

**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 Caroline Heights Apartments LLC (“**Developer**”)
7 and the Village, the Village has agreed to make certain financial accommodations available to
8 Developer, including providing MRO funds, on the terms and subject to the conditions set forth
9 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, it is in the interests of both the Developer and MGI that the Developer
17 obtain the benefits under the Development Agreement.

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

21 1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to
22 such terms in the Development Agreement.

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

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

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

34 C. The Guarantor acknowledges that the Village has not made any
35 representations or warranties with respect to, and agrees that the Village does not assume any

36 responsibility to the Guarantor for and has no duty to provide information to the Guarantor
37 regarding the collectability or enforceability of the Development Agreement or the financial
38 condition of Developer. The Guarantor has independently evaluated and resolved to its
39 satisfaction all the issues, both financial and otherwise, relating to completion of the Apartment
40 Project.

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

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

69 4. The Guaranteed Obligation hereunder shall be binding upon the Guarantor, its
70 successors, and assigns; however, the Guarantor shall not transfer or assign its Guaranteed
71 Obligation to an affiliate or another entity without the written consent of the Village. This
72 Guaranty shall remain in full force and effect until the Guaranteed Obligation has been
73 performed, without any right of offset and irrespective of:

74 A. Any failure or lack of diligence in connection or protection, failure in
75 presentment or demand, protest, notice of protest, notice of default and of nonpayment, failure of
76 notice of acceptance of this Guaranty, failure to give notice of failure of the Developer to
77 perform any covenant or agreement under the terms of the Development Agreement, or the

