



**DURATECH DEVELOPMENT AGREEMENT
(3216 Commerce Drive)**

1694884

LACROSSE COUNTY
REGISTER OF DEEDS
CHERYL A. HCBRIDE

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This DuraTech Development Agreement (hereafter "Agreement") is made by and among the City of La Crosse, Wisconsin, a Wisconsin municipal corporation with offices located at 400 La Crosse Street, La Crosse, Wisconsin, 54601 ("City"), Commercial Properties Partners, LLC, a Wisconsin Limited Liability Company with principal offices located at 3216 Commerce Street, La Crosse, Wisconsin 54603 ("Owner") and DuraTech Industries, Inc., a Wisconsin corporation with principal offices located at 3216 Commerce Street, La Crosse, Wisconsin 54603 ("Tenant"). The Owner and Tenant are collectively referred to herein as "Developer."

WITNESSETH:

Whereas, Developer proposes to refurbish, renovate and develop part of its current property as well as constructing a forty-seven thousand (47,000) square foot addition to introduce a new product line and increase employment by forty-one (41) persons over the next three (3) years ("Project") within the City of La Crosse on property which is more particularly described in Exhibit A ("Real Estate");

Whereas, Owner owns the Real Estate and pursuant to that certain Commercial Real Estate Lease dated April 7, 2017, leases the Real Estate and the buildings and improvements thereon to the Tenant.

Whereas, the goals for the Real Estate include encouraging private manufacturing development and improvements and undertaking public improvements that promote desirable and sustainable uses, which further serve the needs of the community;

Whereas, the City finds it necessary to further redevelop an area of the City within one-half (1/2) mile of Tax Incremental District No. 13, ("TID #13"), reduce underutilized property, grow the tax base and stimulate manufacturing activity as well as provide for a place of employment for citizens of the State and the City;

Whereas, Section 66.1105, Wis. Stat., empowers cities to assist projects by lending or contributing funds as well as performing other actions of a character which the City is authorized to perform for other general purposes;

Whereas, the City has found and determined that: (1) the economic vitality of the Real Estate is essential to the economic health of the City and other taxing jurisdictions within the City; (2) the proposed development of the Real Estate through the construction of the Project is an integral part of the needs of City residents, local businesses and the surrounding area; and (3) the benefits to be gained by the City as a result of the Project are greater than the costs to the City under this Agreement;

Whereas, the Developer and the City agree that the Real Estate's development and improvement shall (1) result in an economic benefit to the City and the surrounding area, including, without limitation, growth in the tax base and job creation; and (2) be secured for the future benefit of the citizens and the community through the construction and development of the Project all in accordance with the Master Plan to be prepared by the Developer and approved by the City Plan Commission;

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This space is reserved for recording data

Return to

City Attorney
400 La Crosse Street
La Crosse WI 54601

Parcel Identification Number/Tax Key Number

Whereas, the City desires the Project to proceed for the reasons set forth above and ultimately to provide increased tax revenues for the City and various taxing jurisdictions authorized to levy taxes within TID #13;

Whereas, in order to induce Developer to undertake the Project, the City has agreed to pay for certain costs included in the project plan of TID #13 ("TID Project Plan") through the use of existing municipal funds and/or the use of borrowed funds and to provide other assistance to Developer as provided by this Agreement, all in accordance with the terms and conditions of this Agreement;

Whereas, the City finds and determines that certain cash grant payments as detailed in this Agreement are necessary and convenient to the implementation of the TID Project Plan;

Whereas, Developer declares that "but for" this Agreement, it would not undertake the Project;

Whereas, the City and Developer wish to set forth in this Agreement their respective commitments, understandings, rights and obligations in connection with the Project as more fully described herein and to further provide for the implementation of the Project; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein exchanged, and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties hereto agree as follows:

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ARTICLE I

PURPOSE; LAND; DEFINITIONS; EXHIBITS

1.1. **Land Affected.** The parties acknowledge that the Project will encompass and/or affect the following real property, all of which shall be within one-half (1/2) mile of the boundaries of TID #13:

The Real Estate (Exhibit A) and certain public streets and rights-of-way serving the same.

1.2. Purpose of the Agreement. In order to cause the Project to occur and to induce Developer to undertake the Project, to promote community development, industry and job creation and to expand and enhance the tax base and stimulate manufacturing, commercial and residential activity within the City, the City intends to undertake certain project costs and public improvements, if any, necessary for the Project, all as set forth in this Agreement. The City intends to recover its costs through payments received under this Agreement including increased tax revenues generated by the Real Estate. The parties intend to enter into this Agreement to record the understandings and undertakings of the parties and to provide a framework within which the Project may proceed. Developer and the City plan to work together to undertake the Project on the Real Estate all as more fully described herein and in the Master Plan and as approved by the City Plan Commission.

1.3. Certain Definitions. In addition to the words and phrases elsewhere defined in this Agreement, the following words and phrases, when having an initial capital letter, shall have the following meanings:

- a. "Agreement" means this DuraTech Development Agreement by and between the City and the Developer, as amended and supplemented from time to time.
- b. "Bank" means BMO Harris Bank N.A., the current lender to Developer and holder of mortgages against the Real Estate, and any subsequent financial institution that refinances said indebtedness or obtains a mortgage against the Real Estate as permitted in Section 6.13(c) of this Agreement.
- c. "City" means the City of La Crosse, Wisconsin, a Wisconsin municipal corporation.
- d. "Construction Schedule" means the construction timetable set forth on Exhibit F.
- e. "Contribution" means the contribution or cash grant that is made through this Agreement to incent Developer to undertake the development and assist the Project and for which the Monetary Obligation is incurred.
- f. "Developer" means the Owner and Tenant collectively.
- g. "Job" means a position or employment classification employed by Developer on a Full-time basis, where such position or employment classification may be worked by one (1) or more of Developer's employees. "Full-time" means two thousand eighty (2080) hours of actual work per calendar year. In calculating such Jobs, only actual hours worked shall be counted rather than time-and-a-half, double time, or any other multiple of actual work hours paid. Such Jobs shall comply with the City's living wage requirements as per the 2003 Second Amended Resolution of the Common Council attached as Exhibit C. "New" means that such Jobs were previously non-existing on the Signature Date of this Agreement and that such Jobs were created at Developer's main campus (non-retail) within the corporate limits of the City of La Crosse by Developer subsequent to the Signature Date.

"Job" excludes such positions or employment classifications that thwart or circumvent the job maintenance provisions of this Agreement. Such Jobs shall exclude positions or employment classifications that are relocated to this Project from elsewhere within the corporate limits of the City of La Crosse from any other employer. Such Jobs shall also exclude Developer's relocation of Jobs between its various facilities within the corporate limits of the City of La Crosse. Jobs created by Developer meeting this definition shall

apply toward the job maintenance requirement of this Agreement. Nothing in this definition prohibits Developer from competing for labor within the labor market against other employers located within the corporate limits of the City of La Crosse.

- h. "Master Plan" means the Master Plan for the Real Estate prepared by the Developer and approved by the City Plan Commission as well as all subsequent revisions thereto that are prepared by Developer and approved by the City Plan Commission.
- i. "Monetary Obligation" means a limited and conditional monetary obligation of the Tax Increment generated from the Project in a maximum aggregate amount of two hundred seventy-five thousand dollars (\$275,000.00), that is incurred, in one or more installments, and that is payable over the time not to exceed the duration of the TID #13; more specifically:
 - (1) Calculation. Effective September 1, 2019, the City shall be obligated to pay a Contribution calculated as the Tax Increment resulting from an increase in real property tax base from the Project not to exceed the lesser of: (a) two hundred seventy-five thousand dollars (\$275,000.00), or (b) eighty-five percent (85%) of the actual Tax Increment resulting from an increase in the real property tax base from the Project for tax years 2018-2022 as further defined in Section 3.1 of this Agreement. The difference, if any, between the actual Tax Increment resulting from an increase in the real property tax base from the Project for any tax year for which a Contribution would be paid and the maximum two hundred seventy-five thousand dollars (\$275,000.00), shall be retained by the City.
 - (2) Disbursement Date. After determining compliance with this Agreement and the actual applicable Tax Increment, the City shall make its Contribution of the Monetary Obligation annually on or before September 1 until payment of the maximum amounts defined herein or until closure of TID #13 by law, whichever occurs first.
 - (3) Conditions. The City's obligation to make Contributions on the Monetary Obligations is conditioned on:
 - (a) The determination of compliance with the tax guarantee in Section 2.6(b) of this Agreement;
 - (b) The timely payment of taxes when due by Developer;
 - (c) Substantial Completion of the Project in accordance with the Master Plan, Project Cost Breakdown and Construction Schedule;
 - (d) Submission by Developer of verifiable costs, invoices, lien waivers, proof of financing costs and any other supporting documentation as requested by the Finance Director and Economic Development Commission. Said submissions shall be in form and content acceptable to the Finance Director and Economic Development Commission and demonstrate Substantial Completion and payments for costs for which

reimbursement is being requested in accordance with Section 3.1 and the other provisions of this Agreement;

- (e) Continued compliance with the provisions of this Agreement by Developer and any other agreement between the Developer and City; and
 - (f) The use of the Contribution for eligible project costs under the Tax Incremental Law; and
 - (g) Continued compliance with any and all applicable federal, state and local laws, regulations and ordinances by Developer.
- (4) **Example Exhibit.** An example of the Monetary Obligation is attached as Exhibit G.
- (5) **Not General Obligation.** For purposes of the Tax Increment Law, this Agreement is an evidence of indebtedness; that is, it fully evidences the City's obligation to pay the Monetary Obligation. No negotiable instrument is being prepared to separately evidence the Monetary Obligation. The Monetary Obligation shall not, however, be included in the computation of the City's constitutional debt limitation, because the Monetary Obligation is limited and conditional, and no taxes have been or will be levied for its payment or pledged to its payment. Nothing in this Agreement shall be deemed to change the nature of the City's obligation from a limited and conditional obligation to a general obligation. No Tax Increments are pledged to the payment of the Monetary Obligation. In the event of an interpretation of this Agreement that would require the City's obligation to change from a limited and conditional obligation to that of a general obligation, then the City's Contribution and/or Monetary Obligation shall be subject to annual appropriation by the City Council.
- (6) **No Acceleration.** Notwithstanding any other provision of this Agreement, Developer has no right to accelerate the payment of the Monetary Obligation. The only remedy of Developer in the event of nonpayment shall be legal proceedings to collect the amount of the Monetary Obligation that is due and payable. Developer may only institute legal proceedings after filing a claim with the City and complying with any other applicable provisions of this Agreement.
- (7) **Limitations.** The City has no obligation to make payments of the Monetary Obligation in excess of the amount of the Tax Increments that have been collected and allocated from the Project in TID #13 under the Tax Increment Law and the provisions of this Agreement. The City has no obligation to make payments of the Monetary Obligation if this Agreement terminates. In the event Developer fails to comply with any provision of this Agreement, the City may withhold any Contribution that is due and payable and may further seek the recovery of any Contribution that has already been paid or disbursed, which shall become immediately due and payable.

- (8) Administration. The parties acknowledge and agree that the City incurs continuing administrative and professional service costs under this Agreement. Notwithstanding any provision of this Agreement, the City shall retain fifteen percent (15%) of any Contribution to be made to Developer as calculated herein to offset said costs.
- (9) Half Mile. The parties agree that while the Real Estate is located within one-half (1/2) mile of TID #13, it is nonetheless outside the TID #13 boundary. For purposes of calculating the actual amount of the Contribution and otherwise interpreting this Agreement, the parties shall treat the Real Estate as if it were located within the TID #13 boundary.
- j. "Owner" means Commercial Properties Partners, LLC, a Wisconsin limited liability company.
- k. "Plans and Specifications" means the plans and specifications developed for the Project.
- l. "Project" means the development and improvement of the Real Estate by the constructing, refurbishing, and renovating a current portion of Developer's existing buildings and constructing a new manufacturing addition of not less than forty-seven thousand (47,000) square feet for a new product line on the Real Estate all as described in more detail on Exhibit B and in accordance with the Master Plan. Subject to the terms and conditions of this Agreement, uses for the Project shall be determined by zoning. The term, "Project" excludes personal property and land.
- m. "Project Cost Breakdown" means the minimum construction costs of the Project and consists of the cost breakdown of construction and non-construction cost items (i.e., a line-item budget), clearly identifying development, construction, financing, contingency and all other direct and indirect costs of construction of the Project, all as described in more detail on Exhibit E and in accordance with the Master Plan.
- n. "Public Improvements" means the public infrastructure improvements, if any, to be constructed by the City in connection with the Project set forth on Exhibit D.
- o. "Real Estate" means the real property described in Exhibit A.
- p. "Signature Date" has the same meaning as provided in Section 8.22 of this Agreement.
- q. "Substantial Completion" means the completion of the improvements to the Real Estate pursuant to the Plans and Specifications, (except for punch list items, exterior painting, and landscaping) and the issuance by the Project architect of a certificate of substantial completion and the issuance of a certificate of occupancy from the City. Subject to unavoidable delays beyond the control of the Developer, any such incomplete items shall be fully completed within a reasonable time after the date of Substantial Completion, but not to exceed ninety (90) days thereafter except site improvements such as landscaping shall be completed no later than two hundred forty (240) days after the date of Substantial Completion if weather or other conditions beyond the control of Developer prevent completion of the same.
- r. "Tax Increment" means the tax increment received by the City with respect to the Real Estate which is generated by TID #13.

- s. "Tax Incremental Law" means Section 66.1105, Wis. Stats., as amended and superseded.
- t. "Tenant" means DuraTech Industries, Inc., a Wisconsin corporation.
- u. "TID #13" means the Tax Incremental Financing District Number 13 of the City of La Crosse.
- v. "TID Project Plan" means the plan, created in accordance with the Tax Incremental Law, for the financial development or redevelopment of TID #13, including all approved amendments thereto.

1.4. Exhibits. The following exhibits are hereby attached to and incorporated into this Agreement:

- a. **Exhibit A.** Real Estate
- b. **Exhibit B.** Description of Project
- c. **Exhibit C.** Living Wage Resolution
- d. **Exhibit D.** Description of Public Improvements
- e. **Exhibit E.** Project Cost Breakdown
- f. **Exhibit F.** Construction Schedule
- g. **Exhibit G.** Monetary Obligation Example

ARTICLE II

DEVELOPER OBLIGATIONS

2.1. Acquire the Real Estate. Prior to commencing construction on the Project, Developer shall acquire fee simple title or a long-term lease to the Real Estate. The City acknowledges and agrees that the Owner has fee simple title to the Real Estate and leases the Real Estate to Tenant and therefore, has satisfied this condition.

2.2. Develop the Real Estate. Developer agrees to develop and improve the Real Estate by undertaking the Project, all in accordance with the Master Plan, the Project Cost Breakdown and the Construction Schedule.

- a. **Site Preparation.** Developer shall prepare the Real Estate for construction of the Project, including, without limitation, any necessary demolition or other removal of improvements or preparation currently located on the Real Estate.
- b. **Construction Schedule.** Developer shall commence or cause other entities to commence construction on the Project, as described in Exhibit B, on or before September 1, 2017 with Substantial Completion on or before March 31, 2018, all in accordance with the Construction Schedule set forth on Exhibit F.

- c. **Guaranty of Minimum Construction Costs.** Developer agrees that the building and improvements associated with the Project shall have an aggregate minimum construction cost of not less than five million two hundred thousand dollars (\$5,200,000.00). The Project Cost Breakdown is provided on Exhibit E.
- d. **Rights of Access.** Developer shall permit the representatives of the City to have access to the Project at all reasonable times during and following the construction when the City deems access necessary to ensure compliance with the terms and conditions of this Agreement including, but not limited to, access for inspection of all work being performed in connection with the Project as set forth in the Master Plan. No compensation shall be payable nor shall any charge be made in any form by any party for the access provided in this Agreement.
- e. **Property for Public Streets and Public Improvements.** Developer shall dedicate and/or transfer or convey all public streets, public rights-of-way and all necessary sewer and water utilities within the Real Estate, as depicted in the Master Plan, as finalized, to the City at no cost to the City. The City acknowledges and agrees that no Public Improvements are depicted in the Master Plan and therefore no dedications, transfer or conveyances will be required hereunder.
- f. **Master Plan.** Prior to obtaining any building or other permits and/or commencing any construction or development on the Real Estate, Developer shall submit a Master Plan setting forth all the details of construction and development to the City Plan Commission for review and approval. Said Master Plan shall conform in all material respects to the provisions of this Agreement, all applicable federal, state and local laws, ordinances, rules and regulations and shall include preliminary and final building, site and operational Plans and Specifications, including, without limitation: (1) building plans and specifications; (2) architectural plans, renderings and specifications; (3) building material plans and specifications; (4) preliminary and final site plans; (5) landscaping plans; (6) stormwater and erosion control plans; (7) lighting plans; (8) traffic and circulation plans for pedestrians, bicyclists, transit riders, truck and delivery vehicles, and automobiles; (9) signage plans and specifications; (10) water and sewer plans; and (11) any other preliminary or final plans, specifications or other requirements as determined by the City Planner. The City acknowledges and agrees that the Master Plan has been submitted and approved.

2.3. Local Subcontractors. It is agreed by Developer that Developer shall engage local subcontractors, workers as well as local suppliers for material. The term subcontractor is as defined in Section 66.0901(1)(d), Wis. Stat. The word, "local," shall mean that the subcontractors and suppliers of material have their principal place of business within the City of La Crosse or within a seventy-five (75) mile radius of the City of La Crosse, Wisconsin. The Developer further agrees to provide to the City Engineer a list of all subcontractors and it further agrees that eighty percent (80%) of all work performed by subcontractors for construction shall be performed by subcontractors located within the City or seventy-five (75) miles of the City of La Crosse. In determining whether the eighty percent (80%) threshold has been met, the parties shall measure based upon the dollar values of said work. If Developer does not meet this requirement, it may request a waiver from the City Engineer providing reasons for the request of the same. This Section does not apply to fixtures, furnishings and equipment.

2.4. Compliance with Planning and Zoning; Use. Developer, at its own expense, shall obtain all approvals, permits and licenses as may be required by any governmental or non-governmental entity in connection with the Project. Any conditions imposed on Developer to obtain any approval, permit or license must be acceptable to the City. Developer will not initiate, approve, consent to or participate in any change or modification of the zoning in effect for the Real Estate or any portion thereof, without the City's prior written consent. No

property within the Real Estate shall be used for any use other than as set forth in the Master Plan and this Agreement and as approved by the City, including any conditions attendant with such approval, unless such use is further approved by the City under its normal zoning, review and approval procedures.

2.5. Maintenance and Repair. Developer agrees that at all times after construction of the Project, it will keep and maintain the Real Estate and the Project in good condition and repair.

2.6. Taxes. It is understood that the land, improvements and personal property resulting from the Project shall be subject to property taxes. Developer (by virtue of its ownership interest or its leasehold interest in the Real Estate) shall pay when due all federal, state and local taxes in connection with the Real Estate and all operating expenses in connection with the Real Estate and Project.

- a. **Annual PILOT.** In the event that some or all of the Real Estate or personal property is or becomes exempt from general property taxes under Chapter 70, Wis. Stat., as amended or superseded, or by any other statute, provision or reason, then Developer shall make an annual payment to the City in lieu of taxes ("Annual PILOT") for the services, improvements or facilities furnished to the Real Estate by the City and other taxing jurisdictions. The amount of the Annual PILOT shall be computed and determined by the City Assessor by multiplying the fair market value (using tax assessment definitions, rules and procedures) of the tax exempt portion of such property by the total tax rate of all taxing jurisdictions as shown on tax bills issued to taxpayers in the City. Developer or the then current owner of the tax exempt property, its successors or assigns shall pay the Annual PILOT within sixty (60) days of receipt. Developer shall have the right to appeal the determination of the City Assessor to the City Council. Any appeal shall specifically state the reasons, in writing, why the amount due as provided by the City Assessor is in error. The parties agree that the Annual PILOT shall survive for a period of twenty (20) years or the life of the TID #13, whichever is longer. Notwithstanding, the Developer or its successors shall not be responsible for any Annual PILOT resulting from the Real Estate or a portion thereof becoming tax exempt due to the use of eminent domain by the United States or some other governmental entity.
- b. **Guarantee.** As an additional inducement and in consideration for the City entering into this Agreement, Developer guarantees faithful performance and compliance with all the terms, covenants, conditions and obligations to be kept and performed by Developer contained in this Agreement, including, without limitation, the obligation that the Project shall have an assessed value of not less than four million seven hundred nineteen thousand dollars (\$4,719,000.00) beginning in tax year 2019 and for a period of twenty (20) years or the life of TID #13, whichever is longer. Developer agrees that this minimum assessed value on the Project shall remain a lien on the Real Estate and shall run with the land for a period of twenty (20) years or the life of TID #13, whichever is longer.
- c. **Deficiency PILOT.** In the event the assessed value of the Project is less than four million seven hundred nineteen thousand dollars (\$4,719,000.00) as of January 1, 2019 or for any tax year thereafter for a period of twenty (20) years or the life of TID #13, whichever is longer, then the Developer or the then current owner, or its successors or assigns agrees to pay a Deficiency PILOT to the City within sixty (60) days of receipt. Said Deficiency PILOT shall be calculated by first determining the difference between the guaranteed assessed value of the Project as provided in Section 2.6(b) of this Agreement less the actual assessed value of the Project for the tax year at issue, and multiplying said difference by the total tax rate of all taxing jurisdictions as shown on tax bills issued to

taxpayers in the City. This requirement shall be a lien running with the land for a period of twenty (20) years or the life of TID #13, whichever is longer.

- d. **Special Charge.** In the event there is a lack of compliance for payment of the Annual PILOT or Deficiency PILOT, then the City, in addition to any other remedy available at law or in equity, may levy a special charge or assessment under Section 66.0627, Wis. Stat., prior to any first mortgage lien on the property for the delinquent amount as calculated herein to enable the City to enforce performance of the Developer's obligations. The owners of the Real Estate and their successors and assigns further agree that they waive any objection to the City making said special charge or assessment; however, they still retain their right to object to the accuracy and amount of the special charge or assessment.

2.7. Transfer or Sale of Real Estate.

- a. **Notice of Intent to Transfer.** Except as otherwise provided in Section 6.13(c) below, no property within the Real Estate may be sold, transferred, or otherwise conveyed unless the Developer first provides to the City written notice of intent to transfer the property at least forty-five (45) days before the sale, transfer or conveyance is to occur. This Section shall not apply to nor restrict a transfer to Developer's financing entity, e.g. placing a mortgage on the Real Estate or standard residential or commercial lease agreement.
- b. **No Transfer to Exempt Entities.** No property within the Real Estate may be sold, transferred or conveyed to, or leased or owned by any entity or used in any manner which would render any part of the Real Estate exempt from property taxation, unless the purchaser, transferee, lessee or owner first executes a written agreement satisfactory to the Economic Development Commission providing for payments in lieu of taxes to the City.
- c. **Assignees and Transferees Bound by Agreement.** Any assignee or purchaser or transferee of any portion of the Real Estate shall be bound by the terms and conditions of this Agreement, which shall run with the land and be binding upon all such assignees, purchasers and transferees. The Developer shall not sell or transfer any portion of the Real Estate to any entity unless and until the Developer has provided the City with written evidence satisfactory to the Economic Development Commission that such assignee or entity has agreed in writing to be bound by the terms of this Agreement. Any such sale, transfer or conveyance of any portions of the Real Estate shall not relieve the Developer of its obligations hereunder.
- d. **Subdivision.** Property within the Real Estate shall not be further subdivided without approval of the City.

2.8. Easements. Owner shall grant the City or any public utility such easements as reasonably necessary for public improvements, infrastructure, ingress or egress, utilities, lighting or landscaping or any other need necessary to effectuate development of the Real Estate in accordance with the Master Plan at no cost to the City.

2.9. Insurance. For a period of twenty (20) years or the life of TID #13, whichever is longer, Developer shall maintain, and shall require that any purchasers or transferees of any portion of the Real Estate maintain, insurance in such amounts and against such risks both generally and specifically with respect to the Real Estate, as are customarily insured against in developments of like size, kind and character, including customary builders risk insurance during construction and customary casualty, property and liability insurance, with deductibles in accordance with reasonable industry practice. Notwithstanding, Developer shall carry casualty insurance for the

Project at not less than the replacement value and further agrees and covenants to apply, and to require any purchasers or transferees of any portion of the Real Estate to apply, any and all insurance proceeds to rebuild the Project, maintain the Project and Real Estate and to name the City as an additional insured to the extent of this covenant provided in this Section. Developer shall provide to the City certificates of all such insurance.

2.10. Indemnity. Developer shall indemnify and hold harmless the City, its officers, employees and authorized representatives, ("Indemnified Party"), from and against any and all liabilities, including, without limitation, remediation required by any federal or state agency having jurisdiction, losses, damages, costs, and expenses, including reasonable attorney fees and costs, arising out of any third-party claims, causes of action, or demands made against or suffered by the Indemnified Party on account of this Agreement, unless such claims, causes of action, or demands: (a) relate to the Indemnified Party failing to perform its obligations to Developer; or (b) arise out of any willful misconduct of the Indemnified Party. At the Indemnified Party's request, Developer shall appear for and defend the Indemnified Party, at Developer's expense, in any action or proceeding to which the Indemnified Party may be made a party by reason of any of the foregoing.

2.11. Utilities.

- a. **Other Utilities.** Developer shall be responsible for, pay for and cause electrical power, telephone facilities, cable TV lines, and natural gas facilities to be installed in such a manner as to make proper and adequate service available to each building on the Master Plan. Plans indicating the proposed location of each such utility to service the Project shall be shown on the Master Plan and construction plans to be provided to the City Plan Commission for approval prior to the installation of the utility.
- b. **Water and Sewer.** Developer shall be solely responsible for and shall pay all costs of connecting water and sewer service from the public streets, alley, right of way, or other approved infrastructure to the buildings within the Real Estate.

2.12. Restrictions. Developer agrees to neither use nor allow a third-party to use the Real Estate for adult entertainment, pawnshops, mini-warehouses, car title loan business, payday lenders, tattoo parlors, and/or off-premise signs for a period of twenty (20) years or the life of TID #13, whichever is longer. Payday lenders and car title loan business shall exclude banks and credit unions.

2.13. Record Retention. Developer understands and acknowledges that the City is subject to the Public Records Law of the State of Wisconsin. As such, Developer agrees to retain all records as defined by Wisconsin Statute § 19.32(2) applicable to this Agreement for a period of not less than seven (7) years. Likewise, Developer agrees to assist the City in complying with any public records request that it receives pertaining to this Agreement. Additionally, Developer agrees to indemnify and hold the City, its officers, employees and authorized representatives harmless for any liability, including without limitation, reasonable attorney fees relating to or in any way arising from Developer's actions or omissions which contribute to the Indemnified Party's inability to comply with the Public Records Law. In the event Developer decides not to retain its records for a period of seven (7) years, then it shall provide written notice to the City whereupon the City shall take custody of said records assuming such records are not already maintained by the City. This provision shall survive termination of this Agreement.

2.14. Repair and/or Replacement of Infrastructure. Developer shall repair and/or replace any damaged City infrastructure or other City property that may occur as a result of the Project, including, without limitation, sidewalks, landscaping, asphalt and light poles. Said repair and/or replacement shall be to the satisfaction of the Board of Public Works.

2.15. Jobs. Developer shall maintain its current full-time employment within the City limits as identified in Section 6.23 of this Agreement and create an additional forty-one (41) New Full-time Equivalent Jobs at the Real

Estate within three (3) years of the Signature Date. The current full-time employment and New Full-time Equivalent Jobs shall be maintained for a period of five (5) years after creation of the forty-first (41st) Job.

Developer shall report, certify and submit to the City an annual certification of its job creation, maintenance and retention requirements under this Agreement. Each annual certification shall report information for one (1) calendar year and must be received by the City by the close of regular business hours on June 15 of the year subsequent to said calendar year to be reported. Any report, certification or submission under this section shall be in a form and format acceptable to the City. The City, or its agent, shall have the right to inspect, verify and audit, at no cost, any certification, report or submission upon reasonable notice to Developer. The City shall hire a third-party auditor to perform said inspections, verification and audit for the City on an annual basis. It is further agreed that Developer's current full-time employment to be maintained as well as the New Full-time Equivalent Jobs to be created shall command wages equal to or greater than the living wage as referenced in the Second Amended Resolution of the Common Council attached as Exhibit C.

ARTICLE III

CITY OBLIGATIONS

3.1. Project Assistance. Developer has requested and the City may be required to make Contributions to Developer up to an aggregate maximum two hundred seventy-five thousand dollars (\$275,000.00), more specifically,

- a. **Cash Grant Based on Improvements.** Developer agrees to advance funds on behalf of the City for project costs, which the City shall reimburse through Contributions under the terms of this Agreement. The Developer has requested a cash grant from TID #13 of up to an aggregate amount of two hundred seventy-five thousand dollars (\$275,000.00), subject to change based on the provisions of this Agreement, with funds to be made available upon verification of the Tax Increment increase as defined herein. The City shall disburse its Contribution as required by its Monetary Obligation to Developer in accordance with this Agreement.
- b. **Illustrative Example.** An illustrative example of the payment of cash grants is attached as Exhibit G.

3.2. Certificate of Completion. Upon completion of the improvements by the Developer and review of the improvements by the City, the City shall provide the Developer, upon request, with an appropriate recordable instrument certifying that the improvements have been made in accordance with this Agreement and the project plans for said area and any amendment or modifications thereto.

3.3. Assistance with Zoning Changes. If necessary, the City Planning Department shall initiate the process in accordance with the City's zoning code to attempt to provide appropriate zoning for the property being developed by Developer so that the zoning for the development is in accordance with the City's comprehensive plan for the area.

3.4. City Performance Subject to Required Government Approvals. The Developer acknowledges that various of the specific undertakings of the City described in this Article III may require approvals from the City Council (and other City bodies) and other public bodies, some of which approvals may require public hearings and other legal proceedings as conditions precedent thereto. The City's agreements under this Article III are

conditioned upon the obtaining of all such approvals in the manner required by law. The City cannot assure that all such approvals will be obtained; however, it agrees to use good faith efforts to obtain them on a timely basis.

3.5. Subsequent Phases. Any subsequent development of the Real Estate will be addressed in a separate development agreement.

ARTICLE IV

CONDITIONS PRECEDENT TO CITY OBLIGATIONS

The City's obligations under this Agreement are conditioned upon the provisions contained herein. If all conditions contained in this Article are satisfied, or if the City waives in writing said conditions, on or before December 31, 2018, then the conditions shall be deemed satisfied. Otherwise, the City, at its option, in its absolute and sole discretion, may at any time thereafter terminate this Agreement by giving notice in writing thereof to Developer and Bank. In such event, this Agreement shall be terminated, no party shall have any further liability or obligation to the other hereunder, and the parties will execute a termination to be recorded with the Register of Deeds of La Crosse County. All submissions given by Developer to the City to satisfy the conditions contained in this Article must be satisfactory in form and content to the City.

4.1. Existence. Developer shall have provided a certified copy of Developer's formation documents and a good standing certificate issued by the appropriate governmental authority of the state of Developer's incorporation.

4.2. Incumbency; Due Authorization. Developer shall provide the City with a current list of its corporate officers and the offices they fill and shall amend said list, from time to time, in the event of changes. It shall also provide evidence in the form of a corporate resolution that Developer has been duly authorized to enter into this Agreement, denoting the officers authorized to execute it on its behalf.

4.3. No Violation or Default. Developer shall not be in violation of any of its governing documents or other contracts. Developer shall not be in material default under the terms of any other agreement or instrument to which Developer is a party or an obligor. Developer shall be in material compliance with all provisions of this Agreement.

4.4. Financing Commitment. Developer shall obtain and provide to the City: (1) a written financial commitment from a conventional lender, (2) written construction contract to construct and finance the Project, (3) other written proof of financial resources to construct the Project, or (4) any combination thereof. Said documents shall demonstrate sufficient funds for the construction, furnishing, equipping and installation of the Project in an amount not less than five million two hundred thousand dollars (\$5,200,000.00). Said documents shall be acceptable in all respects to City, in the sole and absolute discretion of the Finance Director and Economic Development Commission. Developer shall have closed the loan, or be prepared to close the loan, which is the subject of the financing commitment and in connection therewith, Developer shall have provided copies of the documents to be executed in connection with the construction loan to the City.

4.5. Plans and Specifications. Developer shall have provided the Master Plan, which Master Plan must be acceptable in all respects to the City and shall have been approved by the City Plan Commission with input, if any, from the Board of Public Works.

4.6. Survey. Developer shall provide an ALTA survey of the Real Estate certified to the City by a Wisconsin registered land surveyor, showing the location of all improvements now prior to commencing construction and to be located thereon after said improvements are built pursuant to the Master Plan, all

easements, pathways, exterior boundary lines, walkways, private and public streets, adjoining public streets and alleys, utilities, exits and entrances, all curbs, gutters, sidewalks, medians and lighting. The survey must show a state of facts acceptable to the Board of Public Works.

4.7. Insurance. Developer shall have delivered to the City certificates of all insurance required under this Agreement showing the City as a named insured. Said insurance shall not be cancelled, non-renewed nor have any material changes without providing thirty (30) days advanced written notice to the City.

4.8. Amendment of TID #13 and TID Project Plan. The amendment of TID #13 and TID Project Plan shall be approved by the appropriate governmental entities, if necessary.

4.9. Financial Statements. Developer shall present (but not leave a copy) to the City's Finance Director of the most recent financial statements by a certified public accountant for Developer and any successors or assigns or transferees of Developer and each of the members of any of the foregoing and each member of the Board of Directors (or equivalent) of any of the foregoing. The financial statements must show a financial condition acceptable to the City, in the judgment of the City's Finance Director, to be sufficient to carry out the duties of this Agreement. The financial statements must be in form and content acceptable to the City, in the judgment of the City's Finance Director. In the event the financial statements are in unacceptable form and content, the City's Finance Director may identify alternative financial records for production by Developer.

4.10. Intentionally Omitted.

4.11. Approvals and Permits. The Developer shall at its expense have obtained all necessary approvals and permits necessary to undertake the Project on the Real Estate, including but not limited to, site plan review, zoning approvals, and any other local, state or federal approvals or permits.

4.12. Compliance with Law. Developer shall comply in all material respects with any and all applicable federal, state and local laws, regulations and ordinances.

4.13. Compliance with Agreements. Developer shall be in compliance with this Agreement and all other agreements it may have with the City.

ARTICLE V

CONDITIONS PRECEDENT TO DEVELOPER'S OBLIGATIONS

Developer's obligations under this Agreement are conditioned upon the following:

5.1. Intentionally Omitted.

5.2. Amendment of TID #13 and TID Project Plan. The amendment of TID #13 and TID Project Plan shall be approved by the appropriate governmental entities, if necessary.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

Developer represents and warrants to and covenants with the City, and the City represents and warrants to and covenants with Developer as respectively follows:

6.1. Financial Statements / No Material Change. All copies of financial statements, documents, contracts and agreements which Developer has furnished to the City, or its agents are true and correct. There has been no material change in the business operations of Developer since the date of the last financial statement furnished to the City except pursuant to the conduct of its ordinary business.

6.2. Taxes. Developer has paid, and shall pay when due, all federal, state and local taxes, and shall promptly prepare and file returns for accrued taxes. If necessary, Developer shall pay when due all payments in lieu of taxes and special charges required under the terms of this Agreement.

6.3. Compliance with Zoning. Developer covenants that the Real Estate, upon completion of the Project, will conform and comply in all respects with applicable federal, state, local and other laws, rules, regulations and ordinance, including, without limitation, zoning and land division laws, building codes and environmental laws.

6.4. Payment. All work performed and/or materials furnished for the Project, other than the Public Improvements, shall be fully paid for by Developer.

6.5. Certification of Facts. No statement of fact by Developer contained in this Agreement and no statement of fact furnished or to be furnished by Developer to the City pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein contained not misleading.

6.6. Good Standing. Tenant is a Wisconsin corporation and Owner is a Wisconsin limited liability company duly formed and validly existing and in good standing under the laws of the State of Wisconsin and has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business. Tenant and Owner are duly licensed or qualified to do business and in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition.

6.7. Due Authorization. The execution, delivery and performance of this Agreement and all other agreements requested to be executed and delivered by Developer hereunder have been duly authorized by all necessary corporate action of Developer and constitute valid and binding obligations of Developer, in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium, general principles of equity, and other similar laws of general application affecting the enforceability of creditors' rights generally. The City represents and warrants to Developer that it has the power, authority and legal right to enter into all of the transactions and to perform all of the covenants and obligations required to be entered into or performed by City under this Agreement.

6.8. No Conflict. The execution, delivery, and performance of Developer's obligations pursuant to this Agreement will not violate or conflict with Developer's organizational documents or any indenture, instrument or material agreement by which Developer is bound, nor will the execution, delivery, or performance of Developer's obligations pursuant to this Agreement violate or conflict with any law applicable to Developer.

6.9. No Litigation. There is no litigation or proceeding pending or threatened against or affecting Developer or the Project or any guarantor that would adversely affect the Project, Developer or any guarantor or the priority or enforceability of this Agreement, the ability of Developer to complete the Project or the ability of Developer to perform its obligations under this Agreement.

6.10. Certification of Costs. Developer covenants the Project Cost Breakdown accurately reflects all costs of the Project (other than costs associated with the Public Improvements, if any) that will be incurred by

Developer in the completion and construction of the Project, and the City shall be entitled to rely on the Project Cost Breakdown submitted by Developer. Developer knows of no circumstances presently existing or reasonably likely to occur which would or could result in a material adverse variation or deviation from the Project Cost Breakdown.

6.11. No Default. No default, or event which with the giving of notice or lapse of time or both would be a default, exists under this Agreement, and Developer is not in default (beyond any applicable period of grace) of any of its obligations under any other material agreement or instrument to which Developer is a party or an obligor.

6.12. Fees and Commissions. The City shall not be liable for any broker fees or commissions incurred by the Developer in connection with any transactions contemplated by this Agreement.

6.13. Financing Accommodation.

- a. **No Assignment.** Developer, its successors, assigns and transferees will not transfer, assign, convey or encumber, nor will Developer, its successors, assigns or transferees agree to or permit the transfer, assignment, conveyance or encumbrance of the Project or any of the Real Estate except as provided in Sections 2.7 and 8.1 of this Agreement. The principals, shareholders, members, managers and/or partners of Developer, its successors, assigns and transferees will not transfer, assign, convey or encumber their respective interests in Developer, its successors, assigns or transferees, as the case may be, if such anticipated transfer, assignment, conveyance or encumbrance would result in the original members of the Developer having less than majority voting control of the Developer, without providing written notification thereof to the City at least forty-five (45) days prior to the date the proposed transfer, assignment, conveyance or encumbrance is to take effect. Any attempt to so act shall be void and have no effect.
- b. **No Subordination.** The City shall not subordinate any interest it has in this Agreement for any reason, unless it is determined to be in the best interests of the City. Any requests for subordination shall be submitted, in writing, explaining why the request is in the best interests of the City. Said request shall be received by the City not less than forty-five (45) days prior to any City Council action on said request. Said subordination may only be approved by the City Council respectively.
- c. **Developer Financing.** Notwithstanding this Section 6.13 or any other provision contained herein,
 - (1) Developer may transfer, assign or encumber the Real Estate in order to secure financing for the Real Estate and/or for construction of the Project and any refinancing thereof. Said lender may place a lien and/or mortgage on the Real Estate, including any renewals, extensions, replacements, modifications or refinancing. Lender's mortgage and/or loan may be transferred or assigned by lender in a secondary market without prior City Council approval. In the event of a foreclosure against Developer by lender or a deed transfer in lieu of foreclosure, lender shall assume the duties, obligations and rights of Developer under this Agreement. In such a circumstance, lender may transfer or assign this Agreement and its accompanying duties, obligations and rights, to another developer without prior City Council approval. In any circumstance, lender shall provide reasonable notice to City of such actions. This Section shall survive any foreclosure proceeding.
 - (2) The Developer has certain indebtedness outstanding to the Bank, including, without limitation, indebtedness to construct the Project; to secure said

indebtedness the Real Estate is currently subject to the following: (A) a mortgage in favor of Bank dated April 30, 2009 and recorded with the Register of Deeds of La Crosse County ("ROD") on June 16, 2009 as Document No. 1528944, (B) an assignment of rents in favor of Bank dated April 30, 2009 and recorded at the ROD on June 23, 2009 as Document No. 1529587, (C) a mortgage in favor of Bank dated December 31, 2012 and recorded with the ROD on March 19, 2013 as Document No. 1528944, (D) a mortgage in favor of Bank dated December 10, 2013 and recorded with the ROD on February 18, 2014 as Document No. 1635937, (E) a mortgage in favor of Bank dated April 7, 2017 and recorded with the ROD on April __, 2017 as Document No. _____, (F) an assignment of leases and rents in favor of Bank dated April 7, 2017 and recorded with the ROD on April __, 2017 as Document No. _____ and (G) various UCC Financing Statements against Owner and Tenant in favor of Bank; and the existence of said indebtedness and liens is permitted hereunder and may be refinanced in accordance with Section 6.13(c)(1) above.

6.14. Commencement and Completion. Developer shall commence and complete construction of the Project in accordance with Section 2.2 above.

6.15. Compliance with Plans. Developer will cause the Project to be constructed in accordance with the Master Plan and will promptly correct any defects in construction or deviations from the Master Plan.

6.16. No Changes. Developer shall not, without City's prior written consent: (i) consent to any amendments to any documents delivered to City pursuant to this Agreement; (ii) approve any changes in the Project or the Master Plan or permit any work to be done pursuant to any changes; (iii) modify or amend the Project Cost Breakdown.

6.17. Inspection of Project. Developer shall permit City, its inspectors and/or its construction consultant, at all reasonable times and at no cost: (a) to inspect the Project and all matters relating to the development thereof, and (b) on reasonable notice, to inspect all of Developer's books and records pertaining to the Project. City assumes no obligation to Developer for the sufficiency or adequacy of such inspections, it being acknowledged that such inspections are made for the sole and separate benefit of City. The fact that City may make such inspections shall in no way relieve Developer from its duty to independently ascertain that the construction of the Project and Developer's compliance with this Agreement is being completed in accordance with the approved Master Plan and the terms and conditions of this Agreement.

6.18. Notification. Developer shall:

- a. As soon as possible and in any event within five (5) business days after the occurrence of any default, notify City in writing of such default and set forth the details thereof and the action which is being taken or proposed to be taken by Developer with respect thereto.
- b. Promptly notify City of the commencement of any litigation or administrative proceeding that would cause any representation and warranty of Developer contained in this Agreement to be untrue.
- c. Notify City and provide copies, immediately upon receipt, of any notice, pleading, citation, indictment, complaint, order or decree from any federal, state or local government agency or regulatory body, asserting or alleging a circumstance or condition that requires or may require a financial contribution by Developer or any guarantor or an investigation, clean-up, removal, remedial action or other response by or on the part of Developer or any guarantor under any environmental laws, rules, regulations or ordinances or which seeks damages

or civil, criminal or punitive penalties from or against Developer or any guarantor for an alleged violation of any environmental laws, rules, regulations or ordinances.

6.19. Intentionally Omitted.

6.20. Intentionally Omitted.

6.21. Correction of Defects. Developer shall, upon demand of City (and City may rely on the advice of its inspector and shall not be liable for any errors in such advice), correct any material defect, structural or otherwise, in the Project or any departure from the Master Plan.

6.22. Not for Speculation. Developer represents and warrants that its acquisition of the Real Estate and its undertakings pursuant to this Agreement shall be for the sole and express purpose of the development of the Real Estate consistent with the Master Plan and the terms and conditions of this Agreement and are not for the speculation in land holdings.

6.23. Jobs. Developer currently employs 240 Full-Time Equivalent Jobs at the Real Estate.

ARTICLE VII

DEFAULT

7.1 Developer's Default.

- a. Remedies.** In the event (i) any representation or warranty of Developer herein or in any agreement or certificate delivered pursuant hereto shall prove to have been false in any material respect when made or (ii) of Developer's default hereunder which is not cured within thirty (30) days after written notice thereof to Developer and Bank, the City shall have all rights and remedies available under law or equity with respect to said default. In addition, and without limitation, the City shall have the following specific rights and remedies:
- (1)** With respect to matters that are capable of being corrected by the City, the City may at its option enter upon the Real Estate for the purpose of correcting the default and the City's reasonable costs in correcting same, plus interest at one and one-half percent (1.5%) per month, shall be paid by Developer to the City immediately upon demand;
 - (2)** Injunctive relief;
 - (3)** Action for specific performance;
 - (4)** Action for money damages;
 - (5)** Repayment by Developer of any incentives and damages via special assessment or special charge under Section 66.0627, Wis. Stat., prior to any first mortgage lien on the property. The owners of the Real Estate and their successors and assigns further agree that they waive any objection to the City making said special charge or assessment; however, they still retain their right to object to the accuracy of the amount of the special charge or assessment; and

- b. Reimbursement.** Any amounts expended by the City in enforcing this Agreement and the obligations of Developer hereunder, including reasonable attorney's fees, and any amounts expended by the City in curing a default on behalf of Developer, together with interest at one and one-half percent (1.5%) per month, shall be paid by Developer to the City upon demand and shall constitute a lien against the Real Estate until such amounts are reimbursed or paid to the City, with such lien to be in the nature of a mortgage and enforceable pursuant to the procedures for foreclosure of a mortgage.
- c. Remedies are Cumulative.** All remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.
- d. Failure to Enforce Not a Waiver.** Failure of the City to enforce any provision contained herein shall not be deemed a waiver of the City's rights to enforce such provision or any other provision in the event of a subsequent default.

7.2 City's Default.

- a. Remedies.** In the event of the City's default hereunder which is not cured within sixty (60) days after written notice thereof to the City, Developer shall have all rights and remedies available under law or equity with respect to said default. In addition, and without limitation, Developer shall have the following specific rights and remedies:
 - (1) Injunctive relief;
 - (2) Action for specific performance; and
 - (3) Action for money damages.
- b. Remedies are Cumulative.** All remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.
- c. Failure to Enforce Not a Waiver.** Failure of Developer to enforce any provision contained herein shall not be deemed a waiver of Developer's rights to enforce such provision or any other provision in the event of a subsequent default.

7.3 Mediation of Disputes Required. Unless the parties agree otherwise, prior to litigation and as a condition precedent to bringing litigation, any party deeming itself aggrieved under this Agreement shall be obligated to request nonbinding mediation of the dispute. Mediation shall proceed before a single mediator. The parties shall split the costs of mediation equally. In the event of impasse at mediation, the aggrieved party may then commence an action. However, the parties shall be bound to agree to alternative dispute resolution as ordered by the Court.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1. Assignment. Except as provided in Sections 2.7 and 6.13, Developer may not assign its rights or obligations under this Agreement without the prior written consent of the City. Developer shall provide not less than forty-five (45) days advance written notice of any intended assignment.

8.2. Nondiscrimination. In the performance of work under this Agreement, Developer agrees not to discriminate against any employee or applicant for employment nor shall the development or any portion thereof be sold to, leased or used by any party in any manner to permit discrimination or restriction on the basis of race, religion, marital status, age, color, sex, sexual orientation, physical condition, disability, national origin or ancestry and that the construction and operation of the Project shall be in compliance with all effective laws, ordinances and regulations relating to discrimination on any of the foregoing grounds.

8.3. No Personal Liability. Under no circumstances shall any trustee, officer, official, commissioner, director, member, partner or employee of the City, have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

8.4. Force Majeure. No party shall be responsible to any other party for any resulting losses and it shall not be a default hereunder if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of enemies, strikes, fires, floods, acts of God, adverse weather conditions, legally required environmental remedial actions, industry-wide shortage of materials, or by any other cause not within the control of the party whose performance was interfered with, and which exercise of reasonable diligence, such party is unable to prevent, whether of the class of causes hereinabove enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause; provided however that any such event of Force Majeure shall not be the basis of a delay of more than ninety (90) days.

8.5. Parties and Survival of Agreement. Except as otherwise expressly provided herein, this Agreement is made solely for the benefit of the parties hereto and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties, and indemnifications contained herein shall survive the termination or expiration of this Agreement.

8.6. Implementation Schedule and Time of the Essence. All phases and schedules which are the subject of approvals, or as set forth herein, shall be governed by the principle that time is of the essence, and modification or deviation from such schedules shall occur only upon approval of the City. The Mayor, or in the Mayor's absence, the Council President, shall have the ability to postpone any deadline listed herein, up to a maximum ninety (90) days. The Economic Development Commission shall otherwise oversee the day-to-day operations of this Agreement.

8.7. Notices. Any notice, demand, certificate or other communication under this Agreement shall be given in writing and deemed effective: (a) when personally delivered; (b) three (3) days after deposit within the United States Postal Service, postage prepaid, certified, return receipt requested; or (c) one (1) business day after deposit with a nationally recognized overnight courier service, addressed by name and to the party or person intended as follows:

To the City: Attn: City Clerk
 City of La Crosse
 400 La Crosse Street
 La Crosse, Wisconsin 54601

with a copy to: Attn: City Attorney
 City of La Crosse
 400 La Crosse Street
 La Crosse, Wisconsin 54601

To the Developer: Attn: Peter Johnson
 DuraTech Industries, Inc.
 3216 Commerce Street
 La Crosse, WI 54603

To the Owner: Attn: Peter Johnson
Commercial Properties Partners, LLC
3216 Commerce Street
La Crosse, Wisconsin 54603

To the Bank: Attn: Paul Kulig
BMO Harris Bank N.A.
4106 State Road 93
Eau Claire, Wisconsin 54701

8.8. Governing Law. This Agreement shall be governed by the laws of the State of Wisconsin and shall be deemed to have been drafted through the combined efforts of parties of equal bargaining strength. Any action at law or in equity relating to this Agreement shall be instituted exclusively in the courts of the State of Wisconsin and venued in La Crosse County. Each party waives its right to change venue.

8.9. Conflict of Interest. Developer shall avoid all conflicts of interest or the appearance of a conflict of interest in the performance of this Agreement. Developer is familiar with the City's prohibition against the acceptance of any gift by a City officer or designated employee, which prohibition is found in Section 2-133 of the City of La Crosse Municipal Code. Developer agrees not to offer any City officer or designated employee any gift prohibited by said Code. The offer or giving of any prohibited gift shall constitute a material breach of this Agreement by Developer. In addition to any other remedies the City may have in law or equity, the City may immediately terminate this Agreement for such breach. No member, officer or employee of the City shall have any personal financial interest, direct or indirect, in this Agreement, nor shall any such member, officer or employee participate in any decision relating to this Agreement.

8.10. Execution in Counterparts. This Agreement may be executed in several counterparts, each which may be deemed an original, and all of such counterparts together shall constitute one and the same agreement.

8.11. Disclaimer Relationships. Developer acknowledges and agrees that nothing contained in this Agreement or any contract between Developer and the City or any act by the City or any third parties shall be deemed or construed by any of the parties or by third persons to create any relationship or third party beneficiary, principal or agent limited or general partnership or joint venture or of any association or relationship involving the City. It is understood and agreed that Developer, in the performance of the work and services of these Project shall not act as an agent or employee of the City and neither the Developer nor its officers, employees, agents, licensees, sublicensees, subcontractors shall obtain any rights to retirement benefits or the benefits which accrue to the City's employees and Developer hereby expressly waives any claim it may have to any such rights. Each party shall be responsible for its own separate debts, obligations and other liabilities.

8.12. Severability. Should any part, term, portion or provision of this Agreement or the application thereof to any person or circumstance be in conflict with any state or federal law or otherwise be rendered unenforceable, it shall be deemed severable and shall not affect the remaining provisions, provided that such remaining provisions can be construed in substance to continue to constitute the agreement that the parties intended to enter into in the first instance.

8.13. Termination. Except for Sections 2.10 (Indemnity), 2.6(a) (Annual PILOT), 2.13 (Record Retention) and 8.5 (Survival), which shall survive the termination of this Agreement, this Agreement and all obligations hereunder, shall terminate after twenty (20) years or the life of TID #13, whichever is longer. This Agreement may also be terminated as provided in Article IV (Conditions Precedent to City), Article V (Conditions Precedent to Developer Obligations) and Section 8.9 (Conflict of Interest) hereof.

8.14. Memorandum of Agreement. The Developer agrees that the City may record this Agreement, or a memorandum thereof, with the Register of Deeds for La Crosse County, Wisconsin. Any such memorandum shall be in form and substance reasonably acceptable to the City and the Developer.

8.15. Covenants Running with Land. All of the covenants, obligations and promises of Developer set forth herein shall be deemed to encumber the Development and run with the land described in Exhibit A and shall bind any successor, assignee or transferee of Developer until such time as this Agreement is terminated.

8.16. Amendments. No agreement or understanding changing, modifying or extending this Agreement shall be binding upon either party unless in writing, approved and executed by the City and Developer.

8.17. Time Computation. Any period of time described in this Agreement by reference to a number of days includes Saturdays, Sundays, and any state or national holidays. Any period of time described in this Agreement by reference to a number of business days does not include Saturdays, Sundays or any state or national holidays. If the date or last date to perform any act or to give any notices is a Saturday, Sunday or state or national holiday, that act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday, or state or national holiday.

8.18. JURY TRIAL. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL ON ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING FROM OR OTHERWISE RELATED TO THIS AGREEMENT. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY THE OTHER PARTY.

8.19. Construction. This Contract shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument to be drafted. The headings, table of contents and captions contained in the Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement. All terms and words used in this Agreement, whether singular or plural and regardless of the gender thereof, shall be deemed to include any other number and any other gender as the context may require. In the event that any of the provisions, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions or portions thereof shall not be affected.

8.20. Incorporation of Proceedings and Exhibits. All motions adopted, approvals granted, minutes documenting such motions and approvals, and plans and specifications submitted in conjunction with any and all approvals as granted by the City, including but not limited to adopted or approved plans or specifications on file with the City and further including but not limited to all exhibits as referenced herein, are incorporated by reference herein and are deemed to be the contractual obligation of Developer whether or not herein enumerated.

8.21. Entire Agreement. This writing including all Exhibits hereto, and the other documents and agreements referenced herein, constitute the entire Agreement between the parties with respect to the Project and all prior letters of intent or offers, if any, are hereby terminated. This Agreement, however, shall be deemed and read to include and incorporate such minutes, approvals, plans, and specifications, as referenced in this Agreement, and in the event of a conflict between this Agreement and any action of the City, granting approvals or conditions attendant with such approval, the specific action of the City shall be deemed controlling.

8.22. Execution of Agreement. Developer shall sign, execute and deliver this Agreement to the City on or before the close of regular City Hall business hours forty-five (45) days after its final adoption by the City, whichever occurs later. Developer's failure to sign, execute and cause this Agreement to be received by the City within said time period shall render the Agreement null and void, unless otherwise authorized by the City. After

Developer has signed, executed and delivered the Agreement, the City shall sign and execute the Agreement. The final signature date of the City shall be the signature date of Agreement ("Signature Date").

IN WITNESS HEREOF, the parties have executed and delivered this Agreement effective the date set forth next to the City's signature below.

Dated this 19th day of April, 2017

Dated this 19 day of May, 2017

DuraTech Industries, Inc.

City of La Crosse

Peter L. Johnson, President

Timothy Kabat, Mayor

Teri Lehrke, City Clerk

Subscribed and sworn to before me this 19th day of April, 2017.

DAVID F. STICKLER
Notary Public
State of Wisconsin

Subscribed and sworn to before me this 19 day of May, 2017.

Notary Public, State of Wisconsin
My Commission: is permanent

Notary Public, State of Wisconsin
My Commission: 11-2-18

Commercial Properties Partners, LLC

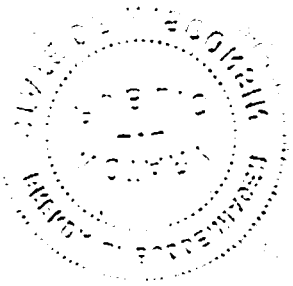
David H. Pretasky, Managing Member

DAVID F. STICKLER
Notary Public
State of Wisconsin

Subscribed and sworn to before me this 19th day of April, 2017.

Notary Public, State of Wisconsin
My Commission: is permanent

This Document Was Draft By:
Stephen F. Mally, City Attorney
City of La Crosse
400 La Crosse Street
La Crosse, Wisconsin 54601
608-789-7511



DAVID F. STICKER
Notary Public
State of Wisconsin

DAVID F. STICKER
Notary Public
State of Wisconsin

CONSENT OF LENDER

The undersigned, BMO Harris Bank N.A., being the holder of certain mortgages on the Real Estate subject to the DuraTech Development Agreement hereunder, hereby consents to the terms and provisions of the DuraTech Development Agreement.

Dated as of the 21st day of APRIL, 2017.



BMO HARRIS BANK N.A.

By: [Signature]
Name: PAUL KULIB
Title: VP

Subscribed and sworn to before me this 21st day of April, 2017.

Lacey J. Logslett
Lacey J. Logslett

Notary Public, State of Wisconsin

My Commission: August 31, 2019

STATE OF WISCONSIN

The undersigned, JACQUELYNNE J. LOGGHELLI, being duly sworn, deposes and says that she is the author of the foregoing and that the same is true and correct to the best of her knowledge and belief.



Witness my hand and seal this _____ day of _____, 20__.

Notary Public, State of Wisconsin

EXHIBIT A

Real Estate (legal description)

[attached]

Parcel 1:

Lot 6 and part of Lot 8 of La Crosse Interstate Industrial Park Addition to the City of La Crosse, La Crosse County, Wisconsin, described as follows: Beginning at the Southeast corner of Lot 6 of said Addition thence along the East line North 00 degrees 08' 10" East 164.82 feet; thence South 50 degrees 21' 14" East 135.42 feet to the North right of way line of Enterprise Avenue; thence along said right of way line South 39 degrees 38' 46" West 164.27 feet to the East line of Lot 7 of said Addition; thence along said East line of Lot 7 of said Addition; thence along the East line North 00 degrees 10' 37" East 48.08 feet to the point of beginning.

Parcel 2:

Lot 5 of La Crosse Interstate Industrial Park Addition to the City of La Crosse, La Crosse County, Wisconsin.

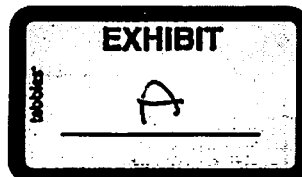


EXHIBIT B

Description of Project

[attached]

2017 DuraTech Industries Expansion Plan

Construct a 47,000 square foot two story building which connects the two existing buildings together.

Facility will have two custom clean rooms with accurate climate control for manufacturing.

Project to start April 17th 2017 and be completed by December 31st, 2017.



EXHIBIT C

Living Wage Resolution

[attached]

Living Wage

FILE # 2003-04-033

REPORT OF COMMITTEE

To the Honorable Mayor and Common Council of the City of La Crosse:

Your Judiciary & Administrative Committee and Finance & Personnel Committee on April 8, 2003, having under consideration the annexed resolution approving a living wage for construction contracts and development agreements that are financed in part with City funds which benefit primarily a single business organization so that families and individuals meet a certain minimum level of decency, recommends the same be adopted as second amended.

Respectfully submitted,

Richard P. Becker, Chmn
Charles Clemence
Dave Goodin
Jon M. Olson
Todd Olson
Robert Slaback

David R. Morrison, Chmn.
Joe Ledvina
Douglas Farmer
Mark Johnsrud
Mark Meyer

REPORT AND
RESOLUTION ADOPTED

APR 10 2003
BY COUNCIL

APR 23 2003

RT
M
Mayor

SECOND AMENDED RESOLUTION

WHEREAS, La Crosse is and will continue to be a business friendly community,
and

WHEREAS, City of La Crosse taxpayers subsidize low wage jobs through increased taxes for health and human services for the poor, and

WHEREAS it should be a basic right of all workers to earn a living wage in accordance with State law and in order to provide for their families and to meet a certain minimum level of decency, and

~~WHEREAS, the City of La Crosse lets many contracts each year for maintenance, construction and repair projects and considering the impact that these projects have on the taxpaying citizens of the City, these contracts should not allow the work to be performed at any wage less than a living wage.~~

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of La Crosse that said living wage be not less than 110 percent of the annual income of a family of four, based on the U.S. Department of Health and Human Services most recent poverty guidelines, which wage at the current time would be \$9.73 ~~\$8.11~~ per hour.

BE IT FURTHER RESOLVED that in order for said living wage to be carried out according to the intent of this resolution, the City of La Crosse shall not enter into any development agreement or capital expenditure for the primary benefit of a single business or organization, unless it is demonstrated that the majority of the full-time jobs created or supported by the expenditure will command wages equal to or greater than this living wage amount.

BE IT FURTHER RESOLVED that this living wage policy should not apply to any job that is subject to the prevailing wage laws, in which event said applicable prevailing wage law shall apply, and that the same not displace or disrupt the past practices of utilizing union labor wages in such cases.

BE IT FURTHER RESOLVED that this resolution shall not in any way be used or is the same intended to reduce wages received by full-time skilled and unskilled workers.

BE IT FURTHER RESOLVED that the living wage previously referred to herein include the basic wage plus fringe benefits in accordance with the methodology utilized for public construction contracts for what is known as the prevailing wage in order to meet Davis-Bacon requirements as well as Wisconsin public construction contract requirements.

BE IT FURTHER RESOLVED that fringe benefits include health insurance, retirement, life insurance, vacation and some contributions to training funds and do not include employer payments or contributions required by other federal, state or local laws, such as the employer's contribution to social security or some disability payments.

~~BE IT FURTHER RESOLVED that this resolution shall not apply to non-profit, tax-exempt organizations, which are exempt from state and federal income tax.~~

Typed: 4-9-03

Approved:

EXHIBIT D

Description of Public Improvements

None

EXHIBIT E

Project Cost Breakdown

[attached]

DuraTech - Project Cost Breakdown

As of 03/28/2017

Wieser Quote Dated March 20, 2017		\$ 3,321,887
Below are the items contracted direct by DuraTech		
	Plumbing / Air / Gas pipe - CRM	\$ 192,000
	Electric - Klich	\$ 471,364
	Fire Alarm - Per Mar from Klich	\$ 23,455
	HVAC from Paul's Heating	\$ 255,789
	Five Star to pull all Cat 5	\$ 27,371
	Humidification system	\$ 101,200
	Wireless access points / cameras / door access	\$ 27,011
	Automated logic 2 zones for clean rooms	\$ 25,000
	ISG architectural fee	\$ 255,019

DuraTech Remodeling costs for existing building

	Redo epoxy floors in screening	\$80,000
	Resurface epoxy floors in die cutting and inspection	\$18,000
	Move carousel press to die cutting area and 1 uv line	\$18,000
	Move 5 Sakari lines	\$15,000
	Wall off heat room in existing screening room	\$20,000
	Replace window in tilt up concrete building	\$50,000
	Build out 9 offices and 1 conference room	\$45,000
	Move screen making for direct to screen	\$18,000
	Move ink to Linde room	\$35,000
	Move die cutting and Laminating to new building	\$38,000
	Construct a room around the Iberica press	\$15,000
	Modular wall system for the Guardian oven using ins	\$18,000
	Ceiling tiles for the screening department	\$2,500
	Price to move batch ovens	\$67,500
	Wall off area around Guardian lines	\$25,000
	Build new doming room in building 3 with it own HV	\$35,000
Grand Total Project Cost Breakdown		\$5,300,056

EXHIBIT F

Construction Schedule

[attached]



General Contractor, Inc.



DuraTech Industries
La Crosse, WI
Construction Schedule
March 30, 2017

ID	Task Name	Duration	Start	Finish	Month															
					April	May	June	July	August	September	October	November	December	January	February					
					E	B	M	T	W	Th	F	S	S	S	S	S	S	S	S	
1	Execute Construction Agreement	1 day	Thu 3/30	Thu 3/30																
2	Permits	1 day	Mon 4/3	Mon 4/3																
3	Contracting & Procurement	9 days	Mon 4/3	Thu 4/13																
4	Mobilization & Kickoff Meeting	5 days	Mon 4/10	Fri 4/14																
5	Construction	217 days	Mon 4/17	Tue 2/13																
6	Site Utilities and Paving Removal	14 days	Mon 4/17	Thu 5/4																
7	Mechanical and Electrical	200 days	Mon 4/17	Fri 1/19																
8	Footings & Foundation Walls	20 days	Mon 5/8	Fri 6/2																
9	Concrete Slab-on-Grade	10 days	Mon 6/12	Fri 6/23																
10	Structural Steel	55 days	Mon 6/26	Fri 9/8																
11	Masonry Walls	50 days	Mon 6/28	Fri 11/3																
12	Concrete Mezzanine Deck	5 days	Mon 9/11	Fri 9/15																
13	Precast Roof Erection	3 days	Mon 9/18	Wed 9/20																
14	Roofing	8 days	Thu 9/21	Mon 10/2																
15	Fireproofing	5 days	Mon 10/2	Fri 10/5																
16	Insulation and Vapor Barriers	10 days	Tue 10/3	Mon 10/16																
17	Non Structural Metal Framing	15 days	Sun 10/8	Thu 10/26																
18	Insulated Metal Wall Panels	60 days	Mon 10/16	Fri 1/5																
19	Metal Wall Panels	60 days	Tue 10/17	Mon 1/8																
20	Gypsum Wall Board	15 days	Wed 10/18	Tue 11/7																
21	Door Frames	4 days	Fri 10/20	Wed 10/25																
22	Epoxy Coating	10 days	Thu 10/26	Wed 11/8																
23	Acoustical Ceilings	12 days	Mon 10/30	Tue 11/14																
24	Install Rated Ceiling Doors	4 days	Mon 11/6	Thu 11/9																
25	Elevator Install	60 days	Mon 11/6	Fri 1/26																
26	Painting	15 days	Wed 11/8	Tue 11/28																
27	Install Fabric Ceiling Doors	2 days	Fri 11/10	Mon 11/13																
28	Doors and Hardware	10 days	Tue 11/28	Mon 12/11																
29	Carpeting	5 days	Mon 1/22	Fri 1/26																
30	Final Cleaning	11 days	Fri 1/26	Fri 2/9																
31	Testing & Commissioning	10 days	Mon 1/29	Fri 2/9																
32	Punchlist	3 days	Mon 2/5	Wed 2/7																
33	Final Inspection	3 days	Thu 2/8	Mon 2/12																
34	Substantial Completion	0 days	Tue 2/13	Tue 2/13																

Wieser Brothers General Contractor, Inc. | 200 Twinkle Street | La Crosse, MN 55947
www.wieserbros.com | Office 507.895.8903 | Fax 507.895.8438

EXHIBIT G: MONETARY OBLIGATION EXAMPLE
CASH GRANT SCHEDULE
DuraTech Development Agreement

Tax Year (Valuation Date)	Base 1/1/2017	1/1/2018	Guarantee 1/1/2019	1/1/2020	1/1/2021	1/1/2022
Base Value of Property	1,969,000	1,969,000	1,969,000	1,969,000	1,969,000	1,969,000
Economic change on Base Value		19,690	39,577	59,663	79,949	100,439
New construction 2017		1,500,000	1,515,000	1,530,150	1,545,452	1,560,906
New construction 2018			1,250,000	1,262,500	1,275,125	1,287,876
Total Assessed Value	1,969,000	3,488,690	4,773,577	4,821,313	4,869,526	4,918,221
Value Increment	0	1,519,690	2,804,577	2,852,313	2,900,526	2,949,221
Mill Rate	0.02913	0.02913	0.02913	0.02913	0.02913	0.02913
Tax Increment		44,269	81,697	83,088	84,492	85,911
<i>Cash Grants</i>						
City's Proration (15%)		6,640	12,255	12,463	12,674	12,887
City's Allocation of Tax Increment		6,640	12,255	12,463	12,674	12,887
City's Cumulative Cash Grants (\$41,250 Max.)		6,640	18,895	31,358	44,032	56,919
<i>Developer's Cash Grants</i>						
Developer's Proration (85%)		37,628	69,443	70,625	71,818	73,024
Developer's Cash Grants		37,628	69,443	70,625	71,818	73,024
Developer's Cumulative Cash Grants (\$233,750 Max.)		37,628	107,071	177,696	249,514	322,538
Aggregate Cash Grants Unpaid (\$275k Max.)	275,000	230,731	149,034	65,946	(18,546)	(104,457)
Payment Date		9/1/2019	9/1/2020	9/1/2021	9/1/2022	9/1/2023

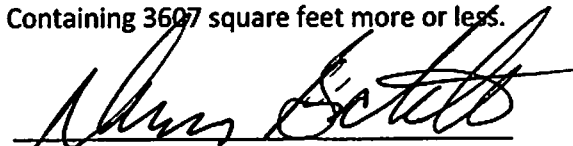
NOTE 1: Assumes economic change of 1% appreciation
NOTE 2: Assumes partial construction in 2017 and 2018
4/5/2017

Exhibit "A"
Ingress & Egress Easement Description
Cox to Myhre

An easement for ingress and egress purposes over a portion of the southwest quarter of the northeast quarter of Section 30, Township 102 North, Range 4 West, Crooked Creek Township, Houston County, Minnesota, more particularly described as follows:

Commencing at the northwest corner of said southwest quarter of the northeast quarter of Section 30, thence eastwardly along the northerly line of said southwest quarter, S.89°52'14"E., 377.37 feet; thence leaving said line at right angles S.00°07'46"W., 126.28 feet to a point where the northerly line of an existing driveway intersects the southeasterly line of C.S.A.H. No 24 and the Point of Beginning; thence eastwardly along the northerly line of said driveway the following two courses, 1) N.76°55'55"E., 37.23 feet, 2) N.64°58'47"E., 29.68 feet; thence N.84°29'48"E., 26.07 feet to a point on the northerly projection of the easterly line of that parcel deeded to Robert A Cox in Document No. 238745, recorded July 21, 2005 in the Office of County Recorder, Houston County, Minnesota as surveyed for Dean Myhre in that Certificate of Survey by Davy Engineering Co. of La Crosse, Wisconsin dated July 25, 2014; thence southwardly along said northerly projection, S.05°30'12"E., 37.54 feet to the northeast corner of said parcel; thence westwardly along the northerly line of said parcel S.84°29'48"W., 145.22 feet to the northwest corner thereof; thence northwardly along the northerly projection of the westerly line of said parcel N.05°30'12"W., 7.89 feet to said southeasterly line of C.S.A.H. No 24; thence northeastwardly along said southeasterly line the following two courses, 1) N.71°27'58"E., 31.14 feet to the beginning of tangent curve to the left, 2) along said curve with a radius of 143.00 feet and central angle of 10°05'54" an arc length of 25.20 feet to the Point of Beginning.

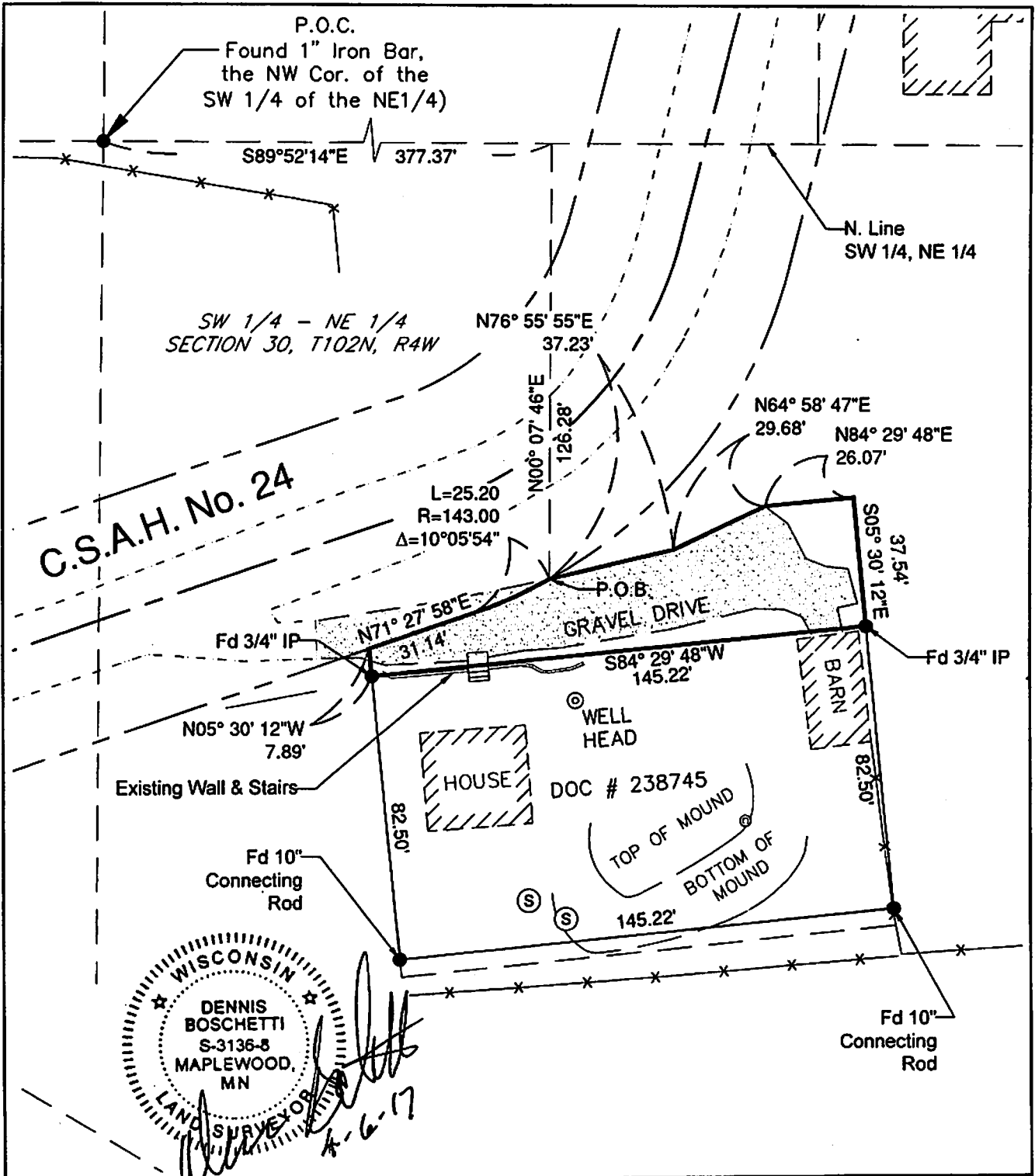
Containing 3607 square feet more or less.



Dennis Boschetti, P.L.S.

Expires 1/31/2018





WISCONSIN
 DENNIS BOSCHETTI
 S-3136-8
 MAPLEWOOD, MN
 LAND SURVEYOR
 4-6-17

- LEGEND**
- FOUND MONUMENT (TYPE NOTED)
 - Ⓢ SANITARY SEWER SEPTIC MANHOLE
 - ⊙ SANITARY SEWER SEPTIC VENT

EXHIBIT B
Cox/Meyre Ingress & Egress Easement
Caledonia, MN 55921



DAVY ENGINEERING CO.
LA CROSSE, WISCONSIN

DATE 03/22/2017	NOTEBOOK NO.	PROJECT NUMBER 011795-001.100	SHEET 1 OF 1
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