

**DEVELOPMENT AGREEMENT**  
(Tax Incremental District No. 1)

THIS DEVELOPMENT AGREEMENT, which may be amended or supplemented from time to time (this “**Agreement**”), dated as of [DATE] (the “**Effective Date**”), is by and between the TOWN OF CLAYTON, Winnebago County, Wisconsin, a Wisconsin municipal corporation (the “**Town**”), and Spark Development, LLC, a Wisconsin limited liability company (“**Developer Entity**”), and Derek Liebhauser, an individual, and TJ Lamers, an individual (Derek Liebhauser and TJ Lamers, collectively, “**Developer Principals**”) (Developer Entity and Developer Principals are collectively referred to herein as “**Developer**”).

WHEREAS, Developer has proposed to acquire and develop certain real property located at Lot 2 of CSM 8002, Town of Clayton, Winnebago County, Wisconsin, identified as Parcel Number 006-03280202 containing approximately 14.04 acres, as further described on **Exhibit A** attached hereto and made a part hereof, with a 2024 assessed value of \$0.00 (the “**Property**”); and

WHEREAS, the Town and Developer have entered into that certain Vacant Land Offer to Purchase, dated May 07, 2025, accepted on May 13, 2025, amended on August 15, 2025, and as may be further amended (the “**Purchase Agreement**”) for the conveyance of the Property from the Town to the Developer pursuant to its terms; and

WHEREAS, Developer intends to construct Six (6) apartment buildings, totaling Seventy-Two (72) apartment units (the “**Project**”). The Project improvements are shown on the Preliminary Concept Plan attached hereto and made a part hereof as **Exhibit B**; and

WHEREAS, as of January 1, 2025 the Property has an aggregate assessed value of Zero and 00/100 dollars (\$0.00), which based on the assessed tax rates in effect as of January 1, 2025, the Property yields approximately Zero and 00/100 dollars (\$0.00) in total real estate taxes annually; and

WHEREAS, upon completion of Project, the Town estimates the aggregate assessed property value of the Property will be Ten Million and 00/100 dollars (\$10,000,000.00) which is anticipated to yield approximately One Million Eight Hundred Fifty-Nine Thousand Four Hundred Fifty-Three and 41/100 (\$1,859,453.41) in total real estate taxes annually; and

WHEREAS, pursuant to the provisions of Wis. Stat. §66.1105 (the “**Tax Increment Law**”), the Town has included the Property within Tax Increment District No. 1 (the “**District**”), and has adopted a project plan for the District (as may be amended, the “**Project Plan**”) to finance certain Project Costs and development incentives within the District, which will provide part of the financing for certain costs of the Project; and

WHEREAS, Developer has requested TIF assistance from the Town with regard to certain expenses, including, but not limited to, construction of new buildings and the construction of public works infrastructure, estimated to be Nine Hundred Twenty-Nine Thousand Seven Hundred Twenty-Six and 77/100 dollars (\$929,726.77), as detailed on the PAYGo Payment Estimates which is attached hereto and incorporated herein by reference as **Exhibit C**, which will constitute qualified expenditures for which TIF assistance may be afforded to Developer; and

WHEREAS, the Town desires to have Developer perform the Project in order to generate economic activity and tax base for the community consistent with the Town’s Comprehensive Plan; and

WHEREAS, in order to induce Developer to undertake the Project, such that the Project will remediate environmental contamination and/or enhance the physical (soil, water, air) landscape, build new structures with designs, systems, and finishes, create a significantly higher per-acre property value than adjacent properties and the Town average, generate property taxes greater than the cost of providing infrastructure and services, expand our range of residential and commercial real estate products, and the public will generally benefit, the Town has agreed to provide assistance to Developer as provided by this Agreement, all in accordance with the terms and conditions of this Agreement; and

WHEREAS, the Developer would not undertake the Project without the incentives and agreements of the Town as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

## **I. PURPOSE**

A. Incorporation of Proceedings, Exhibits, and Recitals. All motions adopted, approvals granted, minutes documenting such motions and approvals, and plans and specifications submitted by the Developer in conjunction with any and all approvals as granted by the Town, including but not limited to adopted or approved plans or specifications on file with the Town, along with all of the Recitals set forth above, shall be incorporated into this Agreement by reference, upon attachment, or upon consent by amendment if necessary if not referenced or attached at the time of execution of this Agreement.

B. Implementation Schedule. TIME IS OF THE ESSENCE with regard to all dates and time periods set forth and/or incorporated herein. Any material modification or deviation from an approved schedule described in this Agreement shall occur only upon approval of the Town, with any such approvals required to be in writing as an amendment to this Agreement, and which approvals shall not be unreasonably withheld, conditioned or delayed. The Town shall cooperate and act promptly with respect to any and all permits or approvals necessary for completion of the Project upon receipt of complete and accurate application materials. Notwithstanding the above, this Agreement shall not limit the discretion of the Town, or any of its duly appointed and authorized governing bodies, boards or entities, in approving or rejecting any aspect of the Project or improvements contemplated on or about the Property as part of the Town's customary processes.

C. Purpose of the Agreement. In order to cause the Project to occur and to induce Developer to undertake the Project, to promote community development, industry and job creation and to expand and enhance the tax base within the Town, the Town intends to provide the TIF Incentive as set forth in this Agreement. The Town intends to recover its costs through the Available Tax Increment generated by the Property, which retainer of Town costs shall be capped at Ten percent (10%) of the tax increment received from the Project (the "**Administrative Fee**"). The Town will charge an Administrative Fee to the Developer to partially offset the direct and indirect costs incurred by the Town in association with this Project, including, but not limited to, the costs of record keeping, report preparation, accounting, legal fees, and any other related administrative duties. The parties intend to enter into this Agreement to record the understandings and undertakings of the parties and to provide a framework within which the Project may proceed.

## **II. DEFINITIONS**

A. "Available Tax Increment" means the amount of Tax Increment (as defined below) actually received by the Town generated by any increase of value of the Property above the Base Value and attributable to development within a tax incremental finance district, during the twelve

(12) month period preceding a payment date, that has not been previously used to make payment on bonds or other obligations as determined by the Town. The amount of Available Tax Increment may fluctuate based on variations in the property valuations, tax rate, depreciation and other independent factors.

B. “Base Value” means the aggregate assessed value of the Property when the District was created, which shall be Zero and 00/100 dollars (\$0.00).

C. “Completion Date” means the substantial completion of the Project as evidenced by issuance of a certificate of occupancy for the buildings.

D. “Concept Plan” means the plan for the Project.

E. “District” means Tax Increment District No. 1 of the Town of Clayton, which has been established, and is in good standing, by the Town of Clayton, Winnebago County, Wisconsin. The Town created District No. 1 in 2019; District No. 1 terminates in 2039.

F. “Plans and Specifications” means the plans and specifications developed for the Project.

G. “Preliminary Concept Plan” means the initial Concept Plan, a copy of which is attached as Exhibit B and which is subject to such changes as Developer or the Town may propose and the Town may accept in its discretion, consistent with applicable law governing plan review.

H. “Private Improvements” means the improvements to be constructed on the Property that are not Public Improvements.

I. “Public Improvements” means the infrastructure improvements in connection with the Project that will ultimately be dedicated for public service, potentially including, without limitation:

- i. road, pedestrian, and bicycle improvements; and
- ii. sanitary sewer, storm sewer, and potable water and wastewater mains and laterals, and storm water management facilities; and
- iii. telephone, high-speed cable, and related technology infrastructure; and
- iv. natural gas, electrical power, and other public utilities; and
- v. any related engineering, grading, erosion control, and landscaping; and
- vi. any related land acquisitions and anticipated and intentional corrections to adjacent property affected by the public improvements, including grading.

J. “Qualified Expenditures” means any expenditures of Developer for the Project that are eligible for TIF Incentives including the Public Improvements approved by the applicable governing authority or as required by State or Federal law, Private Improvements specifically approved by the Town, or any other activity specifically approved by the Town.

K. “Special Assessment” means any special assessment levied against the Property by the Town under Wis. Stat. §60.77(5)(f) or §60.79, the Town Code of Ordinances and this Agreement.

L. “Special Charge” means any special charge levied against the Property by the Town under Wis. Stat. §60.23 or §60.55, the Town Code of Ordinances and this Agreement.

M. “Tax Increment” means that amount obtained by multiplying the total county, town, school and other local general property taxes levied on all taxable property within a District in a year by a fraction having as a numerator the value increment for that year in the District and as a denominator that year’s equalized value of all taxable property in the District.

N. “TIF” means Tax Increment Financing, as described in Section III below and in particular, Tax Increment Financing relating to the District.

O. “TIF Incentive” means the incentive as set forth in Section III of this Agreement including specifically the Tax Incentive Cap, as well as the Public Improvements that will service the Property.

### III. TAX INCREMENT FINANCING

A. Qualification for TIF. Developer shall demonstrate, to the satisfaction of the Town, a need for TIF, with such determination to be made according to the “but for” test, that is, that but for the Town providing TIF, the Project would not happen.

B. PAYGo Reimbursement. The Town shall provide a TIF Incentive as a pay-as-you-go (PAYGo) obligation of the Town, which is further defined as follows:

- i. The Developer guarantees that the Property shall have a minimum aggregate assessed value of Ten Million and 00/100 dollars (\$10,000,000.00) on or before the January 1 following the Completion Date.
- ii. Developer shall be responsible to incur and pay all of the upfront costs of the Project and, to the extent District revenues are sufficient to the limits of the District and this Agreement, Qualified Expenditures shall be reimbursed to Developer.
- iii. Commencing the first year after the first occupancy permit for the Project has been issued, which occupancy permits shall be issued upon the completion of each building comprising the Project subject to the building or project satisfying the approved permit requirements, local ordinances and state statute, the assessed value of the Property shall be determined on January 1 of each tax year and shall be compared to the assessed value of the Property as of January 1 of the year in which construction commenced. The difference in assessed values shall be known as the “**Incremental Property Value**”.
- iv. The “**Available Tax Increment**” shall mean the Incremental Property Value multiplied by the assessed mill rate, less payments of real estate taxes to the State of Wisconsin, administrative fees as contemplated by Paragraph I(C) above, and any other lawful deductions.
- v. Provided the aggregate assessed Property value meets or exceeds Ten Million and 00/100 dollars (\$10,000,000.00) on or before the January 1 following the Completion Date, the Town shall make available up to Fifty percent (50%) of the Available Tax Increment to the Developer (the “**TIF Incentive**”) until all Qualified Expenditures have been repaid. If the aggregate assessed Property value fails to meet or exceed Ten Million and 00/100 dollars (\$10,000,000.00), the TIF Incentive shall be proportionally reduced.

- vi. TIF Incentive payments will be payable to Developer in the year following the year of the Available Tax Increment determination, after Developer has provided proof to the Town of the full payment of the real estate taxes, Special Assessments and Special Charges against the Property for the previous year. For example, if the first occupancy permit is issued on September 1, 2026, the TIF Increment would be determined as of January 1, 2027 and the TIF Incentive would first be payable in 2028.
- vii. The Town shall take all actions necessary to continue the existence of the District in good standing through its current 2039 termination date.
- viii. Upon the request of the Developer or an assignee of the Developer's payment rights hereunder, the Town shall provide a written certification of facts regarding the current amount due to the Developer or assignee pursuant to Section III.B.4, the current Available Tax Increment, and a confirmation of the person or location to which the Town will make payments.
- ix. The TIF Incentive shall be available to Developer until the TIF expires on August 31, 2039.

C. Qualified Expenditures. The TIF Incentive available to Developer under this Agreement shall be disbursed in the following priority, and only fund:

- i. **"Public Improvements"** which shall include infrastructure improvements in connection with the Project that will ultimately be dedicated for public service, environmental remediation, and asbestos abatement as required by State and Federal law; then
- ii. **"Private Improvements"** which shall include the improvements to be constructed on the Property that are not Public Improvements; then
- iii. Any other activity specifically approved by the Town.

D. Limitations. The TIF Incentive available to Developer for the Project is limited as follows:

- i. Monetary Limitation. The TIF Incentive in any year shall not exceed Fifty percent (50%) of the Available Tax Increment for the Property and in-fact paid by the Developer to the Town.
- ii. Tax Incentive Cap. Subject to Section III.A., the total amount of TIF assistance shall not exceed the lesser of 10% of the total aggregate assessed value of the Property following the Completion Date or Nine Hundred Twenty-Nine Thousand Seven Hundred Twenty-Six and 77/100 dollars (\$929,726.77) (the **"Tax Incentive Cap"**).
- iii. Tax Receipts Limitation. Only the Available Tax Increment actually received by the Town, and no other property, revenue, or asset of the Town, shall be used to pay such amounts.
- iv. Temporal Limitation. Provided Developer qualifies for TIF Incentive and provides adequate proof to the Town that Developer has incurred and paid Qualified Expenditures, and provided Developer and all transferees have paid the real estate taxes and any Special Assessments and Special Charges

in full for the previous tax year by July 31, TIF Incentive payments shall be made on or before September 1 of each year; provided, however, in no event shall TIF Incentive payments continue after the earlier of: (a) the termination date of the District, or (b) the termination of this Agreement if before the termination of the District.

E. No General Obligation of Town. The Town's obligation to make TIF Incentive payments shall be a special and limited obligation only and shall not be considered a general obligation of the Town, and neither the full faith and credit nor the taxing powers of the Town are pledged to the payment of such amounts. The Town shall take no action to dissolve the District before payment of all TIF Incentive payments due to the Developer, subject to the provisions of this Agreement. In no circumstances shall amounts to be paid Developer hereunder be considered an indebtedness of the Town, and the obligation of the Town hereunder is limited to the Available Tax Increment appropriated and received by the Town. Amounts due hereunder shall not count against the Town's constitutional debt limitation, and no taxes will be levied for its payment or pledged to its payment other than from the Available Tax Increment.

F. Other Grants and Credits. The Town, as appropriate and in its sole discretion, may also apply for such other grants and credits in regard to the Project as they shall deem appropriate for the benefit of the Project and as may be required to achieve necessary financing for the Project, provided, however, the Town makes no representations or warranties about the availability of such grants and credits or whether any such grants or credits that may be available will be awarded.

#### IV. DEVELOPER OBLIGATIONS.

A. Acquisition of Property. The Developer shall acquire fee simple title to the Property no later than [DATE] (the "**Closing Date**"). This date may be modified by mutual agreement of the parties. The Property and rights of way shall be owned in the name of the Developer or its assigns at least until the Completion Date and to initiate payment of taxes based on the increased Property value.

B. Recordation of Development Agreement. Simultaneously with the purchase of the Property, the Developer shall record a short form memorandum of this Agreement in the form attached hereto as **Exhibit D** (the "**Memorandum**"), executed by both the Developer and the Town, to be recorded with the Register of Deeds for Winnebago County, Wisconsin. The Memorandum shall be recorded prior to the recordation of any mortgages or other liens. In the event that a mortgage is recorded prior to the Memorandum, then, no later than thirty (30) days after the purchase of the Property, Developer shall record one or more subordination agreements in form and substance reasonably acceptable to the Town which have been executed by the holder(s) of any mortgages or liens affecting the Property as of the date of recording of the Memorandum which subordinates such mortgage(s) and lien(s) to this Agreement.

C. Preliminary Concept Plan. Developer shall submit a Preliminary Concept Plan, clearly identifying the Project, to the Town for approval, allowing sufficient lead time for such request to be included on the agenda for all applicable Town authorities to review at their regularly scheduled meetings. Town approval of such Preliminary Concept Plan is due prior to Closing.

D. Preparation of the Plans. To the extent not already completed, the Developer shall prepare the Concept Plan in form and substance acceptable to the Town prior to commencement of construction. The Plans shall include, among other details, site plans, building plans, and other drawings that fix and describe the size and character of the entire Project, along with the schematics

and location of the water mains, sanitary sewer mains, and storm sewer system. The Town reserves the right to request additional documentation of the Project as may be reasonably determined by the Town to be appropriate.

E. Development Budget. Developer shall submit a budget, prepared in accordance with general principles for construction and development budgeting and consistent with the sample included in the TIF application packet, to the Town for approval, allowing sufficient lead time for such request to be included on the agenda for all applicable Town authorities to review at their regularly scheduled meetings. The budget should be arranged to identify acquisition and site related costs, hard costs, and soft costs. Also, identify all line items that are performed by the developer, owner, or related entities as well as the up-front sources intended to finance the development costs for each line item.

F. Guaranty. Developer shall execute a Guaranty in form and substance consistent with **Exhibit E** attached hereto and made a part hereof.

G. Assessments. Subject to the limitations set forth hereinafter, Developer shall be responsible for: (i) the payment of assessments including but not limited to road, sanitary sewer and potable and storm water improvements, and other assessments lawfully enacted by the Town; and (ii) utility hook-up fees pursuant to the utility providers standard practice and policy.

H. Compliance with Planning; Zoning; Permits and Use. Developer will obtain from the Town and all other appropriate governmental bodies (and all other councils, boards, and parties having a right to control, permit, approve, or consent to the development and use of the Property) all approvals and consents necessary to develop and use the Property as set forth above.

I. Proof of Equity. Developer must provide a minimum Fifteen percent (15%) equity of total Project Costs. Equity is defined as cash or un-leveraged value in land or prepaid costs attributable to the project. TIF shall not be used to supplant cash equity.

J. Proof of Financing. Developer shall have delivered proof of financing, reasonably satisfactory to the Town, which after injection of the Developer equity into the Project, will be sufficient in the determination of the Town, to complete the Project according to the Plans and Specifications.

K. Construction of the Project. The Developer shall, subject to receipt of all necessary governmental approvals, construct and pay all costs of the Project on the Property, including, without limitation, all other proposed and future storm water, sewer, water, driveways, parking areas, appurtenances and private utilities but specifically excluding the Improvements (defined below) (the “**Project Costs**”). The Project to be constructed upon the Property and its uses shall be in conformity with the Town-approved Plans, and in compliance with all applicable municipal ordinances of the Town and with any pertinent provisions of the Project Plan. The Project to be constructed upon the Property and its uses shall be in conformity with the Town-approved Plans, Town and Fox Crossing Utilities (“**FCU**”) applicable municipal ordinances, utility specifications, and standards, and pertinent provisions of the Project Plan. Neither the establishment of the District nor this Agreement shall obligate the Town to grant variances, exceptions, or conditional use permits.

L. Construction of Sanitary Sewer, Water Mains/Laterals, and Storm Sewer System; Grant of Easements. Developer will build the water mains, laterals, and all other equipment needed for the system located on the Project, at Developer’s sole cost and expense. The sanitary sewer and water lines will be connected at the Developer’s sole cost and expense; such lines shall be constructed as required for the Project pursuant to sound engineering practice, consistent with applicable codes and regulations, and as reasonably agreed by the Developer, Town engineer, and

FCU, such consent of Town shall not be unreasonably withheld, delayed or conditioned. The sanitary sewer connections will be provided by the Town at a location or locations approved by the Town and FCU. The water main connections will be provided by the Town at a location approved by the Town and FCU. Developer's obligation under this Section is limited to the construction of sanitary sewer and water lines to be constructed by Developer's private contractors. The sanitary sewer, water lines, and storm sewer system must be constructed and approved according to Town specifications and approved by the Town prior to construction. Each dwelling unit located on the Project shall be services with a separate meter for billing purposes.

M. Storm Sewer System Maintenance. The Developer, its successors and assigns, shall adequately maintain the storm water management practices, including, but not limited to, all pipes and channels built to convey storm water to and from approved facilities, as well as all structures, improvements and vegetation provided to control the quantity and quality of the stormwater. Adequate maintenance is herein defined as maintaining the stormwater management facilities in good working condition so that these facilities are performing their design functions and are in accordance with Wisconsin Department of Natural Resources, County, and County Drainage Board regulations.

N. Standard of Care. Developer shall construct the sanitary sewer, water mains/laterals, and storm sewer system in accordance with the degree of professional care, skill, judgment, and diligence usually exercised by project developers regularly developing and operating development projects similar in scope and complexity to the Project. Developer shall fully and faithfully discharge its obligations and responsibilities hereunder and shall devote sufficient time and attention to ensure the full, prompt, and professional discharge of its duties under this Agreement. The Town must review and approve utility plans prior to construction. The plans must be in compliance with Town specifications and standards. Changes from the approved utility plans require review and approval by the Town. Prior to an occupancy permit being issued, the utilities must be inspected and approved to be in compliance with the plans. The Developer, engineer and Town shall hold a pre-construction meeting. The Developer is responsible for the following costs:

1. Utility inspections by Town engineer and attendance at pre and post construction meetings.
2. Preparing an As-Built set of plans for the Town at project completion.

O. Employees. Developer shall assign to the construction of the sanitary sewer, water mains/laterals, and storm sewer system such staff or third-party contractors as may be reasonably required to complete the Project with due diligence and to cause the Project to be completed in accordance with the Project schedule and Plans. All persons employed by Developer in connection with the Services will be Developer's employees or independent contractors, and the Town shall have no liability, responsibility, or authority regarding them. Developer is solely responsible for the salaries of its employees and any employee benefits to which they may claim to be entitled. Developer will fully comply with all applicable laws and regulations relating to worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related laws.

P. Reports and Information. During the period before the commencement of construction, Developer shall, upon request, provide to the Town information having a bearing upon the interests of the Town in the Property or under this Agreement.



Q. No Transfer to Tax-Exempt Entity; PILOT. Developer agrees that as long as the District is in existence, no portion of the Property shall be sold, transferred or conveyed to, or leased or owned by any entity or used in any manner which would render any part of the Property exempt from property taxation, except that portion of the Property dedicated to the Town under the terms of this Agreement. In the event the Property, or any part of it, becomes exempt or partially exempt from general property taxes during the term of this Agreement, the Developer and its successors and assigns shall make annual payments in lieu of taxes to the Town in an amount equal to the property taxes that would otherwise have been paid as property taxes on the Property, or the applicable portion thereof.

R. Ownership Retained. Developer shall retain ownership at least long enough to complete the Project, to stabilize its occupancy, to establish the project management, and to initiate payment of taxes based on the increased project value.

## V. TOWN OBLIGATIONS.

A. Property Transfer. The Town shall convey the Property to Developer or, upon Developer's request, to Developer's assignee, free and clear of liens and encumbrances that materially prohibit development of the Property as herein proposed, via warranty deed, in exchange for the Purchase Price as defined in the Purchase Agreement, and shall provide an owner's policy of title insurance at the time of conveyance.

B. Town Approvals. The Town shall make all reasonable efforts to indicate its approval or further requirements in writing within thirty (30) days from the date of receipt of the Concept Plan, Development Budget or any revisions.

C. Public Improvements.

- i. The Town has completed roadway installation and improvements, as well as potable water, sanitary sewer, and storm sewer mains to service the Project (collectively, the "**Improvements**"). The total fees associated with these improvements in the amount of Three Hundred Sixteen Thousand Eight Hundred Twenty-Four and 29/100 dollars (\$316,824.29) may be paid by the Developer in one lump sum at Closing, or at the Developer's election, in installments over a period of ten (10) years, with interest at a rate of 4.5% per annum.
- ii. Upon stabilization of the site, as determined by Winnebago County, the Developer will be permitted to connect surface storm water from the Project to the regional retaining pond at the Developer's expense. Prior to stabilization, the Developer shall follow the approved storm water plan for removing sediment before and prior to the surface water leaving the Project site.

D. Payment of Certain Tax Increment Revenues Toward Cost of Project.

- i. Incentive Amount. Subject to the conditions set forth herein including, without limitation, completion of the Project on or before December 31, 2030 ("**Project Completion Date**") with a minimum value of Ten million and 00/100 dollars (\$10,000,000.00) (the "**Minimum Value**") for the buildings within the Project, the Town shall pay to the Developer, as an incentive for development of the Property, the TIF Incentive. If the Project is not completed by the Project Completion Date, the Incentive Amount shall

be proportionately reduced by the Minimum Value less the completed value of the buildings divided by the Minimum Value.

E. Source of Payment. The Incentive Amount shall be payable solely from Available Tax Increments (as defined above) which have been received and retained by the Town in accordance with the provisions of Wis. Stat. §66.1105, and appropriated by the Town Board to payment of the Incentive Amount. The Incentive Amount shall be payable in installments on or before September 1<sup>st</sup> of each year, commencing with the first tax year where the Available Tax Increment is included as part of the tax due against the Property, and on each September 1<sup>st</sup> thereafter based on Available Tax Increments generated in the immediately prior tax year, with the exception of any payment scheduled for 2039, based on 2038 taxes, which must be paid on or before August 31, 2039 and must be received by the Town on or before August 31, 2039. If Available Tax Increments have been insufficient to pay the full Incentive Amount after the scheduled installment payable on or before August 31, 2039 (based on the Available Tax Increments generated in 2038), then the Incentive Amount shall be deemed paid in full, the obligation of the Town to make any further payment shall terminate, and the Developer shall have no right to receive any additional payments. The Town makes no representation or covenant, express or implied, that Available Tax Increments will be generated or that they will be sufficient to pay, in whole or in part, the Incentive Amount. All Tax Increments received by the Town which are not appropriated to pay the Incentive Amount may be used by the Town for any legally permitted purpose, in its sole discretion

- i. Payment of the Incentive Amount, and/or any other refund of property tax pursuant to this Agreement, shall cease on August 31, 2039. The last year for tax reimbursement pursuant to this Agreement shall be 2039 for 2038 taxes, so long as such taxes are timely paid on or before July 31, 2039 and received by the Town on or before August 31, 2039. Tax payments made for 2038 taxes on or after August 1, 2039 will not be subject to this Agreement and will not be repaid pursuant to this Agreement.
- ii. Notwithstanding any other term of this Agreement, if, by no fault of the Town, 2038 tax payments timely made by Developer are not processed and returned to the Town by Winnebago County or the State of Wisconsin in sufficient time to pay the Incentive Amount prior to termination of the TIF, or if other unforeseen circumstances makes payment of the Incentive Amount prior to TIF termination impossible, the Town shall be under no obligation to make TIF Incentive payments or any other tax refunds under this Agreement following TIF termination.

F. Payment Subject to Annual Appropriation. As stated above, the application of Available Tax Increments to payment of the Incentive Amount each year is subject to future annual appropriation by the Town Board. The Town makes no representation or covenant, express or implied, that any non-zero Available Tax Increments will be generated and/or appropriated in any given year, nor does the Town make any representation or covenant as to any aggregate amount of Available Tax Increments to be paid to the Developer. Any Tax Increment (defined below) which is not appropriated and allocated toward the Available Tax Increments may be used by the Town for any legally permitted purpose, in its sole discretion.

G. Available Tax Increments. In this Agreement, “**Available Tax Increments**” for any given year means an amount equal to the result of the following computation:

- i. the annual gross tax increment revenues (using a 2025 base year) paid with respect to the Project and actually received and retained by the Town which is generated by property tax payments on the Property (the “**Tax Increment**”); minus,
- ii. the Project's share (as reasonably determined by the Town) of the actual legal, financial and administrative expenses incurred by the Town, in connection with the creation or administration of the District and the negotiation, preparation and administration of this Agreement and related documentation which has not yet been reimbursed by Tax Increment.
- iii. The Town shall not make any TIF Incentive payments or other tax refunds under this Agreement following TIF termination on September 1, 2039. As of September 1, 2039, if the Developer has received less than 10% of the total aggregate assessed value of the Property following the Completion Date or Nine Hundred Twenty-Nine Thousand Seven Hundred Twenty-Six and 77/100 dollars (\$929,726.77) then the Town shall be under no further obligation to pay the Developer additional money or have any other obligation to the Developer, with the exception of Section IX(G).
- iv. On an annual basis, the Town may reasonably adjust the amount of the Available Tax Increment shared with the Developer with the intent to achieve a ten (10) year payout that is consistent and even in light of circumstances.

H. Tax Increment Revenue Bond. Notwithstanding anything to the contrary in this Section V or in this Agreement, in the event the Town determines, in its discretion, that the Incentive Amount may not be paid in full prior to the end of the District's statutorily-permitted expenditure period, the Town shall (unless the Town, in its sole discretion, prepays the Incentive Amount prior to the expiration of the District's statutorily-permitted expenditure period) issue the Developer a taxable tax increment revenue bond evidencing the Town's obligation to pay the then-remaining balance of the Incentive Amount. Such revenue bond shall be payable solely from Available Tax Increments and shall be subject to the terms and conditions of this Agreement, including, without limitation, that all payments under the bond shall be subject to and conditioned upon future annual appropriation of Available Tax Increments by the Town Board to payment of the bond.

I. No Dedication of Public Right of Way. Within the Project, no public dedication of roads will be performed and no roadway within the Project shall be the responsibility of the Town, nor driveways, nor any unpaved area. The Developer shall not request, propose, or otherwise seek the dedication of any portion of the Project as a public right of way.

## VI. NOTICES

All notices hereunder must be in writing and must be sent by United States registered or certified mail (postage prepaid) or by an independent overnight courier service, addressed to the addresses specified below:

If to the Developer:  
Spark Development, LLC  
2065 American Dr., Ste A  
Neenah, WI 54956  
Attn: Derek Liebhauser

If to the Town:  
Town of Clayton  
8348 Hickory Avenue  
Larsen, WI 54947  
Attn: Kelly Wisnefske

## **VII. TERM**

A. Term. Unless sooner terminated, the term of this Agreement shall commence on the date hereof and continue until the earliest of:

- i. All Qualified Expenditures have been repaid in full by Tax Increment;
- ii. The Town closes and terminates the District;
- iii. The Wisconsin Department of Revenue fails to certify or revokes certification of all or any portion of the District or the Property;
- iv. This Agreement is terminated because of an Event of Default; or
- v. The parties agree in writing to terminate this Agreement.

B. Default. In the event that either the Town or the Developer defaults under any material terms or conditions of this Agreement (an “**Event of Default**”), the defaulting party shall be responsible for all costs and expenses incurred by reason of such default including, but not limited to, any legal expenses incurred by the nondefaulting party. The rights and remedies of the nondefaulting party shall not be limited to those, if any, specified in this Agreement, but the nondefaulting party shall have all rights and remedies to which it may be entitled, either at law or in equity. Developer Entity and Developer Principals shall be jointly and severally liable for the payment and performance of all obligations of the Developer under this Agreement and the Town may bring suit against each such entity, jointly or severally, or against any one or more of them.

C. Limitation of Damages. The foregoing notwithstanding, none of the parties shall be liable to any other party for any incidental, consequential, indirect, punitive or exemplary damages. All claims and damages asserted against the Town shall be subject to statutory protections of municipalities and their officials and employees, including the immunity and limitations set forth in Wis. Stat. §893.80.

D. Waiver. Any delay by the nondefaulting party in instituting or prosecuting any action or proceeding or other asserting its rights under this article shall not operate as a waiver of such rights or to deprive it of or to limit such rights in any way (it being the intent of these provisions that such nondefaulting party should not be constrained, so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided for in this Section because of concepts of waiver, laches or otherwise, to exercise such remedy at a time when it may still hope otherwise to resolve the Project created by the default involved). No waiver in fact made by the nondefaulting party with respect to any specific default by the defaulting part under this Section is to be considered or treated as the waiver of the rights of the nondefaulting party with respect to any other defaults by the defaulting party under this Section, or with respect to the particular default except to the extent specifically waived in writing.

E. Termination of Agreement. If the Developer shall not acquire the Property by the Closing Date, this Agreement shall terminate and be of no further force or effect.

## VIII. DEVELOPER REPRESENTATIONS

Developer hereby represents, warrants, and covenants to the Town as follows:

A. Good Standing. Developer Entity is a limited liability company, duly formed, validly existing, and in good standing under the laws of the State of Wisconsin. Developer holds and shall maintain at all times during the term of this Agreement, all licenses, permits, or other certifications necessary to perform its duties under this Agreement, and is in compliance with and shall continue to comply with all applicable laws.

B. Due Authorization. Developer has all requisite power and authority, has taken all actions required by its organizational documents and applicable law, and has obtained all necessary consents, to: (i) execute and deliver this Agreement; and (ii) consummate the transactions contemplated by this Agreement. This Agreement has been duly authorized and properly executed and delivered and constitutes the valid and binding obligations of Developer, enforceable in accordance with its terms, subject to principles of equity, bankruptcy, insolvency, and other laws generally affecting creditors' rights and the enforcement of debtors' obligations.

C. Qualification. Developer is qualified and has the skill and professional competence, expertise, and experience to undertake the obligations imposed, and to perform the work contemplated by this Agreement and the requirements of a project of the magnitude and scope of the Project.

D. Sufficient Resources. Developer has and shall maintain at all times during the term of this Agreement, sufficient facilities, expertise, staff, assets, and other resources to perform its duties under this Agreement. The services to be rendered and performed for the Town under this Agreement shall be performed and rendered by professionals experienced, licensed (if a license is required), and qualified to perform such services in the State of Wisconsin.

E. No Material Change in Documents. All contract documents and agreements have been furnished to the Town by the Developer and are true and correct and there has been no material change in any of the same.

F. No Material Change in Developer Operations. There has been no material change in the business operations of Developer since the date the parties began negotiation to enter into this Agreement that would adversely affect the ability of the Developer to perform its obligations hereunder.

G. Compliance with Zoning. The Project will conform at all times and in all respects with applicable zoning and land division laws, rules, regulations and ordinances.

H. Payment. Developer shall pay for all work performed or materials furnished for the Project when and as the same become due and payable.

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

J. No Conflict. The execution, delivery, and performance of the obligations of Developer, the development company, and all principals of the development company pursuant to this Agreement will not violate or conflict with the Articles of Organization or Operating Agreement of

Developer or any indenture, instrument or material agreement by which Developer is bound, nor, to the knowledge of the officer of the Developer signing this Agreement, upon a due diligence evaluation, will the execution, delivery, or performance of obligations of Developer pursuant to this Agreement violate or conflict with any law applicable to Developer.

K. No Litigation. To the knowledge of the managing member of the Developer signing this Agreement upon a due diligence evaluation, there is no litigation or proceeding pending or threatened against or affecting Developer or the Property that would adversely affect the Project, Developer or the priority or enforceability of this Agreement, the ability of Developer to complete the Project or the ability of Developer to perform its obligations under this Agreement.

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

M. Compliance with Laws and Codes. The Project, when completed, will conform and comply in all respects with all applicable laws, rules, regulations and ordinances, including without limitation, all building codes and ordinances of the Town. Developer will comply with, and will cause the Project to be in compliance with all applicable federal, state, local and other laws, rules, regulations and ordinances, including without limitation, all environmental laws, rules, regulations and ordinances at all times during its period of ownership of the Project.

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

O. No Objection to Property Assessment. Prior to termination of this Agreement, Developer shall not file an objection to real or personal property assessment as provided under Wis. Stat. §70.47(7)(a) that, if successful, would reduce the aggregate assessed value of the Property to less than Ten Million and 00/100 dollars (\$10,000,000.00).

## **IX. MISCELLANEOUS PROVISIONS.**

A. Assignment; Covenants Run with the Land. This Agreement shall not be assignable by the Developer without the prior written consent of the Town, except that the Developer may make a collateral assignment of the right to receive payment of the Incentive Amount under this Agreement to its lender as part of a first mortgage on the Property, subject to all terms and conditions of this Agreement. No assignment of this Agreement shall serve to release the Developer from any liability or obligations under this Agreement. The provisions of this Agreement shall run with the land and inure to the benefit of and be binding upon the successors and assigns of the parties and all assignees, mortgagees, purchasers and transferees of all or any part of or interest in the Property.

B. Indemnification; No Personal Liability. The Developer shall indemnify, save harmless and defend the Town and its respective officers, agents and employees from and against any and all liability, suits, actions, claims, demands, losses, costs, damages and expenses of every kind and description, including reasonable attorney costs and fees, for claims of any kind including liability and expenses in connection with the loss of life, personal injury or damage to property, or any of them brought because of any injuries or damages received or sustained by any persons or property relating to or in connection with the Property, including, without limitation, on account of or arising out of the construction and/or operations of the Project. Under no circumstances shall any trustee, officer, official, director, administrator, attorney, employee or agent of the Town have any personal liability

arising out of this Agreement, and no party shall seek or claim any such personal liability. The provisions of this Section shall survive the term of this Agreement.

C. No Third-Party Beneficiaries; Relationship of the Parties. This Agreement is intended solely for the benefit of the Developer and the Town, and no third party (other than successors and permitted assigns) shall have any rights or interest in any provision of this Agreement, or as a result of any action or inaction of the Town in connection therewith. The Developer and its contractors and subcontractors shall be solely responsible for the completion of the Project. This Agreement does not create the relationship of principal and agent, or of partnership, joint venture, or of any association or relationship between the Town and the Developer or any contractor or subcontractor employed by the Developer in the construction of the Project.

D. Conflicts of Interest. No member of the governing body or other officer of the Town shall have any financial interest, direct or indirect, in this Agreement, the Property, or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

E. Force Majeure. No party shall be responsible to any other party for any resulting losses and it shall not be a default hereunder if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of enemies, strikes, fires, floods, acts of God, pandemics, adverse weather conditions, legally required environmental remedial actions, industry-wide shortage of materials or labor, or by any other cause not within the control of the party whose performance was interfered with, and which exercise of reasonable diligence, such party is unable to prevent, whether of the class of causes herein above enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause. The foregoing notwithstanding, a Force Majeure event may not be used to avoid an Event of Default if the delay caused by the Force Majeure event exceeds one hundred eighty (180) days from the date the event occurred.

F. Entire Agreement; Waiver; Amendment; Severability. This Agreement and the documents executed pursuant to this Agreement contain the entire understanding of the parties with respect to the subject matter hereof and all prior letters of intent or offers, if any, are hereby terminated. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement and the documents executed in connection with this Agreement. This Agreement shall be deemed to include and incorporate such minutes, approvals, plans, and specifications, as referenced in this Agreement, and in the event of a conflict between this Agreement and any action of the Town, granting approvals or conditions attendant with such approval, the terms of this Agreement shall be deemed controlling and the Town will take the necessary action to amend any conflicting approvals or conditions. This Agreement and the documents executed in connection herewith supersede all prior negotiations, agreements and undertakings between the parties with respect to the subject matter hereof. No waiver, amendment, or variation in the terms of this Agreement shall be valid unless in writing and signed by the Town and the Developer, and then only to the extent specifically set forth in writing. Nothing contained in this Agreement is intended to or has the effect of releasing the Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement. If any covenant, condition, provision, term or agreement of this Agreement is, to any

extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms, and agreements of this Agreement will not be affected by such holding, and will remain valid and in force to the fullest extent by law.

G. Parties and Survival of Agreement. Except as otherwise expressly provided herein, this Agreement is made solely for the benefit of the parties hereto and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof. All representations and agreements in this Agreement shall remain operative and in full force and effect until fulfilled and shall survive the closing.

H. Recording of the Agreement. Recording of this Agreement is prohibited except as expressly allowed herein.

I. No Construction Against Drafter. This Agreement is a product of the negotiation and drafting of attorneys for the parties, and, as such, the rule of construing ambiguous contracts against the drafter shall not apply to this Agreement.

J. Venue. The venue for any proceeding involving the negotiation, drafting, interpretation or enforcement of this Agreement shall be the circuit court for Winnebago County, Wisconsin, all other venues being inappropriate for any such proceeding.

K. Headings. Descriptive headings as used in this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

L. Governing Law. This Agreement is governed by the laws of the State of Wisconsin.

M. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which counterparts collectively shall constitute one instrument representing the agreement among the parties. Electronic, facsimile and photocopy signatures shall have the same effect as original signatures.

SIGNATURE PAGE FOLLOWS



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

**THE TOWN:**

TOWN OF CLAYTON, a Wisconsin  
municipal corporation

\_\_\_\_\_  
Russell Geise, Town Chair

\_\_\_\_\_  
Kelsey Faust-Kubale, Town Clerk

**DEVELOPER ENTITY:**

SPARK DEVELOPMENT, LLC, a Wisconsin  
limited liability company

\_\_\_\_\_  
Name: Derek Liebhauser

Title: Authorized Member

**DEVELOPER PRINCIPALS:**

\_\_\_\_\_  
Name: Derek Liebhauser

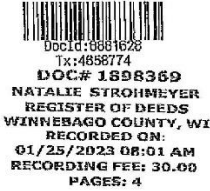
\_\_\_\_\_  
Name: TJ Lamers

### Description of Property

NORTH 1/4 CORNER  
SECTION 12—20—16  
DERIVED  
MONUMENT FOUND

BEARINGS ARE REFERENCED TO THE  
SOUTH LINE OF THE NORTHEAST 1/4 OF  
SECTION 12, TOWNSHIP 20 NORTH,  
RANGE 16 EAST WHICH BEARS  
S89°33'20"W PER THE WISCONSIN  
COUNTY COORDINATE SYSTEM AS  
PUBLISHED FOR WINNEBAGO COUNTY

LINE	BEARING	DISTANCE
L1	N24°40'59"E	258.40'
L2	N68°13'17"E	218.21'
L3	S88°35'57"W	80.00'
L4	S01°33'42"E	66.22'



OWNER:  
TOWN OF  
CLAYTON

LOT 2  
SSM 7172

WISCONSIN  
DOUGLAS E.  
WOELZ  
S-2327  
KAUKAUNA  
WI  
LAND SURVEYOR

Don E. Woelz  
1-16-2023

OWNER:  
PREMIER  
CLAYTON LLC

UNPLATTED  
LANDS

EAST 1/4 CORNER  
SECTION 12-20-16  
COMPUTED LOCATION  
BASED ON COUNTY  
TIE SHEET

LOT 1  
CSM 7862

OWNER:  
TOWN OF  
CLAYTON

LOT 1 <sup>3</sup>  
CSM 7739  
OWNER:  
TOWN OF  
CLAYTON  
-TOWN OF CLAYTON  
-8348 COUNTY ROAD T  
-LARSEN, WI 54947  
-PHONE: 920-836-2007

DRAFTED BY: Corey W. Kalkofen

**EXHIBIT B  
TO  
DEVELOPMENT AGREEMENT**

Plans and Specifications

See attached.

DRAFT

# EXHIBIT C TO DEVELOPMENT AGREEMENT

## PAYGo Estimates

PAYGO PAYMENT ESTIMATES													
Parcel	Construction Year	Assessed	Tax Year	Base Value	Assessed Value	Increment	Mill Rate	Tax Increment	Percentage	Amount	Payment Date		
		Valuation Date											
Completion of Buildings 1, 2, & 3	2025	1/1/2026	2026 tax roll collected 2027	\$ -	\$ 6,250,000	\$ 6,250,000	12.3964	\$ 77,477.23	50.0%	\$ 38,738.62	9/1/2027		
	2026	1/1/2027	2027 tax roll collected 2028	\$ -	\$ 6,250,000	\$ 6,250,000	12.3964	\$ 77,477.23	50.0%	\$ 38,738.62	9/1/2028		
Completion of Buildings 4, 5, & 6	2027	1/1/2028	2028 tax roll collected 2029	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2029		
	2028	1/1/2029	2029 tax roll collected 2030	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2030		
	2029	1/1/2030	2030 tax roll collected 2031	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2031		
	2030	1/1/2031	2031 tax roll collected 2032	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2032		
	2031	1/1/2032	2032 tax roll collected 2033	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2033		
	2032	1/1/2033	2033 tax roll collected 2034	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2034		
	2033	1/1/2034	2034 tax roll collected 2035	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2035		
	2034	1/1/2035	2035 tax roll collected 2036	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2036		
	2035	1/1/2036	2036 tax roll collected 2037	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2037		
	2036	1/1/2037	2037 tax roll collected 2038	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2038		
	2037	1/1/2038	2038 tax roll collected 2039	\$ -	\$ 12,500,000	\$ 12,500,000	12.3964	\$ 154,954.45	50.0%	\$ 77,477.23	9/1/2039		
								\$ 1,859,453.41					
								Total Payments To Developer		\$ 929,726.77			
										7.44%			

**EXHIBIT D  
TO  
DEVELOPMENT AGREEMENT**

Form of Memorandum

See attached.

DRAFT

**EXHIBIT E  
TO  
DEVELOPMENT AGREEMENT**

Form of Guaranty

See attached.

DRAFT