

HIGHLAND GARDENS DEVELOPMENT LLC

Adopted: _____, 2024

RESOLUTION: APPROVING HIGHLAND GARDENS DEVELOPMENT LLC, AS SOLE MANAGING MEMBER OF HIGHLAND GARDENS LLC, TO AUTHORIZE THE ASSUMPTION OF ALL HUD DOCUMENTS FROM HIGHLAND PARK COMMUNITY, LLC, THE ACQUISITION OF THE HIGHLAND GARDENS PROJECT, THE EXECUTION OF ALL LOAN DOCUMENTS RELATED TO THE REFINANCE AND RESTRUCTURING OF THE HIGHLAND GARDENS PROJECT AND THE ADMISSION OF INVESTORS TO HIGHLAND GARDENS, LLC

The undersigned, being the sole member and managing member of Highland Gardens Development LLC, a Wisconsin limited liability company (the “**Company**”), does hereby approve, authorize, adopt, consent to, and confirm the following actions, as hereinafter written:

WHEREAS, *Highland Gardens* is a 114-unit residential housing development with other ancillary improvements (the “**Project**”) currently owned by Highland Park Community, LLC, a Wisconsin limited liability company (“**HPC**”);

WHEREAS, the Project is subject to that certain RAD Use Agreement dated April 16, 2018 (the “**RAD Use Agreement**”) that was entered into by and among HPC, the Housing Authority of the City of Milwaukee, a Wisconsin public body corporate and politic (“**HACM**”), and the U.S. Department of Housing and Urban Development (“**HUD**”);

WHEREAS, the Project is subject to a RAD Project Based Voucher Housing Assistance Payment contract (the “**RAD HAP**”) and a Project-Based Voucher Housing Assistance contract (“**PBV HAP**”) and together with RAD HAP, the “**HAP Contracts**”), dated June 1, 2018;

WHEREAS, HACM is the sole member and manager of Highland Park Development, LLC, a Wisconsin limited liability company (“**HP Development**”). HP Development is the sole member and manager of HPC, the current owner of the Project;

WHEREAS, pursuant to Resolution R13432, HACM, authorized, among other things, the refinancing and rehabilitation of the Project and the formation of a new entity to acquire, own, manage, and operate the Project;

WHEREAS, in furtherance of the Project and pursuant to Articles of Organization, filed on July 11, 2023, with the State of Wisconsin Department of Financial Institutions; Highland Gardens LLC, a Wisconsin limited liability company (the “**Project Owner**”), was formed to acquire, own, operate, and manage the Project;

WHEREAS, HACM authorized the formation of the Company to be the member and managing member of the Project Owner, pursuant to Articles of Organization, filed July 11, 2023 with the State of Wisconsin Department of Financial Institutions;

WHEREAS, the Wisconsin Housing and Economic Development Authority (“**WHEDA**”) awarded the Project Owner low-income housing tax credits pursuant to Section 42 of the Internal

Revenue Code for the rehabilitation of the Project;

WHEREAS, pursuant to a Letter of Intent by PNC dated October 24, 2023 (“**PNC LOI**”) and a Letter of Intent by Sugar Creek Capital, dated October 25, 2023 (“**SG LOI**”), PNC Bank, National (“**PNC**”) will serve as the federal limited member of the Project Owner with 99.979% interest therein, Columbia Housing SLP Corporation (“**Columbia**”) will serve as the special limited member of the Project Owner with a 0.001% interest therein, and Affordable Housing Fund III-I LLC, a Missouri limited liability (“**Affordable Fund**”), will serve as the Project Owner’s state limited member with a 0.01% interest therein;

WHEREAS, in connection with the rehabilitation of the Project, the Company, PNC, Columbia, and Affordable Fund will enter into an Amended and Restated Operating Agreement for the Project Owner (the “**Amended and Restated Operating Agreement**”), and various other agreements, certificates and documents required thereunder or described therein to effectuate the tax credit equity investments being made by PNC, Columbia and Affordable Fund;

WHEREAS, in connection with the existing RAD Use Agreement and the HAP Contracts, HPC will assign the RAD Use Agreement and HAP Contracts to Project Owner;

WHEREAS, in furtherance of the long-term viability of the Project, HPC shall convey to HACM, pursuant to a Special Warranty Deed (the “**Deed**”), the fee simple interest in the Project, which includes the real property located at 1818 W. Juneau Avenue, Milwaukee, WI 53233 (the “**Land**”) and the buildings and improvements situated thereon (the “**Improvements**”);

WHEREAS, pursuant to a Ground Lease Agreement that will be executed by HACM, as “Landlord” thereunder, the Project Owner, as “Tenant”, shall acquire a leasehold interest in the Land. A fee simple interest in the Improvements will also be transferred to the Project Owner;

WHEREAS, in connection with the rehabilitation of the Project, the Project Owner shall receive a first-priority loan from WHEDA in the approximate principal amount of Twelve Million Two Hundred Eighty-Six Thousand Four Hundred Fifty-Seven and No/100 U.S. Dollars (\$12,286,457.00), or such other amount as deemed acceptable by HACM’s Secretary-Executive Director (the “**WHEDA Loan**”);

WHEREAS, to facilitate financing for the Project HACM will make a subordinate acquisition loan to the Project Owner in the approximate principal amount of Seven Million and No/100 U.S. Dollars (\$7,000,000.00), or such other amount as deemed acceptable by HACM’s Secretary-Executive Director (the “**Acquisition Loan**”);

WHEREAS, in connection with the rehabilitation of the Project, HACM is making a subordinate loan to the Project Owner in the approximate principal amount of One Million Five Hundred Fifty and No/100 U.S. Dollars (\$1,550,000.00), or such other amount as deemed acceptable by HACM’s Secretary-Executive Director (the “**Non-Federal Funds Loan**” and, together with the Acquisition Loan, the “**Authority Loans**”);

WHEREAS, First American Title Insurance Company has issued a Commitment for Title Insurance Policy No. NCS-1210356-MKE to the Project Owner and will require the execution of certain title affidavits in connection with the initial fee simple and subsequent leasehold interest transfers in the Project;

WHEREAS, the Project Owner will enter into an agreement with Galbraith Carnahan Architects

LLC, in connection with the preparation of plans, specifications and other items in furtherance of the Project (the “**Architect Agreement**”);

WHEREAS, the Project Owner will engage HACM to manage the Project pursuant to that certain Property Management Agreement; and

WHEREAS, the undersigned has determined that completion of the Project is in the best interest of the Company and the Project Owner and therefore desires to support the Project and authorize the transactions contemplated herein.

NOW, THEREFORE, BE IT RESOLVED, that that the Company, on behalf of itself, and as managing member of Project Owner, is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all instruments, certificates, agreements and documents for the Project Owner to acquire a leasehold interest in the Land and a fee interest in the Improvements thereon, and to negotiate, enter into, execute and deliver all agreements, instruments, bills of sale, certificates and documents required thereunder or in connection therewith including, but not limited to the Ground Lease Agreement (collectively, the “**Acquisition Documents**”), and to perform all of its obligations thereunder, and to consummate the transactions contemplated thereby; and be it

FURTHER RESOLVED, that that the Company, on behalf of itself, and as managing member of Project Owner, is hereby authorized, empowered, and directed to enter into, execute, and deliver, any and all instruments, certificates, agreements and documents to assign the RAD Use Agreement and HAP Contracts to Project Owner, and comply with the RAD Use Agreement and obtain HUD approval for the refinancing and rehabilitation of the Project, including, but not limited to, the Assignment, Assumption, and Extension of Rental Assistance Demonstration Project-Based Voucher Housing Assistance Payments Contract, Assignment and Assumption of Rental Assistance Demonstration Use Agreement, RAD-PBV Restructuring Template (collectively, the “**HUD Documents**”), and to perform all of its obligations thereunder, and to consummate the transaction contemplated thereby; and be it

FURTHER RESOLVED, that the Company, on behalf of itself, and as managing member of Project Owner, is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all instruments, certificates, agreements and documents in connection with the WHEDA Loan, including, but not limited to, the Loan Agreement, the Multifamily Note (Note #1), the Multifamily Note (Note #2), the Multifamily Leasehold Mortgage, Assignment of Rents and Security Agreement, the Land Use Restriction Agreement for Wisconsin Housing Tax Credit, the Land Use Restriction Agreement for Low-Income Housing Tax Credit, the Land Use Restriction Agreement for Tax-Exempt Bond Funding, the Land Use Restriction Agreement, the Corporate Guaranty and the Environmental Indemnity Agreement (collectively, the “**WHEDA Loan Documents**”); and to perform all of its obligations thereunder, and to consummate the transaction contemplated thereby; and be it

FURTHER RESOLVED, that the Company, on behalf of itself, and as managing member of Project Owner, is hereby authorized, empowered, and directed to enter into, execute, and deliver, any and all instruments, certificates, agreements and documents in connection with the Authority Loans, including, but not limited to, the HACM Acquisition Note, the HACM Acquisition Mortgage and Security Agreement, the HACM Non-Federal Funds Loan Agreement, the HACM Non-Federal Funds Note, the HACM Non-Federal Funds Mortgage and Security Agreement (collectively, the “**Authority Loan Documents**”); and to perform all of its obligations thereunder, and to consummate the transactions contemplated thereby; and be it

FURTHER RESOLVED, that the Company, on behalf of itself, and as managing member of Project Owner, is hereby authorized, empowered, and directed to enter into, execute, and deliver any

and all instruments, certificates, agreements and documents in connection with the PNC LOI and the SG LOI and to effectuate the admission of, PNC, Columbia, and Affordable Fund (collectively, the “**Investors**”), into the Project Owner including, without limitation, the Amended and Restated Operating Agreement continuing the operation of the Project Owner, the Amended and Restated Development Services Agreement, and any guaranties and indemnities made for the benefit of the Investors (collectively, the “**Equity Documents**”); and be it

FURTHER RESOLVED, that the Company, on behalf of itself, and as managing member of Project Owner, is hereby authorized, empowered, and directed to enter into, execute, and deliver any and all instruments, certificates, agreements and documents in connection with the rehabilitation of the Project, without limitation, the Architect Agreement (the “**Construction Documents**”), and be it

FURTHER RESOLVED, that the Company, on behalf of itself, and as managing member of Project Owner, is hereby authorized, empowered, and directed to furnish to the Investors all due diligence materials specified in Investor’s closing checklist, as the same may be modified and supplemented by the Investors for the Project or otherwise requested by the Investors in connection with its investment in the Project Owner; and be it

FURTHER RESOLVED, that HACM’s Secretary-Executive Director, or his designee, is hereby authorized, on behalf of the Company, individually and as the managing member of the Project Owner, to execute any and all of the Acquisition Documents, the HUD Documents, the WHEDA Loan Documents, the Equity Documents, the Authority Loan Documents, and the Construction Documents; and be it

FURTHER RESOLVED, that HACM’s Secretary-Executive Director, or his designee, is authorized and directed, on behalf of the Company, individually and as the managing member of the Project Owner, to execute and deliver any and all such agreements, documents and other instruments and to take any and all such actions required by First American Title Insurance Company in connection with its issuance of owner and lender insurance policies; and, be it

FURTHER RESOLVED, that all acts previously performed, relative to the Project, by HACM’s Board, its Secretary-Executive Director, and executive staff, on behalf of the Company, individually and as managing member of the Company, are hereby approved, ratified and confirmed in all respects; and be it

FURTHER RESOLVED, that HACM’s Secretary-Executive Director or his designee, is hereby authorized, empowered and directed, as managing member of the Company, individually and as the managing member of the Project Owner, to take any and all such action deemed necessary or desirable by the Secretary-Executive Director to effectuate the transactions contemplated herein; and be it

FURTHER RESOLVED, that these Resolutions shall be effective immediately.

[Signature on following page.]

These Resolutions are effective as of _____, 2024.

MANAGING MEMBER

HIGHLAND GARDENS DEVELOPMENT LLC,
a Wisconsin limited liability company,

By: Housing Authority of the City of Milwaukee,
a Wisconsin public body corporate and politic,
its Managing Member

By: _____
Willie L. Hines, Jr.
Secretary-Executive Director

EXHIBIT A

Property Legal Description

Lot 7, Block 2, MCKINLEY SUBDIVISION recorded January 16, 2004 as Document No. 8718222, being a redivision of Blocks 5, 6, and 7 and vacated streets and alleys in WELL'S ADDITION, all being a part of the Southwest 1/4 of the Southeast 1/4 of Section 19, Township 7 North, Range 22 East, in the City of Milwaukee, County of Milwaukee, State of Wisconsin.