

Memorandum of Understanding

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into on this [Date], by and between the City of Wauwatosa, a municipal corporation located at 7725 West North Avenue, Wauwatosa, WI 53213 hereinafter referred to as the "City," and the Wauwatosa Curling Club, a non-profit organization located at 7300 West Chestnut Street, Wauwatosa, WI 53213, hereinafter referred to as the "Curling Club."

WHEREAS, the City owns certain real property known as the Muellner Building (hereafter "Building") in Hart Park at 7300 W. Chestnut Street, Wauwatosa, WI, which includes among other amenities an ice rink; and

WHEREAS, the City and Curling Club wish to continue their long-standing relationship and collaborate for their mutual benefit;

WHEREAS the City will undertake the remodel of the of the Muellner Building ("**Project**") for the benefit of the City and the users of the building including the Wauwatosa Curling Club. The Project is anticipated to commence in the early Spring of 2024 and conclude in October 2024. During that time, the Muellner Building will be closed;

WHEREAS the estimated budget of the project is \$4,600,000 with the City contributing \$2,600,000, the Wauwatosa Tourism Commission \$500,000 and the Curling Club \$1,500,000

WHEREAS a portion of the Curling Club's \$1,500,000 will be in the form of loan with the City;

WHEREAS the Curling Club has provided the City with prior year financial statements and a five-year financial forecast demonstrating the financial wherewithal to repay a loan;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. LOAN AMOUNT AND TERMS

1.1 The City agrees to provide a loan to the Curling Club in the principal amount not to exceed SEVEN HUNDRED AND FIFTY THOUSAND 00/100 DOLLARS (\$750,000.00).

1.2 The loan shall be repaid by the Curling Club to the City over a period not to exceed 20 years based on a mutually agreed-upon amortization schedule.

1.3 The City may issue the loan using its own funds or borrow from a third party.

1.4 The interest rate for the loan shall be fixed and not exceed the 20-year rate offered by the State of Wisconsin Board of Commissioners of Public Lands State Trust Fund at the time of issuance.

1.5. The Curling Club shall provide annual financial statements within 30 days of their availability and no later than 6 months after their fiscal year end so long as a principle balance remains outstanding.

2. COLLATERAL AGREEMENTS

2.1 To secure the repayment of the loan, the Curling Club agrees to provide collateral in the form of a Deposits Account Controls Agreement (DACA), allowing the City access to specified deposit account(s) in the amount of 50% of the principal loan value in the event of a default. As the principal loan value is reduced, the Curling Club may request annually that the DACA be resized to reflect the current loan balance.

2.2 The DACA on the loan collateral as well as a separate DACA on the funds intended as the Curling Club's cash contribution to the project must be in place prior to the City signing the Project construction contract.

2.3 In addition, the Curling Club shall grant the City equipment liens on specific assets as itemized in Appendix A.

3. REPAYMENT SCHEDULE

3.1 The Curling Club agrees to make semi-annual interest and principal payments to the City in accordance an amortization schedule and promissory note that will be agreed to prior to the loan closing.

3.2 The first payment shall be due as specified in the loan closing document and subsequent payments shall be due on the same day of each six months thereafter until the principal balance of the loan is paid off.

3.3 The Curling Club may make partial or full prepayments without penalty between January 1 and August 31 each year, upon 60 days prior written notice.

4. USE OF FUNDS

4.1 The loan proceeds provided by the City shall be used exclusively for the remodel project pursuant to the Kahler Slater design and awarded construction contract.

4.2. To minimize the interest expense incurred by the Curling Club and to maximize the time they have available to fundraise, the loan will be issued when the project has estimated to have incurred \$3,000,000 in project expenses. As part of the loan closing, the Curling Club will also transfer to the City's bank account the total cash amount dedicated to the Project.

4.3. Upon loan closing, the funds will be deposited in the City's bank account and accounted for in the Capital Projects Fund under Project 8036 – Remodel Mueller Building.

4.4 The City will maintain records of funds expended for the project. The City will provide within 30 days of a request by the Curling Club during the project construction period an itemization of how their cash contribution or loan have been utilized and the remaining balance. A final report will be provided 60 days after the final invoice is paid. Any unused Curling Club funds will be used to pay down the principal balance on the loan.

5. DEFAULT

5.1 In the event of default by the Curling Club, the City reserves the right to accelerate the repayment schedule and pursue any legal remedies available.

5.2 Events constituting default include, but are not limited to, failure to make timely payments, violation of the terms and conditions of this MOU, or the Curling Club's dissolution.

5.3 Promissory will include standard notice and cure provisions in the event of a borrower default.

IN WITNESS WHEREOF, the City of Wauwatosa and the Wauwatosa Curling Club, by their duly authorized representatives, have executed this Memorandum of Understanding as of the date first above written.

Wauwatosa Curling Club, Inc.

By: _____
Its President, Rachel Koebel

Attest: _____
Its Secretary, Thomas Havas

City of Wauwatosa

By: _____
Mayor Dennis McBride

Attest: _____
Steve Braatz, City Clerk

Approved as to form

Alan Kesner, City Attorney