

**DEVELOPMENT AGREEMENT  
FOR RECEIPT AND REIMBURSEMENT OF SAG GRANT FUNDS**

The parties to this Development Agreement are City of Menasha (herein "City") and WOW Logistics Company (herein "WOW"). The parties may be referred to herein individually as "party" or collectively as "parties".

**Background Recitals**

The City and WOW are making this Agreement in connection with WOW purchasing the property at 867 Valley Road, Menasha, WI (herein "Property") at a price of \$175,000 constituting the "matching funds" required by the Wisconsin Economic Development Corporation ("WEDC") and the City obtaining a WEDC Site Assessment Grant ("SAG") on May 4, 2015 by letter attached as **Exhibit A** for building demolition and environmental site assessment which grant funds will be passed through to WOW for payment of out of pocket expenses, with the objective of clearing up environmental conditions to make the site ready and available for development (the "Project").

1. **Purpose of this Agreement.** The purpose of this Agreement is to allocate the responsibilities between the City and WOW to complete the Project. WOW needs assurance that the City has approved this Agreement before WOW can close the purchase of the Property. If WOW does not close the purchase of the Property, this Agreement will become null and void. The City will accept SAG grant funds from WEDC and transmit those funds (as a "pass through") for payment of SAG Services invoices either to WOW or WOW's Contractor as described below.
2. **WEDC Grant Application.** The terms and conditions of the WEDC grant application and Site Assessment Grant Agreement between The Wisconsin Economic Development Corporation and City of Menasha are made part of this Agreement and incorporated herein and WOW is required to comply with those terms and conditions contained therein.
3. **WEDC Grant Approval for SAG Services.** On May 4, 2015 WEDC approved the Application submitted by Key Engineering Group, Ltd. for SAG grant funds up to a total of \$150,000 for demolition, asbestos abatement, and groundwater and soil investigation ("SAG Services") as further detailed in the Application naming the City as "Recipient" of the grant.
4. **City Approval of WEDC Contract.** The City will approve the WEDC "Site Assessment Grant Agreement" ("WEDC Agreement") and perform all obligations therein as "Recipient", subject to the condition that WOW closes the purchase of the Property on or before November 1, 2015.
5. **City Not to Incur Out of Pocket Expenditures.** The City does not agree to pay from its own funds any expenses, charges, or fees to WEDC, WOW, or the environmental consultant/contractor ("Contractor") that will be hired to perform the SAG Services. The City involvement will be internal administration only of the WEDC Agreement, recordkeeping, reporting, and disbursement requests required by the City as "recipient of the grant" and transmittal of those grant funds to WOW or the Contractor.
6. **WOW Purchase of Property.** WOW is evaluating its remaining conditions that need to be satisfied in order to proceed with closing the Offer to Purchase of the Property from the

current owner Realty Opus, Inc. The closing is to occur on or before October 31, 2015 at a price of \$175,000.

7. **WOW to Hire Contractor to Perform SAG Services.** WOW will enter directly into a contract with Key Engineering as Contractor to perform the SAG Services. WOW, not the City, will be responsible to pay Key Engineering either with SAG grant funds received from the City or with WOW's own funds.
8. **WOW Holds Harmless and Indemnifies City.** WOW agrees to hold the City harmless and agrees to indemnify the City from any payment obligation associated with purchase of the Property, SAG Services, and any other subsequent environmental remediation expenses associated with the Property incurred after the purchase of the Property by WOW.
9. **Commencement and Payment for SAG Services.** WOW will arrange for its Contractor to commence SAG Services as soon as possible after closing the purchase of the Property. As invoices are received from the Contractor the City will apply to WEDC for grant funds reimbursements from WEDC. The City will transfer grant funds it receives either to WOW or the Contractor for payment of Contractor's invoices for SAG Services.
10. **WOW Cooperation for Record Keeping and Reports.** WOW will cooperate with the City with regard to the necessary assembly and submission of documents, records, and invoices associated with the SAG Services to enable the City to maintain required records, file reports, and file grant fund reimbursement requests with WEDC as required under the SAG Agreement.
11. **WOW/Permits/Compliance with Law.** WOW and/or its Contractor will apply for and obtain appropriate permits for the demolition work to be done at the Property, and the demolition will be conducted, followed by appropriate disposition of the demolition rubble, all in accordance with City, State, and Federal ordinances, laws, and regulations.
12. **Additional Environmental Property Remediation Expenses.** SAG grant funds do not apply to environmental remediation expenses. Such expenses will be the sole responsibility of WOW either with its own fund or from other grant funds awarded to WOW separately and independently of this Agreement.
13. **Final Objective/Site Ready for Development.** WOW will ultimately make the site ready for development. The City will not require a time limit for building or other improvements to be constructed on the site which will be left up to the business discretion of WOW in accordance with its needs. WOW will plant grass or make parking areas and manage storm water drainage facilities on the site until WOW is ready for further development.

Dated and effective, subject to the conditions stated herein, on the date that this Agreement is conditionally approved (subject to the purchase of the Property by WOW and City approval of the WEDC Agreement) by the City Council of the City of Menasha.

CITY OF MENASHA

BY: \_\_\_\_\_

Don Merkes, Mayor

WOW LOGISTICS COMPANY

BY: \_\_\_\_\_  
Howard Kamerer, President and CEO