A large, phased development - Attachments include development assumptions, tax increment projections, and cash flow projections.

Residential TIF Development Agreement

(Single family and multi-family with Paygo)

DEVELOPMENT AGREEMENT BETWEEN THE VILLAGE OF UNION GROVE AND CANOPY HILL DEVELOPMENT, INC.

Document # 2586229
RACINE COUNTY REGISTER OF DEEDS
March 29, 2021 12:07 PM

Karie J. Pope

KARIE POPE
RACINE COUNTY
REGISTER OF DEEDS
Fee Amount: $30.00

Pages: 62

LEGAL DESCRIPTION:

SEE ATTACHED EXHIBIT A

Return to **Name** and **Address** Below:

Michael Hawes
Village Administrator
Village of Union Grove
925 – 15th Avenue
Union Grove, WI 53182

30/62

Parcel ID Number(s)
186-03-21-30-001-011
186-03-21-30-001-012
186-03-21-30-001-013
186-03-21-30-001-014

Prepared by:

Timothy J. Pruitt
Pruitt, Ekes & Geary, S.C.

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("**Agreement**"), effective as of the date last executed by any party below, is made and entered into among **CANOPY HILL DEVELOPMENT, INC.**, a Wisconsin corporation, or its assigns **("Developer")**, and the **VILLAGE OF UNION GROVE**, a municipal corporation located in Racine County, Wisconsin **("Village")**.

RECITALS:

A. The Developer is proposing to construct a multi-phase development known as the "Canopy Hill Development" to be located on a parcel of land legally described on **Exhibit A**, which is attached and incorporated herein by reference (the "Development").

B. With the assistance of Pay-As-You-Go TIF District incentives, the Development will add significant financial tax base to the Village and be consistent with the Village's 2035 Comprehensive Plan.

C. Developer agrees to develop the Development as herein described in accordance with the terms and conditions of this Agreement.

D. The parties agree that the Developer would not be able to construct this development, but for the development incentive detailed below.

IT IS MUTUALLY AGREED AS FOLLOWS:

SECTION I: RECITALS, DEFINED TERMS AND GENERAL CONDITIONS

1. The above recitals are true and correct and are incorporated herein by reference.

2. **Definitions:** The following shall be defined terms within this Agreement:

"Administrative Costs" shall mean the greater of the annual costs shown on the Cash Flow Projection contained in **Exhibit D** (i.e., column labeled "5% of Increment Retained By

Village") or the actual, following eligible costs and expenses of the Village relating to TID #7: (i) professional services including planning, engineering, design, accounting, financial planning, and attorneys' fees and costs and (ii) reasonable charges for time spent by Village employees in connection with the implementation of the approved development plan and administration of TID #7.

"General Property Taxes" shall be as defined in Wis. Stat. Section 74.01.

"Phase 1 Properties" shall mean the real property which is located within the boundaries of TID#4 in the location depicted on Exhibit B, which exhibit is attached and incorporated herein by reference, upon which Developer currently proposes to develop approximately 60 multi-family residential units and 4 ranch duplexes equaling 8 condominium units, it being acknowledged that the final units, plans, layout and development remain subject to modification until final plans are submitted and approved.

"Phase 2 Properties" shall mean the real property which is located within the boundaries of TID#7 in the location depicted on Exhibit B, which exhibit is attached and incorporated herein by reference, upon which Developer currently proposes to develop approximately 163 single family residential lots, 30 townhome duplexes equaling 60 condominium units and a 3.39 acre property for independent and or assisted senior living, it being acknowledged that the final units, plans, layout and development remain subject to modification until final plans are submitted and approved.

"Phase 3 Properties" shall mean the real property depicted on Exhibit B which property is not located within the boundaries of TID#4 or TID#7, upon which Developer currently proposes to develop approximately 25 single family residential lots it being acknowledged that the final units, plans, layout and development remain subject to modification until final plans are approved in accordance with Village ordinances.

"Phase 1 Property Tax Increment" shall mean: The total village, county, school and all other general property taxes levied and collected on that portion of the assessed valuations of the Phase 1 Properties in excess of the Phase 1 Tax Incremental Base Value.

"Phase 2 Property Tax Increment" shall mean: The total village, county, school and all other general property taxes levied and collected on that portion of the assessed valuations of the Phase 2 Properties in excess of the Phase 2 Tax Incremental Base Value.

"Phase 1 Tax Incremental Base Value" shall equal $4,169 for the Phase 1 Properties or such other amount as is certified by the Wisconsin Department of Revenue as being the base value for the Phase 1 Properties.

"Phase 2 Tax Incremental Base Value" shall equal $68,585 for the Phase 2 Properties or such other amount as is certified by the Wisconsin Department of Revenue as being the base value for the Phase 2 Properties

"**Substantial Completion**" or "**Substantially Completed**" with respect to infrastructure improvements shall mean the installation of the asphalt or concrete binder course on roads to be dedicated or, if the required infrastructure improvements do not include a road to be dedicated, at the time that 90 percent of the infrastructure improvements by cost are completed.

"TID #4" shall mean Village Tax Incremental District No.4 as established on January 20th, 2006, and as subsequently amended by the Village.

"TID #7" shall mean: the proposed Village Tax Incremental District No. 7. A map showing the proposed boundary of TID #7 is attached as **Exhibit C**, and incorporated herein by reference.

"**White Box**" shall mean: completion of necessary site work (excluding final lift of asphalt and landscaping), structural framing, exterior façade materials, interior drywall and sewer & water utilities (excluding fixtures).

3. **Conditions of Agreement**. This Agreement, Developer's obligations hereunder and the payment of the Development Incentive (as hereinafter defined), is conditioned upon the occurrence of all of the following events and requirements:

(a) Creation of TID #7. The Village shall use its best effort to create TID #7 with an effective date of January 1, 2021, to reimburse legally permissible project costs to the Developer. The Joint Review Board made up of representatives of all the taxing jurisdictions, has the final approval authority. The development incentive is conditioned upon the approval of the TID #7 creation. If Developer requests initiation of the TID#7 creation process prior to the approval of this development agreement, the Developer shall pay for said process up-front, provided said costs shall be reimbursed to Developer as eligible project costs out of the first available Phase 2 Property Tax Increment. The TID creation process will not be finalized, however, until the development agreement is approved and executed by all parties hereto.

By way of clarification, the Village and the Developer agree that irrespective of the date of execution of this Agreement, the Agreement shall be of no force or effect until such time as the occurrence of all events set forth in Section 3(a).

Developer further agrees that in connection with the Development Developer shall comply with applicable local, county, state, and federal laws and regulations and obtain all necessary approvals and permits pertaining to each phase of the Development, including, without limitation, any and all requisite approvals from the Plan Commission and Village Board for the Development, as to rezoning, with a planned unit development overlay, conditional use permit, preliminary and final plats, condominium plat, trail plan, landscape plan, lighting plan, and construction plans and specifications for the Development. These separate approvals are addressed below in more detail.

4. **Financing Commitments, Budget and Market Study.** By June 30, 2021, the following shall be delivered to the Village with respect to the Phase 1and Phase 2a Properties and Development Accesses:

a. Proof of financing.

b. Submittal of construction and development plans, including formal applications for all zoning and plat-related approvals.

c. A detailed budget, including project funding sources and uses as well as an estimated improvement completion schedule.

d. Results of any market or feasibility study pertaining to the Phase I Properties.

Village shall provide any response to the foregoing items a., c. and d. within thirty (30) days of receipt and to the extent no objection is provided, such items shall be deemed approved. The plans submitted pursuant to subsection b. above shall be processed in accordance with Village ordinance.

5. **Fees.** The Developer shall timely pay any and all fees required to be paid by the Developer to the Village pertaining to the Development pursuant to Village ordinance. Developer shall pay one hundred percent (100%) of the impact fees applicable to the Development, payable incrementally at the time of issuance of each building permit. Additionally, during the term of this Agreement, the Developer shall have no delinquent fines, penalties, or financial obligations whatsoever, including, without limitation, taxes owed to the federal government, the State of Wisconsin, Racine County, the Village, or any other government agency or entity on a federal, state, or local level, which remain unpaid after sixty (60) days' notice of said delinquency has been provided to the Developer and Developer acknowledged receipt of notice, unless timely appealed in good faith by the Developer in the manner provided by law.

6. **Zoning**. Subject to modifications as agreed upon by the parties, Developer shall submit a request to rezone portions of the Development from "RS-90 Single-Family Residence District, with a Planned Unit Development Overlay" to "RS-80 Single-Family Residence District, RD-80 Two-Family Residence District, and RM District Multiple-Family Residence District, all with a Planned Unit Development Overlay."

SECTION II: PHASE 1

1. **Phase 1 Improvements**. The Developer shall develop the Phase 1 Properties in accordance with approved plans.

2. **Phase 1 Guaranteed Minimum Assessed Value.** A minimum assessment value of $9,375,831 above the Tax Incremental Base Value for the Phase 1 Properties (**"Phase 1 Guaranteed Minimum Assessed Value"**) shall be achieved by December 31, 2023. Developer, on its own behalf and on behalf of its successors and assigns, agrees not to contest the assessments on Phase 1 Properties until the termination of TID #4. If, after December 31, 2023 and prior to the Phase I Properties achieving the Phase 1 Guaranteed Minimum Assessed Value, there is a shortfall (i.e., the assessed value for the Phase 1 Properties is less than the Phase 1 Guaranteed Minimum Assessed Value) it shall not be considered a default if the Developer pays the dollar difference between the amount of taxes that would have been paid if the Phase 1 Properties achieved the Guaranteed Minimum Assessed Value and the actual amount of taxes paid with respect to the Phase 1 Properties for the same period (a "Shortfall Payment"). Upon the closure of TID #4, the Guaranteed Minimum Assessed Value and Developer's obligation to make Shortfall Payments under this Agreement shall terminate.

3. **Phase 1 Infrastructure Improvements**. The Developer shall, at Developer's sole cost and expense, construct and complete all necessary infrastructure improvements, including but not limited to; site grading, public and private utilities (including mains and laterals for municipal water, sanitary sewer and storm water) street lighting, hook-up and permit fees, sidewalks and trails, as well as public and private roadways necessary for the development of the Phase 1 Properties ("Phase 1 Infrastructure Improvements"). The initial cost of infrastructure improvements for phases 1 and 2 of the Development is estimated at not less than $25,013,144, of which $2,577,930 is the estimated cost for Phase 1 Infrastructure Improvements. Attached as **Exhibit E**, and incorporated herein by reference, is a copy of the itemized estimate from the Developer's engineer of probable cost for the infrastructure, which Exhibit E has been approved by the Village engineer. After Substantial Completion and subject to Village approval and formal acceptance, all Phase 1 Infrastructure Improvements within a Village right-of-way shall be conveyed to the Village.

4. **Security for Phase 1 Infrastructure Improvements**. As and for security for the construction of the Phase 1 Infrastructure Improvements, Developer shall furnish to the Village, at Developer's option, a Surety Bond, Letter of Credit or cash deposit, as determined by Developer in Developer's sole discretion, (the "Phase 1 Infrastructure Improvement Security") in the amount of Two Million Five Hundred Seventy Seven Thousand None Hundred Thirty and 00/100 Dollars ($2,577,930) to ensure that the Village has sufficient funds to pay the cost of the Phase I Infrastructure Improvements should the Developer fail to complete such Infrastructure Improvements. The form of the Security shall be approved by the Village's attorney and no work on the Phase 1 Infrastructure Improvements shall commence until the approval of the Security by the Village's attorney.

5. **Periodic Reductions of Security for Phase 1 Infrastructure Improvements**. The Village shall, after consideration of the recommendations of the Village Engineer, permit periodic reductions in the amount of the Phase 1 Infrastructure Security as work on the Phase 1 Infrastructure Improvements is completed. The Developer shall submit a written request for such reduction stating the requested amount of the reduction and providing lien waiver or waivers evidencing payment for the completed work for which the reduction in the Security is requested. The Developer shall not request such reductions more often than one (1) time each thirty (30) days. Following each request for a reduction of the Security, the remaining Security shall not be less than the cost of the remaining work to complete the Phase 1 Infrastructure Improvements, plus Ten Percent (10%) of the cost of the completed Phase 1 Infrastructure improvements.

6. **Final Release of Security for Phase 1 Infrastructure Improvements and Guaranty Period**. The Village, after consideration of the recommendations of the Village Engineer, shall release the Phase 1 Infrastructure Improvement Security to or as directed by the Developer, subject to the retention by the Village of Security as to the Phase 1 Infrastructure Improvements in the amount of Ten Percent (10%) of the cost of the completed Phase 1 Infrastructure improvements. The remaining Security shall be released 14 months after the date the public improvements for which the Security is provided are Substantially Completed, as verified by the Village Engineer, or upon the posting of a Warranty Bond, which ever happens first. The Developer warrants and guaranties the Phase 1 Infrastructure Improvements for a period of Two (2) years (the "Guaranty Period"), commencing on the date upon which the Village approves and formally accepts the Phase 1 Infrastructure Improvements. The Developer shall provide the Village with a Warranty Bond in an amount approved by the Village Engineer but in no instance shall the Warranty Bond exceed 10% of the Phase 1 Infrastructure Improvement Surety

amount, and it shall remain in place during the Guaranty Period. The form of the Warranty Bond shall be approved by the Village's attorney. In the event that the Developer fails to complete the Phase 1 Infrastructure Improvements on or before the dates required by this Agreement, or if Developer fails to timely fix any deficiencies arising during the Guaranty Period, the Village shall be entitled, upon Sixty (60) days advance notice, to install or repair the Phase 1 Infrastructure Improvements, drawing upon any remaining Security or the Warranty Bond in an amount equal to the costs of the installation or repair, together with any costs incurred by the Village in such work, provided however, that the Village shall have no right to install or undertake repairs if, during the Sixty (60) day notice period, the Developer has in good faith commenced the installation or repairs required to the Infrastructure Improvements. It is understood by the parties hereto that the taking of such Security or Warranty Bond by the Village shall not relieve the Developer from its primary liability under this Agreement. Developer agrees that the Development and all Lots/Units within the Phase I Properties are benefited by the Phase 1 Infrastructure Improvements and that, in addition to any other rights which the Village may have hereunder, in the event Developer does not construct or cause the Phase 1 Infrastructure Improvements to be constructed as herein provided, the Village may cause the Phase 1 Infrastructure Improvements to be constructed and may specially assess the Phase 1 lots/units for the same, less any amounts received from the Security or Warranty Bond. Until such time as the Phase 1 Infrastructure Improvements have been constructed, accepted by the Village, and the Village has been made whole for cost of the improvements, Developer, for itself and its successors and assigns, including all future Lot/unit owners of the Phase 1 Properties, hereby consents to such assessments and waives any right to notice and a hearing with respect to the levying of such assessments, as may otherwise be required by sec. 66.0703 of the Wisconsin Statutes.

SECTION III: PHASE 2

1. **Phase 2 Improvements**. Village acknowledges that the Phase 2 Properties may be developed in up to four separate sub-phases (each a "Phase 2 Subphase"), as determined by Developer. Village agrees that Developer shall have no obligation to develop the Phase II Properties, or any Phase 2 Subphase therein, provided, however that for any Phase 2 Subphase that Developer commences, Developer agrees to complete such Phase 2 Subphase in accordance with the approved plans therefor.

2. **Phase 2 Estimated Assessed Values**. The estimated assessed valuation upon full completion and build-out of all phases of the Phase 2 Properties is $92,775,000. The estimated timetable for the complete build-out of the Phase 2 Properties is as follows:

Canopy Hill
Projected Buildout

Phase 2 Lots (163 single family lots)				Phase 2 - Townhome Units				Phase 2 - Assisted Senior Living			
Assessed Value as Complete			69,275,000	Assessed Value as Complete			19,500,000	Assessed Value as Complete			4,000,000
Time	Year	Buildout % (as of Jan 1)	Assessed Value	Time	Year	Buildout % (as of Jan 1)	Assessed Value	Time	Year	Buildout % (as of Jan 1)	Assessed Value
1	2021	0.00%	-	1	2021	0.00%	-	1	2021	0.00%	-
2	2022	20.00%	13,855,000	2	2022	0.00%	-	2	2022	0.00%	-
3	2023	44.05%	30,515,000	3	2023	16.67%	3,250,650	3	2023	50.00%	2,000,000
4	2024	67.61%	46,835,000	4	2024	36.67%	7,150,650	4	2024	100.00%	4,000,000
5	2025	83.80%	58,055,000	5	2025	56.67%	11,050,650	5	2025	100.00%	4,000,000
6	2026	92.15%	63,835,000	6	2026	76.67%	14,950,650	6	2026	100.00%	4,000,000
7	2027	100.00%	69,275,000	7	2027	96.67%	18,850,650	7	2027	100.00%	4,000,000
8	2028	100.00%	69,275,000	8	2028	100.00%	19,500,000	8	2028	100.00%	4,000,000

3. **Phase 2 Infrastructure Improvements**. For each approved Phase 2 Subphase, the Developer, at its sole cost and expense subject to reimbursement pursuant to the Phase 2 Incentive payments, shall construct and complete all necessary infrastructure improvements, including but not limited to: site grading, public and private utilities (including mains and laterals for municipal water, sanitary sewer and storm water) street lighting, sidewalks and trails, as well as public and private roadways, and shall pay or cause to be paid hook-up and permit fees as may be necessary for the Development ("Phase 2 Infrastructure Improvements"). The initial cost of infrastructure improvements for Phases 1 and 2 of the Development is estimated at not less than $25,013,144, of

which $22,435,214 is the estimated cost for Phase 2 Infrastructure Improvements. Attached as **Exhibit E**, and incorporated herein by reference, is a copy of the itemized estimate from the Developer's engineer of probable cost for the Phase 1 Infrastructure Improvements and the Phase 2 Infrastructure Improvements, which estimate has been approved by the Village's engineer. After Substantial Completion and subject to Village approval and formal acceptance, all Phase 2 Infrastructure Improvements within a Village right-of-way shall be conveyed to the Village.

4. **Security for Phase 2 Infrastructure Improvements**. As and for security for the construction of the Phase 2 Infrastructure Improvements, Developer shall furnish to the Village, at Developer's option, a Surety Bond, Letter of Credit or cash deposit, as determined by Developer in Developer's sole discretion, (the "Phase 2 Infrastructure Improvement Security") in the amount of 120 percent of the estimated total cost of the applicable Phase 2 Subphase prior to commencement of that sub-phase to ensure that the Village has sufficient funds to pay the cost of the Phase 2 Infrastructure Improvements for such Phase 2 Subphase. The form of the Security shall be approved by the Village's attorney and no work on any Phase Infrastructure Improvements shall commence for any Phase 2 Subphase until the approval of the Security by the Village's attorney.

5. **Periodic Reductions of Security for Phase 2 Infrastructure Improvements**. The Village shall, after consideration of the recommendations of the Village Engineer, permit periodic reductions in the amount of the Phase 2 Infrastructure Security as work on subphases of the Phase 2 Infrastructure Improvements are completed. The Developer shall submit a written request for such reduction stating the requested amount of the reduction and providing lien waiver or waivers evidencing payment for the completed work for which the reduction in the Security is requested. The Developer shall not request such reductions more often than one (1) time each

thirty (30) days. Following each request for a reduction of the Security, the remaining Security shall not be less than the cost of the remaining work to complete the Phase 2 Infrastructure Improvements for the applicable Phase 2 Subphase, plus Ten Percent (10%) of the cost of the completed Phase 2 Subphase Infrastructure Improvements.

6. **Final Release of Security for Phase 2 Infrastructure Improvements**. The Village, after consideration of the recommendations of the Village Engineer, shall release the Phase 2 Infrastructure Improvement Security (for the applicable subphase) to or as directed by the Developer, subject to the retention by the Village of Security as to the Phase 2 Infrastructure Improvements in the amount of Ten Percent (10%) of the cost of the completed Phase 2 Infrastructure Improvements in the applicable Phase 2 Subphase. The remaining Security shall be released 14 months after the date the public improvements for which the Security is provided are Substantially Completed, as verified by the Village Engineer, or upon the posting of a Warranty Bond, which ever happens first. The Guaranty Period for the Phase 2 Infrastructure Improvements shall be for a period of Two (2) years, commencing on the date upon which the Village approves and formally accepts the Phase 2 Infrastructure Improvements. The Developer shall provide the Village with a Warranty Bond in an amount approved by the Village Engineer but in no instance shall the Warranty Bond exceed 10% of the Phase 2 Subphase Infrastructure Improvement Surety amount and it shall remain in place during the Guaranty Period. The form of the Warranty Bond shall be approved by the Village's attorney. In the event that the Developer fails to complete the Phase 2 Infrastructure Improvements in a particular Phase 2 Subphase on or before the dates required by this Agreement, or if Developer fails to timely fix any deficiencies arising during the Guaranty Period, the Village shall be entitled, upon Sixty (60) days advance notice, to install or repair the Phase 2 Infrastructure Improvements, drawing upon any remaining Security or the

Warranty Bond in an amount equal to the costs of the installation or repair, together with any costs incurred by the Village in such work, provided however, that the Village shall have no right to install or undertake repairs if, during the Sixty (60) day notice period, the Developer has in good faith commenced the installation or repairs required to the Infrastructure Improvements. It is understood by the parties hereto that the taking of such Security or Warranty Bond by the Village shall not relieve the Developer from its primary liability under this Agreement. Developer agrees that the Development and all Lots/Units are benefited by the Phase 2 Infrastructure Improvements and that, in addition to any other rights which the Village may have hereunder, in the event Developer commences construction of a Phase 2 Subphase and does not then construct or cause the Phase 2 Infrastructure Improvements in such Phase 2 Subphase to be completed as herein provided, the Village may cause the Phase 2 Infrastructure Improvements to be constructed and may specially assess the Phase 2 Subphase lots/units for the same, less any amounts received from the Security or Warranty Bond in place. Until such time as the Phase 2 Subphase Infrastructure Improvements have been constructed, accepted by the Village, and the Village has been made whole for cost of the improvements, Developer, for itself and its successors and assigns, including all future lot/unit owners of the applicable Phase 2 Subphase Properties, hereby consents to such assessments and waives any right to notice and a hearing with respect to the levying of such assessments, as may otherwise be required by sec. 66.0703 of the Wisconsin Statutes.

7. **Phase 2 Pay-As-You-Go Incentive.**

A. Conditioned upon (i) issuance of the certificate of occupancy for the 60-unit multi-family building; and (ii) completion of four duplexes, totaling eight (8) units, to a White Box condition, on the Phase I Properties (satisfaction of (i) and (ii) being the "Phase 2 Increment Date"), Village, as a development incentive and to reimburse certain eligible project costs incurred by

Developer in connection with the Phase 2 Infrastructure Improvements hereby agrees to pay a cumulative maximum principal amount of $22,435,000 plus interest thereon at an annual rate of five percent (5%), payable to Developer in annual installments, referred to herein as the "Phase 2 Incentive," all upon and subject to the terms and conditions of this Agreement and the Bond (defined below).

B. Commencing in year 2023 (with respect to tax year 2022), or the year after the year in which the Phase 2 Increment Date is achieved, whichever occurs last, and subject to the terms of the Bond, annual Phase 2 Incentive payments will be made by the Village to Developer in accordance with the estimated schedule shown in Exhibit D, provided, however the Village shall have no obligation to make any Phase 2 Incentive payment in any year in an amount in excess of that amount which is 95% of the Phase 2 Tax Increment generated by the Phase 2 Properties in the previous tax year. In the event that there is not sufficient Phase 2 Tax Increment to make the full Phase 2 Incentive payment as shown on Exhibit D to the Developer, it shall not be a default by the Village, but such deficiency amount shall remain payable to Developer on the next payment date that there is sufficient Phase 2 Tax Increment to make such payment and shall be deemed the first amount paid on such next date. Incentive Payments shall be made no later than sixty days after the August tax settlement each year (each a "Payment Date"), with respect to the preceding tax year, and shall be made by check drawn on the Village's treasury.

C. It is understood that Phase 2 Property Tax Increment created prior to the Phase 2 Increment Date shall be placed in a special fund and remain available to pay the Phase 2 Incentive payments to Developer upon reaching the Phase 2 Increment Date.

D. The Developer understands and agrees that the Phase 2 Incentive payments shall not exceed, in any year, that amount which is equal to ninety-five percent (95%) of the Property

Tax Increment generated on the increased assessed value of Phase 2 Properties over the Phase 2 Tax Incremental Base Value. Notwithstanding anything contained herein to the contrary, if the actual cost of the Phase 2 Infrastructure Improvements is less than $22,435,000, then after Developer's actual Phase 2 Infrastructure Improvement costs, plus interest, have been paid by the Village to the Developer, any remaining Phase 2 Incentive payments shall be reduced from 95% to 50% of the prior year's Phase 2 Increment.

E. Notwithstanding anything contained herein to the contrary, the Phase 2 Incentive payments may be prepaid in whole or in part by the Village to Developer at any time.

SECTION V: TAX INCREMENT REVENUE BOND AND PHASE 2 INCENTIVE PAYMENTS.

1. Payments of Phase 2 Incentive shall be made to the Developer in accord with the terms of this Agreement and the Village's Tax Increment Revenue Bonds (individually and collectively, the "Bond"). Said payments are subject to the additional following provisions:

(a) The Village will issue a Bond to Developer for each Phase 2 Subphase . Each Bond shall be issued at such time as the Developer delivers the Phase 2 Infrastructure Improvement Security for said Phase 2 Subphase to the Village. Upon issuance, each Bond will be in the original principal amount equal to the amount of estimated expenditures to be made by the Developer for such Phase 2 Subphase as shown on Exhibit E. Each Bond shall bear interest from its date of issuance at the rate of 5% per annum. In no event shall the total aggregate principal amount of the Bonds exceed $22,435,000 or the total cumulative payments of Development Incentive exceed $22,435,000 plus 5% annual interest.

(b) It is estimated that payments of Development Incentive shall begin in 2023 and terminate with the last payment made in 2042, unless the cumulative maximum principal amount together with all accrued interest thereon is reached earlier. The Village agrees that unless it opts to pre-pay to the Developer or pay into escrow for the benefit of the Developer the remaining amount of Development Incentive, it shall not close or dissolve TID 7 early and the Phase 2 Tax Increment shall not be used to pay any other project costs of TID 7 or applied to any other purpose (other than distribution to each tax-levying entity) until the Phase 2 Incentive maximum principal amount and all accrued interest thereon have been paid in full.

(c) Phase 1 Property Tax Increment shall not be utilized to satisfy any Phase 2 Incentive as it has been allocated for TID #4 prior project costs. If, in any year while the Phase 1 Guaranteed Minimum Assessed Value is in effect pursuant to Section II (2) above, the Phase 1 Properties fail to meet the Phase 1 Guaranteed Minimum Assessed Value and Developer does not make the Shortfall Payment (described in Section II(2) above), Developer shall not be eligible for payment of the Phase 2 Incentive that year.

(d) Only Phase 2 Property Tax increment, and not increment from any other parcel in TID #4 or TID #7, shall be available for payment of the Phase 2 Incentive payments to Developer.

(e) Any Phase 2 Incentive payments, as set forth on the Bond, which are due on any payment date shall be payable solely from that amount which is equal to, and only to the extent that the Village shall have received as of such payment date Phase 2 Property Tax Increment which has been appropriated by the Village Board to payment of the Phase 2 Incentive payment. The Village covenants and agrees as follows: (a) its staff will include payment of the Phase 2 Incentive to be made each year in its annual budget as submitted to the Village Board for approval, and further covenants that its staff will request the necessary appropriation from the Village Board for the full amount of Phase 2 Tax Increment to be generated that year; (b) if the Village's proposed annual budget does not in any year provide for appropriation of Phase 2 Tax Increments sufficient to make the Phase 2 Incentive payments in that year, the Village will use its best efforts to notify the Developer of that fact at least thirty (30) days prior to the date the budget is presented to the Village Board for final approval.

(f) To further evidence the Village's obligation to make the Phase 2 Incentive payments provided herein, the Village shall execute and deliver to Developer a series of Bonds to Developer generally in the form attached hereto as Exhibit G. Upon TID closure (subject to the limitations contained in subsection (b) above), there shall be no obligation by the Village to pay any remaining Phase 2 Incentive and the Developer (or holder of the Bond) shall have no right to receive any further Phase 2 Incentive payments.

(g) The Village and Developer covenant and agree that neither the Phase 2 Incentive nor the Phase 2 Property Tax Increment shall be used or applied, in whole or in part, to the payment or reimbursement of any real, personal or other property taxes.

(h) The Phase 2 Incentive payments shall not be included in the computation of the Village's constitutional debt limitation, because the Phase 2 Incentive payments are limited and conditional, and no taxes have been or will be levied for its payment or Phase 2 Property Tax Increment or other taxes pledged to its payment. Nothing in this Agreement shall be deemed to change the nature of Village's obligation from a limited and conditional obligation to a general obligation.

SECTION VI: PHASE 3

1. **Phase 3 Improvements**. The Developer, at Developer's sole option, may develop the Phase 3 Properties, in accordance with plans approved by the Village. The parties acknowledge that the Phase 3 Properties are not included within the boundaries of TID #7 or TID #4.

2. **Phase 3 Infrastructure Improvements**. If Developer proceeds with the development of the Phase 3 Properties, the Developer, at Developer's sole cost and expense, shall construct and complete all necessary infrastructure improvements, including but not limited to; site grading, public and private utilities (including mains and laterals for municipal water, sanitary sewer and storm water) street lighting, sidewalks and trails, as well as public and private roadways and shall pay or cause to be paid hook-up and permit fees as may be necessary for Phase 3 of the Development ("Phase 3 Infrastructure Improvements"). After Substantial Completion and subject to Village approval and formal acceptance, all Phase 3 Infrastructure Improvements within a Village right-of-way shall be conveyed to the Village.

3. **Security for Phase 3 Infrastructure Improvements**. As and for security for the construction of the Phase 3 Infrastructure Improvements, Developer shall furnish to the Village, at Developer's option, a Surety Bond, Letter of Credit or cash deposit, as determined by Developer in Developer's sole discretion, (the "Phase 3 Infrastructure Improvement Security") in the amount of 120 percent of the estimated total cost to complete Phase 3 Infrastructure Improvements (as approved by the Village Engineer) prior to commencement of Phase 3 to ensure that the Village has sufficient funds to pay the cost of the Phase 3 Infrastructure Improvements if Developer commences construction thereof and fails to complete such Phase 3 Infrastructure Improvements. The form of the Security shall be approved by the Village's attorney and no work on the Phase 3 Infrastructure Improvements shall commence until the approval of the Security by the Village's attorney.

4. **Periodic Reductions of Security for Phase 3 Infrastructure Improvements**. The Village shall, after consideration of the recommendations of the Village Engineer, permit periodic reductions in the amount of the Phase 3 Infrastructure Security as work on the Phase 3 Infrastructure Improvements is completed. The Developer shall submit a written request for such reduction stating the requested amount of the reduction and providing lien waiver or waivers evidencing payment for the completed work for which the reduction in the Security is requested. The Developer shall not request such reductions more often than one (1) time each thirty (30) days. Following each request for a reduction of the Security, the remaining Security shall not be less than the cost of the remaining work to complete the Phase 3 Infrastructure Improvements, plus Ten Percent (10%) of the cost of the completed Phase 3 Infrastructure improvements.

5. **Final Release of Security for Phase 3 Infrastructure Improvements and Guaranty Period.** The Village, after consideration of the recommendations of the Village Engineer, shall release the Phase 3 Infrastructure Improvement Security to or as directed by the Developer, subject to the retention by the Village of Security as to the Phase 3 Infrastructure Improvements in the amount of Ten Percent (10%) of the cost of the completed Phase 3 Infrastructure improvements. The remaining Security shall be released 14 months after the date the public improvements for which the Security is provided are Substantially Completed, as verified by the Village Engineer, or upon the posting of a Warranty Bond, which ever happens first. The Guaranty Period for the Phase 3 Infrastructure Improvements shall be for a period of two (2) years, commencing on the date upon which the Village approves and formally accepts the Phase 3 Infrastructure Improvements. The Developer shall provide the Village with a Warranty Bond in an amount approved by the Village Engineer but in no instance shall the Warranty Bond exceed 10% of the Phase 3 Infrastructure Improvement Surety amount and it shall remain in place

during the Guaranty Period. The form of the Warranty Bond shall be approved by the Village's attorney. In the event that the Developer elects to commence construction of the Phase 3 Infrastructure Improvements and fails to complete the Phase 3 Infrastructure Improvements in accordance with the approved plans, or if Developer fails to timely fix any deficiencies arising during the Guaranty Period, the Village shall be entitled, upon Sixty (60) days advance notice, to install or repair the Phase 3 Infrastructure Improvements, drawing upon any remaining Security or the Warranty Bond in an amount equal to the costs of the installation or repair, together with any costs incurred by the Village in such work, provided however, that the Village shall have no right to install or undertake repairs if, during the Sixty (60) day notice period, the Developer has in good faith commenced the installation or repairs required to the Infrastructure Improvements. It is understood by the parties hereto that the taking of such Security or Warranty Bond by the Village shall not relieve the Developer from its primary liability under this Agreement. Developer agrees that the Development and all Lots/Units are benefited by the Phase 3 Infrastructure Improvements and that, in addition to any other rights which the Village may have hereunder, in the event Developer commences construction of the Phase 3 Infrastructure Improvements and does not complete or cause the Phase 3 Infrastructure Improvements to be constructed as herein provided, the Village may cause the Phase 3 Infrastructure Improvements to be constructed and may specially assess the Phase 3 lots/units for the same less any amount received from the Security or Warranty Bond. Until such time as the Phase 3 Infrastructure Improvements have been constructed, accepted by the Village, and the Village has been made whole for cost of the improvements, Developer, for itself and its successors and assigns, including all future lot/unit owners of the applicable Phase 3 Properties, hereby consents to such assessments and waives any right to notice and a hearing with respect to the levying of such assessments, as may otherwise be required by sec. 66.0703 of the Wisconsin Statutes.

SECTION VIII: MISCELLANEOUS

Improvements

1. Except as otherwise expressly provided to the contrary in this Agreement, Developer shall, at Developer's sole cost and expense, construct the Development and the infrastructure improvements for all phases in accordance with the approved Plans and Specifications as approved by the Village. Developer shall get approval from the Village for construction sequencing.

2. Developer shall provide, at no cost to the Village, an easement in recordable form approved by the Village, granting the Village the right, but not the obligation to access, construct, and repair the infrastructure improvements located outside of the rights-of-way contemplated to be established under this Agreement in the event Developer does not complete such infrastructure improvements. Village hereby grants to Developer an easement for access in and to the public rights-of-way for the purpose of installing the infrastructure improvements contemplated by this Agreement in the public rights-of-way.

3. The construction of the two accesses into the Development (i.e., 58^{th} Road and 5^{th} Avenue), and all related public improvements connecting said accesses, shall be Substantially Completed by December 31, 2023 ("Development Accesses"). Attached as **Exhibit F**, and incorporated by reference, is a depiction of the Development Accesses, and an estimated timeline and intended phasing for all infrastructure improvements pertaining to the Phase 1, Phase 2 and Phase 3 Properties. The Developer shall maintain public streets, sidewalks, and paths including

snowplowing, salting and repairs within the Development until approval and formal acceptance of infrastructure improvements is granted by resolution of the Village Board. It is understood Developer shall complete and the Village accept dedications of infrastructure improvements in phases and shall not unreasonably withhold, delay or condition acceptance. However, acceptance of the infrastructure in each phase or subphase by the Village shall not take place until the surface asphalt and final work for that phase are completed to the reasonable satisfaction of the Village Engineer. The surface asphalt and final work shall be installed and completed at the earlier of the following: (1) all other required public improvements within the phase or subphase have been installed and approved by the Village, or (2) at such time as directed by the Village Board.

4. It is understood the Developer will be donating an 18.17 acre parcel to the Village. Developer shall further pay all costs associated with constructing a Village-approved trail system on such parcel, in full satisfaction of any park dedication requirements as set forth in 94-84 of the Village's Code of Ordinances. Developer shall prepare a detailed Village-approved site plan that addresses park land and trails. The Village shall not take ownership of the parcel until: (1) a Village-approved forestry management plan is implemented in the wooded portion on the South end of the parcel to allow unimpeded drainage into the nearby creek and (2) all trail and lighting improvements have been constructed and approved and formally accepted by resolution of the Village Board.

5. Developer shall obtain Village and Department of Transportation approval of an updated Traffic Impact Analysis ("TIA") for the two intersections providing ingress/egress to/from the Development. The costs of improvements required by the TIA shall be borne by the Developer. The Developer shall obtain approval from the Village Board and Department of Transportation for access points and highway-related design.

6. Developer shall secure the necessary additional land required to construct and install the 58th Road/Hwy 45 intersection prior to the Village's initiation of the TID#7 creation process. If required by DOT, Developer shall provide access to 5th Avenue from St. Robert Bellarmine Catholic Church.

Rights-of-Way Maintenance, Pavement Markings and Street Signs

7. Developer shall be responsible for the cost of all initial pavement markings and initial installation of street signage throughout the Development. Pavement markings may include stop lines at intersections, striping for right turn lanes, and any other pavement markings required by the Village Engineer. Signage shall include all stop signs, street signs and other signs required by the Village Engineer.

Site Conditions

8. Contractors working on the Development or on individual buildings are required to keep the road, sidewalks and paths reasonably free from mud, dirt, stone or debris. The Developer shall clean up the streets, sidewalk, and path within twenty-four (24) hours after receiving verbal notice from the Village. If said mud, dirt, stone or debris is not cleaned up after notification, the Village will do so at the Developer's expense, at the option of the Village.

Sanitary Sewer and Water

9. The construction, furnishing, installation and provision of the sewerage and water system within the Development shall be in accordance with the Village-approved plans, specifications and drawings on file in the Village Clerk's office and all applicable Federal, State and Village ordinances, specifications, regulations and guidelines for the construction of sewerage systems in the Village, as certified in writing by the Developer's Engineer.

10. Developer shall furnish "as-built" plans of the sanitary sewage system and water distribution system for the Development, including locations of laterals to the buildings, pursuant to plans and specifications, that have been approved by the Village Engineer.

11. Prior to the acceptance by the Village, the private and proposed public interceptor sewer system within the Development shall be cleaned and televised and the Developer shall be responsible for the repair of any defects in the sewer system within the Development, as such defects may be determined by the Village Engineer, and shall supply the video in electronic form to the Village.

12. Occupancy permits for the two-family and multifamily buildings and the single-family homes shall be issued by the Village upon the completion of each building, provided public sanitary sewer service and water service is installed to each Building.

Surface and Storm Water Drainage

13. Developer shall at its sole cost and expense, complete or cause the completion of the construction, installation, and provision of adequate facilities for storm and surface water drainage within the Development in accordance with the plans and specifications approved by the Village. Prior to the start of construction of the surface and storm water drainage facilities, the Developer shall provide to the Village written certification from the Developer's Engineer or Surveyor that all surface and storm water drainage facilities and erosion control plans are in conformance with all federal, state, county and Village regulations, guidelines, specifications, laws and ordinances, and written proof that the Village Engineer has reviewed and approved said plans. Adequate facilities for surface and storm water drainage shall be provided throughout the Development, including where necessary as determined by the Village Engineer, curb, gutter, storm sewers, and catch basins. Except for storm sewers dedicated to and accepted by the Village,

the storm and surface water drainage facilities to be constructed by the Developer are private improvements and will not be dedicated to the Village. Developer, until such time as the obligations have been transferred to individual owners and/or an Owner's Association for the Development, shall be responsible for the maintenance, operation, and replacement of all private storm/surface water facilities within the Development. The Developer shall furnish "as-built" plans of the surface and storm water facilities within the Development upon the completion of the construction of those facilities. Prior to acceptance of such facilities by the Village, they shall be cleaned and televised, and the Developer shall be responsible for the repair of any defects in the storm sewer system within the Development, as such defects may be determined by the Village Engineer, and shall supply the video in electronic form to the Village. The Developer shall prepare a Storm Water Management Plan for all private storm water facilities throughout the Development. The Plan, prepared by Pinnacle Engineering Group and consisting of 221 pages, shall be submitted to the Village Engineer for its approval, and is identified as **Exhibit H** and incorporated herein by reference.

14. If any farm drain tile, drain tile or other drainage structure or appurtenance are damaged during construction by the Developer, the Developer shall provide notice to the Village and shall repair, restore or otherwise facilitate the drainage of stormwater, whether by rerouting any such pre-existing facility, in a manner reasonably approved by the Village Engineer, and the Developer shall provide a permanent record of such work to the Village. The Developer shall comply with Section 8.6 of the Village's Land Development Standards, and shall provide an inventory of existing subsurface drainage pipes.

Grading, Erosion and Silt Control

15. Developer shall, at its sole cost and expense, grade, and maintain all required

erosion and silt control measures within the Development in accordance with the approved plans and specifications on file with the Village Clerk. Prior to commencing site grading and excavation, the Developer shall provide to the Village written certification from the Developer's Engineer or Surveyor that said plan, once implemented, shall meet all federal, state, county and local regulations, guidelines, specifications, closure requirements from the State of Wisconsin Department of Natural Resources and the Wisconsin Department of Agriculture, Trade and Protection, laws and ordinances, including proof of notification of land disturbances to the State of Wisconsin Department of Natural Resources, if applicable, and written proof of the Village Engineer's approval. Developer shall cause all grading, excavation, open cuts, side slopes and other land surface disturbances to be so seeded and mulched, sodded or otherwise protected such that erosion, siltation, sedimentation and washing are prevented in accordance with the plans and specifications reviewed and approved by the Village Engineer. All disturbed areas shall be restored to the satisfaction of the Village Engineer on a timely basis consistent with standard construction practices within the industry.

Landscaping and Site Work

16. Developer shall, at its sole cost and expense, grade, seed, and otherwise landscape the Development in accordance with the approved landscape plans and specifications. The Developer's landscape plan shall show the proposed landscaping in all common areas, including within the main boulevard entrance on 58th Road, as well as the location of street trees throughout the Development which shall be located outside the Village right-of-way within an easement area shown on the subdivision plat. The Developer, until such time as the obligations have been transferred to individual owners and/or an Owner's Association for the Development, shall be responsible for the maintenance, operation, and replacement of all landscaping as shown on the

approved landscape plans and specifications.

Street Lights

17. Developer shall, at Developer's sole cost and expense install or cause the installation of a street lighting system in the Development in accordance with the approved plans and specifications. The Developer shall pay WE Energies for the cost of the installation of such street lights. Following installation of the street lights, and after approval and formal acceptance of the infrastructure improvements, the Village shall pay all utility charges for the operation of the street lights and the Village shall be responsible for the cost of maintenance, repair and/or replacement of the street lights.

Ownership of Mains

18. Upon inspection and acceptance of the public storm sewers, sanitary sewer main and the water main utilities by the Village, the Developer shall transfer full ownership to the Village of public storm sewers, water main utilities and sanitary sewer, and the Developer shall grant permanent and temporary easements for access to the storm sewers, sanitary sewer and water mains. Developer, until such obligations are transferred to individual owners and/or the Owner's Association shall retain all ownership and responsibility for the storm sewer, sanitary sewer and water laterals serving the individual buildings within the Development.

Public Dedications/Reservations

19. Developer may be required to dedicate any road rights-of-way and utility easements necessary for construction of the public improvements in locations, widths and lengths as reasonably determined to be necessary by the Village Engineer. Developer shall also dedicate easements for storm water facilities as shown on the approved Plans and Specifications, which storm water facilities shall be owned by the Developer, but shall allow the Village the right but

not the obligation to access and maintain the storm water facilities, charging back the cost thereof to the Developer and/or the then owner of the benefitted properties after conveyance by the Developer. Any dedications of rights-of-way or granting of easements by the Developer necessary for the Development and in accordance with the Development plan shall be granted in connection with the approvals by the Village related to the Project and shall be conveyed by the Developer to the Village without additional consideration or compensation. The provisions of this section shall be added to the restrictive covenants governing all lots within the Development.

Additional Improvements

20. Developer hereby agrees that if, at any time prior to obtaining plan approval for any phase or subphase, the Village Engineer reasonably determines that modifications to the plans for future phases or subphases (i.e. phases or subphases which do not have plan approval) including additional improvements such as additional drainage ways, erosion control measures, and surface and storm water management measures are necessary to service the Development in the interest of public safety, are necessary in order to comply with current laws or are necessary for implementation of the original intent of the improvement plans as originally set forth by the Developer, the Village is authorized to order Developer, at Developer's expense, to implement the same in future phase or subphases. The Developer's obligations hereunder shall terminate at such time as the obligations are transferred to the owner's or Owner's Association for the Development.

Design Responsibility

21. The ultimate responsibility for the proper design and installation of infrastructure improvements rest with the Developer. The fact that the Village or its engineer, or its attorney, or its staff may approve a specific project shall not constitute a waiver or relieve the Developer

from the ultimate responsibility for the design, performance and function of the infrastructure improvements until the expiration of the 2-year Guaranty period and applicable statute of limitations period related to such work.

22. The Village reserves the right to withhold the issuance of any and all building and/or occupancy permits if the Developer is in material violation of this Agreement.

Restrictive Covenants

23. Developer shall require the formation of a homeowners' association for the single-family and two-family portions of the subdivision and a condominium association for the condominium units (or other development association) subject to Village-approved restrictive covenants that address preservation, maintenance and responsibility for costs of storm water facilities, including storm water retention/detention ponds, and that impose restrictions on plantings, uses and structures within the easements identified on the approved plans for the Development. In addition, Developer shall require the formation of any Development-related associations or agreements needed for shared facilities. The restrictive covenants shall also require the Developer and/or the Associations to maintain all private storm water facilities in accordance with the approved Storm Water Management Plan on file with the Village, including such amendments as may be made thereto from time to time by the Village. The approved restrictive covenants shall be recorded with the Office of the Racine County Register of Deeds.

Reimbursements

24. Developer shall pay and reimburse the Village promptly upon billing for all reasonable fees, expenses, costs and disbursements which shall be incurred by the Village from and after execution of this Agreement, in connection with this Development relative to the construction, installation, dedication and acceptance of the Development improvements covered

by this Agreement including without limitation by reason of enumeration, design, engineering, review, supervision, inspection and legal, administrative and fiscal work. Village employee costs shall be based on regular Village pay rates and shall be billed to Developer within thirty (30) days after incurred. Any costs from and after execution of this Agreement, for outside consultants shall be charged at the reasonable rate the consultant charges the Village. Notwithstanding the foregoing, Developer shall not be separately charged for any fees, expenses, costs and disbursements that are included in permit fees separately paid by Developer (for example, the building permit fee is inclusive of all Village costs for inspections (whether conducted by Village employees or third parties) through certificate of occupancy or acceptance of the public improvements, whichever is applicable, and Developer shall not separately be charged for such inspection fees under this Section). Any charges not paid by Developer within thirty (30) days of being invoiced may be assessed against the Development as a special charge pursuant to §66.0627, Wis. Stats. to the extent permitted thereunder. The Developer understands and acknowledges that the attorneys retained by the Village are acting exclusively on behalf of the Village and not the Developer.

Performance of Work

25. Developer agrees to engage qualified contractors for all work performed by the Developer under this Agreement. Developer further agrees to use materials and make the complete the Developer Improvements in accordance with the approved plans and specifications, which are made part of this agreement by reference and including those standard specifications as the Village Board or its Commissions may have adopted and published prior to the date of this Agreement.

26. Developer shall at all times observe and comply with all federal, state and local laws, regulations and ordinances which are in effect or which may be placed in effect and impact site preparation, construction, occupancy and activities on or use of the Development, and the exercise of its rights and obligations hereunder.

No Personal Liability

27. In carrying out any of the provisions of this Agreement or in exercising any power or authority granted to them thereby, there shall be no personal liability of the Village officers, agents or employees, it being understood and agreed that in such matters they act as agents and representatives of the Village.

Indemnifications/Hold Harmless

28. Developer hereby expressly agrees to indemnify and hold the Village and its agents, consultants, elected and appointed officers and employees harmless from and against all claims, judgments, damages, penalties, injunctive relief, fines, costs or loss (including reasonable fees for attorneys and consultants) and liability of every kind and nature, including without limitation any such liability relating to state or federal environmental laws, for any injury (including death) or damage received or sustained by any person, entity or property in connection with, or on account of or in any way related to the construction, ownership, or occupancy of the Development or any unlawful or willful misconduct or negligence of the Developer related to this Agreement, except to the extent as such claims or liability arise by virtue of the negligence, unlawful or willful misconduct of the Village or any of their agents, consultants, officers or employees. Developer further agrees to aid and defend the Village or its agents, consultants, officers or employees (at no cost to the Village, or its agents, officers consultants and employees) in the event they are named as a defendant in any action concerning this Agreement related to the construction, ownership or

occupancy of the Development or any unlawful or willful misconduct or negligence of Developer related to this Agreement, except to the extent as such suit asserts claims or liability alleged to arise by virtue of the negligence, unlawful or willful misconduct of the Village, or any of its agents, consultants, officers or employees. Developer acknowledges that it is not an agent, employee or independent contractor of the Village, and that this Agreement does not constitute, and shall not be construed as, creating a partnership or joint venture between Developer and the Village.

29. Developer shall indemnify, defend, and hold the Village, and their respective elected and appointed officers, employees, and agents harmless from any claims, judgments, damages, penalties, fines, costs, or loss (including reasonable fees for attorneys and consultants) that arise as a result of the presence in or on property of which ownership is retained by the Village or any Village right-of-way ("Village Retained Parcels") of any toxic or hazardous substances in excess of the minimum levels allowed by applicable law (collectively, the "Substance") arising from any activity conducted by the Developer, or by the Developer's respective employees, agents or contractors, except as to injury or damage arising, in whole or in part, due to negligence or willful misconduct of the Village, or any of its agents, contractors, officers or employees. Without limiting the generality of the foregoing, this indemnification shall specifically include any costs incurred by the Village in connection with any remedial, removal, or restoration work required by any local, state, or federal agencies because of the presence of the Substances on or in the Village Retained Parcels, whether in the soil, groundwater or air, except as to Substances or damages arising, in whole or in part, due to negligence or willful misconduct of the Village, or any of its agents, contractors, officers or employees.

The Village agrees that it will immediately deliver written notice to the Developer, as applicable, of the Village's discovery of the Substances in or on the Village Retained Parcels.

Following delivery to Developer of written notice of the Village's claim as required under this paragraph, the Village shall make all reasonable accommodations to allow the Developer to examine the Village Retained Parcels and conduct such clean-up operations as may be required by appropriate local, state, or federal agencies to comply with applicable laws.

In the event Developer is obligated to indemnify the Village against claims arising under this paragraph, Developer shall take all necessary steps to ensure that the Village receives written confirmation from the appropriate governmental authority of the satisfactory completion of the required remediation, removal or restoration work including, without limitation, a no further action letter, final case closure letter or confirmation that the presence of such toxic or hazardous substances affecting the Village Retained Parcels migrated from an offsite source (the "**Closure Documents**"). The Closure Documents may be predicated upon any contingency or restriction approved by the appropriate governmental authority for groundwater or any use or as a deed restriction or registration in any registry including, without limitation, the GIS Registry. Developer shall be responsible for any continuing obligation imposed by any appropriate governmental authority as a continuing indemnity for the Village.

Special Assessments

30. Developer agrees, for itself and its successors in interest in the Development, that the Development is specially benefitted by this Agreement and by the public improvements provided for by this Agreement. If Developer defaults on any obligations under this Agreement, including but not limited to any financial obligation and for the payment of the Property Tax Increment on an annual basis based on the Guaranteed Minimum Assessed Values, Developer agrees, for itself and its successors in interest in the Development, that, in addition to any other remedy at law or in equity that the Village may pursue, the Village shall be entitled to specially

assess all its costs relating to such default against the Development, pro rata based on acreage, without need of any procedures that are otherwise required by state statute or village ordinance before a special assessment may be imposed. Developer, each for itself and its successors in interest in the Development, hereby waives any and all right to any hearings and to challenge any such special assessment.

Taxability

31. Developer agrees that it will not sell, lease, assign or otherwise transfer or convey any interest in the Development to a person or entity exempt from general property taxation or in a manner which would cause all or any portion of the Development to be exempt from general property taxation (the **"Tax-Exempt Covenant"**). The Tax-Exempt Covenant shall remain in effect at the termination of this Agreement. This Agreement shall be recorded by the Village and the Developer agrees that the Tax-Exempt Covenant will run with the land and will bind all present and future owners of the Development. In the event any court finds the Tax-Exempt Covenant is not valid or enforceable or if for any reason the Tax-Exempt Covenant is terminated, then the Developer, or its successors and assigns, shall make payments in lieu of taxes to the Village in an amount equal to the amount of property taxes that would have been collected were the Development taxable, and by the same date that the first installment tax payment on the Development would have been due were the entire Development taxable. During the term of this Agreement, the Village shall be obligated to pay to the Developer the same amount of such payment in lieu of taxes as the Developer would have been entitled to receive under this Agreement if such payments were General Property Taxes.

Developer Default

32. If the Developer fails to timely perform any one or more of its obligations under this Agreement (a "**Developer Default**"), the Village shall promptly provide written notice to the Developer to the extent known by the Village of the action or omission constituting the basis for the default. The notice set forth in the preceding section shall provide the Developer at least twenty (20) days from the date of the notice to cure any payment default and at least sixty (60) days to cure any other default not related to payment obligations. However, the sixty (60) day period may be extended to the period of time reasonably necessary to cure the default if the Developer promptly commences activities to cure the default and in good faith diligently pursues such activities to fully cure the default, but in no event shall the period of time to cure the default exceed one-hundred and twenty (120) days from the date of the Village's notice.

If a Developer Default is not fully and timely cured by the Developer, the Village shall have all of the rights and remedies available at law and in equity.

Village Default

33. If the Village fails to timely perform any one or more of its obligations under this Agreement (a "**Village Default**"), the Developer shall promptly provide written notice to the Village to the extent known by the Developer of the action or omission constituting the basis for the Village Default.

The notice set forth in the preceding section shall provide the Village at least twenty (20) days from the date of the notice to cure any payment default and at least sixty (60) days to cure any other default not related to payment obligations. However, the sixty (60) day period may be extended to the period of time reasonably necessary to cure the default if the Village promptly commences activities to cure the default and in good faith diligently pursues such activities to fully cure the default, but in no event shall the period of time to cure the default exceed one-hundred and twenty (120) days from the date of the Developer's notice.

If a Village Default is not fully and timely cured by the Village, the Developer shall have all of the rights and remedies available at law and in equity.

Force Majeure

34. If the Developer or Village shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, fire, earthquake, flood, terrorism, war, acts of God, pandemic, government orders or other reason beyond the Developer's or Village's reasonable control, then performance of such act shall be excused for the period of delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, prevention or stoppage.

Successors and Assignment

35. This Agreement is binding upon and enforceable against the respective successors and assigns of the parties to this Agreement (**"Parties"**). This Agreement may not be assigned by Developer, without the prior, written permission of the Village; provided that Developer may, upon notice to the Village (1) collaterally assign its right, title, and interest in and to this Agreement, in whole or in part, to any mortgage lender(s) in connection with the construction of any phase or subphase, and the Village agrees to acknowledge the foregoing collateral assignment in an agreement with the lender; and/or (2) assign this Agreement, and/or the Phase 2 Incentive payment rights, in whole or in part, to affiliate entities for the purpose of establishing separate legal ownership for the development and financing of a phase or sub-phase.

Agreement Runs With the Land

36. This Agreement shall be binding upon all owners within the Development, and their successors in title or assigns, and the provisions hereof shall be covenants running with the land, and the Village shall cause a copy of this Agreement to be recorded against the Development in the Office of the Racine County Register of Deeds.

Notices

37. All notices permitted or required by this Agreement shall be given in writing and shall be considered given upon receipt if hand-delivered to the party or person intended or a successor designated by a party to this Agreement, or one business day after deposit with a nationally recognized overnight commercial courier service, air bill prepaid, or two (2) business days after deposit in the United States mail, postage prepaid, by certified mail, return receipt requested, addressed by name and address to the party or person intended as follows, or a successor party or address, or both:

To Developer:	Canopy Hill Development, Inc. 4011 80th Street Kenosha, WI 53142 Attn: S.R. Mills
To Village:	Clerk, Village of Union Grove 925 15th Avenue Union Grove, WI 53182 With a copy to the Village Administrator

A "business day," for purposes of this Agreement, shall be Monday through Friday, except for any holiday recognized by the state or federal government.

Severability

38. The provisions of this Agreement are severable. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall be binding on all parties.

Venue and Governing Law

39. This Agreement shall be governed, controlled, interpreted and construed by and under the laws of the State of Wisconsin (without regard to its conflicts of law rules). The venue for any legal action arising under and/or pertaining to this Agreement shall solely and exclusively be Racine County Circuit Court in Racine, Wisconsin.

Construction

40. To the maximum extent possible, this Agreement shall be construed in a manner consistent with the powers of the Village, including, but not limited to, their powers under Wis. Stat. § 66.1105 (tax increment laws), Wis. Stat. § 66.1337 (urban renewal) and Wis. Stat. § 66.1339 to achieve their intended purpose. Reference is made to Chapter 105, Laws of 1975 Section 4 and Section 66.1337(7)(c), which provides that those statutes should be construed liberally to effectuate their purposes. The Parties acknowledge and agree that this Agreement is the result of mutual negotiation and drafting and that all Parties were represented during such process by attorneys of their own choosing. Accordingly, this Agreement shall not be construed against any Party, due to drafting or any other reason.

Time is of the Essence

41. Time is of the essence as to all dates and deadlines in this Agreement.

Insurance

42. Developer, its contractors, suppliers and any other individual working on the Development in the performance of this Agreement shall, until the expiration of the Guaranty

Period, provide insurance coverage in the forms and in the amounts as required by the first mortgage lender.

Amendment

43. The Village and the Developer, by mutual consent, may amend this Agreement by written instrument duly authorized at any meeting of the Village Board.

44. The Village, its officials, employees, and agents agree that they will act in good faith and will not obstruct or delay Developer's efforts with respect to the Development, including with respect to the timing, level, or issuance, as applicable, of inspections, approvals, permits, and other similar matters, and will treat Developer in a manner consistent with their treatment of other similarly-situated developers and will not arbitrarily impose construction or other requirements on Developer that could cause undue burdens with respect to costs relating to the Development. Nothing in this Agreement, however, shall be considered as limiting the right of the Village to enforce the terms of its ordinances including, but not limited to, its building, land division, and zoning codes.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the day and year set forth below.

CANOPY HILL DEVELOPMENT, INC.

BY: ______________________________

Stephen R. Mills
(Print Name)
Managing Member

STATE OF WISCONSIN)
) SS
COUNTY OF Kenosha)

Personally came before me this 23rd day of March, 20~~20~~21, Stephen R. Mills to me known to be the Managing Member of Canopy Hill Development Inc. and the person who executed the foregoing instrument, and acknowledged the same as the act and deed of said Developer.

JANIS E HAGERTY
NOTARY
PUBLIC
STATE OF WISCONSIN

____
Notary Public, Kenosha County, Wisconsin
My Commission: 02/10/2024

VILLAGE OF UNION GROVE

By: Michael Aimone

Michael Aimone
Village President

Attest: Rebecca Wallendal

Rebecca Wallendal
Village Clerk

STATE OF WISCONSIN)
) SS:
COUNTY OF RACINE)

Personally came before me this 16 day of March, 2020, the above-named Michael Aimone and Rebecca Wallendal, President and Clerk, respectively of the Village of Union Grove, to me known to be the persons who executed the foregoing instrument and acknowledged the same on behalf of the Village.

NOTARY PUBLIC
ROBERTA J. CAMPBELL
STATE OF WISCONSIN

Roberta J. Campbell

Notary Public Racine County, Wisconsin
My Commission: 9/24/2024

List of Exhibits:

Exhibit A	Legal Description of Parcel
Exhibit B	Map of TID #4 and TID #7 Depicting Locations of Phases 1, 2 and 3
Exhibit C	Map of TID #7
Exhibit D	Cash Flow Projection
Exhibit E	Itemized Estimate of Probable Cost of Infrastructure.
Exhibit F	Depiction of the Development Accesses and Timelines of Phases 1, 2 and 3
Exhibit G	Tax Increment Revenue Bond
Exhibit H	Storm Water Management Plan

EXHIBIT A
LEGAL DESCRIPTION

Lots 1, 2, 3 and 4 of Certified Survey Map No. 2823, recorded in the office of the Register of Deeds for Racine County, Wisconsin on December 28, 2006 in Volume 9 of Certified Survey Maps, page 51, as Document No. 2114873, being a part of the Northeast 1/4 , Northwest 1/4, Southeast 1/4, and Southwest 1/4 of the Northeast 1/4 of Section 30 and part of the Southeast 1/4 of the Southeast 1/4 of Section 19, all in Township 3 North, Range 21 East, Village of Union Grove, Racine County, Wisconsin.

Tax Parcel I.D. Nos:
51-186-03-21-30-001-011
51-186-03-21-30-001-012
51-186-03-21-30-001-013
51-186-03-21-30-001-014

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

METES AND BOUNDS DESCRIPTION OF COMBINED PARCELS EXCEPTING THAT PART CONVEYED TO THE STATE OF WISCONSIN DEPARTMENT OF TRANSPORTATION IN WARRANTY DEED RECORDED MARCH 18, 2015 AS DOCUMENT NO. 2402657, **BEING IN ERROR AND CORRECTED TO READ:** BEING PARCEL 2 OF TRANSPORTATION PROJECT PLAT 2430-06-20-4.01 AMENDMENT NO. 1, DOCUMENT NO. 2369947, AND PARCEL 2 OF TRANSPORTATION PROJECT PLAT 2430-06-20-4.02 AMENDMENT NO. 1, DOCUMENT NO. 2377172.

Being all of Lot 2 and Lot 4 and a part of Lot 1 and Lot 3 of Certified Survey Map No. 2823, recorded in the office of the Register of Deeds for Racine County, Wisconsin on December 28, 2006 in Volume 9 of Certified Survey Maps, page 51, as Document No. 2114873, being a part of the Northeast 1/4, Northwest 1/4, Southeast 1/4, and Southwest 1/4 of the Northeast 1/4 of Section 30 and part of the Southeast 1/4 of the Southeast 1/4 of Section 19, all in Township 3 North, Range 21 East, Village of Union Grove, Racine County, Wisconsin, described as follows:

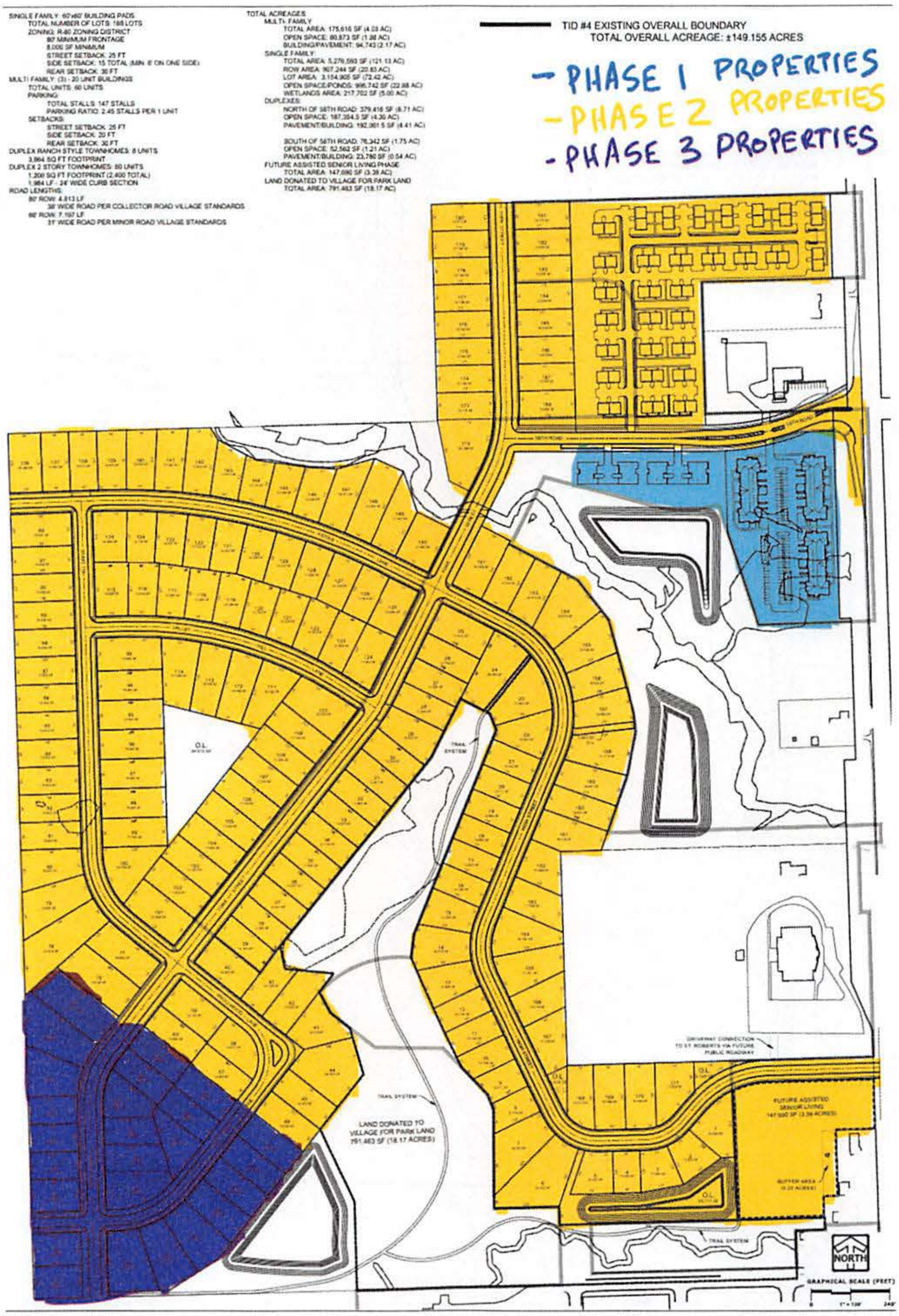
Commencing at the southeast corner of the Northeast 1/4 of said Section 30; Thence South 88°27'58" West along the south line of said Northeast 1/4, 299.50 feet to the east line of Certified Survey Map No. 2823 and the POINT OF BEGINNING;

Thence continuing South 88°27'58"West along said south line of the Northeast 1/4, 2,344.78 feet to the southwest corner of the Northeast 1/4 of said Section 30; Thence North 01°39'09" West, along the west line of said Northeast 1/4, 2,643.56 feet to the northwest corner of the Northeast 1/4 of said Section 30; Thence North 88°27'18"E along the north line of said Northeast 1/4, 1,320.92 feet to a west line of said Certified Survey Map No. 2823; Thence North 01°28'17" West along said west line, 659.50 feet to the north line of said Certified Survey Map No. 2823; Thence North 88°27'04" East along said north line, 1,225.89 feet to the west right-of-way line of South Colony Avenue - United States Highway "45"; Thence South 01°27'50"E along said west right of way line, 259.63 feet to the north line of Certified Survey Map No. 14; Thence South 88°28'19" West along said north line, 402.44 feet to the west line of said Certified Survey Map No. 14; Thence South 01°27'50" East along said west line, 400.07 feet to the aforesaid north line of the Northeast 1/4 of Section 30; Thence North 88°27'18" East along said north line, 392.44 feet to the aforesaid west right of way line of South Colony Avenue; Thence South 01°42'28" East along said west right of way line, 636.86 feet; Thence North 88°17'32" East along said west right of way line, 35.00 feet; Thence South 01°42'28" East along said west right of way line, 241.60 feet to a south line of Certified Survey Map No. 2823; Thence South 88°16'15" West along said south line, 230.00 feet to an east line of said Certified Survey Map No. 2823; Thence South 01°42'28" East along said east line, 145.00 feet to a south line of said Certified Survey Map No. 2823; Thence North 88°18'43" East along said south line, 230.00 feet to the aforesaid west right of way line of South Colony Avenue; Thence South 01°42'28" East along said west right of way line, 43.24 feet; Thence South 88°17'32" West along said west right of way line, 35.00 feet; thence South 01°42'28" East along said west right of way line, 255.05 feet to a south line of said Certified Survey Map No. 2823; Thence South 88°27'19" West along said south line, 880.00 feet to an east line of said Certified Survey Map No. 2823; Thence South 01°42'28" East along said east line, 649.90 feet to a south line of said Certified Survey Map No. 2823; Thence North 88°28'02" East along said south line, 940.00 feet to the aforesaid west right of way line of South Colony Avenue; Thence South 01°42'28" East along said west right of way line, 222.00 feet to a south line of said Certified Survey Map No. 2823; Thence South 88°27'58" West along said south line, 120.06 feet to an east line of said Certified Survey Map No. 2823; Thence South 01°42'28" East along said east line, 202.50 feet to a north line of said Certified Survey Map No. 2823; Thence South 88°27'59" West along said North line, 44.00 feet to an east line of said Certified Survey Map No. 2823; Thence South 01°42'30" East along said east line, 100.50 feet to an north line of said Certified Survey Map No. 2823; Thence South 88°27'58" West along said north line, 90.23 feet to an east line of said Certified Survey Map No. 2823; Thence South 01°37'32" East along said east line, 147.07 feet to the POINT OF BEGINNING.

The foregoing legal description does not describe the same property shown in the vesting deed.

Exhibit B

Locations of Phase 1, 2 and 3 Properties



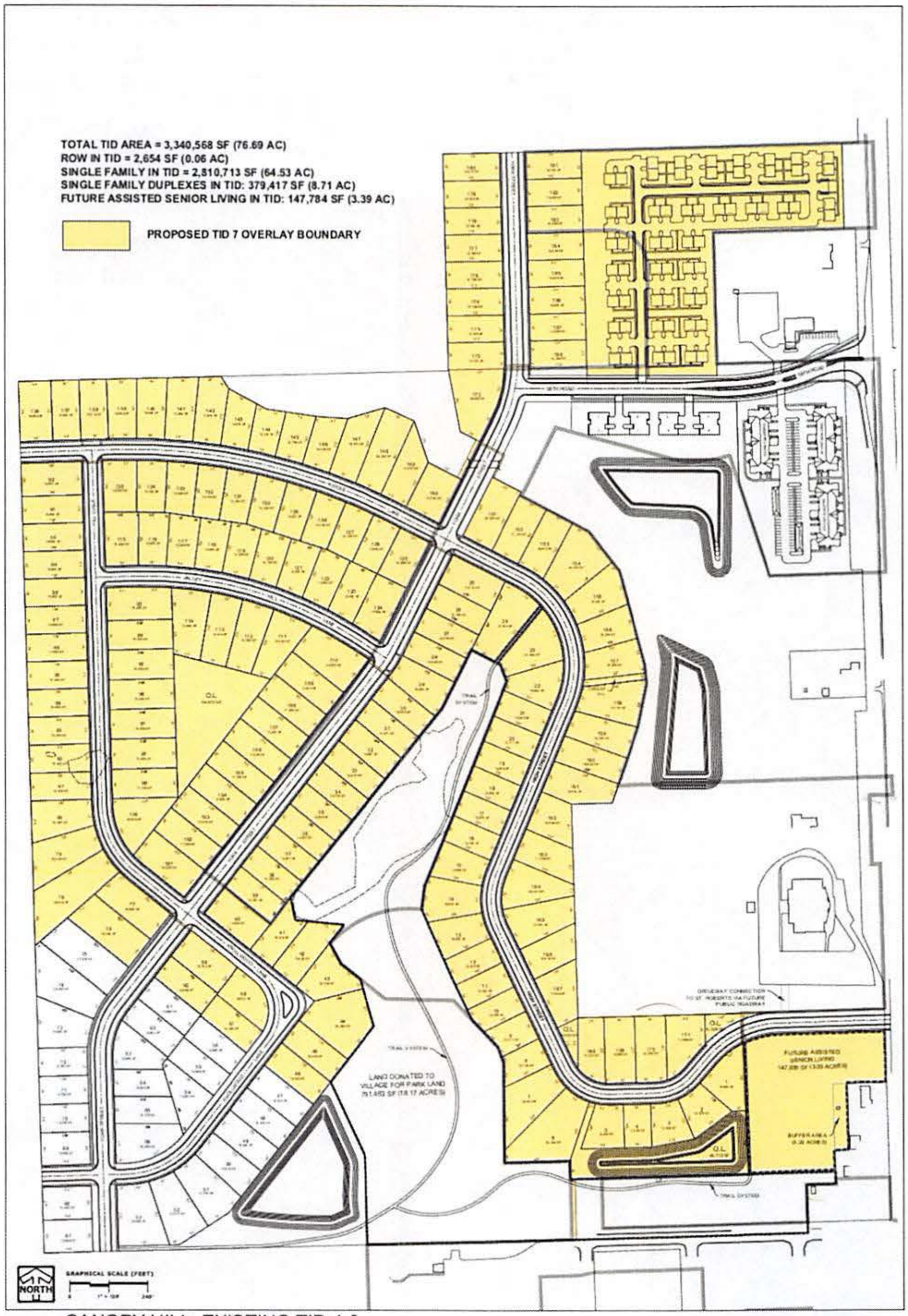
CANOPY HILL- CONCEPT LAYOUT

09/03/202

PINNACLE ENGINEERING GROUP 15850 W BLUEMOUND ROAD | SUITE 210 | BROOKFIELD, WI 53005 | WWW.PINNACLE-ENGR.COM PLAN | DESIGN | DELIVER PEGJOB# 959.0

Exhibit C

TID#7 BOUNDARY

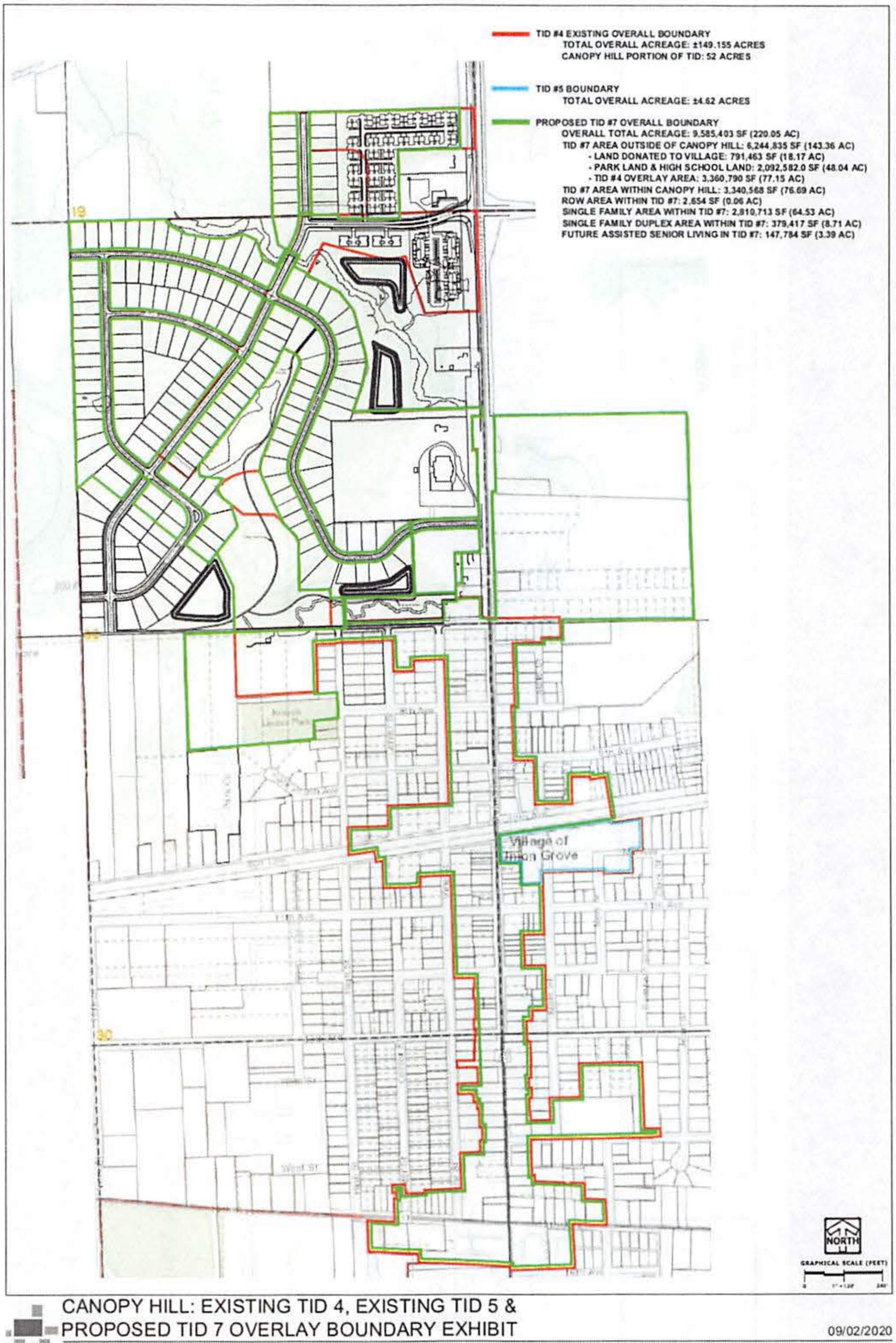


CANOPY HILL: EXISTING TID 4 &
PROPOSED TID 7 OVERLAY BOUNDARY EXHIBIT

09/02/2020

PINNACLE ENGINEERING GROUP PLAN | DESIGN | DELIVER PEGJOB# 959.00

TID#7 BOUNDARY (CONT.)



CANOPY HILL: EXISTING TID 4, EXISTING TID 5 &
PROPOSED TID 7 OVERLAY BOUNDARY EXHIBIT

09/02/2020

PINNACLE ENGINEERING GROUP — PLAN|DESIGN|DELIVER — PEGJOB# 959.00

EXHIBT D

Village of Union Grove

Tax Increment District #7

Development Assumptions

	Construction Year	Single Family Homes (163)	Townhomes (60 Units)	Senior Units (50 Units)	Annual Anticipated Increment Value	Construction Year	
1	2021	13,855,000			13,855,000	2021	1
2	2022	30,515,000	3,250,650	2,000,000	35,765,650	2022	2
3	2023	46,835,000	7,150,650	4,000,000	57,985,650	2023	3
4	2024	58,055,000	11,050,650		73,105,650	2024	4
5	2025	63,835,000	14,950,650		82,785,650	2025	5
6	2026	69,275,000	18,850,650		92,125,650	2026	6
7	2027	69,275,000	19,500,000		92,775,000	2027	7
8	2028					2028	8
	Totals	69,275,000	19,500,000	4,000,000			

Notes: Single Family Homes are $425K per (lot & home) & Townhomes are $325,000 per (lot & unit).

Phase 1 - TID 4: 60 Multi-Family Units & 4 Duplexes.

Phase 2 - TID 7: 163 SF Lots and 60 Townhomes.

Village of Union Grove

Tax Increment District #7

Tax Increment Projection Worksheet - Amended

Type of District	Mixed Use		Base Value	84,800
District Creation Date	October 2, 2020		Appreciation Factor	1.00%
Valuation Date	Jan 1,	2021	Base Tax Rate	$21.77
Max Life (Years)	20		Rate Adjustment Factor	
Expenditure Period/Termination	15	10/2/2035		
Revenue Periods/Final Year	20	2042		
Extension Eligibility/Years	Yes	3	Tax Exempt Discount Rate	4.00%
Eligible Recipient District	No		Taxable Discount Rate	5.00%

Apply to Base Value

	Construction Year	Value Added	Valuation Year	Inflation Increment	Increment	Total Increment Plus Inflation	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2021	13,855,000	2022	0	13,855,000	13,855,000	2023	$21.77	301,623	268,142	260,554
2	2022	21,910,650	2023	138,550	35,765,650	35,904,200	2024	$21.77	781,634	936,286	903,606
3	2023	22,220,000	2024	359,042	57,985,650	58,344,692	2025	$21.77	1,270,164	1,980,269	1,898,813
4	2024	15,120,000	2025	583,447	73,105,650	73,689,097	2026	$21.77	1,604,212	3,248,100	3,095,900
5	2025	9,680,000	2026	736,891	82,785,650	83,522,541	2027	$21.77	1,818,286	4,629,848	4,388,122
6	2026	9,340,000	2027	835,225	92,125,650	92,960,875	2028	$21.77	2,023,758	6,108,588	5,757,881
7	2027	649,350	2028	929,609	92,775,000	93,704,609	2029	$21.77	2,039,949	7,541,830	7,072,851
8	2028		2029	937,046	92,775,000	93,712,046	2030	$21.77	2,040,111	8,920,056	8,325,302
9	2029		2030	937,120	92,775,000	93,712,120	2031	$21.77	2,040,113	10,245,274	9,518,114
10	2030		2031	937,121	92,775,000	94,649,242	2032	$21.77	2,060,514	11,532,265	10,665,485
11	2031		2032	946,492	92,775,000	95,595,734	2033	$21.77	2,081,119	12,782,131	11,769,147
12	2032		2033	955,957	92,775,000	96,551,691	2034	$21.77	2,101,930	13,995,944	12,830,765
13	2033		2034	965,517	92,775,000	97,517,208	2035	$21.77	2,122,950	15,174,742	13,851,940
14	2034		2035	975,172	92,775,000	98,492,380	2036	$21.77	2,144,179	16,319,537	14,834,213
15	2035		2036	984,924	92,775,000	99,477,304	2037	$21.77	2,165,621	17,431,309	15,779,066
16	2036		2037	994,773	92,775,000	100,472,077	2038	$21.77	2,187,277	18,511,010	16,687,925
17	2037		2038	1,004,721	92,775,000	101,476,798	2039	$21.77	2,209,150	19,559,567	17,562,161
18	2038		2039	1,014,768	92,775,000	102,491,566	2040	$21.77	2,231,241	20,577,876	18,403,092
19	2039		2040	1,024,916	92,775,000	103,516,482	2041	$21.77	2,253,554	21,566,811	19,211,988
20	2040		2041	1,035,165	92,775,000	104,551,646	2042	$21.77	2,276,089	22,527,219	19,990,069
	Totals	92,775,000		16,296,457				Future Value of Increment	37,753,475		

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

EHLERS
LEADERS IN PUBLIC FINANCE

9/17/2020

Village of Union Grove

Tax Increment District #7

Cash Flow Projection - Road & Signalization Paid by Developer

	Projected Revenues			Expenditures					Balances		
Year	Tax Increments	Additonal Revenue	Total Revenues	5% of Increment Retained By Village - (Admin & Road)	MRO Payment @5%	Municipal Revenue Obligation (MRO) $ 22,435,000	50-50 Split Up to an additional $4.5M	Total Expenditures	Annual	Cumulative	Year
					100% of Remaining Increment						
2022			0					0	0	0	2022
2023	301,623		301,623	15,081	286,542	23,255,881		301,623	0	0	2023
2024	781,634		781,634	39,082	742,553	23,638,994		781,634	0	0	2024
2025	1,270,164		1,270,164	63,508	1,206,656	23,553,956		1,270,164	0	0	2025
2026	1,604,212		1,604,212	80,211	1,524,001	23,131,452		1,604,212	0	0	2026
2027	1,818,286		1,818,286	90,914	1,727,371	22,474,285		1,818,286	0	0	2027
2028	2,023,758		2,023,758	101,188	1,922,570	21,579,300		2,023,758	0	0	2028
2029	2,039,949		2,039,949	101,997	1,937,952	20,623,416		2,039,949	0	0	2029
2030	2,040,111		2,040,111	102,006	1,938,106	19,619,576		2,040,111	0	0	2030
2031	2,040,113		2,040,113	102,006	1,938,107	18,565,542		2,040,113	0	0	2031
2032	2,060,514		2,060,514	103,026	1,957,488	17,438,456		2,060,514	0	0	2032
2033	2,081,119		2,081,119	104,056	1,977,063	16,234,463		2,081,119	0	0	2033
2034	2,101,930		2,101,930	105,097	1,996,834	14,949,510		2,101,930	0	0	2034
2035	2,122,950		2,122,950	106,147	2,016,802	13,579,344		2,122,950	0	0	2035
2036	2,144,179		2,144,179	107,209	2,036,970	12,119,492		2,144,179	0	0	2036
2037	2,165,621		2,165,621	108,281	2,057,340	10,565,260		2,165,621	0	0	2037
2038	2,187,277		2,187,277	109,364	2,077,913	8,911,714		2,187,277	0	0	2038
2039	2,209,150		2,209,150	110,457	2,098,692	7,153,673		2,209,150	0	0	2039
2040	2,231,241		2,231,241	111,562	2,119,679	5,285,693		2,231,241	0	0	2040
2041	2,253,554		2,253,554	112,678	2,140,876	3,302,058		2,253,554	0	0	2041
2042	2,276,089		2,276,089	113,804	2,162,285	**1,196,761**	**Unpaid**	2,276,089	0	0	2042
Total	37,753,475	0	37,753,475	1,887,674	35,865,802		0	37,753,475			Total

Notes:

Projected TID Closure

9/17/2020

EXHIBIT E
ENGINEER'S INFRASTRUCTURE ESTIMATE

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Engineers Opinion of Probable Cost Magnitude:

Phase 1: Multi-Family Area- 60 units & Ranch Duplex Area- 8 Condo Units

Canopy Hill- Union Grove, WI 03/01/2021

This opinion of cost is based on conceptual layouts. It will be necessary to refine this opinion of cost to reflect actual layouts and final engineering design. PEG assumes no liability for conceptual opinions of cost used for anything other than determining the approximate magnitude of construction costs.

Item Description	Unit	Quantity	Unit Cost ($)	Budget Cost ($)
Mass Grading				
Construction Entrances	EA	2	$3,500.00	$7,000
Perimeter Erosion Controls (Install, Maintain, Remove)	LF	2,400	$2.00	$4,800
Temporary Diversion Berming	LF	600	$6.00	$3,600
Topsoil Strip	CY	6,800	$4.00	$27,200
Common Excavation (Cut, Haul, Spread, Compact - assume 2.5' avg over site)	CY	46,800	$6.00	$280,800
Topsoil Respread	CY	3,900	$3.00	$11,700
Open Area Stabilization (Seed, Mulch, Fertilize)	SY	5,200	$1.00	$5,200
Slope Stabilization (Seed, Mulch, Fertilize, Blanket)	SY	8,500	$3.50	$29,750
SUBTOTAL				**$370,050**
Roadway & Utility Improvements				
Interior Paving	SY	6,700	$40.00	$268,000
Interior Curb	LF	2,400	$40.00	$96,000
Interior Walk	LF	1,800	$30.00	$54,000
Interior Misc- Striping, Signage, etc	LS	1	$22,500.00	$22,500
Interior Sanitary Sewer- incl Manhole	LF	730	$100.00	$73,000
Interior Watermain- incl Hydrant	LF	800	$140.00	$112,000
Interior Storm (average 15" size)- incl Structures	LF	1,700	$70.00	$119,000
Interior Laterals	LF	1,200	$40.00	$48,000
SUBTOTAL				**$792,500**
Miscellaneous				
Pond Outlets	EA	2	$15,000.00	$30,000
Signage	EA	1	$42,500.00	$42,500
Landscape	LS	1	$220,000.00	$220,000
Lighting	EA	18	$4,000.00	$72,000
Construction Administration, Survey Layout, Inspection, & Testing	%	6%	$1,455,050.00	$87,303
SUBTOTAL				**$451,803**
Pre-Construction Services				
Permits	LS	1.00	$15,000.00	$15,000
Engineering, Investigations, Surveying, & Design Fees	%	6%	$1,455,050.00	$87,303
Admin, Legal, Other Misc. Soft Costs	LS	1.00	$60,000.00	$60,000
Permit Impact Fees	LS	1.00	$465,022.00	$465,022
SUBTOTAL				**$627,325**
Construction Magnitude				**$2,241,678**
Suggested Contingency (15%)				**$336,252**
Project Cost Magnitude				**$2,577,930**

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Engineers Opinion of Probable Cost Magnitude:

Phase 2a - Single Family Area- 62 Lots & Townhome Duplex Area - 62 Condo Units

Canopy Hill- Union Grove, WI 03/01/2021

This opinion of cost is based on conceptual layouts. It will be necessary to refine this opinion of cost to reflect actual layouts and final engineering design. PEG assumes no liability for conceptual opinions of cost used for anything other than determining the approximate magnitude of construction costs.

Item Description	Unit	Quantity	Unit Cost ($)	Budget Cost ($)
Mass Grading				
Construction Entrances	EA	2	$3,500.00	$7,000
Perimeter Erosion Controls (Install, Maintain, Remove)	LF	11,000	$2.00	$22,000
Temporary Diversion Berming	LF	5,000	$6.00	$30,000
Topsoil Strip	CY	39,000	$4.00	$156,000
Common Excavation (Cut, Haul, Spread, Compact - assume 2.5' avg over site)	CY	98,000	$5.00	$490,000
Topsoil Respread	CY	25,000	$3.00	$75,000
Open Area Stabilization (Seed, Mulch, Fertilize)	SY	200,000	$1.00	$200,000
Slope Stabilization (Seed, Mulch, Fertilize, Blanket)	SY	25,000	$3.50	$87,500
SUBTOTAL				**$1,067,500**

Item Description	Unit	Quantity	Unit Cost ($)	Budget Cost ($)
Roadway & Utility Improvements				
66.0' Roadway	LF	3,320	$670.00	$2,224,400
80.0' Roadway	LF	2,347	$730.00	$1,713,310
Upgrade Sanitary Sewer to Sanitary Interceptor	LF	2,800	$150.00	$420,000
Upgrade Water Main to Larger Mains	LF	2,200	$40.00	$88,000
USH 45 Improvements	LS	1	$400,000.00	$400,000
Creek Crossings	LS	1	$500,000.00	$500,000
Utilities Outside of Roadways	EA	100	$5,000.00	$500,000
24' Wide (Curb) Main Roadway- Duplex Area	EA	1,500	$40.00	$60,000
Interior Paving (Driveways/Connecting Drives)	EA	5,000	$40.00	$200,000
Interior Walks	EA	8,100	$30.00	$243,000
Interior Misc- Stripingm Signage, etc	EA	1	$3,500.00	$3,500
Interior Sanitary Sewer- includes manholes	EA	2,000	$80.00	$160,000
Interior Watermain- includes hydrants	EA	2,100	$140.00	$294,000
Interior Storm (average 15" size)- includes structures	EA	2,100	$70.00	$147,000
Interior Laterals	EA	9,450	$70.00	$661,500
SUBTOTAL				**$7,614,710**

Item Description	Unit	Quantity	Unit Cost ($)	Budget Cost ($)
Miscellaneous				
Pond Outlets	EA	1	$10,000.00	$10,000
Signage	EA	1	$22,500.00	$22,500
Landscape in Select Areas	LS	1	$80,000.00	$80,000
Construction Administration, Survey Layout, Inspection, & Testing	%	6%	$8,794,710.00	$527,683
SUBTOTAL				**$640,183**

Pre-Construction Services				
Permits	LS	1.00	$10,000.00	$10,000
Engineering, Investigations, Surveying, & Design Fees	%	4%	$8,794,710.00	$351,788
Admin, Legal, Other Misc. Soft Costs	LS	1.00	$50,000.00	$50,000
Permit Impact Fees	LS	1.00	$809,178.00	$809,178
SUBTOTAL				**$1,220,966**

Construction Magnitude	**$10,543,359**
Suggested Contingency (15%)	**$1,581,504**

Project Cost Magnitude	**$12,124,863**

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Engineers Opinion of Probable Cost Magnitude:

Phase 2b Single Family Area- 49 Lots

Canopy Hill- Union Grove, WI 03/01/2021

This opinion of cost is based on conceptual layouts. It will be necessary to refine this opinion of cost to reflect actual layouts and final engineering design. PEG assumes no liability for conceptual opinions of cost used for anything other than determining the approximate magnitude of construction costs.

Item Description	Unit	Quantity	Unit Cost ($)	Budget Cost ($)
Mass Grading				
Construction Entrances	EA	2	$3,500.00	$7,000
Perimeter Erosion Controls (Install, Maintain, Remove)	LF	4,500	$2.00	$9,000
Temporary Diversion Berming	LF	2,000	$6.00	$12,000
Topsoil Strip	CY	50,000	$4.00	$200,000
Common Excavation (Cut, Haul, Spread, Compact - assume 2.5' avg over site)	CY	75,000	$5.00	$375,000
Topsoil Respread	CY	25,000	$3.00	$75,000
Open Area Stabilization (Seed, Mulch, Fertilize)	SY	12,000	$1.00	$12,000
Slope Stabilization (Seed, Mulch, Fertilize, Blanket)	SY	998	$3.50	$3,491
SUBTOTAL				**$693,491**
Roadway & Utility Improvements				
66.0' Roadway	LF	2,700	$670.00	$1,809,000
80.0' Roadway	LF	400	$730.00	$292,000
Upgrade Water Main to Larger Mains	LF	400	$40.00	$16,000
Utilities Outside of Roadways	EA	100	$5,000.00	$500,000
SUBTOTAL				**$2,617,000**
Miscellaneous				
Construction Administration, Survey Layout, Inspection, & Testing	%	6%	$3,310,491.25	$198,629
SUBTOTAL				**$198,629**
Pre-Construction Services				
Permits	LS	1.00	$10,000.00	$10,000
Engineering, Investigations, Surveying, & Design Fees	%	6%	$3,310,491.25	$198,629
Admin, Legal, Other Misc. Soft Costs	LS	1.00	$30,000.00	$30,000
Permit Impact Fees	LS	1.00	$554,864.40	$554,864
SUBTOTAL				**$793,494**

Construction Magnitude	**$4,302,615**
Suggested Contingency (15%)	**$645,392**
Project Cost Magnitude	**$4,948,007**

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Engineers Opinion of Probable Cost Magnitude:

Phase 2c - Single Family Area- 52 Lots

Canopy Hill- Union Grove, WI 03/01/2021

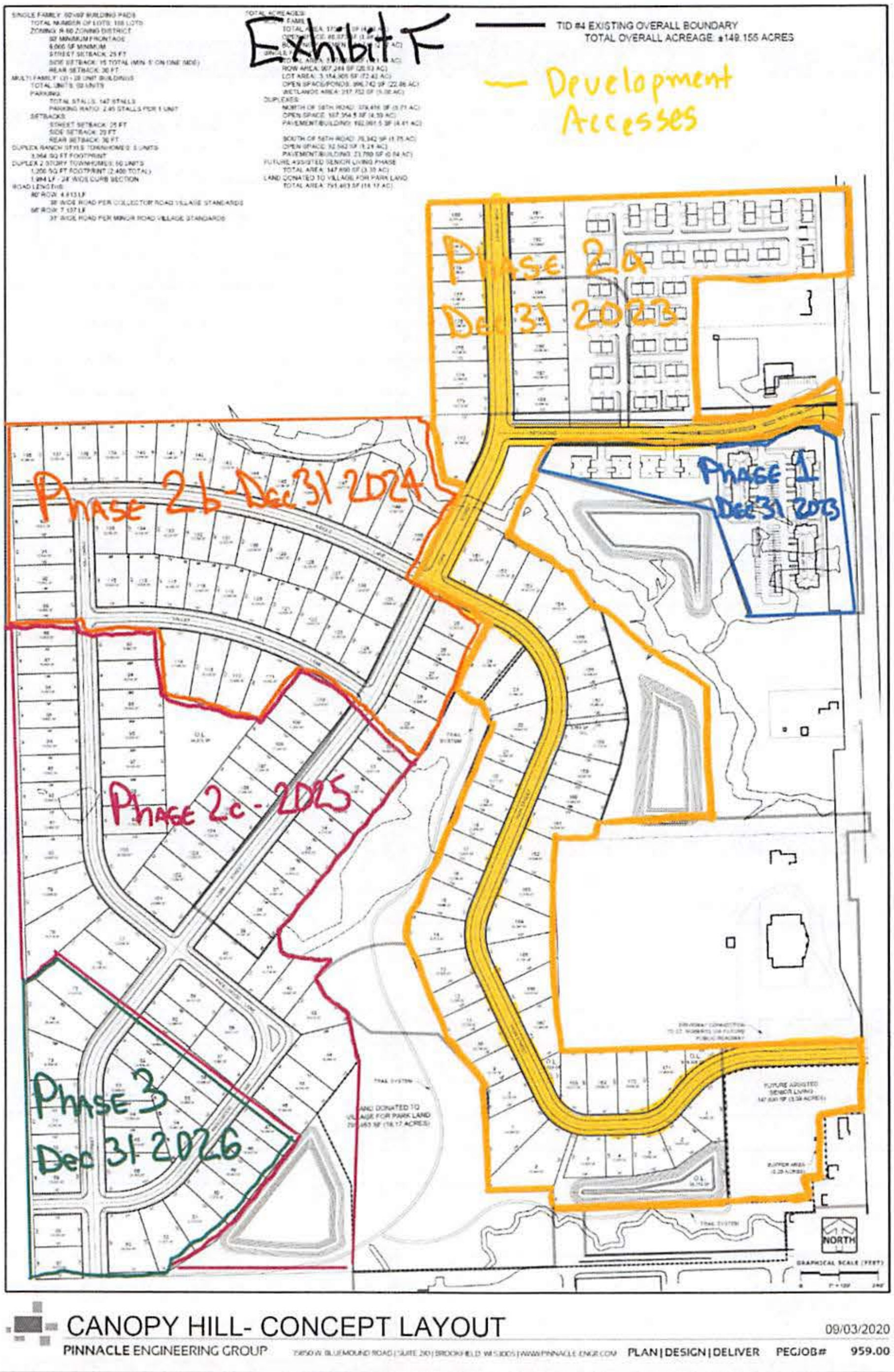
This opinion of cost is based on conceptual layouts. It will be necessary to refine this opinion of cost to reflect actual layouts and final engineering design. PEG assumes no liability for conceptual opinions of cost used for anything other than determining the approximate magnitude of construction costs.

Item Description	Unit	Quantity	Unit Cost ($)	Budget Cost ($)
Mass Grading				
Construction Entrances	EA	2	$3,500.00	$7,000
Perimeter Erosion Controls (Install, Maintain, Remove)	LF	4,000	$2.00	$8,000
Temporary Diversion Berming	LF	1,300	$6.00	$7,800
Topsoil Strip	CY	40,000	$4.00	$160,000
Common Excavation (Cut, Haul, Spread, Compact - assume 2.5' avg over site)	CY	125,000	$5.00	$625,000
Topsoil Respread	CY	30,000	$3.00	$90,000
Open Area Stabilization (Seed, Mulch, Fertilize)	SY	100,000	$1.00	$100,000
Slope Stabilization (Seed, Mulch, Fertilize, Blanket)	SY	10,190	$3.50	$35,666
SUBTOTAL				**$1,033,466**
Roadway & Utility Improvements				
66.0' Roadway	LF	1,800	$670.00	$1,206,000
80.0' Roadway	LF	1,200	$730.00	$876,000
Upgrade Water Main to Larger Mains	LF	1,200	$40.00	$48,000
Utilities Outside of Roadways	EA	100	$5,000.00	$500,000
SUBTOTAL				**$2,630,000**
Miscellaneous				
Pond Outlets	EA	1	$10,000.00	$10,000
Construction Administration, Survey Layout, Inspection, & Testing	%	6%	$3,673,466.30	$220,408
SUBTOTAL				**$230,408**
Pre-Construction Services				
Permits	LS	1.00	$10,000.00	$10,000
Engineering, Investigations, Surveying, & Design Fees	%	6%	$3,673,466.30	$220,408
Admin, Legal, Other Misc. Soft Costs	LS	1.00	$30,000.00	$30,000
Permit Impact Fees	LS	1.00	$508,625.70	$508,626
SUBTOTAL				**$769,034**

Construction Magnitude	**$4,662,908**
Suggested Contingency (15%)	**$699,436**
Project Cost Magnitude	**$5,362,344**

EXHIBIT F
PHASE 1, PHASE 2 & PHASE 3 PROPERTIES

DEVELOPMENT ACCESSES, ESTIMATED TIMELINE & INFRASTRUCTURE PHASING



CANOPY HILL- CONCEPT LAYOUT 09/03/2020

PINNACLE ENGINEERING GROUP PLAN | DESIGN | DELIVER PEGJOB# 959.00

EXHIBIT G

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF RACINE
VILLAGE OF UNION GROVE

TAX INCREMENT PROJECT REVENUE BOND
(CANOPY HILL DEVELOPMENT PROJECT)

PHASE 2 SUBPHASE [___]

Number	Date of Original Issue
R-1	___, 20

FOR VALUE RECEIVED, the Village of Union Grove, Racine County, Wisconsin (the "Village"), promises to pay to Canopy Hill Development, Inc., or registered assigns ("Developer"), but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Principal Amount (defined below) plus interest thereon from and after the date hereof at an annual rate of five percent (5%). Debt service payments on this Bond (the "Bond Payments") shall be made on the dates and in the amounts described below. This Bond is being issued pursuant to the terms of a Development Agreement, by and between Developer and the Village, dated on or around the date hereof (the "Development Agreement").

The Principal Amount of this Bond shall be [__$See Exhibit E for each Subphase_____], provided, however, in no event shall the aggregate principal amount of all Bonds issued by the Village to the Developer pursuant to the Development Agreement exceed Twenty-Two Million Four Hundred Thirty-five Thousand Dollars ($22,435,000).

The Bond Payments shall be payable annually within sixty (60) days after the August tax settlement (the "Bond Payment Dates"), commencing upon the later of the year 2023, or the year after the Phase 2 Increment Date (as defined in the Development Agreement) and payable until the earlier of the date that the Principal Amount together with all interest thereon has been paid in full or the 2042 Bond Payment Date.

The amount of the Bond Payment payable on the Bond Payment Date in each year shall be in accordance with the estimated schedule shown in Exhibit D to the Development Agreement, provided, however the Village shall have no obligation to make a Bond Payment in any year in an amount in excess of that amount which is 95% of the Phase 2 Tax Increment generated by the Phase 2 Properties in the previous tax year. Notwithstanding anything contained herein to the contrary, if the actual cost of the Phase 2 Infrastructure Improvements is less than $22,435,000, then, after Developer's actual Phase 2 Infrastructure Improvement costs, plus interest, have been paid by the Village to the Developer, any remaining payments on this Bond shall be payable solely from 50% of the Phase 2 Tax Increment generated by the Phase 2 Properties in the previous tax year.

This Bond may be prepaid in whole or in part by the Village at any time.

This Bond has been issued to finance a project within the Village's Tax Incremental District No. 7, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund." This Bond is issued pursuant to a resolution adopted ___________________, by the Village Board of the Village (the "Resolution") and the Development Agreement. All capitalized terms used in the Bond which are not defined herein shall have the meanings given them in the Development Agreement.

This Bond does not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation or provision. The Bond Payments shall be payable solely from the Phase 2 Tax Increments (as defined in the Development Agreement) received by the Village with respect to its Tax Incremental District No. 7 which are available for payment of this Bond under the terms of the Development Agreement and which are appropriated by the Village Board to the payment of this Bond (the "Revenues"). Reference is hereby made to the Development Agreement for a more complete statement of the revenues from which and conditions under which this Bond is payable, and the general covenants and provisions pursuant to which this Bond has been issued.

The Village's payment obligations hereunder are subject to annual appropriation by the Village Board of the Phase 2 Tax Increments to make payments due on this Bond. Notwithstanding the foregoing, the Village covenants and agrees as follows: (a) its staff will include payments of the Bond to be made each year in its annual budget as submitted to the Village Board for approval, and further covenants that its staff will request the necessary appropriation from the Village Board for the full amount of Phase 2 Tax Increment to be generated that year, and will exhaust all available administrative reviews and appeals in the event that that portion of the budget is not approved; (b) if the Village's proposed annual budget does not in any year provide for appropriation of Phase 2 Tax Increments sufficient to make the Bond payments in that year, the Village will use its best efforts to notify the Developer of that fact at least thirty (30) days prior to the date the budget is presented to the Village Board for final approval, (d) the Village shall take no action to dissolve or terminate TID #7 until after the Principal Amount and all accrued interest thereon have been paid in full.

This Bond is a special, limited revenue obligation and not a general obligation of the Village and is payable by the Village only from the source and subject to the qualifications stated or referenced herein. This Bond is not a general obligation of the Village, and neither the full faith and credit nor the taxing powers of the Village are pledged to the payment of the principal of this Bond and no property or other asset of the Village, except the above-referenced Revenues, is or shall be a source of payment of the Village's obligations hereunder.

This Bond is issued by the Village pursuant to and in full conformity with the Constitution and laws of the State of Wisconsin.

This Bond may be transferred or assigned in whole or in part, only with the consent of the Village on the terms and conditions set forth in the Development Agreement, provided that Developer may, upon notice to the City (1) collaterally assign its right, title, and interest in and to this Bond, in whole or in part, to any mortgage lender(s) in connection with the construction of any phase or subphase, and the Village agrees to acknowledge the foregoing collateral assignment in an agreement with the lender; and/or (2) assign this Agreement, and/or the Bond payments rights hereunder, in whole or in part, to affiliate entities for the purpose of establishing separate legal ownership for the development and financing of a phase or sub-phase. In order to transfer or assign the Bond, the transferee or assignee shall surrender the same to the Village either in exchange for a new fully registered bond or for transfer of this Bond on the registration records for the Bond maintained by the Village. Each permitted transferee or assignee shall take this Bond subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Village Board of the Village of Union Grove, Racine County, Wisconsin, has caused this Bond to be signed on behalf of said Village by its duly qualified and acting President and Village Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

VILLAGE OF UNION GROVE,
RACINE COUNTY, WISCONSIN

By:________________________________
President

(SEAL)

By:________________________________
Village Clerk

REGISTRATION PROVISIONS

This Bond shall be registered in registration records kept by the Village Clerk of the Village of Union Grove, Racine County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this Bond may thereafter be transferred only upon presentation of this Bond together with a written instrument of transfer approved by the Village and duly executed by the Registered Owner or his attorney, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of Village Clerk