

ESCROW AGREEMENT
Edge Field Subdivision
Gremar. LLC

This Escrow Agreement is entered into this ____ day of _____, 2025, between Gremar, LLC, a Wisconsin domestic limited liability company, (the "Developer"), the City of Watertown, a Wisconsin municipal corporation, (the "City"), and First Citizen State Bank (the "Escrow Agent"). Developer, City and Escrow Agent may collectively be referred to as the "Parties".

RECITALS:

- A. Gremar LLC, as the owner/developer and the City entered into a Development Agreement dated the ____ day of _____, 2025, (the "Development Agreement") with regard to development of the subdivision known as "Edge Field" Subdivision (the "Subdivision"), on land described on Exhibit A.
- B. Gremar LLC, as Developer, is now ready to proceed with development of Phase HI of the development of the Subdivision to consist of the below stated lots inclusive of the Subdivision, and the City is requiring Developer to provide the City with financial security in the amount of \$3,071,395.09 (the "Required Amount") to ensure that Developer makes and installs certain public improvements as required by the Development Agreement with regard to "Edge Field" Subdivision.

Lots 1-55 consisting of 41 single family and 14 zero lot line twin home units
- C. In compliance with the terms of the Development Agreement, Developer and the City direct Escrow Agent to open a bank escrow account to deposit and hold the Escrowed Funds and apply them in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all of the Parties agree as follows:

1. DEPOSIT OF ESCROW FUNDS

Developer agrees to deposit the Escrow Funds with the Escrow Agent as soon as possible after the execution of this Agreement.

Escrow Agent hereby accepts the Escrow Funds and agrees to hold and disburse the same in accordance with the terms and conditions of the Agreement. Escrow Agent shall hold and disburse the Escrow Funds in a transactional account with First Citizens State Bank for the benefit of the Developer. Escrow Agent shall act as the disbursing agent pursuant to the terms hereof.

2. REQUIRED IMPROVEMENTS

In addition to the Defect Guaranty Amount in the sum of \$279,217.74 referred to in paragraph 4 below, Developer is depositing the following estimated costs of installing the improvements being installed incident to the Development of the Subdivision, to-wit: see attached Exhibit B.

Improvements to be made under general contract:

| | |
|--|----------------|
| Roadway/Pavement/Grading/Erosion Control | \$1,078,610.35 |
| Sanitary Sewer | \$454,510.00 |
| Water Main | \$413,865.00 |
| Storm Sewer | \$287,934.00 |
| Granular Backfill/Altern | \$557,258.00 |
| Contingency Default Escrow | \$279,217.74 |

| | | |
|-----------------------------------|----|--------------|
| ESTIMATED TOTAL COSTS SUBDIVISION | \$ | 3,071,395.09 |
|-----------------------------------|----|--------------|

IMPROVEMENTS, DRAWS BY CITY

In the event the public improvements pursuant to the Development Agreement between the City and Developer have not been reasonably satisfactorily completed in accordance with, and within the time periods provided for, in the Development Agreement, or such other date or dates as Developer and the City Engineer for the City of Watertown may determine in writing, the City Engineer for the City of Watertown shall give written notice to Developer specifically identifying each Item which has not been satisfactorily completed, which notice shall specifically state the actions Developer must take to correct each item. Developer shall have sixty (60) days in which to correct each item stated in the notice. If Developer falls to correct each item within said sixty (60) day period following receipt of the notice, Escrow Agent shall disburse amounts from the Escrow Funds to the City upon receipt by Escrow Agent of a demand for payment executed by the City Clerk of the City of Watertown stating that the City is entitled to withdraw funds pursuant to the Development Agreement and specifying the amount which the City is then entitled to withdraw, accompanied by an affidavit by the City Engineer for the City of Watertown stating that Developer is in default under the Development Agreement, identifying each such default and the estimated cost to remedy such default, and stating that the City Engineer for the City of Watertown has compiled with all provisions of this paragraph by specifying the date upon which the required notices were given to Developer, and further stating that the Developer has failed to cure its default within the time provided in the notice.

3. DISBURSEMENTS TO DEVELOPER

The City agrees to, from time to time, authorize the reduction in the required amount of Escrow Funds under this Agreement to an amount which does not exceeds the Defect guaranty Amount (as defined in paragraph 4 below) plus the amounts which the City

Engineer for the City of Watertown reasonably determines are necessary to pay for completion of the then-remaining uncompleted improvements plus any amounts not currently disbursable to Developer's contractors or suppliers pursuant to any retainage provisions of Developer's contracts with such contractors and/or suppliers. It is anticipated that reduction in the required Escrow Funds amount will be implemented through the processing of Developer's contractor's draw requests, and accordingly, Escrow Agent shall disburse the Escrow funds reduction amounts from time to time to Developer or Developer's contractors or suppliers upon receipt of a signed statement by the City Engineer for the City of Watertown or City Clerk that reduction of the Escrow Funds by that amount is authorized (or by either of them signing a disbursement check from the Escrow Funds account approving the disbursement), together with a signed statement by Developer approving such disbursement (or joined in by Developer in the execution of a disbursement check from the Escrow Funds account for such disbursement).

4. DEFECT GUARANTY AMOUNT

The Development Agreement between Developer and City requires that the required improvements be free from imperfect workmanship or materials for a period of twelve (12) months from the acceptance of the same by the City. As financial assurance to the City that any such defects will be timely connected, a Defect Guaranty Amount in the sum of \$279,217.74 (said amount being approximately ten percent (10%) of the estimated cost of the Edge Field Subdivision improvements) is included in the initially-established Escrow Funds amount. Upon completion of the required improvements in accordance with the engineering plans and specifications approved by the City as required pursuant to the Development Agreement, the City Engineer for the City of Watertown shall approve and accept the improvement in writing ("City Certification"). The Defect Guaranty Amount shall remain held in escrow under this Agreement for the twelve (12) month period following the date of the City Certification. Upon the expiration of the twelve (12) month period following the date of the City Certification, any portion of the Defect Guaranty Amount remaining held in escrow and not drawn by the City pursuant to the provisions of this Agreement and the Development Agreement between the City and the Developer shall be released and disbursed to Developer without further authorization from, or action or approval by, the City, unless the City, prior to the expiration of said twelve (12) month period delivers to Developer and Escrow Agent written notification of the City's assertion that any defects claimed by the City to exist either remain uncured or have been cured but have not yet been paid for, and in the event such notice is so given in writing to Escrow Agent and Developer within said twelve (12) month period, and has not been subsequently certified to by the City as resolved, any portion of the defect Guaranty Amount remaining held in escrow shall be released and disbursed to Developer only upon the approval in writing for such disbursement by the City Engineer for the City of Watertown. The Developer shall have the right to request an earlier reduction in the amount of the required Defect Guaranty Amount and/or an earlier release of all or such portion of such Defect Guaranty Amount; and if such request or requests are approved in writing by the City Engineer for the City of Watertown prior to the expiration of said twelve (12) month period, such approved reduction shall be disbursed to Developer.

5. NOTICES

Whenever in this Agreement it shall be required or permitted that notice be given by any party hereto to any other party, such notice shall be forwarded by: (1) Certified Mail, return receipt required; or (2) a nationally recognized commercial delivery service, such as Federal Express; or (3) via facsimile transmission to the Parties as follows:

To Developer:

Gremar LLC
ATTN: Gary Loos
435 Village Walk Lane
Suite 2A
Johnson Creek, WI 530S8

To Escrow Agent:

First Citizens State Bank
207 W, Main Street PO Box 177
Whitewater, WI 53190

To City:

City of Watertown
ATTN: City Engineer
106 Jones Street
PO Box 477
Watertown, WI 53094-0477

With a copy to:

City of Watertown
ATTN: City Attorney
106 Jones Street
PO Box 477
Watertown, WI 53094-0477

Or such other address or facsimile number specified in writing by any party hereto to all other parties hereto.

6. AMENDMENTS

This Agreement shall not be amended or canceled without the prior written consent of all of the parties hereto.

7. COUNTERPARTS

This Agreement may be executed in a number of counterparts, each executed counterpart constituting an original, but all together only one Agreement.

IT IS EXPRESSLY UNDERSTOOD that the Escrow Agent assumes no liability or responsibility for the satisfactory installation of the public improvements as required by the Development Agreement, nor for the adequacy of the funds hereby deposited to complete said work nor for any other acts to be performed, and furthermore, the City and Developer agree to hold the Escrow Agent harmless for its actions in carrying out this Agreement except for the willful misconduct or intentional acts of the Escrow Agent.

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed on their behalf as of the date first above written.

DEVELOPER:
GREMAR LLC

BY: _____
Member

ESCROW AGENT:
First Citizens State Bank

BY: _____
Jim Caldwell CEO

CITY OF WATERTOWN:

BY: _____
Robert Stocks, Mayor

ATTEST: _____
Megan Dunneisen, City Clerk

Legal Description

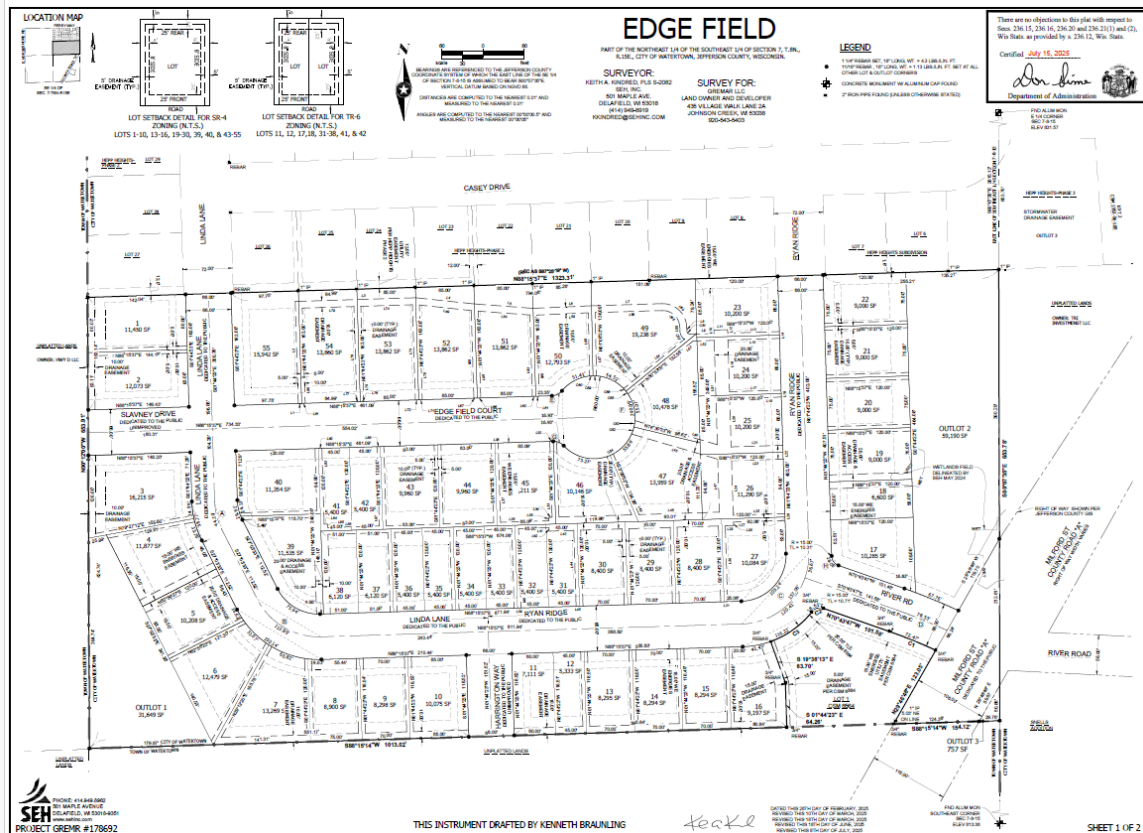


EXHIBIT B

Edge Field Construction Quantities
City of Watertown - Project No. 178692
8/5/2025

| ITEM | DESCRIPTION | UNIT | QTY | UNIT AMT. | TOTAL AMT. |
|---|--|--------|-----|---------------|------------------------|
| SANITARY SEWER: | | | | | |
| 1 | Connect to Existing Sanitary Manhole | 1 | EA | \$ 8,000.00 | \$ 8,000.00 |
| 2 | 8" PVC SDR35 Sanitary Sewer | 2,639 | LF | \$ 90.00 | \$ 237,510.00 |
| 3 | 48" Diam. Sanitary Manhole | 16 | EA | \$ 6,500.00 | \$ 104,000.00 |
| 4 | Sewer Service Lateral | 56 | EA | \$ 1,875.00 | \$ 105,000.00 |
| SUBTOTAL SANITARY SEWER: | | | | | \$ 454,510.00 |
| WATER MAIN: | | | | | |
| 1 | Connect to Existing 8" Water Main | 2 | EA | \$ 4,500.00 | \$ 9,000.00 |
| 2 | 8" C-900 PVC Water Main | 2,944 | LF | \$ 70.00 | \$ 206,080.00 |
| 3 | Hydrant Assembly with 6" Gate Valve and Valve Box | 6 | EA | \$ 9,500.00 | \$ 57,000.00 |
| 4 | 8" Gate Valve | 11 | EA | \$ 3,200.00 | \$ 35,200.00 |
| 5 | 6" C-900 PVC Water Main | 89 | LF | \$ 65.00 | \$ 5,785.00 |
| 6 | Water Service Lateral | 56 | EA | \$ 1,800.00 | \$ 100,800.00 |
| SUBTOTAL WATER MAIN: | | | | | \$ 413,865.00 |
| STORM SEWER | | | | | |
| 1 | 12" RCP CL V Storm Sewer | 1,006 | LF | \$50.00 | \$ 50,300.00 |
| 2 | 15" RCP Storm Sewer | 659 | LF | \$55.00 | \$ 36,245.00 |
| 3 | 18" RCP Storm Sewer | 662 | LF | \$58.00 | \$ 38,396.00 |
| 4 | 24" RCP Storm Sewer | 329 | LF | \$61.00 | \$ 20,069.00 |
| 5 | 30" RCP Storm Sewer | 166 | LF | \$64.00 | \$ 10,624.00 |
| 6 | 48" Diam. Precast Concrete Storm Manhole | 9 | EA | \$3,500.00 | \$ 31,500.00 |
| 7 | 24" x 36" Precast Concrete Storm Inlet | 22 | EA | \$2,600.00 | \$ 57,200.00 |
| 8 | Field Inlet | 8 | EA | \$1,500.00 | \$ 12,000.00 |
| 9 | Outlet Structures | 2 | EA | \$14,000.00 | \$ 28,000.00 |
| 10 | Rip-Rap | 60 | CY | \$60.00 | \$ 3,600.00 |
| SUBTOTAL STORM SEWER: | | | | | \$ 287,934.00 |
| ROADWAY/GRADING/CONCRETE/EROSION CONTROL | | | | | |
| 1 | Inlet Protection | 24 | EA | \$ 250.00 | \$ 6,000.00 |
| 2 | Tracking Pad (Install and Maintenance) | 2 | EA | \$ 3,000.00 | \$ 6,000.00 |
| 3 | Silt Fence/EC (Install and Maintenance) | 4,000 | LF | \$ 2.00 | \$ 8,000.00 |
| 4 | Earthwork/Finish Grade (Includes Topsoil and Site Restoration) | 1 | LS | \$ 517,149.60 | \$ 517,149.60 |
| 5 | Aggregate Base & First Lift of Asphalt - 2.25" | 9,400 | SY | \$ 14.09 | \$ 132,445.00 |
| 6 | Second Lift of Asphalt - 1.75" | 9,400 | SY | \$ 10.58 | \$ 99,420.00 |
| 7 | 30" Curb & Gutter | 5,180 | LF | \$ 20.24 | \$ 104,840.00 |
| 8 | 5' Concrete Sidewalk w/ Base - 4" | 22,700 | LF | \$ 4.75 | \$ 107,825.00 |
| 9 | 5' Concrete Sidewalk w/ Base - 6" | 825 | LF | \$ 5.23 | \$ 4,314.75 |
| 10 | 5' Concrete Sidewalk w/ Base - 5" (ADA RAMPS) | 300 | LF | \$ 5.70 | \$ 1,710.00 |
| 11 | Detectable Warning Field Plate (2' x 5') | 17 | EA | \$ 350.00 | \$ 5,950.00 |
| 12 | Epoxy Crosswalk Markings | 1 | LS | \$ 12,500.00 | \$ 12,500.00 |
| 13 | Pond Liners (Clay or Equivalent) | 1 | LS | \$ 11,000.00 | \$ 11,000.00 |
| 14 | Retaining Wall | 1 | LS | \$ 6,500.00 | \$ 6,500.00 |
| 15 | Seeding/Erosion Mat | 1 | LS | \$ 54,956.00 | \$ 54,956.00 |
| SUBTOTAL ROADWAY/GRADING/CONCRETE/EROSION CONTROL: | | | | | \$ 1,078,610.35 |
| ALTERNATIVE | | | | | |
| 1 | 1 1/4" TB Granular Backfill for Utility Trenches (Placed Material) | 36,447 | TN | \$ 14.00 | \$ 510,258.00 |
| 2 | Street Signage | 1 | LS | \$ 15,000.00 | \$ 15,000.00 |
| 3 | Street Lighting | 1 | LS | \$ 25,000.00 | \$ 25,000.00 |
| 4 | Traffic Control (Type III Barricades) | 1 | LS | \$ 7,000.00 | \$ 7,000.00 |
| SUBTOTAL ALTERNATIVE: | | | | | \$ 557,258.00 |
| TOTAL | | | | | \$ 2,792,177.35 |