

CHIPPEWA COUNTY
ECONOMIC DEVELOPMENT COMMITTEE
SPECIAL MEETING
MARCH 17, 2022
CHIPPEWA COUNTY COURTHOUSE, RM 302
4:30 PM

1. CALL TO ORDER

2. ROLL CALL

Attendee Name	Organization	Title	Status	Arrived
Lee McMenamin	Chippewa County	District 4 (Chair)	Present	
Ronald McGill	Chippewa County	District 15 (Vice-Chair)	Present	
Don Hauser	Chippewa County	District 6	Absent	
James Ericksen	Chippewa County	District 5	Present	
Annette Hunt	Chippewa County	District 13	Absent	

Others Present: Randy Scholz, Lori Zwiefelhofer, Doug Clary, Todd Pauls, and Charlie Walker. Recorder: Lisa Merrell.

3. MEMBERS OF THE PUBLIC WISHING TO BE HEARD

4. CONSENT AGENDA

RESULT:	APPROVED [UNANIMOUS]
MOVER:	James Ericksen, District 5
SECONDER:	Ronald McGill, District 15 (Vice-Chair)
AYES:	McMenamin, McGill, Ericksen
ABSENT:	Hauser, Hunt

1. Approve the Agenda
2. Schedule Next Meeting Date - May 4, 2022 at 4:30 PM

5. REPORTS

1. Chippewa County Economic Development Corporation Update - Charlie Walker
Walker stated last month the Governor authorized the Department of Health and Human Services to go out on bid for the state land on the west side of Seymour Cray Boulevard, north of the new fire station. CCEDC was asked to market it, and they have had four site selectors that have shown interest in it. They have also had three site visits at the old EOG facility.

STEAM Night at Chi High was a great success. They had over 1,500 students and parents attend. The next event will be at Cadott on April 1st and there are 70 companies that have registered to take part.

6. BUSINESS ITEMS

Economic Development Committee

Minutes
Special Meeting

Chippewa County Courthouse, Rm 302

March 17, 2022
4:30 PM

1. The Committee will convene in Closed Session pursuant to Wisconsin State Statutes Sec. 19.85(1)(e) "Deliberating or negotiating the purchase of public properties . . . or conducting other specified business, whenever competitive or bargaining reasons require a closed session" (Discuss and take possible action on purchase agreement and final plans for Project Silver Dollar regarding land located within the Lake Wissota Business Park).

Meeting convened in closed session at 4:32 PM.

Present in closed session were: Supervisors McMenamin, McGill, and Ericksen, Doug Clary, Todd Pauls, Randy Scholz, Lori Zwiefelhofer, Charlie Walker, and Lisa Merrell.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ronald McGill, District 15 (Vice-Chair)
SECONDER:	James Ericksen, District 5
AYES:	McMenamin, McGill, Ericksen
ABSENT:	Hauser, Hunt

The Committee will reconvene to open session to continue with the agenda.

Meeting reconvened to open session at 4:46 PM.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	James Ericksen, District 5
SECONDER:	Ronald McGill, District 15 (Vice-Chair)
AYES:	McMenamin, McGill, Ericksen
ABSENT:	Hauser, Hunt

2. Second Amendment to Purchase Agreement between Chippewa County and Chippewa Falls Holdings, LLC - Todd Pauls

Pauls stated the amendment involves Lots 2 and 3 of Block 6 of the Second Addition to Lake Wissota Business Park that they sold back in September of 2020 for the VES project. They discovered there was a small amount of land conveyed to Chippewa Falls Holdings, LLC that was actually right of way, so they actually conveyed to them 12.07 acres, instead of 12.48. This second amendment is to correct the purchase price for the amount of land conveyed, based on \$35,000 per acre. The purchase price will change from \$150,000 to \$145,072.12. The County will issue a refund check for \$4,927.88.

Motion (McGill/Ericksen) to approve the Second Amendment to the Purchase Agreement with Chippewa Falls Holdings, LLC, and to authorize the County Clerk and County Administrator to sign the agreement. Passed without negative vote.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ronald McGill, District 15 (Vice-Chair)
SECONDER:	James Ericksen, District 5
AYES:	McMenamin, McGill, Ericksen
ABSENT:	Hauser, Hunt

Economic Development Committee

Minutes
Special Meeting

Chippewa County Courthouse, Rm 302

March 17, 2022
4:30 PM

3. Second Amendment to Development Agreement to Undertake Development in Tax Incremental District No 14 between Chippewa County, VES Environmental Solutions, Inc., Chippewa Falls Holdings, LLC and the City of Chippewa Falls - Todd Pauls

Pauls stated because of the change in purchase price on the Chippewa Falls Holdings, LLC project, it affects a number of different provisions in the development agreement. This is reflecting the change in the purchase price.

Motion (Ericksen/McGill) to approve the Second Amendment to the Development Agreement between Chippewa Falls Holdings, LLC, VES, Chippewa County, and the City of Chippewa Falls, and to authorize the County Administrator and County Clerk to sign the document. Passed without negative vote.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	James Ericksen, District 5
SECONDER:	Ronald McGill, District 15 (Vice-Chair)
AYES:	McMenamin, McGill, Ericksen
ABSENT:	Hauser, Hunt

4. Consent to Assignment of Tax Increment Financing Grant Payments Instrument executed by VES Environmental Solutions, Inc on December 16, 2021 - Todd Pauls

Pauls stated Chippewa Falls Holdings, LLC and VES signed an agreement under which VES assigned them some of their rights to TIF grant payments under the Development Agreement. There is a clause that requires if they want to assign their rights, they have to get consent from the City of Chippewa Falls and Chippewa County. This document is them giving consent to do that.

Motion (McGill/Ericksen) to approve the Consent to Assignment Agreement and to authorize the County Clerk and County Administrator to sign the document. Passed without negative vote.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ronald McGill, District 15 (Vice-Chair)
SECONDER:	James Ericksen, District 5
AYES:	McMenamin, McGill, Ericksen
ABSENT:	Hauser, Hunt

7. AGENDA ITEMS FOR FUTURE CONSIDERATION

8. ADJOURN

Meeting adjourned at 4:57 PM.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	James Ericksen, District 5
SECONDER:	Ronald McGill, District 15 (Vice-Chair)
AYES:	McMenamin, McGill, Ericksen
ABSENT:	Hauser, Hunt

SECOND AMENDMENT TO PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AGREEMENT (this “**Second Amendment**”) is made effective as of the ____ day of _____, 2022 (the “**Effective Date**”), by and between **Chippewa County**, a Wisconsin body corporate and politic (“**Seller**”), and **Chippewa Falls Holdings, LLC**, a Wisconsin limited liability company (“**Buyer**”).

RECITALS:

A. Buyer and Seller are parties to that certain Purchase Agreement, dated as of January 8, 2020, regarding the purchase and sale of certain real property in Chippewa County, Wisconsin, known as Lots 2 & 3, Block 6, Second Addition to the Plat of Lake Wissota Business Park, as amended by that certain First Amendment to Purchase Agreement dated September 18, 2020 (as amended, the “**Agreement**”), which is incorporated herein by reference; and

B. Buyer and Seller now desire to further modify the terms of the Agreement in the manner and on the terms and conditions set forth in this Second Amendment as of the Effective Date.

AGREEMENT:

In consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, Buyer and Seller agree that the Agreement is further amended as follows:

1. **Definitions and Recitals.** All capitalized terms used in this Second Amendment shall have the same meaning as set forth in the Agreement, unless otherwise defined in this Second Amendment. The Recitals are incorporated into and made a part of this Second Amendment by this reference.

2. **Purchase Price.** In consideration of the terms and conditions set forth in that certain Second Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14, dated of even date herewith, by and between Seller, Buyer, the City of Chippewa Falls, and VES Environmental Solutions, Inc., Buyer and Seller have agreed to further amend Section 2 of the Agreement such that the Purchase Price for the Property shall be ONE HUNDRED FORTY-FIVE THOUSAND SEVENTY TWO and 12/100 DOLLARS (\$145,072.12) (the “**Second Amended Purchase Price**”). Seller shall deliver to Buyer a refund on the Amended Purchase Price (said Amended Purchase Price being \$150,000.00, which Seller acknowledges receipt of from Buyer) in the amount of Four Thousand Nine Hundred Twenty-seven and 88/100 Dollars (\$4,927.88) within fifteen (15) business days of the Effective Date, which shall be payable to Seller by check issued from the Chippewa County Treasurer.

3. **No Further Modifications; Full Force and Effect; Conflicts.** Except as expressly modified in this Second Amendment, all other terms and conditions of the Agreement and First Amendment are hereby acknowledged by Buyer and Seller and shall remain in full force and effect. The terms of this Second Amendment shall control over any other inconsistent terms of the Agreement.

4. **Authority.** Each of the parties represents and warrants that it has the full capacity, right, power and authority to execute, deliver and perform this Second Amendment, and all required actions, consents and approvals therefor have been duly taken and obtained.

5. **Entire Agreement.** This Second Amendment constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior written or oral agreements pertaining thereto.

6. **Counterparts.** This Second Amendment may be executed in one or more counterparts, all of which in the aggregate shall constitute one and the same instrument. This Second Amendment may be executed and delivered electronically with such signatures being deemed original signatures for purposes of enforcement and construction of this Second Amendment.

[The remainder of this page is intentionally left blank.]

[Signature page follows on next page]

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed and delivered this Second Amendment to Purchase Agreement as of the date first written above.

SELLER:

Chippewa County,
a Wisconsin body corporate and politic

By: Randy Scholz
Its: County Administrator

By: Jaclyn J. Sadler
Its: County Clerk

BUYER:

Chippewa Falls Holdings, LLC,
a Wisconsin limited liability company

By: Peter J. Hoeft
Its: Member

By: Robb F. Majeski
Its: Member

Attachment: Second Amendment to Purchase Agreement - VES Project - FINAL (6903 : 2nd Amendment - Chippewa Holdings PA)

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT TO UNDERTAKE DEVELOPMENT IN TAX INCREMENTAL DISTRICT NO. 14

THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT TO UNDERTAKE DEVELOPMENT IN TAX INCREMENTAL DISTRICT NO. 14 (this “*Second Amendment*”) is made effective as of the ____ day of _____, 2022 (the “*Effective Date*”), by and between the **City of Chippewa Falls, Wisconsin** (“*City*”), **Chippewa County, Wisconsin** (“*County*”), **VES Environmental Solutions, Inc.**, a Delaware corporation (“*VES*”), and **Chippewa Falls Holdings, LLC**, a Wisconsin limited liability company (“*Developer*”). City, County, VES and Developer are referred to herein collectively as the “*Parties*”, and individually as a “*Party*.”

RECITALS:

A. City, County, VES and Developer are parties to that certain Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of January 8, 2020, regarding the development of certain real property within the Lake Wissota Business Park and the City’s Tax Incremental District No. 14, as amended by that certain First Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14 dated September 18, 2020 (as amended, the “*Agreement*”), which is incorporated herein by reference; and

B. The Parties now desire to modify the terms of the Agreement in the manner and on the terms and conditions set forth in this Second Amendment as of the Effective Date.

AGREEMENT:

In consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, City, County, VES and Developer agree that the Agreement is amended as follows:

1. **Definitions and Recitals.** All capitalized terms used in this Second Amendment shall have the same meaning as set forth in the Agreement, unless otherwise defined in this Second Amendment. The Recitals are incorporated into and made a part of this Second Amendment by this reference.

2. **Decreased Acreage of Land Conveyed.** Due to the discovery by the Parties that the amount of land actually conveyed from County to Developer was 12.07 acres rather than 12.48 acres, the Parties have agreed that the second “Whereas” paragraph under Recitals shall be amended by deleting the number “12.48” and inserting the number 12.07.”

3. **Decrease in Agreed Land Value.** Due to the discovery by the Parties that the amount of land actually conveyed from County to Developer was 12.07 acres rather than 12.48 acres, the Parties have agreed that the Agreed Land Value under Section C.2.(a) shall be decreased from \$436,800.00 to \$422,450.00 (the “*Decreased Agreed Land Value*”), which is based upon multiplying 12.07 acres by \$35,000.00 per acre.

4. **Decreased Purchase Price for Property.** Due to the discovery by the Parties that the amount of land actually conveyed from County to Developer was 12.07 acres rather than 12.48 acres, the Parties have agreed that the purchase price payable by Developer to the County for the

Property shall be decreased from One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) (the “**First Amended Purchase Price**”) to One Hundred Forty-five Thousand Seventy-two and 12/100 Dollars (\$145,072.12) (the “**Second Amended Purchase Price**”). Simultaneous with the execution of this Second Amendment, County and Developer shall also execute a second amendment to the Purchase Agreement to reflect the Second Amended Purchase Price for the Property. County shall refund Developer in the amount of Four Thousand Nine Hundred Twenty-seven and 88/100 Dollars (\$4,927.88) based on the Second Amended Purchase Price. The refund is calculated at a rate of Twelve Thousand Nineteen and 23/100 Dollars (\$12,019.23) per acre for the 12.07 acres sold and conveyed to Developer and represents the difference between the First Amended Purchase Price and the Second Amended Purchase Price.

5. **Decreased Property Value Reimbursement.** Based upon the Second Amended Purchase Price, the Parties have agreed that the City shall reduce its payment to the County to reimburse the County for a portion of the value of the Property sold to Developer from One Hundred Thousand and 00/100 Dollars (\$100,000.00) to Ninety-six Thousand Seven Hundred Fourteen and 74/100 Dollars (\$96,714.74) (the “**Decreased Property Value Reimbursement**”). The Decreased Property Value Reimbursement is calculated based on a rate of \$8,012.82 per acre for the 12.07 acres sold and conveyed to Developer.

6. **County Contribution to Project.** Based upon the Second Amended Purchase Price, the Parties have agreed that the County’s net contribution to the Project shall be One Hundred Eighty Thousand Six Hundred Sixty-three and 14/100 Dollar (\$180,663.14), which represents the difference between the Decreased Agreed Land Value (\$422,450.00) and the sum of the Second Amended Purchase Price (\$145,072.12) and the Decreased Property Value Reimbursement (\$96,714.74). Section C.2.(a) of the Agreement is hereby amended accordingly.

7. **No Further Modifications; Full Force and Effect; Conflicts.** Except as expressly modified in this Second Amendment, all other terms and conditions of the Agreement are hereby acknowledged by the Parties and shall remain in full force and effect. The terms of this Second Amendment shall control over any other inconsistent terms of the Agreement and First Amendment.

8. **Authority.** Each of the Parties represents and warrants that it has the full capacity, right, power and authority to execute, deliver and perform this Second Amendment, and all required actions, consents and approvals therefor have been duly taken and obtained.

9. **Entire Agreement.** This Second Amendment constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior written or oral agreements pertaining thereto.

10. **Counterparts.** This Second Amendment may be executed in one or more counterparts, all of which in the aggregate shall constitute one and the same instrument. This Second Amendment may be executed and delivered electronically with such signatures being deemed original signatures for purposes of enforcement and construction of this Second Amendment.

[The remainder of this page is intentionally left blank.]

[Signature page follows on next page]

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed and delivered this Second Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14 as of the date first written above.

CITY:

City of Chippewa Falls

By: Greg Hoffman
Its: Mayor

By: Bridget Givens
Its: City Clerk

COUNTY:

Chippewa County, Wisconsin

By: Randy Scholz
Its: County Administrator

By: Jaclyn Sadler
Its: County Clerk

VES ENVIRONMENTAL SOLUTIONS, INC:

By: Ed Paradowski
Its: CEO

DEVELOPER:

Chippewa Falls Holdings, LLC,
a Wisconsin limited liability company

By: Peter J. Hoeft
Its: Member

By: Robb F. Majeski
Its: Member

Attachment: Second Amendment to Development Agreement - VES Project - FINAL_ (6904 : Development Agreement for TIF 14)

CONSENT TO ASSIGNMENT AGREEMENT

By execution and delivery of this Consent to Assignment Agreement, ("Consent"), **Chippewa County, Wisconsin**, a municipal corporation ("County"), with an address of 711 N. Bridge Street, Chippewa Falls, WI 54729, hereby consents to the assignment made pursuant to that certain Assignment of Tax Increment Financing Grant Payments instrument dated and executed on December 16, 2021 (Exhibit A) by **VES Environmental Solutions, Inc.**, a Delaware corporation ("VES"), with an address at 1313 Lakeland Drive, Chippewa Falls, WI 54729 ("Assignor") to **Chippewa Falls Holdings, LLC**, a Wisconsin limited liability company, with an address at 2113 Brackett Avenue, Eau Claire, WI 54701, ("Assignee"), of any TIF Grant payments and/or any right to receive such TIF Grant Payments of Assignor under that certain VES ENVIRONMENTAL SOLUTIONS, INC., Development Agreement to Undertake Development in Tax Incremental District NO. 14 dated as of January 8, 2020 (Exhibit B), as amended by the First Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of September 18, 2020 (Exhibit C) and as amended by the Second Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of _____ (Exhibit D) (collectively the "Development Agreement"). This Consent shall be effective as of the date of execution and delivery of this Consent to Assignment Agreement.

County of Chippewa, State of Wisconsin:

By: Randy Scholz
Title: County Administrator

Date: _____

By: Jaclyn J. Sadler
Title: County Clerk

Date: _____

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

**CONSENT TO ASSIGNMENT AGREEMENT
EXHIBIT A****ASSIGNMENT OF TAX INCREMENT FINANCING GRANT PAYMENTS**

Pursuant to Section G.1.(d) of that certain Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of January 8, 2020, as amended by the First Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of September 18, 2020 (collectively, the “Development Agreement”), VES Environmental Solutions, Inc., a Delaware corporation (“VES”), hereby assigns any TIF Grant (as defined in Section C.1.(a) of the Development Agreement) payments, and/or any right to receive such TIF Grant payments, made pursuant to the Development Agreement to Chippewa Falls Holdings, LLC, a Wisconsin limited liability company (“Developer”).

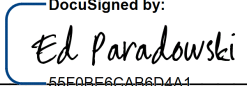
For the avoidance of doubt, this Assignment revokes the prior assignment of the TIF Grant payments made by Developer to VES on August 16, 2021, such that, from this date forward, all such TIF Grant payments provided under the Development Agreement shall be made to Developer.

A copy of this assignment shall be sent to the City of Chippewa Falls and Chippewa County.

Executed this 16th day of December, 2021.

VES:

VES Environmental Solutions, Inc.,
a Delaware corporation

DocuSigned by:

56F0BE6CAB6D4A1...
By: Ed Paradowski
Its: CEO

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

ASSIGNMENT OF TAX INCREMENT FINANCING INCENTIVE PAYMENTS

Pursuant to Section G.1.(b) of that certain Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of January 8, 2020, as amended by the First Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of September 18, 2020 (collectively the "Development Agreement"), Chippewa Falls Holdings, LLC, hereby assigns any Tax Increment Financing incentive payments made pursuant to the Development Agreement to VES Environmental Solutions, Inc., a Delaware corporation. A copy of this assignment shall be sent to the City of Chippewa Falls and Chippewa County.

Chippewa Falls Holdings, LLC



By: Robb F. Majeski
Its: Member

8.16.21
Date

CONSENT TO ASSIGNMENT AGREEMENT
 EXHIBIT B

**DEVELOPMENT AGREEMENT TO UNDERTAKE DEVELOPMENT
IN TAX INCREMENTAL DISTRICT NO. 14**

(VES – Lake Wissota Business Park)

THIS DEVELOPMENT AGREEMENT TO UNDERTAKE DEVELOPMENT IN TAX INCREMENTAL DISTRICT NO. 14 (the “**Agreement**”) is entered into as of January 8, 2020 (the “**Effective Date**”) between the City of Chippewa Falls, Wisconsin (the “**City**”), Chippewa County, Wisconsin (the “**County**”), VES Environmental Solutions, Inc, a Delaware Corporation (“**VES**”), and Chippewa Falls Holdings, LLC, a Wisconsin Limited Liability Company (the “**Developer**”). The Developer and VES are referred to collectively in this Agreement as the “**Companies**” and individually, without differentiation, each as a “**Company**.” VES, the Developer, the County and the City are referred to collectively in this Agreement as the “**Parties**” and individually, without differentiation, each as a “**Party**.”

RECITALS:

WHEREAS, the City has established Tax Incremental District No. 14 (the “**District**”), in order to finance certain project costs and incentives within the District as permitted under Wis. Stats. § 66.1105;

WHEREAS, the Developer plans to acquire title to certain real property located within the District and the Lake Wissota Business Park (the “**Business Park**”), consisting of approximately 12.48 acres as more particularly described on the attached Exhibit A (the “**Property**”), from the County;

WHEREAS, in the 2017 Tax Cuts and Jobs Act Congress established an Opportunity Zone Program to stimulate private investment in Qualified Opportunity Zone communities like Chippewa Falls, Wisconsin, in exchange for capital gain tax incentives; and

WHEREAS, the Business Park is located within a designated Qualified Opportunity Zone per Federal Internal Revenue Bulletin Notice No. 2018-48; and

WHEREAS, VES Environmental Solutions, LLC is a major and growing global supplier of air handling equipment (“**VES’ Business**”); and

WHEREAS, in furtherance of VES’ Business, and to serve the needs of its customers, VES desires to develop, or cause to be developed, a major new corporate office, warehouse and research and development center in the City of Chippewa Falls with an anticipated capital investment in real property improvements and equipment of approximately Nine Million, Five Hundred Thousand and 00/100 Dollars (\$9,500,000.00) (the “**Project Investment**”) that will retain forty-seven (47) full-time jobs and will create forty-seven (47) new full-time jobs (the “**Project Employment**” and, collectively with the Project Investment, the “**Project**”);

WHEREAS, The City and County have determined that the Project is consistent with the goals of the City and County in that the Project will, among other things:

- a. increase capital investment in the Lake Wissota Business Park;
- b. create induced and indirect job impacts which will have a positive impact on local small businesses; and
- c. help meet the overall community goal of business development, business retention and population growth;

WHEREAS, in order to realize the Project,:

- a. VES has requested that the Developer acquire the Property from the County, develop thereon (consistent with the City's zoning and the Lake Wissota Business Park Restrictive Covenants) that certain building, improvements, and related personal property consisting of approximately One Hundred Fourteen Thousand (114,000) square feet in accordance with the depiction, plans, and schedule of estimated construction costs represented on the attached Exhibit B (collectively, the "**Improvements**");
- b. VES will thereafter lease the Property and Improvements from the Developer pursuant to a triple-net lease; and
- c. VES will retain/hire and directly employ, manage and otherwise provide the labor and related ancillary services necessary to operate the Project for the benefit of VES' Business; and

WHEREAS, but for the availability of tax increment financing to fund a portion of the Project (as well as the other incentives provided by this Agreement), which shall be provided hereunder to the Developer and VES by the City and County for the benefit of VES (as the catalyzing economic actor sponsoring the Project) in accordance with the terms and conditions of this Agreement, VES would not undertake the Project, Developer would not purchase the Property and construct the Improvements thereon, and VES would not retain the Project Employment as provided for below.

NOW, THEREFORE, the Parties, for the good and valuable consideration described below and in further consideration of the timely and full performance by the Parties of their respective obligations, terms, conditions, payments and responsibilities set forth below, receipt of which is hereby acknowledged, do agree as follows:

A. DEFINITIONS. As used in this Agreement, the following terms, when having an initial capital letter, shall mean:

- 1. **Project Plan:** The public purposes, plans and objectives respectively set forth in the TID #14 Project Plan.

2. **Tax Increment:** The property tax on the increased equalized value of the Property and Improvements, including any taxable personal property located on the Property, over the Property's value as of January 1, 2019, as reasonably determined by the Wisconsin Department of Revenue Manufacturing and/or City Assessor, and which constitutes only a portion of tax increment as more specifically defined in Wis. Stats. §66.1105(2)(i).
3. **Termination Date:** December 31 of the year which is ten (10) years after the year in which Substantial Completion of the Project occurs. For example, if Substantial Completion occurs between January 1, 2020 and December 31, 2020, then the Termination Date would be December 31, 2030. In no case may the Termination Date extend beyond December 31, 2031.
4. **Substantial Completion:** The date on which the City has issued a Certificate of Occupancy for the Project, subject at all times to the force majeure provisions set forth in Section E.5. below.

B. PURPOSE OF THE AGREEMENT.

1. The foregoing Recitals are hereby incorporated into this Agreement as if fully set forth herein.
2. As of the Effective Date, the Property is owned by the County and located in the District. The City desires to facilitate the development of the Property, and VES intends to cause the construction of the Improvements on the Property in the manner described in the foregoing Recitals, and thereby receive a long-term benefit. Each of the Common Council of the City and the Economic Development Committee of the County hereby finds and determines that the Improvements will enhance and benefit the City and County, promote industrial development, retain jobs in the City and County and add to the value of this portion of the City.
3. For these purposes, the Companies desire to enter into this Agreement with the City and County in order to undertake the Project for the benefit of VES consistent with such overall and particular City plans, with the intent being that such undertaking will produce revenues to the City through increased equalized value of real and personal property, Tax Increments, and tax payments sufficient and required under this Agreement to repay certain City tax incremental financing expenditures and City and County related costs and expenses within the District.
4. By approving and entering into this Agreement, each of the City and the County finds and determines that this Agreement and the Project are in the best interests of the City and the County, respectively, and of benefit to the community.
5. A further purpose of this Agreement is to facilitate the construction of the Improvements on the Property which shall increase the value of the Property and

the tax base of the City. This purpose shall more than adequately meet and greatly facilitate the intent and goals of the City and its land use development plans for the District. VES acknowledges that the City is only able to reimburse certain costs on the Property through the Project Plan for the District pursuant to applicable Wisconsin Statutes which enable the City to receive and utilize specifically designated future real and personal property tax revenues from the Property as generated by the Improvements thereon which increase the overall equalized value of the City. Further, by law, the City must use such increased incremental tax revenues generated by such Improvements to repay its District development costs and related costs and expenses, including without limitation expenses related to required annual reporting. But for the Companies' promises and agreements herein and representations herein and otherwise, the City would not enter into this Agreement. The City relies and relied upon such representations, promises, and agreements of the Companies for all of the City's purposes in undertaking the Project.

C. OBLIGATIONS OF EACH PARTY.

1. **CITY OBLIGATIONS.** In consideration of the Developer's construction of the Improvements on the Property and performance by VES and the Developer of their respective obligations set forth in this Agreement, but only in the event VES and the Developer fulfills each and every material obligation set forth herein, the City shall provide a development incentive to the Developer as follows:
 - (a) **TIF Grant.** Through the Tax Increment allocation set forth in Section D.2., below, the City shall provide the Developer with a "pay as you go" Tax Increment Financing Grant for the benefit of the Developer and VES in an amount not to exceed Four Hundred Thousand and no/100 Dollars (\$400,000.00) ("TIF Grant") without interest, in the manner described below, and subject to decrease as set forth below in Sections D.3.; *provided, however, that*, the final Forty Thousand and no/100 Dollars (\$40,000.00) of the TIF Grant shall not be paid to the Developer unless each and every of the obligations set forth below are satisfied in all material respects by VES and the Developer within the time frames provided, subject at all times to the force majeure provisions set forth in Section E.5. below.
 - (b) **Access to Regional Storm Water Pond.** The City will review a Developer provided drainage study related to the stormwater flow and pond capacity within the regional stormwater pond in Lake Wissota Business Park at the southwest quadrant of the intersection of Lakeland Drive and Hamilton Drive. The study shall document existing stormwater flow and drainage area into pond, as well as projected stormwater flow for the area defined within Exhibit D. The City must provide concurrence with study prior to Developer making improvements in the Regional Pond. Upon submission by the Developer and subsequent review and approval

by the City of the Developer's Stormwater Management Plan, including a full set of construction plans, design calculations and maintenance plan, the City will grant the Developer access to make improvements specified in the Developer's Stormwater Management Plan and approved study to the existing City-owned regional Stormwater pond identified in Exhibit D (the "**Regional Pond**") as required under Section 3.(c). Said improvements must comply with Wisconsin Department of Natural Resources (WDNR) codes and City Ordinances, and must result in the improvement of the existing Regional Pond necessary to accommodate the stormwater anticipated to be generated from the area within Exhibit D, as well as the existing flow directed into the Regional Pond. The City will inspect and certify the Regional Pond and related Stormwater management infrastructure have been substantially completed in accordance with the Developer's Stormwater Management Plan. The City will retain ownership of the Regional Pond, and from and after substantial completion of the improvements to the Regional Pond, will be responsible, at its cost, for the maintenance, repair and replacement of such Regional Pond. The City may contract for consultant engineering inspection of the Regional Pond improvements, which is recognized by Parties as a reimbursable expense from the TID Increment to be generated from this Project.

- (i) **Regional Pond Improvement Reimbursement.** Subject to Sections C.1.(b). and C.3., the Developer will be reimbursed on or before December 31, 2021 for complete and fully documented actual costs of construction of Regional Pond improvements, in an amount not to exceed Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00). Any actual construction costs of the improvements to the Regional Pond that exceed Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) shall be the responsibility of the Developer and shall not be reimbursable under this Section C.1.(b).(i). A detailed estimate with unit rates shall be submitted to, and accepted by, the City as part of the Stormwater Management Plan by the Developer prior to performing improvements to the Regional Pond. Complete as-built plans shall be delivered to the City upon completion, as well as complete and full documentation of actual costs to construct the improvements to the Regional Pond. In the event the actual construction costs of the improvements to the Regional Pond are less than \$250,000.00, then the amount which represents the difference between \$250,000.00 and the actual construction costs shall be dedicated to additional amenities in District 14.

2. COUNTY OBLIGATIONS.

- (a) **Sale of Property.** The County and Developer shall enter into a purchase agreement and close on the sale of the Property to the Developer on or before January 31, 2020, for the purchase price of

\$1.00 (the “**Purchase Agreement**”). Notwithstanding the foregoing, the Parties acknowledge that the Property’s agreed value is Four Hundred Thirty-Six Thousand Eight Hundred and no/100 Dollars (\$436,800.00), or Thirty-Five Thousand and no/100 Dollars (\$35,000.00) per acre (the “**Agreed Land Value**”). The difference in the purchase price and the Agreed Land Value is the County’s net contribution to the Project.

- (b) **Processing of Jobs Reports.** Upon receipt of each report described in Section C.4.(c) of this Agreement, the County will advise the City and the party submitting such report within ten (10) days after receipt by the County of the County’s acceptance or rejection of the report as complying with the requirements below. If the County rejects such report, then the County will specify the reasons for such rejection, and VES or its successor shall have a reasonable opportunity to cure.
- (c) **Regional Stormwater Pond Expansion.**
 - (i) In the event the results of the the Drainage Study under Section C.3.(c) indicate that the Regional Pond needs to be geographically expanded from its current size by three (3.0) acres or less to accommodate the regional stormwater flow, the County agrees to complete a Certified Survey Map (CSM) and convey the amount of property identified in the Drainage Study to the City by quit claim deed for no additional consideration for purposes of expanding the Regional Pond.
 - (ii) In the event the results of the Drainage Study indicate that the Regional Pond needs to be geographically expanded from its current size by more than three (3.0) acres, the County may, but is not obligated to, convey to the City the amount of property identified in the Drainage Study that exceeds three (3.0) acres. In the event the County elects not to convey to the City the amount of property identified in the Drainage Study that exceeds three (3.0) acres, the City and the County shall jointly determine which, if any, lots located in the area shown on Exhibit D shall not be granted access to the Regional Pond for stormwater drainage purposes.
 - (iii) The City agrees to waive any and all fees required for the CSM submittal and Plan Commission and/or City Council approvals of the CSM. Thereafter, the City will be responsible, at its cost, for the maintenance of such Regional Pond.

3. **DEVELOPER OBLIGATIONS.**

- (a) **Acquisition of Property.** The Developer shall acquire title to the Property pursuant to the Purchase Agreement and, thereafter, construct the Improvements thereon, fully and solely at the Developer’s expense

(subject to such costs, if any, as may be paid to or reimbursed to the Developer by VES pursuant to separate agreement), and otherwise (except as described in this Agreement), at no cost or expense whatsoever to either the City or the County, and in compliance and conformity with each and every governmental approval and permit granted and/or issued by the City pertaining thereto, and all applicable City, federal, state, county and other ordinances or laws and any pertinent provisions of the Project Plan.

- (b) **Completion of Improvements.** The Developer shall complete construction of the Improvements as described in Exhibit B. The Developer will be responsible, at its cost, for having the plans and specifications approved by all local and state approving authorities, and shall thereafter construct the Improvements in accordance with those approvals. The Developer will (i) commence the visible construction of the Project no later than February 15, 2020 (it being understood that visible construction for these purposes shall be deemed to include site preparation and mass grading), and (ii) achieve Substantial Completion no later than November 1, 2020, with each event being subject to the force majeure provisions of Section E.5., below. As of the Effective Date, the Developer estimates that the value of the Property and Improvements (other than personal property) at the time of Substantial Completion will be at least Five Million and no/100 Dollars (\$5,000,000.00) (the “**Minimum Equalized Value**”). The equalized value is calculated by taking the assessed value reported by the Wisconsin Department of Revenue Manufacturing and/or City Assessor that is certified by the Wisconsin Department of Revenue times the aggregate assessment ratio. The actual assessed valuation for both the real property and personal property components of the Project will be independently determined by the Wisconsin Department of Revenue Manufacturing and/or City Assessor as required by law, but the Developer has provided the forgoing values for informational purposes only as part of the process of persuading the City to enter into this Agreement.
- (c) **Regional Storm Water Study.** The Developer will complete a drainage study and evaluation of the regional storm water pond shown in Exhibit D, including existing area served by the Regional Pond along with required capacity for regional storm water management for all parcels shown within Exhibit D (the “**Drainage Study**”). The general area is the south curblin of County Highway I to the north curb line of Lakeview Drive, and the west side of Commerce Parkway to the area currently served by the regional storm water pond of the Wissota Green development, east of State Highway 178/Seymour Cray Sr. Boulevard and north of Beach Drive. Results and deliverables to the City shall include, at a minimum, existing capacity within the existing Regional

Pond, the necessary improvements needed to accommodate future storm water management for the area shown in Exhibit D, and the design parameters for each parcel used to design the pond to meet current City of Chippewa Falls and WDNR ordinances. These design parameters shall be delivered in a comprehensive, organized summary of design parameters for each parcel discharging, or anticipated to discharge to Regional Pond. Improvements to the Regional Pond shall not occur without City concurrence on the study.

- (d) **Regional Pond Improvement.** Subject to Sections C.1.(b) and C.1.(b).(i)., the Developer shall construct at its sole expense and in conformance with the Developer's approved Stormwater Management Plan improvements to the Regional Pond as depicted within **Exhibit F ("Preliminary Regional Stormwater Pond Improvements")**, subject to modifications needed by regulatory agencies and/or Drainage Study findings, to allow for appropriate Regional Pond management for all parcels shown within Exhibit D. A detailed estimate with unit rates shall be submitted to, and accepted by, the City as part of the Stormwater Management Plan by the Developer or its designee prior to conducting improvements to the Regional Pond. Upon completion of construction and acceptance by the City, the Developer shall deliver to the City complete as-built plans and full documentation of the Developer's costs to construct the improvements to the Regional Pond.
- (e) **Local Contractors and Sub-contractors.** The Developer will make reasonable efforts to use contractors and sub-contractors located within a forty (40) mile radius of the jobsite for construction activities on the Project to the extent possible and in light of the size, scope, and timing of the Project. The Developer shall provide documentation of its efforts to the City or County if requested to do so by the City or County.
- (f) **Employee Hiring, Materials and Supplies Purchase:** Although not an Event of Default or a condition to this Agreement, the City and County requests that the Developer endeavor to satisfy its need (if any) for all additional employees from Chippewa County residents and purchase all materials, supplies and services necessary to effect the construction of the Improvements from Chippewa County merchants and businesses whenever practicable. The Developer shall provide documentation of its efforts to the City or County if requested to do so by the City or County.
- (g) **Community Involvement:** The Developer agrees to actively participate in community and charitable organizations and/or activities, the purpose of which are to improve the quality of life in Chippewa

County, Wisconsin, and to actively encourage its employees to be involved in such organizations and/or activities. The Developer shall provide documentation of its efforts to the City or County within a reasonable time upon request from the City or County.

- (h) **Taxes.** Following the County's conveyance of the Property to the Developer, the Developer shall pay, or cause to be paid pursuant to a separate lease agreement to be entered into between Developer and VES (the "**Lease**" (**Exhibit E**)), promptly on or prior to the requisite due date, all real estate taxes levied on the Property.
- (i) **Maintain Insurance.** The Developer shall insure and keep insured (or cause to be so insured pursuant to the Lease) the Property and Improvements with commercial general liability insurance with coverage limits of not less than Two Million and no/100 Dollars (\$2,000,000.00) per occurrence, and, in the case of the Improvements, special form cause of loss property coverage (including builder's risk coverage during construction of the improvements), insuring against loss or damage from such hazards or risks. The Developer will, upon request of the City or County, furnish or cause to be furnished a copy of the insurance certificates evidencing the policies maintained pursuant to this subsection; provided, however, that with respect to coverages required to be carried by VES pursuant to the Lease, VES shall have the right to self-insure (or cause an affiliate to self-insure) against all or a portion of such risk, in which case VES will provide a letter from an officer of VES certifying the required coverages.
- (j) **Permits and Approvals.** The Developer shall be responsible for obtaining all required permits and approvals by the City of Chippewa Falls, including but not limited to: Building Permit, Wellhead Protection, Erosion Control, Storm Water Management, Zoning, and Driveways as necessary.
- (k) **Public Relations.** The Developer and VES shall conduct a groundbreaking event with media and elected officials invited within thirty (30) days of closing on the sale of the Property with the County. The Developer and VES shall jointly conduct a ribbon-cutting event within thirty (30) days of Substantial Completion with media and elected officials invited to attend.

4. VES OBLIGATIONS.

- (a) **Job Retention and Creation.** The Parties acknowledge that VES shall cause the retention and creation of the Project Employment, and

consequently the retained and new employees operating the Project for the benefit of VES shall be employees of VES and shall fulfill the employment-related requirements of this Agreement. As used in this Agreement the term “required hourly wage” shall mean an average of at least \$25.00 per hour (exclusive of bonuses, benefits, and profit sharing in the calculation, but inclusive of shift differentials), and the term “full-time” shall mean that the employees scheduled work week consists of at least forty (40) hours. During the term of this Agreement, VES shall meet the following requirements with respect to the Project (the “**Job Creation Benchmark**”):

- (1) No later than each October 1, commencing October 1, 2020 and concluding as of the October 1 immediately preceding the Termination Date, VES shall retain and maintain at least forty-seven (47) new full-time jobs at or above the required hourly wage.
 - (2) No later than October 1, 2022, VES shall have created at least forty-seven (47) new full-time jobs at or above the required hourly wage (ninety-four (94) total jobs including new and retained). A minimum of ninety-four (94) full-time jobs at or above the required hourly wage shall be maintained each October 1 from October 1, 2022 through the October 1 immediately preceding the Termination Date.
- (b) **Reasonable Efforts to Hire From Special Populations.** With respect to the Project Employment, VES will make reasonable efforts to hire from special populations. Examples of special populations are veterans of all branches of military service, workers with disabilities, at-risk job applicants with limited liability, ex-offenders, recovering substance abusers (alcohol or drugs), welfare recipients and other persons having poor financial credit or who have declared bankruptcy and economically disadvantaged youth and adults who lack a work history. VES shall provide documentation of its efforts to the City or County if requested to do so by the City or County.
- (c) **Jobs Reporting.** No later than each October 31, commencing October 31, 2020, and then concluding October 31, 2030, VES shall prepare, sign, and submit job status reports, in the form and content reasonably acceptable to the County, showing whether VES is in compliance with the Job Retention Benchmarks set forth in this Section C.4.(c). during the twelve (12) - month period ending as of the immediately preceding October 1, together with an explanation of the reasons for any shortfall

in meeting the required Job Retention Benchmarks, and an explanation of its efforts to hire from the special populations described above. The County and/or its representative(s), including third parties contracted by the County, shall have the right to inspect all relevant VES records as are reasonably necessary to verify compliance with all requirements of this Agreement. Such inspections shall be preceded by at least two (2) weeks' notice in writing to VES and shall not unreasonably interfere with VES' business activities.

- (d) **Community Involvement:** VES agrees to participate in community and charitable organizations and/or activities, the purpose of which are to improve the quality of life and promote activities in Chippewa County, Wisconsin, and to encourage its employees to be involved in such organizations and/or activities.
- (e) **Public Relations.** The Developer and VES shall conduct a joint groundbreaking event with media and elected officials invited within thirty (30) days of closing on sale of the Property with the County. The Developer and VES shall conduct a joint ribbon-cutting event within thirty (30) days of Substantial Completion with media and elected officials invited to attend.
- (f) **Other Obligations:** The City and County request that VES endeavor to satisfy its need for all additional employees from Chippewa County residents and purchase all materials, supplies and services necessary to affect the construction of the Project from Chippewa County merchants and businesses. VES agrees to use good faith efforts to identify and utilize qualified price competitive suppliers/vendors from businesses located within Chippewa County, Wisconsin, including minority-owned and women-owned business enterprises. VES will use reasonable efforts to place visiting VES employees, related to VES's business, at hotel facilities located in the County whenever practical.

D. ALLOCATION OF TAX INCREMENT.

1. **Determination of Tax Increment.** The Tax Increment shall be calculated as the remainder of the amount of real and personal property taxes actually billed and collected for the tax year prior to the year of determination minus the amount of the real and personal property taxes billed and collected for 2019 (the "**Pre-Existing Tax Base**"). For the avoidance of doubt, the Parties agree that because the Property is undeveloped as of the Effective Date and has been owned by the County prior to its conveyance to the Developer pursuant to this Agreement and the Purchase Agreement, the Pre-Existing Tax Base for the Property is zero (\$0.00). The Tax Increment for each tax year commencing with 2020, through the Termination Date, shall be determined by the Wisconsin Department of Revenue Manufacturing and/or City Assessor on or before August 31 of each

following year, and a statement of the increment will be delivered to the Parties. For example, for the tax year 2020, the equalized valuation will be determined as of January 1, 2020; the taxes will be determined before December 31, 2020; the taxes will be paid in 2021; and the amount of Tax Increment which was created and the amount actually paid will be determined and reported no later than August 31, 2021. As of the Effective Date, the estimated Tax Increment to be generated by the Project is shown on the attached Exhibit C. The Parties acknowledge and agree that the information on Exhibit C is provided for planning purposes only and is not a guaranty by the City to any of the other Parties as to the actual Tax Increment that will be generated by the Project.

2. **Allocation of Tax Increment.** To the extent that the Tax Increment with respect to any tax year has in fact been received by the City, it shall be applied and paid by the City as follows:
 - (a) First, to the City, the actual amount required to reimburse the City's out-of-pocket costs in administering this Agreement and for all annual reporting expenses as required by the Wisconsin Department of Revenue (WIDOR), during the term of this Agreement up to, but not limited to, an estimated amount of Five Thousand and no/100 Dollars (\$5,000.00) per year.
 - (b) Second, to the City, the actual amount required to reimburse the City's out of pocket costs for professional consulting engineering inspection related to Section C.1.(b). This is anticipated to be approximately ten (10) percent of the construction cost of the Regional Pond Improvements.
 - (c) Third, to the Developer for reimbursement of the construction of the improvements to the Regional Pond per Sections C.1.(b), and C.3.(d). Upon presentation of the documented costs of construction for the improvements to the Regional Pond, up to Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00). To complete payment in 2021, the Parties acknowledge that the City intends to borrow the funds for the Regional Pond Improvement Reimbursement. To the extent that funds are borrowed to make this reimbursement by December 31, 2021, the City will receive Increment payments to reimburse any funds advanced, plus commercially reasonable interest (provided the applicable interest rate shall not exceed the borrowing rate achieved by the City in the context of its standard bonding transactions conducted in the normal course).
 - (d) Fourth, to the Developer for the benefit of the Developer and VES in an amount not to exceed Four Hundred Thousand and no/100 Dollars (\$400,000.00) without interest, Eighty percent (80%) of the remaining increment for each such year, up to the maximum amount of the TIF Grant

to the Developer each year subject to Section C.1.(a). If the Termination Date occurs prior to the receipt of the entire TIF Grant, then no further amount will be paid to the Company.

- (e) Subject to Section C.1.(b)(i), and after all payments above have been made, all Tax Increment will be available to the City for use in connection with any other purpose of Tax Increment District No. 14.

3. **No Guaranty of TIF Grant or Regional Pond Improvement Reimbursement.** The TIF Grant and Regional Pond Improvement Reimbursement are to be paid solely from the allocations described above. The City does not guaranty that the maximum amount thereof will be paid prior to the Termination Date if there is insufficient Tax Increment created by the Project, the real property taxes or personal property taxes are not paid by the Developer (or other party liable therefor) or VES (or other party liable therefor), and as specified pursuant to the Lease.
4. **Payment of Allocated Amounts of Tax Increment.** The payments by the City from Tax Increment described above will be made no later than November 30th of each year. For clarity, with respect to the tax year 2030, the payments to the Developer may be made in 2031, notwithstanding the occurrence of the Termination Date because they relate to the tax year ending on the Termination Date.
5. **Other Properties.** The City may enter into other development agreements with respect to other properties in Tax Increment District No. 14, but the Tax Increment that this Agreement provides shall not be applied to payments under any such other development agreements (or any related bonds) for any other properties in Tax Increment District No. 14 prior to the final payment date of the amounts under this Section D.2.(a)., D.2.(b)., D.2.(c) and D.2. (d).

E. DEFAULT AND REMEDIES.

1. **A Company's Events of Default.** Any one or more of the following may constitute an "Event of Default" under this Agreement:
 - (a) **Failure to Construct.** Failure of Developer to construct the Project, as required by this Agreement and to secure a Certification of Completion or the City's final acceptance (for the Public Infrastructure Improvements) on or before the Construction Deadline, is an Event of Default, subject at all times to the force majeure provisions set forth in Section E.5. below;
 - (b) **Noncompliance with Covenants.** Failure of a Company to observe or perform any covenant applicable to that Company set forth in this Agreement;

- (c) **False Statements.** Any warranty, representation, or statement made or furnished to the County or the City by or on behalf of Developer, or VES, or under this Agreement or under any of the Related Documents that is false or misleading in any material respect, at the time made or furnished, is an Event of Default;
 - (d) **Judgment.** Any judgment or judgments, writ or writs, or warrant or warrants of attachment, or any similar process or processes is entered or filed against any Company or the Property and remains un-vacated, un-bonded, or un-stayed for a period of thirty (30) days after a final, non-appealable order is issued and which materially and adversely affects the Company's ability to perform its respective obligations under this Agreement;
 - (e) **Bankruptcy or Similar Proceedings Initiated.** Either the Developer or VES shall: (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended; (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due; (iii) make an assignment for the benefit of creditors; (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property; (v) commence any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it; or (vi) fail to contest in good faith any appointments or proceeding described below; or
 - (f) **Failure to Submit Required Reports.** VES fails to submit complete reports by the required due dates as set forth in Section C.4.(c). showing that one hundred percent (100%) of the required full-time jobs have been maintained for any single Job Creation Benchmark.
2. **Remedies.** If an Event of Default has occurred other than with respect to Section E.1.(f), above, and is not cured within thirty (30) days after written notice to the other Parties, the City may:
- (a) Suspend or reduce pending and future TIF Grant disbursements to the Developer; or
 - (b) Seek such other relief at law or in equity to which it may be entitled, including without limitation Termination of this Agreement.

3. **Clawback For Default Under Section E.1. (f).** If an Event of Default has occurred because VES has failed to meet the Job Creation Milestones as required by Section E.1.(f), above, and as certified to the City by the County each year as described above, then the City may:
 - (a) Suspend all TIF Grant payments to the Developer until VES is again in compliance; or
 - (b) Reduce of the amount of the remaining TIF Grant annually by an amount equal to Eight Hundred Fifty and no/100 Dollars (\$850.00) for each full-time job by which the number of jobs have not been created and VES is short of the required Job Creation Benchmark, as certified to the City by the County based on the annual reports submitted by VES; or
 - (c) Seek such other relief at law or in equity to which it may be entitled.
4. **Fee Shifting to Prevailing Party.** Whenever any alleged Event of Default occurs and any Party shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of a Party herein contained, the unsuccessful Party agrees that it shall pay to the successful Party or Parties, on demand, the reasonable attorney's fees, including any time spent by the City Attorney or the County Corporation Counsel, and other expenses so incurred by the successful Party or Parties.
5. **Force Majeure.** The obligations of the Developer and VES to improve the Property, achieve the Job Creation Milestones set forth in Section C.4, or otherwise perform under this Agreement, are each subject to delay for causes beyond the reasonable control of such Party, including but not limited to, war, acts of God, and labor strikes, provided that the Party claiming such a delay must give notice of such event to the other Parties, the delay in performance is extended for no longer than the period of the event causing such delay, and the total delay does not exceed 90 days.
6. **Acknowledgement of Effect of Defaults.** Developer acknowledges that its ability to receive reimbursement and the TIF Grant as described above may be affected by an Event of Default by a different Company over which it has no control, but excluding default by the City or the County.

F. COVENANTS, REPRESENTATIONS AND WARRANTIES.

1. **General Covenants, Representations and Warranties.** Each Company hereby covenants, represents, and warrants as follows solely with respect to such Company:
 - (a) **Litigation.** There is no pending or, to the knowledge of the Company, threatened action or proceeding before any court or administrative agency which will materially and adversely affect its financial condition, business or operation with respect to the Project or its abilities to perform its obligations under this Agreement.
 - (b) **Execution, No Violation.** The execution, delivery and performance of this Agreement do not and will not result in any breach of, or constitute a default under, any indenture, mortgage, contract agreement or instrument to which the Company is a party.
 - (c) **Authorization.** The execution, delivery, and performance of this Agreement by the Company has been duly authorized and does not conflict with, result in a violation of, or constitute a default under any provisions of its articles of incorporation or organization, or any agreement or other instrument binding upon it, or any law, governmental regulation, court decree, or order applicable to the Company or to the Property.
 - (d) **Access.** Each Company, solely on behalf of itself, shall, to the extent that the Property is under its actual control (or that of its agents or representatives) at the relevant time, permit the agents or representatives of the City and County to have reasonable access to the Property upon notice and at all reasonable times during and following construction when the City or County deems access necessary to ensure compliance with the terms and conditions of this Agreement.
 - (e) **Lower Assessment.** Neither VES, the Developer, nor any successor in interest to the Property during the Term of this Agreement, shall seek a tax assessment against the Property for any Valuation Year occurring prior to the Termination Date that is lower than the lower of: (i) the Minimum Assessed Value, or (ii) the then-current tax-assessed value of the Property independently determined by the Wisconsin Department of Revenue Manufacturing and/or City Assessor as required by law (the “**Actual Assessed Value**”), as applicable. Provided that the Developer (or VES, pursuant to the terms of the Lease) shall not seek to reduce the actual assessed value of the Property below the Minimum Assessed Value or Actual Assessed Value, as applicable, nothing herein shall be deemed to waive the Developer’s or VES’ right to otherwise contest any portion of the actual assessed value as determined by the Assessor that may exceed

the Minimum Assessed Value, and the Developer and VES shall therefore retain the statutory right to contest property tax valuation with respect to the Property pursuant to Chapter 70 of the Wisconsin Statutes, or its succeeding replacement statutes, to the extent such valuation exceeds the Minimum Assessed Value.

2. **Developer Covenants, Representations and Warranties.** Developer hereby covenants, represents and warrants as follows:

- (a) **Tax Exemption.** So long as this Agreement is in effect, the Developer shall not transfer the Property to any entity which qualifies for real property tax exempt status under Wis. Stat. §70.11. Further, the Developer shall not permit any of the Property to be used in any manner which would render the Property exempt from property taxation. Notwithstanding the foregoing, unless otherwise restricted by Section G.1 of this Agreement, the Developer may transfer the Property to any third party that does not qualify for such real property exemption without the consent or approval of the other Parties.
- (b) **Taxes.** The Developer will pay (or cause VES to pay pursuant to the Lease) when due all federal, state, and local taxes in connection with the Project.
- (c) **Maintenance and Repair.** At all times after Substantial Completion of the Project, the Developer will keep and maintain the Property and the Improvements in good condition and repair, or cause VES to keep and maintain the same pursuant to the Lease.
- (d) **Damage to City Facilities.** In connection with the construction of the Improvements, the Developer will be responsible for any damage caused to any City facilities or improvements including roads, storm water systems, sewer and water facilities whether done by the Developer, their contractors, agents or employees, and for any repair or clean-up costs or expenses incurred by the City in taking remedial action reasonably related thereto; provided however that the City shall give the Developer reasonable notice of any such damage and a reasonable opportunity to cure.

G. GENERAL PROVISIONS.

1. **Binding Effect; Assignment.**

- (a) The obligations of the Companies under this Agreement shall be binding on their respective successors, successors in interest to title in the Property, and permitted assigns.

- (b) Each Company may assign its benefits under this Agreement at any time to VES, or any successor owner of the Property without the approval of the City or County; provided that (i) the Company making such assignment promptly provides written notice thereof to the City and County, and (ii) the Developer will not be relieved of its obligations under this Agreement prior to the Substantial Completion of the Improvements without the express prior written consent of the City and the County, which consent shall not be unreasonably withheld.
 - (c) Any other assignment of this Agreement by any Company shall require the express prior written consent of the City and the County, which shall not be unreasonably withheld, conditioned, or delayed.
 - (d) Notwithstanding the foregoing, the Developer may assign the right to receive the TIF Grant under this Agreement to a third party, provided that (i) neither the City nor the County is bound by such assignment unless the Developer and the assignee give notice thereof to the City and the County, (ii) the right to receive the TIF Grant will remain subject to the terms, conditions and provisions of this Agreement (such assignment conveys to the assignee no greater right than the Developer or VES has hereunder), and (iii) if a notice of an assignment with respect to a payment of the TIF Grant is received after October 15 of the year of payment the City may make payment to the assignor.
 - (e) Except as may otherwise be provided herein, this Agreement, and all obligations of the Parties hereunder, shall terminate automatically on the Termination Date.
2. **Broker's and Consultant's Commissions.** The Parties represent to each other that each has dealt with no brokers, finders, or the like in connection with this transaction, and will indemnify and hold each other harmless from all claims, damages, costs or expenses of or for any other such brokerage fees or commissions resulting from their respective actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other Party, including reasonable attorney's fees.
 3. **Amendment/Modification.** This Agreement may be amended or modified only by a written amendment approved and executed by the Parties or their respective successors and assigns.
 4. **Severability.** If any part, term, or provision of this Agreement is held by the courts to be illegal or otherwise unenforceable, such illegality or unenforceability shall not affect the validity of any other part, term, or provision and the rights of the Parties will be construed as if the invalid part, term, or provision was never part of the Agreement.

5. **Entire Agreement/Exhibits Incorporated.** This written Agreement and all Exhibits attached hereto shall constitute the entire Agreement between the Parties as of the Effective Date.
6. **Notice.** Except as otherwise specified herein, all notices hereunder shall be in writing and shall be given to the relevant Party at its address or e-mail address set forth below, or such other address or e-mail address as such Party may hereafter specify by notice to the other Parties provided by United States mail or email. Notices hereunder shall be addressed:

To the City: City of Chippewa Falls
30 West Central Street
Chippewa Falls, WI 54729
Email: bhentschel@chippewafalls-wi.gov

To the County: Office of the County Administrator
711 North Bridge Street, Room 106
Chippewa Falls, WI 54729
Email: rscholz@co.chippewa.wi.us

To the Developer: Chippewa Falls Holdings, LLC
1450 Rivers Edge Drive, Suite A
Altoona, WI 54720
robb@cottagewoodgroup.com

To VES: John McBride
VES
8996 Commerce Pkwy
Chippewa Falls, WI 54729
johnm@vesenviro.com

Each such notice, request or other communication shall be effective (i) if given by e-mail, when such e-mail is transmitted to the email address specified in this Section and a confirmation of such e-mail has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when personally delivered at the addresses specified in this Section.

7. **Recordation.** The City may record a copy of this Agreement, or a memorandum thereof, in the office of the Chippewa County Register of Deeds.
8. **Personal Jurisdiction and Venue.** Personal jurisdiction and venue for any civil action commenced by any Party arising out of this Agreement shall be deemed to

be proper only if such action is commenced in Circuit Court for Chippewa County unless it is determined that such Court lacks jurisdiction. The Parties hereby consents to personal jurisdiction in Chippewa County. The Parties also expressly waive the right to bring such action in, or to remove such action to, any other court whether state or federal, unless it is determined that the Circuit Court for Chippewa County lack jurisdiction.

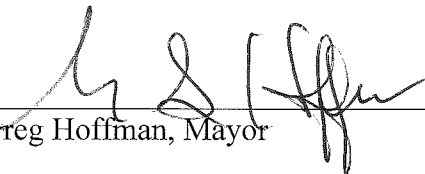
9. **Construction of Agreement.** Each Party participated fully in the drafting of each and every part of this Agreement. This Agreement shall not be construed strictly in favor of or against any Party. It shall be construed simply and fairly to each Party.
10. **Applicable Law.** This Agreement shall be construed under the laws of the state of Wisconsin.
11. **Compliance with Laws.** The Parties shall comply with all federal, state and local laws with respect to the Project, including but not limited to laws governing building and construction, the environment, nondiscrimination, and employment and contracting practices, to the extent they are applicable.
12. **No Partnership.** Neither the City nor the County, in any way or for any purpose, becomes a partner, employer, principal, agent or joint venturer of or with any of the Companies by virtue of this Agreement. In addition, neither of the Companies, in any way or for any purpose, becomes a partner, employer, principal, agent or joint venture of or with the other Company by virtue of this Agreement.
13. **No Waiver.** No waiver of any provision of this Agreement shall be deemed or constitute a waiver of any other provision, nor shall it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both the Parties, nor shall the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults. No Party's failure to exercise any right under this Agreement shall not constitute the approval of any wrongful act by the other Parties.
14. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

(Remainder of Page Left Blank Intentionally, Signature Pages Follow)

SIGNATURE PAGE FOR DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date stated in the first paragraph of this Agreement.

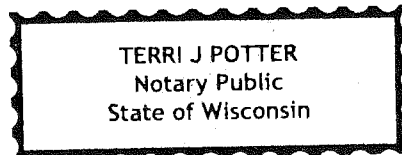
CITY OF CHIPPEWA FALLS

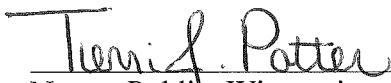
By: 
 Greg Hoffman, Mayor

By: 
 Bridget Given, City Clerk
 (SEAL)

STATE OF WISCONSIN)
)ss
 CHIPPEWA COUNTY)

Personally came before me this 7 day of January, the above named Greg Hoffman, Mayor, and Bridget Givens, City Clerk to me known to be the persons who executed the foregoing instrument and acknowledged the same.




 Notary Public, Wisconsin
 My Commission expires
6/12/2023

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

COUNTY OF CHIPPEWA

By: Randy Scholz
Randy Scholz, County Administrator

By: Jaclyn Sadler
Jaclyn Sadler, County Clerk
(SEAL)

STATE OF WISCONSIN)
)ss
CHIPPEWA COUNTY)

Personally came before me this 8th day of JANUARY, 2020, the above named Randy Scholz, County Administrator, and Jaclyn Sadler, County Clerk, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

[Signature]
Notary Public, Wisconsin

My Commission expires IS PERMANENT

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

VES:

By: [Signature]Title: CEO

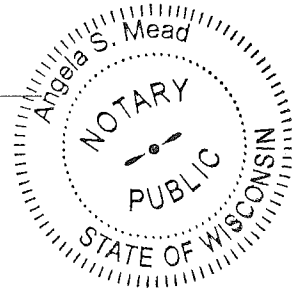
STATE OF WISCONSIN)

Chippewa)ss
COUNTY)

Personally came before me this 6th day of January 2020, the above named John McBride to me known to be the person who executed the foregoing instrument and acknowledges the same.

Angela S Mead
Notary Public, Wisconsin

My Commission expires
July 31, 2023



Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

Developer:By: *[Signature]*Title: *Owner*

STATE OF WISCONSIN)
Chippewa)ss
 COUNTY)

Personally came before me this 6th day of January 2020, the above named Robb Majeski to me known to be the person who executed the foregoing instrument and acknowledges the same.

Angela S. Mad
 Notary Public, Wisconsin

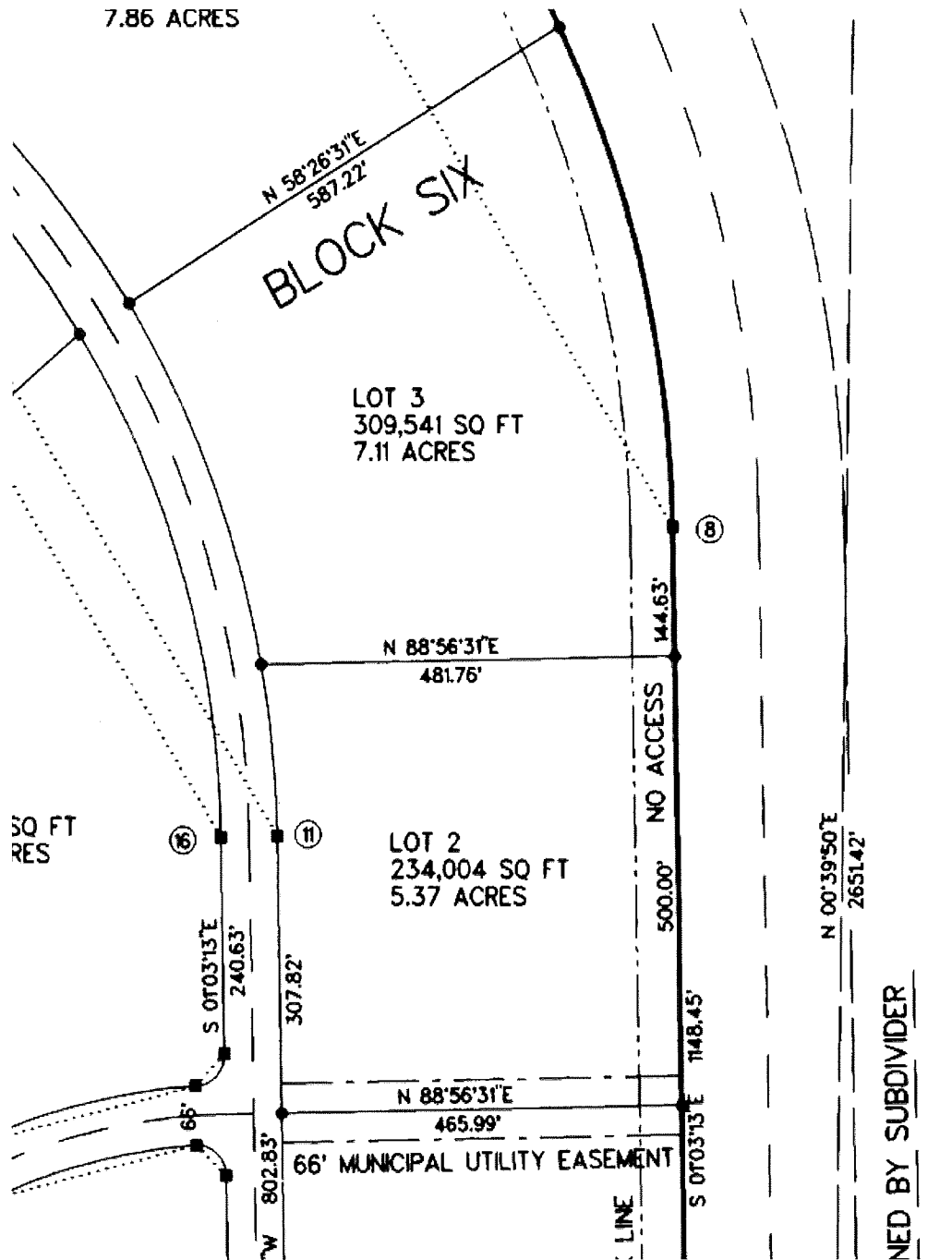
My Commission expires
July 31, 2023



Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

Exhibit A

*Legal Description of the Property in TIF District No. 14
 Lots 2 and 3, Block Six, Second Addition to Lake Wissota Business Park*



Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

Exhibit B*Proposed Improvements and Schedule of
Estimated Construction Costs*

<u>Project Elements</u>	
Estimated Construction Cost	\$9,500,000
Footprint	114,000 sf

PROJECT ADDRESS
CHIPPEWA FALLS, WI 54729

CBS SQUARED, INC. PROJECT NO. VESES 19002

OWNER

VES
8296 COMMERCE PKWY
CHIPPEWA FALLS, WI 54729
(715) 933-0689
CONTACT: JOHN MCBRIDE (john@vesenviro.com)

ARCHITECTURAL

CBS SQUARED, INC.
770 TECHNOLOGY WAY
CHIPPEWA FALLS, WI 54729
(715) 861-5226
CONTACTS: CHAD OSTER, ASSOC. AIA, SENIOR PROJECT MANAGER (coster@cbssquaredinc.com)
DAVID PAUNKNER, SENIOR ARCHITECT (dpaunkner@cbssquaredinc.com)
JASON PRZYBYLSKI, PROJECT LEADER (jprzybylski@cbssquaredinc.com)
CINDY SOLBERG, SENIOR TECHNICIAN (csolberg@cbssquaredinc.com)
KIM GRABINSKI, ARCHITECT (kgrabinski@cbssquaredinc.com)
JAY ENDVICK, TECHNICIAN (jendvick@cbssquaredinc.com)

CIVIL

CBS SQUARED, INC.
770 TECHNOLOGY WAY
CHIPPEWA FALLS, WI 54729
(715) 861-5226
CONTACTS: SHERYL CLAFLIN, P.E. (sclaflin@cbssquaredinc.com)
BEN NESJA, SENIOR TECHNICIAN (bnesja@cbssquaredinc.com)
RYAN HUNT, SENIOR TECHNICIAN (rhunt@cbssquaredinc.com)

STRUCTURAL

CBS SQUARED, INC.
770 TECHNOLOGY WAY
CHIPPEWA FALLS, WI 54729
(715) 861-5226
CONTACTS: MATT GUNDRY, P.E. (mgundry@cbssquaredinc.com)
JAY ENDVICK, TECHNICIAN (jendvick@cbssquaredinc.com)

HVAC/PLUMBING/ELECTRICAL

APEX ENGINEERING
 110 EAST GRAND AVENUE
 EAU CLAIRE, WI 54701
 (715) 835-7736
 CONTACT: JUSTIN MUSSER, SUPERVISING HVAC DESIGN PROFESSIONAL (justinm@apexengineering.biz)
 CARL KLINKENBERG, P.E. (carlk@apexengineering.biz)
 HEATH MATHEWS, DESIGNER (heathm@apexengineering.biz)

TITLE

T-100 – TITLE SHEET
T-110 – FIRST FLOOR CODE ANALYSIS
T-111 - SECOND FLOOR CODE ANALYSIS

ARCHITECTURAL

- A-100 – OVERALL FIRST FLOOR PLAN
- A-101A – FIRST FLOOR PLAN - AREA A
- A-101B – FIRST FLOOR PLAN - AREA B
- A-101C – FIRST FLOOR PLAN - AREA C
- A-102 – OVERALL SECOND FLOOR PLAN
- A-102A – SECOND FLOOR PLAN - AREA A
- A-102C – SECOND FLOOR PLAN - AREA C
- A-111A – FIRST FLOOR REFLECTED CEILING PLAN - AREA A
- A-111C – FIRST FLOOR REFLECTED CEILING PLAN - AREA C
- A-112A – SECOND FLOOR REFLECTED CEILING PLAN - AREA A
- A-112B – SECOND FLOOR REFLECTED CEILING PLAN - AREA B
- A-112C – SECOND FLOOR REFLECTED CEILING PLAN - AREA C
- A-120 – ROOF PLAN
- A-200 – EXTERIOR ELEVATIONS
- A-201 – EXTERIOR ELEVATIONS
- A-300 – OVERALL BUILDING SECTIONS
- A-301 – ENLARGED BUILDING SECTIONS
- A-410 – ENLARGED STAIR PLANS, SECTIONS AND DETAILS
- A-700 – DOOR AND FRAME SCHEDULES
- A-710 – HORIZONTAL METAL DOOR FRAME, WINDOW AND OVERHEAD DOOR DETAILS
- A-800 – ROOM FINISH SCHEDULE
- EQ-110 – CASEWORK ELEVATIONS

CIVIL

C-201 - OVERALL GRADING PLAN

STRUCTURAL

HVAC

30% SEE NARRATIVE

PLUMBING

30% SEE NARRATIVE

ELECTRICAL

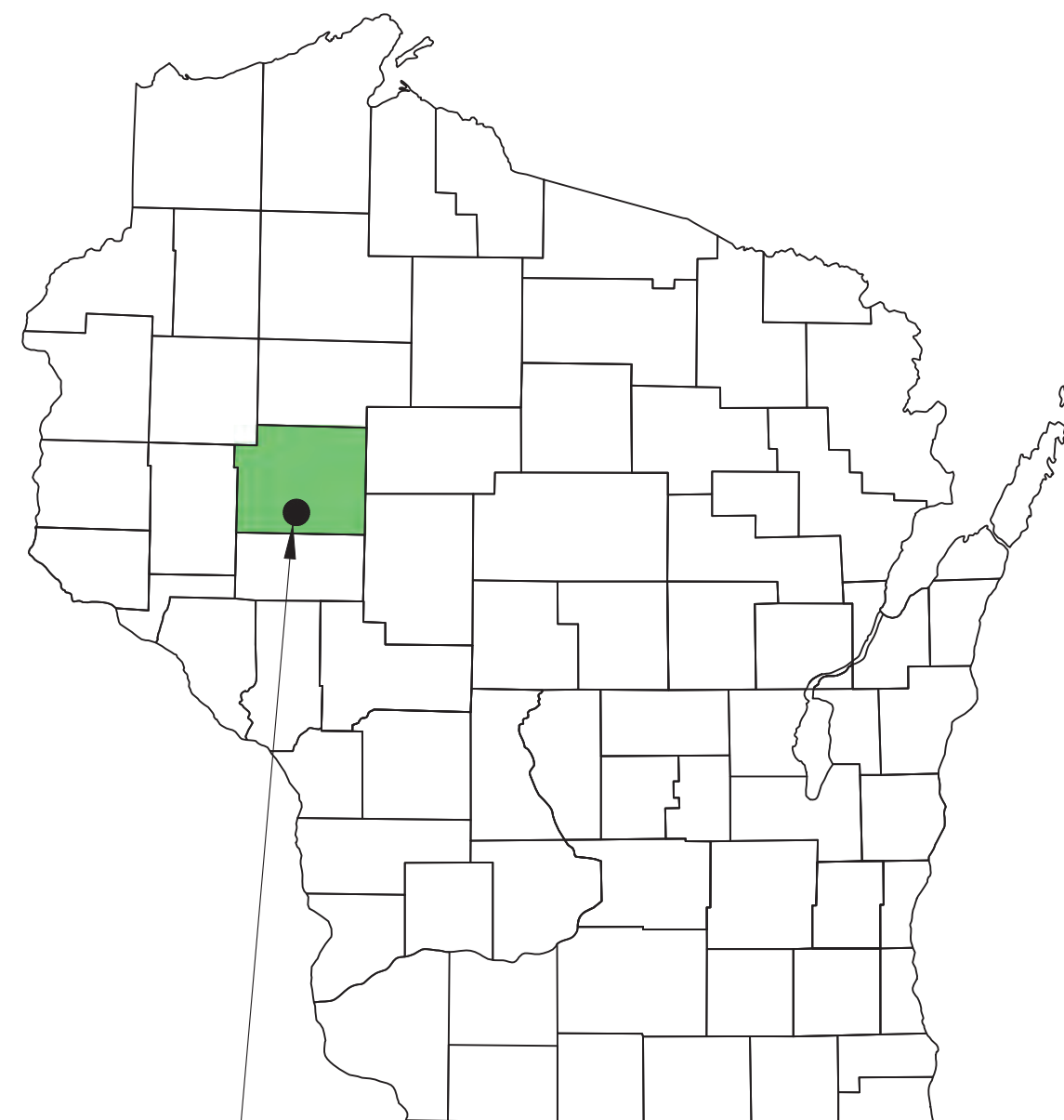
30% SEE NARRATIVE



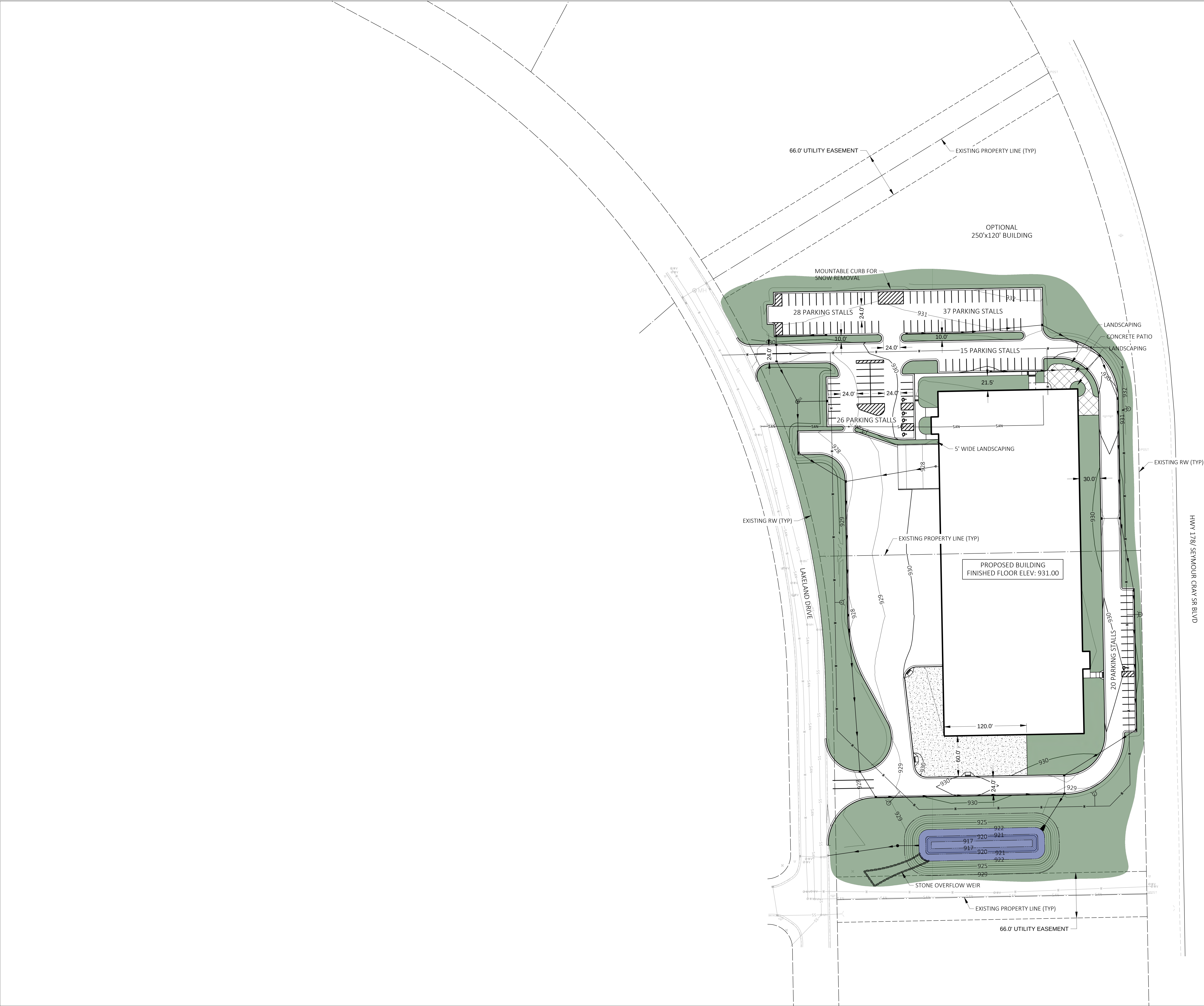
1. ALL CONSTRUCTION MUST MEET ALL STATE AND LOCAL CODES.
2. ALL CONTRACTORS SHALL BE RESPONSIBLE FOR VERIFYING CONDITIONS AND LOCATIONS OF ANY EXISTING UTILITIES. CONTRACT DIGGERS HOTLINE FOR UTILITY LOCATES PRIOR TO COMMENCING CONSTRUCTION. NOTIFY THE ARCHITECT OF ANY DISCREPANCIES.
3. DEBRIS, TRASH AND REFUSE SHALL BE TRANSPORTED BY TRUCKS OR OTHER SUITABLE VEHICLES. DISPOSE OF MATERIAL IN A LAWFUL MANNER AT APPROPRIATE SITES. BURNING OF MATERIALS OR DEBRIS ON SITE WILL NOT BE ALLOWED.
4. ALL CONTRACTORS SHALL FAMILIARIZE THEMSELVES WITH THE CONSTRUCTION DOCUMENTS AND NOTIFY THE ARCHITECT OF ANY DISCREPANCIES.
5. THE CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS, CONDITIONS, AND EXTENT OF THE WORK TO BE ACCOMPLISHED UNDER THIS CONTRACT.
6. ALL CONTRACTORS SHALL EXAMINE ALL DRAWINGS & SPECIFICATIONS FOR ANY WORK MARKED FOR EACH RESPECTIVE TRADE (BY G.C., E.C., M.C., ETC.) AND INCLUDE SUCH WORK IN HIS BID.
7. ALL DIMENSIONS INDICATED ON THE DRAWINGS SHALL BE ADHERED TO IN PREFFERENCE TO SCALING DRAWINGS.
8. ALL TYPICAL NOTES APPLY TO ALL SHEETS AND WHERE SAME CONDITION IS NOT SHOWN OR APPLIES.
9. THE GENERAL CONTRACTOR SHALL PERFORM ALL CUTTING FOR ALL TRADES UNDER THIS CONTRACT.
10. THE GENERAL CONTRACTOR SHALL PATCH AND MATCH ALL SURFACES (NEW AND EXISTING) AFFECTED BY THE WORK TO BE DONE UNDER THIS CONTRACT. NOTICES NOTED OTHERWISE.
11. ALL PARTITIONS SHALL EXTEND TIGHT (AIR AND SOUND). TO THE STRUCTURE ABOVE. ALL FIRE RATED WALLS SHALL EXTEND TO THE STRUCTURE ABOVE. PROVIDE FIRE SEALANT AT JUNCTURE OF WALL AND STRUCTURE. MEETING FIRE RATING OF ASSEMBLY. TYPICAL REFER TO PLANS FOR LOCATIONS OF FIRE RATED WALLS.
12. NO FIELD REVISIONS TO ANY STRUCTURAL COMPONENTS SHALL BE MADE WITHOUT PRIOR APPROVAL OF ARCHITECT. THIS INCLUDES BUT IS NOT LIMITED TO REVISIONS DUE TO MISCOMULATION, MISFIT, OR ANY OTHER CONSTRUCTION ERRORS.
13. NO OPENING SHALL BE PLACED IN ANY STRUCTURAL MEMBER (OTHER THAN AS INDICATED ON APPROVED SHOP DRAWINGS) UNTIL THE LOCATION HAS BEEN APPROVED BY THE ARCHITECT.
14. ALL COLORS TO BE SELECTED BY THE OWNER FROM THE MANUFACTURERS FULL RANGE OF COLOR SELECTIONS.
15. ERECT CONSTRUCTION FENCING TO PREVENT PUBLIC ACCESS AND ENSURE PUBLIC SAFETY. COORDINATE LOCATIONS WITH OWNER.
16. MECHANICAL AND ELECTRICAL PLANS ARE DIAGRAMMATIC ONLY. CROSS-REFERENCE NON-RATED DRAWINGS WITH STRUCTURAL, MECHANICAL, AND ELECTRICAL REVISIONS TO ACHIEVE COORDINATION OF LOCATIONS, SIZE, AND MATERIALS.
17. VERIFY LOCATION, SIZE AND WALL THICKNESS REQUIRED TO RECESS MECHANICAL AND ELECTRICAL ITEMS AND MAINTAIN FIRE RATING RATES OF THE WALL. AT THESE BUILDINGS: TIGHT HEATERS, CONVECTORS, ELECTRICAL, FIRE EXTINGUISHER CABINETS, DUCTS, PIPING, AND ALL OTHER SUCH RECESSES.
18. DO NOT SCALE DRAWINGS FOR DIMENSIONS.
19. SCHEDULES & TABLES NOT LOCATED IN DRAWING MAY BE LOCATED IN PROJECT MANUAL.
20. ALL WOOD FRAMING AND BLOCKING CONCEALED IN CEILINGS AND PARTITIONS SHALL BE FIRE RETARDANT TREATED (UNO). WOOD USED AT ROOF AREAS AND EDGES SHALL BE CONSTRUCTION GRADE OR BETTER (UNO). PROVIDE BLOCKING IN GYPSUM BOARD PARTITIONS AS REQUIRED. TO SUPPORT WALL MOUNTED ITEMS SHOWN ON THE PLANS OR FUTURE ITEMS TO BE MOUNTED ON THE WALL.
21. MOUNTING HEIGHTS DRAWING CONTAINS STANDARD SYMBOLS. NOT ALL ITEMS APPEAR IN THESE DRAWINGS.
22. CONTRACTOR SHALL PROVIDE FIRE TREATED WOOD BLOCKING IN DRYWALL PARTITIONS FOR MOUNTING WALL ATTACHED ITEMS INCLUDING BUT NOT LIMITED TO: GRABBARS, CABINETS & SHELVING, TOILET PARTITIONS, ACCESSORIES- DORMER BUMPERS.
23. STANDARD MOUNTING HEIGHTS APPLY TO DRAWINGS UNLESS INDICATED OTHERWISE.
24. ALL FILL VOIDS AND GAPS SOLID AT PIPE, DUCT, CONDUIT ETC. PENETRATIONS IN NON-RATED WALLS PARTITIONS WITH MORTAR AT MASONRY PARTITIONS AND "CURBAND" COMPOUND AT GYPSUM BOARD PARTITIONS TO PREVENT THE PASSAGE OF SOUND AND SMOKE.
25. ALL FILL VOIDS AND GAPS SOLID AT PIPE, DUCT, CONDUIT ETC. PENETRATIONS IN FIRE RATED WALLS PARTITIONS WITH FIRE SAFING. FIRE STOP SEALANT, FIRE STOP FOM OR INTENSUMENT W/STRIP AS REQUIRED FOR UL1 RATINGS CLASSIFICATION. THE UL1 RATING CLASSIFICATION SHALL MEET OR EXCEED THE RATING OF THE ASSEMBLY. THE PENETRATION IS LOCATED WITHIN.
26. ALL FILL VOIDS AND GAPS SOLID AT PIPE, DUCT, CONDUIT ETC. PENETRATIONS IN FLOORS WITH FIRE SAFING, FIRE STOP SEALANT, FIRE STOP FOM OR INTENSUMENT W/STRIP AS REQUIRED FOR UL1 RATINGS CLASSIFICATION. THE UL1 RATING CLASSIFICATION SHALL MEET OR EXCEED THE RATING OF THE ASSEMBLY. THE PENETRATION IS LOCATED WITHIN.

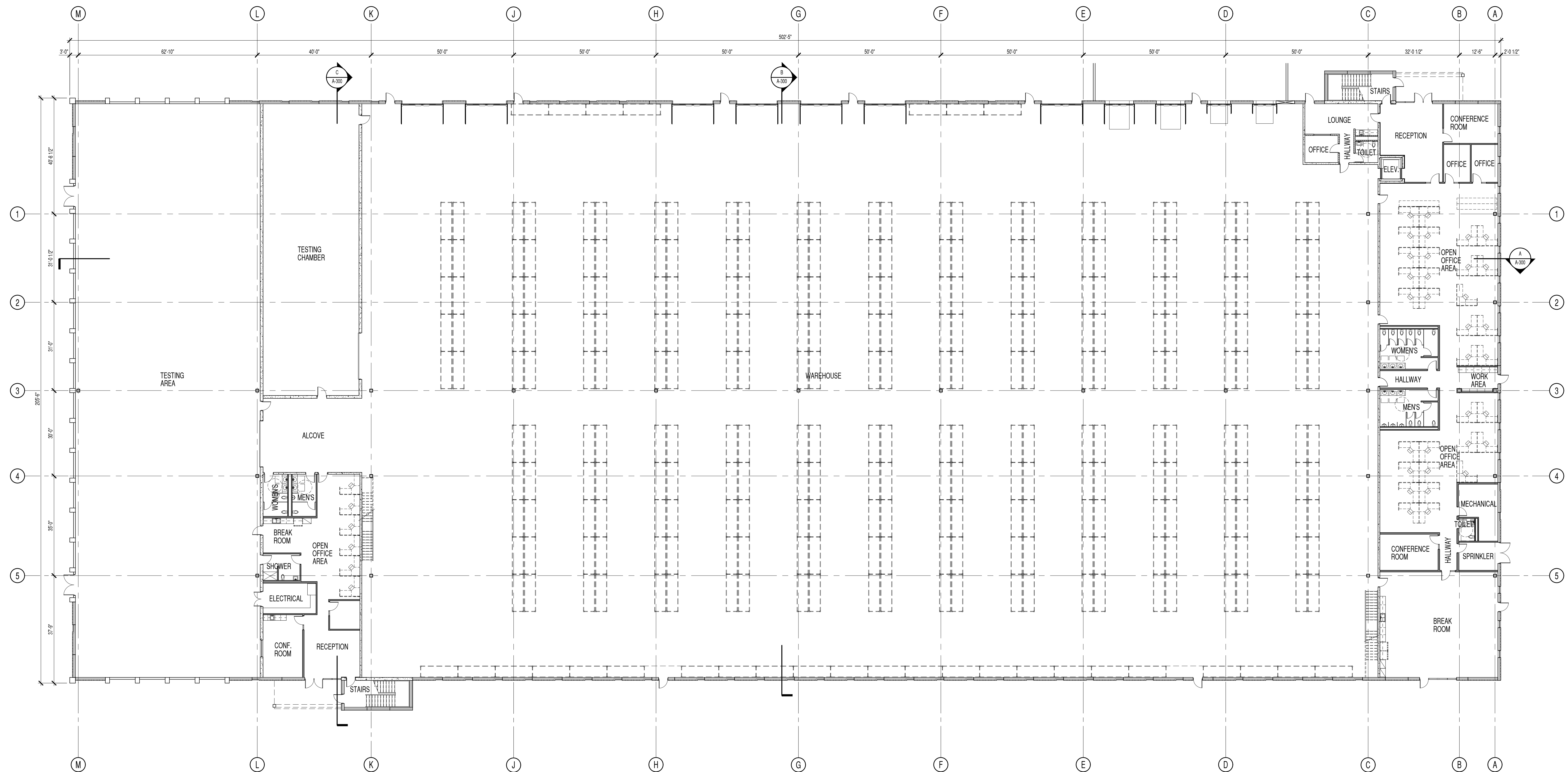
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PROJECT LOCATION



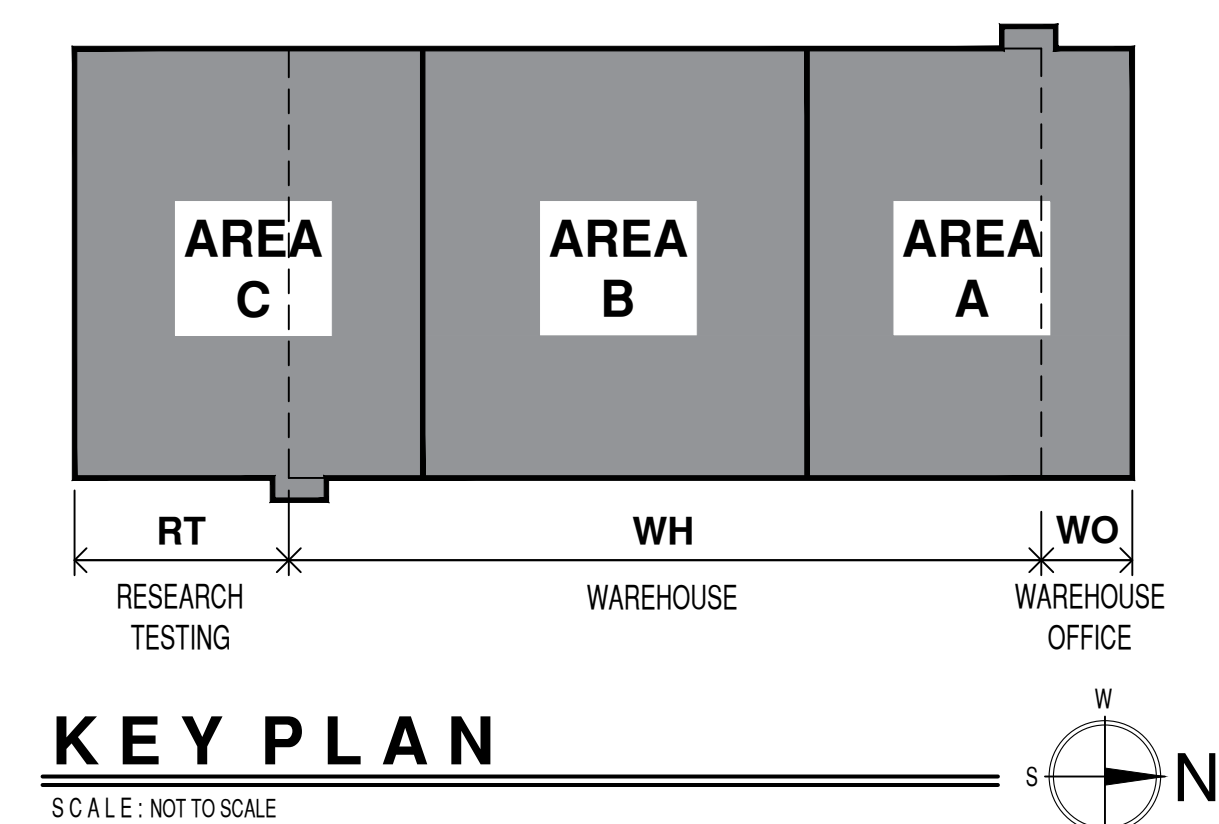
—CHIPPEWA FALLS, WISCONSIN



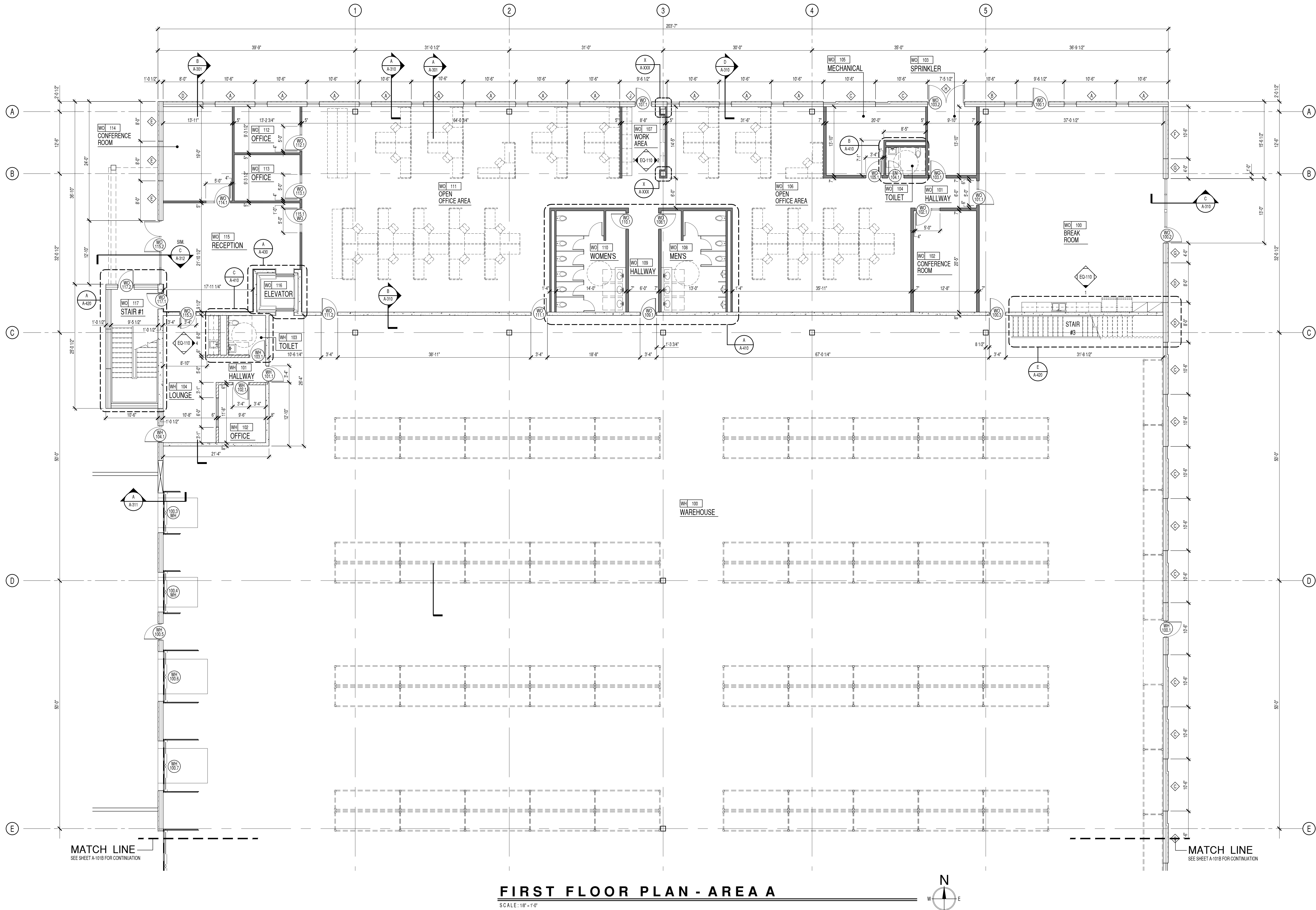


FIRST FLOOR PLAN - OVERALL

SCALE: 1/16" = 1'-0"



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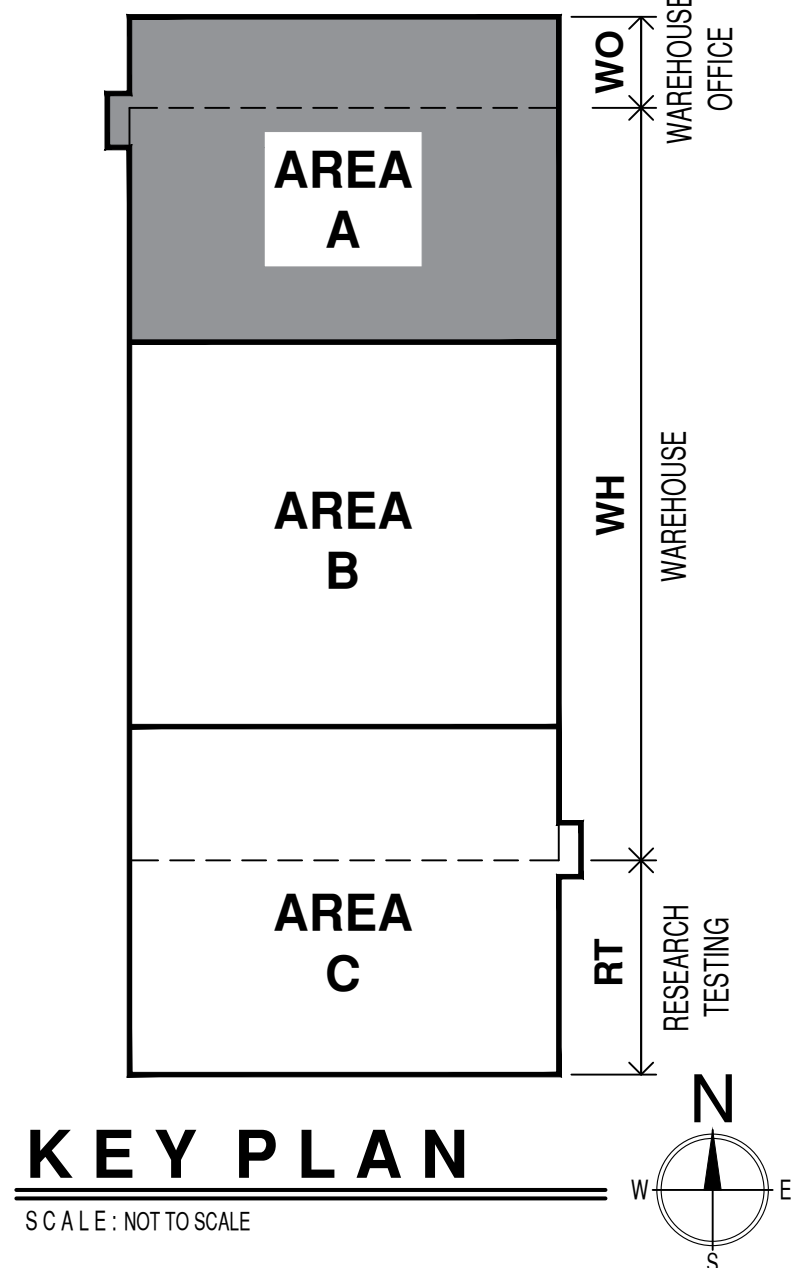


FIRST FLOOR PLAN - AREA A

SCALE: 1/8" = 1'-0"

LEGEND

- NEW MASONRY WALL
REFER TO PLANS AND DETAILS FOR
FURTHER INFORMATION
- NEW GYP. BOARD WALL
REFER TO PLANS AND DETAILS FOR
FURTHER INFORMATION
- PRECAST CONCRETE PANEL
- INSULATED PRECAST CONCRETE PANEL



KEY PLAN

SCALE: NOT TO SCALE

Issue:	
Date	Issued for
Revisions:	
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Designed by:	
DJP	
Drawn by:	
KSG	
Project Number:	
VES-19002	
Sheet Number:	
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101A	

**VES WAREHOUSE
NEW BUILDING**
CHIPPEWA FALLS, WI
FIRST FLOOR PLAN - AREA A

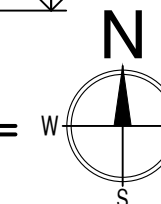
Attachment: Assignment Agreement Compiled County (8906 : Consent to Assignment Agreement - VES)

FIRST FLOOR PLAN - AREA B

Attachment: Assignment Agreement

Packet Pg. .

	NEW MASONRY WALL REFER TO PLANS AND DETAILS FOR FURTHER INFORMATION
	NEW GYP. BOARD WALL REFER TO PLANS AND DETAILS FOR FURTHER INFORMATION
	PRECAST CONCRETE PANEL
	INSULATED PRECAST CONCRETE PANEL



SCALE: NOT TO SCALE

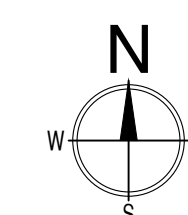
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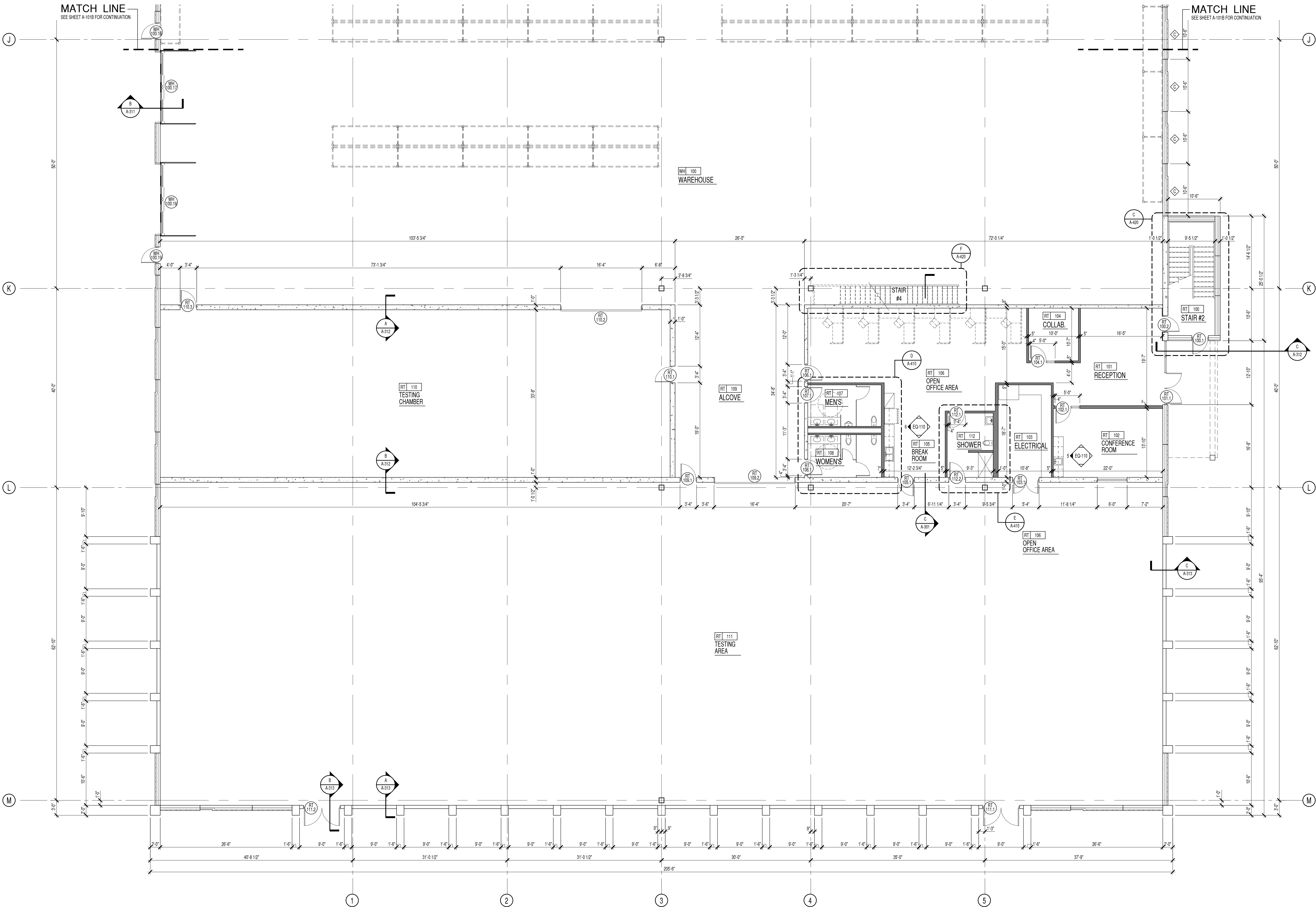
SEE SHEET A-101A FOR CONTINUATION

MATCH LINE —
SEE SHEET A-101C FOR CONTINUATION

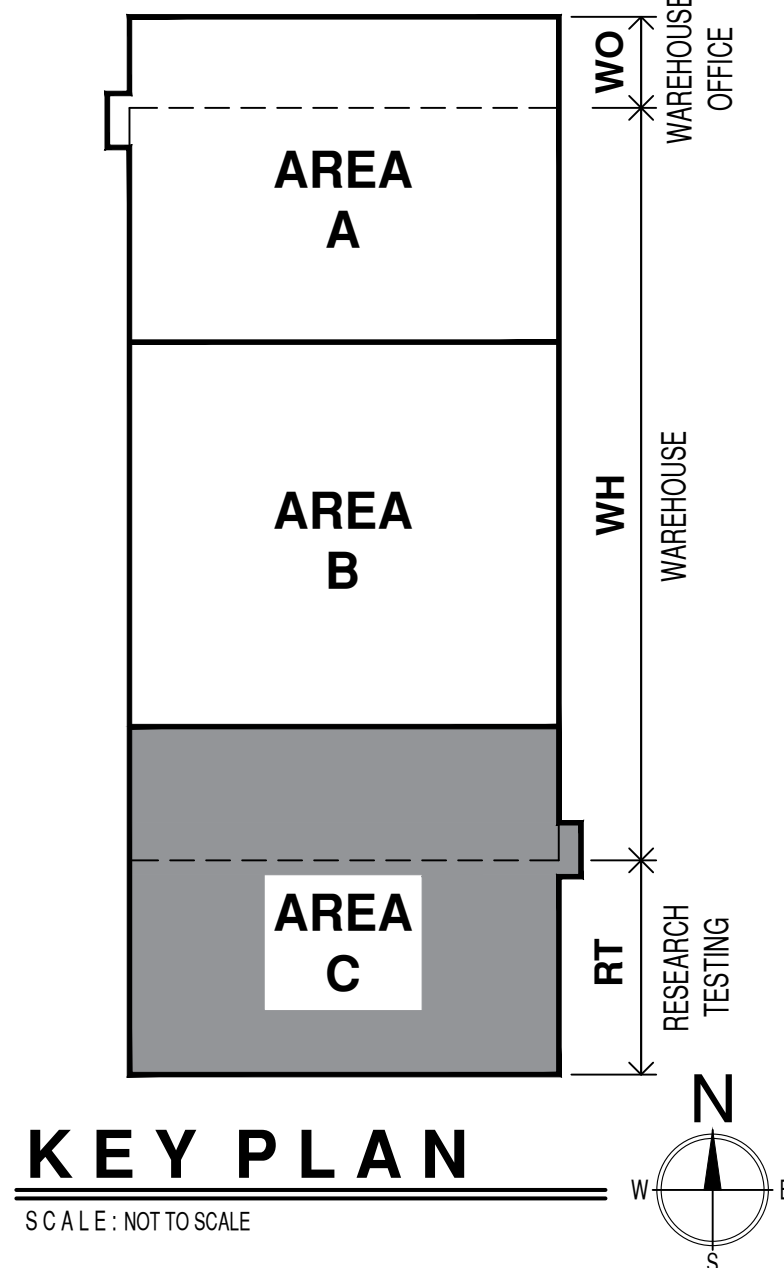
MATCH LINE
SEE SHEET A-101C FOR CONTINUATION

SCALE: 1/8" = 1'-0"

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LEGEND	
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	NEW GYP. BOARD WALL REFER TO PLANS AND DETAILS FOR FURTHER INFORMATION
	PRECAST CONCRETE PANEL
	INSULATED PRECAST CONCRETE PANEL

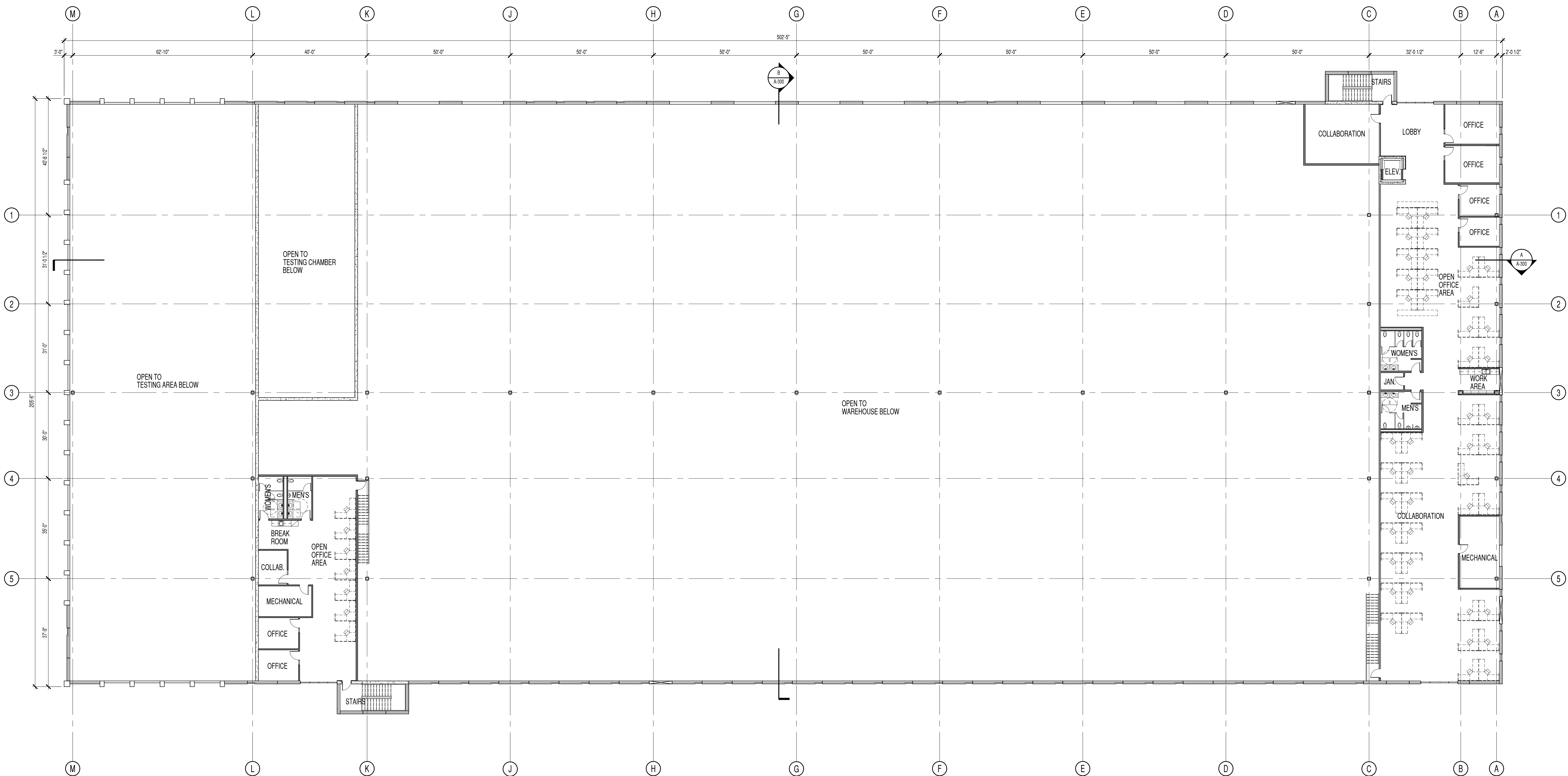


VES WAREHOUSE NEW BUILDING

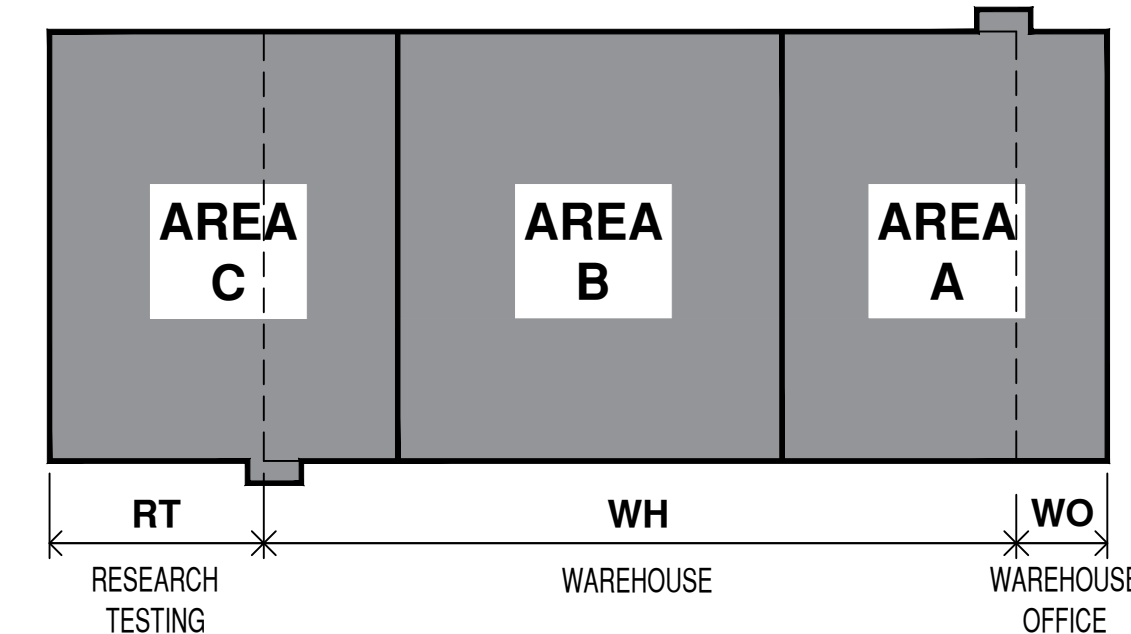
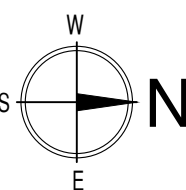
CHIPPEWA FALLS, WI
FIRST FLOOR PLAN - AREA C

Attachment: Assignment Agreement Compiled County (8905 : Consent to Assignment Agreement - VES)

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Revisions:		
Mark	Date	Issued as
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Designed by: DJP		
Drawn by: KSG		
Project Number: VES-19002		
Sheet Number: A 101C		



SECOND FLOOR PLAN - OVERALL
SCALE: 1/16" = 1'-0"



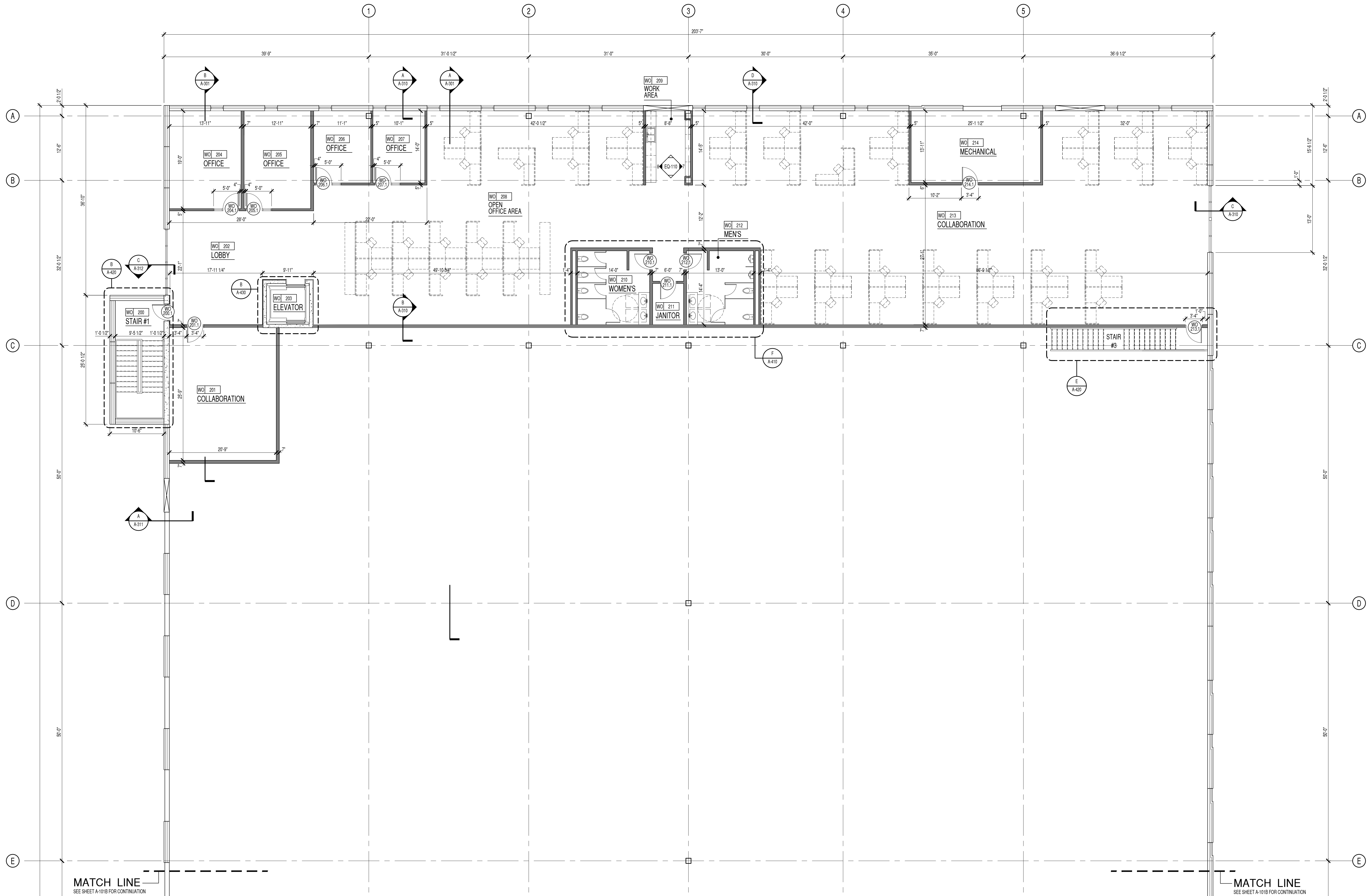
KEY PLAN
SCALE: NOT TO SCALE

**VES WAREHOUSE
NEW BUILDING**
CHIPPEWA FALLS, WI
OVERALL SECOND FLOOR PLAN

Attachment: Assignment Agreement Compiled County (8905 : Consent to Assignment Agreement - VES)

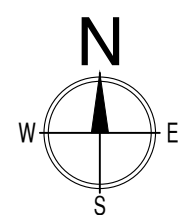
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Designed by: DJP	
Drawn by: KSG	
Project Number: VESES-19002	
Sheet Number:	
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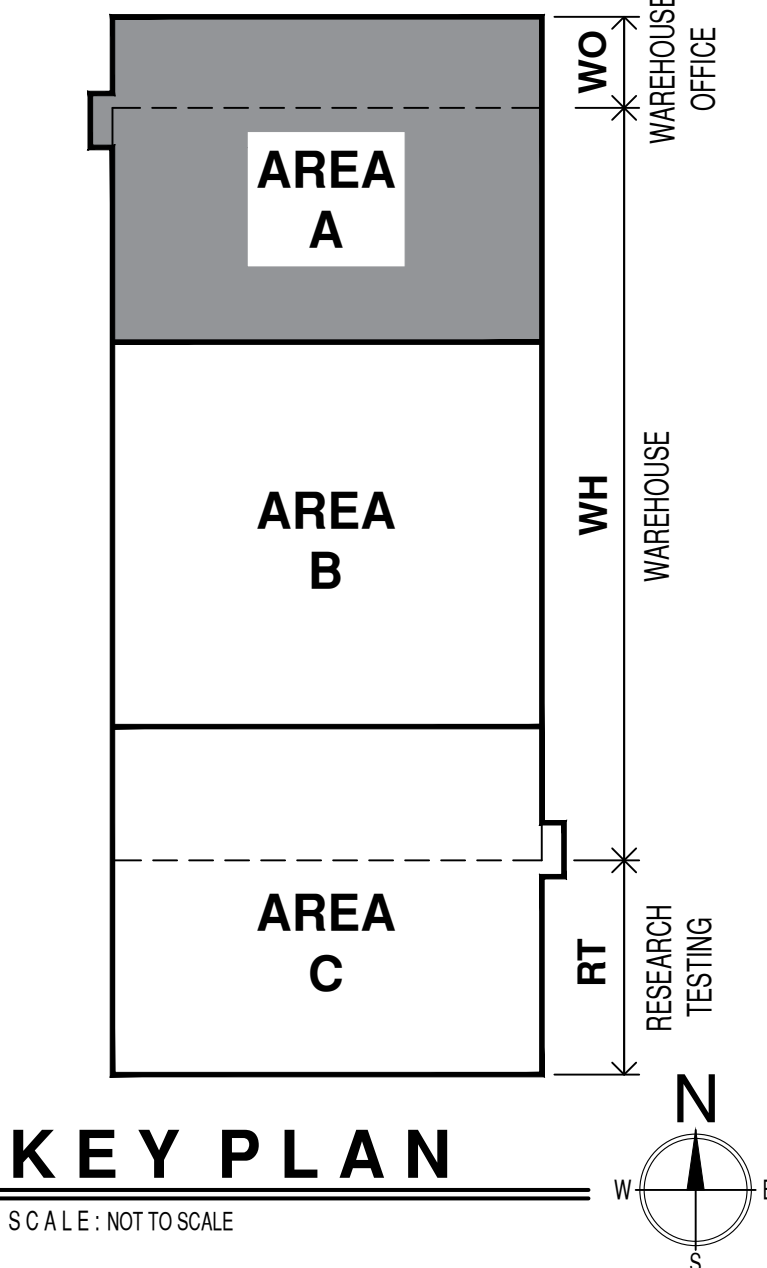
SECOND FLOOR PLAN - AREA A

SCALE: 1/8" = 1'-0"



LEGEND

- NEW MASONRY WALL
REFER TO PLANS AND DETAILS FOR FURTHER INFORMATION
- NEW GYP. BOARD WALL
REFER TO PLANS AND DETAILS FOR FURTHER INFORMATION



VES WAREHOUSE
NEW BUILDING

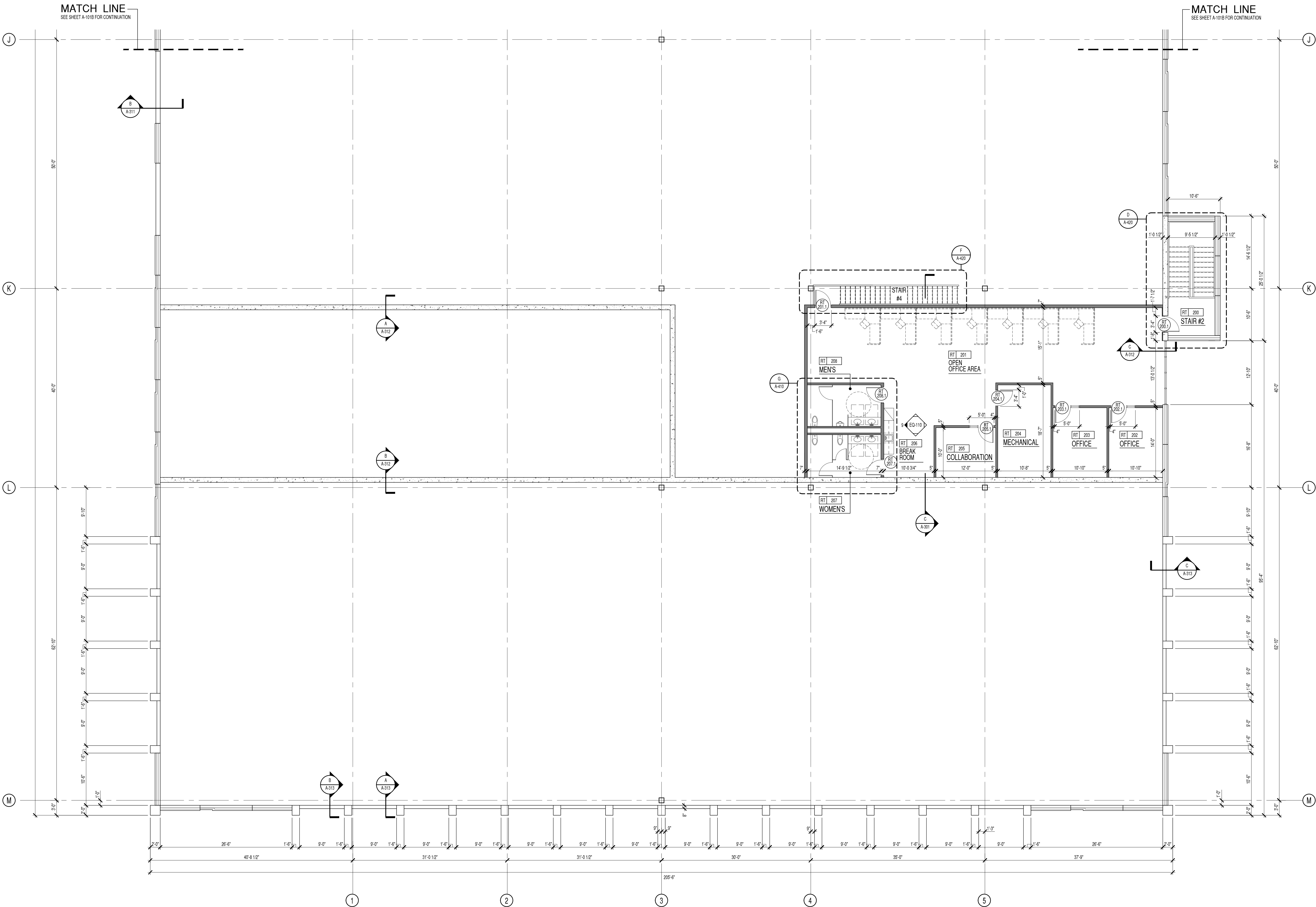
CHIPPewa FALLS, WI

SECOND FLOOR PLAN - AREA A

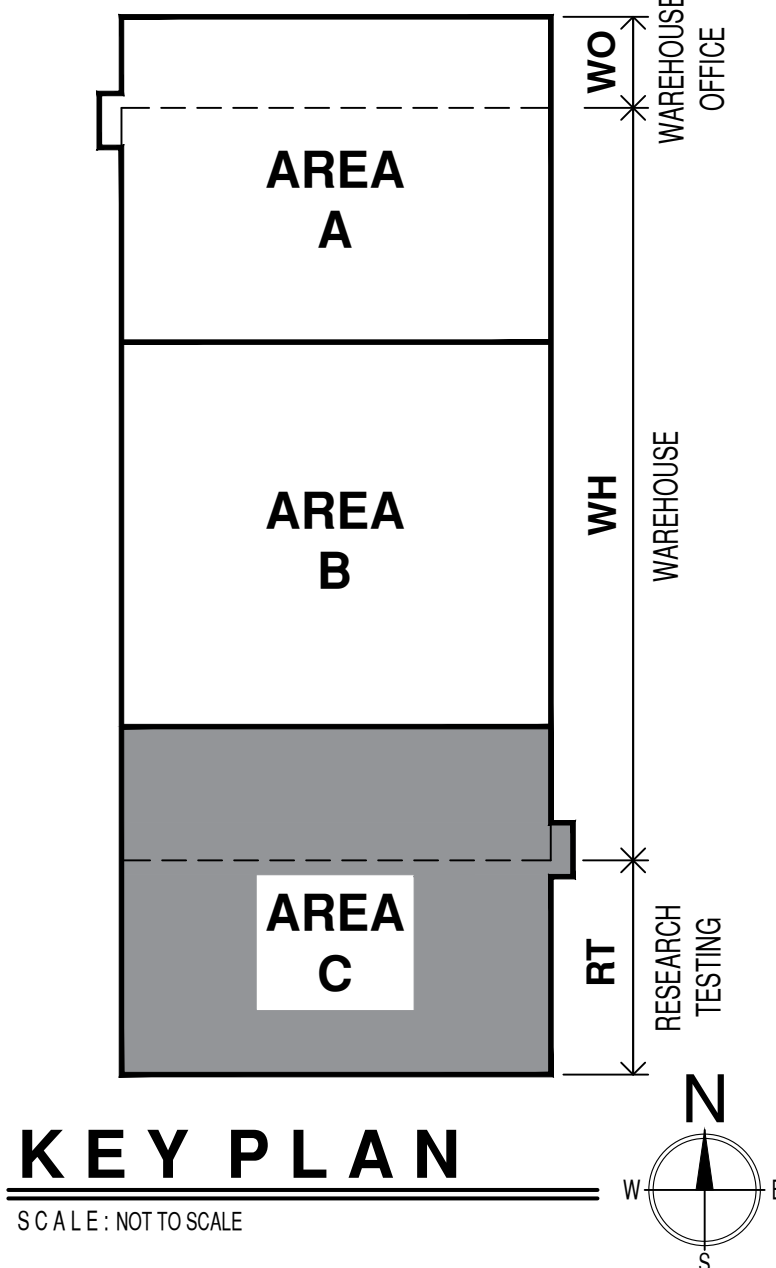
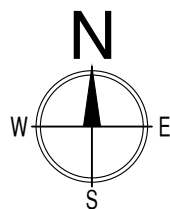
Attachment: Assignment Agreement Compiled County (8906 : Consent to Assignment Agreement - VES)

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Revisions:	
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Designed by:	
DJP	
Drawn by:	
KSG	
Project Number:	
VES-19002	
Sheet Number:	
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102A	

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SECOND FLOOR PLAN - AREA C
SCALE: 1/8" = 1'-0"



LEGEND

- NEW MASONRY WALL
REFER TO PLANS AND DETAILS FOR
FURTHER INFORMATION
- NEW GYP. BOARD WALL
REFER TO PLANS AND DETAILS FOR
FURTHER INFORMATION

VES WAREHOUSE
NEW BUILDING
CHIPPewa FALLS, WI
SECOND FLOOR PLAN - AREA C

Attachment: Assignment Agreement Compiled County (8906 : Consent to Assignment Agreement - VES)

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Revisions:		
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△	-	-
Designed by: DJP		
Drawn by: KSG		
Project Number: VESSES-19002		
Sheet Number: A 102C		

Exhibit C

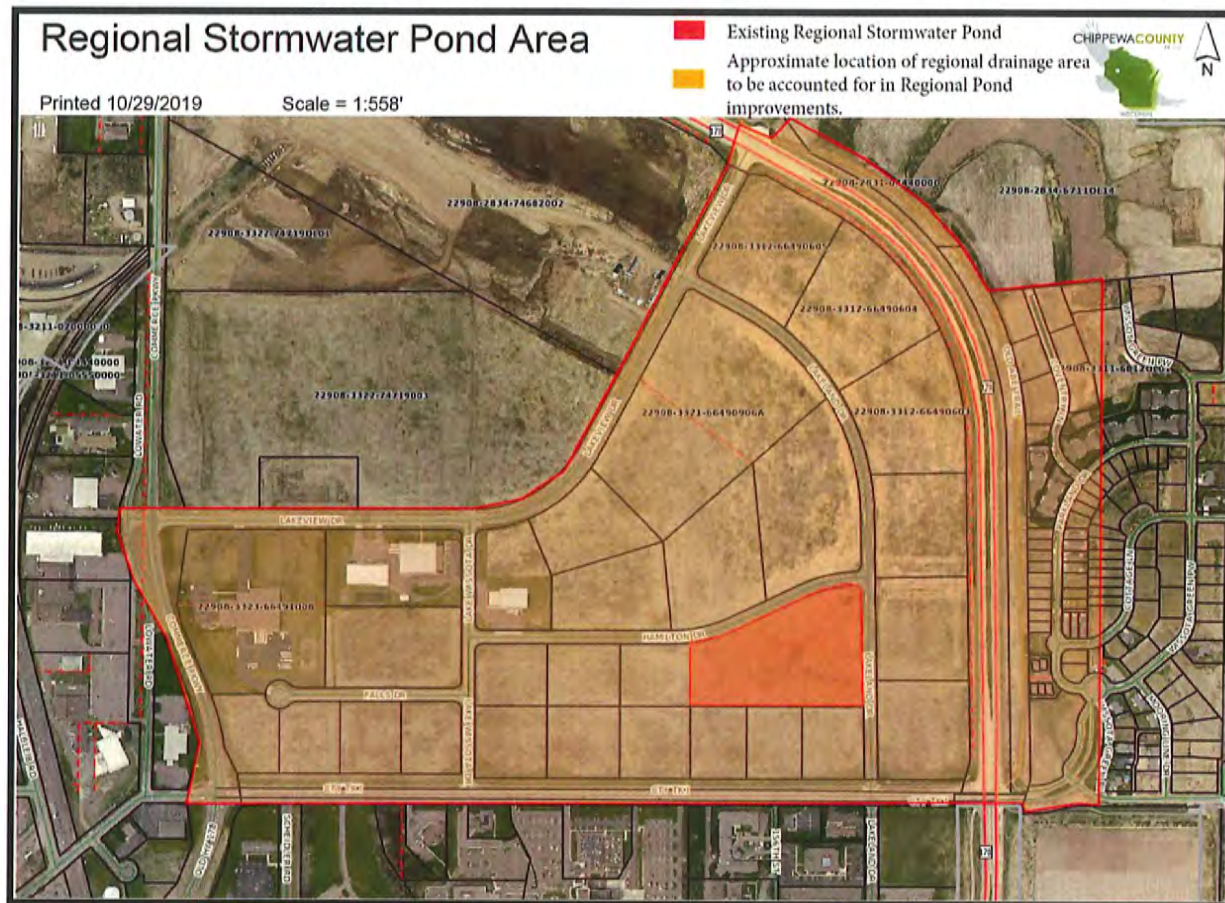
Schedule of Estimated Tax Increment

Tax Year	Collection Year	Equalized Value	Mill Rate	Anticipated Increment	City Admin	City - Consultant Stormwater Inspection	Consultant Repayment Balance	Developer Stormwater Payment	City Advance - Stormwater Reimbursement + Interest	City Advance Balance**	P 916 Incentive	P916 Incentive Balance
2020	2021	\$0	20.67	0	\$0		(\$25,000)	\$250,000	\$0	(\$262,600)	\$0	(\$400,00)
2021	2022	\$5,000,000	20.67	103,350	\$5,000	\$25,000	\$0		\$73,350	(\$189,250)	\$0	(\$400,00)
2022	2023	\$5,000,000	20.67	103,350	\$5,000				\$98,350	(\$90,900)	\$0	(\$400,00)
2023	2024	\$5,000,000	20.67	103,350	\$5,000				\$90,900	\$0	\$5,960	(\$394,04)
2024	2025	\$5,000,000	20.67	103,350	\$5,000						\$78,680	(\$315,36)
2025	2026	\$5,000,000	20.67	103,350	\$5,000						\$78,680	(\$236,68)
2026	2027	\$5,000,000	20.67	103,350	\$5,000						\$78,680	(\$158,00)
2027	2028	\$5,000,000	20.67	103,350	\$5,000						\$78,860	(\$79,14)
2028	2029	\$5,000,000	20.67	103,350	\$5,000						\$39,140	(\$40,00)
2029	2030	\$5,000,000	20.67	103,350	\$5,000						\$0	(\$40,00)
2030	2031	\$5,000,000	20.67	103,350	\$5,000						\$0	(\$40,00)
2031	2032	\$5,000,000	20.67	103,350	\$5,000						\$40,000	\$0
*Mill rate subject to change annually.												
** Anticipated to be approximately 10% of Regional Pond Improvements construction cost												
***Based on a \$250,000 loan at 2.5% interest.												

EXHIBIT C

Exhibit D

Location and Specifications of Ponds



Disclaimer: This map is a compilation of records as they appear in the Chippewa County Offices affecting the area shown and is to be used only for reference purposes.

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

EXHIBIT D

Exhibit E*VES and Developer Lease***EXHIBIT E**

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "**Lease**") is made and entered into effective as of the 17th day of December, 2019 (the "**Effective Date**"), by and between **CHIPPEWA FALLS HOLDINGS, LLC**, a Wisconsin limited liability company ("**Landlord**"), and **VES ENVIRONMENTAL SOLUTIONS, INC.**, a Delaware corporation ("**Tenant**").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the covenants, conditions and promises hereby mutually undertaken to be kept and performed by the parties, the parties hereto do hereby covenant and agree as follows:

ARTICLE 1 - DESCRIPTION OF PROPERTY TO BE LEASED

Section 1.1 Premises. In consideration of the rents and covenants and subject to the terms herein set forth, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord those certain premises located at 916 Lakeland Drive, Chippewa Falls, Wisconsin 54729, containing a single-tenant manufacturing and office facility consisting of approximately One Hundred Fifteen Thousand Square Feet (115,000 SF) of total floor area, as more particularly depicted on the site plan attached hereto and incorporated herein as Exhibit A (the "**Building**"), and being located on Lots 2 and 3 of the 2nd Addition to Lake Wissota Business Park (the "**Land**", and together with the Building, the "**Premises**").

Section 1.2 Use. The Premises shall be used exclusively for the operation of a manufacturing facility and related office uses, unless otherwise approved in writing by Landlord.

Section 1.3 Landlord's and Tenant's Construction Obligations

(a) Plans and Specifications. On or before the Rent Commencement Date, Landlord will construct the Premises with all buildings, sidewalks, service drives, asphalt parking areas, parking aisles, driveways, curbs, landscaping, signs, and related improvements in substantially the configurations, locations and sizes described for such improvements in the plans and specifications attached hereto as Exhibit B and incorporated herein by reference (the "**Plans and Specifications**"). The Premises shall be designed and constructed to meet all physical requirements of the site, to overcome all conditions relative to soil and water and to comply with all laws, ordinances, rules, regulations, and orders of any governmental authority having jurisdiction over same.

(b) Fixtures. Tenant shall provide all trade fixtures and equipment to be located in the Premises, including but not limited to: phone and computer systems, décor, interior and exterior signage, furniture, fixtures, equipment, and inventory.

(c) Landlord's Work. Landlord shall construct and install certain improvements upon the Premises as described in the Plans and Specifications attached hereto as Exhibit B ("**Landlord's Work**"), at Landlord's sole cost and expense in a first class condition. Tenant shall accept the Premises upon completion of Landlord's Work in the condition required hereunder and subject to all warranties described herein.

(1) Construction. Landlord will, at Landlord's sole cost and expense, perform Landlord's Work in accordance with Plans and Specifications. Landlord acknowledges that the fully-constructed Premises must substantially conform with the Plans and Specifications, and that Landlord will be solely responsible for any discrepancies between the fully-constructed Premises and the Plans and Specifications. In the event an error, omission or discrepancy is discovered, Landlord, at Landlord's sole cost and expense, will cause such error, omission or discrepancy to be promptly corrected and complete the Premises, in a manner consistent with good construction practice.

(2) Building. The Building shall conform to a generally consistent and harmonious style of architectural design in the area where the Building is constructed. Landlord shall provide a fully operational HVAC system, code-compliance restrooms, commercial grade electrical equipment, and plumbing. Landlord shall provide standard office finishes as more particularly detailed in the final Scope of Work, which is attached hereto as Exhibit C.

(3) Parking and Drive Areas. Upon the commencement of this Lease, the number, location and configuration of parking spaces and the location and dimensions of all vehicular and pedestrian access ways shall be as described in the Plans and Specifications attached hereto as Exhibit B. Thereafter, the layout, striping and location of all parking areas and pedestrian and vehicular access ways and other improvements and landscaping shall not be changed without Tenant's consent, which consent will not be unreasonably withheld.

(4) Underground Utilities. All portions of water, gas, electricity, sewerage and other utility lines shall be installed wholly underground, except hydrants, standpipes, meters, control valves and other similar items which are customarily located above ground or are required to be located above ground by law or the providing utility. The foregoing requirements shall not apply to existing utility installations which are not subject to relocation or replacement as part of the initial construction of the Building.

(5) Permits. Prior to the Rent Commencement Date, Landlord will procure, at Landlord's sole cost and expense, all building, occupancy and other permits or licenses required for the construction and occupancy of the Premises.

(6) Warranty. Landlord unconditionally guarantees all work performed by, or at the expense of, Landlord in the construction of the Premises against defective workmanship and materials and will remedy any such defects which appear within a period ending one (1) year after the Rent Commencement Date. At the end of the warranty period, Landlord will upon the request of Tenant, assign to Tenant any guarantees of workmanship and materials which Landlord may receive in connection with the Premises for items Tenant is required by this Lease to maintain.

(d) Tenant's Work. Tenant shall make, at Tenant's cost and expense, all additional and necessary leasehold improvements required to operate Tenant's business from the Premises as described in the Plans and Specifications and/or Scope of Work ("*Tenant's Work*").

ARTICLE 2 - LEASE TERM

Section 2.1 Initial Term. The initial term of this Lease shall be for a period of twenty (20)

years (the “**Initial Term**”), commencing on or about December 1, 2020 (the “**Rent Commencement Date**”), subject to extension equal to any delays occasioned by strikes, casualties, governmental restrictions, inability to obtain materials or labor, unusual weather conditions or other causes beyond Landlord’s reasonable control. In the event the Rent Commencement Date is December 1, 2020, the Initial Term shall expire on November 30, 2040; *provided, however*, that if the Rent Commencement Date is delayed or otherwise differs from December 1, 2020, for any reason, upon the actual commencement of the Lease, the parties agree to execute a commencement letter confirming the Rent Commencement Date and the termination date. Commencing with the fifteenth (15th) annual anniversary of the Rent Commencement Date, Tenant may terminate the Lease (including any Extended Term) by giving at least one (1) years’ advance written notice to Landlord of Tenant’s desire to terminate the Lease. *For the avoidance of doubt*, in no event shall Tenant be able to terminate the Lease prior to the end of the sixteenth (16th) full lease year of the Term unless otherwise provided herein.

Section 2.2 Extended Term. If this Lease is in full force and effect and Tenant is not then in default under any of the terms of this Lease, Tenant shall have the option to renew this Lease for up to four (4) additional terms of five (5) years each (each an “**Extended Term**”, and together with the Initial Term, the “**Term**”). Tenant shall notify Landlord of its intention to exercise said option(s) by giving notice in writing at least six (6) months prior to the expiration of the Initial Term or any Extended Term thereafter.

Section 2.3 Delivery of Possession. Subject to extension equal to any delays occasioned by strikes, casualties, governmental restrictions, priorities or allocations, inability to obtain materials or labor, or other causes beyond Landlord’s reasonable control, Landlord shall make a good faith effort to deliver exclusive physical possession of the Premises on or about November 1, 2020 (such actual date of delivery hereinafter the “**Delivery Date**”). Tenant may have access to the Premises after the substantial completion of construction of the Premises, but prior to the Rent Commencement Date, to complete Tenant’s Work and prepare the Premises for Tenant’s occupancy. At the time Tenant takes possession of the Premises, Landlord shall deliver to Tenant a full set of keys and/or access cards, as applicable. Landlord covenants that, upon Tenant taking possession, the Premises shall be in good condition and repair, built in accordance with the Plans and Specifications and be sufficiently complete so that Tenant may occupy or utilize the Premises for its intended purposes. At or prior to the time of delivery of possession, Tenant and Landlord shall jointly prepare a comprehensive list of deficiencies to be completed or corrected by Landlord. Landlord shall promptly correct or repair these deficiencies at Landlord’s sole cost and expense. If there are material deficiencies, then Tenant shall not be required to accept delivery of possession until such material deficiencies are corrected and repaired by Landlord to the Tenant’s reasonable satisfaction. If Landlord has not corrected or repaired Tenant’s list of deficiencies prior to the Rent Commencement Date, Landlord agrees to promptly complete the list of deficiencies or provide monetary compensation to Tenant based on the fair market value of correcting deficient items, at Tenant’s option. Tenant shall have the right to enter upon the Premises as soon as practical to take measurements and install its fixtures and exterior signs (including, but not limited to, the installation of permanent and temporary signs), but only if Tenant has previously provided Landlord with evidence satisfactory to Landlord that Tenant has all insurance required by this Lease in full force and effect and only if such entry by Tenant does not delay or make more expensive Landlord’s completion of Landlord’s Work.

ARTICLE 3 - RENT

Section 3.1 Rent for Initial Term. Tenant shall commence paying Landlord rent for the Premises (the “*Base Rent*”) on the Rent Commencement Date, and thereafter on or before the first day of each month for the remainder of the Term. Base Rent for the Initial Term shall be as follows:

<u>Year</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
<u>Initial Term</u>		
Year 1	\$915,999.00	\$76,333.25
Year 2	\$925,158.99	\$77,096.58
Year 3	\$934,410.58	\$77,867.55
Year 4	\$943,754.69	\$78,646.22
Year 5	\$953,192.23	\$79,432.69
Year 6	\$962,724.15	\$80,227.01
Year 7	\$972,351.40	\$81,029.28
Year 8	\$982,074.91	\$81,839.58
Year 9	\$991,895.66	\$82,657.97
Year 10	\$1,001,814.62	\$83,484.55
Year 11	\$1,011,832.76	\$84,319.40
Year 12	\$1,021,951.09	\$85,162.59
Year 13	\$1,032,170.60	\$86,014.22
Year 14	\$1,042,492.31	\$86,874.36
Year 15	\$1,052,917.23	\$87,743.10
Year 16	\$1,063,446.40	\$88,620.53
Year 17	\$1,074,080.87	\$89,506.74
Year 18	\$1,084,821.67	\$90,401.81
Year 19	\$1,095,669.89	\$91,305.82

Year 20	\$1,106,626.59	\$92,218.88
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Section 3.2 Rent for Extended Terms. Base Rent for each respective Extended Term shall be as follows:

<u>Year</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
<u>First Extended Term</u>		
Years 21 – 25	\$1,134,292.26	\$94,524.36
<u>Second Extended Term</u>		
Year 26 – 30	\$1,162,649.56	\$96,887.46
<u>Third Extended Term</u>		
Year 31 – 35	\$1,191,715.80	\$99,309.65
<u>Fourth Extended Term</u>		
Year 36 – 40	\$1,221,508.70	\$101,792.39

Section 3.3 Place of Payment. Rent is payable at such place as Landlord may specify, in writing, from time to time; and once specified as the place for payment of Rent, it shall remain such until it has been changed by written notice given to Tenant by Landlord in the manner hereinafter prescribed for the giving of notice. Until further notice by Landlord to Tenant, rent checks shall be payable to and mailed to Landlord at the address set forth in Section 24.8 hereof.

Section 3.4 Net Lease. It is the purpose and intent of Landlord and Tenant that the rent herein above provided to be paid to Landlord by Tenant be net, net, net to Landlord, so that this Lease shall yield net to Landlord the Base Rent, as herein above provided, to be paid in each year during the Term of this Lease. Tenant, in accordance with this Lease, shall also pay all costs, expenses, and obligations as outlined herein. Nothing herein contained shall be deemed to require Tenant to pay or discharge any liens or mortgages of any character whatever which may hereafter be placed upon the Premises by the affirmative act or omission of Landlord.

ARTICLE 4 - TRANSFER OF TITLE

In the event that Landlord conveys its interest in the Premises to any other person or entity, Tenant shall thereafter pay rents or any other charges under this Lease to any such transferee after Tenant has been notified of such conveyance. In the event of any sale or other transfer of the Premises or an assignment of this Lease by Landlord, Landlord shall be entirely relieved of all obligations hereunder accruing after the date of the transfer, except during the one (1) year warranty period described in Section 1.3(c)(6) above.

ARTICLE 5 - TAXES AND UTILITIES

Section 5.1 Real Estate Taxes. Tenant shall be liable for the general real estate taxes assessed and special assessments levied against the Premises during the Term and shall pay the same before

delinquency. Landlord shall provide Tenant with evidence of the taxes and assessments levied against the Premises each year on or before December 31st. Payment for said taxes and assessments shall then be made by Tenant directly to the appropriate governmental body prior to the delinquency deadlines as required under Wisconsin law. Tenant shall provide Landlord adequate evidence of payment of said taxes. Special assessments levied against the Premises during the Term shall be amortized over the useful life of the improvements for which the special assessments are levied. Tenant shall pay such special assessments during each remaining year of the Initial Term and all Extended Terms, if any. Tenant shall pay only its pro rata share of such taxes and special assessments, if any, accruing for the calendar years in which the then-current Term begins and terminates or expires. By means of clarification, Tenant's obligation to pay any amortized special assessments shall cease upon the expiration or termination of this Lease. The prorated taxes for the calendar year in which the then-current Term terminates or expires shall be the prorated taxes for the then-current year if known, otherwise the prorated taxes for the preceding year. Tenant shall pay said prorated taxes for the calendar year in which the then-current Term begins, terminates or expires on or before the date on which this Lease expires or terminates. For the purpose of calculating Tenant's pro rata share of such taxes for a fractional calendar year, each day of Tenant's occupancy shall be regarded as 1/365 of a full calendar year, and Tenant shall be considered in occupancy during the portion of the then-current Term falling within such fractional year.

Section 5.2 Tax Contest/Appeal. Tenant shall, at its expense, upon notice to Landlord, have the right to contest any and all real estate taxes levied against the Premises in the name of and on behalf of the Landlord. Landlord shall, on the request of Tenant, cooperate in such contest by the Tenant, except for the cost thereof. If the result of any such contest shall be a reduction in the amount of the real estate taxes so contested, that portion of each refund or recovery from the taxing authorities with respect to such real estate taxes which is in the same proportion of the total refund or recovery as Tenant's share of taxes, shall belong to Tenant, and the balance shall belong to Landlord. If Landlord shall contest the amount of any such real estate taxes without participation by Tenant in the cost and expenses of such proceedings, each refund or recovery from the taxing authorities with respect to such real estate taxes shall belong to Landlord unless Tenant shall promptly, after receiving notice from Landlord of such refund or recovery, reimburse Landlord its proportionate share of all costs and expenses incurred by Landlord in such proceedings. In the event Tenant elects to contest any such real estate taxes as provided herein, Tenant shall, upon request of Landlord, either (i) pay such taxes due and owing prior to their due date, or (ii) escrow such amounts due and owing with Landlord during any such appeals process, as Landlord shall deem necessary in its reasonable discretion.

Section 5.3 Other Taxes. Tenant shall be responsible for, and shall pay before delinquency, all municipal, county, state and federal taxes assessed during the Term against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the Premises by Tenant.

Section 5.4 Utilities and Services. Tenant shall pay when due all bills for all utilities and services, including heat, gas, communications, data, electricity, trash removal, snow/ice removal, landscaping, janitorial services, and water and sewer service, furnished to or consumed at the Premises from and after the Delivery Date. To the extent possible all such utilities shall be in the name of Tenant and billed directly to Tenant. Tenant shall maintain sufficient heat in the Building so as to prevent the bursting of pipes and to maintain the integrity of the Building.

ARTICLE 6 – INSURANCE

Section 6.1 Property Insurance. Tenant shall carry a policy of fire and all risk insurance covering the Premises, Building and improvements, including improvements and/or trade fixtures provided by Tenant, of not less than one hundred percent (100%) of the full replacement value, as agreed upon by Landlord and Tenant (with no coinsurance and a deductible not in excess of Five Thousand Dollars (\$5,000)), with responsible insurance companies which are authorized to do business in the State of Wisconsin and are governed by the regulatory insurance authority of the State of Wisconsin. Such insurance policy shall list Landlord as a named insured, and shall list Landlord's lender(s) (whether one or more, the "**Lender**") as a loss payee/mortgage interest. To the extent permitted by Lender, the proceeds from any such insurance shall be payable to Landlord or Lender as Landlord may request and be utilized to rebuild and repair the Premises and Building, and if the Building and improvements are not repaired or replaced, all insurance proceeds shall be paid to Landlord or Lender, as Landlord may request; *provided, however*, that any insurance proceeds related specifically to Tenant's trade fixtures and equipment shall be paid to Tenant. The fire and all risk coverage shall also include rental interruption insurance to insure Landlord, without provision for deductible or coinsurance, the payment of rent, the payment of taxes and assessments and the payment of insurance premiums for a period of not less than twelve (12) months in the event of a fire or other casualty. Tenant shall also, at its own cost and expense, carry insurance against fire, vandalism, malicious mischief and such other perils as are included in a standard extended coverage endorsement insuring any betterments and improvements made by Tenant to the Premises and all trade fixtures, furnishings, equipment and all other items of personal property located at the Premises.

Section 6.2 Commercial General Liability Insurance. Tenant shall also procure and continue in effect a policy of commercial general liability insurance with respect to the Premises. Such policy shall cover liability for death or bodily injury to any one person in a sum of not less than One Million Dollars (\$1,000,000) and in an amount of not less than Two Million Dollars (\$2,000,000) for death or bodily injury of more than one person in any one accident, and shall cover liability for property damage in any one accident, mishap or casualty in the amount of One Million Dollars (\$1,000,000), and such insurance shall include an endorsement attached to the policy naming Landlord and Lender as additional insured's on a primary and noncontributory basis. Such required amounts of coverage may from time to time be increased by Landlord to such amounts as are then reasonable and customary in the community, provided that such amount shall not be increased more than once per calendar year. *For the avoidance of doubt*, Landlord shall have the full benefit of the total limits of liability for any commercial general liability insurance procured and/or maintained by Tenant with respect to the Premises (specifically including the benefits of any coverage limits which exceed the coverages required hereunder), and such coverage shall be on a primary and noncontributory basis.

Section 6.3 Proof of Insurance. Proof of insurance shall be delivered by Tenant to Landlord within fifteen (15) days of Landlord's request therefore. Tenant, upon the anniversary of each policy of insurance required in this Article, shall deliver to Landlord upon request certificates (or at Landlord's request, the actual policies together with endorsements) evidencing the existence and/or renewal of same, and each policy shall provide that such policy of insurance may not lapse, terminate or be modified or amended without thirty (30) days prior written notice to Landlord and its Lender of such lapse, termination, modification or amendment from the insurer.

ARTICLE 7 – INDEMNIFICATION & COVENANT TO HOLD HARMLESS

Except for claims arising out of the gross negligence or willful misconduct of Landlord or Landlord's employees or agents, or as a direct result of Landlord's intentional breach of the terms and conditions of this Lease:

(a) Landlord shall not be responsible to Tenant for damage to the Premises or the personal property or business of Tenant, and Tenant shall not have a cause of action nor a right of action to collect for the same against Landlord;

(b) Tenant does hereby waive any and all right of recovery against Landlord, Landlord's employees and agents for loss occurring to the Premises, Tenant's personal property or business; and

(c) Tenant covenants and agrees that it will defend, indemnify and save Landlord free and harmless from any and all claims for injury and damages to persons or property, all cost and expenses (including all attorney's fees and expenses of Tenant and Landlord) causes of actions, suits, claims, demands, or judgments of any nature arising from Tenant's use, misuse or occupancy of the Premises or arising from any breach by Tenant of any covenant or obligation made and to be performed by it under the terms of this Lease.

ARTICLE 8 - FIRE OR OTHER CASUALTY

Section 8.1 Destruction of Premises. If the Premises shall be damaged or destroyed by fire or other casualty, then Landlord, forthwith and with due diligence, shall, unless Landlord's Lender requires that insurance proceeds be paid to it as a prepayment of Landlord's loan, repair and restore the Premises to their condition immediately prior to such damage or destruction. Until such repairs and restoration have been accomplished a portion of the Base Rent equal to the proportion of the Premises rendered unusable by the damage shall abate, *provided, however*, that any other payments payable during such period shall not abate (including, but not limited to, payment to Landlord of the rental interruption insurance proceeds required under Section 6.1). If the damage or destruction referred to in this Article amounts to at least fifty percent (50%) of the value of the Premises and occurs during the last two (2) years of the Term, then and in such events, either Landlord or Tenant shall, by notifying the other within thirty (30) days of the damage or destruction, each have the right and option, at the election of either of them, to terminate this Lease effective as of the date of such happenings, and any unearned rents paid in advance shall be refunded. In such event, all insurance proceeds shall be paid to Landlord to use in such manner as Landlord in its sole discretion chooses, except that Tenant shall, provided it is not in default under this Lease, be entitled to insurance proceeds relating to Tenant-owned furniture, fixtures and equipment, or other Tenant-owned personal property, and Landlord and Tenant covenant and agreed to cooperate to accomplish such result. If this Lease shall not be so terminated, the Premises shall be repaired and restored as hereinbefore provided. If Landlord elects not to rebuild the Premises but Tenant elects to exercise its option to purchase the Property (as further provided in Article 24 hereof), then the whole of any insurance proceeds payable upon the destruction of the Property shall be transferred to Tenant upon Tenant's purchase of the Property.

Section 8.2 Use of Insurance Proceeds for Repair and Restoration. For the purpose of

making such repairs and restorations, Tenant agrees that the insurance proceeds may, unless Landlord's Lender requires that insurance proceeds be used to prepay Landlord's Lender its loan, be used for the payment thereof in accordance with reasonable payout procedures established by Landlord to insure that there are sufficient funds available for such repairs and restoration and that such work is done in a good and workmanlike manner in accordance with Landlord's plans and specifications and free from any liens for services, materials or supplies. Further, if any surplus remains after completion of such rebuilding and/or repair and full payment therefore, such surplus shall be paid over to and become the property of Landlord unless Landlord's Lender has required that such insurance proceeds be paid to it as a prepayment. The foregoing provisions shall not apply to any insurance proceeds received by Tenant for any policies of insurance maintained by Tenant on its own trade fixtures, equipment and other personal property in the Premises. If Landlord repairs or rebuilds, then Tenant shall repair or replace its merchandise, trade fixtures, furnishings and equipment in a manner and to at least a condition equal to that prior to the damage or destruction. Tenant agrees during any period of reconstruction or repair of the Premises to continue the operation of its business in the Premises to the extent reasonably practicable.

ARTICLE 9 – ASSIGNMENT

Tenant shall not assign, mortgage, or encumber this Lease or sublet or permit the Premises or any part thereof to be used by others without prior written consent of Landlord in each instance, which consent will not be unreasonably delayed or withheld.

ARTICLE 10 - REPAIRS AND MAINTENANCE

Section 10.1 Maintenance by Tenant. During the Term, Tenant shall, at its own cost and expense, repair and maintain (including replacement if necessary) the structural elements and exterior of the Building in good condition and repair, reasonable wear and tear excepted, and in a manner consistent with similar "Class A" properties in the Chippewa Falls, Wisconsin metropolitan area. The "structural elements" shall include, but are not limited to, the foundation, load-bearing walls, structural supports of the Building, the exterior surfaces of the Building walls, roof, roof coverings and utilities leading to and from the Building. Further, Tenant shall, at its own cost and expense, repair and maintain (including replacement if necessary) all portions of the Premises, including, but not limited to, all parking areas, drive aisles and pedestrian walkways, and the interior of the Building in good condition and repair, reasonable wear and tear excepted, and in a manner consistent with similar "Class A" properties in the Chippewa Falls, Wisconsin metropolitan area. Tenant's said obligations shall include, but are not limited to, all partitions, doors, glass, floor coverings, fixtures, heating, air-conditioning, plumbing, electrical equipment, roof gutters, site improvements, landscaping and appurtenances whether installed or owned by Landlord or Tenant. Tenant perform such periodic maintenance, painting, decorating and cleaning of the Premises and/or Building as may be reasonably required to keep the Premises and/or Building in good condition and repair. Tenant shall contract with a reputable heating, ventilation and air conditioning equipment ("*HVAC*") contractor so as to have furnace and air conditioning filters replaced and the HVAC system inspected and cleaned at least two (2) times per year and shall provide Landlord with evidence reasonably satisfactory to Landlord that such work has been performed. Further, Tenant shall be responsible for trash or rubbish removal, snow/ice removal, janitorial services, and shall repair and maintain (including replacement if necessary) any fire protection systems or security systems servicing the Building and/or Premises. Upon the termination of this Lease, Tenant shall surrender the Premises and appurtenances in good condition and repair, reasonable wear and tear and damage by the

elements excepted.

Section 10.2 Maintenance by Landlord. Except for repairs required during the one (1) year warranty period described in Section 1.3(c)(6), or due to the acts or omissions of Landlord, its agents and employees or contractors, as well as repairs or replacements necessitated by fire, casualty or the elements as set forth in Section 8 hereof, Landlord shall have no responsibility for the upkeep, maintenance, repair, and replacement of the Building and/or the Premises.

Section 10.3 Hazardous Substances. Tenant shall neither introduce, dispose of, store, or handle any hazardous or toxic material or substance (as defined in any federal, state or local law, rule, ordinance, regulation or directive) except those necessary to maintain its business as allowed by law or regulation on or about the Premises nor install any storage tank, whether above or below ground level in, under, about or upon the Premises. In the event that any hazardous or toxic material or substance is introduced, disposed of, stored or handled by Tenant on or about the Premises, Tenant, at Tenant's expense, shall properly remove and dispose of the same. Tenant hereby indemnifies and saves and holds Landlord harmless from and against any liability, obligation, damage or cost, including, without limitation, attorney's fees and costs resulting directly or indirectly from Tenant's introduction, removal or disposal of any such hazardous or toxic material or substance or installation of any storage tank, including, without limitation, costs of testing and any remediation and clean-up costs. Notwithstanding the foregoing, Landlord hereby indemnifies and saves and holds Tenant harmless from and against any liability, obligation, damage or cost, including, without limitation, attorney's fees and costs resulting directly or indirectly from the existence of any hazardous or toxic material or substance located on the Premises prior to the commencement of the Term or located on the Premises through no fault of Tenant, including, without limitation, costs of testing and any remediation and clean-up costs. The provisions of this paragraph shall at all times be complied with, and the indemnification obligation contained herein is expressly stated to survive the termination of this Lease, whether by lapse of time or otherwise.

Section 10.4 Emergency Repairs. If, in an emergency situation, a repair to the Premises, which Tenant is obligated to perform, is required, Landlord shall, if possible without creating greater risk of danger or damage, make all reasonable efforts to contact Tenant by telephone or e-mail to advise Tenant of the need for the repair. If after making reasonable efforts to contact Tenant (or without notice if greater danger or damage might ensue), either Landlord is unable to contact Tenant or if Landlord succeeds in contacting Tenant and Tenant fails to undertake action to correct the emergency situation within one (1) business day, Landlord may perform the repair, in such manner as Landlord deems reasonably necessary, on behalf of Tenant. Upon completion of the repair, Tenant shall be required to reimburse Landlord for the actual cost of the repair as additional rent. Tenant's payment shall be due within thirty (30) days after receipt of Landlord's bill. In the event Tenant fails to make payment to Landlord for the repair within thirty (30) days, such failure shall constitute a default hereunder and the amount due shall bear interest at the Default Rate described below. For the purpose of this paragraph, an emergency situation means a condition or state of facts which, if not corrected, would result in further damage to the Premises or its contents or which would prevent Tenant from conducting its business at the Premises in a reasonable manner.

Section 10.5 Compliance with Laws. Tenant shall comply with all valid requirements of public authorities regarding the manner of the conduct of Tenant's business in the Premises. Tenant shall make all changes or installations, and pay the cost, if any, of all inspections required to comply with

valid requirements of public authorities as they apply to the Premises.

ARTICLE 11 – ALTERATIONS

Tenant, at Tenant's cost and expense, may make alterations and additions to the Premises provided that Tenant shall obtain Landlord's written consent before making any structural changes to the Premises or its exterior appearance and any other material change (i.e. those changes that would cost Twenty-Five Thousand Dollars (\$25,000) or more to complete in any one or related instance), which consent shall not be reasonably withheld or delayed. Tenant, at Tenant's cost and expense may also install wireless equipment on the roof of the Building with Landlord's written consent. Tenant will further be responsible for any and all additional repairs that may arise from the installation of such wireless equipment. As a condition to granting such approval, Landlord shall be entitled to request approval of Tenant's plans thereof as well as assurance that Tenant has the funds available to fund the full cost of such work. Landlord shall cooperate in securing necessary permits and authority so long as Landlord does not incur any cost, expense or liability in connection therewith. Tenant shall not permit any mechanics' or other liens to be filed against the Premises for work or material furnished Tenant, and shall indemnify Landlord for all such liens. All such work by Tenant shall be done by contractors selected by Tenant and acceptable to Landlord and shall comply with the requirements of all public authorities having jurisdiction over the Premises. All such work shall be done in a good and workmanlike manner, free and clear of all liens and encumbrances for labor and materials furnished to Tenant and with proper insurance coverage (including workers compensation coverage) naming Landlord as an additional insured.

ARTICLE 12 – SIGNS

Tenant may install and operate, at Tenant's cost and expense, interior and exterior signs with the Landlord's prior consent, which consent will not be unreasonably withheld, and in so doing shall comply with all lawful requirements.

ARTICLE 13 - COMPLIANCE WITH LAWS AND REGULATIONS

Tenant and Landlord, as applicable, will comply with all statutes, ordinances, rules, orders, regulations and requirements of all federal, state, city and local governments.

ARTICLE 14 – SUBORDINATION; NONDISTURBANCE

Section 14.1 Subordination. Landlord reserves the right and privilege to subject and subordinate this Lease to the lien of any construction mortgage or other mortgages placed upon the Premises. Landlord shall cause any such mortgage to contain provisions requiring the holder of the indebtedness secured by such mortgage to mail to Tenant by registered mail a copy of each notice of breach of covenant, default, or foreclosure given by such holder. If Landlord defaults in payment of any installment of interest or principal payable under such mortgage or in the performance of any other covenant, Tenant may perform any such covenant or pay any such installment or cost of performance of covenants and any other costs incurred by Tenant, and deduct any amount so paid from future rent payment(s).

Section 14.2 Nondisturbance. Subject to the covenants, terms and conditions of this Lease, this Lease shall be subordinated to the lien of said mortgage. If there shall be a conflict between the terms of said Lease and the terms of said mortgage, the terms of said Lease shall prevail. If Landlord's Lender or any other party (each a "**Successor Landlord**") acquires title or right of possession of the Premises under said mortgage through foreclosure, or otherwise, said Lease shall remain in full force and effect and Tenant shall continue occupancy of the Premises in accordance with the terms and provisions of said Lease so long as Tenant is not in default of any terms hereof. In such event, during the period that it holds title to or possession of the Premises, Successor Landlord shall be in all respects bound by this Lease as Landlord and by all of Tenant's rights thereunder. Successor Landlord's remedies pursuant to this Lease will be in full force and effect once Successor Landlord succeeds to the interest of Landlord under this Lease and once Successor Landlord is bound by all of the terms and conditions of said Lease.

ARTICLE 15 - EMINENT DOMAIN

Section 15.1 Substantial Taking. If the whole Premises shall be taken by any public authority under the power of eminent domain, this Lease shall terminate as of the day possession is taken by the public authority, and Tenant shall pay rent up to that date with an appropriate refund by Landlord of such rent as may have been paid in advance.

Section 15.2 Partial Taking. If more than thirty percent (30%) of the leasable square footage of the Building or more than thirty percent (30%) of the parking used in connection therewith are taken, then either party shall have the option to terminate this Lease upon written notice to the other given within ninety (90) days after the date of such taking and this Lease shall then terminate thirty (30) days after the giving of such notice. In the event that this Lease shall terminate or be terminated under the provisions of this paragraph, the rental and other charges hereunder shall, if and as necessary, be equitably adjusted. Upon such adjustment, Tenant shall pay rent up to the date of taking with an appropriate refund by Landlord of such rent as may have been paid in advance.

Section 15.3 Rent Reduction in Lieu of Termination. If any part of the Premises shall be so taken and this Lease shall not terminate or be terminated under the provisions of this Article, then the Rent, and all other charges hereunder shall be equitably apportioned according to the space so taken; and the Landlord, at its sole cost and expense, shall promptly (i) make all repairs to the Building to the extent necessary to constitute the Building a complete architectural unit, and (ii) restore the remaining portion of the Premises, including any permanent betterment and improvements thereto excluding Tenant's merchandise, trade fixtures, equipment or decorative items, to a condition substantially equal to the condition of the Premises immediately prior to such taking and in conformity with and pursuant to all applicable requirements of law and duly constituted governmental authority. In no event shall Landlord be obligated to expend for such repairs an amount in excess of the condemnation proceeds available for such rebuilding or restoration. In the event that this Lease shall be terminated, as herein provided, the parties hereto shall be released from their respective obligations hereunder accruing subsequent to the date on which this Lease is so terminated, but Tenant shall remain liable for the payment of rent and other charges and the performance of all of the terms and provisions of this Lease due and owing or accrued up to and including the date of such termination.

Section 15.4 Proceeds from Taking. All compensation awarded or paid upon such a total or

partial taking of the Premises shall belong to Landlord without any participation by Tenant. However, nothing herein contained shall be construed to preclude Tenant from prosecuting any claim directly against the condemning authority in such condemnation proceedings for loss of business or depreciation to, damage to, or cost of removal of the value of stock, trade fixtures, furniture, and other personal property belonging to Tenant, although no such claim shall diminish or otherwise adversely affect the compensation awarded or paid to Landlord except to the extent that payments to the Tenant are for Tenant's direct losses.

ARTICLE 16 - RIGHT TO INSPECT

Landlord may at reasonable times during Tenant's business hours with at least twenty-four (24) hours' written notice (or at any other time if an emergency exists), and, to the extent reasonably possible, after so advising Tenant, enter the Premises for the purpose of examining, showing to prospective lenders, purchasers or tenants, and of making repairs, but not so as to unreasonably interfere with Tenant's business.

ARTICLE 17 - TRADE FIXTURES

Tenant shall furnish and pay for any and all equipment, furniture, trade fixtures, and signs necessary for Tenant's use and occupancy of the Premises. Upon the termination of this Lease for any reason whatsoever, the above property shall be subject to any statutory lien rights available to Landlord under the laws of the State of Wisconsin; *provided, however*, that Landlord's lien rights, if any, shall be subordinate to that of Tenant's lender.

ARTICLE 18 - QUIET ENJOYMENT

Landlord covenants that Tenant, upon paying the Rent and upon the due performance of all terms, covenants, conditions, and agreements herein contained, shall have, hold, and enjoy the Premises free from molestation, eviction, or disturbance by Landlord, or by any other person or persons lawfully claiming the same, and that Landlord has good right to make this Lease for the full term granted.

ARTICLE 19 - SUBROGATION RIGHTS

Each of the parties hereto mutually release and discharge the other, and any officer, agent, employee or representative of such party, of and from any liability whatsoever, and waive all right of recovery against the other, for any loss of or damage or injury to the property of each, including earnings derived there from, caused by or resulting from fire or other casualty for which insurance (permitting waiver of liability and containing a waiver of subrogation) is carried by the injured party at the time of such loss, damage or injury to the extent of any recovery by the injured party under such insurance, regardless of the cause of such loss, or injury even though it results from some act or negligence of a party hereto, its agents or representatives; *provided, however*, that this provision shall be inapplicable if it shall have the effect, but only to the extent that it would have the effect, of invalidating the insurance coverage of the parties hereto. Each party shall immediately notify the other in writing if any of its applicable insurance policies shall no longer permit waiver of liability or contain a waiver of subrogation. Landlord and Tenant shall each, forthwith after the execution of this Lease, procure from their insurers under all policies of insurance, now and hereafter during the term hereof existing and purchased by either

or both, a waiver of all rights of subrogation which the insurers under the policies might otherwise have against the other, the waiver to be in writing and for the express benefit of the other.

ARTICLE 20 - DEFAULT AND REMEDIES

Section 20.1 Acts of Default of Tenant. Each of the following shall be deemed a default by Tenant and a breach of this Lease:

(a) Failure to pay any of the Base Rent and/or other payments herein required, or any part thereof, for a period of more than ten (10) days after written notice of the past due date is given by Landlord to Tenant.

(b) Failure to do, observe, keep, and perform any of the terms, covenants, conditions, agreements, and provisions in this Lease for a period of thirty (30) days after written notice of such failure is given by Landlord to Tenant.

(c) The abandonment of the Premises by Tenant except upon the termination of the Lease as expressly permitted by a provision hereof.

(d) At the sole discretion of Landlord, the following acts shall constitute a default under this Lease: the filing by Tenant of a petition for relief under the Bankruptcy Act of the United States, as amended; the filing by Tenant of a petition for relief under any state bankruptcy, receivership, or any insolvency statute; the making by Tenant of any assignment for the benefit of its creditors, or any appointment of a receiver or trustee for Tenant for all or part of its property; or the taking by execution of any of Tenant's rights hereunder.

Upon the happening of any of the events set forth in this Section, Landlord shall have the right without notice to forthwith terminate all of Tenant's interests herein.

Section 20.2 Acts of Default of Landlord. Landlord shall breach this Lease by its failure to do, observe, keep, and perform any of the terms, covenants, conditions, agreements, and provisions in this Lease to be done, observed, kept, and performed by Landlord for a period of more than thirty (30) days after written notice of such failure is given by Tenant to Landlord.

Section 20.3 Remedies. Upon the happening of any of the acts of default set forth above, Landlord or Tenant, as applicable, shall have the right to elect one or more of the following remedies:

(a) Landlord or Tenant, as applicable, may terminate this Lease upon a specified date not less than thirty (30) days after the date of notification in writing to the other of an act of default set forth in Sections 20.1 or 20.2 unless such default has been cured within said thirty (30) day period; *provided, however*, that Landlord may terminate this Lease upon a specified date not less than ten (10) days after the day of notification in writing to Tenant of a default set forth in Section 20.1(a), unless such default has been cured within said ten (10) day period.

(b) If Tenant commits an act of default, Landlord may re-enter the Premises upon a specified date not less than thirty (30) days after the date of notification in writing to Tenant by Landlord

of the act of default unless such default was cured within said thirty (30) day period; *provided, however*, that if Tenant defaults as provided in Section 20.1(a), Landlord may re-enter the Premises upon a specified date not less than ten (10) days after the date of notification in writing to Tenant by Landlord of the act of default unless such default was cured within said ten (10) day period. Tenant shall not deem such re-entry abandonment. Upon Landlord's re-entry, Tenant shall remain liable for all rentals due Landlord for the Term of this Lease; *provided, however*, that Landlord shall use its best efforts to relet the Premises on behalf of Tenant upon the best terms and conditions available in the marketplace, and to credit Tenant with the rentals received by Landlord for such reletting.

(c) In the event of a default described in Section 20.1(d), Landlord may elect to accept rentals from any trustee, receiver, or other agent to occupy the Premises so long as said trustee, receiver, or other agent performs all of the other terms and conditions of this Lease. Nothing herein shall be construed to give to any trustee, receiver, or other agent any right, title, or interest in or to the Premises or any leasehold interest therein.

(d) Landlord or Tenant, upon default by the other party, as applicable, of any of the terms and conditions contained in this Lease, shall have the right to exercise any remedy at law or equity as provided by the laws of the State of Wisconsin.

(e) Notwithstanding anything in this Section to the contrary, any cure of a default which cannot reasonably be completed within thirty (30) days must be undertaken within said thirty (30) day period and completed within a reasonable period of time thereafter.

ARTICLE 21 - SURRENDER UPON TERMINATION OF LEASE

Section 21.1 Surrender. At expiration or termination of this Lease, Tenant agrees to: (a) surrender possession of the Premises to Landlord; (b) remove at Tenant's expense, Tenant's trade fixtures, equipment, exterior signs, and those interior and other improvements made by Tenant which Landlord designates by written notice delivered not less than thirty (30) days after such expiration; and (c) otherwise return the Premises to Landlord in good condition and repair, ordinary wear and tear excepted. In no event shall Landlord's notice require Tenant to remove any improvements and/or alterations attached to the realty or not identified to be removed when initially installed. Notwithstanding the foregoing, Landlord agrees that although affixed to the Premises, Tenant's trade fixtures, which include without limitation all machinery and equipment used in the operation of Tenant's business which are placed on the Premises by Tenant from time to time during the Term of this Lease shall be the property of Tenant and at the expiration or termination of this Lease shall be removed from the Premises by Tenant. Any property of Tenant not so removed shall become the property of Landlord; *provided, however*, that Landlord may require Tenant to remove its property from the Premises, and if not so removed, may cause Tenant's property to be removed and stored at Tenant's expense. Tenant agrees to be responsible and perform repairs occasioned by the removal of Tenant's trade fixtures and equipment from the Premises in accordance with the provisions of this Section. Landlord shall have the same rights to enforce this covenant by ejectment and for damages or otherwise as for the breach of any other condition or covenant of this Lease.

Section 21.2 Holdover. If Tenant fails to surrender the Premises on the date that the Lease expires or terminates, Tenant's continued occupancy shall be deemed to be a tenancy from month-to-

month and such tenancy shall be subject to all of the provisions of this Lease in effect at the time of holdover. Tenant shall pay Base Rent at the rate of One Hundred Twenty-Five percent (125%) of the current Base Rent at the time of holdover during the month-to-month lease period.

ARTICLE 22 - COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT

Landlord warrants that upon commencement of the Lease, the Premises will comply with applicable building codes and governmental rules and regulations including, but not limited to, the provisions of the American with Disabilities Act. During the Term, Tenant shall take all steps necessary to assure that the Premises remain in compliance with all applicable provisions of the Americans with Disabilities Act.

ARTICLE 23 – MISCELLANEOUS

Section 23.1 Force Majeure. In the event that Landlord or Tenant is delayed, 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; restrictive government laws or regulations; riots; insurrection; the act, failure to act or default of the other party; war; unusual weather conditions; or other reason beyond their control, then performance of such act shall be excused for the period of the delay. The period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The party claiming delay shall provide immediate written notice to the other to be excused from timely performance.

Section 23.2 Duplicates; Recordation. The parties shall at any time, at the request of either one, promptly execute duplicate originals of an instrument, in recordable form, which will constitute a short form lease, setting forth a description of the Premises, the term of this Lease, and any other portions thereof, excepting the rental provisions, as either party may request.

Section 23.3 Consent Not to be Unreasonably Withheld. Whenever Tenant requests any consent, permission, or approval which may be required or desired by Tenant pursuant to the provisions hereof, Landlord shall not unreasonably withhold or postpone such consent, permission, or approval. If Tenant requests such consent, permission, or approval in writing and Landlord does not notify Tenant of its express disapproval thereof within ten (10) business days after the receipt of such request setting forth its reasons therefore, such consent, permission, or approval shall be deemed to have been granted.

Section 23.4 Binding Agreement; Covenants Running with Land. All covenants, promises, conditions, and obligations herein contained or implied by law are covenants running with the land and shall bind and attach and inure to the benefit of Landlord and Tenant and their respective heirs, legal representatives, transferees, successors and assigns, except as otherwise provided herein.

Section 23.5 No Waiver. No waiver of a breach of any of the covenants contained in this Lease shall be construed to be a waiver of any succeeding breach of the same covenants.

Section 23.6 Arrears. All arrearages in the payment of rent or any other payment required by Tenant under this Lease shall bear interest from the date when due, except for a five (5) day grace period, and payable at the rate of twelve percent (12%) per annum until paid (the “**Default Rate**”).

Section 23.7 Written Modifications. No modification, release, discharge, or waiver of any provisions hereof shall be of any force, effect, or value unless in writing signed by Landlord and Tenant or their duly-authorized agents or attorneys.

Section 23.8 Notices. Any notice, offer or demand required to be sent hereunder shall be delivered in person or sent by registered United States mail, return receipt requested, addressed to the respective parties at:

To Landlord:
Chippewa Falls Holdings, LLC
c/o Robb F. Majeski
1450 Rivers Edge Trail, Suite 1
Altoona, Wisconsin 54720

To Tenant:
VES Environmental Solutions, Inc.
c/o John McBride
8296 Commerce Parkway, Suite 2
Chippewa Falls, Wisconsin 54729

Nothing herein contained shall be constructed as prohibiting the parties respectively from changing the place at which notice is to be given, but no such change shall be effective unless and until it has been accomplished by written notice given in the manner set forth in this paragraph.

Section 23.9 Liability Continued. All references to Landlord and Tenant refer to the persons or entities who, from time to time, occupy the positions, respectively, of Landlord and Tenant, although this shall not be construed as relieving a person of any liability incurred by them by reason of or in connection with their having been Landlord or Tenant at one time.

Section 23.10 Governing Law. All of the rights and remedies of the respective parties shall be governed by the provisions of this instrument and by the laws of the State of Wisconsin as such laws relate to the respective rights and duties of landlords and tenants.

Section 23.11 Rules of Interpretation. The language used in this Lease shall be deemed to be the language chosen by all parties hereto to express their mutual intent, and no rule of strict construction against either party shall apply to any terms or condition hereof.

Section 23.12 Defaulting Fees. In the event of any default hereunder, the prevailing party shall be entitled to recover from the defaulting party, in addition to Rent and other charges equivalent to rent, all reasonable attorney fees incurred in enforcing the remedies herein.

Section 23.13 Tenant Financial Statements. Within ten (10) days after Landlord's written request therefor, Tenant shall deliver to Landlord the most current audited annual and unaudited quarterly financial statements of Tenant, including a balance sheet and income statement, all prepared in accordance with generally accepted accounting principles consistently applied.

Section 23.14 Authority. Each of the parties represents and warrants that it has the full capacity, right, power and authority to execute, deliver and perform this Lease, and all required actions, consents and approvals therefor have been duly taken and obtained.

Section 23.15 Counterparts; Electronic Signature. This Lease may be executed in one or

more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Lease and of signature pages by facsimile transmission or electronic transmission of portable document format (.pdf) shall constitute effective execution and delivery of this Lease as to the parties and may be used in lieu of the original agreement for all purposes. Signatures of the parties transmitted by facsimile or electronic transmission of .pdf shall be deemed to be their original signatures for all purposes.

ARTICLE 24 – OPTION TO PURCHASE

Simultaneously with the execution of this Lease, Landlord has granted to Tenant an option to purchase the Premises, on the terms and conditions set forth in that certain Real Estate Option Agreement, dated of even date herewith, between Landlord and Tenant.

ARTICLE 25 – RIGHT OF FIRST REFUSAL

During the Term, before Landlord may sell the Property, or a majority interest in Landlord's entity, to any third party, Landlord shall first offer to sell the Property to Tenant (or majority interest in Landlord's entity, as the case may be) on the same terms and conditions as are offered to or by the third party purchaser ("***Tenant's Right of First Refusal***"). Tenant shall have thirty (30) days thereafter within which to accept or reject the proposed purchase offer. If Tenant elects to accept the proposal to purchase, Landlord and Tenant shall mutually endeavor to enter into a real estate purchase agreement, which shall provide for the purchase of the Property on the same terms and conditions proposed and shall contain provisions customary for transactions of this nature, in form and substance consistent with the WB-15 Commercial Offer to Purchase then in use in state of Wisconsin or any successor form mutually acceptable to the parties and shall close on the transaction within one hundred twenty (120) days of the acceptance. If Tenant elects not to accept the proposal, Landlord is free to accept the third-party offer and sell the Property upon such terms and conditions. Upon the closing of Landlord's sale of the Property (or majority interest in Landlord's entity, as the case may be) to the third party as provided herein, Tenant's Right of First Refusal granted in this Article shall thereafter be deemed null and void. If Landlord does not enter into an agreement with the third party on said same terms and conditions as offered to Tenant, and close the transaction within one hundred eighty (180) days of Tenant's not exercising the Tenant's Right of First Refusal, Landlord's right to sell the Property (or majority interest in Landlord's entity, as the case may be) to the third party shall expire and the Tenant's Right of First Refusal and the procedure described in this Article shall again be applicable.

ARTICLE 26 – SECURITY DEPOSIT

On or before the Rent Commencement Date, Tenant will deposit with Landlord the sum of three (3) months of Base Rent as security for the full and faithful performance of every provision of this Lease to be performed by Tenant (the "***Security Deposit***"); it being expressly understood that the Security Deposit shall not be considered an advance payment of Base Rent or a measure of Landlord's damages in case of default by Tenant. Thereafter, on or before the anniversary date of the Rent Commencement Date in the three (3) subsequent years of the Initial Term, Tenant shall deposit another one (1) month of Base Rent each year (at then then-current Base Rent amount) until Tenant has established a Security Deposit equal to at least six (6) months of the Year 1 Base Rent (which full Security Deposit amount the parties agree to be \$458,000.00). After the fifteenth (15th) annual anniversary of the Rent

Commencement Date, the Tenant may reduce the Security Deposit amount to two (2) months of the Year 15 Base Rent for the remainder of the Term and any Extended Term (which reduced Security Deposit amount the parties agree to be \$175,486.20). If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of Base Rent, Landlord may use, apply or retain all or any part of this Security Deposit for the payment of any Base Rent or any other sum in default or for the payment of any other amount which, Landlord may spend or become obligated to spend by reason of Tenant's default. If any portion of said Security Deposit is to be used or applied, Tenant shall, within five (5) days after Landlord's written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount and Tenant's failure to do so shall be a breach of this Lease. The use, application or retention of the Security Deposit, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by law (it being intended that Landlord shall not first be required to proceed against the Security Deposit) and shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Landlord agrees that Tenant may maintain the Security Deposit with Northwestern Bank of Chippewa Falls, Wisconsin, in the name of the Tenant, granting Landlord a security interest in the Security Deposit account, including any interest thereon, which interest shall remain in said account. All interest on the Security Deposit, however, shall accrue to the benefit of Tenant and Landlord waives any right thereto, except in the event Landlord exercises its right to use, apply or retain all or any part of the Security Deposit for Base Rent or any other sum in default or payment of any other amount, which Landlord may spend or become obligated to spend by reason of Tenant's default, pursuant to this Article. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Landlord's security interest in the Security Deposit shall terminate upon Tenant's vacation of the Premises. In the event the Premises is sold, the Landlord's security interest in the Security Deposit will be transferred to the new owner and the transferring Landlord shall have no responsibility for the Security Deposit thereafter.

[Signature Page to Follow]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease Agreement as of the date set forth above.

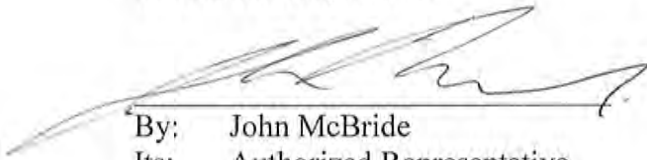
LANDLORD:

CHIPPEWA FALLS HOLDINGS, LLC,
a Wisconsin limited liability company


By: Robb F. Majeski
Its: Authorized Representative

TENANT:

VES ENVIRONMENTAL SOLUTIONS, INC.,
a Delaware corporation


By: John McBride
Its: Authorized Representative

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

EXHIBIT A
SITE PLAN OF THE PREMISES

[See attached.]

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

[Exhibit A]

EXHIBIT B
PLANS AND SPECIFICATIONS

[See attached.]

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

[Exhibit B]

EXHIBIT C
SCOPE OF WORK

[See attached.]

Exhibit F

Preliminary Regional Stormwater Pond Improvements

**EXHIBIT F**

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT TO UNDERTAKE
DEVELOPMENT IN TAX INCREMENTAL DISTRICT NO. 14**

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT TO UNDERTAKE DEVELOPMENT IN TAX INCREMENTAL DISTRICT NO. 14 (this “*First Amendment*”) is made effective as of the 18th day of September, 2020 (the “*Effective Date*”), by and between the **City of Chippewa Falls, Wisconsin** (“*City*”), **Chippewa County, Wisconsin** (“*County*”), **VES Environmental Solutions, Inc.**, a Delaware corporation (“*VES*”), and **Chippewa Falls Holdings, LLC**, a Wisconsin limited liability company (“*Developer*”). City, County, VES and Developer are referred to herein collectively as the “*Parties*”, and individually as a “*Party*.”

RECITALS:

A. City, County, VES and Developer are parties to that certain Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of January 8, 2020 (the “*Agreement*”), regarding the development of certain real property within the Lake Wissota Business Park and the City’s Tax Incremental District No. 14; and

B. The Parties now desire to modify the terms of the Agreement in the manner and on the terms and conditions set forth in this First Amendment as of the Effective Date.

AGREEMENT:

In consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, City, County, VES and Developer agree that the Agreement is amended as follows:

1. **Definitions and Recitals.** All capitalized terms used in this First Amendment shall have the same meaning as set forth in the Agreement, unless otherwise defined in this First Amendment. The Recitals are incorporated into and made a part of this First Amendment by this reference.

2. **No Regional Pond Improvements.** The Agreement is hereby amended to remove any reference to, and relieve any and all obligations of any Party with respect to, the proposed Regional Pond improvements in connection with the Project. As amended hereby, (i) City shall have no obligation to reimburse Developer for improvements to the Regional Pond, as contemplated in Section C(1) of the Agreement; (ii) County shall have no obligation to convey any real property to City to expand the Regional Pond, as contemplated in Section C(2) of the Agreement; and (iii) Developer shall have no obligation to perform any improvements to the Regional Pond, as contemplated in Section C(3) of the Agreement. *For the avoidance of doubt*, any and all obligations of any Party with respect to the Regional Pond, or any improvements thereto, are hereby removed from the Agreement in their entirety. Further, any reference to the Regional Pond shall be deemed deleted from the Agreement in its entirety.

3. **Increased Purchase Price for Property.** In consideration of the removal of Developer’s obligations with respect to the Regional Pond, the Parties have agreed that the

purchase price payable by Developer to the County for the Property shall be increased to One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) in the aggregate (the “**Increased Purchase Price**”). Simultaneous with the execution of this First Amendment, County and Developer shall also amend that certain Purchase Agreement, dated January 8, 2020, to reflect the Increased Purchase Price for the Property, and Developer shall make payment of the balance of the Increased Purchase Price owed to the County in accordance with the terms provided in the amended Purchase Agreement.

4. **Property Value Reimbursement.** In consideration of the removal of City’s obligations with respect to the Regional Pond, the Parties have agreed that the City shall make payment to the County in the amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00) (the “**Property Value Reimbursement**”), to reimburse the County for a portion of the value of the Property sold to Developer. The Property Value Reimbursement is calculated at a rate of \$8,012.82 per acre for the 12.48 acres sold to Developer. City shall make payment to the County of the Property Value Reimbursement as further detailed in Section 7 hereof.

5. **County Contribution to Project.** In consideration of the removal of County’s obligations with respect to the Regional Pond, the Parties have agreed that the County’s net contribution to the Project shall be calculated as the difference between the Agreed Land Value provided in Section C(2)(a) of the Agreement and the sum of the Increased Purchase Price and the Property Value Reimbursement. Section C(2)(a) of the Agreement is hereby amended accordingly.

6. **Use of Property Value Reimbursement.** In consideration of the Property Value Reimbursement, the County hereby agrees to use those funds received from the City for economic development activities within the geographic municipal limits of the City at a later date, and for economic development purposes which are mutually agreeable to both the City and the County. City and the County shall mutually endeavor to determine the best use of such Property Value Reimbursement funds for economic development activities, and shall jointly pursue economic development opportunities that will mutually benefit both the City and the County.

7. **Allocation of Tax Increment.** Section D(2) of the Agreement is hereby deleted in its entirety, and replaced with the following:

2. **Allocation of Tax Increment.** To the extent that the Tax Increment with respect to any tax year has in fact been received by the City, it shall be applied and paid by the City as follows:
 - (a) First, to the City, the actual amount required to reimburse the City’s out-of-pocket costs in administering this Agreement and for all annual reporting expenses as required by the Wisconsin Department of Revenue (WIDOR), during the term of this Agreement up to, but not limited to, an estimated amount of Five Thousand and 00/100 Dollars (\$5,000.00) per year.
 - (b) Second, to the County, for payment of the Property Value Reimbursement in an amount not to exceed One Hundred Thousand and 00/100 Dollars (\$100,000.00) in the aggregate, twenty percent (20%) of the remaining Tax Increment after the

payment from Section D(2)(a) above is distributed for each such year, up to the maximum amount of the Property Value Reimbursement to the County.

- (c) Third, to the Developer for the benefit of the Developer and VES in an amount not to exceed Four Hundred Thousand and 00/100 Dollars (\$400,000.00), without interest, eighty percent (80%) of the remainder of the remaining Tax Increment after payments from Sections D(2)(a) and D(2)(b) above are distributed for each such year, up to the maximum amount of the TIF Grant to the Developer each year subject to Section C(1)(a). If the Termination Date occurs prior to the receipt of the entire TIF Grant, then no further amount will be paid to the Developer.
- (d) Upon the earlier to occur of (i) the full payment of the TIF Grant; or (ii) the Termination Date, any remaining Tax Increment for each year shall be paid to the County until the County has received the full amount of the Property Value Reimbursement.
- (d) Subject to Section C(1)(b)(i), and after all payments above have been made, all Tax Increment will be available to the City for use in connection with any other purposes of Tax Increment District No. 14.

8. **Clawback for Default.** Section E(3)(b) of the Agreement is hereby deleted in its entirety, and replaced with the following:

- (b) Reduce the amount of the remaining TIF Grant annually by an amount equal to One Thousand Fifty and 00/100 Dollars (\$1,050.00) for each full-time job by which the number of jobs have not been created and VES is short of the required Job Creation Benchmark, as certified to the City by the County based on the annual reports submitted by VES; or

9. **No Further Modifications; Full Force and Effect; Conflicts.** Except as expressly modified in this First Amendment, all other terms and conditions of the Agreement are hereby acknowledged by all Parties and shall remain in full force and effect. The terms of this First Amendment shall control over any other inconsistent terms of the Agreement.

10. **Authority.** Each of the Parties represents and warrants that it has the full capacity, right, power and authority to execute, deliver and perform this First Amendment, and all required actions, consents and approvals therefor have been duly taken and obtained.

11. **Entire Agreement.** This First Amendment constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior written or oral agreements pertaining thereto.

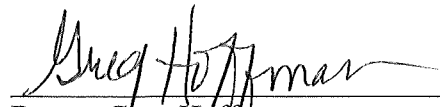
12. **Counterparts.** This First Amendment may be executed in one or more counterparts, all of which in the aggregate shall constitute one and the same instrument. This First Amendment may be executed and delivered electronically with such signatures being deemed original signatures for purposes of enforcement and construction of this First Amendment.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this First Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14 as of the date first written above.

CITY:

City of Chippewa Falls

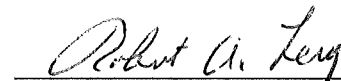

 By: Greg Hoffman
 Its: Mayor


 By: Bridget Givens
 Its: City Clerk

ACKNOWLEDGEMENT

STATE OF WISCONSIN)
) SS
 COUNTY OF CHIPPEWA)

Personally came before me this 22nd day of September, 2020, the above-named Greg Hoffman and Bridget Givens, being the Mayor and City Clerk, respectively, of the City of Chippewa Falls, known by me to be the persons who executed and acknowledged the foregoing instrument.


 Name: Robert A. Ferg
 Notary Public, State of Wisconsin
 My Commission Expires: is permanent

[SEAL]

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

COUNTY:

Chippewa County, Wisconsin

Randy Scholz
By: Randy Scholz
Its: County Administrator

Jaclyn Sadler
By: Jaclyn Sadler
Its: County Clerk

ACKNOWLEDGEMENT

STATE OF WISCONSIN)
) SS
COUNTY OF CHIPPEWA)

Personally came before me this 23rd day of SEPTEMBER, 2020, the above-named Randy Scholz and Jaclyn Sadler, being the County Administrator and County Clerk, respectively, of Chippewa County, Wisconsin, known by me to be the persons who executed and acknowledged the foregoing instrument.

Todd A. Mills
Name: TODD A. MILLS
Notary Public, State of Wisconsin
My Commission Expires: IS PERMANENT

[SEAL]

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

VES:

VES Environmental Solutions, Inc.,
a Delaware corporation


By: Ed Paradowski
Its: Chief Executive Officer

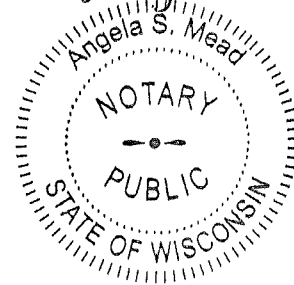
ACKNOWLEDGEMENT

STATE OF WISCONSIN)
) SS
COUNTY OF CHIPPEWA)

Personally came before me this 15th day of October, 2020, the above-named Ed Paradowski, being the Chief Executive Officer of VES Environmental Solutions, Inc., known by me to be the person who executed and acknowledged the foregoing instrument.

Name: Angela S. Mead
Notary Public, State of Wisconsin
My Commission Expires: July 31, 2023

[SEAL]



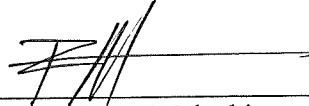
Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

DEVELOPER:

Chippewa Falls Holdings, LLC,
a Wisconsin limited liability company



By: Peter J. Hoeft
Its: Member

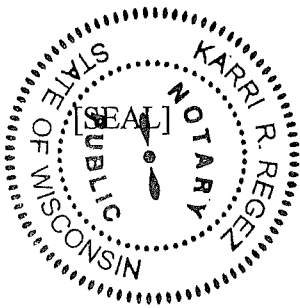


By: Robb F. Majeski
Its: Member

ACKNOWLEDGEMENT

STATE OF WISCONSIN)
) SS
COUNTY OF CHIPPEWA)

Personally came before me this 15 day of OCT, 2020, the above-named Peter J. Hoeft and Robb F. Majeski, each being a Member of Chippewa Falls Holdings, LLC, known by me to be the persons who executed and acknowledged the foregoing instrument.




Name: KARRI R REGEZ
Notary Public, State of Wisconsin
My Commission Expires: 9.25.22

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

**SECOND AMENDMENT TO DEVELOPMENT AGREEMENT TO UNDERTAKE
DEVELOPMENT IN TAX INCREMENTAL DISTRICT NO. 14**

THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT TO UNDERTAKE DEVELOPMENT IN TAX INCREMENTAL DISTRICT NO. 14 (this “**Second Amendment**”) is made effective as of the ____ day of _____, 2022 (the “**Effective Date**”), by and between the **City of Chippewa Falls, Wisconsin** (“**City**”), **Chippewa County, Wisconsin** (“**County**”), **VES Environmental Solutions, Inc.**, a Delaware corporation (“**VES**”), and **Chippewa Falls Holdings, LLC**, a Wisconsin limited liability company (“**Developer**”). City, County, VES and Developer are referred to herein collectively as the “**Parties**”, and individually as a “**Party**.”

RECITALS:

A. City, County, VES and Developer are parties to that certain Development Agreement to Undertake Development in Tax Incremental District No. 14, dated as of January 8, 2020, regarding the development of certain real property within the Lake Wissota Business Park and the City’s Tax Incremental District No. 14, as amended by that certain First Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14 dated September 18, 2020 (as amended, the “**Agreement**”), which is incorporated herein by reference; and

B. The Parties now desire to modify the terms of the Agreement in the manner and on the terms and conditions set forth in this Second Amendment as of the Effective Date.

AGREEMENT:

In consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, City, County, VES and Developer agree that the Agreement is amended as follows:

1. **Definitions and Recitals.** All capitalized terms used in this Second Amendment shall have the same meaning as set forth in the Agreement, unless otherwise defined in this Second Amendment. The Recitals are incorporated into and made a part of this Second Amendment by this reference.

2. **Decreased Acreage of Land Conveyed.** Due to the discovery by the Parties that the amount of land actually conveyed from County to Developer was 12.07 acres rather than 12.48 acres, the Parties have agreed that the second “Whereas” paragraph under Recitals shall be amended by deleting the number “12.48” and inserting the number 12.07.”

3. **Decrease in Agreed Land Value.** Due to the discovery by the Parties that the amount of land actually conveyed from County to Developer was 12.07 acres rather than 12.48 acres, the Parties have agreed that the Agreed Land Value under Section C.2.(a) shall be decreased from \$436,800.00 to \$422,450.00 (the “**Decreased Agreed Land Value**”), which is based upon multiplying 12.07 acres by \$35,000.00 per acre.

4. **Decreased Purchase Price for Property.** Due to the discovery by the Parties that the amount of land actually conveyed from County to Developer was 12.07 acres rather than 12.48 acres, the Parties have agreed that the purchase price payable by Developer to the County for the

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)

Property shall be decreased from One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) (the “**First Amended Purchase Price**”) to One Hundred Forty-five Thousand Seventy-two and 12/100 Dollars (\$145,072.12) (the “**Second Amended Purchase Price**”). Simultaneous with the execution of this Second Amendment, County and Developer shall also execute a second amendment to the Purchase Agreement to reflect the Second Amended Purchase Price for the Property. County shall refund Developer in the amount of Four Thousand Nine Hundred Twenty-seven and 88/100 Dollars (\$4,927.88) based on the Second Amended Purchase Price. The refund is calculated at a rate of Twelve Thousand Nineteen and 23/100 Dollars (\$12,019.23) per acre for the 12.07 acres sold and conveyed to Developer and represents the difference between the First Amended Purchase Price and the Second Amended Purchase Price.

5. **Decreased Property Value Reimbursement.** Based upon the Second Amended Purchase Price, the Parties have agreed that the City shall reduce its payment to the County to reimburse the County for a portion of the value of the Property sold to Developer from One Hundred Thousand and 00/100 Dollars (\$100,000.00) to Ninety-six Thousand Seven Hundred Fourteen and 74/100 Dollars (\$96,714.74) (the “**Decreased Property Value Reimbursement**”). The Decreased Property Value Reimbursement is calculated based on a rate of \$8,012.82 per acre for the 12.07 acres sold and conveyed to Developer.

6. **County Contribution to Project.** Based upon the Second Amended Purchase Price, the Parties have agreed that the County’s net contribution to the Project shall be One Hundred Eighty Thousand Six Hundred Sixty-three and 14/100 Dollar (\$180,663.14), which represents the difference between the Decreased Agreed Land Value (\$422,450.00) and the sum of the Second Amended Purchase Price (\$145,072.12) and the Decreased Property Value Reimbursement (\$96,714.74). Section C.2.(a) of the Agreement is hereby amended accordingly.

7. **No Further Modifications; Full Force and Effect; Conflicts.** Except as expressly modified in this Second Amendment, all other terms and conditions of the Agreement are hereby acknowledged by the Parties and shall remain in full force and effect. The terms of this Second Amendment shall control over any other inconsistent terms of the Agreement and First Amendment.

8. **Authority.** Each of the Parties represents and warrants that it has the full capacity, right, power and authority to execute, deliver and perform this Second Amendment, and all required actions, consents and approvals therefor have been duly taken and obtained.

9. **Entire Agreement.** This Second Amendment constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior written or oral agreements pertaining thereto.

10. **Counterparts.** This Second Amendment may be executed in one or more counterparts, all of which in the aggregate shall constitute one and the same instrument. This Second Amendment may be executed and delivered electronically with such signatures being deemed original signatures for purposes of enforcement and construction of this Second Amendment.

[The remainder of this page is intentionally left blank.]

[Signature page follows on next page]

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed and delivered this Second Amendment to Development Agreement to Undertake Development in Tax Incremental District No. 14 as of the date first written above.

CITY:

City of Chippewa Falls

By: Greg Hoffman
Its: Mayor

By: Bridget Givens
Its: City Clerk

COUNTY:

Chippewa County, Wisconsin

By: Randy Scholz
Its: County Administrator

By: Jaclyn Sadler
Its: County Clerk

VES ENVIRONMENTAL SOLUTIONS, INC:

By: Ed Paradowski
Its: CEO

DEVELOPER:

Chippewa Falls Holdings, LLC,
a Wisconsin limited liability company

By: Peter J. Hoeft
Its: Member

By: Robb F. Majeski
Its: Member

Attachment: Assignment Agreement Compiled County (6905 : Consent to Assignment Agreement - VES)