

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is entered into as of October 15, 2019, by and between CHR. HANSEN, INC., a Wisconsin corporation (the "Developer") and the CITY OF WEST ALLIS, a Wisconsin municipal corporation ("City").

RECITALS

City and Developer acknowledge the following:

A. Developer owns certain real property and improvements located at 9015 West Maple Street in the City of West Allis, Wisconsin, as legally described on Exhibit A attached hereto (the "Property"). For the foreseeable future, Developer seeks to make the Property its U.S. Headquarters for its global bioscience company, including the development and production of cultures, enzymes and probiotics as well as business operations to support the same.

B. As of January 1, 2020, the City intends to create a Tax Incremental District including the Property (the "District") pursuant to Wis. Stat. sec. 66.1105 (the "Tax Increment Law") and to adopt a Project Plan for such District to encourage redevelopment and expansion at the Property. 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.

C. Subject to obtaining the benefits set forth herein, Developer intends to invest Nine to Eighteen Million Dollars (\$9,000,000-\$18,000,000) to construct an approximately 20,000 square foot building addition ("Phase I") and a substantial additional multimillion dollar investment to construct additional buildings and/or building additions ("Phase II") (collectively, the "Project"). In connection with constructing the Project, Developer also intends to add approximately 100 full-time equivalent positions on the Property.

D. The City desires to encourage economic development, eliminate blight, expand the City's tax base and create new jobs within the City, the District and upon the Property. The City finds that the development of the Project and the fulfillment of the terms and conditions of this Agreement will further such goals, are in the vital and best interests of the City and its residents, and will serve a public purpose in accordance with applicable state and local law.

E. The development of the Project would not occur without the benefits to be provided to Developer as set forth in this Agreement.

F. The City, pursuant to Common Council action dated October 15, 2019, has approved this Agreement and authorized its execution by the proper City officials on the City's behalf.

G. The Developer has approved this Agreement and authorized its execution by the appropriate representatives on its behalf.

AGREEMENTS

In consideration of the RECITALS and the terms and conditions set forth herein, the parties agree and covenant as follows:

ARTICLE I THE PROJECT AND DEVELOPER OBLIGATIONS

Subject to satisfaction of the conditions set forth in this Agreement and subject to Force Majeure Events (as defined in Section VII(H) below), Developer shall perform the following:

- A. Maintain Chr. Hansen's U.S. headquarters at the Property so long as any payments remain outstanding on the MROs defined in Section II(B) below.
- B. On or before December 31, 2019, complete the demolition of a former Knights of Columbus building, in a manner that supports the orderly implementation of the Project.
- C. Construct Phase I of the Project in accordance with the plans and specifications approved by the City not later than December 31, 2022.
- D. Invest not less than Nine Million Dollars (\$9,000,000.00) toward the costs of developing Phase I of the Project.
- E. Dependent upon the success of Developer's business, construct Phase II of the Project in accordance with plans and specifications approved by the City not later than December 31, 2025.
- F. So long as any payments remain outstanding on the MROs, provide to the City any reports regarding workforce development and maintenance required to be provided by Developer in connection with any contract relating to the Project executed by Developer and the Wisconsin Economic Development Corporation.

ARTICLE II CITY OBLIGATIONS; MUNICIPAL REVENUE OBLIGATIONS

Subject to satisfaction of the conditions set forth in this Agreement and subject to Force Majeure Events (as defined in Section VII(H) below), City shall perform the following:

- A. Cooperate with Developer throughout the development and construction of the Project and shall promptly review and/or process all submissions and applications in accordance with applicable City ordinances. The City's cooperative efforts shall include, but not be limited to:
 - 1. Considering vacation of portions of South 91st Street and Maple Street in accordance with Wis. Stat. sec. 66.1003 to accommodate the development of a corporate headquarters entrance to the Property as deemed appropriate by Developer;
 - 2. Ensuring a safe and reliable municipal water supply to the Property;

3. Coordinating with the Wisconsin Department of Natural Resources and the Milwaukee Metropolitan Sewerage District to minimize stormwater management improvements associated with the Project; and

4. Considering the development and construction of appropriate access to the Property from South 92nd Street.

B. Intend to provide development grants to Developer in the form of Municipal Revenue Obligations (or “MROs”) (as defined in this Section) approximating twelve (12) full years of the Actual Tax Increment (as defined in this Section) expected to be paid to the District by Developer (i) for Phase I of the Project and (ii) for each significant building or building addition in Phase II of the Project. City shall issue the first MRO to Developer on the date of issuance of a certificate of occupancy for Phase I but in no event later than December 31, 2022. The amount of the first MRO shall be 100% of the Tax Increment generated at the Property from Phase I from the date of issuance through the thirteenth anniversary of the date of issuance. City shall issue additional MROs to Developer on the date of issuance of each certificate of occupancy for each significant building or building addition for Phase II on which Developer commences construction prior to July 1, 2025 but in no event later than December 31, 2025. The amount of each additional MRO for Phase II shall be 100% of the Tax Increment generated at the Property from each building or building addition in Phase II from the date of issuance through the thirteenth anniversary of the date of issuance.

1. Any payment on any MRO shall be payable solely from and only to the extent that the City has received as of such Payment Date (as defined in subsection 2 below), Actual Tax Increment, and such Actual Tax Increment has been appropriated by the City of West Allis Common Council to payment of the MRO. “Actual Tax Increment” as referred to in this Agreement and in each MRO shall mean 100% of that Tax Increment (as defined by the Tax Increment Law) solely generated from and paid by the Project.

2. For purposes of each MRO, a “Payment Date” shall mean each of the scheduled payment dates set forth on a schedule attached to each MRO when issued. The scheduled Payment Dates shall be prepared such that the payments on the MROs are amortized over no more than twelve (12) years that Actual Tax Increment generated by each phase of the Project may lawfully be allocated to make payments on each MRO. On each of the Payment Dates, the City shall pay to the Developer the Actual Tax Increment, up to the scheduled payment amount shown on the schedule attached to the appropriate MRO that has been appropriated for that purpose by the City of West Allis Common Council in accordance with the requirements for revenue obligations. From each annual payment of Actual Tax Increment to the Developer, the City shall retain an administrative fee of Forty-Five Thousand Dollars (\$45,000) for the first year and an administrative fee of Twenty-Five Thousand Dollars (\$25,000) for each of the final eleven (11) years.

3. The City covenants and agrees that Actual Tax Increment held by the City in any given year as of a given Payment Date shall not be appropriated for any use not identified on each MRO amortization schedule. The District shall not be terminated until the first of the

following to occur: (i) each MRO has been paid in full; (ii) December 31, 2036, except that if the Actual Tax Increment held by the City is not appropriated for either MRO in any given year, an additional tax year shall be added to the payment schedule attached to both MROs; or, (iii) until the District must be terminated by law.

4. Developer may assign any MRO to any lender providing financing to the Project, or to a successor owner of the Project, and upon notice of such assignment, the City shall pay directly to such lender or successor the scheduled payment amounts due on the assigned MRO(s). Any such assignment shall be subject to the terms contained in this Agreement.

C. EACH MRO SHALL BE A SPECIAL, LIMITED REVENUE OBLIGATION OF THE CITY PAYABLE ONLY FROM ACTUAL TAX INCREMENT THAT IS APPROPRIATED BY THE COMMON COUNCIL FOR THAT PURPOSE. No property or other asset of the City, except Actual Tax Increment appropriated to make payments with respect to each MRO, is or shall be a source of payment of the City's obligations thereunder. No MRO shall constitute a debt or obligation of the City, the County in which it is located, the State of Wisconsin or any political subdivision thereof within the meaning of any State constitutional provision, statutory limitation, or charter provision or limitation thereof and shall not be a charge against their general credit or taxing powers.

ARTICLE III PAYMENT OF TAXES; PAYMENT IN LIEU OF TAXES

A. So long as Developer seeks payments under any MRO, Developer will pay (or cause to be paid) all ad valorem property taxes properly assessed against any portion of the Property owned by the Developer before such taxes become delinquent. The foregoing shall not prohibit the Developer from contesting, in good faith, the assessed value of any portion of the Property.

B. In the event that any portion of the Property becomes exempt from ad valorem taxes while Developer seeks payments under any MRO (the "PILOT Term"), then the Developer or any successor owner of such exempt portion of the Property shall make (or cause to be made) during the PILOT Term annual payments in lieu of taxes in amounts equal to what the ad valorem property taxes (all taxing jurisdictions included) would have been for such portion of the Property (as determined by the City Assessor) had it not been exempt. Such payment in lieu of taxes shall be due and payable at the same time and in the same manner as the ad valorem taxes would have been due and payable for such year. If the Developer or any successor owner fails to make a payment in lieu of taxes when due, the City may, in addition to all other remedies available to it, levy a special assessment against the exempt portion of the Property in the amount of the unpaid payments. Any and all notice and hearing requirements which may be required under the law for such special assessment are hereby waived by Developer. Notwithstanding the levying of such special assessment, the payment obligation under this Article shall be the personal obligation of the person or entity that is the owner of the Property at the time that any portion of the Property becomes exempt from ad valorem taxes. The covenant contained in this Article shall be deemed to be a covenant running with the land and shall be binding upon all owners of any portion of the Property for the duration of the PILOT Term. The City is hereby expressly declared to be a

beneficiary of such covenant and entitled to enforce same against all successor owners of the Property.

**ARTICLE IV
NO PARTNERSHIP OR VENTURE**

Developer and its contractors or subcontractors shall be solely responsible for the completion of all of Developer's obligations set forth in this Agreement. Nothing contained in this Agreement shall create or effect any partnership, venture or relationship between the (i) City and (ii) Developer, or any contractor or subcontractor employed by Developer.

**ARTICLE V
CONFLICT OF INTEREST**

No elected official, 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**

All notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (i) upon delivery to an officer of the City (as to the City) or to an officer of Developer (as to Developer), if hand delivered; (ii) two business days following deposit in the United States mail, postage prepaid, or (iii) upon delivery if delivered by a nationally recognized overnight commercial carrier that will certify as to the date and time of such delivery; and each such communication or notice shall be addressed as follows, unless and until any of such parties notifies the other in accordance with this Article of a change of address:

If to the City:	City of West Allis 7525 West Greenfield Avenue West Allis, WI 53214 Attn: City Clerk
If to the Developer:	Enrique Breceda, VP & Regional General Counsel - Americas CHR. Hansen, Inc. 9015 West Maple Street Milwaukee, WI 53214
With a copy to:	Deborah C. Tomczyk, Esq. Reinhart Boerner Van Deuren s.c. 1000 North Water Street, Suite 1700 Milwaukee, WI 53202

**ARTICLE VII
MISCELLANEOUS**

A. The term of this Agreement shall run from the date hereof until all payments due under all MROs have been paid to Developer. Developer may terminate this Agreement prior to the expiration of the MROs by returning to the City any MRO (if actually issued to Developer) and foregoing any unpaid amounts outstanding on any MRO.

B. Developer shall have in effect at all times all permits, approvals and licenses as may be required by any governmental authority or non-governmental entity in connection with Developer's development, construction, management and operation of the Project.

C. Omitted.

D. Omitted.

E. The prevailing party shall be entitled to collect all costs and expenses associated with the enforcement of its rights against the other under this Agreement, including without limitation the enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving Developer. Any and all such fees, costs and expenses incurred by the prevailing party which are to be paid by the other, shall be paid on demand.

F. Developer hereby indemnifies, defends, covenants not to sue and holds the City harmless from and against all loss, liability, damage and expense, including attorneys' fees, suffered or incurred by the City by reason of the following: (i) the failure of Developer or its contractors, subcontractors, agents, employees, or invitees to comply with any environmental law, rule, regulation or ordinance, or any order of any regulatory or administrative authority with respect thereto; (ii) any release by Developer or its contractors, subcontractors, agents, employees, or invitees of petroleum products or hazardous materials or hazardous substances on, upon or into the Property; (iii) any and all damage to natural resources or real property or harm or injury to persons resulting or alleged to have resulted from any failure by the Developer and/or its contractors, subcontractors and/or agents to comply with any law, rule, regulation or ordinance or any release of petroleum products or hazardous materials or hazardous substances as described in clauses (i) and (ii) above; (iv) any violation by Developer or at the Project of any environmental law, rule, regulation or ordinance; (v) claims arising in connection with the Project under the Americans With Disabilities Act, and any other laws, rules, regulations or ordinances; (vi) the failure by Developer to comply with any term or condition of this Agreement; (vii) injury to or death of any person at the Project or injury to any property caused by or at the Project; and (viii) the failure of Developer to maintain, repair or replace, as needed, any portion of the Project. The foregoing indemnity shall not apply to any claims or damages arising under clauses (i) through (viii) of the previous sentence to the extent such claims or damages are attributable to the negligence or willful misconduct of the City.

The terms "hazardous substances" means any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous

wastes," "hazardous materials," "toxic substances" under any applicable federal or state or local laws or regulations.

G. Time is of the essence for each and every obligation or agreement contained in this Agreement and in each MRO.

H. If the Developer or City is delayed or prevented from timely commencing or completing any obligation under this Agreement, by reason of fire, earthquake, war, flood, riot, strikes, labor disputes, governmental restrictions, judicial order, public emergency, or other causes beyond City and Developer's control ("Force Majeure Event"), performance of such act shall be excused for the period of such delay and the time for the performance of any such act shall be extended for a period equivalent to such delay.

I. A memorandum of this Agreement shall be recorded in the office of the Register of Deeds of Milwaukee County, Wisconsin, prior to the recording of any mortgage on the Property, it being understood by the parties that this Agreement will run with the land and will be binding upon the Property and the Project and any owner and/or lessee and/or mortgagee of all or any portions of the Property and the Project and their successors and assigns.

J. Nothing contained in this Agreement is intended to or has the effect of releasing Developer from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

K. This Agreement may not be assigned by the Developer without the City's prior written consent, which may be granted or withheld in the City's sole discretion, provided, however, Developer may assign this Agreement in whole or in part to an entity that controls or manages, is controlled by, or is under common control with, Developer without the consent of the City. Notwithstanding the foregoing, the Developer may collaterally assign this Agreement and any MROs to the Developer's lender for the Project without the consent of the City. In the event that any such lender forecloses on its collateral and succeeds to ownership of the Property, the City shall fulfill its obligations hereunder provided that such lender, or the party purchasing the Property at a foreclosure sale, assumes in writing all of the obligations of the Developer hereunder.

L. The Developer shall not be released from any of their obligations hereunder by any sale, foreclosure or other conveyance of the Property, either before or after completion of the Project, without the written consent of the City.

SIGNATURES ON FOLLOWING PAGE

CITY OF WEST ALLIS SIGNATURE PAGE TO
DEVELOPMENT AGREEMENT

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

CITY OF WEST ALLIS, WISCONSIN

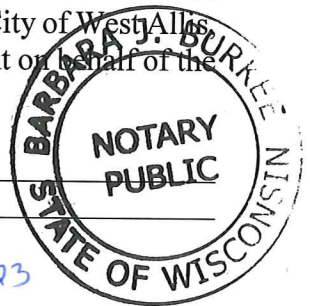
By: [Signature]
Dan Devine, Mayor

By: [Signature]
Steven A. Braatz, Jr., City Clerk

STATE OF WISCONSIN)
) ss.
MILWAUKEE COUNTY)

Personally appeared before me this 11 day of Dec, 2019, the above-named Dan Devine and Steven A. Braatz, Jr., the Mayor and City Clerk, respectively, of the City of West Allis Wisconsin, to me known to be the persons who executed the foregoing agreement on behalf of the City and by its authority and acknowledged the same.

Barbara J. Burkee
Name: Barbara J. Burkee
Notary Public, State of Wisconsin
My Commission expires: 10/18/23



Approved as to form this 20th day of November, 2019

[Signature]
Kail Decker, City Attorney

COMPTROLLER'S CERTIFICATE

Countersigned this 20th day of November, 2019, and I certify that the necessary funds have been provided to pay the liability that may be incurred by the City of West Allis under this Agreement.

[Signature]
Peggy Steeno
Finance Director, Comptroller, Treasurer

EXHIBIT A

Legal Description of Property

Parcel A:

Parcel 1 of Certified Survey Map No. 8045, being a redivision of Parcel 1 of Certified Survey Map No. 7468, all of Lots 1, 5, 6, 7, 8, 9, 10, 11 and 12 and part of Lot 4 in Block 3 in Assessor's Plat No. 255, all of Lots 1, 2 and 3 in Block 10 in Conrad's West Allis Gardens, all of Lots 6 and 7 and part of Lots 8, 9, 10, 11 and 16 in Block 6 in Conrad's West Allis Gardens, vacated South 91st Street, vacated South 90th Street, the West 1/2 of vacated South 89th Street and the South 1/2 of vacated West Mitchell Street, all being a part of the Southwest 1/4 of the Northwest 1/4 of Section 4, Township 6 North, Range 21 East, in the City of West Allis, Milwaukee County, Wisconsin.

Parcel B:

A part of Lots One (1) and Two (2) in Block Five (5) in CONRAD'S WEST ALLIS GARDENS, being a part of the Northwest One-quarter (1/4) of Section Four (4), in Township Six (6) North, Range Twenty-one (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin, bounded and described as follows: Commencing at the Southeast corner of Lot 2, Block 5 of said Conrad's West Allis Gardens, and running thence North 81°41' West along the North line of West Mitchell Street 89.78 feet to an angle point; thence North 85°55' West along the North line of West Mitchell Street 55.60 feet to a point in the South line of the Wisconsin Electric Power Company's right-of-way; thence Northeastly along the South line of said right-of-way 166.38 feet on the arc of a curve having a radius of 1417 feet to the South; the chord bearing North 60°14' East, 166.30 feet to a point in the West line of South 91st Street; thence South along the West line of South 91st Street, 66.60 feet to the plat of beginning.

TOGETHER with that part of vacated West Mitchell Street in said subdivision, abutting between South 91st and the Electric Power Company right of way extended.

Tax Key No. 451-0395-001
Address: 9106 W. Mitchell Street

Parcel C:

Parcel B of CERTIFIED SURVEY MAP NO. 1064, being a part of the Northwest One-quarter (1/4) of Section Four (4), Township Six (6) North, Range Twenty-one (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin and recorded in the Office of the Register of Deeds for Milwaukee County on June 19, 1969 in Reel 484, Images 1723 to 1725, inclusive, as Document No. 4470381.

Tax Key No. 451-0393-005
Address: 9032 W. Mitchell Street

Parcel D:

The North Eighty-three and Fifty hundredths (83.50) feet of Lots One (1) and Two (2) and the East Nine (9) feet of the North Eighty-three and Fifty hundredths (83.50) feet of Lot Three (3), in Block Six (6), in CONRAD'S WEST ALLIS GARDENS, being a subdivision of a part of the Northwest One-quarter (1/4) of Section Four (4), in Township Six (6) North, Range Twenty (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin.

Tax Key No. 451-0396-001
Address: 8905 W. Mitchell Street

Parcel E:

The North Eighty-three and Fifty hundredths (83.50) feet of Lot Three (3), excepting the East Nine (9) feet thereof, and the North Eighty-three and Fifty hundredths (83.50) feet of Lots Four (4) and Five (5) in Block Six (6) in CONRAD'S WEST ALLIS GARDENS, being a subdivision of a part of the Northwest One-quarter (1/4) of Section Four (4), in Township Six (6) North, Range Twenty (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin.

Tax Key No. 451-0400-001
Address: 8917 W. Mitchell Street

Parcel F:

The East One Hundred Five (105) feet of Lot Nine (9), excepting the North One and Forty Hundredths (1.40) feet thereof, and the East One Hundred Five (105) feet of Lot Ten (10) in Block Six (6) in CONRAD'S WEST ALLIS GARDENS, being a subdivision of a part of the Northwest One-quarter (1/4) of Section Four (4), in Township Six (6) North, Range Twenty (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin.

Tax Key No. 451-0403-002
Address: 1717 S. 89th Street

Parcel G:

Lots One (1), Two (2), Three (3), Four (4) and Five (5), excepting the North Eighty-three and Fifty hundredths (83.50) feet thereof, also the East One Hundred Five (105) feet of Lot Eight (8) and the East One Hundred Five (105) feet of the North One and Forty Hundredths (1.40) feet of Lot Nine (9) in Block Six (6) in CONRAD'S WEST ALLIS GARDENS, being a subdivision of a part of the Northwest One-quarter (1/4) of Section Four (4), in Township Six (6) North, Range Twenty (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin.

Tax Key No. 451-0403-003
Address: 1721 S. 89th Street

Parcel H:

Lot Twelve (12) in Block Six (6) in CONRAD'S WEST ALLIS GARDENS, being a subdivision of a part of the Northwest One-quarter (1/4) of Section Four (4), in Township Six (6) North, Range Twenty (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin.

Tax Key No. 451-0405-000
Address: 1743 S. 89th Street & 8902 W. Maple Street

Parcel I:

A part of Lots Eight (8), Nine (9), Ten (10) and Eleven (11), and all of Lots Thirteen (13), Fourteen (14), Fifteen (15) and Sixteen (16), in Block Six (6) in CONRAD'S WEST ALLIS GARDENS, being a subdivision of a part of the Northwest One-quarter (1/4) of Section Four (4), in Township Six (6) North, Range Twenty (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin, together with a part of Lot Five (5) in Block Three (3) in ASSESSOR'S PLAT NO. 255 in said One-quarter (1/4) Section, beginning at the Northeast corner of said Lot 11; thence South along the East line of said Block 6, 35.00 feet; thence West along the South line of said Lot 11, 31.00 feet; thence South along the East line of said Lot 13, 110.00 feet; thence West along the South line and its extension of said Block 6, 128.00 feet; thence North and parallel with the East line of said Block 6, 250.00 feet; thence East along the North line of said Lot 8, 54.00 feet; thence South and parallel with the East line of said Block 6; 105.00 feet; thence East along the North line of said Lot 11, 105.00 feet to the point of beginning.

Tax Key No. 451-0403-005
Address: 1700 Block S 89th Street

Tax Key No. 451-0404-001
Address: 1700 Block S 89th Street

Tax Key No. 451-0406-000
Address: 8908 West Maple Street

Tax Key No. 451-0407-001
Address: 8914 West Maple Street

Parcel J:

Parcel Two (2) of CERTIFIED SURVEY MAP NO. 7468, being a redivision of all of Lots Two (2) and Three (3) and part of Lot Four (4) in Block Three (3) in Assessor's Plat No. 255, being a part of the Southwest One-quarter (1/4) of the Northwest One-quarter (1/4) of Section Four (4), in Township Six (6) North, Range Twenty-one (21) East, in the City of West Allis, County of Milwaukee, State of Wisconsin, recorded in the Office of the Register of Deeds for Milwaukee County on September 2, 2004 as Document No. 8856316, and corrected by Affidavit of Correction recorded on September 30, 2004 as Document No. 8875416, and further corrected by Affidavit of Correction recorded on January 20, 2005 as Document No. 8940387.

EXHIBIT B
Description of Project

The Project is the expansion of the U.S. Headquarters for Chr. Hansen, Inc.'s global bioscience operation.

Phase I consists of an approximately 20,000 square foot building addition and a \$9,000,000-18,000,000 investment.

Phase II consists of a substantial additional multimillion dollar investment to construct additional buildings and/or building additions, dependent upon the success of Chr. Hansen, Inc.'s business.

EXHIBIT C

Municipal Revenue Obligations

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF MILWAUKEE
CITY OF WEST ALLIS

MUNICIPAL REVENUE OBLIGATION ("**MRO**")

<u>Number</u>	<u>Date of Original Issuance</u>	<u>Amount</u>
_____	_____, 2019	100% of Actual Tax Increment

FOR VALUE RECEIVED, the City of West Allis, Milwaukee County, Wisconsin (the "**City**"), promises to pay to Chr. Hansen, Inc., a Wisconsin corporation (the "**Developer**") all "Actual Tax Increment" for a significant building in the Project for which a certificate of occupancy is issued on the date of issuance of this MRO, to the extent such Actual Tax Increment is actually received by the City by June 1 of the year plus any such Actual Tax Increment from prior calendar years received by the City by June 1 of the year, commencing with the year of issuance and extending through the thirteenth anniversary of the date of issuance, but in no event later than December 31, 2036.

"Actual Tax Increment" means an amount equal to the annual tax increment attributable to a significant building in the Project from Tax Incremental District No. ____ (the "TID") (the tax incremental district formed in connection with execution of a Development Agreement entered into as of _____, 2019 by and between Developer and the City (the "Development Agreement"), based on the definition of annual tax increment in Wis. Stat. § 66.1105 (2)(i). For the MRO issued to the Developer in connection with Phase I of the Project (but not for any subsequent MROs issued to the Developer in connection with Phase II of the Project), the City may retain an "Administrative Fee" from each annual payment due to Developer. The City's retained Administrative Fee shall be Forty-Five Thousand Dollars (\$45,000.00) in the first year and Twenty-Five Thousand Dollars (\$25,000.00) for each of the subsequent years that the MRO issued to Developer in connection with Phase I of the Project remains outstanding.

This MRO has been issued to finance projects within the TID and is payable only from the income and revenues herein described, which income and revenues will be or have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund" provided for under the Resolution adopted on _____, 2019 by the Common Council of the City (the "**Resolution**"). This MRO is issued pursuant to the Resolution and pursuant to the terms and conditions of the Development Agreement. This MRO does not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision. This MRO shall be payable solely from Actual Tax Increment (as defined in the Development Agreement) appropriated by the Common Council to the payment of this MRO (the "**Revenues**"), including Actual Tax Increment which shall be set aside in the Special Redemption Fund. Reference is hereby made to the Resolution and the Development Agreement

for a more complete statement of the revenues from which and conditions and limitations under which this MRO is payable and the general covenants and provisions pursuant to which this MRO has been issued. The Resolution and Development Agreement are incorporated herein by this reference. Capitalized terms used in this MRO which are not defined in this MRO shall have the meaning attributable to such terms as set forth in the Development Agreement.

This MRO is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated, incorporated or referenced herein. This MRO is not a general obligation of the City, and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this MRO. Further, no property or other asset of the City, except the above-referenced Actual Tax Increment, is or shall be a source of payment of the City's obligations hereunder.

This MRO is issued by the City pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this MRO have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the City Council of the City of West Allis has caused this MRO to be signed on behalf of the City by its duly qualified and acting Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF WEST ALLIS, WISCONSIN:

By: *Dan Devine*
Dan Devine, Mayor

Countersigned:

By: *Steven A. Braatz, Jr.*
Steven A. Braatz, Jr., City Clerk

STATE OF WISCONSIN)
) SS
MILWAUKEE COUNTY)

Personally came before me this 11 day of December, 2019, the above named Dan Devine, Mayor, and Steven A. Braatz, Jr., City Clerk, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Barbara J. Burkee
Barbara J. Burkee
Notary Public - State of Wisconsin
My Commission: 10-18-23



Approved as to form this 20th day of November, 2019.

By: *Kail Decker*
Kail Decker, City Attorney

COMPTROLLER'S CERTIFICATE

Countersigned this ____ day of _____, 2019, and I certify that the necessary funds have been provided to pay the liability that may be incurred by the City of West Allis under this Agreement.

Peggy Steeno
Finance Director, Comptroller, Treasurer

