TERM SHEET FOR DEVELOPMENT AGREEMENT
BETWEEN JJH3GROUP LLC, AND CITY OF WAUWATOSA REGARDING
MULTI-FAMILY RESIDENTIAL DEVELOPMENT PROJECT, WAUWATOSA,
WISCONSIN

April _____, 2026

1. Developer: JJH3group LLC, and/or successors and assigns.

2. Description of Project: Development of a multi-family apartment complex featuring 14 market-rate units and associated private parking on a 0.25-acre site located at 7746 Menomonee River Parkway (the "Property"). The development will include a 10-unit apartment building with one-bedroom floor plans and a second building with four 2- and 3-bedroom townhomes (the "Project"). The Project will meet the requirements of the C1 Zoning District, be designed to complement the surrounding neighborhood, and be in general accordance with the Offer to Purchase 7746 Menomonee River Parkway submitted to the Wauwatosa Community Development Authority (the "CDA") and executed on December 15, 2025. The Developer and the City of Wauwatosa (the "City") have estimated that the taxable value of the Project is expected to be approximately $5,200,000, upon completion, stabilization, and full assessment.

3. City Obligations:

(a) Seek approval for funding described herein through Wauwatosa Tax Increment District #11 ("TID 11"), which includes the Property upon which the Project is to be constructed, as well as other areas and parcels near and around the location necessary to complete the projects described within the TID 11 Project Plan. Such funding is subject to approval of the Wauwatosa Common Council.

(b) Cooperate to structure the TIF funding so as to minimize negative income tax or other impacts on Developer.

(c) Within 30 days after receipt of written request, City shall provide to Developer commercially reasonable written certification regarding the status of the Project and MRO (defined below).

4. Developer Obligations:

(a) Use commercially reasonable efforts to obtain all necessary zoning, permits, and approvals and complete construction of the Project in accordance with plans approved by City and generally consistent with the application for TIF financing submitted to the City by the Developer.

(b) Construct the Project substantially in accordance with construction plans reasonably approved by the City.

(c) All customary permitting, licensing, inspection and plan review fees will be paid by the Developer. An escrow may be required for plan review fees for the City's engineering department.

(d) Construct the Project and maintain it in good condition through the Termination Date, subject to ordinary wear and tear and damage by casualty. As used in this Agreement, "Termination Date" means the expiration or earlier closure of TID 11.

(e) Material changes to construction plans must be approved by the City, such approval not to be unreasonably withheld, conditioned, or delayed.

(f) Designate the following sustainability features or standards (collectively, the "Sustainability Features"):

(i) Electric car charging stations
(ii) High-efficiency HVAC systems
(iii) LED lighting and occupancy sensors
(iv) Skylights and natural daylighting
(v) Bike storage, repair and connectivity to trail system

Developer will also submit Project plans to Focus on Energy (FOE) for a new construction energy assessment when design plans have progressed to the point as required by FOE for evaluation.

(g) Subject to unavoidable or force majeure delays, and extensions approved by the CDA, Developer will use commercially reasonable efforts to target construction and Substantial Completion of the Project generally as follows:

Commence Construction	**Substantially Complete Construction**
October 2026	October 2027

(h) Developer will retain a reputable management company with experience in the management of multifamily rental housing developments similar in size to the Project.

(i) Complete Project substantially in accordance with approved plans.

(j) Developer is required to take commercially reasonable efforts to hire or sub-contract with firms registered as Disadvantaged Business Enterprises with Milwaukee County, State of Wisconsin Department of Administration or the State of Wisconsin Department of Transportation. The Developer also agrees to set a goal of hiring 25% of their additional construction work force needed for this Project from distressed zip codes within Milwaukee County. Developer shall not be obligated to hire any DBE firms that are not qualified to perform the applicable scope of work, and the City acknowledges and agrees that Developer's architectural design services are excluded from this provision as Developer's architect is a co-developer of the Project. Moreover, Developer shall not be obligated to hire a DBE firm if the lowest qualified DBE bid is 5% or greater higher than the lowest qualified bid from a non-DBE firm. Developer will work with a consultant hired by the City and paid through the TIF to develop and implement a Participation Plan to attempt in a commercially reasonable manner to meet these goals and provide any necessary documentation for monitoring, but the City acknowledges and agrees that the size, scale, and nature of this Project may ultimately prevent Developer from satisfying these goals despite its commercially reasonable efforts. Moreover, acknowledging the legitimate desire to solicit qualified subcontractors to bid on the work, the City agrees that any subcontractor bidding and reporting requirements will be commercially reasonable and not onerous. (The details of the above goals and requirements will be set out in the Participation Plan).

5. City Financial Assistance: The City shall provide financial assistance in the form of a reimbursement for Developer-Funded Expenditures (defined below).

6. Funding for Developer-Funded Expenditures: The City will make Municipal Revenue Obligation ("MRO") payments to Developer over the life of TID 11, having a net present value of $894,398 plus interest (such payments totaling $1,679,719 in the aggregate), as shown in the Tax Increment Projection Worksheet attached hereto as Exhibit B, to Developer as described below:

(a) Developer must submit evidence of adequate funding commitments reasonably acceptable to the City before the City will issue an MRO.

(b) The City will reconfirm the MRO upon Substantial Completion of the Project, subject to any adjustments noted in paragraph 9.

(c) The City will pay an amount equal to 100% of the tax increment generated annually by the Developer's Project via an MRO for Extraordinary Project Costs (defined below), including but not limited to the costs identified in paragraph 7 below. This payment will be calculated solely from the property tax payments actually received from the Developer and from no other funds of the City or the Tax Incremental District. Annual payments shall be made to the Developer within ten (10) business days after the tax liability for that year has been paid in full by Developer. For avoidance of doubt, the MRO payment in any given year shall not be limited to the amount of the annual MRO payment shown on the TIF Projections for such year, provided that the total amount of the MRO payments shall not exceed the total aggregate maximum amount of the MRO shown in the table below. The City will make payments on the amended amounts until a total aggregate amount as follows for the Project has been paid:

Financing Rate (a/k/a Discount Rate)	**Future Value (gross aggregate MRO payments**	**Present Value**
6.0%	$1,679,719	$894,398

The future value of $1,679,719 in the chart above is based on the net present value of $894,398 being monetized at the time of construction completion using an imputed interest rate of 6.0%. Any and all obligations for payment of the MRO shall expire on the TIF District Expiration Date. In the event the City closes the TID prior to its 27-year expiration date and Developer has not yet received MRO payments totaling $1,679,719, the City shall pay to the Developer a lump sum payment equal to the present value of the remaining MRO payments reasonably anticipated to have been paid out over the remaining life of the TID had it run for its full period. For example, if the TID is closed two years early, City would pay an amount equal to the final two years of MRO payments that would have otherwise occurred had the TID not been closed early.

7. Extraordinary Project Costs: "Extraordinary Project Costs" means project costs eligible for reimbursement through TID funding under Wisconsin law, examples of which are further described in the chart below. Extraordinary Project Costs can vary between categories, but cannot exceed total Extraordinary Project Costs shown in the chart below on a net present value basis. Prior to the issuance of the first MRO payment, the Developer must substantiate the actual Extraordinary Project Costs.

Extraordinary Project Costs	**Total**
Earthwork, Excavation, and Earth Retention	$239,417
Covered Parking	$570,745
Townhome Dwelling Code Provisions	$150,790
Utility Relocation and Screening	$83,600
Sustainability Initiatives	$166,093
Site Logistics and Material Handling	$124,059
Total	**$1,334,704**

8. Adjustment of Reimbursement for Extraordinary Project Costs and Developer-Funded Expenditures for Construction Savings: Following Substantial Completion of the Project, the City will engage a construction expert to review actual development costs vs. budgeted development costs. Developer's actual development costs shall include the total costs incurred by or on behalf of the Developer, its affiliates or their assignees in connection with the construction of the Project, including any deferred development fee to be paid to Developer, design and engineering fees and all other categories of soft costs included in the final Project budget delivered to the City, and including any amounts required to be deposited into a reserve account by Developer's mortgage lenders at stabilization or at the time of construction cost verification, as applicable. Cost of said expert shall be an eligible TID administrative expense. Developer will provide access to the site and supporting documentation for all line items, including but not limited to, invoices and construction draw documents, to verify the total development costs of the Project and the Extraordinary Project Costs. MRO payments may be withheld until such documentation is provided. If Developer's total costs for the Project are less than the final budget, the CDA and Developer shall share equally in those cost savings subject to a mutually agreeable holdback for potential latent defects and subject to contributions to a Capital Reserve Account (defined below). "Capital Reserve Account" shall mean an account created by Developer and may be drawn upon by Developer from time to time for costs that if known at the time of calculating the savings would have or should have been included as part of the actual construction costs, such as costs of maintenance, repair and replacement, including without limitation, insurance deductibles, incurred in connection with matters related to construction defects and final satisfactory construction completion. Any holdbacks and/or amounts in the Capital Reserve Account that remain unused thirty (30) months after the holdback or account is established, or such earlier date as may be determined by Developer, shall be distributed half to the City and half to the Developer. Developer will have the right to move costs between the line items, except that the Developer overhead and Developer fee shall remain fixed at an overall percentage equal to or less than that shown in the Project budget through Substantial Completion of the Project. In the event of any savings, the amount of the gross aggregate MRO payments shown in the table in sub. 7(d) will be reduced by 50% of said savings. Developer shall have the right, in its sole discretion, to make a payment to the CDA equal to the CDA's share of the savings in lieu of a reduction of the MRO

payment. If sufficient unpaid TIF funds do not remain at that time, Developer shall pay such amount to the CDA within 90 days of determination. Said funds shall be applied to the special fund for the TID for uses consistent with the Project Plan. Any such amount which remains unpaid after 90 days shall be levied as a special charge against the Property pursuant to Sec. 66.0627, Wis. Stats. If Developer's costs exceed the final approved budget for such items, Developer shall be responsible for all cost overruns. Developer, in its sole and absolute discretion, may utilize construction savings on additional expenses that will increase the overall taxable value of the Project, and any savings so used shall reduce the CDA's share of such savings.

9. Adjustment of Reimbursement for Extraordinary Project Costs and Developer-Funded Expenditures based on IRR Reproject (the "Reproject"): City financing is to eliminate any funding gap related to construction of the Project which could not be repaid through anticipated revenues in the future and is based on certain assumptions regarding likely costs and income associated with the Project. The tax increment assistance will be subject to a one-time Reproject to be performed by the City's municipal advisor sixty (60) days after the earlier of: (i) the date that is five years after the date of Stabilization (as defined below); and (ii) the date of sale of the Project.

(a) If the Reproject is performed based on the date of Stabilization, and the Project's Internal Rate of Return (the "IRR"), which will be calculated in accordance with the example attached as Exhibit A, exceeds 15%, then the gross aggregate amount of the remaining MRO payments will be reduced by an amount equal to 30% of the amount by which the IRR exceeds 15%. Such reductions shall be taken from the end of the projected MRO payments. Developer agrees to provide reasonable background documentation of actual Project costs, Project sources, and financing terms to construct the Project as well as the actual income and operating expenses for the period from the date of Substantial Completion through the date which triggers the Reproject as described herein. The future projections shall be based upon 2.0% income growth, 2.0% expense growth, 2.00% annual increase for real estate taxes, 6.0% capitalization rate, and actual permanent financing loan terms, calculated as of the 10th year (2036). Notwithstanding the foregoing, the future projections shall be based on: (i) fully-stabilized and assessed real estate taxes, (ii) fully-stabilized operating expenses, (iii) replacement reserves equal to $500 per unit per year, year 1-10, $650 per unit year 11-20, (iv) 5.0% vacancy factor; (v) 3.30% sales costs; and (vi) the projected mortgage balance based on the actual permanent financing loan terms, calculated as of the 10th year (2036) . As used herein, "Stabilization" means the earlier of (i) the last day of the third consecutive calendar month during which the Project is at least 95% leased and (ii) the date Developer closes on permanent (non-construction) financing for the Project. City shall provide the Developer written notification and an opportunity to review the calculations if the Reproject results in a reduction to the MRO payments.

(b) If the Reproject is triggered by a sale of the Project, and based on such review the investor IRR exceeds 15%, the CDA shall receive 30% of the proceeds above the 15% IRR not to exceed the net present value total amount of the City assistance provided at the closing of the sale, and future MRO payments will remain unchanged.

10. Minimum Equalized Value: Subject to Section 13 below, after the Project reaches Stabilization, and thereafter during the life of TID 11, Developer will not challenge the value of the Property through the assessment process to a value below $5,200,000 (the "Minimum Equalized Value") unless uninsured damage to the Property reduces value to a lower amount. For avoidance of

doubt, Developer shall not otherwise be prohibited from challenging (a) the value of the Property, or (b) the amount of the real property tax, through the assessment process.

11. Property Taxes: Prior to the Termination Date, the Developer shall pay all real property taxes payable with respect to all and any parts of the Property acquired and owned by it until the Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement. The Developer has contractual (as well as statutory) obligations to pay property taxes and shall avoid causing the reduction of property taxes through (a) willful destruction of the Project; (b) willful refusal to reconstruct damage or destroyed property if sufficient insurance funds are available; (c) seeking exemption from property tax; or (d) application for a deferral of property tax.

The Developer agrees that prior to the Termination Date:

i. It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax, and nothing in this sub (i) shall prevent Developer from challenging the property tax assessment for the Project in accordance with the terms of the Agreement;

ii. It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax, and nothing in this sub (ii) shall prevent Developer from challenging the property tax assessment for the Project in accordance with the terms of the Agreement;

iii. It will not seek any tax deferral or abatement, either presently or prospectively authorized under any State or federal law, of the ad valorem property taxation of the Property between the date of execution of this Agreement and the Termination Date.

12. Tax Petitions: If the Developer brings a petition challenging an assessment of the Project, the Developer must inform the City of such petition. During the pendency of any such action, the City may temporarily withhold the portion of the MRO payments for the years subject to challenge that are in excess of the Minimum Equalized Value or the requested value, whichever is greater. Developer would receive MRO payments for all years that the taxes were paid. Upon resolution of Developer's tax petition, any Available Tax Increment deferred and withheld will be paid, without interest thereon, to the extent payable under the final determination of the assessed value. Notwithstanding anything to the contrary, Developer may challenge an assessment below the Minimum Equalized Value if the assessment on the Property on a per unit basis is more than 5%

greater than the average per unit assessment of projects of similar style and level of amenities within Wauwatosa.

13. Tax Exempt Covenant: The Developer shall enter into a restrictive covenant requiring any owner of the Project to make payments in lieu of taxes, in an amount equal to the amount of property taxes which would otherwise be payable to all taxing jurisdictions, in the event that all or any portion of the Project site becomes tax exempt during the life of TID 11. The covenant shall be recorded and shall run with the land.

14. Further Conditions: The Development Agreement shall contain such additional reasonable provisions and reasonable assurances as are customarily contained in similar agreements with the City and shall provide for tax incremental financing as set forth herein.

15. Project Valuation Information: During construction and prior to Project Stabilization, Developer will provide the City Assessor with customary plans and rent and operating expenses in a format as necessary to reach an accurate and defensible valuation of the Project for purposes of real and personal property taxation. Following Project Stabilization, Developer will provide the City Assessor with the necessary income and expense information annually for the accurate valuation of the Project during the life of TID 11 consistent with the type and quantity of information that is customarily requested by the City's Assessor for like properties, which information shall be maintained in confidence in a manner consistent with Wisconsin law. The parties agree that other financial reports and information considered confidential by the Developer required to be provided by Developer to the City under this Agreement shall be provided to the City's outside financial consultant for review on behalf of the City. At the request of the Developer, all financial reports and information provided to such financial consultant in connection with this Agreement shall be held and treated as confidential and shall not be part of the public record associated with the Project, if and as may be permitted under the Wisconsin Public Records Law, Wis. Stats. §§19.21 et seq (the "Public Records Law").

16. To the extent in compliance with applicable law, if any tax, assessment or like charge is properly imposed on or assessed against the Project or the use and operations thereof or income therefrom, as an alternative to, a replacement of, or as supplemental to, any or all of the property taxes that are intended by the parties hereto to constitute the Tax Increments, or increment or like revenues under the Tax Increment Law or any equivalent, then such taxes, assessments, and charges shall be deemed to be Tax Increments hereunder and shall be disbursed as set forth in this Agreement. Notwithstanding the foregoing, special assessments and special charges levied by the City for permitted purposes not already within the scope of this Agreement, such as to pay for improvements and services that may benefit the Property or the Project, shall not be included as Tax Increments.

17. Assignment: During the term of TIF District, the Developer may (i) freely transfer, sell, exchange, mortgage, lease and convey the Property; and (ii) may assign this Agreement and the MRO to any assignee, transferee, or purchaser of the Project; and (iii) may collaterally assign this Agreement and the MRO only to any mortgage lender for the Project. Any other assignment of this Agreement or the MRO shall require the consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

18. Development Agreement: The City and Developer agree to work in good faith to reach a mutually agreeable Development Agreement regarding the Project consistent with the terms and conditions described herein, subject to further good faith negotiations and requisite City approvals.

Exhibit A

Example of Internal Rate of Return Calculation

	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	# Units	14	14	14	14	14	14	14	14	14	14
	% Completed	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Average Rent	$ 2,951.79	$ 3,010.82	$ 3,071.04	$ 3,132.46	$ 3,195.11	$ 3,259.01	$ 3,324.19	$ 3,390.67	$ 3,458.49	$ 3,527.66
	Rent Growth Assumption		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Parking Growth Assumption		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Expense Growth Assumption		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Real Estate Taxes Growth Assumption	Tax Rate Assumptions based on PROFORMA and frozen at mill rate of $18.00 per $1,000 of equlaized valuation									
	Income										
	Rental Income	$ 495,900.00	$ 505,818.00	$ 515,934.36	$ 526,253.05	$ 536,778.11	$ 547,513.67	$ 558,463.94	$ 569,633.22	$ 581,025.89	$ 592,646.40
	Other Residential Income	$ 4,800.00	$ 4,896.00	$ 4,993.92	$ 5,093.80	$ 5,195.67	$ 5,299.59	$ 5,405.58	$ 5,513.69	$ 5,623.97	$ 5,736.44
	Parking Revenue	$ 27,120.00	$ 27,662.40	$ 28,215.65	$ 28,779.96	$ 29,355.56	$ 29,942.67	$ 30,541.52	$ 31,152.36	$ 31,775.40	$ 32,410.91
	Gross Potential Income	$ 527,820.00	$ 538,376.40	$ 549,143.93	$ 560,126.81	$ 571,329.34	$ 582,755.93	$ 594,411.05	$ 606,299.27	$ 618,425.25	$ 630,793.76
Vacancy	5.00%	$ (131,955.00)	$ (26,918.82)	$ (27,457.20)	$ (28,006.34)	$ (28,566.47)	$ (29,137.80)	$ (29,720.55)	$ (30,314.96)	$ (30,921.26)	$ (31,539.69)
	PAYGO TIF INCENTIVE	$29,590	$64,429	$99,268	$101,253	$103,278	$105,344	$107,451	$109,600	$111,792	$114,028
	Effective Gross Income	$ 425,454.50	$ 575,886.33	$ 620,954.73	$ 633,373.83	$ 646,041.30	$ 658,962.13	$ 672,141.37	$ 685,584.20	$ 699,295.88	$ 713,281.80
	Operating Expenses										
Management Fee	5.00%	$ 26,391.00	$ 26,918.82	$ 27,457.20	$ 28,006.34	$ 28,566.47	$ 29,137.80	$ 29,720.55	$ 30,314.96	$ 30,921.26	$ 31,539.69
	Leasing Commissions	$ 10,500.00	$ 10,710.00	$ 10,924.20	$ 11,142.68	$ 11,365.54	$ 11,592.85	$ 11,824.71	$ 12,061.20	$ 12,302.42	$ 12,548.47
	Controllable Costs (Salary, Admin, Mkt, Maint)	$ 7,000.00	$ 7,140.00	$ 7,282.80	$ 7,428.46	$ 7,577.03	$ 7,728.57	$ 7,883.14	$ 8,040.80	$ 8,201.62	$ 8,365.65
	Insurance	$ 14,000.00	$ 14,280.00	$ 14,565.60	$ 14,856.91	$ 15,154.05	$ 15,457.13	$ 15,766.27	$ 16,081.60	$ 16,403.23	$ 16,731.30
	Utilities	$ 5,250.00	$ 5,355.00	$ 5,462.10	$ 5,571.34	$ 5,682.77	$ 5,796.42	$ 5,912.35	$ 6,030.60	$ 6,151.21	$ 6,274.24
	R&M Supplies, R&M Labor, R&M Landscaping	$ 12,600.00	$ 12,852.00	$ 13,109.04	$ 13,371.22	$ 13,638.65	$ 13,911.42	$ 14,189.65	$ 14,473.44	$ 14,762.91	$ 15,058.17
	Other-Marketing/Advertising	$ 6,000.00	$ 6,120.00	$ 6,242.40	$ 6,367.25	$ 6,494.59	$ 6,624.48	$ 6,756.97	$ 6,892.11	$ 7,029.96	$ 7,170.56
	Replacement Reserve	$ 7,000.00	$ 7,140.00	$ 7,282.80	$ 7,428.46	$ 7,577.03	$ 7,728.57	$ 7,883.14	$ 8,040.80	$ 8,201.62	$ 8,365.65
	Real Estate Taxes	$29,590	$64,429	$99,268	$101,253	$103,278	$105,344	$107,451	$109,600	$111,792	$114,028
	Total Operating Expenses	$ 118,330.50	$ 154,944.57	$ 191,594.14	$ 195,426.02	$ 199,334.54	$ 203,321.23	$ 207,387.65	$ 211,535.41	$ 215,766.12	$ 220,081.44
	Deferred Expenses										
	Annual Mezzanie Debt Service	$ 83,400.00	$ 85,068.00	$ 86,769.00	$ 88,505.00	$ 90,275.00	$ 92,080.00	$ 93,922.00	$ 95,800.00	$ 97,716.00	$ 99,671.00
	Expense Ratio	47.42%	26.91%	30.85%	30.85%	30.85%	30.85%	30.85%	30.85%	30.85%	30.85%
	Net Operating Income	$ 223,724.00	$ 335,873.76	$ 342,591.60	$ 349,442.81	$ 356,431.76	$ 363,560.90	$ 370,831.72	$ 378,248.79	$ 385,813.77	$ 393,529.36
	Debt Financing/Reserve Expenses										
	Annual Apartment Debt Service	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00
	Total Debt Service	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00	$ 273,395.00
	Debt Service Credit Ratio	0.82	1.23	1.25	1.28	1.30	1.33	1.36	1.38	1.41	1.44
	Net Cash Flow	$ (49,671.00)	$ 62,478.76	$ 69,196.60	$ 76,047.81	$ 83,036.76	$ 90,165.90	$ 97,436.72	$ 104,853.79	$ 112,418.77	$ 120,134.36
	Development Costs										
	Land Costs	$ 200,000.00									
	Site Prep Costs/Off-Sites	$ 75,000.00									
	Environmental Remediation	$ 125,000.00									
	Construction Hard Costs	$ 4,900,580.00									
	Construction Contingency	$ 120,000.00									
	Soft Costs	$ 889,761.00									
	Development Contingency	$ 180,000.00									
	Total Budget	$ 6,490,341.00									
	Sources of Funds										
	Fire Mortgage Loan	$ 4,680,542.00									
	Cash Equity	$ 1,809,799.00									
	Developer Fee	$ 200,000.00									
	Total Use of Funds	$ 6,690,341.00									
	Reversion Sale										
	Reversion (5.25% Cap Rate)	$ 6,789,176.44									
	Selling Expenses (3.30%)	$ (224,042.82)									
	Net Reversion Sales	$ 6,565,133.62									
	Remaining Mortgage Balance Year 5	$ 4,258,170.86									
	IRR Analysis - Debt Included No Real Estate Tax										
	6/1/2026	3/1/2028	3/1/2029	3/1/2030	3/1/2031	3/1/2032	3/1/2033	3/1/2034	3/1/2035	3/1/2036	3/1/2037
Net Cash Flows	$ (1,809,799.00)	$ (49,671.00)	$ 62,478.76	$ 69,196.60	$ 76,047.81	$ 3,270,244.76	$ 90,165.90	$ 97,436.72	$ 104,853.79	$ 112,418.77	$ 120,134.36
	From Sale										
	Internal Rate of Return (IRR)	13.82%									

Exhibit B

Tax Increment Projection Worksheet

New TIF Estimate - 100% PAYGO

City of Wauwatosa

Hypothetical TIF #11 Tax Rate Project Funding

Hypothetical Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID..	2.00%
2025 Est. Gross Tax Rate (per $1000 Equalized Value)...............	$19.09
Annual Adjustment to tax rate..	0.00%
Investment rate..	0.00%

	Background Data					Revenues		Expenditures								TID Status			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)	(j)	(k)	(l)	(m)	(j)	(k)	(l)	(m)	
Year	TIF District Valuation	Inflation Increment	Construction Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Total Revenues	MRO Developer Payment	Admin Expenditures	Advance From General Fund					Combined Expenditures	Annual Balance	Year End Cumulative Balance	Cost Recovery	Year
	(January 1)		(1)					(2)									(December 31)		
	Base Value $0																		
2026	$0		$1,550,000	$1,550,000	$19.09	$0	$0	$0	$0						$0	$0	$0		2026
2027	$1,550,000		$1,825,000	$3,375,000	$19.09	$0	$0	$0	$0						$0	$0	$0		2027
2028	$3,375,000		$1,825,000	$5,200,000	$19.09	$29,590	$29,590	$29,590	$0						$29,590	$0	$0		2028
2029	$5,200,000	$104,000		$5,304,000	$19.09	$64,429	$64,429	$64,429	$0						$64,429	$0	$0		2029
2030	$5,304,000	$106,080		$5,410,080	$19.09	$99,268	$99,268	$99,268	$0						$99,268	$0	$0		2030
2031	$5,410,080	$108,202		$5,518,282	$19.09	$101,253	$101,253	$101,253	$0						$101,253	$0	$0		2031
2032	$5,518,282	$110,366		$5,628,647	$19.09	$103,278	$103,278	$103,278	$0						$103,278	$0	$0		2032
2033	$5,628,647	$112,573		$5,741,220	$19.09	$105,344	$105,344	$105,344	$0						$105,344	$0	$0		2033
2034	$5,741,220	$114,824		$5,856,045	$19.09	$107,451	$107,451	$107,451	$0						$107,451	$0	$0		2034
2035	$5,856,045	$117,121		$5,973,165	$19.09	$109,600	$109,600	$109,600	$0						$109,600	$0	$0		2035
2036	$5,973,165	$119,463		$6,092,629	$19.09	$111,792	$111,792	$111,792	$0						$111,792	$0	$0		2036
2037	$6,092,629	$121,853		$6,214,481	$19.09	$114,028	$114,028	$114,028	$0						$114,028	$0	$0		2037
2038	$6,214,481	$124,290		$6,338,771	$19.09	$116,308	$116,308	$116,308	$0						$116,308	$0	$0		2038
2039	$6,338,771	$126,775		$6,465,546	$19.09	$118,634	$118,634	$118,634	$0						$118,634	$0	$0		2039
2040	$6,465,546	$129,311		$6,594,857	$19.09	$121,007	$121,007	$121,007	$0						$121,007	$0	$0		2040
2041	$6,594,857	$131,897		$6,726,754	$19.09	$123,427	$123,427	$123,427	$0						$123,427	$0	$0		2041
2042	$6,726,754	$134,535		$6,861,290	$19.09	$125,896	$125,896	$125,896	$0						$125,896	$0	$0		2042
2043	$6,861,290			$6,861,290	$19.09	$128,414	$128,414	$128,414	$0						$128,414	$0	$0		2043
		$1,661,290	$5,200,000			$1,679,719	$1,717,099	$1,679,719	$0	$0	$0	$0	$0	$0	$1,679,719				
								$894,397.95 NPV at 6%											

Type of TID: Rehab/Conservation

2015 TID Inception (After 4/1)

2037 Final Year to Incur TIF Related Costs

2042 Maximum Legal Life of TID (27 Years)

2043 Final Tax Collection Year

(1) Estimated increment per developer.