DEVELOPMENT AGREEMENT

This Agreement is entered into by and between the City of Menasha, Wisconsin, a political subdivision of the State of Wisconsin (the "City"), and the Redevelopment Authority of the City of Menasha, Wisconsin (the "RDA"), a public body corporate and politic.

ARTICLE I
INTRODUCTION

Section 1.01 Purpose of Agreement. The parties have agreed to undertake a mixed-use residential and commercial development in the Development Area, consisting of approximately 246 new single-and multi-family dwelling units, approximately 130,000 square feet of commercial space, and installation of public improvements necessary to serve the development, all as described in more detail in the Project Plan for Tax Increment District #12 of the City. The purpose of this Agreement is to record the understandings and undertakings of the parties and to provide a framework within which the Development may proceed.

Section 1.02 Certain Definitions. As used in this Agreement, the following terms shall have the meanings indicated:

"Developer" – The RDA or an entity, or entities, selected by the RDA for the development of all or a portion of the Development Area.

"Development Area" - The land area described in Section 2.01 and Exhibit B.

"Closing" - The closing of various transactions described herein at the time and place described in Section 4.01.

"Contributed Properties" - The properties described in Section 5.01 and Exhibit A.

"Project Plan" - The Project Plan for Tax Increment District #12 of the City.

"TIF District" - Tax Increment District #12 of the City.

ARTICLE II
DESCRIPTION OF DEVELOPMENT

Section 2.01 Land. The Development Area is described in Exhibit B and is coterminous with Tax Increment District #12 created by the City (the "TIF District").

ARTICLE III
PRECLOSING UNDERTAKINGS

Section 3.01 City and RDA Performance Subject to Required Government Approvals. The parties acknowledge that various of the specific undertakings of the City and RDA described under this Agreement require approvals from the City's Common Council and/or Planning Commission as well as from governmental bodies external to the City and RDA, some of which approvals may require public hearings and other legal proceedings as conditions precedent thereto. The City's and the RDA's obligations herein are conditioned upon the obtaining of all such approvals in the manner required by law. The City and RDA cannot assure that all such approvals will be obtained, however they agree to use their best, good faith efforts to obtain them.

ARTICLE IV
CLOSING

Section 4.01 Place and Time of Closing. The Closing shall be held in Menasha, Wisconsin at 10:00 a.m., local time, on October 31, 2011 or such earlier date as the parties may select by mutual agreement.

ARTICLE V
CITY OBLIGATIONS

Section 5.01 City Land Transfer to RDA. City agrees to transfer the property within the TIF District described on Exhibit A, (the "Contributed Properties"), to the RDA for the purpose of redevelopment, implementing the Project Plan, and this Agreement for the purchase price of $3,900,000. RDA shall execute a promissory note in favor of City in the amount of the purchase price. Terms shall be 5.5 % interest until paid in full. RDA shall be required to make payments to City towards the outstanding balance of the promissory note and interest as set forth in the promissory note.

Section 5.02 Developer's Incentive to RDA. City shall pay to RDA an annual financial incentive for the purpose of implementing the TID #12 Project Plan and this Agreement in the amount of $270,000.

ARTICLE VI
RDA OBLIGATIONS:
MARKETING AND SALE OF CONTRIBUTED PROPERTIES,
PROMOTION OF DEVELOPMENT

Section 6.01 Marketing of Contributed Properties. The RDA agrees to continuously and actively market all vacant lots in the Contributed Properties. The RDA shall provide the City on or before December 31 of each year during the term of this Agreement, a marketing plan for the Contributed Properties for the following year, which plan must be acceptable to the City, and a report as to its activities under this Agreement for that year.

Section 6.02 Administration of Development Agreements. The RDA agrees to administer Development Agreements that the City and/or the RDA enter into with Developers for the Contributed Properties.

Section 6.03 Assignment of Development Agreements. The RDA agrees to become a party-assignee for purposes of contract administration on the development agreements between the City of Menasha and The Ponds of Menasha, LLC and the City of Menasha and Cypress Homes, Inc.

Section 6.04 Sale of Contributed Properties. All sales, transfers, conveyances and leases of the Contributed Properties shall be subject to the requirements of Section 7.01 below. In connection with any such sale, transfer, conveyance or lease, the RDA shall enter into a written agreement with the purchaser. Each such development agreement shall have provisions including, but not limited to, the following (unless the City, in its sole discretion agrees in writing, that such provision need not be included):

(a) an agreement by the Developer to complete construction of improvements of a specified minimum equalized value (or expenditure of specified minimum construction cost) by a specified date;

(b) an agreement by the Developer to construct such improvements in conformance with plans and specifications approved by the City and RDA, and to obtain all necessary zoning approvals;

(c) an agreement by the Developer to sell the property back to the RDA at the cost it was acquired if the Developer does not proceed with development of the property by a date specified therein.

If the Developer is to receive a development incentive payable from tax increments generated by the TIF District, the City shall be a party to the agreement.

The requirements in Section 6.04 do not apply to individual sales of residential Contributed Properties within the Lake Park Villas Phase II homeowner's association. Such properties are already subject to recorded covenants requiring construction within one year of purchase.

Section 6.05 It is the intent of the parties that the Development and development of the Contributed Properties be undertaken in such a manner that the Development will have an assessed (full value) valuation of not less than $46 million (taking only real property into account) on or before January 1, 2026. The RDA will take all reasonable good faith efforts to assure this intention is achieved.

Section 6.06 Budget and Budget Reconciliation; Financial Reports. The RDA agrees to prepare an annual budget for the Development and agrees to maintain records such that its actual expenditures for the Development may be ascertained and reconciled against such budget. From

time to time, upon reasonable notice from the City, authorized representatives of the City shall be entitled to examine such records at the RDA offices to verify such costs.

ARTICLE VII
MISCELLANEOUS

Section 7.01 Restrictions on Sale of the Contributed Properties. If the RDA or any Developer intends to sell, transfer or convey any portion of the Contributed Properties to any person or in any manner which would render that portion of the Contributed Properties exempt from property taxation, the RDA or Developer, as applicable, shall first secure the express written consent of the City for such transfer unless the purchaser expressly agrees to annually pay the City an amount equal to all property taxes which would have been paid by that portion of the Contributed Properties if it were subject to property taxation.

Section 7.02 Assignments of Rights Under this Agreement. No party may assign its rights under this Agreement without the written consent of the other parties.

Section 7.03 Termination of Agreement. This Agreement shall remain in effect until its anniversary date in the year 2031 unless terminated earlier by unanimous written agreement of the parties or pursuant to Section 4.02.

Section 7.04 Default and Notice of Default. In the event any party to this Agreement is in default hereunder (the "Defaulting Party") the other parties ("Non-defaulting Parties") shall be entitled to take any action allowed by applicable law by virtue of said default provided that they first give the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than ninety (90) days in which the default may be cured by the Defaulting Party.

If, after the specified time period for cure, proceedings are initiated to cure an alleged default, the prevailing party in such proceedings shall be entitled to reimbursement from the other party for its reasonable attorney fees and associated costs incurred in such proceedings.

Section 7.05 Nondiscrimination. Each party agrees that neither the Development nor any portion thereof, shall be sold to, leased or used by any party in a manner to permit discrimination or restriction on the basis of race, creed, ethnic origin or identity, color, gender, religion, marital status, familial status, age, handicap, sexual orientation or national origin, and that the construction and operation of the Development shall be in compliance with all effective laws.

Section 7.06 Approximations. It is understood and agreed by the parties that all dimensions and quantities of square feet set forth herein or in the Exhibits hereto are preliminary and tentative. Before the legal descriptions of the various parcels comprising the Development Area are finalized, each party reserves the right to make minor changes in the dimensions, quantities and locations to best accommodate and facilitate the design, construction and operation of the Development, upon written notice to, but without the need for consent from, the other party.

Section 7.07 No Personal Liability. Under no circumstances shall any alderperson, officer, official, director, member, partner or employee of the City or RDA have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

Section 7.08 Force Majeure. No party shall be responsible to any other party for any resulting losses 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, or by any other cause not within the control of the party whose performance was interfered with, and which by the exercise of reasonable diligence, such party is unable to prevent, whether of the class of causes hereinabove enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause.

Section 7.09 Parties and Interests; Survival of Agreements. 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 regardless of any investigation made by or on behalf of any party.

Section 7.10 Notices. All notices, demands, certificates or other communications under this Agreement shall be sufficiently given and shall be deemed given when hand delivered or when mailed by first-class mail, postage prepaid, with proper address as indicated below:

To the City:

City of Menasha
City Hall
140 Main Street
Menasha, Wisconsin 54952-3190
Attention: City Clerk

To the RDA:

Redevelopment Authority of the City of Menasha
City Hall
140 Main Street
Menasha, Wisconsin 54952-3190
Attention: Executive Director

Either party may, by written notice to the other party, designate a change of address for the purposes aforesaid.

Section 7.11 Amendment. No modification, alteration or amendment to this Agreement shall be binding upon any party hereto until such modification, alteration or amendment is reduced to writing and executed by both parties hereto.

Section 7.12 Governing Law. The laws of the State of Wisconsin shall govern this Agreement.

Section 7.13 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement.

Section 7.14 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 7.15 Severability. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 7.16 Covenants Running With The Land; Memorandum of Agreement. The covenants and agreements contained in this Agreement shall be deemed to be covenants running with the land and shall be binding upon and inure to the benefit of the RDA, any Developer and all successive owners of the Contributed Property, or any portion thereof, and their respective heirs, representatives, successors and assigns. Promptly upon its acquisition of the Contributed Properties and prior to the sale, transfer, conveyance or lease of any portion thereof or to the recording of any mortgage or other security instrument against any portion of the Contributed Properties, the RDA agrees to record a memorandum of this Agreement with the Register of Deeds for Calumet County, Wisconsin against the Contributed Properties. Such memorandum shall be in form and substance reasonably acceptable to the City and the RDA.

Section 7.17 RDA and City Authorization. The execution of this Agreement was authorized by RDA on _____, 2011 and Common Council on _____, 2011

[Execution Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of _____, 2011.

CITY OF MENASHA
By _____
Mayor

Attest _____
City Clerk

(SEAL)

REDEVELOPMENT AUTHORITY OF THE CITY OF MENASHA
By _____
Chairperson

Attest _____
Executive Director

Approved as to form:

_____
City Attorney

STATE OF WISCONSIN)
)ss
_____ COUNTY)

Personally came before me this ____ day of _____, 2011 the above named _____, Mayor, and _____, City Clerk to me known to be the persons who executed the foregoing instrument and acknowledged the same.

_____
Notary Public, Wisconsin

My Commission expires

_____

STATE OF WISCONSIN)
)ss
_____ COUNTY)

Personally came before me this ____ day of _____, 2011, the above named _____, Chairperson and _____, Executive Director to me known to be the persons who executed the foregoing instrument and acknowledges the same.

_____
Notary Public, Wisconsin

My Commission expires

_____

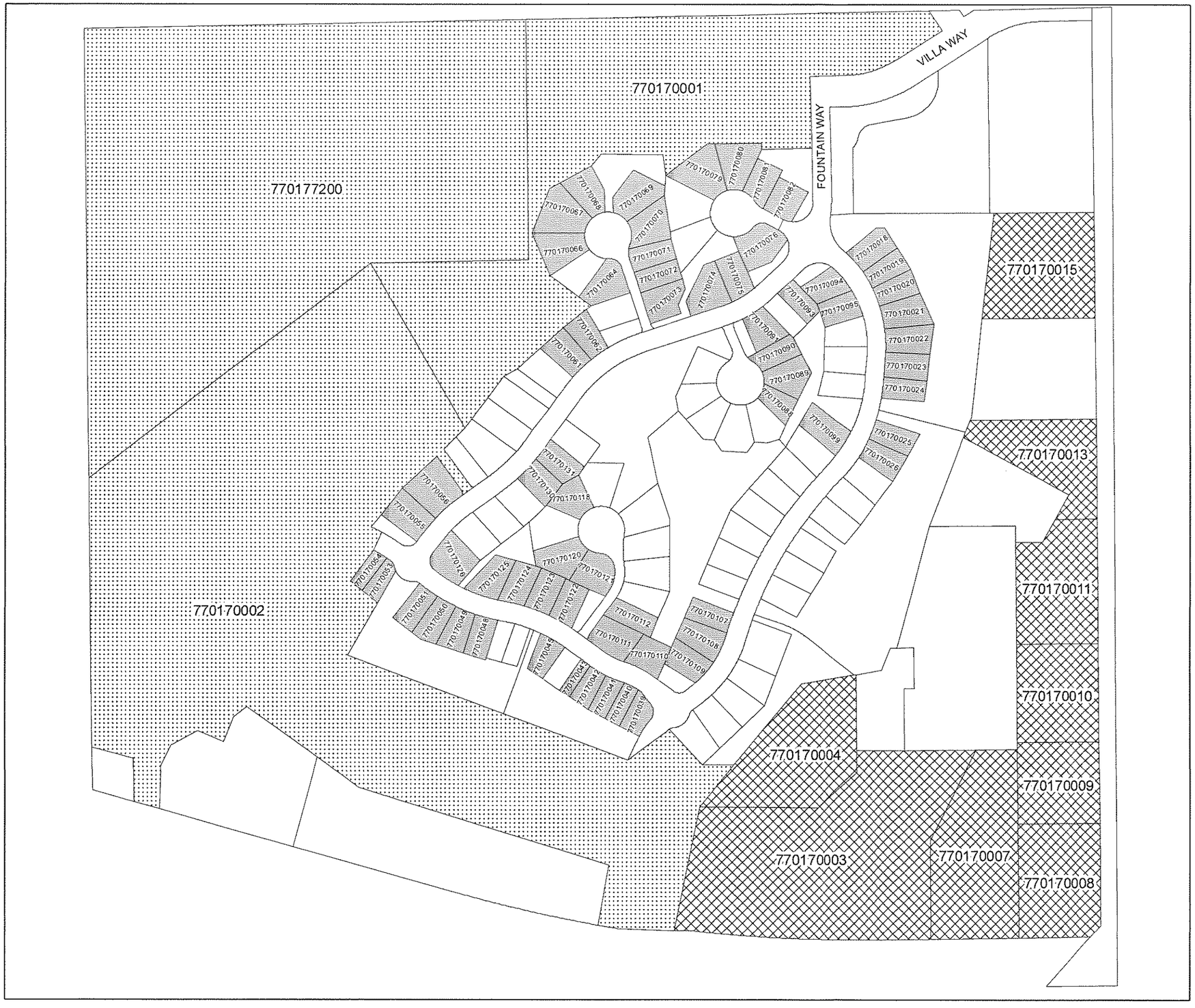


Exhibit A:
Contributed Properties*

City of Menasha,
Calumet County, Wisconsin

N

Land to be Transferred to
Menasha Redevelopment Authority

- Vacant Unimproved Land*
- Existing Phase II Lake Park Villas Homeowners Association Lots
- Existing Improved Lake Park Square Commercial Lots

Complete List of Parcel Numbers to be Transferred to Menasha Redevelopment Attached

* Less & excepting Lot 1, CSM 3276 (attached)

EXHIBIT A, Continued

	PARCEL NUMBER
Vacant Unimproved Land:	
	770170001 (Less & excepting Lot 1 , CSM 3276)
	770170002
	770177200
Existing Phase II Lake Park Villas Homeowner Association Lots:	
	770170018
	770170019
	770170020
	770170021
	770170022
	770170023
	770170024
	770170025
	770170026
	770170039
	770170040
	770170041
	770170042
	770170043
	770170045
	770170048
	770170049
	770170050
	770170051
	770170053
	770170054
	770170055
	770170056
	770170061
	770170062
	770170064
	770170066
	770170067
	770170068
	770170069
	770170070
	770170071

continued on next page

PARCEL NUMBER (cont)

Existing Phase II Lake Park Villas Homeowner Association Lots (cont.):

770170072
770170073
770170074
770170075
770170076
770170079
770170080
770170081
770170082
770170088
770170089
770170090
770170091
770170093
770170094
770170095
770170099
770170107
770170108
770170109
770170110
770170111
770170112
770170118
770170120
770170121
770170122
770170123
770170124
770170125
770170126
770170130
770170131

Existing Improved Lake Park Square Commercial Lots:

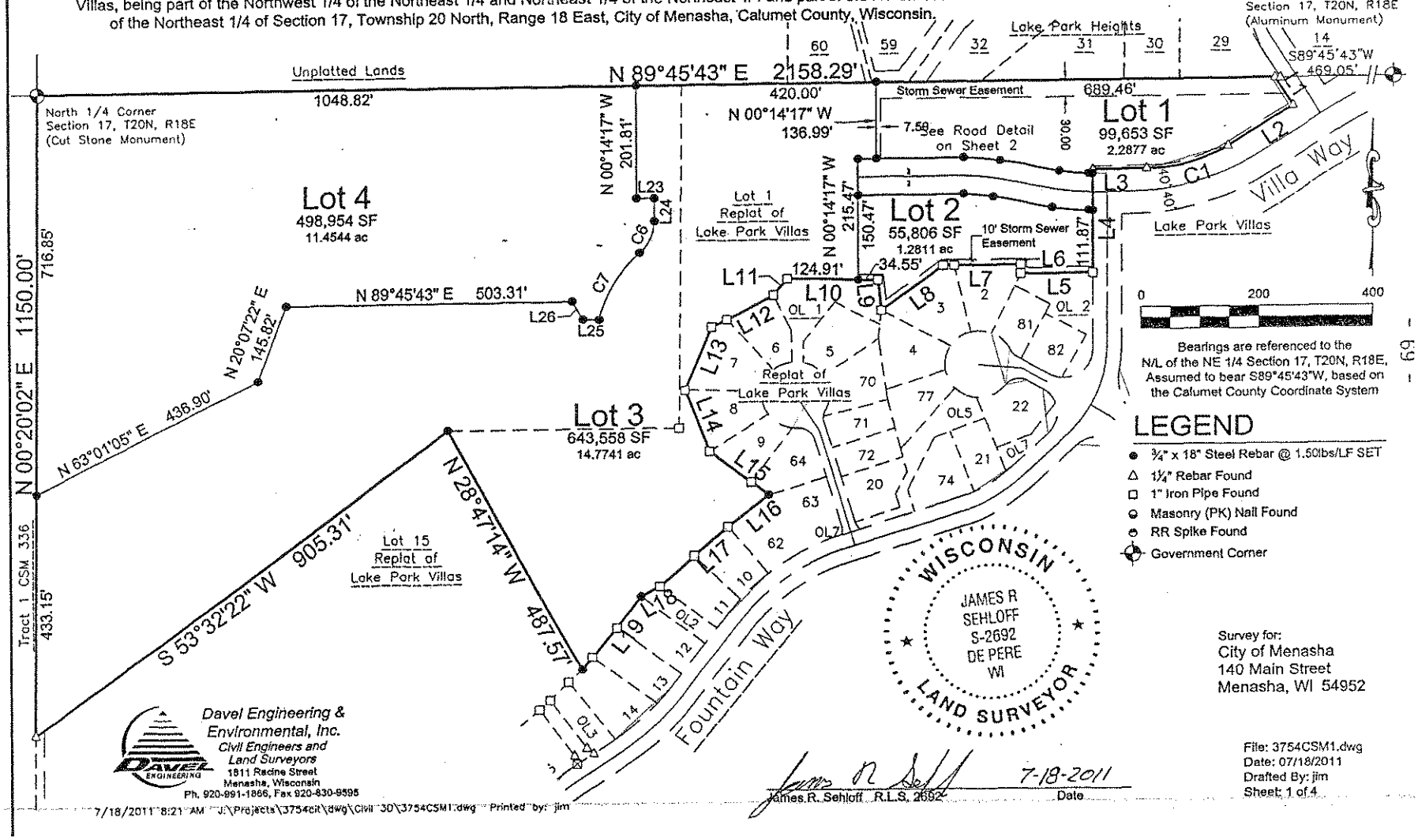
770170003
770170004
770170007
770170008
770170009
770170010
770170011
770170013
770170015

EXHIBIT A
CONTINUED

Document No. 456102

Certified Survey Map No. 3276

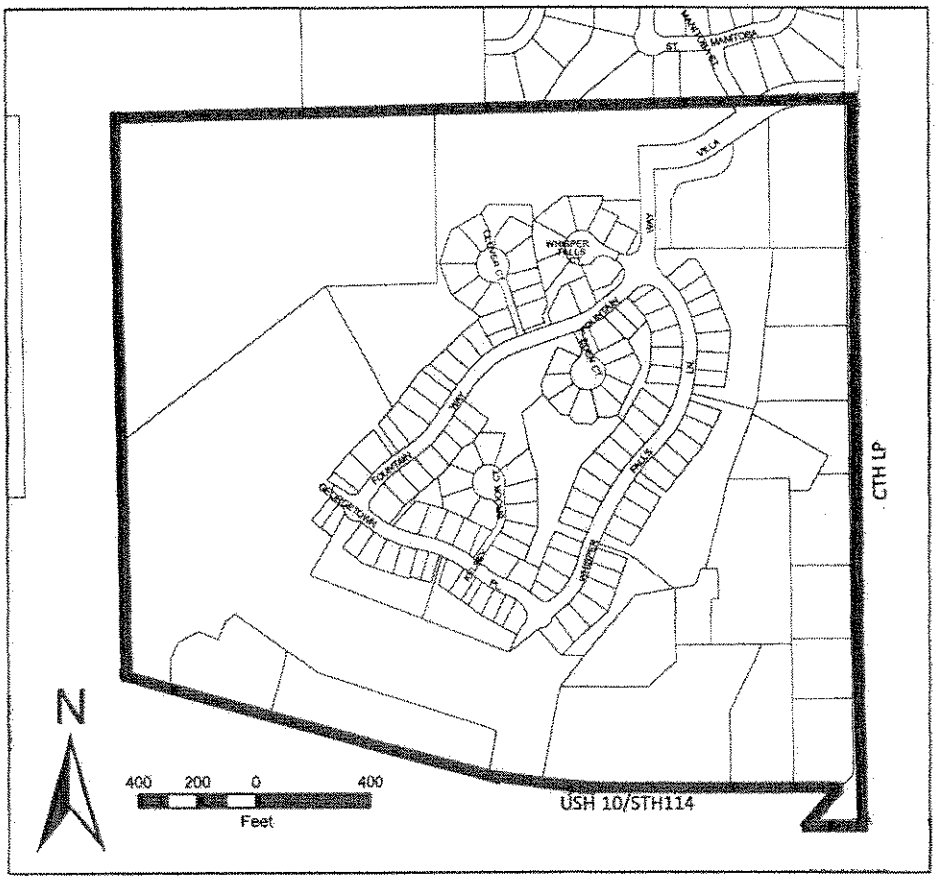
All of Lot 1, of Replat of Lots 1, 2, 55-61,65-69, 73, 75, 76, 78-80, 119, 120, Outlots 4-5, Outlots 8-9 and Outlot 24 of Lake Park Villas, being part of the Northwest 1/4 of the Northeast 1/4 and Northeast 1/4 of the Northeast 1/4 and part of the Northwest 1/4 of the Northeast 1/4 of Section 17, Township 20 North, Range 18 East, City of Menasha, Calumet County, Wisconsin.



FORM NO. 985-A
HCM Miller Print Communications
Stock No. 26273

EXHIBIT B

City of Menasha

Proposed Tax Incremental District #12

DEVELOPMENT AREA