

**SECOND AMENDMENT TO 333 FRONT STREET
DEVELOPMENT AGREEMENT
(333 Front Street)**

This Second Amendment dated as of December ~~11~~¹⁷, 2025 (the "**Effective Date**") to 333 Front Street Development Agreement (hereafter "**Second Amendment**") 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**"), **333 Front Street, LLC**, a Wisconsin limited liability company, and, **Weber Holdings, LLC**, a Wisconsin limited liability company (collectively, the "**Original Developer**"), and **3RealEstate, LLC**, a Wisconsin limited liability company ("**Purchaser**"), each with offices located at 333 N. Front Street, La Crosse, Wisconsin 54601 (together, "**Parties**").

WITNESSETH:

Whereas, on January 21, 2020, the City and Original Developer entered into that certain 333 Front Street Development Agreement which was recorded on March 3, 2020 with the La Crosse County Register of Deeds as Document Number 1741792 (the "**Original Development Agreement**") and which affects that certain "Real Estate" described on Exhibit A, attached hereto and incorporated herein;

Whereas, due to the COVID pandemic, the City provided to Original Developer a certain Notice of Extension under the power of Section 8.6 of the Original Development Agreement (the "**First Notice of Extension**") extending the termination option date in Section 5.3 of the Original Development Agreement (the "**Termination Option**") from June 30, 2020 to September 30, 2020 by the action of the Mayor;

Whereas, due to the continuation of the COVID pandemic, the Original Developer provided a certain Notice of Extension Under Force Majeure Provisions of the Original Development Agreement to the City dated September 30, 2020 (the "**Second Notice of Extension**"), extending the Termination Option from September 30, 2020 to December 29, 2020;

Whereas, on December 16, 2020, the City and the Original Developer entered into the First Amendment to the 333 Front Street Development Agreement which was recorded with the La Crosse County Register of Deeds as Document Number 1762837 (the "**First Amendment**") which extended the Termination Option to June 30, 2023, and made other amendments, and the First Amendment remains in full force and effect as amended hereby;

Whereas, the Original Development Agreement, as amended by the First Notice of Extension, the Second Notice of Extension, and the First Amendment, are herein together called the "**Development Agreement**,"

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

See Exhibit A

Whereas, on December 31, 2020, as anticipated at the time of the First Amendment, the Original Developer sold a minority tenant-in-common interest owned by the Original Developer in the Real Estate, by deeding to Purchaser a Forty-Nine Percent (49%) tenancy-in-common interest in the Real Estate and entered into the Amended and Restated Tenancy in Common Agreement among the Original Developer and Purchaser, which such transaction also resulted in Purchaser acquiring a proportionate share of any payments owed from the City under the Development Agreement, and a proportionate share of all responsibilities for any payments to the City under the Development Agreement (the foregoing collectively, the **"First Sale"**); Donald Weber, the sole owner of the Original Developer, maintained a majority interest in the Real Estate;

Whereas, Purchaser and Original Developer have entered into that certain Real Estate Purchase Agreement dated September 24, 2025, and the First Amendment to Real Estate Purchase Agreement, dated November 10, 2025 (Collectively, the **"REPA"**), wherein, as of the Closing Date (as defined in the REPA), now expected on or before December 22, 2025, Purchaser is to purchase the balance of the tenancy-in-common interest in the Real Estate from Original Developer, and to terminate all interests of Original Developer in the Real Estate;

Whereas, the REPA provides that Purchaser will assume all obligations of the Developer in relation to the Project, as described in the Development Agreement, and will cause the Original Developer to be released from all unsatisfied obligations described in the Development Agreement;

Whereas, the Development Agreement provided in Exhibit B, that the "Project" was the purchase of the Real Estate, and putting the Real Estate back into taxable use, which was timely and satisfactorily completed;

Whereas, Exhibit B to the Development Agreement provided, under "Description of the Project," that Original Developer intended to complete certain repairs to the building on the Real Estate, with a cost of Total Repairs of \$1,187,000. Original Developer timely completed substantial improvements to the Property as required by the Development Agreement ("Substantial Completion" as defined in the Development Agreement), and has provided the City with evidence confirming such improvements, including: (1) re-roofing in the amount of \$580,000; (2) caulking in the amount of \$531,000; (3) installing new boilers in the amount of \$318,000; and (4) installing new chillers in the amount of \$833,000, with a total cost of \$2,262,000 (**"Total Repair Cost"**), to refurbish and renovate the then underused Real Estate into a multi-tenant office building with other mixed use improvements, and to purchase and put the Real Estate back on the tax rolls, from its prior exempt status, with a purchase price of \$11,000,000, which is defined as the "Project" in the Development Agreement;

Whereas, the Parties agree that the purchase of the Real Estate for \$11,000,000, re-roofing, caulking, boiler and chiller improvements satisfied the definition of and purpose for the Project, and the completion of the same constitutes Substantial Completion of the Project. The Parties agree that the "pavement replacement and repair" line item originally listed in Exhibit B to the Development Agreement was determined not to be an immediate need and shall no longer be required under the Development Agreement;

Whereas, the City acknowledges that the Original Developer's purchase of the Real Estate, and incurring the Total Repair Cost, constitutes completion of the requirements to purchase the Real Estate and perform the Project, all of which occurred prior to the deadline date of December 31, 2023;

Whereas, the Original Developer has provided evidence to the City that the Original Developer has incurred more than \$11,000,000 for the purchase of the Real Estate and for the Total Repair Costs, therefore meeting the requirement of the Guaranty of Minimum Construction Costs under Section 2.2(c) of the Development Agreement;

Whereas, pursuant to the Original Development Agreement, the City agreed to a Monetary Obligation of \$1,100,000, being approximately the total of the anticipated Total Repairs described in Exhibit B of the Development Agreement;

Whereas, the Original Developer determined not to exercise its right to terminate the Development Agreement under the provisions of Article V of the Original Development Agreement;

Whereas, the Parties wish to set forth in this Second Amendment their respective commitments, understandings, rights and obligations relating to the Development Agreement as of the Effective Date; 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:

1. **Section 1.3(g).** The City confirms that all requirements of Section 1.3(g) of the Development Agreement, "Conditions," have been completed and/or are currently in compliance.

2. **Section 1.3(i).** In Section 1.3(i) of the Development Agreement, the definition of "Project" is modified to incorporate "the purchase of the previously tax-exempt Real Estate described in Exhibit A, and the improvements thereon, at a price of \$11,000,000" and the referenced Exhibit B is amended as described below.

3. **Section 1.3(n).** The City acknowledges that Substantial Completion of the Project, as defined in Section 1.3(n) of the Development Agreement, has been timely completed prior to the deadline set in the Development Agreement.

4. **Sections 2.1, 2.2, 2.3, 2.4, and 2.5.** The City acknowledges that the Original Developer has met the obligations in Sections 2.1, 2.2, 2.3, 2.4 and 2.5, including, with respect to Section 2.2(c) of the Development Agreement, meeting the requirement for the Guaranty of Minimum Construction Costs.

5. **Section 3.2.** This document shall serve as the "Certificate of Completion" required in Section 3.2 of the Development Agreement.

6. **Exhibit B.** Exhibit B is amended by removing "Pavement replacement and repair \$424,000" from the list of total repairs, and adding instead, the costs of re-roofing, boilers and chillers as described above, and as shown on the modified Exhibit B attached hereto.

7. **Project Completion.** The City acknowledges that construction of the Project has been satisfactorily completed in accordance with the Development Agreement and that all related obligations have been fulfilled as of the date hereof. The City further acknowledges that, since the Project is completed, there is no need to prepare a Master Plan, Project Cost Breakdown or Construction Schedule (each as defined in the Original Development Agreement) for the Real Estate, and that all references to such are deleted.

8. Compliance with Ongoing Developer Obligations. The City acknowledges and agrees that the Original Developer and the Property are not in default of any obligation under the Development Agreement as of the date hereof, and any prior default under the Development Agreement, if any, is waived by the City. All ongoing obligations of the Development Agreement that survive completion of the Project shall remain in full force and effect and shall be binding on the Purchaser and its successors and assigns as of the date hereof.

9. Transfer of Ownership, Notice. The City hereby waives any notice requirements with respect to the First Sale that may exist or have existed under any agreement and for purposes of clarity consents to the First Sale effective as of the date of the First Sale. The City further acknowledges and consents to the transfer of the balance of the tenancy-in-common interest in the Real Estate to Purchaser, and the assignment and assumption of the obligations under the Development Agreement by Purchaser. In addition, the City hereby acknowledges that good and sufficient notice of said transfer has been received as to the requirement that Original Developer provide at least forty-five (45) days' notice before the sale, transfer or conveyance of the Real Estate as required by Section 2.7.a. of the Development Agreement, assignment of the Project and Real Estate as required by Section 6.13. a. of the Development Agreement, and assignment of rights and obligations as required by Section 8.1. of the Development Agreement.

10. Assignment of Development Agreement. Purchaser hereby assumes all ongoing and future obligations of the Developer to the City as described in the Development Agreement, effective the later of the date of recording this Second Amendment or the date of recording the Deed from Original Developer to Purchaser, of all of the interests in the Real Estate, and that it will privately allocate between Original Developer and Purchaser, the amounts due or payable under the 2024 and 2025 payments thereunder. City hereby releases Original Developer, and all guarantors related to Original Developer, from all obligations under the Development Agreement. Original Developer confirms that it has assigned its obligations and benefits, including the remainder of the City's Monetary Obligation, pursuant to the terms and conditions of the Development Agreement, to Purchaser. Purchaser hereby agrees to be bound by the terms of the Development Agreement.

11. Right of First Refusal. The City confirms that the provisions of the document titled "Right of First Refusal East Parking Parcel" by and among Weber Holdings, LLC, 333 Front Street, LLC, and the City of La Crosse, Wisconsin, recorded as Doc. No. 1738399 on December 23, 2019 in the La Crosse County Register of Deeds (the "**Right of First Refusal**") does not apply to this transaction and are not triggered by this transaction nor any contemplated action by or among the Parties to this Agreement, because both the East Parking Parcel and the West Building Parcel are being transferred together to Purchaser. Purchaser hereby assumes all further obligations under the Right of First Refusal. By this document, the City releases Original Developer and any related parties from any further obligations under the Right of First Refusal.

12. Release. City acknowledges that the City and the Economic and Community Development Commission (formerly known as the Economic Development Commission) have received satisfactory written evidence of Purchaser's assignment and Purchaser's agreement to be bound by the terms of the Development Agreement. The City therefore expressly hereby releases Original Developer, and its members from any and all obligations as Developer under the terms of the Development Agreement.

13. No Default. City acknowledges that Original Developer is not presently in default regarding any provision of the Development Agreement, as of the date of signing of this Second Amendment. The invoice from the City, Invoice Number 204689 dated 09/19/2025 for a Deficiency PILOT payment from

developer payable on September 29, 2025, will be paid within thirty (30) days of the date this Second Amendment is recorded in the office of the Register of Deeds of La Crosse County, Wisconsin. Notwithstanding the foregoing, payment of such invoice shall not constitute agreement that the invoice accurately calculates the amount due for a Deficiency PILOT, and the parties hereto expressly reserve all rights to challenge the calculation, method of calculation, interpretation of the Development Agreement, and all matters related to the Deficiency PILOT for any subsequent years. No party may rely upon or utilize the payment of Invoice Number 204689 as evidence of agreement or acquiescence as to any matter contained therein or related thereto, nor shall payment be evidence thereof.

The Original Developer and Purchaser acknowledge and agree that the City is not in default of any obligation under the Development Agreement as of the date hereof, and any prior default under the Development Agreement, if any, is waived.

14. Tax Guarantee and Deficiency PILOT. Commencing January 1, 2025, Sections 2.6(b) and (c) of the Development Agreement are deleted and replaced with the following language:

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 nine million seven hundred thousand dollars (\$9,700,000.00) beginning in tax year 2025 and for a period of nineteen (19) years or the life of TID #17, 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 nineteen (19) years or the life of TID #17, whichever is longer.

c. **Deficiency PILOT.** In the event the assessed value of the Project is less than nine million seven hundred thousand dollars (\$9,700,000.00) as of January 1, 2025 or for any tax year thereafter for a period of nineteen (19) years or the life of TID #17, whichever is longer, then 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 multiply 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 nineteen (19) years or the life of TID #17, whichever is longer.

15. Waiver. City and Original Developer hereby each waive their Conditions Precedent in Article IV and Article V, in order to make the Development Agreement fully effective.

16. Recording. This Second Amendment, and, if required, a Memorandum thereof, shall be recorded in the office of the Register of Deeds of La Crosse County, Wisconsin.

17. Other Provisions. Except as described herein, all other terms, conditions, covenants and promises of the Development Agreement and all exhibits thereto shall remain unchanged and in full force and effect.

18. Execution of Amendment. Purchaser and Original Developer shall sign, execute and deliver this Second Amendment to the City on or before the close of regular City Hall business hours not

With a Copy to:

Husch Blackwell LLP
511 N. Broadway, Suite 1100
Milwaukee, Wisconsin 53202
Attn: Adam Finkel

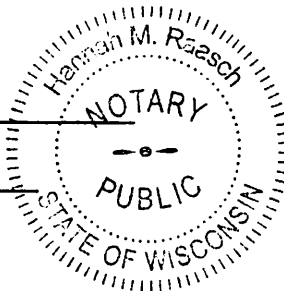
3REAL ESTATE, LLC,
a Wisconsin limited liability company

BY: 
Scott W. Rathgaber, Chief Executive Officer

STATE OF WISCONSIN)
) ss.
LA CROSSE COUNTY)

Personally came before me this 19th day of December, 2025, the above-named Scott W. Rathgaber, as Chief Executive Officer of Gundersen Lutheran Administrative Services, Inc., being one of the Developers, as 3RealEstate, LLC's sole member, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Anniah M. Daasch
Notary Public - State of Wisconsin
My Commission 07/12/2026



CITY OF LA CROSSE, WISCONSIN: (SEAL)

Tamra Dickinson

Shaundel Washington-Splvey, Mayor

Tamra Dickinson, Council President

Countersigned:

Nikki Elsen

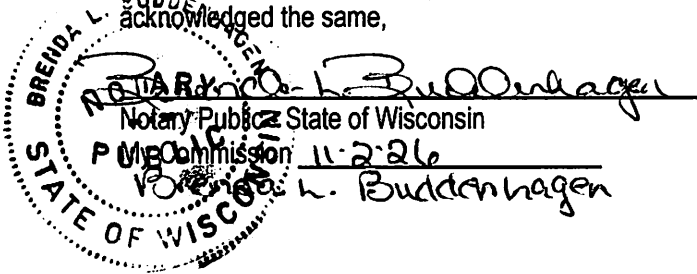
Nikki Elsen, City Clerk

STATE OF WISCONSIN)

) ss.

LA CROSSE COUNTY)

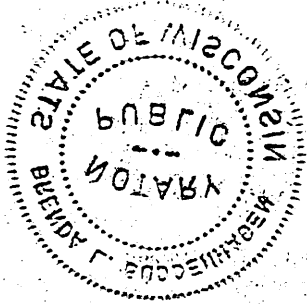
Personally came before me this 11th day of Dec, 2025, the above named Tamra Dickinson, Council President
Shaundel Washington-Splvey, Mayor, and Nikki Elsen, City Clerk, to me known to be the persons who executed the foregoing instrument and
acknowledged the same,



Approved as to form and execution

Stephen A. Matty
Stephen Matty, City Attorney

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Exhibit A
Legal Description of Real Estate and Tax Parcel Numbers

The "Real Estate" shall be described as follows:

The "Real Estate" is comprised of two properties: the "East Parking Parcel" defined below, east of Front Street, and the "West Building Parcel" west of Front Street.

The "East Parking Parcel" shall be defined as follows:

Lot 7 and Out lot 1, Certified Survey Map filed January 19, 1999 in Volume 8, Page 124, Document No. 1218452, being a part of Blocks 3 & 4 of River Addition and part of Government Lot 2, and part of Government Lot 3, Section thirty-one (31), Township sixteen (16) North, Range seven (7) West, City and County of La Crosse, State of Wisconsin; and

Lot 8, Certified Survey Map filed January 19, 1999 in Volume 8, Page 123, Document No. 1218451, being a part of Government Lot 3, Section thirty-one (31), Township sixteen (16) North, Range seven (7) West, City and County of La Crosse, State of Wisconsin.

The "West Building Parcel" shall be defined as follows:

Lot 5, Certified Survey Map filed January 19, 1999 in Volume 8 Page 124, Document No. 1218452, being a part of Blocks 3 & 4 of River Addition and part of Government Lot 2, and part of Government Lot 3, Section thirty-one (31), Township sixteen (16) North, Range seven (7) West EXCEPT that portion of said Lot 5 conveyed to the City of La Crosse, Wisconsin, a Wisconsin municipal corporation in quit claim deed recorded April 6, 2016 at Document No. 1672286, said EXCEPTED PORTION being more particularly described as follows:

Beginning at the southwest corner of said Lot 5, thence the next 2 calls along the west line of said Lot 5 (1) n 05° 25'01" e 105.68 feet (2) n 09° 17' 32" w 33.79 feet thence s 33° 46' 50" e 66.62 feet to the beginning of a 224.00 foot radius curve concave to the west; thence 128.99 feet along the arc of said curve, the chord of which bears s 17°17'03" e 127.21 feet to the south line of said Lot 5; thence along said south line n 64° 15'05" w 88.10 feet to the Point of Beginning. City and County of La Crosse, State of Wisconsin.

Parcel Identification Numbers: 17-20280-070 and 17-20280-090

Exhibit B
Description of the Project

The "Project" shall be defined as the purchase of the previously tax-exempt Real Estate and the improvements thereon, at a price of \$11,000,000 (plus land east of Front Street) from CenturyTel, and putting the Real Estate back into taxable use.

The following repairs were completed prior to December 31,2023:

• Re-roofing upper flat roofs of the building	\$580,000
• Caulking	\$531,000
• Boilers	\$318,000
• Chillers	\$833,000
• Total Repairs	\$2,262,000