the

120 Property. See Lines 11 to 17.

121 ■ **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines 293 -

122 297 or in an addendum per line 298. Occupancy shall be given subject to tenant's rights, if any.

123 ■ **SPECIAL ASSESSMENTS** Special assessments, if any, for work actually commenced or levied prior to date of this Offer shall be paid by Seller

124 no later than closing. All other special assessments shall be paid by Buyer. *CAUTION: Consider a special agreement if area assessments, prop-*

125 *erty owner's association assessments or other expenses are contemplated. "Other expenses" are one-time charges or ongoing use fees for pub-*

126 *lic improvements (other than those resulting in special assessments) relating to curb, gutter, street, sidewalk, sanitary and stormwater and storm*

127 *sewer (including all sewer mains and hook-up and interceptor charges), parks, street lighting and street trees, and impact fees for other public*

128 *facilities, as defined in Wis. Stat. § 66.55(1)(c) & (f).*

189 etc., may need to be investigated to determine feasibility of improvements, development or use changes for Property. Contingencies
190 for investigation of these issues may be added to this Offer. See lines 293 to 298.

191 ■ **FORM OF TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase
192 price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE EVIDENCE WILL BE GIVEN**
193 **BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**

194 ■ **PROVISION OF MERCHANTABLE TITLE:** Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence shall be
195 acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business days before clos-
196 ing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable, subject only to liens
197 which will be paid out of the proceeds of closing and standard abstract certificate limitations or standard title insurance requirements and excep-
198 tions, as appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE COMMITMENT PRIOR TO**
199 **CLOSING, A "GAP ENDORSEMENT" TO THE TITLE COMMITMENT OR AN ESCROW CLOSING.**

200 ■ **TITLE ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by the time set for
201 closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and the time for closing shall be extend-
202 ed as necessary for this purpose. In the event that Seller is unable to remove the objections, Buyer shall have 5 days from receipt of notice thereof, to
203 deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer
204 shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

205 **DELIVERY/RECEIPT:** Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated in all man-
206 ner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered an original sig-
207 nature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt by Buyer or Seller.
208 Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving the notice. A Party may
209 not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party. The delivery/receipt provi-
210 sions in this Offer may be modified when appropriate (e.g., when mail delivery is not desirable (see lines 25 - 31)). Buyer and Seller author-
211 ize the agents of Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies and any other settle-
212 ment service providers for the transaction.

213 **DATES AND DEADLINES:** Deadlines expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the day the
214 event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as a specific num-
215 ber of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day designated by the President
216 such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours"
217 from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours per calendar day.
218 Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

219 **DEFAULT:** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A material
220 failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or other legal remedies.

221 **If Buyer defaults,** Seller may:

- 222 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
223 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct Broker to return the
224 earnest money and have the option to sue for actual damages.

225 **If Seller defaults,** Buyer may:

- 226 (1) sue for specific performance; or
227 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

228 In addition, the Parties may seek any other remedies available in law or equity.

229 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the courts.
230 If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above. By agreeing
231 to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement. **NOTE: IF**
232 **ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS DOCUMENT**
233 **CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW**
234 **FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT**
235 **CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

236 **EARNEST MONEY**

237 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's agent if Property
238 is not listed or seller if no broker is involved), until applied to purchase price or otherwise disbursed as provided in the Offer. **CAUTION: Should**
239 **persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties or an attorney. If someone other**
240 **than Buyer makes payment of earnest money, consider a special disbursement agreement.**

241 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance from payor's
242 depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall be disbursed
243 according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written disbursement
244 agreement signed by all Parties to this Offer (Note: Wis. Adm. Code § RL 18.09(1)(b) provides that an offer to purchase is not a written disbursement
245 agreement pursuant to which the broker may disburse). If the disbursement agreement has not been delivered to broker within 60 days after the date
246 set for closing, broker may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer
247 or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other
248 disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and
249 broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement.

250 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this Offer.
251 Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1) or (4) above, broker
252 shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's proposed disbursement, a lawsuit
253 may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the
254 sale of residential property with 1-4 dwelling units and certain other earnest money disputes. The Buyer and Seller should consider consulting attor-
255 neys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith
256 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing regulations concerning earnest
257 money. See Wis. Adm. Code Ch. RL 18. **NOTE: WISCONSIN LICENSE LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CON-**
258 **CERNING THE LEGAL RIGHTS OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR**
259 **CONVEYANCE. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.**

260 PROPERTY ADDRESS: 8949 & 9035 N. 97th Street, Milwaukee, WI [page 5 of 5, WB- 15]

261 **TIME IS OF THE ESSENCE** "TIME IS OF THE ESSENCE" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy;
262 (4) date of closing; (5) contingency deadlines **STRIKE AS APPLICABLE** and all other dates and deadlines in this Offer except:
263 _____ . If "Time is of the Essence"

264 applies to a date or deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does not apply
265 to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

266 **DOCUMENT REVIEW CONTINGENCY:** This Offer is contingent upon Seller delivering the following documents to Buyer within
267 14 days of acceptance: **CHECK THOSE THAT APPLY**

268 Documents evidencing that the sale of the Property has been properly authorized, if Seller is a business entity.

269 A complete inventory of all furniture, fixtures and equipment included in this transaction which is consistent with
270 representations made prior to and in this Offer.

271 Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property
272 to be free and clear of all liens, other than liens to be released prior to or at closing.

273 Other _____

274 _____
275 This contingency shall be deemed satisfied unless Buyer, within _____ days of the earlier of receipt of the final record to be delivered or the dead-
276 line for delivery of the documents, delivers to Seller a written notice indicating that this contingency has not been satisfied. The notice shall iden-
277 tify which document(s) have not been timely delivered or do not meet the standard set forth for the document(s).

278 **ENVIRONMENTAL EVALUATION/INSPECTION CONTINGENCY:** This Offer is contingent upon: **CHECK THOSE THAT APPLY**

279 A qualified independent environmental consultant of Buyer's choice conducting an environmental site assessment of the Property (see
280 lines 96 to 108), at (Buyer's)(Seller's) expense **STRIKE ONE** , which discloses no defects. A defect is defined as a material violation of
281 environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the presence of an
282 underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of contaminating the
283 Property due to future migration from other properties.

284 A qualified independent inspector of Buyer's choice conducting an inspection of the Property and _____
285 _____ , at (Buyer's)(Seller's) expense **STRIKE ONE** , which discloses no defects.

286 A defect is defined as a structural, mechanical or other condition that would have a significant adverse effect on the value of the Property; that
287 would significantly impair the health and safety of future occupants of the Property; or that if not repaired, removed or replaced would
288 significantly shorten or have a significantly adverse effect on the expected normal life of the Property.

289 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the environmental site
290 assessment/inspection report(s) and a written notice listing the defect(s) identified in the environmental site assessment/inspection report(s) to
291 which Buyer objects. Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before
292 signing the Offer. Buyer agrees to deliver a copy of the report and notice to listing broker, if Property is listed, promptly upon delivery to Seller.

293 **ADDITIONAL PROVISIONS/CONTINGENCIES:** Seller certifies that they have owned the property
294 continuous without ownership change for a period of not less than 10 years.

298 **ADDENDA:** The attached Addenda A & B; Seller Disclosure is/are made part of this Offer.
299 **THIS OFFER, INCLUDING ANY AMENDMENTS TO IT, CONTAINS THE ENTIRE AGREEMENT OF THE BUYER AND SELLER REGARDING**
300 **THE TRANSACTION. ALL PRIOR NEGOTIATIONS AND DISCUSSIONS HAVE BEEN MERGED INTO THIS OFFER. THIS AGREEMENT**
301 **BINDS AND INURES TO THE BENEFIT OF THE PARTIES TO THIS OFFER AND THEIR SUCCESSORS IN INTEREST.**

302 This Offer was drafted on 07/10/2012 [date] by [Licensee and firm] Ray Giannini Marcus & Millichap .

303 (X) _____
304 Buyer's Signature ▲ Print Name Here: ► Rabbi Menachem Rapoport Social Security No. or FEIN (optional) ▲ _____ Date ▲ _____

305 (X) _____
306 Buyer's Signature ▲ Print Name Here: ► Mark E. O'Neill Social Security No. or FEIN (optional) ▲ _____ Date ▲ _____

307 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 8 of the above Offer. (See Lines 236 - 259)

308 Marcus & Millichap Broker (By) Ray Giannini, VPI

309 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING**
310 **AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS**
311 **SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.**

312 (X) Robert Peregrine Sr.
313 Seller's Signature ▲ Print Name Here: ► Robert, Peregrine Sr. Pres WLRC Social Security No. or FEIN (optional) ▲ _____ Date ▲ 7/11/12

314 (X) Rev. James Kleist
315 Seller's Signature ▲ Print Name Here: ► Rev. James Kleist Pres, WLCFS Social Security No. or FEIN (optional) ▲ _____ Date ▲ 7/11/12

316 This Offer was presented to Seller by Marcus & Millichap on July 10, 2012, at 5:00 a.m./p.m.

317 **THIS OFFER IS REJECTED** _____ **THIS OFFER IS COUNTERED** [See attached counter] _____
318 Seller Initials ▲ _____ Date ▲ _____ Seller Initials ▲ _____ Date ▲ _____

Addenda A to the WB-15 Commercial Offer to Purchase Dated 7/10/2012
8949 & 9035 N. 97th Street, Milwaukee, Wisconsin

Contingencies: Buyer's obligation to close this transaction is contingent upon the following:

- A. Buyer's inspection and complete satisfaction with the real property, the improvements, systems servicing said property and tenant files of all current tenant. Seller shall cooperate with Buyer to the extent reasonably requested, but at no expense to Seller, other than making available copies of pertinent documents, to facilitate such inspection and review by Buyer. Seller shall grant Buyer reasonable access to the property for purposes of conducting said inspection. This contingency shall be waived in writing within 45 day of acceptance or this Offer shall be null and void and all earnest money returned to Buyer.
- B. Buyer obtaining construction financing and tax-exempt bond financing in an amount satisfactory to Buyer at an interest rate not to exceed 5.65% with a 30 year amortization and 18 year term from the Wisconsin Housing and Economic Development Authority. This contingency shall be waived in writing within 45 days of final acceptance of the Purchase Agreement or this Offer shall be null and void and all earnest money returned to Buyer.
- C. Buyer obtaining from the City of Milwaukee and any other appropriate local, state or federal governments or government agencies having jurisdiction over the Property all necessary permits, zoning approvals, and licenses necessary for the Buyer's proposed renovation of the property. This contingency shall be waived in writing 45 days from the final acceptance or this Offer shall be null and void and all earnest money returned to Buyer. Buyer will not apply for permits, zoning approvals or licenses until tax credits have been approved.
- D. Buyer shall obtain a Phase I Environmental Report, at Buyer's expense, satisfactory to Buyer. This contingency shall be waived in writing within 45 days of final acceptance of the Purchase Agreement or this Offer shall be null and void and all earnest money returned to Buyer.
- E. Buyer obtaining a Reservation of Section 42 Tax Credits from Wisconsin Housing and Economic Development Authority for the property. Should Buyer fail to obtain necessary allocation within 90 days of the final acceptance of the Purchase Agreement of this Offer will be null and void by serving written notice to Seller.
- F. Initial earnest money deposit of \$50,000.00 to be paid within 10 days of the final acceptance shall become non-refundable after 45-days; Buyer shall have two additional 30-day extensions that shall increase the earnest money \$25,000.00 and shall be non-refundable to Buyer immediately upon the end of the extension term.
- G. Closing Prorations:
 - A. Revenue and Expenses: All revenue and expenses are to be prorated as of the day of closing. Any late receipts will be prorated within thirty days after the closing
 - B. Property is tax-exempt

- H. Seller Warranty:
 - A. Deposits/Reserves:
 - 1. Seller agrees to give Buyer one (1) month's deposit for each occupying Luther Haven resident based on current monthly charges excluding any special care charges (vacant apartments not included) in the form of a security deposit.
- I. Brokerage Commission: Seller shall be responsible and pay at its sole cost any brokerage commissions initiated by Seller.
- J. Applicable Laws: This Agreement contemplated herein shall be governed by, construed and enforced in accordance with the laws of the state of Wisconsin.
 - A. FIRPTA Affidavit: An Affidavit of Seller confirming that Seller is not a foreign person as such term is defined in Section 1445(f)(3) of the Internal Revenue code of 1986, as amended.
- K. Buyer agrees to continue to offer all services, amenities, and programs currently occurring at Luther Haven and Wisconsin Lutheran Living Center without an increase in charges to the residents aside from the normal cost of living adjustments. See Addendum B for the complete list of services and amenities. In Buyer agreeing to this paragraph, Seller agrees to include the bus in the sale of this property.
- L. It is the Buyer's policy to only increase rents at a level not to exceed the general cost of living. Units that are restricted due to the Low Income Housing Tax Credits are restricted to an affordability level below 60% of the county median income. The restricted rental rates are published annually by HUD and monitored for compliance by WHEDA.
- M. Residents occupy pursuant to the Resident Living Agreement ("the Agreement"), Buyer agrees to assume all fiduciary responsibility to residents at close. Buyer acknowledges that it has been given a copy of the Agreement and assumes the fiduciary responsibilities inherent in the Agreement.
- N. Unless otherwise agreed upon, the closing of this transaction shall occur on the date that is 60 days after the expiration of the Contingency Period or the Extension Period, as the case may be.

**Addenda B to the WB-15 Commercial Offer to Purchase Dated 7/10/2012
8949 & 9035 N. 97th Street, Milwaukee, Wisconsin**

Services and Amenities

Wellness Nurse (15 hours/week)

- Blood pressure checks
- Answers questions about medications
- Will help schedule doctor appointment
- Will check on resident if not feeling well or after a fall
- Flu shots

Activities Coordinator (40 hours/week + Set-up help equal to 20 hours/week)

- Fitness-related classes (mind and body)
 - Strengthening Exercises
 - Yoga
 - Art
 - Wii Bowling
 - Tai Chi
 - Choir
 - Washer game
 - Zumba
 - Line Dancing
 - Gin Rummy
 - Scrabble
 - Recorder music class
 - Whirlpool range of motion class
 - Mind aerobics
 - Bean bag toss
 - Hymn sing
- Craft club
- Choir
- Special events and entertainment/theme activities
- Coach bus trips/outings coordination
- Book club/poetry club
- Computer club

Woodshop

Outdoor vegetable garden

Luther Haven Bus (Driver: 15 hours/week)

- Grocery stores
- Drug stores
- Wal-Mart
- Breakfast's at different restaurants
- Fleet farm
- Brewer games
- Theater/shows

Housekeeping

- Available for an hourly rate for anyone interested

Evening Meal (cost included in monthly rent) with table service

Lunch Deli 3 days per week (cash)

Grocery store

Gift shop

Notary services

Credit Union (1 ½ hours per week)

RCAC Care Services – as needed, below market rates based on level of care needed

Valet parking

Election voting availability on premises

Library

Monthly newsletter

Rummage sales

Chapel with regular services

Barber/beauty shop

Holiday events (Fourth of July cookouts, Super Bowl parties, etc.)

Various performances on campus from singing and acting groups (3-5/month)

Coffee and cocktail hours

Enterprise Credit Union (ECU):

ECU is a credit union having a branch within the Luther Haven facility free of charge and as a service to the residents. ECU's branch makes available essential checking, savings and other banking services to each resident.

SELLER DISCLOSURE REPORT - COMMERCIAL

PROPERTY OWNER: WISCONSIN LUTHERAN RETIREMENT COMMUNITY (WLRC)

PROPERTY ADDRESS: 8949 N. 97TH STREET, MILWAUKEE, WI

OWNER HAS OWNED THE PROPERTY FOR 29 YEARS.

Wis. Admin. Code § RL 24.07(1)(a) requires listing brokers to inspect the property and to "make inquiries of the seller on the condition of the structure, mechanical systems and other relevant aspects of the property. The licensee shall request that the seller provide a written response to the licensee's inquiry." Wis. Admin. Code § RL 24.07(2) requires listing brokers to disclose all material adverse facts discovered in Broker's inspection or disclosed by Owner, in writing, in a timely manner, to all parties. This Seller Disclosure Report is a tool designed to help the licensee fulfill these license law duties. Owner's statements are a representation of Owner's knowledge of the Property's condition. It is not a property condition warranty by the Owner or any agent of the Owner, nor is it a substitute for any inspections or testing buyer may wish to have done. Buyer may, however, rely upon this information in deciding whether or not, or upon what terms, to purchase the Property. In this form, "defect" means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises.

Are you aware of any of the following with regard to the Property? "Aware" means to have notice or knowledge.

CIRCLE ONE ANSWER: Explain any "yes" or "unsure" answers in the blank lines following item (23).

- | | | | |
|--|-----|-------------------------------------|--------|
| 1. Defects in structural components, e.g. roof, foundation, basement or other walls? | yes | <input checked="" type="radio"/> no | unsure |
| 2. Defects in mechanical systems, e.g. HVAC, electrical, plumbing, septic, well, fire safety, security or lighting? | yes | <input checked="" type="radio"/> no | unsure |
| 3. Underground or above ground storage tanks presently or previously on the Property for storage of flammable or combustible liquids, including but not limited to gasoline and heating oil? | yes | <input checked="" type="radio"/> no | unsure |
| 4. A defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, lead paint, asbestos, radon, radium in water supplies, mold, pesticides or other potentially hazardous or toxic substances on the premises? | yes | <input checked="" type="radio"/> no | unsure |
| 5. Production of or spillage of methamphetamine (meth) or other hazardous or toxic substances on the Property? | yes | <input checked="" type="radio"/> no | unsure |
| 6. Zoning or building code violations, any land division involving the property for which required state or local permits had not been obtained, nonconforming structures or uses, conservation easements, rights-of-way? | yes | <input checked="" type="radio"/> no | unsure |
| 7. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to impose assessments against the real property located within the district? | yes | <input checked="" type="radio"/> no | unsure |
| 8. Proposed, planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property or the present use of the Property? | yes | <input checked="" type="radio"/> no | unsure |
| 9. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition? | yes | <input checked="" type="radio"/> no | unsure |
| 10. Flooding, standing water, drainage problems or other water problems on or affecting the Property? | yes | <input checked="" type="radio"/> no | unsure |
| 11. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides? | yes | <input checked="" type="radio"/> no | unsure |
| 12. Near airports, freeways, railroads or landfills, or significant odor, noise, water intrusion or other irritants emanating from neighboring property? | yes | <input checked="" type="radio"/> no | unsure |
| 13. A portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations? | yes | <input checked="" type="radio"/> no | unsure |
| 14. The Property is subject to a mitigation plan required under administrative rules of the Department of Natural Resources related to county shoreland zoning ordinances, which obligates the owner of the Property to establish or maintain certain measures related to shoreland conditions and which is enforceable by the county? | yes | <input checked="" type="radio"/> no | unsure |

- 15. All, or part, of the Property is subject to, enrolled in or in violation of a Farmland Preservation Agreement (see 23) or a Forest Crop, Managed Forest (see disclosure requirements in Wis. Stat. § 710.12), Conservation Reserve or comparable program? yes no unsure
- 16. A pier attached to the Property that is not in compliance with state or local pier regulations? See <http://dnr.wi.gov/> for information. yes no unsure
- 17. Governmental investigation or private assessment/audit (of environmental matters) ever being conducted? When and by whom? _____ yes no unsure
- 18. Encroachments, easements, other than recorded utility easements; access restrictions; covenants, conditions and restrictions; shared fences, walls, wells, driveways, signage or other shared usages; or leased parking? yes no unsure
- 19. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property? yes no unsure
- 20. A structure on the Property designated as a historic building, any part of the property located in a historic district, or burial sites or archeological artifacts on the Property? yes no unsure
- 21. Other defects affecting the property? yes no unsure
- 22. Use Value Assessments: The use value assessment system values agricultural land based on the income that would be generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. To obtain more information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's Equalization Section at 608-266-2149 or visit <http://www.revenue.wi.gov/facts/sfv/useassmt.html>.
 - (a) The land has been assessed as agricultural land under Wis. Stat. § 70.32(2)? yes no unsure
 - (b) The land has been assessed a use-value conversion charge under Wis. Stat. § 74.485(2)? yes no unsure
 - (c) The payment of a use-value conversion charge has been deferred under Wis. Stat. § 74.485(4)? yes no unsure
- 23. Notice: Rezoning a property zoned farmland preservation to another use or the early termination of a farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to 3 times the class 1 "use value" of the land. Call 608-224-4500 or visit <http://www.dnrc.state.wi.us/workinglands/index.jsp> for more information. The property is in a certified farmland preservation zoning district or subject to a farmland preservation agreement? yes no unsure

EXPLANATIONS OF "YES" OR "UNSURE" ANSWERS _____

22 b & c - we don't know.

Notice: You may obtain information about the sex offender registry and persons registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at <http://www.widocoffenders.org> or by phone at 608-240-5830.

The Owner certifies that the information in this report is true and correct to the best of the Owner's knowledge as of the date below.

(X) WLRC, Amy Taglianti 03/12/2012
Signature Date
WLRC, Amy Taglianti, Manager

(X) _____
Signature Date

Broker certifies that Broker has inspected the property and that unless otherwise indicated, Broker is not aware of any defects other than those disclosed by this report or of information inconsistent with this report.

Marcus & Millichap
Broker/Firm Name

(X) Ray Giannini 03/12/2012
By Date
Ray Giannini, VPI

I acknowledge receipt of a copy of this report.

(X) _____
Buyer's Signature Date

(X) _____
Buyer's Signature Date

Copyright © 2010 by Wisconsin REALTORS® Association; Drafted by: Attorney Debra Peterson Conrad
No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.
This report form does not satisfy Wisconsin Statute Chapter 709 which generally applies to transfers of real estate containing 1-4 dwelling units.

SELLER DISCLOSURE REPORT - COMMERCIAL

PROPERTY OWNER: WISCONSIN LUTHERAN LIVING CENTER (LLC)

PROPERTY ADDRESS: 9035 N. 92ND STREET, MILWAUKEE, WI 53224

OWNER HAS OWNED THE PROPERTY FOR 15 YEARS.

Wis. Admin. Code § RL 24.07(1)(a) requires listing brokers to inspect the property and to "make inquiries of the seller on the condition of the structure, mechanical systems and other relevant aspects of the property. The licensee shall request that the seller provide a written response to the licensee's inquiry." Wis. Admin. Code § RL 24.07(2) requires listing brokers to disclose all material adverse facts discovered in Broker's Inspection or disclosed by Owner, in writing, in a timely manner, to all parties. This Seller Disclosure Report is a tool designed to help the licensee fulfill these license law duties. Owner's statements are a representation of Owner's knowledge of the Property's condition. It is not a property condition warranty by the Owner or any agent of the Owner, nor is it a substitute for any inspections or testing buyer may wish to have done. Buyer may, however, rely upon this information in deciding whether or not, or upon what terms, to purchase the Property. In this form, "defect" means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises.

Are you aware of any of the following with regard to the Property? "Aware" means to have notice or knowledge.

CIRCLE ONE ANSWER: Explain any "yes" or "unsure" answers in the blank lines following item (23).

- 1. Defects in structural components, e.g. roof, foundation, basement or other walls? yes no unsure
- 2. Defects in mechanical systems, e.g. HVAC, electrical, plumbing, septic, well, fire safety, security or lighting? yes no unsure
- 3. Underground or above ground storage tanks presently or previously on the Property for storage of flammable or combustible liquids, including but not limited to gasoline and heating oil? yes no unsure
- 4. A defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, lead paint, asbestos, radon, radium in water supplies, mold, pesticides or other potentially hazardous or toxic substances on the premises? yes no unsure
- 5. Production of or spillage of methamphetamine (meth) or other hazardous or toxic substances on the Property? yes no unsure
- 6. Zoning or building code violations, any land division involving the property for which required state or local permits had not been obtained, nonconforming structures or uses, conservation easements, rights-of-way? yes no unsure
- 7. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to impose assessments against the real property located within the district? yes no unsure
- 8. Proposed, planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property or the present use of the Property? yes no unsure
- 9. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition? yes no unsure
- 10. Flooding, standing water, drainage problems or other water problems on or affecting the Property? yes no unsure
- 11. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides? yes no unsure
- 12. Near airports, freeways, railroads or landfills, or significant odor, noise, water intrusion or other irritants emanating from neighboring property? yes no unsure
- 13. A portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations? yes no unsure
- 14. The Property is subject to a mitigation plan required under administrative rules of the Department of Natural Resources related to county shoreland zoning ordinances, which obligates the owner of the Property to establish or maintain certain measures related to shoreland conditions and which is enforceable by the county? yes no unsure

Luther Havea

- 15. All, or part, of the Property is subject to, enrolled in or in violation of a Farmland Preservation Agreement (see 23) or a Forest Crop, Managed Forest (see disclosure requirements in Wis. Stat. § 710.12), Conservation Reserve or comparable program? yes no unsure
- 16. A pier attached to the Property that is not in compliance with state or local pier regulations? yes no unsure
See <http://dnr.wi.gov/> for information.
- 17. Governmental investigation or private assessment/audit (of environmental matters) ever being conducted? yes no unsure
When and by whom? _____
- 18. Encroachments; easements, other than recorded utility easements; access restrictions; covenants, conditions and restrictions; shared fences, walls, wells, driveways, signage or other shared usages; or leased parking? yes no unsure
- 19. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property? yes no unsure
- 20. A structure on the Property designated as a historic building, any part of the property located in a historic district, or burial sites or archeological artifacts on the Property? yes no unsure
- 21. Other defects affecting the property? yes no unsure
- 22. Use Value Assessments: The use value assessment system values agricultural land based on the income that would be generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. To obtain more information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's Equalization Section at 608-266-2149 or visit <http://www.revenue.wi.gov/faqs/slf/useassmt.html>.
 - (a) The land has been assessed as agricultural land under Wis. Stat. § 70.32 (2r)? yes no unsure
 - (b) The land has been assessed a use-value conversion charge under Wis. Stat. § 74.485(2)? yes no unsure
 - (c) The payment of a use-value conversion charge has been deferred under Wis. Stat. § 74.485(4)? yes no unsure
- 23. Notice: Rezoning a property zoned farmland preservation to another use or the early termination of a farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to 3 times the class 1 "use value" of the land. Call 608-224-4500 or visit <http://www.dnr.state.wi.us/workinglands/index.asp> for more information.
The property is in a certified farmland preservation zoning district or subject to a farmland preservation agreement? yes no unsure

EXPLANATIONS OF "YES" OR "UNSURE" ANSWERS _____

22 b & c - we don't know.

Notice: You may obtain information about the sex offender registry and persons registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at <http://www.widocoffenders.org> or by phone at 608-240-5830.

The Owner certifies that the information in this report is true and correct to the best of the Owner's knowledge as of the date below.

(X) WLRC, Amy Taglienti 03/12/2012
Signature ▲ Date ▲
WLRC, Amy Taglienti, Manager

(X) _____
Signature ▲ Date ▲

Broker certifies that Broker has inspected the property and that unless otherwise indicated, Broker is not aware of any defects other than those disclosed by this report or of information inconsistent with this report.

Marcus & Millichap
Broker/Firm Name ▲

(X) Ray Giannini 03/12/2012
By ▲ Date ▲
Ray Giannini, VPI

I acknowledge receipt of a copy of this report.

(X) _____
Buyer's Signature ▲ Date ▲

(X) _____
Buyer's Signature ▲ Date ▲

- FINAL -

(Revised Counter-Offer No. 1; July 26, 2012)

COUNTER-OFFER NO. 1

This Counter-Offer is made this 26th day of July, 2012 by Crown Court Properties, Ltd. and/or assigns ("Buyer");

WHEREAS, under date of July 10, 2012, Wisconsin Lutheran Retirement Community, Inc. and Wisconsin Lutheran Child & Family Service, Inc. (collectively, the "Seller") submitted to Buyer a WB-15 Commercial Offer to Purchase (the "Offer to Purchase") and Addenda A and B to WB-15 Commercial Offer to Purchase (which together, with the Offer to Purchase, constitute the "Offer") for the property commonly known as 8949 and 9035 North 97th Street, Milwaukee, Wisconsin (the "Property"); and

WHEREAS, the Offer in its current form is not satisfactory to Buyer and, therefore, Buyer desires to counter the Offer;

NOW, THEREFORE, Buyer counters the Offer as follows:

1. Acceptance Date. The term "Acceptance Date," as used in the Offer, shall mean the date on which the party making the last offer or counter-offer receives an executed copy of the other party's acceptance of such offer or counter-offer. Notwithstanding the lapse of time or anything to the contrary contained in the Offer, Seller and Buyer hereby deem the Offer to be reinstated and in full force and effect.
2. The words "and/or assigns" shall be inserted immediately after "Crown Court Properties, Ltd. ("CCP")" on Line 2 of the Offer to Purchase.
3. The word "a/o" on Line 13 of the Offer to Purchase is hereby deleted and replaced with "a/c."
4. The following is hereby inserted at the end of Line 31 of the Offer to Purchase: "with a copy to Mark E. O'Neill, Godfrey & Kahn, S.C., 780 North Water Street, Milwaukee, Wisconsin 53202."
5. The fax number for Buyer on Line 34 of the Offer to Purchase is hereby deleted and replaced with the following: "(262) 241-2813, with a copy to Mark E. O'Neill, Godfrey & Kahn, S.C., at fax number (414) 273-5198."
6. The word "Buyer" shall be stricken from Line 39 of the Offer to Purchase.
7. The words "this Offer" on Line 123 of the Offer to Purchase are hereby deleted and replaced with the word "closing."
8. Lines 130 through 178, inclusive, of the Offer to Purchase are hereby deleted in their entirety.
9. The words "(or other conveyance as provided herein)" shall be deleted from Lines 180 and 181 of the Offer to Purchase. The following words shall be inserted immediately after the words "in the year of closing and" on Line 183 of the Offer to Purchase: "none other." At

closing, Wisconsin Lutheran Child & Family Service, Inc., as ground lessee, and Wisconsin Lutheran Retirement Community, Inc., as ground lessor, shall terminate the ground lease for the Property, and Wisconsin Lutheran Child & Family Service, Inc., or its subsidiary as the case may be, shall convey its interest in the improvements located on the Property to Wisconsin Lutheran Retirement Community, Inc. At closing and if requested by the Title Company, Wisconsin Lutheran Child & Family Service, Inc. shall convey to Seller by quit claim deed any and all interest it may have to land beneath the improvements located on the Property and the improvements located thereon. At closing and as required hereunder, Seller shall convey the Property to Buyer by warranty deed.

10. Evidence of Title. Lines 191 through 204 of the Offer to Purchase are hereby deleted in their entirety and replaced with the following language:

Form of Title Evidence. At Closing, Seller, at Seller's sole expense, shall deliver to Buyer an ALTA owner's policy of title insurance issued by a nationally recognized title insurer acceptable to Buyer (the "Title Company") insuring Buyer's title to the Property in the amount of the full Purchase Price, without exception or qualification other than the Permitted Encumbrances (as defined below). Buyer shall secure gap insurance and any endorsements thereto at Buyer's sole cost and expense.

Provision of Merchantable Title. Within ten (10) business days after the Acceptance Date, Seller shall furnish and deliver to Buyer an ALTA title insurance commitment (the "Title Commitment") on the Property issued by the Title Company pursuant to which the Title Company agrees to issue an owner's standard form ALTA policy of title insurance on the Property in the amount of the full Purchase Price of the Property. The Title Commitment shall show all covenants, conditions, restrictions, liens, encumbrances, and other matters of record affecting the Property, and shall include legible copies of all documents that appear as exceptions to title in the Title Commitment.

Title Not Acceptable for Closing. If the Title Commitment discloses any title exceptions objectionable to Buyer other than encumbrances to be satisfied out of the closing proceeds, then Buyer shall have until the later of thirty (30) days after the Acceptance Date or fifteen (15) days following Buyer's receipt of the Title Commitment to notify Seller in writing of these objections. If Buyer fails to deliver such notice within the applicable period, Buyer shall be deemed to have approved the condition of title as shown by the Title Commitment. Exceptions to title approved by Buyer under this paragraph shall be deemed "Permitted Encumbrances" for purposes of this Offer.

Seller shall use commercially reasonable efforts to cure any of Buyer's objections to title within fifteen (15) days after Seller receives Buyer's notice of title objections, as set forth hereinabove (the "Title Cure Period"). If, following the exercise of commercially reasonable efforts, Seller fails to cure all of Buyer's objections to title within the Title Cure Period, Buyer shall have the option of terminating this Offer at any time within ten (10) days after expiration of the Title Cure Period by giving written notice of termination to Seller. Upon such termination, all earnest money shall be immediately returned to Buyer and this Offer shall terminate and be of no further force or effect."

12. Lines 221 through 224 of the Offer to Purchase are hereby deleted and replaced with the following: "If Buyer defaults, Seller shall, as its sole remedy, demand and receive the earnest money as liquidated damages, which Seller agrees is fair and adequate consideration." Lines 228 through 231 of the Offer to Purchase are hereby deleted through the words "arbitration agreement" on Line 231.

13. The words "listing broker (buyer's agent if Property is not listed or seller if no broker is involved)" are hereby deleted from Lines 237 and 238 of the Offer to Purchase and replaced with the following: "Title Company."

14. Any and all signature blocks contained within the Offer are hereby modified to provide that the Buyer is "Crown Court Properties, Ltd. and/or assigns" and that Rabbi Menachem Rapoport is vice president of Buyer. Any and all references to Mark E. O'Neill in signature blocks contained within the Offer are hereby deleted.

15. Paragraph E of Addendum A to the Offer to Purchase is hereby deleted and replaced with the following: "Buyer (i) applying to the Wisconsin Housing and Economic Development Authority ("WHEDA") for a 4% tax credit allocation of low income housing tax credits for the Property and receiving from WHEDA, a tax credit allocation in an amount acceptable to Buyer in Buyer's sole discretion, and (ii) obtaining, at Buyer's sole cost and expense, a commitment from a recognized tax credit syndicator or direct corporate purchaser ("Tax Credit Investor") to purchase the low income housing tax credits referenced in this Paragraph above, for an amount and upon terms and conditions acceptable to Buyer in Buyer's sole discretion (the "Tax Credit Contingency"). In the event the Tax Credit Contingency is not satisfied or waived by Buyer by the ninetieth (90th) day following the Acceptance Date ("Tax Credit Contingency Period"), and Buyer does not in its opinion desire to close, Buyer shall promptly notify Seller within the Tax Credit Contingency Period, and this Offer shall be deemed terminated, all earnest money paid by Buyer, notwithstanding anything to the contrary contained in this Offer, shall immediately be returned and Buyer shall have no further obligation or responsibility hereunder."

16. Paragraph F of Addendum A to the Offer to Purchase is hereby deleted in its entirety and replaced with the following:

"Buyer shall pay an initial earnest money deposit of \$50,000.00 within ten (10) days of the Acceptance Date. In the event any of the contingencies set forth in this Offer, except the Tax Credit Contingency, is not satisfied or waived by Buyer by the forty-fifth (45th) day following the Acceptance Date ("Contingency Period"), and Buyer does not in its opinion desire to close, Buyer shall promptly notify Seller within the Contingency Period, and this Offer shall be deemed terminated, all earnest money paid by Buyer shall immediately be returned and Buyer shall have no further obligation or responsibility hereunder. Notwithstanding the foregoing, prior to the expiration of the Contingency Period, Buyer shall have the right to extend the Contingency Period for one (1) period of forty-five (45) days (the "Extension Period") by delivering to Seller written notice on or before the expiration of the initial Contingency Period of Buyer's election to extend the Contingency Period and an additional, refundable earnest money deposit in the amount of \$25,000.00, which together with all previously deposited earnest money shall be credited

against the purchase price at closing. In the event any of the contingencies set forth in this Offer are not satisfied or waived by Buyer by the expiration of the Extension Period, and Buyer does not in its opinion desire to close, Buyer shall promptly notify Seller within the Extension Period, and this Offer shall be deemed terminated, all earnest money paid by Buyer deposited hereunder shall immediately be returned and Buyer shall have no further obligation or responsibility hereunder. ”

17. Paragraph H of Addendum A to the Offer to Purchase is hereby deleted in its entirety and replaced with the following: “Following closing, Seller shall (i) return to the tenants of the Property (each a “Resident”) pursuant to Residential Living Agreements (collectively, the “Leases”) the Refundable Security Deposits and (ii) obtain receipts executed by both Seller and each Resident. The term “Refundable Security Deposit” shall mean the aggregate amount of all deposits held by Seller pursuant to the Leases (the “Aggregate Security Deposits”) less an amount equal to the aggregate of one (1) month’s rent for each Resident (the “Transferred Security Deposits”). Each receipt shall (x) be in form satisfactory to Buyer in Buyer’s sole discretion, (y) state the amount returned to each Resident, and (z) contain an assignment from Seller to Buyer of any and all rights held by Wisconsin Lutheran Retirement Community, Inc. and its board of directors. At closing and as additional security for Seller’s obligations to return the Refundable Security Deposits as required above, Seller shall place in escrow (the “Escrow”) with the Title Company an amount equal to the Aggregate Security Deposits. Seller and Buyer shall execute an escrow agreement in form and content reasonably acceptable to Buyer, Seller and the Title Company pursuant to which Seller may receive disbursements from the Escrow following the return of the applicable amount of the Refundable Security Deposits to a Resident and delivery of the above-referenced receipt applicable to such Resident to the Title Company and the Buyer. Further, and at such time as a disbursement from the Escrow is made to Seller, the Buyer shall receive a disbursement from Escrow in an amount equal to the aggregate amount of one (1) month’s rent for each such Resident to which each receipt applies. Seller shall indemnify, defend and hold harmless Buyer from and against any and all losses, damages, liabilities, suits, causes of action, judgments, awards, obligations for payments, penalties, interest, costs and expenses, including reasonable attorney’s fees and disbursements, incurred by Buyer that arise out of or relate to Seller’s obligation to escrow and return the Refundable Security Deposits.”

18. The first sentence of Paragraph K of Addendum A to the Offer to Purchase is hereby modified by inserting at the beginning thereof the following words: “With respect to current Property residents only.”

19. The first sentence of Paragraph L of Addendum A to the Offer to Purchase is hereby deleted in its entirety and replaced with the following: “The Buyer agrees not to raise the monthly rental fees paid by existing Residents more than the COL increase in any one calendar year.” The second sentence of Paragraph L is hereby modified by deleting the words “Tax Credits are restricted” therefrom and inserting in their place the words “Tax Credits will be restricted.”

20. Paragraph M of Addendum A to the Offer to Purchase is hereby deleted in its entirety. (See Paragraph O.4 of Section 21 below.)

"O. Closing Requirements of Seller. At closing, Seller shall deliver to Buyer the following:

1. Wisconsin Real Estate Transfer Tax Return. At the time of closing, Seller shall sign a Wisconsin Real Estate Transfer Return and pay the Wisconsin real estate transfer tax associated with the transaction contemplated by this Offer.

2. General Warranty Bill of Sale. A General Warranty Bill of Sale conveying marketable title to the personal property described in Lines 11-14 of the Offer to Purchase free and clear of all liens, charges and encumbrances.

3. Assignment of Warranties. Assignment of any guarantees or warranties pertaining to the Property.

4. Assignment and Assumption of Leases. Assignment of the Leases affecting the Property that extend beyond the closing date, together with all original leases and amendments thereto and all materials in each tenant file held by Seller. At closing, Buyer agrees to assume all of Seller's obligations under the Leases from the date of closing through the expiration or earlier termination of the Leases.

5. Assignment of Operational Licenses. Seller shall assign all assignable licenses necessary for the current operation of the Property. Seller hereby agrees to cooperate with Buyer and all such federal, state and local authorities having jurisdiction over such licenses to permit the full and complete assignment of such licenses to Buyer.

6. Transfer of Vehicle Title. Seller shall transfer title to all vehicles used to provide tenant transportation services in the current operation of the Property.

7. Certified Rent Roll. A rent roll of the Property certified to Buyer as true, accurate, correct and complete."

22. The following shall be inserted as new Paragraph P of Addendum A to the Offer to Purchase:

"P. Representations and Warranties of Seller. To induce Buyer to execute, deliver and perform this Offer, Seller hereby represents and warrants to Buyer as follows:

1. Required Alterations. Seller has no notice or knowledge of any government agency, tenant request or demand or court order requiring repair, alteration or correction of any existing condition of the Property.

2. Litigation. There are no claims, causes of action or other litigation or proceedings pending or threatened in respect to the ownership or operation of the Property, including, without limitation, disputes of tenants, government authorities, prior owners, utilities, contractors, adjoining landowners or suppliers of goods and services.

3. Authority. Seller has full capacity, right, power and authority to execute, deliver and perform this Offer and all documents to be executed by Seller pursuant hereto and all required action therefor has been duly taken.

4. Code Compliance. To Seller's knowledge, the Property is in compliance with all applicable building codes and municipal and zoning ordinances.

5. Condemnation. No notice concerning the Property has been received by Seller of any taking or condemnation by any governmental body or officer or other competent authority for any public or quasi-public use.

6. Binding Offer. This Offer constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms, neither the execution and delivery of this Offer nor the consummation of the transaction contemplated herein will constitute a violation or breach by Seller of any provision of any agreement or other instrument to which Seller is a party or to which Seller may be subject although not a party, or will result in or constitute a violation or breach of any judgment, order, writ, injunction or decree issued against Seller.

7. Third Party Consent. The consent of no third party or governmental agency or authority is required for the execution of this Offer by Seller and the consummation of the transaction contemplated herein.

8. Licenses. All licenses required for the current operation of the Property and in full force and effect and fully assignable to Buyer.

9. Other Conditions. Seller has no knowledge of any other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence."

23. The following shall be inserted as new Paragraph Q of Addendum A. to the Offer to Purchase:

"Q. Seller's Covenants. From the date of this Offer through the date of closing Seller shall:

1. Maintenance and Maintenance Charges. Maintain the Property in a good, clean and sanitary condition without any deferred maintenance and shall pay in a timely fashion all bills and discharge all obligations arising by reason of Seller's ownership, operation and management of the Property as they become due;

2. Leases and Other Agreements. Continue to rent units in the Property in the ordinary course of business and, not, without obtaining the prior written consent of Buyer, terminate or modify the any Lease (except with respect to Leases terminated or modified in the ordinary course of business), or other agreement with respect to the Property;

3. Zoning. Not, without the prior written consent of Buyer, initiate or consent to the change in any zoning applicable to the Property or in any other governmental law, permit, license, ordinance or regulation applicable to the construction, use, occupation or operation of the Property; and

4. Insurance. Maintain adequate insurance on the buildings and all other improvements located on the Property for the full replacement cost thereof."

24. The following shall be inserted as new Paragraph R of Addendum A to the Offer to Purchase:

"R. Access and Cooperation. Buyer and its designees, at any time after the Acceptance Date with reasonable notice to and consultation with Seller and Seller's property manager, shall have the right to enter the Property, subject to the rights of tenants in possession, as many times as is reasonably necessary to conduct inspections, studies, tests, and investigations of the Property. Seller shall cooperate with Buyer in Buyer's exercise of its rights hereunder. Buyer shall, with respect to work performed by or on behalf of Buyer, indemnify Seller against any and all expense, liability or damage arising out of (i) any mechanics liens filed against the Property; or (ii) the negligent or intentional acts of Buyer or its agents."

25. The following shall be inserted as new Paragraph S of Addendum A to the Offer to Purchase:

"S. Additional Provisions.

1. Successors and Assigns. All of the terms, covenants and conditions of the Offer shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

2. Further Assurances. At closing, or thereafter if necessary, each party hereto shall, without cost or expense to the other party, execute and deliver to or cause to be executed and delivered to the other party, such further instruments of transfer and conveyance as may be reasonably requested, and take such other action as a party may reasonably require to carry out more effectively the transactions contemplated herein.

3. Counterpart; Fax Signatures. The Offer and any counter-offer or amendment related thereto may be executed in counterparts and executed copies of any such documents which are transmitted by facsimile shall be binding on the party whose signature appears on such facsimile copy.

4. Captions and Pronouns. The captions and headings of the various sections or paragraphs of this Offer are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

5. Provisions Severable. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

6. Binding Effect. This Offer shall inure to the benefit of and the binding upon the heirs, executors, administrators, successors and assigns of the Seller and Buyer.

7. Governing Law. This Offer shall be governed by and construed in accordance with the laws of the State of Wisconsin.

8. Brokers Commission. Seller agrees to be responsible for the payment of any and all broker commissions due to any broker arising as a result of the sale of the Property."

26. The following shall be inserted as new Paragraph T of Addendum A to the Offer to Purchase:

"T. Additional Contingencies.

1. Tenant Audit. This Offer is contingent upon Buyer, within thirty (30) days following the Acceptance Date, determining in Buyer's sole discretion, that the tenants currently occupying the Property can be certified to qualify as tenants in a Section 42 low income housing tax credit project.

2. Service Audit. This Offer is contingent upon Buyer, within thirty (30) days following the Acceptance Date, approving in Buyer's sole discretion, the services and costs thereof currently being provided to tenants occupying the Property."

27. Addendum B. The following insertions or deletions, as the case may be, are hereby made to Addendum B to the Offer to Purchase:

- a. Regarding the reference to "Activities Coordinator," the words "(40 hours/week + Set-up help equal to 20 hours/week)" are hereby deleted.
- b. The words "Resident-operated" shall be inserted immediately before the words "Grocery store" and "Gift shop."
- c. Regarding the reference to "RCAC Care Services," the words ", below market rates based on level of care needed" are hereby deleted.
- d. The words "Valet parking" are hereby deleted.
- e. The words "to be facilitated by Buyer" shall be inserted immediately following the words "Chapel with regular services."

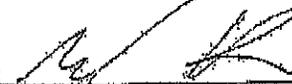
Except as herein modified, all other terms and conditions of the Offer shall remain as set forth therein.

[SIGNATURES ON NEXT PAGE FOLLOWING]

This Counter-Offer shall be binding upon Seller and Buyer only if a copy of this accepted Counter-Offer is faxed to Buyer at: (262) 241-2813, with a copy faxed to Mark E. O'Neill at (414) 273-5198, on or before 5:00 p.m. Central Time, August 3, 2012, time being of the essence.

BUYER:

CROWN COURT PROPERTIES, LTD.

By: 
Menachem Rapoport, Vice President

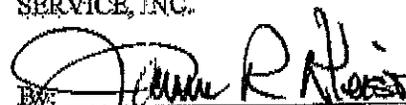
Accepted as of this 31ST day
of JULY, 2012.

SELLER:

WISCONSIN LUTHERAN RETIREMENT
COMMUNITY, INC.

By: 
Name: ROBERT B. PEREGRINE, SR
Title: PRESIDENT

WISCONSIN LUTHERAN CHILD & FAMILY
SERVICE, INC.

By: 
Name: JAMES KLEIST
Title: PRESIDENT

8202832_5

EXHIBIT D

Public Finance Authority
Multifamily Housing Revenue Bonds
Prairie Haven Apartments
Series 2014A and 2014A-T (Taxable)

Summary of Bond Financing

Sources and Uses of Funds

Sources of Funds

Par Amount	11,455,000
Original Issue Premium (Discount)	(343,650)
Borrower Equity	225,000
Seller's Note	645,000
Deferred Developer Fee	450,000
Total	12,431,350

Uses of Funds

Project Fund	10,985,200
Debt Service Reserve Fund	752,675
Capitalized Interest	297,276
Cost of Issuance	220,955
Underwriter's Discount	171,825
Additional Proceeds	3,419
Total	12,431,350

Detailed Breakdown

Cost of Issuance Allocation

Underwriter's Discount	171,825
Bond Counsel	60,000
Issuer Fee	11,455
Issuer Counsel	10,000
Underwriter Counsel	50,000
Rating Agency	55,000
Trustee	6,000
Closing Costs	3,500
Contingency	25,000
Total	392,780

Project Fund Allocation

Land Costs	500,000
Building Acquisition	4,500,000
Acquisition Fee	50,000
Residential Construction	3,230,000
Contractor Overhead	452,200
Construction Contingency	161,500
Architect and Engineering	115,000
Real Estate Counsel	100,000
Survey	15,000
Title and Recording	30,000
Property Appraisal	6,000
Market Study	6,500
Environmental Reports	7,500
Capital Needs Assessment	6,500
Rent-up and Marketing	250,000
Real Estate Consultants Fees	125,000
Tenant Relocation Costs	200,000
Developer Fee	1,230,000
Total	10,985,200

Cost of Issuance Test

2% of Net Bond Proceeds	222,227
Cost of Issuance	392,780
Amount over (under) 2% limit	170,553

EXHIBIT E



STIER CONSTRUCTION INC.

N8 W22195 Johnson Drive, Suite 160 • Waukesha, WI. 53186 • 262-574-0306 • FAX 262-574-0313

January 10, 2014

Crown Court Properties, Ltd.
Attn: Menachem Rapoport
2233 West Mequon Road
Mequon, WI 53092

Dear Menachem,

As requested we offer the following general budgetary project outline scope for the proposed Prairie Haven Apartment project:

- Local permit.
- Dumpsters.
- Construction fence.
- Site signage allowance.
- Update landscaping.
- Parking lot asphalt repairs.
- Foundation repair per drawings.
- Selective demolition.
- Roof replacement of main common area.
- Roof replacement on two (2) garages.
- Rough carpentry for in-wall blocking.
- Finish carpentry labor for new vanities, toilet accessories, cabinet repairs, cabinet pulls, and accessible unit cabinetry and doors as scheduled.
- New kitchen cabinets and vanity tops as scheduled.
- New interior accessible apartment unit doors as scheduled.
- New cabinets in new satellite dining area.
- Convenience store changes.
- Select building exterior repairs.
- Wood deck maintenance repairs.
- Install pulls on cabinet doors and drawers.
- New sheet vinyl and carpet flooring in resident units as scheduled.
- New carpet in corridors and main entrance common space as scheduled.
- Rework two (2) public restrooms to meet accessibility requirements.
- Remove one (1) guest unit and change over to satellite dining area.
- Paint apartment units, corridors, and common space as scheduled.
- Replace corridor acoustical ceilings and grid as scheduled.
- Minor drywall touch-ups in units and common spaces.
- Steel stud framing and drywall in new accessible units.
- Residential appliances as scheduled.



General Contractor

Construction Management

Design/Build

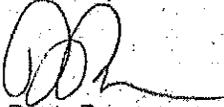


- New toilet accessories for accessible units and accessible public toilets.
- New elevator finishes.
- Plumbing:
 - Replace previously modified bath tubs with low curb showers.
 - Twelve (12) accessible showers.
 - New faucets and drains at new bathroom vanities as scheduled.
 - Remove and reinstall toilets for sheet vinyl installation as scheduled.
 - Replace toilets as scheduled.
 - Remove existing garbage disposals.
 - New gas water heaters.
- HVAC:
 - Replace main common area roof top heating/cooling units.
 - Furnish and install bathroom exhaust fans and ducting.
- Electric:
 - Replace corridor lighting.
 - Replace unit light fixtures as scheduled.
- Clean up.
- Supervision.

Please note this is a budgetary scope and is based on our understanding of the project.

If you have any questions do not hesitate to contact us at 262-574-0306.

Sincerely,



Dave Bergmann
Project Manager

DB/sk

cc: Fred Stier
Dan Scheibe
Paul Torweihe