

**MGI ELM GROVE ASSESSMENT VALUATION
COMPLETION GUARANTY**

1 This Guaranty by is made by MANDEL GROUP, INC., a Wisconsin corporation
2 (“**MGI**” or the “**Guarantor**”) to and for the benefit of the Village of Elm Grove, Wisconsin, a
3 Wisconsin municipality (the “**Village**”).

4 WHEREAS, pursuant to that certain Development Agreement dated of even date
5 herewith (as amended, restated, supplemented or otherwise modified from time to time, the
6 “**Development Agreement**”) by and between _____ Apartments LLC
7 (“**Developer**”) and the Village, the Village has agreed to provide MRO funds and make available
8 Lake Michigan water through the City of Wauwatosa, on the terms and subject to the conditions
9 set forth in the Development Agreement; and,

10 WHEREAS, the Village requires, as a condition of entering into the Development
11 Agreement and the transactions related thereto, that Guarantor guaranty certain obligations of
12 Developer to the Village pursuant to the terms hereof; and,

13 WHEREAS, MGI is an affiliate of the Developer, and will derive substantial benefits
14 from the conduct of the Developer’s business and operations; and, by reason of the relationship
15 with the Developer, has agreed to execute this Guaranty;

16 WHEREAS, MGI has made adequate confidential disclosures to the satisfaction of the
17 Village’s TIF District financial consultant (“**Village Consultant**”) that MGI has and should
18 continue to have financial assets to meet its obligations under this Guaranty and MGI will update
19 the Village Consultant regarding same once each calendar year until the Guaranty has
20 terminated; and

21 WHEREAS, it is in the interests of both the Developer and MGI that the Developer
22 obtain the benefits under the Development Agreement.

23 NOW, THEREFORE, in consideration of the above premises and for other good and
24 valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the
25 Guarantor hereby agrees as follows:

26 1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to
27 such terms in the Development Agreement and all WHEREAS clauses are incorporated in and
28 made a part of this Guaranty.

29 2. So long as this Guaranty is outstanding, the Guarantor represents and warrants as
30 follows:

31 A. This Guaranty is a legal obligation, valid, binding upon and enforceable
32 against such Guarantor in accordance with its terms, except as it may be limited by applicable
33 bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights.

34 B. Except as disclosed by the Guarantor to the Village, in writing, prior to the
35 date hereof, there is no action, suit, proceeding or investigation before any court, public board or
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37 body pending or threatened against the Guarantor, or any of its properties or assets, which, if
38 adversely determined, would have a material adverse effect upon the business, properties or
39 financial condition of the Guarantor's financial ability to satisfy all the obligations of this
40 Guaranty.

41 C. The Guarantor acknowledges that the Village has not made any
42 representations or warranties with respect to, and agrees that the Village does not assume any
43 responsibility to the Guarantor for and has no duty to provide information to the Guarantor
44 regarding the collectability or enforceability of the Development Agreement or the financial
45 condition of Developer. The Guarantor has independently evaluated and resolved to its
46 satisfaction all the issues, both financial and otherwise, relating to completion of the Apartment
47 Project.

48 3. The Guarantor hereby absolutely and unconditionally guarantees to the Village (i)
49 the performance of Developer's obligation to complete the construction of the Apartment Project
50 as set forth in the Development Agreement, i.e., demolishing most of the existing structures,
51 performing major renovation to two historically significant buildings, commonly referred to as
52 Notre Dame and Maria Halls, and constructing three 3 - story buildings and comprised of not
53 more than two hundred thirty-seven (237) residential units on the Apartment Property, such that
54 the Apartment Project will have an assessed value at the time of Apartment Project Completion
55 (defined below) of not less than Forty One Million Dollars \$41,000,000.00) ("**Guaranteed
56 Obligation**"). In the event that Developer fails to so complete construction of the Apartment
57 Project, then, upon receipt of written demand from the Village to do so, Guarantor will within
58 thirty (30) days after receipt of such notice undertake to complete construction of all of the
59 residential buildings in the Apartment Project, the SWM System and the Public Improvements
60 (collectively, the "**Performance Obligations**"), and thereafter pursue all necessary steps to
61 complete such construction pursuant to the provisions of this Guaranty. The timing of
62 Performance Obligations is mutually exclusive of the timing of the Village's rights under Section
63 VI.B. of the Development Agreement.

64 The Village agrees that, upon Guarantor's fulfillment of the Performance Obligations through to
65 Apartment Project Completion, the Village shall make available all of the undisbursed TID Grant
66 and MRO in accordance with the terms of the Development Agreement provided that all of the
67 following conditions precedent are satisfied: (i) Guarantor shall request in writing that each such
68 disbursement shall be made by the Village in accordance with the terms and conditions set forth
69 in the Development Agreement and (ii) Guarantor shall comply with all of the applicable terms,
70 procedures, conditions and requirements required for each disbursement pursuant to the
71 Development Agreement. Provided that all of the above-referenced conditions have been
72 satisfied, the remaining TID Grant and MRO funds provided for in the Development Agreement,
73 otherwise not encumbered or otherwise pledged by Developer, shall be released to the Guarantor
74 (and if the remaining TID Grant and MRO funds are encumbered or pledged, then they shall be
75 released to the party entitled to thereunder) in accordance with the terms of the Development
76 Agreement as if there had been no default thereunder by Developer in obtaining Apartment
77 Project Completion.

78 4. The Guaranteed Obligation hereunder shall be binding upon the Guarantor, its
79 successors, and assigns; however, the Guarantor shall not transfer or assign its Guaranteed
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