

**TAX INCREMENT DISTRICT NO. 11
DEVELOPMENT INCENTIVE AGREEMENT**

THIS DEVELOPMENT AGREEMENT (the “Agreement”) is dated as of the ___ day of March, 2024, by and among USV 222, LLC, a Wisconsin limited liability company (“Developer”) and the City of Appleton, a Wisconsin municipal corporation (the “City”).

RECITALS

Developer and the City acknowledge the following:

A. Developer owns or is the process of acquiring ownership in the real property located at 222 W. College Avenue, Appleton, WI, Tax Parcel 31-2-0257-00 (the “222 Building”) together with 5 small lots (Tax Parcels 31-2-0430-02, 31-2-0488-00, 31-2-0495-00, 31-2-0645-00 and 31-5-2226-04) (collectively the “Small Lots”) and 2 large lots (Tax Parcels 31-2-0424-00 and 31-2-0406-00) (collectively the “Large Lots”) in Appleton, WI more particularly described in Exhibit A, attached hereto (collectively the “Property”).

B. Subject to obtaining the financial assistance set forth herein, Developer has proposed substantial renovations and improvements to the 222 Building for purposes of relocating Developer’s corporate headquarters (the “Project”) and undertakings related to redeveloping the Large and Small Lots.

C. The Project is located within the City in Tax Increment District #11 (the “District”) which was created in 2017 pursuant to Section 66.1105, Wis. Stats. along with a Project Plan for the redevelopment of the District (the “District Plan”) that provides for, among other things, the financial assistance set forth in this Agreement.

D. The City has determined that the Project will spur economic development, expand the City’s tax base and create new jobs; that such financial assistance is a Project Cost under the Tax Incremental Law; that the amount of financial assistance provided pursuant to this Agreement is the amount necessary to induce development of the Project; and, that the Project will not proceed without the financial assistance set forth in this Agreement.

E. Subject to obtaining financial assistance as set forth herein, Developer intends to undertake redevelopment activities that will increase the value of the Project and provide other tangible benefits to the surrounding neighborhoods and to the City as a whole, consistent with the District Plan. The City finds that this redevelopment of the Property and the fulfillment, generally, of the terms and conditions of this Agreement are in the vital and best interests of the City and its residents and serves a public purpose in accordance with state and local law.

F. The City, pursuant to Common Council action of March 20, 2024, has approved this Agreement and authorized the execution of this Agreement by the proper City officers on the City’s behalf.

G. The Developer has approved this Agreement and authorized the appropriate officer to execute this Agreement on the Developer's behalf.

H. The base value of all real property within the Project, for purposes of this Agreement, is \$12,910,500. The City estimates the Project will create up to an additional \$16,389,500 in incremental value.

I. All terms that are capitalized but not defined in this Agreement and that are defined under the Tax Increment Law shall have the definitions assigned to such terms by the Tax Increment Law.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals and the promises and undertakings set forth herein, the parties mutually agree and covenant as follows:

ARTICLE I UNDERTAKINGS OF THE DEVELOPER

1.1 Developer's Project shall include improvements to, and development of, the 222 Building as set forth in part on Exhibit B that will result in an increase in the assessed value. All aspects of the Project shall be in accordance with all applicable City zoning and building codes, ordinances and regulations.

1.2 Project Costs shall include, without limitation, costs incurred after approval of this agreement for the construction of improvements (including infrastructure improvements), environmental remediation costs, demolition, interior remodeling and development of the Project.

1.3 Developer warrants and represents to the City that but for the assistance provided by the City under Article II, herein, Developer would not be able to proceed with the Project.

1.4 Developer shall cause the Project to be constructed and developed consistent with the conceptual Project Improvement Plan attached as Exhibit B or other plans approved by the City, in its reasonable discretion, and in accordance with all applicable City zoning and building codes, ordinances and regulations. Developer estimates that approximately \$40 million will be invested in the Project to renovate the 222 Building as a Class A office building, and that the assessed value of the Project shall be not less than \$29,300,000 million by January 1, 2026, and each year thereafter during the life of the District (the "Guaranteed Minimum Value").

1.5 Developer and City acknowledge that several of the specific undertakings of the parties may require approvals from directors, boards or the Common Council as applicable. The parties' agreements are conditioned upon the obtaining of all such approvals in the manner required by law. The parties cannot assure that all such approvals will be obtained; however, they agree to use their best good faith efforts to obtain them on a timely basis.

1.6 Small Lots.

1.6.1 Developer, upon execution of this Agreement, shall, for a period not to exceed 5 years (the “Marketing Period”), will use its best efforts to actively market for sale (or otherwise develop) each Small Lot for development and to ensure with prospective uses consistent with the City of Appleton Comprehensive Plan and the College North Neighborhood Plan. The Marketing Period within this section shall not apply to Tax Parcel 31-0430-02.

1.6.2 City Attorney shall, at City’s sole cost, prepare and record deed restrictions, in a form reasonably acceptable to Developer, providing that, upon transfer or development of any of the Small Lots, parking in those lots shall be restricted to uses incidental to that lot’s primary use. The term of this deed last until the Contribution is paid in full or August 15, 2045, whichever occurs first.

1.6.3 Developer shall not lease or otherwise knowingly allow third parties to utilize the Small Lots for parking without the written consent of the City.

1.6.4 Developer shall execute a Right of First Refusal in favor of the City (or its Redevelopment Authority), and at the terms offered, that shall be effective during the Marketing Period.

1.6.5 In the event Developer does not complete an arms-length sale or otherwise develop the Small Lots during the Marketing Period, Developer shall convey good and feasible title to the Small Lots to the City (or its Redevelopment Authority), free of encumbrances. The City (or its Redevelopment Authority) shall be permitted conduct a Phase I environmental study regarding the Small Lots. The ability of the City to enter the Small Lots to conduct Phase II testing and the scope thereof shall be determined by the recommendations, if any, of the Phase I study, and the parties shall agree by separate writing the terms and conditions of the Phase II. The City shall make its decision to accept the conveyance within six (6) months after the end of the Marketing Period. The City (or its Redevelopment Authority) may decline transfer of any Small Lot(s) for any reason and in such event this clause shall become null and void.

1.6.6 Prior to any acquisition by the City (or its Redevelopment Authority) the Developer shall furnish any and all existing Phase I or other environmental investigations for the Small Lots in Developer’s possession or control.

1.7 Large Lots.

1.7.1 Except current leases in effect for the Large Lots, Developer shall not lease or otherwise allow third parties to utilize the Large Lots exclusively for parking unless the City approves of the use.

1.7.2 Developer intends to develop each Large Lot in due course consistent with the City of Appleton Comprehensive Plan and/or College North Neighborhood Plan. Upon

development, City shall provide additional parking benefits to Developer as detailed in Section 2.8.3.

ARTICLE II UNDERTAKINGS OF THE CITY

2.1 The City shall appropriate sufficient funds for the performance of the City's obligations under this Agreement.

2.2 City shall cooperate with Developer throughout the Project and shall promptly review and/or process all submissions and applications in accordance with applicable City ordinances.

2.3 Subject to all of the terms, covenants and conditions of this Agreement and applicable provisions of law, and as an inducement by the City to Developer to carry out the Project, upon completion of the Project (which shall be defined as issuance of all occupancy permits related to the Project (hereafter "Completion")) the City will provide payments to Developer (the "Contribution") solely from future Tax Increments (derived from real property) to assist with Developer's Project Costs. The City's total payment of Tax Increment Revenue to the Developer shall not exceed ninety (90%) percent of the Tax Increment Value as of January 1, 2026 or as of January 1 of the year following Completion, whichever is earlier. The Contribution shall not exceed the lesser of i) \$2,108,905 or ii) 12.87% of the Tax Increment Value as of January 1, 2026, plus interest thereon (the "Contribution"). The Contribution will be paid to Developer as follows:

The Contribution will be paid to Developer as follows:

2.3.1 As the sole source for payment of the Contribution, the City agrees to pay the Developer an amount equal to ninety percent (90%) of the Tax Increment Revenue attributable to, and actually received from, the Property during the calendar year.

2.3.2 The first payment shall be made on August 15 of the year immediately after the Completion. This first payment shall be based on the Property's assessed value on January 1 of the year of Completion. Thereafter payments under this Agreement shall be due in annual installments on August 15 for a period of time described in Sec. 4.2

2.3.3 Interest on the Contribution shall begin to accrue upon completion of the Project. The interest rate on the Contribution shall be 6.25 percent (6.25%).

2.3.4 The Contribution shall be a special and limited obligation of the City and not a general obligation. The City may prepay the Contribution, in its sole discretion, at any time, with no prepayment penalty.

2.4 This Agreement fully evidences the City's obligation to pay the Contribution. No separate instrument will be prepared to evidence the City's obligation to pay the Contribution. The

Contribution shall not be included in the computation of the City's statutory debt limitation because the Contribution is limited and conditional and no taxes will be levied or pledged for its payment. Nothing in this Agreement shall be deemed to change the nature of the City's obligation from a limited and conditional obligation to a general obligation.

2.5 The City covenants to Developer that until the Contribution thereon has been paid in full, the City shall not close the District prior to its statutory expiration date.

2.6 The City shall, upon Developer's request, provide to Developer an accounting of the status of the District including, but not limited to, the outstanding principal balance of the Contribution and annual Tax Increments received from the District.

2.7 Developer hereby acknowledges that, as a result of the special and limited nature of the City's obligation to pay the Contribution, Developer's recovery of the full amount of the Contribution depends on factors including, but not limited to, future mill rates, changes in the assessed value of the Property, the failure of the Property to generate the Tax Increments at the rate expected by Developer, reduction in Tax Increments caused by revenue-sharing, changes in the Tax Increment Law, and other factors beyond the City's and/or Developer's control.

2.8 Parking Benefits.

2.8.1 Upon Project Completion, and for the term of this Agreement, City shall guarantee Developer up to 650 parking permits annually ("Guaranteed Permits") at the lowest available cost in accordance with the City parking policies in place at that time. In the event Developer does not purchase all the Guaranteed Permits, Developer shall have the right of first refusal to purchase additional Guaranteed Permits upon written notice from City to Developer detailing any third-party offers it has received to purchase contracted permits which could diminish the amount of the Guaranteed Permits available to Developer. Any of the Guaranteed Permits not exercised by Developer within thirty (30) days of notice pursuant to this option may be sold by City to its contracted permit purchasers. Developer's option described herein shall renew every year for the term of this Agreement. Notwithstanding the foregoing, this section is not intended to in any way restrict or interfere with the City's ability to sell its month-to-month or daily permits to patrons.

2.8.2 The parking permits shall be for Developer's use in City parking ramps in the following order of priority:

- Green Ramp (650 permits shall be guaranteed in Green Ramp, subject to Developer meeting requirements set forth in Small Lots Section 1.6 of Article I)
- Red Ramp
- Yellow Ramp

2.8.3 Upon "Development" of either or both of the Large Lots, the City shall guarantee up to 200 additional parking permits for Developer to purchase at the lowest

available cost in accordance with the City parking policies in place at that time and in the same priority order as 2.8.2.

2.8.4 For purposes of this Section, Development shall be considered to occur when Developer commences construction after receiving building permit(s) issued for construction of a development project approved by the City.

2.8.5 The number of additional parking permits shall be calculated on a “1 to 1” basis based upon the number of parking spaces on the Large Lot(s) lost due to the Development, up to a maximum of 200 permits.

2.8.6 The parking provisions herein shall be administered by the City Parking Utility consistent with existing and future city parking utility policies and procedures.

2.8.7 In the event Developer purchases fewer permits than guaranteed under Section 2.8.5 above, the guaranteed permit amount shall be reduced to the number purchased for the duration of this Agreement.

2.8.7 Developer shall not be precluded from purchasing parking permits in excess of the amounts prescribed herein subject to availability and any City parking policies applicable at that time.

2.8.8 In the event Developer sells or otherwise transfers the 222 Building during the term of this Agreement the City shall endeavor to accommodate the parking needs of a subsequent owner.

ARTICLE III PAYMENT OF TAXES; MAKE UP PAYMENT

3.1 As long as the District is in existence, the Property, excluding the Large Lots, and all buildings and improvements thereon shall be owned and taxable for real estate tax and special assessment purposes, with the exception of the City option under Section 1.6.5

3.2 Throughout the duration of this agreement, all ad valorem property taxes properly assessed against the Project will be paid timely and in full.

3.3 Developer guarantees that Tax Increment shall be not less than the annual tax rate applied to the Guaranteed Minimum Value. If the Tax Increment actually paid for any year covered by this Agreement is less, the City shall submit a bill to Developer for the difference (a “Make Up Payment”). Such a billing shall be submitted to Developer by the City by July 1 of the relevant tax year and shall be paid in full by Developer within ten (10) days.

3.4 The “Make Up Payment” shall be calculated to be the difference between: (a) the annual amount due against the Guaranteed Minimum Value, and (b) the Tax Increment actually paid for that year. For example, if the annual amount coming due for the tax year 2026 is \$476,000 and the amount of Tax Increment actually paid for 2026 is \$450,000, the Make Up Payment would

be \$26,000. Any Make Up Payment made shall be recouped to the extent that Tax Increment generated by the Property exceeds any annual payment due in subsequent years during the Term of this Agreement.

3.5 If any Make Up Payment is owed but not timely paid, Developer agrees that the City may levy a special assessment against any portion of the Project for which a Make Up Payment was due but not timely paid in the amount of the unpaid Make Up Payment. Any such special assessment shall accrue interest each year until paid at the WSJ Prime Rate plus 50 basis points. Developer and Owners hereby consent to the levying of such special assessments under Wis. Stat. § 66.0703(7)(b) and all other provisions of applicable law, including but not limited to, the notice and hearing requirements of Wis. Stat. § 66.0703 and the notice requirements of Wis. Stat. § 66.0715(3), provided however, that any levied special assessment shall be released with respect to a portion for the Project upon payment of the outstanding amount of the special assessment levied against that portion of the Project.

3.6 The foregoing shall not prohibit the Developer or any Owner from contesting, in good faith, the assessed value of any portion of the Project, provided that the equalized assessed value of the Property exceeds the relevant Minimum Guaranteed Value.

3.7 Developer shall ensure that no transfer of ownership or use of any portion of the Project shall occur to any entity which would render that parcel exempt from ad valorem taxes, without the prior written consent of the City. The provision in the previous sentence shall run with the land for the entire Term of this Agreement. If the Developer conveys the Project within the District to any party (related or unrelated), the terms of such sale shall impose as a covenant upon all successor owners of the property the foregoing obligation for payments in lieu of taxes during the life of the District. The City shall be a beneficiary of such covenant and entitled to enforce same against the successor owners.

ARTICLE IV CONDITIONS TO PAYMENT TERMINATION OF AGREEMENT

4.1 The City shall have no obligation to pay any portion of the Contribution to Developer unless and until all of the following conditions shall have been met:

4.1.1 The Project's Completion.

4.1.2 The Project's assessed value is no less than \$29,300,000 on or before January 1, 2026.

4.1.3 The conditions herein are subject to reasonable extensions, not to exceed six (6) months each, for Force Majeure which shall include, but not be limited to, any delays caused by pandemic or other acts beyond the reasonable control of the Developer. Such extensions shall be by mutual written agreement and, in considering any requested extension, the City and Developer agree that each will act in good faith, cooperate in

expeditious and timely approvals, and said extensions shall not be unreasonably withheld, conditioned or delayed by City.

4.2 This Agreement, including the City's obligation to make, or continue, any payments of the Contribution, shall terminate when any of the following shall have occurred:

4.2.2 The conditions in Section 4.1.1 are not met.

4.2.2 The Contribution is paid in full or August 15, 2045, whichever occurs first.

ARTICLE V CONFLICT OF INTEREST

5.1 No member, officer or employee of the City, during his/her tenure or for one year thereafter, will have or shall have had any interest, direct or indirect, in this Agreement or any proceeds thereof.

ARTICLE VI WRITTEN NOTICES

6.1 Any written notice required under this Agreement shall be sent to the following individuals:

FOR THE CITY:

City of Appleton
Community and Economic Development Department
100 North Appleton Street
Appleton, WI 54911-4799
Attention: Director

With a copy to:

City of Appleton
City Attorney's Office
100 North Appleton Street
Appleton, WI 54911-4799
Attn: City Attorney

FOR DEVELOPER:

USV 222, LLC,
c/o U.S. Venture, Inc.
222 W. College Avenue
Appleton, WI 54914 Attn: Chief Executive Officer

With a copy to:

U.S. Venture, Inc.
222. W. College Avenue
Appleton, WI 54914
Attn: Chief Legal Officer

ARTICLE VII ASSIGNMENT

7.1 No party to this Agreement may assign any of its interest or obligations hereunder without first obtaining the written consent of the other party.

ARTICLE VIII NO PARTNERSHIP OR VENTURE

8.1 Developer and its contractors or subcontractors shall be solely responsible for the completion of the Project. Nothing contained in this Agreement shall create or effect any partnership, venture or relationship between the City and Developer or any contractor or subcontractor employed by Developer in the construction of the Project.

ARTICLE IX MISCELLANEOUS

9.1 Under no circumstances shall any officer, official, director, member, manager, commissioner, agent, or employee of City or Developer have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

9.2 The laws of the State of Wisconsin shall govern this Agreement.

9.3 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.

9.4 No modification, alteration, or amendment of this Agreement shall be binding upon any party until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Agreement.

9.5 Any 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.

9.6 If any provisions of this Agreement shall be held or deemed to be inoperative or unenforceable as applied in any particular case in any jurisdiction because it conflicts with any other provision or provisions of this Agreement or any constitution or statute or rule of public policy, or for any other reason, then 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. To the maximum extent possible, this Agreement shall be construed in a manner consistent with the powers of the City, including but not limited to, the City's powers under the Blight Elimination and Slum Clearance Law and the Tax Increment Law, to achieve its intended purpose. Reference is made to Section 66.1333(17) of the Wisconsin Statutes and Chapter 105, Laws of 1975 § 4, which provide that the Blight Elimination and Slum Clearance Law and the Tax Increment Law should be construed liberally to effectuate their purposes.

9.7 Any prior development agreements between the City and Developer or any affiliate shall be considered terminated in their entirety and this Agreement shall supersede the same.

[Signatures on following pages]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

CITY OF APPLETON:

By: _____
Jacob A. Woodford, Mayor

ATTEST:

By: _____
Kami L. Lynch, City Clerk

STATE OF WISCONSIN)
 : ss.
OUTAGAMIE COUNTY)

Personally came before me this ____ day of _____, 2024, Jacob A. Woodford, Mayor and Kami L. Lynch, City Clerk, of the City of Appleton respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same in the capacity and for the purposes therein intended.

Printed Name: _____
Notary Public, State of Wisconsin
My commission is/expires: _____

PROVISION HAS BEEN MADE TO PAY FOR OBLIGATIONS INCURRED PURSUANT TO THIS AGREEMENT:

Jeri Ohman, Finance Director

APPROVED AS TO FORM:

Christopher R. Behrens, City Attorney
Dated: Agreement Date
By: Christopher R. Behrens
City Law A23-1207

DEVELOPER:

USV 222, LLC

By: _____

STATE OF WISCONSIN)
 : ss.
OUTAGAMIE COUNTY)

Personally came, before me this ____ day of _____, 2024, [*insert Member names here*], to me known to be the persons who executed the foregoing instrument and acknowledged the same in the capacity and for the purposes therein intended.

Printed Name: _____

Notary Public, State of Wisconsin

My commission is/expires: _____

SCHEDULE OF EXHIBITS

- A. Map of Property, Project, Large Lots, and Small Lots

- B. Proposed Improvements

EXHIBIT A
MAP OF THE PROPERTY,
INCLUDING THE PROJECT, LARGE LOTS, AND SMALL LOTS

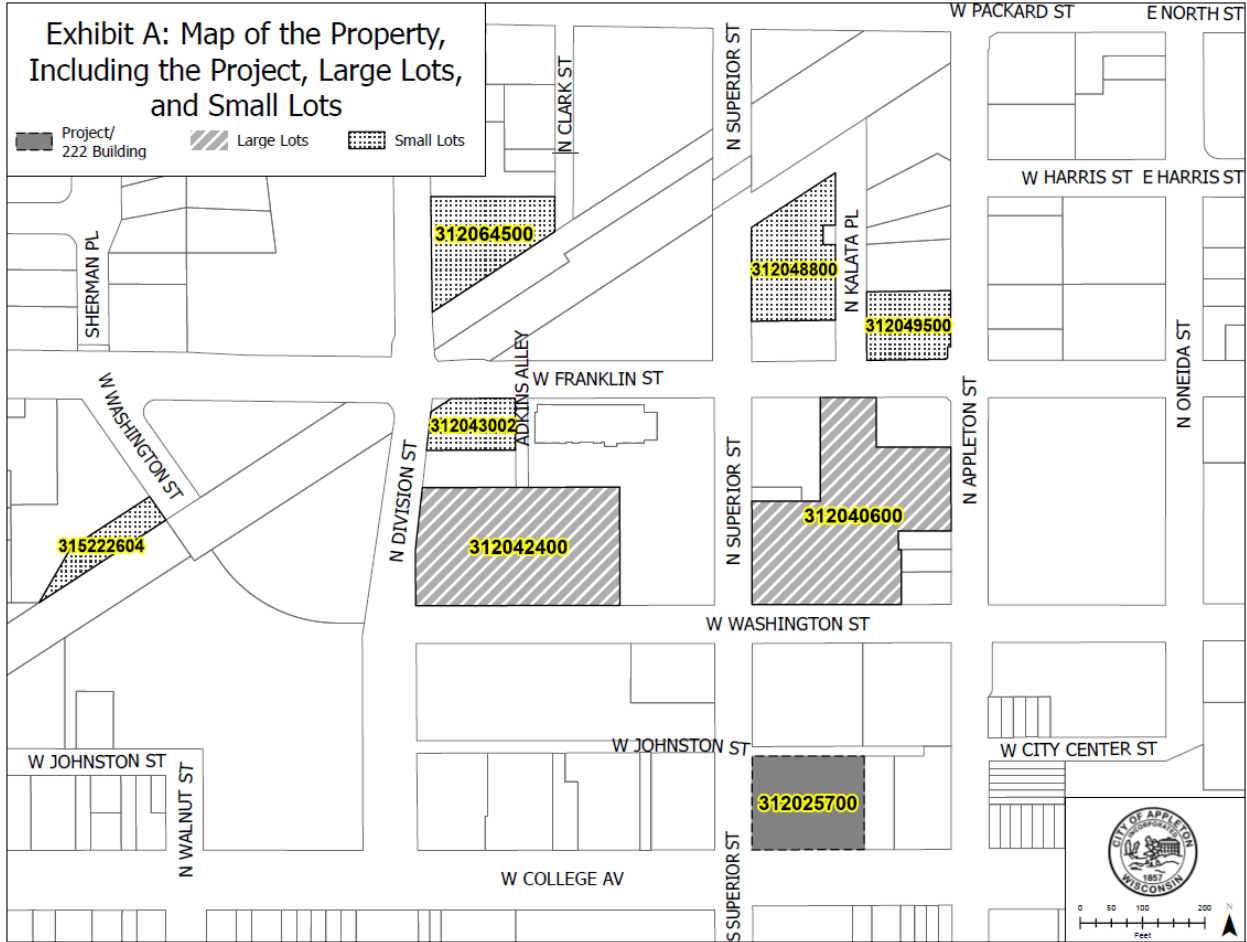


EXHIBIT B

PROPOSED IMPROVEMENTS

Design Drivers:

- **Commitment to sustainability - Adaptive reuse strategy**
 - Minimization of carbon footprint through the adaptive reuse of an underutilized historic building
 - Commitment to sustainability through upgrades to mechanical, electrical, and HVAC systems
- **Celebrating the history of 222 as USV moves toward the future**
 - Timeless, authentic design through product selection and aesthetics
 - Preservation & showcasing of historic building elements
- **Connectivity**
 - Creation of visual "connectedness" through wayfinding, consistent visual cues, and transparent visual elements throughout the building design
- **Progressive work environments**
 - Range of seating styles and options
 - Varied work settings, spaces, and levels of stimulation
- **Scalability & Adaptability**
 - Flexible design and footprint allowing maximum flexibility for redesign, reorganization, or reuse



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Key Focuses:

- World class office space to meet U.S. Venture's current and future workforce needs.
- Wellness & fitness opportunities onsite
- Social spaces featuring views of downtown Appleton
- Outdoor accessibility enabling team members to physically embrace downtown amenities

Example of Completed Office Space



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Example of Completed Office Space



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Typical Office Floor Plan



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U.S. Venture at 222
Conceptual Southeast Perspective



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