

## Memorandum

**To:** Board of Directors of the Housing Authority of the City of Milwaukee (the “**Board**”)  
**From:** Michael Best & Friedrich LLP  
**Date:** September 12, 2022  
**Subject:** Terms of First Amendment to Purchase and Sale Agreement for  
6001 West Silver Spring Drive, Milwaukee, Wisconsin (the “**Property**”)

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This Memorandum summarizes the proposed changes to that certain Purchase and Sale Agreement (the “**Agreement**”), by and between the Housing Authority of the City of Milwaukee (“**HACM**”) and 3300 LLC, a Wisconsin limited liability company (“**Purchaser**”) for the Property under the attached proposed form of First Amendment to Purchase and Sale Agreement (the “**Amendment**”) to inform the Board as it considers the Amendment.

The proposed Amendment to the Agreement amends the transaction as follows:

- Changes the description of the Project from commercial space to a use consistent with the Restrictive Covenant to be recorded against the Property (the “**Permitted Use**”).
- Changes the Closing date from no later than 30 days following satisfaction or waiver of Purchaser’s Contingencies to September 30, 2022, subject to the satisfaction of the HACM Closing Conditions, which are further described below.
- Waives Purchaser’s Contingencies (including third-party approvals, internal approvals, survey, environmental site assessment, use restrictions, physical inspection and document review).
- Changes HACM’s Closing Conditions from HACM’s review and approval of the final proposed site plan (including a detailed fencing, paving, and landscaping plan), and final building plans (“**Purchaser City Approvals**”) and HUD’s approval of the release of the Deed of Trust encumbering the Property to HUD approving of the evidentiary documents as described in its May 4, 2022, disposition approval letter, as amended. Please note, the Deed of Trust was previously released by HUD in connection with the Westlawn Renaissance VII closing.
- Changes HACM’s review and approval timeframe of Purchaser City Approvals from a period prior to Closing to the period after Closing and prior to Purchaser commencing construction of the Project and provides that no buildings, structures, or other similar improvements other than the Project per the approved Purchaser City Approvals shall be

constructed on the Property without the prior written approval of HACM (“**Construction Restriction**”).

- Changes the Project’s construction Commencement Date from within one hundred eighty (180) days following Closing to within three hundred sixty (360) days following Closing.
- Changes the Project’s construction Completion Date from December 31, 2024, to December 31, 2025.
- The Amendment provides that HACM shall have an option to repurchase the Property at seventy-five percent (75%) of the Purchase Price should the Purchaser fail to: (i) submit the Purchaser City Approvals to HACM for review and approval before submission to the City of Milwaukee; (ii) commence construction of the Project by the Commencement Date; or (iii) complete the Project by the Completion Date. HACM shall also have an option to repurchase if the Property is used for any use other than the Permitted Use for a period of twenty (20) years from Closing, or if any buildings, structures, or other similar improvements other than the Project per the approved Purchaser City Approvals are constructed on the Property without the prior written approval of HACM for a period of twenty (20) years from Closing (collectively, the “**Repurchase Rights**”).
- The Amendment provides that the Restrictive Covenant, Construction Restriction and Repurchase Rights shall be recorded against the Property at or prior to Closing.