

Execution Version

DEVELOPMENT AGREEMENT

FOXCONN PROJECT

Village of Mount Pleasant, Racine County, Wisconsin

DEVELOPMENT AGREEMENT
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EXHIBITS

Exhibit A	TID Area
Exhibit B	Project Areas
Exhibit C	Tentative First Phase Site Plan
Exhibit D	Intergovernmental Cooperation Agreement
Exhibit E	Wisconsin Department of Transportation Agreements and Jurisdictional Transfers
Exhibit F	Rezoning Ordinance No. 20-2017
Exhibit G	<i>Intentionally Omitted</i>
Exhibit H	Map of Parcels
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Exhibit K	TID Public Improvements
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**DEVELOPMENT AGREEMENT
FOXCONN PROJECT**

THIS DEVELOPMENT AGREEMENT (“Agreement”) is made by and among the Village of Mount Pleasant (“Village”), a Wisconsin municipal corporation, Racine County, a Wisconsin municipal corporation (“County” and, together with the Village, the “Municipalities”) and SIO International Wisconsin, Inc., a Wisconsin corporation, FEWI Development Corporation, a Wisconsin corporation, and AFE, Inc., a Wisconsin corporation (collectively, “Foxconn” or the “Developer”) as of December 1st, 2017 (the “Effective Date”).

WITNESSETH:

WHEREAS, the parties hereto agree that a long-term mutually beneficial relationship should be established to implement a transformational and sustainable high-tech manufacturing and technology ecosystem in the Village and County; and

WHEREAS, the Village Board of the Village has approved a Project Map and Project Plan (the “TIF Plan”) for the creation of Tax Incremental District No. 5 (the “TID”), as an Industrial District, on November 20, 2017, under the power of Wisconsin Statutes Section 66.1105 (the “TIF Law”), as amended in part by certain provisions of 2017 Wisconsin Act 58 (“Act 58”), in order to finance various project costs within the TID, and for the benefit of the TID, as permitted by the TIF Law; and

WHEREAS, the TIF Plan designates the boundaries of the TID, which are shown on Exhibit A, and which are identified in the TIF Plan as Area I (“Area I”), Area II (“Area II”), Area III (“Area III”) and the North Area (“North Area”) (collectively, the “TID Area”), all as shown on Exhibit A; and

WHEREAS, the Wisconsin Economic Development Corporation (“WEDC”) has designated an Electronics and Information Technology Manufacturing Zone (the “Zone”) consistent with Act 58, which includes the TID Area, and WEDC and the Developer entered into an Electronics and Information Technology Manufacturing Zone Tax Credit Agreement as of November 10, 2017, (the “WEDC Contract”), setting forth WEDC's and the Developer's respective obligations relating to such Zone and Act 58; and

WHEREAS, the Developer is intending to establish and operate a transformational and sustainable high-tech manufacturing and technology ecosystem in Area I, Area II and Area III (the “Project Areas”) which Project Areas are shown on Exhibit B; and intends to build the Facility defined below; and

WHEREAS, the powers of, and the goals and objectives for the TID, are set forth in the TIF Plan, and include encouraging private improvements and undertaking public improvements as identified therein, and which TIF Plan provides in part for the financing of certain real estate acquisitions and sales, improvements and public improvements within and outside the TID; and

WHEREAS, the Municipalities have, after study and hearings, found and determined that the economic vitality of the TID is essential to the current and future economic health of the Municipalities; and

WHEREAS, the Developer intends to purchase all of the available property located in Area I (other than that needed for rights of way) and some or all of the property in Area II and Area III from the Village, in the manner provided herein, and cause to be built thereon, the Facility and certain industrial plants and other improvements, in reliance on the commitments made by the Municipalities in this Agreement; and

WHEREAS, in order to induce Developer to undertake the Project as defined herein and in reliance upon the commitments of Developer, the Municipalities intend to undertake the obligations herein; and

WHEREAS, Developer is in the process of finalizing the site plan for the first portion of the Project in Area I, and Developer will submit the same to the Municipalities (including site plan footprints and building floor grades/elevations for water and sewer connections) not later than December 1, 2017. The tentative site plan for the first portion of the Facility is attached hereto as **Exhibit C** (“Tentative First Phase Site Plan”), and the final site plan and related plans for the Facility will be approved through the development approval process set forth in applicable Village code; and

WHEREAS, the Village, the County, and Developer's affiliate, FE Holdings USA, Inc., entered into a Memorandum of Understanding dated October 4, 2017 (“MOU”), and the parties intend that this Agreement reflect the final agreements between them related to the topics contained in the MOU, and that this Agreement, when signed, shall contain the final terms between the parties hereto related to the topics in the MOU; and

WHEREAS, Act 58 contained terms which only were effective to modify the TIF Law, for properties located within the Zone; and

WHEREAS, the Village on November 27, 2017 authorized its representatives to execute this Agreement on behalf of the Village, the County on November 28, 2017 authorized its representatives to execute this Agreement on behalf of the County, and the Developer as of December 1, 2017 authorized its representatives to execute this Agreement on behalf of the Developer, providing for certain duties and responsibilities of the Municipalities and the Developer.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein exchanged, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION I – GENERAL PROVISIONS: PURPOSE

1. **Incorporation of Exhibits.** All Exhibits referenced herein, are incorporated by reference herein, whether or not herein enumerated.

2. **Entire Agreement.** This writing including all Exhibits hereto, and the other documents and agreements referenced herein, constitutes the entire agreement among the parties hereto in respect to the Project; the MOU and all prior letters of intent or letters of assistance or offers, if any, are hereby merged into this Agreement. However, this Agreement shall be deemed and read to include and incorporate all of the Exhibits hereto and any related approvals of the Municipalities, as referenced in this Agreement, and in the event of a conflict between this Agreement and any action of the Municipalities, granting approvals or conditions attendant with such approval, the language contained herein shall be deemed controlling.

3. **Project.** The parties agree to establish a long-term mutually beneficial relationship to implement a transformational and sustainable high-tech manufacturing and technology ecosystem in the Village and County (the "Project"). Within Area I, the Developer will invest approximately \$10 billion to construct and equip the Facility, including approximately \$5.570 billion in direct construction expenditures, and proceed to complete construction of such Facility within Area I within an approximate seven year period, commencing no later than January 1, 2019.

4. **Purpose of the Agreement.** In order to carry out the purposes of the Project and the TIF Plan, the parties have agreed upon a plan whereby the Developer will undertake the Project in the Project Areas as defined herein. In order to cause the Project to occur and to induce Developer to undertake the Project, to promote community development and redevelopment and job creation and to expand and enhance the tax base within the Village, the Village intends to undertake certain project costs, acquire certain property, assist in the acquisition of other properties, assist Developer in the development and redevelopment of certain property in the Project Areas, by undertaking the Village Development Work, and to undertake the TID Public Improvements, which are deemed to be in the public interest, and to serve the general public all as set forth in this Agreement and in the TIF Plan. The County intends to assist the Village in funding certain property acquisition costs and TID Public Improvements. The Municipalities intend to recover the costs of the obligations they are undertaking from the revenues set forth in this Agreement, including amounts received from the sale of property to others, increased tax revenues generated in the TID Area, the Area I Special Assessment, the Area II/III Special Assessment, and Makeup Payments. The parties intend to enter into this Agreement to record the understandings and undertakings of the parties and to provide a framework within which the Project may proceed.

SECTION II – PRELIMINARY OBLIGATIONS

1. **Joint Municipal Activities.** The Municipalities have entered into the Intergovernmental Cooperation Agreement dated on the date hereof and attached hereto as **Exhibit D** (the "ICA") to form an intergovernmental commission to be named the "Racine County/Village of Mount Pleasant Regional Economic Development Commission" (the "Commission").

2. **DOT Roadway Funding.** The Municipalities have entered into binding agreements with the State of Wisconsin Department of Transportation ("DOT") and various jurisdictional transfer agreements related thereto, all attached hereto as **Exhibit E**, sufficient to undertake certain roadway improvements on County Trunk Highways H and KR, International

Drive and Braun Road, as specified therein, without recourse to the TIF Plan funds or any other special assessment or charge to Developer or on the portions of the Project Areas to be acquired by Developer. No portion of the roadway work undertaken by DOT in such agreements (other than roadwork included in the TID Public Improvements as defined herein and listed on pages 28 and 32 of the TIF Plan), or in other agreements between the Municipalities and DOT executed during the life of the TID and relating to TID Public Improvements, shall be included in any financing or bonding, the repayment of which has a higher Priority in the Flow of Funds Chart reference herein, than the Developer Available Tax Increment.

3. **Zoning.** The Village has adopted an ordinance on November 13, 2017 rezoning all of the land within the Project Areas to Business Park, the citation to which ordinance, and to the permitted uses under such zoning category, are attached hereto as **Exhibit F**.

4. **WEDC Contract.** The Developer has entered into the WEDC Contract.

SECTION III -*Intentionally Omitted*

SECTION IV - OBLIGATIONS OF THE MUNICIPALITIES

1. **Project Areas.** The Village represents and warrants to the Developer that the Village has options to purchase all of those properties in the Project Areas labelled as "Option Parcels" on the map attached hereto as **Exhibit H**. The Village represents and warrants to the Developer that the Village has or covenants that it will acquire all of those properties in the Project Areas labelled as "To Be Acquired Parcels" on the map attached hereto as **Exhibit H** (as well as parcels in the Village of Sturtevant shown on Exhibit H needed for the TID Public Improvements). The Village will acquire, subject to Force Majeure, all of those properties in the Project Areas labelled as "Desired Properties" on the map attached hereto as **Exhibit H**.

2. **Acquisition of Option Parcels.** Village shall exercise all of the options on the Option Parcels, on or before December 29, 2017, shall close on the purchase of the Option Parcels by February 15, 2018 and shall obtain occupancy of the Option Parcels by May 15, 2018. The Village shall cooperate with the Developer to close and deliver occupancy by April 15, 2018 of the property impacted by the footprint of Developer's first proposed building as shown on the map attached hereto as **Exhibit H** (the "Initial Building Property"), subject to the terms of the Options.

3. **Intergovernmental Commission.** Village and the County entered into the ICA with the power and authority to form the Commission to carry out the obligations of the Commission set forth in the ICA, and required herein ("Commission Obligations"). The Commission Obligations shall include facilitating the acquisition of properties in Area II and Area III, and title to any properties in Area II and Area III acquired in the name of the Village shall be held on behalf, and for the benefit of, the Municipalities.

4. **Acquisition of To Be Acquired Parcels.** Village shall acquire all To Be Acquired Parcels in the Project Areas on or before August 1, 2018.

5. **Acquisition of Desired Properties.** Village shall acquire the Desired Properties in Area I by August 1, 2018, subject to Force Majeure, or such other later date as is mutually

agreed to between the Municipalities and Developer. Village shall acquire the Desired Properties in Area III by April 1, 2019, subject to Force Majeure or such other later date as is mutually agreed to between the Municipalities and the Developer. Village shall acquire the Desired Properties in Area II by August 1, 2019, subject to Force Majeure or such other later date as is mutually agreed to between the Municipalities and Developer. Occupancy as to each parcel shall be acquired no later than 90 days after the acquisition date.

6. Purchase Prices and Funding.

a. The purchase price for all available property in Area I is reasonably estimated to aggregate approximately \$76 million, inclusive of normal and customary out of pocket expenses such as brokers fees, closing costs, title insurance premiums and fees, escrow fees, attorneys' fees, transfer fees and tax prorations as well as relocation expenses (collectively, "Acquisition Costs"). The sum of all Acquisition Costs actually incurred to acquire and convey all properties within Area I, without any minimum or maximum, shall be the "Area I Purchase Price." The Area I Purchase Price initially shall be funded with bonds or other financing obtained by the Municipalities and shall be reimbursed by Area I Special Assessments due from Developer as set forth in Section V, paragraph 7 below and as otherwise set forth in this Agreement.

b. The first \$60 million of aggregate Acquisition Costs for all available property in Area II and Area III shall be funded with the "Developer Advance" as defined herein.

c. The aggregate Acquisition Costs for all available property in Area II and Area III in excess of the Developer Advance, which is reasonably estimated to be approximately \$15 million, shall be funded with bonds or other financing obtained by the Municipalities ("Area II/III Financing") and shall be reimbursed by the Area II/III Special Assessments due from Developer as set forth in Section V, paragraph 8 below and as otherwise set forth in this Agreement.

d. The Developer shall have the right to a full accounting of the Area I Purchase Price, the Area II Acquisition Costs, the Area III Acquisition Costs and the Area II/III Financing, consistent with Subsection 16(a) below.

7. **TID.** The TIF Plan and map of the TID, have been fully adopted by the Community Development Authority of the Village (the "CDA"), the Village Board, and the Joint Review Board, as identified in the TIF Plan, in the form attached hereto as **Exhibit J**. The TIF Plan has a Base Year of 2018. Village agrees not to take title to any of the land in the Project Areas prior to January 1, 2018, except for those residences noted as "Early Acquisitions" being acquired prior to January 1, 2018 on **Exhibit H**.

8. **TID Public Improvements.** The Village shall provide and pay for (with certain funding provided by the County), the infrastructure improvements to serve the needs of the Project Area listed on **Exhibit K** attached hereto (the "TID Public Improvements"). The Village shall cause such TID Public Improvements to be constructed in substantial accordance with the plans attached as **Exhibit L**, which includes the "Master Roadway Plan" and the "Master Utility Plan." The Village agrees that any material changes to the design of such TID Public

Improvements shall be subject to review of the Developer, provided that Developer's review shall not delay design or construction of any TID Public Improvements. The Village agrees it shall promptly commence and diligently pursue the construction of such TID Public Improvements, according to the Completion Plan attached hereto as **Exhibit M**, so that all of the needed TID Public Improvements are reasonably coordinated with Developer's construction and operations, phase by phase. The parties acknowledge that Exhibits L and M may not be finalized prior to execution of this Agreement, and the parties shall cooperate to revise and finalize and attach such exhibits as soon as possible after Agreement execution. The deadlines for Developer's performance of its obligations under Section V, paragraphs 5, 6 and 9 below shall be extended by one day for each day that any TID Public Improvements needed for the Facility are not substantially completed consistent with the Completion Plan, except to the extent that Developer or its agents cause the delay.

9. **Village Development Work.** The Village covenants it will provide, at no cost to the Developer, for all parcels in the Project Areas to be acquired by Developer from the Village, the Village Development Work which is described on **Exhibit N**, prior to the Closing Date of the acquisition of that parcel from Village.

10. **Village Services and Facilities.** The Village will provide and pay for Village services and facilities required to support and serve the needs of the Project Areas as set forth in the TIF Plan, including construction of police and fire protection capital improvements ("Cost of Village Services and Facilities").

11. **No Further Costs.** Developer shall not be obligated to pay any fees, special assessments, liens, impact fees, public contributions, hook up fees under the Village Ordinance No. 1-2017, or taxes of any type, for the TID Public Improvements, Village Development Work or Cost of Village Services and Facilities, other than the real estate and personal property taxes assessed against the property it owns in the TID, and except as provided in this Agreement. This provision is intended to prevent "double dipping." This provision is not intended in any way to limit Developer's obligations to pay fees, special assessments or taxes of any type (including but not limited to any agricultural use conversion fees) unrelated to the TID Public Improvements, Village Development Work or Cost of Village Services and Facilities, consistent with usual and customary practices.

12. **Developer Incentive Payments from Developer Available Tax Increment.**

a. **Definitions.** The following definitions shall apply throughout this Agreement.

"Tax Increment" means the Tax Increment of the TID, as defined in Section 66.1105(2)(i) of the TIF Law, taking into consideration the election in the TIF Plan for a January 1, 2018 Tax Incremental Base.

"Area I Available Tax Increment" means an amount equal to (i) the annual Tax Increment, as herein defined, which is generated in the immediately preceding calendar year by Area I, and which is actually received by the Village prior to the Collection Date in any year, plus any Tax Increments from Area I from prior calendar years received by

the Village prior to the Collection Date in that year, but after the Collection Date of the prior year; (ii) any Makeup Payments received from Developer or similar payment received from any other owner or property in Area I; (iii) the amounts, if any, received by the Village from the sale of any properties in Area I; (iv) any amounts of reimbursement or payment the Village receives from any other governmental authority, including the DOT, or utility, or other entity, for TID Public Improvements and giving credit as if paid in cash, for any such cost of TID Public Improvements which is assumed by another entity at no charge to the Municipalities; (v) any amount received from the Area I Special Assessment defined below; and (vi) special assessments, deferred assessments, special charges and/or hook up fees levied upon and collected by the Village from parties other than Developer for connection to any of the TID Public Improvements. The Village agrees to follow its standard procedures in levying and collecting deferred special assessments or hook up fees, against properties other than those acquired by Developer that connect to any of the TID Public Improvements, in a manner that apportions costs, as provided in the Village's Ordinance No. 1-2017.

The "Collection Date" shall be *July 1* of each calendar year, in order to provide an annual cutoff of collections sufficient to allow time to calculate the amounts due hereunder before the Payment Date.

The "Payment Date" shall be *October 1* of each calendar year.

The "Payment Year" for purposes of the Flow of Funds Chart attached hereto as **Exhibit O** (the "Flow of Funds Chart"), shall be the time from the Collection Date of each year, to the day prior to the Collection Date of the following year.

The "Developer Available Tax Increment" shall be defined to be the amount calculated by subtracting from the Area I Available Tax Increment on each Collection Date, the amount of all payments shown on the Flow of Funds Chart in higher lines on the chart (each a "Priority"). All amounts shown on the Flow of Funds Chart shall be paid in the order of Priority set forth therein; there shall be no Developer Available Tax Increment until all amounts with a higher Priority on the Flow of Funds Chart are fully paid.

The "Area II/III Available Tax Increment" means (i) the annual Tax Increment, as defined above, which is generated in the immediately preceding calendar year by properties in Area II and Area III owned by Developer, and which is actually received by the Village prior to the Collection Date in any year, plus (ii) any amount received from the Area II/III Special Assessment defined below, reduced by (iii) annual principal and interest payments due on the Area II/III Financing, as shown in the Flow of Funds Chart.

b. **Area I Special Assessment Pay As You Go Payment.** Village agrees to pay to the Developer from the Developer Available Tax Increment, the amount of the Area I Special Assessment, and interest thereon actually paid by Developer (or by a purchaser from Developer), defined in Section V, paragraph 7 below, which is related to the Area I Purchase Price, in the manner shown in the Flow of Funds Chart.

c. **Developer Advance Pay As You Go Payment.** Except to the extent otherwise reimbursed to Developer from sales of property in Area II and Area III by Developer to third parties under Section 15 below, Village agrees to repay to the Developer, from the Area II/III Available Tax Increment and from the Developer Available Tax Increment, in the manner shown on the Flow of Funds Chart, the Developer Advance, defined in Section V, paragraph 4 below, which was paid by Developer to the Commission or to the Village, to fund Acquisition Costs to acquire properties in Area II and Area III. All payments to Developer under this paragraph shall cease once Developer has been fully repaid the Developer Advance and all amounts actually paid by Developer for the Area II/III Special Assessment, provided that Developer shall be repaid any amounts subsequently paid by Developer on the Area II/III Special Assessment; this provision is intended to prevent "double dipping."

d. **Grant Pay As You Go Payment.** Village agrees to pay Developer, from the Developer Available Tax Increment, the amount of the Grant defined in paragraph 13 below, in the manner and subject to the terms set forth in **Exhibit P**.

e. **Payment Dates.** The payments to be made under subparagraphs 12 (b), (c), and (d) above and in Section V, subparagraphs 7(d) and 8(d) below (together, the "Developer Incentive Payments") shall be made on the Payment Date each year of the TID to the extent owed, with the amount of that payment being calculated as of the Calculation Date each year. The Payments shall be made to whichever of the parties making up the definition of Developer as is designated by the particular agent of the Developer who is identified in the notice provisions below as the "Developer Notice Officer." Developer shall have the ability to designate, among the Developer Incentive Payments, in which order they are paid, provided that any reordering of Developer Incentive Payments by Developer does not result in "double dipping".

13. **Conditional Grant.** Village hereby agrees to make a conditional grant to Developer, in the amount of ten annual installments of \$10 million each, (the "Grant") payable by Village from the Developer Available Tax Increment, on the Payment Date above, commencing in 2024, and ending in 2033, on the terms and conditions shown on **Exhibit P**. Developer shall annually provide to the Municipalities' Agent, defined below, copies of the reports required under the WEDC Contract. The terms under which payments shall be made under the Grant are detailed on **Exhibit P**. In order to qualify for receipt of each annual Grant, Developer must meet the following conditions: (a) Not be declared in default under the WEDC Contract, which default has not been cured, and not be in default under this Agreement for failure to make any payment under the Area I Special Assessment, the Area II/III Special Assessment, the Makeup Payments, and all other payments due under this Agreement, past any applicable notice and cure period; and (b) Must have provided all reports required by this paragraph, referencing the WEDC Contract, evidencing full compliance with all employment requirements. If conditions for release of a Grant in a given year have been met, then that Grant will be deemed "earned" and is not refundable and shall be paid to Developer on the Payment Date. If the conditions for the release of a Grant in a given year are not met, then the Village may withhold the Grant in whole or in part until any failures are rectified. If rectified within the year that the annual Grant initially is available, the Grant shall be released for that year, provided however that no more than \$10 million per year may be paid under the Grant; any excess will be pushed out to the following Payment Date for payment, until the TID terminates. For instance, if

Developer does not meet the above requirements on a Payment Date in 2024, but rectifies the default during 2024, then the 2024 Grant payment will be paid in 2024, as long as Developer does not receive more than \$10 million under the Grant in 2024; if Developer does not meet or rectify the requirements for the Grant in 2024, Developer shall not become eligible for the 2024 annual Grant until 2034. In no event shall Developer be entitled to receive more than one annual Grant in any one calendar year, and Developer's right to receive the Grant shall terminate upon termination of the TID. However, in the event termination of the TID occurs prior to the payment of all ten Grants, Village shall retain sufficient funds in a special account to pay future Grants, but, in no event, beyond December 31, 2047. Developer's receipt of a Grant after TID termination, until December 31, 2047, is conditioned upon compliance with the terms and conditions shown on **Exhibit P**.

14. **Application of Funds.** The Village agrees that subject to the terms of this Agreement, it shall deposit the following amounts it receives, into a segregated account as required by the TIF Law (the "Area I TIF Account"): payments of taxes and payments in lieu of taxes from Area I, payments by utilities for rights of way and land in Area I, special assessments for TID Public Improvements, the Area I Special Assessment, reimbursements and payments from other governmental entities for work included in the definition of TID Public Improvements, and Makeup Payments from the Developer. Similarly, the Village agrees that, subject to the terms of this Agreement it shall deposit the following amounts it receives, into a segregated account as required by the TIF Law (the "Area II/III TIF Account"): payments of taxes and payments in lieu of taxes from the properties in Areas II and III acquired by Developer from Village, and the Area II/III Special Assessment. Payments shall be made from the relevant TIF Account consistent with the Flow of Funds Chart. The Municipalities agree to make all of the payments on any financing with a higher priority on the Flow of Funds Chart than the Developer Available Tax Increment, to the extent of the Developer Available Tax Increment, so that there is no acceleration of principal of those debts.

15. **Developer Acquisition Rights.** The Municipalities hereby grant to Developer the exclusive right to acquire each of the parcels in the Area II and Area III property, for a "Permitted Project Use," for a period of 10 years after the date the Municipalities have acquired title and possession of that parcel (each, an "Option Termination Date") (all Area II and Area III property being held by Village for the benefit and on behalf of the Commission) and provided that such property is not necessary to accommodate rights of way or utilities as shown on **Exhibit H** (together, the "Developer Acquisition Rights"), under the following terms and conditions and except as otherwise provided in this Agreement. The consideration for these Developer Acquisition Rights shall be the obligation to pay the Developer Advance and the Area II/III Special Assessment, as contained herein, which the parties acknowledge is sufficient and independent consideration for the Developer Acquisition Rights. The Municipalities shall cause the Commission to create or confirm the Developer Acquisition Rights for Area II and Area III in a written instrument acceptable to the Municipalities and the Developer. Developer shall have the exclusive right to acquire all of the Area II and Area III property acquired by the Commission or Village, until the Option Termination Date for that parcel, for a Permitted Project Use. A "Permitted Project Use" shall include all uses, whether by Developer or a supplier of products and services to Developer or to the Facility or the Project, which use must be allowable under the applicable zoning, as a permitted or conditional use.

a. **Exercise.** Developer shall designate in writing the parcel it wishes to acquire, and the date it wishes to close on the acquisition (each a “Closing Date”), which Closing Date shall be no earlier than 30 days and no later than 60 days after the delivery of such notice.

b. **Due Diligence.** Within 5 business days after receipt of that written notice, the Village will deliver to Developer all of the documents applicable to that parcel related to the Village Development Work, and related to the current status of TID Public Improvements needed to supply access or sewer and water services, or other utilities to that parcel, and documents evidencing to what extent that the parcel will be in Closing Condition as of the selected Closing Date, as that is defined in **Exhibit R**, along with drafts of the closing documents for that Closing.

c. **Closings.** The Village and Developer shall close on the acquisition of the parcel on the Closing Date, in Closing Condition, or on such other date as is agreed between the Village and Developer. Developer and its agents shall also have a right of access to all parcels included in the Developer Acquisition Rights, for purposes of all of Developer's due diligence requirements, from the date of this Agreement until the Developer Acquisition Right terminates as to that parcel, to the extent of the Municipalities' access rights over that parcel. No purchase price other than the Developer Advance and the Area II/III Special Assessment shall be due from Developer to acquire any parcel in Area II or Area III. If a value must be stated for purposes of the dollar amount of the title policy, or for a transfer tax return, the parties shall sign an agreement at closing stating that value.

d. **Payment of Area II and Area III Acquisition Costs.** The Village, at the direction of the Commission, shall convey property in Area II and Area III to the Developer at no additional cost to Developer (other than the Developer Advance) until the Acquisition Costs of all Area II and Area III property conveyed to Developer aggregate to the \$60 million Developer Advance. After the Developer Advance has been depleted, all Area II or Area III property conveyed to the Developer shall be subject to the Area II/III Special Assessment as described in Section V, paragraph 8.

e. **Reimbursement of Area II and Area III Acquisition Costs.** The parties agree that Developer is entitled to reimbursement of the Developer Advance and any amounts paid by the Developer under the Area II/III Special Assessment consistent with this Subsection and Section IV, paragraph 12(c) above. All amounts received by Developer from sales of Area II and Area III properties to third parties, net of usual and customary closing costs as identified on the Flow of Funds Chart, (other than the up to 30 acres to be sold to American Transmission Company and/or approximately 5 acres to be sold to Racine Water Utility) shall be retained by Developer. Purchase prices from these utilities shall be applied to Area II and III Acquisition Costs. In addition, except to the extent otherwise reimbursed to Developer hereunder, the Village agrees to pay to Developer, Area II/III Available Tax Increment received by the Village from property acquired by Developer in Area II and Area III or Developer Available Tax Increment, in the manner shown on the Flow of Funds Chart, to reimburse Developer the amount of the Developer Advance and the Area II/III Special Assessment actually paid by Developer. All payments to Developer under this paragraph shall cease once Developer has been fully repaid the Developer Advance and all amounts actually paid by Developer for the Area II/III Special Assessment, provided that Developer shall be repaid any Area II/III Special Assessment

subsequently paid by Developer; this provision is intended to prevent "double dipping."

f. **Termination.** Except as expressly set forth herein to the contrary, the Developer Acquisition Rights on each Area II and Area III parcel shall be exclusive until the Option Termination Date for that parcel, and shall terminate if not exercised (and closed upon) by the Option Termination Date for that parcel. The Developer acknowledges that the Village has provided written notice that up to 30 acres in Area III shall be sold to American Transmission Company and approximately 5 acres shall be sold to the Racine Water Utility to facilitate the Project, and Developer shall not have Developer Acquisition Rights to those parcels. If, during the period that the Developer Acquisition Rights exist, Developer and the Commission mutually determine that Developer does not need a particular parcel within Area II or Area III, Developer and the Commission shall execute a release of the Developer Acquisition Rights from that particular parcel and the Developer Acquisition Rights shall terminate as to that parcel. Developer shall cause construction of a building and related improvements on any parcel acquired by exercise of Developer Acquisition Rights to commence within 24 months from acquisition by Developer or any assignee of Developer. Notwithstanding anything herein to the contrary, any unexercised Developer's Acquisition Rights under this Section shall terminate if Developer fails to create the Minimum Assessed Value consistent with Section V, paragraph 6 below and fails to cure such default as provided therein. After the date the Developer Acquisition Rights are terminated as to any parcel, the Commission shall be free to sell that parcel to any other third party, at market value, and all net sales proceeds on the sale of the Area II or III properties shall be paid first to the Area II/III Special Assessment and then retained by the Municipalities. To the extent that the Developer Advance and the Area II/III Special Assessment have not been fully repaid when Developer Acquisition Rights expire, the Municipalities have discretion upon any sale of Area II or Area III property to a third party to apply sales proceeds to the Developer Advance and/or the Area II/Area III Special Assessment or to retain the sales proceeds, but this will not extinguish any obligation to repay the remainder of the Developer Advance or Area II/III Special Assessment which remains outstanding at that time. Developer may record a Memorandum of these Developer Acquisition Rights, in the Racine County Register of Deed's Office, to provide public notice of these rights, which are similar to an option.

16. **General Provisions.**

a. **Accounting.** The Municipalities shall furnish and shall cause the Commission to furnish to Developer a full accounting of all costs incurred in connection with the acquisition of the Project Areas, the costs of the TID Public Improvements, the Village Development Work, the cost of the Village Services and Facilities, costs relating to the use of the Developer Advance, as defined below, distributions from the Commission and all other costs and expenses related hereto which impact either the Flow of Funds Chart Priority or the values or sale prices of the parcels subject to the Developer Acquisition Rights, and Developer shall have the right to require adjustment of those calculations for any amounts which were disbursed other than as required herein.

b. **Cooperation.** The Village agrees to consult with Developer and keep Developer fully informed as to the status of all negotiations with current owners of the parcels in the Project Areas, the current status of the completion of acquisition of those parcels and work

with the Developer on the actual timing of the closings, the final design and construction planning and status of completion and anticipated completion of all TID Public Improvements and Village Development Work as anticipated on **Exhibits L, M and N**, discussions on changes to any of the TID Public Improvements, and any proposed changes in the cost of any item, the repayment of which has a higher Priority on the Flow of Funds Chart. Village shall provide to Developer copies of all Options, purchase agreements, and due diligence documents on the property subject to Developer Acquisition Rights under this Agreement.

c. **No Priority Jumping.** Notwithstanding the fact that the payments on the Flow of Funds Chart are expressed as categories, that chart is intended by the parties to reflect the Priorities related to the expenditures stated therein and included in expenditure budgets established at this time. The Municipalities shall not have the power to increase the indebtedness in any of the categories that have Priority over the Developer Incentives, so as to materially reduce, delay, or make less certain the recovery of, the Developer Incentives, without Developer's prior written consent which consent shall not be unreasonably withheld or delayed. Developer consents to any refinancing of any indebtedness described herein so long as the refinancing does not materially reduce, delay, or make less certain the recovery of, the Developer Incentives.

d. **Authority.** The agreements contained in the exhibits have been properly authorized and executed.

e. **No Increment Transfer.** The Village shall not have the right to commit any Area I Available Tax Increment from the parcels Developer has purchased, or from parcels still subject to the Developer Acquisition Rights, to parties other than Developer, without Developer's written consent, until the earlier of the time the Developer's Incentives have been paid in full, or Developer's Acquisition Rights have all expired.

17. **Support to Federal DOT.** The Municipalities have issued letters of support to the Federal DOT which are referenced on the attached **Exhibit Q**; they shall continue to support this request.

18. **Land Acquisition Documents.** The Municipalities shall provide to the Developer, promptly after the Effective Date, all of the documents the Municipalities or their agents have received or secured, regarding the existing options, offers or other rights to acquire land in the Project Areas, and the due diligence documents they have received regarding that land.

SECTION V – DEVELOPER RIGHTS AND OBLIGATIONS

1. **Acquire Area I Property Subject to Area I Special Assessment.** Developer shall acquire all available property in Area I from the Village. If the Village obtains occupancy of any Area I parcel simultaneously with acquisition of such parcel, Developer shall close on the parcel within thirty days following acquisition by the Village. If any seller or tenant remains in occupancy of an Area I parcel when the Village acquires the parcel, Developer shall close on the parcel within ten days following the date when the Village obtains occupancy of the parcel. All such Area I property shall be delivered to Developer in Closing Condition as defined in **Exhibit**

R, at no additional cost to Developer, in consideration of the Area I Special Assessment being paid by Developer herein.

2. **Acquire Property in Area II and Area III With Developer Advance.** Developer shall have the right to acquire the property in Area II and Area III which has been acquired by the Village, or any portion of it, at no additional cost to Developer until the aggregate Acquisition Costs of the properties acquired by the Developer in Area II and Area III equals the Developer Advance. In consideration of the agreements and obligations made herein by Developer, including the payment of the Developer Advance, these properties shall be conveyed to Developer in Closing Condition as defined in **Exhibit R**, at no additional cost to Developer, until the amount of the Acquisition Costs for the Area II and Area III properties conveyed to the Developer aggregates to the \$60 million Developer Advance.

3. **Acquire Property in Area II and Area III Subject to Special Assessment.** After the Developer has acquired properties in Area II and/or Area III with aggregate Acquisition Costs equal to the entire Developer Advance and if Developer has not otherwise acquired at least 100 acres of Area II and Area III property or reached agreement with the Municipalities for an alternative means of providing or securing the Area II/III Financing, Developer shall, within 30 days' written notice from the Municipalities, acquire at least a total of 100 acres of property in Area II or III against which the Area II/III Special Assessment may be levied or provide another source of funds for Area II and Area III property Acquisition Costs mutually acceptable to the Municipalities and the Developer. Developer shall have the right to acquire any remaining available property in Area II and Area III, all at no additional cost to Developer. In consideration of the Area II/III Special Assessment being paid by Developer herein, these properties shall be conveyed to Developer in Closing Condition.

4. **Developer Advance.** In consideration of the granting of the Developer Acquisition Rights on the Area II and Area III property, not later than December 15, 2017, Developer shall deposit \$60 million (the "Developer Advance") in an account owned by the Developer (the "Developer Advance Account"), but subject to the terms of this Agreement. The Developer Advance Account shall be deposited with an escrow agent or financial institution acceptable to both the Municipalities and the Developer and shall be pledged to the Municipalities pursuant to a pledge and escrow/control agreement in favor of the Municipalities and in form mutually acceptable to the Municipalities and the Developer. The Municipalities shall have the sole and exclusive right to withdraw funds from Developer Advance Account to fund Acquisition Costs to acquire property in Area II and Area III on which the Developer has Developer Acquisition Rights. The Municipalities shall apply the Developer Advance, first, to acquire Option Parcels in Area II and Area III, second, to acquire To Be Acquired Parcels in Area II and Area III, and, third, to acquire Desired Properties in Area II and III. The parties acknowledge that the Acquisition Costs of Area II and Area III properties will exceed \$60 million and that the entire Developer Advance will be expended. The Developer Advance shall also serve as security to the Municipalities for purposes of default by the Developer of its obligations under Section V, paragraphs 6, 7 and 8 herein, and Developer shall accordingly grant first mortgage liens to the Municipalities (the "Developer Advance Mortgages") on all property acquired by the Village with the Developer Advance and subsequently conveyed to Developer (or Developer's nominee). The Developer Advance Mortgages shall be released as provided herein. To the extent of a default by Developer of Section V, paragraph 6, 7 or 8 herein and the

failure of cure by the Developer or pursuant to the Developer Affiliate Guaranty, the Municipalities may apply the Developer Advance (and/or proceeds derived from the foreclosure of the Developer Advance Mortgages) to (i) the payment of the Area I Special Assessment and Area II/III Special Assessment; and (ii) the payment of any Makeup Payments. This requirement of the Developer Advance and the Developer Advance Mortgages to serve as security to the Municipalities for purposes of default by the Developer of its obligations under Section V, paragraphs 6, 7 and 8 herein shall terminate at such time as there is sufficient Area I Available Tax Increment to service the principal amount of \$195,000,000 of the 2018 Bonds (as defined in the Developer Affiliate Guaranty) and the pledge of the Developer Advance (and any Developer Advance Mortgages) shall be released at such time. At Developer's and Guarantor's option, upon at least 30 days' advance written notice to the Municipalities, Developer and Guarantor may elect to increase the amount of the Developer Affiliate Guaranty, in which case the amount of the Developer Advance pledged and/or the amount secured by the Developer Affiliate Mortgages shall be reduced commensurate with the increase in the Developer Affiliate Guaranty.

5. **Construction of Facility.** Developer shall establish and operate Developer's Generation 10.5 TFT-LCD Fabrication Facility (the "Facility") in Area I. Within Area I, Developer shall invest approximately \$10 billion to construct and equip the Facility, including approximately \$5.570 billion in direct construction expenditures ("CapEx Expenditures"), and Developer shall complete construction of the Facility within an approximately 7 year period, commencing no later than January 1, 2019. The Developer shall furnish to the Municipalities' Agent the same reports required under the WEDC Contract.

a. CapEx Expenditure includes only an investment in (i) machinery and equipment to be installed and used in Area I (including "finance leases" and "operating leases" (to the extent and in the amount that such operating leases give rise to a "right-of-use asset" on the balance sheet of a Recipient upon lease commencement, but not including "short term" operating leases of such machinery and equipment, and not including consigned machinery and equipment), and (ii) in land and buildings located in Area I that are needed to achieve the specific purpose of completing the Project. Notwithstanding any other provision of this Agreement, investments in residential or commercial, non-industrial property or construction of such property will not be considered to be eligible CapEx Expenditures for purposes of satisfying the test in this paragraph. The terms "finance lease", "operating lease", "right-of-use asset" have the meanings assigned to them under GAAP ASC 842.

b. The Developer shall give to the Municipalities' Agent any report to or conclusion of WEDC regarding WEDC's review of any construction contracts and subcontracts between Developer and affiliates, and leases to confirm that they reflect fair market value in determining Developer's performance under this section.

6. **Minimum Assessed Value.** As of January 1, 2023, the Developer agrees to cause the minimum "Value Increment" (as defined in Section 66.1105(2)(m) of the TIF Law) for Area I to be not less than \$1.4 billion (the "Minimum Guaranteed Value"), and to maintain that Minimum Guaranteed Value until December 31, 2047 (the "Value Guaranty Period"). Developer shall, in any tax year during the Value Guaranty Period that the Value Increment for Area I is less than the Minimum Guaranteed Value, and following thirty (30) days written notice by the Village to Developer, pay to the Village for deposit into the Area I TID Account, on or

before the tax bills for that tax year must be paid, real and personal property taxes assessed for that year, plus the Makeup Payment defined below. The “Makeup Payment” shall be calculated to be the difference between:

- a. The real property and personal property taxes that would have been payable had the property in Area I had a Value Increment equal to the Minimum Guaranteed Value, using the tax rates for the year for which such calculation is to be performed; and
- b. The real and personal property taxes assessed to the actual Value Increment of the property in Area I payable for such tax year.

7. Area I Special Assessment.

a. **Levy.** In consideration of the Village conveying to Developer the Area I property acquired by Village, Developer agrees to the levying of a special assessment by the Village, encumbering the Area I property acquired by Developer, in the amount of the Area I Purchase Price plus interest on the debt funding of such Area I Purchase Price, and inclusive of all of the costs of issuance and related, legal and professional fees (“Area I Special Assessment”), and further Developer agrees to pay such Area I Special Assessment to the Village, in 20 equal payments, with the first such payment included in the 2019 real estate tax bill for the Area I property, coming due in 2020, and with each such subsequent payment included in the real estate tax bills for the Area I property, for each year thereafter, with a final assessment included in the 2039 tax bill, payable in 2040, but subject to the provisions of Section IV, paragraph 12(b) above, for reimbursement of this amount from Developer Available Tax Increment.

b. **Waiver.** In consideration of the benefit derived from the Village’s acquisition of the Area I property, Developer hereby consents to the imposition of such Area I Special Assessment so levied, and hereby waives pursuant to Section 66.0703(7)(b), Wis. Stats., and any other applicable provision, any and all requirements of the Wisconsin Statutes which must be met prior to the imposition of this Area I Special Assessment including, but not limited to, the notice and hearing requirements of Section 66.0703 and the notice requirements of Section 66.0715(3).

c. **Application of Special Assessment.** The parties agree that the Area I Special Assessment is levied to secure the debt of the Municipalities, for the Area I Purchase Price, and that the annual payments received by the Village from the Area I Special Assessment shall be applied to such debt for the Area I Purchase Price, as shown in the Flow of Funds Chart, but agree that the Village on its behalf shall annually defer in whole or in part the installments of the Area I Special Assessment levied herein to the extent the Developer Available Tax Increment received by the Village is sufficient to pay this amount consistent with the Flow of Funds Chart.

d. **Reimbursement from Developer Available Tax Increment.** As provided in Section IV, paragraph 12(b) above, the amount of any Area I Special Assessment payments made by Developer under this Section 7, shall be repaid to Developer, to the extent of Developer Available Tax Increment, in the manner shown on the Flow of Funds Chart, until any

paid Area I Special Assessment amount shall have been reimbursed to Developer or the TID expires (whichever occurs first).

8. Area II/III Special Assessment.

a. **Levy.** In consideration of the Village conveying to Developer the Area II and Area III property acquired by Village, with Acquisition Costs in excess of the Developer Advance (the “Assessed Area II and III Property”), Developer agrees to the levying of a special assessment by the Village, encumbering the Assessed Area II and III Property acquired by Developer, in the amount of the Acquisition Costs of the Assessed Area II and III Property plus interest on such Acquisition Costs, and principal and interest on the Area II/III Financing, if any, and inclusive of all of the costs of issuance and related, legal and professional fees (“Area II/III Special Assessment”), and further Developer agrees to pay such Area II/III Special Assessment to the Village, in equal payments, with the first such payment included in the real estate tax bill for the Assessed Area II and III Property, coming due the year after the Village has acquired any Assessed Area II and III Property, and with each such subsequent payment included in the real estate tax bills for the Assessed Area II and III property acquired, for each year thereafter, with a final assessment coming due in the year of the last payment due under the Area I Special Assessment, but subject to the reimbursement of amounts actually paid by Developer, or by a purchaser from Developer, from Area II/III Available Tax Increment received by the Village from Area II and Area III properties owned by Developer under Section V, paragraph 8(d) below.

b. **Waiver.** In consideration of the benefit derived from the Commission’s acquisition of the Area II and Area III property, Developer hereby consents to the imposition of such Area II/III Special Assessment so levied as provided above, and hereby waives pursuant to Section 66.0703(7)(b), Wis. Stats., and any other applicable provision, any and all requirements of the Wisconsin Statutes which must be met prior to the imposition of this Area II/III Special Assessment including, but not limited to, the notice and hearing requirements of Section 66.0703 and the notice requirements of Section 66.0715(3).

c. **Application of Special Assessment.** The parties agree that the Area II/III Special Assessment is levied to secure the Area II/III Financing, and that the annual payments received by the Village from the Area II/III Special Assessment shall be applied to such Area II/III Financing, as shown in the Flow of Funds Chart, but agree that the Village on its behalf shall annually defer in whole or in part the installments of the Area II/III Special Assessment levied herein to the extent the Area II/III Available Tax Increment received by the Village from Area II and Area III properties owned by Developer is sufficient to pay this amount consistent with the Flow of Funds Chart.

d. **Reimbursement from Area II/III Available Tax Increment from Area II and Area III Properties Owned by Developer.** The amount of any Area II/III Special Assessment payments made by Developer under this Section 8, is intended to be repaid to Developer, to the extent Area II/III Available Tax Increment is received by the Village from Area II and Area III properties acquired by Developer, in the manner shown on the Flow of Funds Chart, until any Area II/III Special Assessment amount paid by Developer shall have been reimbursed to Developer or the TID expires (whichever occurs first).

9. **Job Creation and Maintenance.** Developer agrees to create and maintain approximately 13,000 new full-time jobs, the majority of which will be in the County, with a minimum average salary of \$53,875 plus benefits, in accordance with the terms of the WEDC Contract. Developer shall provide to the Municipalities' Agent, copies of the same reports required to be provided to WEDC under the WEDC Contract.

10. **Good Faith Hiring and Contracting Efforts.** The parties recognize that a primary motivation for the Municipalities to enter into this Agreement is to maximize opportunities for local residents and businesses to participate in, and benefit from, the transformational and sustainable high-tech manufacturing and technology ecosystem being created. Developer agrees to exercise good faith in striving to hire, retain and contract, whenever reasonably possible, with qualified individuals and businesses residing and/or based in the County as well as veterans and minority-owned businesses. Developer agrees to undertake reasonable efforts to make opportunities known and available to local residents and businesses, such as advertising in publications and internet resources frequented by such residents and businesses.

11. **Developer Affiliate Guaranty.** Simultaneously with executing and delivering this Agreement, Developer shall cause SIO International Holdings Limited, an exempted company with limited liability duly incorporated and validly existing under the laws of the Cayman Islands (the "Guarantor"), to execute and deliver the guaranty attached hereto as **Exhibit S** (the "Developer Affiliate Guaranty").

SECTION VI – REPRESENTATIONS AND WARRANTIES

Developer represents and warrants to the Municipalities and the Municipalities represent and warrant to Developer respectively as follows, as of the Effective Date:

1. **Good Standing.** Each of the entities named as part of Developer is an entity duly formed and validly existing under the laws of its state or country of creation and has the power and all necessary licenses, permits and franchises to own its assets and properties in the Project Areas and to carry on its business in the Project Areas. Each of the entities in Developer is duly licensed or qualified to do business in the State of Wisconsin.

2. **Due Authorization.** The execution, delivery and performance of this Agreement and all other agreements requested to be executed and delivered by any or all of the Developer hereunder have been duly authorized by all necessary entity action and constitute valid and binding obligations of the Developer, in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium, general principles of equity, and other similar laws of general application affecting the enforceability of creditors' rights generally. The Village represents and warrants to Developer that it has the power, authority and legal right to enter into all of the transactions and to perform all of the covenants and obligations required to be entered into or performed by the Village under this Agreement. The County represents and warrants to Developer that it has the power, authority and legal right to enter into all of the transactions and to perform all of the covenants and obligations required to be entered into or performed by the County under this Agreement.

3. **No Conflict.** The execution, delivery, and performance of Developer's obligations pursuant to this Agreement will not violate or conflict with Developer's organizational documents or any indenture, instrument or material agreement by which Developer is bound. The execution, delivery, and performance of Village's obligations pursuant to this Agreement will not violate or conflict with the Village's incorporation documents or any indenture, instrument or material agreement, law or regulation by which Village is bound. The execution, delivery, and performance of County's obligations pursuant to this Agreement will not violate or conflict with the County's incorporation documents or any indenture, instrument or material agreement, law or regulation by which County is bound.

4. **No Litigation.** There is no litigation or proceeding pending, though the parties acknowledge litigation has been threatened, against the Village relative to its activities in acquiring and relocating existing properties or tenants in the Project Areas. The Village shall bear responsibility for continuing the resolution of any disputes attendant with the acquisition of properties or relocation of tenants.

5. **No Default.** No default, or event which with the giving of notice or lapse of time or both would be a default, exists under this Agreement or the WEDC Contract.

6. **Certification of Costs.** The Village represents that the anticipated Acquisition Costs of the Project Areas, the TID Public Improvements, the Village Development Work, and the Village Services and Facilities, shown in the Flow of Funds chart, and in **Exhibits K and N**, are materially accurate, based on the best information known to the Village at this time, and that those amounts do not include any costs which are being borne by any other government agency or utility. The Village knows of no circumstances presently existing or reasonably likely to occur which would or could result in a material adverse variation or deviation from the costs shown for these items. The Village will provide a letter to the Developer advising to the reasonably expected Acquisition Costs of each of the parcels in Area I, Area II and Area III, and the reasonably expected amounts of all payments in the Flow of Funds Chart with a higher Priority than the Developer Available Tax Increment for Area I, and, for the Area II/ III Available Tax Increment, all payments with higher priority than the payments to Developer provided herein.

SECTION VII – COVENANTS

The following shall be considered continuing covenants hereunder.

1. **Compliance with Laws and Codes.** Developer covenants that the Facility, when completed, will conform and comply in all material respects with all applicable laws and building codes and ordinances of the Village and the State. The Village covenants that those portions of the Village Development Work and the TID Public Improvements constructed by the Village, or its employees and agents, when completed, will conform and comply in all material respects with all applicable laws and building codes and ordinances of the Village and the State. Except to the extent it is the obligation of the Village hereunder, Developer will comply with, and will cause the Facility to be in compliance, in all material respects, with all applicable federal, state, local and other laws, rules, regulations and ordinances, including without limitation, all environmental laws, rules, regulations and ordinances.

2. **No Assignment.** During the term of the TID as anticipated in the TIF Plan, Developer will not transfer, assign, or convey the rights or obligations of Developer under this Agreement, without the prior written consent of the Municipalities, but this term shall not prevent the transfer of any rights among the parties who are defined as the Developer, and will not prevent the collateral assignment of Developer's rights under this Agreement and the granting of mortgages, security interests and other rights to Developer's Lender as collateral, or such other transfers, assignments, conveyances and encumbrances the Developer reasonably deems necessary in connection with the development of the Project, including specifically for tax planning, or resales or leases of parcels in the Project Areas which Developer has acquired from Village consistent with the terms of this Agreement, provided that Developer shall remain liable to the Municipalities for Developer's obligations under this Agreement notwithstanding any transfer by Developer, of any individual parcel in the Project Areas, by sale, lease or other means, and Developer shall secure from such transferee any assurances Developer needs to secure Developer's obligations to Village, which shall not be released thereby, notwithstanding any language contained herein that this Agreement runs with the land or applies to successors and assigns. Municipalities' confirm that any Area I Special Assessment or Area II/III Special Assessment against any parcel acquired by Developer under this Agreement shall not be accelerated or come due, any earlier than its scheduled payment date, as a result of such sale or lease, subdivision or other similar action, as long as Developer remains liable for such obligation, but such lien shall also not be released by such lease, transfer or subdivision.

3. **Tax Exempt Owners or Users.** Developer shall not transfer the ownership or use of any portion of the Project Areas, to any entity which would render that parcel exempt from property taxation, without the prior written consent of the Municipalities. The Municipalities shall consent to any transfer to a government entity or utility necessary to complete the TID Public Improvements or otherwise to facilitate the Project.

4. **Compliance with Plans.** Village agrees to cause the TID Public Improvements to be constructed in accordance with the Master Roadway Plan, the Master Utility Plan and the TID Public Improvement Completion Plan and will promptly correct any defects in construction or deviations from the Master Roadway Plan or the Master Utility Plan.

5. **No Material Changes.** No portion of this Agreement, nor any document attached as an exhibit, may be amended, except in a written amendment executed by all parties.

6. **Notification.** The parties all shall notify each of the other parties, and provide copies, promptly, upon receipt, of any notice, pleading, citation, indictment, complaint, order or decree from any federal, state or local government agency or regulatory body, or from any court, asserting or alleging a circumstance or condition on the Project Areas that requires or may require a financial contribution or an investigation, clean-up, removal, remedial action or other response by or on the part of a party under any environmental laws, rules, regulations or ordinances or which seeks damages or civil, criminal or punitive penalties from or against a party for an alleged violation of any environmental laws, rules, regulations or ordinances on the Project Area, or attempts to enjoin or affect the completion of the responsibilities of the parties hereunder.

7. **Insurance.** Developer shall maintain and shall require that any purchasers or transferees from Developer, of any fee interest in any portion of the Project Areas maintain, the following insurance policies issued by insurers with a rating of at least “A-” and in the financial size category of at least “VII” as established by A.M. Best Company and licensed to do business in the State of Wisconsin, with such policies (the “Insurance Policies”) covering loss by perils, hazards, liabilities and other risks and casualties and in such amounts as may be reasonably required by the Municipalities:

a. Following completion of construction of any improvements on a parcel which has been acquired by Developer (“Developer Parcels”), “all risks” property insurance (including without limitation, insurance against fire, flood, water damage, collapse, terrorism, windstorm, hail, boiler and machinery, if applicable, sewer back-up, business interruption, and such other risks of loss as the Municipalities reasonably may require to the extent coverages are available at commercially reasonable rates), against loss of or damage to the Developer Parcels, in amounts equal to the greater of (i) 100% replacement cost of all buildings, improvements, fixtures, equipment and other real and personal property on the Developer Parcels or (ii) the total amount outstanding from time to time of the debt financing or other loan with a higher Priority, as applicable, with an extended replacement cost endorsement;

b. During the construction of the Facility, builder’s risk insurance in form and amounts reasonably satisfactory to the Municipalities;

c. Commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in an amount not less than \$100 million combined single limit for bodily injury, including personal injury, and property damage;

d. Worker’s compensation insurance in amounts meeting all statutory state and local requirements; and

e. Such other insurance as may be reasonably requested by the Municipalities to insure the collateral obligations of the Developer herein in that Facility. Each Insurance Policy shall require the insurer to endeavor to provide at least thirty (30) days prior written notice to the Municipalities of any cancellation of such policy. The Village, the County and the Commission shall be named as additional insureds/loss payees on all policies of insurance except worker’s compensation insurance, for their respective properties.

In the event of a material casualty, the Developer shall, as soon as reasonably possible but in no event later than 48 months following the casualty, rebuild the Facility consistent with the requirements of Section V, paragraphs 5 and 6 above, subject to the force majeure provisions herein. Developer shall not be in default hereunder if it makes its Makeup Payment set forth above.

8. **Compliance with Planning and Zoning.** Nothing contained herein shall relieve Developer or Village from obtaining all approvals, permits and licenses as may be required by any governmental or non-governmental entity in connection with the Project Areas. Village shall cooperate to process any applications of the Developer for approvals, permits and licenses.

SECTION VIII – DEFAULT

1. **Developer Default.**

a. **Default.** The occurrence of any one of the following events shall constitute a default by Developer hereunder (a "Developer Default"): (i) any representation or warranty of Developer herein or in any agreement or certificate delivered pursuant hereto shall prove to have been false in any material respect when made; (ii) Developer fails to pay any amount when due under this Agreement and further fails to pay such amount on or before five days following written notice of such failure; (iii) Developer breaches or fails to perform timely or observe timely any of its covenants or obligations under this Agreement (other than relating to the payment of money) which is not cured within thirty (30) days after written notice thereof to Developer (provided, however, if the default cannot reasonably be cured within such 30 day period, Developer shall not be deemed in default if Developer commences to cure the default within such 30 day period and thereafter diligently pursues the completion of such cure and completes the same within a reasonable period thereafter but not later than 120 days following the notice or a longer time reasonably agreed to by the Municipalities); or (iv) any Developer [a] makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets; [b] becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or files a petition in bankruptcy, for reorganization or to effect a plan or other arrangement with creditors; [c] has a petition or application filed against it in bankruptcy or any similar proceeding, or has such a proceeding commenced against it and such petition, application or proceeding shall remain undismissed for a period of ninety (90) days or Developer shall file an answer to such a petition or application, admitting the material allegations thereof; [d] applies to a court for the appointment of a receiver or custodian for any of its assets or properties, with or without consent, and such receiver shall not be discharged within ninety days after his/her appointment; [e] adopts a plan of complete liquidation of its assets; or [f] shall cease to exist.

b. **Remedies.** In the event of a Developer Default, the Municipalities shall have all rights and remedies available under law or equity with respect to said default.

c. **Rights of Setoff and to Suspend Developer Incentive Payments.** Notwithstanding anything herein to the contrary, in the event that Developer fails to pay any Makeup Payment, any Area I Special Assessment or any Area II/III Special Assessment within 30 days following written notice described in this subparagraph, in addition to their remedies hereunder, the Municipalities may setoff the amount of any payment due against the Developer Advance (if available) and/or suspend payments to Developer of Developer Available Tax Increment and Area II/III Available Tax Increment. Upon the complete cure of any such Developer Default by Developer and provided that no debt funded or secured by Developer's obligations was accelerated, then, if and to the extent the Municipalities suspended any payments of Developer Available Tax Increment and/or Area II/III Available Tax Increment, the Municipalities shall promptly distribute to Developer any payments so suspended and promptly resume payments of amounts due with respect to the payments of Developer Available Tax Increment or Area II/III Available Tax Increment due under this Agreement. If any debt funded or secured by Developer's obligations was accelerated due to a Developer Default, payments of Developer Available Tax Increment and Area II/III Available Tax Increment and/or Grant to

Developer shall remain suspended until the accelerated debt is fully repaid, or the acceleration is reversed or resolved. Notwithstanding anything else in this Agreement to the contrary, the Municipalities shall not have the right to setoff against the Developer Advance or suspend any payment and/or allocation of Developer Available Tax Increment or Area II/III Available Tax Increment to Developer, as long as Developer is making the scheduled payments under the Area I Special Assessment, the Area II/III Special Assessment, the Makeup Payments and all other payments due under this Agreement. Any suspension of any payment and/or allocation of Developer Available Tax Increment or Area II/III Available Tax Increment to Developer or setoff against the Developer Advance shall only be made by the Municipalities following an additional thirty (30) days written notice to Developer of intent to exercise this right.

d. **Reimbursement.** Any amounts expended by the Municipalities in enforcing this Agreement and the obligations of Developer hereunder, including reasonable attorney's fees, and any amounts expended by the Municipalities in curing a Developer Default, together with interest at the legal rate, shall be paid by Developer to the Village upon demand and shall constitute a lien against the Facility and all other property owned by Developer in the TID Area until such amounts are reimbursed or paid to the Municipalities, with such lien to be in the nature of a mortgage and enforceable pursuant to the procedures for foreclosure of a mortgage.

e. **Remedies are Cumulative.** All remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.

f. **Failure to Enforce Not a Waiver.** Failure of the Municipalities to enforce any provision contained herein shall not be deemed a waiver of the Municipalities' rights to enforce such provision or any other provision in the event of a subsequent default.

g. **Notice to Developer's Lender.** The Municipalities agree to send simultaneously to Developer's Lender copies of all notices of default sent to any of the Developer and to afford Developer's Lender reasonable rights to cure such defaults.

2. **Village's Default.**

a. **Default.** The occurrence of any one of the following events shall constitute a default by Village hereunder (a "Village Default"): (i) any representation or warranty of the Village herein or in any agreement or certificate delivered pursuant hereto shall prove to have been false in any material respect when made; (ii) the Village fails to pay any amount when due under this Agreement and further fails to pay such amount on or before five days following written notice of such failure; (iii) the Village breaches or fails to perform timely or observe timely any of its covenants or obligations under this Agreement which is not cured within thirty (30) days after written notice thereof to the Village (provided, however, if the default cannot reasonably be cured within such 30 day period, the Village shall not be deemed in default if it or the County commences to cure the default within such 30 day period and thereafter diligently pursues the completion of such cure and completes the same within a reasonable period thereafter but not later than 120 days following the notice or a longer time reasonably agreed to by the Developer.

b. **Remedies.** In the event of a Village Default hereunder, Developer and the County shall have all rights and remedies available under law or equity with respect to said default. Notwithstanding anything herein to the contrary, Developer's sole and exclusive remedy for any inadequate performance by the Village of any of its obligations under Section IV, paragraph 8 shall be to extend, day for day, the deadlines for Developer's performance of its obligations under Section V, paragraphs 5, 6 and 9.

c. **Reimbursement.** Any amounts expended by Developer or the County in enforcing the obligations of the Village under this Agreement, including reasonable attorney's fees, and any amounts expended by Developer or the County in curing a default on behalf of the Village, together with interest at the legal rate shall be reimbursed or paid to Developer or the County.

d. **Remedies are Cumulative.** All remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.

e. **Failure to Enforce Not a Waiver.** Failure of Developer or the County to enforce any provision contained herein shall not be deemed a waiver of Developer's or the County's rights to enforce such provision or any other provision in the event of a subsequent default.

3. **County's Default.**

a. **Default.** The occurrence of any one of the following events shall constitute a default by the County hereunder (a "County Default"): (i) any representation or warranty of the County herein or in any agreement or certificate delivered pursuant hereto shall prove to have been false in any material respect when made; (ii) the County fails to pay any amount when due under this Agreement and further fails to pay such amount on or before five days following written notice of such failure; (iii) the County breaches or fails to perform timely or observe timely any of its covenants or obligations under this Agreement which is not cured within thirty (30) days after written notice thereof to the County (provided, however, if the default cannot reasonably be cured within such 30 day period, the County shall not be deemed in default if it or the County commences to cure the default within such 30 day period and thereafter diligently pursues the completion of such cure and completes the same within a reasonable period thereafter but not later than 120 days following the notice or a longer time reasonably agreed to by the Developer.

b. **Remedies.** In the event of the County Default, Developer and the Village shall have all rights and remedies available under law or equity with respect to said default. Notwithstanding anything herein to the contrary, Developer's sole and exclusive remedy for any inadequate performance by the County of any of its obligations under Section IV, paragraph 8 shall be to extend, day for day, the deadlines for Developer's performance of its obligations under Section V, paragraphs 5, 6 and 9.

c. **Reimbursement.** Any amounts expended by Developer or the Village in enforcing the obligations of the Village under this Agreement, including reasonable attorney's

fees, and any amounts expended by Developer or the Village in curing a default on behalf of the County, together with interest at the legal rate shall be reimbursed or paid to Developer or the Village.

d. **Remedies are Cumulative.** All remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.

e. **Failure to Enforce Not a Waiver.** Failure of Developer or the Village to enforce any provision contained herein shall not be deemed a waiver of Developer's or the Village's rights to enforce such provision or any other provision in the event of a subsequent default.

SECTION IX - MISCELLANEOUS PROVISIONS

1. **Assignability.** Except as provided in Section VII paragraph 2, none of the Developer, neither the Village nor the County may assign their rights or obligations under this Agreement without the prior written consent of the others; provided, however, that Developer may collaterally assign rights under this Agreement to Developer's Lender.

2. **No Personal Liability.** Under no circumstances shall any officer, official, commissioner, director, member, partner, owner or employee of the Village, County or any of the Developer's Lender, or their respective members, shareholders, directors or owners, have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability. The limitation on personal liability included in this Section shall extend to Developer's permitted assignment of this Agreement to a third party.

3. **Force Majeure.** No party shall be responsible to any other party for any resulting losses and it shall not be a default hereunder, and times for performance of obligations hereunder shall be extended, if the fulfillment of any of the terms of this Agreement is delayed or prevented by revolutions or other civil disorders, wars, acts of enemies, strikes, lockouts, fires or other casualty, floods, acts of God, material adverse weather conditions, legally required environmental remedial actions, shortage or delay in shipment of materials, fuel, or labor, inability to secure any permits or approvals within usual timeframes from Developer's submission of completed applications and required information, including without limitation any mutually agreed upon litigation strategy, court order or final judgment resulting from any litigation affecting the validity of the TIF Plan, the Project or this Agreement, acquisition of any Project Areas or the carrying out of work under the TIF Plan or by any other cause not within the control of the party whose performance was interfered with, and with the exercise of reasonable diligence, such party is unable to prevent, whether of the class of causes hereinabove enumerated or not, and the time for performance shall be extended by the period of delay occasioned by any such cause ("Force Majeure"). Developer shall apply for and pursue any permits or approvals necessary for Developer's construction and operation of the Facility with all commercially reasonable diligence.

4. **Parties and Survival of Agreement.** Except as otherwise expressly provided herein, this Agreement is made solely for the benefit of the parties hereto and no other person,

partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof. All representations and agreements in this Agreement shall remain operative and in full force and effect until fulfilled and shall survive the closing.

5. **Time.** Time is of the essence with regard to all specific dates and time periods set forth herein.

6. **Notices.** All notices, demands, certificates or other communications under this Agreement shall be given in writing and shall be considered given upon receipt if hand delivered to the party or person intended, or one business day after deposit with a nationally recognized over-night commercial courier service, airbill pre-paid, or forty-eight (48) hours after deposit in the United States mail postage prepaid, by certified mail, return receipt requested, addressed by name and address to the party or person intended as follows:

To the Village: Maureen Murphy, Village Administrator
8811 Campus Drive
Mt. Pleasant, WI 53406

With a copy to: Village Clerk
8811 Campus Drive
Mt. Pleasant, WI 53406

To the County: Jonathan Delagrave, County Executive
830 Wisconsin Avenue, 10th Floor
Racine, WI 53403

With a copy to: Michael J. Lanzdorf, Corporation Counsel
730 Wisconsin Avenue
Racine, WI 53403

To Developer: SIO International Wisconsin, Inc.
c/o Scott C. Beightol
Michael, Best & Friedrich, LLP
100 E. Wisconsin Ave. Suite 3300
Milwaukee, WI 53202

FEWI Development Corporation
c/o Scott C. Beightol
Michael, Best & Friedrich, LLP
100 E. Wisconsin Ave. Suite 3300
Milwaukee, WI 53202

AFE, Inc.
c/o Scott C. Beightol
Michael, Best & Friedrich, LLP
100 E. Wisconsin Ave. Suite 3300
Milwaukee, WI 53202

With a copy to: Scott C. Beightol
Michael, Best & Friedrich, LLP
100 E. Wisconsin Ave. Suite 3300
Milwaukee, WI 53202

Nancy Leary Haggerty
Michael, Best & Friedrich, LLP
100 E. Wisconsin Ave. Suite 3300
Milwaukee, WI 53202

Michael S. Green
Michael, Best & Friedrich, LLP
1 S. Pinckney Suite 700
Madison, WI 53703

Notices required hereunder to be made to the Developer Notice Officer shall be made to:

Scott C. Beightol
Michael, Best & Friedrich, LLP
100 E. Wisconsin Ave. Suite 3300
Milwaukee, WI 53202

To Municipalities' Agent:

Jenny Trick, Executive Director
Racine County Economic Development Corporation
2320 Renaissance Boulevard
Sturtevant, WI 53177

Any party may change its address for notices hereunder by providing notice to the other in accordance with the requirements of this paragraph. Any notices to Developer shall also be sent simultaneously to Developer's Lender at such address provided by Developer to the Municipalities from time to time. The "Municipalities' Agent" shall be the party named above, who shall be able to confirm to the Municipalities the conclusion after reviewing such documents, whether or not the documents evidence to his/her satisfaction, the compliance with the relevant section of this Agreement.

7. **Cooperation and Coordination.** The Municipalities acknowledge that the development of the Project is a complex undertaking involving simultaneous acquisition of property, demolition of existing improvements, construction of new improvements and relocation of tenants. The Village covenants with Developer that in carrying out the TID Public Improvements, the Village Development Work, and the other obligations herein, the Village shall at all times coordinate its work schedules and work performance with Developer so as not to interfere with, interrupt, delay or increase the costs of the development of the Project. The Municipalities agree to timely meet, to conduct meetings subject to public notice and hearing requirements as reasonably necessary and as frequently as necessary to facilitate the Project as

contemplated by this Agreement and to act on all plans and specifications incorporated herein. The Village shall assist Developer in obtaining, as expeditiously as possible, all permits, approvals, variances, licenses, certificates, inspections and consents as may be necessary or desirable to enable Developer to complete the Project within the timeframes set forth in the Schedule.

8. **Designated Parties for Approval.** Whenever the consent or approval of any of the Developer is required hereunder, the Municipalities shall be entitled to rely upon the Developer Notice Officer or his/her successor as the duly authorized agent of the Developer to provide such consent or approval. Such agent may be changed by written notice to the Municipalities executed by the Developers. Whenever the consent or approval of the Village is required hereunder, the Developer shall be entitled to rely upon the Village Administrator of the Village as the duly authorized agent of the Village to provide such consent or approval. Village will insure that the Village Board Resolution approving this Agreement specifically includes this ability of that named officer to agree to changes and modifications of this Agreement. Whenever the consent or approval of the County is required hereunder, the Developer shall be entitled to rely upon the County Executive as the duly authorized agent of the County to provide such consent or approval.

9. **Authority.** The signatories to this Agreement on behalf of each of the parties hereto have full right, power and authority to enter into this Agreement and to consummate the transactions contemplated herein. This Agreement is valid and enforceable against each of the parties hereto in accordance with its terms. Each instrument to be executed pursuant hereto or in connection herewith, will, when executed and delivered, be valid and enforceable in accordance with its terms against each party signing.

10. **Governing Law.** The laws of the State of Wisconsin shall govern this Agreement.

11. **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.

12. **Execution in Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature thereto and hereto were upon the same instrument.

13. **Disclaimer Relationships.** Developer acknowledges and nothing contained in this Agreement or any contract between Developer and the Municipalities or any act by the Village, the County or any third parties shall be deemed or construed by any of the parties or by third persons to create any relationship or third party beneficiary, principal or agent, limited or general partnership or joint venture or of any association or relationship involving the Municipalities. However, to the extent the Village is holding title to the Area II or Area III, on behalf and for the benefit of the Commission, Village shall be charged with securing the consent of the Commission to any obligations of the Commission contained herein.

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

15. **Joint and Several Liability.** All parties comprising the Developer and all parties comprising the Municipalities shall be jointly and severally liable with respect to all representations, warranties, covenants and other obligations undertaken by Developer and the Municipalities, respectively in this Agreement, and the Municipalities' and Developer's obligations hereunder are made to all Developer parties and Municipalities parties (respectively), jointly and severally. Without limiting the general application of the foregoing, the parties specifically agree that each Developer is jointly and severally liable with the other Developer parties for all payments due and owing hereunder, including but not limited to, the Area I Special Assessment, the Area II/II Special Assessment, the Makeup Payments and the Developer Advance. Developer shall have the right to internally allocate such liability amount the Developer parties, and to allocate payments due to Developer hereunder, within the Developer parties, without affecting this joint and several liabilities to the Municipalities. Without further limiting the general application of the foregoing and except where only one municipality is solely liable pursuant to this Agreement or Wisconsin law or where only one municipality is able to perform the obligation at issue, the parties specifically agree that each of the Municipalities is jointly and severally liable with the other Municipality parties for obligations of the Municipalities hereunder.

16. **Choice of Law.** **THIS AGREEMENT AND ALL DISPUTES AMONG THE PARTIES TO THIS AGREEMENT RELATING TO OR ARISING FROM IT OR TO THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT OF IT--WHETHER SOUNDING IN CONTRACT LAW OR OTHERWISE--SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED PURSUANT TO, THE SUBSTANTIVE AND PROCEDURAL LAWS OF THE STATE OF WISCONSIN.**

17. **Venue, Jurisdiction.** Any judicial action relating to the construction, interpretation or enforcement of this Agreement, or the recovery of any principal, accrued interest, court costs, attorneys' fees and other amounts owed hereunder, shall be brought and venued in the U.S. District Court for the Eastern District of Wisconsin or the Racine County Circuit Court in Racine, Wisconsin. **EACH PARTY HEREBY CONSENTS AND AGREES TO JURISDICTION IN THOSE WISCONSIN COURTS, AND WAIVES ANY DEFENSES OR OBJECTIONS THAT IT MAY HAVE ON PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS.**

18. **Service of Process.** Developer and each and every one of them hereby represent and warrant to the Municipalities that they shall at all times during the duration of this Agreement maintain in Wisconsin an agent for service of legal process. The current agent for

service shall be as set forth on the signature pages to this Agreement. The agent for service may be changed only upon ten days' prior written notice to the Municipalities.

19. **OFAC Compliance.** Each Developer party, each subsidiary of each Developer party and each person that directly or indirectly owns any equity interests in any Developer party represents and warrants to the Municipalities that it is in compliance (collectively, "Compliant Person") with all U.S. economic sanctions laws, Executive Orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), and all applicable anti-money laundering and counter-terrorism financing provisions of the Bank Secrecy Act and all regulations issued pursuant to it. No Compliant Person (i) is a person designated by the U.S. government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List") with which a U.S. person cannot deal or otherwise engage in business transactions, (ii) is a person who is otherwise the target of U.S. economic sanctions laws such that a U.S. person cannot deal or otherwise engage in business transactions with such person or (iii) is controlled by (including by virtue of such person being a director or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any person on the SDN List or a foreign government that is the target of U.S. economic sanctions prohibitions such that the entry into, or performance under, this Agreement would be prohibited under U.S. law.

20. **Recording Agreement.** This Agreement may be recorded in the office of the Racine County Register of Deeds against all property in the Project Areas acquired by Developer.

21. **No Conflict of Interest.** No member, officer or employee of the Municipalities shall have any interest, direct or indirect, in this Agreement or any proceeds thereof during his/her tenure or for one year thereafter.

22. **Income Taxes.** The Parties agree that no portion of this Agreement is intended to award to Developer any credit against income taxes.

23. **Currency.** All amounts to be paid or measured hereunder shall be in lawful currency of the United States (U.S. Dollars).

SECTION X MISCELLANEOUS

1. **Parcel Development Agreement.** It is anticipated that some of the parcels of the Project Areas may be acquired by Developer and resold or leased to another owner, (each a "Parcel Owner") to develop that land for use in conjunction with Developer's business at the Facility, including those locating in the Project Areas intending to be a supplier of products or services to Developer (each, a "Supplier"), so that Developer can directly require development by that Parcel Owner that insures more Tax Increment, on a specific timetable, and to obligate that Parcel Owner to complete its construction in a timetable to produce product when needed by Developer. Notwithstanding anything contained herein regarding this Agreement being applicable to the successors and assigns of the parties herein, no Parcel Owner shall be entitled to receive any portion of the Developer Available Tax Increment, or other rights hereunder contained herein, and Developer shall remain liable for the obligations contained in this

Agreement related to that Parcel Owner, unless otherwise released by agreement between the Developer and the Municipalities.

2. **Zero Liquid Discharge System.** Developer is exploring the implementation of a Zero Liquid Discharge (“ZLD”) facility for the Facility. This ZLD facility will be unique to a large scale manufacturing plant in the United States, will be environmentally sound, foster other development in the Zone to make use of this technology, and all parties to this Agreement are committed to and support such environmental stewardship. To that end, the Municipalities will support the Developer's efforts to plan, construct, operate and maintain a ZLD facility for the Project, through federal or state governmental or private association cooperatives.

3. **Workforce Development.** The parties acknowledge that, while not specific to the Project, the County desires to enhance and sustain County Workforce Solutions and development initiatives in the County, including, but not limited to, encouraging talent recruiting services for employers in the County, including Developer, and promoting advanced manufacturing and trade apprenticeship programs. Further, the parties acknowledge that the County desires to enhance and sustain economic development efforts, programs and opportunities beneficial to new and existing businesses, including Developer, that directly foster job creation, increases to household income and increases to property tax base, which collectively better the overall economy of the County. Accordingly, subject to completion and approval of necessary applications and through cooperation with the State of Wisconsin, the County shall allocate the following funds toward workforce and economic development initiatives and Developer shall be allowed to participate with other County employers, in these programs:

- \$2,750,000 in 2018;
- Subject to appropriations by the County Board, \$1,000,000 in each of 2019, 2020 and 2021.

4. **Moral Obligation.** The Municipalities shall pursue all necessary steps to secure the State of Wisconsin “moral obligation” extended to the TIF Revenue Bonds for 40% of the total public borrowing.

5. **Site Plan.** Developer is in the process of finalizing the site plan for the first portion of the Project in Area I, and Developer will submit the same to the Municipalities (including site plan and building footprints and locations of water and sewer connections) not later than December 1, 2017.

[Remainder of page intentionally left blank – signature pages follow]

IN WITNESS WHEREOF, the parties to this Agreement have caused this instrument to be signed and sealed by duly authorized representative of Developer, the Village of Mount Pleasant and Racine County this _____ day of _____, 2017.

VILLAGE OF MOUNT PLEASANT:

By: _____
David DeGroot, Village President

Countersigned:

By: _____
Stephanie Kohlhaben, Village Clerk/Treasurer

Approved as to form this 1st day of December, 2017.

By: _____
Alan Marcuvitz, Attorney for the Village

STATE OF WISCONSIN)
) SS
RACINE COUNTY)

Personally came before me this 1st day of December, 2017, the above named David DeGroot, the Village President, and Stephanie Kohlhaben, the Village Clerk/Treasurer, of the Village of Mount Pleasant, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public - State of Wisconsin
My Commission: _____

RACINE COUNTY:

By: _____
Jonathan Delagrave, County Executive

By: _____
Russell A. Clark, County Board Chair

Countersigned:

By: _____
Wendy M. Christensen, County Clerk

Certified to be correct as to form this 1st day of December, 2017.

By: _____
Michael J. Lanzdorf, Corporation Counsel

Reviewed by Finance Director:

By: _____
Alexandra C. Tillmann, Finance Director

STATE OF WISCONSIN)
) SS
RACINE COUNTY)

Personally came before me this 1st day of December, 2017, the above named Jonathan Delagrave, County Executive, Russell A. Clark, County Board Chair, and Wendy M. Christensen, the County Clerk, of Racine County, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public - State of Wisconsin
My Commission: _____

SIO INTERNATIONAL WISCONSIN, INC.

By: _____
Name: Young-Ching Hong
Title: Authorized Representative

STATE OF WISCONSIN)
) SS
RACINE COUNTY)

Personally came before me this 1st day of December, 2017, the above named Young-Ching Hong, Authorized Representative for SIO International Wisconsin, Inc., a Wisconsin corporation, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public - State of Wisconsin
My Commission: _____

FEWI DEVELOPMENT CORPORATION

By: _____
Name: Alan Yeung
Title: Authorized Representative

STATE OF WISCONSIN)
) SS
RACINE COUNTY)

Personally came before me this 1st day of December, 2017, the above named Alan Yeung, Authorized Representative for FEWI Development Corporation, a Wisconsin corporation, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public - State of Wisconsin
My Commission: _____

AFE, INC.

By: _____

Name: Chao Yang Kao

Title: Authorized Representative

STATE OF WISCONSIN)
) SS
RACINE COUNTY)

Personally came before me this 1st day of December, 2017, the above named Chao Yang Kao, Authorized Representative for AFE, Inc., a Wisconsin corporation, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public - State of Wisconsin
My Commission: _____

ADDITIONAL SIGNATORIES as of December 1st, 2017:

VILLAGE OF MOUNT PLEASANT, WISCONSIN:

John Hewitt, Trustee No. 1

Ken Otwaska, Trustee No. 2

Sonny Havn, Trustee No. 3

Gary Feest, Trustee No. 4

Jon Hansen, Trustee No. 6

COMMUNITY DEVELOPMENT AUTHORITY

Rob Richardson, Chair

ADDITIONAL SIGNATORIES as of December 1st, 2017:

RACINE COUNTY, WISCONSIN:

Donnie Snow, District 1

Kiana K. Johnson, District 2

Monte Osterman, District 3

Melissa Kaprelian-Becker, District 4

David Cooke, District 5

Q.A. Shakoor, II, District 6

Brett A. Nielsen, District 8

Pamela Zenner-Richards, District 9

Janet Bernberg, District 10

Robert N. Miller, District 11

Ronald Molnar, District 12

Mark M. Gleason, District 13

Katherine Buske, District 14

John Wisch, District 15

Scott Maier, District 16

Robert D. Grove, District 17

Thomas E. Roanhouse, District 18

Tom Hincz, District 19

Thomas Pringle, District 20

Mike Dawson, District 21