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LACROSSE COUNTY
REGISTER OF DEEDS
CHERYL A. HCBRIDE

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EXEMPT #:
PAGES: 39

**DEVELOPMENT AGREEMENT
BETWEEN
SPIES CONSTRUCTION, LLC.
And
CITY OF LA CROSSE**

This Development Agreement ("hereinafter "Agreement") is made by and among the **City of La Crosse**, Wisconsin, a Wisconsin municipal corporation (the "City"), and **Spies Construction, LLC**, a Wisconsin limited liability company located at 2011 Liberty Street, La Crosse, WI 54603 (**Spies**) (hereinafter referred to as "Developer").

WITNESSETH:

WHEREAS, the Developer proposes to own, construct and develop a multi-phase residential/mixed use project over five (5) years on lands comprised of the former Navy Reserve Training Center site, all as more particularly described herein and in **Exhibit B** (the "Project"), on certain real property in the City of La Crosse, Wisconsin, more particularly described on **Exhibit A** ("Real Estate");

WHEREAS, the proposal for the Real Estate includes ten (10) single family owner occupied homes, plus other improvements that promote desirable and sustainable uses, which further serve the needs of the community and residents as well as fulfilling the aesthetic character standards of the City;

WHEREAS, Section 66.1105, Wis. Stat., empowers cities to assist redevelopment projects by 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 integral to the needs of City residents 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 and aesthetic benefit to the City and the surrounding area, including, without limitation, growth in the tax base; 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 of the City of La Crosse;

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 the City; and

WHEREAS, in order to induce Developer to undertake the Project, the City has agreed to pay for certain costs included within the Project as may be agreed to in writing and as are attached to this Development Agreements as **Exhibit "D"** ("Proposed City Cost Sharing") as provided by this Agreement, all in accordance with the terms and conditions of this Agreement; and

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This space is reserved for recording data

Return to *City Attorney*
400 LaCrosse St
LaCrosse WI 54601

Parcel Identification Number/Tax Key Number

Tax ID

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

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:

**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 as set forth in the proposed project description.

A description of the real estate is attached hereto as **Exhibit A**.

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, and to expand and enhance the tax base within the City, the City intends to undertake certain obligations 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 as approved by the City.

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 Agreement by and between the City and the Developer, as amended and supplemented from time to time.
- b. "City" means the City of La Crosse, a Wisconsin municipal corporation.
- c. "Construction Schedule" means the construction timetable set forth on **Exhibit E**.
- d. "Contribution" means the work provided by the City to the project in order to incent the Developer to undertake the development and assist the Project and for which the City's obligations are incurred.
- e. "Developer" means Spies Construction, LLC, a Wisconsin Limited Liability Companies.
- f. "Final Completion" is the issuance of Certificates of Completion of ten (10) single family owner occupied homes.
- g. "Master Plan" means the Master Plan for the Real Estate prepared by the Developer and approved by the City, as well as all subsequent revisions thereto that is prepared by Developer and approved by the City.

- h. "Performance Deposit" the sum of Twelve Thousand and 00/100 Dollars (\$12,000.00), which is to be held by the City, without interest, until the project is completed as set forth herein.
- i. "Plans and Specifications" means the plans and specifications developed for the Project.
- j. "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.
- k. "Public Improvements" means improvements the Developer will build at its sole cost and dedicate to the City as part of the Project.
- l. "Project" means the development and improvement of the Real Estate by the construction of the buildings described in **Exhibit "B."** The term, "Project" excludes personal property.
- m. "Real Estate" means the real property described in **Exhibit A**.
- n. "Signature Date" has the same meaning as provided in Section 8.21 of this Agreement.
- o. "Substantial Completion" means the completion of the improvements to the Real Estate pursuant to the Plans and Specifications, with a Certificate except for minor punch list items, and the issuance of a Certificate of Occupancy. Also, Developer shall establish a Homeowners Association for subsequent and associated maintenance of site commons.

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/Master Plan
- c. **Exhibit C.** Proposed Covenants and Restrictions for the Development
- d. **Exhibit D.** Proposed Cost Sharing by the City
- e. **Exhibit E.** Project Cost Breakdown
- f. **Exhibit F.** Construction Schedule (Section 2.2c.)

ARTICLE II DEVELOPERS OBLIGATIONS

2.1. Acquire the Real Estate. The Developer will acquire the described Real Estate from the City, by Quit Claim Deed for the purchase price of One Hundred and Twenty Thousand and 00/100 Dollars (\$120,000.00), paid as follows:

a. Twenty Thousand and 00/100 Dollars (\$20,000.00) at the time of closing; to be returned to the Developer, if the Developer is unable to obtain an approved Certified Survey and approved project Master Plan within ninety (90) days of closing.

b. Four (4) additional payments of Twenty-five Thousand and 00/100 Dollars (\$25,000.00), each, to be paid upon commencement of construction of each of the first four (4) houses.

c. An additional payment of Twelve Thousand and 00/100 Dollars (\$12,000.00) as a Performance Deposit to the City of La Crosse, to be paid at the time of closing. The funds will be returned upon full and final completion of the project. If the Project does not reach Final Completion within five (5) years of the date of closing, the Performance Deposit will be forfeited to the City and all undeveloped lots to be returned at no cost to the City.

d. Developer understand that the Real Estate will be sold in an "as is" condition, with no warranties whatsoever as to the condition or use of the property. Developer understands that the Real Estate being sold may contain foundations, rubble and debris from prior buildings that were demolished upon the site. Developer understands that it is solely responsible for conducting its own geotechnical investigation and any and all other testing necessary to determine if the lands meet the Developer's needs for the construction of the Project.

e. The closing upon the property shall take place within 180 days of approval of the Development Agreement by the City of La Crosse. Seller to provide evidence of title and shall provide an owner's policy of title insurance in the amount of the purchase price at seller's expense.

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 as set forth below.

a. **Site Preparation.** Developer shall prepare the Real Estate for construction, including, without limitation, any necessary demolition and asphalt removal and other Site Preparation Work all in accordance and set forth on **Exhibit B**. It shall also be the Developer's responsibility, at its own cost, to properly dispose of all solid waste, including removal and disposal of any hazardous or special solid waste created during the demolition process.

b. **Fill.** Developer shall install sufficient fill to build the project.

c. **Construction Schedule.** The Developer will provide a proposed Construction Schedule for the improvements, set forth in the Master Plan representing the approved proposal, which is subject to approval by the City. The proposed schedule must be attached hereto as **Exhibit E** and as a minimum, meet the following deadlines:

i. Developer shall commence construction on the first of the houses, as described in **Exhibit B** on or before November 1, 2018, with a Substantial Completion date no later than May 1, 2019.

ii. Developer shall commence construction on the second of the houses, as described in **Exhibit B** on or before February 1, 2019, with a Substantial Completion date no later than June 1, 2019.

iii. Developer shall commence construction on the third of the houses, as described in **Exhibit B** on or before June 1, 2019, with a Substantial Completion date no later than October 1, 2019, four (4) months after the commencement of its construction.

- iv. Developer shall commence construction on the forth of the houses, as described in **Exhibit B** on or before February 1, 2020, with a Substantial Completion date no later than June 1, 2020.
- v. Developer shall have Substantially Completed all ten (10) single family owner occupied homes no later than May 31, 2023. If not completed, the remaining lots not Substantially Completed shall be returned to the City, without further cost. All improvements on the lands will also become the property of the City, free and clear of any and all liens and encumbrances.
- d. **Guaranty of Minimum Sale Price or Assessed Value.** Developer agrees that the single family homes shall have a minimum sale price of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) each. Any sale price below that level must be approved in writing, in advance, by the Housing Rehabilitation Review Board or its successor in interest. The City reserves the right to assess a financial penalty against the Developer for a sale below the Minimum Sale Price set forth herein.
- e. **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.
- f. **Property for Public Improvements.** Upon request, Developer shall dedicate and/or transfer or convey all necessary sewer and water utilities within the Real Estate and easements, as depicted in the Master Plan, as finalized, to the City at no cost to the City.
- g. **Master Plan.** Developer shall submit as part of the rezoning and construction process, a Master Plan setting forth all the details of construction and development to the City for its 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) grading, storm water 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.

2.3. Local Subcontractors. It is agreed by Developer, that Developer shall be endeavored to engage local subcontractors, as well as local suppliers for material. The term subcontractor is as defined in Section 66.0901(1) (d), Wis. Stat. 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 entity in connection with the Project. Any conditions imposed on Developer to obtain any approval, permit or license must be acceptable to the City. Developers 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 and improvements and personal property resulting from the Project shall be subject to property taxes. Developer 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. **Payment in Lieu of Taxes (PILOT).** In the event that any of the Real Estate subject to this agreement becomes tax exempt, in whole or in part, under Ch. 70, Wis. Stats., the Developer agrees to make a supplemental payment in addition to or in lieu of the minimum property tax payments based upon the Minimum Guaranteed Values set forth in this Agreement herein. By its execution of this agreement, the Developer acknowledges that the City and all other taxing jurisdictions provide or make available to and for the benefit of the Real Estate certain services and facilities, for which property taxes are generally assessed. The amount of the annual PILOT ("payment in lieu of taxes") shall be calculated by the City Assessor by multiplying the assessed valuation of the property times the levies of the several taxing jurisdictions for the year in question from which actual taxes are due, if any, will be deducted, resulting in a net sum which shall constitute the PILOT. Said PILOT shall be made by the Developer within sixty (60) days of receipt of a notice thereof. The responsibility to supplement or to replace property tax payments with a PILOT shall extend in perpetuity. No portion of a PILOT shall be attributable to property taken by eminent domain by the United States, the State of Wisconsin or any other entity possessing condemnation powers.
- b. **Minimum Property Tax Guarantee.** Developer agrees that the minimum assessment amounts set forth within this Agreement shall remain the minimum assessments to be attributed annually to the Real Estate, in perpetuity.
- c. **Deficiency PILOT.** In the event the assessed value of the Project is less than set forth within this Agreement, for any tax year, then the Developer or the then current owner, or its successors or assigns agrees to pay a Deficiency PILOT to the City by the February 1st date subsequent to said determination. For example, if any Deficiency PILOT is owed for the 2018 tax year, then said payment shall be due beginning February 1, 2018 as calculated for tax year 2018. 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 in perpetuity.
- 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.** No property within the Real Estate may be sold, transferred, or otherwise conveyed except for the sale of homes, in accordance with this agreement, unless the

Developer first provides to the City's consent, in advance, in writing to said transfer. This Section shall not apply to nor restrict a transfer to Developer's financing entity, e.g. placing a mortgage on the Real Estate.

- 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 City Attorney and City Council 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 City Attorney 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 beyond what is set forth in the project plan without approval of the City.

2.8. Easements. Developer 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. 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 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 City on account of this Agreement, unless such claims, causes of action, or demands: (a) relate to the City failing to perform its obligations to Developer; or (b) arise out of any willful misconduct of City. At City's request, Developer shall appear for and defend the City, at Developer's expense, in any action or proceeding to which the City 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 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 all laterals connecting water service to the Project. The Developer will pay all costs of sanitary sewer connections to the City sanitary sewer main.

2.12. Restrictions. There is a set of Covenants and Restrictions which have already been recorded against the Real Estate. Proposed amended Covenants are attached hereto as **Exhibit C**.

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 the City 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 City'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.

ARTICLE III CITY OBLIGATIONS

3.1. Zoning and Sale of City Owned Land.

- a. The City agrees to sell the Real Estate described herein upon the terms and conditions set forth in this Agreement.
- b. The City agrees to consider the rezoning of all lands contained within the described **Exhibit A**.

3.2. City Performance Subject to Required Government Approvals. The Developer acknowledges that several of the specific undertakings of the City described in this Agreement 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 Agreement 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. Any delay in the performance of the City shall extend the deadlines in this agreement proportionately

3.3. Assistance with Zoning Changes. If necessary, the City Planning Department shall assist with the rezoning 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. The Developer will pay for the cost of the rezoning and the City agrees to consent to the filing of the petition as the property owner.

1.4. Certificate of Completion. Upon completion and review of the improvements by the City, the City shall provide the Developer 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.

1.5. City has agreed to pay for certain costs included within the Project as may be agreed to in writing and as are attached to this Agreement as **Exhibit D** ("Proposed City Cost Sharing"), all in accordance with the terms and conditions of this 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 then the conditions shall be deemed satisfied. In such event, this Agreement shall be terminated and no party shall have any further liability or obligation to the other hereunder. 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. If the Developer is an out-of-state corporation, the Developer will submit the name and address of its registered agent in the State of Wisconsin.

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 is 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. Developers shall not be in material default under the terms of any other agreement or instrument to which Developers is a party or an obligor. Developer shall be in material compliance with all provisions of this Agreement.

4.4. Financing Commitment. Where applicable, Developer shall have obtained a written financing commitment from a conventional lender, which is sufficient to fund the construction, furnishing, equipping and installation of improvements and called for in the Master Plan and the purchase price of the Real Estate.

4.5. Plans and Specifications. Developer shall have provided the Master Plan representing the approved proposal, which Master Plan must be acceptable in all respects to the City and shall have been approved by the City.

4.6. Survey. Developers shall submit to and have approved by the City a Certified Survey Map (CSM) for the improvements called for in the Master Plan. The CSM shall be paid for by the City.

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. Acquisition of Real Estate. The Developer shall have acquired fee simple title to the Real Estate in the time frames set forth in this Agreement.

4.9. Approvals and Permits. The Developers 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.

ARTICLE V
CONDITIONS PRECEDENT TO DEVELOPER'S OBLIGATIONS

Developer's obligations under this Agreement are conditioned upon:

5.1 The City transferring lands to the Developer, under the terms and conditions of this Agreement;

5.2 Installation by the City of the proposed Water and Sewer Main;

5.3 Approval of both the proposed Certified Survey Map and the proposed rezoning.

5.4 All timelines set forth in the agreement as to the commencement and completion of homes are automatically extended, without further amendment of this Agreement, to be measured from the time that all of the conditions set forth in sections 5.1, 5.2 and 5.3 are satisfied.

5.5 If any of the conditions set forth in Article V are not met, then this Agreement shall terminate without further action of either the City or Developer. Upon such termination of this Agreement, the parties shall have no further rights or obligation to each other hereunder.

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. Project. The Developer is guaranteeing completion of the improvements called for in the Master Plan.

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, shall 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 shall be fully paid for by Developer. The Developer shall not allow or suffer liens of any kind to be placed upon City property as a result of its material or labor contracts.

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. Developer is a Limited Liability Companies 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 to own its assets and properties and to carry on its business. Developer is 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 Articles of Organization or Operating Agreement 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 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. The Developer represents that it is not in default under any other agreement nor has it been placed on notice of alleged defaults under other agreements which would practically of financially impede or prevent its fulfillment of its obligations to the City under this agreement as of the time of execution hereof.

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, 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 Developer shall not enter into any financing agreements, loans, promissory notes, mortgages or other security agreements pursuant to the terms of which any interest which the City has in the property being developed is subordinated without the express, written consent by the City.
- c. **Developer Financing.** Notwithstanding this Section 6.13, Developer may not transfer, assign or encumber the Real Estate in order to secure financing for the acquisition of the Real Estate and/or for construction of the Project.

6.14. Commencement and Completion. Developer shall commence and complete construction of the Project in accordance with the terms of this Agreement.

6.15. Compliance with Plans. Developer shall cause the Project to be constructed in accordance with the Master Plan and shall 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 inspector and/or its construction consultant, at all reasonable times and at no cost to inspect the Project and all matters relating to the development thereof. 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 are 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. Unrelated Activity. It is the intention of Developer and City that the sole business of Developer shall be the construction, ownership and operation of the Project, and Developer shall take no action inconsistent with such intention, including without limitation the acquisition by Developer of real or personal property unrelated to the Project, investment by Developer in the assets or stock of any other person, joining by Developer with any other person in any partnership or joint venture, or the creation or incurring of indebtedness by Developer unrelated to the Project that would prevent Developer from engaging in this Project.

6.20. No Indebtedness. Except in the ordinary course of business and except for funds borrowed to provide the financing for the purchase of the Real Estate or the construction of the Project, Developer shall not incur, create, assume, permit to exist, guarantee, endorse or otherwise become directly or indirectly or contingently responsible or liable for any indebtedness. "Indebtedness" shall mean any liability or obligation of Developer: (a) for borrowed money or for the deferred purchase price of property or services (excluding trade obligations incurred in the ordinary course of business); (b) as lessee under leases that have been or should be capitalized according to generally accepted accounting principles; (c) evidenced by notes, bonds, debentures or similar obligations; (d) under any guaranty or endorsement (other than in connection with the deposit and collection of checks in the ordinary course of business), and other contingent obligations to

purchase, provide funds for payment, supply funds to invest in any entity, or otherwise assure a creditor against loss; or (e) secured by any security interest or lien on assets of Developer, whether or not the obligations secured have been assumed by Developer.

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.

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, 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) Demanding Return of an Real Estate not developed in accordance with this Agreement;
 - (4) Action for specific performance; and
 - (5) Action for money damages.
- 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. 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.

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 sixty (60) days. The City Planning department 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
400 La Crosse Street
La Crosse, WI 54601

With a copy to: Attn: City Planner
400 La Crosse Street
La Crosse, WI 54601

To the Developer: Attn: Spies Construction, LLC
2011 Liberty Street
La Crosse, WI 54603

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 both 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.

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 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 Developers, in the performance of the work and services of this 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. All terms and conditions set forth herein shall survive the termination of this Agreement. This Agreement and all obligations hereunder, shall terminate twenty (20) years after the completion of the final house or building constructed on the Real Estate, or June 30, 2022, whichever is longer. This Agreement may also be terminated as provided elsewhere in this Agreement.

8.14 Memorandum of Agreement. Promptly upon its acquisition of the Real Estate and prior to the recording of any mortgage or other security instrument against any portion of the Real Estate, 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 Developers 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 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.

8.19 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.

8.20 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.

8.21. Execution of Agreement. Developer shall sign, execute and deliver this Agreement to the City at least seven (7) days prior to its final adoption by the Common Council. 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 have 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 the Agreement ("Signature Date").

IN WITNESS WHEREOF, the parties to this Agreement have caused this instrument to be signed and sealed by duly authorized representatives of Developer and the City this _____ day of _____, 2018.

DEVELOPER:
Spies Construction, LLC.

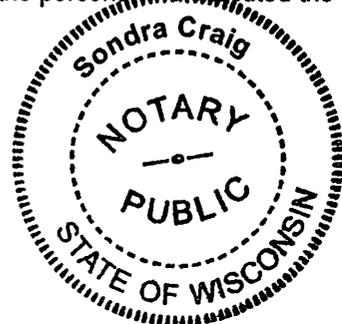
BY: *Delores Spies*
Delores Spies, Member

BY: *Raymond Spies*
Raymond Spies, Member

STATE OF WISCONSIN)
) S.S.
LA CROSSE COUNTY)

Personally came before me this 3rd day of May, 2018, the above-named Delores Spies, and Raymond Spies, the managing members of the Developer, Spies Construction, LLC to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Sondra Craig
Notary Public - State of Wisconsin, County of La Crosse
My Commission expires: 11/11/2021



CITY OF LA CROSSE, WISCONSIN: (SEAL)

Trinity Kelt
Mayor

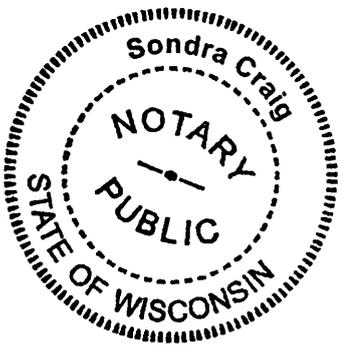
Countersigned:

Jeri Lehner
City Clerk

STATE OF WISCONSIN)
) S.S.
LA CROSSE COUNTY)

Personally came before me this 7th day of May, 2018, the above named Timothy Kabat, Mayor and Teri Lehrke, City Clerk, to me known to be the persons who executed the foregoing instrument and acknowledged the same,

Sondra Craig
Notary Public - State of Wisconsin, County of La Crosse
My Commission expires: 11/11/2021



Drafted by:
Planning Dept - City of LaCrosse
400 La Crosse St
LaCrosse WI 54601

Exhibit "A"

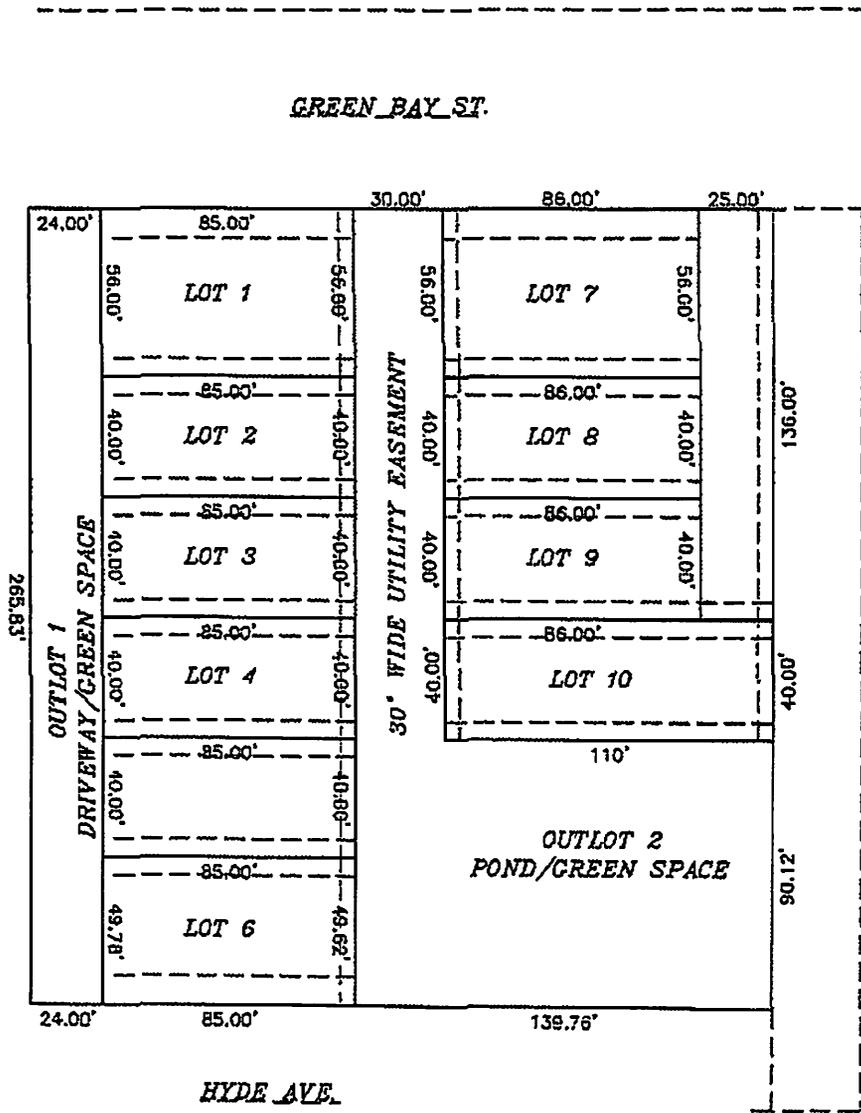
Legal Descriptions

- NAVY RESERVE ADDITION LOT 1
- NAVY RESERVE ADDITION LOT 2
- NAVY RESERVE ADDITION LOT 3
- NAVY RESERVE ADDITION LOT 4
- NAVY RESERVE ADDITION LOT 5
- NAVY RESERVE ADDITION LOT 6
- NAVY RESERVE ADDITION LOT 7
- NAVY RESERVE ADDITION LOT 8
- NAVY RESERVE ADDITION OUTLOT 2
- NAVY RESERVE ADDITION OUTLOT 3

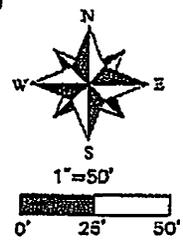
Exhibit "B"

Concept Map consisting of 10 owner-occupied single family homes

CONCEPTUAL DRAWING #8
NAVY RESERVE SITE



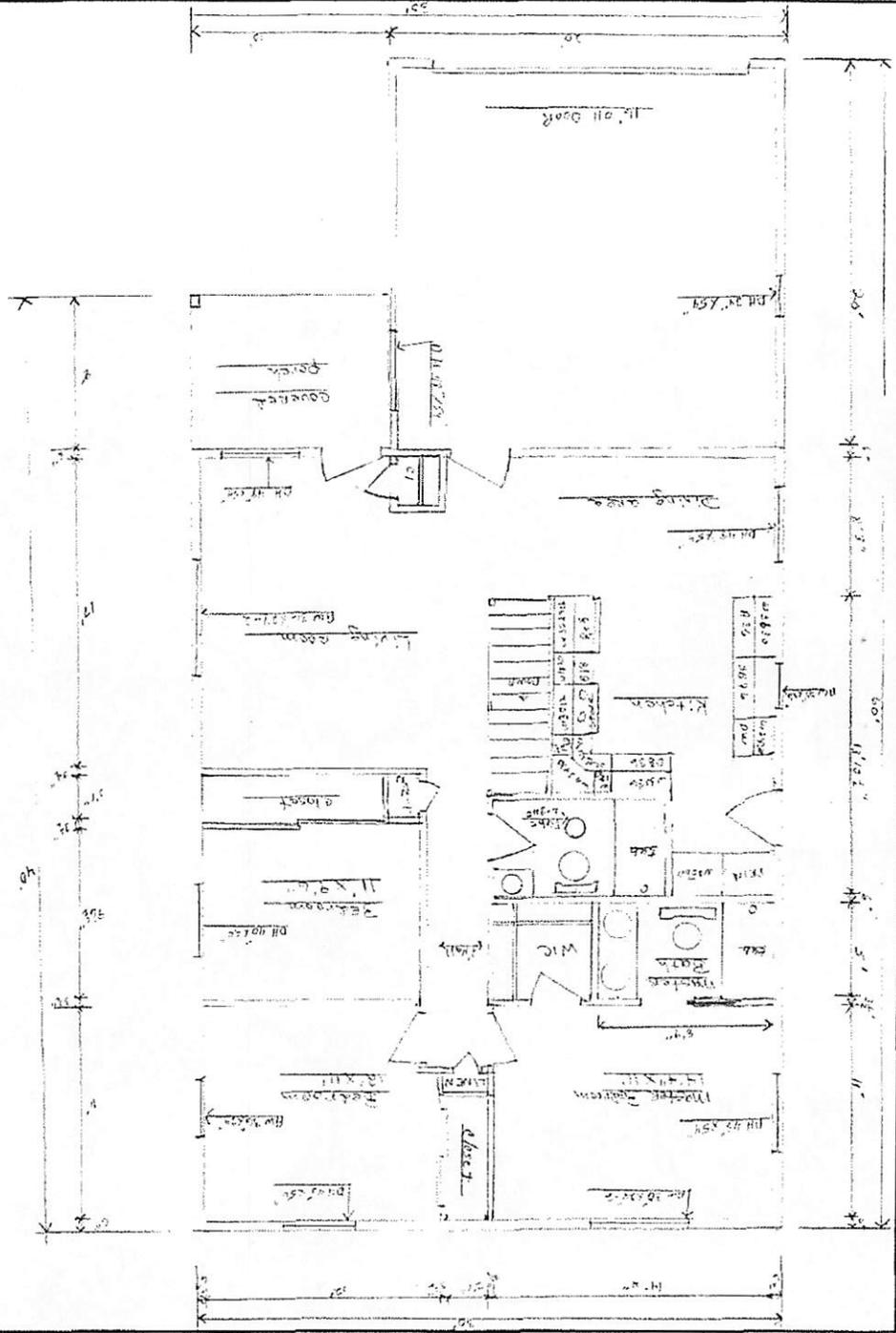
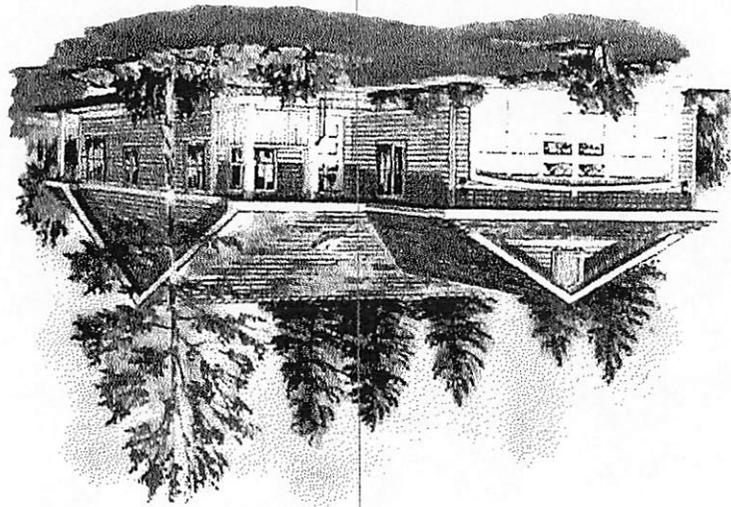
BY:
RUNNING LAND SURVEYING
700 DAUPHIN ST.
LA CROSSE, WI
54603
608-779-5322

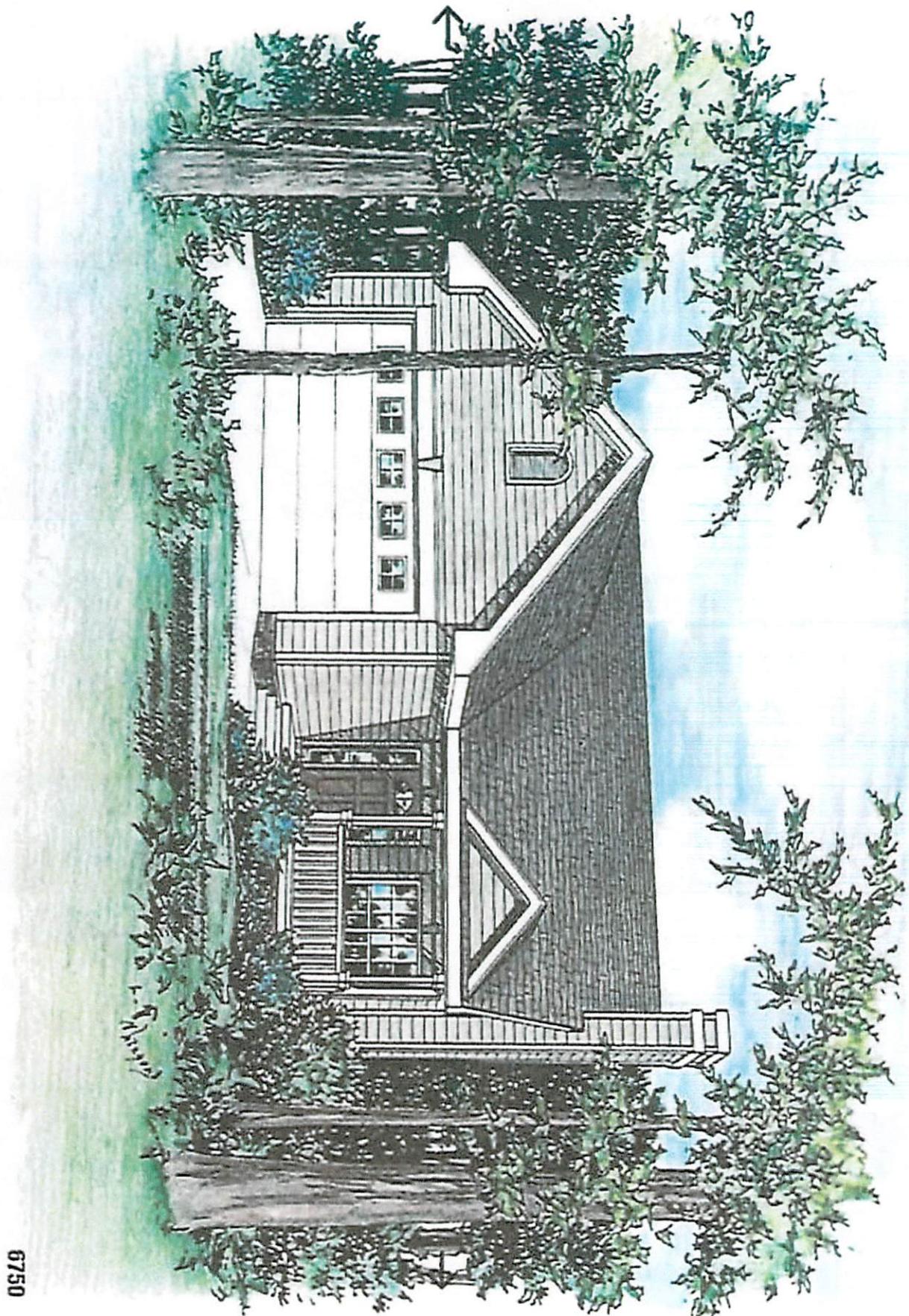




10/04/2017 23:28

SPICES CONSTRUCTION LLC		APPROVED BY	DATE	SCALE
504 Johnson St		RS	12/20/24	AS SHOWN
Floor plan - elevation		DESIGNED BY	DATE	SCALE
		RS	12/20/24	AS SHOWN





6750

Br.2
11'0" x 10'3"

Br.3
11'0" x 10'0"

Mbr.
14'0" x 13'3"

DN

Din.
10'7" x 10'0"

Kit.
9'0" x 13'4"

Grt. Rm.
14'4" x 15'10"

Gar.
19'4" x 20'0"

COVERED
PORCH



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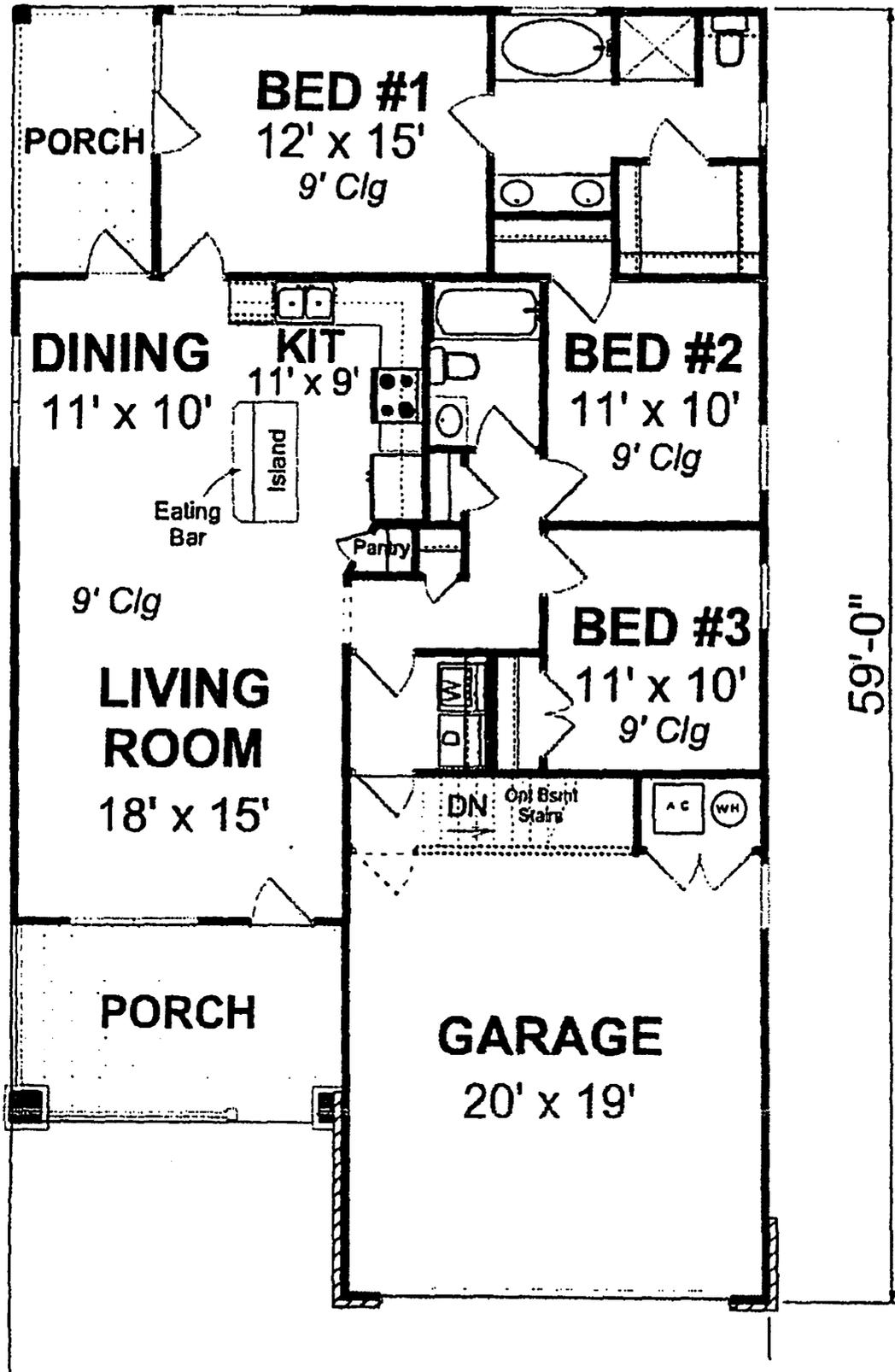
R

R









59'-0"

Exhibit "C"

Proposed Amended Covenants

**Declaration of Covenants, Conditions and Restrictions
of Lots 1 through 10 and Outlots 1, 2, and 3 of the
Navy Reserve Addition to the City of La Crosse, Wisconsin**

These Covenants, Conditions and Restrictions are for the benefit of the respective owners and each and every purchaser of the lots located in the Navy Reserve Addition to the City of La Crosse, La Crosse County, Wisconsin, and their respective heirs, personal representatives, devisees, successors and assigns. The undersigned do hereby adopt and agree to the following restrictions, covenants, protections, conditions and provisions and shall apply to all lots, outlots or parcels included in the Navy Reserve Addition to the City of La Crosse to be in the nature of covenants to run with the land.

These covenants and restrictions are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 2030, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by three-fourths of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

If the parties hereto, including the City of La Crosse, or any of them, or their heirs or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning any real estate situated within the lots hereinbefore described to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from so doing or to recover damages or other dues for such violation.

1. **AREA OF APPLICATION:** Lots 1 through 10 and Outlots 1, 2, and 3
2. **PURPOSE:** These covenants and restrictions are made for the purpose of creating and keeping the above described development, insofar as possible, desirable, attractive, beneficial, free from nuisances, and in suitable appearance, and for the purpose of guarding against fires and unnecessary interference with the natural beauty of the subdivision, all for the mutual benefit and protection of all of the owners of homes in the development and the surrounding neighborhood. The subdivision will have private streets, sewer, water, natural gas, electrical service and cable TV. All private streets and common areas will be plowed and maintained by the Homeowners Association. All residents will receive police protection, municipal fire protection, trash/brush/leaf collection and all other City services.
3. **LAND USE:** No lot shall be used except for a single-family residential building as allowed in the Single-Family Residential Zoning District (R-1) zoning regulations or the Planned Development District regulations of the City of La Crosse. No lot in the development may ever be subdivided into smaller tracts or lots nor conveyed or encumbered in any less than the original dimensions as shown on the recorded plat. No dwelling shall be used as a residential-rental-income-producing property and each lot is deed restricted by these covenants and by a deed restriction recorded with each deed in perpetuity limiting the use of the property to Owner-Occupied Single-Family-Residences.

4. **NO TEMPORARY BUILDINGS:** No structure of a temporary character, including but not limited to trailer, camper, recreational vehicle, barn, basements, tents, garages, shacks, mobile homes or other outbuildings shall be used on any lot at any time as a residence, either temporary or permanent.
5. **RESIDENTIAL BUILDING RESTRICTIONS:**
 - A. A single-family dwelling, containing a minimum of two bedrooms and at least 800 square feet of usable living space per each dwelling unit, (not including porches or garages).
 - B. Minimum improvement taxable value (after construction) is \$150,000 as determined by the City Assessor.
 - C. Construction must be completed as set within the Developers Agreement between Spies Construction, LLC and the City of La Crosse.
 - D. A minimum two (2) car garage is mandatory per dwelling unit.
 - E. All construction must be "stick built" construction. No modular housing or metal buildings are permitted.
6. **DRIVEWAYS:** A hard-surface driveway utilizing pervious paving materials is required for all dwelling units. Permissible pervious materials include pervious concrete, asphalt, paving brick or similar material, with a minimum width often feet. The driveway must be completed within nine months from date of the commencement of home construction and must be built in compliance with all City of La Crosse ordinances regulating the same.
7. **STORAGE AND REPAIR OF VEHICLES AND BOATS:** Motor homes, camping trailers, boat trailers, boats, buses and any type of truck with over a one-ton payload capacity shall not be stored or parked on any lot or driveway within the subdivision for more than three days (guests -two-week maximum). No car repairs whatsoever, except an emergency repair in order to move the vehicle to another location may be undertaken on any lot. No race car building, conversion, repair, or maintenance whatsoever may be undertaken on any lot. Boats, boat trailers, trailers of any kind, non-operating motor vehicles, recreational vehicles, camping trailers and wood piles shall be kept inside the garage. No junk or unlicensed cars, trucks or other type motorized vehicles shall be allowed to be stored outdoors, including but not limited to snowmobiles, motorcycles, three wheelers, four wheelers, boats, trailers or campers. Repair or servicing of motor vehicles on premises must be done inside the garage.
8. **SIGNS:** No signs, billboards, or other advertising structures of any kind shall be erected or maintained or constructed on any lot for any purpose whatsoever, except for identification of residence and except those used in any sale of any lot or home in the development and home

occupations, rummage sale signs and political signs. All signs must be in compliance with all City of La Crosse ordinances for Single Family Residence District zoning regulating the same.

9. **LANDSCAPING:** Other than landscaped areas, rain gardens, and the like, the remainder of the front yard and side yard (to the back of structure) shall be completely sodded and the remaining lawn areas seeded at the time of occupancy. (Sod may be used in place of seed.) No weed, bushes, thistles, grasses or other noxious organic or plant-like organisms shall be permitted to grow upon any lot to such an extent as to create a nuisance. Any undeveloped lots shall be kept free of noxious or nuisance organisms. The landscaping plan for this development must be approved in advance by the City and is to follow the multi-family design standards for common spaces.
10. **YARD WASTE:** No grass clippings, branches, vines, leaves or yard waste of any kind may be disposed of on any lot, out lot or on City property.
11. **PETS/ANIMALS:** No wild, semi-wild or domestic mammals, reptiles or birds may be kept or maintained upon any individual dwelling unit, except that no more than two dogs, two cats, two birds or any combination of the foregoing specific animals listed in this exception not exceeding the aggregate of two, provided that they are not kept, bred or maintained for any commercial purpose. Pet owners shall be responsible for removal of all pet waste. (The number and licensing of all domesticated animals must comply with all ordinances of the City of La Crosse and County of La Crosse). Animals shall not be permitted to run at large. When dogs or cats are outside, they shall be on a leash and shall be maintained and controlled so as to prevent barking, howling, urinating and defecating on any neighboring yard. Should any dog or cat urinate or defecate on any yard, the owner of said animal immediately shall clean-up said yard. Animals shall be kept in accordance with the appropriate laws of the State of Wisconsin and the ordinances of the City of La Crosse, but complying with such state laws and ordinances of the City of La Crosse shall not supersede the terms and conditions of this covenant if they are in conflict with this covenant, it being the intention herein that the more restrictive provisions of this covenant shall prevail over any law or ordinance.
- ~~12. **ANTENNAS:** No exposed radio, telephone, or microwave receiving or transmitting antennas or masts allowed. TV satellite dishes of no larger than 12 inches in diameter will be allowed if placed in the homeowner's back yard or back side of house. (Removed per Finance & Personnel Committee 4-5-18)~~
13. **SIDEWALKS:** The development will have sidewalks in accordance with City of La Crosse ordinances and the specifications contained in the Planned Development District. Construction material for sidewalks shall be concrete. It will be the Homeowners Association responsibility to maintain these sidewalks in accordance with City of La Crosse ordinances.
14. **TRASH/WASTE/JUNK:** No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. All garbage, rubbish or trash shall be kept inside the premises except that it may be placed outside the premises no more than 12 hours before collection of garbage, rubbish or trash is accomplished by the City of La Crosse and all such containers must be returned to the

interior of the premises within 12 hours of the collection of such garbage, rubbish or trash. Trash, garbage and waste may be placed, for disposal purposes only, in proper sanitary receptacles. Rubbish and trash shall be picked up daily and stored in a covered dumpster-type container during all phases of home construction.

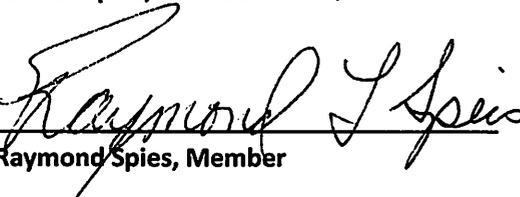
15. **STORAGE SHEDS/KENNELS:** No storage shed, except as approved by the Homeowners Association or outside dog kennels will be allowed.
16. **PLAY EQUIPMENT, GARDENS AND CLOTHES LINES:** No gardens, swing sets, sandboxes, etc. are allowed, in the areas maintained by the Homeowners Association without the advance written consent of the Association. Basketball hoops are allowed in the front of the house as long as they are on or near the garage/driveway. No Clothes lines are allowed.
17. **TERM:** These covenants are to run with the land and shall be binding upon all parties for a term of twenty (20) years from the date these covenants are recorded, after which time they shall automatically be extended for successive periods often (10) years unless an instrument signed by 75% of the then owners of all lots has been recorded, agreeing to change said covenants in whole or part. These covenants shall be recorded as against all lots in subdivision. No deed of conveyance shall be delivered or recorded prior to such recording unless said conveyance is subject to these covenants and the grantee and any subsequent transferee thereof are obligated to join in.
18. **ENFORCEMENT:** If any person shall violate any of the provisions of this instrument, it shall be lawful for the City or any person or persons owning real property in the development to institute proceedings at law or in equity to enforce the provisions of this instrument, to restrain the person violating or threatening to violate them, and to recover damages, actual and punitive, for such violations.
19. **SEVERABILITY:** Invalidity of any one of the provisions of this instrument by judgment or court order or decree shall in no way affect any of the other provisions which shall remain in full force and effect.
20. **MUNICIPAL CODES:** All City of La Crosse building codes, setback requirements, easement rights and ordinances shall remain in force.
21. **DRAINAGE/EROSION CONTROL:** Drainage shall comply with the grading plan on file in the Inspection and Engineering Departments of the City of La Crosse. Drainage and erosion control shall conform to all City and County of La Crosse/State of Wisconsin Codes and Ordinances.
22. **UTILITY SERVICES:** Natural gas meters, electric service meters, telephone and cable TV junction boxes shall be mounted on the side or rear only of the dwelling units.

23. **EXTERIOR LIGHTING AND FLAGPOLES:** Any and all flagpoles must be no higher the peak of the dwelling on the lot. Low density, low impact security lighting is allowed, but no light pole greater than seven feet may be used for mounting or holding an exterior light.
24. **FOUNDATION COVER:** All exposed foundations must be covered or shielded by low growth shrubbery surrounded by a crushed rock or wood mulch border, with a weed barrier.
25. **RETAINING WALLS:** Any retaining walls built on the property must be of masonry construction. No timbers or railroad ties may be used in the construction of retaining walls.
26. **SETBACK:** All setbacks shall be as approved in the Planned Development Zoning associated with this project.
27. **CITY OF LA CROSSE:** All lots are to be bound by the Municipal Codes for the City of La Crosse or any successors in interest for the same.
28. **DECKS:** Decks are allowed in the areas facing the common green space.
29. **BRICK:** The front of each dwelling unit shall contain a minimum of 15% brick.
30. **EASEMENTS:** Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. No property owner shall alter in any way, by fill or cut, any natural drainage ditch or channel without the written consent of the Compliance Committee, nor shall any substantial cut or alteration of natural terrain other than excavation of basement be made without the written approval of the Compliance Committee.
31. **MODIFICATION OF RESTRICTIONS:** These restrictions may be altered, changed or modified at any time by the consent of three-quarters of the property owners of the lots in the Navy Reserve Addition and such alteration, change, modification or amendment shall become effective upon recording thereof.

DEVELOPER:

Spies Construction, LLC.

BY: 
Delores Spies, Member

BY: 
Raymond Spies, Member

STATE OF WISCONSIN)

) S.S.

LA CROSSE COUNTY)

Personally came before me this 3rd day of May, 2018, the above-named Delores Spies, and Raymond Spies, the managing members of the Developer, Spies Construction, LLC to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Sondra Craig

Notary Public - State of Wisconsin

County of La Crosse

My Commission expires: 11/11/2021.

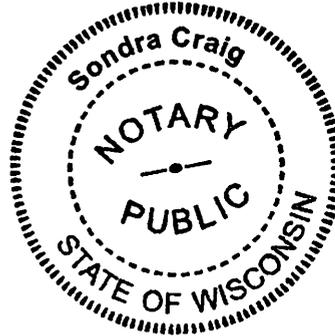


Exhibit "D"

Proposed Cost Sharing by the City

- **Water and Sewer Mains - 100% City**
- **Certified Survey Map and Associated Documentation - 100% City**
- **Rezoning Application and Associated Documentation - 100% Developer**
- **Sidewalk in right-of-way - 100% City**
- **House construction, landscaping, interior sidewalks and street - 100% Developer**

Exhibit "E"

Construction Schedule

- i. Developer shall commence construction on the first of the houses, as described in Exhibit Bon or before November 1, 2018, with a Substantial Completion date no later than May 1, 2019.
- ii. Developer shall commence construction on the second of the houses, as described in Exhibit Bon or before February 1, 2019, with a Substantial Completion date no later than June 1, 2019.
- iii. Developer shall commence construction on the third of the houses, as described in Exhibit Bon or before June 1, 2019, with a Substantial Completion date no later than October 1, 2019.
- iv. Developer shall commence construction on the forth of the houses, as described in Exhibit Bon or before February 1, 2020, with a Substantial Completion date no later than June 1, 2020.
- v. Developer shall have Substantially Completed all ten (10) single family owner occupied homes no later than June 30, 2022.