



**Redevelopment Authority of the
City of Superior**

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February 4, 2025

Common Council of the City of Superior
1316 North 14th Street
Superior, Wisconsin 54880

RE: Sale of Property to SLMRE LLC

Dear Councilors:

Pursuant to Wisconsin Statutes, Section 66.1333(9)(a)1.d., the Redevelopment Authority of the City of Superior (the "Authority") is required to submit a report to the Common Council of the City as to the terms, conditions and other material provisions of any sale of real property prior to such sale. On January 28, 2025, the Authority held a public hearing for the purpose of considering the sale of real property to SLMRE LLC.

The terms, conditions and other material provisions of the sale are contained in the Development Agreement among the Authority, SLMRE LLC and Superior-Lidgerwood-Mundy Corporation. A copy of the Development Agreement is attached hereto.

Respectfully submitted,

Jason Serck
Executive Director

Enclosure

cc: Robert Toftey

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Draft: 1/8/25

DEVELOPMENT AGREEMENT

AMONG

**REDEVELOPMENT AUTHORITY OF THE
CITY OF SUPERIOR, WISCONSIN,**

SLMRE LLC,

AND

SUPERIOR-LIDGERWOOD-MUNDY CORPORATION

DATED AS OF FEBRUARY _____, 2025

Drafted by:
Fryberger, Buchanan, Smith & Frederick, P.A.
302 West Superior Street, Suite 700
Duluth, Minnesota 55802

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DEVELOPMENT AGREEMENT

This Agreement is made and entered into as of this _____ day of February, 2025 (the “Effective Date”), by and among the REDEVELOPMENT AUTHORITY OF THE CITY OF SUPERIOR, WISCONSIN (the “Authority”), SLMRE LLC, a Wisconsin limited liability company (the “LLC”), and SUPERIOR-LIDGERWOOD-MUNDY CORPORATION, a Wisconsin corporation (“SLM”) (the LLC and SLM are collectively referred to as the “Company”).

RECITALS:

WHEREAS, the Authority and the City of Superior, Wisconsin (the “City”) have, pursuant to the authority granted in Wisconsin Statutes, Section 66.1333, adopted a Project Area Plan dated January 1, 2002, as amended on June 19, 2007 (the “Redevelopment Plan”) and designated the boundaries of the City of Superior - Winter Street Industrial Park Project Area (the “Project Area”); and

WHEREAS, the Company has proposed a development, as hereinafter described, to be located within the Project Area, which the Authority has determined will promote and carry out the industrial development objectives of the City and provide additional employment opportunities within the City; and

WHEREAS, pursuant to authority granted in Wisconsin Statutes, Section 66.1105, the City created Tax Incremental District Number Sixteen (the “District”) and approved a Tax Increment Project Plan (the “Tax Increment Project Plan”) on June 16, 2021; and

WHEREAS, the Company has proposed a development, as hereinafter described, to be located on property within the Project Area and the District; and

WHEREAS, the City and the Authority have determined to provide assistance through tax increment financing, and other actions, to encourage such development; and

WHEREAS, the Authority and the Company desire to enter into this Agreement regarding the LLC’s acquisition of the Development Property from the Authority, the Company’s construction of the Project (as hereinafter defined) upon the Development Property, which the Authority has determined will provide and carry out the development objectives of the City; and

WHEREAS, the LLC will lease the Project to SLM through the Termination Date; and

WHEREAS, the City and the Authority have entered into a cooperation agreement in order to achieve the objectives of the Tax Increment Project Plan and to make tax increment available from the District for development by private enterprise for and in accordance with the uses specified in the Tax Increment Project Plan.

NOW, THEREFORE, in consideration of the promises and mutual obligations of the parties contained herein, the receipt and sufficiency of which are hereby acknowledged, each of them does hereby represent, covenant, and agree with the other as follows:

Section 1. Definitions, Exhibits, Rules of Interpretation.

1.01 Definitions. In this Agreement, the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

“Agreement” means this Development Agreement by and among the Authority and the Company, as the same may be from time to time amended.

“Authority” means the Redevelopment Authority of the City of Superior, Wisconsin.

“Available Tax Increment” has the meaning as defined in Section 4.05B.

“Certificate of Completion” means the certification, in the form of the Certificate attached as Exhibit C hereto, provided to the Company pursuant to Section 4.03 of this Agreement, upon satisfactory completion of the Private Improvements.

“City” means the City of Superior, Wisconsin.

“City Resolution” means the resolution or resolutions of the Common Council of the City providing for the Cooperation Agreement and the Contribution Payments.

“Closing Date” means the date upon which the Authority and the LLC close on the sale of the Development Property as provided in Section 3.01 which shall be a date mutually agreed to by the parties hereto and is scheduled to be February 26, 2025.

“Company” means SLM and the LLC or their successors or permitted assigns under this Agreement. The parties hereto agree that the performance of any duty or responsibility to be undertaken by the LLC which is performed, undertaken or completed by SLM or vice versa, shall constitute performance of the Company, as such performance is required herein. The Authority may look to either or all of the LLC and/or SLM for performance of the Company’s covenants, obligations and agreements herein.

“Construction Plans” means the construction plans on all construction work to be performed by the Company on the Development Property pursuant to this Agreement.

“Contingency Date” means that certain date that is 30 days after the Effective Date.

“Contribution Payments” means the Contribution Payments from the City to the Authority subject and pursuant to the City Resolution but only to the extent of Available Tax Increment, subject to Section 4.05C and further subject to future annual budgetary appropriations thereof as described in the City Resolution.

“Cooperation Agreement” means the Cooperation Agreement to be entered into between the City and the Authority which provides for the City to make the Contribution Payments to the Authority in a maximum aggregate amount of \$1,840,000, subject to the limitations set forth in the City Resolution.

“Development Grant” has the meaning as defined in Section 4.05A.

“Development Property” means the real property described in Exhibit A to this Agreement.

“District” means Tax Incremental District Number Sixteen (Winter Street Business Park Project) created by the City on June 16, 2021.

“First Priority Charge” means the out-of-pocket expenses incurred by the Authority and the City in connection with the Project, including but not limited to, municipal advisor fees and attorney’s fees in an amount not to exceed \$30,000; and (ii) \$10,000 per year for each year of the District for tax incremental district administration.

“Improvements” means collectively the Site Improvements and the Private Improvements.

“Private Improvements” means the construction of a building of approximately 68,500 square feet with manufacturing space, administrative offices and warehouse space to be located on the Development Property, as such improvements are described in the Construction Plans.

“Project” means the Development Property as improved by the Site Improvements and the Private Improvements.

“Project Tax Increment” has the meaning as defined in Section 4.05B.

“Schedule” means the schedule for the elements of the development contemplated by this Agreement, as set forth on Exhibit C.

“Site Improvements” means site preparation, soil correction, foundation and utility improvements and engineering costs therefore to be undertaken by the Company on the Development Property, as set forth in the Construction Plans and described in Section 4.05 hereof, and the costs of such improvements are expected to be in excess of \$2,627,739.

“Tax Increment” means the tax increment of the District derived from the Development Property and the Improvements thereon which have been received and retained by the City from taxes paid by the Company, in accordance with the TID Act.

“Tax Increment Grants” means the Tax Increment Grants as defined in Section 4.05B.

“Tax Increment Project Plan” means the Tax Increment Project Plan, as amended, for the District.

“Termination Date” means the earlier of the following: (i) December 31, 2042 or (ii) such earlier date agreed to by the parties hereto.

“TID Act” means Wisconsin Statutes, Section 66.1105, as amended.

“Transfer” has the meaning given in Section 5.04A. of this Agreement.

“Unavoidable Delays” means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, pandemics, acts of God, fire or other casualty to the improvements being constructed, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local government (other than the City) which directly results in delays.

1.02 Exhibits. The following exhibits are attached to and by reference made a part of this Agreement:

Exhibit A	Legal Description of Development Property
Exhibit B	Form of Certificate of Completion
Exhibit C	Schedule
Exhibit D	Sources and Uses Budget
Exhibit E	Estimated Tax Increment Cash Flow

1.03 Rules of Interpretation.

A. This Agreement and the other agreements executed by the parties in connection with the Development Property shall be interpreted in accordance with and governed by the laws of the State of Wisconsin.

B. The words herein and hereof and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof.

C. References herein to a particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

D. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

E. In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Agreement which can be given effect without the conflicting provisions, and to this end the provision of this Agreement are declared to be severable.

Section 2. Representations and Warranties.

2.01 Representations and Warranties by the Authority. The Authority represents and warrants that:

A. The Authority is a public body, corporate and politic, organized under the laws of Wisconsin.

B. The Authority has the power to enter into this Agreement and carry out its obligations hereunder pursuant to the powers granted to it by the Wisconsin Constitution and State law.

2.02 Representations and Warranties by the Company. The Company represents and warrants that:

A. (i) Superior-Lidgerwood-Mundy Corporation is a corporation duly organized and in good standing under the laws of the State of Wisconsin, is not in violation of any provisions of its organizational documents or the laws of the State of Wisconsin, is duly qualified to do business in the State of Wisconsin, has power to enter into this Agreement and to perform its obligations hereunder, and has duly authorized the execution, delivery, and performance of this Agreement by proper corporate action.

(ii) SLMRE LLC is a Wisconsin limited liability company duly organized and in good standing under the laws of the State of Wisconsin, is not in violation of any provisions of its organizational documents or the laws of the State of Wisconsin, is duly qualified to do business in the State of Wisconsin, has power to enter into this Agreement and to perform its obligations hereunder, and has duly authorized the execution, delivery, and performance of this Agreement by proper corporate action.

B. The LLC will acquire the Development Property and will construct the Private Improvements and the Site Improvements and SLM will lease, operate and maintain the Project upon the Development Property (or will cause the operation and maintenance of the Project) in accordance with the terms of this Agreement.

C. The Company will use its best efforts to obtain, in a timely manner, all required permits, licenses and approvals, and to meet, in a timely manner, all requirements of applicable local, state and federal laws and regulations which must be obtained or met before the Improvements may be lawfully constructed.

D. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented or limited by, or in conflict with or will result in a breach of, the terms, conditions or provisions of any restriction of the Company, or any indebtedness, agreement or instrument of whatever nature to which the Company, is now a party or by which it is bound, or will constitute a default under any of the foregoing.

E. The Company expects that the estimated market value for real estate tax purposes for the Improvements upon completion of the Improvements will be at least \$9,750,000, not including the value of the Development Property.

F. The Company, or its permitted assigns, agrees to own, operate and maintain the Project through the Termination Date.

Section 3. Real Estate; Authority Undertaking.

3.01 Conveyance. On the Closing Date, unless otherwise agreed by the parties, the Authority shall convey title and possession of the Development Property to the LLC under a quit claim deed (the “Deed”). The conveyance of the Development Property and the Company’s use of the Development Property shall be subject to all of the conditions, covenants, restrictions, and limitations imposed by this Agreement and the Deed. The Authority shall convey the Development Property “as is” as of the Closing Date and the Authority and the City make no warranty as to the condition of the Development Property or its suitability for the purposes of the Company. The Company’s use of the Development Property shall be subject to the covenants and restrictions contained herein, to building and zoning laws and ordinances and all other local, state, and federal laws and regulations, and to utility easements encumbering the Development Property.

3.02 The Company’s Investigation. From the Effective Date through the Contingency Date, the Authority shall allow the Company and the Company’s agents access to the Development Property without charge and at all times for the purpose of the Company’s investigation and testing of the Development Property, including surveying and testing of soil and groundwater (the “Company’s Investigations”); provided, however, the Company shall not perform any invasive testing unless (a) the Authority gives its prior approval of the Company’s consultant that will perform the testing, which approval shall not be unreasonably withheld, conditioned or delayed; and (b) the Company gives the Authority reasonable prior notice of such testing. The Authority shall have the right to accompany the Company during any of the Company’s Investigations of the Development Property. The Company shall provide to the Authority copies of all third-party, non-confidential written test results and reports conducted as part of the Company’s Investigations. The Company agrees to pay all of the costs and expenses associated with the Company’s Investigations, to cause to be released any lien on the Development Property arising as a result of the Company’s Investigations and to repair and restore, at the Company’s expense, any damage to the Development Property caused by the Company’s Investigations. The Company shall indemnify and hold the Authority and the City harmless from all costs and liabilities, including, but not limited to, reasonable attorneys’ fees, arising from the Company’s Investigations. The indemnification obligations provided herein shall survive the termination or cancellation of this Agreement.

3.03 Conditions Precedent. A. The Authority’s obligation to convey the Development Property to the LLC shall be subject to satisfaction of the following conditions precedent:

(i) The Company shall be in material compliance with all the terms and provisions of this Agreement;

(ii) The Company shall have obtained financing for the acquisition of the Development Property and for construction and equipping of the Improvements satisfactory to the Authority;

(iii) The Authority shall have approved the Construction Plans pursuant to Section 4.01 hereof; and

(iv) The Authority and the City shall have entered into a Cooperation Agreement regarding the Tax Increment Grants and the Common Council of the City shall have approved the City Resolution providing for the Contribution Payments.

The Company agrees that if, upon the Closing Date, the conditions precedent provided hereinabove are not satisfied, the Authority shall have no obligation under this Agreement to convey the Development Property to the Company.

B. The Company's obligation to purchase the Development Property from the Authority and to construct the Improvements shall be subject to satisfaction of the following conditions precedent:

(i) *Inspection.* On or before the Contingency Date, the Company shall have determined, in its sole discretion, that it is satisfied with (a) the results of and matters disclosed by the Company's Investigations, surveys, soil tests, engineering inspections, hazardous substance and environmental reviews of the Development Property and all other inspections and due diligence regarding the Development Property.

(ii) *Title Insurance.* On or before the Closing Date, the Company shall have received from a Title Company an irrevocable commitment to issue a title insurance policy for the Development Property in a form and substance satisfactory to the Company in the Company's sole discretion, not disclosing any encumbrance not acceptable to the Company in the Company's sole discretion.

(iii) *Financing.* The Company (i) securing the necessary and appropriate financing to purchase and develop the Development Property, including, but not limited to, receiving the necessary capital from the investors of the Company, and (ii) receiving the Authority's approval of the same as required pursuant to Section 3.03A. above.

(vi) *Permits.* The Company receives all necessary permits for the Project. The City and the Authority agree to aid and assist with such permitting and geotechnical analysis and wetland permitted for the Project.

The foregoing contingencies are for the Company's sole and exclusive benefit and one or more may be waived in writing by the Company in its sole discretion. The Authority shall reasonably cooperate with the Company's efforts to satisfy such contingencies, at no out of

pocket cost to the Authority or assumption of any obligation or liability by the Authority. The Company shall bear all cost and expense of satisfying the Company's contingencies. If any of the foregoing contingencies have not been satisfied on or before the applicable date, then this Agreement may be terminated, at the Company's option, by written notice from the Company to the Authority. Such written notice must be given on or before the applicable date, or the Company's right to terminate this Agreement pursuant to this Section shall be waived. If the Company terminates this Agreement pursuant to this Section, the Company shall pay the Authority and City costs as set out in Section 4.06 hereof. Upon termination, neither party shall have any further rights nor obligations against the other regarding this Agreement or the Development Property, except for such obligations as survive termination of this Agreement.

3.04 Purchase Price. On the Closing Date, the Company shall pay the Authority \$787,739, as the purchase price for the Development Property; such amount being the fair market value of such property. Unless otherwise mutually agreed by the Authority and the Company, the closing shall be made at the Government Center. The Company shall pay all costs in connection with the recording of the deed, including transfer tax and recording fee.

3.05 Title. The Authority shall voluntarily take no actions to encumber title, or fail to take any necessary actions to prevent encumbrance of title, to the Development Property before the time at which the Deed is delivered to the Company. If requested, the Authority shall assist the Company in obtaining a title insurance policy on the Development Property at Company's expense. Upon delivery of the Deed to the Company pursuant to this Section, all responsibilities and liabilities whatsoever with respect to title to the Development Property shall from such date forward be the sole responsibility of the Company.

3.06 Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on the Closing Date. The Authority agrees to deliver legal and actual possession of the Development Property to the Company on the Closing Date.

Section 4. Construction of Improvements.

4.01 Construction Plans. Prior to initiating construction of the Improvements, the Company shall submit to the Executive Director of the Authority the plans for the Improvements. Such plans shall include the following: (a) site plans; (b) floor plans; (c) elevations and (d) building design and exterior material. Such plans shall provide for a building approximately 68,500 square foot for the Company's operations including manufacturing space, administrative offices and warehouse space. The Company agrees that it will construct the Improvements on the Development Property in conformance with the Construction Plans. The Company agrees that the scope and scale of the Improvements to be constructed shall not be significantly less than the scope and scale of the Improvements as detailed and outlined in the Construction Plans. If the Company desires to make any material change in the Construction Plans, the Company shall submit the proposed change to the Authority for its approval. If the Construction Plans, as modified by the proposed change do not constitute a material modification to the scope, size or cost of the Project, the Authority shall approve the proposed change. Such change in the Construction Plans shall be deemed approved by the Authority unless rejected in

writing within ten (10) days by the Authority with a statement of the Authority's reasons for such rejection.

4.02 Commencement and Completion of Construction. Subject to Unavoidable Delays and subject to obtaining financing satisfactory to the Company, the Company shall commence construction on the Improvements by May 1, 2025, or such other date as the parties hereto shall agree in writing. Subject to Unavoidable Delays, the Company shall have completed the Improvements no later than December 31, 2026. All work with respect to the Improvements to be constructed or provided by the Company on the Development Property shall be in conformity with the Construction Plans.

The Company agrees that the Company shall promptly begin and diligently prosecute to completion construction of the Improvements, and that such construction shall in any event be commenced and completed within the period specified in this Section of the Agreement.

4.03 Certificate of Completion. Promptly after completion of the Improvements in accordance with the provisions of this Agreement, the Authority will furnish the Company with a Certificate of Completion, in substantially the form set forth in Exhibit B attached hereto. Such Certificate of Completion shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement with respect to the obligations of the Company, and its successors and assigns, to construct the Improvements.

4.04 Site Improvements.

A. The Company shall undertake the acquisition of the Development Property and the construction of the Site Improvements. The Site Improvements shall consist of site preparations, soil correction, below grade foundations, including excavation and filling, underground utilities, storm water drainage, parking improvements and engineering plans, soil tests and related costs in preparing for such work, as provided for pursuant to the Tax Increment Project Plan. The cost of the Site Improvements in an amount not to exceed \$2,627,739 shall be paid by the Company and reimbursed by the Authority to the Company through the Development Grant and the Tax Increment Grants at the times, in the manner and upon receipt of the documents required in this Section 4.04 and in Sections 4.05 and 4.06. The Company shall pay, without reimbursement, any Site Improvement costs in excess of such amount. The Company shall provide a certificate regarding the Company's actual expenditures in undertaking the Site Improvements and such other evidence as the Authority shall reasonably request.

B. The Company represents that it has or will let bids for contracts for the construction of the Site Improvements in compliance with the statutory bidding procedures applicable to the Authority as set forth in Wisconsin Statutes Section 66.1333(5)(a)(2). The Company shall provide the Authority with (i) a copy of an affidavit of publication for the notice required by such statute; (ii) a bid tabulation summary; and (iii) a copy of each contract awarded for work on the Site Improvements to be paid by the Authority's funds.

C. Upon expenditures of the amount described in subparagraph A above, the Authority's obligation and responsibilities with respect to the Site Improvements shall terminate.

The Authority shall have no liability to the Company or a third party resulting from any defect in the construction of the Site Improvements or the completion of the Site Improvements if the amount described in subparagraph A above is insufficient therefor. The Company shall maintain the Site Improvements after completion of construction. The Company agrees to indemnify, defend and hold harmless the Authority, its officers, employees and agents, from any and all claims or causes of action resulting from any alleged defect in the design or construction of the Site Improvements.

4.05 Payment for Site Improvements.

A. As an inducement to develop the Project, upon the Company providing copies of the paid certificates of cost and other documents required under Sections 4.04A and 4.04B, the Authority agrees (i) to pay the Company, for a portion of the Site Improvements, a development grant in the amount of \$787,739 (the “Development Grant”); and agrees to provide tax increment grants as provided in Section 4.05B subject to the limitations set forth in Section 4.05B. through Section 4.05E (the “Tax Increment Grants”).

The Authority shall pay the Development Grant to the Company upon the Company satisfying the following conditions on the following dates (or such later dates as such conditions are satisfied):

<u>Estimated Payment Date</u>	<u>Amount of Payment</u>	<u>Conditions for Payment</u>
1. June 1, 2025	\$472,643.40	<ul style="list-style-type: none"> • Purchase of Development Property • Building Permit for Project • Commencement of Construction
2. July 1, 2026	\$157,547.80	Document at least \$157,547.80 of Site Improvement Costs, not included in paragraph 1.
3. December 31, 2026	\$157,547.80	Document at least \$157,547.80 of Site Improvement Costs, not included in paragraph 1 or 2 above and Certificate of Completion issued

Total Site Improvement Costs: \$787,739.00

B. Subject to the limitations hereinafter set forth, in order to encourage the Company to develop the Improvements in the District, the Authority will provide the Company Tax Increment Grants in the maximum amount of \$1,840,000 payable annually in installments solely from the Available Tax Increment and to the extent that the City has appropriated and paid the Contribution Payments to the Authority prior to a Payment Date. The Available Tax Increment will mean 80% of the Project Tax Increment. The Project Tax Increment means the Tax Increment of the District derived from the Improvements which have been received and retained by the City from taxes paid by the Company for each applicable year, less the First Priority Charge. Upon request by the Company, the Authority shall submit evidence of the First Priority

Charge in the form of certificates of costs, statements or other evidence of costs incurred. Payments of Available Tax Increment, based on the development schedule, are expected to commence on October 1, 2027, and shall continue on each subsequent October 1 (the “Payment Date”) until the earlier of (i) the Tax Increment Grants have been paid to the Company in the aggregate maximum amount of \$1,840,000; or (ii) October 1, 2042. The amount of the Available Tax Increment and the Tax Increment for each year shall be calculated by the City’s municipal advisor. The annual Tax Increment Grants shall be subject to (i) the Company’s completion of the Improvements, including the Site Improvements for the Private Improvements and the Company providing the documentation for the Site Improvements for the Improvements required in Section 4.04, as evidenced by the Authority and the Company executing the Certificate of Completion for the Improvements; and (ii) the Company shall be Operating the Improvements as of the July 1 prior to the applicable Payment Date. For purposes of this Section 4.05, “Operating the Improvements” means the Company is operating the Project as manufacturing and administrative facility.

C. The Company acknowledges and agrees, as provided in Section 4.05B, that the Tax Increment Grant payments to the Company are to be made only as and to the extent that the City shall be able to receive and retain Available Tax Increment, that the City has appropriated and paid the Contribution Payments to the Authority prior to the Payment Date specified in City Resolution and Project Tax Increment shall be payable in the priority set forth in Section 4.05B herein. The Authority shall not be obligated to make any payment or any further payment or payments as provided in Section 4.05B if there is an Event of Default by the Company under this Agreement which has not been cured.

D. Tax Increment generated from the Project will very likely vary from the projections set forth in Exhibit E hereto, based on such factors as: (i) change in Wisconsin Statutes affecting tax increment, tax levies and levy limits, real estate tax classifications and other such laws; (ii) failure of the owner of the Project to pay real estate taxes on time; and (iii) reduction in values of properties, including property other than the Development Property, within the District. Such changes may cause the anticipated Tax Increment to be less than projected in any year. To the extent there are insufficient amounts of Tax Increment available to pay for the permitted items set forth above, such insufficient amounts shall be deferred and paid in subsequent years, if Tax Increments are thereafter available; provided, however, no payments of Available Tax Increment shall be made after December 1, 2042.

E. The Authority and the Company understand and agree that the City will receive Tax Increment for the District based on Douglas County’s calculations under the TID Act. The Authority and the City shall, with the assistance of the City’s municipal advisor, calculate annually on or before September 1 of each year commencing in 2027, and provide to the Company as soon thereafter as practical, a report showing the Tax Increment for the District, the Tax Increment for the Project, and the Available Tax Increment for payment under Section 4.05B. The Company shall have 14 days after receipt of such calculation to question the amounts therein in writing, or the calculation shall be deemed to be accurate and final.

4.06 Payment of Authority Costs. Notwithstanding any other provision of this Agreement, in the event the Company does not construct and complete the Improvements, the

Company shall pay the Authority for the Authority Costs from the Company not to exceed an aggregate amount of \$30,000. The Company's obligations under this Section shall survive termination of this Agreement.

Section 5. Insurance; Transfer; Indemnification.

5.01 Insurance.

A. The Company will provide and maintain at all times during the process of construction of the Improvements an "All Risk Broad Form Basis" insurance policy and from time to time during that period at the request of the Authority, furnish the Authority with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to 100% of the insurable value of the Private Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy; the interest of the Authority shall be protected in accordance with a clause in form and content satisfactory to the Authority; and

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) with limits against injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits an umbrella excess liability policy may be used). The Authority shall be listed as an additional insured on the policy.

B. Upon completion of construction of the Improvements and prior to the Termination Date, the Company shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority, shall furnish proof of the payment of premiums on insurance as follows:

(i) Insurance against loss and/or damage to the Project under a policy or policies covering such risks as are ordinarily insured against by similar businesses;

(ii) Comprehensive general public liability insurance including personal injury liability (with employee exclusion deleted) against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$1,000,000;

(iii) Such other insurance including workers' compensation insurance respecting all employees of the Company in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure.

C. All insurance required by this Section shall be taken out and maintained in responsible insurance companies selected by the Company which are authorized under the laws of the State of Wisconsin to assume the risks covered thereby. Upon request, the Company will

deposit annually with the Authority copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Section, each policy shall contain a provision that the insurer shall not cancel it without giving written notice to the Company and the Authority at least 10 days before the cancellation or modification becomes effective. In lieu of separate policies, the Company may maintain a single policy, blanket or umbrella policy, or a combination thereof, having the coverage required herein, in which event the Company shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Improvements.

D. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required hereby, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the Authority. All policies evidencing insurance required by this subparagraph with respect to the Improvements shall be carried in the names of the Company, and the holder of any Mortgage, as their respective interests may appear.

E. The Company and the Authority agree that all of the insurance provisions set forth in this Section shall terminate as of the Termination Date.

5.02 Reconstruction. In the event of damage or destruction of the Project, the Company will forthwith repair, reconstruct and restore the Project to substantially the same or an improved condition or value as they existed prior to the event causing such damage, and to the extent necessary to accomplish such repair, reconstruction and restoration, the Company will apply the net proceeds received by the Company to the payment or reimbursement of the cost thereof. The Company shall complete the repair, reconstruction and restoration of the Project whether or not the net proceeds received by the Company for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, reconstruction and restoration shall be the property of the Company. Notwithstanding anything to the contrary contained in this Article, the rights of the Authority with respect to the receipt and application of any proceeds of insurance shall in all respects be subject and subordinate to the rights of any lender under a mortgage on the Development Property.

5.03 Representation as to Development. The Company represents that the Contribution Payments are necessary for the Project to proceed due to the high costs of site assembly, soil correction and other Site Improvement costs. Without the Contribution Payments and the grants provided thereby, the Project would not be constructed.

5.04 Prohibitions Against Transfer of Development Property and Assignment of Agreement. The Company represents and agrees that:

A. Except only by way of security for the purposes of obtaining financing necessary to enable the Company or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to making the Improvements under this Agreement, and any other purpose authorized by the Agreement, the Company (except as so authorized) has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in

any other mode or form of or with respect to the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same (collectively, a “Transfer”), to any person or entity, whether or not related in any way to the Company, without the prior written approval of the Authority. Any such Transfer shall be subject to the provisions of this Agreement.

B. In the event the Company seeks to make a Transfer and/or assign its rights and obligations under this Agreement as to the Project or any portion of the Development Property that are transferred or assigned, the Authority shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval and release that:

(i) Any proposed transferee shall have the qualifications, in the reasonable judgment of the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Company. The criteria to be considered by the Authority in determining the qualifications for any proposed transferee shall be such transferee’s ability to complete construction of the Improvements, to operate and maintain the Project.

(ii) Any proposed transferee, by instrument in writing satisfactory to the Authority in form recordable among the land records, shall, for itself and its successors and assigns, expressly assume all of the obligations of the Company under this Agreement and agree to be subject to all the conditions and restrictions to which the Company is subject.

(iii) The transfer of this Agreement shall include the transfer of the Tax Increment Grants available to be received pursuant to Section 4.06B hereof.

(iv) There shall be submitted to the Authority for review and prior written approval all instruments and other legal documents involved in effecting the Transfer of any interest in this Agreement and the Development Property.

(v) In the absence of a specific written agreement by the Authority to the contrary, no such Transfer or approval by the Authority thereof shall be deemed to relieve the Company or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Improvements or from any of its obligations with respect thereto.

5.05 Release and Indemnification Covenants.

A. The Company releases from and covenants and agrees that the Authority and the City and their governing body members, officers, agents, including their independent contractors, consultants and legal counsel, servants and employees (hereinafter, for purposes of this Section, collectively the “indemnified parties”) shall not be liable for and agrees to indemnify and hold harmless the indemnified parties against any loss or damage to property or any injury to or death of any person resulting from any defect in the Project.

B. Except for any willful misrepresentation or any willful or wanton misconduct of the indemnified parties, the Company agrees to protect and defend the indemnified parties now and forever and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project, provided that this indemnification shall not apply to the warranties made or obligations undertaken by the Authority in this Agreement.

C. The Authority and the indemnified parties shall not be liable for any damage or injury to the persons or property of the Company or its officers, agents, servants, or employees or any other person who may be about the Development Property or the Improvements due to any act of negligence of any person; provided, that nothing contained herein shall be interpreted to alter the liability of the Authority or indemnified parties for any damage or injury to the persons or property of the Company or its officers, agents, servants, or employees or any other person who may be about the Development Property or the Improvements caused by any act of negligence of the Authority or the indemnified parties.

Section 6. Events of Default.

6.01 Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events:

A. Failure by the Company to commence and complete construction of the Improvements pursuant to the terms, conditions and limitations of this Agreement.

B. Failure by the Company to timely pay the real estate taxes on the Project.

C. Failure by the Company to observe or perform any covenant, condition, obligation or agreement on their part to be observed or performed under this Agreement.

6.02 Remedies on Default. Whenever any Event of Default referred to in Section 6.01 of this Agreement occurs, the Authority, as specified below, may take any one or more of the following actions after provision of thirty (30) days’ written notice by the Authority to the Company of the Event of Default , but only if the Event of Default has not been cured within said thirty (30) days or if the Event of Default cannot be cured within thirty (30) days, the Company does not provide assurances to the Authority reasonably satisfactory to the Authority that the Event of Default will be cured as soon as reasonably possible:

A. The Authority may suspend its performance under the Agreement until it receives assurances from the Company, deemed adequate by the Authority, that the Company will cure its default and continue its performance under the Agreement.

B. The Authority may withhold the Certificate of Completion, but only so long as an Event of Default has not been cured.

C. The Authority may terminate the payments of the Tax Increment Grants under Section 4.05B., if the Improvements are damaged and the Company fails to reconstruct as set forth in Section 5.02.

D. The Authority may take whatever action, including legal or administrative action, which may appear necessary or desirable to the Authority to collect any payments due under this Agreement, or to enforce performance and observance of any obligations agreement, or covenant of the Company under this Agreement.

6.03 Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Company. In the event that subsequent to conveyance of the Development Property to the Company and prior to receipt by the Company of the Certificate of Completion, the Company, subject to Unavoidable Delays, shall fail to begin construction of the (i) Improvements in conformity with this Agreement and such failure to begin construction is not cured within ninety (90) days after written notice from the Authority to the Company to do so; or (ii) the Company shall fail to commence construction by July 1, 2025 for any reason, then the Authority shall have the right to re-enter and take possession of the Development Property and to terminate and re-vest in the Authority the estate conveyed by the Deed to the Company, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Development Property to the Company shall be made upon a condition subsequent to the effect that upon the occurrence and during the continuance of any Event of Default on the part of the Company and failure on the part of the Company to remedy, end, or abrogate such Event of Default within the period and in the manner stated herein, or as otherwise agreed in writing by the parties, the Authority at its option may declare a termination in favor of the Authority of the title, and of all the rights and interests in and to the Development Property conveyed to the Company, and that such title and all rights and interests of the Company, and any assigns or successors in interest to and in the Development Property, shall revert to the Authority, but only if the event stated in this Section 6.03 hereof has not been cured within the time period provided above, or if the event cannot be cured within such time period, the Company does not provide reasonable assurances to the Authority that the event will be cured as soon as reasonably possible. Upon such re-vesting, at the request of the Authority, the Company shall execute and deliver a quit claim deed to the Authority for the Development Property.

Notwithstanding anything to the contrary contained in this Section 6.03 of this Agreement, the Authority shall have no right to reenter or retake title to and possession of the Development Property if the Certificate of Completion for the Improvements has been issued.

6.04 Resale of Reacquired Property; Disposition of Proceeds. Upon the re-vesting in the Authority of title to and possession of the Development Property as provided in Section 6.03 of this Agreement, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the Development Property upon commercially reasonable terms and conditions, as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties, as reasonably determined by the Authority, who will assume the obligation of making or completing the Improvements or such other improvements in their stead as shall be satisfactory to the Authority. Upon such resale of the Development Property, the proceeds thereof shall be applied:

A. First to reimburse the Authority for all costs and expenses incurred by the Authority, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the Development Property (but less any income derived by the Authority from the Development Property in connection with such management); all development costs incurred by the City and the Authority in assisting in the development of the Project; all taxes, assessments, and water and sewer charges with respect to the Development Property (or, in the event the Development Property is exempt from taxation or assessment or such charge during the period of ownership thereof by the Authority, an amount, if paid, equal to such taxes, assessments, or charges as determined by the assessing official as would have been payable if the Development Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Development Property or part thereof at the time of revesting of title thereto in the Authority or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Company, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Improvements or any part thereof on the Development Property or part thereof; and any amounts otherwise owing the Authority by the Company and its successor or transferee; and

B. Second, any remaining balance to the Company.

6.05 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

6.06 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement is breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

6.07 Agreement to Pay Attorneys' Fees and Expenses. Whenever any Event of Default occurs and the Authority shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it shall, on demand therefore, pay to the Authority the reasonable fees of such attorneys and such other expenses so incurred by the Authority; provided that if a lawsuit or other civil actions is instituted between the parties, the party which does not prevail shall pay to the prevailing party the reasonable fees of attorneys and other expenses so incurred by the prevailing party and if the Authority is not the prevailing party in such a lawsuit or action the Authority shall have no claim under this Section.

Section 7. Additional Provisions.

7.01 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to the others shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

A. In the case of the Company, is addressed or delivered personally to:

Superior-Lidgerwood-Mundy Corporation
Attention: President
302 Grand Avenue
Superior, Wisconsin 54008

SLMRE LLC
302 Grand Avenue
Superior, Wisconsin 54008

B. In the case of the Authority, is addressed to or delivered personally to the:

Redevelopment Authority of the City of Superior
Attention: Executive Director
1316 North 14th Street
Superior, Wisconsin 54880

or at such other addresses as either party may, from time to time, designate in writing and forward to the other as provided in this Section.

7.02 Counterparts. This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

7.03 Amendments. Neither this Agreement, nor any other document to which the Company and the Authority are a party, relating to the development contemplated by this Agreement, may be effectively amended, changed, modified, altered or terminated, except upon the written agreement of the Authority and the Company.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and the Company has caused this Agreement to be executed in its name and behalf, on or as of the date first above written.

**REDEVELOPMENT AUTHORITY OF THE
CITY OF SUPERIOR, WISCONSIN**

By _____
Its Chair

By _____
Its Executive Director

**SUPERIOR-LIDGERWOOD-MUNDY
CORPORATION**

By _____
Its _____

SLMRE LLC

By _____
Its _____

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 2 of Certified Survey Map 1598 recorded as Document Number 946206 and located in part of Government Lots 2 and 3 in Section 16, Township 49 North, Range 14 West, City of Superior, Douglas County, Wisconsin.

EXHIBIT B

CERTIFICATE OF COMPLETION OF CONSTRUCTION

WHEREAS, by a Development Agreement (the “Agreement”) dated as of February ____, 2025, entered into by and between the Redevelopment Authority of the City of Superior, Wisconsin (the “Authority”) and Superior-Lidgerwood-Mundy Corporation (“SLM”) and SLMRE LLC, (the “LLC”) (collectively, the “Company”), the Company has developed the real property (the “Property”) described on the attached **Exhibit A**, by construction or causing to be constructed, the Improvements thereon according to the terms and conditions of the Agreement;

WHEREAS, pursuant to the Agreement, promptly after completion of all work of construction to be completed by the Company upon the Site, the Authority shall furnish the Company with a Certificate of Completion upon written request therefor by the Company;

WHEREAS, the issuance by the Authority of the Certificate of Completion shall be conclusive evidence that the Company has complied with the terms of the Agreement pertaining to construction of the Improvements on the Site;

WHEREAS, the Company has requested that the Authority furnish the Company with the Certificate of Completion; and

WHEREAS, the Authority has conclusively determined that the work of construction of the Private Improvements on the Site as required by the Agreement has been satisfactorily completed.

NOW, THEREFORE, be it resolved:

1. As provided in the Agreement, the Authority does hereby certify that construction of the Improvements on the Site has been fully and satisfactorily performed and completed, and that such construction work is in full compliance with the terms, provisions and conditions established in the Agreement.

2. The Agreement is therefore of no further force and effect, and all rights duties, obligations, and liabilities of the Authority and the Company thereunder regarding initial construction of the Improvements shall cease to exist. All continuing and existing rights, duties, obligations and liabilities provided in the Agreement shall continue to remain in force and effect.

3. This Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Company to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the work of construction and development of the improvements on the Site, or any part thereof. This Certificate of Completion is not a notice of completion as referenced in Wisconsin Statutes.

IN WITNESS WHEREOF, the Authority has executed this Certificate of Completion as of this _____ day of _____, 20____.

**REDEVELOPMENT AUTHORITY OF THE
CITY OF SUPERIOR, WISCONSIN**

By _____
Chair

By _____
Executive Director

ACCEPTED BY:

**SUPERIOR-LIDGERWOOD-MUNDY
CORPORATION**

By _____
Its _____

SLMRE LLC

By _____
Its _____

EXHIBIT A TO CERTIFICATE OF COMPLETION
LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 2 of Certified Survey Map 1598 recorded as Document Number 946206 and located in part of Government Lots 2 and 3 in Section 16, Township 49 North, Range 14 West, City of Superior, Douglas County, Wisconsin.

EXHIBIT C
SCHEDULE

Agreement Reference	Activity Required	Date
Section 3.01	Construction Plans Approved	February 15, 2025
Section 4.06	Closing Date	February 26, 2025
Section 4.02	Company commences construction of Improvements	May 1, 2025
Section 4.02	Completion of Improvements	December 31, 2026
Section 4.03	Authority signs Certificate of Completion	Within 30 days of the issuance of the Certificate of Completion

EXHIBIT D
SOURCES AND USES OF FUNDS FOR PROJECT

Sources

Bank Loan	\$ 1,527,500.00
Company Equity	1,100,000.00
Authority Grants	787,739.00
Wisconsin Department of Transportation	<u>15,570,000.00</u>
<i>TOTAL</i>	<i>\$18,985,239.00</i>

Uses

Construction Costs	\$15,000,000.00
Cost of Development Property	787,739.00
Site Improvements/Earth Work	877,500.00
Project Contingency	850,000.00
Design Costs	570,000.00
Miscellaneous Costs	300,000.00
Construction Manager	<u>600,000.00</u>
<i>TOTAL</i>	<i>\$18,985,239.00</i>

EXHIBIT E

Estimated Tax Increment Cash Flow

For Discussion Only

City of Superior, WI

Tax Increment Forecast - Superior Lidgerwood-Mundy Corp. Project

TID 16 - Mixed Use

Creation Year 2021
 End of Expenditure Period 2036
 Maximum Life of District (Final Year) 2041
 Final Revenue Collection Year 2042

Inflation Factor: 0.00%

Construction Year	Valuation Year	Revenue Year	Inflation Increment	Projected New Valuation Total	TID Value Increment	Est. Tax Rate	Projected Tax Increment	80% Developer Grant	Annual Balance	Cumulative Balance
2022	2023	2024		-	-		-		-	-
2023	2024	2025		-	-	14.75	-		-	-
2024	2025	2026		-	-	14.75	-		-	-
2025	2026	2027		9,750,000	9,750,000	14.75	143,809	115,047	143,809	143,809
2026	2027	2028		-	9,750,000	14.75	143,809	115,047	143,809	287,618
2027	2028	2029		-	9,750,000	14.75	143,809	115,047	143,809	431,427
2028	2029	2030		-	9,750,000	14.75	143,809	115,047	143,809	575,236
2029	2030	2031		-	9,750,000	14.75	143,809	115,047	143,809	719,045
2030	2031	2032		-	9,750,000	14.75	143,809	115,047	143,809	862,854
2031	2032	2033		-	9,750,000	14.75	143,809	115,047	143,809	1,006,663
2032	2033	2034		-	9,750,000	14.75	143,809	115,047	143,809	1,150,472
2033	2034	2035		-	9,750,000	14.75	143,809	115,047	143,809	1,294,281
2034	2035	2036		-	9,750,000	14.75	143,809	115,047	143,809	1,438,090
2035	2036	2037		-	9,750,000	14.75	143,809	115,047	143,809	1,581,899
2036	2037	2038		-	9,750,000	14.75	143,809	115,047	143,809	1,725,708
2037	2038	2039		-	9,750,000	14.75	143,809	115,047	143,809	1,869,518
2038	2039	2040		-	9,750,000	14.75	143,809	115,047	143,809	2,013,327
2039	2040	2041		-	9,750,000	14.75	143,809	115,047	143,809	2,157,136
2040	2041	2042		-	9,750,000	14.75	143,809	115,047	143,809	2,300,945
Total:							\$2,300,945	\$1,840,756		
PV @ 6% : Years 2026-2042							\$1,371,056	\$1,162,655		

COOPERATION AGREEMENT

THIS AGREEMENT (this “Agreement”) is made as of February _____, 2025, by and between the CITY OF SUPERIOR, WISCONSIN, a Wisconsin municipal corporation and political subdivision (the “City”) and the REDEVELOPMENT AUTHORITY OF THE CITY OF SUPERIOR, WISCONSIN, a Wisconsin body politic and municipal corporation (the “Authority”).

ARTICLE I DEFINITIONS

Section 1.1. Definitions.

“City Resolution” means the resolution of the Common Council of the City providing for this Cooperation Agreement and the Contribution Payments.

“Company” means SLM and the LLC.

“Contribution Payments” means the Contribution Payments from the City to the Authority subject and pursuant to the City Resolution, the Development Agreement and this Agreement.

“Development Agreement” means the Development Agreement by and among the Authority, SLM and the LLC, pursuant to which all or portions of the Improvements and the Municipal Development will be undertaken.

“Development Grant” means a grant from the Authority to the Company in the amount of \$787,739 to reimburse a portion of eligible expenses incurred for Site Improvements as set forth in Section 4.05A of the Development Agreement.

“Development Property” means the real property described on Exhibit A hereto.

“District” means Tax Incremental District No. Sixteen (Winter Street Business Park Project), and identified in the Tax Increment Plan.

“Governing Body” (i) when used with reference to the City, means the Common Council of the City, and (ii) when used with reference to the Authority, means the Commissioners of the Authority.

“Grants” means Tax Increment Grants and the Development Grant from the Authority to the Company to reimburse eligible expenses incurred for the Site Improvements all as set forth in the Development Agreement.

“Improvements” means collectively, the Site Improvements and the Private Improvements.

“LLC” means SLMRE LLC, a Wisconsin limited liability company, its successors and permitted assigns.

“Municipal Development” means the development and redevelopment undertakings of the City and the Authority under this Agreement.

“Municipal Development Costs” means the costs incurred or to be incurred by the City and the Authority under this Agreement for the Municipal Development. A budget for the Municipal Development Costs with respect to the Project is set forth in Exhibit B hereto.

“Private Development” means the development and redevelopment of the Project Area.

“Private Improvements” means each and all of the private improvements specified and provided in the Development Agreement, but generally described as the construction of an approximately 68,500 square foot building with manufacturing space, administrative offices and warehouse space to be constructed by the Company on the Development Property.

“Project” means the Development Property as improved by the Improvements.

“Project Area” means the Project Area as defined in the Tax Increment Plan, including the Development Property.

“Redevelopment Act” means Section 66.1333 of Wisconsin Statutes, as amended.

“Site Improvements” means the improvements to be undertaken by the Company on the Development Property for site preparation, soil correction, foundation and utilities, as set forth in the Construction Plans and described in Section 4.04 of the Development Agreement.

“SLM” means Superior-Lidgerwood-Mundy Corporation, a Wisconsin corporation.

“Tax Increment Grants” means the Tax Increment Grants from the Authority to the Company to reimburse eligible expenses incurred for Site Improvements in the maximum amount of \$1,840,000 as set out in Section 4.05B of the Development Agreement.

“Tax Increment Plan” means the Tax Increment Plan for the District.

“TID Act” means Section 66.1105 of the Wisconsin Statutes, as amended.

“Contribution Payments” means the Contribution Payments from the City to the Authority subject to and pursuant to the City Resolution but only to the extent of Available Tax Increment, subject to future annual appropriations as described in Section 2 of the City Resolution.

Section 1.2. Exhibits.

Exhibit A: Development Property

Exhibit B: Budget for Municipal Development Costs

**ARTICLE II
RECITALS OF PUBLIC PURPOSE**

Section 2.1. Project Area Objectives. The City has for many years encouraged development within the City, including the Project Area, for business and industrial purposes. The Project Area lies within such area and in the District, so that development and redevelopment occurring within the Project Area will be in furtherance of the City's public purpose objectives as set forth in the Tax Increment Plan, the TID Act and the Redevelopment Act. The City and the Authority have identified the development and redevelopment of the Project Area as a matter of mutual interest.

Section 2.2. Desirability of Private Development. The City and the Authority hereby find and determine that Private Development of the Project Area is consistent with public purposes, plans and objectives respectively set forth in the Tax Increment Plan.

Section 2.3. Importance of Municipal Development to the Project. The municipal activity required to encourage the Project by Grants from the Authority to the Company in the aggregate amount of \$2,627,739 as set forth in the Development Agreement. The sources of funds for the Tax Increment Grants shall be from Contribution Payments from the City to the Authority. Funds for the Development Grant shall be provided from funds of the Authority. Funds from the Contribution Payments shall be from Available Tax Increment, as defined in the Development Agreement.

Section 2.4. Governing Body Authorities. The execution, delivery and performance of this Agreement by the City and the Authority have been authorized by the respective Governing Bodies of the City and the Authority.

**ARTICLE III
UNDERTAKING OF CITY**

Section 3.1. Municipal Development. Acting pursuant to Section 13 of the Redevelopment Act, to provide general support and assistance to the Authority in carrying out the redevelopment project as provided in the Redevelopment Act, the City agrees to contribute to the Authority, for the uses and purposes set forth in this Agreement, all of the City's right, title and interest in and to (i) the City's interest in the Development Property; and (ii) the tax increment from the Project, subject to and limited by further information of the Governing Body, shall be used for the Contribution Payments to the Authority for the Tax Increment Grants, subject to the City Resolution.

**ARTICLE IV
UNDERTAKING OF AUTHORITY**

Section 4.1. Authority's Development. The Authority agrees to proceed with its portion of the Municipal Development with all reasonable dispatch and to use its best efforts to

complete the Municipal Development as soon as reasonably practicable in the circumstances. The Authority's obligation with respect to the Municipal Development is limited by the extent of the funding made available by the City pursuant to Article V, and the Authority's interest in the Development Property, meaning thereby that the Authority is not required by this Section 4.1 to incur Municipal Development Costs in excess of the funds provided by the City pursuant to this Agreement.

Section 4.2. Acceptance by Authority. The Authority agrees to accept the contribution from the City as set forth in Section 3.1.

Section 4.3. Redevelopment. The Authority and the City shall cooperate in performing the Authority's obligations under the Development Agreement, which, to the extent feasible, will provide reasonable assurances to the City that the tax increments that result, directly or indirectly, from the Improvements will be available to pay the Contribution Payments for the Tax Increment Grants.

Section 4.4. Provisions of Funding. The funding for the Municipal Development Costs shall be provided by the City and the Authority as provided in Article V.

ARTICLE V FUNDING

Section 5.1. Funding the Project. Pursuant to Section 13 of the Redevelopment Act, the City agrees to provide the funding for the Municipal Development Costs to carry out the Municipal Development for the Project Area and authorizes the Authority to sell the Development Property to the Developer. The budget for costs for such Project and the anticipated source of funds are set forth on Exhibit B hereto. The City agrees to contribute such funds to the Authority at the times and in the amounts which will enable the Authority to meet its financial commitments for such Project; provided, however, the City shall not be obligated to provide funds in amounts greater than set forth on Exhibit B without approval by the City's Governing Body in compliance with the TID Act.

ARTICLE VI MISCELLANEOUS

Section 6.1. Assignment of Rights Under this Agreement. Neither party may assign its rights under this Agreement without the written consent of the other party.

Section 6.2. Nondiscrimination. Each party agrees that neither the Municipal Development nor any portion thereof shall be undertaken in a manner to permit discrimination or restriction on the basis of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs or student status, and that the Municipal Development shall be undertaken in compliance with all effective laws, ordinances and regulations relating to discrimination on any of the foregoing grounds.

Section 6.3. Approximations. It is understood and agreed by the parties that any dimensions, areas and volumes set forth herein or in the Exhibits hereto are preliminary and tentative. Before the legal descriptions of the various applicable parcels are finalized, each party reserves the right to make minor changes in such dimensions, areas and volumes to best accommodate and facilitate the purposes of this Agreement.

Section 6.4. No Personal Liability. Under no circumstances shall any officer, official, director, member or employee of the City or the Authority have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

Section 6.5. 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 civil disorders, wars, 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 or not of the class of causes hereinabove enumerated, and the time for performance shall be extended by the period of delay occasioned by any such cause.

Section 6.6. Parties and Interests. 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.

Section 6.7. 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 beneath the respective signatures to this Agreement. Any party may, by written notice to the other party, designate a change of address for the purposes aforesaid.

Section 6.8. 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 6.9. Governing Law. The laws of the State of Wisconsin shall govern this Agreement.

Section 6.10. 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 6.11. 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 6.12. 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 circumstances 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.

(remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF SUPERIOR, WISCONSIN

By _____
Its Mayor

By _____
Its City Clerk

Address for Notices:

City of Superior, Wisconsin
Attention: City Clerk
1316 North 14th Street
Superior, Wisconsin 54880

REDEVELOPMENT AUTHORITY OF
THE CITY OF SUPERIOR, WISCONSIN

By _____
Its Chair

By _____
Its Executive Director

Address for Notices:

Redevelopment Authority for the
City of Superior, Wisconsin
Attention: Executive Director
1316 North 14th Street
Superior, Wisconsin 54880

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EXHIBIT A
LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 2 of Certified Survey Map 1598 recorded as Document Number 946206 and located in part of Government Lots 2 and 3 in Section 16, Township 49 North, Range 14 West, City of Superior, Douglas County, Wisconsin.

EXHIBIT B

MUNICIPAL DEVELOPMENT COSTS; BUDGET

“Municipal Development Costs” include, without limitation, all allowable “project costs” (as defined in Section 2(f) of the TID Act) relating to the Municipal Development or to induce the Improvements in the District, including, without limitation:

1. capital costs to the City, as identified in Section 2(f)1.a. of the TID Act;
2. financing costs to the City, as identified in Section 2(f)1.b. of the TID Act;
3. real property assembly costs, as defined in Section 2(f)1.c. of the TID Act;
4. professional service costs, as identified in Section 2(f)1.d. of the TID Act;
5. imputed administrative costs, as identified in Section 2(f)1.e. of the TID Act;
6. contributions to the Authority made under Section 13 of the Redevelopment Act in connection with the implementation of the Tax Increment District Project Plan, as identified in Section 2(f)1.h. of the TID Act; and
7. payments made in the discretion of the City’s Governing Body, as identified in Section 2(f)1.i of the TID Act, including cash grants.

The budget for the Municipal Development Costs and sources of funds with respect to the Municipal Development in the District is set forth as follows:

Revenues: The Governing Body of the City shall provide revenues for the payment of the Contribution Payments for the Tax Increment Grants in the maximum amount of \$1,840,000 shall be derived from tax increment receipts, over the life of the District from the Development Property and the Improvements, each subject to the Development Agreement and the City Resolution; and \$787,739 of funds of the Authority from the sale of the Development Property.

Expenditures: A portion of the Company Site Improvement Costs, up to \$2,627,739 pursuant to the terms of the Development Agreement.

The City shall transfer its interest in the Development Property, if any, to the Authority, for sale by the Authority to the Company.

Aldersperson _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. R25-13825

RESOLUTION OF THE CITY OF SUPERIOR, WISCONSIN PROVIDING FOR CONTRIBUTION PAYMENTS BY THE CITY IN CONNECTION WITH TAX INCREMENT GRANTS IN THE MAXIMUM AMOUNT OF \$1,840,000 IN CONNECTION WITH THE SUPERIOR-LIDGERWOOD-MUNDY CORPORATION PROJECT AND APPROVING RELATED DOCUMENTS AND TRANSACTIONS

WHEREAS, the Redevelopment Authority of the City of Superior (the “Authority”) is a redevelopment authority duly organized by the City of Superior, Wisconsin (the “City”) pursuant to the provisions of Wisconsin Statutes, Section 66.1333 (the “Act”); and

WHEREAS, under the provisions of the Act, a redevelopment authority has the power to acquire blighted property (as defined in the Act) without designating a boundary or adopting a redevelopment plan for the purpose of eliminating its status as blighted property, and for that purpose the Authority has all of the duties, rights, powers and privileges given to the Authority under Section 66.1333(5)(c) of the Act, upon approval and findings by the City’s Common Council; and

WHEREAS, the real property described in Exhibit A attached hereto (the “Development Property”) is located within the boundaries of the City and has been designated blighted property by the Common Council and the Authority; and

WHEREAS, the Authority and the City have determined that it is in the public interest to make the Development Property available for redevelopment projects to increase tax base and to encourage creation of jobs within the City; and

WHEREAS, pursuant to authority granted in Wisconsin Statutes, Section 66.1105, the City created Tax Incremental District No. Sixteen (the “TID No. 16”) and has approved a Tax Increment Project Plan (the “Tax Increment Project Plan”) therefor; and

WHEREAS in order to further its development efforts with respect to such property in TID No. 16, the Authority proposes to enter into Development Agreement (the “Development Agreement”), with the Superior-Lidgerwood-Mundy Corporation (“SLM”) and SLMRE, LLC (the “LLC” and collectively with SLM, the “Company”); and

WHEREAS, pursuant to the terms of the proposed Development Agreement, the Authority will, among other matters, (i) authorize Tax Increment Grants, as hereinafter defined, in the maximum amount of \$1,840,000 to the Company in consideration of the obligations undertaken by the Company under the Development Agreement, including the development of the Improvements hereafter defined; and (ii) for partial reimbursement of Site Improvement costs.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City as follows:

Section 1. Definitions. As used in this Resolution, unless the context hereof clearly requires otherwise or, if not defined herein, as defined in the Development Agreement, the following terms have the following respective meanings:

“Act” means Section 66.1333 of the Wisconsin Statutes.

“Authority” means the Redevelopment Authority of the City of Superior, Wisconsin.

“Available Tax Increment” means 80% of the Project Taxes; provided, however, the Available Tax Increment for the applicable calendar year shall never exceed the amount of Tax Increment generated by the Project for such year, as defined in Section 4.05B. through 4.05E. of the Development Agreement for the applicable calendar year; subject to annual appropriation by the Common Council, all as calculated under Section 4.05B of the Development Agreement.

“City” means the City of Superior, Wisconsin.

“Company” means the SLM and the LLC, or their successors or permitted assigns under this Agreement.

“Contribution Payments” means payments made by the City to the Authority subject and pursuant to the City’s obligation under this Resolution, but which shall be made only to the extent of any Available Tax Increment, and which shall further be subject to future annual budgetary appropriations therefor as described further in Section 2 of this Resolution.

“Development Agreement” means the Development Agreement among the Authority, SLM and the LLC regarding the Project.

“Development Property” means the parcel of land described in Exhibit B hereto.

“Improvements” means collectively the Site Improvements and the Private Improvements.

“Private Improvements” means the construction of a building of approximately 71,000 square feet with manufacturing space, administrative offices and warehouse space on the Development Property as such improvements are described in the Construction Plans, as defined in the Development Agreement.

“Project” means the Development Property as improved by the Improvements.

“Project Taxes” means the tax payments on the Project for the applicable year, which have been received and retained by the City from taxes paid by the Company, or the tenant of the Project, less the taxes on the tax increment base for the Project for such year.

“Site Improvements” means site preparation, soil correction, foundation and utility improvements and engineering costs therefore to be undertaken by the Company on the Development Property, as set forth in the Construction Plans and described in Section 4.05 of the Development Agreement, and the costs of such improvements are expected to be in excess of \$2,627,739.

“Tax Increment” means the tax increment of TID No. 16 derived from the Development Property and the Improvements thereon which have been received and retained by the City from taxes paid by the Company or a tenant of the Project, in accordance with the TID Act, as calculated by the Authority pursuant to Section 4.05B. of the Development Agreement.

“Tax Increment Grants” means the Tax Increment Grants described in Section 4.05B of the Development Agreement in the maximum amount of \$1,840,000 payable annually in installments solely from Project Taxes and to the extent that the Common Council has appropriated and the City paid the Contribution Payments to the Authority prior to the Payment Date.

“TID No. 16” means Tax Incremental District No. Sixteen of the City.

Section 2. Agreement to Make Contribution Payments. In consideration of the benefits derived by the City from the Improvements, including blight elimination, urban renewal and the creation of tax base, the City hereby agrees and covenants that it will make Contribution Payments to the Authority sufficient to pay the Tax Increment Grants, on an annual basis, but only to the extent of any Available Tax Increment, and provided further that any such Contribution Payments shall be subject to future annual budgetary appropriations therefor and that neither such authority nor any such payment shall constitute an obligation of the City to make any such appropriation or any further payments. The Common Council covenants for the benefit of the Company subject to future annual appropriation of the Contribution Payments, all funds in the Project TID Account (as hereinafter defined) of the special fund of TID No. 16 will be used first to make the Contribution Payments, and only after the annual Contribution Payment has been paid in full for any particular year to the Authority shall funds in said Project TID Account be used to pay any other project costs under the Tax Increment Project Plan. The Common Council further covenants that it will not (i) voluntarily terminate TID No. 16 pursuant to Section 66.1105(7)(b), Wisconsin Statutes, nor (ii) voluntarily eliminate the Development Property from TID No. 16 until the Tax Increment Grants have been discharged.

Section 3. Statement of Intent to Appropriate; Procedure. The Common Council hereby declares that, to the extent that Available Tax Increment is available in an account designated for the Tax Increment from the Development Property and Improvements (the “Project TID Account”) within the special fund of TID No. 16, it fully expects and intends that it will appropriate such Available Tax Increment to meet its obligation to make Contribution Payments under Section 2 above, provided however, that such payment shall be subject to future annual appropriation by the Common Council.

On or before November 1 of each year, the Authority shall file with the City Clerk the Authority’s estimate of the amount of the City’s obligation under Section 2 above, and the staff of the City shall include such amount in the City budget as submitted to the Common Council for consideration for the next succeeding calendar year. If the Common Council does not budget and appropriate the amount of the City’s obligation as estimated by the Authority, the City shall provide written notice to that effect to the Authority and to the Company no later than 30 days after adoption and approval of the annual budget for that year. Any amount of the Available Tax Increment that the Common Council does budget and appropriate to make Contribution Payments under Section 2 above shall be directed to payment to the Authority for payment of Tax Increment Grants.

Any such payment by the City shall be a donation in assistance of the Authority, and the Authority shall not be liable for any repayment thereof.

Section 4. Approval of the Tax Increment Grants. The terms of the use of the Available Tax Increment, as contained in the Development Agreement, are approved.

Section 5. Execution and Delivery of Documents. The Mayor and City Clerk are hereby authorized for and in the name of the City to execute and deliver any and all additional documents as may be necessary or desirable to effectuate the completion of the transactions contemplated hereby.

Section 6. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City, the Authority and the Company no change or alteration of any kind in the provisions of this Resolution may be made, until all of the Tax Increment Grants have been paid in full or the Termination Date as defined in the Development Agreement shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce his or their rights against the City.

Section 7. Approval of Report. Following the Authority’s approval of the Development Agreement, the Authority reported to the Common Council on the terms, conditions and other material provisions of the transactions under the Development Agreement which included the transmittal of a memorandum from the Authority’s Executive Director and the Development Agreement (the “Report”). The Common Council hereby approves the Report.

Section 8. Approval of Cooperation Agreement. The form of Cooperation Agreement, as presented to the Council, is approved. The Mayor and the City Clerk of the City are authorized and directed in the name and on behalf of the City to execute the Cooperation Agreement, with such changes as do not materially change the substance thereof as the Mayor and the City Clerk shall deem necessary and appropriate.

Adopted, approved and recorded this 4th day of February, 2025.

Mayor

Attest:

City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Alderperson _____ and, upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following were absent:

whereupon, the resolution was declared duly passed and adopted and was approved and signed by the Mayor, whose signature was attested by the City Clerk.

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 2 of Certified Survey Map 1598 recorded as Document Number 946206 and located in part of Government Lots 2 and 3 in Section 16, Township 49 North, Range 14 West, City of Superior, Douglas County, Wisconsin.