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June 27, 2022

BY EMAIL

Board of Trustees
c/o Hector de la Mora
Village of Elm Grove
13600 Juneau Boulevard
Elm Grove, Wisconsin 53122

Re: Development Agreement between Caroline Heights Apartments LLC (“Developer”) and the Village of Elm Grove concerning School Sisters of Notre Dame Central Pacific Province, Inc. (“SSND”) Development

Dear Trustees:

As you know, we represent Caroline Heights Apartments LLC and its affiliates (collectively “Mandel”) in connection with the above-referenced SSND Development. We were shocked on Friday to see that item 24A on the agenda for tonight’s Board of Trustee’s meeting calls for a discussion of possibly hiring legal counsel to review “the process of the approval and creation of TID#3 and the associated TIF.” There is no basis for such a review. Mandel is confident that all laws and processes were followed in connection with the approval and creation of the TID and the TIF. The Board’s continued attempts to try to undermine the Development are troubling, suggest bad faith, and could have significant consequences.

As we explained in a prior letter dated April 26, 2022, the Village and Mandel entered into a binding Development Agreement, and the Village is legally obligated to honor the Development Agreement and proceed in good faith. As we also explained, a change in the membership of the Board does not allow the Village to breach its obligations to proceed under the Development Agreement in good faith. This suggested review of the TID appears to be a further attempt to block, or at a minimum delay, the Development. You should know that Mandel has incurred approximately \$1.5 million to date and continues to move forward and expend more resources in connection with the Development. Particularly in this environment of rising construction costs and rising interest rates, delay will certainly increase Mandel’s costs.

Mandel believes that this Development is a win for all involved. What is now an abandoned building will soon be a first-class project that will dramatically increase the Village’s tax base. In addition to providing housing for Village residents, the construction of the Development

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FOLEY & LARDNER LLP

Board of Trustees
c/o Hector de la Mora
June 27, 2022
Page 2

will provide opportunities for employment, personal income, and business income for Village residents. Mandel will fulfill its part of the bargain.

If the Board, however, repudiates its obligations or otherwise takes action designed to delay the Development, Mandel will have no choice but to pursue its legal remedies. In addition to pursuing damages for monies expended to date in reliance on the Village's commitments, Mandel will pursue all available damages, including consequential damages and lost profits on the Development. While we do not represent the SSND, the actions that the Board appears to be considering no doubt could materially reduce the value of the SSND's property, thus adding further to the Village's potential liability.

We continue to hope and expect that the Board will honor the Village's obligations in good faith.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Bryan B. House', written over a printed name.

Bryan B. House

cc. Barry Mandel
Phillip Aiello